



A MARKET FEASIBILITY STUDY OF

Located At

HARTSVILLE CROSSING VILLAGE Driver Avenue south of Hartsville Crossing Boulevard Hartsville, Darlington County, South Carolina 29550

Effective Date: January 24, 2017

Report Date: May 5, 2017

Prepared For

**Mr. Josh Thomason
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Prepared By

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**NOVOGRADAC
& COMPANY** LLP[®]
CERTIFIED PUBLIC ACCOUNTANTS

May 5, 2017

Mr. Josh Thomason
Piedmont Housing Group, LLC
80 W. Wieuca Rd., NE
Suite 204
Atlanta, GA 30342

Re: Market Study for Hartsville Crossing Village, Hartsville, South Carolina

Dear Mr. Thomason:

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

The purpose of this market study is to assess the viability of Hartsville Crossing Village, a proposed family apartment development consisting of 41 units. The property will offer 40 affordable rental units restricted to households earning 50 and 60 percent or less of the Area Median Gross Income (AMI), and five units at market rates. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

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

Piedmont Housing Group, LLC.
Hartsville Crossing Village
May 5, 2017
Cover Letter Page 2

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

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Hartsville Crossing Village, the Subject, is a proposed 41-unit apartment community for families that will offer 40 units restricted to households earning 50 and 60 percent of the AMI, or less, and one market-rate unit.

Targeted Tenancy: Families.

Proposed Rents, Unit Mix, and Utility Allowance: The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
			<i>50% AMI</i>			
Studio				\$0		
1BR	2	\$360	\$139	\$499	\$499	\$546
2BR	5	\$416	\$184	\$600	\$600	\$632
3BR	2	\$456	\$237	\$693	\$693	\$864
			<i>60% AMI</i>			
1BR	5	\$460	\$139	\$599	\$599	\$546
2BR	18	\$536	\$184	\$720	\$720	\$632
3BR	8	\$594	\$237	\$831	\$831	\$864
			<i>Market</i>			
2BR	<u>1</u>	\$696	\$0	\$696	N/A	\$632
Total	41					

Notes (1) Utility allowance provided by the developer.

Market Vacancy The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY ALL PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	@50%, @60%	40	0	0.0%
Hartsville Garden Apartments	@50%, @50% (HOME), @60%	72	1	1.4%
Middletown Apartments	@50%, @60%	40	1	2.5%
Pecan Grove Apartments	@50%, @50% (HOME), @60%	32	1	3.1%
Charles Pointe*	Market	168	0	0.0%
Columns At Millstone*	Market	60	2	3.3%
Somerset Acres*	Market	192	14	7.3%
The Reserve At Mill Creek*	Market	268	2	0.7%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total in PMA		184	3	1.6%
Total		992	23	2.3%

*Units at properties outside the PMA

OVERALL VACANCY LIHTC PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	@50%, @60%	40	0	0.0%
Hartsville Garden Apartments	@50%, @50% (HOME), @60%	72	1	1.4%
Middletown Apartments	@50%, @60%	40	1	2.5%
Pecan Grove Apartments	@50%, @50% (HOME), @60%	<u>32</u>	<u>1</u>	<u>3.1%</u>
Total in PMA		184	3	1.6%

OVERALL VACANCY MARKET RATE PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Charles Pointe*	Market	168	0	0.0%
Columns At Millstone*	Market	60	2	3.3%
Somerset Acres*	Market	192	14	7.3%
The Reserve At Mill Creek*	Market	268	2	0.7%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total		808	20	2.5%

*Units at properties outside the PMA

Overall vacancy in the PMA among the four comparables is low at 1.6 percent, and among all nine comparables the vacancy rate is 2.3 percent. The four surveyed comparable LIHTC properties from inside the PMA have a 1.6 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing.

Among the market rate properties, vacancy is also very low at 2.5 percent, indicating very strong support for conventional apartments. Of note, none of the market rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 7.3 percent. The market rate property reporting the highest vacancy, Somerset Acres, reported that several families with six-month leases have recently moved out of the property into single family homes. She expected vacancy to return to levels below five percent within the next few months.

Overall, the local rental market appears to be healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	182	0	182	2	1.1%
1BR at 60% AMI	189	0	189	5	2.6%
2BR at 50% AMI	161	0	161	5	3.1%
2BR at 60% AMI	167	0	167	18	10.8%
2BR Market	209	0	209	1	0.5%
3BR at 50% AMI	79	0	79	2	2.5%
3BR at 60% AMI	82	0	82	8	9.8%
Overall at 50% AMI	422	0	422	9	2.1%
Overall at 60% AMI	438	0	438	31	7.1%
Overall Market	<u>209</u>	<u>0</u>	<u>209</u>	<u>1</u>	<u>0.5%</u>
Overall Affordable	634	0	634	40	6.3%

As the analysis illustrates, the Subject’s capture rates vary from 0.5 to 10.8 percent with an overall capture rate of 6.3 percent. The Subject’s overall capture rates are all well within SCSHFDA guidelines, and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period:

None of the LIHTC comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Bennettsville, South Carolina just beyond the PMA. These are detailed in the table below.

ABSORPTION AT RECENT LIHTC PROPERTIES

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed Per Month
McGowan Commons	LIHTC	Family	2012	36	12
Palmetto Station Apartments	LIHTC	Family	2014	48	24
				Average	18

On average, these properties reported an absorption rate of 18 units per month. With the stable demographic base of moderate income families in the PMA, and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. The LIHTC comparables report few vacancies and maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number income-qualified households, we believe that the Subject could absorb

approximately 18 units per month upon opening. This equals an absorption period of two to three months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

Market Conclusions:

Overall vacancy in the local market is very low at 2.3 percent among all nine surveyed properties and among the four comparable properties surveyed in the PMA. The Hartsville area appears underserved by affordable housing.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable, and they are more than 44 percent on average below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 6.3 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 0.5 to 10.8 percent, which are all considered achievable in the PMA. The Subject site is located within 1.0 mile of most community services and facilities that tenants would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables. The developer's LIHTC rents represent greater than a 44.1 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in PMA:

The comparable LIHTC units have a 1.6 percent vacancy rate and all the LIHTC comparables maintain waiting lists. There are four LIHTC properties we surveyed in the PMA. With few LIHTC units in the PMA and a growing moderate income household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

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

Development Name: Hartsville Crossing Village Total # Units: 41
 Location: Driver Avenue, south of Hartsville Crossing Boulevard # LIHTC Units: 40

 PMA Boundary: East: Great Pee Dee River; West: Darlington County line; South: Interstate 20 and Darlington County line; North: Highway 1
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 23 miles

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	992	23	97.7%
Market-Rate Housing	5	808	20	97.5%
Assisted/Subsidized Housing not to include LIHTC	2	143	0	100.0%
LIHTC (All that are stabilized)*	4	184	3	98.4%
Stabilized Comps**	8	800	9	98.9%
Non-stabilized Comps	1	192	14	92.7%

* 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
2	1	1	750	\$360	\$880	\$1.17	59.09%	\$895	\$1.14
5	2	2	950	\$416	\$900	\$0.95	53.78%	\$1,125	\$1.00
2	3	2	1,100	\$456	\$1,000	\$0.91	54.40%	\$1,395	\$1.09
5	1	1	750	\$460	\$880	\$1.17	47.73%	\$895	\$1.14
18	2	2	950	\$536	\$900	\$0.95	40.44%	\$1,125	\$1.00
8	3	2	1,100	\$594	\$1,000	\$0.91	40.60%	\$1,395	\$1.09
1	2	2	950	\$696	\$900	\$0.95	22.67%	\$1,125	\$1.00
Gross Potential Rent Monthly*				\$21,108	\$37,760		44.10%		

*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 30)

	2010		2016		2019	
Renter Households	7,387	28.0%	7,937	29.8%	7,923	29.7%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	2,610	32.9%	2,606	32.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	1,992	25.1%	1,989	25.1%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market- rate	Other: __	Other: __	Overall Affordable
Renter Household Growth	-2	-2	-3			-3
Existing Households (Overburd + Substand)	458	483	603			699
Homeowner conversion (Seniors)	0	0	0			0
Other:						
Less Comparable/Competitive Supply	0	0	0			0
Net Income-qualified Renter HHs	458	483	603			699

CAPTURE RATES (found on page 53)

Targeted Population	50%	60%	Market- rate	Other: __	Other: __	Overall
Capture Rate	2.1%	7.1%	0.5%			6.3%

ABSORPTION RATE (found on page 54)

Absorption Period 3 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1 BR	\$360	\$720	\$880	\$1,760	59.09%
5	1 BR	\$460	\$2,300	\$880	\$4,400	47.73%
1	2 BR	\$696	\$696	\$900	\$900	22.67%
5	2 BR	\$416	\$2,080	\$900	\$4,500	53.78%
18	2 BR	\$536	\$9,648	\$900	\$16,200	40.44%
2	3 BR	\$456	\$912	\$1,000	\$2,000	54.40%
8	<u>3 BR</u>	\$594	\$4,752	\$1,000	\$8,000	40.60%
Totals	41		\$21,108		\$37,760	44.10%

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location:	The Subject site is located on Driver Avenue, just south of Hartsville Crossing Boulevard in Hartsville, Darlington County, South Carolina.
Construction Type	The Subject will involve the new construction of 41 units in three two-story buildings.
Occupancy Type:	Families.
Target Income Group:	The Subject will target households with incomes of 50 and 60 percent AMI, or less. The Subject’s market-rate unit will be open to households earning more than 50 or 60 percent AMI.
Special Population Target:	None.
Number of Units by Unit Type:	The Subject will include seven one-bedroom units, 24 two-bedroom units, and 10 three-bedroom units.
Number of Buildings And Stories:	The Subject will be constructed in three two-story buildings and a separate community building.
Unit Size:	One-bedroom units will be 750 square feet, two-bedroom units will be 950 square feet, and three-bedroom units will be 1,100 square feet.
Structure Type/Design:	The Subject will offer three two-story garden-style buildings.
Proposed Rents and Utility Allowance:	The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC	HUD Fair
					Maximum Allowable Gross Rent	Market Rents
<i>50% AMI</i>						
Studio				\$0		
1BR	2	\$360	\$139	\$499	\$499	\$546
2BR	5	\$416	\$184	\$600	\$600	\$632
3BR	2	\$456	\$237	\$693	\$693	\$864
<i>60% AMI</i>						
1BR	5	\$460	\$139	\$599	\$599	\$546
2BR	18	\$536	\$184	\$720	\$720	\$632
3BR	8	\$594	\$237	\$831	\$831	\$864
<i>Market</i>						
2BR	<u>1</u>	\$696	\$0	\$696	N/A	\$632
Total	41					

Notes (1) Utility allowance provided by the developer.

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$139 for one-bedroom units, \$184 for two-bedroom units, and \$237 for three-bedroom units. There is no utility allowance for market-rate units.

Existing or Proposed Project Based Rental Assistance: The Subject is planned new construction and will not receive project-based rental assistance.

Community Amenities: See Subject Profile

Unit Amenities: See Subject Profile

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

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

Hartsville Crossing Village – Hartsville, SC – Market Study

Hartsville Crossing Village

Location	Driver Avenue Hartsville, SC 29550 Darlington County Intersection: Hartsville Crossing Boulevard
Units	41
Vacant Units	N/A
Vacancy Rate	N/A
Type	Garden
Year Built / Renovated	Proposed 2019



Market

Program	@50%, @60%, Market	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (2 stories)	2	750	\$360	\$0	@50%	n/a	N/A	N/A	yes
1	1	Garden (2 stories)	5	750	\$460	\$0	@60%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	5	950	\$416	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	18	950	\$536	\$0	@60%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	1	950	\$696	\$0	Market	n/a	N/A	N/A	N/A
3	2	Garden (2 stories)	2	1,100	\$456	\$0	@50%	n/a	N/A	N/A	yes
3	2	Garden (2 stories)	8	1,100	\$594	\$0	@60%	n/a	N/A	N/A	no

Amenities

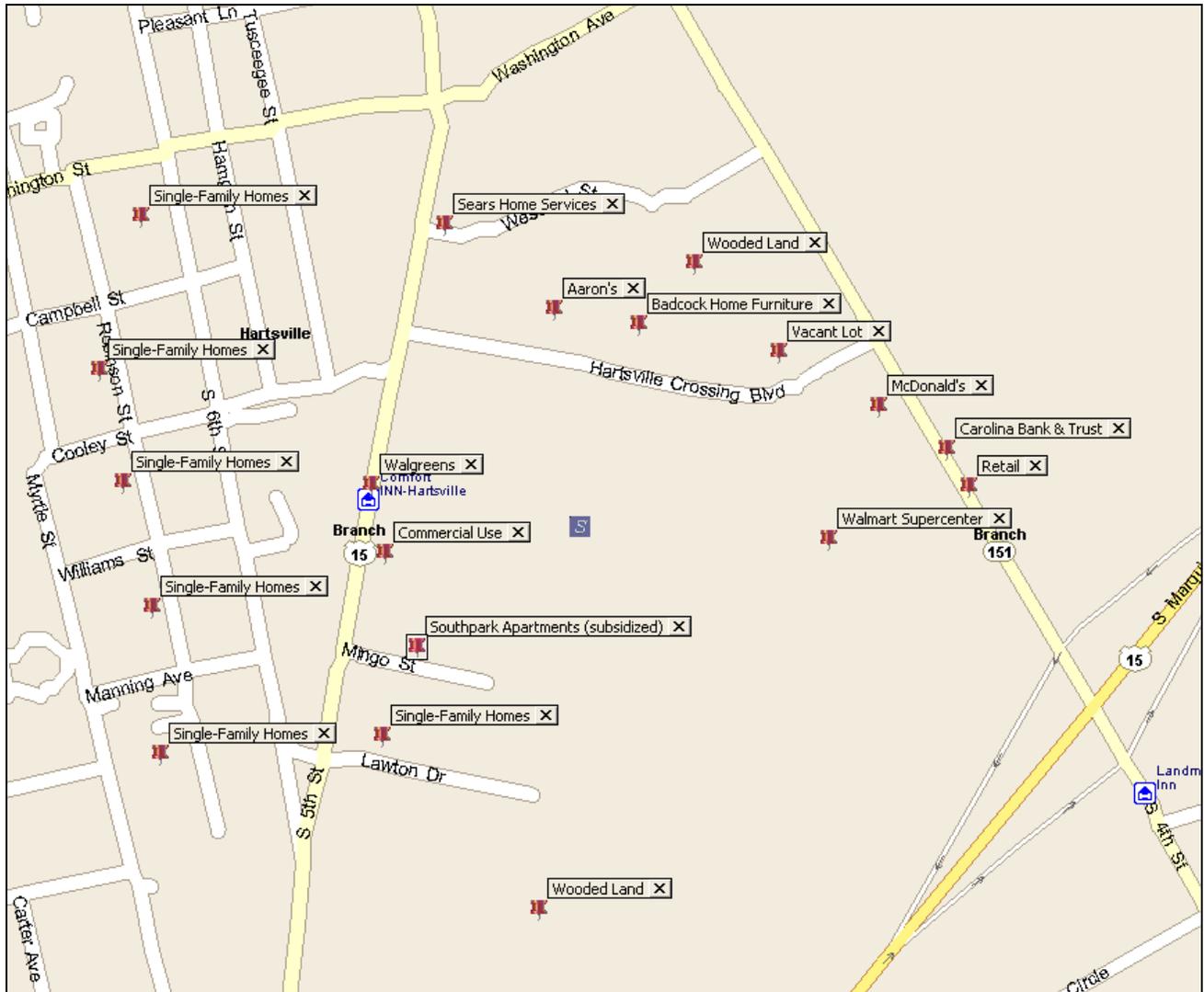
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup Walk-In Closet	Security	none
Property	Parking spaces: 82 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

B. SITE DESCRIPTION

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

Date of Site Visit: January 24, 2017

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



Physical Features of Site: The Subject site is located within Hartsville, South Carolina and is undeveloped forested land.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site are Aaron's and Badcock Home Furniture store. Further north of the Subject site are retail uses and wooded land. Immediately east of the Subject site is a Walmart

Supercenter. Further east are retail uses, a gas station, and restaurants. Adjacent to the south is wooded land. Immediately to the west of the Subject site is multifamily and single family development. The multifamily development to the west is known as South Park Apartments and is a public housing development in average condition operated by the Housing Authority of Hartsville. Single-family homes are located further west of the Subject across S 5th street. Overall, the Subject site is considered a desirable site for rental housing.

Pictures of Site and Surrounding Uses



Subject site



Subject site



View north on Driver Avenue



View south on Driver Avenue



View of adjacent commercial use



View of adjacent commercial use



Commercial use west of Subject



Single family home in the Subject's neighborhood



Multifamily west of Subject (excluded)



Single family home in the Subject's neighborhood



Adjacent commercial use



Commercial use north of Subject

Visibility/Views:

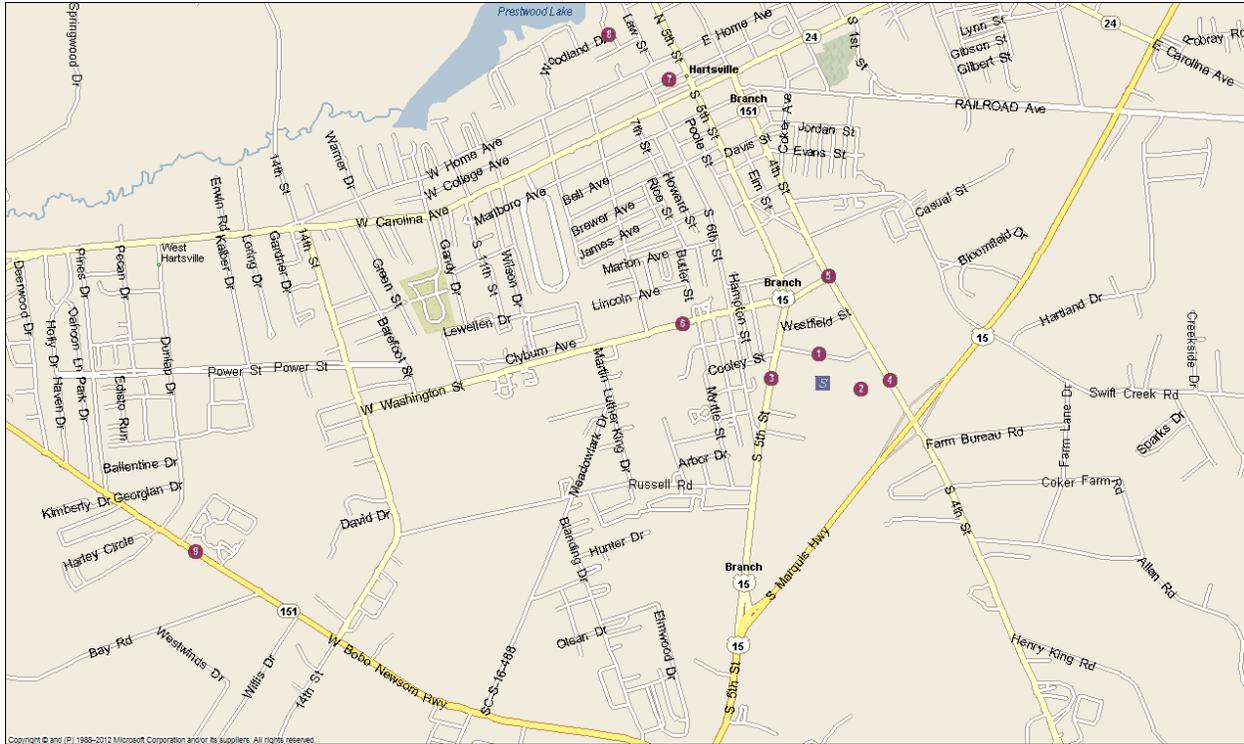
Views from the Subject site include retail uses to the north, multifamily and single family residential development to the west, wooded land to the south, and Walmart Supercenter to the east. Views from the site are considered good. The Subject will have good visibility from Hartsville Crossing Boulevard to the north. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

Detrimental Influences:

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

Proximity to Local Services:

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



LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	SPC Cooperative Credit Union	0.1 Miles
2	Walmart Supercenter	0.4 Miles
3	Walgreens Pharmacy	0.4 Miles
4	Murphy USA Gas Station	0.4 Miles
5	US Post Office	0.6 Miles
6	Washington St. Elementary School	0.9 Miles
7	Hartsville Memorial Library	1.5 Miles
8	Lawton Park	2.2 Miles
9	Carolina Pines Regional Medical Center	4.3 Miles
10	Hartsville Regional Airport	5.3 Miles

Availability of Public

Transportation:

Public transportation is not provided in Hartsville.

Road/Infrastructure

Proposed Improvements:

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

Crime Rates:

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

2016 CRIME RISK INDICES

	PMA	Florence, SC MSA
Total Crime*	154	168
Personal Crime*	201	197
Murder	187	174
Rape	121	135
Robbery	115	124
Assault	253	240
Property Crime*	147	165
Burglary	180	182
Larceny	142	164
Motor Vehicle Theft	100	122

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

*Unweighted aggregations

The total crime risk index in the PMA and MSA are above the nation. Personal crime in the PMA is above the MSA and double the national average. Property crime risks in the PMA are lower than in the MSA but above the national averages. Like the Subject, most comparable properties do not offer security features. Our interviews with property managers at the comparables did not indicate that crime is likely to be an issue at the Subject. We believe the Subject will be competitive without additional security features.

Access and Traffic Flow:

The Subject site will have access along Hartsville Crossing Boulevard. Hartsville Crossing Boulevard is a lightly trafficked two lane roadway, which connects to S 4th Street and S 5th Street. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in Hartsville, most of which are within less than 1.0 mile of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The proposed Subject will be a 49-unit family new construction development in Hartsville, South Carolina. The PMA is defined as Route 1 to the north, Highway 52/USMC CPL Kelly Keith Memorial Highway and the Great Pee Dee River to the east, the Darlington County line and Interstate 20 to the south, and the Darlington County line to the west. The Subject will one of few LIHTC properties in the Hartsville area of Darlington County, and as such will be able to draw from approximately a 15 to 25-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Hartsville and several other communities in Darlington County as well as some of the smaller communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 21 miles
- East: 23 miles
- South: 16 miles
- West: 16 miles

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

Census Tracts in PMA
450259508.00
450259506.00
450259507.00
450310101.00
450310104.00
450310102.00
450310103.00
450310105.00
450310106.00
450310107.00
450310108.00
450310109.00
450310110.00
450310111.00
450310112.00
450310113.00
450310114.00
450310115.00
450310116.00

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

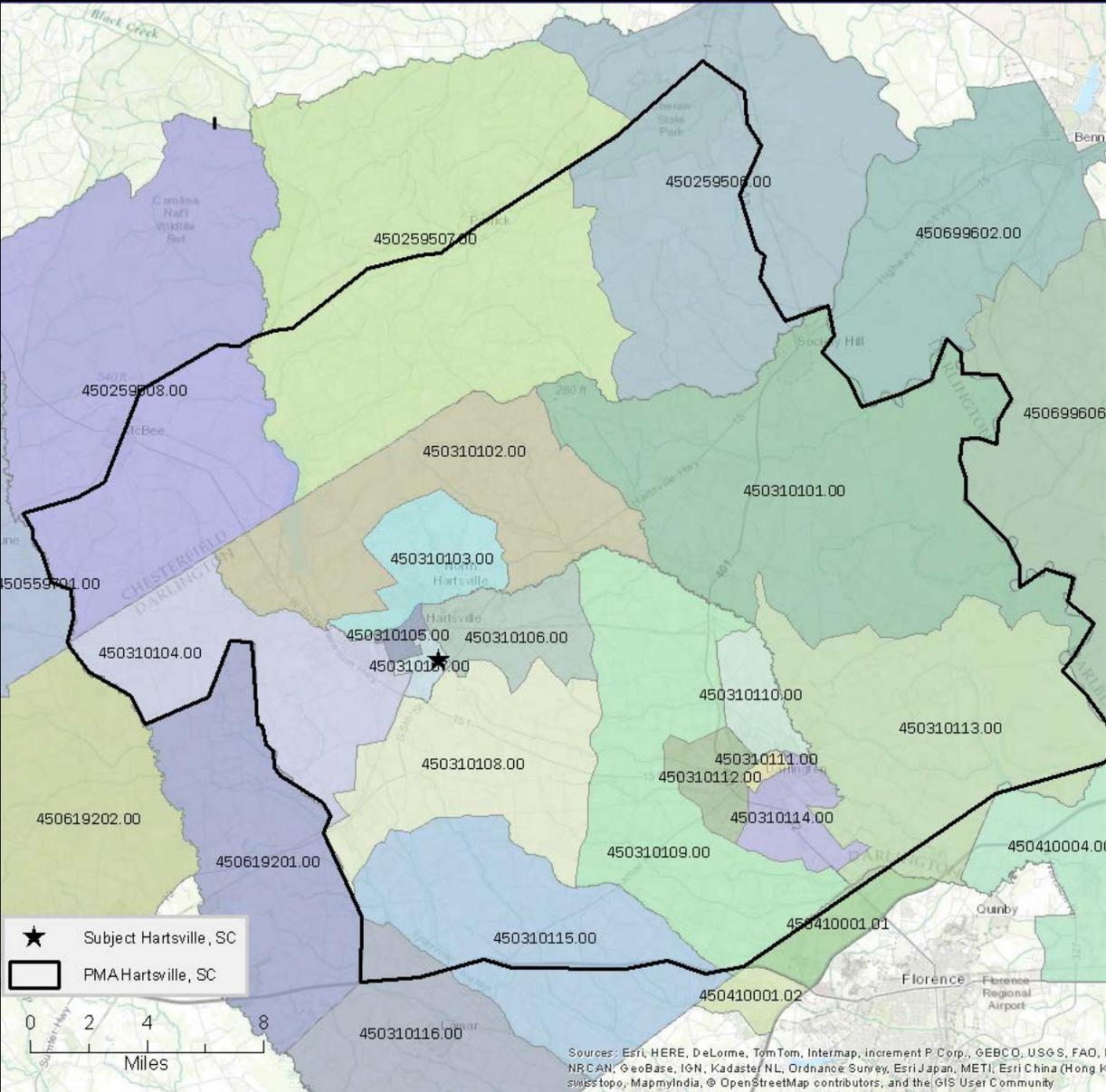
As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

2010 POPULATION BY RACE						
	PMA		SMA		USA	
Total	68,375	-	205,566	-	308,745,538	-
White	39,526	57.8%	113,482	55.2%	223,553,265	72.4%
Black	27,010	39.5%	85,079	41.4%	38,929,319	12.6%
American Indian	205	0.3%	658	0.3%	2,932,248	0.9%
Asian	201	0.3%	1,874	0.9%	14,674,252	4.8%
Pacific	9	0.0%	31	0.0%	540,013	0.2%
Other	669	1.0%	2,151	1.0%	19,107,368	6.2%
Two or More Races	755	1.1%	2,291	1.1%	9,009,073	2.9%
Total Hispanic	1,358	-	4,170	-	50,477,594	-
Hispanic: White	508	0.7%	1,384	0.7%	26,735,713	8.7%
Hispanic: Black	113	0.2%	412	0.2%	1,243,471	0.4%
Hispanic: American Indian	10	0.0%	50	0.0%	685,150	0.2%
Hispanic: Asian	2	0.0%	13	0.0%	209,128	0.1%
Hispanic: Pacific	3	0.0%	2	0.0%	58,437	0.0%
Hispanic: Other	635	0.9%	1,992	1.0%	18,503,103	6.0%
Hispanic: Two or More Races	87	0.1%	317	0.2%	3,042,592	1.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

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

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



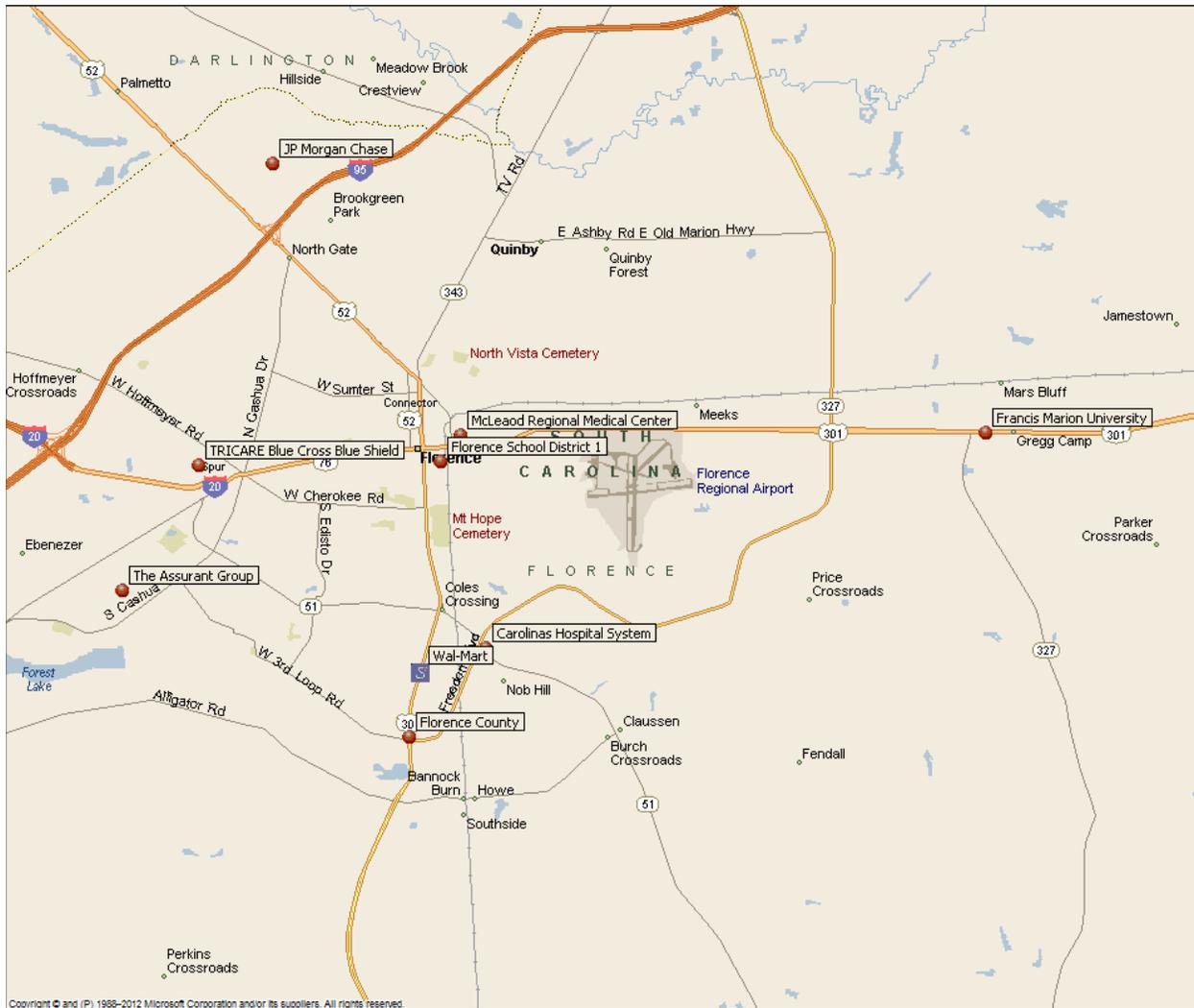
D. MARKET AREA ECONOMY

MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Employment by Industry

The following table exhibits employment by industry for the PMA.

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,487	20.5%	15,499,826	10.2%
Health Care/Social Assistance	3,430	12.8%	21,304,508	14.1%
Retail Trade	3,042	11.4%	17,169,304	11.3%
Educational Services	2,290	8.6%	14,359,370	9.5%
Construction	1,680	6.3%	9,342,539	6.2%
Finance/Insurance	1,597	6.0%	6,942,986	4.6%
Accommodation/Food Services	1,364	5.1%	11,574,403	7.6%
Other Services (excl Publ Adm)	1,322	4.9%	7,463,834	4.9%
Public Administration	1,104	4.1%	7,093,689	4.7%
Admin/Support/Waste Mgmt Srvcs	972	3.6%	6,511,707	4.3%
Transportation/Warehousing	938	3.5%	6,128,217	4.0%
Wholesale Trade	861	3.2%	4,066,471	2.7%
Prof/Scientific/Tech Services	688	2.6%	10,269,978	6.8%
Agric/Forestry/Fishing/Hunting	586	2.2%	2,253,044	1.5%
Utilities	535	2.0%	1,344,219	0.9%
Arts/Entertainment/Recreation	282	1.1%	3,416,474	2.3%
Information	263	1.0%	2,862,063	1.9%
Real Estate/Rental/Leasing	251	0.9%	2,946,196	1.9%
Mgmt of Companies/Enterprises	20	0.1%	89,612	0.1%
Mining	18	0.1%	749,242	0.5%
Total Employment	26,730	100.0%	151,387,682	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, January 2017

Employment within the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade sectors. These sectors comprise 44.7 percent of the total employment in the PMA. Compared to the nation, the PMA is underrepresented in the educational services, construction, accommodation/food services, finance/insurance, admin/support/waste management services, public administration, professional/scientific/tech services, real estate/rental/leasing, information, arts/entertainment/recreation, and mining sectors. Sectors that are overrepresented in the PMA compared to the nation include the manufacturing, retail trade, transportation/warehousing, wholesale trade, agriculture/forestry/fishing/hunting, and the utilities sectors.

The following table illustrates the changes in employment by industry from 2000 to 2016, in the Subject’s PMA.

2000-2016 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2016		2000-2016	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Mgmt of Companies/Enterprises	5	0.0%	20	0.1%	1	18.8%
Prof/Scientific/Tech Services	556	2.0%	688	2.6%	8	1.5%
Admin/Support/Waste Mgmt Svcs	790	2.8%	972	3.6%	11	1.4%
Health Care/Social Assistance	2,850	10.1%	3,430	12.8%	36	1.3%
Mining	16	0.1%	18	0.1%	0	0.8%
Public Administration	1,013	3.6%	1,104	4.1%	6	0.6%
Finance/Insurance	1,480	5.2%	1,597	6.0%	7	0.5%
Arts/Entertainment/Recreation	265	0.9%	282	1.1%	1	0.4%
Real Estate/Rental/Leasing	240	0.8%	251	0.9%	1	0.3%
Construction	1,623	5.7%	1,680	6.3%	4	0.2%
Educational Services	2,228	7.9%	2,290	8.6%	4	0.2%
Information	256	0.9%	263	1.0%	0	0.2%
Agric/Forestry/Fishing/Hunting	594	2.1%	586	2.2%	-1	-0.1%
Retail Trade	3,104	11.0%	3,042	11.4%	-4	-0.1%
Transportation/Warehousing	1,004	3.5%	938	3.5%	-4	-0.4%
Accommodation/Food Services	1,515	5.4%	1,364	5.1%	-9	-0.6%
Other Services (excl Publ Adm)	1,512	5.3%	1,322	4.9%	-12	-0.8%
Utilities	626	2.2%	535	2.0%	-6	-0.9%
Wholesale Trade	1,065	3.8%	861	3.2%	-13	-1.2%
Manufacturing	7,555	26.7%	5,487	20.5%	-129	-1.7%
Total Employment	28,297	100.0%	26,730	100.0%	-98	-0.3%

Source: Esri Demographics 2010, Novogradac & Company LLP, February 2017

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

*Industry data current as of 2010. Other projections current as of 2016.

As illustrated, eight of the industries in the table above experienced a decrease in employment from 2000 to 2016. The largest decreases were among the manufacturing and wholesale trade sectors. The largest decreases were among the manufacturing and wholesale trade sectors. Job loss in the manufacturing sector is discussed below. The smallest decreases were in the transportation/warehousing and accommodation/food services industries. The health care/social assistance sector added the greatest number of employees in the last 16 years, adding 36 new employees to its workforce.

Manufacturing

For the last three years, manufacturing in the United States has been growing at a faster rate than overall GDP, which is the first time this has occurred in 50 years. This marks a new era in the industry. Labor economists have pointed to the relatively balanced costs of labor across the world as a leading factor. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. As global markets have become more integrated over time, the foreign labor cost advantage has eroded significantly.

Furthermore, the United States enjoys relatively low costs of capital, raw materials, and transportation. Of note, in late 2014, the U.S. became the world’s largest producer of oil after surpassing Russia and Saudi Arabia, giving domestic manufacturers privileged access to this fundamental driver of growth.

When combined, all of these factors have had a significant, positive impact on U.S. manufacturing. Since 2011, the nation’s manufacturing exports have grown by an average of 11 percent per year.

According to U.S. Secretary of Commerce Penny Pritzker, “the U.S. has now added 786,000 manufacturing jobs over the past 58 months, the strongest growth since the 1990s”. This marks the first sustained job growth in the sector in more than 20 years.

While U.S. manufacturing is currently experiencing a period of growth, the industry suffered significant employment losses every consecutive year from 2000 to 2010. In addition, while the industry appears to be experiencing steady growth, total employment growth in manufacturing has only outperformed growth in all U.S. industries in one year since 2000, which was in 2011. It is important to note, however, that changes in technological capabilities over the past decade have made the industry much more efficient than years past. This has transformed manufacturing from a relatively labor-intensive industry to a much more capital intensive industry.

Total employment in manufacturing experienced a decline every year from 2000 to 2010, reaching its lowest level in 2009 in the aftermath of the most recent national recession. However, total employment in manufacturing has begun to steadily increase, experiencing positive growth every year since 2010. Furthermore, gross manufacturing output surpassed pre-recessionary output levels in 2011, evidencing the industry’s shift toward more capital-intensive production methods. Manufacturing constitutes approximately 20 percent of GDP and has been steadily increasing gross output every year since 2009. Additionally, manufacturing output surpassed pre-recessionary output levels in 2011, three years following the most recent national recession.

While the output growth is impressive, for the purposes of analyzing impact upon multi-family housing we focus more on job creation. Unfortunately, the positive story from production has not translated to job growth. Over the long term a tremendous number of jobs have been lost in the US as recently as the Great Recession. Further, job creation in this sector continues to lag the overall economy. However, it is significant that growth in manufacturing jobs is positive since 2010, and outpaced the nation in 2011. The local experience is similar: manufacturing still represents the largest industry in the PMA, though it has experienced job loss at an annualized rate of 1.7 percent in both the PMA and the SMA. Though manufacturing companies such as Novolex and Sonoco continue to top the list of the area’s largest employers, job loss in the manufacturing sector continues. WARN notices filed in the MSA in the past three years, included below, further illustrate the dramatic loss of manufacturing jobs in the area. Between 2013 and 2016, two manufacturing companies filed WARN notices eliminating approximately 627 jobs in the industry. Continued decline in the manufacturing sector in the area is likely.

Major Employers

The following table details major employers in Hartsville as of June 2016 (the most recent available).

HARTSVILLE, SC MAJOR EMPLOYERS

Employer	Industry	Number employed
Novolex	Manufacturing	6,000
Darlington County School District	Education	1,700
Sonoco	Manufacturing	1,578
Duke Energy	Utility	830
Carolina Pines Regional Medical Center	Healthcare	700
A.O. Smith	Manufacturing	450
RBC Bearings	Manufacturing	200
Stingray Boats	Manufacturing	125
JBE, Inc.	Manufacturing/Warehousing	100
Anderson Brass	Manufacturing	90

Source: City of Hartsville; Darlington County Economic Development Partnership, June 2016

The major employers in Hartsville are in sectors including manufacturing, education, utilities, and healthcare. Some of these sectors, such as healthcare and education, are less susceptible to economic cycles. Together, these employers comprise approximately 40 percent of the employment in the MSA.

Of note, Novolex has experienced significant growth in the past four years, increasing sales from \$500 million to \$2 billion and acquiring several other plastics manufacturing companies since 2012. Though the company was purchased by Carlyle Group in November 2016, Novolex will continue to operate its 49 locations throughout the United States. Employment numbers are not anticipated to change with the sale of the company.

Expansions/Contractions

The following table illustrates the contractions to the Florence, SC MSA economy provided by the South Carolina Department of Employment and Workforce between 2013 and November 2016. Jobs affected represent job losses.

2013-2016 WARN NOTICES; FLORENCE, SC MSA

Employer	Industry	Jobs Affected	Date
ESAB	Manufacturing	319	3/31/2016
Sodexo	Accommodation/Food Services	54	6/30/2015
Wothington	Manufacturing	308	6/1/2015
Heinz	Accommodation/Food Services	198	3/21/2014
Mortgage Bank	Finance/Insurance	23	2/1/2014
Mortgage Bank	Finance/Insurance	573	6/4/2013
Total		1,475	

Source: SC Department of Employment and Workforce, November 2016

As the table depicts, there were 1,475 layoffs/closures in the MSA that took effect between 2013 and 2016. The majority of these layoffs were in the manufacturing and finance/insurance industries.

Hartsville is also experiencing the following business expansions:

- The development of a new Hampton Inn & Suites in Hartsville’s downtown area brought an investment of six million dollars to the town in 2014 and 2015. The hotel also created additional jobs in accommodation/food services.
- Development of The Mantissa Hotel through a partnership between Sonoco and local developers will bring an additional investment of two million dollars to Hartsville’s downtown area and is expected to generate additional jobs in accommodation/food service and recreation. The Mantissa Hotel is expected to generate more than two million dollars in total revenue each year.
- Capella Healthcare Inc. of Tennessee is founding a new partnership with the Medical University of South Carolina and a new regional health care network with locations to include the Carolina Pines Regional Medical Center in Hartsville. The partnership will bring additional investment and jobs in the healthcare/social assistance sector to the Hartsville area.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Florence, SC MSA. As such, the following table details employment and unemployment trends for the Florence, SC MSA from 2002 to 2016 (through November).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Florence, SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	84,309	-	6.6%	-	136,933,000	-	4.7%	-
2003	85,073	0.9%	8.1%	1.5%	136,485,000	-0.3%	5.8%	1.1%
2004	84,208	-1.0%	8.4%	0.2%	137,736,000	0.9%	6.0%	0.2%
2005	84,237	0.0%	8.8%	0.5%	139,252,000	1.1%	5.5%	-0.5%
2006	86,290	2.4%	7.4%	-1.4%	141,730,000	1.8%	5.1%	-0.4%
2007	87,547	1.5%	6.2%	-1.2%	144,427,000	1.9%	4.6%	-0.5%
2008	86,957	-0.7%	7.5%	1.3%	146,047,000	1.1%	4.6%	0.0%
2009	83,583	-3.9%	11.8%	4.3%	145,362,000	-0.5%	5.8%	1.2%
2010	83,463	-0.1%	11.9%	0.2%	139,877,000	-3.8%	9.3%	3.5%
2011	83,717	0.3%	11.8%	-0.2%	139,064,000	-0.6%	9.6%	0.3%
2012	85,656	2.3%	10.1%	-1.7%	139,869,000	0.6%	8.9%	-0.7%
2013	86,773	1.3%	8.6%	-1.5%	142,469,000	1.9%	8.1%	-0.8%
2014	87,337	0.7%	7.4%	-1.2%	143,929,000	1.0%	7.4%	-0.7%
2015	88,942	1.8%	6.8%	-0.6%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	90,404	1.6%	5.8%	-1.0%	151,402,909	3.5%	4.9%	-1.3%
Nov-2015	89,169	-	6.1%	-	149,766,000	-	4.8%	-
Nov-2016	90,325	1.3%	4.5%	-1.6%	152,385,000	1.7%	4.4%	-0.4%

Source: U.S. Bureau of Labor Statistics January 2017

*2016 data is through Mar

Between 2005 and 2007, total employment in the Florence, SC MSA exhibited positive growth, reaching a peak in 2007. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2008. Total employment in the MSA began to increase again in 2011, one year prior to the nation as a whole. Total employment in the 12 month period prior to November 2016 has indicated growth in employment of 1.3 percent for the MSA. This is slightly lower than the national growth rate of 1.7 percent over the same time period. Total employment in the MSA surpassed the pre-recession peak in 2015.

In terms of unemployment rates, the rate in the MSA has historically been above that of the nation. While the national unemployment rate increased sharply between 2009 and 2010, from 5.8 percent to 9.3 percent, the MSA saw unemployment rise during the same time period and reached a peak

unemployment rate of 11.9 percent in 2010. The unemployment rate has trended downward over the past several years, and is now similar to the national average. The unemployment rate in the MSA in as of November 2016 is approximately 0.1 percentage points above that of the nation.

Housing and Economy

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

The most recent national recession has impacted Hartsville’s single-family housing market. According to RealtyTrac’s December 2016 estimates, the city experienced a low foreclosure rate of one in every 4,854 housing units. Darlington County experienced a higher foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 3,098 housing units in December 2016. The state of South Carolina had a foreclosure rate of one in every 1,212 housing units, a rate higher than Hartsville and Darlington County.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 23 minutes. Approximately 52.67 percent of households have commute times of less than 20 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,230	4.51%
Travel Time 5-9 min	3,515	12.89%
Travel Time 10-14 min	4,796	17.58%
Travel Time 15-19 min	4,826	17.69%
Travel Time 20-24 min	3,989	14.62%
Travel Time 25-29 min	1,475	5.41%
Travel Time 30-34 min	3,404	12.48%
Travel Time 35-39 min	604	2.21%
Travel Time 40-44 min	644	2.36%
Travel Time 45-59 min	1,492	5.47%
Travel Time 60-89 min	624	2.29%
Travel Time 90+ min	680	2.49%
Average Travel Time	23	-

Source: US Census 2000, Novogradac & Company, LLP, January 2017

Conclusions

Overall, it appears the area was impacted moderately by the national recession, but has now recovered and is in an expansion mode. As of 2015, the employment in the MSA had pushed above pre-recession levels. Between November 2015 and November 2016, total employment in the MSA increased 1.3 percent, while unemployment from the same period declined 1.6 percent. The MSA’s year-to-date unemployment rate as was 0.9 percentage points above the nation’s unemployment rate. However, with its reliance on the manufacturing, the local economy will remain susceptible to employment losses and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

TOTAL POPULATION

Year	PMA		Florence, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	66,513	-	193,152	-	281,421,906	-
2010	68,375	0.3%	205,566	0.6%	308,745,538	1.0%
2016	68,067	-0.1%	209,152	0.3%	323,580,626	0.8%
Projected Mkt Entry July 2019	67,737	-0.2%	210,413	0.2%	331,827,921	0.8%
2021	67,517	-0.2%	211,253	0.2%	337,326,118	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2016	Projected Mkt Entry July 2019	2021
0-4	4,514	4,300	4,088	3,942	3,844
5-9	5,273	4,488	4,251	4,120	4,032
10-14	4,869	4,687	4,329	4,340	4,347
15-19	4,534	5,131	4,284	4,331	4,363
20-24	4,173	4,013	4,215	3,832	3,577
25-29	4,472	3,588	4,065	3,854	3,713
30-34	4,366	3,999	3,983	3,960	3,944
35-39	4,884	4,445	4,011	3,983	3,965
40-44	5,071	4,421	4,364	4,159	4,023
45-49	5,162	4,977	4,401	4,354	4,323
50-54	4,715	5,061	4,697	4,519	4,401
55-59	3,617	5,093	4,982	4,819	4,710
60-64	2,864	4,495	4,849	4,836	4,828
65-69	2,346	3,352	4,265	4,423	4,528
70-74	2,053	2,361	3,033	3,487	3,790
75-79	1,719	1,696	1,892	2,241	2,474
80-84	1,062	1,173	1,193	1,330	1,422
85+	820	1,095	1,164	1,206	1,234
Total	66,514	68,375	68,066	67,737	67,518

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The total population in the PMA decreased at an annual rate of 0.1 percent from 2010 to 2016. In comparison, the SMA and nation experienced growth in total population during the same period of time. The population in the PMA is expected to continue to decrease through 2021 at 0.2 percent per annum, a rate that will remain below the SMA and the nation.

The population in the PMA in 2016 was concentrated most heavily in the age groups of 55 to 59 and 60 to 64, combined these age groups represent 14.4 percent of the total population in the PMA. Through market entry these age groups will continue to have the highest representation in the PMA.

Household Trends

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

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Florence, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	25,534	-	72,939	-	105,480,101	-
2010	26,379	0.3%	79,184	0.9%	116,716,292	1.1%
2016	26,668	0.2%	80,422	0.3%	121,786,233	0.7%
Projected Mkt Entry July 2019	26,643	0.0%	80,844	0.2%	124,731,054	0.8%
2021	26,626	0.0%	81,126	0.2%	126,694,268	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

AVERAGE HOUSEHOLD SIZE

Year	PMA		Florence, SC Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.58	-	2.59	-
2010	2.54	-0.1%	2.54	-0.2%	2.58	-0.1%
2016	2.50	-0.3%	2.54	0.0%	2.59	0.1%
Projected Mkt Entry July 2019	2.49	-0.1%	2.54	0.0%	2.60	0.1%
2021	2.48	-0.1%	2.55	0.0%	2.60	0.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

POPULATION IN GROUP QUARTERS

Year	PMA	Florence, SC MSA
2000	1,292	5,097
2016	1,512	4,731
2021	1,512	4,731

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The total number of households in the PMA increased at 0.2 percent per annum between 2010 and 2016, a slightly lower rate than the MSA and a slower rate compared to the nation over the same time period. Through market entry date and 2021, the total number of households in the PMA is expected to experience very little movement, remaining below the growth rate of the MSA and the nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased slightly in the PMA between 2000 and 2016 and

decreased in the MSA over the same time period; however, no growth is expected in these categories from 2016 through 2021.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,743	77.3%	5,791	22.7%
2010	18,992	72.0%	7,387	28.0%
2016	18,731	70.2%	7,937	29.8%
Projected Mkt Entry				
July 2019	18,720	70.26%	7,923	29.74%
2021	18,712	70.3%	7,914	29.7%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The PMA is dominated by owner-occupied housing units. In 2016, there were approximately 7,937 renter-occupied units in the PMA, equaling 29.8 percent of households in the PMA. Through market entry and 2021, the percentage of renter households in the general population is expected to remain stable.

Household Income Distribution

The following table depicts household income in the PMA from 2010 to 2021.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,869	10.9%	3,545	13.3%	3,419	12.8%	3,334	12.5%
\$10,000-19,999	3,826	14.5%	4,429	16.6%	4,279	16.1%	4,179	15.7%
\$20,000-29,999	3,535	13.4%	3,400	12.7%	3,319	12.5%	3,266	12.3%
\$30,000-39,999	3,100	11.8%	3,135	11.8%	3,090	11.6%	3,061	11.5%
\$40,000-49,999	2,856	10.8%	2,432	9.1%	2,418	9.1%	2,409	9.0%
\$50,000-59,999	1,919	7.3%	1,822	6.8%	1,850	6.9%	1,869	7.0%
\$60,000-74,999	2,811	10.7%	2,199	8.2%	2,194	8.2%	2,191	8.2%
\$75,000-99,999	2,835	10.7%	2,333	8.7%	2,382	8.9%	2,416	9.1%
\$100,000-124,999	1,017	3.9%	1,395	5.2%	1,478	5.5%	1,532	5.8%
\$125,000-149,999	509	1.9%	878	3.3%	932	3.5%	969	3.6%
\$150,000-199,999	698	2.6%	665	2.5%	751	2.8%	809	3.0%
\$200,000+	403	1.5%	435	1.6%	529	2.0%	592	2.2%
Total	26,379	100.0%	26,668	100.0%	26,643	100.0%	26,626	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

The Subject will target households earning between \$17,109 and \$40,000. As the table above depicts, approximately 41.1 percent of households in the PMA earned between \$10,000 and \$39,999 in 2016. Some households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2010, 2016, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,537	20.8%	2,033	25.6%	1,973	24.9%	1,933	24.4%
\$10,000-19,999	1,522	20.6%	1,601	20.2%	1,550	19.6%	1,516	19.2%
\$20,000-29,999	1,091	14.8%	1,173	14.8%	1,168	14.7%	1,164	14.7%
\$30,000-39,999	900	12.2%	950	12.0%	943	11.9%	939	11.9%
\$40,000-49,999	751	10.2%	647	8.1%	650	8.2%	652	8.2%
\$50,000-59,999	437	5.9%	415	5.2%	417	5.3%	419	5.3%
\$60,000-74,999	493	6.7%	394	5.0%	398	5.0%	400	5.1%
\$75,000-99,999	258	3.5%	231	2.9%	242	3.0%	249	3.1%
\$100,000-124,999	147	2.0%	189	2.4%	207	2.6%	220	2.8%
\$125,000-149,999	102	1.4%	154	1.9%	194	2.5%	221	2.8%
\$150,000-199,999	86	1.2%	94	1.2%	108	1.4%	118	1.5%
\$200,000+	64	0.9%	56	0.7%	73	0.9%	84	1.1%
Total	7,387	100.0%	7,937	100.0%	7,923	100.0%	7,914	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

Renter households with incomes between \$10,000 and \$29,999 represent 35.0 percent of the renter households in the PMA in 2016. This share is expected to remain near this level through market entry.

Renter Households by Number of Persons in the Household

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

	2000		2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,048	35.4%	2,630	35.6%	2,980	37.6%	3,004	37.9%	3,019	38.2%
With 2 Persons	1,426	24.6%	1,995	27.0%	2,017	25.4%	1,972	24.9%	1,941	24.5%
With 3 Persons	1,056	18.2%	1,232	16.7%	1,289	16.2%	1,287	16.2%	1,285	16.2%
With 4 Persons	780	13.5%	885	12.0%	939	11.8%	944	11.9%	947	12.0%
With 5+ Persons	482	8.3%	644	8.7%	712	9.0%	717	9.1%	721	9.1%
Total Renter	5,791	100.0%	7,387	100.0%	7,937	100.0%	7,923	100.0%	7,914	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

Approximately 63.0 percent of renter households resided in a one to two-person household in the PMA in 2016. Over the next five years, this percentage is projected to remain generally stable.

Conclusion

The total population in the PMA decreased at an annual rate of 0.1 percent from 2010 to 2016 and is expected to decrease at 0.2 percent annually through 2021, a rate that will lag behind the growth rate nationally and in the MSA. Between 2016 and market entry, the total households are expected to very little movement annually in the PMA. Renter households with incomes between \$10,000 and \$39,999 represent 46.9 percent of the renter households in the PMA in 2016, and this share is expected to remain near this level through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates.

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

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

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website. The maximum income level for market-rate units is assumed to be the four-person area median income in Darlington County.

2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 for families, which we will use to set the minimum income levels for the demand analysis. Maximum income for market-rate units is assumed to be \$40,000, just below the four-person area median income in Darlington County (\$40,800).

3. Minimum and Maximum Income Levels

The following table illustrates the minimum and maximum income levels for the Subject’s units.

INCOME COHORTS

Unit Type	Minimum Income	Maximum Income
1BR 50%	\$17,109	\$19,975
2BR 50%	\$20,571	\$24,000
3BR 50%	\$23,760	\$27,725
1BR 60%	\$20,537	\$23,970
2BR 60%	\$24,686	\$28,800
3BR 60%	\$28,491	\$33,270
2BR Market	\$23,863	\$40,000
Overall Affordable	\$17,109	\$33,270

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2016 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2019. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. The Subject is rural and generally not likely to attract homeowners seeking to downsize into a family rental unit. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2016 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such developments in the Hartsville area that would compete with the Subject. Therefore we have not included any new supply in our demand analysis.

4 and 5. Method - Capture Rates

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

Renter Household Income Distribution 2016-2021							
Hartsville Crossing Village							
PMA							
	2016		Projected Mkt Entry July 2019		2021		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	2,033	25.6%	1,973	24.9%	1,933	24.4%	-5.2%
\$10,000-19,999	1,601	20.2%	1,550	19.6%	1,516	19.2%	-5.6%
\$20,000-29,999	1,173	14.8%	1,168	14.7%	1,164	14.7%	-0.8%
\$30,000-39,999	950	12.0%	943	11.9%	939	11.9%	-1.2%
\$40,000-49,999	647	8.1%	650	8.2%	652	8.2%	0.8%
\$50,000-59,999	415	5.2%	417	5.3%	419	5.3%	1.0%
\$60,000-74,999	394	5.0%	398	5.0%	400	5.1%	1.3%
\$75,000-99,999	231	2.9%	242	3.0%	249	3.1%	7.3%
\$100,000-124,999	189	2.4%	207	2.6%	220	2.8%	14.3%
\$125,000-149,999	154	1.9%	194	2.5%	221	2.8%	30.3%
\$150,000-199,999	94	1.2%	108	1.4%	118	1.5%	20.6%
\$200,000+	56	0.7%	73	0.9%	84	1.1%	33.3%
Total	7,937	100.0%	7,923	100.0%	7,914	100.0%	0

Households by Tenure Projected Mkt Entry July 2019		
	Number	Percentage
Renter	7,923	29.7%
Owner	18,720	70.3%
Total	26,643	100.0%

Renter Household Size for Projected Mkt Entry July 2019		
Size	Number	Percentage
1	3,004	37.91%
2	1,972	24.88%
3	1,287	16.24%
4	944	11.91%
5+	717	9.05%
Total	7,923	100%

50% AMI Demand

Tenure Prj Mrkt Entry July 2019	
Renter	29.7%
Owner	70.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	3,004	37.9%
2 Person	1,972	24.9%
3 Person	1,287	16.2%
4 Person	944	11.9%
5+ Person	717	9.1%
Total	7,923	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,048	35.4%
2 Person	1,426	24.6%
3 Person	1,056	18.2%
4 Person	780	13.5%
5+ Person	482	8.3%
Total	5,791	100.0%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$17,109			
Maximum Income Limit		\$27,725 4.5			
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Renter Households within Bracket	
\$0-9,999	-3.44	24.9%		0.0%	0
\$10,000-19,999	-2.70	19.6%	2,866	28.7%	-1
\$20,000-29,999	-2.03	14.7%	7,154	71.5%	-1
\$30,000-39,999	-1.64	11.9%		0.0%	0
\$40,000-49,999	-1.13	8.2%		0.0%	0
\$50,000-59,999	-0.73	5.3%		0.0%	0
\$60,000-74,999	-0.69	5.0%		0.0%	0
\$75,000-99,999	-0.42	3.0%		0.0%	0
\$100,000-124,999	-0.36	2.6%		0.0%	0
\$125,000-149,999	-0.34	2.5%		0.0%	0
\$150,000-199,999	-0.19	1.4%		0.0%	0
\$200,000+	-0.13	0.9%		0.0%	0
	-14	100.0%			-2
Percent of renter households within limits versus total number of renter households					16.15%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$17,109			
Maximum Income Limit		\$27,725 4.5			
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	1,973	24.9%		0.0%	0
\$10,000-19,999	1,550	19.6%	\$2,866	28.7%	444
\$20,000-29,999	1,168	14.7%	\$7,154	71.5%	836
\$30,000-39,999	943	11.9%		0.0%	0
\$40,000-49,999	650	8.2%		0.0%	0
\$50,000-59,999	417	5.3%		0.0%	0
\$60,000-74,999	398	5.0%		0.0%	0
\$75,000-99,999	242	3.0%		0.0%	0
\$100,000-124,999	207	2.6%		0.0%	0
\$125,000-149,999	194	2.5%		0.0%	0
\$150,000-199,999	108	1.4%		0.0%	0
\$200,000+	73	0.9%		0.0%	0
	7,923	100.0%			1,280
Percent of renter households within limits versus total number of renter households					16.15%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No	
Family	
Rural	
35%	
\$31,233	
\$40,040	
\$8,807	
22.0%	
0.2%	
0.2%	Two year adjustment 1.0000
\$27,725	
\$27,725	
5	
50%	
\$499	
\$499,00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	10%	80%	10%	0%	100%
5+	0%	0%	0%	10%	90%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		50%
New Renter Households PMA		-14
Percent Income Qualified		16.2%
New Renter Income Qualified Households		-2

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

Demand from Existing Households 2016

Demand form Rent Overburdened Households

Income Target Population		50%
Total Existing Demand		7,923
Income Qualified		16.2%
Income Qualified Renter Households		1,280
Percent Rent Overburdened Prj Mrkt Entry July 2019		35.8%
Rent Overburdened Households		458

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,280
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		9

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

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		467
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		467
Total New Demand		-2
Total Demand (New Plus Existing Households)		465

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

By Bedroom Demand

One Person	37.9%	176
Two Persons	24.9%	116
Three Persons	16.2%	76
Four Persons	11.9%	55
Five Persons	9.1%	42
Total	100.0%	465

To place Person Demand into Bedroom Type Units		
Of one-person households in 1BR units	90%	159
Of two-person households in 1BR units	20%	23
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
<hr/>		
Of one-person households in 2BR units	10%	18
Of two-person households in 2BR units	80%	93
Of three-person households in 2BR units	60%	45
Of four-person households in 2BR units	10%	6
Of five-person households in 2BR units	0%	0
<hr/>		
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	30
Of four-person households in 3BR units	80%	44
Of five-person households in 3BR units	10%	4
<hr/>		
Total Demand		422
Check		OK
<hr/>		
Total Demand by Bedroom		50%
1 BR		182
2 BR		161
3 BR		79
Total Demand		422
<hr/>		
Additions To Supply 2016 to Prj Mrkt Entry July 2019		50%
1 BR		0
2 BR		0
3 BR		0
Total		0
<hr/>		
Net Demand		50%
1 BR		182
2 BR		161
3 BR		79
Total		422
<hr/>		
Net Demand		50%
1 BR		182
2 BR		161
3 BR		79
Total		422
<hr/>		
Developer's Unit Mix		50%
1 BR		2
2 BR		5
3 BR		2
Total		9
<hr/>		
Capture Rate Analysis		50%
1 BR		1.1%
2 BR		3.1%
3 BR		2.5%
Total		2.1%

60% AMI Demand

Tenure Prj Mrkt Entry July 2019	
Renter	29.7%
Owner	70.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	3,004	37.9%
2 Person	1,972	24.9%
3 Person	1,287	16.2%
4 Person	944	11.9%
5+ Person	717	9.1%
Total	7,923	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,048	35.4%
2 Person	1,426	24.6%
3 Person	1,056	18.2%
4 Person	780	13.5%
5+ Person	482	8.3%
Total	5,791	100.0%

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

Percent of AMI Level		60%	
Minimum Income Limit		\$20,537	
Maximum Income Limit		\$33,270	4.5
	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019		Renter Households within Bracket
Income Category		Income Brackets	Percent within Cohort
\$0-9,999	-3.44 24.9%		0.0%
\$10,000-19,999	-2.70 19.6%		0.0%
\$20,000-29,999	-2.03 14.7%	8,746	87.5%
\$30,000-39,999	-1.64 11.9%	3,270	32.7%
\$40,000-49,999	-1.13 8.2%		0.0%
\$50,000-59,999	-0.73 5.3%		0.0%
\$60,000-74,999	-0.69 5.0%		0.0%
\$75,000-99,999	-0.42 3.0%		0.0%
\$100,000-124,999	-0.36 2.6%		0.0%
\$125,000-149,999	-0.34 2.5%		0.0%
\$150,000-199,999	-0.19 1.4%		0.0%
\$200,000+	-0.13 0.9%		0.0%
	-14 100.0%		-2
Percent of renter households within limits versus total number of renter households			16.79%

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

Percent of AMI Level		60%	
Minimum Income Limit		\$20,537	
Maximum Income Limit		\$33,270	4.5
	Total Renter Households PMA Prj Mrkt Entry July 2019		Households within Bracket
Income Category		Income Brackets	Percent within Cohort
\$0-9,999	1,973 24.9%		0.0%
\$10,000-19,999	1,550 19.6%		0.0%
\$20,000-29,999	1,168 14.7%	\$8,746	87.5%
\$30,000-39,999	943 11.9%	\$3,270	32.7%
\$40,000-49,999	650 8.2%		0.0%
\$50,000-59,999	417 5.3%		0.0%
\$60,000-74,999	398 5.0%		0.0%
\$75,000-99,999	242 3.0%		0.0%
\$100,000-124,999	207 2.6%		0.0%
\$125,000-149,999	194 2.5%		0.0%
\$150,000-199,999	108 1.4%		0.0%
\$200,000+	73 0.9%		0.0%
	7,923 100.0%		1,330
Percent of renter households within limits versus total number of renter households			16.79%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
	35%	
	\$31,233	
	\$40,040	
	\$8,807	
	22.0%	
	0.2%	
	0.2%	Two year adjustment
	\$33,270	1.0000
	\$33,270	
	5	
	60%	
	\$599	
	\$599.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	10%	80%	10%	0%	100%
5+	0%	0%	0%	10%	90%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		60%
New Renter Households PMA		-14
Percent Income Qualified		16.8%
New Renter Income Qualified Households		-2

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		7,923
Income Qualified		16.8%
Income Qualified Renter Households		1,330
Percent Rent Overburdened Prj Mrkt Entry July 2019		35.8%
Rent Overburdened Households		476

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,330
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		10

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		486
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		486
Total New Demand		-2
Total Demand (New Plus Existing Households)		483

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

By Bedroom Demand

One Person	37.9%	183
Two Persons	24.9%	120
Three Persons	16.2%	78
Four Persons	11.9%	58
Five Persons	9.1%	44
Total	100.0%	483

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	165
Of two-person households in 1BR units	20%	24
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	18
Of two-person households in 2BR units	80%	96
Of three-person households in 2BR units	60%	47
Of four-person households in 2BR units	10%	6
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	31
Of four-person households in 3BR units	80%	46
Of five-person households in 3BR units	10%	4
Total Demand		438
Check		OK

Total Demand by Bedroom	60%
1 BR	189
2 BR	167
3 BR	82
Total Demand	438

Additions To Supply 2016 to Prj Mrkt Entry July 2019	60%
1 BR	0
2 BR	0
3 BR	0
Total	0

Net Demand	60%
1 BR	189
2 BR	167
3 BR	82
Total	438

Net Demand	60%
1 BR	189
2 BR	167
3 BR	82
Total	438

Developer's Unit Mix	60%
1 BR	5
2 BR	18
3 BR	8
Total	31

Capture Rate Analysis	60%
1 BR	2.6%
2 BR	10.8%
3 BR	9.8%
Total	7.1%

Market-rate Demand

Tenure Prj Mrkt Entry July 2019	
Renter	29.7%
Owner	70.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	3,004	37.9%
2 Person	1,972	24.9%
3 Person	1,287	16.2%
4 Person	944	11.9%
5+ Person	717	9.1%
Total	7,923	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,048	35.4%
2 Person	1,426	24.6%
3 Person	1,056	18.2%
4 Person	780	13.5%
5+ Person	482	8.3%
Total	5,791	100.0%

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

Percent of AMI Level		Market		
Minimum Income Limit		\$21,017		
Maximum Income Limit		\$40,000	4.5	
	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019			Renter Households within Bracket
Income Category		Income Brackets	Percent within Cohort	
\$0-9,999	-3.44		0.0%	0
\$10,000-19,999	-2.70		0.0%	0
\$20,000-29,999	-2.03	8,982	89.8%	-2
\$30,000-39,999	-1.64	9,999	100.0%	-2
\$40,000-49,999	-1.13		0.0%	0
\$50,000-59,999	-0.73		0.0%	0
\$60,000-74,999	-0.69		0.0%	0
\$75,000-99,999	-0.42		0.0%	0
\$100,000-124,999	-0.36		0.0%	0
\$125,000-149,999	-0.34		0.0%	0
\$150,000-199,999	-0.19		0.0%	0
\$200,000+	-0.13		0.0%	0
	-14			-3
				25.15%

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

Percent of AMI Level		Market		
Minimum Income Limit		\$21,017		
Maximum Income Limit		\$40,000	4.5	
	Total Renter Households PMA Prj Mrkt Entry July 2019			Households within Bracket
Income Category		Income Brackets	Percent within Cohort	
\$0-9,999	1,973		0.0%	0
\$10,000-19,999	1,550		0.0%	0
\$20,000-29,999	1,168	\$8,982	89.8%	1,049
\$30,000-39,999	943	\$9,999	100.0%	943
\$40,000-49,999	650		0.0%	0
\$50,000-59,999	417		0.0%	0
\$60,000-74,999	398		0.0%	0
\$75,000-99,999	242		0.0%	0
\$100,000-124,999	207		0.0%	0
\$125,000-149,999	194		0.0%	0
\$150,000-199,999	108		0.0%	0
\$200,000+	73		0.0%	0
	7,923			1,992
				25.15%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
	35%	
	\$31,233	
	\$40,040	
	\$8,807	
	22.0%	
	0.2%	
	0.2%	Two year adjustment
	\$40,000	1.0000
	\$40,000	
	5	
	Market	
	\$613	
	\$613.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	10%	80%	10%	0%	100%
5+	0%	0%	0%	10%	90%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		Market
New Renter Households PMA		-14
Percent Income Qualified		21.0%
New Renter Income Qualified Households		-3

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		Market
Total Existing Demand		7,923
Income Qualified		21.0%
Income Qualified Renter Households		1,660
Percent Rent Overburdened Prj Mrkt Entry July 2019		35.8%
Rent Overburdened Households		594

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,660
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		12

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

Senior Households Converting from Homeownership

Income Target Population		Market
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		606
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		606
Total New Demand		-3
Total Demand (New Plus Existing Households)		603

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

By Bedroom Demand

One Person	37.9%	229
Two Persons	24.9%	150
Three Persons	16.2%	98
Four Persons	11.9%	72
Five Persons	9.1%	55
Total	100.0%	603

To place Person Demand into Bedroom Type Units

Of one-person households in 2BR units	10%	23
Of two-person households in 2BR units	80%	120
Of three-person households in 2BR units	60%	59
Of four-person households in 2BR units	10%	7
Of five-person households in 2BR units	0%	0
Total Demand		209
Check		OK

Total Demand by Bedroom

2 BR	Market
Total Demand	209

Additions To Supply 2016 to Prj Mrkt Entry July 2019

2 BR	Market
Total	0

Net Demand

2 BR	Market
Total	209

Net Demand

2 BR	Market
Total	209

Developer's Unit Mix

2 BR	Market
Total	1

Capture Rate Analysis

2 BR	Market
Total	0.5%

Overall Affordable Demand

Tenure Prj Mrkt Entry July 2019	
Renter	29.7%
Owner	70.3%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	3,004	37.9%
2 Person	1,972	24.9%
3 Person	1,287	16.2%
4 Person	944	11.9%
5+ Person	717	9.1%
Total	7,923	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	2,048	35.4%
2 Person	1,426	24.6%
3 Person	1,056	18.2%
4 Person	780	13.5%
5+ Person	482	8.3%
Total	5,791	100.0%

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

Percent of AMI Level		Overall Affordable		
Minimum Income Limit		\$17,109		
Maximum Income Limit		\$33,270	4.5	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	-3.44		0.0%	0
\$10,000-19,999	-2.70	2,890	28.9%	-1
\$20,000-29,999	-2.03	9,999	100.0%	-2
\$30,000-39,999	-1.64	3,270	32.7%	-1
\$40,000-49,999	-1.13		0.0%	0
\$50,000-59,999	-0.73		0.0%	0
\$60,000-74,999	-0.69		0.0%	0
\$75,000-99,999	-0.42		0.0%	0
\$100,000-124,999	-0.36		0.0%	0
\$125,000-149,999	-0.34		0.0%	0
\$150,000-199,999	-0.19		0.0%	0
\$200,000+	-0.13		0.0%	0
	-14			-3
				24.29%

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

Percent of AMI Level		Overall Affordable		
Minimum Income Limit		\$17,109		
Maximum Income Limit		\$33,270	4.5	
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,973		0.0%	0
\$10,000-19,999	1,550	\$2,890	28.9%	448
\$20,000-29,999	1,168	\$9,999	100.0%	1,168
\$30,000-39,999	943	\$3,270	32.7%	309
\$40,000-49,999	650		0.0%	0
\$50,000-59,999	417		0.0%	0
\$60,000-74,999	398		0.0%	0
\$75,000-99,999	242		0.0%	0
\$100,000-124,999	207		0.0%	0
\$125,000-149,999	194		0.0%	0
\$150,000-199,999	108		0.0%	0
\$200,000+	73		0.0%	0
	7,923			1,924
				24.29%

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

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Family		
Rural		
35%		
\$31,233		
\$40,040		
\$8,807		
22.0%		
0.2%		
0.2%	Two year adjustment	1.0000
\$33,270		
\$33,270		
5		
Overall Affordable		
\$499		
\$499.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	90%	10%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	10%	80%	10%	0%	100%
5+	0%	0%	0%	10%	90%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		Overall Affordable
New Renter Households PMA		-14
Percent Income Qualified		24.3%
New Renter Income Qualified Households		-3

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

Demand from Existing Households 2016

Demand from Rent Overburdened Households

Income Target Population		Overall Affordable
Total Existing Demand		7,923
Income Qualified		24.3%
Income Qualified Renter Households		1,924
Percent Rent Overburdened Prj Mrkt Entry July 2019		35.8%
Rent Overburdened Households		689

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,924
Percent Living in Substandard Housing		0.7%
Households Living in Substandard Housing		14

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

Senior Households Converting from Homeownership

Income Target Population		Overall Affordable
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		703
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		703
Total New Demand		-3
Total Demand (New Plus Existing Households)		699

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

By Bedroom Demand

One Person	37.9%	265
Two Persons	24.9%	174
Three Persons	16.2%	114
Four Persons	11.9%	83
Five Persons	9.1%	63
Total	100.0%	699

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	90%	238
Of two-person households in 1BR units	20%	35
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	26
Of two-person households in 2BR units	80%	139
Of three-person households in 2BR units	60%	68
Of four-person households in 2BR units	10%	8
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	45
Of four-person households in 3BR units	80%	67
Of five-person households in 3BR units	10%	6
Total Demand		634
Check		OK

Total Demand by Bedroom	Overall Affordable
1 BR	273
2 BR	242
3 BR	118
Total Demand	634

Additions To Supply 2016 to Prj Mrkt Entry July 2019	Overall Affordable
0 BR	0
1 BR	0
2 BR	0
3 BR	0
4 BR	0
5 BR	0
Total	0

Net Demand	Overall Affordable
1 BR	273
2 BR	242
3 BR	118
Total	634

Net Demand	Overall Affordable
1 BR	273
2 BR	242
3 BR	118
Total	634

Developer's Unit Mix	Overall Affordable
1 BR	7
2 BR	23
3 BR	10
Total	40

Capture Rate Analysis	Overall Affordable
1 BR	2.6%
2 BR	9.5%
3 BR	8.5%
Total	6.3%

Conclusions

One factor that affects the indicated capture rates is detailed as follows:

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

The following tables summarize the demand and net demand for the Subject.

Demand and Net Demand

	Households at Market Rates (\$23,863 - \$40,000)	Households at 50% of Median Income (\$17,109 - \$27,725)	Households at 60% of Median Income (\$20,537 - \$33,270)	All Affordable Households (\$17,109 - \$33,270)
Demand from New Households (age and income appropriate)	-3	-2	-2	-3
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	12	9	10	14
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	594	458	476	689
=				
Sub Total	603	465	483	699
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0	0
Equals Total Demand	603	465	483	699
Less	-	-	-	-
New Supply	0	0	0	0
Equals Net Demand	603	465	483	699

Over 20 percent of the Subject’s units consist of three-bedroom units or larger. Therefore, we have included a large-household demographic demand evaluation in the following table.

Large-Household (3-Person and Larger) Demographic Demand by Targeted Income

	Households at 50% of Median Income (\$17,109 - \$27,725)	Households at 60% of Median Income (\$20,537 - \$33,270)	Households at Market Rates (\$23,863 - \$40,000)	All Affordable Households (\$17,109 - \$33,270)
Demand from New 3-Person+ Large-Households (income appropriate)	130	135	66	195
PLUS	+	+	+	+
Demand from Existing 3-Person+ Large-Households - Substandard Housing	1	1	0	1
PLUS	+	+	+	+
Demand from Existing 3-Person+ Large Renter Housholds - Rent Overburdened Households	46	48	24	70
=	=	=	=	=
Total 3-Person+ Large Household Demand	177	184	90	266
Less	-	-	-	-
Supply (3-bedroom+ Units)	0	0	0	0
=	=	=	=	=
Net 3-Person+ Large Household Demand	177	184	90	266
Proposed 3-Bedroom+ Subject Units	2	8	0	10
Proposed 3-Bedroom+ Subject Units Divided by Net 3-Person Large Household Demand	1.1%	4.4%	0.0%	3.8%
Large-Household (3-Person+) Capture Rate by Income Level	1.1%	4.4%	0.0%	3.8%

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	182	0	182	2	1.1%
1BR at 60% AMI	189	0	189	5	2.6%
2BR at 50% AMI	161	0	161	5	3.1%
2BR at 60% AMI	167	0	167	18	10.8%
2BR Market	209	0	209	1	0.5%
3BR at 50% AMI	79	0	79	2	2.5%
3BR at 60% AMI	82	0	82	8	9.8%
Overall at 50% AMI	422	0	422	9	2.1%
Overall at 60% AMI	438	0	438	31	7.1%
Overall Market	209	0	209	1	0.5%
Overall Affordable	634	0	634	40	6.3%

As the analysis illustrates, the Subject’s capture rates vary from 0.5 to 10.8 percent with an overall capture rate of 6.3 percent. The Subject’s overall capture rates are all well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

None of the LIHTC comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Bennettsville, South Carolina just beyond the PMA. Absorption rates at these properties are detailed in the table below.

ABSORPTION AT RECENT LIHTC PROPERTIES

Property Name	Type	Tenancy	Year Built	Number of Units	Units Absorbed Per Month
McGowan Commons	LIHTC	Family	2012	36	12
Palmetto Station Apartments	LIHTC	Family	2014	48	24
				Average	18

On average, these properties reported an absorption rate of 18 units per month. With the stable demographic base of moderate income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. The LIHTC comparables report few vacancies and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number income-qualified households, we believe that the Subject could absorb approximately 18 units per month upon opening. This equals an absorption period of two to three months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Subsidized properties were excluded due to differing rent structures from the Subject without a subsidy.

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

EXCLUDED PROPERTIES

Name	City	Program	Tenancy	Reason for Exclusion	No. of Units	2017 Vacancy Rate
Forest Ridge Apartments	Hartsville	LIHTC	Senior	Senior tenancy	89	0.0%
Magnolia Senior Village	Hartsville	LIHTC	Senior	Senior tenancy	32	0.0%
Springfield Apartments	Darlington	LIHTC	Disabled	Targets disabled persons	8	0.0%
Lakeshore Arms	Hartsville	Market	Families	Unit mix is not comparable	72	0.0%
Palmetto Villas	Hartsville	Market	Families	Inferior age and condition	44	2.3%
Palmetto Apartments	Hartsville	RDA	Families	Subsidized	72	N/A
Swift Creek Apartments	Hartsville	Section 8	Families	Subsidized	71	0.0%
Total LIHTC Only					97	0.0%
Total Assisted*					143	0.0%
Total All Affordable*					240	0.0%

*Vacancy rates calculated using only properties reporting vacancy information

N/A - Not available

LIHTC Competition

We spoke to Brenda Kelley, Senior Planner with the City of Hartsville’s Planning Department. Ms. Kelley indicated that there are no multifamily properties currently proposed, planned, or under construction in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property. This single-story property offers 32 one and two-bedroom units for seniors. Because of its senior tenancy, we do not consider Magnolia Senior Village to be competitive with the Subject. We also spoke with Julie Ritz in the County of Darlington Planning Department, who indicated that no other multifamily properties are currently proposed, planned, or under construction in the broader Darlington County area.

Pipeline Construction

As detailed above, we spoke with officials in both the City of Hartsville’s Planning Department and the County of Darlington Planning Department. Both offices indicated that there is no multifamily development currently under construction, proposed, or planned in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property.

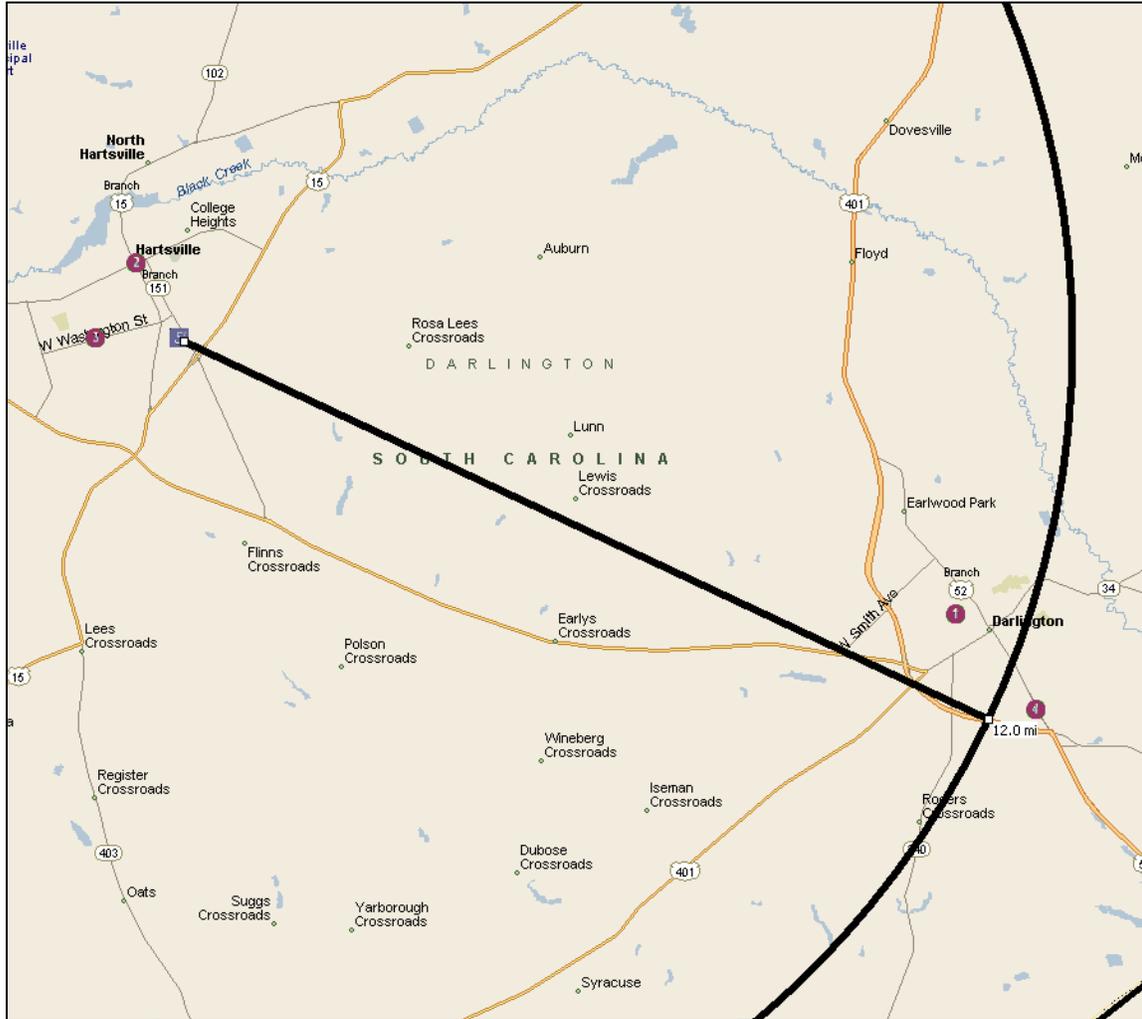
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes nine comparable properties containing 992 units.

The availability of multifamily data in the PMA and specifically in the Hartsville area was limited and, therefore, we extended our search for comparable properties into Darlington County. Of the four LIHTC comparables, two are in Hartsville and two are located within 12.5 miles of the Subject site in Darlington. Note that since the Subject will offer no rental assistance, we have excluded subsidized or Rural Development properties from the analysis of “true” comparables. Market data available for market rate apartments in the PMA is also considered poor, and we again extended our search to the Darlington County area more broadly. We were able to identify five market rate properties in Florence as comparables.

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

Comparable Rental Property Map - Detailed



COMPARABLE PROPERTIES

#	Property Name	City	Type	Distance (miles)
1	Autumn Run Apartments	Darlington	@50%, @60%	11.1
2	Hartsville Garden Apartments	Hartsville	@50%, @50% (HOME), @60%	1.1
3	Middletown Apartments	Hartsville	@50%, @60%	1.1
4	Pecan Grove Apartments	Darlington	@50%, @50% (HOME), @60%	12.8
5	Charles Pointe	Florence	Market	22.7
6	Columns At Millstone	Florence	Market	22.7
7	Somerset Acres	Florence	Market	19.2
8	The Reserve At Mill Creek	Florence	Market	22.5
9	Woodlake Apartments	Florence	Market	18.8

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Hartsville Crossing Village Driver Avenue Hartsville, SC 29550 Darlington County	n/a	Garden (2 stories) Proposed 2019	@50%, @60%, Market	1BR / 1BA	2	4.9%	@50%	\$360	750	yes		N/A	N/A
					1BR / 1BA	5	12.2%	@60%	\$460	750	yes	N/A	N/A	
					2BR / 2BA	5	12.2%	@50%	\$416	950	yes	N/A	N/A	
					2BR / 2BA	18	43.9%	@60%	\$536	950	yes	N/A	N/A	
					2BR / 2BA	1	2.4%	Market	\$696	950	n/a	N/A	N/A	
					3BR / 2BA	2	4.9%	@50%	\$456	1,100	yes	N/A	N/A	
					3BR / 2BA	8	19.5%	@60%	\$594	1,100	no	N/A	N/A	
						41	100.0%					N/A	N/A	
1	Autumn Run Apartments 405 Wells Street Darlington, SC 29532 Darlington County County	11.1 miles	Garden (2 stories) 2004 / n/a	@50%, @60%	2BR / 1BA	14	35.0%	@50%	\$367	850	yes	Yes	0	0.0%
					2BR / 1BA	14	35.0%	@60%	\$489	850	yes	Yes	0	0.0%
					3BR / 2BA	6	15.0%	@50%	\$406	1,000	no	Yes	0	0.0%
					3BR / 2BA	6	15.0%	@60%	\$546	1,000	yes	Yes	0	0.0%
						40	100.0%					0	0.0%	
2	Hartsville Garden Apartments 780 Tailwind Lane Hartsville, SC 29550 Darlington County	1.1 miles	Garden (3 stories) 2011 / n/a	@50%, @50% (HOME), @60%	1BR / 1BA	6	8.3%	@50%	\$404	740	yes	Yes	0	0.0%
					1BR / 1BA	2	2.8%	@50% (HOME)	\$365	740	yes	Yes	0	0.0%
					1BR / 1BA	8	11.1%	@60%	\$506	740	yes	Yes	0	0.0%
					2BR / 2BA	16	22.2%	@50%	\$485	888	yes	Yes	0	0.0%
					2BR / 2BA	4	5.6%	@50% (HOME)	\$439	888	yes	Yes	0	0.0%
					2BR / 2BA	20	27.8%	@60%	\$575	888	no	Yes	1	5.0%
					3BR / 2BA	6	8.3%	@50%	\$539	1,069	yes	Yes	0	0.0%
					3BR / 2BA	2	2.8%	@50% (HOME)	\$486	1,069	yes	Yes	0	0.0%
					3BR / 2BA	8	11.1%	@60%	\$619	1,069	no	Yes	0	0.0%
						72	100.0%					1	1.4%	
3	Middletown Apartments 600 West Washington Street Hartsville, SC 29550 Darlington County	1.1 miles	Garden (2 stories) 1998 / n/a	@50%, @60%	2BR / 1BA	12	30.0%	@50%	\$400	685	no	Yes	0	0.0%
					2BR / 1BA	12	30.0%	@60%	\$450	685	no	Yes	1	8.3%
					3BR / 1.5BA	8	20.0%	@50%	\$450	1,100	no	Yes	0	0.0%
					3BR / 1.5BA	8	20.0%	@60%	\$500	1,100	no	Yes	0	0.0%
						40	100.0%					1	2.5%	
4	Pecan Grove Apartments 105 Price Court Darlington, SC 29532 Darlington County County	12.8 miles	Duplex 2007 / n/a	@50%, @50% (HOME), @60%	1BR / 1BA	4	12.5%	@50%	\$379	570	no	Yes	1	25.0%
					1BR / 1BA	2	6.2%	@50% (HOME)	\$352	570	no	Yes	0	0.0%
					1BR / 1BA	6	18.8%	@60%	\$424	570	no	Yes	0	0.0%
					2BR / 2BA	4	12.5%	@50%	\$446	700	no	Yes	0	0.0%
					2BR / 2BA	2	6.2%	@50% (HOME)	\$396	700	no	Yes	0	0.0%
					2BR / 2BA	9	28.1%	@60%	\$466	700	no	Yes	0	0.0%
					3BR / 2BA	2	6.2%	@50%	\$485	837	no	Yes	0	0.0%
					3BR / 2BA	1	3.1%	@50% (HOME)	\$430	837	no	Yes	0	0.0%
					3BR / 2BA	2	6.2%	@60%	\$519	837	no	Yes	0	0.0%
						32	100.0%					1	3.1%	
5	Charles Pointe 201 West Millstone Road Florence, SC 29505 Florence County	22.7 miles	Garden (3 stories) 2001 / n/a	Market	1BR / 1BA	42	25.0%	Market	\$765	700	n/a	Yes	0	0.0%
					2BR / 2BA	114	67.9%	Market	\$865	1,010	n/a	No	0	0.0%
					3BR / 2BA	12	7.1%	Market	\$1,020	1,230	n/a	Yes	0	0.0%
						168	100.0%					0	0.0%	
6	Columns At Millstone 155 West Millstone Drive Florence, SC 29505 Florence County	22.7 miles	Garden (3 stories) 2007 / n/a	Market	2BR / 2BA	30	50.0%	Market	\$805	1,040	n/a	No	2	6.7%
					2BR / 2BA	30	50.0%	Market	\$755	1,040	n/a	No	0	0.0%
						60	100.0%					2	3.3%	
7	Somerset Acres 2815 Kinloch Court Florence, SC 29501 Florence County	19.2 miles	Garden (3 stories) 2008 / n/a	Market	2BR / 2BA	192	100.0%	Market	\$805	1,040	n/a	No	N/A	N/A
					2BR / 2BA	0	0.0%	Market	\$830	1,040	n/a	No	N/A	N/A
					2BR / 2BA	0	0.0%	Market	\$780	1,040	n/a	No	N/A	N/A
						192	100.0%					14	7.3%	
8	The Reserve At Mill Creek 2350 Freedom Blvd Florence, SC 29505 Florence County	22.5 miles	Garden (3 stories) 2008 / n/a	Market	1BR / 1BA	62	23.1%	Market	\$895	783	n/a	No	1	1.6%
					1.5BR / 1BA	60	22.4%	Market	\$995	965	n/a	No	0	0.0%
					2BR / 2BA	122	45.5%	Market	\$1,125	1,130	n/a	No	1	0.8%
					3BR / 2BA	24	9.0%	Market	\$1,395	1,285	n/a	No	0	0.0%
						268	100.0%					2	0.7%	
9	Woodlake Apartments 1347 Jefferson Drive Florence, SC 29501 Florence County	18.8 miles	Garden (3 stories) 2012 / n/a	Market	2BR / 2BA	N/A	N/A	Market	\$955	1,040	n/a	No	2	N/A
					2BR / 2BA	N/A	N/A	Market	\$880	1,040	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$969	1,222	n/a	No	0	N/A
					3BR / 2BA	N/A	N/A	Market	\$919	1,222	n/a	No	0	N/A
						120	100.0%					2	1.7%	

Hartsville Crossing Village – Hartsville, SC – Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.						
Effective Rent Date:		Mar-17	Units Surveyed:		992	
			Market Rate:		808	
			Tax Credit:		184	
			Weighted Occupancy:		97.70%	
			Market Rate:		97.50%	
			Tax Credit:		98.40%	
One Bedroom One Bath			Two Bedrooms Two Bath			
One Bedroom One Bath			Two Bedrooms Two Bath			
Three Bedrooms Two Bath			Three Bedrooms Two Bath			
RENT	Property	Average	Property	Average	Property	Average
	The Reserve At Mill Creek	\$895	The Reserve At Mill Creek	\$1,125	The Reserve At Mill Creek	\$1,395
	Charles Pointe	\$765	Woodlake Apartments	\$955	Charles Pointe	\$1,020
	Hartsville Garden Apartments * (60%)	\$506	Woodlake Apartments	\$880	Woodlake Apartments	\$969
	Hartsville Crossing Village * (60%)	\$460	Charles Pointe	\$865	Woodlake Apartments	\$919
	Pecan Grove Apartments * (60%)	\$424	Somerset Acres	\$830	Hartsville Garden Apartments * (60%)	\$619
	Hartsville Garden Apartments * (50%)	\$404	Columns At Millstone	\$805	Hartsville Crossing Village * (60%)	\$594
	Pecan Grove Apartments * (50%)	\$379	Somerset Acres	\$805	Autumn Run Apartments * (60%)	\$546
	Hartsville Garden Apartments * (50%)	\$365	Somerset Acres	\$780	Hartsville Garden Apartments * (50%)	\$539
	Hartsville Crossing Village * (50%)	\$360	Columns At Millstone	\$755	Pecan Grove Apartments * (60%)	\$519
	Pecan Grove Apartments * (50%)	\$352	Hartsville Crossing Village * (M)	\$696	Middletown Apartments * (1.5BA 60%)	\$500
			Hartsville Garden Apartments * (60%)	\$575	Hartsville Garden Apartments * (50%)	\$486
			Hartsville Crossing Village * (60%)	\$536	Pecan Grove Apartments * (50%)	\$485
			Autumn Run Apartments * (IBA 60%)	\$489	Hartsville Crossing Village * (50%)	\$456
			Hartsville Garden Apartments * (50%)	\$485	Middletown Apartments * (1.5BA 50%)	\$450
			Pecan Grove Apartments * (60%)	\$466	Pecan Grove Apartments * (50%)	\$430
			Middletown Apartments * (IBA 60%)	\$450	Autumn Run Apartments * (50%)	\$406
			Pecan Grove Apartments * (50%)	\$446		
			Hartsville Garden Apartments * (50%)	\$439		
			Hartsville Crossing Village * (50%)	\$416		
			Middletown Apartments * (IBA 50%)	\$400		
			Pecan Grove Apartments * (50%)	\$396		
			Autumn Run Apartments * (IBA 50%)	\$367		
SQUARE FOOTAGE						
	The Reserve At Mill Creek	783	The Reserve At Mill Creek	1,130	The Reserve At Mill Creek	1,285
	Hartsville Crossing Village * (50%)	750	Columns At Millstone	1,040	Charles Pointe	1,230
	Hartsville Crossing Village * (60%)	750	Columns At Millstone	1,040	Woodlake Apartments	1,222
	Hartsville Garden Apartments * (50%)	740	Somerset Acres	1,040	Woodlake Apartments	1,222
	Hartsville Garden Apartments * (50%)	740	Somerset Acres	1,040	Hartsville Crossing Village * (50%)	1,100
	Hartsville Garden Apartments * (60%)	740	Somerset Acres	1,040	Hartsville Crossing Village * (60%)	1,100
	Charles Pointe	700	Woodlake Apartments	1,040	Middletown Apartments * (1.5BA 50%)	1,100
	Pecan Grove Apartments * (50%)	570	Woodlake Apartments	1,040	Middletown Apartments * (1.5BA 60%)	1,100
	Pecan Grove Apartments * (50%)	570	Charles Pointe	1,010	Hartsville Garden Apartments * (50%)	1,069
	Pecan Grove Apartments * (60%)	570	Hartsville Crossing Village * (50%)	950	Hartsville Garden Apartments * (50%)	1,069
			Hartsville Crossing Village * (60%)	950	Hartsville Garden Apartments * (60%)	1,069
			Hartsville Crossing Village * (M)	950	Autumn Run Apartments * (50%)	1,000
			Hartsville Garden Apartments * (50%)	888	Autumn Run Apartments * (60%)	1,000
			Hartsville Garden Apartments * (50%)	888	Pecan Grove Apartments * (50%)	837
			Hartsville Garden Apartments * (60%)	888	Pecan Grove Apartments * (50%)	837
			Autumn Run Apartments * (IBA 50%)	850	Pecan Grove Apartments * (60%)	837
			Autumn Run Apartments * (IBA 60%)	850		
			Pecan Grove Apartments * (50%)	700		
			Pecan Grove Apartments * (50%)	700		
			Pecan Grove Apartments * (60%)	700		
			Middletown Apartments * (IBA 50%)	685		
			Middletown Apartments * (IBA 60%)	685		
RENT PER SQUARE FOOT						
	The Reserve At Mill Creek	\$1.14	The Reserve At Mill Creek	\$1.00	The Reserve At Mill Creek	\$1.09
	Charles Pointe	\$1.09	Woodlake Apartments	\$0.92	Charles Pointe	\$0.83
	Pecan Grove Apartments * (60%)	\$0.74	Charles Pointe	\$0.86	Woodlake Apartments	\$0.79
	Hartsville Garden Apartments * (60%)	\$0.68	Woodlake Apartments	\$0.85	Woodlake Apartments	\$0.75
	Pecan Grove Apartments * (50%)	\$0.66	Somerset Acres	\$0.80	Pecan Grove Apartments * (60%)	\$0.62
	Pecan Grove Apartments * (50%)	\$0.62	Columns At Millstone	\$0.77	Pecan Grove Apartments * (50%)	\$0.58
	Hartsville Crossing Village * (60%)	\$0.61	Somerset Acres	\$0.77	Hartsville Garden Apartments * (60%)	\$0.58
	Hartsville Garden Apartments * (50%)	\$0.55	Somerset Acres	\$0.75	Autumn Run Apartments * (60%)	\$0.55
	Hartsville Garden Apartments * (50%)	\$0.49	Hartsville Crossing Village * (M)	\$0.73	Hartsville Crossing Village * (60%)	\$0.54
	Hartsville Crossing Village * (50%)	\$0.48	Columns At Millstone	\$0.73	Pecan Grove Apartments * (50%)	\$0.51
			Pecan Grove Apartments * (60%)	\$0.67	Hartsville Garden Apartments * (50%)	\$0.50
			Middletown Apartments * (IBA 60%)	\$0.66	Hartsville Garden Apartments * (50%)	\$0.45
			Hartsville Garden Apartments * (60%)	\$0.65	Middletown Apartments * (1.5BA 60%)	\$0.45
			Pecan Grove Apartments * (50%)	\$0.64	Hartsville Crossing Village * (50%)	\$0.41
			Middletown Apartments * (IBA 50%)	\$0.58	Middletown Apartments * (1.5BA 50%)	\$0.41
			Autumn Run Apartments * (IBA 60%)	\$0.58	Autumn Run Apartments * (50%)	\$0.41
			Pecan Grove Apartments * (50%)	\$0.57		
			Hartsville Crossing Village * (60%)	\$0.56		
			Hartsville Garden Apartments * (50%)	\$0.55		
			Hartsville Garden Apartments * (50%)	\$0.49		
			Hartsville Crossing Village * (50%)	\$0.44		
			Autumn Run Apartments * (IBA 50%)	\$0.43		

UNIT MATRIX REPORT

	Hartsville Crossing Village	Autumn Run Apartments	Hartsville Garden Apartments	Middletown Apartments	Pecan Grove Apartments
Comp #	Subject	1	2	3	4
Property Information					
Property Type	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Duplex
Year Built / Renovated	Proposed 2019	2004 / n/a	2011 / n/a	1998 / n/a	2007 / n/a
Market (Conv.)/Subsidy Type	@50%, @60%, Market	@50%, @60%	@50%, @50% (HOME), @60%	@50%, @60%	@50%, @50% (HOME), @60%
Utility Adjustments					
Cooking	no	no	no	no	no
Water Heat	no	no	no	no	no
Heat	no	no	no	no	no
Other Electric	no	no	no	no	no
Water	no	yes	yes	no	yes
Sewer	no	yes	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes
In-Unit Amenities					
Balcony/Patio	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	no	yes
Dishwasher	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no
Ceiling Fan	yes	yes	yes	no	yes
Garbage Disposal	yes	yes	yes	yes	yes
Microwave	yes	yes	no	no	yes
Oven	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	yes	no	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes
Property Amenities					
Basketball Court	no	no	yes	no	no
Business Center/Computer Lab	yes	no	yes	no	no
Car Wash	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes
Exercise Facility	yes	no	yes	no	no
Garage	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes
Picnic Area	no	no	yes	no	no
Playground	yes	yes	yes	yes	yes
Swimming Pool	no	no	no	no	no
Wi-Fi	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A
Security					
Limited Access	no	no	no	no	no
Perimeter Fencing	no	no	no	no	no
Video Surveillance	no	yes	yes	no	no
Other Amenities					
Other	n/a	Holiday parties and educational seminars	Gazebo and pet area	n/a	n/a

UNIT MATRIX REPORT

	Hartsville Crossing Village	Charles Pointe	Columns At Millstone	Somerset Acres	The Reserve At Mill Creek	Woodlake Apartments
Comp #	Subject	5	6	7	8	9
Property Information						
Property Type	Garden (2 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)	Garden (3 stories)
Year Built / Renovated Market (Conv./Subsidy Type)	Proposed 2019 @ 50%, @ 60%, Market	2001 / n/a Market	2007 / n/a Market	2008 / n/a Market	2008 / n/a Market	2012 / n/a Market
Utility Adjustments						
Cooking	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no
Heat	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no
Water	no	no	yes	yes	no	yes
Sewer	no	no	yes	yes	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes
In-Unit Amenities						
Balcony/Patio	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no
Ceiling Fan	yes	yes	yes	yes	yes	no
Garbage Disposal	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	yes	yes	yes	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes
Property Amenities						
Basketball Court	no	no	no	no	no	no
Business Center/Computer Lab	yes	no	no	no	yes	no
Car Wash	no	yes	no	no	yes	no
Clubhouse/Meeting Room/Community Room	yes	no	no	yes	yes	no
Exercise Facility	yes	yes	no	yes	yes	yes
Garage	no	yes	no	no	yes	no
Central Laundry	yes	no	no	no	yes	no
Off-Street Parking	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	no	no	yes	no
Picnic Area	no	yes	no	no	yes	no
Playground	yes	yes	no	no	yes	no
Swimming Pool	no	yes	no	yes	yes	yes
Wi-Fi	no	no	no	no	yes	no
Garage Fee	N/A	\$85.00	N/A	N/A	\$150.00	N/A
Security						
Limited Access	no	no	no	no	yes	no
Perimeter Fencing	no	no	no	no	yes	no
Video Surveillance	no	no	no	no	no	no
Other Amenities						
Other	n/a	Dog Park	n/a	n/a	n/a	n/a

PROPERTY PROFILE REPORT

Autumn Run Apartments

Effective Rent Date	2/02/2017
Location	405 Wells Street Darlington, SC 29532 Darlington County County Intersection: Doneralie Street
Distance	11.1 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mostly families, some seniors and single adults, primarily from the city of Darlington; some from Florence
Contact Name	Mary
Phone	(843) 398-1981



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Within one month
Annual Chg. in Rent	N/A
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	14	850	\$412	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	14	850	\$534	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,000	\$462	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,000	\$602	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$412	\$0	\$412	-\$45	\$367	2BR / 1BA	\$534	\$0	\$534	-\$45	\$489
3BR / 2BA	\$462	\$0	\$462	-\$56	\$406	3BR / 2BA	\$602	\$0	\$602	-\$56	\$546

Autumn Run Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Video Surveillance

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management

Premium

None

Other

Holiday parties and

Comments

The contact reported a waiting list of 30 households for all unit types.

PROPERTY PROFILE REPORT

Hartsville Garden Apartments

Effective Rent Date 1/23/2017
Location 780 Tailwind Lane
 Hartsville, SC 29550
 Darlington County
 Intersection: S 4th Street
Distance 1.1 miles
Units 72
Vacant Units 1
Vacancy Rate 1.4%
Type Garden (3 stories)
Year Built/Renovated 2011 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Middletown Apartments
Tenant Characteristics Majority families from Hartsville
Contact Name Ron
Phone 843-917-0257



Market Information

Program @50%, @50% (HOME), @60%
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased 2-4%
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	6	740	\$441	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	2	740	\$402	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	8	740	\$543	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	16	888	\$530	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	4	888	\$484	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	20	888	\$620	\$0	@60%	Yes	1	5.0%	no	None
3	2	Garden (3 stories)	6	1,069	\$595	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	2	1,069	\$542	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	8	1,069	\$675	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$402 - \$441	\$0	\$402 - \$441	-\$37	\$365 - \$404	1BR / 1BA	\$543	\$0	\$543	-\$37	\$506
2BR / 2BA	\$484 - \$530	\$0	\$484 - \$530	-\$45	\$439 - \$485	2BR / 2BA	\$620	\$0	\$620	-\$45	\$575
3BR / 2BA	\$542 - \$595	\$0	\$542 - \$595	-\$56	\$486 - \$539	3BR / 2BA	\$675	\$0	\$675	-\$56	\$619

Hartsville Garden Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

Video Surveillance

Services

None

Property

Basketball Court
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area

Premium

None

Other

Gazebo and pet area

Comments

Management indicated that the 60 percent rents are close to the maximum allowable levels. The waiting list consists of 14 households. The contact also indicated a substantial need for affordable housing in the area.

Hartsville Garden Apartments, continued

Photos



PROPERTY PROFILE REPORT

Middletown Apartments

Effective Rent Date 1/19/2017

Location 600 West Washington Street
Hartsville, SC 29550
Darlington County
Intersection: Martin Luther King Drive

Distance 1.1 miles

Units 40

Vacant Units 1

Vacancy Rate 2.5%

Type Garden (2 stories)

Year Built/Renovated 1998 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Hartsville Garden

Tenant Characteristics From the Hartsville area

Contact Name Tiffany

Phone 843-332-6863



Market Information

Program @50%, @60%

Annual Turnover Rate 15%

Units/Month Absorbed N/A

HCV Tenants 25%

Leasing Pace Preleased

Annual Chg. in Rent Increase of 3.8 to 5.5%

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	12	685	\$400	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	12	685	\$450	\$0	@60%	Yes	1	8.3%	no	None
3	1.5	Garden (2 stories)	8	1,100	\$450	\$0	@50%	Yes	0	0.0%	no	None
3	1.5	Garden (2 stories)	8	1,100	\$500	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$400	\$0	\$400	\$0	\$400	2BR / 1BA	\$450	\$0	\$450	\$0	\$450
3BR / 1.5BA	\$450	\$0	\$450	\$0	\$450	3BR / 1.5BA	\$500	\$0	\$500	\$0	\$500

Middletown Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property maintains a waiting list. Currently, there are no concessions being offered.

Middletown Apartments, continued

Photos



PROPERTY PROFILE REPORT

Pecan Grove Apartments

Effective Rent Date 1/24/2017

Location 105 Price Court
Darlington, SC 29532
Darlington County County
Intersection: S Main Street

Distance 12.8 miles

Units 32

Vacant Units 1

Vacancy Rate 3.1%

Type Duplex

Year Built/Renovated 2007 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Majority families, approximately 15 percent seniors

Contact Name Helen Richardson

Phone (843) 409-9094



Market Information

Program @50%, @50% (HOME), @60%

Annual Turnover Rate 13%

Units/Month Absorbed N/A

HCV Tenants 22%

Leasing Pace Within one week

Annual Chg. in Rent Increased two percent

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Duplex	4	570	\$416	\$0	@50%	Yes	1	25.0%	no	None
1	1	Duplex	2	570	\$389	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	Duplex	6	570	\$461	\$0	@60%	Yes	0	0.0%	no	None
2	2	Duplex	4	700	\$491	\$0	@50%	Yes	0	0.0%	no	None
2	2	Duplex	2	700	\$441	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	2	Duplex	9	700	\$511	\$0	@60%	Yes	0	0.0%	no	None
3	2	Duplex	2	837	\$541	\$0	@50%	Yes	0	0.0%	no	None
3	2	Duplex	1	837	\$486	\$0	@50% (HOME)	Yes	0	0.0%	no	None
3	2	Duplex	2	837	\$575	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$389 - \$416	\$0	\$389 - \$416	-\$37	\$352 - \$379	1BR / 1BA	\$461	\$0	\$461	-\$37	\$424
2BR / 2BA	\$441 - \$491	\$0	\$441 - \$491	-\$45	\$396 - \$446	2BR / 2BA	\$511	\$0	\$511	-\$45	\$466
3BR / 2BA	\$486 - \$541	\$0	\$486 - \$541	-\$56	\$430 - \$485	3BR / 2BA	\$575	\$0	\$575	-\$56	\$519

Pecan Grove Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property maintains a waiting list, which has approximately five households. The contact indicated that there is strong demand for affordable housing in the market.

Photos



PROPERTY PROFILE REPORT

Charles Pointe

Effective Rent Date	1/17/2017
Location	201 West Millstone Road Florence, SC 29505 Florence County Intersection: S Irby Street
Distance	22.7 miles
Units	168
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Reserve at Mill Creek
Tenant Characteristics	Most of the tenants are from Florence.
Contact Name	Leslie Tanner
Phone	843-536-4613



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 4 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	42	700	\$765	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	114	1,010	\$865	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,230	\$1,020	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$765	\$0	\$765	\$0	\$765
2BR / 2BA	\$865	\$0	\$865	\$0	\$865
3BR / 2BA	\$1,020	\$0	\$1,020	\$0	\$1,020

Charles Pointe, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Car Wash
Garage
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Dog Park

Comments

The property does not accept Housing Choice Vouchers. The property maintains a waiting list.

Photos



PROPERTY PROFILE REPORT

Columns At Millstone

Effective Rent Date	1/17/2017
Location	155 West Millstone Drive Florence, SC 29505 Florence County Intersection: S Irby Street
Distance	22.7 miles
Units	60
Vacant Units	2
Vacancy Rate	3.3%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Haven
Tenant Characteristics	Most of the tenants are from Florence.
Contact Name	Scott
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 5 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	30	1,040	\$850	\$0	Market	No	2	6.7%	N/A	HIGH
2	2	Garden (3 stories)	30	1,040	\$800	\$0	Market	No	0	0.0%	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$800 - \$850	\$0	\$800 - \$850	-\$45	\$755 - \$805

Amenities

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

Columns At Millstone, continued

Comments

The property is not offering any concessions currently. The contact indicated that Housing Choice Vouchers are not accepted.

Photos



Somerset Acres, continued

Comments

The property does not accept Housing Choice Vouchers. The units with higher rents are located on the ground floor. The contact stated that the increase in vacancy is due to families with six month leases moving into single family homes.

Photos



PROPERTY PROFILE REPORT

The Reserve At Mill Creek

Effective Rent Date	1/17/2017
Location	2350 Freedom Blvd Florence, SC 29505 Florence County Intersection: S Irby Street
Distance	22.5 miles
Units	268
Vacant Units	2
Vacancy Rate	0.7%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most of the tenants are from Hartsville.
Contact Name	Joanie
Phone	843-665-5311



Market Information

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	62	783	\$895	\$0	Market	No	1	1.6%	N/A	None
1.5	1	Garden (3 stories)	60	965	\$995	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	122	1,130	\$1,125	\$0	Market	No	1	0.8%	N/A	None
3	2	Garden (3 stories)	24	1,285	\$1,395	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$895	\$0	\$895	\$0	\$895
1.5BR / 1BA	\$995	\$0	\$995	\$0	\$995
2BR / 2BA	\$1,125	\$0	\$1,125	\$0	\$1,125
3BR / 2BA	\$1,395	\$0	\$1,395	\$0	\$1,395

The Reserve At Mill Creek, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Limited Access
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground
Wi-Fi

Premium

None

Other

None

Comments

The contact stated that the property does not accept Housing Choice Vouchers.

The Reserve At Mill Creek, continued

Photos



PROPERTY PROFILE REPORT

Woodlake Apartments

Effective Rent Date	1/17/2017
Location	1347 Jefferson Drive Florence, SC 29501 Florence County Intersection: Millbank Drive
Distance	18.8 miles
Units	120
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	9/01/2011
Leasing Began	1/01/2012
Last Unit Leased	8/31/2012
Major Competitors	None identified
Tenant Characteristics	Mostly younger tenants; few seniors
Contact Name	Scott
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	15
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to 8 percent
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	N/A	1,040	\$1,000	\$0	Market	No	2	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,040	\$925	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,222	\$1,025	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,222	\$975	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$925 - \$1,000	\$0	\$925 - \$1,000	-\$45	\$880 - \$955
3BR / 2BA	\$975 - \$1,025	\$0	\$975 - \$1,025	-\$56	\$919 - \$969

Woodlake Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Exercise Facility
Swimming Pool

Off-Street Parking

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. Higher priced units are located on the ground floor.

Woodlake Apartments, continued

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY ALL PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	@50%, @60%	40	0	0.0%
Hartsville Garden Apartments	@50%, @50% (HOME), @60%	72	1	1.4%
Middletown Apartments	@50%, @60%	40	1	2.5%
Pecan Grove Apartments	@50%, @50% (HOME), @60%	32	1	3.1%
Charles Pointe*	Market	168	0	0.0%
Columns At Millstone*	Market	60	2	3.3%
Somerset Acres*	Market	192	14	7.3%
The Reserve At Mill Creek*	Market	268	2	0.7%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total in PMA		184	3	1.6%
Total		992	23	2.3%

*Units at properties outside the PMA

OVERALL VACANCY LIHTC PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	@50%, @60%	40	0	0.0%
Hartsville Garden Apartments	@50%, @50% (HOME), @60%	72	1	1.4%
Middletown Apartments	@50%, @60%	40	1	2.5%
Pecan Grove Apartments	@50%, @50% (HOME), @60%	<u>32</u>	<u>1</u>	<u>3.1%</u>
Total in PMA		184	3	1.6%

OVERALL VACANCY MARKET RATE PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Charles Pointe*	Market	168	0	0.0%
Columns At Millstone*	Market	60	2	3.3%
Somerset Acres*	Market	192	14	7.3%
The Reserve At Mill Creek*	Market	268	2	0.7%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total		808	20	2.5%

*Units at properties outside the PMA

Overall vacancy in the PMA among the four comparables is low at 1.6 percent, and among all nine comparables the vacancy rate is 2.3 percent. The four surveyed comparable LIHTC properties from inside the PMA have a 1.6 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing.

Among the market rate properties, vacancy is also very low at 2.5 percent, indicating very strong support for conventional apartments. Of note, none of the market rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 7.3 percent. The market rate property reporting the highest vacancy, Somerset Acres, reported that several families with six-month leases have recently moved out of the property into single family homes. She expected vacancy to return to levels below seven percent within the next few months.

Overall, the local rental market appears to be healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline

standards. In fact, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 184 total LIHTC units in the PMA that we included in this comparable analysis. There are three vacancies among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

Reasonability of Rents

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Midlands Region, effective January 1, 2016, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 50 percent AMI net rents compared to the maximum allowable 50 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @50%			
Property Name	1BR	2BR	3BR
Hartsville Crossing Village (Subject)	\$360	\$416	\$456
2016 LIHTC Maximum (Net)	\$360	\$416	\$456
2015 Held Harmless Maximum (Net)	\$368	\$424	\$466
Autumn Run Apartments	-	\$367	\$406
Hartsville Garden Apartments	\$365 - \$404	\$439 - \$485	\$486 - \$539
Middletown Apartments	-	\$400	\$450
Pecan Grove Apartments	\$352- \$379	\$396 - \$446	\$430 - \$485
Average (excluding Subject)	\$375	\$422	\$466
Novoco Achievable Rents	\$360	\$416	\$456

The Subject’s proposed 50 percent AMI rents are set at the maximum allowable 2016 rents at this AMI level. The average 50 percent AMI rents at the comparables are above the proposed rents, as well as the maximum rents for 2016. All of the LIHTC properties were placed in service prior to 2015 and are held harmless at the 2015 LIHTC maximum allowable levels. These levels are higher than 2016 levels, explaining why several LIHTC rents illustrated in the table are above the current maximum allowable levels. The Subject is considered most similar to Hartsville Garden. Hartsville Garden offers one, two, and three-bedroom units at the maximum allowable level for rents at 50 percent of AMI. Hartsville Garden is similar to the Subject in terms of location and amenities, but slightly inferior to the Subject with respect to age and condition. Even with rents set at maximum allowable levels, Hartsville Garden reports low vacancy and a waiting list. Because the Subject will

be in a market with demonstrated demand for affordable housing, as well as the limited number of units proposed at 50 percent AMI, we believe the Subject’s proposed rents at this level are achievable.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @60%			
Property Name	1BR	2BR	3BR
Hartsville Crossing Village (Subject)	\$460	\$536	\$594
LIHTC Maximum (Net)	\$460	\$536	\$594
2015 Held Harmless Maximum (Net)	\$470	\$546	\$606
Autumn Run Apartments		\$489	\$546
Hartsville Garden Apartments	\$506	\$575	\$619
Middletown Apartments		\$450	\$500
Pecan Grove Apartments	\$424	\$466	\$519
Average (excluding Subject)	\$465	\$495	\$546
Novoco Achievable Rents	\$460	\$536	\$594

The Subject’s proposed 60 percent AMI rents for one, two, and three-bedroom units are set at the maximum allowable rent at this AMI level. Average 60 percent AMI rents in the market are similar to slightly above the Subject’s proposed rents at this AMI level. All of the LIHTC properties were placed in service prior to 2015 and are held harmless at the 2015 LIHTC maximum allowable levels. These levels are higher than 2016 levels, explaining why several LIHTC rents illustrated in the table are above the current maximum allowable levels. The Subject is considered most similar to Hartsville Garden Apartments in terms of amenities, unit sizes, and location. Hartsville Garden Apartments has one, two, and three-bedroom units at rents that are above the 2016 maximum allowable levels for units at 60 percent AMI. Even with rents set at maximum allowable levels, Hartsville Garden maintains a waiting list. The Subject is considered slightly superior to Hartsville Garden with respect to age and condition. Given the fact the Subject will be in a market with a demonstrated demand for affordable housing, and the limited number of units proposed at 60 percent AMI, we believe the Subject’s proposed rents at this level are achievable.

Achievable Market Rents

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

Subject Comparison to Market Rents						
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR@50%	\$360	\$765	\$995	\$830	\$880	59%
2 BR@50%	\$416	\$755	\$1,125	\$867	\$900	54%
3 BR@50%	\$456	\$919	\$1,395	\$1,076	\$1,000	54%
1 BR@60%	\$460	\$765	\$995	\$830	\$880	48%
2 BR@60%	\$536	\$755	\$1,125	\$867	\$900	40%
3 BR@60%	\$594	\$919	\$1,395	\$1,076	\$1,000	41%
2 BR market rate	\$696	\$755	\$1,125	\$867	\$900	23%

All of the market rate properties were built between 2001 and 2012, and are located in Florence, which is approximately 20 miles southeast of Hartsville. These comparables are the closest market rate comparables in the general area. These comparables are superior with respect to location, as Florence has a higher median income and a higher median monthly rent than does Hartsville. However, the market rate comparables are considered slightly inferior to the Subject with respect to amenities, age, and condition. Thus, we believe the Subject will be able to achieve similar market rents to those of the market rate comparables located in Florence. The Reserve at Mill Creek was constructed in 2008 and has a similar unit mix, and is thus considered most similar to the Subject. Net rents at this property are \$895 for a one-bedroom unit, \$1,125 for a two-bedroom unit, and \$1,395 for a three-bedroom unit. These rents are above the surveyed average for all unit types. The Reserve at Mill Creek offers one-bedroom units at 783 square feet, two-bedroom units at 1,130 square feet, and three-bedroom units at 1,285 square feet. All of these unit sizes are slightly above the Subject’s proposed unit sizes. Given the Subject’s similarity to The Reserve at Mill Creek with respect to age and condition, and its inferiority with respect to location and unit size, we expect the Subject can achieve market rents slightly lower than those at The Reserve at Mill Creek. Thus, we have concluded to achievable market rents of **\$880, \$900, and \$1,000** for one-, two-, and three-bedroom units, respectively. The Subject’s proposed LIHTC rents will have advantages of 23 to 59 percent over what we have determined to be the achievable market rents.

Classified Listings

There is not an adequate supply of conventional market rate apartments in the immediate market area to support the Subject’s three-bedroom rents; therefore, we have obtained classified rental listings for single-family homes and manufactured homes in the immediate area. Most families seeking housing in an apartment community would be likely to consider moving into a single-family rental home or a mobile home. It should be noted that we made utility adjustments to the comparable data using the utility allowance provided by the developer’s utility allowance.

RENTAL CLASSIFIED LISTINGS

BR	BA	Address	City	Size (SF)	Rent	Comments
3	2.5	1808 Regency Drive	Hartsville	2,150	\$1,700	Hardwood flooring, washer and dryer included, two-car garage
3	3	331 W Hampton Avenue	Bishopville	3,038	\$1,350	Two dining rooms, installed security system, wraparound porch
3	2	724 Joyce Lane	Florence	1,496	\$1,200	Fireplace, single car garage, fenced back yard
3BR Average					\$1,417	

Source: Trulia.com, Zillow.com, Apartments.com, February 2017

The classifieds in the Subject market area are generally inferior with respect to property amenities. However, the classifieds are considered superior to the Subject with respect to unit size and in-unit amenities. Our achievable market rent of \$1,000 for a three-bedroom unit is thus generally supported by the classifieds presented.

Impact of Subject on Other Affordable Units in Market

There are three total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. There are four LIHTC properties we surveyed in the PMA, none of which are age-restricted. With a limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject’s opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

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

Summary Evaluation of the Proposed Project

Overall vacancy in the local market is performing well with a 1.6 percent vacancy rate in the PMA and a 2.3 percent vacancy rate among all nine surveyed comparable projects. The four properties with LIHTC units reported three total vacancies and all maintain waiting lists, suggesting significant latent demand for affordable housing. Market rate comparables are not performing as well as LIHTC comparables, with vacancy rates of zero to 7.3 percent. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 44 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We spoke to Brenda Kelley, Senior Planner with the City of Hartsville’s Planning Department (803-642-7608). Ms. Kelley indicated that there are no multifamily properties currently proposed, planned, or under construction in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property. This single-story property offers 32 one and two-bedroom units for seniors. We also spoke with Julie Ritz in the County of Darlington Planning Department, who indicated that no other multifamily properties are currently proposed, planned, or under construction in the broader Darlington County area.

Section 8/Public Housing

We spoke with Kim Smith, Section 8 Administrator with the Housing Authority of Hartsville (843-332-1583). Ms. Smith indicated that the authority is authorized to distribute 250 tenant-based Housing Choice Vouchers. All of these vouchers are currently in use. The waiting list has approximately 100 households and is currently closed. The voucher payment standards are provided in the table below.

PAYMENT STANDARDS - CITY OF HARTSVILLE

Unit Type	Payment Standards
1 BR	\$519
2 BR	\$600
3 BR	\$821

The Subject’s projected market rents for one- and two-bedroom units are above these payment standards, indicating tenants utilizing vouchers in market-rate units at the Subject will be required to pay additional rent out of pocket.

Property Managers

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

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 6.3 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 0.5 to 10.8 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Hartsville) that has few affordable multifamily housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that families would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables, yielding a vacancy rate of 1.6 percent. Market rate properties are not performing as well, suggesting higher demand for affordable multifamily housing than for conventional multifamily housing. The developer's proposed rents represent greater than a 44.1 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

May 5, 2017

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner



Brian C. Neukam
Manager – Valuation
SC State Certified Appraiser #7493
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ADDENDA

ADDENDUM A
Qualifications of Analysts

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

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

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

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

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

REAL ESTATE ASSIGNMENTS

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

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