

A MARKET FEASIBILITY STUDY OF:
HOPE ROAD
HOUSING

A MARKET FEASIBILITY STUDY OF:

HOPE ROAD HOUSING

298 Hope Road
Spartanburg, South Carolina 29303

Effective Date: May 29, 2020
Report Date: June 29, 2020

Prepared for:
Hope Road Development LP
Avram Fetcher
Managing Director
EquityPlus
24851 Quimby Oaks Place
Aldie, VA 20105

Prepared by:
Novogradac & Company LLP
4520 East-West Highway, Suite 615
Bethesda, MD 20814
240-235-1701





June 29, 2020

Hope Road Development LP
Avram Fetcher
EquityPlus
24851 Quimby Oaks Place
Aldie, VA 20105

Re: Market Study for Hope Road Housing, located in Spartanburg, South Carolina

Dear Mr. Fetcher:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Spartanburg, Spartanburg County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Hope Road Housing (the Subject). We concurrently completed a Rent and Demand Letter for the Subject. We have completed no additional work over the three-year period preceding this engagement.

The purpose of this market study is to assess the viability of the Subject, a proposed 193-unit LIHTC/Bond project. The Subject will be a newly constructed affordable LIHTC/Bond project, with 193 units restricted to households earning 50, 60 and 70 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA).

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.

The COVID-19 corona virus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. We are already seeing these efforts result in extensive impacts to economic activity due in part to stay home orders issued by local and state governments. However, governments are also implementing significant economic stimulus packages to help with the economic impact. The state of South Carolina instituted a stay-at-home order on April 7th and ended the stay-at-home order on May 4th, and instituted business closures on March 18th and ended the restrictions on May 31st. The number of COVID-19 cases in South Carolina has peaked in June 2020 and the Governor of South Carolina declared a state of emergency on June 26th. However, restrictions have not been reinstated in South Carolina as of the date of this report. While the full impact to the housing market remains unclear, based upon the data we have reviewed, there is no discernible in change rent or vacancy rates. As a result, we believe that there is no impact to the Subject as of June 29, 2020. Prior to the pandemic, all of the LIHTC properties operated at a stabilized occupancy with a strong performance history. Further, we believe any impact to the Subject that occurs going forward is likely to be negligible for the Subject and relatively short term and that the stimulus packages will be sufficient to minimize the economic impacts on the broader economy and the housing market. We believe that the markets will begin to stabilize within six months and that the multifamily housing market resumes performance in line with recent and historical performance.

The Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. 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.

EQUITYPLUS
HOPE ROAD HOUSING
JUNE 29, 2020
PAGE 3

Respectfully submitted,
Novogradac Consulting LLP




Brad Weinberg, MAI, CVA, CRE
Partner
Brad.Weinberg@novoco.com
415.356.8005



Kelly Gorman
Principal
Kelly.Gorman@novoco.com
732.623.7005



Tara Rial
Manager
Tara.Rial@novoco.com
240.235.1727



Nicodemo Agostino
Junior Analyst
Nicodemo.Agostino@novoco.com
562.256.3577

TABLE OF CONTENTS

Executive Summary	1
A. Project Description	7
B. Site Description	11
C. Market Area	20
Primary Market Area	21
D. Market Area Economy	25
Regional and Local Economic Overview	26
Commuting Patterns	34
Conclusion	34
E. Community Demographic Data	35
Household Trends	37
Renter Households by Number of Persons in the Household	39
Conclusion	40
F. Project-Specific Demand Analysis	41
Project Specific Demand Analysis.....	42
G. Supply Analysis	55
Survey of Comparable Projects	56
Reasonability of Rents	110
Summary Evaluation of the Proposed Project.....	113
H. Interviews	114
Interviews.....	115
I. Recommendations	117
J. Signed Statement Requirements	119
ADDENDUM A	QUALIFICATIONS OF CONSULTANTS

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Hope Road Housing, the Subject, is a proposed 193-unit rental community for families that will offer two, three, and four-bedroom units restricted to households earning 50, 60 and 70 percent of AMI or less. As proposed, the Subject will contain 193, one-story single-family home residential buildings and one non-residential community building.

Targeted Tenancy:

Family.

Proposed Rents, Unit Mix and Utility Allowance:

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents	
@50%								
2BR / 2BA	1,150	3	\$728	\$0	\$728	\$728	\$795	
3BR / 2BA	1,275	14	\$841	\$0	\$841	\$841	\$1,057	
4BR / 2BA	1,400	4	\$938	\$0	\$938	\$938	\$1,151	
@60%								
2BR / 1BA	1,150	29	\$874	\$0	\$874	\$874	\$795	
3BR / 2BA	1,275	80	\$1,009	\$0	\$1,009	\$1,009	\$1,057	
4BR / 2BA	1,400	42	\$1,126	\$0	\$1,126	\$1,126	\$1,151	
@70%								
2BR / 1BA	1,150	3	\$1,020	\$0	\$1,020	\$1,020	\$795	
3BR / 2BA	1,275	14	\$1,177	\$0	\$1,177	\$1,177	\$1,057	
4BR / 2BA	1,400	4	\$1,314	\$0	\$1,314	\$1,314	\$1,151	
		193						

Notes (1) Source of Utility Allowance provided by the Developer.

Market Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Avalon Chase Apartments*	LIHTC	42	0	0.0%
Companion At Lee's Crossing*	LIHTC	192	0	0.0%
Country Garden Estates I & II*	LIHTC	90	4	4.4%
Willis Trace*	LIHTC	28	0	0.0%
Willow Crossing*	LIHTC	48	0	0.0%
Canaan Pointe*	Market	120	5	4.2%
Parkside At Laurel West*	Market	496	26	5.2%
Pine Lake Village*	Market	100	35	35.0%
Quail Pointe Apartments*	Market	100	4	4.0%
Reserve At Park West	Market	408	10	2.5%
River Run*	Market	272	17	6.2%
Total LIHTC		400	4	1.0%
Total Market Rate		1,496	97	6.5%
Overall Total		1,896	101	5.3%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.0 percent, below the 6.5 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.0 percent is considered exceptionally low, and indicative of supply constrained conditions. Four of the LIHTC comparables reported operating with a waiting list. All of the market rate properties reported vacancy rates of 35 percent or lower, or 6.2 percent and below when excluding Pine Lake Village. The contact at Pine Lake Village stated the elevated vacancy rate at the property is due to the property undergoing renovations and units being held offline. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

None of the comparables reported operations and vacancy rates at the properties being adversely effected by COVID-19. The state of South Carolina instituted a stay-at-home order on April 7th and ended the stay-at-home order on May 4th, and instituted business closures on March 18th and ended the restrictions on May 31st. The number of COVID-19 cases in South Carolina has peaked in June 2020 and the Governor of South Carolina declared a state of emergency on June 26th. However, restrictions have not been reinstated in South Carolina as of the date of this report.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
2BR @50%	\$24,960	\$29,150	3	262	23	239	1.3%
2BR @60%	\$29,966	\$34,980	29	274	23	251	11.6%
2BR @70%	\$34,971	\$40,810	3	277	0	277	1.1%
2BR Overall	\$24,960	\$40,810	35	489	46	443	7.9%
3BR @50%	\$28,834	\$34,950	14	149	0	149	9.4%
3BR @60%	\$34,594	\$41,940	80	155	0	155	51.5%
3BR @70%	\$40,354	\$48,930	14	157	0	157	8.9%
3BR Overall	\$28,834	\$48,930	108	278	0	278	38.9%
4BR @50%	\$32,160	\$37,550	4	74	0	74	5.4%
4BR @60%	\$38,606	\$45,060	42	77	0	77	54.7%
4BR @70%	\$45,051	\$52,570	4	78	0	78	5.1%
4BR Overall	\$32,160	\$52,570	50	137	0	137	36.4%
Overall	\$24,960	\$52,570	193	904	46	858	22.5%

As the analysis illustrates, the Subject's overall capture rate is 22.5 percent. The capture rates by unit type vary from 1.3 to 54.7 percent. 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

None of the comparable properties surveyed were able to provide absorption data. We extended our search outside of the PMA to include one market rate property located 6.1 miles from the Subject in Spartanburg, one LIHTC property located 24.0 miles from the Subject in Greenville, and one LIHTC property located in Irmo. The following table illustrates our findings.

ABSORPTION

Property Name	Location	Rent	Year	Total Units	Absorption (units/month)
Willis Trace	Spartanburg	LIHTC	2016	28	28
Main And Stone	Greenville	Market	2016	292	15
The Pointe At Lake Murray	Irmo	LIHTC	2019	60	12

As indicated in the previous table, absorption in the Subject's market has ranged from 12 to 28 units per month with an average of 18 units per month. We believe the Subject will be able to achieve an absorption rate similar to the LIHTC property Willis Trace. With the stable demographic base of low-income families in the PMA coupled with low vacancy rates and waiting lists among the comparables, we believe the Subject should be able to experience an absorption rate within this range. Therefore, based upon the demand calculations presented within this report, which indicate good capture rates and an ample number of income-qualified households, we believe that the Subject could absorb approximately 25 units per month upon opening. This equals an absorption period of seven to eight months. We expect the Subject to reach stabilized occupancy of 93 percent within seven to eight months.

Market Conclusions

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Four of the LIHTC comparables reported being fully occupied and maintain waiting lists up to two months or 200 households in length. When compared to the current 50, 60 and 70 percent rents at the LIHTC properties, the Subject's proposed 50, 60 and 70 percent AMI rents appear reasonable, and overall, they are 10.9 to 36.7 percent below what we have determined to be the achievable market rents. The Subject's single-family home design will be superior to the garden style design of the majority of the comparables. 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 22.5 percent. The capture rates by unit type vary from 1.3 to 54.7 percent. The Subject's overall capture rate is within SCSHFDA guidelines and we believe that there is ample demand for the Subject's units. These capture rates are considered achievable in the PMA, where low-income renter households are growing. There are no unsubsidized LIHTC units located in the PMA, therefore we did not include any LIHTC units in the PMA in this comparable analysis. We included five LIHTC comparables located outside the PMA, four of which are located immediately outside the PMA. Only one of the LIHTC comparables reported vacancy among their units and four of the LIHTC comparables reported operating with a waiting list. Although these comparables are not located within the PMA, the comparables are located in close proximity to the PMA, which indicates strong demand for affordable rental housing in the area and PMA. The Subject site is located within 4.0 miles of most community services and facilities that families would utilize on a consistent basis.

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Four of the LIHTC comparables reported being fully occupied and maintain waiting lists up to two months or 200 households in length. When compared to the current 50, 60 and 70 percent rents at the LIHTC properties, the Subject's proposed 50, 60 and 70 percent AMI rents appear reasonable, and overall, they are 10.9 to 36.7 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Long Term Impact on Existing LIHTC Properties in the PMA

Four of the LIHTC comparables reported being fully occupied and four maintain waiting list. There are no LIHTC properties we surveyed in the PMA. With a limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments.

HOPE ROAD HOUSING – SPARTANBURG, SC – APPLICATION MARKET STUDY

Summary Table:										
Development Name:		Hope Road Housing						Total # Units:		193
Location:		298 Hope Rd Spartanburg, SC 29303						# LIHTC Units:		193
PMA Boundary:		North: South Carolina Highway 292 and South Carolina Highway 9; South: South Carolina Highway 29; East: South Carolina Highways 9, 56 and 296 ; West: South Carolina Highway 292								
Farthest Boundary Distance to Subject:								7.7 miles		
Rental Housing Stock (found on page 56 to 59)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	11	1,896	101	94.7%						
Market-Rate Housing	6	1,496	97	93.5%						
Assisted/Subsidized Housing not to include LIHTC	N/A	N/A	N/A	N/A						
LIHTC	5	400	4	99.0%						
Stabilized Comps	11	1,896	101	94.7%						
Properties in Construction & Lease Up	4	976	N/A	N/A						
*Only includes properties in PMA										
Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
3	2BR at 50% AMI	2	1,150	\$728	\$901	\$0.78	24%	\$1,267	\$1.10	
14	3BR at 50% AMI	2	1,275	\$841	\$1,073	\$0.84	28%	\$1,559	\$1.22	
4	4BR at 50% AMI	2	1,400	\$938	\$1,247	\$0.89	33%	\$1,679	\$1.31	
29	2BR at 60% AMI	2	1,150	\$874	\$901	\$0.78	3%	\$1,267	\$1.10	
80	3BR at 60% AMI	2	1,275	\$1,009	\$1,073	\$0.84	6%	\$1,559	\$1.22	
42	4BR at 60% AMI	2	1,400	\$1,126	\$1,247	\$0.89	11%	\$1,679	\$1.31	
3	2BR at 70% AMI	2	1,150	\$1,020	\$901	\$0.78	-12%	\$1,267	\$1.10	
14	3BR at 70% AMI	2	1,275	\$1,177	\$1,073	\$0.84	-9%	\$1,559	\$1.22	
4	4BR at 70% AMI	2	1,400	\$1,314	\$1,247	\$0.89	-5%	\$1,679	\$1.31	
Gross Potential Rent Monthly				\$195,862	\$209,769		7%			
Demographic Data (found on page 36 to 40)										
		2010		2017		December 2021				
Renter Households		7,939	38.05%	9,179	33.85%	9,383	32.88%			
Income-Qualified Renter HHs (LIHTC)		2,367	29.81%	2,737	29.81%	2,798	29.81%			
Targeted Income-Qualified Renter Household Demand (found on pages 42 to 54)										
Type of Demand		@50%	@60%	@70%	Market-rate	Other:___	Overall*			
Renter Household Growth		9	43	57	0	-	60			
Existing Households (Overburdened + Substandard)		696	694	690	0	-	1,258			
Homeowner conversion (Seniors)		0	0	0	0	-	0			
Total Primary Market Demand		706	737	747	0	0	1318			
Less Comparable/Competitive Supply		0	0	23	23	-	46			
Adjusted Income-qualified Renter HHs**		706	737	724	-23	-	1,272			
Capture Rates (found on page 54)										
Targeted Population		@50%	@60%	@70%	Market-rate	Other:___	Overall			
Capture Rate:		4.55%	31.29%	4.10%	-	-	22.48%			

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Unit Type	Adjusted Market Rent	Gross Adjusted Market Rent by Unit Type	Tax Credit Gross Rent Advantage
@50%						
3	2BR / 2BA	\$728	\$2,184	\$1,150	\$3,450	36.70%
14	3BR / 2BA	\$841	\$11,774	\$1,325	\$18,550	36.53%
4	4BR / 2BA	\$938	\$3,752	\$1,475	\$5,900	36.41%
@60%						
29	2BR / 2BA	\$874	\$25,346	\$1,150	\$33,350	24.00%
80	3BR / 2BA	\$1,009	\$80,720	\$1,325	\$106,000	23.85%
42	4BR / 2BA	\$1,126	\$47,292	\$1,475	\$61,950	23.66%
@70%						
3	2BR / 2BA	\$1,020	\$3,060	\$1,150	\$3,450	11.30%
14	3BR / 2BA	\$1,177	\$16,478	\$1,325	\$18,550	11.17%
4	4BR / 2BA	\$1,314	\$5,256	\$1,475	\$5,900	10.92%
Totals	193	-	\$195,862	-	\$257,100	23.82%

Source: SCSHFDA, Novogradac Consulting LLP, June 2020

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject site is located 298 Hope Road in Spartanburg, Spartanburg County, South Carolina. There are no improvements on the Subject site.

Date of Construction: According to the developer, construction is expected to begin in December 2020, with an anticipated completion date in December 2021.

Construction Type: The Subject will involve the new construction of 193 units in 193 single-family home buildings and one non-residential community building.

Occupancy Type: Family.

Target Income Group: The Subject’s units will target households with one to six persons earning 50, 60 and 70 percent of AMI or less. Based on the unit mix, the annual household income levels will range from \$24,960 to \$37,550 for the units at the 50 percent AMI level, \$29,966 to \$45,060 for the units at the 60 percent AMI level, and \$34,971 to \$52,570 for the units at the 70 percent AMI level.

Special Population Target: None.

Number of Units by Unit Type: The Subject will include 35 two-bedroom units, 108 three-bedroom units, and 50 four-bedroom.

Number of Buildings and Stories: The Subject will be constructed in 193 one-story single-family home buildings and one non-residential community building.

Unit Mix: 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
2BR / 2BA	35	1,150	40,250
3BR / 2BA	108	1,275	137,700
4BR / 2BA	50	1,400	70,000
TOTAL	193		247,950

Structure Type/Design: The Subject will offer 193 one-story single-family home buildings and one non-residential community building.

Proposed Rents and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents	
@50%								
2BR / 2BA	1,150	3	\$728	\$0	\$728	\$728	\$795	
3BR / 2BA	1,275	14	\$841	\$0	\$841	\$841	\$1,057	
4BR / 2BA	1,400	4	\$938	\$0	\$938	\$938	\$1,151	
@60%								
2BR / 2BA	1,150	29	\$874	\$0	\$874	\$874	\$795	
3BR / 2BA	1,275	80	\$1,009	\$0	\$1,009	\$1,009	\$1,057	
4BR / 2BA	1,400	42	\$1,126	\$0	\$1,126	\$1,126	\$1,151	
@70%								
2BR / 2BA	1,150	3	\$1,020	\$0	\$1,020	\$1,020	\$795	
3BR / 2BA	1,275	14	\$1,177	\$0	\$1,177	\$1,177	\$1,057	
4BR / 2BA	1,400	4	\$1,314	\$0	\$1,314	\$1,314	\$1,151	
		193						

Notes (1) Source of Utility Allowance provided by the Developer.

Utility Structure/Allowance:

The landlord will pay for all utility expenses including electric cooking, electric water heating, electric heating and cooling, and general electric expenses in addition to water, sewer, and trash expenses. The developer-provided estimated utility allowances for the Subject are \$0 for two, three, and four-bedroom units. For adjustment purposes, we utilized a utility allowance furnished by the Spartanburg Housing Authority Utility Allowance, effective January 1, 2020, the most recent available.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	2BR	3BR	4BR
Heating - Electric	Landlord	\$24	\$27	\$31
Cooking - Electric	Landlord	\$8	\$11	\$13
Other Electric	Landlord	\$44	\$57	\$69
Air Conditioning	Landlord	\$16	\$26	\$36
Water Heating - Electric	Landlord	\$22	\$27	\$31
Water	Landlord	\$28	\$41	\$55
Sewer	Landlord	\$53	\$76	\$99
Trash	Landlord	\$16	\$16	\$16
TOTAL - Paid By Landlord		\$211	\$281	\$350
TOTAL - Paid By Tenant		\$0	\$0	\$0
TOTAL - Paid By Tenant Provided by Developer		\$0	\$0	\$0
DIFFERENCE		-	-	-

Source: Spartanburg Housing Authority, effective 1/2020

Existing or Proposed Project-Based Rental Assistance:

None of the Subject's units will benefit from rental assistance.

Community Amenities

The Subject's community amenities will include a business center/computer lab, clubhouse, exercise facility, on-site management, and playground.

Unit Amenities

The Subject's in-unit amenities will include patio, window coverings, carpeting, central air conditioning, garbage disposal, washer/dryer hookups, and coat closets. Appliances will include dishwasher, range/oven, and refrigerator.

Current Occupancy/Rent Levels: The Subject will be proposed new construction.

Scope of Renovation. The Subject will be proposed new construction.

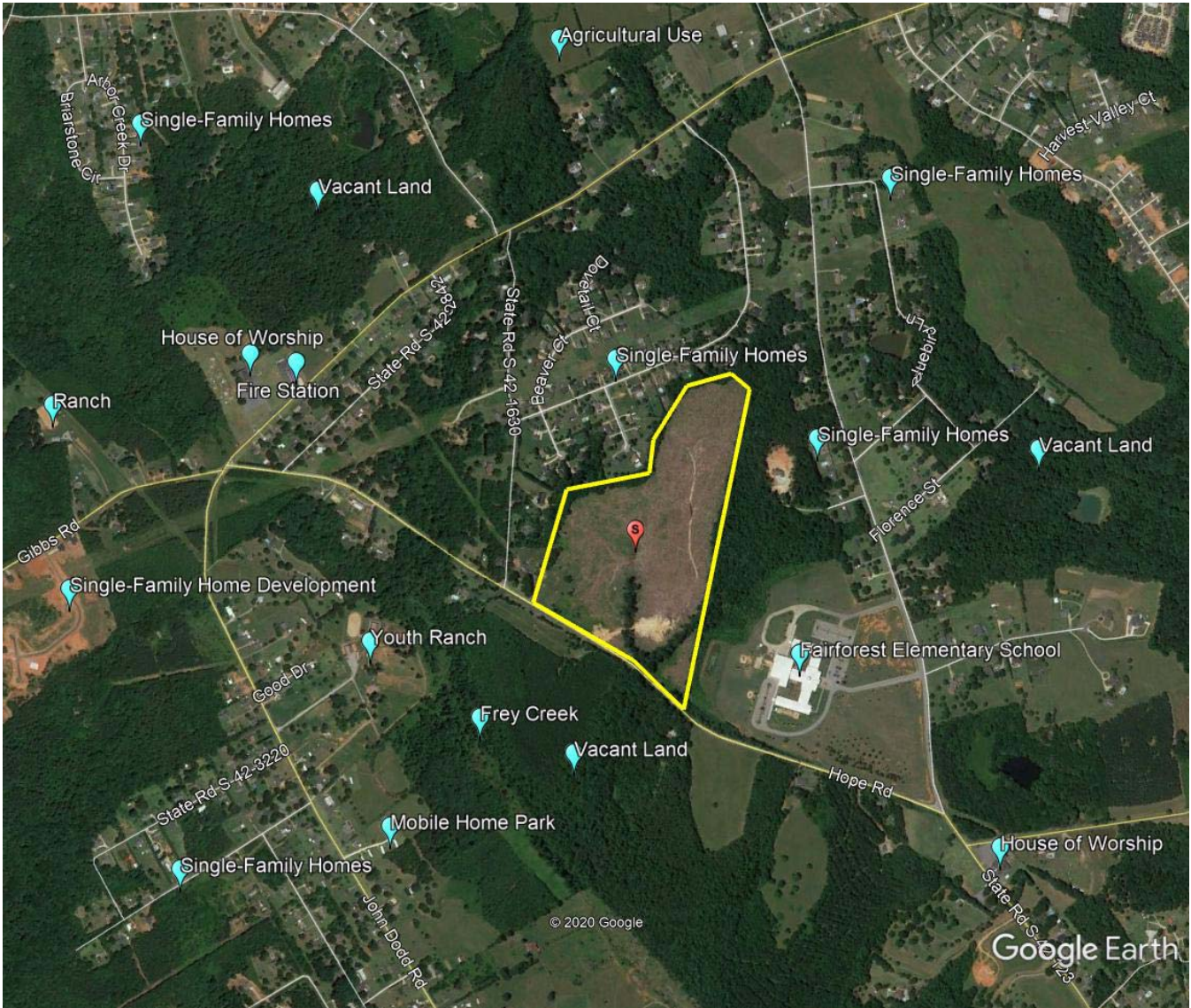
B. SITE DESCRIPTION

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: May 29, 2020.

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



Source: Google Earth, June 2020

Physical Features of Site: The Subject site is located within Spartanburg, South Carolina and is vacant, partially forested land.

Location/Surrounding Uses: The Subject site is located in a primarily residential neighborhood consisting of undeveloped, forested land and single-family

residential developments. Land use immediately to the north of the Subject site includes single-family homes in good condition. Farther north, land uses consist of vacant land, agricultural use, and additional single-family homes in good condition. Northeast of the Subject site at the intersection of State Road 60 and New Cut Road is a dollar store. Land uses immediately east of the Subject site include Fairforest Elementary School and vacant wooded land. Farther east, land uses consist of single-family homes in good condition, vacant land and a house of worship. Also east of the Subject site and concentrated along North Blackstock Road are light industrial uses including a clothing manufacturer, warehouses, and an Amazon fulfillment center. Land uses immediately south of the Subject include vacant wooded land and a creek. Farther south, land uses include a mobile home park and single-family homes in good condition. Land uses immediately west of the Subject site includes single-family homes in good condition. Farther west, land uses include vacant wooded land, a youth ranch, a ranch, a fire station, a house of worship, single-family homes in good condition, and a new construction single-family home development in excellent condition. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of the Subject site



View of the Subject site



View of the Subject site



View of the Subject site



View of the Subject site



View of the Subject site



View of vacant land to the south



View of vacant land to the south



View of Fairforst Elementary School to the east



View of Fairforst Elementary School to the east



View of a single-family home to the west



View of a single-family home to the west



View of a single-family home to the north



View of a single-family home to the north



View east on Hope Road



View west on Hope Road

Visibility/Views:

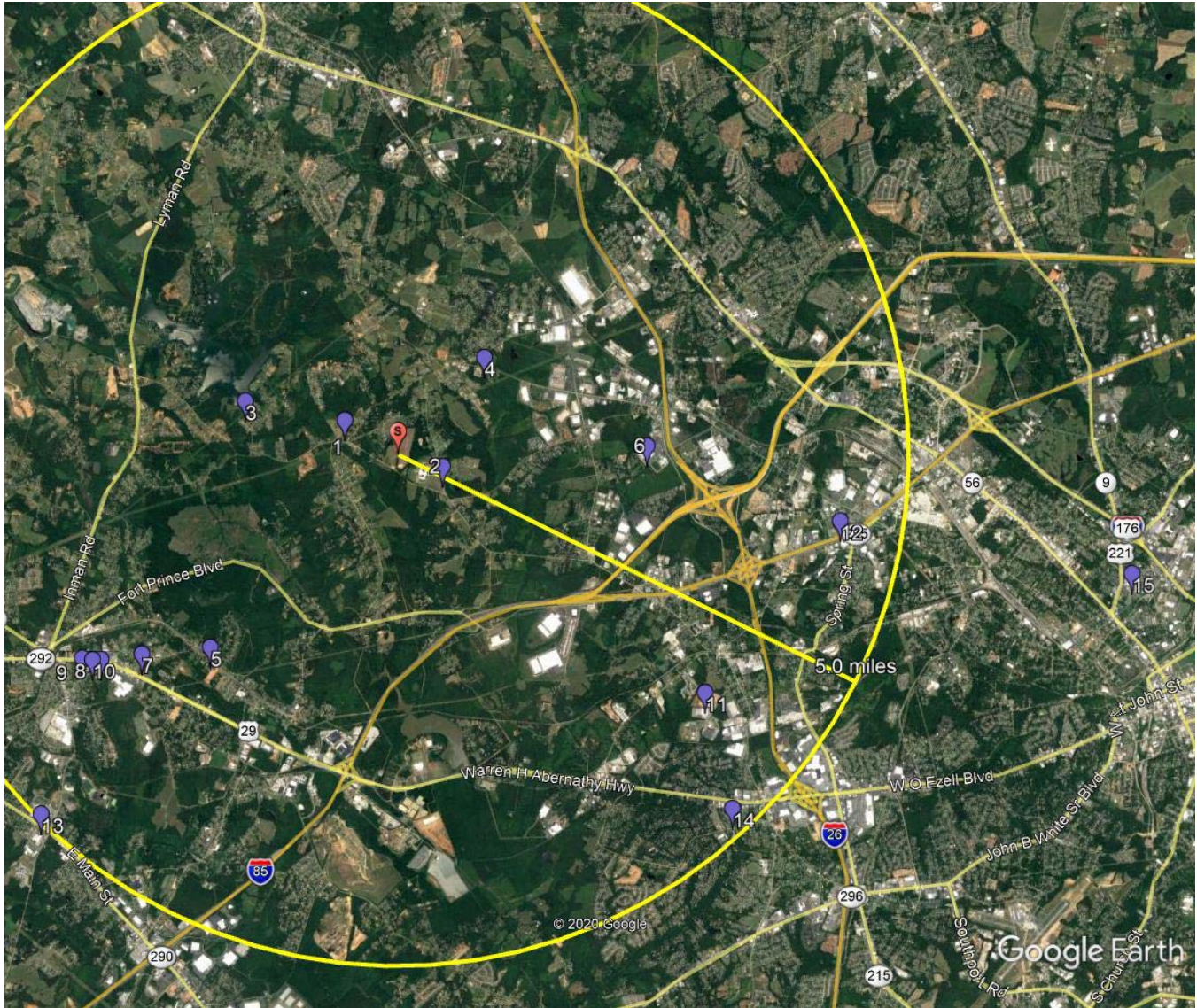
The Subject will have good visibility from Hope Street upon completion. Views to the north of the Subject site consist of single-family homes in good condition. Views to the east consist of Fairforest Elementary School and vacant wooded land. Views to the south consist of vacant wooded land. View to the west consist of single-family homes in good condition. The Subject site is within a residential neighborhood with good visibility and views.

Detrimental Influence:

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

Proximity to Local Services:

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



Source: Google Earth, June 2020

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	North Spartanburg Fire District Station 2	0.5 miles
2	Fairfield Elementary School	0.6 miles
3	Lake Cooley Park	1.4 miles
4	Dollar General	1.4 miles
5	United States Postal Service	2.5 miles
6	Middle Point Library	2.6 miles
7	Wellford City Police Department	3.1 miles
8	Food Lion (grocery)	3.4 miles
9	First Citizens Bank	3.5 miles
10	Lyman Drug Inc (pharmacy)	3.5 miles
11	Fairfield Middle School	3.9 miles
12	Bus Stop	4.5 miles
13	James F. Byrnes High School	4.9 miles
14	Target	4.9 miles
15	Spartanburg Medical Center	7.4 miles

Availability of Public Transportation: Spartanburg Area Regional Transit Agency (SPARTA) provides fixed-route bus transportation throughout Spartanburg, SC. The nearest bus stop to the Subject is located 4.5 miles east of the Subject site, and is serviced by bus route 5, which travels from downtown Spartanburg to Spartanburg Community College. SPARTA bus routes start at \$2.50 for adults and \$1.25 for elderly and students.

Road/Infrastructure Improvements: We witnessed no road improvements within the Subject’s immediate neighborhood. According to online research, Interstate 85 is currently undergoing reconstruction and widening in Cherokee and Spartanburg Counties. Interstate 85 is located approximately 2.3 miles south of the Subject site.

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	Spartanburg, SC MSA
Total Crime*	196	158
Personal Crime*	252	212
Murder	143	131
Rape	167	152
Robbery	142	120
Assault	317	266
Property Crime*	189	150
Burglary	189	157
Larceny	194	152
Motor Vehicle Theft	141	119

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

*Unweighted aggregations

Total crime risk indices in the PMA are modestly elevated relative to the national average and above the surrounding MSA. Both geographic areas feature crime risk indices above the overall nation. The Subject does not offer any security amenities. The upcoming Supply Section of this report provides a more detailed analysis of crime risk indices on a 0.5 mile basis.

Access and Traffic Flow: The Subject is accessible via Hope Road, a lightly trafficked two-lane road. Hope Road connects with Interstate 85 via Fort Prince Road and Fort Prince Boulevard, approximately 2.3 miles south of the Subject site. Interstate 85 provides access to Interstate 26 approximately 4.1 miles southeast of the Subject site. Interstate 85 travel southwest to northeast throughout Alabama, Georgia, South Carolina, North Carolina and Virginia. Interstate 26 travels northwest to southeast throughout Tennessee, North Carolina and South Carolina. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject site has good views and visibility and has good access and traffic flow. The Subject site is not located in close proximity to public transportation and the majority of locational amenities are located within 4.0 miles of the Subject site.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is a proposed 193-unit family development to be constructed in Spartanburg, South Carolina. The PMA is generally defined as the cities of Arcadia, Saxon, Southern Shops, Valley Falls, as well as northwest Spartanburg, northern Wellford, eastern Inman, and western Boiling Springs. The boundaries of the PMA are generally defined as South Carolina Highway 292 and South Carolina Highway 9 to the north, South Carolina Highways 9, 56 and 296 to the east, South Carolina Highway 29 to the south, and South Carolina Highway 292 to the west. Based on interviews with local property managers, most of the tenants will originate from Spartanburg and several other communities in Spartanburg County. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 7.4 miles
- East: 7.7 miles
- South: 5.3 miles
- West: 3.4 miles

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

PMA CENSUS TRACTS

45083022900	45083021402	45083020500
45083022802	45083021804	45083021700
45083022801	45083021802	45083021901
45083022404	45083021600	45083020601
45083022405	45083021500	45083020602
45083022406	45083020301	45083021902
45083021803	45083020400	45083023002
45083023102	45083023401	

The PMA 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 Spartanburg 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.

The PMA encompasses 79 square miles. The drive-time zone for the PMA is approximately 15 minutes. The average commute time in the PMA is 22 minutes. The secondary area of analysis is the Spartanburg, South Carolina Metropolitan Statistical Area (MSA), which consists solely of Spartanburg County, South Carolina. As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA and nation.

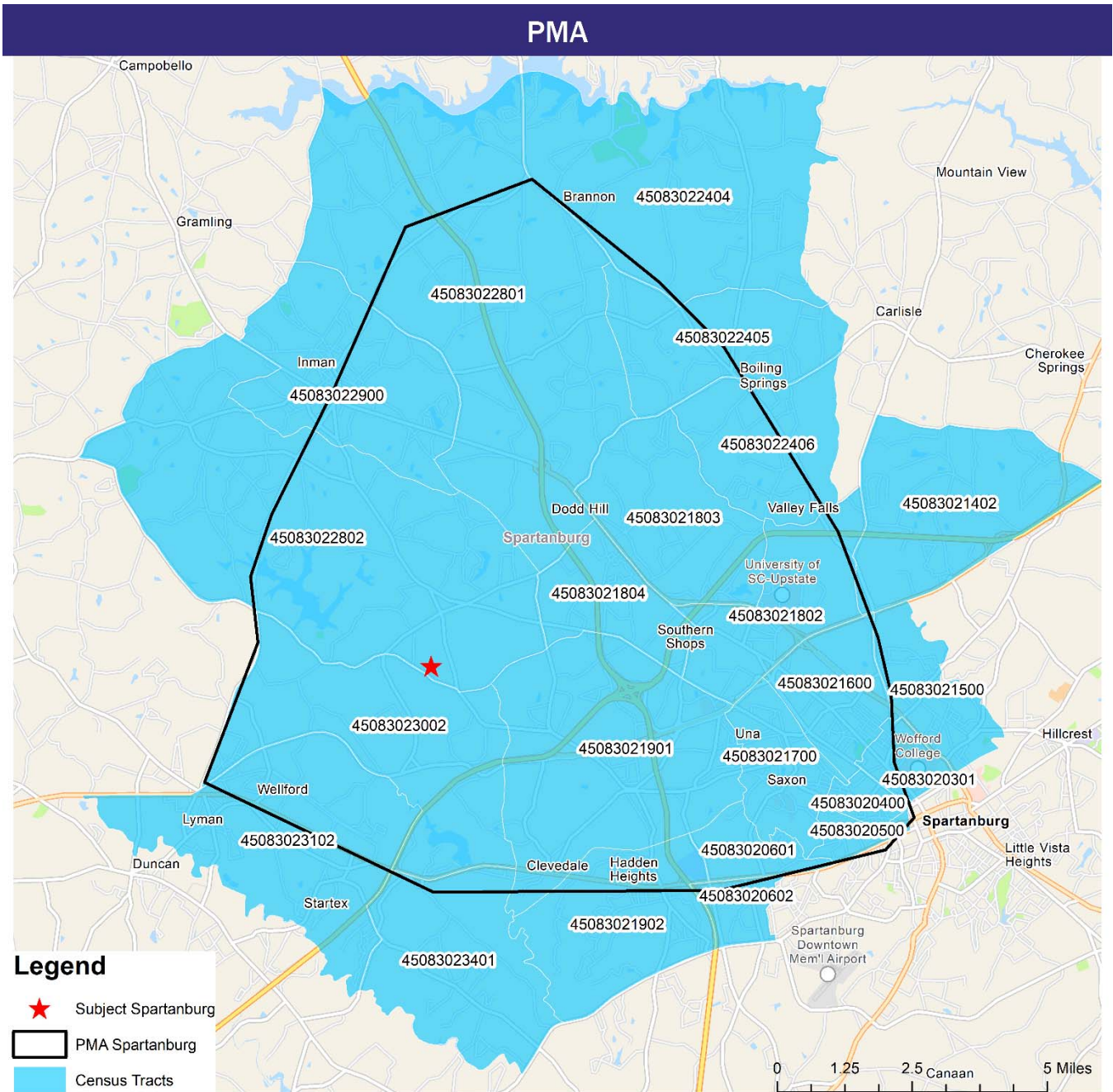
2010 POPULATION BY RACE

	PMA		SMA		USA	
Total	57,438	-	313,268	-	308,745,538	-
White	34,771	60.5%	224,966	71.8%	223,553,265	72.4%
Black	16,129	28.1%	67,631	21.6%	38,929,319	12.6%
American Indian	236	0.4%	831	0.3%	2,932,248	0.9%
Asian	1,724	3.0%	5,825	1.9%	14,674,252	4.8%
Pacific	18	0.0%	97	0.0%	540,013	0.2%
Other	3,414	5.9%	8,806	2.8%	19,107,368	6.2%
Two or More Races	1,146	2.0%	5,112	1.6%	9,009,073	2.9%
Total Hispanic	6,228	-	16,940	-	50,477,594	-
Hispanic: White	2,248	36.1%	6,636	39.2%	26,735,713	53.0%
Hispanic: Black	133	2.1%	494	2.9%	1,243,471	2.5%
Hispanic: American Indian	98	1.6%	206	1.2%	685,150	1.4%
Hispanic: Asian	35	0.6%	66	0.4%	209,128	0.4%
Hispanic: Pacific	11	0.2%	17	0.1%	58,437	0.1%
Hispanic: Other	3,333	53.5%	8,462	50.0%	18,503,103	36.7%
Hispanic: Two or More Races	369	5.9%	1,059	6.3%	3,042,592	6.0%

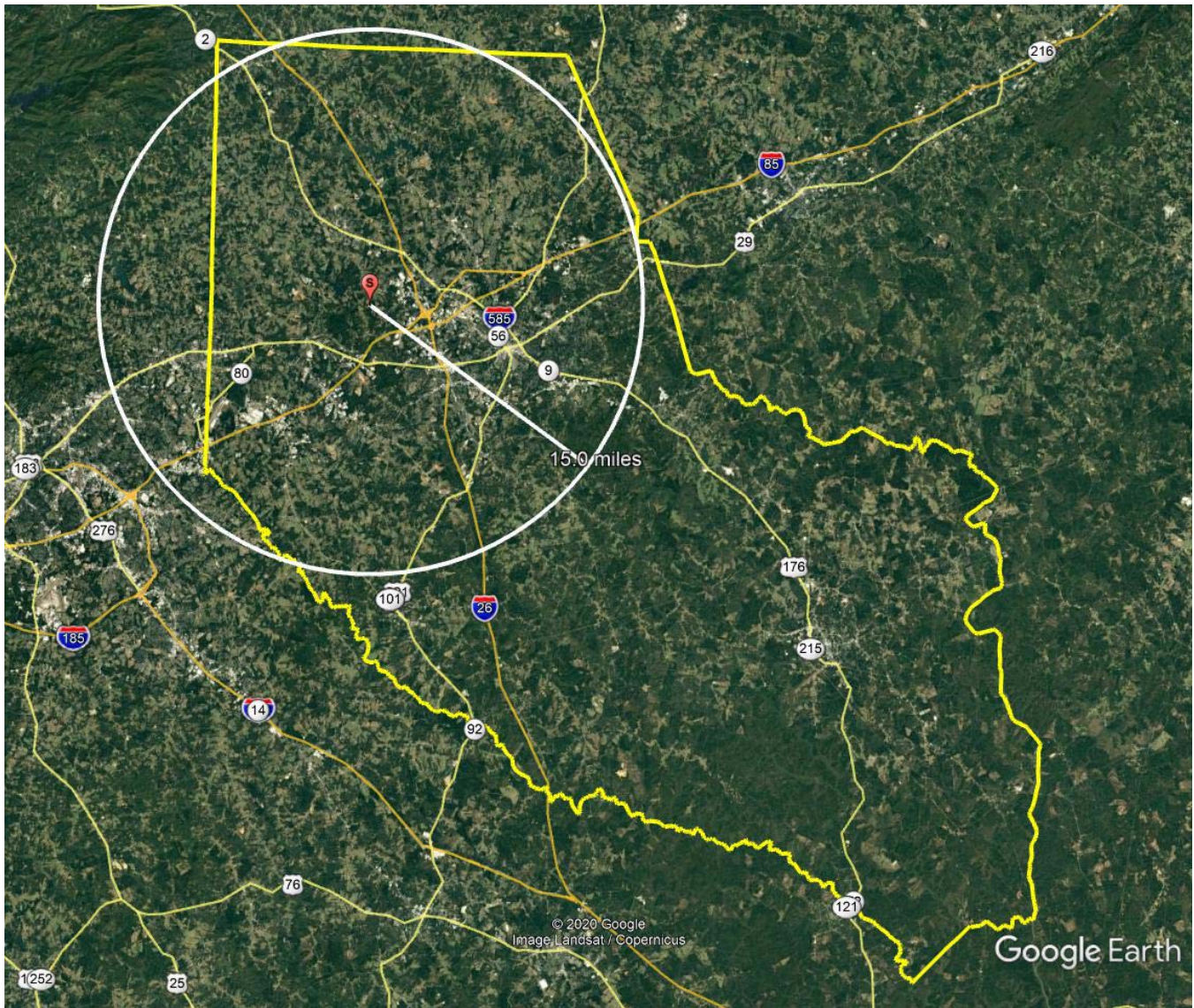
Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

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.



The following map outlines the MSA.



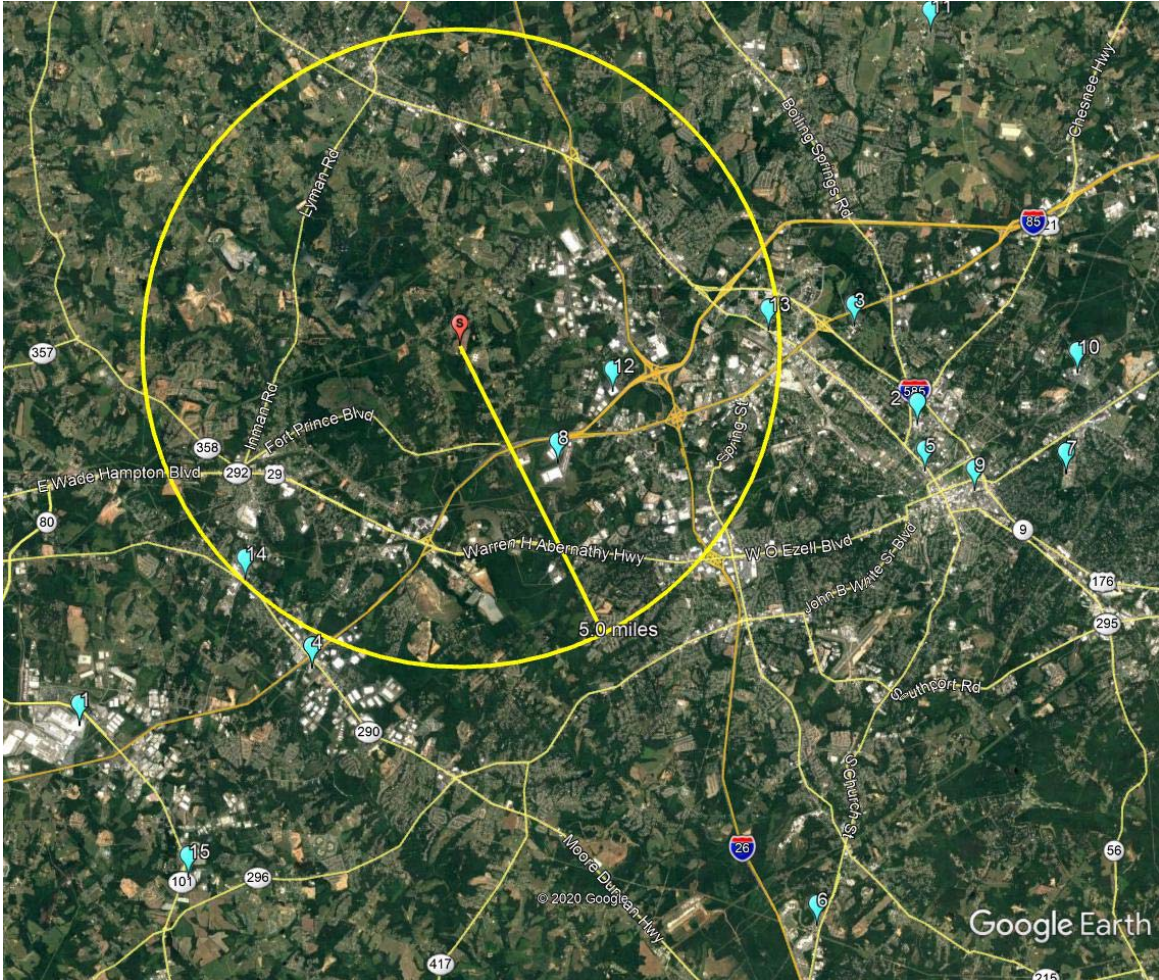
Source: Google Earth, June 2020

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 and the following table details major employers in the Spartanburg, SC MSA.



Source: Google Earth, June 2020

MAJOR EMPLOYERS - SPARTANBURG COUNTY, SC

Map #	Employer Name	Industry	# Of Employees
1	BMW Manufacturing Corporation	Manufacturing	7,000
2	Spartanburg Regional Hospital	Healthcare	5,000
3	Milliken & Company	Manufacturing	3,700
4	Sealed Air Corp.	Manufacturing	2,200
5	Spartanburg County Government	Government	1,409
6	Spartanburg County School District 6	Education	1,300
7	Spartanburg County School District 7	Education	1,210
8	Adidas America, Inc.	Transportation/Warehousing	1,200
9	USLC Inc.	Manufacturing	1,200
10	Mary Black Health System	Healthcare	1,074
11	Spartanburg County School District 2	Education	1,060
12	Dish Network Corp.	Telecommunications	1,000
13	OmniSource Southeast	Recycling	980
14	Spartanburg County School District 5	Education	850
15	Benore Logistics Systems	Logistics	775

Source: Upstate SC Alliance, June 2020

As seen in the previous table, the largest employer in Spartanburg County is the BMW Manufacturing Corporation, which is 2,000 employees larger than the second-largest employer, Spartanburg Regional Hospital. Manufacturing employers comprise the greatest share of top employers in the county. It should be noted that the county has a larger number of smaller manufacturing employers. While we anticipate that the local manufacturing sector will continue to exhibit decreasing overall employment, the diversity of manufacturing employers should insulate the county somewhat from large-scale downsizing of one concentrated manufacturing employer.

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2019 (most recent year available).

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	6,325	21.7%	16,057,876	10.0%
Healthcare/Social Assistance	3,382	11.6%	22,612,482	14.1%
Retail Trade	3,284	11.3%	17,127,172	10.7%
Accommodation/Food Services	2,990	10.3%	11,738,765	7.3%
Educational Services	2,227	7.6%	14,565,802	9.1%
Construction	1,860	6.4%	11,245,975	7.0%
Other Services	1,506	5.2%	8,141,078	5.1%
Admin/Support/Waste Mgmt Srvc	1,254	4.3%	6,106,184	3.8%
Transportation/Warehousing	1,191	4.1%	7,876,848	4.9%
Wholesale Trade	1,128	3.9%	4,183,931	2.6%
Prof/Scientific/Tech Services	872	3.0%	11,744,228	7.3%
Information	769	2.6%	3,157,650	2.0%
Finance/Insurance	751	2.6%	7,377,311	4.6%
Public Administration	583	2.0%	7,828,907	4.9%
Real Estate/Rental/Leasing	348	1.2%	3,204,043	2.0%
Arts/Entertainment/Recreation	284	1.0%	3,332,132	2.1%
Utilities	175	0.6%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	109	0.4%	1,915,709	1.2%
Mgmt of Companies/Enterprises	103	0.4%	237,307	0.1%
Mining	0	0.0%	819,151	0.5%
Total Employment	29,141	100.0%	160,548,951	100.0%

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

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 44.6 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. 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 manufacturing, accommodation/food services, and wholesale trade industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, public administration, and healthcare/social assistance 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
Manufacturing	6,815	28.6%	6,325	21.7%	-490	-0.4%
Healthcare/Social Assistance	2,145	9.0%	3,382	11.6%	1,237	3.0%
Retail Trade	3,094	13.0%	3,284	11.3%	190	0.3%
Accommodation/Food Services	1,568	6.6%	2,990	10.3%	1,422	4.8%
Educational Services	1,661	7.0%	2,227	7.6%	566	1.8%
Construction	1,617	6.8%	1,860	6.4%	243	0.8%
Other Services	1,094	4.6%	1,506	5.2%	412	2.0%
Admin/Support/Waste Mgmt Svcs	595	2.5%	1,254	4.3%	659	5.8%
Transportation/Warehousing	871	3.7%	1,191	4.1%	320	1.9%
Wholesale Trade	1,110	4.7%	1,128	3.9%	18	0.1%
Prof/Scientific/Tech Services	649	2.7%	872	3.0%	223	1.8%
Information	576	2.4%	769	2.6%	193	1.8%
Finance/Insurance	706	3.0%	751	2.6%	45	0.3%
Public Administration	422	1.8%	583	2.0%	161	2.0%
Real Estate/Rental/Leasing	293	1.2%	348	1.2%	55	1.0%
Arts/Entertainment/Recreation	230	1.0%	284	1.0%	54	1.2%
Utilities	248	1.0%	175	0.6%	-73	-1.5%
Agric/Forestry/Fishing/Hunting	115	0.5%	109	0.4%	-6	-0.3%
Mgmt of Companies/Enterprises	25	0.1%	103	0.4%	78	16.4%
Mining	10	0.0%	0	0.0%	-10	-5.3%
Total Employment	23,844	100.0%	29,141	100.0%	5,297	1.2%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 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 increased at an annualized rate of 1.2 percent between 2000 and 2019. The industries which expanded most substantially during this period include accommodation/food services, healthcare/social assistance, and admin/support/waste mgmt svcs. Conversely, the manufacturing, utilities, and mining sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

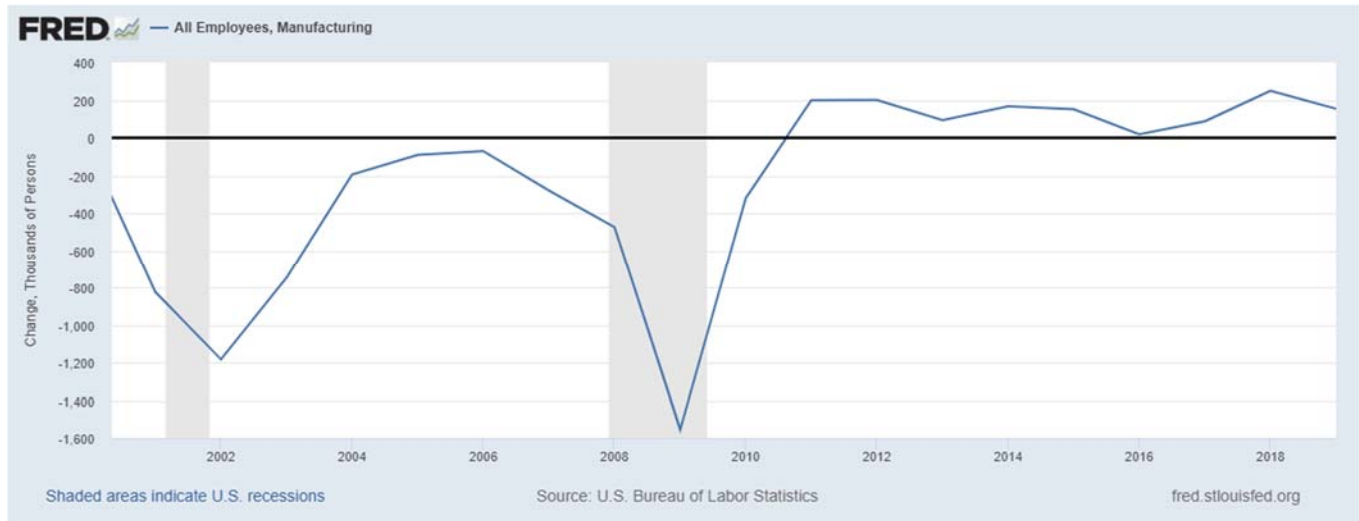
Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

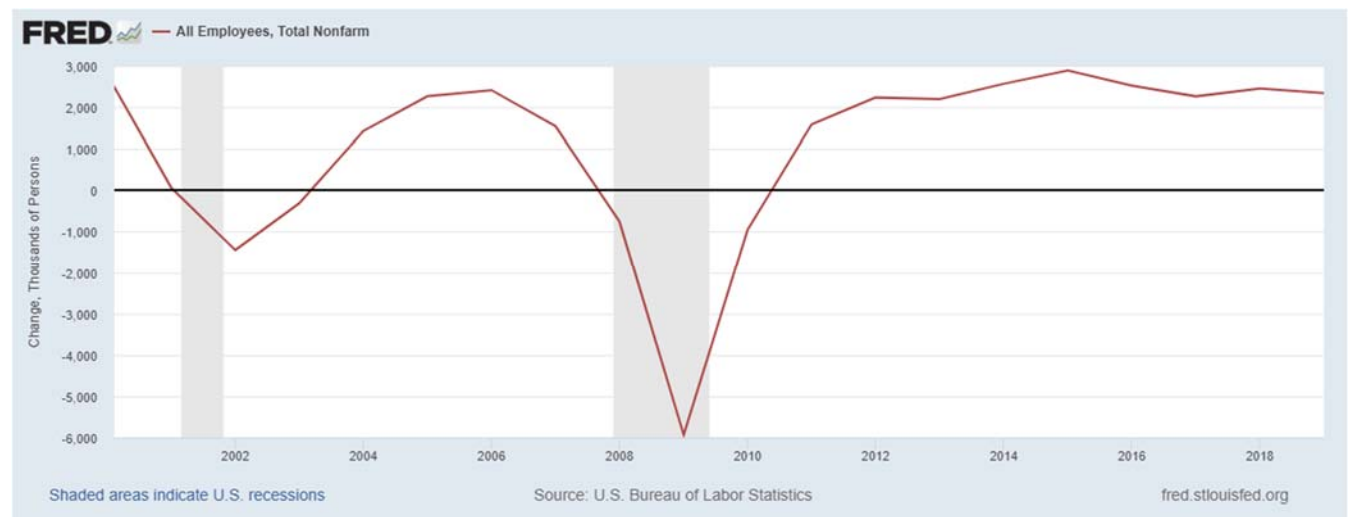
Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the MSA manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.



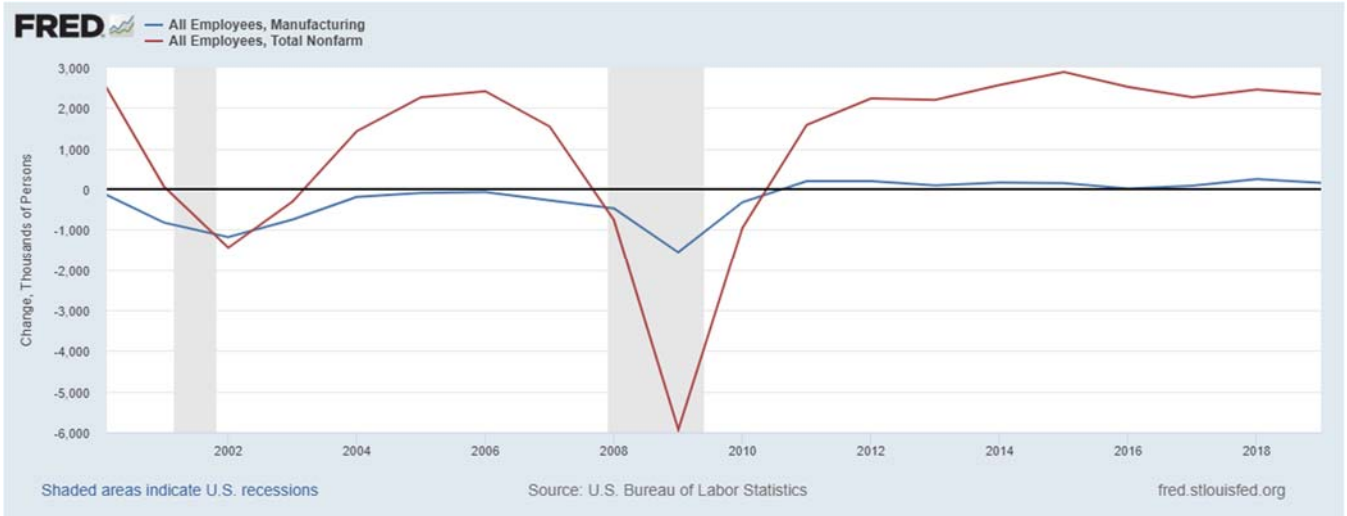
Source: Federal Reserve Bank of St. Louis, 1/2020.

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



Source: Federal Reserve Bank of St. Louis, 1/2020.

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

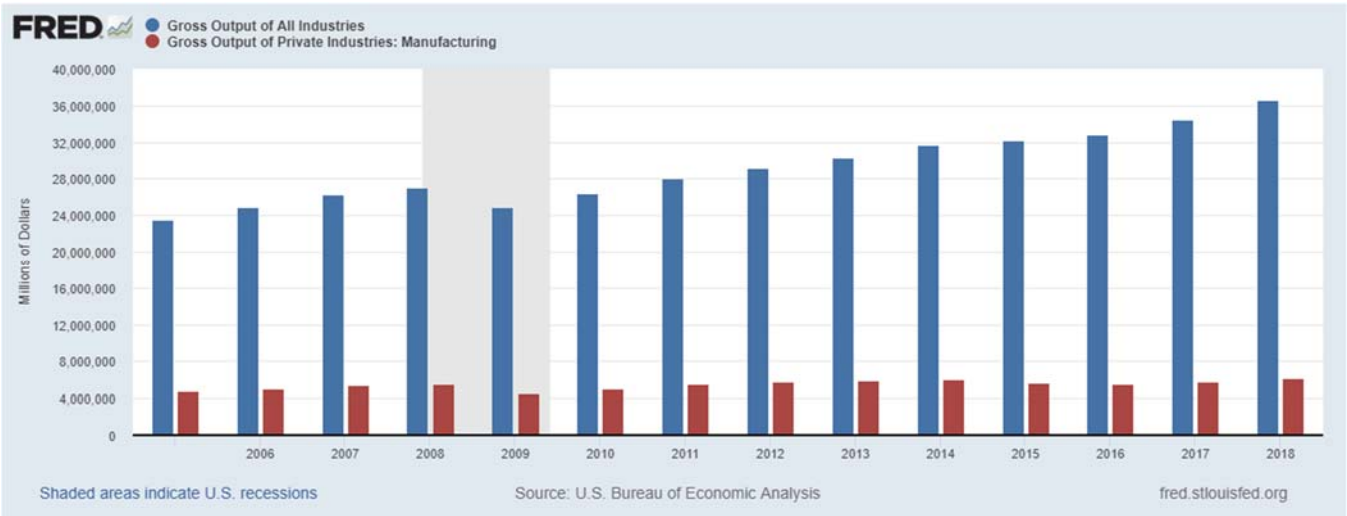


Source: Federal Reserve Bank of St. Louis, 1/2020.

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

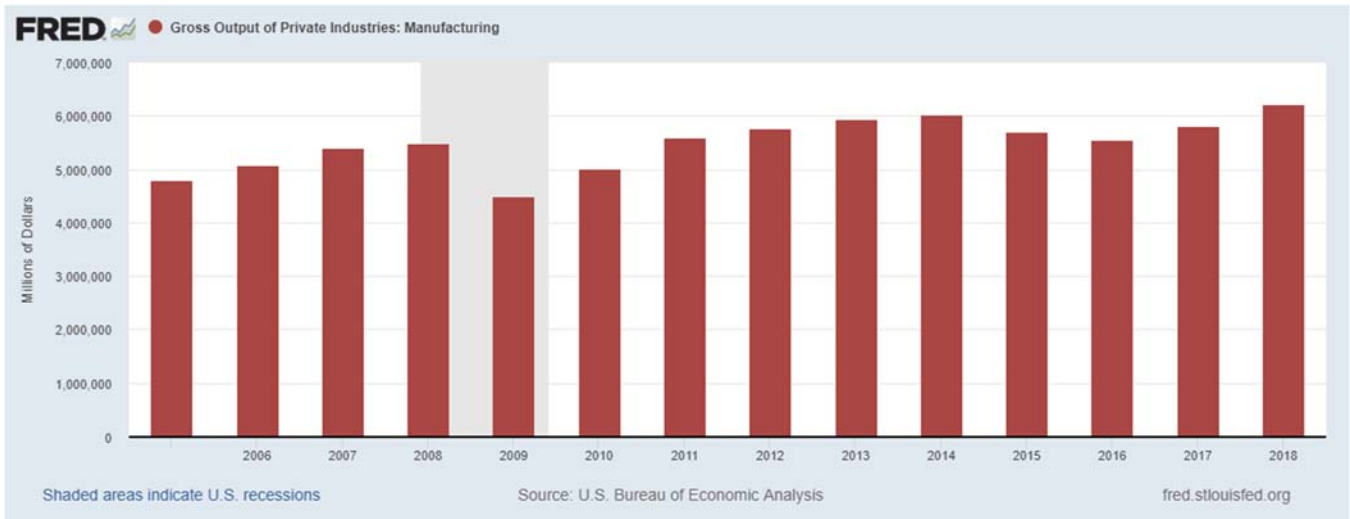
Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased.

The concentration of manufacturing employment in the Spartanburg, SC MSA, which consists solely of Spartanburg County, is expected to decline. However, the areas diversification into more stable industries including health care bodes well for future economic growth.

Expansions/Contractions

The following table illustrates the contractions to the Spartanburg County economy provided by the South Carolina Department of Employment and Workforce between 2018 and June 2020. Jobs affected represent job losses.

WARN LISTINGS - SPARTANBURG, SC (2018 - 2020 YTD)

Company	Industry	Employees Affected	Layoff Date
TC Transcontinental Packaging	Containers and Packaging	106	7/31/2020
John Manville	Home and Office Products	6	4/10/2020
Grace Management Group	Real Estate	72	3/26/2020
Rite Aid Distribution Center	Retail	224	3/19/2020
TFE Logistics Cedar Crest Rd	Transportation	812	10/31/2019
TFE Logistics Falling Creek Rd	Transportation	663	10/31/2019
Clarus Linene Systems	Textile	88	2/17/2019
DHL	Transportation	576	9/15/2018
Dish Network Corp.	Communications	60	3/18/2018
Total		2,607	

Source: South Carolina Department of Employment and Workforce, June 2020

As illustrated in the above table, there have been 2,607 employees in the area impacted by layoffs or closures since 2018.

We contacted the Elizabeth Feather, Director of Research for the Upstate South Carolina Alliance, regarding business expansion in the Spartanburg County. Ms. Feather informed us of the following employer expansions in the Spartanburg, SC MSA from 2019 to 2020 year-to-date. Note that there have not been any announced business expansions in Spartanburg County in 2020.

BUSINESS EXPANSION – SPARTANBURG, SC MSA

Company Name	Industry	Status	Investment	Jobs Created
AIRSYS	ICT Cooling	Opening	\$5M	116
Polydeck Screen Corporation	Screen Manufacturer	Expansion	\$8.7M	45
R&E Automated Systems	Engineering	Expansion	\$12M	176
Renewable Properties	Solar Energy	Opening	22.7M	N/A
Total Expansion			\$48.4M	337

Source: Upstate South Carolina Alliance, retrieved 6/2020

- AIRSYS, a global information, communication and technology (ICT) cooling solution provider, plans to establish operations in Spartanburg County. The \$5 Million project will add 116 new jobs. According to a December 2019 press release, the facility was expected to be completed by February 2020. An update on the operations of AIRSYS is not yet available.
- Polydeck Screen Corporation, a manufacturer of polyurethane and rubber screen media, announced plans in September 2019 to expand operations in Spartanburg County. The \$8.7 Million project is expected to create 45 new jobs. A date of expected completion was not provided.
- R&E, an engineering firm, recently announced a \$12 Million expansion that will add 176 new jobs and will be completed by Q4 2019.
- Renewable Properties, a solar energy company, announced in January 2019 that it would be creating seven new solar farms in Spartanburg County. The \$22.7 million project has not been given an estimated date of completion.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Spartanburg, SC MSA. As such, the following table details employment and unemployment trends for the Spartanburg, SC MSA from 2004 to 2020 (through April).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Spartanburg, SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	132,928	-	8.0%	-	139,252,000	-	5.5%	-
2005	133,164	0.2%	7.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	135,882	2.0%	7.0%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	137,285	1.0%	5.9%	-1.1%	146,047,000	1.1%	4.6%	0.0%
2008	136,861	-0.3%	7.2%	1.2%	145,363,000	-0.5%	5.8%	1.2%
2009	129,261	-5.6%	12.5%	5.3%	139,878,000	-3.8%	9.3%	3.5%
2010	126,407	-2.2%	12.4%	-0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	128,988	2.0%	11.3%	-1.0%	139,869,000	0.6%	9.0%	-0.7%
2012	132,406	2.6%	9.8%	-1.6%	142,469,000	1.9%	8.1%	-0.9%
2013	135,487	2.3%	8.0%	-1.8%	143,929,000	1.0%	7.4%	-0.7%
2014	138,655	2.3%	6.5%	-1.5%	146,305,000	1.7%	6.2%	-1.2%
2015	142,739	2.9%	5.9%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	146,636	2.7%	4.8%	-1.1%	151,436,000	1.7%	4.9%	-0.4%
2017	151,696	3.5%	4.1%	-0.7%	153,337,000	1.3%	4.4%	-0.5%
2018	156,379	3.1%	3.2%	-0.9%	155,761,000	1.6%	3.9%	-0.4%
2019	160,851	2.9%	2.6%	-0.6%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	158,509	-1.5%	5.9%	3.3%	148,193,000	-5.9%	7.9%	4.3%
Apr-2019	160,440	-	2.3%	-	156,710,000	-	3.3%	-
Apr-2020	147,357	-8.2%	15.2%	12.9%	133,326,000	-14.9%	14.4%	11.1%

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

*2020 data is through April

Employment growth in the MSA exceeded the nation in every year since 2012. As of April 2020, MSA employment is below record levels and is declining at an annualized rate of 8.2 percent, compared to a 14.9 percent decline across the overall nation. The steep decline in April is due to the impacts from the closing of the economy due to COVID-19.

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 15.2 percent, which is higher than the current national unemployment rate of 14.4 percent. The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. According to the South Carolina Department of Employment and Workforce, unemployment files in the state of South Carolina have been declining. The week ending on June 6th had 22,734 first-time unemployment claims and the week ending on June 20th had 17,098. Overall, we would expect employment numbers to recover as business re-openings within South Carolina continue. The state of South Carolina instituted a stay-at-home order on April 7th and ended the stay-at-home order on May 4th, and instituted business closures on March 18th and ended the restrictions on May 31st. The number of COVID-19 cases in South Carolina has peaked in June 2020 and the Governor of South Carolina declared a state of emergency on June 26th. However, restrictions have not been reinstated in South Carolina as of the date of this report.

Housing and Economy

There are 24 LIHTC and subsidized properties in Spartanburg and the surrounding PMA. The availability of housing for low to very low-income renters is considered good. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession has impacted Spartanburg’s single-family housing market. According to RealtyTrac’s May 2020 estimates, the city experienced a foreclosure rate of one in every 10,501 housing units. Spartanburg County experienced a higher foreclosure rate compared to the city and experienced a foreclosure rate of one in every 5,838 housing units in May 2020. The state of South Carolina had a foreclosure rate of one in every 10,667 housing units, a rate below Spartanburg and Spartanburg County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2019. The average travel time in the PMA is 22 minutes. Approximately 78.6 percent of households within the PMA have commute times of less than 30 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	658	2.5%
Travel Time 5-9 min	3,136	11.7%
Travel Time 10-14 min	5,522	20.7%
Travel Time 15-19 min	5,895	22.1%
Travel Time 20-24 min	4,305	16.1%
Travel Time 25-29 min	1,472	5.5%
Travel Time 30-34 min	2,461	9.2%
Travel Time 35-39 min	689	2.6%
Travel Time 40-44 min	633	2.4%
Travel Time 45-59 min	962	3.6%
Travel Time 60-89 min	403	1.5%
Travel Time 90+ min	554	2.1%
Weighted Average	22 minutes	

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

CONCLUSION

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 44.6 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. 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. As of April 2020, MSA employment is below record levels and is declining at an annualized rate of 8.2 percent, compared to a 14.9 percent decline across the overall nation. The steep decline in April is due to the impacts from the closing of the economy due to COVID-19. The COVID-19 coronavirus has caused an international pandemic and we have seen governments across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. According to the South Carolina Department of Employment and Workforce, unemployment files in the state of South Carolina have been declining. The week ending on June 6th had 22,734 first-time unemployment claims and the week ending on June 20th had 17,098. Overall, we would expect employment numbers to recover as business re-openings within South Carolina continue. The state of South Carolina instituted a stay-at-home order on April 7th and ended the stay-at-home order on May 4th, and instituted business closures on March 18th and ended the restrictions on May 31st. The number of COVID-19 cases in South Carolina has peaked in June 2020 and the Governor of South Carolina declared a state of emergency on June 26th. However, restrictions have not been reinstated in South Carolina as of the date of this report.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the PMA. Data such as population, households and growth patterns will be studied to determine if the PMA and the Spartanburg, SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, 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		Spartanburg, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	48,776	-	289,058	-	281,250,431	-
2010	57,438	1.8%	313,268	0.8%	308,745,538	1.0%
2019	64,823	1.4%	348,507	1.2%	332,417,793	0.8%
Projected Mkt Entry December 2021	66,719	1.2%	357,664	1.1%	338,734,867	0.8%
2024	68,745	1.2%	367,453	1.1%	345,487,602	0.8%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2019	Projected Mkt Entry December 2021	2024
0-4	3,261	4,135	4,211	4,325	4,447
5-9	3,642	3,757	4,225	4,313	4,408
10-14	3,677	3,613	4,104	4,290	4,488
15-19	3,276	4,895	4,738	4,998	5,276
20-24	3,103	5,176	5,121	5,105	5,088
25-29	3,426	4,075	4,683	4,401	4,099
30-34	3,522	3,628	4,639	4,754	4,876
35-39	3,865	3,777	4,373	4,570	4,781
40-44	3,709	3,782	3,739	4,081	4,446
45-49	3,690	3,893	3,981	3,937	3,889
50-54	3,325	3,730	3,844	3,894	3,947
55-59	2,596	3,286	3,935	3,892	3,846
60-64	2,020	2,930	3,678	3,812	3,956
65-69	1,717	2,257	3,172	3,358	3,557
70-74	1,489	1,690	2,559	2,723	2,899
75-79	1,190	1,205	1,721	1,966	2,227
80-84	734	823	1,064	1,200	1,346
85+	532	786	1,036	1,101	1,170
Total	48,774	57,438	64,823	66,719	68,746

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

The total population in the PMA increased from 2010 to 2019. In comparison, the MSA and nation experienced growth at a slower rate during the same period of analysis. The population in the PMA is expected to increase through both market entry in December 2021 and 2024 at 1.2 percent per annum, a rate that will remain slightly above the MSA and above that of the nation. The population in the PMA in 2019 was concentrated most heavily in the age groups of 20 to 24 and 15 to 19. Through market entry these age groups will continue to have the highest representation in the PMA.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Spartanburg, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	18,815	-	111,434	-	105,409,439	-
2010	20,865	1.1%	121,159	0.9%	116,716,296	1.1%
2019	23,452	1.3%	134,273	1.2%	125,168,557	0.8%
Projected Mkt Entry December 2021	24,143	1.2%	137,748	1.1%	127,305,377	0.7%
2024	24,881	1.2%	141,462	1.1%	129,589,563	0.7%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Spartanburg, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.57	-	2.53	-	2.59	-
2010	2.58	0.1%	2.52	-0.1%	2.58	-0.1%
2019	2.61	0.1%	2.53	0.1%	2.59	0.1%
Projected Mkt Entry December 2021	2.62	0.1%	2.53	0.0%	2.60	0.1%
2024	2.62	0.1%	2.54	0.0%	2.60	0.1%

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

POPULATION IN GROUP QUARTERS

Year	PMA		Spartanburg, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	453	-	7,156	-	7,772,539	-
2010	3,538	68.1%	8,311	1.6%	8,043,577	0.3%
2019	3,537	0.0%	8,655	0.4%	8,093,640	0.1%
Projected Mkt Entry December 2021	3,537	0.0%	8,655	0.0%	8,093,640	0.0%
2024	3,537	0.0%	8,655	0.0%	8,093,640	0.0%

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

The total number of households in the PMA increased moderately between 2010 and 2019, while the MSA and nation experienced slightly slower and slower household growth, respectively, over the over the same time period. Through market entry date and 2024, the total number of households in the PMA is expected to continue to increase, at a rate slightly above the MSA and above the nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased in the PMA, MSA, and nation between 2000 and 2019. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

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

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	12,145	64.5%	6,670	35.5%
2019	14,273	60.9%	9,179	39.1%
Projected Mkt Entry December 2021	14,759	61.1%	9,383	38.9%
2024	15,279	61.4%	9,602	38.6%

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

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

Household Income Distribution

The following table depicts household income in the PMA in 2019, market entry, and 2024.

Income Cohort	HOUSEHOLD INCOME DISTRIBUTION - PMA					
	2019		Projected Mkt Entry December 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,476	10.6%	2,481	10.3%	2,487	10.0%
\$10,000-19,999	3,428	14.6%	3,412	14.1%	3,395	13.6%
\$20,000-29,999	3,291	14.0%	3,291	13.6%	3,290	13.2%
\$30,000-39,999	2,682	11.4%	2,738	11.3%	2,797	11.2%
\$40,000-49,999	2,233	9.5%	2,300	9.5%	2,372	9.5%
\$50,000-59,999	1,951	8.3%	2,009	8.3%	2,070	8.3%
\$60,000-74,999	2,313	9.9%	2,373	9.8%	2,437	9.8%
\$75,000-99,999	2,469	10.5%	2,592	10.7%	2,724	10.9%
\$100,000-124,999	1,230	5.2%	1,371	5.7%	1,521	6.1%
\$125,000-149,999	623	2.7%	698	2.9%	778	3.1%
\$150,000-199,999	412	1.8%	476	2.0%	545	2.2%
\$200,000+	344	1.5%	402	1.7%	465	1.9%
Total	23,452	100.0%	24,143	100.0%	24,881	100.0%

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

The Subject's units will target households earning between \$24,960 and \$52,570. As the table above depicts, approximately 43.3 percent of households in the PMA earned between \$20,000 and \$59,999 in 2019. Many households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry December 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,937	21.1%	1,943	20.7%	1,950	20.3%
\$10,000-19,999	2,054	22.4%	2,052	21.9%	2,049	21.3%
\$20,000-29,999	1,388	15.1%	1,369	14.6%	1,349	14.0%
\$30,000-39,999	1,080	11.8%	1,105	11.8%	1,132	11.8%
\$40,000-49,999	839	9.1%	874	9.3%	912	9.5%
\$50,000-59,999	460	5.0%	495	5.3%	533	5.6%
\$60,000-74,999	712	7.8%	727	7.8%	744	7.7%
\$75,000-99,999	340	3.7%	377	4.0%	417	4.3%
\$100,000-124,999	157	1.7%	183	2.0%	211	2.2%
\$125,000-149,999	92	1.0%	111	1.2%	131	1.4%
\$150,000-199,999	61	0.7%	74	0.8%	87	0.9%
\$200,000+	59	0.6%	73	0.8%	87	0.9%
Total	9,179	100.0%	9,383	100.0%	9,602	100.0%

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

Renter households with incomes between \$20,000 and \$59,999 represent 41.0 percent of the renter households in the PMA in 2019. This share is expected to remain stable at 41.0 percent 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 December 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	3,441	37.5%	3,528	37.6%	3,621	37.7%
2 Persons	2,343	25.5%	2,374	25.3%	2,407	25.1%
3 Persons	1,282	14.0%	1,310	14.0%	1,339	13.9%
4 Persons	1,057	11.5%	1,087	11.6%	1,119	11.7%
5+ Persons	1,056	11.5%	1,085	11.6%	1,116	11.6%
Total Households	9,179	100%	9,383	100%	9,602	100%

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

Approximately 62.5 percent of renter households resided in a two to five-person household 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 from 2010 to 2019. In comparison, the MSA and nation experienced growth at a slower rate during the same period of analysis. The population in the PMA is expected to increase through both market entry in December 2021 and 2024 at 1.2 percent per annum, a rate that will remain slightly above the MSA and above that of the nation. The total number of households in the PMA increased moderately between 2010 and 2019, while the MSA and nation experienced slightly slower and slower household growth, respectively, over the over the same time period. Renter households with incomes between \$20,000 and \$59,999 represent 41.0 percent of the renter households in the PMA in 2019. This share is expected to remain stable at 41.0 percent through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

3. Minimum and Maximum Income Levels

The following tables illustrate the minimum and maximum allowable income levels for the Subject’s units, as proposed with rental assistance and as proposed absent subsidy.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		@70%	
2BR	\$24,960	\$29,150	\$29,966	\$34,980	\$34,971	\$40,810
3BR	\$28,834	\$34,950	\$34,594	\$41,940	\$40,354	\$48,930
4BR	\$32,160	\$37,550	\$38,606	\$45,060	\$45,051	\$52,570

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 2021. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

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

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2019 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to South Carolina Housing, there have been two projects allocated tax credits within the PMA, since 2017. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
The Ellington	2019	LIHTC	Senior	50	46	Planned
Victoria Gardens	2019	LIHTC/Section 8	Family	80	0	Under renovation
				130	46	

Source: South Carolina Housing, June 2020

- **The Ellington** is a planned 50-unit LIHTC development restricted to senior households earning 50 and 60 percent of the AMI. The development will offer six one-bedroom units and 46 two-bedroom units. A construction timeline is not yet available. All of the two-bedroom units are considered competitive with the Subject. This property is competitive with the Subject and we removed the developments 46 two-bedroom units from our demand analysis.
- **Victoria Gardens** is an existing Section 8 development that will be renovated with tax credits. None of the units are considered competitive with the Subject as all of the units are subsidized. Due to the differing rent structure of the property, we have not removed any units from our demand analysis.

5. Method – Capture Rates

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$24,960		Maximum Income Limit		\$37,550	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry December 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	6	3.1%	\$0	0.0%	0		
\$10,000-19,999	-2	-1.2%	\$0	0.0%	0		
\$20,000-29,999	-19	-9.2%	\$5,038	50.4%	-9		
\$30,000-39,999	25	12.3%	\$7,551	75.5%	19		
\$40,000-49,999	35	17.3%	\$0	0.0%	0		
\$50,000-59,999	35	17.3%	\$0	0.0%	0		
\$60,000-74,999	15	7.6%	\$0	0.0%	0		
\$75,000-99,999	37	18.2%	\$0	0.0%	0		
\$100,000-124,999	26	12.8%	\$0	0.0%	0		
\$125,000-149,999	19	9.2%	\$0	0.0%	0		
\$150,000-199,999	13	6.1%	\$0	0.0%	0		
\$200,000+	14	6.6%	\$0	0.0%	0		
Total	204	100.0%		4.6%	9		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$24,960		Maximum Income Limit		\$37,550	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,937	21.1%	\$0	0.0%	0		
\$10,000-19,999	2,054	22.4%	\$0	0.0%	0		
\$20,000-29,999	1,388	15.1%	\$5,038	50.4%	699		
\$30,000-39,999	1,080	11.8%	\$7,551	75.5%	816		
\$40,000-49,999	839	9.1%	\$0	0.0%	0		
\$50,000-59,999	460	5.0%	\$0	0.0%	0		
\$60,000-74,999	712	7.8%	\$0	0.0%	0		
\$75,000-99,999	340	3.7%	\$0	0.0%	0		
\$100,000-124,999	157	1.7%	\$0	0.0%	0		
\$125,000-149,999	92	1.0%	\$0	0.0%	0		
\$150,000-199,999	61	0.7%	\$0	0.0%	0		
\$200,000+	59	0.6%	\$0	0.0%	0		
Total	9,179	100.0%		16.5%	1,515		

ASSUMPTIONS - @50%

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	70%	30%	0%	0%
2	0%	20%	70%	10%	0%
3	0%	0%	50%	50%	0%
4	0%	0%	10%	50%	40%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	6

Demand from New Renter Households 2019 to December 2021

Income Target Population	@50%
New Renter Households PMA	204
Percent Income Qualified	4.6%
New Renter Income Qualified Households	9

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	9,179
Income Qualified	16.5%
Income Qualified Renter Households	1,515
Percent Rent Overburdened Prj Mrkt Entry December 2021	45.0%
Rent Overburdened Households	681

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,515
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	15

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	696
Total New Demand	9
Total Demand (New Plus Existing Households)	706

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	37.6%	265
Two Persons	25.3%	179
Three Persons	14.0%	99
Four Persons	11.6%	82
Five Persons	11.6%	82
Total	100.0%	706

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	70%	186
Of two-person households in 1BR units	20%	36
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	30%	80
Of two-person households in 2BR units	70%	125
Of three-person households in 2BR units	50%	49
Of four-person households in 2BR units	10%	8
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	10%	18
Of three-person households in 3BR units	50%	49
Of four-person households in 3BR units	50%	41
Of five-person households in 3BR units	50%	41
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	40%	33
Of five-person households in 4BR units	50%	41
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		706

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand
2 BR	262	-	23	=	239	
3 BR	149	-	0	=	149	
4 BR	74	-	0	=	74	
Total	484		23		461	

Developer's Unit Mix			Net Demand			Capture Rate
2 BR	3	/	239	=	1.3%	
3 BR	14	/	149	=	9.4%	
4 BR	4	/	74	=	5.4%	
Total	21		461		4.6%	

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$29,966		Maximum Income Limit		\$45,060	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry December 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	6	3.1%	\$0	0.0%	0		
\$10,000-19,999	-2	-1.2%	\$0	0.0%	0		
\$20,000-29,999	-19	-9.2%	\$33	0.3%	0		
\$30,000-39,999	25	12.3%	\$9,999	100.0%	25		
\$40,000-49,999	35	17.3%	\$5,061	50.6%	18		
\$50,000-59,999	35	17.3%	\$0	0.0%	0		
\$60,000-74,999	15	7.6%	\$0	0.0%	0		
\$75,000-99,999	37	18.2%	\$0	0.0%	0		
\$100,000-124,999	26	12.8%	\$0	0.0%	0		
\$125,000-149,999	19	9.2%	\$0	0.0%	0		
\$150,000-199,999	13	6.1%	\$0	0.0%	0		
\$200,000+	14	6.6%	\$0	0.0%	0		
Total	204	100.0%		21.0%	43		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$29,966		Maximum Income Limit		\$45,060	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,937	21.1%	\$0	0.0%	0		
\$10,000-19,999	2,054	22.4%	\$0	0.0%	0		
\$20,000-29,999	1,388	15.1%	\$33	0.3%	5		
\$30,000-39,999	1,080	11.8%	\$9,999	100.0%	1,080		
\$40,000-49,999	839	9.1%	\$5,061	50.6%	425		
\$50,000-59,999	460	5.0%	\$0	0.0%	0		
\$60,000-74,999	712	7.8%	\$0	0.0%	0		
\$75,000-99,999	340	3.7%	\$0	0.0%	0		
\$100,000-124,999	157	1.7%	\$0	0.0%	0		
\$125,000-149,999	92	1.0%	\$0	0.0%	0		
\$150,000-199,999	61	0.7%	\$0	0.0%	0		
\$200,000+	59	0.6%	\$0	0.0%	0		
Total	9,179	100.0%		16.4%	1,509		

ASSUMPTIONS - @60%

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	70%	30%	0%	0%
2	0%	20%	70%	10%	0%
3	0%	0%	50%	50%	0%
4	0%	0%	10%	50%	40%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	6

Demand from New Renter Households 2019 to December 2021

Income Target Population	@60%
New Renter Households PMA	204
Percent Income Qualified	21.0%
New Renter Income Qualified Households	43

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	9,179
Income Qualified	16.4%
Income Qualified Renter Households	1,509
Percent Rent Overburdened Prj Mrkt Entry December 2021	45.0%
Rent Overburdened Households	678

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,509
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	15

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	694
Total New Demand	43
Total Demand (New Plus Existing Households)	737

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	37.6%	277
Two Persons	25.3%	186
Three Persons	14.0%	103
Four Persons	11.6%	85
Five Persons	11.6%	85
Total	100.0%	737

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	70%	194
Of two-person households in 1BR units	20%	37
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	30%	83
Of two-person households in 2BR units	70%	130
Of three-person households in 2BR units	50%	51
Of four-person households in 2BR units	10%	9
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	10%	19
Of three-person households in 3BR units	50%	51
Of four-person households in 3BR units	50%	43
Of five-person households in 3BR units	50%	43
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	40%	34
Of five-person households in 4BR units	50%	43
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		737

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand
2 BR	274	-	23	=	251	
3 BR	155	-	0	=	155	
4 BR	77	-	0	=	77	
Total	506		23		483	
Developer's Unit Mix			Net Demand			Capture Rate
2 BR	29	/	251	=	11.6%	
3 BR	80	/	155	=	51.5%	
4 BR	42	/	77	=	54.7%	
Total	151		483		31.3%	

70% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @70%

Minimum Income Limit		\$34,971		Maximum Income Limit		\$52,570	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry December 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	6	3.1%	\$0	0.0%	0		
\$10,000-19,999	-2	-1.2%	\$0	0.0%	0		
\$20,000-29,999	-19	-9.2%	\$0	0.0%	0		
\$30,000-39,999	25	12.3%	\$5,027	50.3%	13		
\$40,000-49,999	35	17.3%	\$9,999	100.0%	35		
\$50,000-59,999	35	17.3%	\$2,571	25.7%	9		
\$60,000-74,999	15	7.6%	\$0	0.0%	0		
\$75,000-99,999	37	18.2%	\$0	0.0%	0		
\$100,000-124,999	26	12.8%	\$0	0.0%	0		
\$125,000-149,999	19	9.2%	\$0	0.0%	0		
\$150,000-199,999	13	6.1%	\$0	0.0%	0		
\$200,000+	14	6.6%	\$0	0.0%	0		
Total	204	100.0%		27.9%	57		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @70%

Minimum Income Limit		\$34,971		Maximum Income Limit		\$52,570	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,937	21.1%	\$0	0.0%	0		
\$10,000-19,999	2,054	22.4%	\$0	0.0%	0		
\$20,000-29,999	1,388	15.1%	\$0	0.0%	0		
\$30,000-39,999	1,080	11.8%	\$5,027	50.3%	543		
\$40,000-49,999	839	9.1%	\$9,999	100.0%	839		
\$50,000-59,999	460	5.0%	\$2,571	25.7%	118		
\$60,000-74,999	712	7.8%	\$0	0.0%	0		
\$75,000-99,999	340	3.7%	\$0	0.0%	0		
\$100,000-124,999	157	1.7%	\$0	0.0%	0		
\$125,000-149,999	92	1.0%	\$0	0.0%	0		
\$150,000-199,999	61	0.7%	\$0	0.0%	0		
\$200,000+	59	0.6%	\$0	0.0%	0		
Total	9,179	100.0%		16.3%	1,500		

ASSUMPTIONS - @70%

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	70%	30%	0%	0%
2	0%	20%	70%	10%	0%
3	0%	0%	50%	50%	0%
4	0%	0%	10%	50%	40%
5+	0%	0%	0%	50%	50%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Urban	Maximum # of Occupants	6

Demand from New Renter Households 2019 to December 2021

Income Target Population	@70%
New Renter Households PMA	204
Percent Income Qualified	27.9%
New Renter Income Qualified Households	57

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@70%
Total Existing Demand	9,179
Income Qualified	16.3%
Income Qualified Renter Households	1,500
Percent Rent Overburdened Prj Mrkt Entry December 2021	45.0%
Rent Overburdened Households	674

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,500
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	15

Senior Households Converting from Homeownership

Income Target Population	@70%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	690
Total New Demand	57
Total Demand (New Plus Existing Households)	747

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	37.6%	281
Two Persons	25.3%	189
Three Persons	14.0%	104
Four Persons	11.6%	86
Five Persons	11.6%	86
Total	100.0%	747

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	70%	197
Of two-person households in 1BR units	20%	38
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	30%	84
Of two-person households in 2BR units	70%	132
Of three-person households in 2BR units	50%	52
Of four-person households in 2BR units	10%	9
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	10%	19
Of three-person households in 3BR units	50%	52
Of four-person households in 3BR units	50%	43
Of five-person households in 3BR units	50%	43
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	40%	35
Of five-person households in 4BR units	50%	43
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		747

Total Demand (Subject Unit Types)			Additions to Supply			Net Demand
2 BR	277	-	0	=	277	
3 BR	157	-	0	=	157	
4 BR	78	-	0	=	78	
Total	512		0		512	

Developer's Unit Mix			Net Demand			Capture Rate
2 BR	3	/	277	=	1.1%	
3 BR	14	/	157	=	8.9%	
4 BR	4	/	78	=	5.1%	
Total	21		512		4.1%	

Conclusions

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

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from the areas outside the PMA. Therefore, we conservatively estimated that approximately 10 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, or those converting from renters for an affordable, good quality single-family home, it is somewhat conservative.

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

DEMAND AND NET DEMAND

	HH at @50% AMI (\$24,960 to \$37,550)	HH at @60% AMI (\$29,966 to \$45,060)	HH at @70% AMI (\$34,971 to \$52,570)	HH at AMI (- to -)	HH at AMI (- to -)	Overall Demand
Demand from New Households (age and income appropriate)	9	43	57	0	0	60
PLUS	+	+	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	681	678	674	0	0	1,230
PLUS	+	+	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	15	15	15	0	0	28
=	=	=	=	=	=	=
Sub Total	706	737	747	0	0	1,318
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0	0	0
Equals Total Demand	706	737	747	0	0	1,318
Less	-	-	-	-	-	-
New Supply	0	0	23	23	0	46
Equals Net Demand	706	737	724	-23	0	1,272

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
2BR @50%	\$24,960	\$29,150	3	262	23	239	1.3%
2BR @60%	\$29,966	\$34,980	29	274	23	251	11.6%
2BR @70%	\$34,971	\$40,810	3	277	0	277	1.1%
2BR Overall	\$24,960	\$40,810	35	489	46	443	7.9%
3BR @50%	\$28,834	\$34,950	14	149	0	149	9.4%
3BR @60%	\$34,594	\$41,940	80	155	0	155	51.5%
3BR @70%	\$40,354	\$48,930	14	157	0	157	8.9%
3BR Overall	\$28,834	\$48,930	108	278	0	278	38.9%
4BR @50%	\$32,160	\$37,550	4	74	0	74	5.4%
4BR @60%	\$38,606	\$45,060	42	77	0	77	54.7%
4BR @70%	\$45,051	\$52,570	4	78	0	78	5.1%
4BR Overall	\$32,160	\$52,570	50	137	0	137	36.4%
Overall	\$24,960	\$52,570	193	904	46	858	22.5%

As the analysis illustrates, the Subject’s overall capture rate is 22.5 percent. The capture rates by unit type vary from 1.3 to 54.7 percent. The Subject’s overall capture rate is within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

None of the comparable properties surveyed were able to provide absorption data. We extended our search outside of the PMA to include one market rate property located 6.1 miles from the Subject in Spartanburg, one LIHTC property located 24.0 miles from the Subject in Greenville, and one LIHTC property located in Irmo. The following table illustrates our findings.

ABSORPTION

Property Name	Location	Rent	Year	Total Units	Absorption (units/month)
Willis Trace	Spartanburg	LIHTC	2016	28	28
Main And Stone	Greenville	Market	2016	292	15
The Pointe At Lake Murray	Irmo	LIHTC	2019	60	12

As indicated in the previous table, absorption in the Subject’s market has ranged from 12 to 28 units per month with an average of 18 units per month. We believe the Subject will be able to achieve an absorption rate similar to the LIHTC property Willis Trace. With the stable demographic base of low-income families in the PMA coupled with low vacancy rates and waiting lists among the comparables, we believe the Subject should be able to experience an absorption rate within this range. Therefore, based upon the demand calculations presented within this report, which indicate good capture rates and an ample number of income-qualified households, we believe that the Subject could absorb approximately 25 units per month upon opening. This equals an absorption period of seven to eight months. We expect the Subject to reach stabilized occupancy of 93 percent within seven to eight months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

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

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

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Number of Units	Vacancy Rate	Reason for Exclusion
Summer Place	LIHTC/Section 8	Family	53	N/A	Subsidized
Clc Inman Estates	Section 8	Senior/Disabled	6	N/A	Differing tenancy and subsidized
Newport Inc.	Section 8	Senior/Disabled	20	N/A	Differing tenancy and subsidized
Pleasant Meadows Apartments For Seniors	Section 8	Senior/Disabled	48	4.2%	Differing tenancy and subsidized
Total LIHTC Only			0		
Total Rent Assisted			127	4.2%	

*Vacancy rates are calculated using only properties reporting vacancy information

LIHTC Competition

According to South Carolina Housing, there have been two projects allocated tax credits within the PMA, since 2017. The details on these properties are presented below.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Status
The Ellington	2019	LIHTC	Senior	50	46	Planned
Victoria Gardens	2019	LIHTC/Section 8	Family	80	0	Under renovation
				130	46	

Source: South Carolina Housing, June 2020

- **The Ellington** is a planned 50-unit LIHTC development restricted to senior households earning 50 and 60 percent of the AMI. The development will offer six one-bedroom units and 46 two-bedroom units. A construction timeline is not yet available. All of the two-bedroom units are considered competitive with the Subject. This property is competitive with the Subject and we removed the developments 46 two-bedroom units from our demand analysis.
- **Victoria Gardens** is an existing Section 8 development that will be renovated with tax credits. None of the units are considered competitive with the Subject as all of the units are subsidized. Due to the differing rent structure of the property, we have not removed any units from our demand analysis.

Pipeline Construction

We made several attempts to contact the City of Spartanburg Planning Department and the Spartanburg County Planning and Development Commission; however, as of the date of this report our phone calls have not been returned. As such, we have utilized CoStar to identify under construction and proposed multifamily developments in the PMA. The following table illustrates multifamily projects in the PMA according to CoStar.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Asheville Hwy & Chapel St	Market	Family	150	0	Proposed	7.2 miles
Grand Oaks of Spartanburg	Market	Family	696	0	Under Construction	3.7 miles
Robert Smalls	LIHTC/RAD	Family	190	0	Proposed	7.4 miles
Totals			1,036	0		

Source: CoStar, June 2020

- **Asheville Hwy & Chapel St** is a planned market rate development that will contain 150 units. Details on the development are not yet available. None of the units are considered competitive with the Subject due to different rent structure.
- **Grand Oaks of Spartanburg** is a 696-unit market rate, garden-style development currently under construction. Of the 696 total units, 192 will be completed and ready for leasing by July 15, 2020. The property will offer two clubhouses, two community pools, a dog park, a car wash, a coffee shop, three playground, and community laundry. The development will offer one, two and three-bedroom units. Due to the differing rent structure, none of the units are considered competitive with the Subject.
- **Robert Smalls** is a planned LIHTC and RAD development that will contain 190 units. Details on the development are not yet available. None of the units are considered competitive with the Subject due to different rent structure.

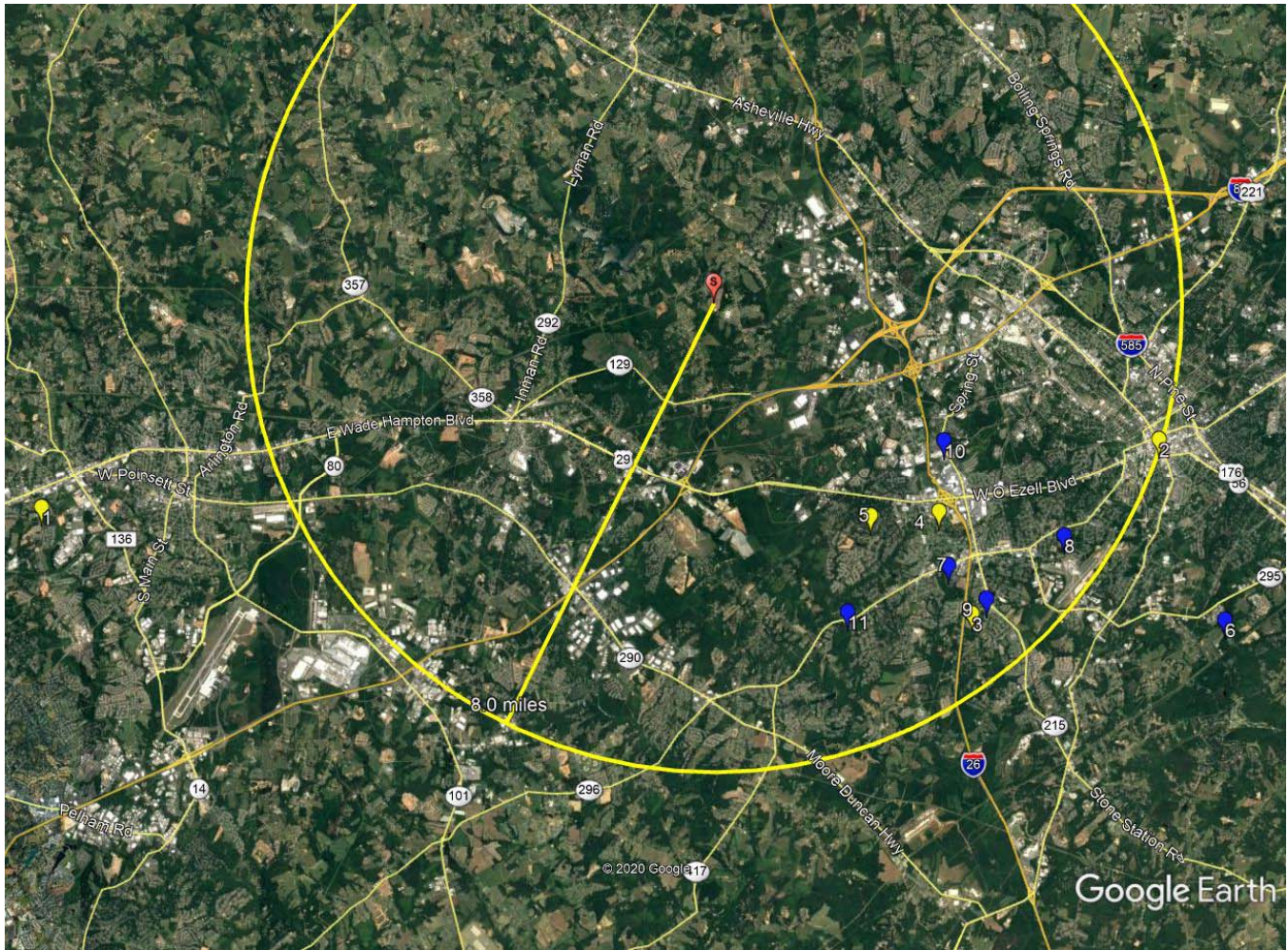
Comparable Properties

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 1,896 units.

The availability of multifamily data in the PMA and specifically in the Spartanburg area was average; however, due to the lack of LIHTC properties in the PMA, we extended our search for comparable properties into the areas of Spartanburg not located in the PMA, and into the nearby cities of Greer and Moore. None of the LIHTC comparables are located within the PMA. Four of the LIHTC comparables are located immediately outside the PMA in the cities of Spartanburg and Moore, and one is located in the nearby city of Greer. The LIHTC comparables are located within 11.8 miles of the Subject site. The Subject will not offer rental assistance, and we have excluded subsidized properties from the analysis of “true” comparables. Market data available for market-rate apartments in the PMA is considered average. We were able to identify six market-rate properties in the PMA as comparables.

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

COMPARABLE RENTAL PROPERTY MAP



Source: Google Earth, June 2020

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Hope Road Housing	Spartanburg	@50%, @60%, @70%	-
1	Avalon Chase Apartments*	Greer	@50%, @60%	11.8 miles
2	Companion At Lee's Crossing*	Spartanburg	@60%	8.1 miles
3	Country Garden Estates I & II*	Moore	@50%, @60%	7.0 miles
4	Willis Trace*	Spartanburg	@50%, @60%	5.4 miles
5	Willow Crossing*	Spartanburg	@50%, @60%	4.7 miles
6	Canaan Pointe*	Spartanburg	Market	10.4 miles
7	Parkside At Laurel West*	Spartanburg	Market	6.2 miles
8	Pine Lake Village*	Spartanburg	Market	7.3 miles
9	Quail Pointe Apartments*	Spartanburg	Market	7.0 miles
10	Reserve At Park West	Spartanburg	Market	4.7 miles
11	River Run*	Spartanburg	Market	5.9 miles

*Located outside PMA

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.

HOPE ROAD HOUSING – SPARTANBURG, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	1,996	Weighted Occupancy:	94.7%		
	Market Rate	1,496	Market Rate	93.5%		
	Tax Credit	400	Tax Credit	99.0%		
Two Bedroom Two Bath Property		Average	Three Bedroom Two Bath Property		Average	Four Bedroom Two Bath Property
RENT						
	River Run (Market)	\$1,217	Reserve At Park West (Market)	\$1,524	Quail Pointe Apartments (Market)	\$1,679
	Reserve At Park West (Market)	\$1,133	River Run (Market)	\$1,489	Quail Pointe Apartments (Market)	\$1,394
	Parkside At Laurel West (Market)	\$1,102	Parkside At Laurel West (Market)	\$1,233	Hope Road Housing (@70%)	\$1,314
	Hope Road Housing (@70%)	\$1,020	Hope Road Housing (@70%)	\$1,177	Avalon Chase Apartments (@60%)	\$1,294
	Quail Pointe Apartments (Market)(1BA)	\$1,010	Avalon Chase Apartments (@60%)	\$1,155	Canaan Pointe (Market)	\$1,205
	Avalon Chase Apartments (@60%)	\$990	Quail Pointe Apartments (Market)(1.5BA)	\$1,125	Hope Road Housing (@60%)	\$1,126
	Quail Pointe Apartments (Market)(1BA)	\$925	Canaan Pointe (Market)	\$1,123	Avalon Chase Apartments (@50%)	\$1,084
	Hope Road Housing (@60%)	\$874	Hope Road Housing (@60%)	\$1,009	Pine Lake Village (Market)	\$1,056
	Country Garden Estates I & II (@60%)(1.5BA)	\$847	Country Garden Estates I & II (@60%)(2.5BA)	\$967	Hope Road Housing (@50%)	\$938
	Country Garden Estates I & II (@60%)(2.5BA)	\$847	Country Garden Estates I & II (@60%)(2.5BA)	\$967		
	Avalon Chase Apartments (@50%)	\$825	Avalon Chase Apartments (@50%)	\$965		
	Companion At Lee's Crossing (@60%)	\$824	Companion At Lee's Crossing (@60%)	\$963		
	Pine Lake Village (Market)(1BA)	\$798	Country Garden Estates I & II (@60%)	\$953		
	Hope Road Housing (@50%)	\$728	Pine Lake Village (Market)(1BA)	\$902		
	Country Garden Estates I & II (@50%)(2.5BA)	\$699	Hope Road Housing (@50%)	\$841		
	Country Garden Estates I & II (@50%)(2.5BA)	\$699	Willis Trace (@60%)	\$813		
	Country Garden Estates I & II (@50%)(1.5BA)	\$699	Willow Crossing (@60%)	\$798		
	Willis Trace (@60%)	\$694	Country Garden Estates I & II (@50%)(2.5BA)	\$782		
	Willow Crossing (@60%)	\$689	Country Garden Estates I & II (@50%)(2.5BA)	\$782		
	Willis Trace (@50%)	\$614	Country Garden Estates I & II (@50%)	\$782		
	Willow Crossing (@50%)	\$609	Country Garden Estates I & II (@50%)	\$782		
			Willis Trace (@50%)	\$728		
			Willow Crossing (@50%)	\$713		
SQUARE FOOTAGE						
	Country Garden Estates I & II (@50%)(1.5BA)	1,184	Canaan Pointe (Market)	1,285	Hope Road Housing (@50%)	1,400
	Country Garden Estates I & II (@50%)(2.5BA)	1,184	Reserve At Park West (Market)	1,283	Hope Road Housing (@70%)	1,400
	Country Garden Estates I & II (@60%)(2.5BA)	1,184	Willow Crossing (@50%)	1,281	Avalon Chase Apartments (@60%)	1,400
	Country Garden Estates I & II (@60%)(1.5BA)	1,184	Willow Crossing (@60%)	1,281	Hope Road Housing (@60%)	1,400
	Country Garden Estates I & II (@50%)(2.5BA)	1,184	River Run (Market)	1,280	Avalon Chase Apartments (@50%)	1,400
	Willis Trace (@60%)	1,150	Country Garden Estates I & II (@60%)(2.5BA)	1,276	Canaan Pointe (Market)	1,339
	Hope Road Housing (@50%)	1,150	Hope Road Housing (@50%)	1,275	Quail Pointe Apartments (Market)	1,277
	Hope Road Housing (@60%)	1,150	Hope Road Housing (@70%)	1,275	Quail Pointe Apartments (Market)	1,277
	Hope Road Housing (@70%)	1,150	Hope Road Housing (@60%)	1,275	Pine Lake Village (Market)	1,092
	Willis Trace (@50%)	1,150	Country Garden Estates I & II (@50%)(2.5BA)	1,272		
	Willow Crossing (@60%)	1,116	Country Garden Estates I & II (@50%)	1,272		
	Willow Crossing (@50%)	1,116	Country Garden Estates I & II (@60%)(2.5BA)	1,272		
	Avalon Chase Apartments (@60%)	1,100	Country Garden Estates I & II (@60%)	1,272		
	Avalon Chase Apartments (@50%)	1,100	Country Garden Estates I & II (@50%)(2.5BA)	1,272		
	Reserve At Park West (Market)	1,097	Country Garden Estates I & II (@50%)	1,272		
	River Run (Market)	1,086	Willis Trace (@50%)	1,250		
	Parkside At Laurel West (Market)	978	Willis Trace (@60%)	1,250		
	Companion At Lee's Crossing (@60%)	932	Avalon Chase Apartments (@60%)	1,250		
	Quail Pointe Apartments (Market)(1BA)	880	Avalon Chase Apartments (@50%)	1,250		
	Quail Pointe Apartments (Market)(1BA)	880	Parkside At Laurel West (Market)	1,196		
	Pine Lake Village (Market)(1BA)	780	Companion At Lee's Crossing (@60%)	1,107		
			Quail Pointe Apartments (Market)(1.5BA)	1,020		
			Pine Lake Village (Market)(1BA)	945		
RENT PER SQUARE FOOT						
	Quail Pointe Apartments (Market)(1BA)	\$1.15	Reserve At Park West (Market)	\$1.19	Quail Pointe Apartments (Market)	\$1.31
	Parkside At Laurel West (Market)	\$1.13	River Run (Market)	\$1.16	Quail Pointe Apartments (Market)	\$1.09
	River Run (Market)	\$1.12	Quail Pointe Apartments (Market)(1.5BA)	\$1.10	Pine Lake Village (Market)	\$0.97
	Quail Pointe Apartments (Market)(1BA)	\$1.05	Parkside At Laurel West (Market)	\$1.03	Hope Road Housing (@70%)	\$0.94
	Reserve At Park West (Market)	\$1.03	Pine Lake Village (Market)(1BA)	\$0.95	Avalon Chase Apartments (@60%)	\$0.92
	Pine Lake Village (Market)(1BA)	\$1.02	Avalon Chase Apartments (@60%)	\$0.92	Canaan Pointe (Market)	\$0.90
	Avalon Chase Apartments (@60%)	\$0.90	Hope Road Housing (@70%)	\$0.92	Hope Road Housing (@60%)	\$0.80
	Hope Road Housing (@70%)	\$0.89	Canaan Pointe (Market)	\$0.87	Avalon Chase Apartments (@50%)	\$0.77
	Companion At Lee's Crossing (@60%)	\$0.88	Companion At Lee's Crossing (@60%)	\$0.87	Hope Road Housing (@50%)	\$0.67
	Hope Road Housing (@60%)	\$0.76	Hope Road Housing (@60%)	\$0.79		
	Avalon Chase Apartments (@50%)	\$0.75	Avalon Chase Apartments (@50%)	\$0.77		
	Country Garden Estates I & II (@60%)(2.5BA)	\$0.72	Country Garden Estates I & II (@60%)(2.5BA)	\$0.76		
	Country Garden Estates I & II (@60%)(1.5BA)	\$0.72	Country Garden Estates I & II (@60%)(2.5BA)	\$0.76		
	Hope Road Housing (@50%)	\$0.63	Country Garden Estates I & II (@60%)	\$0.75		
	Willow Crossing (@60%)	\$0.62	Hope Road Housing (@50%)	\$0.66		
	Willis Trace (@60%)	\$0.60	Willis Trace (@60%)	\$0.65		
	Country Garden Estates I & II (@50%)(2.5BA)	\$0.59	Willow Crossing (@60%)	\$0.62		
	Country Garden Estates I & II (@50%)(1.5BA)	\$0.59	Country Garden Estates I & II (@50%)(2.5BA)	\$0.61		
	Country Garden Estates I & II (@50%)(2.5BA)	\$0.59	Country Garden Estates I & II (@50%)	\$0.61		
	Willow Crossing (@50%)	\$0.55	Country Garden Estates I & II (@50%)	\$0.61		
	Willis Trace (@50%)	\$0.53	Country Garden Estates I & II (@50%)(2.5BA)	\$0.61		
			Willis Trace (@50%)	\$0.58		
			Willow Crossing (@50%)	\$0.56		

HOPE ROAD HOUSING – SPARTANBURG, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

Subject	Avalon Chase Apartments	Companion At Lee's Crossing	Country Garden Estates I & II	Willis Trace	Willow Crossing	Canaan Pointe	Parkside At Laurel West	Pine Lake Village	Quall Pointe Apartments	Reserve At Park West	River Run	
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	
Building												
Property Type	Single Family	Garden	Garden	Various	Townhouse	Garden	Townhouse	Garden	Garden	Townhouse	Garden	Garden
# of Stories	1-stories	3-stories	4-stories	2-stories	2-stories	2-stories	3-stories	2-stories	2-stories	3-stories	4-stories	4-stories
Year Built	2021	2014	2010	2002/2004	2016	2012	1997	1996	1972	1975	2008	2010
Year Renovated	n/a	n/a	n/a	2020	n/a	n/a	2017	1998/2003	2020	2005	n/a	n/a
Utility Structure												
Cooking	yes	no	no	no	no	no	no	no	yes	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	yes	no	no	no
Heat	yes	no	no	no	no	no	no	no	yes	no	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	yes	no
Water	yes	no	yes	no	yes	yes	yes	yes	yes	no	yes	no
Sewer	yes	no	yes	no	yes	yes	yes	yes	yes	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Unit Amenities												
Balcony/Patio	yes	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	yes	no	no	no	no	no	no	yes	no	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	yes	yes	yes	no	yes	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	yes	no	no	no	yes	yes
Fireplace	no	no	no	no	no	no	no	yes	no	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	no	yes
Walk-In Closet	no	no	yes	yes	no	no	yes	yes	no	no	yes	yes
Washer/Dryer	no	no	no	no	no	no	no	no	no	no	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Microwave	no	yes	no	no	no	no	no	yes	no	no	yes	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	yes	yes	no	yes	yes	no	yes	no	no	yes	yes
Community Room	yes	yes	yes	no	yes	yes	no	yes	no	yes	yes	yes
Central Laundry	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	no	yes	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	no	no	no	yes	no	no	yes	yes
Playground	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Swimming Pool	no	no	yes	no	no	no	yes	yes	no	no	yes	yes
Picnic Area	no	no	no	no	yes	yes	no	yes	no	yes	yes	yes
Theatre	no	no	no	no	no	no	no	no	no	no	yes	no
Volleyball Court	no	no	no	no	no	no	yes	yes	no	no	yes	no
WiFi	no	no	no	no	no	no	no	no	no	no	no	yes
Security												
In-Unit Alarm	no	no	no	no	no	no	no	no	no	no	yes	no
Limited Access	no	no	yes	no	yes	yes	no	no	no	no	no	yes
Patrol	no	no	yes	no	no	no	yes	yes	no	yes	yes	no
Perimeter Fencing	no	yes	no	no	yes	yes	no	no	no	yes	no	no
Video Surveillance	no	no	no	no	yes	yes	no	no	no	no	yes	no
Parking												
Garage	no	no	yes	no	no	no	no	yes	no	no	yes	yes
Garage Fee	n/a	\$0	\$60	\$0	\$0	\$0	\$0	\$109	\$0	\$0	\$105	\$125
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	\$0	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

Hope Road Housing

Effective Rent Date	6/15/2020
Location	298 Hope Rd Spartanburg, SC 29303 Spartanburg County
Distance	N/A
Units	193
Vacant Units	N/A
Vacancy Rate	N/A
Type	Single Family
Year Built/Renovated	2021 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	N/A
Phone	N/A



Market Information

Program	@50%, @60%, @70%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	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	Single Family	3	1,150	\$728	\$0	@50%	N/A	N/A	N/A	yes	None
2	2	Single Family	29	1,150	\$874	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Single Family	3	1,150	\$1,020	\$0	@70%	N/A	N/A	N/A	yes	None
3	2	Single Family	14	1,275	\$841	\$0	@50%	N/A	N/A	N/A	yes	None
3	2	Single Family	80	1,275	\$1,009	\$0	@60%	N/A	N/A	N/A	yes	None
3	2	Single Family	14	1,275	\$1,177	\$0	@70%	N/A	N/A	N/A	yes	None
4	2	Single Family	4	1,400	\$938	\$0	@50%	N/A	N/A	N/A	yes	None
4	2	Single Family	42	1,400	\$1,126	\$0	@60%	N/A	N/A	N/A	yes	None
4	2	Single Family	4	1,400	\$1,314	\$0	@70%	N/A	N/A	N/A	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	\$728	\$0	\$728	\$0	\$728	2BR / 2BA	\$874	\$0	\$874	\$0	\$874
3BR / 2BA	\$841	\$0	\$841	\$0	\$841	3BR / 2BA	\$1,009	\$0	\$1,009	\$0	\$1,009
4BR / 2BA	\$938	\$0	\$938	\$0	\$938	4BR / 2BA	\$1,126	\$0	\$1,126	\$0	\$1,126

@70%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,020	\$0	\$1,020	\$0	\$1,020
3BR / 2BA	\$1,177	\$0	\$1,177	\$0	\$1,177
4BR / 2BA	\$1,314	\$0	\$1,314	\$0	\$1,314

Hope Road Housing, continued

Amenities

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

Comments

None

Photos



PROPERTY PROFILE REPORT

Avalon Chase Apartments

Effective Rent Date	6/10/2020
Location	1000 Avalon Chase Circle Greer, SC 29650 Greenville County
Distance	11.8 miles
Units	42
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2014 / 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	Kathy
Phone	864-655-7617



Market Information

Program	@50%, @60%
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Preleased to two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes: two months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	6	1,100	\$630	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	N/A	1,100	\$795	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (3 stories)	25	1,250	\$700	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	N/A	1,250	\$890	\$0	@60%	Yes	0	N/A	no	None
4	2	Garden (3 stories)	12	1,400	\$750	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (3 stories)	N/A	1,400	\$960	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$630	\$0	\$630	\$0	\$630	2BR / 2BA	\$795	\$0	\$795	\$0	\$795
3BR / 2BA	\$700	\$0	\$700	\$0	\$700	3BR / 2BA	\$890	\$0	\$890	\$0	\$890
4BR / 2BA	\$750	\$0	\$750	\$0	\$750	4BR / 2BA	\$960	\$0	\$960	\$0	\$960

Avalon Chase Apartments, continued

Amenities

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

Comments

The contact indicated the property maintains a waiting list for all unit types approximately two months in length.

Avalon Chase Apartments, continued

Trend Report

Vacancy Rates

4Q17	1Q18	1Q20	2Q20
N/A	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$530	\$0	\$530	\$530
2018	1	0.0%	\$530	\$0	\$530	\$530
2020	1	0.0%	\$630	\$0	\$630	\$630
2020	2	0.0%	\$630	\$0	\$630	\$630

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$595 - \$705	\$0	\$595 - \$705	\$595 - \$705
2018	1	0.0%	\$595	\$0	\$595	\$595
2020	1	0.0%	\$700	\$0	\$700	\$700
2020	2	0.0%	\$700	\$0	\$700	\$700

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$640	\$0	\$640	\$640
2018	1	0.0%	\$640	\$0	\$640	\$640
2020	1	0.0%	\$750	\$0	\$750	\$750
2020	2	0.0%	\$750	\$0	\$750	\$750

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	N/A	\$0	N/A	N/A
2018	1	N/A	\$645	\$0	\$645	\$645
2020	1	N/A	\$795	\$0	\$795	\$795
2020	2	N/A	\$795	\$0	\$795	\$795

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$705	\$0	\$705	\$705
2020	1	N/A	\$890	\$0	\$890	\$890
2020	2	N/A	\$890	\$0	\$890	\$890

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	1	N/A	\$775	\$0	\$775	\$775
2020	1	N/A	\$960	\$0	\$960	\$960
2020	2	N/A	\$960	\$0	\$960	\$960

Trend: Comments

4Q17	Contact stated that all units are leased out, but that there is no waiting list as of now.
1Q18	The contact indicated there is currently no waiting list at the property.
1Q20	The contact indicated the property maintains a waiting list for all unit types approximately two months in length. The contact indicated the rents were recently increased; however, was unable to provide the previous rents.
2Q20	The contact indicated the property maintains a waiting list for all unit types approximately two months in length.

Photos



PROPERTY PROFILE REPORT

Companion At Lee's Crossing

Effective Rent Date	5/14/2020
Location	100 Lee's Crossing Drive Spartanburg, SC 29301 Spartanburg County
Distance	8.1 miles
Units	192
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (4 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Country Garden Estates
Tenant Characteristics	Mixed tenancy
Contact Name	Kris
Phone	864-574-8494



Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	45%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Raised to 2020 max
Concession	None
Waiting List	Yes; N/Av

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 (4 stories)	34	687	\$595	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	102	932	\$710	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	56	1,107	\$815	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$595	\$0	\$595	\$0	\$595
2BR / 2BA	\$710	\$0	\$710	\$0	\$710
3BR / 2BA	\$815	\$0	\$815	\$0	\$815

Companion At Lee's Crossing, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage(\$50.00)	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$60.00)		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

The contact confirmed that the rents were raised to 2020 limits recently. Despite the economic hardship some tenants are experiencing through the COVID-19 outbreak, the property has not taken on any bad debt, has been able to collect rent via payment plans, and operations remained stable and consistent.

Companion At Lee's Crossing, continued

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
0.0%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$581	\$0	\$581	\$581
2019	4	0.0%	\$590	\$0	\$590	\$590
2020	1	0.0%	\$595	\$0	\$595	\$595
2020	2	0.0%	\$595	\$0	\$595	\$595

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$696	\$0	\$696	\$696
2019	4	0.0%	\$705	\$0	\$705	\$705
2020	1	0.0%	\$705	\$0	\$705	\$705
2020	2	0.0%	\$710	\$0	\$710	\$710

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$801	\$0	\$801	\$801
2019	4	0.0%	\$810	\$0	\$810	\$810
2020	1	0.0%	\$815	\$0	\$815	\$815
2020	2	0.0%	\$815	\$0	\$815	\$815

Trend: Comments

1Q19	The contact provided no additional comments.
4Q19	N/A
1Q20	No additional comments.
2Q20	The contact confirmed that the rents were raised to 2020 limits recently. Despite the economic hardship some tenants are experiencing through the COVID-19 outbreak, the property has not taken on any bad debt, has been able to collect rent via payment plans, and operations remained stable and consistent.

Photos



PROPERTY PROFILE REPORT

Country Garden Estates I & II

Effective Rent Date	6/09/2020
Location	346 N Sun Flower Way Moore, SC 29369 Spartanburg County
Distance	7 miles
Units	90
Vacant Units	4
Vacancy Rate	4.4%
Type	Various (2 stories)
Year Built/Renovated	2002/2004 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Local families
Contact Name	Carolyn
Phone	864-574-0072



Market Information

Program	@50%, @50% (PBV), @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	67%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Fluctuated 1-15% since 2Q19
Concession	None
Waiting List	Yes; N/Av

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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	Single	4	907	\$443	\$0	@50%	Yes	0	0.0%	no	None
1	1	Single	2	907	\$443	\$0	@50% (PBV)	Yes	0	0.0%	no	None
1	1	Single	4	907	\$567	\$0	@60%	Yes	0	0.0%	no	None
2	1.5	Duplex	2	1,184	\$504	\$0	@50% (PBV)	Yes	0	0.0%	no	None
2	1.5	Duplex	2	1,184	\$652	\$0	@60%	Yes	0	0.0%	no	None
2	2.5	Duplex	2	1,184	\$504	\$0	@50%	Yes	0	0.0%	no	None
2	2.5	Duplex	4	1,184	\$504	\$0	@50% (PBV)	Yes	0	0.0%	no	None
2	2.5	Duplex	10	1,184	\$652	\$0	@60%	Yes	0	0.0%	no	None
3	2	Single	2	1,272	\$517	\$0	@50%	Yes	0	0.0%	no	None
3	2	Single	1	1,272	\$517	\$0	@50% (PBV)	Yes	0	0.0%	no	None
3	2	Single	2	1,272	\$688	\$0	@60%	Yes	0	0.0%	no	None
3	2.5	Duplex	2	1,272	\$517	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Duplex	1	1,272	\$517	\$0	@50% (PBV)	Yes	0	0.0%	no	None
3	2.5	Duplex	2	1,272	\$702	\$0	@60%	Yes	0	0.0%	no	None
3	2.5	Duplex	50	1,276	\$702	\$0	@60%	Yes	4	8.0%	no	None

Country Garden Estates I & II, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$443	\$0	\$443	\$0	\$443	1BR / 1BA	\$567	\$0	\$567	\$0	\$567
2BR / 1.5BA	\$504	\$0	\$504	\$0	\$504	2BR / 1.5BA	\$652	\$0	\$652	\$0	\$652
2BR / 2.5BA	\$504	\$0	\$504	\$0	\$504	2BR / 2.5BA	\$652	\$0	\$652	\$0	\$652
3BR / 2BA	\$517	\$0	\$517	\$0	\$517	3BR / 2BA	\$688	\$0	\$688	\$0	\$688
3BR / 2.5BA	\$517	\$0	\$517	\$0	\$517	3BR / 2.5BA	\$702	\$0	\$702	\$0	\$702

Amenities

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

Comments

Of the properties 90 units, 10 are RAD; thus, tenants in these units pay 30 percent of their income towards rent. Current CHAP rents for these units were unavailable. The contact reported the property had generally been unaffected by the ongoing COVID-19 pandemic.

Country Garden Estates I & II, continued

Trend Report

Vacancy Rates

2Q19	4Q19	1Q20	2Q20
2.0%	1.0%	0.0%	4.4%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$428 - \$455	\$0	\$428 - \$455	\$428 - \$455
2019	4	0.0%	\$428 - \$455	\$0	\$428 - \$455	\$428 - \$455
2020	1	0.0%	\$428 - \$436	\$0	\$428 - \$436	\$428 - \$436
2020	2	0.0%	\$443	\$0	\$443	\$443

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$502	\$0	\$502	\$502
2019	4	0.0%	\$502	\$0	\$502	\$502
2020	1	0.0%	\$502	\$0	\$502	\$502
2020	2	0.0%	\$504	\$0	\$504	\$504

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$502 - \$535	\$0	\$502 - \$535	\$502 - \$535
2019	4	0.0%	\$502 - \$534	\$0	\$502 - \$534	\$502 - \$534
2020	1	0.0%	\$502 - \$534	\$0	\$502 - \$534	\$502 - \$534
2020	2	0.0%	\$504	\$0	\$504	\$504

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2019	4	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2020	1	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2020	2	0.0%	\$517	\$0	\$517	\$517

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2019	4	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2020	1	0.0%	\$608 - \$631	\$0	\$608 - \$631	\$608 - \$631
2020	2	0.0%	\$517	\$0	\$517	\$517

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	25.0%	\$506	\$0	\$506	\$506
2019	4	0.0%	\$555	\$0	\$555	\$555
2020	1	0.0%	\$555	\$0	\$555	\$555
2020	2	0.0%	\$567	\$0	\$567	\$567

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$628	\$0	\$628	\$628
2019	4	0.0%	\$677	\$0	\$677	\$677
2020	1	0.0%	\$677	\$0	\$677	\$677
2020	2	0.0%	\$652	\$0	\$652	\$652

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	10.0%	\$628	\$0	\$628	\$628
2019	4	10.0%	\$677	\$0	\$677	\$677
2020	1	0.0%	\$677	\$0	\$677	\$677
2020	2	0.0%	\$652	\$0	\$652	\$652

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$693	\$0	\$693	\$693
2019	4	0.0%	\$772	\$0	\$772	\$772
2020	1	0.0%	\$772	\$0	\$772	\$772
2020	2	7.7%	\$702	\$0	\$702	\$702

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$693	\$0	\$693	\$693
2019	4	0.0%	\$772	\$0	\$772	\$772
2020	1	0.0%	\$772	\$0	\$772	\$772
2020	2	0.0%	\$688	\$0	\$688	\$688

Trend: Comments

- 2Q19 The property consists of two phases and it is located at 204 Dahalia Drive and 346 N Sun Flower Way. The second phase consists of 50 three-bedroom units restricted at 60 percent AMI.
- Phase I consists of 35 one and two-story single-family and duplex buildings, and Phase II consists of 25 two-story duplex buildings, as well as a one-story leasing office building. Phase I offers four two-bedroom handicap accessible units. Further, the single family units are one and three-bedroom flats only. The duplex units are comprised of a mix of two and three-bedroom units.
- In terms of amenities, exterior storage is only offered in the three-bedroom units. All of the units at the property, except two three-bedroom units at Phase II, offer two parking spaces in its driveway.
- 4Q19 N/A
- 1Q20 The property consists of two phases and it is located at 204 Dahalia Drive and 346 N Sun Flower Way. The second phase consists of 50 three-bedroom units restricted at 60 percent AMI. The contact reported that property rarely has vacant units
- Phase I consists of 35 one and two-story single-family and duplex buildings, and Phase II consists of 25 two-story duplex buildings, as well as a one-story leasing office building. Phase I offers four two-bedroom handicap accessible units. Further, the single family units are one and three-bedroom flats only. The duplex units are comprised of a mix of two and three-bedroom units.
- In terms of amenities, exterior storage is only offered in the three-bedroom units. All of the units at the property, except two three-bedroom units at Phase II, offer two parking spaces in its driveway.
- 2Q20 Of the properties 90 units, 10 are RAD; thus, tenants in these units pay 30 percent of their income towards rent. Current CHAP rents for these units were unavailable. The contact reported the property had generally been unaffected by the ongoing COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Willis Trace

Effective Rent Date	5/29/2020
Location	300 Willow Crossing Lane Spartanburg, SC 29301 Spartanburg County
Distance	5.4 miles
Units	28
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2016 / 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	Arlene
Phone	864-327-8496



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	28
HCV Tenants	32%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 1-6% since 1Q19
Concession	None
Waiting List	Yes; approximately 200 households

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	Townhouse (2 stories)	N/A	1,150	\$500	\$0	@50%	Yes	0	N/A	no	None
2	2	Townhouse (2 stories)	N/A	1,150	\$580	\$0	@60%	Yes	0	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,250	\$580	\$0	@50%	Yes	0	N/A	no	None
3	2	Townhouse (2 stories)	N/A	1,250	\$665	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$500	\$0	\$500	\$0	\$500	2BR / 2BA	\$580	\$0	\$580	\$0	\$580
3BR / 2BA	\$580	\$0	\$580	\$0	\$580	3BR / 2BA	\$665	\$0	\$665	\$0	\$665

Willis Trace, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
Picnic Area	Playground		

Comments

This property is located adjacent to and shares the same management company as Willow Crossing, as well as the same waiting list. Management was unable to explain why rents have not increased and are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
0.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$470	\$0	\$470	\$470
2019	4	N/A	\$470	\$0	\$470	\$470
2020	1	N/A	\$500	\$0	\$500	\$500
2020	2	N/A	\$500	\$0	\$500	\$500

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$565	\$0	\$565	\$565
2019	4	N/A	\$565	\$0	\$565	\$565
2020	1	N/A	\$580	\$0	\$580	\$580
2020	2	N/A	\$580	\$0	\$580	\$580

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$575	\$0	\$575	\$575
2019	4	N/A	\$575	\$0	\$575	\$575
2020	1	N/A	\$580	\$0	\$580	\$580
2020	2	N/A	\$580	\$0	\$580	\$580

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$650	\$0	\$650	\$650
2019	4	N/A	\$650	\$0	\$650	\$650
2020	1	N/A	\$665	\$0	\$665	\$665
2020	2	N/A	\$665	\$0	\$665	\$665

Trend: Comments

1Q19	This property is located adjacent to and shares the same management company as Willow Crossing, as well as the same waiting list. Management was unable to explain why rents are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.
4Q19	This property is located adjacent to and shares the same management company as Willow Crossing, as well as the same waiting list. Management was unable to explain why rents haven't increased and are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.
1Q20	N/A
2Q20	This property is located adjacent to and shares the same management company as Willow Crossing, as well as the same waiting list. Management was unable to explain why rents have not increased and are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.

Photos



PROPERTY PROFILE REPORT

Willow Crossing

Effective Rent Date	5/29/2020
Location	101 Willow Crossing Lane Spartanburg, SC 29301 Spartanburg County
Distance	4.7 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Country Garden Estates
Tenant Characteristics	Mixed tenancy
Contact Name	Arlene
Phone	864-327-8496



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	19%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Remained Stable
Concession	None
Waiting List	Yes; approximately 200 households

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 (2 stories)	16	1,116	\$495	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	N/A	1,116	\$575	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	32	1,281	\$565	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	N/A	1,281	\$650	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$495	\$0	\$495	\$0	\$495	2BR / 2BA	\$575	\$0	\$575	\$0	\$575
3BR / 2BA	\$565	\$0	\$565	\$0	\$565	3BR / 2BA	\$650	\$0	\$650	\$0	\$650

Willow Crossing, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

Comments

This property is located adjacent to and shares the same management company as Willis Trace, as well as the same waiting list. Management was unable to explain why rents are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.

Willow Crossing, continued

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
0.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$495	\$0	\$495	\$495
2019	4	0.0%	\$495	\$0	\$495	\$495
2020	1	0.0%	\$495	\$0	\$495	\$495
2020	2	0.0%	\$495	\$0	\$495	\$495

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$565	\$0	\$565	\$565
2019	4	0.0%	\$565	\$0	\$565	\$565
2020	1	0.0%	\$565	\$0	\$565	\$565
2020	2	0.0%	\$565	\$0	\$565	\$565

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$575	\$0	\$575	\$575
2019	4	N/A	\$575	\$0	\$575	\$575
2020	1	N/A	\$575	\$0	\$575	\$575
2020	2	N/A	\$575	\$0	\$575	\$575

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$650	\$0	\$650	\$650
2019	4	N/A	\$650	\$0	\$650	\$650
2020	1	N/A	\$650	\$0	\$650	\$650
2020	2	N/A	\$650	\$0	\$650	\$650

Trend: Comments

1Q19	This property is located adjacent to and shares the same management company as Willis Trace, as well as the same waiting list. Management was unable to explain why rents are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.
4Q19	Management was unable to explain why rents are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.
1Q20	N/A
2Q20	This property is located adjacent to and shares the same management company as Willis Trace, as well as the same waiting list. Management was unable to explain why rents are below maximum allowable levels; however, reported that maximum rents are likely achievable given the strong demand in the market.

Photos



PROPERTY PROFILE REPORT

Canaan Pointe

Effective Rent Date	5/15/2020
Location	200 Canaan Pointe Dr Spartanburg, SC 29306 Spartanburg County
Distance	10.4 miles
Units	120
Vacant Units	5
Vacancy Rate	4.2%
Type	Townhouse (2 stories)
Year Built/Renovated	1997 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Primarily families and couples
Contact Name	Renee/Carrie
Phone	864-577-9922



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None reported
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
3	2	Townhouse (2 stories)	61	1,285	\$975	\$0	Market	No	0	0.0%	N/A	None
4	2	Townhouse (2 stories)	59	1,339	\$1,025	\$0	Market	No	5	8.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	\$975	\$0	\$975	\$0	\$975
4BR / 2BA	\$1,025	\$0	\$1,025	\$0	\$1,025

Canaan Pointe, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Volleyball Court			

Comments

The rents shown in the profile are for the renovated units. Non-renovated units rent for \$125 to \$225 less per month. Despite overall economic hardship within the area due to the negative influence of COVID-19, the business has remained stable, has not taken on any bad debt, and has not had any tenancy pay rent late.

Canaan Pointe, continued

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
9.2%	0.8%	3.3%	4.2%

Trend: Market

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	9.8%	\$934	\$0	\$934	\$934
2019	4	1.6%	\$975	\$0	\$975	\$975
2020	1	6.6%	\$1,000	\$0	\$1,000	\$1,000
2020	2	0.0%	\$975	\$0	\$975	\$975

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	8.5%	\$979	\$0	\$979	\$979
2019	4	0.0%	\$1,025	\$0	\$1,025	\$1,025
2020	1	0.0%	\$1,075	\$0	\$1,075	\$1,075
2020	2	8.5%	\$1,025	\$0	\$1,025	\$1,025

Trend: Comments

1Q19 N/A

4Q19 N/A

1Q20 The rents shown in the profile are for the renovated units. Non-renovated units rent for \$125 to \$225 less per month.

2Q20 The rents shown in the profile are for the renovated units. Non-renovated units rent for \$125 to \$225 less per month. Despite overall economic hardship within the area due to the negative influence of COVID-19, the business has remained stable, has not taken on any bad debt, and has not had any tenancy pay rent late.

Photos



PROPERTY PROFILE REPORT

Parkside At Laurel West

Effective Rent Date	5/20/2020
Location	200 Heath Lane Spartanburg, SC 29301 Spartanburg County
Distance	6.2 miles
Units	496
Vacant Units	26
Vacancy Rate	5.2%
Type	Garden (3 stories)
Year Built/Renovated	1996 / 1998/2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, mostly families, professionals, some students
Contact Name	Megan
Phone	864-587-0101



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuates Daily
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 (3 stories)	163	720	\$870	\$0	Market	No	8	4.9%	N/A	AVG
1	1	Garden (3 stories)	N/A	675	\$905	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	764	\$835	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	253	978	\$988	\$0	Market	No	14	5.5%	N/A	AVG
2	2	Garden (3 stories)	N/A	916	\$1,030	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,040	\$945	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	80	1,196	\$1,085	\$0	Market	No	4	5.0%	N/A	AVG
3	2	Garden (3 stories)	N/A	1,262	\$1,130	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,130	\$1,040	\$0	Market	No	N/A	N/A	N/A	LOW

Parkside At Laurel West, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$835 - \$905	\$0	\$835 - \$905	\$0	\$835 - \$905
2BR / 2BA	\$945 - \$1,030	\$0	\$945 - \$1,030	\$0	\$945 - \$1,030
3BR / 2BA	\$1,040 - \$1,130	\$0	\$1,040 - \$1,130	\$0	\$1,040 - \$1,130

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$109.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Volleyball Court		

Comments

The property was constructed in three phases (1996, 1998, and 2003). The rents range based on renovations, floor, and fireplaces. Phases I and II have been renovated and consist of the 675, 916, and 1,130 square foot units. These may have higher rents even though they are smaller than the phase III units.

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
2.8%	3.2%	5.2%	5.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$705 - \$845	\$0	\$705 - \$845	\$705 - \$845
2019	4	N/A	\$770 - \$935	\$0	\$770 - \$935	\$770 - \$935
2020	1	N/A	\$835 - \$905	\$0	\$835 - \$905	\$835 - \$905
2020	2	N/A	\$835 - \$905	\$0	\$835 - \$905	\$835 - \$905

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$735 - \$910	\$0	\$735 - \$910	\$735 - \$910
2019	4	N/A	\$860 - \$1,030	\$0	\$860 - \$1,030	\$860 - \$1,030
2020	1	N/A	\$945 - \$1,030	\$0	\$945 - \$1,030	\$945 - \$1,030
2020	2	N/A	\$945 - \$1,030	\$0	\$945 - \$1,030	\$945 - \$1,030

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$960 - \$1,185	\$0	\$960 - \$1,185	\$960 - \$1,185
2019	4	N/A	\$970 - \$1,185	\$0	\$970 - \$1,185	\$970 - \$1,185
2020	1	N/A	\$1,040 - \$1,130	\$0	\$1,040 - \$1,130	\$1,040 - \$1,130
2020	2	N/A	\$1,040 - \$1,130	\$0	\$1,040 - \$1,130	\$1,040 - \$1,130

Trend: Comments

1Q19	The rents range based on floor level, type of renovations, and if the unit has a fireplace. Four of the vacant units are pre-leased.
4Q19	The property was constructed in three phases (1996, 1998, and 2003). The rents range based on floor level, type of renovations, and if the unit has a fireplace. Four of the vacant units are pre-leased.
1Q20	The property was constructed in three phases (1996, 1998, and 2003). The rents range based on renovations, floor, and fireplaces. Phases I and II have been renovated and consist of the 675, 916, and 1,130 square foot units. These may have higher rents even though they are smaller than the phase III units.
2Q20	N/A

Photos



PROPERTY PROFILE REPORT

Pine Lake Village

Effective Rent Date	6/15/2020
Location	180 S Pine Lake Dr Spartanburg, SC 29306 Spartanburg County
Distance	7.3 miles
Units	100
Vacant Units	35
Vacancy Rate	35.0%
Type	Garden (2 stories)
Year Built/Renovated	1972 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property manager
Phone	(864) 576-6024

Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Increased 1%
Concession	First month's rent is \$300
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	648	\$710	\$34	Market	No	6	37.5%	N/A	None
2	1	Garden (2 stories)	48	780	\$795	\$41	Market	No	17	35.4%	N/A	None
3	1	Garden (2 stories)	32	945	\$895	\$50	Market	No	11	34.4%	N/A	None
4	2	Garden (2 stories)	4	1,092	\$1,050	\$63	Market	No	1	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$710	\$34	\$676	\$0	\$676
2BR / 1BA	\$795	\$41	\$754	\$0	\$754
3BR / 1BA	\$895	\$50	\$845	\$0	\$845
4BR / 2BA	\$1,050	\$63	\$987	\$0	\$987

Pine Lake Village, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Ceiling Fan	Oven		
Refrigerator			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		

Comments

The property is currently undergoing renovations and units are being held offline, which accounts for the elevated vacancy rate. The property accepts Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Quail Pointe Apartments

Effective Rent Date	5/14/2020
Location	460 East Blackstock Road Spartanburg, SC 29301 Spartanburg County
Distance	7 miles
Units	100
Vacant Units	4
Vacancy Rate	4.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1975 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	West Gate, Rose Hill
Tenant Characteristics	Mixed Tenancy
Contact Name	Tamika
Phone	864-587-1939



Market Information

Program	Market
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes Daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
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	Townhouse (2 stories)	15	760	\$654	\$0	Market	No	0	0.0%	N/A	None
2	1	Townhouse (2 stories)	60	880	\$799	\$0	Market	No	1	1.7%	N/A	HIGH*
2	1	Townhouse (2 stories)	N/A	880	\$714	\$0	Market	No	1	N/A	N/A	LOW*
3	1.5	Townhouse (2 stories)	20	1,020	\$844	\$0	Market	No	1	5.0%	N/A	None
4	2	Townhouse (2 stories)	5	1,277	\$1,329	\$0	Market	No	1	20.0%	N/A	HIGH*
4	2	Townhouse (2 stories)	N/A	1,277	\$1,044	\$0	Market	No	0	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$654	\$0	\$654	\$0	\$654
2BR / 1BA	\$714 - \$799	\$0	\$714 - \$799	\$0	\$714 - \$799
3BR / 1.5BA	\$844	\$0	\$844	\$0	\$844
4BR / 2BA	\$1,044 - \$1,329	\$0	\$1,044 - \$1,329	\$0	\$1,044 - \$1,329

Quail Pointe Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Patrol	None
Central A/C	Coat Closet	Perimeter Fencing	
Dishwasher	Garbage Disposal		
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		
Picnic Area	Playground		

Comments

The four-bedroom units have all electric utilities. The range in rents is due to renovations, consisting of new flooring, paint, appliances, and fixtures. The property utilizes a pricing software, and rents change daily.

Quail Pointe Apartments, continued

Trend Report

Vacancy Rates

1Q19	2Q19	1Q20	2Q20
6.0%	8.0%	8.0%	4.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	6.7%	\$640	\$0	\$640	\$640
2019	2	N/A	\$670	\$0	\$670	\$670
2020	1	N/A	\$714	\$0	\$714	\$714
2020	2	0.0%	\$654	\$0	\$654	\$654

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	6.7%	\$815	\$0	\$815	\$815
2019	2	N/A	\$812	\$0	\$812	\$812
2020	1	N/A	\$852	\$0	\$852	\$852
2020	2	N/A	\$714 - \$799	\$0	\$714 - \$799	\$714 - \$799

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	5.0%	\$850	\$0	\$850	\$850
2019	2	0.0%	\$850	\$0	\$850	\$850
2020	1	N/A	\$949	\$0	\$949	\$949
2020	2	5.0%	\$844	\$0	\$844	\$844

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,070	\$0	\$1,070	\$1,070
2019	2	N/A	\$1,128	\$0	\$1,128	\$1,128
2020	1	0.0%	\$1,128	\$0	\$1,128	\$1,128
2020	2	N/A	\$1,044 - \$1,329	\$0	\$1,044 - \$1,329	\$1,044 - \$1,329

Trend: Comments

1Q19	Currently there is not a waiting list for the property. Contact stated utilities in the four-bedroom units are all electric.
2Q19	The four-bedroom units have all electric utilities. The three-bedroom rent was not available at the time of the interview due to them all being rented, so the three-bedroom rent rate is based on the most recent lease agreement. The property has eight vacant units, however five vacant units are pre-leased.
1Q20	The four-bedroom units have all electric utilities. The property has eight vacant units, however, three vacant units are preleased. The contact indicated the elevated vacancy is typical for the property.
2Q20	The four-bedroom units have all electric utilities. The range in rents is due to renovations, consisting of new flooring, paint, appliances, and fixtures. The property utilizes a pricing software, and rents change daily.

Photos



PROPERTY PROFILE REPORT

Reserve At Park West

Effective Rent Date	5/15/2020
Location	100 Keats Dr Spartanburg, SC 29301 Spartanburg County
Distance	4.7 miles
Units	408
Vacant Units	10
Vacancy Rate	2.5%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	River Run, Mayfair Mill Lofts
Tenant Characteristics	Est. 20% corporate lofts; Some students
Contact Name	Heather
Phone	864-208-0900



Market Information

Program	Market
Annual Turnover Rate	43%
Units/Month Absorbed	21
HCV Tenants	0%
Leasing Pace	Within two week
Annual Chg. in Rent	Fluctuates Daily
Concession	N/A
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	included
Water	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 (3 stories)	132	783	\$1,105	\$0	Market	No	21	15.9%	N/A	AVG
1	1	Garden (3 stories)	N/A	826	\$1,106	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	739	\$924	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (3 stories)	194	1,097	\$1,010	\$0	Market	No	17	8.8%	N/A	AVG*
2	2	Garden (3 stories)	N/A	1,097	\$1,023	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,023	\$997	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (3 stories)	82	1,283	\$1,357	\$0	Market	No	6	7.3%	N/A	AVG
3	2	Garden (3 stories)	N/A	1,317	\$1,467	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,249	\$1,246	\$0	Market	No	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$924 - \$1,106	\$0	\$924 - \$1,106	\$0	\$924 - \$1,106
2BR / 2BA	\$997 - \$1,023	\$0	\$997 - \$1,023	\$0	\$997 - \$1,023
3BR / 2BA	\$1,246 - \$1,467	\$0	\$1,246 - \$1,467	\$0	\$1,246 - \$1,467

Reserve At Park West, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Cable/Satellite/Internet	Carpet/Hardwood	Patrol	
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Exterior Storage(\$75.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	DVD Library, Dog Park, Package
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$105.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Theatre		
Volleyball Court			

Comments

The contact reported that rents range based on availability and if the unit is located in phase I or phase II, with phase II offering hardwood flooring and stainless steel appliances. Management stated that there are two parking spaces assigned per unit. Garage parking ranges from \$105 to \$110 per month. Exterior storage ranges from \$75 to \$85 per month. Included in the rent is basic internet and cable. The contact reported that despite COVID-19 and the economic hardship it brought upon the industry as a whole, management has done an excellent job at working with tenants via payment plan and making sure that rent has been paid on time consistently over the months of March, April, and May 2020. The increase in vacancy can be attributed to phase II renovations for part of the property that leasing is currently not renting-out at the moment until the conclusions of the COVID-19 outbreak aftermath become more clear.

Reserve At Park West, continued

Trend Report

Vacancy Rates

1Q19	4Q19	1Q20	2Q20
5.9%	2.2%	2.5%	2.5%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$998 - \$1,468	\$0	\$998 - \$1,468	\$998 - \$1,468
2019	4	N/A	\$1,000	\$0	\$1,000	\$1,000
2020	1	N/A	\$1,005 - \$1,118	\$84 - \$93	\$921 - \$1,025	\$921 - \$1,025
2020	2	N/A	\$924 - \$1,106	\$0	\$924 - \$1,106	\$924 - \$1,106

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,180 - \$1,366	\$0	\$1,180 - \$1,366	\$1,180 - \$1,366
2019	4	N/A	\$1,130 - \$1,135	\$0	\$1,130 - \$1,135	\$1,130 - \$1,135
2020	1	N/A	\$991 - \$1,075	\$83 - \$90	\$908 - \$985	\$908 - \$985
2020	2	N/A	\$997 - \$1,023	\$0	\$997 - \$1,023	\$997 - \$1,023

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$1,527	\$0	\$1,527	\$1,527
2019	4	N/A	\$1,460	\$0	\$1,460	\$1,460
2020	1	N/A	\$1,060 - \$1,203	\$89 - \$100	\$971 - \$1,100	\$971 - \$1,100
2020	2	N/A	\$1,246 - \$1,467	\$0	\$1,246 - \$1,467	\$1,246 - \$1,467

Trend: Comments

1Q19	The rents range based on availability and if the unit is located in phase I or phase II, with phase II offering hardwood flooring and stainless steel appliances. Management stated that there are two parking spaces assigned per unit. The contact stated the occupancy rate at the property is typically 92 to 94 percent. Garage parking ranges from \$105 to \$110 per month. Exterior storage ranges from \$75 to \$85 per month.
4Q19	The rents range based on availability and if the unit is located in phase I or phase II, with phase II offering hardwood flooring and stainless steel appliances. Management stated that there are two parking spaces assigned per unit. Garage parking ranges from \$105 to \$110 per month. Exterior storage ranges from \$75 to \$85 per month. Included in the rent is a cable package with internet connection.
1Q20	The contact reported that rents range based on availability and if the unit is located in phase I or phase II, with phase II offering hardwood flooring and stainless steel appliances. Management stated that there are two parking spaces assigned per unit. Garage parking ranges from \$105 to \$110 per month. Exterior storage ranges from \$75 to \$85 per month. Included in the rent is basic cable.
2Q20	The contact reported that rents range based on availability and if the unit is located in phase I or phase II, with phase II offering hardwood flooring and stainless steel appliances. Management stated that there are two parking spaces assigned per unit. Garage parking ranges from \$105 to \$110 per month. Exterior storage ranges from \$75 to \$85 per month. Included in the rent is basic internet and cable. The contact reported that despite COVID-19 and the economic hardship it brought upon the industry as a whole, management has done an excellent job at working with tenants via payment plan and making sure that rent has been paid on time consistently over the months of March, April, and May 2020. The increase in vacancy can be attributed to phase II renovations for part of the property that leasing is currently not renting-out at the moment until the conclusions of the COVID-19 outbreak aftermath become more clear.

Photos



PROPERTY PROFILE REPORT

River Run

Effective Rent Date	5/14/2020
Location	901 Meridian Run Spartanburg, SC 29301 Spartanburg County
Distance	5.9 miles
Units	272
Vacant Units	17
Vacancy Rate	6.2%
Type	Garden (4 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Reported
Tenant Characteristics	70 percent of tenants are either BMW employees or medical students.
Contact Name	Ashley
Phone	833-200-2862



Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one month
Annual Chg. in Rent	Fluctuates Daily
Concession	One month free
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
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 (4 stories)	68	870	\$1,059	\$88	Market	No	7	10.3%	N/A	AVG
1	1	Garden (4 stories)	N/A	916	\$1,087	\$88	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (4 stories)	N/A	823	\$1,030	\$88	Market	No	N/A	N/A	N/A	LOW
2	2	Garden (4 stories)	120	1,086	\$1,098	\$92	Market	No	5	4.2%	N/A	AVG
2	2	Garden (4 stories)	N/A	1,148	\$1,148	\$92	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (4 stories)	N/A	1,086	\$1,048	\$92	Market	No	N/A	N/A	N/A	LOW
3	2	Garden (4 stories)	84	1,280	\$1,318	\$110	Market	No	5	6.0%	N/A	AVG
3	2	Garden (4 stories)	N/A	1,280	\$1,388	\$110	Market	No	N/A	N/A	N/A	HIGH
3	2	Garden (4 stories)	N/A	1,280	\$1,248	\$110	Market	No	N/A	N/A	N/A	LOW

River Run, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,030 - \$1,087	\$88	\$942 - \$999	\$0	\$942 - \$999
2BR / 2BA	\$1,048 - \$1,148	\$92	\$956 - \$1,056	\$0	\$956 - \$1,056
3BR / 2BA	\$1,248 - \$1,388	\$110	\$1,138 - \$1,278	\$0	\$1,138 - \$1,278

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	View	Coffe Bar, planned social
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$125.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Wi-Fi		

Comments

The contact reported that unassigned garage parking is available for an additional monthly fee of \$125. Concession includes one month free rent for one, two, and three-bedroom units. Water, sewer and trash have a set monthly fee of \$52, \$62, and \$72 for one, two, and three-bedroom units, respectively. Phase I consists of two and three-bedroom units and was completed in 2010. Phase II was completed in 2016, and consists of one-bedroom units. The contact reported that the property does not take Housing Choice Vouchers. Management reported that despite the COVID-19 outbreak, through payment plans and collaboration between those experiencing financial hardship from lay-offs and management, the business has remained stable and incoming inquiries have continued to rise at the rate expected during this time of the year whether that be via incoming interest from phone calls or virtual tours.

River Run, continued

Trend Report

Vacancy Rates

1Q20	2Q20
6.2%	6.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$889 - \$1,059	\$42	\$847 - \$1,017	\$847 - \$1,017
2020	2	N/A	\$1,030 - \$1,087	\$88	\$942 - \$999	\$942 - \$999

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$1,048 - \$1,148	\$42	\$1,006 - \$1,106	\$1,006 - \$1,106
2020	2	N/A	\$1,048 - \$1,148	\$92	\$956 - \$1,056	\$956 - \$1,056

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$1,228 - \$1,378	\$105	\$1,123 - \$1,273	\$1,123 - \$1,273
2020	2	N/A	\$1,248 - \$1,388	\$110	\$1,138 - \$1,278	\$1,138 - \$1,278

Trend: Comments

1Q20	The contact reported that unassigned garage parking is available for an additional monthly fee of \$125. Concession includes one month free on three-bedroom units and \$500 off the first month rent for one and two-bedroom units. Water, sewer and trash have a set monthly fee of \$52, \$62, and \$72 for one, two, and three-bedroom units, respectively. Phase I consists of two and three-bedroom units and was completed in 2010. Phase II was completed in 2016, and consists of one-bedroom units.
2Q20	The contact reported that unassigned garage parking is available for an additional monthly fee of \$125. Concession includes one month free rent for one, two, and three-bedroom units. Water, sewer and trash have a set monthly fee of \$52, \$62, and \$72 for one, two, and three-bedroom units, respectively. Phase I consists of two and three-bedroom units and was completed in 2010. Phase II was completed in 2016, and consists of one-bedroom units. The contact reported that the property does not take Housing Choice Vouchers. Management reported that despite the COVID-19 outbreak, through payment plans and collaboration between those experiencing financial hardship from lay-offs and management, the business has remained stable and incoming inquiries have continued to rise at the rate expected during this time of the year whether that be via incoming interest from phone calls or virtual tours.

Photos



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
Avalon Chase Apartments*	LIHTC	42	0	0.0%
Companion At Lee's Crossing*	LIHTC	192	0	0.0%
Country Garden Estates I & II*	LIHTC	90	4	4.4%
Willis Trace*	LIHTC	28	0	0.0%
Willow Crossing*	LIHTC	48	0	0.0%
Canaan Pointe*	Market	120	5	4.2%
Parkside At Laurel West*	Market	496	26	5.2%
Pine Lake Village*	Market	100	35	35.0%
Quail Pointe Apartments*	Market	100	4	4.0%
Reserve At Park West	Market	408	10	2.5%
River Run*	Market	272	17	6.2%
Total LIHTC		400	4	1.0%
Total Market Rate		1,496	97	6.5%
Overall Total		1,896	101	5.3%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.0 percent, below the 6.5 percent average reported by the market rate properties. The average LIHTC vacancy rate of 1.0 percent is considered exceptionally low, and indicative of supply constrained conditions. Four of the LIHTC comparables reported operating with a waiting list. All of the market rate properties reported vacancy rates of 35 percent or lower, or 6.2 percent and below when excluding Pine Lake Village. The contact at Pine Lake Village stated the elevated vacancy rate at the property is due to the property undergoing renovations and units being held offline. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

None of the comparables reported operations and vacancy rates at the properties being adversely effected by COVID-19. The state of South Carolina instituted a stay-at-home order on April 7th and ended the stay-at-home order on May 4th, and instituted business closures on March 18th and ended the restrictions on May 31st. The number of COVID-19 cases in South Carolina has peaked in June 2020 and the Governor of South Carolina declared a state of emergency on June 26th. However, restrictions have not been reinstated in South Carolina as of the date of this report.

LIHTC Vacancy – All LIHTC Properties in PMA

There are no unsubsidized LIHTC units located in the PMA, therefore we did not include any LIHTC units in the PMA in this comparable analysis. We included five LIHTC comparables located outside the PMA, four of which are located immediately outside the PMA. Only one of the LIHTC comparables reported vacancy among their units and four of the LIHTC comparables reported operating with a waiting list. Although these comparables are not located within the PMA, the comparables are located in close proximity to the PMA, which indicates strong demand for affordable rental housing in the area and PMA.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the South Carolina State Housing Finance and Development Agency Utility Allowance, 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 table summarizes the Subject's proposed 50 and 60 percent AMI net rents compared to the maximum allowable 50 and 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.

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	2BR	3BR	4BR	Rents at Max?
Hope Road Housing	Spartanburg	Family	\$728	\$841	\$938	Yes
LIHTC Maximum Rent (Net)	Spartanburg		\$728	\$841	\$938	
LIHTC Maximum Rent (Net)	Greenville		\$843	\$973	\$1,086	
Avalon Chase Apartments	Greenville	Family	\$825	\$965	\$1,084	No
Country Garden Estates I & II	Spartanburg	Family	\$699	\$782	-	No
Willis Trace	Spartanburg	Family	\$614	\$728	-	No
Willow Crossing	Spartanburg	Family	\$609	\$713	-	No
Average			\$687	\$797	\$1,084	
Achievable LIHTC Rent			\$728	\$841	\$938	

LIHTC RENT COMPARISON @60%

Property Name	County	Tenancy	2BR	3BR	4BR	Rents at Max?
Hope Road Housing	Spartanburg	Family	\$874	\$1,009	\$1,126	Yes
LIHTC Maximum Rent (Net)	Spartanburg		\$874	\$1,009	\$1,126	
LIHTC Maximum Rent (Net)	Greenville		\$1,012	\$1,168	\$1,303	
Avalon Chase Apartments	Greenville	Family	\$990	\$1,155	\$1,294	No
Companion At Lee's Crossing	Spartanburg	Family	\$824	\$963	-	Yes
Country Garden Estates I & II	Spartanburg	Family	\$847	\$967	-	No
Willis Trace	Spartanburg	Family	\$694	\$813	-	No
Willow Crossing	Spartanburg	Family	\$689	\$798	-	No
Average			\$809	\$939	\$1,294	
Achievable LIHTC Rent			\$874	\$1,009	\$1,126	

The Subject's proposed 50 and 60 percent AMI rents are set at the 2020 maximum allowable levels. One of the comparables, Companion At Lee's Crossing, reported that they are achieving maximum allowable rents. The contacts at Willis Trace and Willow Crossing stated their properties are not achieving maximum allowable rents, but stated maximum allowable rents are likely achievable in the area due to high demand at their properties. The remaining comparables were unable to state why the properties are not achieving maximum allowable rents. Avalon Chase Apartments is also achieving rents higher than the maximum allowable rents than the Subject's achievable LIHTC rents, as Avalon Chase Apartments is located in Greenville County, which has higher rent limits. Four of the LIHTC comparables are fully occupied and experience relatively low turnover. Country Garden Estates I & II is the only comparable with any vacancy, therefore we believe the comparables are not maximizing rent potential. The Subject will be in similar or slightly superior condition compared to these comparables. We believe with the Subject's design and unit sizes it will be able to achieve the maximum allowable rents at 50 and 60 percent of AMI. Additionally the

LIHTC rents offer a significant advantage to market rents. The Subject will be considered most similar to Companion At Lee’s Crossing and Avalon Chase Apartments upon completion.

Companion At Lee's Crossing is a 192-unit, garden-style development located 8.1 miles east of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2010, and currently exhibits slightly inferior condition relative to the Subject, which will be built in 2021. The Subject will be single-family home design, which is superior to the garden-style design of Companion At Lee’s Crossing. The manager at Companion At Lee's Crossing reported the property as fully occupied, indicating the current rents are well accepted in the market. Companion At Lee's Crossing offers exterior storage, walk-in closets, a swimming pool, and garages, all of which the proposed Subject will lack. The proposed Subject will offer no notable amenities not already offered by Companion At Lee's Crossing. The in-unit and property amenity packages offered by Companion At Lee's Crossing are both considered slightly superior relative to the Subject's amenities. In overall terms, we believe the Subject will be similar product relative to the Companion At Lee's Crossing.

Avalon Chase Apartments is a 42-unit, garden-style development located 11.8 miles west of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 2014, and currently exhibits similar condition relative to the Subject, which will be built in 2021. The Subject will be single-family home design, which is superior to the garden-style design of Avalon Chase Apartments. The manager at Avalon Chase Apartments reported the property as fully occupied, indicating the current rents are well accepted in the market. Avalon Chase Apartments offers microwaves, which the Subject lacks. However, the Subject will offer balconies/patios, which is not provided by Avalon Chase Apartments. The in-unit and property amenity packages offered by Avalon Chase Apartments are both considered similar relative to the Subject's amenities. In overall terms, we believe the Subject will be similar product relative to the Avalon Chase Apartments.

None of the comparables offer rents restricted at 70 percent of the AMI. The following table illustrates the current rents at the market rate properties.

LIHTC RENT COMPARISON @70%

Property Name	County	Tenancy	2BR	3BR	4BR	Rents at Max?
Hope Road Housing	Spartanburg	Family	\$1,020	\$1,177	\$1,314	Yes
LIHTC Maximum Rent (Net)	Spartanburg		\$1,020	\$1,177	\$1,314	
Canaan Pointe (Market)	Spartanburg	Family	-	\$1,123	\$1,205	
Parkside At Laurel West (Market)	Spartanburg	Family	\$1,059	\$1,188	-	
Pine Lake Village (Market)	Spartanburg	Family	\$798	\$902	\$1,056	
Quail Pointe Apartments (Market)	Spartanburg	Family	\$925	\$1,125	\$1,394	
Reserve At Park West (Market)	Spartanburg	Family	\$1,133	\$1,413	-	
River Run (Market)	Spartanburg	Family	\$1,167	\$1,419	-	
Average			\$1,016	\$1,195	\$1,218	
Achievable LIHTC Rent			\$1,020	\$1,177	\$1,314	

We believe the Subject can achieve maximum allowable rents at 70 percent of AMI. We have compared the 70 percent rents to the market rate rents. The two, three and four-bedroom units average \$1,016, \$1,195 and \$1,218, respectively. The highest rents are being achieved by Reserve At Park West and River Run.

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 Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2BR / 2BA	@50%	\$728	\$798	\$1,267	\$1,082	\$1,150	37%
2BR / 2BA	@60%	\$874	\$798	\$1,267	\$1,082	\$1,150	24%
2BR / 2BA	@70%	\$1,020	\$798	\$1,267	\$1,082	\$1,150	11%
3BR / 2BA	@50%	\$841	\$902	\$1,634	\$1,324	\$1,325	37%
3BR / 2BA	@60%	\$1,009	\$902	\$1,634	\$1,324	\$1,325	24%
3BR / 2BA	@70%	\$1,177	\$902	\$1,634	\$1,324	\$1,325	11%
4BR / 2BA	@50%	\$938	\$1,056	\$1,679	\$1,334	\$1,475	36%
4BR / 2BA	@60%	\$1,126	\$1,056	\$1,679	\$1,334	\$1,475	24%
4BR / 2BA	@70%	\$1,314	\$1,056	\$1,679	\$1,334	\$1,475	11%

The Subject’s LIHTC rents are well below the achievable market rents. The Subject’s achievable LIHTC rents represent a rent advantage of 10.9 to 36.7 percent over the achievable market rents. We have compared the Subject to Reserve At Park West and River Run.

Reserve At Park West is a 408-unit, garden-style development located 4.7 miles southeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2008, and currently exhibits slightly inferior condition relative to the Subject, which will be built in 2021. The manager at Reserve At Park West reported a low vacancy rate of 2.5 percent, indicating the current rents are well accepted in the market. Reserve At Park West offers complimentary internet, exterior storage, walk-in closets, washer/dryers, microwaves, a swimming pool, a theatre, and volleyball court, all of which the proposed Subject will lack. The proposed Subject will offer no notable amenities not already offered by Reserve At Park West. The in-unit and property amenity packages offered by Reserve At Park West are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject’s excellent condition and single-family home design balance its inferior amenities, and the Subject will be a similar product relative to the Reserve At Park West. We believe the Subject can achieve similar rents to this property. The following table compares the Subject with Reserve At Park West.

SUBJECT COMPARISON TO RESERVE AT PARK WEST

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Reserve At Park West Rent	Square Feet	Reserve At Park West RPSF
2BR / 2BA	\$1,150	1,150	\$1.00	\$1,133	1,097	\$1.03
3BR / 2BA	\$1,325	1,275	\$1.04	\$1,524	1,283	\$1.19
4BR / 2BA	\$1,475	1,400	\$1.05	-	-	-

River Run is a 272-unit, garden-style development located 5.9 miles southeast of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 2010, and currently exhibits slightly inferior condition relative to the Subject, which will be built in 2021. The manager at River Run reported a moderate vacancy rate of 6.2 percent, indicating the current rents are accepted in the market. River Run offers exterior storage, vaulted ceilings, walk-in closets, washer/dryers, microwaves, a swimming pool, and WiFi, all of which the proposed Subject will lack. The proposed Subject will offer no notable amenities not already offered by River Run. The in-unit and property amenity packages offered by River Run are both considered superior relative to the Subject's amenities. In overall terms, we believe the Subject’s excellent condition and single-family home design balance its inferior amenities, and the Subject will be similar product relative to the River Run. We believe the Subject can achieve slightly lower rents to this property. The following table compares the Subject with River Run.

SUBJECT COMPARISON TO RIVER RUN

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	River Run Rent	Square Feet	River Run RPSF
2BR / 2BA	\$1,150	1,150	\$1.00	\$1,217	1,086	\$1.12
3BR / 2BA	\$1,325	1,275	\$1.04	\$1,489	1,280	\$1.16
4BR / 2BA	\$1,475	1,400	\$1.05	-	-	-

Three of the market rate comparables offer four-bedroom units. Quail Pointe Apartments reported the highest market rate rents of these comparables. Quail Pointe Apartments is a 100-unit, development located 7.0 miles southeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1975 and renovated in 2005. We consider the condition of this property inferior relative to the Subject, which will be built in 2021. The manager at Quail Pointe Apartments reported a low vacancy rate of 4.0 percent, indicating the current rents are well accepted in the market. Quail Pointe Apartments offers walk-in closets, which the Subject will lack. However, the Subject will offer balconies/patios, a business center, a fitness center, and garages, none of which are provided by Quail Pointe Apartments. On balance, we believe the in-unit and property amenity packages offered by Quail Pointe Apartments to be similar and slightly inferior relative to the Subject, respectively. In overall terms, we believe the Subject will be a superior product relative to the Quail Pointe Apartments. Our concluded achievable market rents for the Subject's units are above the rents reported by Quail Pointe Apartments.

In conclusion, we believe that the Subject's achievable market rents are **\$1,150, \$1,325, and \$1,475** for its two, three, and four-bedroom units, respectively. Our concluded market rents result in a rent advantage of 10.9 to 36.7 percent for the Subject's achievable LIHTC rents.

Impact of Subject on Other Affordable Units in Market

Four of the LIHTC comparables reported being fully occupied and four maintain waiting lists. None of the LIHTC properties we surveyed are located in the PMA, but four of the LIHTC comparables are located immediately outside the PMA. The existing affordable units in the PMA are subsidized. With a limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments.

Availability of Affordable Housing Options

There is limited supply of LIHTC units without subsidies in the PMA. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic growth of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Four of the LIHTC comparables reported being fully occupied and maintain waiting lists up to two months or 200 households in length. When compared to the current 50, 60 and 70 percent rents at the LIHTC properties, the Subject's proposed 50, 60 and 70 percent AMI rents appear reasonable, and overall, they are 10.9 to 36.7 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

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

Planning

We made several attempts to contact the City of Spartanburg Planning Department and the Spartanburg County Planning and Development Commission; however, as of the date of this report our phone calls have not been returned. As such, we have utilized CoStar to identify under construction and proposed multifamily developments in the PMA. The following table illustrates multifamily projects in the PMA according to CoStar.

PLANNED DEVELOPMENT						
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Asheville Hwy & Chapel St	Market	Family	150	0	Proposed	7.2 miles
Grand Oaks of Spartanburg	Market	Family	696	0	Under Construction	3.7 miles
Robert Smalls	LIHTC/RAD	Family	190	0	Proposed	7.4 miles
Totals			1,036	0		

Source: CoStar, June 2020

- **Asheville Hwy & Chapel St** is a planned market rate development that will contain 150 units. Details on the development are not yet available. None of the units are considered competitive with the Subject due to different rent structure.
- **Grand Oaks of Spartanburg** is a 696-unit market rate, garden-style development currently under construction. Of the 696 total units, 192 will be completed and ready for leasing by July 15, 2020. The property will offer two clubhouses, two community pools, a dog park, a car wash, a coffee shop, three playground, and community laundry. The development will offer one, two and three-bedroom units. Due to the differing rent structure, none of the units are considered competitive with the Subject.
- **Robert Smalls** is a planned LIHTC and RAD development that will contain 190 units. Details on the development are not yet available. None of the units are considered competitive with the Subject due to different rent structure.

Section 8/Public Housing

We contacted a Carolyn Wofford, Housing Choice Voucher Administrative Assistant, with the Spartanburg Housing Authority (864-598-6015) for information regarding the Housing Choice Voucher program in the area. The Spartanburg Housing Authority administers the Housing Choice Voucher program in the county of Spartanburg. The authority is authorized to distribute 2,345 tenant-based Housing Choice Vouchers, of which 2,220 of these vouchers are currently in use. The waiting list is currently closed with an estimated wait time of two to three years. The following table illustrates the current payment standards for the program as of January 1, 2020.

PAYMENT STANDARDS	
Unit Type	Standard
Two-Bedroom	\$795
Three-Bedroom	\$1,057
Four-Bedroom	\$1,151

Source: Spartanburg Housing Authority, effective January 2020

The Subject's proposed LIHTC rents at 70 percent of AMI are above the current payment standards, indicating tenants with vouchers will have to pay additional rent out of pocket. The Subject's remaining proposed LIHTC rents are below the current payment standards, indicating tenants with vouchers will not have to pay 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 included in the previous section.

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 22.5 percent. The capture rates by unit type vary from 1.3 to 54.7 percent. The Subject's overall capture rate is within SCSHFDA guidelines and we believe that there is ample demand for the Subject's units. These capture rates are all considered achievable in the PMA, where low-income renter households are growing. None of the LIHTC comparables are located within the PMA. However, four of the LIHTC comparables are located immediately outside the PMA. The LIHTC comparables maintain low vacancy rates and the majority also maintain waiting lists, which indicates a need for affordable housing such as the proposed Subject. The Subject site is located within 4.0 miles of most community services and facilities that families would utilize on a consistent basis.

The comparables reported vacancy rates ranging from zero to 35 percent, with an overall weighted average of 5.3 percent. The vacancy rate at Pine Lake Village is considered an outlier, and the remaining comparables reported vacancy rates of 6.2 percent and below. Four of the LIHTC comparables reported being fully occupied and maintain waiting lists up to two months or 200 households in length. When compared to the current 50, 60 and 70 percent rents at the LIHTC properties, the Subject's proposed 50, 60 and 70 percent AMI rents appear reasonable, and overall, they are 10.9 to 36.7 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

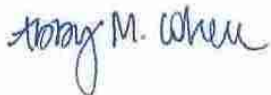
J. SIGNED STATEMENT REQUIREMENTS

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

May 29, 2020
Date



Abby M. Cohen
Partner

ADDENDUM A
Qualifications of Consultants

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CRE

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)
Member, The Counselors of Real Estate (CRE)
Member, Urban Land Institute
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628
State of California – Certified General Real Estate Appraiser, No. AG27638
State of Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Maryland – Certified General Real Estate Appraiser; No. 6048
Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Oregon – Certified General Real Estate Appraiser; No. COO1280
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111
State of Washington – Certified General Real Estate Appraiser, No. 1102433

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance, March 2001*

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending

the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.

- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- 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 operating 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. Recommendations included a workout for one of the 16 assets.
- 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 property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Tara Rial

I. Education

Loyola University Maryland, Baltimore, MD
Bachelors of Business Administration

II. Professional Experience

Manager, Novogradac & Company LLP
Analyst, Novogradac & Company LLP
Senior Research Associate, CoStar Group,

III. Research Assignments

- 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.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted with a variety of asset management services for a developer including monitoring and reporting property performance on a quarterly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- 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 for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of 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.

STATEMENT OF PROFESSIONAL QUALIFICATIONS NICODEMO AGOSTINO

I. Education

McGill University – Montreal, QC
Bachelor of Civil Law (B.C.L.) and Bachelor of Laws (LL.B.)

McGill University – Montreal, QC
Bachelor of Arts, Art History

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – January 2019 - Present
Assistant Contract Administrator, *Office of Innovation, McGill University* – June 2016 – June 2018
Legal Clinic Intern, *Commission for Environmental Cooperation* – September 2016 – December 2016

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM B
Subject Plans



PROJECT NAME: HOPE RD HOUSING
PROJECT #: GR3411
DATE: 04/30/2020

