

MARKET FEASIBILITY ANALYSIS

OF

SEMINOLE MILL ACRES
260 BELVEDERE ROAD
CLEARWATER, SOUTH CAROLINA 29842

FOR

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SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY
300-C OUTLET POINTE BOULEVARD
COLUMBIA, SOUTH CAROLINA 29210

EFFECTIVE DATE

APRIL 15, 2008

JOB REFERENCE NUMBER

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INTRODUCTION

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Clearwater, South Carolina by Archetypes, LLC.

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and is in conformance with the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA). These standards include the standard definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by VWB Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach, because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods, or physical landmarks that might impede development.

PMAs are established using a variety of factors including, but not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors, and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations by the field analyst.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels, and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics, and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, timing of the project, and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted pursuant to SCSHFDA market study guidelines. This demand analysis considers new renter household growth, rent overburdened households, and those living in substandard housing. In the event the proposed project is age-restricted, we consider older adult homeowners likely to convert to renters as an additional support component.
- A determination of achievable market rent for the proposed subject development is conducted. Using a Rent Comparability Grid, the features of the proposed development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. VWB Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, VWB Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. VWB Research is not responsible for errors or omissions in the data provided by other sources.

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D. SOURCES

VWB Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 1990 and 2000 Census on Housing
- Claritas
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- South Carolina State Housing Finance & Development Authority
- Real Estate Center at Texas A&M University
- HISTA Data (household income by household size, tenure, and age of head of household) by Ribbon Demographics

2008 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY: (APPENDIX C)

Development Name:	Seminole Mill Acres	Total # Units:	72
Location:	260 Belvedere Road	# LIHTC Units:	72
PMA Boundary:	Aiken County line to the north; Bettis Academy Road, Howlandville Road, and the eastern boundary of the Census Tract 209.00 to the east; the southern boundary of the Census Tract 209.00, U.S. Highway 278, and State Route 28 to the south; and the Savannah River to the west.		
	Farthest Boundary Distance to Subject: 9.2 miles		

RENTAL HOUSING STOCK (found on pages H-1, Addendum A-4 & 5)

Type	# Properties	Total Units	Vacant Units	Average Occupancy*
All Rental Housing	22	1,462	22	98.5%
Market-Rate Housing	14	1,111	0	97.8%
Assisted/Subsidized Housing not to include LIHTC	4	237	0	100.0%
LIHTC (All that are stabilized)**	4	214	0	97.5%
Stabilized Comps*** (Current/Historical)	3	178	0	100.0% / 72.4%*
Non-stabilized Comps	N/A	-	-	-

* Average Occupancy percentages for LIHTC units will be determined by using the second and fourth quarter rates reported for 2007.

** Stabilized occupancy of at least 93%.

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	ONE-BR	1.0	750	\$424	\$555	\$0.74	23.6%	\$545	\$0.84
4	ONE-BR	1.0	750	\$475	\$555	\$0.74	14.4%	\$545	\$0.84
16	TWO-BR	2.0	935	\$493	\$650	\$0.70	24.2%	\$645	\$0.68
16	TWO-BR	2.0	935	\$550	\$650	\$0.70	15.4%	\$645	\$0.68
16	THREE-BR	2.0	1,115	\$575	\$740	\$0.66	22.3%	\$730	\$0.70
16	THREE-BR	2.0	1,115	\$625	\$740	\$0.66	15.5%	\$730	\$0.70
****Gross Potential Rent Monthly				\$39,484	\$48,920		19.3%		

****Gross Potential Rent Monthly is calculated by multiplying the number of units for each bedroom type by the proposed tenant rent by bedroom. Sum of those is the Gross Potential Rent.

DEMOGRAPHIC DATA (found on page F-4)

	2000		2007		2010	
Renter Households	5,567	26.0%	5,966	25.4%	6,129	25.2%
Income-Qualified Renter HHs (LIHTC)	1,759	31.6%	1,774	29.7%	1,764	28.8%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	-17	-6	-	-	-	-10
Existing Households (Overburd + Substand)	472	533	-	-	-	611
Less Comparable/Competitive Supply	-	-16	-	-	-	-
Net Income-qualified Renter HHs	455	511	-	-	-	601

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	7.9%	7.0%	-	-	-	12.0%

ABSORPTION RATE (found on page G-6)

Absorption Rate 12-13 UNITS PER MONTH (5 TO 6 months)

S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tax Credit Tenant Rent	Gross Potential TC Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	#DIV/0!
	0 BR		\$0		\$0	#DIV/0!
	0 BR		\$0		\$0	#DIV/0!
	0 BR		\$0		\$0	#DIV/0!
4	1 BR	\$424	\$1,696	\$555	\$2,220	23.60%
4	1 BR	\$475	\$1,900	\$555	\$2,220	14.41%
	1 BR		\$0		\$0	#DIV/0!
	1 BR		\$0		\$0	#DIV/0!
	1 BR		\$0		\$0	#DIV/0!
	1 BR		\$0		\$0	#DIV/0!
16	2 BR	\$493	\$7,888	\$650	\$10,400	24.15%
16	2 BR	\$550	\$8,800	\$650	\$10,400	15.38%
	2 BR		\$0		\$0	#DIV/0!
	2 BR		\$0		\$0	#DIV/0!
	2 BR		\$0		\$0	#DIV/0!
	2 BR		\$0		\$0	#DIV/0!
16	3 BR	\$575	\$9,200	\$740	\$11,840	22.30%
16	3 BR	\$625	\$10,000	\$740	\$11,840	15.54%
	3 BR		\$0		\$0	#DIV/0!
	3 BR		\$0		\$0	#DIV/0!
	3 BR		\$0		\$0	#DIV/0!
	3 BR		\$0		\$0	#DIV/0!
	4 BR		\$0		\$0	#DIV/0!
	4 BR		\$0		\$0	#DIV/0!
	4 BR		\$0		\$0	#DIV/0!
	4 BR		\$0		\$0	#DIV/0!
72			\$39,484		\$48,920	19.29%

B. PROJECT DESCRIPTION

The proposed project involves the new construction of the 72-unit Seminole Mill Acres project in Clearwater, South Carolina. Seminole Mill Acres will be developed on the former site of the Seminole Mills, a textile operation which ceased operations in 1991. The majority of buildings have been demolished from that site, but two historic structures remain and will be incorporated into the subject site design. Adjacent to the Seminole Mill site is a 58.5-acre site formerly occupied by the Clearwater Finishing Plant. This site has been cleared, and a variety of improvements are planned, including an amphitheater, a mixed-use commercial center, and a wellness center.

The historic mill building on the subject site will be substantially renovated and used as a community building. This will add an element of the site's historic flavor to the proposed site. The project will be restricted to family households with incomes of up to 50% and 60% of Area Median Household Income (AMHI). The project is anticipated to open in April of 2010. Additional details of the proposed subject project are as follows:

- a. **PROPERTY LOCATION:** 260 Belvedere Road
Clearwater, South Carolina 29842
- b. **CONSTRUCTION TYPE:** New Construction
- c. **OCCUPANCY TYPE:** Family
- d. **TARGET INCOME GROUP:** 50% and 60% AMHI
- e. **SPECIAL NEEDS POPULATION:** None Targeted
- f. and h. to j. **UNIT CONFIGURATION AND RENTS:**

TOTAL UNITS	BEDROOM TYPE	BATHS	STYLE	SQUARE FEET	PERCENT OF AMHI	PROPOSED RENTS		
						COLLECTED	UTILITY ALLOWANCE	GROSS
4	ONE-BR.	1.0	GARDEN	750	50% (HOME)	\$424	\$76	\$500
4	ONE-BR.	1.0	GARDEN	750	60%	\$475	\$76	\$551
16	TWO-BR.	2.0	GARDEN	935	50% (HOME)	\$493	\$76	\$585
16	TWO-BR.	2.0	GARDEN	935	60%	\$550	\$92	\$642
16	THREE-BR.	2.0	GARDEN	1,115	50% (HOME)	\$575	\$116	\$691
16	THREE-BR.	2.0	GARDEN	1,115	60%	\$625	\$116	\$741
72	TOTAL							

Source: Seminole Mill Acres, LLC

AMHI – Area Median Household Income (Augusta-Richmond County, GA-SC MSA 2008)

g. NUMBER OF STORIES/BUILDINGS: The subject project will consist of 18 single-story residential buildings and one two-story community building on a 14.8-acre site. A two-story historic building on site will be renovated to serve as the community building. All buildings will be of a slab-on-grade construction. The 18 residential buildings will consist of four-unit quads.

k. PROJECT-BASED RENTAL ASSISTANCE (EXISTING OR PROPOSED): None

l. COMMUNITY AMENITIES:

The subject property will include the following community features:

- COMMUNITY ROOM WITH KITCHENETTE
- COMPUTER AREA
- RESIDENT STORAGE
- PEDESTRIAN WALKWAY
- PLAYGROUND
- RECREATION ROOM WITH THREE PIECES OF NAUTILUS TYPE EQUIPMENT
- GAZEBO
- ON-SITE MANAGEMENT
- CENTRAL LAUNDRY

m. UNIT AMENITIES:

Each unit will include the following amenities:

- REFRIGERATOR
- RANGE
- DISHWASHER
- PATIO
- CEILING FAN
- GARBAGE DISPOSAL
- CARPET
- BLINDS
- CENTRAL AIR CONDITIONING
- HIGH-SPEED INTERNET HOOKUP
- SUPPORTIVE SERVICES
- WASHER/DRYER HOOKUPS

n. PARKING:

A total of 143 surface lot parking spaces will be available to tenants at no additional charge. This is a ratio of 1.99 spaces per unit, considered generous and appropriate for family apartment projects.

o. RENOVATIONS AND CURRENT OCCUPANCY:

Not applicable

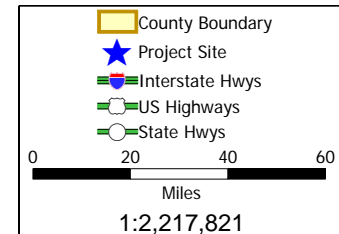
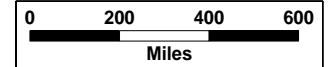
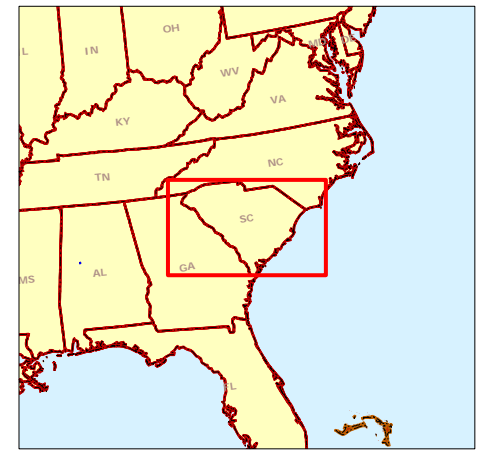
p. UTILITY RESPONSIBILITY:

Water, sewer, and trash collection are included in the rent, while tenants will be responsible for all other utilities including the following:

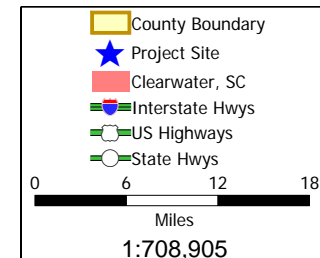
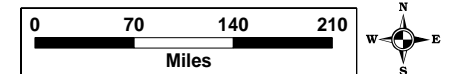
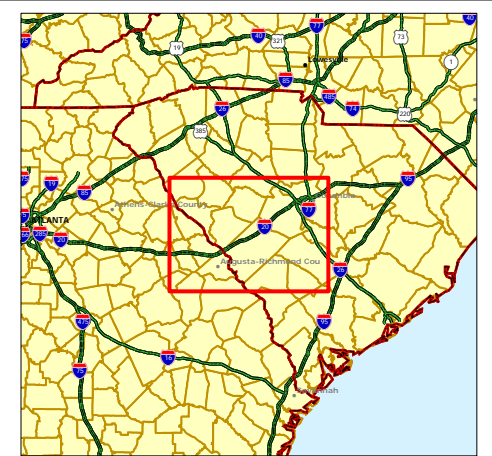
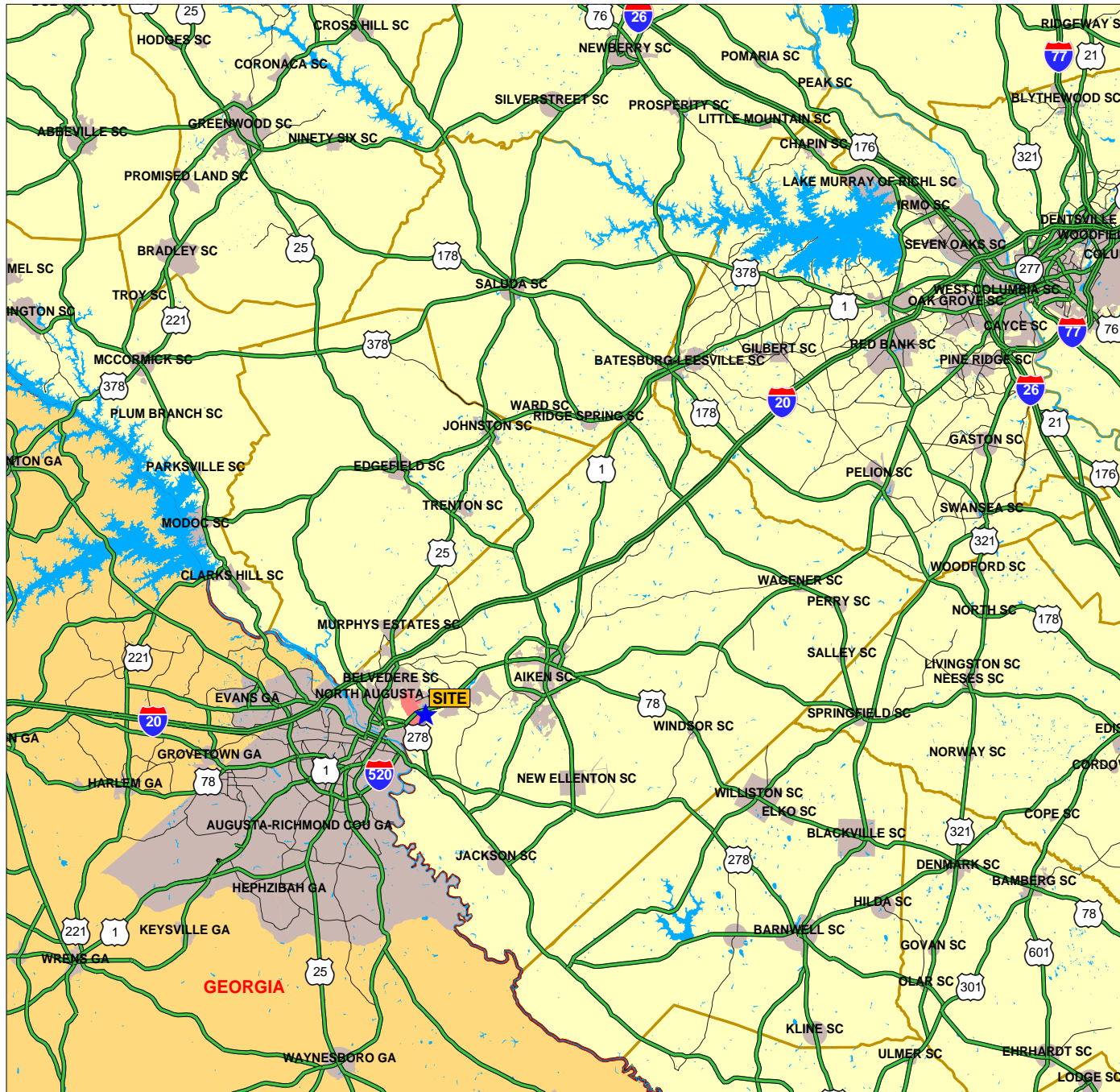
- GENERAL ELECTRICITY
- ELECTRIC HEAT
- ELECTRIC HOT WATER
- ELECTRIC COOKING

A state map and regional map are on the following pages.

State of South Carolina



Clearwater, SC: Surrounding Region



C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

The subject site was personally inspected by VWB Research during the week of March 17, 2008. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The proposed site, Seminole Mill Acres, is currently a vacant parcel located at 260 Belvedere Road in the southeastern portion of Clearwater, South Carolina. The site was formerly the home of the now demolished Seminole Mills factory. The smoke stack and rehabilitated Mill Front building will remain as landmarks. Located within Aiken County, the subject site is approximately 6.0 miles east of Augusta, Georgia. Following is a description of surrounding land uses:

North -	The site is bordered to the north by the former Clearwater Finishing Plant site. It should be noted that the plant is no longer in operation and is part of a proposed redevelopment site plan. Farther north is Clearwater Lake and U.S. Highway 1. Continuing north is vacant land.
East -	The site is bordered to the east by vacant land. The land is to be used for the Aiken County Park, which will be accessible from the proposed site by a pedestrian parkway. Farther east is the Harrison Caver Park. Continuing east is vacant wooded land.
South -	Augusta Road (State Route 421), a four-lane road with moderate to heavy vehicular traffic, borders the site to the south. Farther south are a few single-family homes in satisfactory condition, followed by vacant wooded land.
West -	Belvedere Road, a two-lane minor arterial with moderate vehicular traffic, borders the site to the west. Farther west are single-family homes in satisfactory condition and the Clearwater First Baptist Church. Continuing west is the Clearwater Elementary School.

Overall, the subject property fits well with the surrounding land uses and should contribute to the marketability of the site. It should be noted that the Clearwater Finishing Plant site is unattractive, but scheduled for redevelopment. The marketability of the proposed Seminole Mills site, in our opinion, is somewhat contingent upon the redevelopment of the adjacent site. The proposed uses for the Clearwater Finishing Plant site include an amphitheater, mixed-use commercial and a wellness center. These improvements should markedly improve the subject project's marketability.

a. Commercial/Retail Areas

The area is served by numerous shopping opportunities. A Bi-Lo grocery store and CVS pharmacy are 0.9 miles north of the site along Jefferson Davis Highway. A Wal-Mart is 4.9 miles north of the site within Edgefield Square, the closest shopping center. The closest mall, Augusta Mall, is located 18.7 miles west of the site in Augusta, Georgia. The mall is anchored by a J.C. Penney, Sears, Macy's, and Dillard's, and offers over 130 specialty stores, services, and restaurants. Four Seasons gas station and convenience store is 1.2 miles south of the site. Waffle House is the closest restaurant, 0.5 miles north of the site. The closest bank is Regions Bank, 0.6 miles north.

b. Employers/Employment Centers

The subject site is near numerous employment opportunities. The largest employers in the area include Savannah River Nuclear Solutions, Aiken County School District, Kimberly Clark Corp., and Bridgestone-Firestone. A list of the area's major employers is included in the Economic Analysis section of this report.

c. Recreation Areas and Facilities

There are 16 parks within in the North Augusta, city limits and an additional 25 parks within Aiken County. Riverview Park, the largest park in North Augusta, includes 149 acres of land and an activities center, baseball/softball fields, tennis courts, disc golf, and playgrounds. The park also contains the approximate midpoint of the Greenway, a paved path for walking, jogging, or biking that meanders throughout the city. The site will be adjoined to the proposed Aiken County Park via this path.

d. Entertainment Venues

The Aiken County and Augusta, Georgia areas have a variety of entertainment options available. Movie theaters, upscale restaurants, bars, and bowling alleys are all available within a short driving distance of the site. Music in the Park Summer Concert Series held at the Maude Edenfield Park runs from May through July and offers a wide variety of musical acts. The Masters Golf Tournament is held every year at the Augusta National Golf Club in Augusta, Georgia and attracts spectators from around the world.

e. Education Facilities

The subject site is located within the Aiken County School District. Clearwater Elementary School, LBC Middle School, and Midland Valley High School are all within 3.5 miles of the site.

The closest community college is Aiken Technical, 6.3 miles west. The college offers 24 different associate degrees and numerous certificate programs.

The closest four-year higher-education institution is the University of South Carolina-Aiken, 10.3 miles west of the site. The Aiken branch has a typical enrollment of over 3,300.

f. Social Services

The main offices of Aiken County, which includes most local government services, are located 3.8 miles south of the site. The closest library is the Midland Valley Library, 3.1 miles east of the site.

g. Transportation Services

The Best Friend Express provides public transportation for the area. One of the three fixed routes maintains a stop along Belvedere Road in front of the site; however, the bus can be flagged down at any point along the route. The routes run throughout North Augusta, South Carolina and into Augusta, Georgia, as well as Aiken, South Carolina.

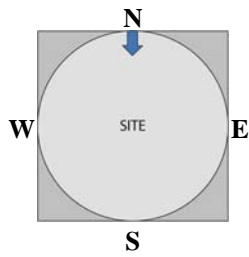
h. Public Safety

The Burnetown Police Department is located 2.8 miles east of the site, while the Clearwater Volunteer Fire Department is less than 0.6 miles west of the site. University Hospital in Augusta, Georgia is the closest hospital to the site, 6.6 miles west. In addition, several small doctors offices are in the area, as well as a rehab hospital 5.4 miles west of the site.

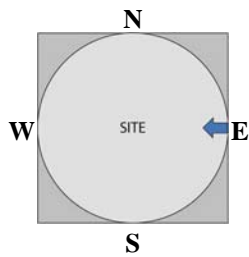
3. SITE PHOTOGRAPHS

Photographs of the subject site and surrounding land uses are included on the following pages.

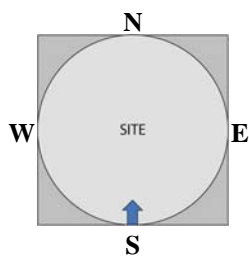
SITE PHOTOGRAPHS



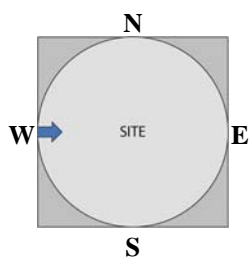
North view of site



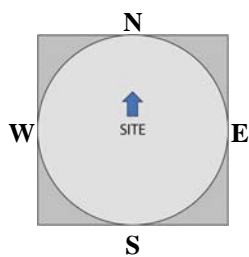
East view of site



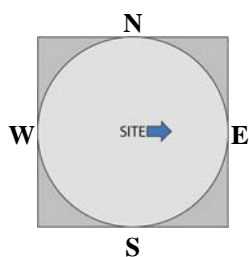
South view of site



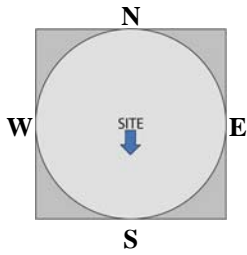
West view of site



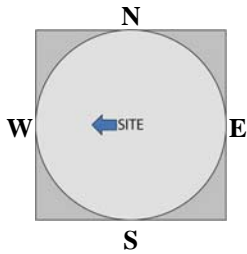
North view from site



East view from site



South view from site



West view from site



North on Belvedere Road

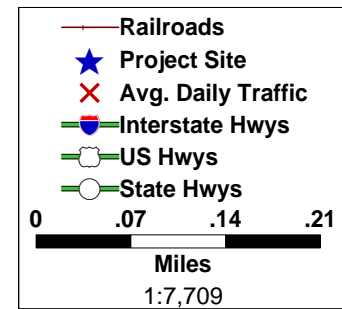
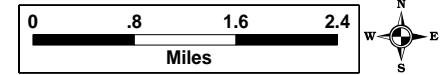
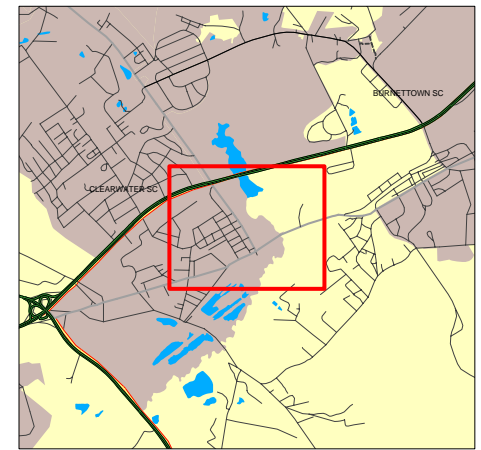
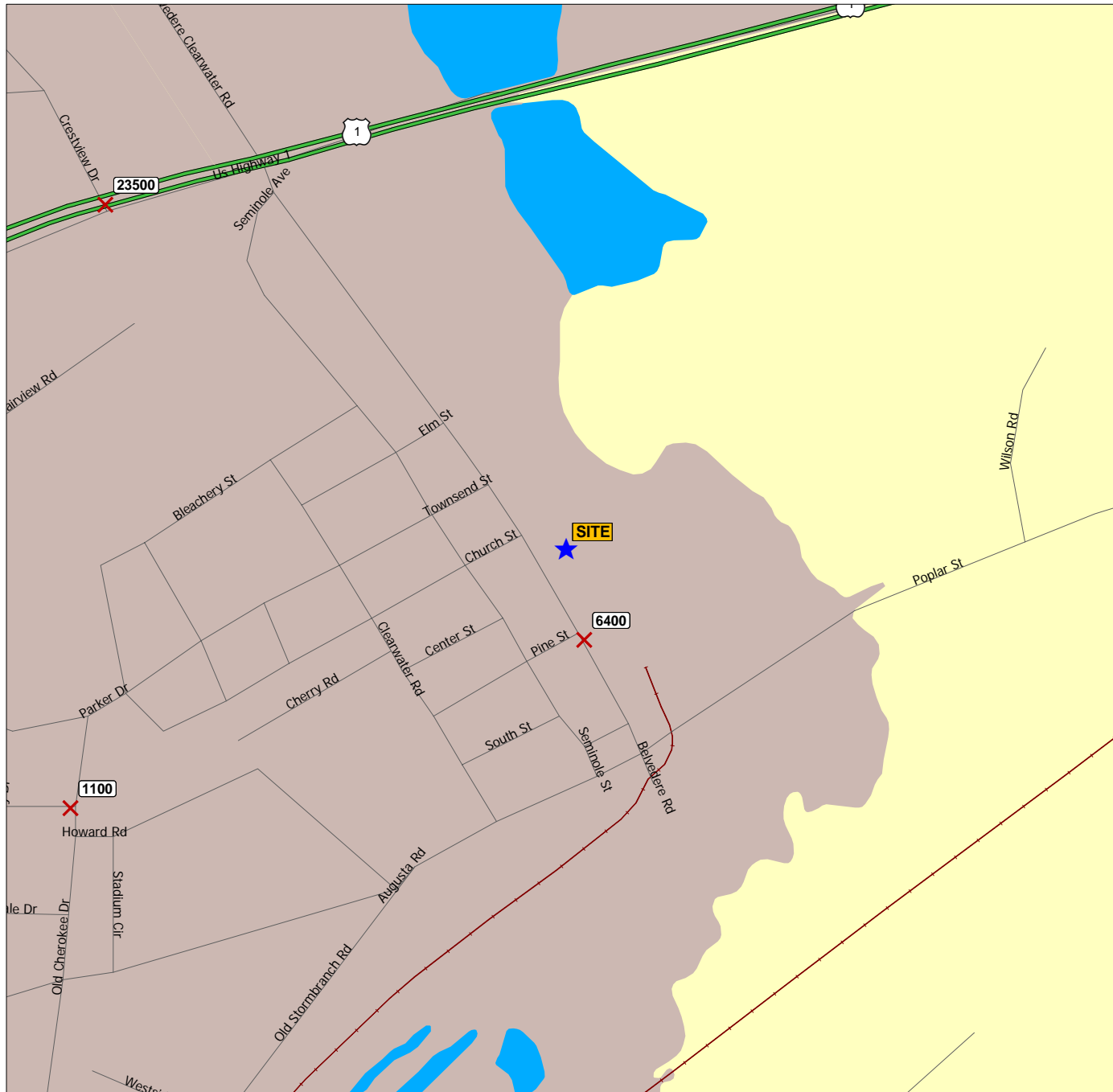


South on Belvedere Road

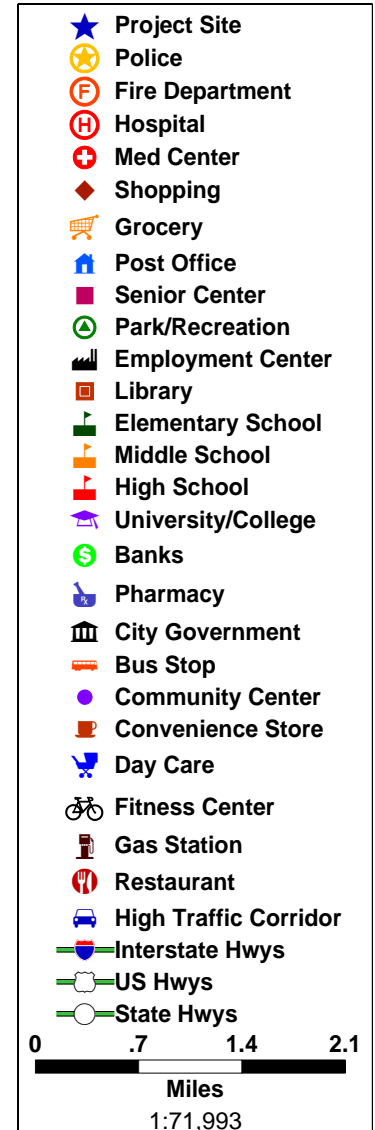
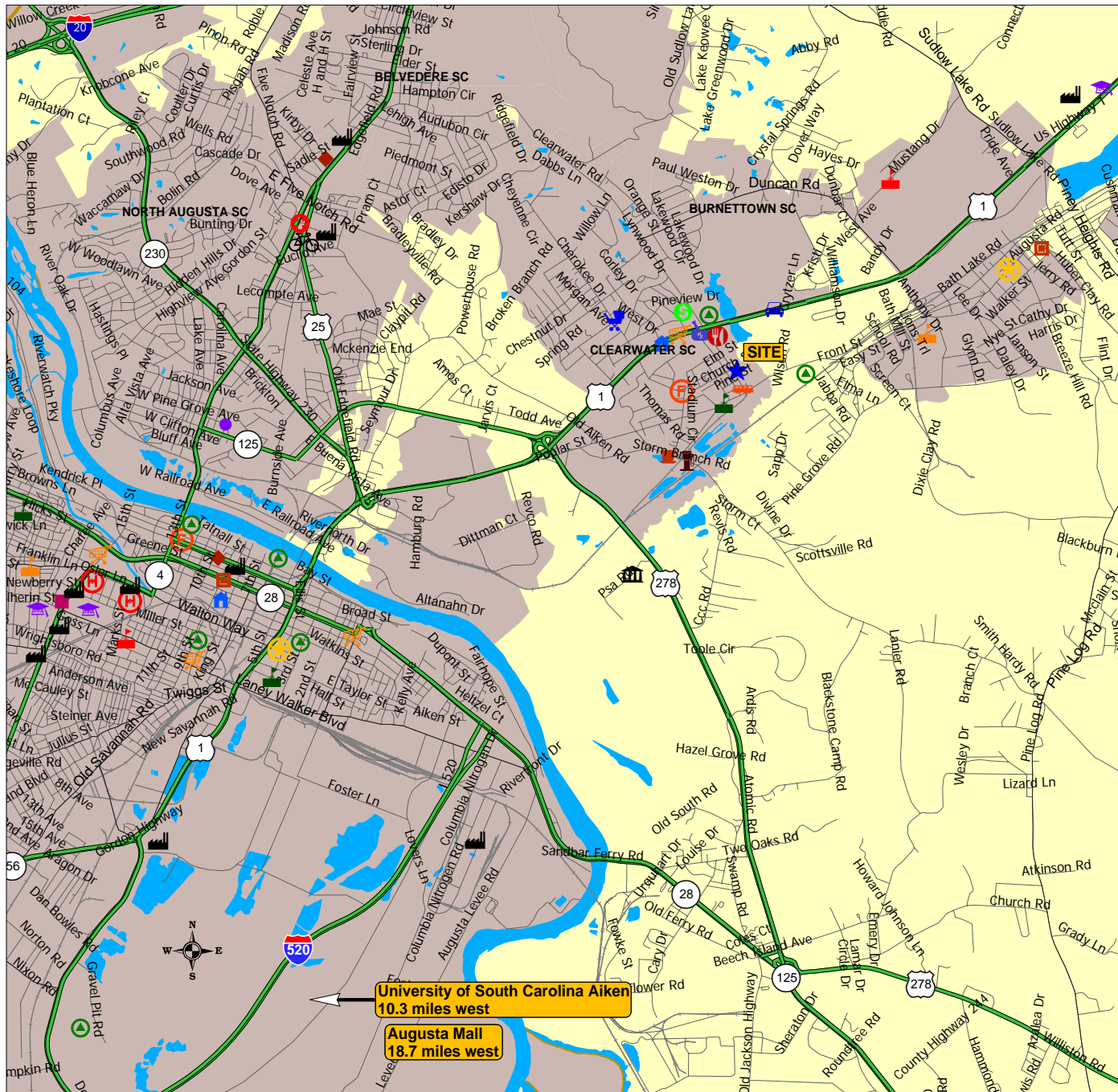
4. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services are included on the following pages.

Clearwater, SC: Site Neighborhood



Clearwater, SC: Community Services



5. ROAD AND INFRASTRUCTURE IMPROVEMENTS

The subject site is within 0.4 miles of U.S. Highways 1 and 78. According to local planning and zoning officials, the only infrastructure improvement that is being made is to Interstate 520 between Interstate 20 to U.S. Highway 1, nearly 150.0 miles west of the site.

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indices are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indices for total crime, personal crime, and property crime are unweighted indices, in that a murder is weighted no more heavily than petty theft. Thus, caution should be used when using the aggregate indices.

Total crime risk for the Site PMA is slightly above the national average at 114 with an overall personal crime index of 139 and property crime index of 115. Total crime risk for Aiken County is above the national average at 121, with indices for personal and property crime of 153 and 117 respectively.

	CRIME RISK INDEX	
	SITE PMA	AIKEN COUNTY
TOTAL CRIME	114	121
PERSONAL CRIME	139	153
MURDER	151	142
RAPE	131	145
ROBBERY	74	83
ASSAULT	120	150
PROPERTY CRIME	115	117
BURGLARY	147	148
LARCENY	114	112
MOTOR VEHICLE THEFT	68	76

Source: Applied Geographic Solutions

While the market area has a slightly higher crime index than the nationwide index, we do not anticipate negative perceptions of crime impacting the subject development, which is in a high-visibility area with positive surrounding land uses.

7. ACCESS AND VISIBILITY

The subject property is located at 260 Belvedere Road. Vehicular traffic is moderate, while pedestrian traffic is light. Visibility is considered excellent, as existing buildings will not impede view of the site from Belvedere Road. Access to the site is considered excellent as it is near major roadways.

8. VISIBLE OR ENVIRONMENTAL ISSUES

Based on our site evaluation, there appear to be no environmental concerns that would adversely impact the proposed project's marketability. In terms of visible concerns, we have considered the site's proximity to the former Clearwater Finishing Plant site, which could impede marketability if not redeveloped as planned. That 58.5-acre site is expected to contain an amphitheater, commercial uses and a wellness center, which would positively contribute to the marketability of the Seminole Mills site.

9. OVERALL SITE CONCLUSIONS

The proposed project fits in well with surrounding land uses. Visibility and access are both considered excellent. The site is within 3.5 miles of most shopping, employment, recreation, entertainment, and education opportunities. Social services, public transportation, and public safety services are all within 6.6 miles of the site. In addition, the site has convenient access to major highways. Overall, we consider the site's location and proximity to community services to have a positive impact on the marketability of the site.

D. PRIMARY MARKET AREA DELINEATION

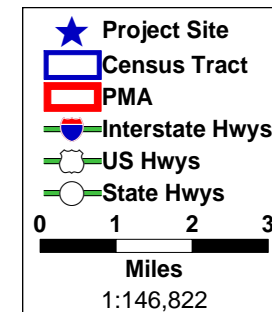
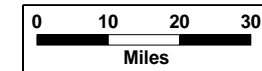
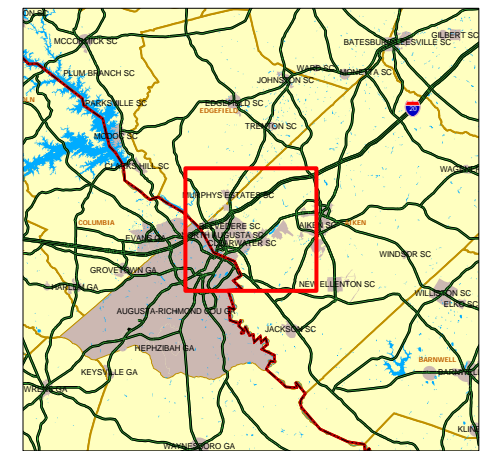
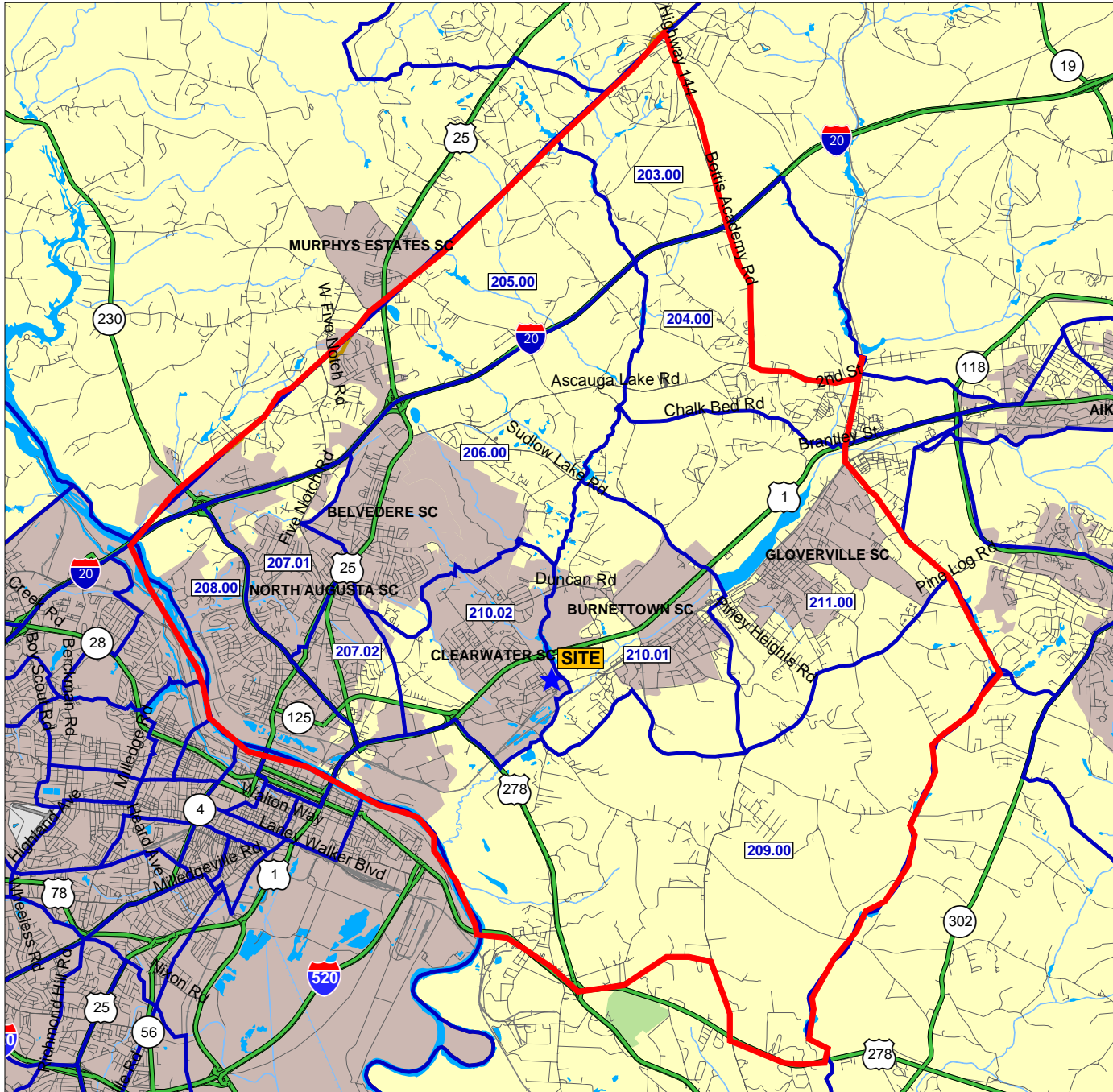
The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Clearwater Site PMA was determined through interviews with area leasing and real estate agents, government officials, economic development representatives, and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Clearwater Site PMA includes North Augusta, Belvedere, Clearwater, Burnetown, and Gloverville, South Carolina. The boundaries of the Site PMA consists of the Aiken County line to the north; Bettis Academy Road, Howlandville Road, and the eastern boundary of the Census Tract 209.00 to the east; the southern boundary of the Census Tract 209.00, U.S. Highway 278, and State Route 28 to the south; and the Savannah River to the west. The Site PMA is comprised of Census Tract numbers: 203, 204, 205, 206, 207.01, 207.02, 208, 209, 210.01, 210.02, and 211. An e-mail of the developer's comments regarding the market area is included in Addendum C of this report.

Based on our observations of the market and interviews we conducted with local real estate professionals and government officials, the areas north and south of the selected PMA boundaries are rural and have few households, while people living in the areas east (Aiken) and west (North Augusta) of the Site PMA boundaries will not likely move to the subject site.

A map delineating the boundaries of the Site PMA is included on the following page.

Clearwater, SC: Primary Market Area



E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

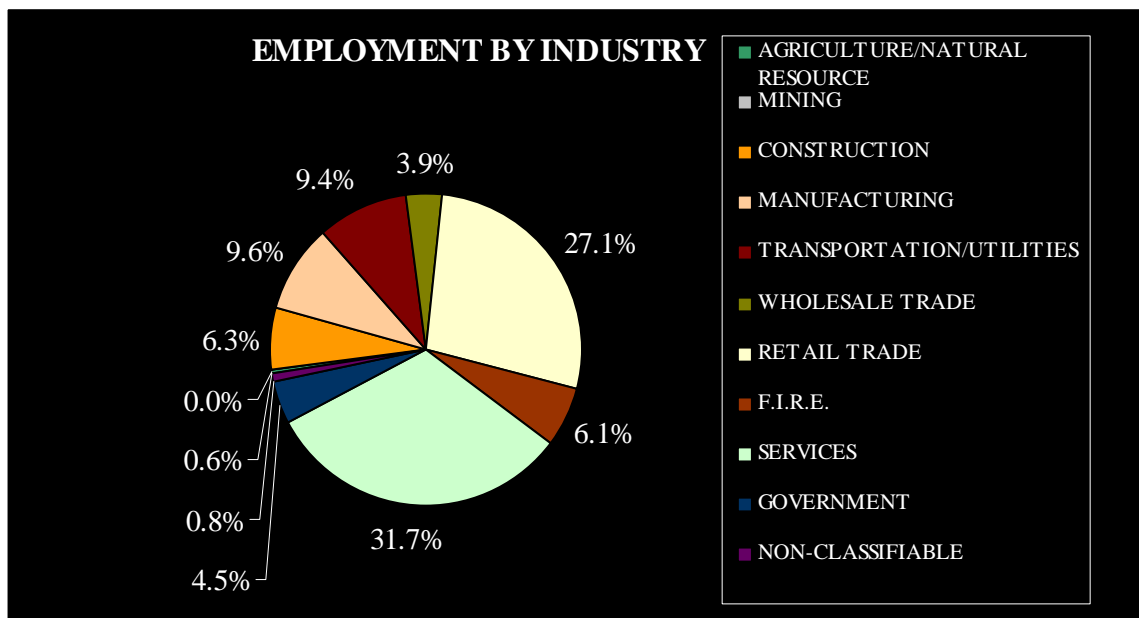
The labor force within the Clearwater Site PMA is based primarily in two sectors. Services (which comprises 31.7%) and Retail Trade together comprise nearly 59% of the Site PMA labor force. It is noteworthy that Manufacturing and Transportation & Utilities each comprise more than 9% of the Site PMA labor force. According to the Bureau of Labor Statistics, employment in the Site PMA in 2007 was distributed as follows:

SIC GROUP	ESTABLISHMENTS	PERCENT	EMPLOYEES	PERCENT	AVG. E.P.E.
AGRICULTURE & NATURAL RESOURCES	31	2.0%	95	0.6%	3.1
MINING	0	0.0%	0	0.0%	-
CONSTRUCTION	143	9.1%	1,010	6.3%	7.1
MANUFACTURING	47	3.0%	1,532	9.6%	32.6
TRANSPORTATION & UTILITIES	79	5.0%	1,511	9.4%	19.1
WHOLESALE TRADE	53	3.4%	630	3.9%	11.9
RETAIL TRADE	396	25.2%	4,352	27.1%	11.0
F.I.R.E.	172	10.9%	974	6.1%	5.7
SERVICES	591	37.6%	5,090	31.7%	8.6
GOVERNMENT	41	2.6%	715	4.5%	17.4
NON-CLASSIFIABLE	18	1.1%	128	0.8%	7.1
TOTAL	1,571	100.0%	16,037	100.0%	10.2

Source: 2000 Census; Claritas; VWB Research

E.P.E.- Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. However, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.



2. AREA'S LARGEST EMPLOYERS

The 10 largest employers within Aiken County comprise a total of 20,120 employees. These employers are summarized as follows:

INDUSTRY	BUSINESS TYPE	TOTAL EMPLOYED
SAVANNAH RIVER NUCLEAR SOLUTIONS	DEFENSE MANUFACTURING	10,185
AIKEN COUNTY CONSOLIDATED SCHOOL DISTRICT	EDUCATION SVS.	3,271
KIMBERLY CLARK CORP.	CONSUMER PAPER MANUFACTURING	1,600
BRIDGESTONE-FIRESTONE S.C.	CAR AND TRUCK TIRE MANUFACTURING	964
AIKEN REGIONAL MEDICAL CENTER	HEALTHCARE SERVICES	900
AIKEN COUNTY	GOVERNMENT	900
ADVANCED GLASFIBER YARN	FIBERGLASS INSULATION AND CIRCUIT BOARD MANUFACTURING	720
UNITED PARCEL SERVICE	PACKAGE DISTRIBUTION	580
SHAW INDUSTRIES	CARPET YARNS	550
HUBBEL POWER SYSTEMS	HIGH VOLTAGE EQUIPMENT MANUFACTURING	450
TOTAL		20,120

According to Robert Long of the Aiken/Edgefield Economic Development Department (803) 641-3300, two major employers have had major job losses over the past couple of years. Avondale Mills, which employed 2,705 workers, closed its doors, while SKF Manufacturing left 140 workers unemployed when it closed.

Expansions have replaced most of the jobs lost by the closing of these two facilities. The primary force in area job growth is the construction of a large MOX facility—a joint effort between the Russian and United States governments. This facility will reprocess weapons grade nuclear fuel for use in energy production, and is a multi-billion dollar project employing thousands of short-term construction workers currently. Once the facility is completed, it will employ approximately 1,000 individuals in high-paying technical and professional jobs.

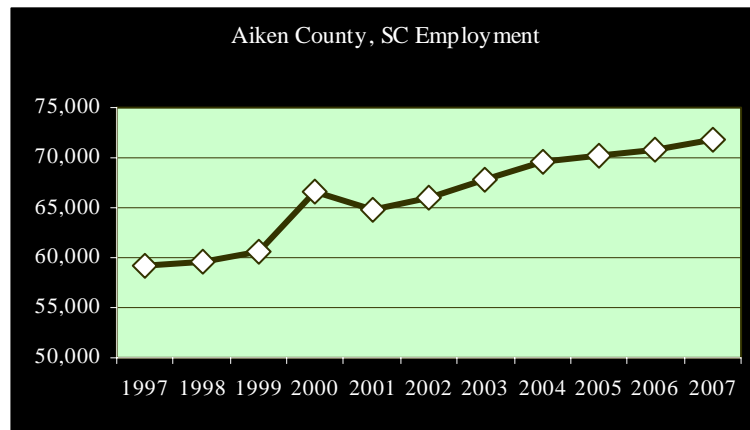
3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends within the county in which the site is located.

Total employment reflects the total number of people within the county that are employed. The following illustrates the total employment base for Aiken County and South Carolina.

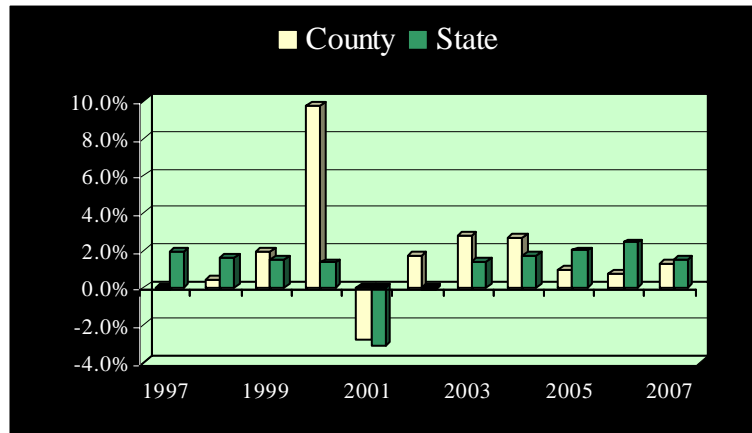
YEAR	TOTAL EMPLOYMENT		
	AIKEN COUNTY	SOUTH CAROLINA	U.S.
1997	59,288	1,819,508	132,120,921
1998	59,536	1,849,075	134,287,067
1999	60,698	1,876,895	136,289,214
2000	66,645	1,902,029	138,102,527
2001	64,804	1,842,291	138,249,184
2002	65,936	1,840,598	137,951,030
2003	67,765	1,866,811	138,399,332
2004	69,594	1,898,187	140,151,492
2005	70,284	1,935,717	142,615,987
2006	70,809	1,982,454	145,402,920
2007	71,744	2,011,255	146,836,598

Source: Department of Labor, Bureau of Labor Statistics



As the preceding illustrates, the Aiken County employment base has increased by 12,456 employees since 1997, an annual average of 1.9%.

The following table illustrates the change in employment for Aiken County and South Carolina.



In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Aiken County.

IN-PLACE EMPLOYMENT AIKEN COUNTY			
YEAR	EMPLOYMENT	CHANGE	% CHANGE
2001	56,233	-	-
2002	56,217	-16	0.0%
2003	56,366	149	0.3%
2004	57,013	647	1.1%
2005	55,893	-1,120	-2.0%
2006	55,605	-288	-0.5%
2007	56,771	1,166	2.1%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2006, the most recent year for which year-end figures are available, indicates in-place employment in Aiken County was 78.5% of the total Aiken County employment. This means that more employed persons living in Aiken County leave the county for daytime employment than those who work within the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs.

The unemployment rate in Aiken County has been between 3.7% and 6.5%, generally well below the state average since 2001.

Unemployment rates for Aiken County and South Carolina are illustrated as follows:

YEAR	UNEMPLOYMENT RATE		
	AIKEN COUNTY	SOUTH CAROLINA	U.S.
1997	5.8%	4.4%	5.0%
1998	4.3%	3.6%	4.6%
1999	4.5%	4.1%	4.3%
2000	3.7%	3.6%	4.0%
2001	5.0%	5.2%	4.8%
2002	5.0%	5.9%	5.8%
2003	5.2%	6.7%	6.0%
2004	5.7%	6.8%	5.6%
2005	5.8%	6.7%	5.2%
2006	6.5%	6.4%	4.7%
2007	5.4%	5.9%	4.7%

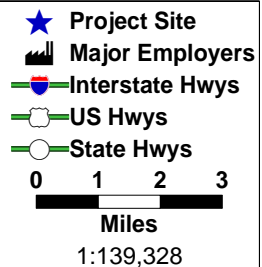
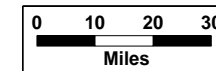
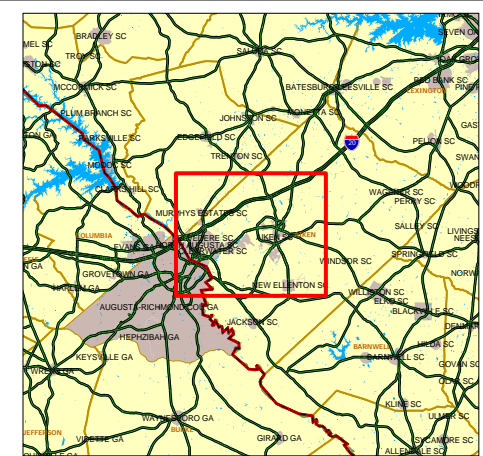
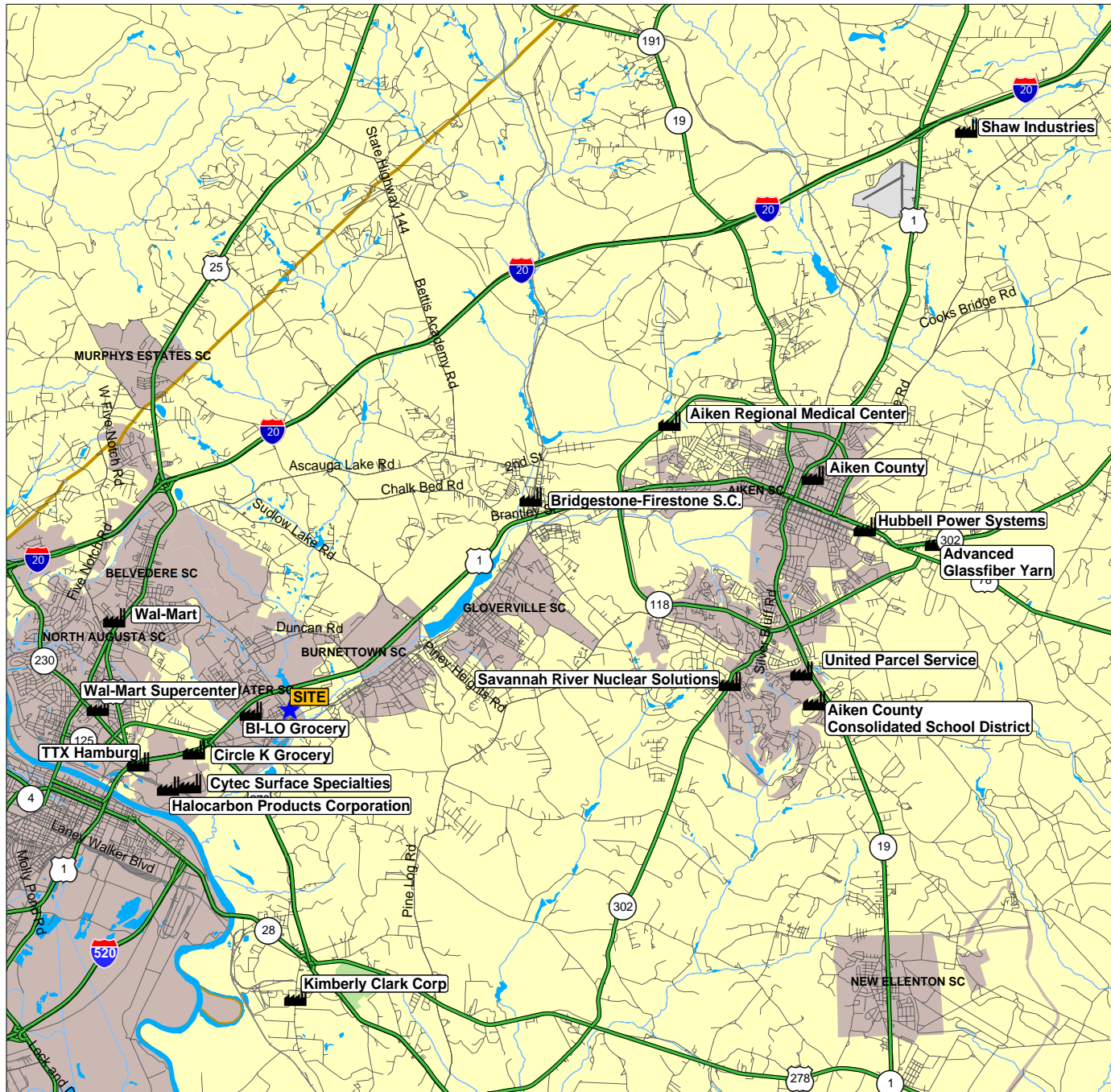
Source: Department of Labor, Bureau of Labor Statistics

Note the significant drop in unemployment between 2006 and 2007. This drop is indicative of economic recovery, largely due to recent local expansions. Since 2001, the county unemployment rate has remained below the statewide rate (excluding the year 2006 when the county rate was 0.1% above the statewide rate).

4. EMPLOYMENT CENTERS MAP

A map illustrating the location of the area's largest employers is included on the following page.

Clearwater, SC: Employment Centers



5. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by occupation for the Augusta-Richmond County Metropolitan Statistical Area (MSA) and the state of South Carolina are illustrated as follows:

TYPICAL WAGE BY OCCUPATION TYPE		
OCCUPATION TYPE	AUGUSTA-RICHMOND COUNTY MSA	SOUTH CAROLINA
MANAGEMENT OCCUPATIONS	\$80,610	\$78,490
BUSINESS AND FINANCIAL OCCUPATIONS	\$55,300	\$50,410
COMPUTER AND MATHEMATICAL OCCUPATIONS	\$55,460	\$57,130
ARCHITECTURE AND ENGINEERING OCCUPATIONS	\$67,080	\$60,150
COMMUNITY AND SOCIAL SERVICE OCCUPATIONS	\$33,420	\$33,530
ART, DESIGN, ENTERTAINMENT, AND SPORTS MEDICINE OCCUPATIONS	\$39,400	\$36,140
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS	\$56,110	\$56,350
HEALTHCARE SUPPORT OCCUPATIONS	\$21,860	\$22,070
PROTECTIVE SERVICE OCCUPATIONS	\$31,000	\$29,880
FOOD PREPARATION AND SERVING RELATED OCCUPATIONS	\$16,090	\$16,850
BUILDING AND GROUNDS CLEANING AND MAINTENANCE OCCUPATIONS	\$18,580	\$19,580
PERSONAL CARE AND SERVICE OCCUPATIONS	\$18,710	\$19,690
SALES AND RELATED OCCUPATIONS	\$25,450	\$28,420
OFFICE AND ADMINISTRATIVE SUPPORT OCCUPATIONS	\$26,780	\$27,630
CONSTRUCTION AND EXTRACTION OCCUPATIONS	\$33,190	\$31,020
INSTALLATION, MAINTENANCE AND REPAIR OCCUPATIONS	\$37,430	\$35,370
PRODUCTION OCCUPATIONS	\$34,520	\$29,570
TRANSPORTATION AND MOVING OCCUPATIONS	\$23,240	\$25,820

Source: U.S. Department of Labor, Bureau of Labor Statistics

Most Augusta-Richmond County MSA annual average salaries range from \$16,090 to \$80,610, while most management and other white-collar jobs have annual average salaries of more than \$62,912. The proposed project will target households with incomes between \$17,100 and \$35,160. Ten of the 18 occupation types listed in the table above have average annual wages within the income-appropriate range at the subject project. Thus, the area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw support.

6. COMMUTING PATTERNS

The following is a distribution of commuting patterns of Site PMA workers age 16+ in 2000:

MODE OF TRANSPORTATION	WORKERS AGE 16+	
	PERSONS	PERCENT
DROVE ALONE	22,511	83.3%
CARPOOLED	3,505	13.0%
PUBLIC TRANSIT	75	0.3%
WALKED	329	1.2%
MOTORCYCLE	26	0.1%
BICYCLE	9	0.0%
OTHER MEANS	158	0.6%
WORKED AT HOME	404	1.5%
TOTAL	27,017	100.0%

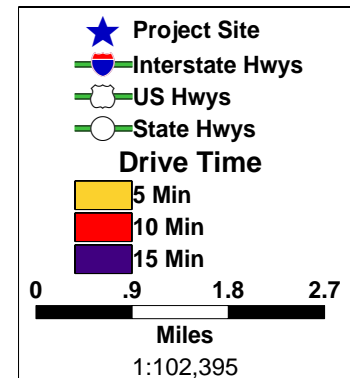
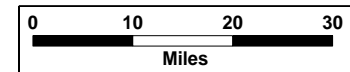
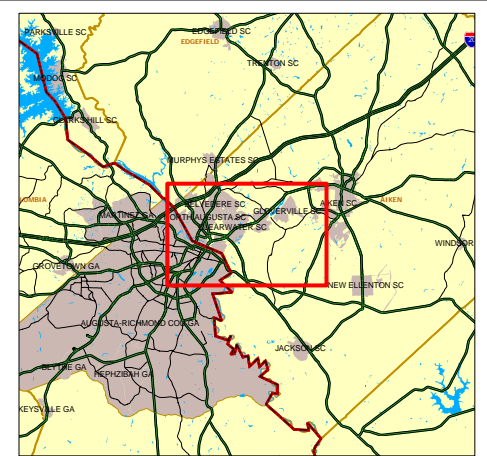
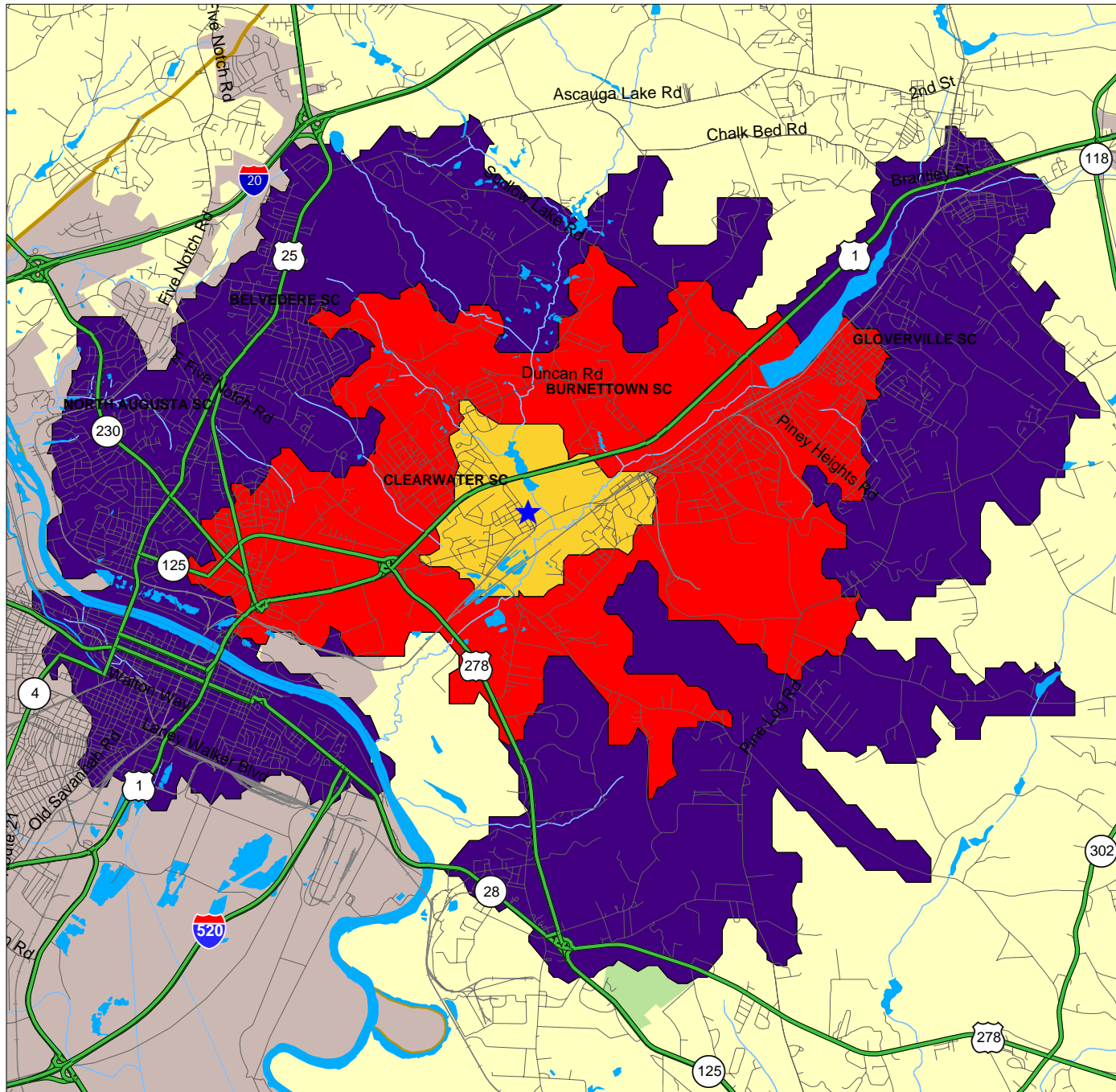
Over 83% of all adult workers drove alone, while only 0.3% used public transportation.

Typical travel times to work for Site PMA residents are illustrated as follows:

TRAVEL TIME	WORKERS AGE 16+	
	PERSONS	PERCENT
LESS THAN 15 MINUTES	6,831	25.3%
15 – 29 MINUTES	12,035	44.5%
30 – 44 MINUTES	5,115	18.9%
45 – 59 MINUTES	1,663	6.2%
60 OR MORE MINUTES	970	3.6%
WORK AT HOME	404	1.5%
TOTAL	27,017	100.0%

The largest share (nearly 70%) of area commuters have typical travel times to work ranging from 15 to 29 minutes. The subject is within a 30-minute drive of the majority of the county's major employers. A drive-time map for the subject site is on the following page.

Clearwater, SC: Drive Time from Site



7. ELDERLY EMPLOYMENT OPPORTUNITIES

The proposed project will not be age-restricted; therefore, an analysis of elderly employment opportunities is not applicable.

8. ECONOMIC FORECAST AND HOUSING IMPACT

The Aiken County employment base has increased by 12,456 employees since 1997, an annual average of 1.9%. This relatively flat rate of growth indicates a counterbalancing of jobs as the economy transitions from a manufacturing base to services, construction, and other employment types. The loss of jobs in the textile and manufacturing industries have severely impeded job growth, while the presence of a large government contractor has allowed the economy, at least for the time being, to flourish with short-term construction jobs.

We anticipate that the development of MOX will provide a stabilizing force in the economy even after construction ends. However, lower-skill laborers may find themselves taking lower-paying jobs within the retail and services industry sectors. It is likely that lower wages and incremental job growth will continue to be the primary economic trends in this area for the foreseeable future.

According to area apartment managers and real estate agents, the slowing area economy throughout the past couple of years has had an adverse impact on the rental housing market. The closing of manufacturing and textile employers in Aiken County has impacted the area's overall economic strength. We anticipate a continued need for affordable rental housing in this area, because of anticipated lower wages.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2010 projections quoted in this section match each other due to the variety of sources and rounding methods used. In most cases, the differences in the 2010 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population for 1990, 2000, 2007 (estimated), and 2010 (projected) is summarized as follows:

	YEAR			
	2000 (ESTIMATED)	2005 (ESTIMATED)	2007 (ESTIMATED)	2010* (PROJECTED)
POPULATION	54,523	57,092	58,064	59,522
POPULATION CHANGE	-	2,569	972	1,458
PERCENT CHANGE	-	4.7%	1.7%	2.5%

Source: 2000 Census; Claritas; VWB Research

*Anticipated year of opening

The PMA population is projected to increase by 4,999 (9.2%) between 2000 and 2010 (anticipated year of opening). This equates to an annualized increase of 0.9% during this time period.

Based on the 2000 Census, population residing in group-quarters represented 0.7% of the PMA population, as demonstrated in the following table:

	NUMBER	PERCENT
POPULATION IN GROUP QUARTERS	384	0.7%
POPULATION NOT IN GROUP QUARTERS	54,139	99.3%
TOTAL POPULATION	54,523	100.0%

Source: 2000 Census; Claritas; VWB Research

b. Population by Age Group

The distribution of Site PMA population by age follows:

POPULATION BY AGE	2000 (CENSUS)		2007 (ESTIMATED)		2010 (PROJECTED)		CHANGE 2007-2010	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
17 & UNDER	14,371	26.4%	14,172	24.4%	14,164	23.8%	-8	-0.1%
18 TO 24	4,701	8.6%	5,114	8.8%	5,264	8.8%	150	2.9%
25 TO 34	7,457	13.7%	7,473	12.9%	7,636	12.8%	163	2.2%
35 TO 44	8,877	16.3%	8,303	14.3%	7,907	13.3%	-396	-4.8%
45 TO 54	7,450	13.7%	8,614	14.8%	8,821	14.8%	207	2.4%
55 TO 64	5,082	9.3%	6,657	11.5%	7,244	12.2%	587	8.8%
65 TO 74	3,753	6.9%	4,278	7.4%	4,736	8.0%	458	10.7%
75 & HIGHER	2,832	5.2%	3,453	5.9%	3,751	6.3%	298	8.6%
TOTAL	54,523	100.0%	58,064	100.0%	59,522	100.0%	1,458	2.5%

As the preceding table illustrates, nearly 74% of the population is expected to be between less than 55 years old in 2010. This age group is the primary group of potential occupants at the subject site.

c. Elderly and Non-Elderly Population

The proposed subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA's elderly and non-elderly population.

d. Special Needs Population

The proposed project will not offer any special needs units. Therefore, we have not provided any population data regarding any special needs populations.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Clearwater Site PMA are summarized as follows:

	YEAR			
	2000 (ESTIMATED)	2005 (ESTIMATED)	2007 (ESTIMATED)	2010 (PROJECTED)
HOUSEHOLDS	21,417	22,980	23,511	24,308
HOUSEHOLD CHANGE	-	1,563	531	797
PERCENT CHANGE	-	7.3%	2.3%	3.4%
AVERAGE HOUSEHOLD SIZE	2.53	2.46	2.45	2.43

Source: 2000 Census; Claritas; VWB Research

As the preceding table illustrates, the total number of households is projected to increase by 2,891 (13.5%) between 2000 and 2010. This equates to an annual increase of 1.3%.

b. Households by Tenure

Households by tenure are distributed as follows:

TENURE	2000 (CENSUS)		2007 (ESTIMATED)		2010 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
OWNER-OCCUPIED	15,850	74.0%	17,545	74.6%	18,179	74.8%
RENTER-OCCUPIED	5,567	26.0%	5,966	25.4%	6,129	25.2%
TOTAL	21,417	100.0%	23,511	100.0%	24,308	100.0%

Source: 2000 Census; Claritas; VWB Research

A total of 5,567 (26.0%) of all households within the Site PMA were renter-occupied in 2000. This is a typical distribution for small communities within relatively rural areas such as the Clearwater Site PMA.

c. Households by Income

The distribution of all households by income within the Site PMA is summarized as follows:

HOUSEHOLD INCOME	2000 (CENSUS)		2007 (ESTIMATED)		2010 (PROJECTED)	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
LESS THAN \$10,000	2,274	10.6%	2,201	9.4%	2,170	8.9%
\$10,000 - \$19,999	3,228	15.1%	2,989	12.7%	2,899	11.9%
\$20,000 - \$29,999	3,120	14.6%	3,124	13.3%	3,083	12.7%
\$30,000 - \$39,999	2,684	12.5%	2,655	11.3%	2,691	11.1%
\$40,000 - \$49,999	2,314	10.8%	2,502	10.6%	2,505	10.3%
\$50,000 - \$59,999	2,018	9.4%	2,103	8.9%	2,149	8.8%
\$60,000 - \$74,999	2,179	10.2%	2,569	10.9%	2,656	10.9%
\$75,000 - \$99,999	2,062	9.6%	2,579	11.0%	2,785	11.5%
\$100,000 & HIGHER	1,538	7.2%	2,789	11.9%	3,369	13.9%
TOTAL	21,417	100.0%	23,511	100.0%	24,307	100.0%
MEDIAN INCOME	\$37,791		\$43,008		\$45,149	

Source: 2000 Census; Claritas; VWB Research

Between 2000 and 2007, the strongest household growth was among households with incomes of \$60,000 or more. This trend is expected to continue through 2010.

d. Average Household Size

Information regarding average household size is considered in 2. a. *Total Households* of this section.

e. Households by Income by Tenure

The following tables summarize the distribution of households by income and household size for renters, owners, and all households.

RENTER HOUSEHOLDS	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	613	229	190	87	41	1,160
\$10,000 - \$20,000	543	410	203	130	77	1,363
\$20,000 - \$30,000	425	228	188	131	75	1,049
\$30,000 - \$40,000	186	197	90	78	71	621
\$40,000 - \$50,000	82	86	144	82	73	467
\$50,000 - \$60,000	52	56	56	56	80	301
\$60,000+	103	182	117	120	83	605
TOTAL	2,005	1,389	989	684	500	5,567

Source: Ribbon Demographics; Claritas

RENTER HOUSEHOLDS	2007 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	676	195	161	71	37	1,140
\$10,000 - \$20,000	605	342	168	110	62	1,288
\$20,000 - \$30,000	523	204	169	119	64	1,080
\$30,000 - \$40,000	229	186	85	72	59	631
\$40,000 - \$50,000	113	91	159	80	74	518
\$50,000 - \$60,000	64	68	66	62	79	339
\$60,000+	214	273	179	178	125	970
TOTAL	2,425	1,359	988	693	501	5,966

Source: Ribbon Demographics; Claritas

RENTER HOUSEHOLDS	2010 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	695	183	153	68	37	1,137
\$10,000 - \$20,000	617	320	159	107	61	1,264
\$20,000 - \$30,000	540	189	163	114	61	1,069
\$30,000 - \$40,000	246	183	84	76	59	647
\$40,000 - \$50,000	123	93	157	82	71	527
\$50,000 - \$60,000	76	70	69	60	78	353
\$60,000+	268	308	206	203	146	1,131
TOTAL	2,566	1,346	992	711	513	6,129

Source: Ribbon Demographics; Claritas

OWNER HOUSEHOLDS	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	776	227	90	45	35	1,171
\$10,000 - \$20,000	876	706	179	115	44	1,921
\$20,000 - \$30,000	606	785	301	234	102	2,027
\$30,000 - \$40,000	493	811	267	278	173	2,022
\$40,000 - \$50,000	300	626	456	274	166	1,822
\$50,000 - \$60,000	170	706	332	321	168	1,697
\$60,000+	275	1,731	1,354	1,201	628	5,189
TOTAL	3,496	5,591	2,980	2,468	1,315	15,850

Source: Ribbon Demographics; Claritas

OWNER HOUSEHOLDS	2007 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	767	187	70	33	22	1,079
\$10,000 - \$20,000	897	539	126	82	31	1,676
\$20,000 - \$30,000	699	789	252	179	77	1,996
\$30,000 - \$40,000	584	819	236	220	131	1,990
\$40,000 - \$50,000	359	658	519	233	146	1,915
\$50,000 - \$60,000	189	790	313	291	144	1,727
\$60,000+	496	2,488	1,857	1,530	790	7,162
TOTAL	3,991	6,271	3,374	2,567	1,342	17,545

Source: Ribbon Demographics; Claritas

OWNER HOUSEHOLDS	2010 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	762	174	64	31	21	1,052
\$10,000 - \$20,000	898	494	114	76	30	1,611
\$20,000 - \$30,000	728	786	238	160	69	1,982
\$30,000 - \$40,000	599	837	237	212	122	2,008
\$40,000 - \$50,000	371	656	528	220	136	1,911
\$50,000 - \$60,000	204	825	318	274	138	1,759
\$60,000+	592	2,740	2,031	1,645	848	7,856
TOTAL	4,153	6,512	3,529	2,619	1,366	18,179

Source: Ribbon Demographics; Claritas

ALL HOUSEHOLDS	2000 CENSUS					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	1,389	456	280	131	76	2,332
\$10,000 - \$20,000	1,419	1,117	382	246	121	3,285
\$20,000 - \$30,000	1,031	1,013	489	365	177	3,075
\$30,000 - \$40,000	679	1,008	357	356	244	2,644
\$40,000 - \$50,000	382	712	600	356	238	2,289
\$50,000 - \$60,000	223	762	389	378	248	1,998
\$60,000+	378	1,912	1,472	1,321	711	5,794
TOTAL	5,501	6,980	3,969	3,152	1,815	21,417

Source: Ribbon Demographics; Claritas

ALL HOUSEHOLDS	2007 ESTIMATED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	1,443	382	231	104	59	2,219
\$10,000 - \$20,000	1,503	882	294	192	94	2,964
\$20,000 - \$30,000	1,222	993	422	298	141	3,076
\$30,000 - \$40,000	813	1,005	321	292	190	2,622
\$40,000 - \$50,000	472	749	678	313	220	2,433
\$50,000 - \$60,000	253	858	380	352	224	2,066
\$60,000+	710	2,762	2,036	1,708	915	8,132
TOTAL	6,416	7,630	4,361	3,261	1,843	23,511

Source: Ribbon Demographics; Claritas

ALL HOUSEHOLDS	2010 PROJECTED					
	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5+-PERSON	TOTAL
\$0 - \$10,000	1,457	357	217	99	59	2,189
\$10,000 - \$20,000	1,515	814	273	183	91	2,876
\$20,000 - \$30,000	1,268	976	401	275	131	3,051
\$30,000 - \$40,000	845	1,020	321	288	182	2,655
\$40,000 - \$50,000	494	749	685	302	207	2,437
\$50,000 - \$60,000	280	895	387	334	216	2,112
\$60,000+	860	3,048	2,237	1,848	994	8,987
TOTAL	6,720	7,859	4,521	3,330	1,879	24,308

Source: Ribbon Demographics; Claritas

It is important to note that all of the demographics data within the Site PMA suggests positive growth in both population and households. While unemployment rates are expected to fluctuate in the area in the coming years, growth within lower-income jobs is expected, indicating continued need for affordable housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Augusta-Richmond County MSA, which has a median household income of \$54,300 for 2008. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI for the Augusta-Richmond County MSA. The following table summarizes the maximum allowable income by household size.

HOUSEHOLD SIZE	MAXIMUM ALLOWABLE INCOME	
	50%	60%
ONE-PERSON	\$19,000	\$22,800
TWO-PERSON	\$21,700	\$26,040
THREE-PERSON	\$24,450	\$29,340
FOUR-PERSON	\$27,150	\$32,580
FIVE-PERSON	\$29,300	\$35,160

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$35,160.

2. AFFORDABILITY

Leasing industry standards typically require households to have rent to income ratios of 25% to 30%. Pursuant to SCSHFDA market study guidelines, the maximum rent to income ratio permitted for family projects is 35% and 40% for elderly projects.

The proposed LIHTC units will have a lowest gross rent of \$500 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,000.

Applying a 35% rent to income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,140.

Based on the preceding analyses, the income-appropriate range required to live at the proposed project with units built to serve households at 50% and 60% of AMHI is as follows:

UNIT TYPE	INCOME RANGE	
	MINIMUM	MAXIMUM
TAX CREDIT (LIMITED TO 50% OF AMHI)	\$17,140	\$29,300
TAX CREDIT (LIMITED TO 60% OF AMHI)	\$18,890	\$35,160
OVERALL PROJECT	\$17,140	\$35,160

3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2007 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2010) using a growth rate established from a reputable source such as Claritas. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed units are comprised of three- and four-bedroom units, please refine the analysis by factoring in number of large households (generally 4+ persons). A demand analysis that does not take this into account may overestimate demand.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 Census data and projected from:*
 - 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the proposed development.** *This calculation must exclude households that would be rent overburdened (i.e. paying more than 35%, or in the case of elderly 40%, of their income toward rent) in the proposed project. In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% or in the case of elderly, 40% of their income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

According to 2007 Census estimates, the share of rent overburdened households in the market area within the targeted income groups is 29.8%

- 2) **Households living in substandard housing** (*units that lack complete plumbing or that are overcrowded*). *Households in substandard housing should be adjusted for age, income bands, and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand.*

The Market Analyst is encouraged to be conservative in his/her estimate of demand from both households that are rent overburdened and/or living in substandard housing.

According to 2007 Census estimates, the share of renter households in the market area living in substandard housing is 4.6%.

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*

This adjustment is not applicable; the subject project targets family households.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). **Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.***

4. METHODOLOGY

- a. Demand: We include the two overall demand components (existing and new households) together as our *total demand*.
- b. Competitive Units constructed since the base year of projection, including all Tax Credit developments funded to date are subtracted to calculate *net demand*. Competitive units are those market-rate units, LIHTC, and/or other assisted units, which would compete for the same target population with the same income range at nearly the same rent levels.
- c. Capture rates are calculated by dividing the number of units in the project by the net demand. Demand and capture rate analysis must be completed for targeted income group and each bedroom size proposed, as well as for the project overall.
- d. Absorption rates are provided that summarize the number of units that will be leased from the time of opening to the stabilized occupancy rate of 93%.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA we identified three LIHTC family properties. However, of these properties, only one, Ridgeview Manor, has 16 units funded and/or built during the projection period (2007 to current). Although it is located in North Augusta, approximately 6.1 miles from the subject site, this project is expected to compete with the subject site. This project is summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT	LIHTC UNITS	UNITS AT TARGETED AMHI			
				30% AMHI	40% AMHI	50% AMHI	60% AMHI
12	RIDGEVIEW MANOR	1986/ 2008*	16	-	-	16	-

*Year renovated

The two-bedroom units at this project are included in our demand analysis.

The following is a summary of our demand calculations:

DEMAND COMPONENT (HOUSEHOLDS)	PERCENT OF MEDIAN HOUSEHOLD INCOME		
	50% AMHI (\$17,140-\$29,300)	60% AMHI (\$18,890-\$35,160)	OVERALL (\$17,140-\$35,160)
DEMAND FROM NEW RENTER HOUSEHOLDS (AGE AND INCOME APPROPRIATE, 2007 TO 2010)	1,356 – 1,373 = -17	1,543 – 1,549 = -6	1,764 – 1,774 = -10
+			
DEMAND FROM EXISTING HOUSEHOLDS (RENT OVER-BURDENED)	1,373 X 29.8% = 409	1,549 X 29.8% = 462	1,774 X 29.8% = 529
+			
DEMAND FROM EXISTING HOUSEHOLDS (RENTERS IN SUBSTANDARD HOUSING)	1,373 X 4.6% = 63	1,549 X 4.6% = 71	1,774 X 4.6% = 82
+			
DEMAND FROM EXISTING HOUSEHOLDS (ELDERLY HOMEOWNER CONVERSION)	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
=			
TOTAL DEMAND	455	527	601
-			
SUPPLY (DIRECTLY COMPARABLE UNITS BUILT AND/OR FUNDED SINCE 2007)	0	16	0
=			
NET DEMAND	455	511	601
PROPOSED UNITS	36	36	72
CAPTURE RATE	7.9%	7.0%	12.0%

*Demand from existing homeowners converting to renters is limited to 20% of overall demand, pursuant to state guidelines.

The capture rates by income level are low, ranging from 7.0% to 7.9%, while the overall capture is low as well, at 12.0%.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

ESTIMATED DEMAND BY BEDROOM	
BEDROOM TYPE	PERCENT
ONE-BEDROOM	25.0%
TWO-BEDROOM	55.0%
THREE-BEDROOM	15.0%
FOUR-BEDROOM	5.0%
TOTAL	100.0%

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as follows:

UNITS TARGETING 50% OF AMHI (455 UNITS OF DEMAND)					
BEDROOM SIZE (SHARE OF DEMAND)	TOTAL DEMAND	SUPPLY*	NET DEMAND BY BEDROOM TYPE	PROPOSED SUBJECT UNITS	CAPTURE RATE BY BEDROOM TYPE
ONE-BEDROOM (25%)	114	-	114	4	3.5%
TWO-BEDROOM (55%)	250	16	234	16	6.8%
THREE-BEDROOM (15%)	68	-	68	16	23.5%

*Directly comparable units built and/or funded in the project market over the projection period.

At the 50% income level, the proposed units represent capture rates ranging from 3.5% for one-bedroom units to 23.5% for three-bedroom units. The three-bedroom rate is considered high but achievable given the lack of comparable product in the area, and existing waiting lists for affordable family units of larger size.

Demand by bedroom type for the 60% units is illustrated as follows:

UNITS TARGETING 60% OF AMHI (511 UNITS OF DEMAND)					
BEDROOM SIZE (SHARE OF DEMAND)	TOTAL DEMAND	SUPPLY*	NET DEMAND BY BEDROOM TYPE	PROPOSED SUBJECT UNITS	CAPTURE RATE BY BEDROOM TYPE
ONE-BEDROOM (25%)	128	-	128	4	3.1%
TWO-BEDROOM (55%)	281	-	281	16	5.7%
THREE-BEDROOM (15%)	77	-	77	16	20.8%

*Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type for the proposed 60% income level units are good, ranging from 3.1% to 20.8%. Again, the capture rate for the proposed three-bedroom units is high but achievable given current market conditions. These capture rates indicate that there is sufficient support for the 36 units at 60% of AMHI.

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2010 opening date for the site, we also assume that initial units at the site will be available for rent sometime in 2010.

It is our opinion that the proposed 72 LIHTC units at the subject site will reach a stabilized occupancy of 93.0% within five to six months after opening. This absorption rate is based on an average monthly absorption rate of 12 to 13 units per month. Our absorption projections assume that the number of households will continue to rapidly grow and no other large projects targeting a similar income group will be developed during the projection period.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

The proposed subject project will include 72 Low-Income Housing Tax Credit (LIHTC) units. We identified three LIHTC properties within the Clearwater Site PMA. These existing LIHTC projects are considered comparable with the proposed subject development in that they target households with incomes similar to those that will be targeted at the subject site. These competitive properties and the proposed subject development are summarized as follows:

MAP I.D.	PROJECT NAME	YEAR BUILT	UNITS	OCCUPANCY RATE	DISTANCE TO SITE	WAITING LIST
SITE	SEMINOLE MILL ACRES	2010	72	-	-	-
12	RIDGEVIEW MANOR*	1986 / 2008	72	100.0%	6.1	60 H.H.
13	RIVERS EDGE	1973 / 2007	72	100.0%	5.6	NONE
21	VALLEY HOMES	2002	34	100.0%	4.8	12-18 MONTHS

*16 Units under construction

The comparable properties have a combined occupancy rate of 100.0%. We consider this a very high occupancy rate, and a strong indication of the demand for affordable housing within the Site PMA. Initial absorption rate information was available for Rivers Edge, which was renovated in 2007 and began re-leasing units in the summer of 2007. The average monthly absorption rate was reported by the site manager to be 11 to 12 units per month. Historical (2007) occupancy within all of the selected comparable properties was a combined 72.4%, but was low due to the fact that Rivers Edge was in its lease-up phase following renovations.

Gross rents (includes collected rents and all utilities) for the competing projects and the proposed rents at the subject site, as well as their target market, are listed in the following table:

		GROSS RENT/PERCENT OF AMHI (NUMBER OF UNITS/VACANCIES)				TARGET MARKET
MAP I.D.	PROJECT NAME	ONE-BR.	TWO-BR.	THREE-BR.	FOUR-BR.	
SITE	SEMINOLE MILL ACRES	\$500/50% (4/-) \$551/60% (4/-)	\$585/50% (16/-) \$642/60% (16/-)	\$691/50% (16/-) \$741/60% (16/-)	-	FAMILIES; 50% & 60% AMHI
12	RIDGEVIEW MANOR*	-	\$586/50% (72/0)	-	-	FAMILIES; 50% AMHI
13	RIVERS EDGE	\$496/50% (2/0) \$516/60% (6/0)	\$582/50% (11/0) \$602/60% (45/0)	\$697/50% (2/0) \$717/60% (6/0)	-	FAMILIES; 50% & 60% AMHI
21	VALLEY HOMES	-	\$559/50% (8/0)	\$683/50% (22/0)	\$762/50% (4/0)	FAMILIES; 50% AMHI

*16 units under construction

The proposed subject rents range from \$500 for a one-bedroom unit at 50% of AMHI to \$741 for a three-bedroom unit at 60% of AMHI. While the proposed rents at 50% are considered very competitive with existing rents, the rents at 60% are considered somewhat high compared with existing product. Only Rivers Edge is considered somewhat comparable. The proposed 60% AMHI rents are \$67 higher than Rivers Edge within one-bedroom units, \$40 higher within two-bedroom units, and \$24 higher within three-bedroom units.

However, when we consider that two of the three comparable properties are older, of lower quality, and have inferior amenities, the subject proposed rents are considered achievable.

Given the fact vacancies are nearly nonexistent, the project will be competitive, even given its higher rents. We do not believe the differences will negatively impact marketability, especially given we expect rents among existing product will be increased in 2010. None of the properties offer any rent concessions.


However, it is of note that Housing Choice Voucher holders occupy 71 of the 72 units at Ridgeview Manor and seven of the 72 units at Rivers Edge.

The third family project in this market, Valley Homes, reported no Housing Choice Voucher holders as tenants. This project, consisting of 34 single-family home rentals, targets households with incomes at 50% of AMHI and has a waiting list of 12 to 18 months.

In addition to the Vouchers in use at the above properties, the Aiken County Housing Authority reported there are 815 Housing Choice Vouchers in use in area apartments. The housing authority currently reports 1,200 householders on the waiting list for additional vouchers, which have not been issued since April of 2007. The housing authority is allowing the waiting list to diminish through turnover before issuing any new vouchers. Effectively, this waiting list is closed. Turnover is estimated at six households per month.

One-page summary sheets, including property photographs, of each comparable Tax Credit property are included on the following pages.

APARTMENT PROJECT PROFILE - CLEARWATER, SOUTH CAROLINA

Map Code	12	Total Units	72	Vacancies	0		
Project Name	Ridgeview Manor						
Address	419 Bradleyville Rd. North Augusta, SC 29841						
Phone	(803) 613-1465		Contact	Vivian			
Project Type	Tax Credit						
Year Open	1986	Renovated	2008	Floors	2		
Concessions	No Rent Specials						
Parking	Surface Parking					Quality Rating B-	Neighborhood Rating B
Waiting List	60 households					Percent Occupied	100.0%

UNIT CONFIGURATION


BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT	AMHI
2	1.5	G	850	72	72	0	\$494	50%

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility
Remarks	TAX @ 50% AMHI; 16 units U/C; 2007 occupancy: 2nd quarter 95%, 4th quarter 99%; Accepts HCV (71); Microwaves will be in renovated units

Surveyed - April 2008

VWBR
vogtwilliamsbowen
RESEARCH

APARTMENT PROJECT PROFILE - CLEARWATER, SOUTH CAROLINA

Map Code	13	Total Units	72	Vacancies	0				
Project Name	Rivers Edge								
Address	520 E. Buena Vista Ave. North Augusta, SC 29841								
Phone	(803) 441-0034	Contact	Melissa						
Project Type	Tax Credit								
Year Open	1973	Renovated	2007	Floors	2				
Concessions	No Rent Specials								
Parking	Surface Parking					Quality Rating	A	Neighborhood Rating	B
Waiting List	NONE					Percent Occupied	100.0%		

UNIT CONFIGURATION


BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT	AMHI
1	1	G	820	6	6	0	\$440	60%
1	1	G	820	2	2	0	\$420	50%
2	1	G	937	45	45	0	\$510	60%
2	1	G	937	11	11	0	\$490	50%
3	2	G	1629	6	6	0	\$600	60%
3	2	G	1629	2	2	0	\$580	50%

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Fitness Center, Playground, Business Center, Picnic Area
Remarks	Tax Credit @ 50% & 60% AMHI; Accepts HCV (7 units); Began leasing summer 2007; 2007 occupancy: 2nd quarter 6.9%, 4th quarter 54.2%

Surveyed - April 2008

VWB
vogtwilliamsbowen
RESEARCH

APARTMENT PROJECT PROFILE - CLEARWATER, SOUTH CAROLINA

Map Code 21 Total Units 34 Vacancies 0	
Project Name Valley Homes	
Address Myrtle Street Gloverville, SC 29828	
Phone (803) 594-0588 Contact Dorothy	
Project Type Tax Credit	
Year Open 2002 Floors 1	
Concessions No Rent Specials	
Parking Surface Parking	Quality Rating B- Neighborhood Rating C
Waiting List 12-18 months	Percent Occupied 100.0%

UNIT CONFIGURATION

BEDROOMS	BATHS	TYPE	SQUARE FEET	UNITS	OCCUP.	VACANT	COLLECTED RENT	AMHI
2	2	G	850	8	8	0	\$420	50%
3	2	G	1000	22	22	0	\$510	50%
4	2	G	1200	4	4	0	\$558	50%

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management
Remarks	Tax Credit @ 50% AMHI; 2007 occupancy: 2nd quarter 100% & 4th quarter 94%

Surveyed - April 2008

VWRB
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 RESEARCH

The unit sizes (square feet) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table.

MAP I.D.	PROJECT NAME	SQUARE FOOTAGE				NUMBER OF BATHS			
		ONE- BR.	TWO- BR.	THREE- BR.	FOUR- BR.	ONE- BR.	TWO- BR.	THREE- BR.	FOUR- BR.
SITE	SEMINOLE MILL ACRES	750	935	1,115	-	1.0	2.0	2.0	-
12	RIDGEVIEW MANOR	-	850	-	-	-	1.5	-	-
13	RIVERS EDGE	820	937	1,629	-	1.0	1.0	2.0	-
21	VALLEY HOMES	-	850	1,000	1,200	-	2.0	2.0	2.0

The proposed one-bedroom units are 70 square feet smaller than the other one-bedroom units in this market at Rivers Edge. While the square footage is not considered prohibitively small, the subject's higher rents within this unit type could slow absorption somewhat. The subject's two- and three-bedroom units are appropriately sized and will be considered competitive. Bedroom/bathroom configurations reflect the most modern unit design, and will also positively impact marketability. The units at Rivers Edge are actually larger than found in most markets, in our opinion.

Overall, the unit sizes and number of baths will allow the proposed LIHTC units at the site to compete with the existing low-income units in the market.

The following table compares the amenities of the subject development with the other LIHTC projects in the market.

COMPARABLE PROPERTIES AMENITIES - CLEARWATER, SC

MAP ID	APPLIANCES					UNIT AMENITIES											
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS
SITE	X	X		X	X		X		C		X	X	X			B	S
12	X	X		X	X		X		C		X		X			B	S
13	X	X		X	X	X	X		C		X		X			B	S
21	X	X		X	X	X	X		C		X		X			B	S

MAP ID	PROJECT AMENITIES												
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE
SITE		X	X	X		X		X			X		
12	X	X	X										
13		X	X			X		X					X
21		X											

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

X - All Units
S - Some Units
O - Optional

C - Carpet
H - Hardwood
V - Vinyl

B - Blinds
C - Curtains
D - Drapes

A - Attached
C - Carport
D - Detached
O - On Street
S - Surface

Surveyed - April 2008

VWV
vogtwilliamsbowen
RESEARCH

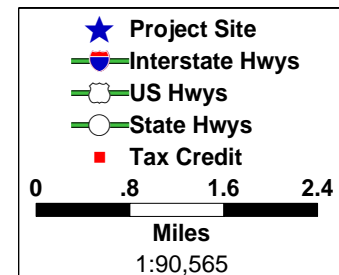
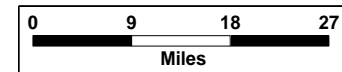
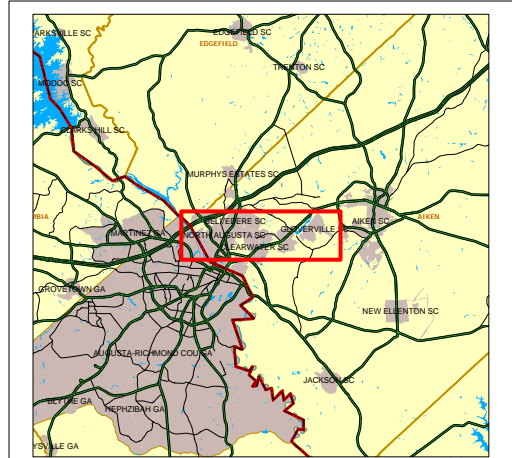
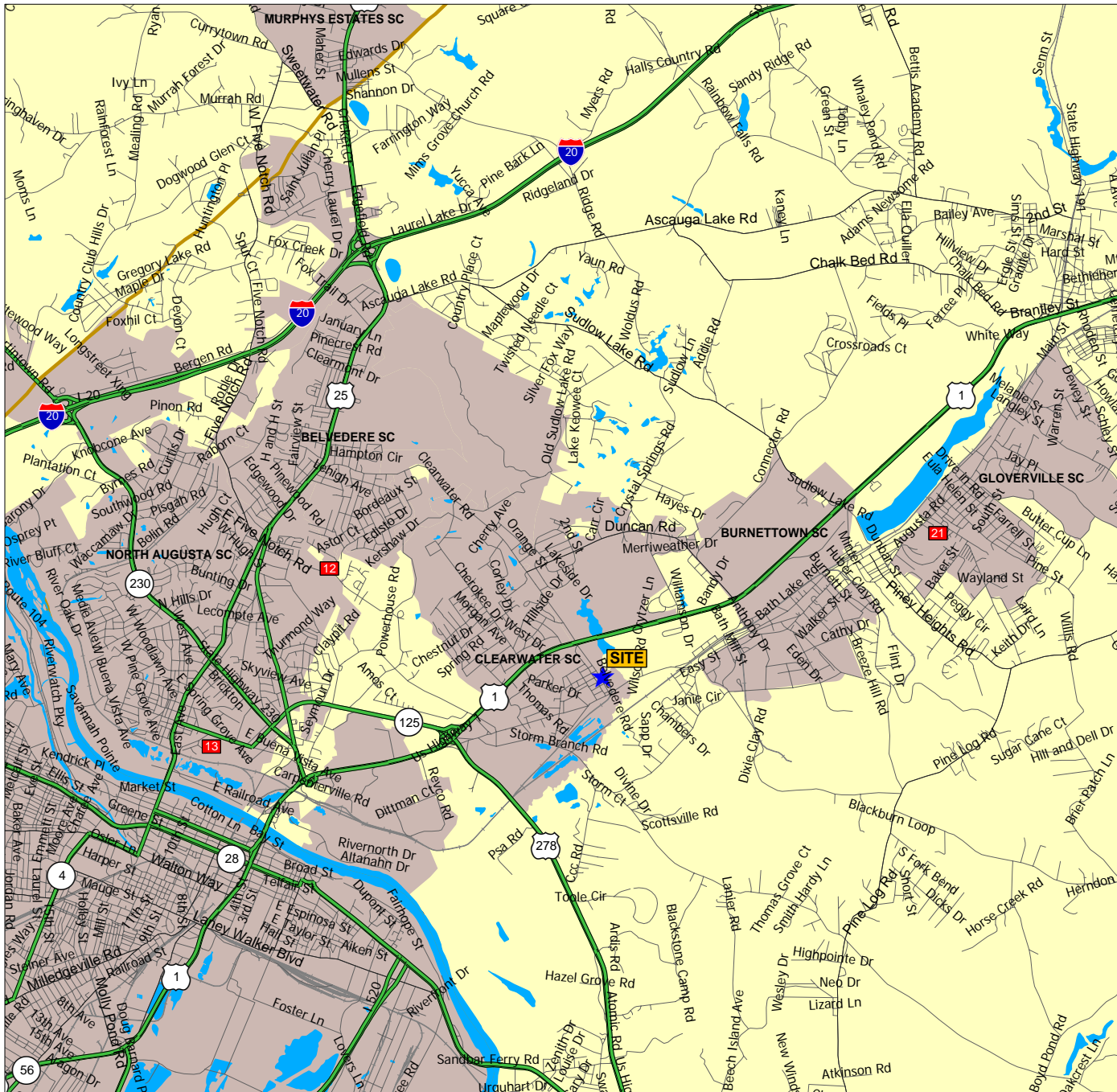
The amenity packages included at the proposed subject development will be very competitive with the competing low-income projects. However, the inclusion of a swimming pool at Ridgeview Manor gives that project a competitive edge for family households. The subject development does not appear to be lacking any amenities that would hinder its marketability to operate as a LIHTC project. It is of note that the site is the only property to include water, sewer, and trash removal services in the rent. The LIHTC single-family home property Valley Homes, does not offer project amenities, and does not include any utilities in rent. This gives the conventional rentals somewhat of an advantage, even though the single-family home is a popular rental option for larger family households in this area.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality, and occupancy rates of the existing low-income properties within the market, it is our opinion that the proposed subject development will be competitive with these properties.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

A map illustrating the location of the comparable properties we surveyed is included on the following page.

Clearwater, SC: Comparable LIHTC Properties



3. RENTAL HOUSING OVERVIEW

Based on the 2000 Census, rental housing comprises 5,567 units, or 26.0%, of the entire housing stock. The distribution of the Primary Market Area housing stock in 2000 and 2007 is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 ESTIMATES	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	21,417	90.9%	23,511	91.7%
OWNER-OCCUPIED	15,850	74.0%	17,545	74.6%
RENTER-OCCUPIED	5,567	26.0%	5,966	25.4%
VACANT	2,153	9.1%	2,125	8.3%
TOTAL	23,570	100.0%	25,636	100.0%

Based on a 2007 update of the 2000 Census, of the 25,636 total housing units in the market, 8.3% were vacant. This is a decrease in vacancy from 2000, and considered a moderate rate indicating a healthy housing market. In 2007, it was estimated that homeowners occupied 74.6% of all occupied housing units, while renters occupied the remaining 25.4%. The share of renters is relatively low and represents a moderate base of potential renters in the market for the subject development.

We conducted an on-site survey of 22 conventional properties totaling 1,462 units. Of these properties, 18 are non-subsidized (market-rate or Tax Credit) with 1,225 units. Among these non-subsidized units, 98.2% are occupied. We conducted an extensive analysis of vacancies that included vacancies by age of product, quality, product type, and price point. There appear to be no trends or shared characteristics of properties with high vacancies. The vacancy rate among older market-rate properties of 1970s vintage is the same as for the overall market. Selected properties appear to be underperforming in this relatively tight rental housing market, which is likely related to individual site and/or management issues.

There are also four government-subsidized projects in the market with a total of 237 units. These units have an overall occupancy rate of 100.0%. These projects operate under the HUD Section 8 program. Three of these projects are restricted to senior households and one targets physically disabled individuals.

One of the four affordable properties, Village at Horse Creek Senior Housing, targets seniors age 55 and over. This 36-unit project is 100.0% occupied and has a waiting list of six to eight months.

According to area apartment managers, there have been minimal rent increases in the market over the past several years, primarily due to the area economy.

The following table summarizes the breakdown of market-rate and Tax Credit units within the Site PMA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	286	28.3%	4	1.4%	\$566
TWO-BEDROOM	1.0	375	37.1%	6	1.6%	\$607
TWO-BEDROOM	1.5	147	14.5%	7	4.8%	\$619
TWO-BEDROOM	2.0	117	11.6%	2	1.7%	\$737
THREE-BEDROOM	1.0	21	2.1%	2	9.5%	\$807
THREE-BEDROOM	1.5	4	0.4%	0	0.0%	\$849
THREE-BEDROOM	2.0	61	6.0%	1	1.6%	\$732
TOTAL MARKET-RATE		1,011	100.0%	22	2.2%	-
TAX CREDIT						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANCY	%VACANT	MEDIAN GROSS RENT
ONE-BEDROOM	1.0	44	20.6%	0	0.0%	\$500
TWO-BEDROOM	1.0	56	26.2%	0	0.0%	\$602
TWO-BEDROOM	1.5	72	33.6%	0	0.0%	\$586
TWO-BEDROOM	2.0	8	3.7%	0	0.0%	\$559
THREE-BEDROOM	2.0	30	14.0%	0	0.0%	\$683
FOUR-BEDROOM	2.0	4	1.9%	0	0.0%	\$762
TOTAL TAX CREDIT		214	100.0%	0	0.0%	-

Of these 1,225 non-subsidized units that were surveyed, 98.2% are occupied. More specifically, the market-rate units were 97.8% occupied and the Tax Credit units were 100.0% occupied.

The distribution of units by bedroom type is weighted towards smaller units, particularly the two-bedroom unit type. Two-bedroom units comprise 63.2% of all market-rate units and 63.5% of LIHTC units. The proposed subject project will offer 44.4% two-bedroom units and 44.4% three-bedroom units, as well as 11.2% one-bedroom units.

Nearly 58% of all non-subsidized apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 1.8%, the same as the overall market. The following is a distribution of units surveyed by year built for the Site PMA:

YEAR BUILT	UNITS	VACANCY RATE
PRIOR TO 1960	0	0.0%
1960 - 1969	1	100.0%
1970 - 1979	704	1.7%
1980 - 1989	450	2.0%
1990 - 1994	0	0.0%
1995 - 1999	0	0.0%
2000 - 2001	0	0.0%
2002	34	0.0%
2003	0	0.0%
2004	36	0.0%
2005	0	0.0%
2006	0	0.0%
2007	0	0.0%
2008*	0	0.0%
TOTAL	1,225	1.8%

*As of April

Only 70 conventional apartment units have been added to the market since 2000. It should be noted, however, that 271 (22.1%) of all non-subsidized units have been renovated in 2007 and 2008. The majority of product in this market (57.5%) was built in the 1970s, making it a rather dated product pool, and likely in need of renovations.

Rivers Edge was renovated in 2007 and began re-leasing units in the summer of 2007. The average monthly absorption rate was reported by the site manager to be 11 to 12 units per month.

We rated each market-rate and LIHTC property surveyed on a scale of A through E. All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping, and grounds appearance). Following is a distribution by quality rating, units, and vacancies for both project types:

MARKET-RATE			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
B+	5	481	2.3%
B	3	167	3.6%
B-	2	121	3.3%
C+	1	120	0.0%
C	1	104	1.0%
C-	1	18	0.0%

TAX CREDIT			
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE
A	1	72	0.0%
B-	3	142	0.0%

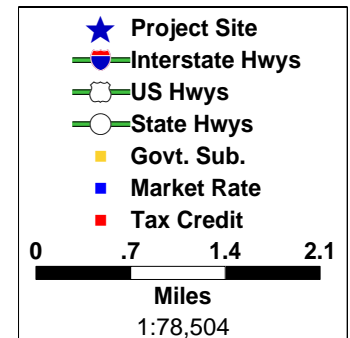
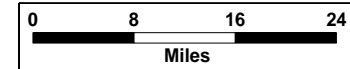
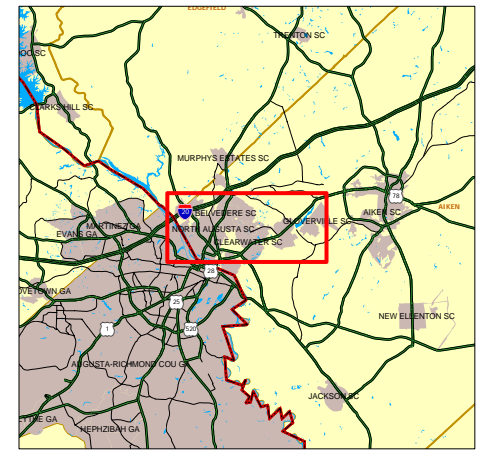
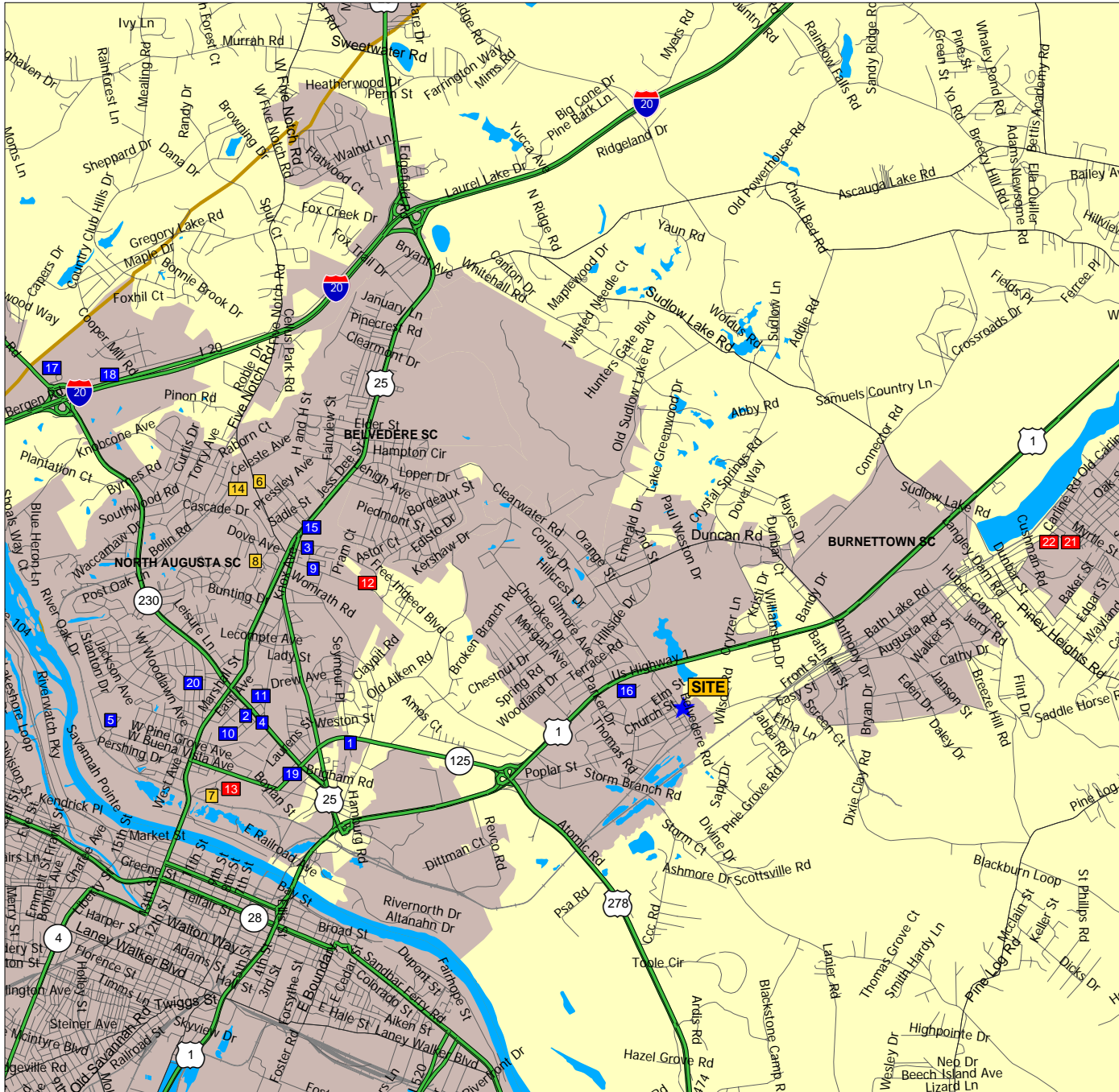
Within the market-rate properties, there is an inverse correlation between quality and occupancy. However, vacancy rates within all quality levels are very low. We anticipate that the subject project will have an A quality rating when completed, which will contribute to the marketability of the site.

A complete listing of all properties surveyed are included in the Addendum A, Field Survey section of this report.

4. RENTAL HOUSING INVENTORY MAP

A map identifying the location of all properties surveyed within the Clearwater Site PMA are included on the following page.

Clearwater, SC: Apartment Locations



5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there are no official plans for additional multifamily units in the area. However, given the fact that the North Augusta/Clearwater area has a very strong rental market, we anticipate there are developers considering conventional apartments for development. The only confirmed project in the development pipeline currently is Brighton Place, an 88-unit family market-rate property being developed by ATC Developers of Augusta, Georgia. The project will offer one- and two-bedroom units for \$500 and \$600 collected rent, respectively, and is expected to open in Q3 of 2008. At the time of our survey, the project had just begun pre-leasing. We have included it in our field survey.

Note that two affordable projects are in planning/LIHTC application stages in the North Augusta area:

- The 40-unit Savannah Meadows project will offer one- and two-bedroom units for seniors age 55 and over. Collected rents range from \$373 for a one-bedroom unit to \$573 for a two-bedroom unit, targeting households at 50% and 60% AMHI. The projected opening year is 2010.
- The 56-unit North Augusta Green will be restricted to family households with incomes of up to 40%, 50%, and 60% of AMHI. Proposed collected LIHTC rents range from \$450 to \$515 for the two-bedroom units and from \$525 to \$575 for the three-bedroom units. The projected opening year is 2009.

Because the two affordable projects are in the application stage and may not be built, we have not included them in our demand calculations.

7. MARKET RENT ADVANTAGE

We identified five market-rate properties within the Clearwater Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical to each other, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or less features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies, and the prior experience of VWB Research in markets nationwide.

The proposed subject development and the five selected properties include the following:

MAP I.D.	PROJECT NAME	TOTAL UNITS	YEAR BUILT/ RENOVATED	OCC. RATE	UNIT MIX (OCCUPANCY RATE)		
					ONE- BR.	TWO- BR.	THREE- BR.
SITE	SEMINOLE MILL ACRES	72	2010	-	8 (-)	32 (-)	32 (-)
1	BRECKENRIDGE VILLA APTS.	120	1980	96.7%	60 (96.7%)	60 (96.7%)	-
2	BRICKTON PLACE	48	1985	100.0%	12 (100.0%)	23 (100.0%)	13 (100.0%)
10	PLAZA PLACE	120	1983	97.5%	40 (97.5%)	40 (97.5%)	40 (97.5%)
11	BRECKENRIDGE VILLAS II	112	1970	98.2%	38 (97.4%)	70 (98.6%)	4 (100.0%)
15	THE GROVES APTS.*	127	1978 / 2008	96.1%	30 (100.0%)	73 (93.2%)	24 (100.0%)

Occ. – Occupancy

*Three units under renovation

The five selected market-rate projects have a combined total of 527 units with an overall occupancy rate of 97.3%. None of the selected properties have an occupancy rate below 96.1%.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type

ONE BEDROOM

Subject			Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Seminole Mill Acres	Data	Breckenridge Villa Apts.		Brickton Place		Plaza Place		Breckenridge Villas II		The Groves Apts.	
	260 Belvedere Rd.	on	160 Breckenridge Dr.		944 Bama Ave.		1300 Plaza Place		309 E. Martintowne Ave.		1402 Groves Blvd.	
	Clearwater, SC	Subject	N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$545		\$450		\$505		\$455		\$410	
2	Date Surveyed		Mar-08		Mar-08		Mar-08		Mar-08		Mar-08	
3	Rent Concessions		None		None		None		None		None	
4	Occupancy for Unit Type		97%		100%		98%		97%		100%	
5	Effective Rent & Rent/ sq. ft	▼	\$545	0.84	\$450	0.47	\$505	0.84	\$455	0.54	\$410	0.64
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1	WU/2		WU/2		WU/2		WU/2		WU/1,2	
7	Yr. Built/Yr. Renovated	2010	1980	\$30	1985	\$25	1983	\$27	1970	\$40	1978/2008	\$17
8	Condition /Street Appeal	E	G	\$15	G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G	G		G		G		G		G	
10	Same Market?		Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1	1		1		1		1		1	
12	# Baths	1	1		1		1		1		1	
13	Unit Interior Sq. Ft.	750	645	\$17	950	(\$32)	600	\$24	850	(\$16)	644	\$17
14	Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C	C		C		C		C		C	
16	Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	HU/L	HU/L		HU	\$5	HU/L		HU/L		L	\$5
19	Floor Coverings	C	C		C		C		C		C	
20	Window Coverings	B	B		B		B		B		B	
21	Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22	Disposal/Ceiling Fans	Y/Y	Y/Y		N/Y	\$3	Y/Y		Y/Y		Y/Y	
23	Storage	Y	Y		N	\$5	N	\$5	N	\$5	N	\$5
D	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	Y		Y		Y		Y		Y	
26	Security Gate	N	N		N		N		N		Y	(\$5)
27	Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	N/N	\$5	N/N	\$5	N/N	\$5	N/N	\$5
28	Pool/ Recreation Areas	F/G/WT	P	(\$1)	N	\$9	P/S	(\$3)	P	(\$1)	P	(\$1)
29	Computer Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area	N	N		N		N		N		Y	(\$3)
31	Playground	Y	Y		N	\$3	Y		N	\$3	Y	
32	Social Sevices	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	Y/Y		N/N	\$27	Y/Y		Y/Y		Y/Y	
39	Trash /Recycling	Y/N	Y/N		N/N	\$15	Y/N		Y/N		Y/N	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		6	1	10	1	7	1	7	2	8	3
41	Sum Adjustments B to D		\$80	(\$1)	\$83	(\$32)	\$89	(\$3)	\$81	(\$17)	\$77	(\$9)
42	Sum Utility Adjustments				\$42							
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E		\$79	\$81	\$93	\$157	\$86	\$92	\$64	\$98	\$68	\$86
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)		\$624		\$543		\$591		\$519		\$478	
45	Adj Rent/Last rent			114%		121%		117%		114%		117%
46	Estimated Market Rent	\$555	\$0.74	← Estimated Market Rent/ Sq. Ft								

Rent Comparability Grid

Unit Type

TWO BEDROOM

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5			
	Seminole Mill Acres		Data		Breckenridge Villa Apts.		Brickton Place		Plaza Place		Breckenridge Villas II		The Groves Apts.	
	260 Belvedere Rd.		on		160 Breckenridge Dr.		944 Bama Ave.		1300 Plaza Place		309 E. Martintowne Ave.		1402 Groves Blvd.	
	Clearwater, SC		Subject		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC	
A.	Rents Charged		Data		\$ Adj		Data		\$ Adj		Data		\$ Adj	
1	\$ Last Rent / Restricted?				\$645		\$520		\$600		\$515		\$525	
2	Date Surveyed				Mar-08		Mar-08		Mar-08		Mar-08		Mar-08	
3	Rent Concessions				None		None		None		None		None	
4	Occupancy for Unit Type				97%		100%		98%		94%		100%	
5	Effective Rent & Rent/ sq. ft		▼		\$645 0.68		\$520 0.44		\$600 0.72		\$515 0.54		\$525 0.56	
B.	Design, Location, Condition		Data		\$ Adj		Data		\$ Adj		Data		\$ Adj	
6	Structure / Stories		R/1		WU/2		WU/2		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated		2010		1980 \$30		1985 \$25		1983 \$27		1970 \$40		1978/2008 \$17	
8	Condition /Street Appeal		E		G \$15		G \$15		G \$15		G \$15		G \$15	
9	Neighborhood		G		G		G		G		G		G	
10	Same Market?				Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities		Data		\$ Adj		Data		\$ Adj		Data		\$ Adj	
11	# Bedrooms		2		2		2		2		2		2	
12	# Baths		2		2		2		1 \$30		1 \$30		1.5 \$15	
13	Unit Interior Sq. Ft.		935		952 (\$2)		1195 (\$37)		834 \$15		950 (\$2)		937 (\$0)	
14	Balcony/ Patio		Y		Y		Y		Y		Y		Y	
15	AC: Central/ Wall		C		C		C		C		C		C	
16	Range/ refrigerator		R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher		N/Y		N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer		HU/L		HU/L		HU \$5		HU/L		HU/L		L \$5	
19	Floor Coverings		C		C		C		C		C		C	
20	Window Coverings		B		B		B		B		B		B	
21	Intercom/Security System		N/N		N/N		N/N		N/N		N/N		N/N	
22	Disposal/Ceiling Fans		Y/Y		Y/Y		N/Y \$3		Y/Y		Y/Y		Y/Y	
23	Storage		Y		Y		N \$5		N \$5		N \$5		N \$5	
D	Site Equipment/ Amenities		Data		\$ Adj		Data		\$ Adj		Data		\$ Adj	
24	Parking (\$ Fee)		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management		Y		Y		Y		Y		Y		Y	
26	Security Gate		N		N		N		N		N		Y (\$5)	
27	Clubhouse/ Meeting Rooms		N/Y		N/N \$5		N/N \$5		N/N \$5		N/N \$5		N/N \$5	
28	Pool/ Recreation Areas		F/G/WT		P (\$1)		N \$9		P/S (\$3)		P (\$1)		P (\$1)	
29	Computer Center		Y		N \$3		N \$3		N \$3		N \$3		N \$3	
30	Picnic Area		N		N		N		N		N		Y (\$3)	
31	Playground		Y		Y		N \$3		Y		N \$3		Y	
32	Social Seviles		Y		N \$10		N \$10		N \$10		N \$10		N \$10	
E.	Utilities		Data		\$ Adj		Data		\$ Adj		Data		\$ Adj	
33	Heat (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
37	Other Electric		N		N		N		N		N		N	
38	Cold Water/ Sewer		Y/Y		Y/Y		N/N \$32		Y/Y		Y/Y		Y/Y	
39	Trash /Recycling		Y/N		Y/N		N/N \$15		Y/N		Y/N		Y/N	
F.	Adjustments Recap		Pos		Neg		Pos		Neg		Pos		Neg	
40	# Adjustments B to D				5 2		10 1		8 1		8 2		8 4	
41	Sum Adjustments B to D				\$63 (\$3)		\$83 (\$37)		\$110 (\$3)		\$111 (\$3)		\$75 (\$9)	
42	Sum Utility Adjustments						\$47							
			Net		Gross		Net		Gross		Net		Gross	
43	Net/ Gross Adjmts B to E				\$60 \$66		\$93 \$167		\$107 \$113		\$108 \$114		\$66 \$84	
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)				\$705		\$613		\$707		\$623		\$591	
45	Adj Rent/Last rent				109%		118%		118%		121%		113%	
46	Estimated Market Rent		\$650		\$0.70		← Estimated Market Rent/ Sq. Ft							

Unit Type → **THREE BEDROOM**

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Seminole Mill Acres		Breckenridge Villa Apts.		Brickton Place		Plaza Place		Breckenridge Villas II		The Groves Apts.	
	260 Belvedere Rd.		160 Breckenridge Dr.		944 Bama Ave.		1300 Plaza Place		309 E. Martintowne Ave.		1402 Groves Blvd.	
	Clearwater, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC		N. Augusta, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$645		\$520		\$730		\$730		\$600	
2	Date Surveyed		Mar-08		Mar-08		Mar-08		Mar-08		Mar-08	
3	Rent Concessions		None		None		None		None		None	
4	Occupancy for Unit Type		97%		100%		98%		100%		100%	
5	Effective Rent & Rent/ sq. ft	▼	\$645	0.68	\$520	0.44	\$730	0.70	\$730	0.52	\$600	0.52
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1	WU/2		WU/2		WU/2		TH/2		TH/2	
7	Yr. Built/Yr. Renovated	2010	1980	\$30	1985	\$25	1983	\$27	1970	\$40	1978/2008	\$17
8	Condition /Street Appeal	E	G	\$15	G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G	G		G		G		G		G	
10	Same Market?		Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	2	\$50	2	\$50	3		3		3	
12	# Baths	2	2		2		2		1.5	\$15	2	
13	Unit Interior Sq. Ft.	1115	952	\$23	1195	(\$11)	1043	\$10	1400	(\$40)	1164	(\$7)
14	Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C	C		C		C		C		C	
16	Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	HU/L	HU/L		HU	\$5	HU/L		HU/L		HU/L	
19	Floor Coverings	C	C		C		C		C		C	
20	Window Coverings	B	B		B		B		B		B	
21	Intercom/Security System	N/N	N/N		N/N		N/N		N/N		N/N	
22	Disposal/Ceiling Fans	Y/Y	Y/Y		N/Y	\$3	Y/Y		Y/Y		Y/Y	
23	Storage	Y	Y		N	\$5	N	\$5	N	\$5	N	\$5
D	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	Y		Y		Y		Y		Y	
26	Security Gate	N	N		N		N		N		Y	(\$5)
27	Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	N/N	\$5	N/N	\$5	N/N	\$5	N/N	\$5
28	Pool/ Recreation Areas	F/G/WT	P	(\$1)	N	\$9	P/S	(\$3)	P	(\$1)	P	(\$1)
29	Computer Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area	N	N		N		N		N		Y	(\$3)
31	Playground	Y	Y		N	\$3	Y		N	\$3	Y	
32	Social Sevices	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	Y/Y		N/N	\$41	Y/Y		Y/Y		Y/Y	
39	Trash /Recycling	Y/N	Y/N		N/N	\$15	Y/N		Y/N		Y/N	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		7	1	11	1	7	1	8	2	6	4
41	Sum Adjustments B to D		\$136	(\$1)	\$133	(\$11)	\$75	(\$3)	\$96	(\$41)	\$55	(\$16)
42	Sum Utility Adjustments				\$56							
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E		\$135	\$137	\$178	\$200	\$72	\$78	\$55	\$137	\$39	\$71
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)		\$780		\$698		\$802		\$785		\$639	
45	Adj Rent/Last rent			121%		134%		110%		108%		107%
46	Estimated Market Rent	\$740	\$0.66 ← Estimated Market Rent/ Sq. Ft									

Based on the preceding Rent Comparability Grids, it was determined that the achievable market rent for units similar to the proposed subject development is \$555 for a one-bedroom unit, \$650 for a two-bedroom unit, and \$740 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

BEDROOM TYPE	PROPOSED COLLECTED RENT	ACHIEVABLE MARKET RENT	MARKET RENT ADVANTAGE
ONE-BEDROOM	\$424@ 50% \$475@ 60%	\$555	23.6% 14.4%
TWO-BEDROOM	\$493@ 50% \$550@ 60%	\$650	24.2% 15.4%
THREE-BEDROOM	\$575@ 50% \$625@ 60%	\$740	22.3% 15.5%

The proposed collected rents represent a market rent advantage of 14.4% to 24.2% when compared with achievable market rents and appear to be appropriate for the subject market. Even though the subject units at 60% of AMHI are the highest among affordable properties, these rents should still be perceived as a good value in this market, given that the project is of new construction and will be of high quality.

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider utilities paid by tenants. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1970 and 1985. The Groves has undergone substantial renovations and has been assigned an effective build date. As such, we have adjusted the rents at the selected properties by \$17 to \$40 to reflect the age of these properties in 2010, the subject's opening date.

8. It is anticipated that the proposed subject project will have a high quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.
11. All of the selected properties have one- and two-bedroom units, while three offer three-bedroom units. For those projects lacking three-bedroom units, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments to reflect the difference in the number of bathrooms offered at the site as compared with the competitive properties.
- 13.- 23. The proposed subject project will offer a unit amenity package similar to or more extensive than the selected properties. We have made a few adjustments for features lacking at the selected projects such as ceiling fans and extra storage.
- 24.-32. The proposed project offers a comprehensive project amenities package. We have made several adjustments for features lacking at the selected properties such as clubhouse, meeting rooms, computer center, and recreational amenities, and in some cases, we have made adjustments for features the subject property does not offer, such as a swimming pool.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Once all adjustments to collected rents were made, the rents for each bedroom type were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity, amenities, and unit layout compared to the subject site.

8. AFFORDABLE HOUSING IMPACT

As previously noted, there are three affordable projects that will compete with the subject project. The anticipated occupancy rates of the existing non-subsidized Tax Credit developments during the first year of occupancy at Seminole Mill Acres are as follows:

PROJECT	CURRENT OCCUPANCY RATE	ANTICIPATED OCCUPANCY RATE THROUGH 2011
RIDGEVIEW MANOR	100.0%	95.0%+
RIVERS EDGE	100.0%	95.0%+
VALLEY HOMES	100.0%	95.0%+

These projects have historically maintained high occupancies. In addition, Ridgeview and Valley Homes have extensive waiting lists. Little to no impact is expected as a result of the introduction of the subject project into this market.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to the Claritas, the median home price in the Site PMA was \$101,230. At an estimated interest rate of 6.0% and a 30-year term (and 95% LTV), the monthly mortgage for a \$101,230 home is \$721, including estimated taxes and insurance.

BUY VERSUS RENT ANALYSIS	
MEDIAN HOME PRICE – CLARITAS	\$101,230
MORTGAGED VALUE = 95% OF MEDIAN HOME PRICE	\$96,169
INTEREST RATE – BANKRATE.COM	6.0%
TERM	30
MONTHLY PRINCIPAL & INTEREST	\$577
ESTIMATED TAXES AND INSURANCE*	\$144
ESTIMATED MONTHLY MORTGAGE PAYMENT:	\$721

* Estimated at 25% of principal and interest.

In comparison, the collected rents for the subject property range from \$424 to \$625 per month. Therefore, the cost of a monthly mortgage is approximately \$96 to \$297 more than the cost of renting, depending on unit size. It is possible that some of the tenants with incomes at 60% of AMHI would be able to afford the monthly payments required to own a home; however, the number of tenants that would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market and the subject property.

There are four mobile home communities within 7.0 miles of the subject site. Some competitive overlap likely exists between this option and rental housing, given that mobile homes are generally at the lower end of the for-sale product pricing scale. We have considered that a small amount of competition may come from this option (either from a buyer or renter standpoint) in our absorption projections.

10. HOUSING VOIDS

There appears to be a lack of affordable housing in the Clearwater Site PMA, given the 100.0% occupancy rate and long waiting lists for all of the affordable properties surveyed.

As previously noted, we identified and surveyed 1,462 conventional units within 22 projects. These totals include market-rate, Low-Income Housing Tax Credit, and government-subsidized projects. Occupancies are high within all project types, and unit distributions are weighted toward two-bedroom units. None of the unit types are experiencing unhealthy vacancies.

The subject will add 32 two-bedroom units, 32 three-bedroom units, and 8 one-bedroom units to this mix. It is our opinion that this mix is appropriate and will offer a high-quality affordable rental option for lower-income families.

Overall, there are 22 vacant units among the 1,225 conventional apartments in the survey. This represents an overall occupancy rate of 98.2%, considered very strong and an indication of a tight housing market in the Site PMA. Government subsidized and affordable properties are 100.0% occupied, many with extensive waiting lists. Based upon waiting lists within existing affordable properties, it is our opinion that this market has a large degree of pent-up demand for affordable family housing. The one senior property also maintains an extensive waiting list, indicating additional demand for age-restricted affordable housing.

In addition to the existing housing supply, there are two multifamily projects currently in preliminary planning stages within the Site PMA. Based on our interviews with local building and planning representatives, it was determined that the two multifamily projects would have to receive LIHTC financing in order to be built. These projects could compete with the site, but we have not considered them in our demand calculations, as they have not yet received financing approval.

I. INTERVIEWS

The following are interviews conducted with various government and private sector individuals:

Jenny Collins, Property Manager of the LIHTC property Brookstone, stated that she believes there is a need for more affordable housing in the area. Brookstone leased up rapidly; thus, Ms. Collins feels the area could support additional projects.

Sharon Cowen, Director of Services at the Aiken Area Council on Aging, stated that there is a need for affordable senior housing in the Aiken area. The local projects to which Ms. Cowen refers seniors consistently have a waiting list. She feels that seniors value security and affordability foremost, along with close proximity to area services.

Vikki Gould, Property Manager of the LIHTC senior property Vintage Gardens at Sweetwater, stated that there is a need for all types of affordable housing, but specifically a need for affordable senior housing.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 72 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rent, amenities, or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as a significant value in the marketplace. This is demonstrated in Section IV. We do not recommend any changes to the proposed project concept.

Given the 100.0% occupancy rates and extensive waiting lists within affordable family developments within the Site PMA, the proposed project will offer a housing alternative to low-income households that is not readily available.

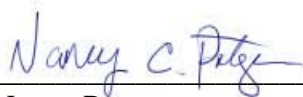
As shown in the Project Specific Demand Analysis section of this report, the project's capture rates by income level are low, ranging from 7.0% to 7.9%, while the overall capture is low as well, at 12.0%. Based upon these rates, there is sufficient support for the proposed development. Therefore, it is our opinion that the proposed project will have minimal, if any, impact on the existing Tax Credit developments in the Site PMA.

In addition, the project is well situated within the surrounding area and offers a wide variety of unit and project amenities. Furthermore, the units have modern designs and a competitive bedroom/bathroom ratio, suitable for family households. It should also be noted that the subject development will be part of a larger planned development that will include an amphitheater, commercial uses, and wellness center. These additional developments will positively impact the subject's marketability. Our analysis assumes these developments will be built over the next few years, and at least started by the time the subject apartments begin their initial lease-up.

K. SIGNED STATEMENT REQUIREMENT

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 housing. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.


Certified:



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Partner

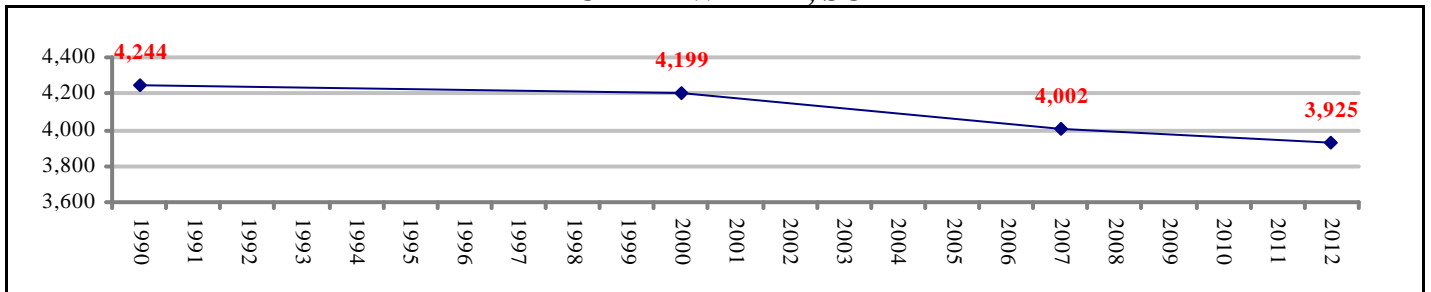


Ted Uritus
Field Analyst

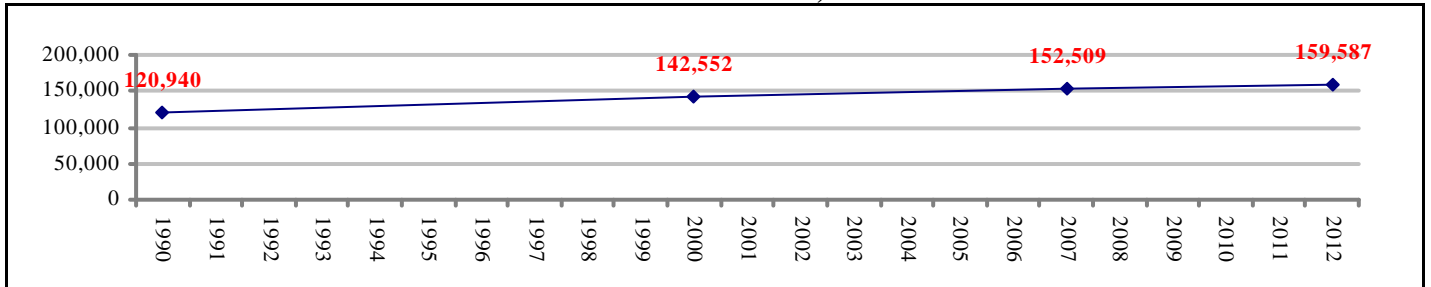
L. AREA DEMOGRAPHICS

POPULATION - 1990, 2000(CENSUS), 2007(ESTIMATE), 2012(PROJECTION)

CLEARWATER, SC



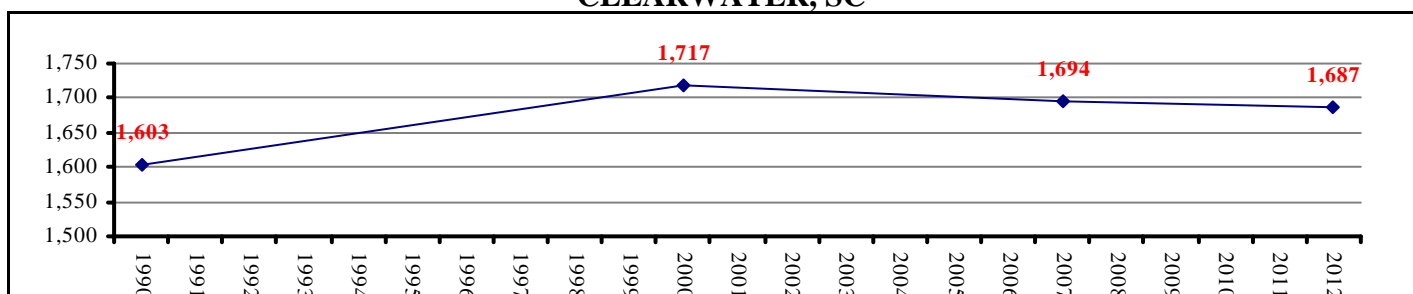
AIKEN COUNTY, SC



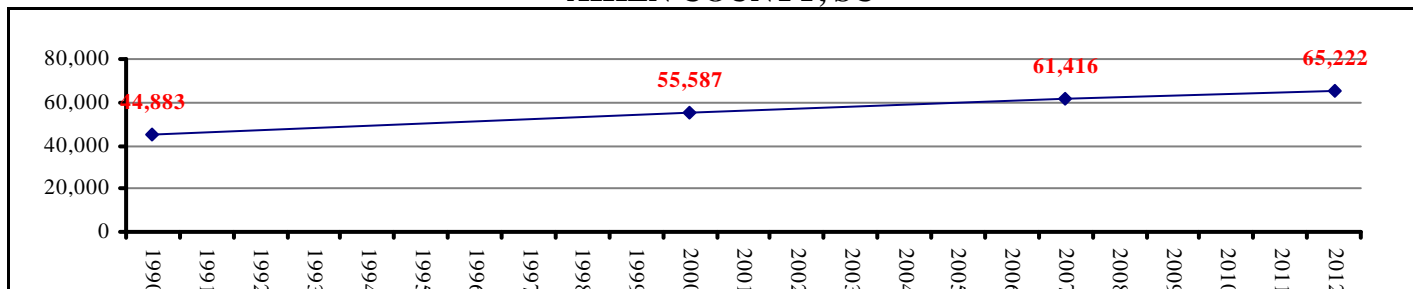
YEAR	CLEARWATER, SC	AIKEN COUNTY, SC
1990 CENSUS	4,244	120,940
2000 CENSUS	4,199	142,552
% CHANGE 1990 - 2000	-1.1%	17.9%
AVG. ANNUAL CHANGE	-5	2,161
2007 ESTIMATE	4,002	152,509
2012 PROJECTION	3,925	159,587
% CHANGE 2000 - 2012	-6.5%	12.0%
AVG. ANNUAL CHANGE	-25	1,549

HOUSEHOLDS - 1990, 2000(CENSUS), 2007(ESTIMATE), 2012(PROJECTION)

CLEARWATER, SC



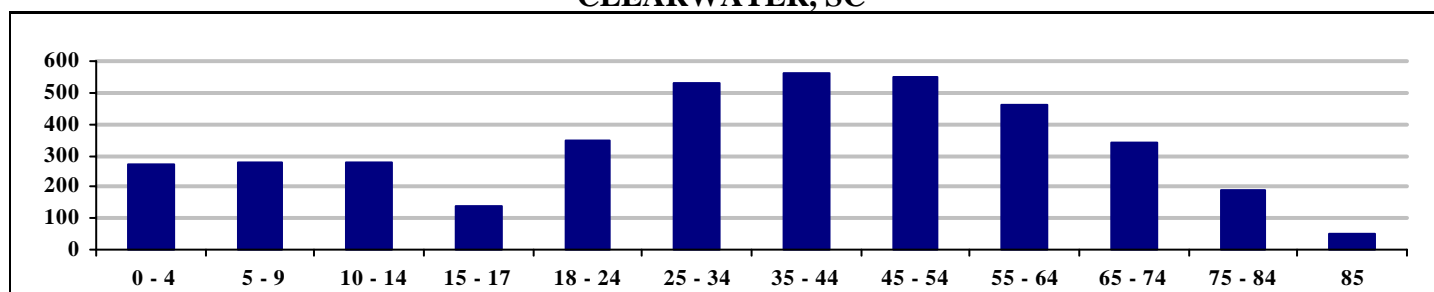
AIKEN COUNTY, SC



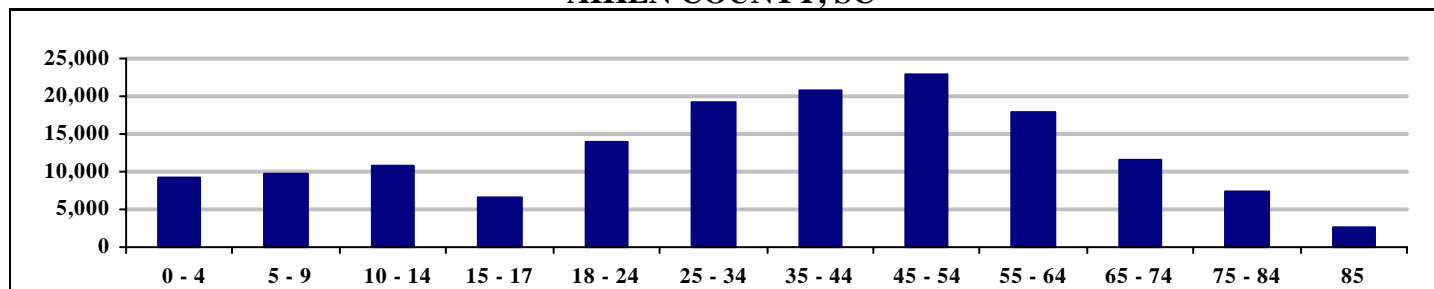
YEAR	CLEARWATER, SC	AIKEN COUNTY, SC
1990 CENSUS	1,603	44,883
2000 CENSUS	1,717	55,587
% CHANGE 1990 - 2000	7.1%	23.8%
AVG. ANNUAL CHANGE	11	1,070
2007 ESTIMATE	1,694	61,416
2012 PROJECTION	1,687	65,222
% CHANGE 2000 - 2012	-1.7%	17.3%
AVG. ANNUAL CHANGE	-3	876

POPULATION BY AGE GROUP - 2007 ESTIMATE

CLEARWATER, SC



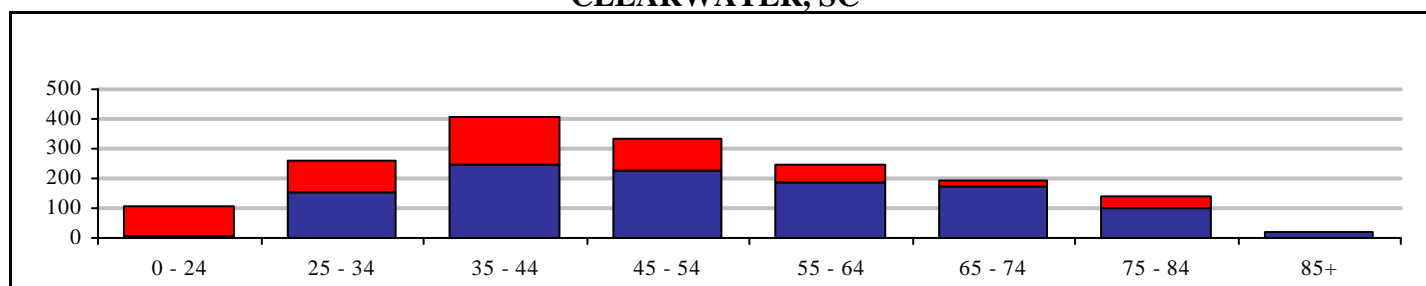
AIKEN COUNTY, SC



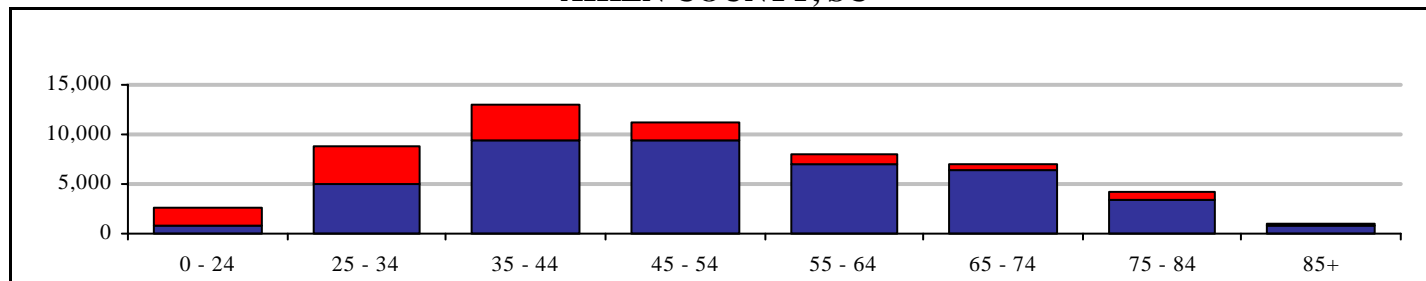
AGE GROUP	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
0 - 4	272	6.8%	9,237	6.1%
5 - 9	281	7.0%	9,683	6.3%
10 - 14	276	6.9%	10,664	7.0%
15 - 17	137	3.4%	6,608	4.3%
18 - 24	347	8.7%	14,056	9.2%
25 - 34	531	13.3%	19,211	12.6%
35 - 44	562	14.0%	20,723	13.6%
45 - 54	549	13.7%	22,994	15.1%
55 - 64	462	11.5%	17,926	11.8%
65 - 74	340	8.5%	11,614	7.6%
75 - 84	192	4.8%	7,284	4.8%
85 +	53	1.3%	2,509	1.6%
TOTAL	4,002	100 %	152,509	100 %



OWNER- AND RENTER-OCCUPIED HOUSING BY AGE OF HEAD OF HOUSEHOLD - 2000

CLEARWATER, SC



AIKEN COUNTY, SC



 RENTER-OCCUPIED HOUSEHOLDS
 OWNER-OCCUPIED HOUSEHOLDS

RENTER-OCCUPIED HOUSEHOLDS

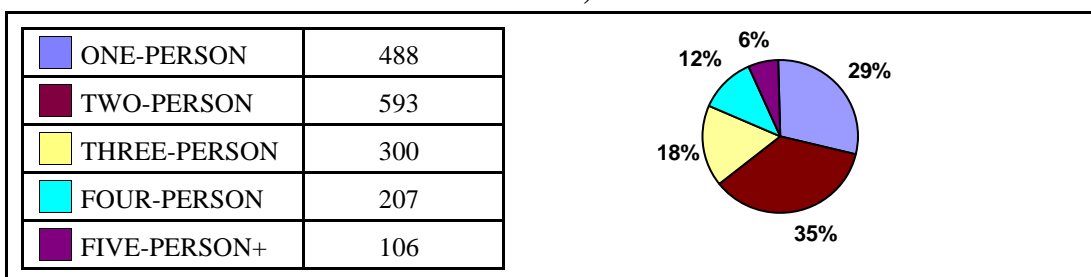
AGE GROUP	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
< 25	96	16.5%	1,740	12.9%
25 - 34	110	18.9%	3,733	27.6%
35 - 44	156	26.9%	3,559	26.3%
45 - 54	104	17.9%	1,892	14.0%
55 - 64	55	9.5%	969	7.2%
65 - 74	16	2.8%	739	5.5%
75 - 84	40	6.9%	669	4.9%
85 +	4	0.7%	229	1.7%
TOTAL	581	100 %	13,530	100 %

OWNER-OCCUPIED HOUSEHOLDS

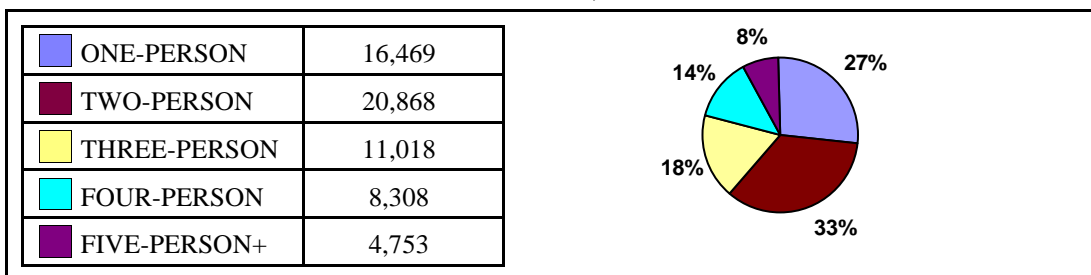
AGE GROUP	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
< 25	10	0.9%	844	2.0%
25 - 34	153	13.6%	5,051	12.0%
35 - 44	249	22.2%	9,402	22.4%
45 - 54	229	20.4%	9,303	22.1%
55 - 64	190	16.9%	6,938	16.5%
65 - 74	176	15.7%	6,326	15.0%
75 - 84	99	8.8%	3,460	8.2%
85 +	17	1.5%	733	1.7%
TOTAL	1,123	100 %	42,057	100 %

HOUSEHOLD SIZE - 2007 ESTIMATE

CLEARWATER, SC



AIKEN COUNTY, SC



HOUSEHOLD COMPOSITION - 2007 ESTIMATED

HOUSEHOLD TYPE	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
MARRIED COUPLE W/ CHILDREN	316	18.7%	14,283	23.3%
LONE MALE PARENT W/ CHILDREN	43	2.5%	1,190	1.9%
LONE FEMALE PARENT W/ CHILDREN	142	8.4%	4,904	8.0%
MARRIED COUPLE NO CHILDREN	512	30.2%	18,774	30.6%
LONE MALE PARENT NO CHILDREN	26	1.5%	1,129	1.8%
LONE FEMALE PARENT NO CHILDREN	114	6.7%	3,290	5.4%
NON-FAMILY MALE HEAD	37	2.2%	827	1.3%
NON-FAMILY FEMALE HEAD	16	0.9%	550	0.9%
LONE MALE HOUSEHOLDER	228	13.5%	7,287	11.9%
LONE FEMALE HOUSEHOLDER	260	15.3%	9,182	15.0%
TOTAL	1,694	100 %	61,416	100 %

POPULATION BY HOUSEHOLD COMPOSITION - 2000 CENSUS

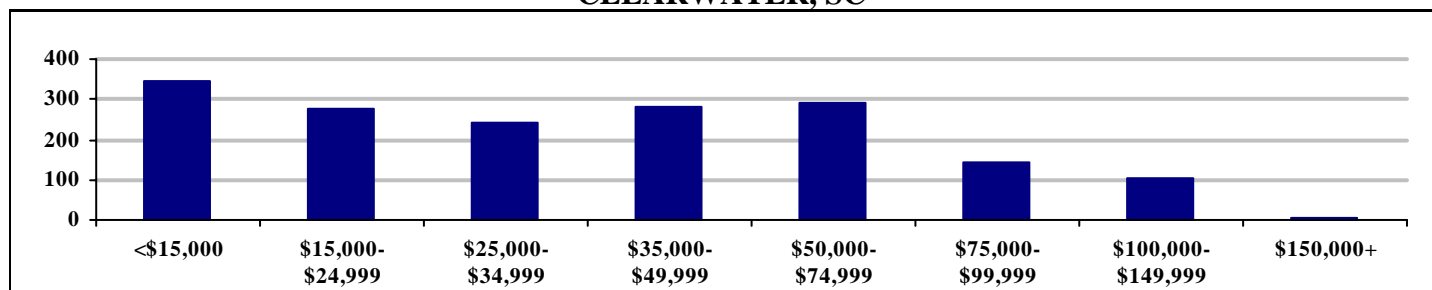
POPULATION	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
IN FAMILY HOUSEHOLDS	3,610	85.0%	121,769	85.4%
IN NON-FAMILY HOUSEHOLDS	631	14.9%	18,708	13.1%
IN GROUP QUARTERS	5	0.1%	2,075	1.5%
TOTAL	4,246	100 %	142,552	100 %

POPULATION BY SINGLE RACE - 2000 CENSUS

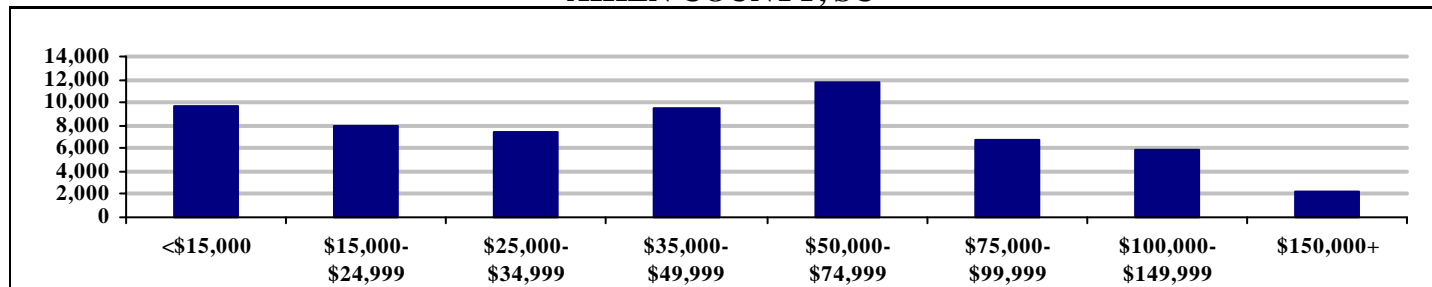
RACE	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
WHITE ALONE	3,284	81.2%	100,329	71.9%
BLACK OR AFRICAN AMERICAN	673	16.7%	36,254	26.0%
AMERICAN INDIAN/ ALASKA NATIVE	22	0.5%	525	0.4%
ASIAN ALONE	14	0.3%	896	0.6%
HAWAIIAN/PACIFIC ISLANDER	1	0.0%	28	0.0%
SOME OTHER RACE ALONE	0	0.0%	95	0.1%
TWO OR MORE RACES	48	1.2%	1,400	1.0%
TOTAL	4,042	100 %	139,527	100 %

HOUSEHOLDS BY INCOME RANGE - 2007 ESTIMATE

CLEARWATER, SC



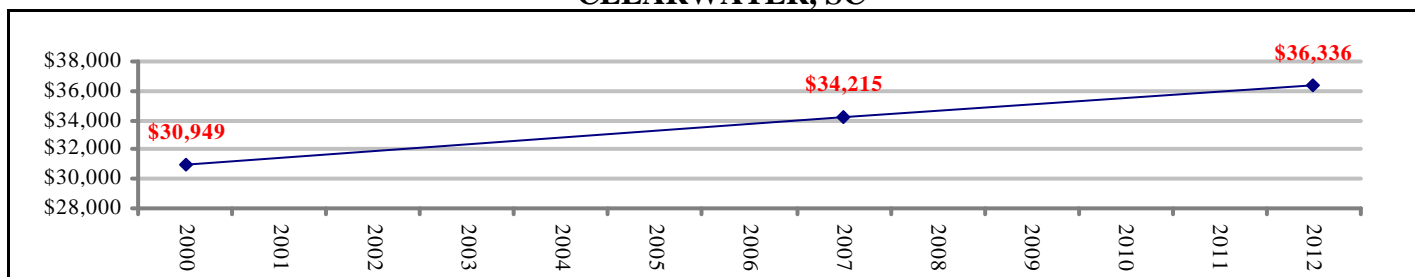
AIKEN COUNTY, SC



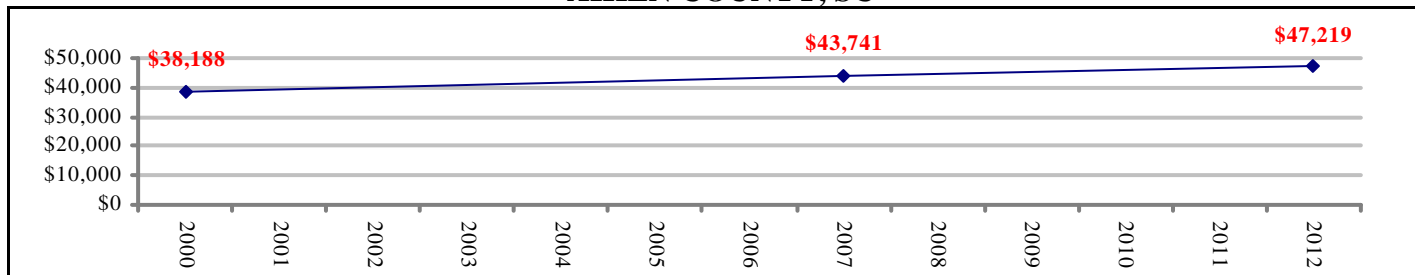
ANNUAL HOUSEHOLD INCOME	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
< \$15,000	345	20.4%	9,739	15.9%
\$15,000 - \$24,999	279	16.5%	7,877	12.8%
\$25,000 - \$34,999	242	14.3%	7,505	12.2%
\$35,000 - \$49,999	281	16.6%	9,588	15.6%
\$50,000 - \$74,999	292	17.2%	11,747	19.1%
\$75,000 - \$99,999	144	8.5%	6,770	11.0%
\$100,000 - \$150,000	106	6.3%	5,857	9.5%
\$150,000 +	5	0.3%	2,333	3.8%
TOTAL	1,694	100 %	61,416	100 %

MEDIAN HOUSEHOLD INCOME - 1990, 2000(CENSUS), 2007(ESTIMATE), 2012(PROJECTION)

CLEARWATER, SC



AIKEN COUNTY, SC



	CLEARWATER, SC	AIKEN COUNTY, SC
2000 CENSUS	\$30,949	\$38,188
2007 ESTIMATE	\$34,215	\$43,741
% CHANGE 2000 - 2007	10.6%	14.5%
2012 PROJECTION	\$36,336	\$47,219
% CHANGE 2000 - 2012	6.2%	8.0%

INCOME BY AGE OF HOUSEHOLDER - 2000 CENSUS

AIKEN COUNTY, SC

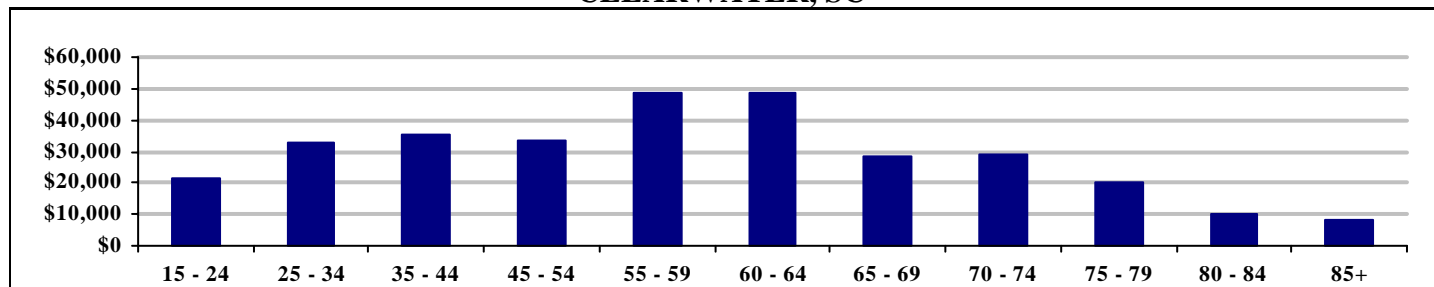
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
< \$9,999	581	761	986	974	813	982	1,260
\$10,000 - \$14,999	274	487	728	514	447	784	670
\$15,000 - \$24,999	626	1,580	1,425	1,165	1,010	1,203	1,078
\$25,000 - \$34,999	485	1,595	1,667	1,094	924	950	616
\$35,000 - \$49,999	432	1,718	2,325	1,798	1,210	1,316	680
\$50,000 - \$74,999	196	1,791	3,167	2,385	1,519	778	477
\$75,000 - \$99,999	50	493	1,581	1,810	917	346	153
\$100,000 - \$149,999	5	202	978	1,277	547	258	145
\$150,000 +	0	84	306	438	398	69	62
TOTAL	2,649	8,711	13,163	11,455	7,785	6,686	5,141

CLEARWATER, SC

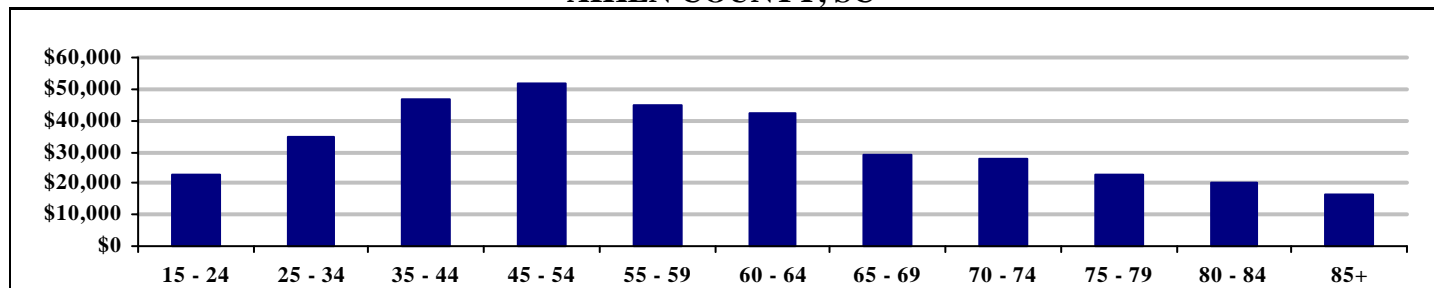
HOUSEHOLD INCOME	AGE OF HOUSEHOLDER						
	UNDER 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
< \$9,999	19	15	65	62	21	22	94
\$10,000 - \$14,999	0	13	23	9	6	5	6
\$15,000 - \$24,999	62	42	70	46	41	52	26
\$25,000 - \$34,999	6	79	39	42	15	44	15
\$35,000 - \$49,999	8	40	84	50	39	43	26
\$50,000 - \$74,999	11	79	77	27	58	22	11
\$75,000 - \$99,999	0	5	33	46	38	5	6
\$100,000 - \$149,999	0	0	12	22	16	0	6
\$150,000 +	0	0	0	0	0	0	0
TOTAL	106	273	403	304	234	193	190

MEDIAN HOUSEHOLD INCOME BY AGE OF HEAD OF HOUSEHOLD - 2000 CENSUS

CLEARWATER, SC



AIKEN COUNTY, SC



AGE OF HEAD OF HOUSEHOLD	CLEARWATER, SC	AIKEN COUNTY, SC
15 - 24	\$21,410	\$22,941
25 - 34	\$32,596	\$34,547
35 - 44	\$35,643	\$46,436
45 - 54	\$33,478	\$51,740
55 - 59	\$48,636	\$44,977
60 - 64	\$48,889	\$42,160
65 - 69	\$28,333	\$29,194
70 - 74	\$29,318	\$27,847
75 - 79	\$20,250	\$22,712
80 - 84	\$9,828	\$20,148
85 +	\$8,214	\$16,560
MEDIAN HOUSEHOLD INCOME	\$30,949	\$38,188

EMPLOYMENT BY SIC CATEGORY (LARGEST 10 SIC CODES) - 2007 ESTIMATE

INDUSTRY	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
AGRICULTURE / NATURAL RESOURCES	1	0.1%	506	0.9%
NATURAL RESOURCE EXTRACTION	0	0.0%	45	0.1%
CONSTRUCTION	186	13.6%	4,196	7.4%
MANUFACTURING	66	4.8%	6,321	11.2%
TRANSPORTATION, UTILITIES	92	6.7%	3,169	5.6%
WHOLESALE TRADE	71	5.2%	2,226	3.9%
RETAIL TRADE	464	34.0%	12,660	22.3%
FINANCE, INSURANCE, REAL ESTATE	102	7.5%	2,611	4.6%
SERVICES	369	27.1%	19,635	34.7%
GOVERNMENT	12	0.9%	4,950	8.7%
NON-CLASSIFIABLE	0	0.0%	336	0.6%
TOTAL	1,363	100 %	56,655	100 %

RENTER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
1999 TO MARCH 2000	0	0.0%	192	1.4%
1995 TO 1998	18	3.1%	827	6.1%
1990 TO 1994	37	6.4%	996	7.4%
1980 TO 1989	195	33.6%	3,326	24.6%
1970 TO 1979	157	27.0%	2,997	22.2%
1960 TO 1969	77	13.3%	1,826	13.5%
1940 TO 1959	71	12.2%	2,600	19.2%
1939 AND EARLIER	26	4.5%	766	5.7%
TOTAL	581	100 %	13,530	100 %

OWNER-OCCUPIED HOUSEHOLDS BY YEAR STRUCTURE BUILT - 2000 CENSUS

YEAR BUILT	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
1999 TO MARCH 2000	33	2.9%	1,352	3.2%
1995 TO 1998	89	7.9%	4,342	10.3%
1990 TO 1994	112	10.0%	5,925	14.1%
1980 TO 1989	125	11.1%	7,931	18.9%
1970 TO 1979	228	20.3%	7,190	17.1%
1960 TO 1969	303	27.0%	5,497	13.1%
1940 TO 1959	202	18.0%	7,636	18.2%
1939 AND EARLIER	31	2.8%	2,184	5.2%
TOTAL	1,123	100 %	42,057	100 %

HOUSING UNITS BY STRUCTURE TYPE - 2000 CENSUS

UNITS	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
1-UNIT, DETACHED	1,025	52.9%	39,956	64.5%
1-UNIT, ATTACHED	39	2.0%	922	1.5%
2 TO 4 UNITS	62	3.2%	3,002	4.8%
5 TO 19 UNITS	115	5.9%	2,180	3.5%
20 UNITS OR MORE	5	0.3%	620	1.0%
MOBILE HOME	692	35.7%	15,139	24.4%
BOAT, RV, VAN, ETC	0	0.0%	168	0.3%
TOTAL	1,938	100 %	61,987	100 %

GROSS RENT PAID - 2000 CENSUS

GROSS RENT	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
LESS THAN \$300	78	13.5%	1,866	14.0%
\$300 - \$499	322	55.8%	4,704	35.2%
\$500 - \$749	115	19.9%	4,348	32.6%
\$750 - \$999	6	1.0%	773	5.8%
\$1,000 - \$1,499	0	0.0%	108	0.8%
\$1,500 - \$1,999	0	0.0%	46	0.3%
\$2,000 OR MORE	0	0.0%	54	0.4%
NO CASH RENT	56	9.7%	1,456	10.9%
TOTAL	577	100 %	13,355	100 %
MEDIAN GROSS RENT	\$424		\$475	

YEAR MOVED INTO RENTER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
1999 TO MARCH 2000	226	38.9%	5,879	43.5%
1995 TO 1998	202	34.8%	4,748	35.1%
1990 TO 1994	52	9.0%	1,291	9.5%
1980 TO 1989	59	10.2%	921	6.8%
1970 TO 1979	16	2.8%	290	2.1%
1969 OR EARLIER	26	4.5%	401	3.0%
TOTAL	581	100 %	13,530	100 %

YEAR MOVED INTO OWNER-OCCUPIED HOUSEHOLDS - 2000 CENSUS

YEAR	CLEARWATER, SC		AIKEN COUNTY, SC	
	NUM	%	NUM	%
1999 TO MARCH 2000	132	11.8%	4,155	9.9%
1995 TO 1998	200	17.8%	9,824	23.4%
1990 TO 1994	199	17.7%	8,133	19.3%
1980 TO 1989	235	20.9%	8,227	19.6%
1970 TO 1979	132	11.8%	5,474	13.0%
1969 OR EARLIER	225	20.0%	6,244	14.8%
TOTAL	1,123	100 %	42,057	100 %

HOUSING UNITS BUILDING PERMITS

AIKEN COUNTY, SC			
YEAR	UNITS IN SINGLE-FAMILY STRUCTURES	UNITS IN ALL MULTI-FAMILY STRUCTURES	TOTAL
2002	848	60	908
2003	976	2	978
2004	964	2	966
2005	1,157	2	1,159
2006	1,142	4	1,146
TOTAL	5,087	70	5,157

M. QUALIFICATIONS

A. THE COMPANY

VWB Research is a real estate research firm established to provide accurate and insightful market forecasts for a broad range client base. The three principals of the firm, Robert Vogt, Tim Williams, and Patrick Bowen, have a combined 45 years of real estate market feasibility experience throughout the United States.

Serving real estate developers, syndicators, lenders, state housing finance agencies, and the U.S. Department of Housing and Urban Development (HUD), the firm provides market feasibility studies for affordable housing, market-rate apartments, condominiums, senior housing, student housing, and single-family developments.

B. THE STAFF

Robert Vogt has conducted and reviewed over 5,000 market analyses over the past 26 years for market-rate and Low-Income Housing Tax Credit apartments, as well as studies for single-family, golf course/residential, office, retail and elderly housing throughout the United States. Mr. Vogt is a founding member and the immediate past chairman of the National Council of Affordable Housing Market Analysts, a group formed to bring standards and professional practices to market feasibility. He is a frequent speaker at many real estate and state housing conferences. Mr. Vogt has a bachelor's degree in finance, real estate, and urban land economics from the Ohio State University.

Tim Williams has over 20 years of sales and marketing experience and over 10 years in the real estate market feasibility industry. He is a frequent speaker at state housing conferences and an active member of the National Council of State Housing Agencies and the National Housing and Rehabilitation Association. Mr. Williams has a bachelor's degree in English from Hobart and William Smith College.

Patrick Bowen has prepared and supervised market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing, and student housing, for more than 10 years. He has also prepared various studies for submittal as part of HUD 221(d) 3 & 4, HUD 202 developments, and applications for housing for Native Americans. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Brian Gault has conducted fieldwork and analyzed real estate markets for eight years in more than 40 states. In this time, Mr. Gault has conducted a broad range of studies, including Low-Income Housing Tax Credit, luxury market-rate apartments, comprehensive community housing assessment, HOPE VI redevelopment, student housing analysis, condominium communities, and mixed-use developments. Mr. Gault has his bachelor's degree in public relations from the E.W. Scripps School of Journalism, Ohio University.

Nancy Patzer has over a decade of experience as a writer and researcher. Ms. Patzer's experience includes securing grant financing for a variety of communities and organizations and providing planning direction and motivation through research for organizations such as Community Research Partners/United Way of Central Ohio and the City of Columbus. As a project director for VWB Research, Ms. Patzer has conducted field research and provided insightful analysis in over 200 U.S. markets in the areas of housing, community and economic development, and senior residential care, among others. She holds a Bachelor of Science in Journalism from the E.W. Scripps School of Journalism, Ohio University.

Christopher T. Bunch has eight years of professional experience in real estate, including four years' experience in the real estate market research field. Mr. Bunch, who holds an Ohio Real Estate Appraisal License, is responsible for preparing market feasibility studies and rent comparability studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Andrew W. Mazak has four years of experience in the real estate market research field. He has conducted and participated in market feasibility studies in numerous markets throughout the United States. Mr. Mazak attended Capital University in Columbus, Ohio, where he graduated with a bachelor's degree in Business Management and Marketing.

Nathan Young has two years of experience in the real estate profession. He has conducted field research and written market studies in more than 75 rural and urban markets throughout the United States. Mr. Young's real estate experience includes analysis of apartment (subsidized, Tax Credit, and market-rate), senior housing (i.e. nursing homes, assisted-living, etc.), student housing, condominium, retail, office, and self-storage facilities. Mr. Young has a bachelor's degree in Engineering (Civil) from Ohio State University.

Jim Beery has more than 20 years experience in the real estate market feasibility profession. He has written market studies for a variety of development projects, including multifamily apartments (market-rate, affordable housing, and government-subsidized), residential condominiums, hotels, office developments, retail centers, recreational facilities, commercial developments, single-family developments, and assisted-living properties for older adults. Other consulting assignments include numerous community redevelopment and commercial revitalization projects. Mr. Beery has a bachelor's degree in Business Administration (Finance major) from The Ohio State University.

David S. Currier has conducted on-site market evaluations in more than 90 markets in 25 states, Canada, and the U.S. Virgin Islands. Mr. Currier has analyzed apartments (subsidized, Tax Credit, and upscale market-rate), senior housing (i.e. nursing homes, assisted-living, etc.), student housing, condominium, retail, office, and marinas. Mr. Currier has a bachelor's degree in Economics from the University of Colorado.

Walt Whitmyre has directed 165 real estate development projects in 15 different states. During his 30 years as a real estate professional, Mr. Whitmyre has been heavily involved in nearly every aspect of the industry. From concept design to construction, Mr. Whitmyre has been responsible for real estate developments totaling \$400,000,000 and has acquired valuable insights from the perspectives of both developer and development team member. Mr. Whitmyre's expertise includes development team management, market feasibility studies, site due diligence, design evaluation, project budgeting, and jurisdictional entitlements. Mr. Whitmyre holds a bachelor's degree in Environmental Design/Architecture from the University of Colorado.

Rick Stein has over 15 years experience as a software developer and systems analyst. He has served as a consultant on a wide variety of information technology and urban planning projects throughout the region. He manages the Geographic Information Systems department at VWB, which is responsible for all mapping, demographic evaluation, and application development. Mr. Stein has earned a Bachelor of Science in Business Administration (specializing in Management Information Systems) from Bowling Green State University and a Master of City and Regional Planning from The Ohio State University. He is an active member of the American Planning Association and the Ohio Planning Conference.

June Davis is an administrative assistant with 19 years experience in market feasibility. Ms. Davis has overseen production on over 1,000 market studies for projects throughout the United States.

Field Staff – VWB Research maintains a field staff of professionals experienced at collecting critical on-site real estate data. Each member has been fully trained to evaluate site attributes, area competitors, market trends, economic characteristics, and a wide range of issues impacting the viability of real estate development.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

CLEARWATER, SOUTH CAROLINA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

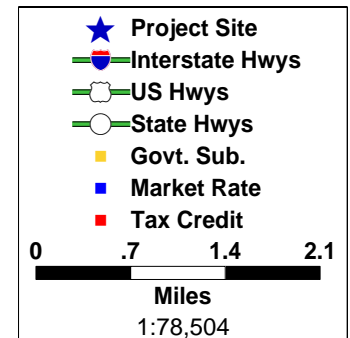
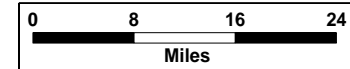
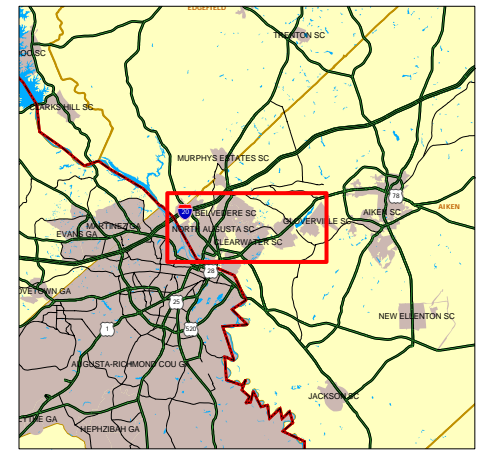
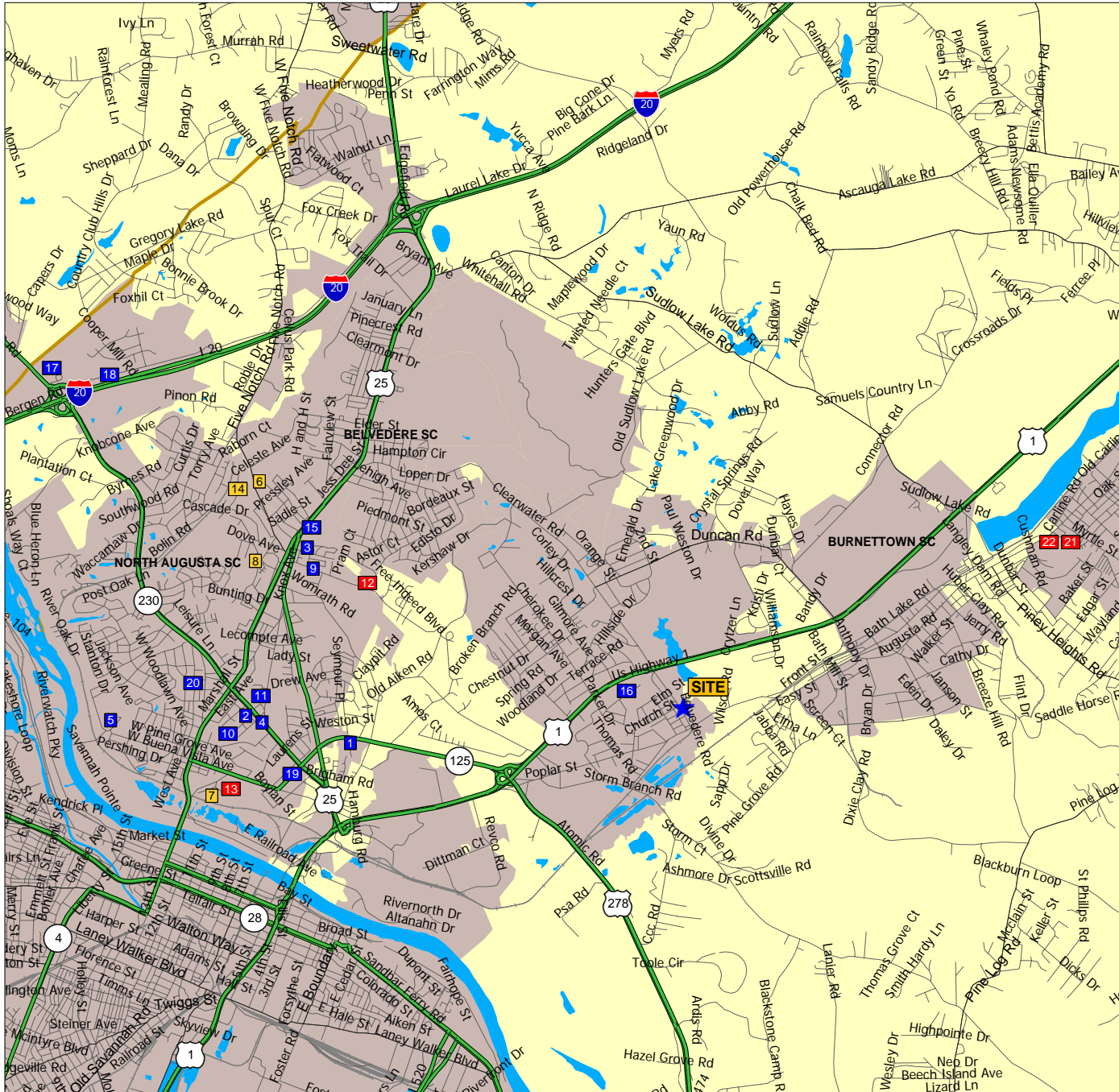
The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

Clearwater, SC: Apartment Locations



MAP IDENTIFICATION LIST - CLEARWATER, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJECT TYPE	YEAR BUILT	TOTAL UNITS	VACANT	OCCUPANCY RATE	DISTANCE TO SITE*
1	Breckenridge Villa Apts.	MRR	1980	120	4	97%	4.1
2	Brickton Place	MRR	1985	48	0	100%	5.5
3	Crestwood Townhomes	MRR	1985	16	2	88%	5.9
4	Crossroads Market Apts.	MRR	1989	74	0	100%	5.3
5	Georgetown Villas	MRR	1970	150	3	98%	6.8
6	Walton Village	GSS	2006	12	0	100%	5.8
7	Ledges Apts.	GSS	1980	84	0	100%	5.3
8	North Augusta Gardens	GSS	1979	101	0	100%	6.3
9	Pine Crest Apts.	MRR	1972	120	0	100%	5.8
10	Plaza Place	MRR	1983	120	3	98%	5.6
11	Breckenridge Villas II	MRR	1970	112	2	98%	5.5
12	Ridgeview Manor	TAX	1986	72	0	100%	6.1
13	Rivers Edge	TAX	1973	72	0	100%	5.6
14	Vincent Village	GSS	2006	40	0	100%	5.9
15	The Groves Apts.	MRR	1978	127	5	96%	5.3
16	Villa K Townhomes	MRR	1975	18	0	100%	0.5
17	Willow Wick Apts.	MRR	1973	104	1	99%	9.9
18	Brighton Place	MRR	2008	0	0	U/C	10.1
19	440 Atomic Rd.	MRR	1970	1	1	0%	4.8
20	1009 West Ave.	MRR	1965	1	1	0%	6.4
21	Valley Homes	TAX	2002	34	0	100%	4.8
22	Villages At Horse Creek Snr. Hsg.	TAX	2004	36	0	100%	7.5

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE
MRR	14	1,011	22	97.8%
TAX	4	214	0	100.0%
GSS	4	237	0	100.0%

* - Drive Distance (Miles)

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Surveyed - April 2008

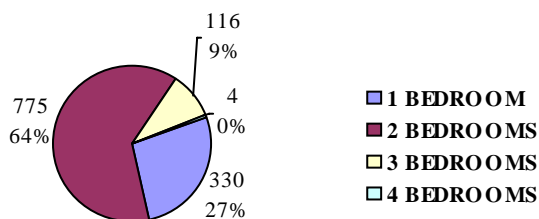
VWB
vogtwilliamsbowen
RESEARCH

DISTRIBUTION OF UNITS - CLEARWATER, SOUTH CAROLINA

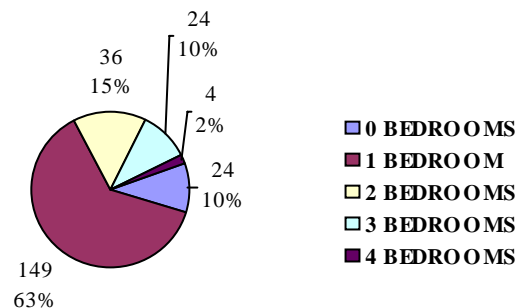
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	286	28.3%	4	1.4%	\$566
2	1	375	37.1%	6	1.6%	\$607
2	1.5	147	14.5%	7	4.8%	\$619
2	2	117	11.6%	2	1.7%	\$737
3	1	21	2.1%	2	9.5%	\$807
3	1.5	4	0.4%	0	0.0%	\$849
3	2	61	6.0%	1	1.6%	\$732
TOTAL		1,011	100.0%	22	2.2%	
89 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	44	20.6%	0	0.0%	\$500
2	1	56	26.2%	0	0.0%	\$602
2	1.5	72	33.6%	0	0.0%	\$586
2	2	8	3.7%	0	0.0%	\$559
3	2	30	14.0%	0	0.0%	\$683
4	2	4	1.9%	0	0.0%	\$762
TOTAL		214	100.0%	0	0.0%	
16 UNITS UNDER CONSTRUCTION						
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	24	10.1%	0	0.0%	N.A.
1	1	149	62.9%	0	0.0%	N.A.
2	1	36	15.2%	0	0.0%	N.A.
3	1.5	24	10.1%	0	0.0%	N.A.
4	2	4	1.7%	0	0.0%	N.A.
TOTAL		237	100.0%	0	0.0%	
GRAND TOTAL		1,462	-	22	1.5%	

DISTRIBUTION OF UNITS BY BEDROOM

NON-SUBSIDIZED



SUBSIDIZED










Surveyed - April 2008

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SURVEY OF PROPERTIES - CLEARWATER, SOUTH CAROLINA






1	Breckenridge Villa Apts.		Address 160 Breckenridge Dr. North Augusta, SC 29841 Year Built 1980 Project Type Market-rate Comments 2007 occupancy: 2nd quarter N/A, 4th quarter 100%	Contact Nicole, Tanya Phone (803) 278-8591 (Contact in person)	Total Units 120 Vacancies 4 Occupied 96.7% Floors 2 Quality Rating B+ Waiting List None
2	Brickton Place		Address 944 Bama Ave. North Augusta, SC 29841 Year Built 1985 Project Type Market-rate Comments	Contact Leslie Phone (803) 278-1851 (Contact in person)	Total Units 48 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List None
3	Crestwood Townhomes		Address 132 Chalet N. Entrance Rd. North Augusta, SC 29841 Year Built 1985 Project Type Market-rate Comments	Contact Mike Phone (706) 877-5444 (Contact in person)	Total Units 16 Vacancies 2 Occupied 87.5% Floors 2 Quality Rating B Waiting List None
4	Crossroads Market Apts.		Address 404 E. Martintown Rd. North Augusta, SC 29841 Year Built 1989 Project Type Market-rate Comments 2007 occupancy: 2nd quarter 94.6%, 4th quarter 94.6%; Income restricted @ 80% AMHI	Contact Leslie Phone (803) 279-2882 (Contact in person)	Total Units 74 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List None
5	Georgetown Villas		Address 816 Georgetown Dr. North Augusta, SC 29841 Year Built 1970 Project Type Market-rate Comments	Contact Kay Phone (803) 279-4776 (Contact in person)	Total Units 150 Vacancies 3 Occupied 98.0% Floors 1 Quality Rating B Waiting List None

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

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SURVEY OF PROPERTIES - CLEARWATER, SOUTH CAROLINA

6	Walton Village							
	Address		217 W. Five Notch Rd. North Augusta, SC 29841	Contact		Dianne	Total Units	12
	Year Built		2006	Phone		(803) 278-0353 (Contact in person)	Vacancies	0
	Project Type		Government-subsidized				Occupied	100.0%
	Comments		Government-subsidized, HUD Section 8; 100% physically disabled; Project amenities located across the street at Vincent Village				Floors	1
							Quality Rating	B+
						Waiting List		11 households
7	Ledges Apts.							
	Address		550 Sikes Ave. North Augusta, SC 29841	Contact		Ann, Kay	Total Units	84
	Year Built		1980	Phone		(803) 279-1776 (Contact in person)	Vacancies	0
	Project Type		Government-subsidized				Occupied	100.0%
	Comments		Government-subsidized, HUD Section 8; 100% senior (62+)				Floors	3
							Quality Rating	B
						Waiting List		18 households
8	North Augusta Gardens							
	Address		310 W. Hugh St. North Augusta, SC 29841	Contact		Rose	Total Units	101
	Year Built		1979	Phone		(803) 279-9782 (Contact by phone)	Vacancies	0
	Project Type		Government-subsidized				Occupied	100.0%
	Comments		Government-subsidized, HUD Section 8; 32% senior (55+); Two 4-br units have washer/dryer hookups; Square footage estimated				Floors	1,2
							Quality Rating	B-
						Waiting List		80 households
9	Pine Crest Apts.							
	Address		400 Swiss St. North Augusta, SC 29841	Contact		Melissa	Total Units	120
	Year Built		1972	Phone		(803) 279-5100 (Contact in person)	Vacancies	0
	Project Type		Market-rate				Occupied	100.0%
	Comments						Floors	2.5
							Quality Rating	C+
						Waiting List		5 months
10	Plaza Place							
	Address		1300 Plaza Pl. North Augusta, SC 29841	Contact		Christie	Total Units	120
	Year Built		1983	Phone		(803) 279-2953 (Contact in person)	Vacancies	3
	Project Type		Market-rate				Occupied	97.5%
	Comments		Unit mix estimated; Select 1-br units have washer/dryer				Floors	2
							Quality Rating	B-
						Waiting List		None

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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SURVEY OF PROPERTIES - CLEARWATER, SOUTH CAROLINA

11 Breckenridge Villas II				
	Address	309 E. Martintowne Ave. North Augusta, SC 29841	Contact Nicole, Tanya Phone (803) 278-3704 (Contact in person)	Total Units 112
	Year Built	1970		Vacancies 2
	Project Type	Market-rate		Occupied 98.2%
	Comments	2007 occupancy: 2nd quarter N/A, 4th quarter 98%		Floors 2
				Quality Rating B+ Waiting List None
12 Ridgeview Manor				
	Address	419 Bradleyville Rd. North Augusta, SC 29841	Contact Vivian Phone (803) 613-1465 (Contact in person)	Total Units 72
	Year Built	1986 Renovated 2008		Vacancies 0
	Project Type	Tax Credit		Occupied 100.0%
	Comments	TAX @ 50% AMHI; 16 units U/C; 2007 occupancy: 2nd quarter 95%, 4th quarter 99%; Accepts HCV (71); Microwaves will be in renovated units		Floors 2
				Quality Rating B- Waiting List 60 households
13 Rivers Edge				
	Address	520 E. Buena Vista Ave. North Augusta, SC 29841	Contact Melissa Phone (803) 441-0034 (Contact in person)	Total Units 72
	Year Built	1973 Renovated 2007		Vacancies 0
	Project Type	Tax Credit		Occupied 100.0%
	Comments	Tax Credit @ 50% & 60% AMHI; Accepts HCV (7 units); Began leasing summer 2007; 2007 occupancy: 2nd quarter 6.9%, 4th quarter 54.2%		Floors 2
				Quality Rating A Waiting List None
14 Vincent Village				
	Address	218 W. Five Notch Rd. North Augusta, SC 29841	Contact Diane Phone (803) 278-0353 (Contact in person)	Total Units 40
	Year Built	2006		Vacancies 0
	Project Type	Government-subsidized		Occupied 100.0%
	Comments	Government-subsidized, HUD Section 8; 100% senior (55+)		Floors 1
				Quality Rating B+ Waiting List 16 households
15 The Groves Apts.				
	Address	1402 Groves Blvd. North Augusta, SC 29841	Contact Carla Phone (803) 278-4400 (Contact in person)	Total Units 127
	Year Built	1978 Renovated 2008		Vacancies 5
	Project Type	Market-rate		Occupied 96.1%
	Comments	3 units U/C; Accepts HCV (12 units); 3-br units have w/d hookups; 2007 occupancy: 2nd quarter 85%, 4th quarter 86%		Floors 1,2
				Quality Rating B+ Waiting List None








Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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SURVEY OF PROPERTIES - CLEARWATER, SOUTH CAROLINA



16 Villa K Townhomes	
	<p>Address 1022 Fairview Rd. Clearwater, SC 29842</p> <p>Year Built 1975</p> <p>Project Type Market-rate</p> <p>Comments</p> <p>Contact Debbie Phone (803) 593-6980 (Contact in person)</p> <p>Total Units 18 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C- Waiting List 10 households</p>
17 Willow Wick Apts.	
	<p>Address 1200 W. Martintown Rd. North Augusta, SC 29841</p> <p>Year Built 1973</p> <p>Project Type Market-rate</p> <p>Comments Rent range based on washer/dryer hookups; Wait list for 1- & 3-br units</p> <p>Contact Melissa Phone (803) 279-1013 (Contact in person)</p> <p>Total Units 104 Vacancies 1 Occupied 99.0% Floors 2 Quality Rating C Waiting List 30 households</p>
18 Brighton Place	
	<p>Address Bergen Pl. North Augusta, SC 29841</p> <p>Year Built 2008</p> <p>Project Type Market-rate</p> <p>Comments 86 units under construction, expected completion 10/2008; Just started pre-leasing; Rent range based on floor level and number of bathrooms</p> <p>Contact Jamie Phone (706) 736-4748 (Contact in person)</p> <p>Total Units 0 Vacancies 0 Occupied 0 Floors 2 Quality Rating B Waiting List None</p>
19 440 Atomic Rd.	
	<p>Address 440 Atomic Rd. North Augusta, SC 29841</p> <p>Year Built 1970</p> <p>Project Type Market-rate</p> <p>Comments Single-family home; Year built estimated</p> <p>Contact Chuck Phone (803) 640-3356 (Contact in person)</p> <p>Total Units 1 Vacancies 1 Occupied 0.0% Floors 1 Quality Rating B Waiting List None</p>
20 1009 West Ave.	
	<p>Address 1009 West Ave. North Augusta, SC 29841</p> <p>Year Built 1965</p> <p>Project Type Market-rate</p> <p>Comments Single-family home; Year built estimated</p> <p>Contact Jason Phone (706) 231-3490 (Contact in person)</p> <p>Total Units 1 Vacancies 1 Occupied 0.0% Floors 2 Quality Rating B- Waiting List None</p>

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

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SURVEY OF PROPERTIES - CLEARWATER, SOUTH CAROLINA

21 Valley Homes			
	Address Myrtle Street Gloversville, SC 29828	Contact Dorothy Phone (803) 594-0588 (Contact in person)	Total Units 34
	Year Built 2002 Project Type Tax Credit Comments Tax Credit @ 50% AMHI; 2007 occupancy: 2nd quarter 100% & 4th quarter 94%		Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Waiting List 12-18 months
22 Villages At Horse Creek Snr. Hsg.			
	Address 456 Lawana Dr. Gloversville, SC 29828	Contact Dorothy Phone (803) 594-0588 (Contact in person)	Total Units 36
	Year Built 2004 Project Type Tax Credit Comments Tax Credit @ 50% AMHI; 100% senior (55+); 2007 occupancy: 2nd quarter 100% & 4th quarter 97%		Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Waiting List 6-8 months

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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COLLECTED RENTS - CLEARWATER, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$545	\$645						
2		\$450	\$520				\$595		
3							\$535		
4		\$445	\$520						
5		\$375	\$385						
9		\$445 to \$475	\$495 to \$520						
10		\$490 to \$520	\$585 to \$615	\$690 to \$730					
11		\$455	\$515				\$580 to \$625	\$730	
15		\$410					\$525	\$600	
16							\$445		
17		\$455	\$515 to \$545	\$615 to \$650					
18									
19				\$700					
20								\$1350	
12			\$494						
13		\$420 to \$440	\$490 to \$510	\$580 to \$600					
21			\$420	\$510	\$558				
22		\$500							

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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PRICE PER SQUARE FOOT - CLEARWATER, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Breckenridge Villa Apts.	1	645	\$621	\$0.96
2	Brickton Place	1	950	\$568	\$0.60
4	Crossroads Market Apts.	1	750	\$570	\$0.76
5	Georgetown Villas	1	700	\$482	\$0.69
9	Pine Crest Apts.	1	800 to 890	\$521 to \$551	\$0.62 to \$0.65
10	Plaza Place	1	600	\$566 to \$596	\$0.94 to \$0.99
11	Breckenridge Villas II	1	850	\$531	\$0.62
15	The Groves Apts.	1	644	\$486	\$0.75
17	Willow Wick Apts.	1	850	\$531	\$0.62
18	Brighton Place	1	800	\$678	\$0.85
13	Rivers Edge	1	820	\$496 to \$516	\$0.60 to \$0.63
22	Villages At Horse Creek Snr. Hsg.	1	600	\$500	\$0.83
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
1	Breckenridge Villa Apts.	2	952	\$737	\$0.77
2	Brickton Place	1.5	1200	\$736	\$0.61
		2	1195	\$659	\$0.55
3	Crestwood Townhomes	1.5	1100	\$661	\$0.60
4	Crossroads Market Apts.	2	950	\$666	\$0.70
5	Georgetown Villas	1	750	\$513	\$0.68
9	Pine Crest Apts.	1	960 to 1000	\$587 to \$612	\$0.61 to \$0.61
10	Plaza Place	1	834	\$677 to \$707	\$0.81 to \$0.85
11	Breckenridge Villas II	1	950	\$607	\$0.64
		1 to 1.5	1200	\$674 to \$719	\$0.56 to \$0.60
15	The Groves Apts.	1.5	937	\$619	\$0.66
16	Villa K Townhomes	1.5	1100	\$571	\$0.52
17	Willow Wick Apts.	1	1000	\$607 to \$637	\$0.61 to \$0.64
18	Brighton Place	1.5 to 2	1100	\$841 to \$891	\$0.76 to \$0.81
		2	1100	\$809 to \$819	\$0.74 to \$0.74
12	Ridgeview Manor	1.5	850	\$586	\$0.69
13	Rivers Edge	1	937	\$582 to \$602	\$0.62 to \$0.64
21	Valley Homes	2	850	\$559	\$0.66
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
10	Plaza Place	1 to 2	1043	\$807 to \$847	\$0.77 to \$0.81
11	Breckenridge Villas II	1.5	1400	\$849	\$0.61

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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PRICE PER SQUARE FOOT - CLEARWATER, SOUTH CAROLINA

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
15	The Groves Apts.	2	1164	\$719	\$0.62
17	Willow Wick Apts.	2	1200	\$732 to \$767	\$0.61 to \$0.64
19	440 Atomic Rd.	1	1300	\$874	\$0.67
20	1009 West Ave.	2	2200	\$1473	\$0.67
13	Rivers Edge	2	1629	\$697 to \$717	\$0.43 to \$0.44
21	Valley Homes	2	1000	\$683	\$0.68
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
21	Valley Homes	2	1200	\$762	\$0.64

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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AVERAGE GROSS RENT PER SQUARE FOOT - CLEARWATER, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.68	\$0.74
TOWNHOUSE	\$0.00	\$0.61	\$0.62

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.80	\$0.67	\$0.62
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.78	\$0.68	\$0.70
TOWNHOUSE	\$0.00	\$0.61	\$0.62

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TAX CREDIT UNITS - CLEARWATER, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
13	Rivers Edge	2	820	1	50%	\$420
13	Rivers Edge	6	820	1	60%	\$440
22	Villages At Horse Creek Snr. Hsg.	36	600	1	50%	\$500
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
21	Valley Homes	8	850	2	50%	\$420
13	Rivers Edge	11	937	1	50%	\$490
12	Ridgeview Manor	72	850	1.5	50%	\$494
13	Rivers Edge	45	937	1	60%	\$510
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
21	Valley Homes	22	1000	2	50%	\$510
13	Rivers Edge	2	1629	2	50%	\$580
13	Rivers Edge	6	1629	2	60%	\$600
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
21	Valley Homes	4	1200	2	50%	\$558

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QUALITY RATING - CLEARWATER, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

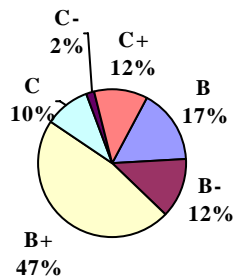
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	5	481	2.3%		\$570	\$666	\$719	
B	3	167	3.6%		\$482	\$513	\$874	
B-	2	121	3.3%		\$566	\$677	\$847	
C+	1	120	0.0%		\$521	\$587		
C	1	104	1.0%		\$531	\$607	\$732	
C-	1	18	0.0%			\$571		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

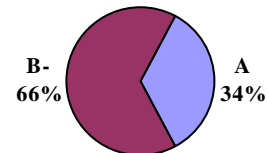
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	72	0.0%		\$516	\$602	\$717	
B-	3	142	0.0%		\$500	\$586	\$683	\$762

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



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YEAR BUILT - CLEARWATER, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	1	1	1	100.0%	1	0.1%
1970 to 1979	8	704	12	1.7%	705	57.5%
1980 to 1989	6	450	9	2.0%	1155	36.7%
1990 to 1994	0	0	0	0.0%	1155	0.0%
1995 to 1999	0	0	0	0.0%	1155	0.0%
2000 to 2001	0	0	0	0.0%	1155	0.0%
2002	1	34	0	0.0%	1189	2.8%
2003	0	0	0	0.0%	1189	0.0%
2004	1	36	0	0.0%	1225	2.9%
2005	0	0	0	0.0%	1225	0.0%
2006	0	0	0	0.0%	1225	0.0%
2007	0	0	0	0.0%	1225	0.0%
2008**	0	0	0	0.0%	1225	0.0%
TOTAL	17	1225	22	1.8%	1225	100.0 %

YEAR RENOVATED - CLEARWATER, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1960	0	0	0	0.0%	0	0.0%
1960 to 1969	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1994	0	0	0	0.0%	0	0.0%
1995 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2001	0	0	0	0.0%	0	0.0%
2002	0	0	0	0.0%	0	0.0%
2003	0	0	0	0.0%	0	0.0%
2004	0	0	0	0.0%	0	0.0%
2005	0	0	0	0.0%	0	0.0%
2006	0	0	0	0.0%	0	0.0%
2007	1	72	0	0.0%	72	26.6%
2008**	2	199	5	2.5%	271	73.4%
TOTAL	3	271	5	1.8%	271	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

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** As of April 2008

Note: The upper table (Year Built) includes all of the units included in the lower table.



APPLIANCES AND UNIT AMENITIES - CLEARWATER, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	18	100.0%	1,225
REFRIGERATOR	18	100.0%	1,225
ICEMAKER	0	0.0%	
DISHWASHER	17	94.4%	1,224
DISPOSAL	13	72.2%	1,121
MICROWAVE	3	16.7%	142
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	18	100.0%	1,225
AC - WINDOW	0	0.0%	
FLOOR COVERING	17	94.4%	1,224
WASHER/DRYER	1	5.6%	120
WASHER/DRYER HOOK-UP	16	88.9%	1,069
PATIO/DECK/BALCONY	9	50.0%	632
CEILING FAN	17	94.4%	1,225
FIREPLACE	1	5.6%	1
BASEMENT	1	5.6%	1
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	17	94.4%	1,224
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

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PROJECT AMENITIES - CLEARWATER, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	9	50.0%	999
ON-SITE MANAGEMENT	14	77.8%	1,189
LAUNDRY	10	55.6%	1,033
CLUB HOUSE	1	5.6%	120
MEETING ROOM	1	5.6%	36
FITNESS CENTER	2	11.1%	108
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	7	38.9%	664
TENNIS COURT	0	0.0%	
SPORTS COURT	1	5.6%	120
STORAGE	4	22.2%	241
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	1	5.6%	127
BUSINESS CENTER	1	5.6%	72
CAR WASH AREA	0	0.0%	
PICNIC AREA	2	11.1%	199
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

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DISTRIBUTION OF UTILITIES - CLEARWATER, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	2	120	8.2%
TENANT			
ELECTRIC	17	1,117	76.4%
GAS	3	225	15.4%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	2	120	8.2%
TENANT			
ELECTRIC	20	1,342	91.8%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	36	2.5%
GAS	1	84	5.7%
TENANT			
ELECTRIC	17	1,266	86.6%
GAS	3	76	5.2%
			100.0%
ELECTRIC			
LANDLORD	2	120	8.2%
TENANT	20	1,342	91.8%
			100.0%
WATER			
LANDLORD	14	1,121	76.7%
TENANT	8	341	23.3%
			100.0%
SEWER			
LANDLORD	14	1,121	76.7%
TENANT	8	341	23.3%
TRASH PICK-UP			
LANDLORD	18	1,305	89.3%
TENANT	4	157	10.7%
			100.0%

Surveyed - April 2008

UTILITY ALLOWANCE - NORTH AUGUSTA, SC

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$17	\$12		\$26	\$13	\$9	\$9	\$8	\$33	\$11	\$13	\$15	\$20
1	GARDEN	\$20	\$16		\$31	\$18	\$15	\$9	\$9	\$36	\$11	\$16	\$15	\$20
1	TOWNHOUSE	\$22	\$18		\$34	\$18	\$15	\$9	\$9	\$36	\$11	\$16	\$15	\$20
2	GARDEN	\$23	\$19		\$35	\$23	\$20	\$11	\$11	\$42	\$12	\$20	\$15	\$20
2	TOWNHOUSE	\$25	\$21		\$38	\$23	\$20	\$11	\$11	\$42	\$12	\$20	\$15	\$20
3	GARDEN	\$26	\$22		\$40	\$33	\$32	\$12	\$12	\$51	\$15	\$26	\$15	\$20
3	TOWNHOUSE	\$27	\$24		\$42	\$33	\$32	\$12	\$12	\$51	\$15	\$26	\$15	\$20
4	GARDEN	\$30	\$26		\$45	\$43	\$45	\$13	\$13	\$59	\$17	\$29	\$15	\$20
4	TOWNHOUSE	\$31	\$28		\$47	\$43	\$45	\$13	\$13	\$59	\$17	\$29	\$15	\$20

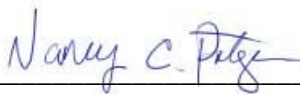
Surveyed - April 2008



ADDENDUM B - MEMBER CERTIFICATION & CHECKLIST

This market study has been prepared by VWB Research, a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects*, and *Model Content Standards for the Content of Market Studies for Affordable Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

VWB Research is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Affordable Housing Market Analysts (NCAHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. VWB Research is an independent market analyst. No principal or employee of VWB Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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Date: April 15, 2008

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Note: Information on the National Council of Affordable Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Affordable Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'V' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
EMPLOYMENT AND ECONOMY		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	L
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
ANALYSIS/CONCLUSIONS		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I

CHECKLIST (Continued)

		Section (s)
OTHER REQUIREMENTS		
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	M
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

ADDENDUM C

MARKET AREA COMMENTS E-MAIL

Patrick Bowen

From: Bill Scantland [bill@las-rehab.com]
Sent: Friday, March 21, 2008 11:19 AM
To: Patrick Bowen; bill@landmarkdevelopment.biz
Cc: shelly@landmarkdevelopment.biz; 'Nicholson, Laura 6-9190'; jay.ragon@schousing.com; Nancy Patzer
Subject: RE: Seminole Mill Acres (Clearwater, SC)

Patrick,

I agree with your summary noted below. Thanks for your help.

Bill

From: Patrick Bowen [mailto:PBowen@vwbresearch.com]
Sent: Friday, March 21, 2008 10:55 AM
To: bill@landmarkdevelopment.biz
Cc: shelly@landmarkdevelopment.biz; Nicholson, Laura 6-9190; jay.ragon@schousing.com; Nancy Patzer
Subject: Seminole Mill Acres (Clearwater, SC)

Bill:

Thanks for taking my call this morning. The following is a summary of our conversation from today.

1. The PMA will remain unchanged.
2. We will remove the Brookstone apartment project from our survey, as it is in fact outside the PMA
3. We will provide comments on any issues that contribute to the vacancies at Rivers Edge and account for them in our overall assessment of LIHTC occupancy rates.
4. Assuming Ridgeview Manor does in fact operate with a subsidy while at the same time operate under the Tax Credit program guidelines, we discount this project's competitiveness with the subject project (stressing that it essentially operates as a subsidized project), but will keep it as a potential comparable property.
5. We are both in agreement that Valley Homes is a comparable property.

Please confirm that we are in agreement to the PMA and the changes to the comparable properties by e-mailing me back.

Thanks for you cooperation,

Patrick M. Bowen
VWB Research
869 W. Goodale Blvd.
Columbus, OH 43212
(614) 225-9500

Visit our new website at: www.vwbresearch.com