

Market Feasibility Analysis

Yorkshire at the Providence
Georgetown Highway & Chapman Drive
Johnsonville, Florence County, South Carolina 29555

Prepared For

Mr. Randy Aldridge
Quad-State Development, Inc.
841 Sweetwater Avenue
Florence, Alabama 35630

Effective Date

February 10, 2017

Job Reference Number

16-576 JW



155 E. Columbus Street, Suite 220
Pickerington, Ohio 43147
Phone: (614) 833-9300
Bowennational.com

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2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

| | | | |
|-------------------|---|--|------------|
| Development Name: | Yorkshire at the Providence | Total # Units: | 37 |
| Location: | Georgetown Hwy & Chapman Dr., Johnsonville, SC 29555 | # LIHTC Units: | 37 |
| PMA Boundary: | U.S. Highway 378 to the north; the Florence County boundary, the Great Pee Dee River, County Road S-22-5 and County Line Road to the east; Thompson Road, Garden Road, County Road S-45-160, State Route 261, the Stuckey town limits, Old Georgetown Road and the Florence County boundary to the south; and the Florence County Boundary to the west. | | |
| Development Type: | <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: | 23.0 miles |

RENTAL HOUSING STOCK (found on page H-1 & 11)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 11 | 397 | 0 | 100.0% |
| Market-Rate Housing | 1 | 24 | 0 | 100.0% |
| Assisted/Subsidized Housing not to include LIHTC | 3 | 110 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 7 | 263 | 0 | 100.0% |
| Stabilized Comps** | 2 | 104 | 0 | 100.0% |
| Non-stabilized Comps | 0 | - | - | - |

*Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

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

| Subject Development | | | | | Adjusted Market Rent | | | Highest Unadjusted Comp Rent | |
|--------------------------------------|------------|-------|-----------|----------------------|----------------------|--------|---------------|------------------------------|--------|
| # Units | # Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 3 | Two | 2.0 | 1,000 | \$395 | \$665 | \$0.67 | 40.60% | \$1,125 | \$1.00 |
| 10 | Two | 2.0 | 1,000 | \$430 | \$665 | \$0.67 | 35.34% | \$1,125 | \$1.00 |
| 5 | Three | 2.0 | 1,250 | \$460 | \$750 | \$0.60 | 38.67% | \$1,395 | \$1.09 |
| 19 | Three | 2.0 | 1,250 | \$490 | \$750 | \$0.60 | 34.67% | \$1,395 | \$1.09 |
| Gross Potential Rent Monthly* | | | | \$17,095 | \$26,645 | | 35.84% | | |

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

DEMOGRAPHIC DATA (found on page F-3 & G-5)

| | 2000 | 2016 | | 2019 | |
|-------------------------------------|------|-------|-------|-------|-------|
| Renter Households | | 2,877 | 33.7% | 2,900 | 33.7% |
| Income-Qualified Renter HHs (LIHTC) | | 814 | 28.3% | 812 | 28.0% |
| Income-Qualified Renter HHs (MR) | | N/A | N/A | N/A | N/A |

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

| Type of Demand | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---|------------|------------|-------------|-----------|-----------|------------|
| Renter Household Growth | -12 | 1 | | | | -2 |
| Existing Households (Overburd + Substand) | 143 | 172 | | | | 214 |
| Homeowner conversion (Seniors) | 0 | 0 | | | | 0 |
| Other: | 0 | 0 | | | | 0 |
| Less Comparable/Competitive Supply | 0 | 0 | | | | 0 |
| Net Income-qualified Renter HHs | 131 | 173 | | | | 212 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 50% | 60% | Market-rate | Other: __ | Other: __ | Overall |
|---------------------|------|-------|-------------|-----------|-----------|---------|
| Capture Rate | 6.1% | 16.8% | | | | 17.5% |

ABSORPTION RATE (found on page G-8)

Absorption Period: 4 months

2017 S-2 RENT CALCULATION WORKSHEET

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | Adjusted Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------|--------------|---------------------------|----------------------------|----------------------|----------------------------|---------------------------------|
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| | 2 BR | | \$0 | | \$0 | |
| 3 | 2 BR | \$395 | \$1,185 | \$665 | \$1,995 | |
| 10 | 2 BR | \$430 | \$4,300 | \$665 | \$6,650 | |
| | 3 BR | | \$0 | | \$0 | |
| 5 | 3 BR | \$460 | \$2,300 | \$750 | \$3,750 | |
| 19 | 3 BR | \$490 | \$9,310 | \$750 | \$14,250 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| Totals | 37 | | \$17,095 | | \$26,645 | 35.84% |

B. Project Description

The subject project involves the new construction of the 37-unit Yorkshire at the Providence rental community near the intersection of Georgetown Highway and Chapman Drive in Johnsonville, South Carolina. The project will offer 13 two- and 24 three-bedroom, garden-style units in four (4) two-story, walk-up residential buildings and a free-standing, 1,509 square-foot community building. Yorkshire at the Providence will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). Monthly collected Tax Credit rents will range from \$395 to \$490, depending on unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by November 2018. Additional details of the subject project are as follows:

A. PROPERTY LOCATION: Georgetown Highway & Chapman Drive
Johnsonville, South Carolina 29555
(Florence County)

B. CONSTRUCTION TYPE: New Construction

C. OCCUPANCY TYPE: General-Occupancy

D. TARGET INCOME GROUP: 50% and 60% AMHI

E. SPECIAL NEEDS POPULATION: None

F. AND H. TO J. UNIT CONFIGURATION AND RENTS:

| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
|-------------|--------------|-------|--------|-------------|--------|----------------|-------------------|------------|---------------------------------|
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| 3 | Two-Br. | 2.0 | Garden | 1,000 | 50% | \$395 | \$164 | \$559 | \$600 |
| 10 | Two-Br. | 2.0 | Garden | 1,000 | 60% | \$430 | \$164 | \$594 | \$720 |
| 5 | Three-Br. | 2.0 | Garden | 1,250 | 50% | \$460 | \$213 | \$673 | \$693 |
| 19 | Three-Br. | 2.0 | Garden | 1,250 | 60% | \$490 | \$213 | \$703 | \$831 |
| 37 | Total | | | | | | | | |

Source: Quad-State Development, Inc.

AMHI – Area Median Household Income (Florence, SC HUD Metro FMR Area; 2016)

G. NUMBER OF STORIES/BUILDINGS: Four (4) two-story, walk-up residential structures containing 37 garden-style units and one non-residential building.

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

L. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Laundry Facility
- Club House/Community Room
- Fitness Center
- Picnic Area
- Playground
- Computer Center

M. UNIT AMENITIES:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Microwave Oven
- Central Air Conditioning
- In-Unit Washer/Dryer Hookups
- Carpet
- Window Blinds
- Patio/Balcony
- Ceiling Fan
- Exterior Storage Closet

N. PARKING:

The subject site will include 83 unassigned surface lot parking spaces at no additional cost to the resident.

O. RENOVATIONS AND CURRENT OCCUPANCY:

Not Applicable; New Construction

P. UTILITY RESPONSIBILITY:

The cost of trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

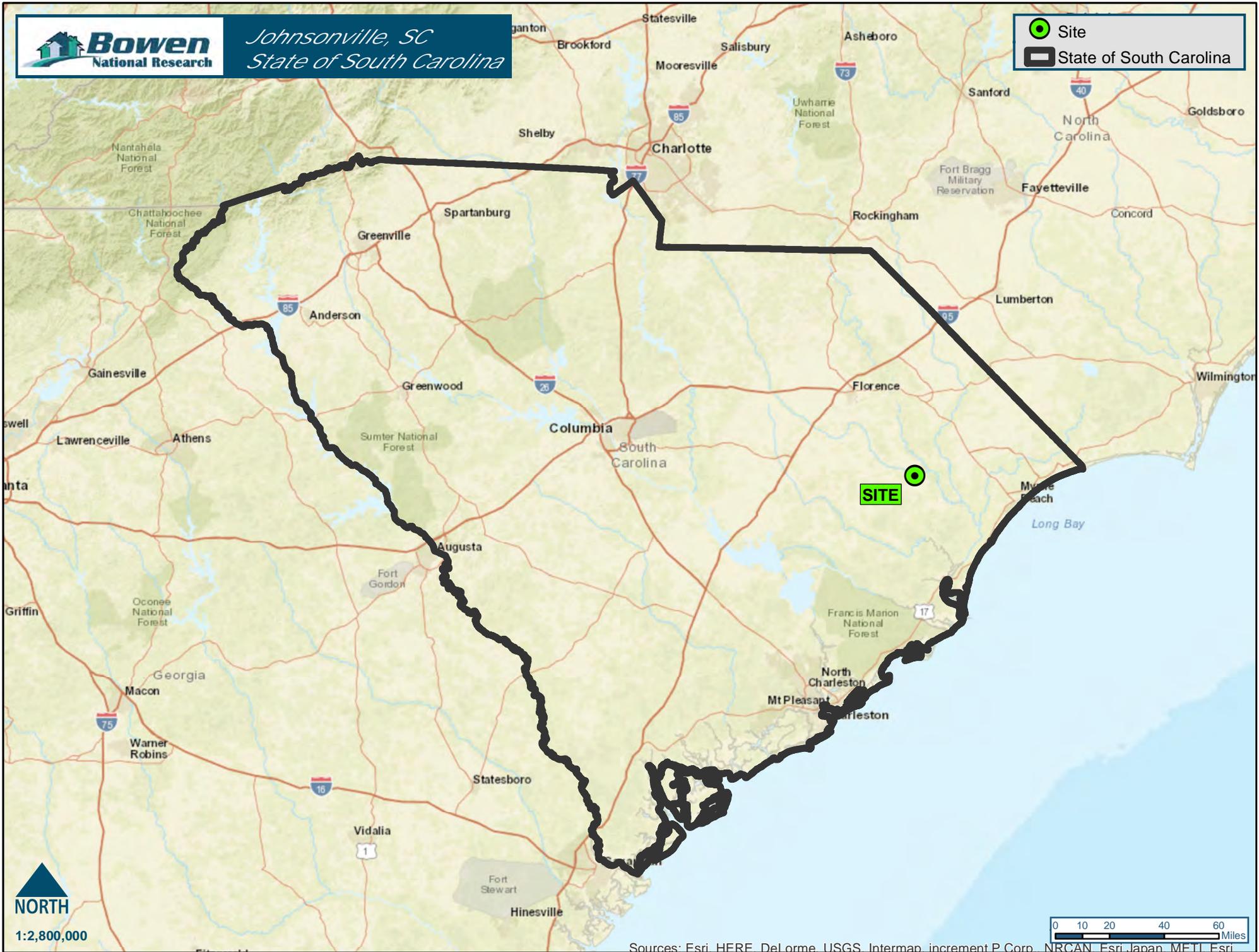
- Electric Cooking
- Electric Water Heat
- Cold Water
- Electric Heat
- General Electricity
- Sewer

A state map and an area map are on the following pages.



Johnsonville, SC
State of South Carolina

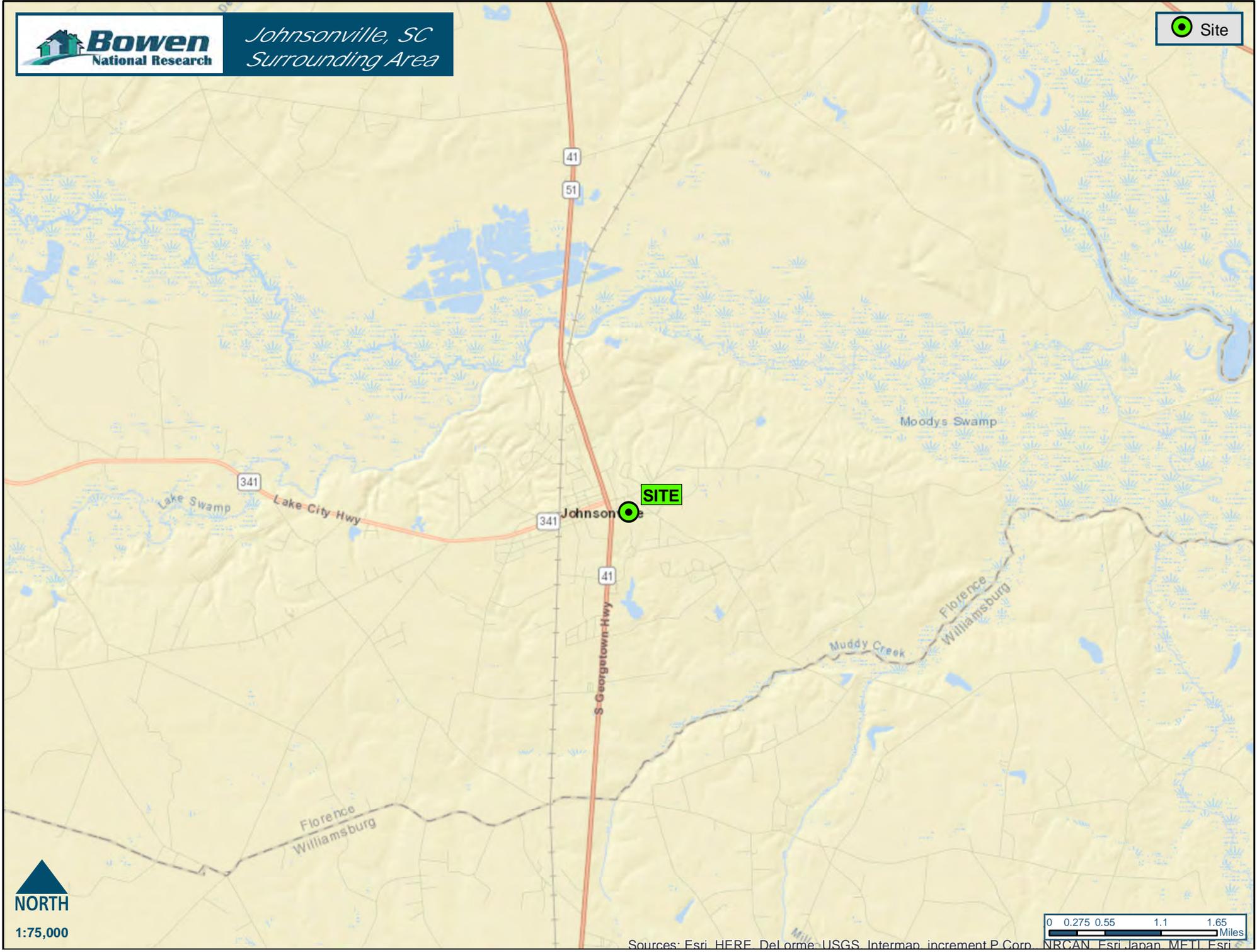
● Site
▭ State of South Carolina



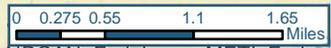
Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri



*Johnsonville, SC
Surrounding Area*



1:75,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of January 16, 2017. 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 subject site, Yorkshire at the Providence, consists of undeveloped land located east of the intersection of Georgetown Highway (State Route 41/51) and Chapman Drive in Johnsonville, South Carolina. Located within Florence County, Johnsonville is approximately 36.0 miles southeast of Florence, South Carolina and approximately 45.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of surrounding land uses:

| | |
|----------------|---|
| North - | The northern boundary of the site is defined by scattered one- and two-story single-family homes in good condition and heavily wooded land. These land uses extend farther north, along with the Prosser Field Youth Complex. |
| East - | The eastern boundary of the site is defined by South Persimmon Ford Road, a lightly travelled two-lane roadway. Heavily wooded land extends farther east for a considerable distance. |
| South - | The southern boundary of the site is defined vacant land. Pee Wee's Supply and Hardware, as well as a local bait shop, both in satisfactory condition, define the southwest boundary of the site. Continuing south are undeveloped land, Johnsonville Public Library, and Johnsonville High School, with all aforementioned structures in good condition. |
| West - | The western boundary of the site is defined by Georgetown Highway (State Route 41/51), a four-lane arterial with light vehicular traffic. Extending west is Citizens Bank, which was observed to be in good condition, followed by residential neighborhoods consisting of one- and two-story single-family homes in good condition. |

The site is located within a mixed-use area consisting of residential and commercial structures, as well as heavily wooded land. The surrounding land uses are generally in good condition and are conducive to multifamily housing. Overall, the site fits in well with its surrounding land uses, which should have a positive impact on its marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

| Community Services | Name | Driving Distance From Site (Miles) |
|------------------------------------|--------------------------------|------------------------------------|
| Major Highways | State Route 41/51 | 0.1 West |
| | State Route 341 | 0.2 West |
| Public Bus Stop | N/A | N/A |
| Major Employers/Employment Centers | Florence District 5 Schools | 0.3 Southwest |
| | Wellman Plastics Recycling | 1.3 North |
| Convenience Store | Kangaroo Express | 0.1 Northwest |
| | Cliff's Food Stores | 1.1 Southwest |
| Grocery | KJ's Market | 0.3 South |
| | Piggly Wiggly | 0.5 South |
| Discount Department Store | Fred's Store | 0.7 South |
| | Dollar General | 0.8 West |
| Schools: | | |
| Elementary | Johnsonville Elementary School | 0.3 West |
| Middle/Junior High | Johnsonville Middle School | 0.8 Southwest |
| High | Johnsonville High School | 0.3 Southwest |
| Hospital | Lake City Community Hospital | 21.2 Northwest |
| Medical Center | McLeod Family Medicine | 0.5 Southwest |
| | Pee Dee Family Practice | 1.3 South |
| Police | Johnsonville Police Department | 0.4 West |
| Fire | Johnsonville Fire Department | 0.4 West |
| Post Office | U.S. Post Office | 0.6 South |
| Bank | Citizens Bank | 0.1 Southwest |
| | Anderson Brothers Bank | 0.2 Northwest |
| Gas Station | Kangaroo Express | 0.1 Northwest |
| | Lentz Service Station | 0.5 Northwest |
| Pharmacy | Wall Drugs of Johnsonville | 0.6 South |
| Restaurant | Little Caesars | 0.1 Northwest |
| | Tijuana's Grill | 0.4 West |
| | Chic Restaurant | 0.5 Northwest |
| Day Care | Weaver Daycare | 0.9 North |
| Park | Prosser Field Youth Complex | 0.4 North |
| | Johnsonville City Park | 1.1 Southwest |
| Library | Johnsonville Public Library | 0.2 South |
| Church | Johnsonville First Baptist | 0.3 Northwest |
| | Crossover Church | 0.6 West |
| | Pentecostal Holiness Church | 0.6 North |

The proposed site is located within close proximity to many local community services, many of which are within 1.0 mile. These include grocery stores, banks, restaurants, discount shopping, gas stations/convenience stores and a pharmacy.

Public safety services are provided by the Johnsonville Police and Fire departments, both located within 0.4 miles of the site. In addition, all attending public schools are located within 0.8 miles of the site.

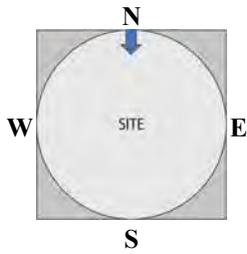
The nearest full services hospital is the Lake City Community Hospital, which offers acute care as well as emergency services. Although there is no full-service hospital located within Johnsonville, there are various family practices and clinics located within 1.5 miles of the proposed site including McLeod Family Medicine and Pee Dee Family Practice.

Overall, the scope and proximity of basic shopping needs available within the Johnsonville area will benefit the marketability of the subject development.

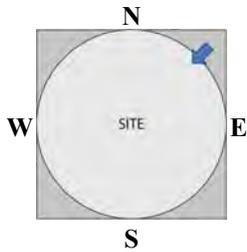
4. SITE PHOTOGRAPHS

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

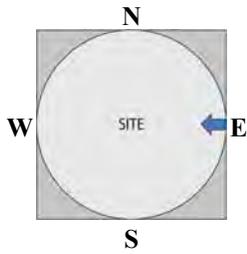
SITE PHOTOGRAPHS



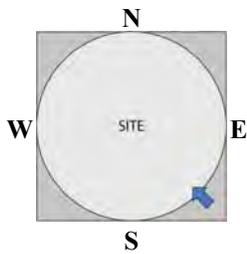
View of site from the north



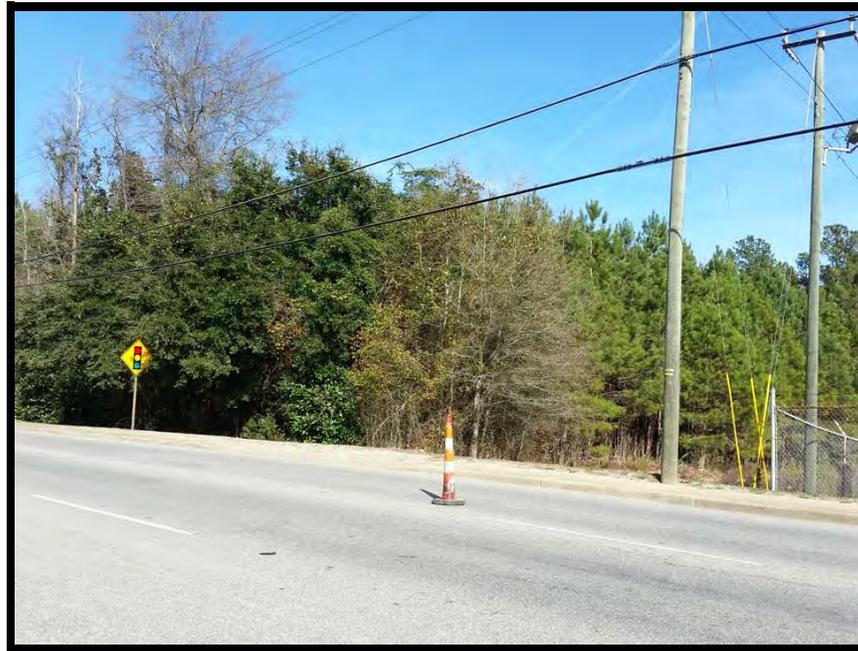
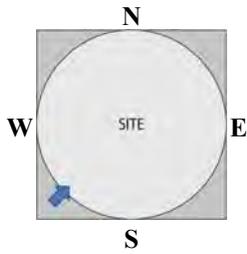
View of site from the northeast



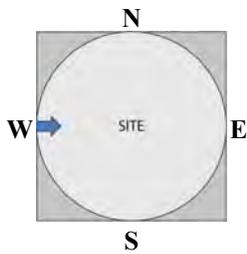
View of site from the east



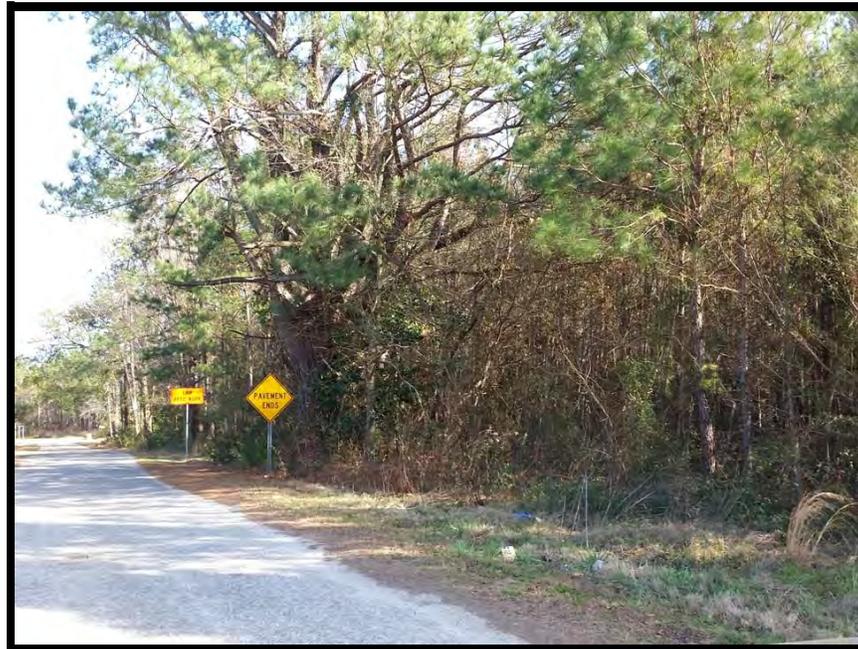
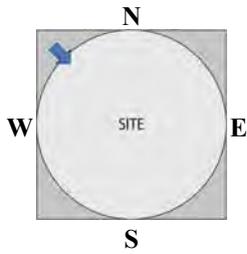
View of site from the southeast



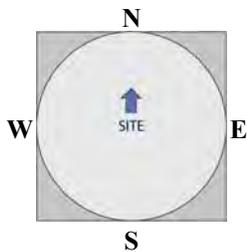
View of site from the southwest



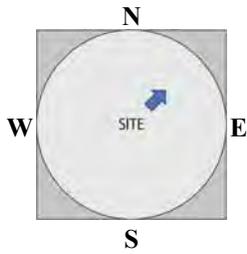
View of site from the west



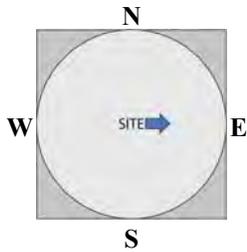
View of site from the northwest



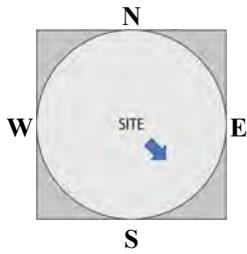
North view from site



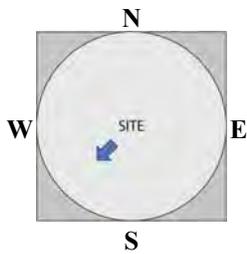
Northeast view from site



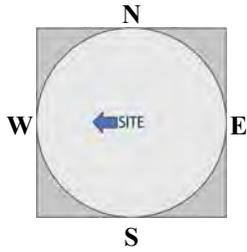
East view from site



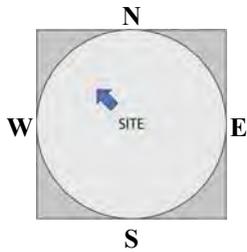
Southeast view from site



Southwest view from site



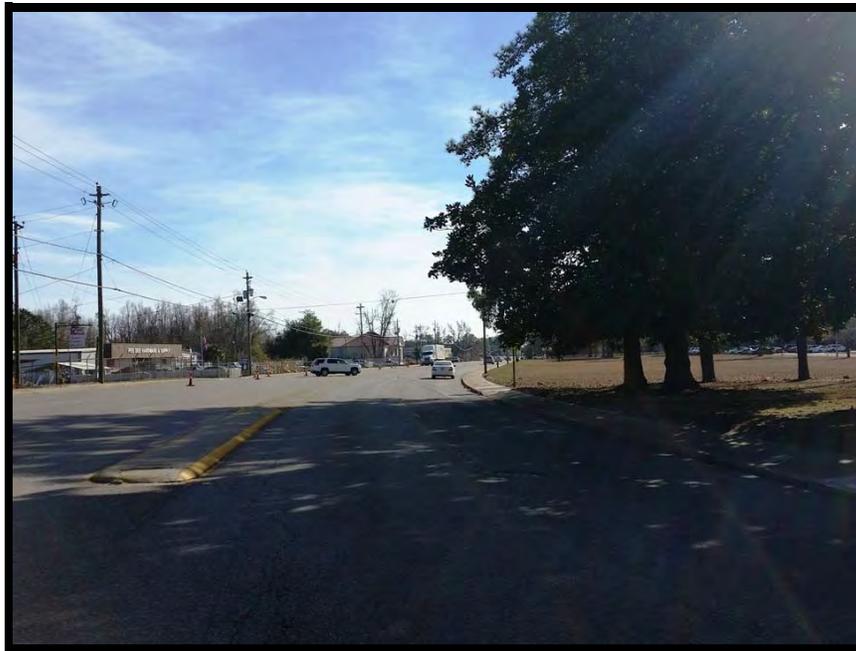
West view from site



Northwest view from site



Streetscape: North view of Georgetown Highway (State Route 41/51)



Streetscape: South view of Georgetown Highway (State Route 41/51)



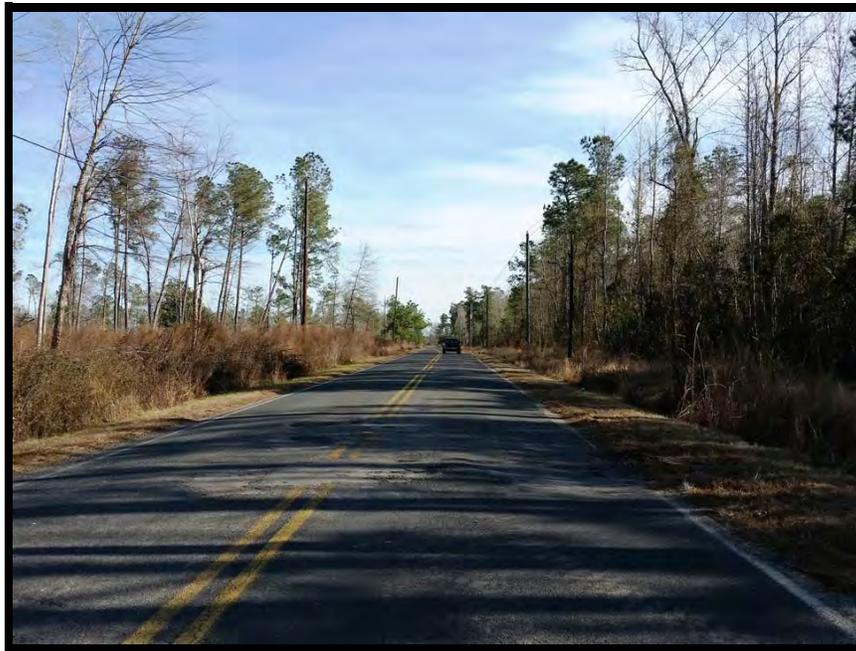
Streetscape: West view of Chapman Drive



Streetscape: East view of Chapman Drive



Streetscape: Northwest view of South Persimmon Ford Road



Streetscape: Southeast view of South Persimmon Ford Road



Streetscape: South view of Williamsburg Avenue



Streetscape: North view of Williamsburg Avenue



Structures southwest of site



Typical single-family home north of site

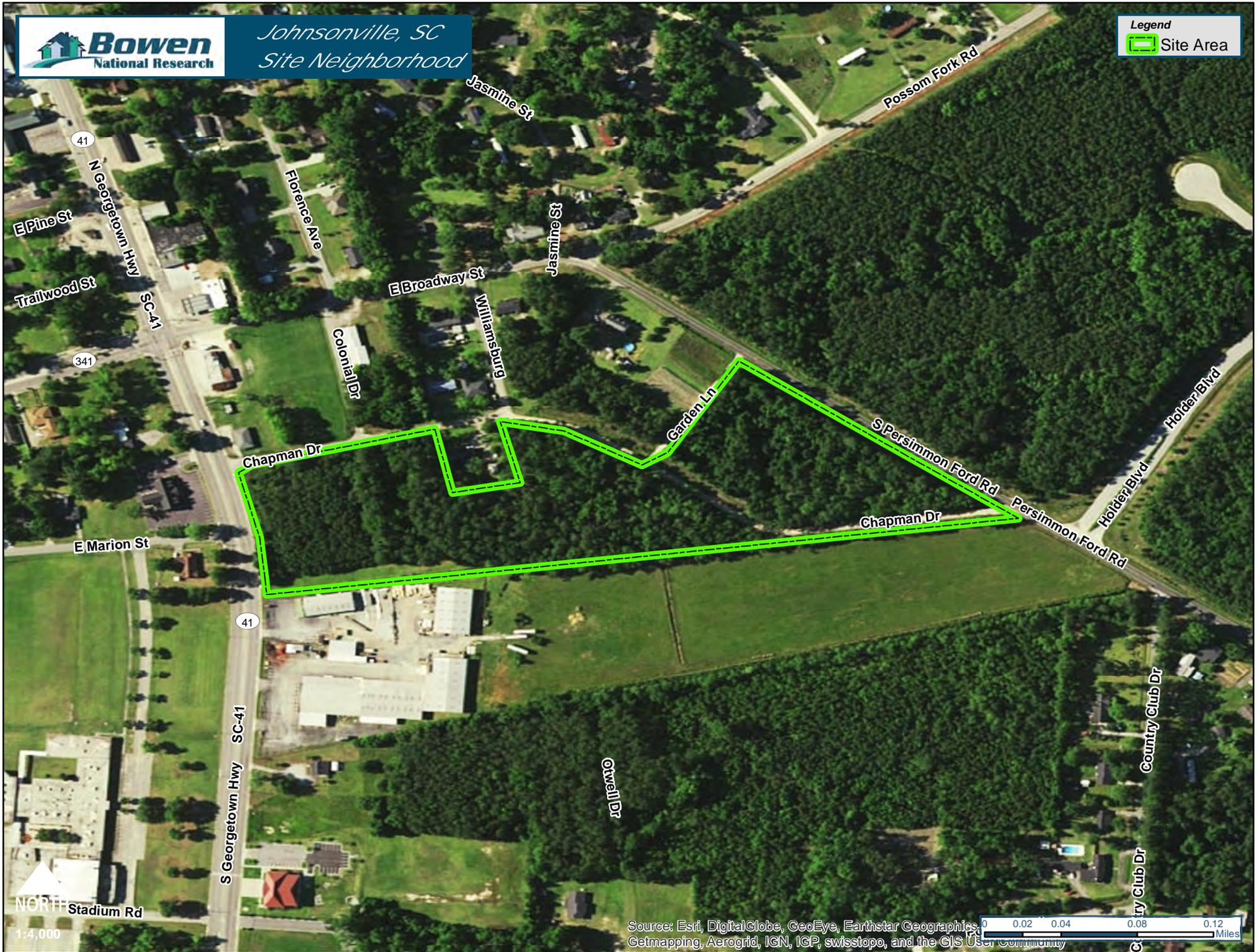
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



Johnsonville, SC
Site Neighborhood

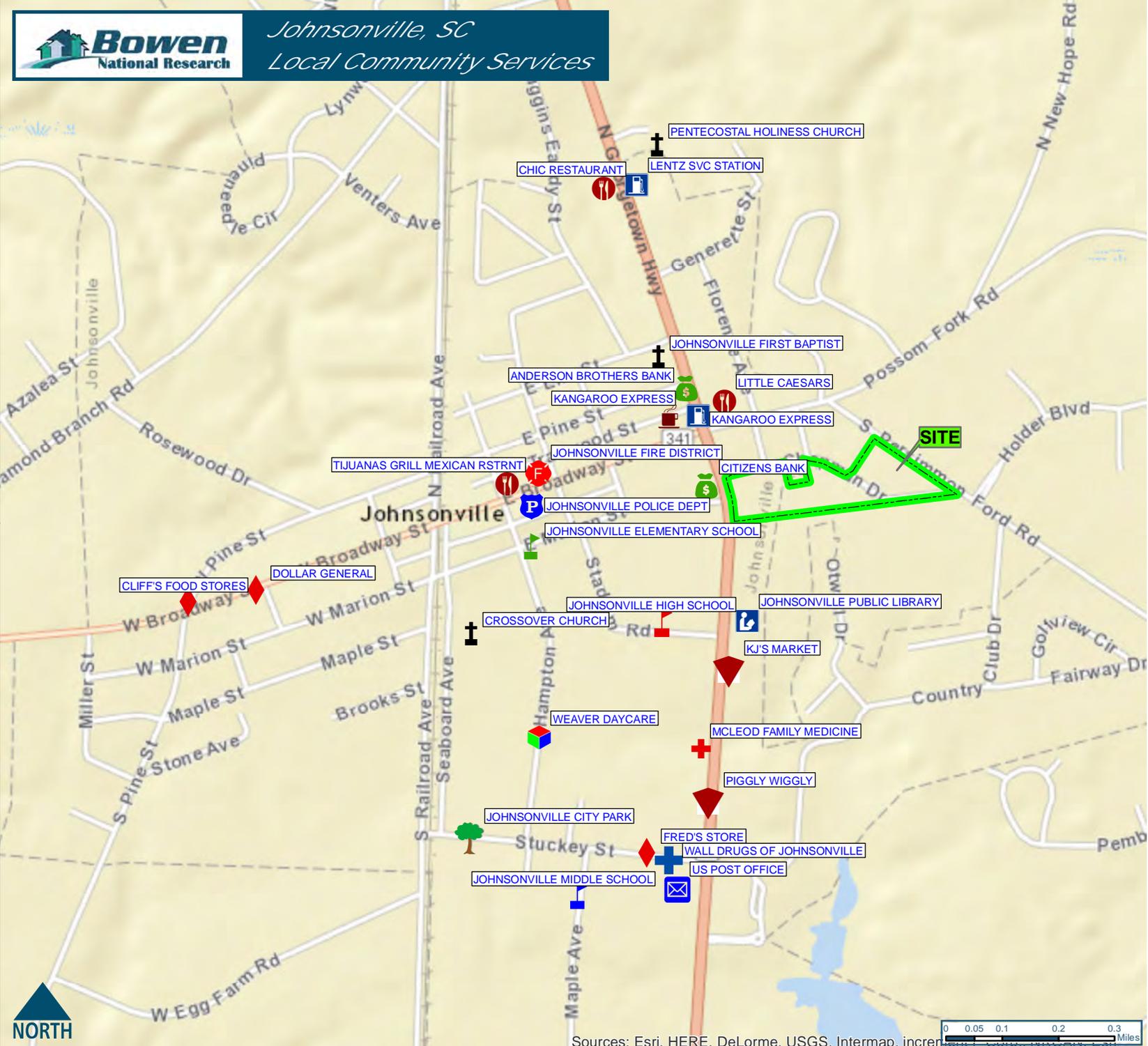
Legend
Site Area



NORTH
1:4,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

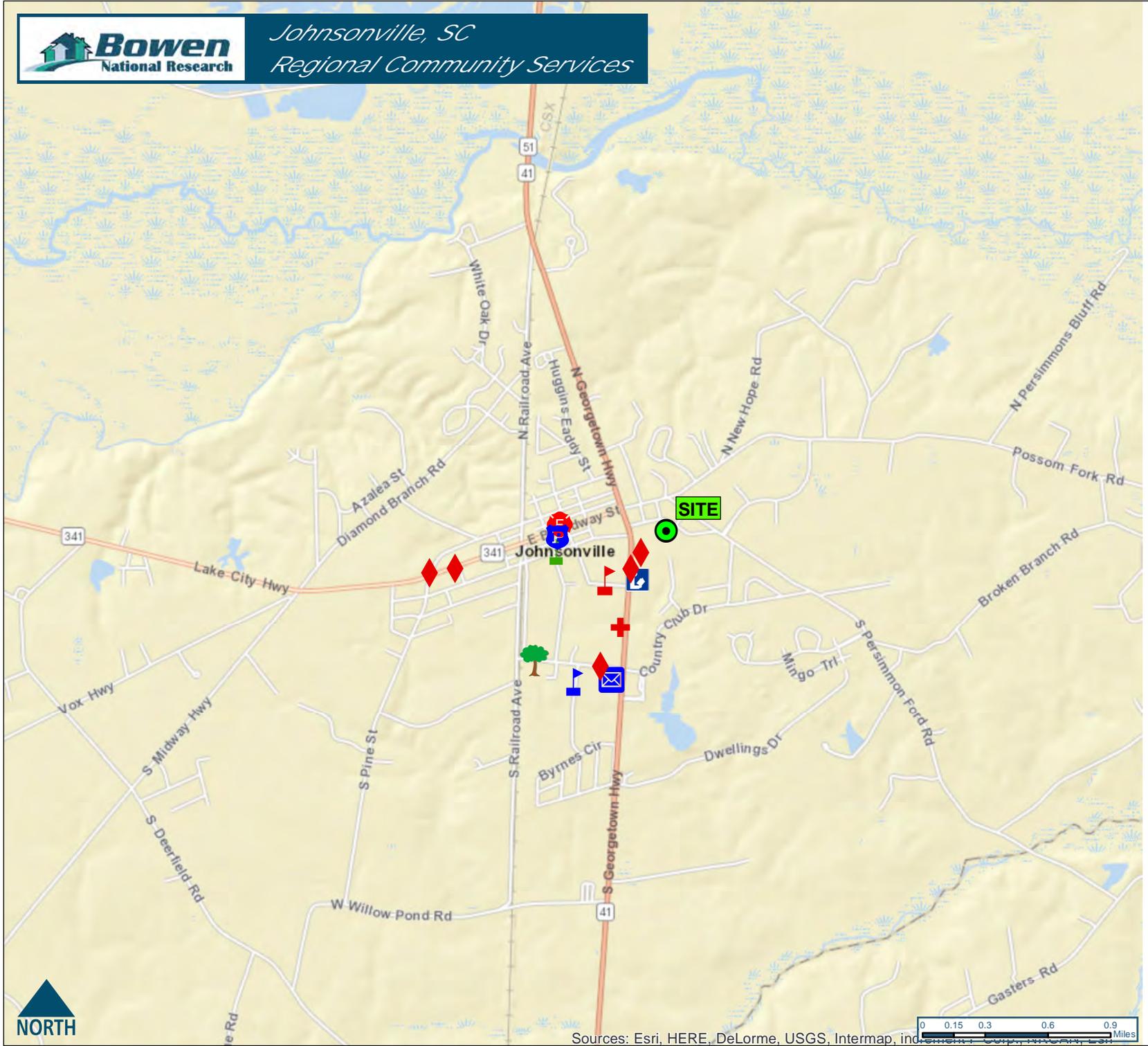




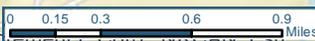
Legend

-  Site Area
-  Bank
-  Child Care
-  Church
-  Convenience Store
-  Elementary School
-  Fire
-  Gas
-  Grocery
-  High School
-  Library
-  Medical Center
-  Middle School
-  Park
-  Pharmacy
-  Police
-  Post Office
-  Restaurant
-  Shopping





- Legend*
-  Site
 -  Elementary School
 -  Fire
 -  High School
 -  Library
 -  Medical Center
 -  Middle School
 -  Park
 -  Police
 -  Post Office
 -  Shopping



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 indexes 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 indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (125) for the Site PMA is above the national average with an overall personal crime index of 174 and a property crime index of 105. Total crime risk (131) for Florence County is above the national average with indexes for personal and property crime of 172 and 120, respectively.

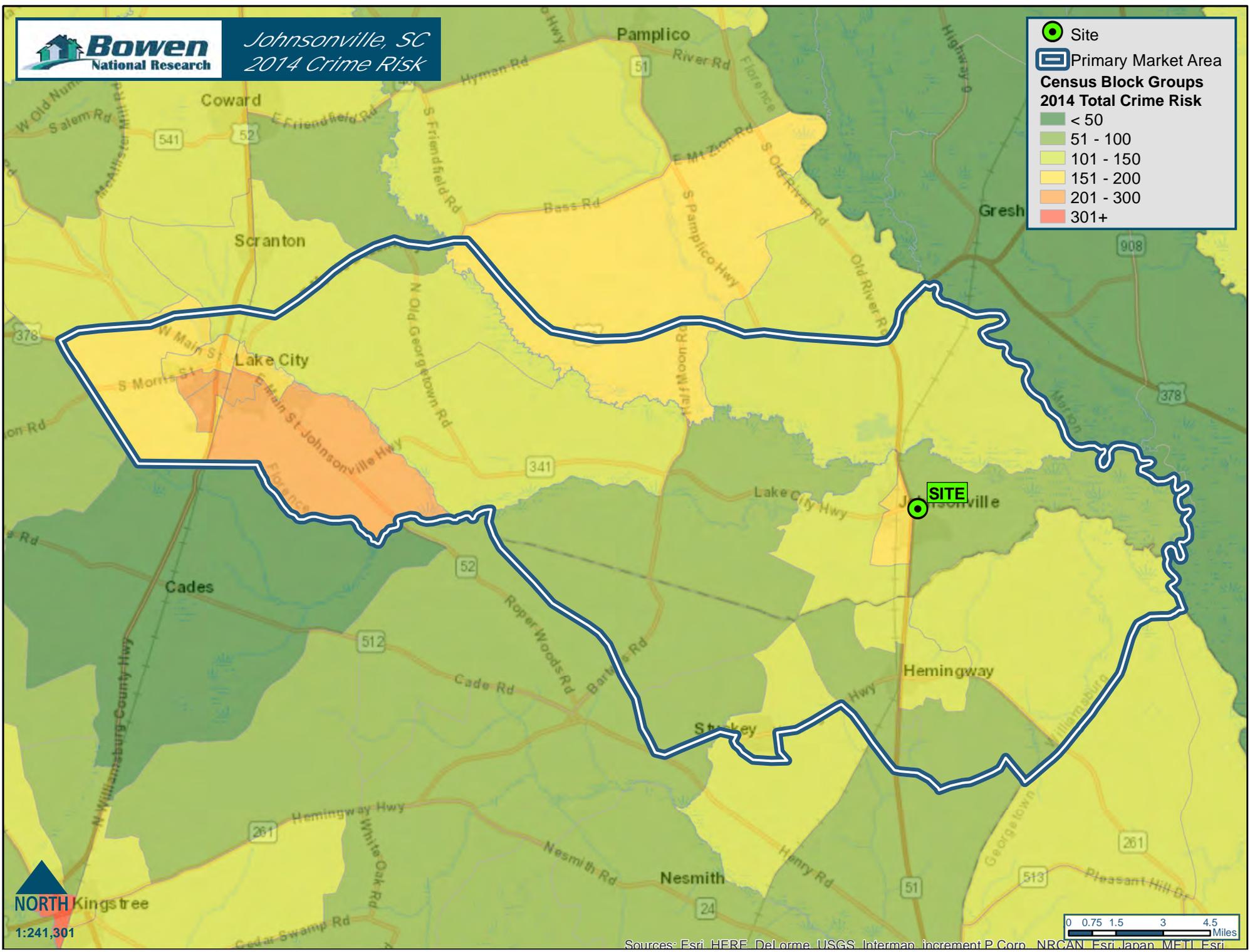
| | Crime Risk Index | |
|-----------------------|------------------|-----------------|
| | Site PMA | Florence County |
| Total Crime | 125 | 131 |
| Personal Crime | 174 | 172 |
| Murder | 254 | 183 |
| Rape | 123 | 135 |
| Robbery | 67 | 88 |
| Assault | 168 | 194 |
| Property Crime | 105 | 120 |
| Burglary | 131 | 143 |
| Larceny | 95 | 125 |
| Motor Vehicle Theft | 72 | 72 |

Source: Applied Geographic Solutions

Although the total crime risk index for the Johnsonville Site PMA is slightly above the national average, the perception of crime is not anticipated to have an adverse impact on the subject project's marketability. This is further evidenced by the 100.0% occupancy rate maintained at all rental properties surveyed within the market. In addition, as illustrated within the map on the following page, the subject site is located within an area that has a lower crime risk index relative to the areas farther west of the site neighborhood, which will have a positive impact on its marketability.

A map illustrating crime risk is on the following page.

 Site
 Primary Market Area
Census Block Groups
2014 Total Crime Risk
 < 50
 51 - 100
 101 - 150
 151 - 200
 201 - 300
 301+



7. ACCESS AND VISIBILITY

The subject site maintains clear lines of vision to the east and west; however, heavily wooded land obstructs visibility to the north and south. The most significant passerby traffic will derive from Georgetown Highway (State Route 41/51) to the west and, as such, permanent signage is recommended along this roadway to mitigate any lack of visibility. Overall, visibility is fair and would be considered good with the addition of signage along Georgetown Highway (State Route 41/51).

The subject site will ultimately derive access from Georgetown Highway (State Route 41/51), a four-lane arterial roadway with generally light traffic patterns. Georgetown Highway (State Route 41/51) traverses north/south throughout Johnsonville and provides access to many local community services, as well as other regional arterials such as State Route 341 and U.S. Highway 378. The proposed site can also be accessed from the east by way of South Persimmon Ford Road, a two-lane roadway with light vehicular traffic. Chapman Drive, an unpaved roadway runs from the northwest boundary of the site to the southeast boundary of site traversing east/west. This roadway is generally used by residents located within the immediate site area. Please note, there is no fixed-route public transportation in Johnsonville. However, the lack of public transit is not expected to have a negative impact on the marketability of the proposed site, as residents are aware and accustomed to the rural nature of the immediate area. Overall, access to and from the proposed site is considered to be good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There are no visible or known environmental issues within the immediate area of the proposed site.

9. OVERALL SITE CONCLUSIONS

The subject project fits in well with surrounding land uses. Visibility and access are considered good, pending the consideration of permanent signage located along Georgetown Highway (State Route 41/51). The site is within 1.0 mile of most shopping, dining, employment and education opportunities. Public safety services are all within 0.8 miles, and the site has convenient access to major highways in the area. There is no fixed route public transportation located in Johnsonville; however, this is not expected to have a negative impact on the marketability of the site due to the rural nature of the area. The nearest full service hospital is Lake City Community Hospital located 21.2 miles northwest of the proposed site. While there is no full-service hospital located within Johnsonville, there are various family practices and clinics located in Johnsonville. Overall, we consider the site's location and proximity to basic shopping needs to have a positive impact on its marketability.

D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Johnsonville Site PMA was determined through interviews with area leasing agents 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 Johnsonville Site PMA includes all of Johnsonville, Hemingway, Stuckey, and Lake City, as well as the surrounding unincorporated areas of Florence and Williamsburg counties. Specifically, the boundaries of the Site PMA consist of U.S. Highway 378 to the north; the Florence County boundary, the Great Pee Dee River, County Road S-22-5 and County Line Road to the east; Thompson Road, Garden Road, County Road S-45-160, State Route 261, the Stuckey town limits, Old Georgetown Road and the Florence County boundary to the south; and the Florence County Boundary to the west. All areas of the Site PMA are within approximately 23.0 miles from the subject location. The Site PMA comprises the following Census Tract numbers:

| | | | |
|-------|-----|------|-------|
| 18 | 19* | 20 | 22.01 |
| 22.02 | 23 | 9702 | 9703 |

*Subject site location

Although the Site PMA encompasses a large geographical area, the majority of these areas are considered rural and contain a limited number of households. However, the Site PMA was designed to incorporate the nearby populated areas of both Florence and Williamsburg counties. While Lake City is approximately 21.0 miles from Johnsonville, these areas are connected via State Route 341, which supports and encourages mobility between the two cities, especially considering the lack of available rental housing within the aforementioned towns and all areas in between.

The following are summaries of interviews conducted with various representatives knowledgeable about the area confirming the Site PMA:

Diane Ahmed, Property Manager of Palmetto Ridge Estates (Map ID 11), a Tax Credit community located in Lake City, stated that the majority of her property's support originated from Lake City, Johnsonville and Hemingway. Ms. Ahmed anticipates that the subject project will experience similar trends, thus confirming the Site PMA. Residents in the areas beyond the PMA to the east, like Conway, are more likely to move towards Myrtle Beach where there are more affordable housing options.

Ashley Lewis, Property Manager of Spring Hill Apartments (Map ID 5), a market-rate property located in Johnsonville, stated that an affordable property in Johnsonville will primarily draw support from Johnsonville, Hemingway and Lake City, thus confirming the Site PMA.

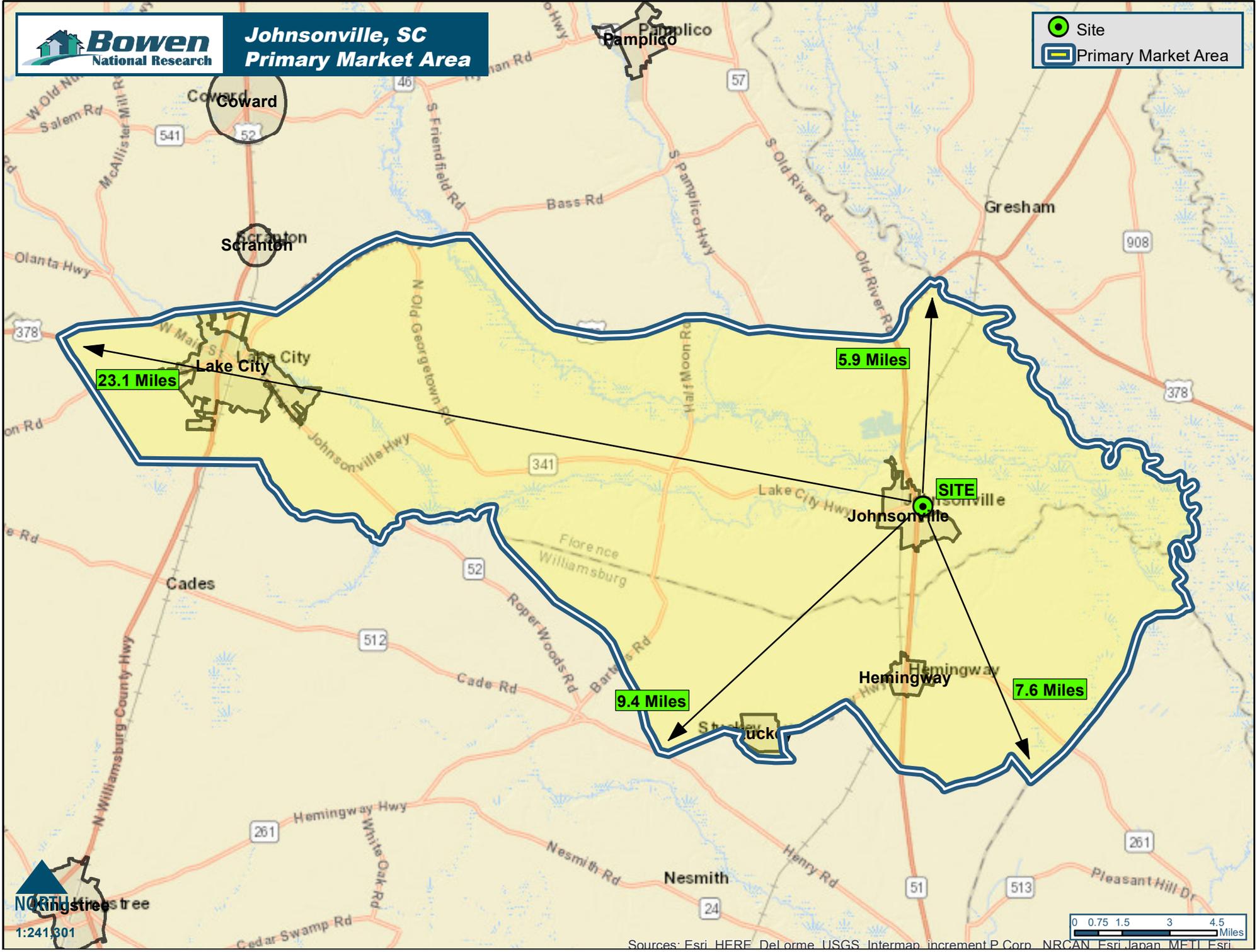
A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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

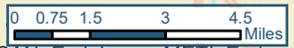


Johnsonville, SC Primary Market Area

● Site
▭ Primary Market Area



NOR
1:241,301



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

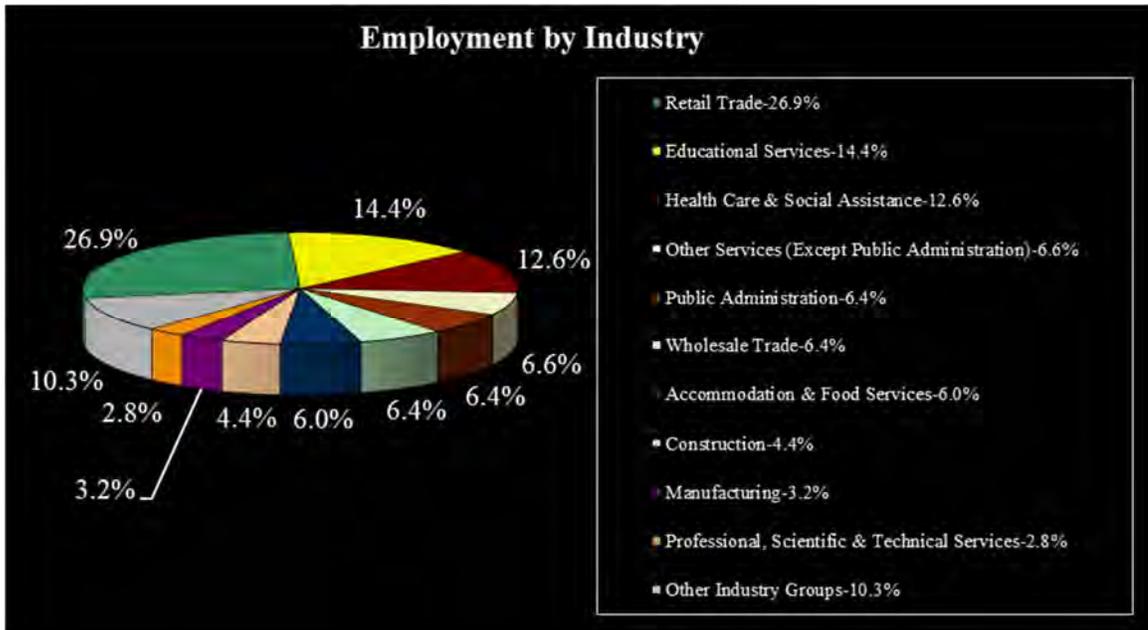
The labor force within the Johnsonville Site PMA is based primarily in three sectors. Retail Trade (which comprises 26.9%), Educational Services and Health Care & Social Assistance comprise approximately 54% of the Site PMA labor force. Employment in the Johnsonville Site PMA, as of 2016, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------|-----------|---------|--------|
| Agriculture, Forestry, Fishing & Hunting | 7 | 0.8% | 56 | 0.6% | 8.0 |
| Mining | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Utilities | 4 | 0.4% | 12 | 0.1% | 3.0 |
| Construction | 37 | 4.1% | 384 | 4.4% | 10.4 |
| Manufacturing | 18 | 2.0% | 284 | 3.2% | 15.8 |
| Wholesale Trade | 37 | 4.1% | 555 | 6.4% | 15.0 |
| Retail Trade | 184 | 20.2% | 2,354 | 26.9% | 12.8 |
| Transportation & Warehousing | 23 | 2.5% | 176 | 2.0% | 7.7 |
| Information | 16 | 1.8% | 59 | 0.7% | 3.7 |
| Finance & Insurance | 89 | 9.7% | 233 | 2.7% | 2.6 |
| Real Estate & Rental & Leasing | 45 | 4.9% | 116 | 1.3% | 2.6 |
| Professional, Scientific & Technical Services | 44 | 4.8% | 245 | 2.8% | 5.6 |
| Management of Companies & Enterprises | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Administrative, Support, Waste Management & Remediation Services | 19 | 2.1% | 175 | 2.0% | 9.2 |
| Educational Services | 36 | 3.9% | 1,259 | 14.4% | 35.0 |
| Health Care & Social Assistance | 66 | 7.2% | 1,102 | 12.6% | 16.7 |
| Arts, Entertainment & Recreation | 15 | 1.6% | 76 | 0.9% | 5.1 |
| Accommodation & Food Services | 49 | 5.4% | 520 | 6.0% | 10.6 |
| Other Services (Except Public Administration) | 173 | 18.9% | 574 | 6.6% | 3.3 |
| Public Administration | 39 | 4.3% | 559 | 6.4% | 14.3 |
| Nonclassifiable | 12 | 1.3% | 0 | 0.0% | 0.0 |
| Total | 913 | 100.0% | 8,739 | 100.0% | 9.6 |

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Florence Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

| Typical Wage by Occupation Type | | |
|--|--------------|----------------|
| Occupation Type | Florence MSA | South Carolina |
| Management Occupations | \$97,310 | \$95,340 |
| Business and Financial Occupations | \$54,380 | \$60,240 |
| Computer and Mathematical Occupations | \$62,220 | \$69,040 |
| Architecture and Engineering Occupations | \$74,640 | \$74,930 |
| Community and Social Service Occupations | \$36,000 | \$40,270 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$42,520 | \$44,040 |
| Healthcare Practitioners and Technical Occupations | \$71,750 | \$70,740 |
| Healthcare Support Occupations | \$24,000 | \$26,400 |
| Protective Service Occupations | \$32,920 | \$35,230 |
| Food Preparation and Serving Related Occupations | \$18,970 | \$20,410 |
| Building and Grounds Cleaning and Maintenance Occupations | \$20,810 | \$22,840 |
| Personal Care and Service Occupations | \$21,340 | \$22,570 |
| Sales and Related Occupations | \$31,240 | \$32,250 |
| Office and Administrative Support Occupations | \$32,130 | \$32,810 |
| Construction and Extraction Occupations | \$35,700 | \$38,370 |
| Installation, Maintenance and Repair Occupations | \$40,510 | \$42,030 |
| Production Occupations | \$39,250 | \$35,990 |
| Transportation and Moving Occupations | \$30,060 | \$31,720 |

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

Most annual blue-collar salaries range from \$18,970 to \$42,520 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$72,060. It is important to note that most occupational types within the MSA have slightly lower typical wages than the State of South Carolina's typical wages. The area employment base has a sufficient number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest private sector employers within Florence County are summarized in the following table. Specific information regarding the number of persons employed was unavailable at the time this report was issued.

| Employer Name | Business Type |
|---------------------------------------|-----------------------|
| McLeod Regional Medical Center | Healthcare |
| Carolinas Hospital | Healthcare |
| Assurant | Insurance |
| TRICARE (Blue Cross Blue Shield) PGBA | Insurance |
| Honda of South Carolina | Dealership |
| Nan Ya Plastics Corporation America | Manufacturer |
| McCall Farms | Food Service Products |
| OTIS Elevator (United Technologies) | Manufacturer |
| QVC, Inc. (Liberty Interactive) | Retail |
| Wellman Plastics Recycling | Manufacturer |

Source: Florence County Economic Development Partnership (2016)

According to a representative with the Florence County Economic Development Partnership, the Florence County economy is improving. The following highlights key economic factors impacting the local employment base:

- In September 2016, Carolina Bank announced that they would be investing \$4.5 million to expand their location in Florence to include a new headquarters, offices and branch. This expansion will create 20 jobs and is expected to be completed in December 2017.
- In August 2016, Honda of South Carolina Manufacturing, Inc. announced that they would be investing \$45 million to construct a 115,000-square-foot facility at their current location near Timmons ville. The expansion will create 250 new jobs and is expected to be completed towards the end of 2019.
- In July 2016, McCall Farms announced they would be investing \$23 million in production expansion. The company built a new facility in northern Florence County in 2016 and two more will be built in the area between 2017 and 2019. By 2020 there will be hundreds of new jobs created.

- Charles Ingram Lumber Company and Willowcreek Lumber announced in July 2016 they will be investing \$8.3 million in expansions over the next five years.

WARN (layoff notices):

According to South Carolina Works, there have been no WARN notices (large-scale layoffs/closures) reported for Florence County since August 2015.

4. EMPLOYMENT TRENDS

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

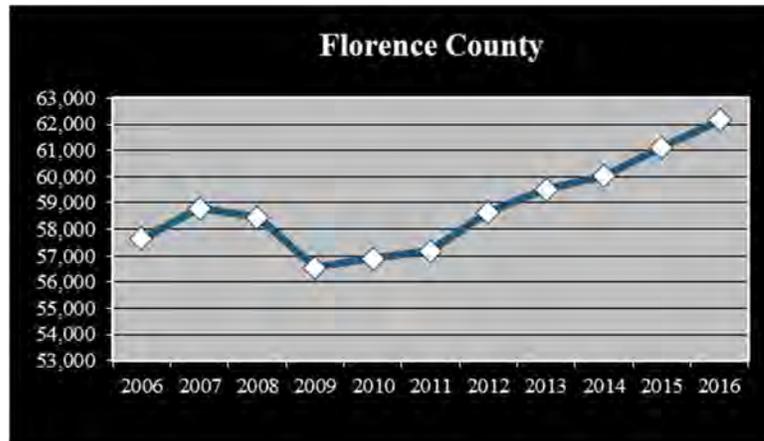
Excluding 2016, the employment base has increased by 6.8% over the past five years in Florence County, less than the South Carolina state increase of 9.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Florence County, South Carolina and the United States.

| Year | Total Employment | | | | | |
|-------|------------------|----------------|----------------|----------------|---------------|----------------|
| | Florence County | | South Carolina | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2006 | 57,651 | - | 1,973,337 | - | 145,000,042 | - |
| 2007 | 58,784 | 2.0% | 2,005,686 | 1.6% | 146,388,400 | 1.0% |
| 2008 | 58,463 | -0.5% | 1,996,409 | -0.5% | 146,047,748 | -0.2% |
| 2009 | 56,550 | -3.3% | 1,910,670 | -4.3% | 140,696,560 | -3.7% |
| 2010 | 56,907 | 0.6% | 1,915,045 | 0.2% | 140,469,139 | -0.2% |
| 2011 | 57,199 | 0.5% | 1,945,900 | 1.6% | 141,791,255 | 0.9% |
| 2012 | 58,636 | 2.5% | 1,983,506 | 1.9% | 143,688,931 | 1.3% |
| 2013 | 59,513 | 1.5% | 2,022,444 | 2.0% | 145,126,067 | 1.0% |
| 2014 | 60,030 | 0.9% | 2,074,277 | 2.6% | 147,604,328 | 1.7% |
| 2015 | 61,113 | 1.8% | 2,122,573 | 2.3% | 149,950,804 | 1.6% |
| 2016* | 62,156 | 1.7% | 2,183,741 | 2.9% | 152,400,435 | 1.6% |

Source: Department of Labor, Bureau of Labor Statistics

*Through December



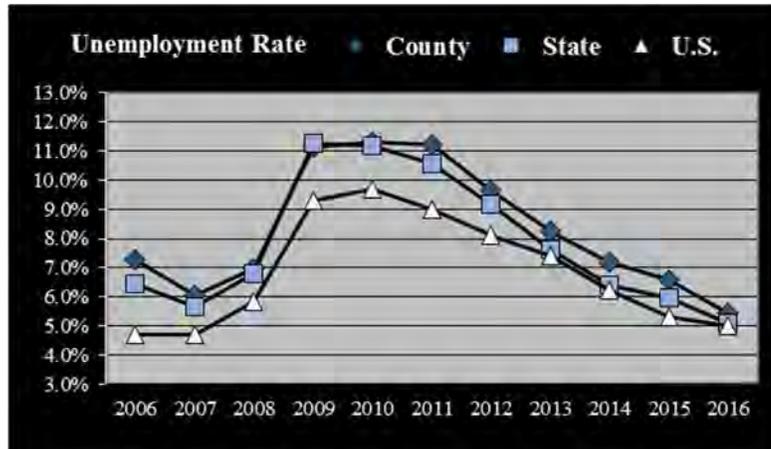
While the Florence County employment base was adversely impacted by the national recession between 2007 and 2009, it has steadily experienced growth since, increasing by 5,606 jobs, or 9.9%. Notably, the employment base within the county is above prerecession levels.

Unemployment rates for Florence County, South Carolina and the United States are illustrated as follows:

| Year | Unemployment Rate | | | | | |
|-------|-------------------|---------|----------------|---------|---------------|---------|
| | Florence County | | South Carolina | | United States | |
| | Total Number | Percent | Total Number | Percent | Total Number | Percent |
| 2006 | 4,514 | 7.3% | 135,760 | 6.4% | 7,134,635 | 4.7% |
| 2007 | 3,799 | 6.1% | 120,205 | 5.7% | 7,190,052 | 4.7% |
| 2008 | 4,400 | 7.0% | 145,823 | 6.8% | 9,059,270 | 5.8% |
| 2009 | 7,090 | 11.1% | 242,075 | 11.3% | 14,430,158 | 9.3% |
| 2010 | 7,268 | 11.3% | 240,623 | 11.2% | 15,070,017 | 9.7% |
| 2011 | 7,233 | 11.2% | 229,623 | 10.6% | 14,035,049 | 9.0% |
| 2012 | 6,256 | 9.7% | 200,607 | 9.2% | 12,698,111 | 8.1% |
| 2013 | 5,352 | 8.2% | 166,924 | 7.6% | 11,642,668 | 7.4% |
| 2014 | 4,653 | 7.2% | 142,505 | 6.4% | 9,796,479 | 6.2% |
| 2015 | 4,299 | 6.6% | 134,504 | 6.0% | 8,439,309 | 5.3% |
| 2016* | 3,581 | 5.4% | 116,942 | 5.1% | 7,937,201 | 5.0% |

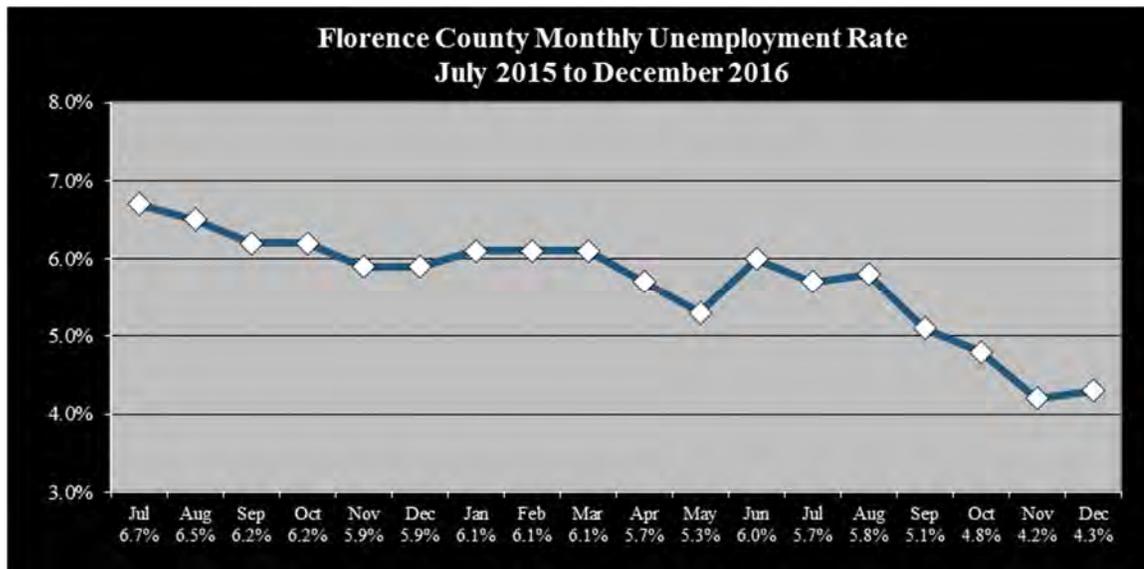
Source: Department of Labor; Bureau of Labor Statistics

*Through December



Similar to the employment base, the unemployment rate within the county was adversely impacted by the national recession, increasing by over five percentage points between 2007 and 2010. On a positive note, the county’s unemployment rate has consistently declined during the preceding six-year period. Notably, the current unemployment rate is the lowest it has been within the past decade.

The following table illustrates the monthly unemployment rate in Florence County for the most recent 18-month period for which data is currently available.



While the county has experienced fluctuations in unemployment over the past 18 months, it has generally trended downward from a high of 6.7% in July 2015 to 4.3% in December 2016.

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 Florence County.

| In-Place Employment Florence County | | | |
|-------------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2006 | 60,998 | - | - |
| 2007 | 62,837 | 1,839 | 3.0% |
| 2008 | 62,260 | -577 | -0.9% |
| 2009 | 59,457 | -2,803 | -4.5% |
| 2010 | 59,132 | -325 | -0.5% |
| 2011 | 59,034 | -98 | -0.2% |
| 2012 | 60,082 | 1,048 | 1.8% |
| 2013 | 59,493 | -589 | -1.0% |
| 2014 | 60,445 | 952 | 1.6% |
| 2015 | 61,398 | 953 | 1.6% |
| 2016* | 61,937 | 539 | 0.9% |

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2015, the most recent year that year-end figures are available, indicates in-place employment in Florence County to be 100.5% of the total Florence County employment. This means that Florence County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there. This will have a positive impact on the subject project's marketability, as it is likely that many of the site's tenants will have minimal commute times to their place of employment.

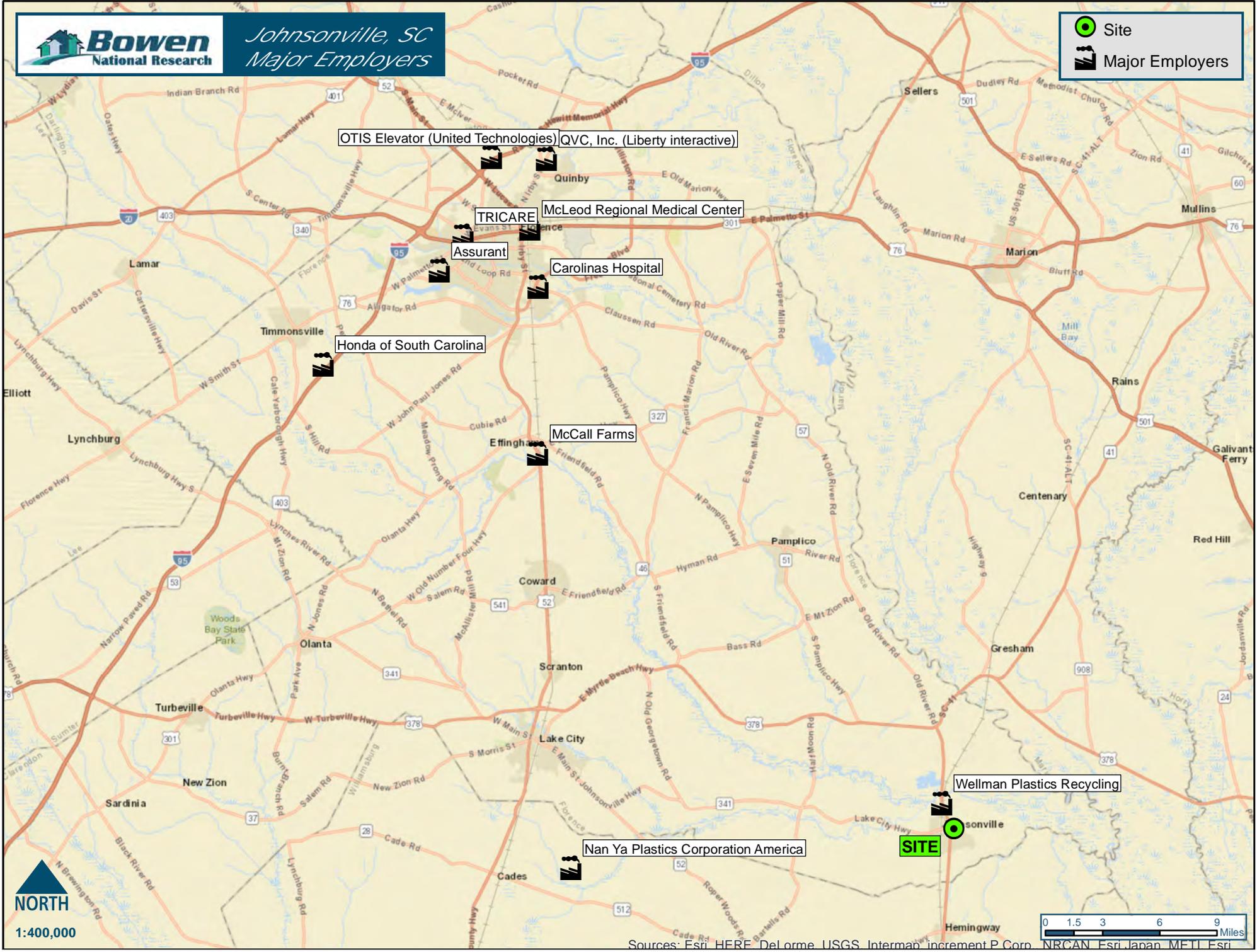
5. EMPLOYMENT CENTERS MAP

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



Johnsonville, SC Major Employers

- Site
- Major Employers



NORTH
1:400,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

6. COMMUTING PATTERNS

Based on the American Community Survey (2011-2015), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 6,589 | 84.9% |
| Carpooled | 737 | 9.5% |
| Public Transit | 11 | 0.1% |
| Walked | 161 | 2.1% |
| Other Means | 14 | 0.2% |
| Worked at Home | 247 | 3.2% |
| Total | 7,759 | 100.0% |

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Nearly 85% of all workers drove alone, 9.5% carpoled and only 0.1% used public transportation.

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

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 2,528 | 32.6% |
| 15 to 29 Minutes | 1,654 | 21.3% |
| 30 to 44 Minutes | 1,584 | 20.4% |
| 45 to 59 Minutes | 1,009 | 13.0% |
| 60 or More Minutes | 736 | 9.5% |
| Worked at Home | 247 | 3.2% |
| Total | 7,758 | 100.0% |

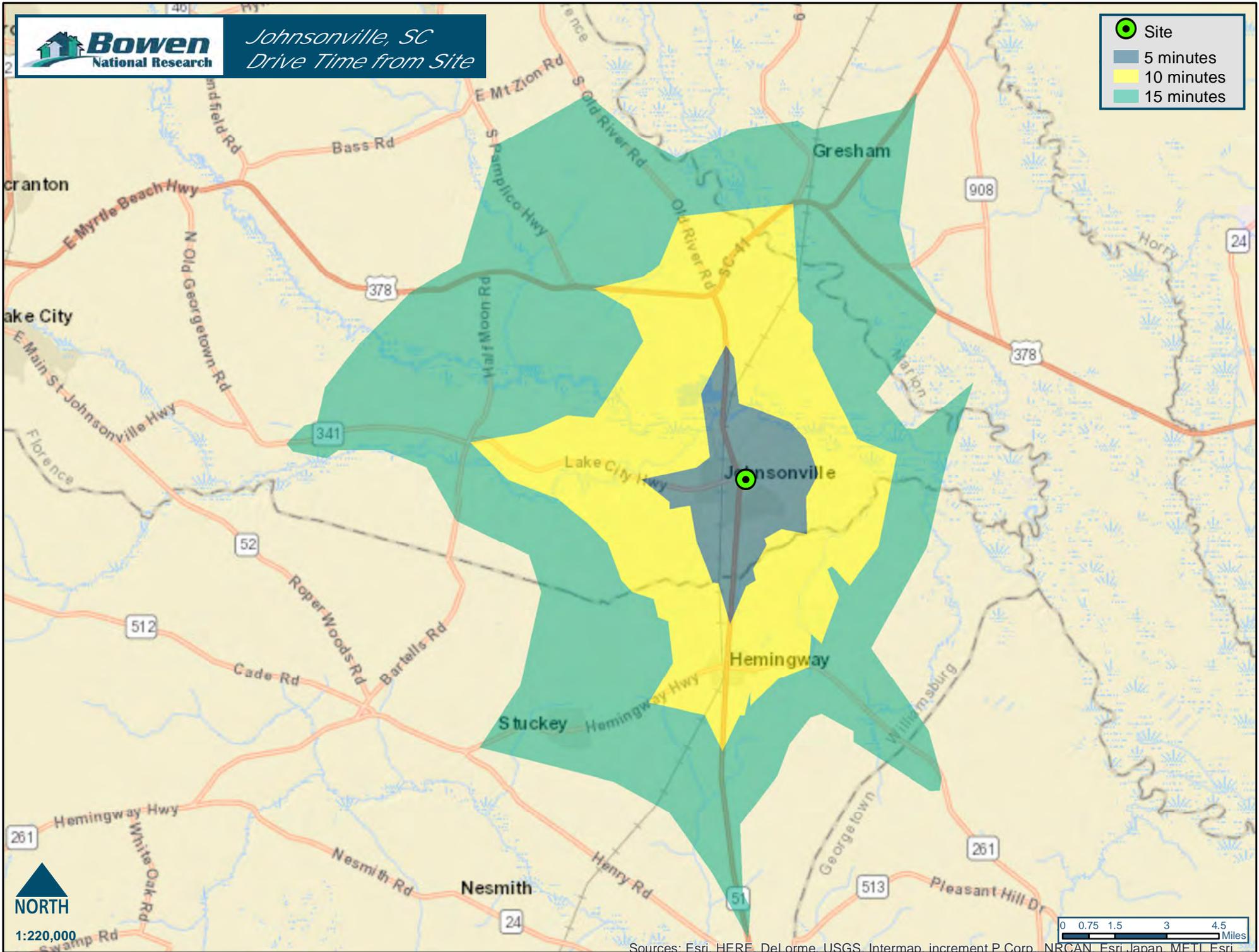
Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 30-minute drive to many of the area's notable employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.



*Johnsonville, SC
Drive Time from Site*

- Site
- 5 minutes
- 10 minutes
- 15 minutes



1:220,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

7. ECONOMIC FORECAST AND HOUSING IMPACT

According to economic development representatives, the Florence County economy continues to improve. Notably, nearly \$80 million will be invested within the county, expected to create nearly 500 jobs by 2020. Additionally, based on employment data from the Department of Labor: Bureau of Labor Statistics, the Florence County economy appears to be well beyond the beginning stages of economic recovery. Although the county's economy was adversely impacted by the national recession, the employment base has been consistently increasing and the unemployment rate has been consistently decreasing since 2010. It is important to note that the employment base is above prerecession levels and the current unemployment rate of 5.4% (through December 2016) is the lowest it has been since prior to 2006. Considering these positive economic trends, we believe the area economy will continue to create a stable environment for affordable housing.

F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2019 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2019 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2016 (estimated) and 2019 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2016 (Estimated) | 2019 (Projected) |
| Population | 22,698 | 22,050 | 22,619 | 22,787 |
| Population Change | - | -648 | 569 | 168 |
| Percent Change | - | -2.9% | 2.6% | 0.7% |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the market's population base has been generally stable since 2000. These trends are projected to remain relatively stable through 2019.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.2% of the Site PMA population, as demonstrated in the following table:

| | Number | Percent |
|----------------------------------|--------|---------|
| Population in Group Quarters | 35 | 0.2% |
| Population not in Group Quarters | 22,015 | 99.8% |
| Total Population | 22,050 | 100.0% |

Source: 2010 Census

b. Population by Age Group

The Site PMA population bases by age are summarized as follows:

| Population by Age | 2010 (Census) | | 2016 (Estimated) | | 2019 (Projected) | | Change 2016-2019 | |
|-------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 6,495 | 29.5% | 6,195 | 27.4% | 6,166 | 27.1% | -29 | -0.5% |
| 20 to 24 | 1,307 | 5.9% | 1,348 | 6.0% | 1,242 | 5.4% | -106 | -7.9% |
| 25 to 34 | 2,545 | 11.5% | 2,793 | 12.3% | 2,687 | 11.8% | -106 | -3.8% |
| 35 to 44 | 2,595 | 11.8% | 2,582 | 11.4% | 2,674 | 11.7% | 92 | 3.6% |
| 45 to 54 | 3,165 | 14.4% | 2,935 | 13.0% | 2,808 | 12.3% | -127 | -4.3% |
| 55 to 64 | 2,903 | 13.2% | 3,128 | 13.8% | 3,181 | 14.0% | 53 | 1.7% |
| 65 to 74 | 1,798 | 8.2% | 2,316 | 10.2% | 2,543 | 11.2% | 227 | 9.8% |
| 75 & Over | 1,243 | 5.6% | 1,322 | 5.8% | 1,485 | 6.5% | 163 | 12.3% |
| Total | 22,051 | 100.0% | 22,619 | 100.0% | 22,787 | 100.0% | 168 | 0.7% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2016. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all person 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 senior and non-senior population.

d. Special Needs Population

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

e. Minority Concentrations

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract:

| Minority Group | Statewide Share | Equal To or Greater Than | Site Census Tract Share |
|--|-----------------|--------------------------|-------------------------|
| Total Minority Population | 33.8% | 33.8% + 20.0% = 53.8% | 35.0% |
| Black or African American | 27.9% | 27.9% + 20.0% = 47.9% | 32.4% |
| American Indian and Alaska Native | 0.4% | 0.4% + 20.0% = 20.4% | 0.4% |
| Asian | 1.3% | 1.3% + 20.0% = 21.3% | 0.4% |
| Native Hawaiian and Other Pacific Islander | 0.1% | 0.1% + 20.0% = 20.1% | 0.1% |
| Hispanic or Latino | 5.1% | 5.1% + 20.0% = 25.1% | 0.5% |

Source: U.S. Census Bureau, 2010 Census



Based on the data in the preceding table, the site is not located within a Census Tract that is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

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

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2016 (Estimated) | 2019 (Projected) |
| Households | 8,422 | 8,365 | 8,544 | 8,597 |
| Household Change | - | -57 | 179 | 53 |
| Percent Change | - | -0.7% | 2.1% | 0.6% |
| Household Size | 2.70 | 2.64 | 2.64 | 2.65 |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Similar to population trends, the market’s households have been generally stable since 2000. These trends are projected to remain relatively stable through 2019.

b. Households by Tenure

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2016 (Estimated) | | 2019 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 5,717 | 68.3% | 5,667 | 66.3% | 5,697 | 66.3% |
| Renter-Occupied | 2,648 | 31.7% | 2,877 | 33.7% | 2,900 | 33.7% |
| Total | 8,365 | 100.0% | 8,544 | 100.0% | 8,597 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2016, homeowners occupied 66.3% of all occupied housing units, while the remaining 33.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Johnsonville Site PMA, and the 2,877 renter households in 2016 represent a good base of potential support in the market for the subject development.

c. Households by Income

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

| Household Income | 2010 (Census) | | 2016 (Estimated) | | 2019 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$15,000 | 2,734 | 32.7% | 2,003 | 23.4% | 2,020 | 23.5% |
| \$15,000 to \$24,999 | 1,114 | 13.3% | 1,303 | 15.3% | 1,319 | 15.3% |
| \$25,000 to \$34,999 | 956 | 11.4% | 1,151 | 13.5% | 1,111 | 12.9% |
| \$35,000 to \$49,999 | 1,331 | 15.9% | 1,391 | 16.3% | 1,377 | 16.0% |
| \$50,000 to \$74,999 | 1,333 | 15.9% | 1,305 | 15.3% | 1,300 | 15.1% |
| \$75,000 to \$99,999 | 422 | 5.0% | 717 | 8.4% | 748 | 8.7% |
| \$100,000 to \$149,999 | 339 | 4.1% | 430 | 5.0% | 458 | 5.3% |
| \$150,000 to \$199,999 | 81 | 1.0% | 141 | 1.7% | 155 | 1.8% |
| \$200,000 & Over | 57 | 0.7% | 103 | 1.2% | 110 | 1.3% |
| Total | 8,367 | 100.0% | 8,544 | 100.0% | 8,599 | 100.0% |
| Median Income | \$28,509 | | \$33,393 | | \$33,649 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$28,509. This increased by 17.1% to \$33,393 in 2016. By 2019, it is projected that the median household income will be \$33,649, an increase of 0.8% from 2016.

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 illustrate renter household income by household size for 2010, 2016 and 2019 for the Johnsonville Site PMA:

| Renter Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 473 | 403 | 205 | 227 | 117 | 1,425 |
| \$15,000 to \$24,999 | 147 | 111 | 56 | 63 | 30 | 407 |
| \$25,000 to \$34,999 | 105 | 94 | 47 | 53 | 29 | 328 |
| \$35,000 to \$49,999 | 78 | 89 | 45 | 49 | 27 | 288 |
| \$50,000 to \$74,999 | 39 | 47 | 24 | 26 | 12 | 148 |
| \$75,000 to \$99,999 | 7 | 8 | 4 | 4 | 0 | 23 |
| \$100,000 to \$149,999 | 2 | 3 | 1 | 1 | 0 | 7 |
| \$150,000 to \$199,999 | 5 | 5 | 1 | 2 | 0 | 13 |
| \$200,000 & Over | 3 | 3 | 1 | 2 | 0 | 9 |
| Total | 859 | 763 | 384 | 427 | 215 | 2,648 |

Source: ESRI; Urban Decision Group

| Renter Households | 2016 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 352 | 311 | 210 | 173 | 105 | 1,151 |
| \$15,000 to \$24,999 | 157 | 138 | 94 | 76 | 43 | 508 |
| \$25,000 to \$34,999 | 163 | 149 | 100 | 82 | 48 | 542 |
| \$35,000 to \$49,999 | 101 | 96 | 65 | 53 | 31 | 346 |
| \$50,000 to \$74,999 | 53 | 56 | 37 | 32 | 17 | 195 |
| \$75,000 to \$99,999 | 26 | 28 | 18 | 15 | 8 | 95 |
| \$100,000 to \$149,999 | 2 | 3 | 1 | 1 | 0 | 7 |
| \$150,000 to \$199,999 | 6 | 5 | 4 | 4 | 0 | 19 |
| \$200,000 & Over | 4 | 4 | 4 | 3 | 0 | 15 |
| Total | 864 | 790 | 533 | 439 | 252 | 2,878 |

Source: ESRI; Urban Decision Group

| Renter Households | 2019 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$15,000 | 354 | 307 | 208 | 171 | 104 | 1,145 |
| \$15,000 to \$24,999 | 145 | 130 | 87 | 72 | 41 | 475 |
| \$25,000 to \$34,999 | 167 | 154 | 104 | 85 | 50 | 560 |
| \$35,000 to \$49,999 | 94 | 89 | 61 | 51 | 27 | 323 |
| \$50,000 to \$74,999 | 56 | 56 | 38 | 31 | 17 | 198 |
| \$75,000 to \$99,999 | 29 | 30 | 19 | 16 | 9 | 102 |
| \$100,000 to \$149,999 | 1 | 1 | 0 | 0 | 0 | 3 |
| \$150,000 to \$199,999 | 16 | 15 | 11 | 8 | 5 | 55 |
| \$200,000 & Over | 11 | 11 | 8 | 7 | 4 | 40 |
| Total | 874 | 794 | 535 | 441 | 256 | 2,901 |

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Approximately one-third of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain relatively stable through 2019. Regardless, the 2,877 renter households in 2016 represent a good base of potential support in the market for the subject development. As discussed later in Section H of this report, all affordable rental housing communities surveyed in the market are 100.0% occupied, the majority of which maintain waiting lists. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard 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 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 Florence, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$53,500 for 2016. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$53,300 in 2016. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

| Household Size | Maximum Allowable Income | |
|----------------|--------------------------|----------|
| | 50% | 60% |
| One-Person | \$18,650 | \$22,380 |
| Two-Person | \$21,300 | \$25,560 |
| Three-Person | \$24,000 | \$28,800 |
| Four-Person | \$26,650 | \$31,980 |
| Five-Person | \$28,800 | \$34,560 |

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 \$28,800 for the units at 50% of AMHI and \$34,560 for the units at 60% of AMHI.

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 a family project is 35% and for a senior project is 40%.

The proposed LIHTC units will have a lowest gross rent of \$559 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,708. 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 \$19,166.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 50% and 60% of AMHI are included in the following table:

| Unit Type | Income Range | |
|-------------------------------------|--------------|----------|
| | Minimum | Maximum |
| Tax Credit (Limited To 50% Of AMHI) | \$19,166 | \$28,800 |
| Tax Credit (Limited To 60% Of AMHI) | \$20,366 | \$34,560 |
| Overall Project | \$19,166 | \$34,560 |

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 2016 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2019) using a growth rate established from a reputable source such as ESRI. 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 rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *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 gross 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.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 16.3% to 21.7% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those 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 their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2015 ACS 5-Year Estimates Table B25016, 6.7% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 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. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*

The subject project is not age-restricted, thus we have not considered elderly homeowner conversion in our demand estimates.

- 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

Please note that the Authority's stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2016 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2016 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2016 to current). We did not identify any projects that were placed in service prior to 2016 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

| Demand Component | Percent Of Median Household Income | | |
|---|------------------------------------|---------------------------------|--------------------------------|
| | 50% AMHI (\$19,166-\$28,800) | 60% AMHI (\$20,366-\$34,560) | Overall (\$19,166-\$34,560) |
| Demand From New Renter Households (Age- And Income-Appropriate) | 490 - 502 = -12 | 755 - 754 = 1 | 812 - 814 = -2 |
| + | | | |
| Demand From Existing Households (Rent Overburdened) | 502 X 21.7% = 109 | 754 X 16.3% = 122 | 814 X 19.7% = 160 |
| + | | | |
| Demand From Existing Households (Renters In Substandard Housing) | 502 X 6.7% = 34 | 754 X 6.7% = 50 | 814 X 6.7% = 54 |
| + | | | |
| Demand From Existing Households (Senior Homeowner Conversion) | N/A | N/A | N/A |
| = | | | |
| Total Demand | 131 | 173 | 212 |
| - | | | |
| Supply (Directly Comparable Units Built And/Or Funded Since 2016) | 0 | 0 | 0 |
| = | | | |
| Net Demand | 131 | 173 | 212 |
| | | | |
| Proposed Units | 8 | 29 | 37 |
| | | | |
| Proposed Units/ Net Demand | 8 / 131 | 29 / 173 | 37 / 212 |
| | | | |
| Capture Rate | = 6.1% | = 16.8% | = 17.5% |

The capture rates for units targeting households at 50% and 60% of AMHI, ranging from 6.1% to 16.8%, are considered low and easily achievable. This is especially true, considering the lack of available affordable units within the Site PMA. The overall capture rate for the subject project is also considered low and achievable at 17.5%, demonstrating that there is a significant base of income-qualified renter households that will be able to support the subject project.

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 | 15.0% |
| Two-Bedroom | 50.0% |
| Three-Bedroom | 35.0% |
| 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 illustrated in the following tables:

| Units Targeting 50% Of AMHI (131 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 (15%) | 19 | - | 19 | - | - |
| Two-Bedroom (50%) | 66 | 0 | 66 | 3 | 4.5% |
| Three-Bedroom (35%) | 46 | 0 | 46 | 5 | 10.9% |

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

| Units Targeting 60% Of AMHI (173 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 (15%) | 25 | - | 25 | - | - |
| Two-Bedroom (50%) | 87 | 0 | 87 | 10 | 11.5% |
| Three-Bedroom (35%) | 61 | 0 | 61 | 19 | 31.1% |

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

The capture rates by bedroom type and targeted income level range from 4.5% to 31.1%. These capture rates are considered low to moderate, yet achievable. This is especially true, considering that all affordable family (general-occupancy) housing alternatives surveyed in the market are 100.0% occupied, nearly all of which maintain wait lists. The subject project will provide an affordable housing alternative that is currently lacking availability within the market and will be able to accommodate a portion of this unmet demand.

Considering that the subject project will include 24 three-bedroom units, which comprise 64.9% of all subject units offered, the analysis on the following page has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

| Demand Component | Percent Of Median Household Income | | |
|--|------------------------------------|---------------------------------|--------------------------------|
| | 50% AMHI (\$23,074-\$28,800) | 60% AMHI (\$24,103-\$34,560) | Overall (\$23,074-\$34,560) |
| Demand From New Larger Renter Households (Age- And Income-Appropriate) | 130 - 128 = 2 | 247 - 239 = 8 | 268 - 261 = 7 |
| + | | | |
| Demand From Existing Households (Rent Overburdened) | 128 X 16.3% = 21 | 239 X 16.3% = 39 | 261 X 16.3% = 43 |
| + | | | |
| Demand From Existing Households (Renters In Substandard Housing) | 128 X 6.7% = 9 | 239 X 6.7% = 16 | 261 X 6.7% = 17 |
| = | | | |
| Total Large Household Demand | 32 | 63 | 67 |
| - | | | |
| Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2016) | 0 | 0 | 0 |
| = | | | |
| Net Large Household Demand | 32 | 63 | 67 |
| | | | |
| Proposed (Three-Br.+) Units | 5 | 19 | 24 |
| | | | |
| Proposed (Three-Br.+) Units/ Net Large Household Demand | 5 / 32 | 19 / 63 | 24 / 67 |
| | | | |
| Large-Household Capture Rate | = 15.6% | = 30.2% | = 35.8% |

The capture rates for the subject's three-bedroom units targeting households at 50% and 60% of AMHI, ranging from 15.6% to 30.2%, when considering larger (three-person+) household sizes, are considered low to moderate, yet achievable. This is especially true, considering the lack of available affordable three-bedroom units within the Site PMA. The overall capture rate for the subject project's three-bedroom units is also considered moderate, yet achievable at 35.8%, demonstrating that there is a sufficient base of income-qualified renter households that will be able to support such units. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs slightly from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject 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 2019 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2019. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 37 LIHTC units at the subject site will experience an average initial absorption rate of approximately eight units per month and reach a stabilized occupancy of 93.0% within approximately four months.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

We identified and surveyed two non-subsidized family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) properties within the Johnsonville Site PMA. These projects target households with incomes of up to 50% and 60% of Area Median Household Income (AMHI) and are considered competitive properties. In addition, we identified two LIHTC properties located outside of the Site PMA, but within the region in Conway that are also considered comparable to the proposed development. It should be noted that these two projects located outside of the Site PMA are not considered competitive with the proposed subject development, as they derive demographic support from a different geographical area. As such, these two LIHTC projects have been included for comparison purposes only. The four non-subsidized general-occupancy LIHTC projects within the market and region are summarized in the following table, along with the subject site:

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|------------------------------------|--------------------------|-------------|-----------|------------------|--------------|-------------------------------------|
| Site | Yorkshire at the Providence | 2018 | 37 | - | - | - | Families; 50% & 60% AMHI |
| 4 | Highland Pointe Apts. | 2015 | 48 | 100.0% | 21.8 Miles | 60 H.H. | Families; 50% & 60% AMHI |
| 11 | Palmetto Ridge Estates | 2010 | 56 | 100.0% | 21.9 Miles | 35 H.H. | Families; 50% & 60% AMHI |
| 901 | New Legacy Apts. | 1999 / 2011 | 90 | 100.0% | 35.7 Miles | 12 H.H. | Families; 50% & 60% AMHI |
| 902 | Crabtree Commons | 2008 | 48 | 100.0% | 29.0 Miles | 5 H.H. | Families; 50% & 60% AMHI |

OCC. – Occupancy

H.H. – Households

Map IDs 901 & 902 are located outside the Site PMA

The four competitive/comparable LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain waitlists. This illustrates that pent-up demand exists for additional affordable rental housing within both the market and region. The subject project will be able to accommodate a portion of this unmet demand.

The newest LIHTC property within the market, Highland Pointe Apartments (Map ID 4), opened in April 2015. This property began preleasing units in January 2015 and was 100.0% occupied upon opening, yielding an absorption rate of approximately 16 units per month. This is a very rapid rate for rental housing located within rural markets, demonstrating that new affordable product has been very well received within the Johnsonville Site PMA. This will bode very well for the demand of the subject units.

The gross rents for the competing/comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|-------------|------------------------------------|---|---|-----------------|--------------|
| | | Two-Br. | Three-Br. | Four-Br. | |
| Site | Yorkshire at the Providence | \$559/50% (3) \$594/60% (10) | \$673/50% (5) \$703/60% (19) | - | - |
| 4 | Highland Pointe Apts. | \$550/50% (16/0) \$575/60% (5/0) | \$676/50% (12/0) \$702/60% (6/0) | \$783/50% (9/0) | None |
| 11 | Palmetto Ridge Estates | \$574/50% (7/0) \$644/60% (31/0) | \$643/50% (7/0) \$713/60% (11/0) | - | None |
| 901 | New Legacy Apts. | \$674/50% (9/0) \$805/60% (33/0) | \$795/50% (9/0) \$947/60% (39/0) | - | None |
| 902 | Crabtree Commons | \$612/50% (8/0) \$732/60% (16/0) | \$727/50% (4/0) \$827/60% (20/0) | - | None |

Map IDs 901 & 902 are located outside the Site PMA

The proposed gross subject rents, ranging from \$559 to \$703, will be some of the lowest LIHTC rents targeting similar income levels within the market and region. Combined with the fact that all competitive/comparable LIHTC projects are 100.0% occupied and maintain wait lists and the subject development will be at least three years newer than the competition, this will position the subject project at a competitive advantage.

The following table identifies the competitive/comparable LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|------------------------|-------------|--------------------|-------------------|
| 4 | Highland Pointe Apts. | 48 | 3 | 6.3% |
| 11 | Palmetto Ridge Estates | 56 | 5 | 8.9% |
| 901 | New Legacy Apts. | 90 | 63 | 70.0% |
| 902 | Crabtree Commons | 48 | 8 | 16.7% |
| Total | | 242 | 79 | 32.6% |

Map IDs 901 & 902 are located outside the Site PMA

As the preceding table illustrates, there are a total of approximately 79 Voucher holders residing at the comparable properties within the market and region. This comprises 32.6% of the 242 total comparable non-subsidized LIHTC units. As such, it can be concluded that these projects are relying on some Voucher support, but that a majority of the units are occupied by households paying the quoted rents.

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



4

Highland Pointe Apts.

21.8 miles to site



Address Highland Pointe Dr.
Lake City, SC 29560

Phone (843) 374-0284 **Contact** Kim

Total Units 48 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2015 **Floors** 3

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 60 households

Ratings: **Quality** B+ **Neighborhood** B **Access/Visibility** B/B

Remarks
50% & 60% AMHI; HCV (3 units); Opened & 100% occupied 4/2015, began preleasing 1/2015; Unit mix estimated

FEATURES AND UTILITIES

Utilities Landlord pays Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Wood Flooring, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities On-site Management, Laundry Facility, Club House, Playground, Computer Lab, Picnic Area
Parking Surface Parking

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 2 | 2 | G | 5 | 0 | 1100 | \$0.37 | \$408 | 60% |
| 2 | 2 | G | 16 | 0 | 1100 | \$0.35 | \$383 | 50% |
| 3 | 2 | G | 6 | 0 | 1250 | \$0.39 | \$485 | 60% |
| 3 | 2 | G | 12 | 0 | 1250 | \$0.37 | \$459 | 50% |
| 4 | 2.5 | G | 9 | 0 | 1400 | \$0.36 | \$510 | 50% |

11 Palmetto Ridge Estates

21.9 miles to site



| | | | |
|-------------------------|---|-------------------------|------------------------------|
| Address | 889 N. Matthews Rd. Lake City, SC 29560 | | |
| Phone | (843) 374-8998 | Contact | Diana |
| Total Units | 56 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 2010 | Floors | 2, 3 |
| Concessions | No Rent Specials | | |
| Age Restrictions | NONE | | |
| Waiting List | 35 households | | |
| Ratings: | Quality B | Neighborhood B | Access/Visibility B/B |
| Remarks | 50% & 60% AMHI; HCV (5 units); HOME Funds (11 units at 50% AMHI); Square footage estimated by manager | | |

FEATURES AND UTILITIES

| | |
|--------------------------|--|
| Utilities | Landlord pays Water, Sewer, Trash |
| Unit Amenities | Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds |
| Project Amenities | On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Picnic Area |
| Parking | Surface Parking |

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|------------|----------------|------|
| 2 | 1 | G | 31 | 0 | 1042 | \$0.52 | \$545 | 60% |
| 2 | 1 | G | 7 | 0 | 1042 | \$0.46 | \$475 | 50% |
| 3 | 1 | G | 11 | 0 | 1142 | \$0.52 | \$590 | 60% |
| 3 | 1 | G | 7 | 0 | 1142 | \$0.46 | \$520 | 50% |

901 New Legacy Apts.

35.7 miles to site



| | | | |
|-------------------------|---|-------------------------|--------------------------|
| Address | 204 Legacy Way Conway, SC 29526 | | |
| Phone | (843) 347-4701 | Contact | Mary |
| Total Units | 90 | Vacancies | 0 |
| | | Percent Occupied | 100.0% |
| Project Type | Tax Credit | | |
| Year Open | 1999 | Renovated | 2011 |
| | | Floors | 3 |
| Concessions | No Rent Specials | | |
| Age Restrictions | NONE | | |
| Waiting List | 12 households | | |
| Ratings: | Quality B | Neighborhood B | Access/Visibility |
| Remarks | 50% & 60% AMHI; HCV (approx 63 units); 23 units have patio/balcony; Random units have sunroom | | |

FEATURES AND UTILITIES

| | |
|--------------------------|--|
| Utilities | Landlord pays Trash |
| Unit Amenities | Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Sunroom |
| Project Amenities | On-site Management, Laundry Facility, Meeting Room, Playground |
| Parking | Surface Parking |

UNIT CONFIGURATION

| BRs | BAAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|------|------|-------|--------|-------------|------------|----------------|------|
| 2 | 2 | G | 33 | 0 | 1080 | \$0.57 | \$620 | 60% |
| 2 | 2 | G | 9 | 0 | 1080 | \$0.45 | \$489 | 50% |
| 3 | 2 | G | 39 | 0 | 1323 | \$0.54 | \$712 | 60% |
| 3 | 2 | G | 9 | 0 | 1323 | \$0.42 | \$560 | 50% |

902 Crabtree Commons

29.0 miles to site



Address 301 El Bethel Rd.
Conway, SC 29527

Phone (843) 369-7367 **Contact** Mary

Total Units 48 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2008 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 5 households

Ratings: **Quality** A- **Neighborhood** A **Access/Visibility**

Remarks 50% & 60% AMHI; HCV (8 units)

FEATURES AND UTILITIES

Utilities Landlord pays Trash, Cable
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Picnic Area, Gazebo
Parking Surface Parking

UNIT CONFIGURATION

| BRs | BAs | TYPE | UNITS | VACANT | SQUARE FEET | \$ / SQ FT | COLLECTED RENT | AMHI |
|-----|-----|------|-------|--------|-------------|------------|----------------|------|
| 2 | 2 | G | 16 | 0 | 974 | \$0.60 | \$585 | 60% |
| 2 | 2 | G | 8 | 0 | 974 | \$0.48 | \$465 | 50% |
| 3 | 2 | G | 20 | 0 | 1190 | \$0.53 | \$630 | 60% |
| 3 | 2 | G | 4 | 0 | 1190 | \$0.45 | \$530 | 50% |

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following tables:

| Map I.D. | Project Name | Square Footage | | |
|-------------|------------------------------------|----------------|--------------|----------|
| | | Two-Br. | Three-Br. | Four-Br. |
| Site | Yorkshire at the Providence | 1,000 | 1,250 | - |
| 4 | Highland Pointe Apts. | 1,100 | 1,250 | 1,400 |
| 11 | Palmetto Ridge Estates | 1,042 | 1,142 | - |
| 901 | New Legacy Apts. | 1,080 | 1,323 | - |
| 902 | Crabtree Commons | 974 | 1,190 | - |

Map IDs 901 & 902 are located outside the Site PMA

| Map I.D. | Project Name | Number of Baths | | |
|-------------|------------------------------------|-----------------|------------|----------|
| | | Two-Br. | Three-Br. | Four-Br. |
| Site | Yorkshire at the Providence | 2.0 | 2.0 | - |
| 4 | Highland Pointe Apts. | 2.0 | 2.0 | 2.5 |
| 11 | Palmetto Ridge Estates | 1.0 | 1.0 | - |
| 901 | New Legacy Apts. | 2.0 | 2.0 | - |
| 902 | Crabtree Commons | 2.0 | 2.0 | - |

Map IDs 901 & 902 are located outside the Site PMA

The proposed development will offer unit sizes, based on square footage and number of bathrooms offered, within the range of unit sizes offered at the comparable LIHTC projects within the market and region. Given that all comparable LIHTC projects are 100.0% occupied and the fact that the subject’s unit sizes are competitively positioned, they are considered appropriate.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market and region.



COMPARABLE PROPERTIES AMENITIES - JOHNSONVILLE, 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 | E-CALL BUTTONS | PARKING | OTHER |
| SITE | X | X | | X | | X | X | | C | | X | X | X | | | | B | | S | Exterior Storage |
| 4 | X | X | | X | X | X | X | | W | | X | | X | | | | B | | S | |
| 11 | X | X | | X | X | X | X | | C | | X | X | | | | | B | | S | |
| 901 | X | X | X | X | X | X | X | | C | | X | S | X | | | | B | | S | Sunroom |
| 902 | X | X | X | X | | X | X | | C | | X | X | X | | | | B | | S | Exterior Storage |

| MAP ID | PROJECT AMENITIES | | | | | | | | | | | | | | | OTHER | | | | |
|--------|-------------------|--------------|---------|------------|-----------------|----------------|-----------------|------------|--------------|--------------|---------|----------|---------------|--------------|---------|-------|-------------|-----------------|-----------------|--------|
| | POOL | ON-SITE MGMT | LAUNDRY | CLUB HOUSE | COMMUNITY SPACE | FITNESS CENTER | JACUZZI / SAUNA | PLAYGROUND | TENNIS COURT | SPORTS COURT | STORAGE | ELEVATOR | SECURITY GATE | COMPUTER LAB | LIBRARY | | PICNIC AREA | SOCIAL SERVICES | BUSINESS CENTER | |
| SITE | | X | X | X | X | X | X | | | | | | | X | | X | | | | |
| 4 | | X | X | X | | | X | | | | | | | X | | X | | | | |
| 11 | | X | X | X | | X | X | | | | | | | | | X | | | | |
| 901 | | X | X | | X | | X | | | | | | | | | | | | | |
| 902 | | X | X | | X | X | X | | | | | | | | | X | | | | Gazebo |

| |
|--|
| ◆ Senior Restricted |
| ■ 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 |

| |
|-------------------|
| Window Treatments |
| B - Blinds |
| C - Curtains |
| D - Drapes |

| |
|--------------------|
| Parking |
| A - Attached |
| C - Carport |
| D - Detached |
| O - On Street |
| S - Surface |
| G - Parking Garage |
| (o) - Optional |
| (s) - Some |

| |
|-----------------------|
| Sports Courts |
| B - Basketball |
| D - Baseball Diamonds |
| P - Putting Green |
| T - Tennis |
| V - Volleyball |
| X - Multiple |

| |
|----------------|
| Floor Covering |
| C - Carpet |
| H - Hardwood |
| V - Vinyl |
| W - Wood |
| T - Tile |

| |
|---------------------------|
| Community Space |
| A - Activity Room |
| L - Lounge/Gathering Room |
| T - Training Room |



The amenity packages that will be included at the proposed subject development are considered to be comprehensive, offering a wide variety of both unit and project amenities. It is believed that these amenities will enable the subject project to compete well in the market. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Tax Credit project.

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 subject development will be very competitive. The subject project will be the newest LIHTC project within the market, offering some of the lowest rents and a very comprehensive amenity package. It is believed that the combination of these attributes will give the proposed subject project a competitive advantage in the market. This will likely result in a relatively rapid absorption rate for the proposed subject project.

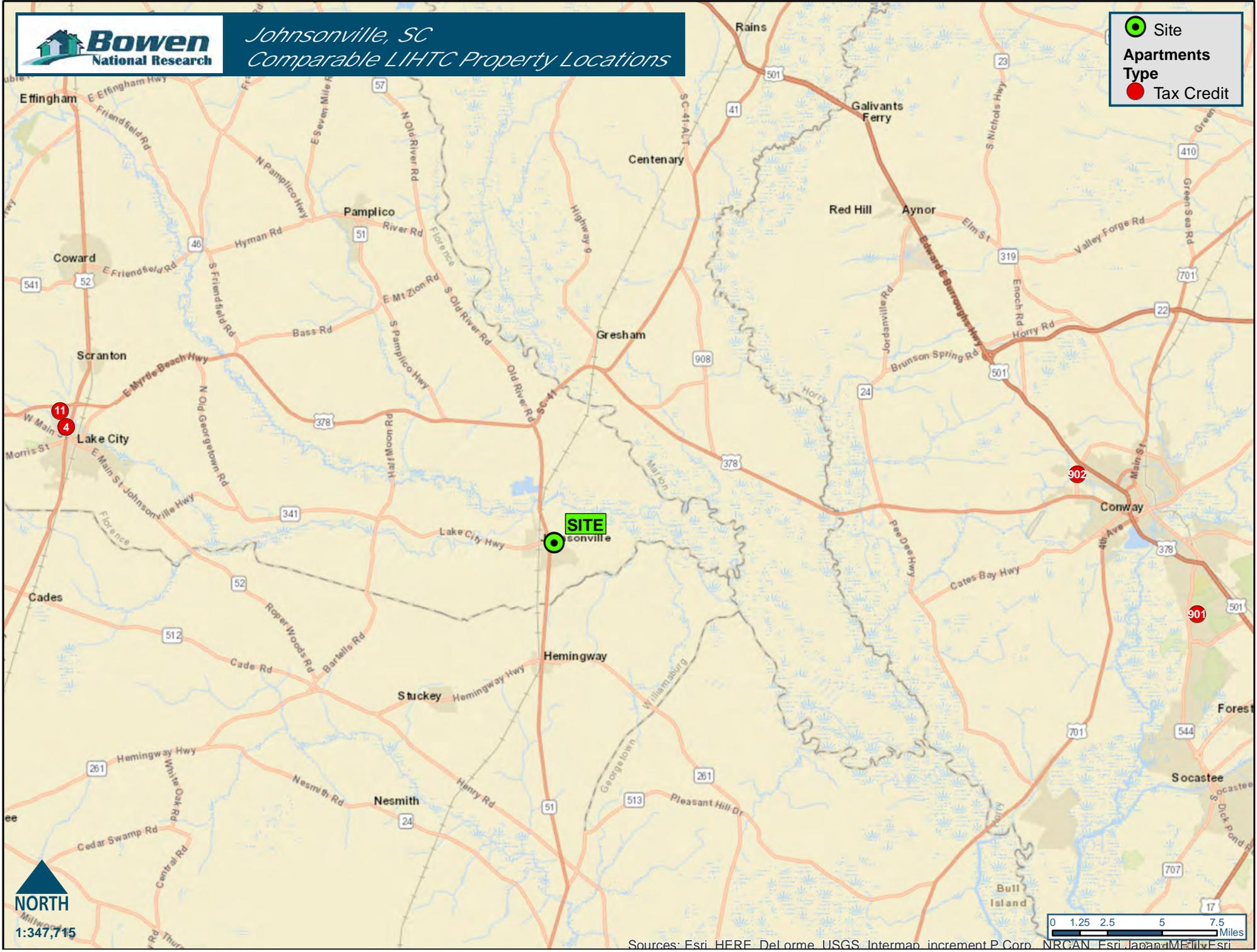
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Johnsonville, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



NORTH
1:347,715



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Johnsonville Site PMA in 2010 and 2016 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2016 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 8,365 | 86.9% | 8,544 | 87.2% |
| Owner-Occupied | 5,717 | 68.3% | 5,667 | 66.3% |
| Renter-Occupied | 2,648 | 31.7% | 2,877 | 33.7% |
| Vacant | 1,264 | 13.1% | 1,255 | 12.8% |
| Total | 9,629 | 100.0% | 9,799 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2016 update of the 2010 Census, of the 9,799 total housing units in the market, 12.8% were vacant. In 2016, it was estimated that homeowners occupied 66.3% of all occupied housing units, while the remaining 33.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Johnsonville Site PMA, and the 2,877 renter households in 2016 represent a good base of potential support in the market for the subject development.

Due to the rural nature of the market, we identified and personally surveyed only 11 conventional housing projects containing a total of 397 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, an excellent rate for rental housing. The following table summarizes project types identified in the Site PMA:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 1 | 24 | 0 | 100.0% |
| Tax Credit | 2 | 104 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 5 | 159 | 0 | 100.0% |
| Government-Subsidized | 3 | 110 | 0 | 100.0% |
| Total | 11 | 397 | 0 | 100.0% |

As noted, all rental projects surveyed within the market are 100.0% occupied, the majority of which maintain waiting lists. This illustrates that significant pent-up demand exists for all types of rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

A complete list of all properties surveyed is included in Addendum A, Field Survey of Conventional Rentals.

Non-subsidized Apartments (Region)

As already noted, the Johnsonville apartment market offers a limited range of rental product. In fact, there were only three non-subsidized (Tax Credit and market-rate) multifamily rental housing communities identified within the Site PMA. As such, it was necessary to identify and survey non-subsidized product outside of the Site PMA, but within the region in Conway and Florence. The four market-rate properties surveyed located outside the Site PMA, Reserve at Mill Creek (Map ID 903), Charles Pointe Apartments (Map ID 904), Sedgefield (Map ID 905) and Bintree Apartment Homes (Map ID 906), were built between 1980 and 2008. The two non-subsidized Tax Credit properties surveyed located outside of the Site PMA, New Legacy Apartments (Map ID 901) and Crabtree Commons (Map ID 902), were built between 1999 and 2008. The four market-rate projects comprise a total of 840 units and have a combined occupancy rate of 98.9%, while the two non-subsidized Tax Credit projects consist of 138 units and have a combined occupancy rate of 100.0%. These strong overall occupancy rates at the aforementioned properties indicate that they have been well received within the region and will serve as accurate benchmarks with which to compare to the subject project.

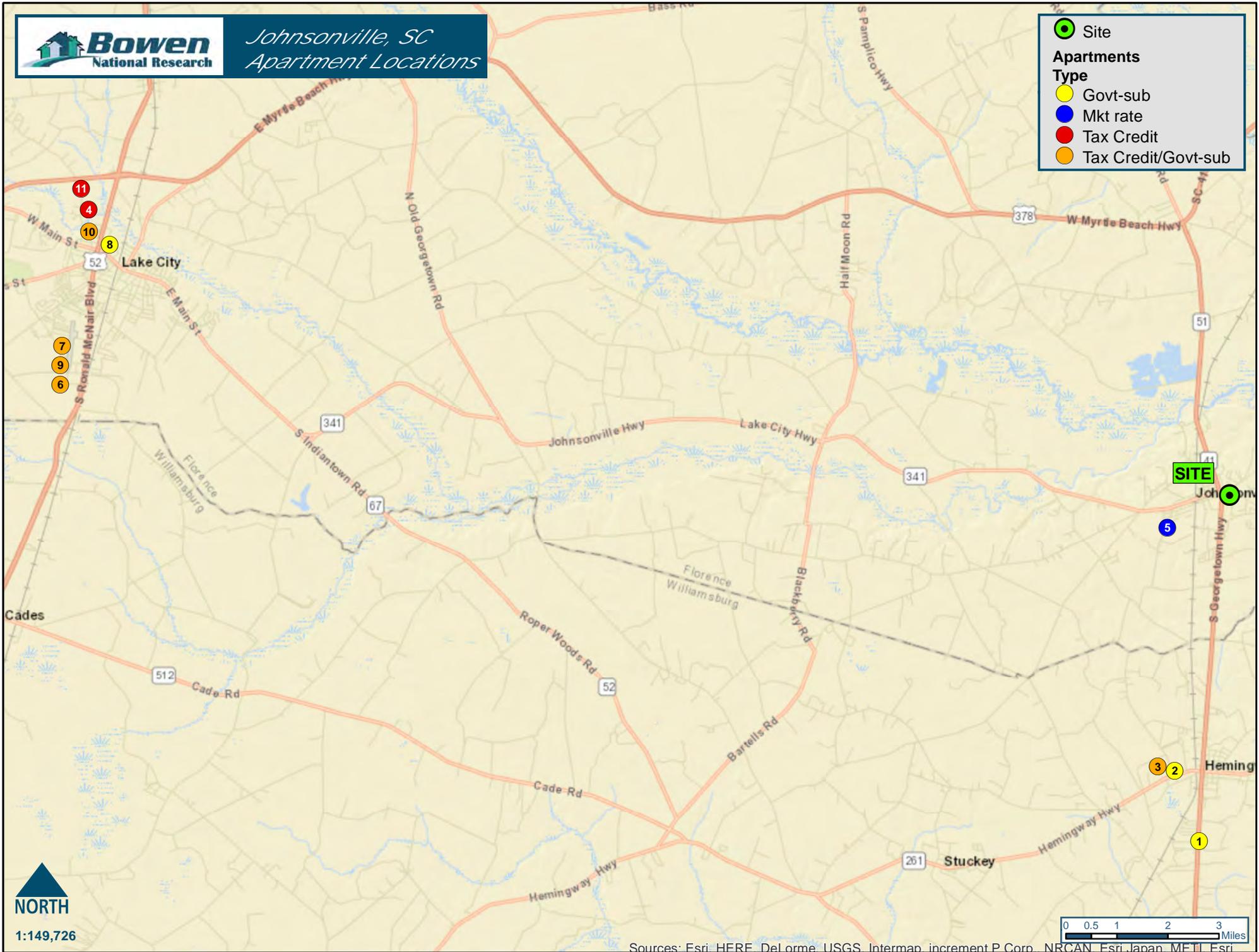
4. RENTAL HOUSING INVENTORY MAP

A map identifying the location of all properties surveyed within the Johnsonville Site PMA is on the following page.



Johnsonville, SC Apartment Locations

 Site
Apartments Type
 Govt-sub
 Mkt rate
 Tax Credit
 Tax Credit/Govt-sub



1:149,726



5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there are no rental communities within the development pipeline in the market.

7. MARKET RENT ADVANTAGE

We identified one market-rate properties within the Johnsonville Site PMA that we consider most comparable to the subject development. Given the lack of market-rate product within the Site PMA, we identified four additional market-rate properties outside of the Site PMA, but within the region in Florence that we consider comparable to the subject development based on bedroom types offered. Note, adjustments for the differences between the Florence and Johnsonville markets have been made. These selected properties are used to derive market rent for a project with characteristics similar to the 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 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, 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 fewer features are adjusted positively. For example, if the subject project does not have a washer and dryer and a selected property does, 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 subject 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 Bowen National Research in markets nationwide.

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

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | |
|-------------|------------------------------------|-------------|-------------|-----------|---------------------------|---------------|---------------|
| | | | | | One-Br. | Two-Br. | Three-Br. |
| Site | Yorkshire at the Providence | 2018 | 37 | - | - | 13 (-) | 24 (-) |
| 5 | Spring Hill Apts. | 2001 | 24 | 100.0% | 8 (100.0%) | 16 (100.0%) | - |
| 903 | Reserve at Mill Creek | 2008 | 268 | 98.9% | 122 (100.0%) | 122 (97.5%) | 24 (100.0%) |
| 904 | Charles Pointe Apts. | 2001 | 168 | 99.4% | 42 (97.6%) | 114 (100.0%) | 12 (100.0%) |
| 905 | Sedgefield | 1980 | 272 | 98.2% | 67 (98.5%) | 160 (98.1%) | 45 (97.8%) |
| 906 | Bentree Apt. Homes | 1982 | 132 | 100.0% | 36 (100.0%) | 72 (100.0%) | 24 (100.0%) |

Occ. – Occupancy

900 series Map IDs are located outside the Site PMA

The five selected market-rate projects have a combined total of 864 units with an overall occupancy rate of 99.0%, a strong rate for rental housing. This demonstrates that these comparable properties have been well received within the market and region and will serve as accurate benchmarks with which to compare to the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate 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 subject development.

Rent Comparability Grid

Unit Type →

TWO BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---|-------------------------------|--|----------|---|------|---|------|---|------|---|------|
| Yorkshire at the Providence Georgetown Highway & Chapman Drive Johnsonville, SC | | Spring Hill Apts. 263 S. Pine St. Johnsonville, SC | | Reserve at Mill Creek 2350 Freedom Blvd. Florence, SC | | Charles Pointe Apts. 201 Millstone Rd. Florence, SC | | Sedgefield 1300 Valparaiso Dr. Florence, SC | | Bentree Apt. Homes 200 Bentree Ln. Florence, SC | |
| Data on Subject | | Data | | Data | | Data | | Data | | Data | |
| A. Rents Charged | | Data | | Data | | Data | | Data | | Data | |
| 1 | \$ Last Rent / Restricted? | \$550 | | \$1,125 | | \$865 | | \$730 | | \$735 | |
| 2 | Date Surveyed | Jan-17 | | Jan-17 | | Jan-17 | | Jan-17 | | Jan-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 98% | | 100% | | 98% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$550 | 0.65 | \$1,125 | 1.00 | \$865 | 0.87 | \$730 | 0.65 | \$735 | 0.86 |
| B. Design, Location, Condition | | Data | | Data | | Data | | Data | | Data | |
| 6 | Structure / Stories | WU/2 | | WU/3 | | WU/3 | | WU/2 | | WU/2 | |
| 7 | Yr. Built/Yr. Renovated | 2018 | | 2008 | | 2001 | | 1980 | | 1982 | |
| 8 | Condition/Street Appeal | E | | E | | G | | F | | G | |
| 9 | Neighborhood | G | | E | | E | | G | | G | |
| 10 | Same Market? | Yes | | No | | No | | No | | No | |
| C. Unit Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 1.5 | |
| 13 | Unit Interior Sq. Ft. | 1000 | | 1130 | | 1000 | | 1125 | | 850 | |
| 14 | Balcony/ Patio | Y | | Y | | Y | | Y | | Y | |
| 15 | AC: Central/ Wall | C | | C | | C | | C | | C | |
| 16 | Range/ Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/ Dishwasher | Y/Y | | Y/Y | | Y/Y | | N/Y | | N/Y | |
| 18 | Washer/Dryer | HU/L | | HU/L | | HU | | HU/L | | L | |
| 19 | Floor Coverings | C | | C | | C | | C | | C | |
| 20 | Window Coverings | B | | B | | B | | B | | B | |
| 21 | Intercom/Security System | N/N | | N/N | | N/N | | N/N | | N/N | |
| 22 | Garbage Disposal | N | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fans/Exterior Storage | Y/Y | | Y/Y | | Y/Y | | Y/Y | | Y/N | |
| D Site Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Gate | N | | Y | | N | | N | | N | |
| 27 | Clubhouse/ Meeting Space | Y | | Y | | N | | N | | Y | |
| 28 | Pool/ Recreation Areas | F | | P/F | | P/F | | P/S | | P | |
| 29 | Computer/Business Center | Y | | Y | | N | | N | | N | |
| 30 | Picnic Area | Y | | Y | | Y | | Y | | N | |
| 31 | Playground | Y | | Y | | Y | | Y | | Y | |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | | Data | | Data | | Data | | Data | | Data | |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/G | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/G | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/G | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/ Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash /Recycling | Y/N | | N/N | | Y/N | | Y/N | | Y/N | |
| F. Adjustments Recap | | Pos | | Neg | | Pos | | Neg | | Pos | |
| 40 | # Adjustments B to D | 10 | | 1 | | 5 | | 5 | | 9 | |
| 41 | Sum Adjustments B to D | \$133 | | \$10 | | \$45 | | \$81 | | \$122 | |
| 42 | Sum Utility Adjustments | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$615 | | \$925 | | \$755 | | \$663 | | \$737 | |
| 45 | Adj Rent/Last rent | | 112% | | 82% | | 87% | | 91% | | 100% |
| 46 | Estimated Market Rent | \$665 | \$0.67 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type →

THREE BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---|-------------------------------|--|------------|---|------------|---|------------|---|-------------|---|------------|
| Yorkshire at the Providence Georgetown Highway & Chapman Drive Johnsonville, SC | | Spring Hill Apts. 263 S. Pine St. Johnsonville, SC | | Reserve at Mill Creek 2350 Freedom Blvd. Florence, SC | | Charles Pointe Apts. 201 Millstone Rd. Florence, SC | | Sedgefield 1300 Valparaiso Dr. Florence, SC | | Bentree Apt. Homes 200 Bentree Ln. Florence, SC | |
| Data on Subject | | Data | | Data | | Data | | Data | | Data | |
| A. Rents Charged | | Data | | Data | | Data | | Data | | Data | |
| 1 | \$ Last Rent / Restricted? | \$550 | | \$1,395 | | \$1,020 | | \$825 | | \$840 | |
| 2 | Date Surveyed | Jan-17 | | Jan-17 | | Jan-17 | | Jan-17 | | Jan-17 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | 98% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$550 | 0.65 | \$1,395 | 1.09 | \$1,020 | 0.83 | \$825 | 0.61 | \$840 | 0.76 |
| B. Design, Location, Condition | | Data | | Data | | Data | | Data | | Data | |
| 6 | Structure / Stories | WU/2 | WU/1,2 | WU/3 | WU/3 | WU/3 | WU/3 | WU/2 | WU/2 | WU/2 | WU/2 |
| 7 | Yr. Built/Yr. Renovated | 2018 | 2001 \$17 | 2008 \$10 | 2008 \$10 | 2001 \$17 | 2001 \$17 | 1980 \$38 | 1980 \$38 | 1982 \$36 | 1982 \$36 |
| 8 | Condition/Street Appeal | E | G \$15 | E | E | G \$15 | G \$15 | F \$30 | F \$30 | G \$15 | G \$15 |
| 9 | Neighborhood | G | G | E (\$10) | E (\$10) | E (\$10) | E (\$10) | G | G | G | G |
| 10 | Same Market? | | Yes | No (\$209) | No (\$209) | No (\$153) | No (\$153) | No (\$124) | No (\$124) | No (\$126) | No (\$126) |
| C. Unit Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 11 | # Bedrooms | 3 | 2 \$50 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 12 | # Baths | 2 | 1 \$30 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 13 | Unit Interior Sq. Ft. | 1250 | 850 \$80 | 1285 (\$7) | 1285 (\$7) | 1230 \$4 | 1230 \$4 | 1350 (\$20) | 1350 (\$20) | 1100 \$30 | 1100 \$30 |
| 14 | Balcony/ Patio | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 15 | AC: Central/ Wall | C | C | C | C | C | C | C | C | C | C |
| 16 | Range/ Refrigerator | R/F | R/F | R/F | R/F | R/F | R/F | R/F | R/F | R/F | R/F |
| 17 | Microwave/ Dishwasher | Y/Y | N/N \$15 | Y/Y | Y/Y | Y/Y | Y/Y | N/Y \$5 | N/Y \$5 | N/Y \$5 | N/Y \$5 |
| 18 | Washer/Dryer | HU/L | HU/L | HU/L | HU/L | HU \$5 | HU \$5 | HU/L | HU/L | HU/L | HU/L |
| 19 | Floor Coverings | C | C | C | C | C | C | C | C | C | C |
| 20 | Window Coverings | B | B | B | B | B | B | B | B | B | B |
| 21 | Intercom/Security System | N/N | N/N | N/N | N/N | N/N | N/N | N/N | N/N | N/N | N/N |
| 22 | Garbage Disposal | N | N | Y (\$5) | Y (\$5) | Y (\$5) | Y (\$5) | Y (\$5) | Y (\$5) | Y (\$5) | Y (\$5) |
| 23 | Ceiling Fans/Exterior Storage | Y/Y | N/N \$10 | Y/Y | Y/Y | Y/Y | Y/Y | Y/Y | Y/Y | Y/N \$5 | Y/N \$5 |
| D. Site Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 24 | Parking (\$ Fee) | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 | LOT/\$0 |
| 25 | On-Site Management | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 26 | Security Gate | N | N | Y (\$5) | Y (\$5) | N | N | N | N | N | N |
| 27 | Clubhouse/ Meeting Space | Y | N \$5 | Y | Y | N \$5 | N \$5 | N \$5 | N \$5 | Y | Y |
| 28 | Pool/ Recreation Areas | F | N \$5 | P/F (\$10) | P/F (\$10) | P/F (\$10) | P/F (\$10) | P/S (\$8) | P/S (\$8) | P (\$5) | P (\$5) |
| 29 | Computer/Business Center | Y | N \$3 | Y | Y | N \$3 | N \$3 | N \$3 | N \$3 | N \$3 | N \$3 |
| 30 | Picnic Area | Y | N \$3 | Y | Y | Y | Y | Y | Y | N \$3 | N \$3 |
| 31 | Playground | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 32 | Social Services | N | N | N | N | N | N | N | N | N | N |
| E. Utilities | | Data | | Data | | Data | | Data | | Data | |
| 33 | Heat (in rent?/ type) | N/E | N/E | N/E | N/E | N/E | N/E | N/E | N/E | N/G | N/G |
| 34 | Cooling (in rent?/ type) | N/E | N/E | N/E | N/E | 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 | N/E | N/E | N/G | N/G |
| 36 | Hot Water (in rent?/ type) | N/E | N/E | N/E | N/E | N/E | N/E | N/E | N/E | N/G | N/G |
| 37 | Other Electric | N | N | N | N | N | N | N | N | N | N |
| 38 | Cold Water/ Sewer | N/N | Y/Y (\$94) | N/N | N/N | N/N | N/N | N/N | N/N | N/N | N/N |
| 39 | Trash /Recycling | Y/N | Y/N | N/N \$15 | N/N \$15 | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N |
| F. Adjustments Recap | | Pos | | Neg | | Pos | | Neg | | Pos | |
| 40 | # Adjustments B to D | 11 | | 1 | | 6 | | 4 | | 7 | |
| 41 | Sum Adjustments B to D | \$233 | | \$10 (\$246) | | \$49 (\$178) | | \$81 (\$157) | | \$97 (\$136) | |
| 42 | Sum Utility Adjustments | | | (\$94) | | \$15 | | | | | |
| | | Net | | Gross | | Net | | Gross | | Net | |
| 43 | Net/ Gross Adjmts B to E | \$139 | \$327 | (\$221) | \$271 | (\$129) | \$227 | (\$76) | \$238 | (\$39) | \$233 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$689 | | \$1,174 | | \$891 | | \$749 | | \$801 | |
| 45 | Adj Rent/Last rent | | | 125% | | 84% | | 87% | | 91% | |
| 46 | Estimated Market Rent | \$750 | | \$0.60 ← Estimated Market Rent/ Sq. Ft | | | | | | | |

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

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rents for units similar to the subject development are \$665 for a two-bedroom unit and \$750 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rents for selected units:

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|-------------------------|--------|-------------------------|------------------------|-----------------------|
| Two-Br. | 50% | \$395 | \$665 | 40.60% |
| Two-Br. | 60% | \$430 | \$665 | 35.34% |
| Three-Br. | 50% | \$460 | \$750 | 38.67% |
| Three-Br. | 60% | \$490 | \$750 | 34.67% |
| Weighted Average | | | | 35.84% |

Typically, Tax Credit rents should represent market rent advantages around 10.0% in order to be considered a value in most markets. Therefore, the proposed subject rents will likely be perceived as substantial values within the Johnsonville Site PMA, as they represent market rent advantages ranging from 34.67% to 40.60%, depending upon bedroom type and targeted income level.

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 tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The comparable properties were built between 1980 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year to reflect the age of these properties.

8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have an inferior quality compared to the subject development.



9. Two of the comparable properties are considered to be in more desirable neighborhoods than the subject site's neighborhood. As a result, we made negative adjustments to reflect these differences.
10. As previously stated, four of the selected properties are located outside of the Johnsonville Site PMA in Florence. The Florence market is much larger than Johnsonville in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Johnsonville market. Therefore, we have adjusted each collected rent at these comparable projects by approximately 15.0% to account for these market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer three-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally similar to the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a comprehensive project amenities package; however, it is generally inferior to those offered at the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rates of the two competitive Tax Credit developments located within the Site PMA following stabilization of the subject property are as follows:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2018* |
|----------|------------------------|------------------------|--|
| 4 | Highland Pointe Apts. | 100.0% | 95.0%+ |
| 11 | Palmetto Ridge Estates | 100.0% | 95.0%+ |

*Anticipated year of opening at the subject project

The subject project is not expected to have a negative impact on the existing Tax Credit projects within the Site PMA, which are both 100.0% occupied and maintain extensive wait lists of between 35 and 60 households. Overall, we believe there is sufficient demographic support for all existing and proposed Tax Credit units in the market and no long-term negative impact is expected on such units should the subject project receive Tax Credit allocations and is developed as proposed in this analysis.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$78,043. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$78,043 home is \$470, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|----------|
| Median Home Price - ESRI | \$78,043 |
| Mortgaged Value = 95% of Median Home Price | \$74,141 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$376 |
| Estimated Taxes and Insurance* | \$94 |
| Estimated Monthly Mortgage Payment | \$470 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property range from \$395 to \$490 per month, depending on unit size and targeted income level. Therefore, the cost of a monthly mortgage for a typical home in the area is no more than \$75 greater than renting at the subject site, where in some cases, it is \$20 less than renting at the subject project. While some tenants may choose to purchase a home, the number of tenants who would be able to afford the down payment is considered minimal. In addition, with a median home price of \$78,043, the majority of the housing stock consists of older single-family homes that would likely require greater maintenance and corresponding costs. Further, homes at the aforementioned price point are not likely to include a comprehensive amenities package such as that offered at the proposed development. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As indicated throughout this section of the report, all rental properties surveyed within the market are 100.0% occupied, the majority of which maintain waiting lists. This illustrates that pent-up demand exists for all rental housing types within the Johnsonville Site PMA. Specifically, the two competitive LIHTC projects within the market maintain extensive wait lists of between 35 and 60 households. The subject project will provide an affordable rental housing alternative to low-income renter households that is lacking availability within the market. This will likely result in a relatively rapid absorption rate for the proposed subject project.

I. Interviews

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

- Ashley Lewis, Property Manager of Hemingway Apartments (Map ID 1), a government-subsidized community in Hemingway, stated that she has been at the property for five years and there has always been an extensive wait list. As such, Ms. Lewis believes there is a huge need for additional affordable housing within the region.
- Diane Ahmed, Property Manager of Palmetto Ridge Estates (Map ID 11), a Tax Credit development in Lake City, stated that both the Lake City and Johnsonville areas are in need of more affordable housing, particularly one- and two-bedroom apartments. Ms. Ahmed explained that there are very little options for rental housing, let alone affordable rental housing within the region.
- Lashada Linder, Property Manager of Palmetto Estates (Map ID 2), a government-subsidized community in Hemingway, stated that Johnsonville and Hemingway are such small rural towns that affordable housing is the only type of housing that makes sense for the area and that there is definitely a need for more. Ms. Linder stated that newer two-bedroom units would do well in Johnsonville and Hemingway. Ms. Linder explained that she is only aware of about two affordable properties in Johnsonville and the next closest option would be Lake City.
- According to Faye Grice, Housing Choice Voucher Coordinator with the Housing Authority of Florence, which has jurisdiction within all areas of Florence County, there is a need for more affordable housing, not only because of the length of the wait list (which has over 7,800 households), but there is only a 67% success rate to find housing. Ms. Grice also mentioned that two- and three-bedrooms are most needed. (843) 669-4163

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 37 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

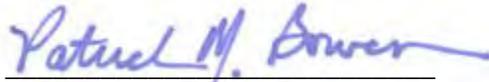
The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. In fact, the proposed rents will be some of the lowest rents compared to those offered at the comparable LIHTC projects in the market and region, providing the subject project with a competitive advantage. This is demonstrated in Section IV.

Given that both competitive LIHTC developments within the Site PMA are 100.0% occupied and maintain extensive waiting lists, the subject project will offer an affordable housing alternative to low-income households that is lacking availability in the area. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 17.5% (SC Housing threshold is 30%) of income-qualified renter households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

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

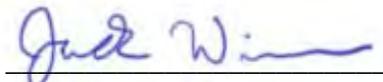
Certified:



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: February 10, 2017



Garth Semple
Market Analyst
garths@bowennational.com
Date: February 10, 2017



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: February 10, 2017

L. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. 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. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. 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.

Desireé Johnson is the Director of Operations at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Elijah Wright, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wright holds a Bachelor of Arts degree in Integrated Media from Ohio University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The 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.

1. METHODOLOGIES

Methodologies used by Bowen National 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 the 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 for the site
 - Personal observations of 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 the 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 those of the proposed development. An in-depth evaluation of these 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 and 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 the 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, the 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. This analysis follows SCSHFDA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to 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.

Please note that non-numbered items in this report are not required by SCSHFDA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

2. 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. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

3. SOURCES

Bowen National 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 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- 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
- Local housing authority representatives
- South Carolina State Housing Finance and Development Authority

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

JOHNSONVILLE, 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.

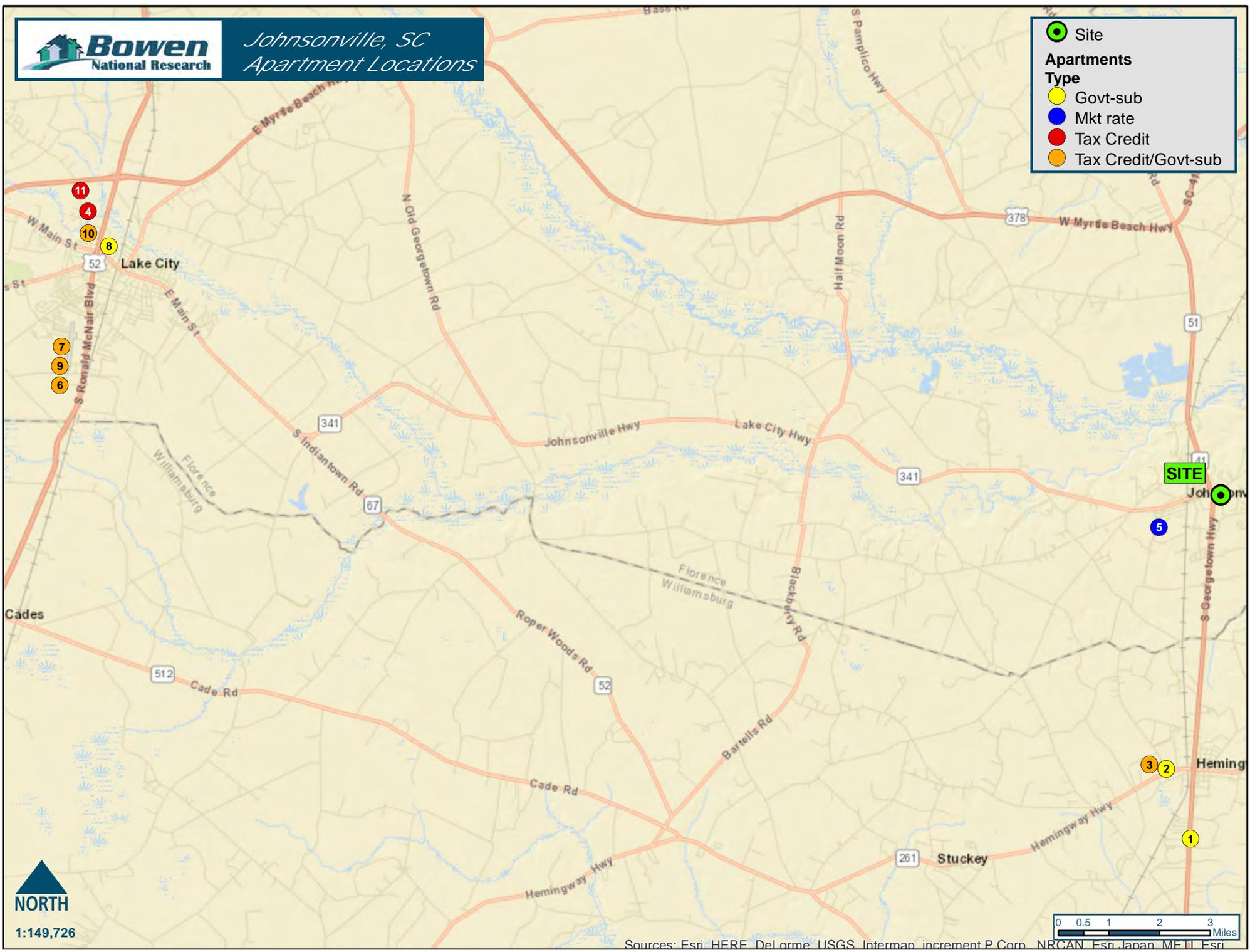


Johnsonville, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:149,726



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - JOHNSONVILLE, SOUTH CAROLINA

| MAP ID | PROJECT NAME | PROJ. TYPE | QUALITY RATING | YEAR BUILT | TOTAL UNITS | VACANT | OCC. RATE | DISTANCE TO SITE* |
|--------|------------------------|------------|----------------|------------|-------------|--------|-----------|-------------------|
| 1 | Hemingway Apts. | GSS | B- | 1983 | 48 | 0 | 100.0% | 5.8 |
| 2 | Palmetto Estates | GSS | B- | 1989 | 24 | 0 | 100.0% | 5.3 |
| 3 | Williamsburg Gardens | TGS | B | 1980 | 40 | 0 | 100.0% | 5.3 |
| 4 | Highland Pointe Apts. | TAX | B+ | 2015 | 48 | 0 | 100.0% | 21.8 |
| 5 | Spring Hill Apts. | MRR | B | 2001 | 24 | 0 | 100.0% | 1.3 |
| 6 | Bailey Gardens Apts | TGS | B | 2008 | 24 | 0 | 100.0% | 22.1 |
| 7 | Cole Road Apts. | TGS | B | 2000 | 39 | 0 | 100.0% | 22.2 |
| 8 | Lake City Apts. | GSS | B- | 1980 | 38 | 0 | 100.0% | 20.8 |
| 9 | Palmetto Frond | TGS | B | 2001 | 32 | 0 | 100.0% | 22.2 |
| 10 | Swann Lakes | TGS | B | 2000 | 24 | 0 | 100.0% | 21.2 |
| 11 | Palmetto Ridge Estates | TAX | B | 2010 | 56 | 0 | 100.0% | 21.9 |

| PROJECT TYPE | PROJECTS SURVEYED | TOTAL UNITS | VACANT | OCCUPANCY RATE | U/C |
|--------------|-------------------|-------------|--------|----------------|-----|
| MRR | 1 | 24 | 0 | 100.0% | 0 |
| TAX | 2 | 104 | 0 | 100.0% | 0 |
| TGS | 5 | 159 | 0 | 100.0% | 0 |
| GSS | 3 | 110 | 0 | 100.0% | 0 |

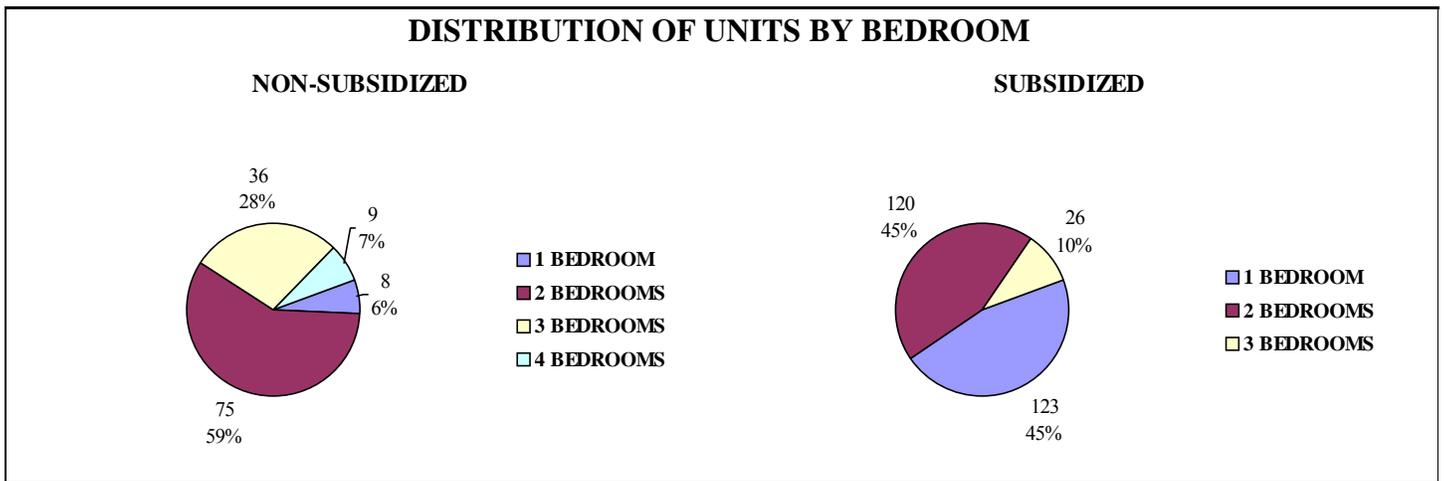
| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

* - Drive Distance (Miles)

Survey Date: January 2017

DISTRIBUTION OF UNITS - JOHNSONVILLE, SOUTH CAROLINA

| MARKET-RATE | | | | | | |
|-----------------------------------|-------|------------|---------------|----------|-------------|-------------------|
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 8 | 33.3% | 0 | 0.0% | \$592 |
| 2 | 1 | 16 | 66.7% | 0 | 0.0% | \$629 |
| TOTAL | | 24 | 100.0% | 0 | 0.0% | |
| TAX CREDIT, NON-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 2 | 1 | 38 | 36.5% | 0 | 0.0% | \$644 |
| 2 | 2 | 21 | 20.2% | 0 | 0.0% | \$550 |
| 3 | 1 | 18 | 17.3% | 0 | 0.0% | \$713 |
| 3 | 2 | 18 | 17.3% | 0 | 0.0% | \$676 |
| 4 | 2.5 | 9 | 8.7% | 0 | 0.0% | \$783 |
| TOTAL | | 104 | 100.0% | 0 | 0.0% | |
| TAX CREDIT, GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | MEDIAN GROSS RENT |
| 1 | 1 | 103 | 64.8% | 0 | 0.0% | N.A. |
| 2 | 1 | 52 | 32.7% | 0 | 0.0% | N.A. |
| 3 | 1 | 4 | 2.5% | 0 | 0.0% | N.A. |
| TOTAL | | 159 | 100.0% | 0 | 0.0% | |
| GOVERNMENT-SUBSIDIZED | | | | | | |
| BEDROOMS | BATHS | UNITS | DISTRIBUTION | VACANT | %VACANT | |
| 1 | 1 | 20 | 18.2% | 0 | 0.0% | N.A. |
| 2 | 1 | 68 | 61.8% | 0 | 0.0% | N.A. |
| 3 | 1.5 | 22 | 20.0% | 0 | 0.0% | N.A. |
| TOTAL | | 110 | 100.0% | 0 | 0.0% | |
| GRAND TOTAL | | 397 | - | 0 | 0.0% | |



SURVEY OF PROPERTIES - JOHNSONVILLE, SOUTH CAROLINA

| 1 Hemingway Apts. | | | |
|--|---|--|--|
|  | Address 8 Daisy Ln. Hemingway, SC 29554 | Phone (843) 558-9782 (Contact in person) | Total Units 48 |
| | Year Built 1983 Comments HUD Section 8; Square footage estimated | Contact Ashley | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 6-36 months |
| 2 Palmetto Estates | | | |
|  | Address 5 Palmetto Estates Hemingway, SC 29554 | Phone (843) 558-5479 (Contact in person) | Total Units 24 |
| | Year Built 1989 Comments RD 515, has RA (10 units); HCV (2 units); Square footage estimated | Contact Lashada | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 5 households |
| 3 Williamsburg Gardens | | | |
|  | Address 16 Williamsburg Gardens Hemingway, SC 29554 | Phone (843) 558-3641 (Contact in person) | Total Units 40 |
| | Year Built 1980 Renovated 1993 Comments 60% AMHI; RD 515, has RA (40 units); Year built & square footage estimated by mgr. | Contact Ashley | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (55+) Waiting List 10 households |
| 4 Highland Pointe Apts. | | | |
|  | Address Highland Pointe Dr. Lake City, SC 29560 | Phone (843) 374-0284 (Contact in person) | Total Units 48 |
| | Year Built 2015 Comments 50% & 60% AMHI; HCV (3 units); Opened & 100% occupied 4/2015, began preleasing 1/2015; Unit mix estimated | Contact Kim | Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B+ Waiting List 60 households |
| 5 Spring Hill Apts. | | | |
|  | Address 263 S. Pine St. Johnsonville, SC 29555 | Phone (843) 386-3533 (Contact in person) | Total Units 24 |
| | Year Built 2001 Comments HCV (1 unit) | Contact Ashley | Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B Waiting List 7 households |

Project Type

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

Survey Date: January 2017

SURVEY OF PROPERTIES - JOHNSONVILLE, SOUTH CAROLINA

| 6 Bailey Gardens Apts | | | |
|--|---|--|---|
|  | Address 258 Retha St. Lake City, SC 29560 | Phone (843) 374-9989 (Contact in person) | Total Units 24 |
| | Year Built 2008 Comments 60% AMHI; RD 515, has RA (24 units); Square footage estimated | Contact Claire | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List None |
| 7 Cole Road Apts. | | | |
|  | Address 324 Koger Cir. Lake City, SC 29560 | Phone (843) 394-0951 (Contact in person) | Total Units 39 |
| | Year Built 2000 Comments 60% AMHI; RD 515, has RA (39 units); Year built & square footage estimated | Contact Latasha | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 20 households |
| 8 Lake City Apts. | | | |
|  | Address 220 Kelly St. Lake City, SC 29560 | Phone (843) 394-2688 (Contact in person) | Total Units 38 |
| | Year Built 1980 Comments RD 515, no RA; HCV (5 units); 3-br have patio storage | Contact Jamie | Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 48 households |
| 9 Palmetto Frond | | | |
|  | Address 304 Frond Cir. Lake City, SC 29560 | Phone (843) 394-9100 (Contact in person) | Total Units 32 |
| | Year Built 2001 Comments 50% & 60% AMHI; RD 515, has RA (32 units); Square footage estimated | Contact Ronnie | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 54 households |
| 10 Swann Lakes | | | |
|  | Address 212 Peggy Ct. Lake City, SC 29560 | Phone (843) 374-0345 (Contact in person) | Total Units 24 |
| | Year Built 2000 Comments 50% & 60% AMHI; RD 515, has RA (24 units); Select units have patio or balcony; Square footage estimated | Contact Claire | Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List None |

Project Type

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

Survey Date: January 2017

SURVEY OF PROPERTIES - JOHNSONVILLE, SOUTH CAROLINA

| 11 Palmetto Ridge Estates | | | |
|--|--|--|--|
|  | Address 889 N. Matthews Rd. Lake City, SC 29560 Year Built 2010 Comments 50% & 60% AMHI; HCV (5 units); HOME Funds (11 units at 50% AMHI); Square footage estimated by manager | Phone (843) 374-8998 (Contact in person) Contact Diana | Total Units 56 Vacancies 0 Occupied 100.0% Floors 2, 3 Quality Rating B Waiting List 35 households |

Project Type

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

Survey Date: January 2017

COLLECTED RENTS - JOHNSONVILLE, 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 |
| 4 | | | \$383 to \$408 | \$459 to \$485 | \$510 | | | | |
| 5 | | \$535 | \$550 | | | | | | |
| 11 | | | \$475 to \$545 | \$520 to \$590 | | | | | |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017

PRICE PER SQUARE FOOT - JOHNSONVILLE, SOUTH CAROLINA

| ONE-BEDROOM UNITS | | | | | |
|---------------------|------------------------|-------|-----------|----------------|------------------|
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 5 | Spring Hill Apts. | 1 | 650 | \$592 | \$0.91 |
| TWO-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 5 | Spring Hill Apts. | 1 | 850 | \$629 | \$0.74 |
| 4 | Highland Pointe Apts. | 2 | 1100 | \$550 to \$575 | \$0.50 to \$0.52 |
| 11 | Palmetto Ridge Estates | 1 | 1042 | \$574 to \$644 | \$0.55 to \$0.62 |
| THREE-BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | Highland Pointe Apts. | 2 | 1250 | \$676 to \$702 | \$0.54 to \$0.56 |
| 11 | Palmetto Ridge Estates | 1 | 1142 | \$643 to \$713 | \$0.56 to \$0.62 |
| FOUR+ BEDROOM UNITS | | | | | |
| MAP ID | PROJECT NAME | BATHS | UNIT SIZE | GROSS RENT | \$ / SQ. FT. |
| 4 | Highland Pointe Apts. | 2.5 | 1400 | \$783 | \$0.56 |

| | |
|---|--|
| ◆ | Senior Restricted |
| ■ | Market-rate |
| ■ | Market-rate/Tax Credit |
| ■ | Market-rate/Government-subsidized |
| ■ | Market-rate/Tax Credit/Government-subsidized |
| ■ | Tax Credit |
| ■ | Tax Credit/Government-subsidized |
| ■ | Government-subsidized |

Survey Date: January 2017

AVERAGE GROSS RENT PER SQUARE FOOT - JOHNSONVILLE, SOUTH CAROLINA

| MARKET-RATE | | | |
|--------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.91 | \$0.74 | \$0.00 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

| TAX CREDIT (NON-SUBSIDIZED) | | | |
|------------------------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.00 | \$0.57 | \$0.57 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

| COMBINED | | | |
|------------------|---------------|---------------|-----------------|
| UNIT TYPE | ONE-BR | TWO-BR | THREE-BR |
| GARDEN | \$0.91 | \$0.61 | \$0.57 |
| TOWNHOUSE | \$0.00 | \$0.00 | \$0.00 |

TAX CREDIT UNITS - JOHNSONVILLE, SOUTH CAROLINA

| ONE-BEDROOM UNITS | | | | | | |
|---------------------|------------------------|-------|-------------|------------|--------|----------------|
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 9 | Palmetto Frond | 7 | 650 | 1 | 50% | \$456 - \$546 |
| 9 | Palmetto Frond | 1 | 650 | 1 | 60% | \$456 - \$546 |
| 7 | Cole Road Apts. | 11 | 675 | 1 | 60% | \$470 - \$609 |
| ◆ 3 | Williamsburg Gardens | 36 | 600 | 1 | 60% | \$505 - \$706 |
| ◆ 10 | Swann Lakes | 12 | 600 | 1 | 50% | \$578 - \$604 |
| ◆ 10 | Swann Lakes | 12 | 800 | 1 | 60% | \$578 - \$604 |
| ◆ 6 | Bailey Gardens Apts | 24 | 550 | 1 | 60% | \$628 - \$681 |
| TWO-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 4 | Highland Pointe Apts. | 16 | 1100 | 2 | 50% | \$383 |
| 4 | Highland Pointe Apts. | 5 | 1100 | 2 | 60% | \$408 |
| 11 | Palmetto Ridge Estates | 7 | 1042 | 1 | 50% | \$475 |
| 9 | Palmetto Frond | 19 | 850 | 1 | 50% | \$481 - \$571 |
| 9 | Palmetto Frond | 5 | 850 | 1 | 60% | \$481 - \$571 |
| 7 | Cole Road Apts. | 24 | 750 | 1 | 60% | \$491 - \$630 |
| ◆ 3 | Williamsburg Gardens | 4 | 800 | 1 | 60% | \$515 - \$727 |
| 11 | Palmetto Ridge Estates | 31 | 1042 | 1 | 60% | \$545 |
| THREE-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 4 | Highland Pointe Apts. | 12 | 1250 | 2 | 50% | \$459 |
| 4 | Highland Pointe Apts. | 6 | 1250 | 2 | 60% | \$485 |
| 7 | Cole Road Apts. | 4 | 800 | 1 | 60% | \$508 - \$647 |
| 11 | Palmetto Ridge Estates | 7 | 1142 | 1 | 50% | \$520 |
| 11 | Palmetto Ridge Estates | 11 | 1142 | 1 | 60% | \$590 |
| FOUR-BEDROOM UNITS | | | | | | |
| MAP ID | PROJECT NAME | UNITS | SQUARE FEET | # OF BATHS | % AMHI | COLLECTED RENT |
| 4 | Highland Pointe Apts. | 9 | 1400 | 2.5 | 50% | \$510 |

◆ - Senior Restricted

QUALITY RATING - JOHNSONVILLE, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

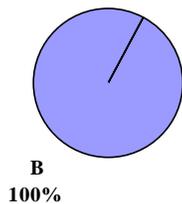
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B | 1 | 24 | 0.0% | | \$592 | \$629 | | |

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

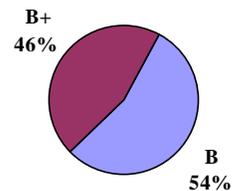
| QUALITY RATING | PROJECTS | TOTAL UNITS | VACANCY RATE | MEDIAN GROSS RENT | | | | |
|----------------|----------|-------------|--------------|-------------------|--------|--------|----------|---------|
| | | | | STUDIOS | ONE-BR | TWO-BR | THREE-BR | FOUR-BR |
| B+ | 1 | 48 | 0.0% | | | \$550 | \$676 | \$783 |
| B | 1 | 56 | 0.0% | | | \$644 | \$713 | |

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - JOHNSONVILLE, SOUTH CAROLINA *

| YEAR RANGE | PROJECTS | UNITS | VACANT | % VACANT | TOTAL UNITS | DISTRIBUTION |
|--------------|----------|------------|----------|-------------|-------------|----------------|
| Before 1970 | 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 1999 | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| 2000 to 2005 | 1 | 24 | 0 | 0.0% | 24 | 18.8% |
| 2006 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2007 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2008 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2009 | 0 | 0 | 0 | 0.0% | 24 | 0.0% |
| 2010 | 1 | 56 | 0 | 0.0% | 80 | 43.8% |
| 2011 | 0 | 0 | 0 | 0.0% | 80 | 0.0% |
| 2012 | 0 | 0 | 0 | 0.0% | 80 | 0.0% |
| 2013 | 0 | 0 | 0 | 0.0% | 80 | 0.0% |
| 2014 | 0 | 0 | 0 | 0.0% | 80 | 0.0% |
| 2015 | 1 | 48 | 0 | 0.0% | 128 | 37.5% |
| 2016** | 0 | 0 | 0 | 0.0% | 128 | 0.0% |
| TOTAL | 3 | 128 | 0 | 0.0% | 128 | 100.0 % |

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

** As of January 2017

Survey Date: January 2017

A-14



APPLIANCES AND UNIT AMENITIES - JOHNSONVILLE, SOUTH CAROLINA

| APPLIANCES | | | |
|-----------------------|-----------------|----------------|---------------|
| APPLIANCE | PROJECTS | PERCENT | UNITS* |
| RANGE | 3 | 100.0% | 128 |
| REFRIGERATOR | 3 | 100.0% | 128 |
| ICEMAKER | 0 | 0.0% | |
| DISHWASHER | 2 | 66.7% | 104 |
| DISPOSAL | 2 | 66.7% | 104 |
| MICROWAVE | 2 | 66.7% | 104 |
| UNIT AMENITIES | | | |
| AMENITY | PROJECTS | PERCENT | UNITS* |
| AC - CENTRAL | 3 | 100.0% | 128 |
| AC - WINDOW | 0 | 0.0% | |
| FLOOR COVERING | 3 | 100.0% | 128 |
| WASHER/DRYER | 0 | 0.0% | |
| WASHER/DRYER HOOK-UP | 3 | 100.0% | 128 |
| PATIO/DECK/BALCONY | 2 | 66.7% | 80 |
| CEILING FAN | 1 | 33.3% | 48 |
| FIREPLACE | 0 | 0.0% | |
| BASEMENT | 0 | 0.0% | |
| INTERCOM SYSTEM | 0 | 0.0% | |
| SECURITY SYSTEM | 0 | 0.0% | |
| WINDOW TREATMENTS | 3 | 100.0% | 128 |
| 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.

PROJECT AMENITIES - JOHNSONVILLE, SOUTH CAROLINA

| PROJECT AMENITIES | | | |
|------------------------|----------|---------|-------|
| AMENITY | PROJECTS | PERCENT | UNITS |
| POOL | 0 | 0.0% | |
| ON-SITE MANAGEMENT | 3 | 100.0% | 128 |
| LAUNDRY | 3 | 100.0% | 128 |
| CLUB HOUSE | 2 | 66.7% | 104 |
| MEETING ROOM | 0 | 0.0% | |
| FITNESS CENTER | 1 | 33.3% | 56 |
| JACUZZI/SAUNA | 0 | 0.0% | |
| PLAYGROUND | 3 | 100.0% | 128 |
| COMPUTER LAB | 1 | 33.3% | 48 |
| SPORTS COURT | 0 | 0.0% | |
| STORAGE | 0 | 0.0% | |
| LAKE | 0 | 0.0% | |
| ELEVATOR | 0 | 0.0% | |
| SECURITY GATE | 0 | 0.0% | |
| BUSINESS CENTER | 0 | 0.0% | |
| CAR WASH AREA | 0 | 0.0% | |
| PICNIC AREA | 2 | 66.7% | 104 |
| CONCIERGE SERVICE | 0 | 0.0% | |
| SOCIAL SERVICE PACKAGE | 0 | 0.0% | |

DISTRIBUTION OF UTILITIES - JOHNSONVILLE, SOUTH CAROLINA

| UTILITY (RESPONSIBILITY) | NUMBER OF PROJECTS | NUMBER OF UNITS | DISTRIBUTION OF UNITS |
|--------------------------|--------------------|-----------------|-----------------------|
| HEAT | | | |
| TENANT | | | |
| ELECTRIC | 11 | 397 | 100.0% |
| | | | 100.0% |
| COOKING FUEL | | | |
| TENANT | | | |
| ELECTRIC | 11 | 397 | 100.0% |
| | | | 100.0% |
| HOT WATER | | | |
| TENANT | | | |
| ELECTRIC | 11 | 397 | 100.0% |
| | | | 100.0% |
| ELECTRIC | | | |
| TENANT | 11 | 397 | 100.0% |
| | | | 100.0% |
| WATER | | | |
| LANDLORD | 6 | 216 | 54.4% |
| TENANT | 5 | 181 | 45.6% |
| | | | 100.0% |
| SEWER | | | |
| LANDLORD | 6 | 216 | 54.4% |
| TENANT | 5 | 181 | 45.6% |
| TRASH PICK-UP | | | |
| LANDLORD | 10 | 358 | 90.2% |
| TENANT | 1 | 39 | 9.8% |
| | | | 100.0% |

UTILITY ALLOWANCE - JOHNSONVILLE, SOUTH CAROLINA

| BR | UNIT TYPE | HEATING | | | | HOT WATER | | COOKING | | ELEC | WATER | SEWER | TRASH | CABLE |
|----|-----------|---------|------|-------|-------|-----------|------|---------|------|------|-------|-------|-------|-------|
| | | GAS | ELEC | STEAM | OTHER | GAS | ELEC | GAS | ELEC | | | | | |
| 0 | GARDEN | \$30 | \$11 | | \$9 | \$8 | \$11 | \$4 | \$5 | \$40 | \$22 | \$25 | \$15 | \$20 |
| 1 | GARDEN | \$34 | \$13 | | \$11 | \$10 | \$13 | \$4 | \$6 | \$45 | \$23 | \$27 | \$15 | \$20 |
| 1 | TOWNHOUSE | \$34 | \$13 | | \$11 | \$10 | \$13 | \$4 | \$6 | \$45 | \$23 | \$27 | \$15 | \$20 |
| 2 | GARDEN | \$36 | \$16 | | \$13 | \$14 | \$16 | \$6 | \$8 | \$59 | \$31 | \$37 | \$15 | \$20 |
| 2 | TOWNHOUSE | \$36 | \$16 | | \$13 | \$14 | \$16 | \$6 | \$8 | \$59 | \$31 | \$37 | \$15 | \$20 |
| 3 | GARDEN | \$39 | \$19 | | \$15 | \$18 | \$20 | \$8 | \$11 | \$73 | \$42 | \$52 | \$15 | \$20 |
| 3 | TOWNHOUSE | \$39 | \$19 | | \$15 | \$18 | \$20 | \$8 | \$11 | \$73 | \$42 | \$52 | \$15 | \$20 |
| 4 | GARDEN | \$42 | \$23 | | \$16 | \$23 | \$24 | \$10 | \$16 | \$88 | \$54 | \$68 | \$15 | \$20 |
| 4 | TOWNHOUSE | \$42 | \$23 | | \$16 | \$23 | \$24 | \$10 | \$13 | \$88 | \$54 | \$68 | \$15 | \$20 |

SC-Midlands Region (1/2017) Fees

Survey Date: January 2017

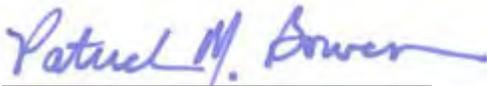


Addendum B – Member Certification & Checklist

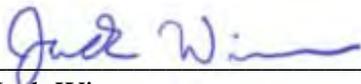
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for 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 Housing Market Analysts.

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

Certified:



Patrick M. Bowen
President
patrickb@bowennational.com
Date: February 10, 2017



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: February 10, 2017

Note: Information on the National Council of 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 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 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

| | | Section (s) |
|---------------------------------|---|-------------|
| Executive Summary | | |
| 1. | Executive Summary (Exhibit S-2) | 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 | H |
| 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)

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