

**A MARKET FEASIBILITY STUDY OF:**

# **CHESTNUT HILLS APARTMENTS**

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Located at:  
206 E Clairborne Street  
Blacksburg, Cherokee County, SC 29702

Effective Date: May 6, 2024  
Report Date: May 16, 2024

Prepared for:  
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Prepared by:  
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May 16, 2024

Chestnut Hills Apartments SC LLC  
Jay Bernstein  
Fitch Irick  
1515 Mockingbird Lane, Suite 1010  
Charlotte, NC 28209

Re: Market Study for Chestnut Hills Apartments, located in Blacksburg, Cherokee County, South Carolina

Dear Jay Bernstein:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting ("Novogradac") has performed a study of the multifamily rental market in the Blacksburg, Cherokee County, South Carolina area relative to the above-referenced proposed acquisition/rehabilitation project.

The purpose of this market study is to assess the viability of the acquisition/rehabilitation of Chestnut Hills Apartments (Subject), an existing 40-unit Low Income Housing Tax Credit (LIHTC)/USDA Rural Development multifamily property located at 206 E Clairborne Street, in Blacksburg, Cherokee County, South Carolina. Further, all 40 units receive Rental Assistance through USDA Section 515; thus, tenants pay 30 percent of their income towards rent. Post-renovation, all of the units will continue to be LIHTC-restricted to families earning at, or below, 60 percent of the Area Median Income (AMI). In addition, all units will continue to receive Rental Assistance through USDA Section 515.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Authority ("SCSHFDA"), including the following:

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

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client and the requirements of South Carolina State Housing Finance and Development Authority (SCSHFDA), both of which are identified intended users, and the intended use is for tax credit application. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

The depth of discussion contained in the report is compliant with both SCSHFDA and the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental.

The Stated Purpose of this assignment is to submit to South Carolina State Housing Finance and Development Authority (SC Housing) for LIHTC application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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

Respectfully submitted,  
Novogradac



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# **I. EXECUTIVE SUMMARY**

## Property Summary of Subject

### Subject Property Overview:

Chestnut Hills Apartments (Subject) is an existing 40-unit Low Income Housing Tax Credit (LIHTC)/USDA Rural Development multifamily development. The Subject is located at 206 E Clairborne Street, in Blacksburg, Cherokee County, SC 29702. The Subject offers 40 revenue-generating two and three-bedroom units, targeted toward the general population. Improvements consist of four two-story townhouse-style and six one-story residential buildings, in addition to one single-story community building. The Subject's improvements were originally constructed in 1975, renovated with LIHTC equity in 2002, and are proposed for further renovations utilizing additional LIHTC equity. The Subject currently offers 40 two and three-bedroom units restricted to households earning 60 percent of the Area Median Income (AMI), or less. Further, all units receive Rental Assistance through USDA Section 515; thus, tenants pay 30 percent of their income towards rent. According to the rent roll dated April 12, 2024, the Subject is currently 12.5 percent vacant, with five vacant units. Additionally, four of the vacant units are pre-leased, indicating the property is 98.0 percent leased. The property maintains a waiting list of eight households in length. According to historical financial statements, the Subject's annual vacancy and collection loss was 3.8 and 1.8 percent in 2022 and 2023, respectively. Post-renovation, all of the units will continue to be LIHTC-restricted to families earning 60 percent of the AMI. Further, all 40 units will continue to receive Rental Assistance through USDA Section 515.

### Targeted Tenancy:

For SCSHFDA purposes, the tenancy is considered general population. The targeted tenancy is not age-restricted and will consist of primarily one to five-person households.

### Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject's proposed rents, utility allowances, unit mix, and unit sizes. Post-renovation, all of the units will continue to be LIHTC-restricted to families earning 60 percent of the AMI. In addition, all units will continue to receive Rental Assistance through USDA Section 515. The Subject's basic and note rents were derived from the approved rent notice provided by the client and effective as of January 1, 2024. As the Subject qualifies as a rural area under the 2008 Housing Act, the Subject is eligible to operate under the national non-metropolitan maximum allowable rent and income limits, which are higher than the Cherokee County LIHTC limits.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	# Units	Structure	USDA Basic Rent (1)	LIHTC Asking Rent	Utility Allowance (1)	Gross Rent	2024 National Non-Metro LIHTC Maximum Allowable Gross Rent	Note Rent (1)
<b>@60%/USDA (Rental Assistance)*</b>									
2BR/1.5BA	796	18	One-story	\$791	\$791	\$95	\$886	\$1,045	\$912
2BR/1.5BA	1,045	8	Townhouse	\$791	\$791	\$95	\$886	\$1,045	\$912
3BR/1.5BA	1,004	6	One-story	\$816	\$816	\$160	\$976	\$1,207	\$937
3BR/1.5BA	1,157	8	Townhouse	\$816	\$816	\$160	\$976	\$1,207	\$937
<b>Total</b>		<b>40</b>							

(1) Based on the approved rent notice provided by the client and effective as of January 1, 2024  
 \*Tenants contribute 30 percent of their income towards rent

**Scope of Renovations:**

According to information provided by the developer, the total renovation hard costs are estimated to be approximately \$4,230,200, or \$105,755 per unit. The renovation scope includes, but may not be limited to the following:

**Site Work:**

- Asphalt replacement
- New concrete curbing
- Site work involving grade, drainage, etc., as needed
- Landscaping
- Update site lighting

**Building Exterior:**

- New architectural shingles
- Remove and replace gutters
- Remove and replace windows
- Pressure wash existing brick
- Remove and replace vinyl siding

**Mechanical/Electrical/Plumbing Systems:**

- New HVAC heat pump system
- Remove and replace exterior HVAC condenser unit
- Replace hot water heaters (all units and mechanical closet)
- Replace receptables, switches, and lighting fixtures
- Replace electrical components, as needed
- New water lines, as needed
- Replace plumbing pipes and systems, as needed

**Unit Interiors:**

- New fiberglass tubs/showers, bathroom vanities, and toilets
- New base and wall kitchen cabinets
- New electric coil ranges and side-by-side refrigerators
- New LVP flooring throughout
- Add microwaves and dishwashers

## Market Vacancy

The following table summarizes overall weighted vacancy trends at the surveyed properties.

OVERALL VACANCY					
Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Cherry Laurel*	LIHTC	Family	42	0	0.0%
Companion At Lee's Crossing*	LIHTC	Family	192	0	0.0%
Cotton Mill Village*	LIHTC	Family	39	0	0.0%
Innsbrook Commons*	LIHTC	Family	72	1	1.4%
Wellington Square*	LIHTC/Market	Family	50	0	0.0%
1022 West Apartments	Market	Family	166	6	3.6%
Magnolia Ridge	Market	Family	84	0	0.0%
Sage At Martin Lane	Market	Family	96	4	4.2%
Stonecrest Apartments	Market	Family	198	0	0.0%
The Orchard Apartment Homes	Market	Family	48	0	0.0%
<b>LIHTC Total</b>			<b>395</b>	<b>1</b>	<b>0.3%</b>
<b>Market Total</b>			<b>592</b>	<b>10</b>	<b>1.7%</b>
<b>Overall Total</b>			<b>987</b>	<b>11</b>	<b>1.1%</b>

\*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 1.1 percent. Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, below the 1.7 percent weighted average reported by the market rate properties. All of the market rate properties reported vacancy rates of 4.2 percent or less. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply-constrained conditions.

The Subject was 87.5 percent occupied, with five vacancies, according to the rent roll dated April 12, 2024. Additionally, four of the vacant units are pre-leased, indicating the property is 98 percent leased. According to historical financial statements, the Subject's annual vacancy and collection loss was 3.8 and 1.8 percent in 2022 and 2023, respectively. According to management, the Subject maintains a waiting list of eight households in length. Based on the performance of the comparables, we expect the Subject would operate with vacancy and collection loss of approximately five percent.

## 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
2BR @60%/USDA (Rental Assistance)	905	0	905	26	2.9%
2BR @60%/USDA (Absent Rental Assistance)	200	0	200	26	13.0%
3BR @60%/USDA (Rental Assistance)	408	0	408	14	3.4%
3BR @60%/USDA (Absent Rental Assistance)	90	0	90	14	15.5%
@60%/USDA (Rental Assistance) Overall	1,313	0	1,313	40	3.0%
@60%/USDA (Absent Rental Assistance) Overall	290	0	290	40	13.7%

As the analysis illustrates, the Subject's individual capture rates by bedroom type range from 2.9 to 3.4 percent, as proposed, and from 13.0 to 15.5 percent, absent rental assistance. The overall capture rates for the Subjects units as proposed and absent rental assistance are 3.0 and 13.7 percent, respectively, and we

believe there is adequate continued demand for the Subject. Further, capture rates for all units, as well as the overall property, are below the 30 percent capture rate threshold as determined by SCSHFDA.

### Projected Absorption Period

We analyzed absorption information from five new properties located within the surrounding area, detailed in the following table. Due to the lack of recently constructed developments in Blacksburg, we have expanded our search to include properties within a 30-mile radius, excluding larger metropolitan areas, of the Subject.

#### ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Park Crossing Apartments	Market	Family	Rutherfordton	2021	136	23	29.9 miles
Haven At Cramerton	Market	Family	Cramerton	2020	122	11	27.0 miles
Long Creek Apartments II	LIHTC	Family	Dallas	2019	80	27	23.6 miles
Autumn Glen Villas	LIHTC	Family	Gaffney	2019	60	20	8.8 miles
Cambridge Oaks I	LIHTC	Family	Kings Mountain	2015	56	28	13.3 miles
Revere At Lake Wylie	Market	Family	Clover	2015	444	24	24.1 miles
The Village At Mills Gap	Market	Family	Boiling Springs	2014	208	17	26.4 miles
<b>Average Affordable</b>					<b>65</b>	<b>25</b>	
<b>Average Market</b>					<b>228</b>	<b>19</b>	
<b>Overall Average</b>					<b>158</b>	<b>21</b>	

If the Subject was completely vacant, we would expect the property should experience a brief lease-up period due to the sustained demand for good quality affordable housing in the PMA. The affordable properties detailed above reported absorption rates ranging from 20 to 28 units per month, with an average of 25 units per month. Overall, we have concluded to an absorption rate of approximately 15 units per month. Assuming the Subject was completely vacant, we believe that the Subject would experience an absorption period of approximately three months to reach a stabilized occupancy rate of 95 percent, or higher. This is considered largely hypothetical as the Subject's current tenants are expected to remain income-eligible to remain at the property post-renovation. According to the rent roll dated April 12, 2024, the Subject is currently 12.5 percent vacant, with five vacant units. Overall, we believe the Subject would reach a stabilized occupancy rate in less than one month assuming its current operations. It should also be noted that the Subject maintains a waiting list of eight households in length.

### Market Conclusions

Overall, the local multifamily market is performing well with a 1.1 percent vacancy rate among all of the surveyed comparable projects, and 0.3 among the LIHTC comparables alone. Four of the five LIHTC properties are fully occupied and all five of the LIHTC properties maintain waiting lists, suggesting latent demand for affordable housing.

Two of the five comparables reported achieving maximum allowable rents at the 60 percent AMI level. Managers at four of the five LIHTC properties reported being fully occupied, including Cotton Mill Village and Wellington Square, which both reported rents below the maximum allowable levels and maintain waiting lists, indicating that higher rents are likely achievable. Post-renovation, the Subject will offer a similar condition, a slightly inferior to inferior location, slightly inferior to inferior in-unit amenities, inferior to similar community amenities, and similar unit sizes relative to the affordable comparables. Given the Subject's anticipated condition upon completion and competitive amenity packages, as well as the low vacancy and presence of waiting lists among the LIHTC comparables, we believe that the Subject could achieve two and three-bedroom rents of **\$875** and **\$1,000** at the 60 percent AMI level, respectively, absent rental assistance. These rents are below the 2024 non-metro maximum allowable levels, but above the 2024 maximum allowable rents for Cherokee County. Our estimate of the Subject's achievable LIHTC rents provide a 22 to 27 percent rent advantage to our estimate of achievable market rent. Overall, we believe that the Subject will continue to be successful in the local market.

## Recommendations

We believe there is demand for the Subject in the PMA and the market supports the renovation of the Subject development as proposed. The Subject's overall capture rate is 3.0 percent, as proposed, and 13.7 percent, absent subsidy, both of which are within acceptable demand thresholds and considered adequate. Individual capture rates by bedroom type range from 2.9 to 3.4 percent, as proposed, and from 13.0 to 15.5 percent, absent subsidy, which are all considered reasonable. Between 2023 and the market entry date, the total number of renter households is expected to decrease by 0.6 percent in the PMA; however, renter households will still represent a significant portion of households at 28.3 percent. The Subject is located within 0.7 miles of most community services and facilities that tenants would utilize on a consistent basis.

Given the Subject's anticipated condition upon completion and competitive amenity packages, as well as the low vacancy and presence of waiting lists among the LIHTC comparables, we believe that the Subject could achieve two and three-bedroom rents of **\$875** and **\$1,000** at the 60 percent AMI level, respectively, absent rental assistance. These rents are below the 2024 non-metro maximum allowable levels, but above the 2024 maximum allowable rents for Cherokee County. Our estimate of the Subject's achievable LIHTC rents provide a 22 to 27 percent rent advantage to our estimate of achievable market rent. Overall, we believe that the Subject will continue to be successful in the local market.

Further, there are several apparent strengths of the Subject's site, development scheme, and market, which include:

- Rehabilitation of the Subject's units will positively impact the surrounding area by improving the Subject's condition and street appeal, and thus representing an improvement to the neighborhood.
- All of the Subject's units will continue to receive Rental Assistance through USDA Section 515; thus, these tenants will continue to pay 30 percent of their income towards rent.
- The Subject is an existing property with a wait list, and all tenants are expected to remain income qualified post-renovation.
- The Subject will be in good condition upon completion and will fill a need for good quality/newly renovated affordable housing in Blacksburg.

As such, we recommend the Subject as proposed, with no suggested modifications.

## Long Term Impact on Existing LIHTC Properties in the PMA

Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply-constrained conditions. With an apparent high demand for affordable housing options for the general population in the market and a large base of low-income tenants, we believe the Subject's rehabilitation will have no long-term impact on the existing area LIHTC developments. In addition, no new units will be added to the market as a result of the Subject's allocation. Between 2023 and market entry, the total number of households is expected to increase slightly in the PMA. Since the Subject will continue to operate with Rental Assistance, we do not expect any impact on the existing low-income rental assisted housing in the market.

## Rent versus Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom, single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$179,900 and an interest rate of 7.35 percent for a 30-year fixed mortgage with a ten percent down payment. This was compared with the cost to rent the Subject's

three-bedroom unit at the 60 percent AMI level. The analysis indicates that with a monthly differential of \$716, it is more affordable to rent than purchase a home. The rent buy analysis is illustrated in the following table.

<b>RENT BUY ANALYSIS</b>			
<b>Property Type:</b>	<b>Three-Bedroom Single-Family Home</b>		
Sales Price			\$179,900
Down Payment at 10.0%			\$17,990
Mortgage Amount			\$161,910
Current Interest Rate			7.35%
<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment	\$1,116		\$13,386
Property Taxes	\$187	1.25%	\$2,249
Private Mortgage Insurance*	\$67	0.50%	\$810
Maintenance	\$300	2.00%	\$3,598
Utility Costs**	\$156		\$1,872
Tax Savings	(\$294)		(\$3,525)
<b>Cost Comparison</b>			
	<i>Monthly</i>		<i>Annual</i>
Costs of Homeownership	\$1,532		\$18,390
Cost of Renting At Subject	\$816		\$9,792
<b>Differential</b>	<b>\$716</b>		<b>\$8,598</b>
<b>Cost of Occupancy</b>			
	<i>Homeownership</i>		
Closing Costs		3.00%	\$5,397
Down Payment at 10.0%		10.00%	\$17,990
<b>Total</b>			<b>\$23,387</b>
	<i>Subject Rental</i>		
First Month's Rent	\$816		
Security Deposit	\$816		
<b>Total</b>	<b>\$1,632</b>		

\* Based upon 0.50% of mortgage amount

\*\* Utility Costs Included in Rent at Subject

As illustrated, the cash due at occupancy category more than \$23,300 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time home buyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in the Subject's neighborhood. Overall, we believe the Subject will face limited competition from homeownership.



# CHESTNUT HILLS APARTMENTS – BLACKSBURG, SC – APPLICATION MARKET STUDY

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

Development Name: Chestnut Hills  
 Address: 206 E Clairborne Street  
 PMA Boundary: Cherokee County border to the north, east, south, and west.  
 Development Type: ☒ Family ☐ Older Persons  
 Total # of Units: 40  
 # of LIHTC Units: 40  
 Farthest Boundary Distance to Subject: 21.0 miles

### RENTAL HOUSING STOCK (found on page 59 & 110)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,254	10	99.2%
Market-Rate Housing	5	592	10	98.3%
Assisted/Subsidized Housing not to include LIHTC	13	405	7	98.7%
LIHTC (All that are stabilized)*	5	395	1	99.7%
Stabilized Comps**	10	987	11	98.9%
Non-stabilized Comps	0	0	N/A	N/A

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

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

Subject Development				HUD Area FMR				Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
26	2	1.5	796 - 1,045	\$791	\$934	\$0.84 - \$1.10	615.31%	\$1,250	\$1.20 - \$1.57
14	3	1.5	1,004 - 1,157	\$816	\$1,187	\$0.91 - \$0.95	31.26%	\$1,523	\$1.32 - \$1.52
Gross Potential Rent Monthly*				\$31,990	\$40,902		21.79%		

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

### DEMOGRAPHIC DATA (found on page 47, 52-55)

	2010		2023		2026	
Renter Households	6,652	31.0%	6,525	33.9%	6,385	33.1%
Income-Qualified Renter HHs (As Proposed)	N/A	N/A	5,105	78.2%	4,898	76.7%
Income-Qualified Renter HHs (Absent Rental Assistance)	N/A	N/A	1,059	16.2%	1,041	16.3%

### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 56)

Type of Demand	60%/USDA (Rental Assistance)	60%/USDA (Absent Rental Assistance)
Renter Household Growth	-207	-18
Existing Households (Overburd + Substand)	1,958	406
Homeowner conversion (Seniors)	0	0
Other:		
Less Comparable/Competitive Supply	0	0
Net Income-qualified Renter HHs	1,751	388

### CAPTURE RATES (found on page 56)

Targeted Population	60%/USDA (Rental Assistance)	60%/USDA (Absent Rental Assistance)
Capture Rate	3.0%	13.7%

### ABSORPTION RATE (found on page 57)

Absorption Period: three months

I affirm that a person employed by Novogradac has made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & 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.

Market Analyst Author: Rebecca S. Arthur

Company: Novogradac

Signature:



Date: 5/16/2024

**EXHIBIT S-2 RENT CALCULATION WORKSHEET**

Bedroom Type	# of Units	Proposed Tenant Paid Rent	Net Proposed Tenant Rent by Bedroom Type	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
2 BR	26	\$791	\$20,566	\$934	\$24,284	15.3%
3 BR	14	\$816	\$11,424	\$1,187	\$16,618	31.3%
<b>Totals</b>	<b>40</b>		<b>\$31,990</b>		<b>\$40,902</b>	<b>21.8%</b>

Source: SCSHFDA, Novogradac, May 2024

## **II. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

<b>Development Location:</b>	The Subject is located at 206 E Clairborne Street, Blacksburg, Cherokee County, SC 29702.
<b>Construction Type:</b>	The Subject consists of four two-story townhouse-style and six one-story residential buildings, in addition to one single-story community building. The buildings are wood-frame with brick and vinyl siding exteriors with pitched shingle roofs.
<b>Year Built:</b>	The Subject was originally constructed as a USDA development in 1975, was renovated with LIHTC equity in 2002, and is proposed for further renovations utilizing additional LIHTC equity. Renovations are anticipated to begin in August 2025 and be completed in June 2026.
<b>Occupancy Type:</b>	For SCSHFDA purposes, the tenancy is considered general population. The targeted tenancy is not age-restricted and will consist of primarily one to five-person households.
<b>Target Income Group:</b>	The Subject will continue to target income-qualified family households with one to five persons. Based on the unit mix, the annual household income levels will range from \$0 to \$50,160, as proposed, and from \$33,257 to \$50,160, absent rental assistance.
<b>Special Population Target:</b>	None.
<b>Number of Units by Unit Type:</b>	The Subject includes 26 two-bedroom units and 14 three-bedroom units.
<b>Number of Buildings and Stories:</b>	The Subject consists of four two-story townhouse-style and six one-story residential buildings, in addition to one single-story community building.
<b>Unit Mix:</b>	The following table summarizes the Subject's unit sizes.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Structure	Number of Units	Unit Size (SF)	Net Leasable Area
2BR/1.5BA	One-story	18	796	14,328
2BR/1.5BA	Townhouse	8	1,045	8,360
3BR/1.5BA	One-story	6	1,004	6,024
3BR/1.5BA	Townhouse	8	1,157	9,256
<b>Total</b>		<b>40</b>		<b>37,968</b>

<b>Structure Type/Design:</b>	The Subject consists of four two-story townhouse-style and six one-story residential buildings, in addition to one single-story community building. The buildings are wood-frame with brick and vinyl siding exteriors with pitched shingle roofs.
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**Proposed Rents and  
Utility Allowance:**

The following table details the Subject's proposed rents, utility allowances, unit mix, and unit sizes. Post-renovation, all of the units will continue to be LIHTC-restricted to families earning 60 percent of the AMI. In addition, all units will continue to receive Rental Assistance through USDA Section 515. The Subject's basic and note rents were derived from the approved rent notice provided by the client and effective as of January 1, 2024. As the Subject qualifies as a rural area under the 2008 Housing Act, the Subject is eligible to operate under the national non-metropolitan maximum allowable rent and income limits, which are higher than the Cherokee County LIHTC limits.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	# Units	Structure	USDA Basic Rent (1)	LIHTC Asking Rent	Utility Allowance (1)	Gross Rent	2024 National Non-Metro LIHTC Maximum Allowable Gross Rent	Note Rent (1)
<b>@60%/USDA (Rental Assistance)*</b>									
2BR/1.5BA	796	18	One-story	\$791	\$791	\$95	\$886	\$1,045	\$912
2BR/1.5BA	1,045	8	Townhouse	\$791	\$791	\$95	\$886	\$1,045	\$912
3BR/1.5BA	1,004	6	One-story	\$816	\$816	\$160	\$976	\$1,207	\$937
3BR/1.5BA	1,157	8	Townhouse	\$816	\$816	\$160	\$976	\$1,207	\$937
<b>Total</b>		<b>40</b>							

(1) Based on the approved rent notice provided by the client and effective as of January 1, 2024

\*Tenants contribute 30 percent of their income towards rent

**Utility  
Structure/Allowance:**

The Subject offers central air conditioning and electric cooking. Heating and water heating are gas-powered. Tenants are responsible for the cooking, hot water, heating, and general electric expenses. The landlord is responsible for the cold water, sewer, and trash costs, in addition to common area utility expenses. The utility structures vary among the comparable properties; we have adjusted the comparables' rents in accordance with the most recent utility schedule obtained from the South Carolina State Housing Finance and Development Agency (Upstate Region), which includes Cherokee County, effective February 5, 2024.

**Existing or Proposed  
Project-Based Rental  
Assistance:**

All of the Subject's units benefit from, and will continue to benefit from, USDA Section 515 Rental Assistance, where tenants pay 30 percent of their income towards rent, not to exceed the note rent or maximum allowable LIHTC rent at the 60 percent AMI level.

**Community Amenities:**

The Subject's common area amenities include central laundry facilities, on-site management, and a playground. Post-renovation, the Subject's common area amenities will remain the same.

**Unit Amenities:**

The Subject's unit amenities include blinds, patios, central air conditioning, coat closets, carpet, and vinyl plank flooring. Appliances include refrigerators, ranges/ovens, and washer/dryer hookups. Post-renovation, unit amenities will also include microwaves and dishwashers. Additionally, handicap units feature grab bars, pull cords, and hand rails.

**Parking:** The Subject offers 54 off-street parking spaces, or 1.35 spaces per unit. The amount of parking appears adequate based on the current unit mix, as well as comparable properties. Post-renovation, the Subject's parking will remain the same.

**Security:** The Subject offers video surveillance as a security feature. Post-renovation the Subject's security features will remain the same.

**Current Occupancy/  
Rent Levels:** According to the rent roll dated April 12, 2024, the Subject is currently 12.5 percent vacant, with five vacant units. Additionally, four of the vacant units are pre-leased, indicating the property is 98.0 percent leased. The property maintains a waiting list of eight households in length. The following table summarizes current tenant-paid rents at the Subject.

**RENT ROLL ANALYSIS (4/12/2024)**

Unit Type	Unit Size (SF)	Number of Units	USDA Basic Rent (1)	Note Rent (1)	Minimum Tenant Paid Rent	Maximum Tenant-Paid Rent	Average Tenant-Paid Rent	Vacant Units	Vacancy Rate
<b>@60%/USDA (Rental Assistance)*</b>									
2BR/1.5BA	796 - 1,045	26	\$791	\$912	\$0	\$912	\$273	5	19.2%
3BR/1.5BA	1,004 - 1,157	14	\$816	\$937	\$0	\$966	\$302	0	0.0%
<b>Total</b>		<b>40</b>						<b>5</b>	<b>12.5%</b>

(1) Based on the approved rent notice provided by the client and effective as of January 1, 2024

\*Tenants contribute 30 percent of their income towards rent

**Scope of Renovations:** According to information provided by the developer, the total renovation hard costs are estimated to be approximately \$4,230,200, or \$105,755 per unit. The renovation scope includes, but may not be limited to the following:

**Site Work:**

- Asphalt replacement
- New concrete curbing
- Site work involving grade, drainage, etc., as needed
- Landscaping
- Update site lighting

**Building Exterior:**

- New architectural shingles
- Remove and replace gutters
- Remove and replace windows
- Pressure wash existing brick
- Remove and replace vinyl siding

**Mechanical/Electrical/Plumbing Systems:**

- New HVAC heat pump system
- Remove and replace exterior HVAC condenser unit
- Replace hot water heaters (all units and mechanical closet)
- Replace receptables, switches, and lighting fixtures
- Replace electrical components, as needed

- New water lines, as needed
- Replace plumbing pipes and systems, as needed

**Unit Interiors:**

- New fiberglass tubs/showers, bathroom vanities, and toilets
- New base and wall kitchen cabinets
- New electric coil ranges and side-by-side refrigerators
- New LVP flooring throughout
- Add microwaves and dishwashers

### **III. SITE DESCRIPTION**



## SITE DESCRIPTION

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

**Date of Site Visit:** May 6, 2024.

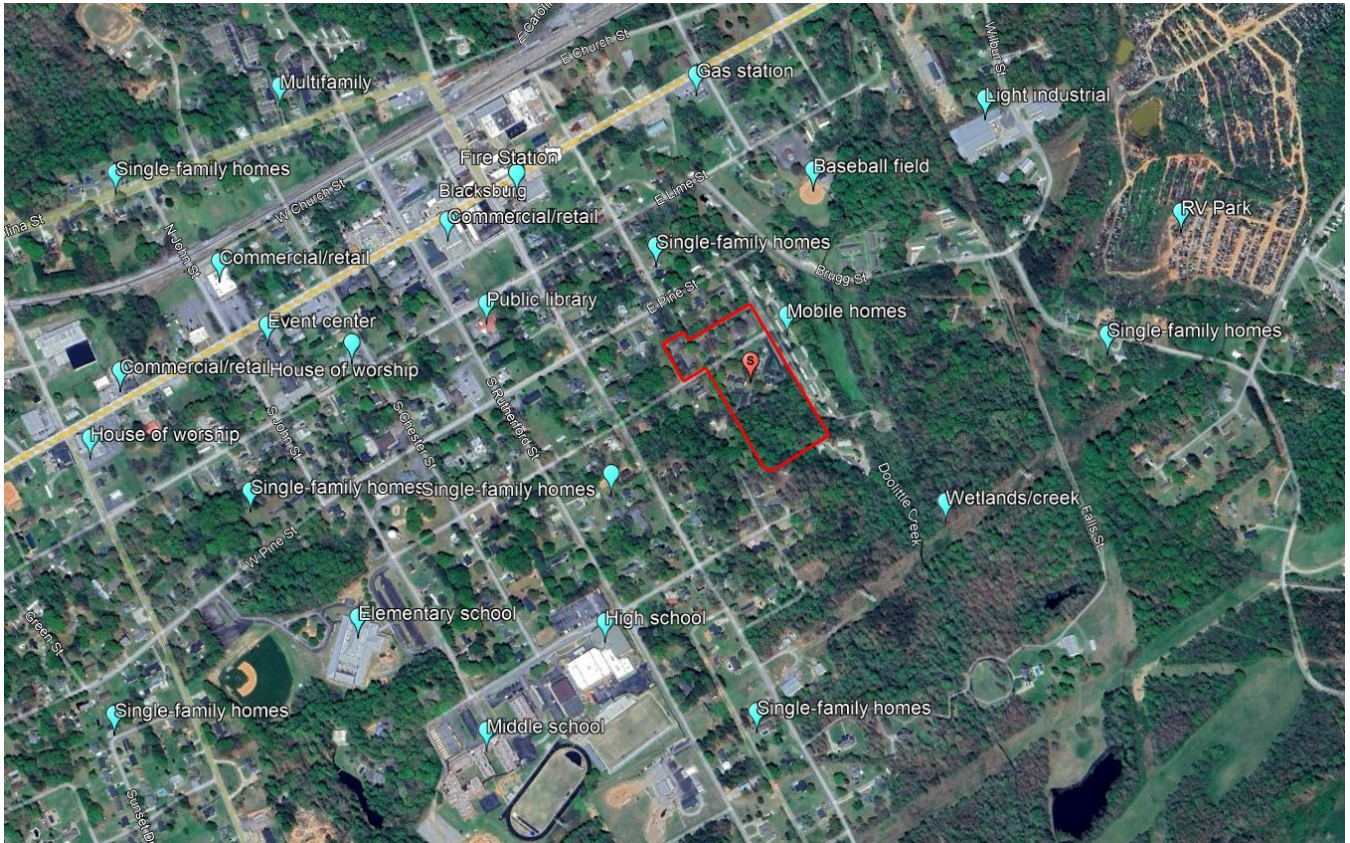
**Location:** The Subject site is located at 206 E Clairborne Street, in Blacksburg, Cherokee County, SC 29702.



Source: Google Earth, May 2024

**Surrounding Land Uses:** The following map illustrates surrounding land uses.





Source: Google Earth, May 2024

**Physical Features of Site:**

The Subject site is 7.0 acres, or 304,920 square feet, in size. The site is irregular in shape, gently slopes from southwest to northeast, and is located outside of a flood plain. The Subject improvements include four two-story townhouse-style and six one-story residential buildings, in addition to one single-story community building.

**Location/Surrounding Uses:**

The Subject is located in a mixed-use neighborhood in a central portion of Blacksburg. Land use to the north of the Subject consists of single-family homes in average condition. Land use further north consists of additional single-family homes, a baseball field, fire station, and commercial/retail uses, all of which exhibit average condition. Land use to the east of the Subject consists of mobile homes in average condition. Land use further east consists of wetlands, followed by an unnamed multifamily development in average condition that was excluded as a comparable in this report, as the property lacks on-site management, and no phone number could be located. Land use to the south of the Subject consists of single-family homes in average condition. Land use further south consists of additional single-family homes in average condition, as well as educational facilities in average condition. Land use to the west of the Subject site consists of single-family homes in average condition. Land use further west consists of single-family homes, a public library, house of worship, and commercial/retail uses, all of which exhibit average condition. Commercial uses in the



neighborhood appeared to be 85 percent occupied and in average condition. The Subject's neighborhood does not appear conducive to pedestrian activity. It is designated "Car-Dependent" by WalkScore with a score of 31, indicating most errands require a car. Overall, land uses in the Subject's neighborhood are in average condition.

### Photographs of Subject Site and Surrounding Uses



Subject exterior



Subject exterior



Subject exterior



Subject exterior





Subject exterior



Subject parking area



Mailbox area



Playground



Central laundry facilities



Central laundry facilities





Management office



Grounds/trash enclosure



Typical living room



Typical kitchen



Typical bedroom



Typical bathroom





Typical water closet



Typical dining area



Typical living room



Typical kitchen



Typical bedroom



Typical bathroom



Typical bedroom



Typical stairway



Typical hallway



Typical bathroom



Typical dining area



Typical kitchen





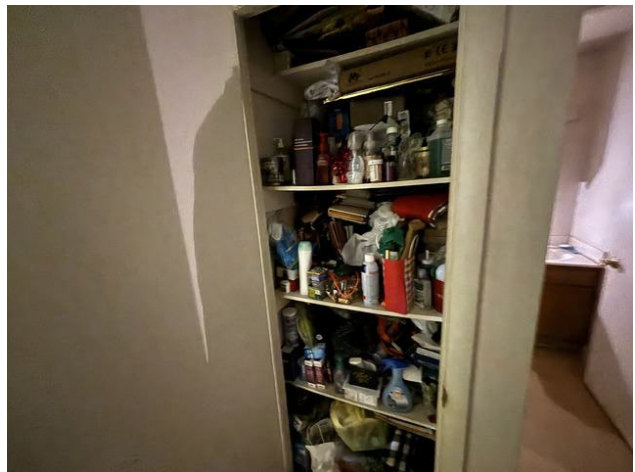
Typical living room



Typical bathroom



Typical washer/dryer hookup (washer/dryer not included in rent)



Typical closet



Typical air conditioning unit



View along E Clairborne Street facing west





View along Whisonant Street facing north



View along Whisonant Street facing south



Mobile home to the east



Typical single-family homes to the north



Typical single-family homes to the north



House of worship to the northwest





Gas station to the north



Typical commercial uses in Subject's neighborhood



Bank in Subject's neighborhood



Railroad in Subject's neighborhood



House of worship in Subject's neighborhood



Typical commercial uses in Subject's neighborhood



Typical commercial uses in Subject's neighborhood



Typical commercial uses in Subject's neighborhood

**Visibility/Views:**

The Subject has good visibility from the north and south sides of E Clairborne Street, as well as the southwest side of Whisonant Street. Views to the north, west, and south of the Subject consist of single-family homes in average condition. Views to the east consist of mobile homes in average condition. Overall, visibility is considered good, and views are considered average.

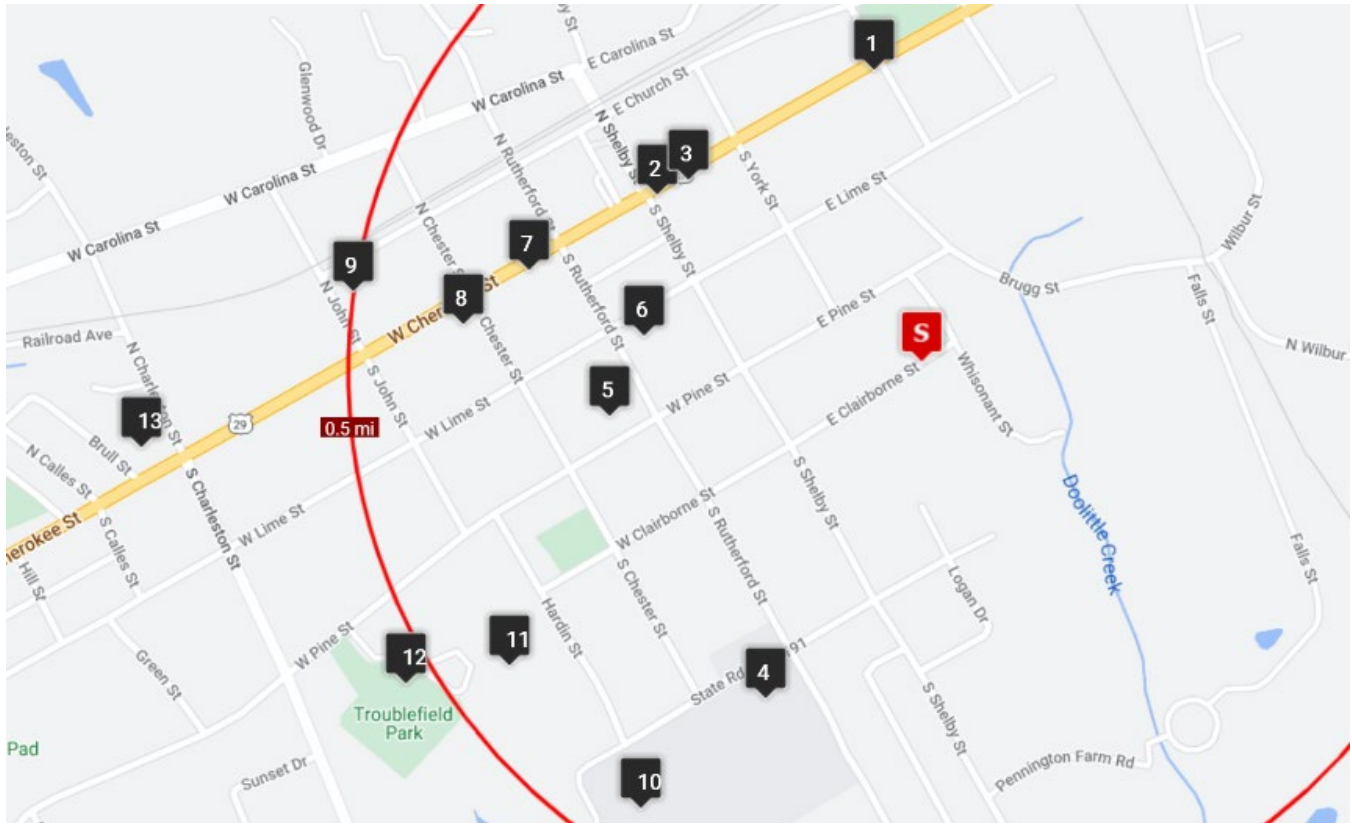
**Detrimental Influence:**

We are unaware of any detrimental influences.

**Proximity to Local Services:**

The Subject is located in reasonable proximity to local services including medical services and retail. The following table details the Subject's distance from key locational amenities. A *Locational Amenities Map* and table follows.

## Locational Amenities Map



Source: Google Earth, May 2024

### LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Sunoco Gas Station	0.3 miles	8	Iron City Pharmacy	0.4 miles
2	Blacksburg Police Department	0.3 miles	9	Dollar General	0.5 miles
3	Blacksburg Fire Department	0.3 miles	10	Blacksburg Middle School	0.5 miles
4	Blacksburg High School	0.3 miles	11	Blacksburg Elementary School	0.5 miles
5	United States Postal Service	0.3 miles	12	Troublefield Park	0.6 miles
6	Cherokee County Public Library	0.3 miles	13	Family Dollar	0.7 miles
7	First Bank	0.4 miles	-	-	-

#### Availability of Public Transportation:

Fixed route bus service is not available in Blacksburg.

#### Road/Infrastructure Proposed Improvements:

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



**Crime Rates:**

The following table illustrates crime statistics in the Subject's PMA compared to the SMA.

**2023 CRIME INDICES**

	<b>PMA</b>	<b>SMA</b>
<b>Total Crime*</b>	<b>101</b>	<b>127</b>
<b>Personal Crime*</b>	<b>119</b>	<b>120</b>
Murder	146	135
Rape	93	120
Robbery	54	64
Assault	144	138
<b>Property Crime*</b>	<b>98</b>	<b>128</b>
Burglary	123	130
Larceny	93	131
Motor Vehicle Theft	91	109

Source: Esri Demographics 2023, Novogradac, May 2024

\*Unweighted aggregations

Total crime indices in the PMA are similar to the national average and below the SMA. Both geographic areas feature crime indices above the overall nation. The Subject offers video surveillance as a security feature. Post-renovation the Subject's security features will remain the same. Five of the 10 comparables reported offering some sort of security feature; as such, the Subject appears to be generally market-oriented.

**Access and Traffic Flow:**

The Subject is accessible from the north and south sides of E Clairborne Street, a lightly-traveled east/west traversing neighborhood road. E Clairborne Street provides access to S Shelby Street less than 0.1 miles southwest of the Subject. S Shelby Street traverses north/south and provides access to US Highway 29 approximately 0.2 miles northwest of the Subject. US Highway 29 traverses northeast/southwest and provides access to State Route 5 and Interstate 85 approximately 0.8 and 4.5 miles northeast of the Subject, respectively. US Highway 29 also provides access to Gaffney, Spartanburg, and Greenville approximately 8.5, 26.3, and 52.8 miles southwest of the Subject, respectively. Interstate 85 also traverses northeast/southwest, providing access northeast to Gastonia and Charlotte, in North Carolina, approximately 21.1 and 38.9 miles northeast of the Subject, respectively. Overall, access is considered good, and traffic flow near the Subject is considered light.

**Positive/Negative Attributes:**

In terms of positive attributes, the Subject will continue to have overall good access to area retail and community services in Blacksburg, most of which are within 0.7 miles of the Subject site. The Subject is also located in close proximity to downtown Blacksburg, as well as US Highway 29, which provides access to the surrounding areas. In terms of negative attributes, the Subject's neighborhood does not appear conducive to pedestrian activity. It is designated "Car-Dependent" by WalkScore with a score of 31, indicating most errands require a car. Overall, the Subject is considered to be in an adequate location for an affordable multifamily development.

## **IV. MARKET AREA**

## PRIMARY MARKET AREA

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

The Subject is located in the central portion of Blacksburg, South Carolina. The Primary Market Area (PMA) for the Subject covers approximately 399 square miles and consists of the entirety of Cherokee County. The PMA boundaries are generally defined as the Cherokee County border to the north, east, south, and west. We confirmed the PMA with property managers in the area, including the Subject’s property manager. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

North: 3.4 miles  
 East: 7.6 miles  
 South: 19.6 miles  
 West: 21.0 miles

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

CENSUS TRACTS IN PMA		
450219701.01	450219703.02	450219705.03
450219701.02	450219704.01	450219706.01
450219702.01	450219704.03	450219706.02
450219702.03	450219704.04	450219707.00
450219702.04	450219705.01	450910619.00
450219703.01	450219705.02	-

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as the Subject’s property manager and 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 Cherokee County 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.

For comparison purposes, we have identified a secondary market area (SMA) for the Subject, which consists of Spartanburg, Union, Cherokee, and York Counties.

As per South Carolina State Housing Finance and Development Authority (SCSHFDA) guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the SMA and nation.

**2010 POPULATION BY RACE**

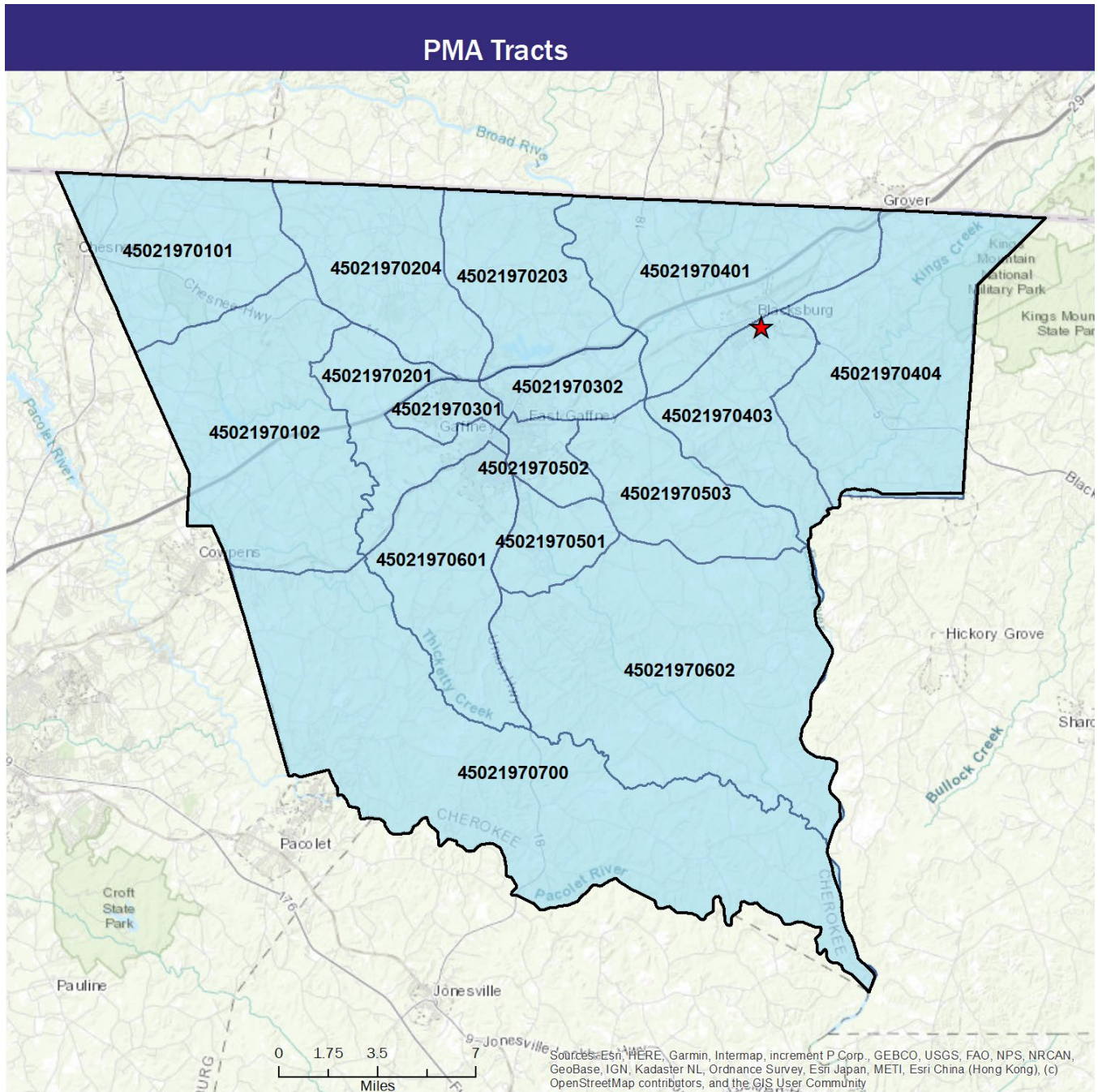
	<b>PMA</b>		<b>SMA</b>		<b>USA</b>	
<b>Total</b>	<b>55,342</b>	<b>-</b>	<b>594,707</b>	<b>-</b>	<b>308,730,056</b>	<b>-</b>
White	41,525	75.0%	435,673	73.3%	223,541,434	72.4%
Black	11,278	20.4%	121,909	20.5%	38,927,189	12.6%
American Indian	199	0.4%	2,964	0.5%	2,932,204	0.9%
Asian	313	0.6%	9,552	1.6%	14,673,743	4.8%
Pacific	17	0.0%	240	0.0%	540,007	0.2%
Other	1,223	2.2%	14,286	2.4%	19,106,694	6.2%
Two or More Races	787	1.4%	10,083	1.7%	9,008,785	2.9%
<b>Total Hispanic</b>	<b>2,032</b>	<b>-</b>	<b>29,046</b>	<b>-</b>	<b>50,474,965</b>	<b>-</b>
Hispanic: White	586	28.8%	12,011	41.4%	26,733,907	53.0%
Hispanic: Black	64	3.1%	953	3.3%	1,243,402	2.5%
Hispanic: American Indian	70	3.4%	433	1.5%	685,143	1.4%
Hispanic: Asian	5	0.2%	90	0.3%	209,121	0.4%
Hispanic: Pacific	11	0.5%	82	0.3%	58,436	0.1%
Hispanic: Other	1,174	57.8%	13,638	47.0%	18,502,462	36.7%
Hispanic: Two or More Races	122	6.0%	1,842	6.3%	3,042,490	6.0%

Source: Esri Demographics 2023, Novogradac, May 2024

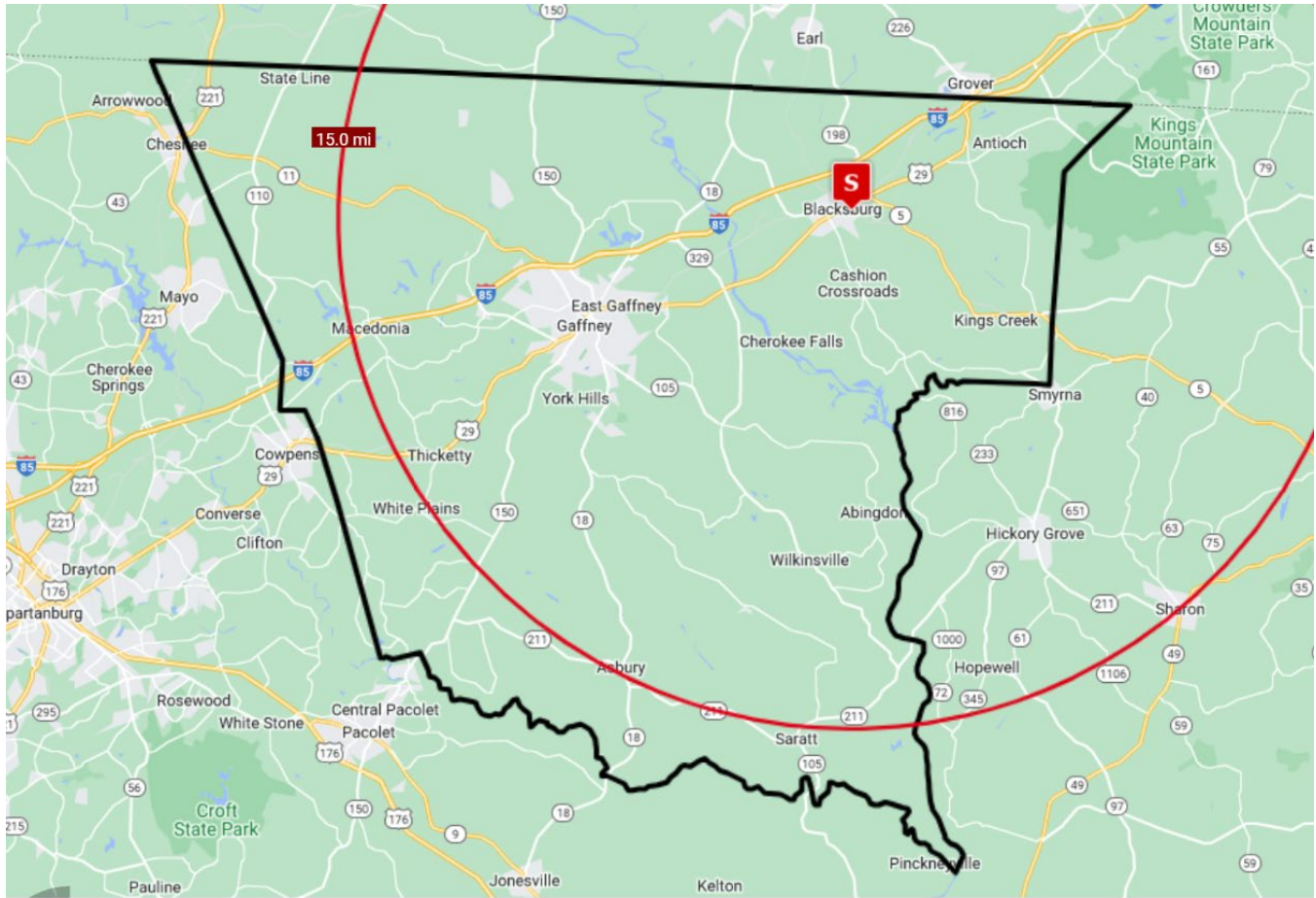
Per specific SCSHFDA guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.

The following maps outline the PMA and SMA and identify the census tracts included within the PMA boundaries.





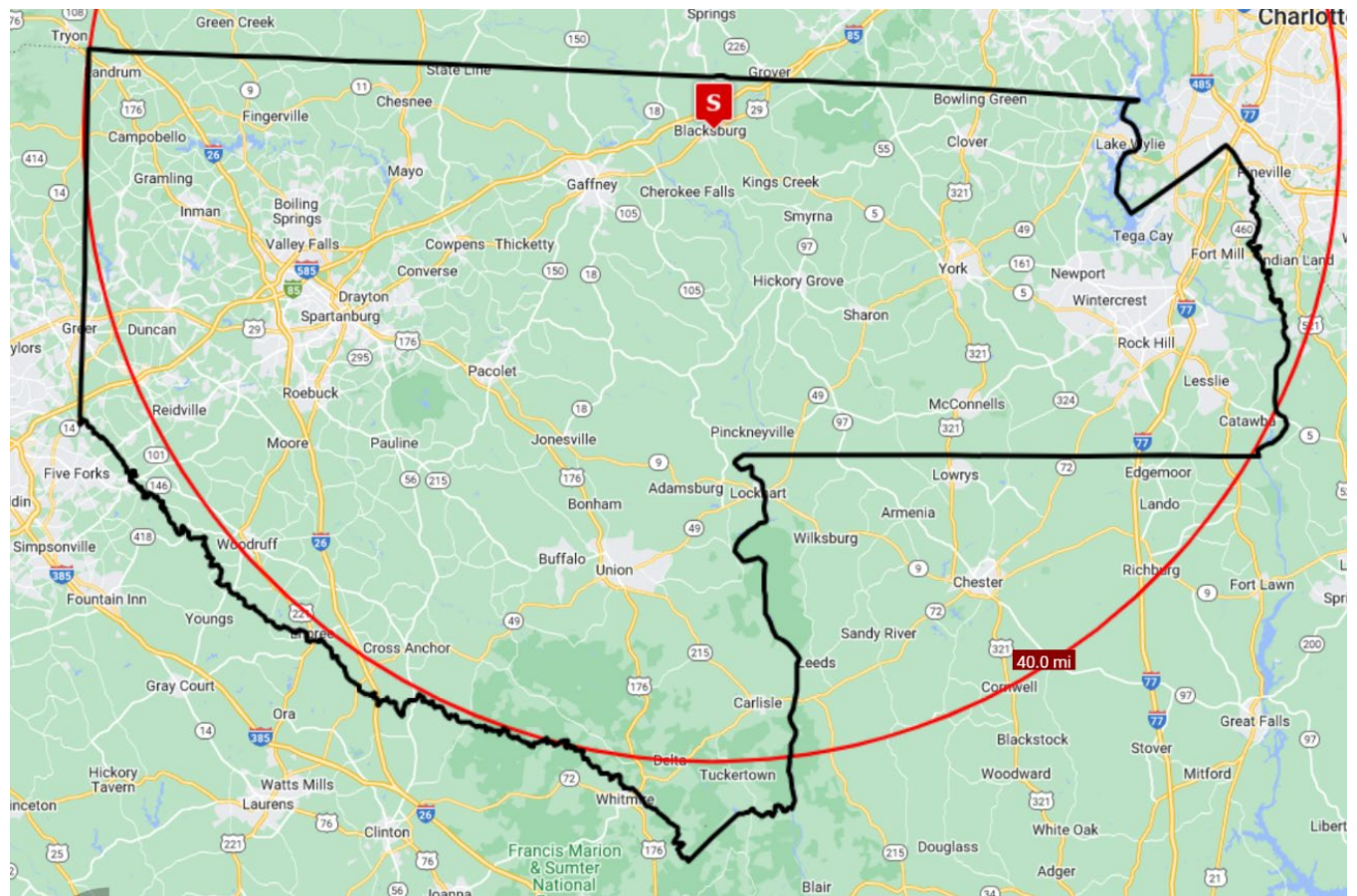
## Primary Market Area Map



Source: Google Earth, May 2024



## Secondary Market Area Map



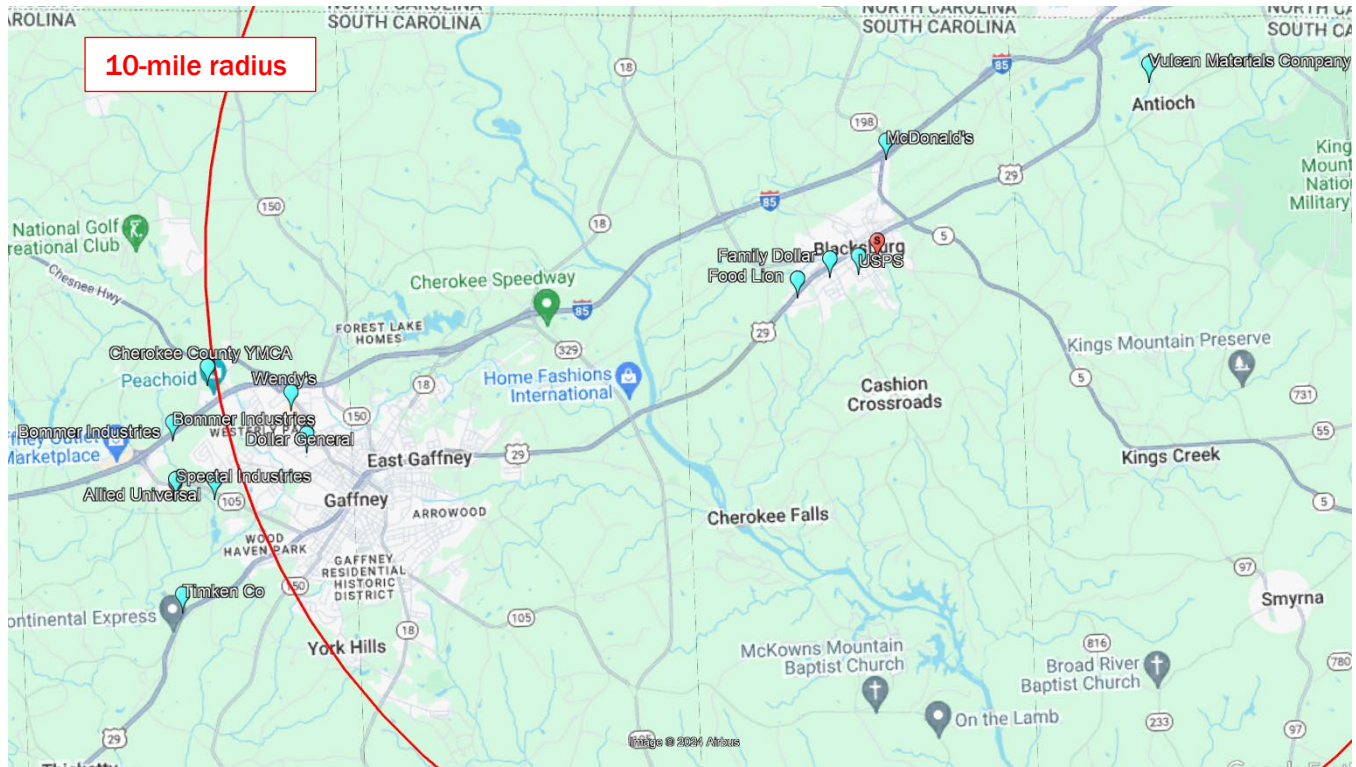
Source: Google Earth, May 2024

## **V. MARKET AREA ECONOMY**

## MARKET AREA ECONOMY

### Map of Employment Centers

The following map illustrates the Subject's location compared to major employment centers in the surrounding areas. It should be noted that some major employers are based at various locations or stores.



Source: Google Earth, May 2024

## Employment by Industry

The following table illustrates employment by industry for the PMA as of 2023.

### 2023 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,427	24.5%	16,269,811	10.0%
Retail Trade	2,354	10.6%	16,983,329	10.4%
Educational Services	1,952	8.8%	14,946,247	9.2%
Healthcare/Social Assistance	1,902	8.6%	22,115,876	13.6%
Accommodation/Food Services	1,690	7.6%	10,883,169	6.7%
Construction	1,617	7.3%	11,436,301	7.0%
Transportation/Warehousing	1,306	5.9%	9,030,239	5.5%
Other Services	1,211	5.5%	7,645,568	4.7%
Admin/Support/Waste Mgmt Svcs	1,130	5.1%	7,195,078	4.4%
Public Administration	994	4.5%	7,857,180	4.8%
Finance/Insurance	670	3.0%	8,135,144	5.0%
Prof/Scientific/Tech Services	442	2.0%	13,955,403	8.6%
Wholesale Trade	435	2.0%	3,029,965	1.9%
Utilities	391	1.8%	1,335,595	0.8%
Real Estate/Rental/Leasing	191	0.9%	2,901,274	1.8%
Information	118	0.5%	3,143,826	1.9%
Agric/Forestry/Fishing/Hunting	114	0.5%	1,800,335	1.1%
Mining	102	0.5%	572,355	0.4%
Arts/Entertainment/Recreation	79	0.4%	3,578,110	2.2%
Mgmt of Companies/Enterprises	0	0.0%	216,588	0.1%
<b>Total Employment</b>	<b>22,125</b>	<b>100.0%</b>	<b>163,031,393</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, May 2024

Employment in the PMA is concentrated in manufacturing, retail trade, and educational services, which collectively comprise 44.0 percent of local employment. The large share of PMA employment in the manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during economic downturns. Relative to the nation, the PMA features comparatively greater employment in the manufacturing, accommodation/food services, and utilities industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, healthcare/social assistance, and finance/insurance sectors.

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2023.

**2010-2023 CHANGE IN EMPLOYMENT - PMA**

Industry	2010		2023		2010-2023	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	5,594	29.0%	5,427	24.5%	-167	-0.2%
Retail Trade	2,183	11.3%	2,354	10.6%	171	0.6%
Educational Services	1,526	7.9%	1,952	8.8%	426	2.1%
Healthcare/Social Assistance	1,910	9.9%	1,902	8.6%	-8	-0.0%
Accommodation/Food Services	1,014	5.3%	1,690	7.6%	676	5.1%
Construction	1,866	9.7%	1,617	7.3%	-249	-1.0%
Transportation/Warehousing	727	3.8%	1,306	5.9%	579	6.1%
Other Services	695	3.6%	1,211	5.5%	516	5.7%
Admin/Support/Waste Mgmt Svcs	627	3.2%	1,130	5.1%	503	6.2%
Public Administration	656	3.4%	994	4.5%	338	4.0%
Finance/Insurance	458	2.4%	670	3.0%	212	3.6%
Prof/Scientific/Tech Services	361	1.9%	442	2.0%	81	1.7%
Wholesale Trade	700	3.6%	435	2.0%	-265	-2.9%
Utilities	216	1.1%	391	1.8%	175	6.2%
Real Estate/Rental/Leasing	182	0.9%	191	0.9%	9	0.4%
Information	251	1.3%	118	0.5%	-133	-4.1%
Agric/Forestry/Fishing/Hunting	100	0.5%	114	0.5%	14	1.1%
Mining	34	0.2%	102	0.5%	68	15.4%
Arts/Entertainment/Recreation	199	1.0%	79	0.4%	-120	-4.6%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
<b>Total Employment</b>	<b>19,299</b>	<b>100.0%</b>	<b>22,125</b>	<b>100.0%</b>	<b>2,826</b>	<b>1.1%</b>

Source: Esri Demographics 2023, Novogradac, May 2024

Total employment in the PMA increased at an annualized rate of 1.1 percent between 2010 and 2023. The industries that nominally expanded most substantially during this period include accommodation/food services, transportation/warehousing, and other services. Conversely during this same period, the wholesale trade, construction, and manufacturing sectors experienced the least nominal growth.



## Major Employers

The following table shows the largest employers in Upstate South Carolina, which is comprised of Abbeville, Anderson, Cherokee, Greenville, Greenwood, Laurens, McCormick, Oconee, Pickens, Spartanburg, and Union Counties. Major employer data was unavailable for the PMA.

**MAJOR EMPLOYERS – UPSTATE SOUTH CAROLINA**

Employer	Industry	# of Employees
BMW Manufacturing Corp	Manufacturing	5,000+
Clemson University	Higher Education	5,000+
Greenville County Schools	Public Administration	5,000+
Michelin North America	Manufacturing	5,000+
Pelham Medical Center	Healthcare/Social Assistance	5,000+
Prisma Health	Healthcare/Social Assistance	5,000+
Spartanburg Regional Healthcare System	Healthcare/Social Assistance	5,000+
State of South Carolina	State Government	5,000+
United States Government	Federal Government	5,000+
Walmart Stores, Inc.	Retail Trade	5,000+
AnMed Health Medical Center	Healthcare/Social Assistance	2,501 to 5,000
Bon Secours St. Francis Health System	Healthcare/Social Assistance	2,501 to 5,000
GE Vernova	Manufacturing	2,501 to 5,000
Ingles Markets	Retail Trade	2,501 to 5,000
Milliken & Company	Manufacturing	2,501 to 5,000
Publix Super Markets, Inc.	Retail Trade	2,501 to 5,000
Self Regional Healthcare	Healthcare/Social Assistance	2,501 to 5,000
ZF	Manufacturing	2,501 to 5,000

Source: Upstate SC Alliance, retrieved May 2024

The concentration of employment in the healthcare/social assistance and public administration sectors is notable, as these sectors are historically known to exhibit greater stability during recessionary periods. Conversely, the manufacturing industry is historically volatile, and prone to contraction during economic downturns. We believe that the diverse industries represented by major employers provide stability to the economy.

## Expansions/Contractions

We made several attempts to reach the Cherokee County Economic Development Department regarding business expansions and relocations. However, we were unable to reach anyone for an interview. Based on our internet research, we were able to identify the following business expansions.

- In March 2024, Just In Time Manufacturing (JIT), a leading provider of manufacturing solutions, announced plans to expand its existing operations in Cherokee County with a \$600,000 investment. No additional information about the expansion was unavailable as of the date of this report.
- In December 2022, Milliken & Company, a manufacturer of plastic additives and colorants, announced plans to expand its existing operations in Blacksburg. The \$27.4 million investment is expected to create 75 new jobs in Cherokee County. The new clarifier plant, which increased production by 50 percent, was fully operational by the end of 2022. Confirmation of the actual number of jobs created as a result of this expansion was unavailable as of the date of this report.
- In March 2022, Somnus Mattress International LLC, a mattress manufacturer, opened a new manufacturing facility in Blacksburg. The \$13 million project was expected to create 55 new jobs. The facility is located approximately 1.4 miles northwest of the Subject. Confirmation of the actual number of jobs created as a result of this expansion was unavailable as of the date of this report.



### WARN Notices

The following table illustrates the contractions to the economy of Cherokee County, provided by the South Carolina Department of Employment and Workforce, between 2021 and 2024 year-to-date (YTD).

#### WARN LISTINGS CHEROKEE COUNTY

Company	Industry	Employees Affected	Date
Carolina Cotton Works, Inc.	Manufacturing	120	5/3/2024
BIC Corporation	Manufacturing	46	3/22/2024
TTI Consumer Power Tools, Inc	Manufacturing	114	2/29/2024
Timken Gaffney Bearing Plant	Manufacturing	187	3/9/2023
WB Frozen US LLC (Weston Foods US LLC)	Manufacturing	204	10/3/2022
Boyd Corporation	Manufacturing	34	1/12/2022
<b>Total</b>		<b>705</b>	

Source: South Carolina Department of Employment and Workforce, May 2024

As the table depicts, there were 705 layoffs/closures in Cherokee County between 2021 and 2024 year-to-date. However, it is unknown how many of these layoffs will be temporary.

### Employment and Unemployment Trends

The following table details employment and unemployment trends for the SMA from 2007 to February 2024.

#### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	SMA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	262,265	-	6.2%	-	146,046,667	-	4.6%	-
2008	261,068	-0.5%	7.8%	1.6%	145,362,500	-0.5%	5.8%	1.2%
2009	249,052	-4.6%	13.4%	5.6%	139,877,500	-3.8%	9.3%	3.5%
2010	249,744	0.3%	12.7%	-0.7%	139,063,917	-0.6%	9.6%	0.3%
2011	254,888	2.1%	11.3%	-1.4%	139,869,250	0.6%	9.0%	-0.7%
2012	261,652	2.7%	9.6%	-1.7%	142,469,083	1.9%	8.1%	-0.9%
2013	268,390	2.6%	7.9%	-1.7%	143,929,333	1.0%	7.4%	-0.7%
2014	275,799	2.8%	6.4%	-1.5%	146,305,333	1.7%	6.2%	-1.2%
2015	284,064	3.0%	5.7%	-0.6%	148,833,417	1.7%	5.3%	-0.9%
2016	292,625	3.0%	4.7%	-1.0%	151,435,833	1.7%	4.9%	-0.4%
2017	296,783	1.4%	4.1%	-0.7%	153,337,417	1.3%	4.3%	-0.5%
2018	305,681	3.0%	3.2%	-0.9%	155,761,000	1.6%	3.9%	-0.4%
2019	319,054	4.4%	2.6%	-0.6%	157,538,083	1.1%	3.7%	-0.2%
2020	314,521	-1.4%	6.3%	3.7%	147,794,750	-6.2%	8.1%	4.4%
2021	323,750	2.9%	3.9%	-2.3%	152,580,667	3.2%	5.4%	-2.7%
2022	328,729	1.5%	3.2%	-0.7%	158,291,083	3.7%	3.6%	-1.7%
2023	335,562	2.1%	3.0%	-0.2%	161,036,583	1.7%	3.6%	-0.0%
2024 YTD Average*	334,279	-0.4%	3.4%	0.5%	159,982,500	-0.7%	4.2%	0.5%
Feb-2023	332,222	-	3.4%	-	159,713,000	-	3.9%	-
Feb-2024	334,340	0.6%	3.6%	0.2%	160,315,000	0.4%	4.2%	0.3%

Source: U.S. Bureau of Labor Statistics, May 2024

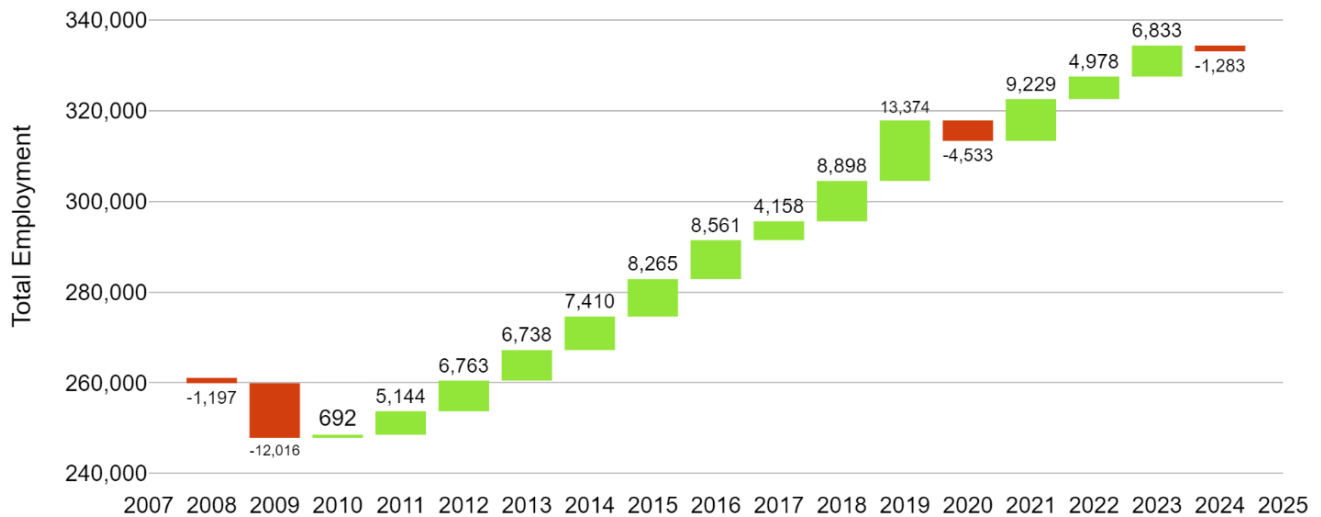
\*2024 YTD Average is through February

Employment in the SMA declined by 1.4 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The SMA subsequently recovered all pandemic-related job losses, however, local employment remains below the record high achieved in 2023. As of February 2024, employment in the SMA is increasing at an annualized rate of 0.6 percent, similar to the 0.4 percent growth reported across the nation.

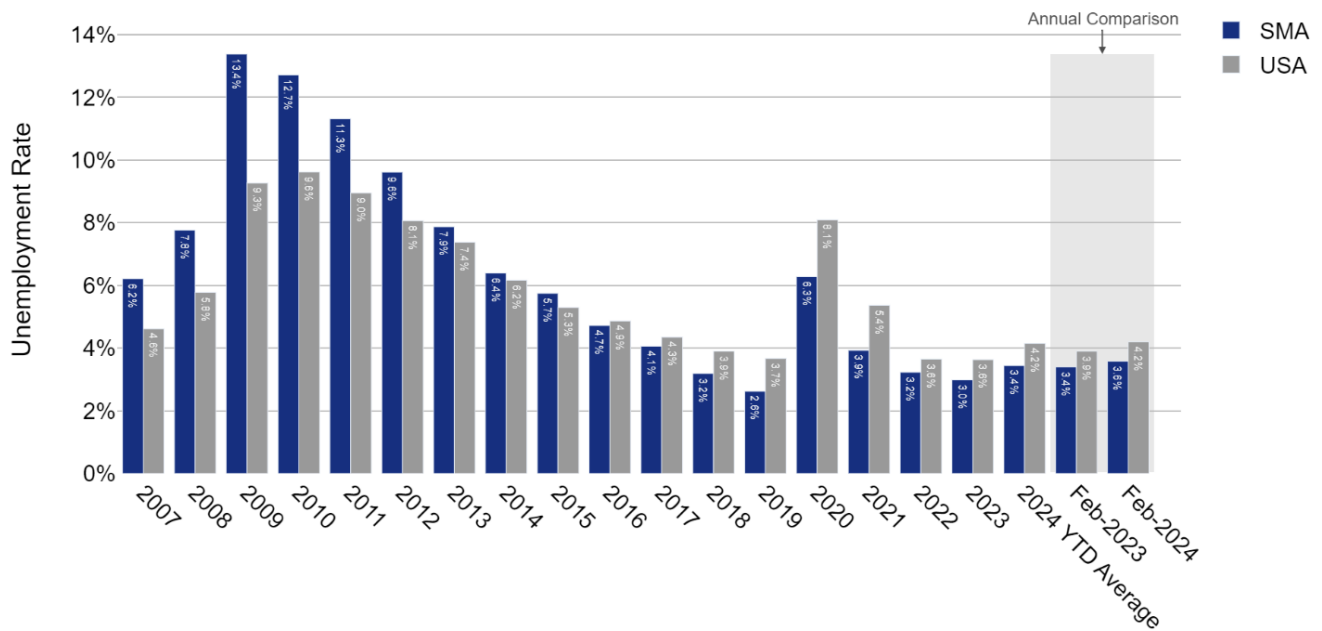
The SMA unemployment rate increased modestly by 3.7 percentage points in 2020 amid the pandemic, reaching a high of 6.3 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated February 2024, the current SMA unemployment rate is 3.6 percent. This is slightly below the current national unemployment rate of 4.2 percent.

The following charts provide further illustration of the changes in employment and unemployment rate trends in the SMA.

SMA Job Growth



Unemployment Rate



## Housing and Economy

There is one strictly LIHTC and 13 subsidized properties in the Subject's PMA, in addition to the Subject. We were unable to contact any of the LIHTC developments located in the PMA, despite multiple attempts. Through online research, we were unable to find occupancy information for the one strictly LIHTC property in the PMA; however, we were able to find occupancy information for two LIHTC/USDA properties, or 405 total units. These properties reported a total of seven vacant units of the 405 total units, which indicates strong demand for affordable rental housing in the PMA. Further, given the low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low income renters is considered limited.

As noted previously, as of February 2024, the unemployment rate in the SMA is 3.6 percent, which is slightly below than the current national unemployment rate of 4.2 percent. The unemployment rate in the SMA increased modestly by 3.7 percentage points in 2020 amid the COVID-19 pandemic, reaching a high of 6.3 percent, compared to a high of 8.1 percent across the nation. The current SMA unemployment rate of 3.6 percent remains above pre-pandemic levels reached in 2019, which could lead residents in Cherokee County to consider more affordable housing options, such as the Subject.

According to Zillow, the median home value as of March 2024 in Blacksburg is \$137,321, down 10.4 percent from one year ago (March 2023); however, home values are trending upwards. This indicates that, like many markets across the country, the supply of homes is constrained, and many families will begin to or continue to rent. As such, the demand for rental units is anticipated to continue, particularly for low income units such as the Subject's.

## Commuting Patterns

The following table details travel time to work for residents within the PMA.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	820	3.7%
Travel Time 5-9 min	1,922	8.6%
Travel Time 10-14 min	3,657	16.4%
Travel Time 15-19 min	3,501	15.7%
Travel Time 20-24 min	3,357	15.0%
Travel Time 25-29 min	1,250	5.6%
Travel Time 30-34 min	2,585	11.6%
Travel Time 35-39 min	851	3.8%
Travel Time 40-44 min	1,267	5.7%
Travel Time 45-59 min	1,586	7.1%
Travel Time 60-89 min	903	4.0%
Travel Time 90+ min	629	2.8%
<b>Weighted Average</b>	<b>27 minutes</b>	

Source: Esri Demographics 2023, Novogradac, May 2024

As shown in the preceding table, the weighted average commute time in the PMA is approximately 27 minutes. More than 57 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

## Conclusion

Employment in the PMA is concentrated in manufacturing, retail trade, and educational services, which collectively comprise 44.0 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. Relative to the nation, the PMA features comparatively greater employment in the manufacturing, accommodation/food services, and utilities industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, healthcare/social assistance, and finance/insurance sectors. Employment in the SMA declined by 1.4 percent in 2020 amid the pandemic, compared to 6.2 percent across the nation. The SMA subsequently recovered all pandemic-related job losses, however, local employment remains below the record high achieved in 2023. As of February 2024, employment in the SMA is increasing at an annualized rate of 0.6 percent, similar to the 0.4 percent growth reported across the nation.

## **VI. 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 Secondary Market Area (SMA), 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/Growth Rate and (b) Population by Age Group.

#### POPULATION

Year	PMA		SMA		USA	
	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>
2010	55,342	-	594,708	-	308,730,056	-
2023	56,536	0.2%	728,364	1.7%	337,460,311	0.7%
Projected Mkt Entry June 2026	56,500	-0.0%	746,735	0.9%	340,475,685	0.3%
2028	56,475	-0.0%	759,857	0.9%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac, May 2024

#### POPULATION BY AGE GROUP

	PMA			
	2010	2023	Projected Mkt Entry June 2026	2028
0-4	3,724	3,187	3,121	3,149
5-9	3,713	3,512	3,288	3,381
10-14	3,830	3,548	3,651	3,608
15-19	3,999	3,478	3,682	3,597
20-24	3,618	3,126	2,953	3,025
25-29	3,166	3,424	2,757	3,035
30-34	3,200	4,032	3,238	3,569
35-39	3,812	3,521	4,065	3,838
40-44	3,900	3,476	3,509	3,495
45-49	4,001	3,587	3,505	3,539
50-54	3,875	3,663	3,594	3,623
55-59	3,712	3,612	3,697	3,662
60-64	3,350	3,766	3,562	3,647
65-69	2,575	3,640	3,537	3,580
70-74	1,766	2,983	3,172	3,093
75-79	1,318	1,987	2,467	2,267
80-84	942	1,103	1,585	1,384
85+	841	891	1,092	1,008
Total	55,342	56,536	56,475	56,500

Source: Esri Demographics 2023, Novogradac, May 2024

Population in the PMA increased at an annualized rate of 0.2 percent between 2010 and 2023, compared to growth of 1.7 percent in the SMA and 0.7 percent across the nation. According to ESRI demographic projections, population levels are anticipated to decline slightly percent through market entry and 2028. Comparatively, population in the SMA and the nation is anticipated to increase at an annual rate of 0.9 and 0.3 percent, respectively, during the same time.

The population in the PMA as of 2023 is concentrated in the age groups of 30 to 34, 60 to 54, and 50 to 54, which represent approximately 20.3 percent of the total population. Outside of these age groups, the 65 to 69, 55 to 59, and 45 to 40 age groups are the largest groups in the PMA. The largest age groups are expected to remain similar through 2028.

## HOUSEHOLD TRENDS

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

#### HOUSEHOLDS

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	21,462	-	228,642	-	116,709,667	-
2023	22,542	0.4%	282,149	1.8%	129,912,564	0.9%
Projected Mkt Entry June 2026	22,564	0.0%	290,212	1.0%	131,767,723	0.5%
2028	22,580	0.0%	295,972	1.0%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac, May 2024

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	2.55	-	2.55	-	2.57	-
2023	2.45	-0.3%	2.53	-0.0%	2.53	-0.1%
Projected Mkt Entry June 2026	2.45	-0.1%	2.53	-0.1%	2.52	-0.2%
2028	2.45	-0.1%	2.52	-0.1%	2.51	-0.2%

Source: Esri Demographics 2023, Novogradac, May 2024

#### POPULATION IN GROUP QUARTERS

Year	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	702.00	-	12,358.00	-	8,273,022.00	-
2023	1,208.00	5.4%	13,861.00	0.9%	8,230,258.00	0.0%
Projected Mkt Entry June 2026	1,208.00	0.0%	13,861.00	0.0%	8,230,258.00	0.0%
2028	1,208.00	0.0%	13,861.00	0.0%	8,230,258.00	0.0%

Source: Esri Demographics 2023, Novogradac, May 2024

Household growth in the PMA increased at an annual growth rate of 0.4 percent between 2010 and 2023, compared to growth of 1.8 percent in the SMA and 0.9 percent across the nation. According to ESRI demographic projections, annualized PMA growth is projected to remain stable through market entry and 2028. Comparatively, household levels in the SMA and the nation are anticipated to increase at an annual rate of 1.0 and 0.5 percent, respectively, during the same time.

The average household size in the PMA, which is slightly smaller than that of the SMA and the nation, is expected to remain relatively stable in the PMA from 2023 through market entry and 2028, similar to the SMA and nation.

The number of persons in group quarters increased in the PMA at an annualized rate of 5.4 percent between 2010 and 2023, compared to growth of 0.9 percent in the SMA and zero percent across the nation. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

## Households by Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2023, as well as the projected tenure patterns for the year 2028.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage
2010	14,810	69.0%	6,652	31.0%
2023	16,017	71.1%	6,525	28.9%
Projected Mkt Entry June 2026	16,179	71.7%	6,385	28.3%
2028	16,295	72.2%	6,285	27.8%

Source: Esri Demographics 2023, Novogradac, May 2024

The percentage of renter households in the PMA decreased between 2010 and 2023 and is estimated to be 28.9 percent as of 2023. The current percentage of renter households in the PMA is below the estimated 35.0 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to decline further through market entry and 2028.

## Household Income Distribution

The following table depicts household income in the PMA from 2023 to 2028.

HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2023		Projected Mkt Entry June 2026		2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,557	11.3%	2,436	10.8%	2,349	10.4%
\$10,000-19,999	3,147	14.0%	2,998	13.3%	2,892	12.8%
\$20,000-29,999	3,047	13.5%	2,960	13.1%	2,897	12.8%
\$30,000-39,999	2,588	11.5%	2,473	11.0%	2,390	10.6%
\$40,000-49,999	2,056	9.1%	2,076	9.2%	2,090	9.3%
\$50,000-59,999	1,803	8.0%	1,814	8.0%	1,821	8.1%
\$60,000-74,999	1,838	8.2%	1,901	8.4%	1,946	8.6%
\$75,000-99,999	2,178	9.7%	2,211	9.8%	2,235	9.9%
\$100,000-124,999	1,405	6.2%	1,479	6.6%	1,531	6.8%
\$125,000-149,999	733	3.3%	842	3.7%	920	4.1%
\$150,000-199,999	618	2.7%	699	3.1%	757	3.4%
\$200,000+	572	2.5%	677	3.0%	752	3.3%
<b>Total</b>	<b>22,542</b>	<b>100.0%</b>	<b>22,564</b>	<b>100.0%</b>	<b>22,580</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, May 2024

As proposed, the Subject will target households earning between \$0 and \$50,160, and between \$33,257 to \$50,160, absent subsidy. As the table above depicts, approximately 59.4 percent of households in the PMA earned less than \$50,000 in 2023, which is expected to decrease to 57.4 percent by the date of market entry.



## Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2023, market entry, and 2028.

**RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA**

Income Cohort	2023		Projected Mkt Entry June 2026		2028	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	1,350	20.7%	1,281	20.1%	1,231	19.6%
\$10,000-19,999	1,384	21.2%	1,315	20.6%	1,266	20.1%
\$20,000-29,999	1,060	16.2%	1,021	16.0%	993	15.8%
\$30,000-39,999	772	11.8%	736	11.5%	710	11.3%
\$40,000-49,999	535	8.2%	541	8.5%	545	8.7%
\$50,000-59,999	222	3.4%	240	3.8%	252	4.0%
\$60,000-74,999	412	6.3%	425	6.7%	434	6.9%
\$75,000-99,999	283	4.3%	278	4.4%	274	4.4%
\$100,000-124,999	214	3.3%	219	3.4%	222	3.5%
\$125,000-149,999	100	1.5%	112	1.8%	121	1.9%
\$150,000-199,999	115	1.8%	129	2.0%	139	2.2%
\$200,000+	78	1.2%	90	1.4%	98	1.6%
<b>Total</b>	<b>6,525</b>	<b>100.0%</b>	<b>6,385</b>	<b>100.0%</b>	<b>6,285</b>	<b>100.0%</b>

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, May 2024

Renter households with incomes less than \$50,000 represent 78.1 percent of the renter households in the PMA in 2023; this share is expected to decrease slightly through market entry and 2028.

## Renter Households by Number of Persons in the Household

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

**RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA**

Household Size	2023		Projected Mkt Entry June 2026		2028	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 person	2,442	37.4%	2,398	37.6%	2,367	37.7%
2 person	1,606	24.6%	1,534	24.0%	1,483	23.6%
3 person	1,193	18.3%	1,169	18.3%	1,151	18.3%
4 person	672	10.3%	670	10.5%	669	10.6%
5+ person	612	9.4%	614	9.6%	615	9.8%
<b>Total</b>	<b>6,525</b>	<b>100.0%</b>	<b>6,385</b>	<b>100.0%</b>	<b>6,285</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, May 2024

The Subject offers two and three-bedroom units and will continue to be catered to households consisting of one to five people. Thus, as indicated in the previous table, the Subject will support the majority of renter household sizes within the PMA.

## Conclusion

Population in the PMA increased at an annualized rate of 0.2 percent between 2010 and 2023, compared to growth of 1.7 percent in the SMA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 29 percent as of 2023. This is less than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2023 is below the SMA and overall nation. According to ESRI demographic projections, household and median income levels in the PMA are expected to rise through 2028; however, population levels are anticipated to decline. We have considered local demographic trends in our determination of achievable rents.

## **VII. 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. The rents are calculated assuming that the maximum net rent a household will pay is 30 percent of its household income at the appropriate AMI level.

Household size is assumed to be 1.5 persons per bedroom for general population projects. For example, for one-bedroom units we assume the average income limits of a one and two-person household and for three-bedroom units we assume the average income limits for a four- and five-person household. This applies to family projects. For elderly projects, we have used a maximum income based on two-person households. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

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

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

### 2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 percent for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis, absent subsidy. As proposed, all units at the Subject will continue to benefit from rental assistance. As such, tenants will pay just 30 percent of their income as rent, with a minimum income of essentially \$0.

### 3. Minimum and Maximum Income Levels

The following tables illustrate the minimum and maximum allowable income levels for the Subject's units, as proposed with rental assistance and as proposed absent subsidy. It should be noted that we have calculated our minimum incomes on for the Subject, absent subsidy, utilizing our achievable LIHTC rents.

**INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@60%/USDA (Rental Assistance)</i>	
2BR	\$0	\$41,820
3BR	\$0	\$50,160

#### INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@60%/USDA</i>	
2BR	\$33,257	\$41,820
3BR	\$39,771	\$50,160

#### 4. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

##### 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 2024 as the base year for the analysis; however, demographic estimates are available only through 2023 as of the date of this report. Demographic projections are utilized through June 2026 (Subject's market entry/anticipated completion date). This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

##### 4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants, plus a fourth allowance for other demand, if deemed applicable. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using Census 2022 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2010 Census data. (c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership must be used to refine the analysis. The Subject is urban and generally not likely to attract homeowners seeking to downsize into a family rental unit. (d) The fourth potential "Other" source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

##### 4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded since 2022, as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2022 to present, there have been no developments allocated tax credits in the PMA. As such, we have not deducted any competitive units from our demand analysis.

#### 5. Method – Capture Rates

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

### 60% AMI/USDA (Rental Assistance)

#### NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%/USDA (RA)

Minimum Income Limit		\$0	Maximum Income Limit		\$50,160
Income Category	New Renter Households - Total Change in Households PMA 2023 to Prj Mrkt Entry June 2026		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	-69	49.6%	\$9,999	100.0%	-69
\$10,000-19,999	-69	49.2%	\$9,999	100.0%	-69
\$20,000-29,999	-39	27.9%	\$9,999	100.0%	-39
\$30,000-39,999	-36	25.8%	\$9,999	100.0%	-36
\$40,000-49,999	6	-4.2%	\$9,999	100.0%	6
\$50,000-59,999	18	-12.5%	\$161	1.6%	0
\$60,000-74,999	13	-9.2%	\$0	0.0%	0
\$75,000-99,999	-5	3.8%	\$0	0.0%	0
\$100,000-124,999	5	-3.3%	\$0	0.0%	0
\$125,000-149,999	12	-8.8%	\$0	0.0%	0
\$150,000-199,999	14	-10.0%	\$0	0.0%	0
\$200,000+	12	-8.3%	\$0	0.0%	0
<b>Total</b>	<b>-140</b>	<b>100.0%</b>		<b>148.1%</b>	<b>-207</b>

#### POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%/USDA (RA)

Minimum Income Limit		\$0	Maximum Income Limit		\$50,160
Income Category	Total Renter Households PMA 2023		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,350	20.7%	\$9,999	100.0%	1,350
\$10,000-19,999	1,384	21.2%	\$9,999	100.0%	1,384
\$20,000-29,999	1,060	16.2%	\$9,999	100.0%	1,060
\$30,000-39,999	772	11.8%	\$9,999	100.0%	772
\$40,000-49,999	535	8.2%	\$9,999	100.0%	535
\$50,000-59,999	222	3.4%	\$161	1.6%	4
\$60,000-74,999	412	6.3%	\$0	0.0%	0
\$75,000-99,999	283	4.3%	\$0	0.0%	0
\$100,000-124,999	214	3.3%	\$0	0.0%	0
\$125,000-149,999	100	1.5%	\$0	0.0%	0
\$150,000-199,999	115	1.8%	\$0	0.0%	0
\$200,000+	78	1.2%	\$0	0.0%	0
<b>Total</b>	<b>6,525</b>	<b>100.0%</b>		<b>78.2%</b>	<b>5,105</b>

#### ASSUMPTIONS - @60%/USDA (RA)

Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Rural		Maximum # of Occupants		5
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	10%	40%	50%	0%	0%
2	0%	10%	90%	0%	0%
3	0%	0%	50%	50%	0%
4	0%	0%	20%	80%	0%
5+	0%	0%	0%	60%	50%

**Demand from New Renter Households 2023 to June 2026**

Income Target Population	@60%/USDA (RA)
New Renter Households PMA	-140
Percent Income Qualified	148.1%
<b>New Renter Income Qualified Households</b>	<b>-207</b>

**Demand from Existing Households 2023**

**Demand from Rent Overburdened Households**

Income Target Population	@60%/USDA (RA)
Total Existing Demand	6,525
Income Qualified	78.2%
Income Qualified Renter Households	5,105
Percent Rent Overburdened Prj Mkt Entry June 2026	36.7%
<b>Rent Overburdened Households</b>	<b>1,871</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	5,105
Percent Living in Substandard Housing	1.7%

**Households Living in Substandard Housing**

**Senior Households Converting from Homeownership**

Income Target Population	@60%/USDA (RA)
Total Senior Homeowners	0
Rural Versus Urban	5.0%

**Senior Demand Converting from Homeownership**

<b>Total Demand</b>	<b>0</b>
Total Demand from Existing Households	1,958
Total New Demand	-207

**Total Demand (New Plus Existing Households)**

<b>Total Demand (New Plus Existing Households)</b>	<b>1,751</b>
Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

**By Bedroom Demand**

One Person	37.6%	658
Two Persons	24.0%	421
Three Persons	18.3%	320
Four Persons	10.5%	184
Five Persons	9.6%	168
<b>Total</b>	<b>100.0%</b>	<b>1,751</b>

**To place Person Demand into Bedroom Type Units**

Of one-person households in studio units	10%	66
Of one-person households in 1BR units	40%	263
Of two-person households in 1BR units	10%	42
Of one-person households in 2BR units	50%	329
Of two-person households in 2BR units	90%	379
Of three-person households in 2BR units	50%	160
Of four-person households in 2BR units	20%	37
Of three-person households in 3BR units	50%	160
Of four-person households in 3BR units	80%	147
Of five-person households in 3BR units	60%	101
Of five-person households in 4BR units	40%	67
<b>Total Demand</b>		<b>1,751</b>

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
2 BR	905	-	0	=	905
3 BR	408	-	0	=	408
<b>Total</b>	<b>1,313</b>		<b>0</b>		<b>1,313</b>
Developer's Unit Mix			Net Demand		Capture Rate
2 BR	26	/	905	=	2.9%
3 BR	14	/	408	=	3.4%
<b>Total</b>	<b>40</b>		<b>1,313</b>		<b>3.0%</b>



## 60% AMI/USDA – Absent Rental Assistance

### NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%/USDA (Absent Rental Assistance)

Minimum Income Limit		\$33,257	Maximum Income Limit		\$50,160
Income Category	New Renter Households - Total Change in Households PMA 2023 to Prj Mrkt Entry June 2026		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	-69	49.6%	\$0	0.0%	0
\$10,000-19,999	-69	49.2%	\$0	0.0%	0
\$20,000-29,999	-39	27.9%	\$0	0.0%	0
\$30,000-39,999	-36	25.8%	\$6,742	67.4%	-24
\$40,000-49,999	6	-4.2%	\$9,999	100.0%	6
\$50,000-59,999	18	-12.5%	\$160	1.6%	0
\$60,000-74,999	13	-9.2%	\$0	0.0%	0
\$75,000-99,999	-5	3.8%	\$0	0.0%	0
\$100,000-124,999	5	-3.3%	\$0	0.0%	0
\$125,000-149,999	12	-8.8%	\$0	0.0%	0
\$150,000-199,999	14	-10.0%	\$0	0.0%	0
\$200,000+	12	-8.3%	\$0	0.0%	0
<b>Total</b>	<b>-140</b>	<b>100.0%</b>		<b>13.1%</b>	<b>-18</b>

### POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%/USDA (Absent Rental Assistance)

Minimum Income Limit		\$33,257	Maximum Income Limit		\$50,160
Income Category	Total Renter Households PMA 2023		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,350	20.7%	\$0	0.0%	0
\$10,000-19,999	1,384	21.2%	\$0	0.0%	0
\$20,000-29,999	1,060	16.2%	\$0	0.0%	0
\$30,000-39,999	772	11.8%	\$6,742	67.4%	521
\$40,000-49,999	535	8.2%	\$9,999	100.0%	535
\$50,000-59,999	222	3.4%	\$160	1.6%	4
\$60,000-74,999	412	6.3%	\$0	0.0%	0
\$75,000-99,999	283	4.3%	\$0	0.0%	0
\$100,000-124,999	214	3.3%	\$0	0.0%	0
\$125,000-149,999	100	1.5%	\$0	0.0%	0
\$150,000-199,999	115	1.8%	\$0	0.0%	0
\$200,000+	78	1.2%	\$0	0.0%	0
<b>Total</b>	<b>6,525</b>	<b>100.0%</b>		<b>16.2%</b>	<b>1,059</b>

### ASSUMPTIONS - @60%/USDA (Absent Rental Assistance)

Tenancy		Family	% of Income towards Housing		35%
Rural/Urban		Rural	Maximum # of Occupants		5
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	10%	40%	50%	0%	0%
2	0%	10%	90%	0%	0%
3	0%	0%	50%	50%	0%
4	0%	0%	20%	80%	0%
5+	0%	0%	0%	60%	50%

**Demand from New Renter Households 2023 to June 2026**

Income Target Population	@60%/USDA
New Renter Households PMA	-140
Percent Income Qualified	13.1%

**New Renter Income Qualified Households**

**-18**

**Demand from Existing Households 2023**

**Demand from Rent Overburdened Households**

Income Target Population	@60%/USDA
Total Existing Demand	6,525
Income Qualified	16.2%
Income Qualified Renter Households	1,059
Percent Rent Overburdened Prj Mkt Entry June 2026	36.7%

**Rent Overburdened Households**

**388**

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	1,059
Percent Living in Substandard Housing	1.7%

**Households Living in Substandard Housing**

**18**

**Senior Households Converting from Homeownership**

Income Target Population	@60%/USDA
Total Senior Homeowners	0
Rural Versus Urban	5.0%

**Senior Demand Converting from Homeownership**

**0**

**Total Demand**

Total Demand from Existing Households	406
Total New Demand	-18

**Total Demand (New Plus Existing Households)**

**388**

Demand from Seniors Who Convert from Homeownership

0

Percent of Total Demand From Homeownership Conversion

0.0%

Is this Demand Over 20 percent of Total Demand?

No

**By Bedroom Demand**

One Person	37.6%	146
Two Persons	24.0%	93
Three Persons	18.3%	71
Four Persons	10.5%	41
Five Persons	9.6%	37
<b>Total</b>	<b>100.0%</b>	<b>388</b>

**To place Person Demand into Bedroom Type Units**

Of one-person households in studio units	10%	15
Of one-person households in 1BR units	40%	58
Of two-person households in 1BR units	10%	9
Of one-person households in 2BR units	50%	73
Of two-person households in 2BR units	90%	75
Of three-person households in 2BR units	50%	43
Of four-person households in 2BR units	20%	12
Of three-person households in 3BR units	50%	28
Of four-person households in 3BR units	80%	29
Of five-person households in 3BR units	50%	19
Of five-person households in 4BR units	40%	19
<b>Total Demand</b>		<b>388</b>

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
2 BR	200	-	0	=	200
3 BR	90	-	0	=	90
<b>Total</b>	<b>290</b>		<b>0</b>		<b>290</b>
Developer's Unit Mix			Net Demand		Capture Rate
2 BR	26	/	200	=	13.0%
3 BR	14	/	90	=	15.5%
<b>Total</b>	<b>40</b>		<b>290</b>		<b>13.7%</b>

## Conclusions

Several factors affect the indicated capture rates and are discussed following.

- The number of general population renter households in the PMA is expected to decrease by 0.6 percent between 2023 and projected market entry of June 2026.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject's units, both as proposed and absent subsidy.

**DEMAND AND NET DEMAND**

	HH at @60%/USDA AMI (\$0 to \$50,160) – As Proposed	HH at @60% AMI/USDA (\$33,257 to \$50,160) – Absent Rental Assistance
Demand from New Households (age and income appropriate)	-207	-18
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Rent Overburdened Households	1,871	388
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Substandard Housing	87	18
<b>=</b>	<b>=</b>	<b>=</b>
<b>Sub Total</b>	<b>1,751</b>	<b>388</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
<b>Equals Total Demand</b>	<b>1,751</b>	<b>388</b>
<b>Less</b>	<b>-</b>	<b>-</b>
New Supply	0	0
<b>Equals Net Demand</b>	<b>1,751</b>	<b>388</b>

Note that the *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
2BR @60%/USDA (Rental Assistance)	905	0	905	26	2.9%
2BR @60%/USDA (Absent Rental Assistance)	200	0	200	26	13.0%
3BR @60%/USDA (Rental Assistance)	408	0	408	14	3.4%
3BR @60%/USDA (Absent Rental Assistance)	90	0	90	14	15.5%
@60%/USDA (Rental Assistance) Overall	1,313	0	1,313	40	3.0%
@60%/USDA (Absent Rental Assistance) Overall	290	0	290	40	13.7%

As the analysis illustrates, the Subject's individual capture rates by bedroom type range from 2.9 to 3.4 percent, as proposed, and from 13.0 to 15.5 percent, absent rental assistance. The overall capture rates for the Subjects units as proposed and absent rental assistance are 3.0 and 13.7 percent, respectively, and we

believe there is adequate continued demand for the Subject. Further, capture rates for all units, as well as the overall property, are below the 30 percent capture rate threshold as determined by SCSHFDA.

### Absorption Rate Projected Absorption Period

We analyzed absorption information from five new properties located within the surrounding area, detailed in the following table. Due to the lack of recently constructed developments in Blacksburg, we have expanded our search to include properties within a 30-mile radius, excluding larger metropolitan areas, of the Subject.

#### ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Park Crossing Apartments	Market	Family	Rutherfordton	2021	136	23	29.9 miles
Haven At Cramerton	Market	Family	Cramerton	2020	122	11	27.0 miles
Long Creek Apartments II	LIHTC	Family	Dallas	2019	80	27	23.6 miles
Autumn Glen Villas	LIHTC	Family	Gaffney	2019	60	20	8.8 miles
Cambridge Oaks I	LIHTC	Family	Kings Mountain	2015	56	28	13.3 miles
Revere At Lake Wylie	Market	Family	Clover	2015	444	24	24.1 miles
The Village At Mills Gap	Market	Family	Boiling Springs	2014	208	17	26.4 miles
<b>Average Affordable</b>					<b>65</b>	<b>25</b>	
<b>Average Market</b>					<b>228</b>	<b>19</b>	
<b>Overall Average</b>					<b>158</b>	<b>21</b>	

If the Subject was completely vacant, we would expect the property should experience a brief lease-up period due to the sustained demand for good quality affordable housing in the PMA. The affordable properties detailed above reported absorption rates ranging from 20 to 28 units per month, with an average of 25 units per month. Overall, we have concluded to an absorption rate of approximately 15 units per month. Assuming the Subject was completely vacant, we believe that the Subject would experience an absorption period of approximately three months to reach a stabilized occupancy rate of 95 percent, or higher. This is considered largely hypothetical as the Subject's current tenants are expected to remain income-eligible to remain at the property post-renovation. According to the rent roll dated April 12, 2024, the Subject is currently 12.5 percent vacant, with five vacant units. Overall, we believe the Subject would reach a stabilized occupancy rate in less than one month assuming its current operations. It should also be noted that the Subject maintains a waiting list of eight households in length.



## **VIII. 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 are considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Fully subsidized properties were excluded due to differing rent structures from the Subject; however, it should be noted that subsidized properties in the market area were found to have stable occupancies. The following table illustrates the excluded properties.

EXCLUDED PROPERTIES					
Property Name	Rent Structure	Tenancy	Reason for Exclusion	No. of Units	Vacancy %
Ryan Park	LIHTC/USDA	Family	Subsidized rents	48	2.1%
Huntington Square	LIHTC/USDA	Family	Subsidized rents	48	0.0%
Peachtree Apartments	LIHTC/USDA	Family	Subsidized rents	28	3.6%
Blacksburg Terrace	LIHTC/USDA	Senior	Dissimilar tenancy	32	N/Av
Autumn Glen Villas	LIHTC	Family	Unable to contact	60	N/Av
Mulberry Ridge	LIHTC/USDA	Senior	Dissimilar tenancy	24	4.2%
Lockhart Lane Apartments	LIHTC/USDA	Family	Subsidized rents	32	0.0%
Fairfield Apartments	LIHTC/USDA	Family	Subsidized rents	59	1.7%
Redwood Village	Section 8	Family	Subsidized rents	50	N/Av
Town & Country Apartments	Section 8	Senior	Dissimilar tenancy	30	0.0%
White Oak Apartments	LIHTC/USDA	Family	Subsidized rents	50	0.0%
Westwind Village Apartments I & II	LIHTC/USDA	Senior	Dissimilar tenancy	84	1.2%
Brookhaven Housing Corporation	Section 8	Senior	Dissimilar tenancy	12	N/Av
Connecticut Village	Section 8	Family	Subsidized rents	105	1.9%
<b>Total LIHTC Only</b>				<b>60</b>	
<b>Total Assisted</b>				<b>405</b>	
<b>Total All Affordable</b>				<b>662</b>	

### Pipeline Construction/LIHTC Competition

We obtained information from CoStar regarding proposed or under construction developments in the PMA. According to CoStar, there are no proposed or under construction developments in the PMA.

### LIHTC Competition / Recent and Proposed Construction

According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2022 to present, there have been no developments allocated tax credits in the PMA.

### Comparable Properties

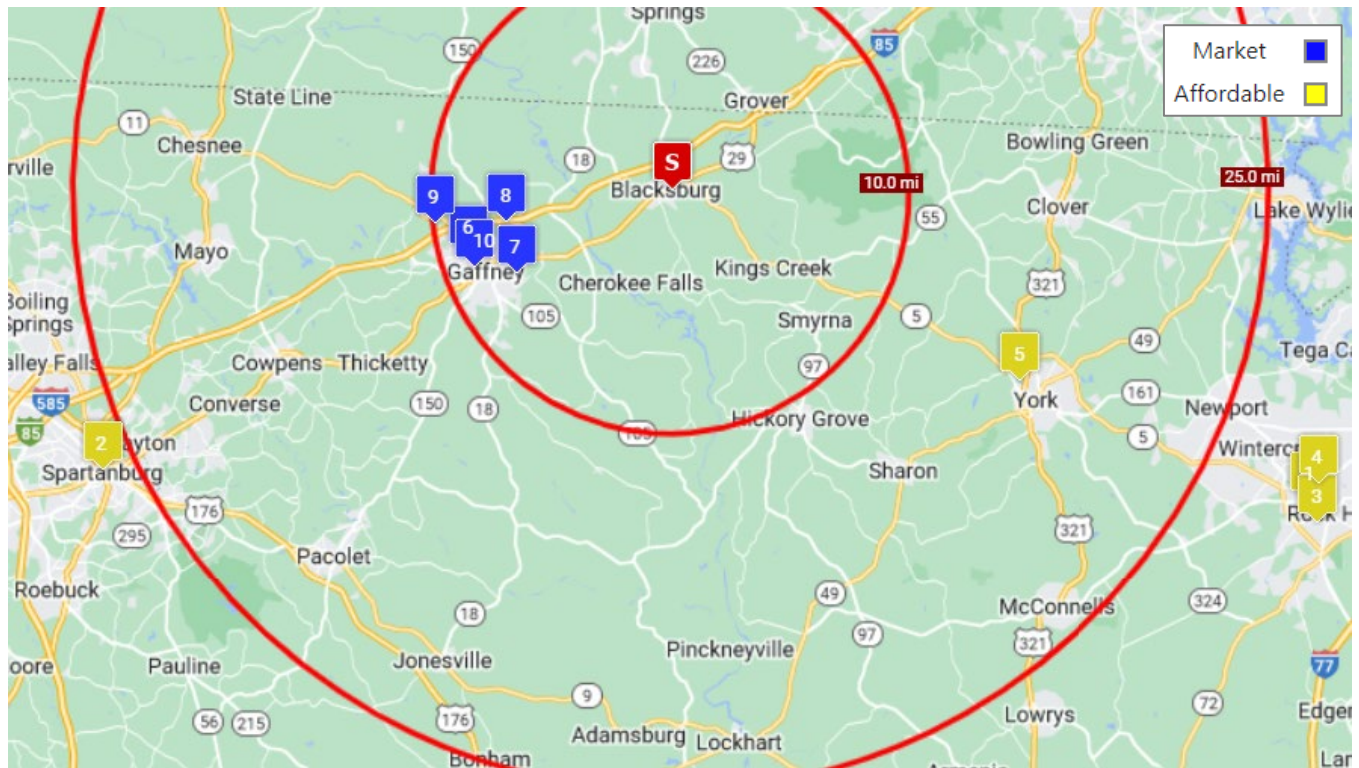
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 10 “true” comparable properties containing 987 units.

The availability of the LIHTC data is considered poor. We included five affordable developments located between 16.6 and 29.8 miles from the Subject site, all of which are located outside the PMA. We are aware of only one strictly LIHTC property within the PMA; however, we were unable to include this property as a comparable due to our inability to survey the property, despite numerous attempts. The availability of the market rate data is considered average. We included five market rate properties located between 7.0 and

10.0 miles from the Subject site, all of which are located inside the PMA. Overall, we believe the availability of data is adequate to support our conclusions.

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

### Comparable Rental Property Map I



Source: Google Maps, May 2024

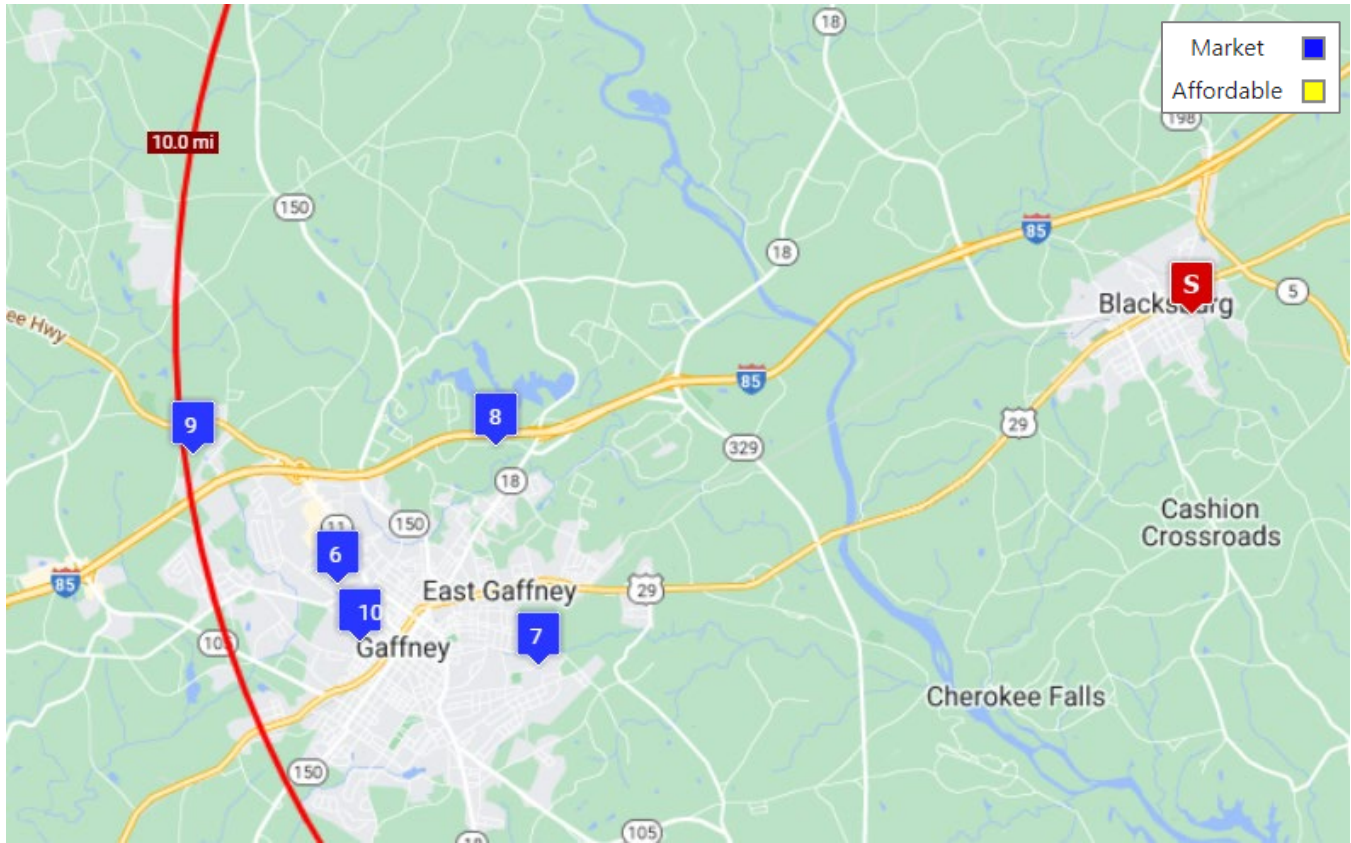
### COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Distance to Subject
<b>S</b>	<b>Chestnut Hills Apartments</b>	<b>Blacksburg</b>	<b>LIHTC/USDA</b>	<b>-</b>
1	Cherry Laurel*	Rock Hill	LIHTC	29.7 miles
2	Companion At Lee's Crossing*	Spartanburg	LIHTC	26.6 miles
3	Cotton Mill Village*	Rock Hill	LIHTC	29.8 miles
4	Innsbrook Commons*	Rock Hill	LIHTC	29.7 miles
5	Wellington Square*	York	LIHTC/Market	16.6 miles
6	1022 West Apartments	Gaffney	Market	8.9 miles
7	Magnolia Ridge	Gaffney	Market	7.4 miles
8	Sage At Martin Lane	Gaffney	Market	7.0 miles
9	Stonecrest Apartments	Gaffney	Market	10.0 miles
10	The Orchard Apartment Homes	Gaffney	Market	8.9 miles

\*Located outside PMA



### Comparable Rental Property Map II (10-mile radius)



Source: Google Maps, May 2024

### COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Distance to Subject
<b>S</b>	<b>Chestnut Hills Apartments</b>	<b>Blacksburg</b>	<b>LIHTC/USDA</b>	<b>-</b>
1	Cherry Laurel*	Rock Hill	LIHTC	29.7 miles
2	Companion At Lee's Crossing*	Spartanburg	LIHTC	26.6 miles
3	Cotton Mill Village*	Rock Hill	LIHTC	29.8 miles
4	Innsbrook Commons*	Rock Hill	LIHTC	29.7 miles
5	Wellington Square*	York	LIHTC/Market	16.6 miles
6	1022 West Apartments	Gaffney	Market	8.9 miles
7	Magnolia Ridge	Gaffney	Market	7.4 miles
8	Sage At Martin Lane	Gaffney	Market	7.0 miles
9	Stonecrest Apartments	Gaffney	Market	10.0 miles
10	The Orchard Apartment Homes	Gaffney	Market	8.9 miles

\*Located outside PMA

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

# CHESTNUT HILLS APARTMENTS – BLACKSBURG, SC – APPLICATION MARKET STUDY

## SUMMARY MATRIX

#	Property Name	Distance	Type/Built/ Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate
S	Chestnut Hills Apartments 206 E Clairborne Street Blacksburg, SC Cherokee County		Various 2-stories 1975 / 2002 / 2026 Family	@60%/USDA Rental Assistance	2BR/1.5BA 2BR/1.5BA 3BR/1.5BA 3BR/1.5BA	18 8 8 6	45.0% 20.0% 20.0% 15.0%	796 1,045 1,004 1,147	@60%/USDA (RA) @60%/USDA (RA) @60%/USDA (RA) @60%/USDA (RA)	\$791 \$791 \$816 \$816	No No No No	Yes Yes Yes Yes	N/A N/A N/A N/A	N/A N/A N/A N/A
						40							5	12.5%
1	Cherry Laurel 107 Cherry Laurel Lane Rock Hill, SC York County	29.7 miles	Townhouse 2-stories 2009 Family	@50% @60%	3BR/2BA 3BR/2BA	21 21	50.0% 50.0%	1,200 1,200	@50% @60%	\$1,213 \$1,213	Yes Yes	Yes Yes	0 0	0% 0%
						42							0	0.0%
2	Companion At Lee's Crossing 100 Lee's Crossing Drive Spartanburg, SC Spartanburg County	26.6 miles	Garden 4-stories 2010 Family	@60%	1BR/1BA 2BR/2BA 3BR/2BA	34 102 56	17.7% 53.1% 29.2%	687 932 1,107	@60% @60% @60%	\$792 \$944 \$1,083	Yes Yes Yes	Yes Yes Yes	0 0 0	0% 0% 0%
						192							0	0.0%
3	Cotton Mill Village 129 Hardin St Rock Hill, SC York County	29.8 miles	Lowrise 2-stories 2011 Family	@50% @60%	1BR/1BA 1BR/1BA 2BR/2BA 2BR/2BA 3BR/2BA 3BR/2BA	5 12 1 3 5 13	12.8% 30.8% 2.6% 7.7% 12.8% 33.3%	710 710 975 975 1,200 1,200	@50% @60% @50% @60% @50% @60%	\$795 \$795 \$1,000 \$1,000 \$1,175 \$1,175	No No No No No No	Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0	0% 0% 0% 0% 0% 0.0%
						39							0	0.0%
4	Innsbrook Commons 514 Innsbrook Commons Cir Rock Hill, SC York County	29.7 miles	Garden 3-stories 2007 Family	@50% @60%	2BR/2BA 2BR/2BA 3BR/2BA 3BR/2BA	24 24 12 12	33.3% 33.3% 16.7% 16.7%	985 985 1,160 1,160	@50% @60% @50% @60%	\$920 \$1,120 \$1,088 \$1,313	Yes Yes Yes Yes	Yes Yes Yes Yes	0 0 0 1	0% 0% 0% 8.3%
						72							1	1.4%
5	Wellington Square 1245 Wellington Square Drive York, SC York County	16.6 miles	Duplex 2-stories 2006 Family	@50%, @50% (HOME), @60%, Market	2BR/2BA 2BR/1BA 2BR/2BA 2BR/2BA 3BR/2BA 3BR/2BA 3BR/2BA 3BR/2BA	9 16 7 8 1 4 3 2	18.0% 32.0% 14.0% 16.0% 2.0% 8.0% 6.0% 4.0%	960 960 960 960 1,185 1,185 1,185 1,185	@50% @50% (HOME) @60% Market @50% @50% (HOME) @60% Market	\$1,031 \$1,031 \$1,343 \$1,516 \$1,270 \$1,186 \$1,546 N/A	Yes N/A Yes N/A Yes Yes Yes N/A	Yes Yes Yes Yes Yes Yes Yes Yes	0 0 0 0 0 0 0 0	0% 0% 0% 0% 0% 0% 0% 0%
						50							0	0.0%
6	1022 West Apartments 1022 West Buford Street Gaffney, SC Cherokee County	8.9 miles	Garden 2-stories 1989 / 2022 Family	Market	0BR/1BA 1BR/1BA 2BR/1BA 3BR/2BA	20 65 65 16	12.0% 39.2% 39.2% 9.6%	288 580 860 990	Market Market Market Market	\$729 \$971 \$1,331 \$1,601	N/A N/A N/A N/A	No No No No	4 0 0 2	20.0% 0% 0% 12.5%
						166							6	3.6%
7	Magnolia Ridge 266 Goldmine Springs Road Gaffney, SC Cherokee County	7.4 miles	Garden 2-stories 1976 / 2016 Family	Market	0BR/1BA 1BR/1BA 2BR/1BA 3BR/1BA 4BR/2BA	12 16 32 20 4	14.3% 19.0% 38.1% 23.8% 4.8%	600 720 860 1,000 1,160	Market Market Market Market Market	\$931 \$1,035 \$1,212 \$1,355 \$1,601	N/A N/A N/A N/A N/A	No No No No No	0 0 0 0 0	0% 0% 0% 0% 0%
						84							0	0.0%
8	Sage At Martin Lane 112 Martin Lane Gaffney, SC Cherokee County	7.0 miles	Garden 2-stories 1997 / 2022 Family	Market	2BR/1.5BA 3BR/2BA	48 48	50.0% 50.0%	921 1,151	Market Market	\$1,145 \$1,388	N/A N/A	No No	2 2	4.2% 4.2%
						96							4	4.2%
9	Stonecrest Apartments 102 Stonecrest Lane Gaffney, SC Cherokee County	10.0 miles	Garden 3-stories 2008 / 2015 Family	Market	1BR/1BA 2BR/2BA 2BR/2BA 3BR/2BA	N/A N/A N/A N/A	N/A N/A N/A N/A	708 904 1,029 1,475	Market Market Market Market	\$886 \$1,098 \$1,093 \$1,256	N/A N/A N/A N/A	No No No No	0 0 0 0	0% 0% 0% 0%
						198							0	0.0%
10	The Orchard Apartment Homes 506 South Oliver Street Gaffney, SC Cherokee County	8.9 miles	Various 2-stories 1987 / 2021 Family	Market	1BR/1BA 2BR/1.5BA	16 32	33.3% 66.7%	771 1,038	Market Market	\$1,023 \$1,345	N/A N/A	No No	0 0	0% 0%
						48							0	0.0%

# CHESTNUT HILLS APARTMENTS – BLACKSBURG, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed	987	Weighted Occupancy	98.9%
	Market Rate	592	Market Rate	98.3%
	Tax Credit	395	Tax Credit	99.7%
	2.0 Bed x 1.5 Bath		3.0 Bed x 1.5 Bath	
RENT	Wellington Square (Market)(2.0BA)	\$1,516	1022 West Apartments (Market)(2.0BA)	\$1,601
	The Orchard Apartment Homes (Market)	\$1,345	Wellington Square (@60%)(2.0BA)	\$1,546
	Wellington Square (@60%)(2.0BA)	\$1,343	Sage At Martin Lane (Market)(2.0BA)	\$1,388
	1022 West Apartments (Market)(1.0BA)	\$1,331	<b>Chestnut Hills Apartments (AMR) (1,157 sf)</b>	<b>\$1,370</b>
	Magnolia Ridge (Market)(1.0BA)	\$1,212	Magnolia Ridge (Market)(1.0BA)	\$1,355
	<b>Chestnut Hills Apartments (AMR) (1,045 sf)</b>	<b>\$1,195</b>	<b>Chestnut Hills Apartments (AMR) (1,004 sf)</b>	<b>\$1,325</b>
	Sage At Martin Lane (Market)	\$1,145	Innsbrook Commons (@60%)(2.0BA)	\$1,313
	<b>Chestnut Hills Apartments (AMR) (796 sf)</b>	<b>\$1,125</b>	Wellington Square (@50%)(2.0BA)	\$1,270
	Innsbrook Commons (@60%)(2.0BA)	\$1,120	Stonecrest Apartments (Market)(2.0BA)	\$1,256
	Stonecrest Apartments (Market)(2.0BA)	\$1,098	Cherry Laurel (@50%)(2.0BA)	\$1,213
	Stonecrest Apartments (Market)(2.0BA)	\$1,093	Cherry Laurel (@60%)(2.0BA)	\$1,213
	Wellington Square (@50%)(2.0BA)	\$1,031	Wellington Square (@50%)(2.0BA)	\$1,186
	Wellington Square (@50%)(1.0BA)	\$1,031	Cotton Mill Village (@50%)(2.0BA)	\$1,175
	Cotton Mill Village (@50%)(2.0BA)	\$1,000	Cotton Mill Village (@60%)(2.0BA)	\$1,175
	Cotton Mill Village (@60%)(2.0BA)	\$1,000	Innsbrook Commons (@50%)(2.0BA)	\$1,088
	Companion At Lee's Crossing (@60%)(2.0BA)	\$944	Companion At Lee's Crossing (@60%)(2.0BA)	\$1,083
	Innsbrook Commons (@50%)(2.0BA)	\$920	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$1,000</b>
	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$875</b>	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$1,000</b>
	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$875</b>	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$816</b>
	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$875</b>	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$816</b>
	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$875</b>		
SQUARE FOOTAGE	<b>Chestnut Hills Apartments (@60%)</b>	<b>1,045</b>	Stonecrest Apartments (Market)(2.0BA)	1,475
	The Orchard Apartment Homes (Market)	1,038	Cherry Laurel (@50%)(2.0BA)	1,200
	Stonecrest Apartments (Market)(2.0BA)	1,029	Cherry Laurel (@60%)(2.0BA)	1,200
	Innsbrook Commons (@50%)(2.0BA)	985	Cotton Mill Village (@50%)(2.0BA)	1,200
	Innsbrook Commons (@60%)(2.0BA)	985	Cotton Mill Village (@60%)(2.0BA)	1,200
	Cotton Mill Village (@50%)(2.0BA)	975	Wellington Square (@50%)(2.0BA)	1,185
	Cotton Mill Village (@60%)(2.0BA)	975	Wellington Square (@50%)(2.0BA)	1,185
	Wellington Square (@50%)(2.0BA)	960	Wellington Square (@60%)(2.0BA)	1,185
	Wellington Square (@50%)(1.0BA)	960	Innsbrook Commons (@50%)(2.0BA)	1,160
	Wellington Square (@60%)(2.0BA)	960	Innsbrook Commons (@60%)(2.0BA)	1,160
	Wellington Square (Market)(2.0BA)	960	<b>Chestnut Hills Apartments (@60%)</b>	<b>1,157</b>
	Companion At Lee's Crossing (@60%)(2.0BA)	932	Sage At Martin Lane (Market)(2.0BA)	1,151
	Sage At Martin Lane (Market)	921	Companion At Lee's Crossing (@60%)(2.0BA)	1,107
	Stonecrest Apartments (Market)(2.0BA)	904	<b>Chestnut Hills Apartments (@60%)</b>	<b>1,004</b>
	1022 West Apartments (Market)(1.0BA)	860	Magnolia Ridge (Market)(1.0BA)	1,000
	Magnolia Ridge (Market)(1.0BA)	860	1022 West Apartments (Market)(2.0BA)	990
	<b>Chestnut Hills Apartments (@60%)</b>	<b>796</b>		
RENT PER SQUARE FOOT	2.0 Bed x 1.5 Bath		3.0 Bed x 1.5 Bath	
	Wellington Square (Market)(2.0BA)	\$1.58	1022 West Apartments (Market)(2.0BA)	\$1.62
	1022 West Apartments (Market)(1.0BA)	\$1.55	Magnolia Ridge (Market)(1.0BA)	\$1.35
	<b>Chestnut Hills Apartments (AMR) (1,045 sf)</b>	<b>\$1.41</b>	<b>Chestnut Hills Apartments (AMR) (1,157 sf)</b>	<b>\$1.32</b>
	Magnolia Ridge (Market)(1.0BA)	\$1.41	Wellington Square (@60%)(2.0BA)	\$1.30
	Wellington Square (@60%)(2.0BA)	\$1.40	Sage At Martin Lane (Market)(2.0BA)	\$1.21
	The Orchard Apartment Homes (Market)	\$1.30	<b>Chestnut Hills Apartments (AMR) (1,004 sf)</b>	<b>\$1.18</b>
	Sage At Martin Lane (Market)	\$1.24	Innsbrook Commons (@60%)(2.0BA)	\$1.13
	Stonecrest Apartments (Market)(2.0BA)	\$1.21	Wellington Square (@50%)(2.0BA)	\$1.07
	<b>Chestnut Hills Apartments (AMR) (796 sf)</b>	<b>\$1.14</b>	Cherry Laurel (@50%)(2.0BA)	\$1.01
	Innsbrook Commons (@60%)(2.0BA)	\$1.14	Cherry Laurel (@60%)(2.0BA)	\$1.01
	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$1.10</b>	Wellington Square (@50%)(2.0BA)	\$1.00
	Wellington Square (@50%)(2.0BA)	\$1.07	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$1.00</b>
	Wellington Square (@50%)(1.0BA)	\$1.07	Cotton Mill Village (@50%)(2.0BA)	\$0.98
	Stonecrest Apartments (Market)(2.0BA)	\$1.06	Cotton Mill Village (@60%)(2.0BA)	\$0.98
	Cotton Mill Village (@50%)(2.0BA)	\$1.03	Companion At Lee's Crossing (@60%)(2.0BA)	\$0.98
	Cotton Mill Village (@60%)(2.0BA)	\$1.03	Innsbrook Commons (@50%)(2.0BA)	\$0.94
	Companion At Lee's Crossing (@60%)(2.0BA)	\$1.01	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$0.86</b>
	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$0.99</b>	Stonecrest Apartments (Market)(2.0BA)	\$0.85
	Innsbrook Commons (@50%)(2.0BA)	\$0.93	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$0.81</b>
	<b>Chestnut Hills Apartments (@60%) (ALR)</b>	<b>\$0.84</b>	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$0.71</b>
	<b>Chestnut Hills Apartments (@60%)</b>	<b>\$0.76</b>		

# CHESTNUT HILLS APARTMENTS – BLACKSBURG, SC – APPLICATION MARKET STUDY

## AMENITY MATRIX

	Chestnut Hills Apartments	Cherry Laurel	Companion At Lee's Crossing	Cotton Mill Village	Innsbrook Commons	Wellington Square	1022 West Apartments	Magnolia Ridge	Sage At Martin Lane	Stonecrest Apartments	The Orchard Apartment Homes
Program	LIHTC/USDA	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
<b>Building</b>											
Property Type	Various	Townhouse	Garden	Lowrise	Garden	Duplex	Garden	Garden	Garden	Garden	Various
# Stories	2	2	4	2	3	2	2	2	2	3	2
Year Built	1975	2009	2010	2011	2007	2006	1989	1976	1997	2008	1987
Year Renovated	2002 / 2026	N/A	N/A	N/A	N/A	N/A	2022	2006 / 2016	2022	2015	2021
<b>Utility Structure</b>											
Heat	no	no	no	no	no	no	no	no	no	no	no
Cooking	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	yes	no	no	no	no	no
Sewer	yes	no	yes	yes	no	yes	no	no	no	no	no
<b>Unit</b>											
Balcony	yes	yes	yes	yes	no	yes	yes	yes	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Ceiling Fan	no	yes	yes	yes	yes	no	yes	no	yes	no	yes
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	yes	no	no	yes	no	no	no	yes	yes
Vinyl Plank Flooring	yes	no	no	no	no	no	no	no	yes	no	yes
Walk-In-Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
W/D Hookups	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
<b>Kitchen</b>											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Disposal	no	yes	yes	no	yes	yes	yes	no	yes	yes	no
Microwave	yes	yes	no	yes	yes	yes	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>											
Business Center	no	yes	yes	no	yes	no	no	yes	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Clubhouse	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
WiFi	no	no	no	no	no	no	yes	no	no	no	no
<b>Recreation</b>											
Exercise Facility	no	no	yes	no	no	no	no	no	no	yes	no
Picnic Area	no	yes	no	no	yes	yes	no	yes	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Swimming Pool	no	no	yes	no	no	no	yes	no	no	yes	no
Theatre	no	no	no	no	no	no	no	no	no	yes	no
<b>Security</b>											
Intercom (Buzzer)	no	no	no	yes	no	no	yes	no	no	no	no
Limited Access	no	no	yes	yes	no	no	yes	no	no	no	no
Patrol	no	no	yes	no	no	no	yes	no	no	no	no
Video Surveillance	yes	yes	no	no	no	no	no	no	no	no	yes
<b>Parking</b>											
Garage	no	no	yes	no	no	no	no	no	no	yes	no
Surface	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes



# PROPERTY PROFILE REPORT

## Cherry Laurel

Effective Rent Date	4/25/2024
Location	107 Cherry Laurel Lane Rock Hill, SC 29730 York County
Distance	29.7 miles
Units	42
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	4/01/2009
Leasing Began	6/29/2009
Last Unit Leased	6/29/2009
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Lamonica
Phone	803-328-2844



### Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within one week
Annual Chg. in Rent	No change since 4Q2023
Concession	None
Waiting List	Yes; undetermined length

### 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
3	2	Townhouse (2 stories)	21	1,200	\$1,075	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	21	1,200	\$1,075	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	\$1,075	\$0	\$1,075	\$138	\$1,213	3BR / 2BA	\$1,075	\$0	\$1,075	\$138	\$1,213

Amenities

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

Comments

Management was unable to state the reasoning for the 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cotton Mill Village and Innsbrook Commons. Exterior storage is included in the rent.

## Trend Report

## Vacancy Rates

2Q21	4Q21	4Q23	2Q24
0.0%	0.0%	4.8%	0.0%

## Trend: @50%

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	0.0%	\$875	\$0	\$875	\$1,013
2021	4	0.0%	\$875	\$0	\$875	\$1,013
2023	4	4.8%	\$1,075	\$0	\$1,075	\$1,213
2024	2	0.0%	\$1,075	\$0	\$1,075	\$1,213

## Trend: @60%

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	0.0%	\$875	\$0	\$875	\$1,013
2021	4	0.0%	\$875	\$0	\$875	\$1,013
2023	4	4.8%	\$1,075	\$0	\$1,075	\$1,213
2024	2	0.0%	\$1,075	\$0	\$1,075	\$1,213

## Trend: Comments

2Q21	Management was unable to state the reasoning for the 50 and 60 percent units renting at the same rates and mentioned everything is the same except the income limits. The property maintains a wait list, but the contact did not know the length. Rents are set at the 2021 maximum allowable levels at the 50 percent AMI level. The contact further noted that they believe maximum allowable rents at the 60 percent AMI level are achievable. The contact mentioned no increase in turnover or operation issues due to COVID-19.
4Q21	Management was unable to state the reasoning for the 50 and 60 percent rents being set at the same level. The property maintains a wait list, but the contact did not know the length. Rents are set at the 2021 maximum allowable levels at 50 percent of AMI. The contact also noted that they believe maximum allowable rents at the 60 percent AMI level are achievable. The contact indicated that the property has generally been unaffected by the COVID-19 pandemic.
4Q23	Management was unable to state the reasoning for the 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cotton Mill Village and Innsbrook Commons. The contact stated that the vacant units are in the process of being leased from the waiting list.
2Q24	Management was unable to state the reasoning for the 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cotton Mill Village and Innsbrook Commons. Exterior storage is included in the rent.

Photos





# PROPERTY PROFILE REPORT

## Companion At Lee's Crossing

Effective Rent Date	4/25/2024
Location	100 Lee's Crossing Drive Spartanburg, SC 29301 Spartanburg County
Distance	26.6 miles
Units	192
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (4 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Country Garden Estates
Tenant Characteristics	Mixed tenancy
Contact Name	Kelly
Phone	864-481-1422



### Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	65%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 5% since 1Q2023
Concession	None
Waiting List	Yes; 10 households in length

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	34	687	\$792	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	102	932	\$944	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	56	1,107	\$1,083	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$792	\$0	\$792	\$0	\$792
2BR / 2BA	\$944	\$0	\$944	\$0	\$944
3BR / 2BA	\$1,083	\$0	\$1,083	\$0	\$1,083

Companion At Lee's Crossing, continued

Amenities

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

Comments

Exterior storage units and garage parking spaces are available for additional monthly fees of \$50 and \$60, respectively.

## Companion At Lee's Crossing, continued

### Trend Report

#### Vacancy Rates

1Q22	3Q22	1Q23	2Q24
0.0%	0.0%	0.0%	0.0%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	1	0.0%	\$620	\$0	\$620	\$620
2022	3	0.0%	\$682	\$0	\$682	\$682
2023	1	0.0%	\$755	\$0	\$755	\$755
2024	2	0.0%	\$792	\$0	\$792	\$792

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	1	0.0%	\$725	\$0	\$725	\$725
2022	3	0.0%	\$810	\$0	\$810	\$810
2023	1	0.0%	\$899	\$0	\$899	\$899
2024	2	0.0%	\$944	\$0	\$944	\$944

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	1	0.0%	\$825	\$0	\$825	\$825
2022	3	0.0%	\$899	\$0	\$899	\$899
2023	1	0.0%	\$1,030	\$0	\$1,030	\$1,030
2024	2	0.0%	\$1,083	\$0	\$1,083	\$1,083

### Trend: Comments

1Q22	N/A
3Q22	The contact stated the property has consistently stayed at or near 100 percent occupancy during the past year. The contact noted that rents are currently at the 2021 maximum allowable but the property is looking to increase to 2022 maximum allowable levels in the next one to two months.
1Q23	The contact noted that rents are currently at the 2022 maximum allowable levels. The property accepts Housing Choice Vouchers, but the contact was unaware how many tenants utilize them at this time.
2Q24	Exterior storage units and garage parking spaces are available for additional monthly fees of \$50 and \$60, respectively.

Photos



# PROPERTY PROFILE REPORT

## Cotton Mill Village

Effective Rent Date	4/24/2024
Location	129 Hardin St Rock Hill, SC 29730 York County
Distance	29.8 miles
Units	39
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (2 stories)
Year Built/Renovated	2011 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Lamonica
Phone	803-328-2844



### Market Information

Program	@50%, @60%
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 12% since 4Q2023
Concession	None
Waiting List	Yes; undetermined length

### 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	Lowrise (2 stories)	5	710	\$795	\$0	@50%	Yes	0	0.0%	no	None
1	1	Lowrise (2 stories)	12	710	\$795	\$0	@60%	Yes	0	0.0%	no	None
2	2	Lowrise (2 stories)	1	975	\$1,000	\$0	@50%	Yes	0	0.0%	no	None
2	2	Lowrise (2 stories)	3	975	\$1,000	\$0	@60%	Yes	0	0.0%	no	None
3	2	Lowrise (2 stories)	5	1,200	\$1,175	\$0	@50%	Yes	0	0.0%	no	None
3	2	Lowrise (2 stories)	13	1,200	\$1,175	\$0	@60%	Yes	0	0.0%	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$795	\$0	\$795	\$0	\$795	1BR / 1BA	\$795	\$0	\$795	\$0	\$795
2BR / 2BA	\$1,000	\$0	\$1,000	\$0	\$1,000	2BR / 2BA	\$1,000	\$0	\$1,000	\$0	\$1,000
3BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175	3BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175



Amenities

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

Comments

The contact noted that the rents are deliberately kept below the maximum allowable levels to increase affordability for tenants. Additionally, the 60 percent AMI level rents are set in-line with the 50 percent AMI level rents to further increase affordability. The contact was unable to report if higher rents are achievable at this time. The property is jointly managed alongside Cherry Laurel and Innsbrook Commons.

## Trend Report

## Vacancy Rates

2Q09	1Q10	4Q23	2Q24
N/A	N/A	5.1%	0.0%

## Trend: @50%

## 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$437	\$0	\$437	\$437
2010	1	N/A	\$437	\$0	\$437	\$437
2023	4	0.0%	\$795	\$0	\$795	\$795
2024	2	0.0%	\$795	\$0	\$795	\$795

## 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$497	\$0	\$497	\$497
2010	1	N/A	\$497	\$0	\$497	\$497
2023	4	0.0%	\$1,000	\$0	\$1,000	\$1,000
2024	2	0.0%	\$1,000	\$0	\$1,000	\$1,000

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$595	\$0	\$595	\$595
2010	1	N/A	\$595	\$0	\$595	\$595
2023	4	20.0%	\$1,050	\$0	\$1,050	\$1,050
2024	2	0.0%	\$1,175	\$0	\$1,175	\$1,175

## Trend: @60%

## 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$437	\$0	\$437	\$437
2010	1	N/A	\$437	\$0	\$437	\$437
2023	4	0.0%	\$795	\$0	\$795	\$795
2024	2	0.0%	\$795	\$0	\$795	\$795

## 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$497	\$0	\$497	\$497
2010	1	N/A	\$497	\$0	\$497	\$497
2023	4	33.3%	\$1,000	\$0	\$1,000	\$1,000
2024	2	0.0%	\$1,000	\$0	\$1,000	\$1,000

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	2	N/A	\$645	\$0	\$645	\$645
2010	1	N/A	\$645	\$0	\$645	\$645
2023	4	0.0%	\$1,050	\$0	\$1,050	\$1,050
2024	2	0.0%	\$1,175	\$0	\$1,175	\$1,175

## Trend: Comments

2Q09	This is a Subject property.
1Q10	This is a Subject property. The developer indicated that the project should close in March 2010, and that the project is expected to be completed in January 2011.
4Q23	Management was unable to state the reasoning for the 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cherry Laurel and Innsbrook Commons. The contact stated that the vacant units are in the process of being leased from the waiting list.
2Q24	The contact noted that the rents are deliberately kept below the maximum allowable levels to increase affordability for tenants. Additionally, the 60 percent AMI level rents are set in-line with the 50 percent AMI level rents to further increase affordability. The contact was unable to report if higher rents are achievable at this time. The property is jointly managed alongside Cherry Laurel and Innsbrook Commons.

Photos



# PROPERTY PROFILE REPORT

## Innsbrook Commons

Effective Rent Date	4/25/2024
Location	514 Innsbrook Commons Cir Rock Hill, SC 29730 York County
Distance	29.7 miles
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2007 / N/A
Marketing Began	N/A
Leasing Began	11/01/2007
Last Unit Leased	3/01/2008
Major Competitors	Cardinal Pointe, Arborwood, Wildwood
Tenant Characteristics	Mostly families from York County
Contact Name	Lamonica
Phone	803-328-2844



### Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	18
HCV Tenants	30%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	Yes; undetermined length

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	24	985	\$825	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	24	985	\$1,025	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	12	1,160	\$950	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	12	1,160	\$1,175	\$0	@60%	Yes	1	8.3%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$825	\$0	\$825	\$95	\$920	2BR / 2BA	\$1,025	\$0	\$1,025	\$95	\$1,120
3BR / 2BA	\$950	\$0	\$950	\$138	\$1,088	3BR / 2BA	\$1,175	\$0	\$1,175	\$138	\$1,313

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	None	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

Comments

High speed internet is included in the rent. The property is jointly managed alongside Cherry Laurel and Cotton Mill Village. The contact stated that the vacant unit is in the process of being leased from the waiting list.



## Innsbrook Commons, continued

### Trend Report

#### Vacancy Rates

1Q21	4Q21	4Q23	2Q24
0.0%	6.9%	9.7%	1.4%

#### Trend: @50%

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$940	\$0	\$940	\$1,035
2021	4	N/A	\$770	\$0	\$770	\$865
2023	4	N/A	\$825	\$0	\$825	\$920
2024	2	0.0%	\$825	\$0	\$825	\$920

##### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,085	\$0	\$1,085	\$1,223
2021	4	N/A	\$890	\$0	\$890	\$1,028
2023	4	N/A	\$1,175	\$0	\$1,175	\$1,313
2024	2	0.0%	\$950	\$0	\$950	\$1,088

#### Trend: @60%

##### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,128	\$0	\$1,128	\$1,223
2021	4	N/A	\$960	\$0	\$960	\$1,055
2023	4	N/A	\$1,025	\$0	\$1,025	\$1,120
2024	2	0.0%	\$1,025	\$0	\$1,025	\$1,120

##### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,302	\$0	\$1,302	\$1,440
2021	4	N/A	\$1,110	\$0	\$1,110	\$1,248
2023	4	N/A	\$1,175	\$0	\$1,175	\$1,313
2024	2	8.3%	\$1,175	\$0	\$1,175	\$1,313

### Trend: Comments

1Q21	The property accepts Housing Choice Vouchers (HCVs), however the contact could not disclose the number of tenants utilizing HCVs. The contact reported the property had not faced any significant difficulties due to COVID-19. Parking is available in a surface lot. High speed internet is included.
4Q21	Parking is available in a surface lot. High speed internet is included. Management was unable to state the reasoning for the three-bedroom 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cherry Laurel and Cotton Mill Village. The contact stated that the vacant units are in the process of being leased from the waiting list.
4Q23	Parking is available in a surface lot. High speed internet is included. Management was unable to state the reasoning for the three-bedroom 50 and 60 percent AMI rents being the same. The property maintains a waiting list, but the contact did not know the length. This property is jointly managed alongside Cherry Laurel and Cotton Mill Village. The contact stated that the vacant units are in the process of being leased from the waiting list. Management was unable to provide the breakdown of vacancy by unit type or provide the typical vacancy rate at the property. Management did not comment on why the current vacancy rate is elevated.
2Q24	High speed internet is included in the rent. The property is jointly managed alongside Cherry Laurel and Cotton Mill Village. The contact stated that the vacant unit is in the process of being leased from the waiting list.

Photos



# PROPERTY PROFILE REPORT

## Wellington Square

Effective Rent Date	4/22/2024
Location	1245 Wellington Square Drive York, SC 29745 York County
Distance	16.6 miles
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Duplex (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	York Townhouses, Cedar Terrace
Tenant Characteristics	Mixed tenancy from the local area
Contact Name	Jordan
Phone	803-684-3977



### Market Information

Program	@50%, @50% (HOME), @60%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	13
HCV Tenants	18%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	Yes; undetermined length

### 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	Duplex (2 stories)	16	960	\$1,031	\$0	@50% (HOME)	Yes	0	0.0%	N/A	None
2	2	Duplex (2 stories)	9	960	\$1,031	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Duplex (2 stories)	7	960	\$1,343	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Duplex (2 stories)	8	960	\$1,516	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Duplex (2 stories)	1	1,185	\$1,270	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Duplex (2 stories)	4	1,185	\$1,186	\$0	@50% (HOME)	Yes	0	0.0%	yes	None
3	2	Duplex (2 stories)	3	1,185	\$1,546	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Duplex (2 stories)	2	1,185	N/A	\$0	Market	Yes	0	0.0%	N/A	None

Wellington Square, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,031	\$0	\$1,031	\$0	\$1,031	2BR / 2BA	\$1,343	\$0	\$1,343	\$0	\$1,343
2BR / 2BA	\$1,031	\$0	\$1,031	\$0	\$1,031	3BR / 2BA	\$1,546	\$0	\$1,546	\$0	\$1,546
3BR / 2BA	\$1,186 - \$1,270	\$0	\$1,186 - \$1,270	\$0	\$1,186 - \$1,270						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,516	\$0	\$1,516	\$0	\$1,516						
3BR / 2BA	N/A	\$0	N/A	\$0	N/A						

Amenities

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

Comments

The contact was unable to provide rents for the three-bedroom market rate units.

Trend Report

Vacancy Rates

1Q10	1Q17	3Q18	2Q24
2.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$692	\$0	\$692	\$692
2024	2	0.0%	\$1,031	\$0	\$1,031	\$1,031

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$550	\$0	\$550	\$550
2017	1	0.0%	\$672	\$0	\$672	\$672
2018	3	0.0%	\$700	\$0	\$700	\$700
2024	2	0.0%	\$1,031	\$0	\$1,031	\$1,031

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$655	\$0	\$655	\$655
2017	1	0.0%	\$770	\$0	\$770	\$770
2018	3	0.0%	\$792	\$0	\$792	\$792
2024	2	0.0%	\$1,186 - \$1,270	\$0	\$1,186 - \$1,270	\$1,186 - \$1,270

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	12.5%	\$595	\$0	\$595	\$595
2017	1	0.0%	\$799	\$0	\$799	\$799
2018	3	0.0%	\$799	\$0	\$799	\$799
2024	2	0.0%	\$1,516	\$0	\$1,516	\$1,516

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$699	\$0	\$699	\$699
2017	1	0.0%	\$875	\$0	\$875	\$875
2018	3	0.0%	\$875	\$0	\$875	\$875
2024	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

1Q10	The contact reported that rents are not set at the maximum allowable because the majority of tenants cannot afford the maximum. The contact reported that rents increased in January 2010. The contact also manages Innsbrook Commons and Cherry-Laurel. The contact reported that the property is in a small mill town that is not growing, and some of the mills are closing. The contact also reported that there are more than ten other affordable multifamily properties in the area, and thus there is no need for additional low income housing in the area. The contact also reported that there is no large interstate access, which is preventing the town from growing.
1Q17	The waiting list consists of three households.
3Q18	N/A
2Q24	The contact was unable to provide rents for the three-bedroom market rate units.



Photos



# PROPERTY PROFILE REPORT

## 1022 West Apartments

Effective Rent Date	4/18/2024
Location	1022 West Buford Street Gaffney, SC 29341 Cherokee County
Distance	8.9 miles
Units	166
Vacant Units	6
Vacancy Rate	3.6%
Type	Garden (2 stories)
Year Built/Renovated	1989 / 2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Iveywood, Stonecrest, Creekside
Tenant Characteristics	Mixed tenancy
Contact Name	Not disclosed
Phone	833-965-3528



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decr. 4% - incr. 7% annually since 1Q2022
Concession	See comments
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	20	288	\$728	\$63	Market	No	4	20.0%	N/A	None
1	1	Garden (2 stories)	65	580	\$903	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	65	860	\$1,236	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	990	\$1,526	\$63	Market	No	2	12.5%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$728	\$63	\$665	\$64	\$729
1BR / 1BA	\$903	\$0	\$903	\$68	\$971
2BR / 1BA	\$1,236	\$0	\$1,236	\$95	\$1,331
3BR / 2BA	\$1,526	\$63	\$1,463	\$138	\$1,601

1022 West Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Patrol	
Ceiling Fan	Garbage Disposal		
Hand Rails	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Wi-Fi			

Comments

The property does not accept Housing Choice Vouchers. The current move in special offers \$750 off the first month's rent for vacant units.

## 1022 West Apartments, continued

### Trend Report

#### Vacancy Rates

2020	2021	1022	2024
0.6%	3.6%	4.8%	3.6%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$525	\$0	\$525	\$593
2021	2	3.1%	\$860	\$0	\$860	\$928
2022	1	4.6%	\$910	\$0	\$910	\$978
2024	2	0.0%	\$903	\$0	\$903	\$971

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$615	\$0	\$615	\$710
2021	2	3.1%	\$1,040	\$0	\$1,040	\$1,135
2022	1	3.1%	\$1,100	\$0	\$1,100	\$1,195
2024	2	0.0%	\$1,236	\$0	\$1,236	\$1,331

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$735	\$0	\$735	\$873
2021	2	6.2%	\$1,180	\$0	\$1,180	\$1,318
2022	1	6.2%	\$1,305	\$0	\$1,305	\$1,443
2024	2	12.5%	\$1,526	\$63	\$1,463	\$1,601

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	5.0%	\$490	\$0	\$490	\$554
2021	2	5.0%	\$785	\$0	\$785	\$849
2022	1	10.0%	\$785	\$0	\$785	\$849
2024	2	20.0%	\$728	\$63	\$665	\$729

### Trend: Comments

2020	This property does not accept Housing Choice Vouchers. The contact noted that the property is not currently experiencing any effects on leasing due to COVID-19, as the property only has one vacant unit. Turnover information was not available.
2021	The property is under new ownership since mid 2020 and was FKA Westwood Apartments. Units are being renovated as they become available with new cabinets, flooring, fixtures, and black appliances. Prices listed represent renovated units and the plan is to renovate them all as they become available during the next two years.
1022	The property is under new ownership since mid 2020 and was FKA Westwood Apartments. Units are being renovated as they become available with new cabinets, flooring, fixtures, and black appliances. Prices listed represent renovated units since vacancies are upgraded upon move out, and the plan is to renovate them all as they become available during the next two years.
2024	The property does not accept Housing Choice Vouchers. The current move in special offers \$750 off the first month's rent for vacant units.

Photos





# PROPERTY PROFILE REPORT

## Magnolia Ridge

Effective Rent Date	4/18/2024
Location	266 Goldmine Springs Road Gaffney, SC 29340 Cherokee County
Distance	7.4 miles
Units	84
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2006/2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Westwood Apartments
Tenant Characteristics	Mixed tenancy
Contact Name	Not disclosed
Phone	864-489-0692



### Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased up to 11% annually since 1Q2022
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	12	600	\$849	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	16	720	\$949	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	32	860	\$1,099	\$0	Market	No	0	0.0%	N/A	None
3	1	Garden (2 stories)	20	1,000	\$1,199	\$0	Market	No	0	0.0%	N/A	None
4	2	Garden (2 stories)	4	1,160	\$1,399	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$849	\$0	\$849	\$82	\$931
1BR / 1BA	\$949	\$0	\$949	\$86	\$1,035
2BR / 1BA	\$1,099	\$0	\$1,099	\$113	\$1,212
3BR / 1BA	\$1,199	\$0	\$1,199	\$156	\$1,355
4BR / 2BA	\$1,399	\$0	\$1,399	\$202	\$1,601

Magnolia Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

Comments

The property does not accept Housing Choice Vouchers.

## Magnolia Ridge, continued

### Trend Report

#### Vacancy Rates

2020	2021	1022	2024
6.0%	0.0%	3.6%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$545 - \$600	\$0	\$545 - \$600	\$631 - \$686
2021	2	N/A	\$579 - \$669	\$0	\$579 - \$669	\$665 - \$755
2022	1	12.5%	\$790	\$0	\$790	\$876
2024	2	0.0%	\$949	\$0	\$949	\$1,035

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$590 - \$665	\$0	\$590 - \$665	\$703 - \$778
2021	2	N/A	\$649 - \$709	\$0	\$649 - \$709	\$762 - \$822
2022	1	3.1%	\$890	\$0	\$890	\$1,003
2024	2	0.0%	\$1,099	\$0	\$1,099	\$1,212

#### 3.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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#### 3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$700 - \$750	\$0	\$700 - \$750	\$856 - \$906
2021	2	N/A	\$769 - \$864	\$0	\$769 - \$864	\$925 - \$1,020
2022	1	0.0%	\$990	\$0	\$990	\$1,146
2024	2	0.0%	\$1,199	\$0	\$1,199	\$1,355

#### 4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$800	\$0	\$800	\$1,002
2021	2	0.0%	\$900	\$0	\$900	\$1,102
2022	1	0.0%	\$1,200	\$0	\$1,200	\$1,402
2024	2	0.0%	\$1,399	\$0	\$1,399	\$1,601

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	16.7%	\$430	\$0	\$430	\$512
2021	2	0.0%	\$534	\$0	\$534	\$616
2022	1	0.0%	\$690	\$0	\$690	\$772
2024	2	0.0%	\$849	\$0	\$849	\$931

### Trend: Comments

2020	Rental ranges are due to renovations, which include new appliances, microwaves, dishwashers, new paint, and new carpet. The contact noted that due to COVID-19 it is more difficult and taking longer to fill vacant units. This property does not accept Housing Choice Vouchers.
2021	Rental ranges are due to renovations, which include new appliances, microwaves, dishwashers, new paint, and new carpet. The contact noted that there was no major negative impact related to COVID-19 other than units taking longer to lease when they became available. Overall occupancy rates have remained stable. This property does not accept Housing Choice Vouchers.
1022	Units renovated in 2016 with new appliances, microwaves, fresh paint, new tile flooring, and new carpet. Overall occupancy rates have remained stable. This property does not accept Housing Choice Vouchers. Utilities are not included and trash is an additional five dollars per month.
2024	The property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Sage At Martin Lane

Effective Rent Date	4/18/2024
Location	112 Martin Lane Gaffney, SC 29341 Cherokee County
Distance	7 miles
Units	96
Vacant Units	4
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1997 / 2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families from Gaffney and surrounding areas
Contact Name	Alexis
Phone	843-729-5093



### Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 12% annually since 2Q2020
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	48	921	\$1,050	\$0	Market	No	2	4.2%	N/A	None
3	2	Garden (2 stories)	48	1,151	\$1,250	\$0	Market	No	2	4.2%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$1,050	\$0	\$1,050	\$95	\$1,145
3BR / 2BA	\$1,250	\$0	\$1,250	\$138	\$1,388

### Amenities

In-Unit		Security	Services
Blinds	Central A/C	None	None
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	Picnic Area		
Playground			



## Comments

The property is a former LIHTC development that converted to market rate in 2022, at which time the property began renovating units upon turnover. Renovations include new flooring, appliances, and paint. The contact confirmed that the rents are market-oriented. The contact was unable to report Voucher usage.

Trend Report

Vacancy Rates

4Q15	1Q17	2Q20	2Q24
1.0%	5.2%	3.1%	4.2%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$750	\$0	\$750	\$845
2024	2	4.2%	\$1,050	\$0	\$1,050	\$1,145

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$850	\$0	\$850	\$988
2024	2	4.2%	\$1,250	\$0	\$1,250	\$1,388

Trend: Comments

4Q15	N/A
1Q17	Management confirmed that four of the five vacant units are pre-leased. Management is currently not achieving maximum allowable rents, but do think they are possible in the area. Management is slowly raising rents on units by \$20 in an effort to reach maximum allowable levels. Management feels the rental market is strong, and that there is room for more affordable housing. The three-bedroom units at 50 percent of the AMI (HOME) are more expensive than the two-bedroom 50 percent of AMI units (HOME) units because of an increase to the utility allowance.
2Q20	The contact had no additional comments.
2Q24	The property is a former LIHTC development that converted to market rate in 2022, at which time the property began renovating units upon turnover. Renovations include new flooring, appliances, and paint. The contact confirmed that the rents are market-oriented. The contact was unable to report Voucher usage.

Photos



# PROPERTY PROFILE REPORT

## Stonecrest Apartments

Effective Rent Date	4/18/2024
Location	102 Stonecrest Lane Gaffney, SC 29341 Cherokee County
Distance	10 miles
Units	198
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2008 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Creekside, Westwood
Tenant Characteristics	Mixed tenancy
Contact Name	Caitlyn
Phone	864-488-2224



### Market Information

Program	Market
Annual Turnover Rate	24%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 10% annually since 1Q2022
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	708	\$800	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	904	\$985	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,029	\$980	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,475	\$1,100	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$800	\$0	\$800	\$86	\$886
2BR / 2BA	\$980 - \$985	\$0	\$980 - \$985	\$113	\$1,093 - \$1,098
3BR / 2BA	\$1,100	\$0	\$1,100	\$156	\$1,256

Stonecrest Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$40.00)	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$80.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Theatre			

Comments

The contact stated that garage parking and storage units are an additional \$80 and \$40 per month, respectively. The property does not accept Housing Choice Vouchers.



## Stonecrest Apartments, continued

### Trend Report

#### Vacancy Rates

2020	2021	1Q22	2Q24
2.0%	0.0%	2.5%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$645 - \$690	\$0	\$645 - \$690	\$731 - \$776
2021	2	N/A	\$645	\$0	\$645	\$731
2022	1	N/A	\$690	\$0	\$690	\$776
2024	2	N/A	\$800	\$0	\$800	\$886

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$725 - \$810	\$0	\$725 - \$810	\$838 - \$923
2021	2	N/A	\$740 - \$810	\$0	\$740 - \$810	\$853 - \$923
2022	1	N/A	\$775 - \$900	\$0	\$775 - \$900	\$888 - \$1,013
2024	2	N/A	\$980 - \$985	\$0	\$980 - \$985	\$1,093 - \$1,098

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	N/A	\$850 - \$905	\$0	\$850 - \$905	\$1,006 - \$1,061
2021	2	N/A	\$865 - \$905	\$0	\$865 - \$905	\$1,021 - \$1,061
2022	1	N/A	\$935	\$0	\$935	\$1,091
2024	2	N/A	\$1,100	\$0	\$1,100	\$1,256

### Trend: Comments

2020	Rental ranges for the one and two-bedroom units are due to unit size, as well as if the unit is in phase one or two of the property. Smaller one and two-bedroom units offer balconies, while larger one and two-bedroom units offer sun rooms. The rental range for three-bedroom units is due to floor level. Ground floor units also rent for a premium. Phase two was completed in 2015, which added an additional 84 units to the property. The contact could not provide a unit breakdown by unit type or vacancy by unit type. The contact stated that the property has not noticed any changes to their leasing pace due to COVID-19, but noted that they are no longer offering in-person tours of the property. This property does not accept Housing Choice Vouchers.
2021	The contact reported the property is fully leased through June of 2021. No major impact related to COVID-19 was reported and occupancy rates and rent collections have been stable during the past year.
1Q22	The contact reported units typically take longer to lease during the post holiday season. Overall occupancy rates have remained stable during the past year.
2Q24	The contact stated that garage parking and storage units are an additional \$80 and \$40 per month, respectively. The property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## The Orchard Apartment Homes

Effective Rent Date	4/18/2024
Location	506 South Oliver Street Gaffney, SC 29341 Cherokee County
Distance	8.9 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1987 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Cindy
Phone	864-206-4468



### Market Information

Program	Market
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 21% annually since 2020
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	771	\$955	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	32	1,038	\$1,250	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$955	\$0	\$955	\$68	\$1,023
2BR / 1.5BA	\$1,250	\$0	\$1,250	\$95	\$1,345

### Amenities

In-Unit	Security	Services
Blinds	Video Surveillance	None
Coat Closet		
Ceiling Fan		
Refrigerator		
Walk-In Closet		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		
Playground		

## The Orchard Apartment Homes, continued

### Comments

The property does not accept Housing Choice Vouchers. The contact stated that the property has been renovating units upon turnover since 2021. Renovations have included new flooring, paint, and appliances, and all units have now been renovated. Storage units are available for no additional fee.

## The Orchard Apartment Homes, continued

### Trend Report

#### Vacancy Rates

1Q17	2Q20	2Q24
4.2%	0.0%	0.0%

### Trend: Market

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	6.2%	\$500	\$0	\$500	\$568
2020	2	0.0%	\$590	\$0	\$590	\$658
2024	2	0.0%	\$955	\$0	\$955	\$1,023

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	3.1%	\$575	\$0	\$575	\$670
2020	2	0.0%	\$675	\$0	\$675	\$770
2024	2	0.0%	\$1,250	\$0	\$1,250	\$1,345

### Trend: Comments

1Q17	The contact confirmed that they do not typically have vacancies, but leasing slowed during the holidays. They have recently received applications for the two vacant units but those units are not pre-leased at this time. The property has not made an adjustment to rental rates in the last year, they are not offering concessions and they do not accept Housing Choice Vouchers. The only appliances that come with the unit are the oven/range combination and the refrigerator. The contact was unable to confirm the number of surface parking spots on the property.
2Q20	This property does not accept Housing Choice Vouchers.
2Q24	The property does not accept Housing Choice Vouchers. The contact stated that the property has been renovating units upon turnover since 2021. Renovations have included new flooring, paint, and appliances, and all units have now been renovated. Storage units are available for no additional fee.



## The Orchard Apartment Homes, continued

### Photos



## COMPARABLE PROPERTY ANALYSIS

Following are relevant characteristics of comparable properties surveyed:

### Location

The following table illustrates the Subject and comparable property demographic data based on a 0.5-mile radius.

**LOCATIONAL COMPARISON SUMMARY**

#	Property Name	Program	Distance Subject	Location	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Chestnut Hills	LIHTC/USDA		Blacksburg	\$35,214	\$130,482	\$897	125	32	7.9%	31.0%
1	Cherry Laurel*	LIHTC	29.7 miles	Rock Hill	\$27,687	\$225,191	\$1,494	278	46	8.0%	64.0%
2	Companion At Lee's Crossing*	LIHTC	26.6 miles	Spartanburg	\$45,373	\$193,542	\$1,343	268	76	17.8%	56.1%
3	Cotton Mill Village*	LIHTC	29.8 miles	Rock Hill	\$25,271	\$225,191	\$1,494	278	54	33.8%	49.6%
4	Innsbrook Commons*	LIHTC	29.7 miles	Rock Hill	\$25,340	\$225,191	\$1,494	278	46	34.5%	49.4%
5	Wellington Square*	LIHTC/Market	16.6 miles	York	\$43,579	\$286,133	\$1,071	194	11	7.0%	32.4%
6	1022 West Apartments	Market	8.9 miles	Gaffney	\$30,541	\$154,322	\$1,134	226	33	15.0%	56.0%
7	Magnolia Ridge	Market	7.4 miles	Gaffney	\$29,414	\$98,123	\$958	180	7	4.6%	38.8%
8	Sage At Martin Lane	Market	7.0 miles	Gaffney	\$28,399	\$154,322	\$1,134	122	15	9.4%	44.2%
9	Stonecrest Apartments	Market	10.0 miles	Gaffney	\$43,858	\$154,322	\$1,134	152	10	7.8%	26.7%
10	The Orchard Apartment Homes	Market	8.9 miles	Gaffney	\$32,175	\$154,322	\$1,134	141	59	19.6%	48.1%

\*Located outside PMA

The Subject is located in a mixed-use neighborhood in a central portion of Blacksburg. The Subject's neighborhood does not appear conducive to pedestrian activity. It is designated "Car-Dependent" by WalkScore with a score of 31, indicating most errands require a car. Overall, land uses in the Subject's neighborhood are in average condition.

Location	2022 Census Population Estimates
Blacksburg	1,886
Rock Hill	75,349
Spartanburg	38,584
York	8,648
Gaffney	12,454

Blacksburg contains approximately 1,886 residents, which equates to approximately 2.5 percent of the population of Rock Hill, 4.9 percent of the population of Spartanburg, 21.8 percent of the population of York, and 15.1 percent of the population of Gaffney.

Wellington Square is located in York, in a neighborhood with a higher household income, median home value, and median rent, as well as a higher crime index, lower Walk Score, similar percentage of vacant housing, and a similar percentage of renter households relative to the Subject's location. Wellington Square is considered to be located in a neighborhood with similar access to desirable amenities and employment centers relative to the Subject's location. Overall, Wellington Square is considered to be located in a slightly superior neighborhood relative to the Subject's location. Cherry Laurel, Cotton Mill Village, and Innsbrook Commons are located in Rock Hill, in locations considered superior relative to the Subject, as Rock Hill is significantly more populous, offers more job opportunities, and better access to neighborhood amenities than Blacksburg. These locations have higher median home values and median rents, as well as far superior access to desirable amenities and employment centers. Companion At Lee's Crossing is located in a neighborhood with a slightly higher median income, higher median home value, and higher median rent, as well as a higher crime index, Walk Score, percentage of vacant housing, and percentage of renter households relative to the Subject's

location. Companion At Lee's Crossing is located in Spartanburg, in a location considered slightly superior relative to the Subject, as Spartanburg is more populous, offers more job opportunities, and better access to neighborhood amenities than Blacksburg.

The market rate comparables are all located in Gaffney, between 7.0 and 10.0 miles of the Subject. Magnolia Ridge is located in a neighborhood with a slightly lower household income, lower median home value, slightly higher median rent, higher crime index, lower Walk Score, slightly lower percentage of vacant housing, and similar percentage of renter households relative to the Subject's location. Magnolia Ridge is considered to be located in a neighborhood with slightly superior access to desirable amenities and employment centers relative to the Subject's location. On balance, Magnolia Ridge is considered to be located a similar neighborhood relative to the Subject's location. The remaining four market rate comparables are located in neighborhoods with slightly lower to slightly higher household incomes, slightly higher median home values, and higher median rents, as well as higher crime indices, lower to higher Walk Scores, similar to higher percentages of vacant housing, and slightly higher to higher percentages of renter households relative to the Subject's location. Overall, 1022 West Apartments, Sage At Martin Lane, Stonecrest Apartments, and The Orchard Apartment Homes are considered to be located in slightly superior neighborhoods relative to the Subject's location.

### Unit Size

The following table summarizes unit sizes in the market area and provides a comparison of the Subject's unit size and the surveyed average unit sizes in the market.

<b>UNIT SIZE COMPARISON</b>		
<b>Bedroom Type</b>	<b>2BR</b>	<b>3BR</b>
<b>Subject</b>	<b>796 - 1,045</b>	<b>1,004 - 1,157</b>
Average	954	1,172
Min	860	990
Max	1,038	1,475
<b>Advantage/Disadvantage</b>	<b>-16.5% to 9.6%</b>	<b>-14.3% to -1.3%</b>

The Subject's three-bedroom unit sizes are within the range of the surveyed comparable unit sizes, while the 796-square foot two-bedroom unit size is below the range and the 1,045-square foot two-bedroom unit size is just above the range of the surveyed comparable unit sizes. The Subject's two-bedroom unit sizes range from 16.5 percent smaller to 9.6 percent larger than the surveyed average among the comparables, while the Subject's three-bedroom unit sizes range from 14.3 percent to 1.3 percent smaller than the surveyed average among the comparables. We have considered the Subject's unit sizes in determining our achievable market rents.

## Vacancy

The following table summarizes overall weighted vacancy trends at the surveyed properties.

<b>OVERALL VACANCY</b>					
<b>Property Name</b>	<b>Program</b>	<b>Tenancy</b>	<b>Total Units</b>	<b>Vacant Units</b>	<b>Vacancy %</b>
Cherry Laurel*	LIHTC	Family	42	0	0.0%
Companion At Lee's Crossing*	LIHTC	Family	192	0	0.0%
Cotton Mill Village*	LIHTC	Family	39	0	0.0%
Innsbrook Commons*	LIHTC	Family	72	1	1.4%
Wellington Square*	LIHTC/Market	Family	50	0	0.0%
1022 West Apartments	Market	Family	166	6	3.6%
Magnolia Ridge	Market	Family	84	0	0.0%
Sage At Martin Lane	Market	Family	96	4	4.2%
Stonecrest Apartments	Market	Family	198	0	0.0%
The Orchard Apartment Homes	Market	Family	48	0	0.0%
<b>LIHTC Total</b>			<b>395</b>	<b>1</b>	<b>0.3%</b>
<b>Market Total</b>			<b>592</b>	<b>10</b>	<b>1.7%</b>
<b>Overall Total</b>			<b>987</b>	<b>11</b>	<b>1.1%</b>

\*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 1.1 percent. Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, below the 1.7 percent weighted average reported by the market rate properties. All of the market rate properties reported vacancy rates of 4.2 percent or less. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply-constrained conditions.

The Subject was 87.5 percent occupied, with five vacancies, according to the rent roll dated April 12, 2024. Additionally, four of the vacant units are pre-leased, indicating the property is 98 percent leased. According to historical financial statements, the Subject's annual vacancy and collection loss was 3.8 and 1.8 percent in 2022 and 2023, respectively. According to management, the Subject maintains a waiting list of eight households in length. Based on the performance of the comparables, we expect the Subject would operate with vacancy and collection loss of approximately five percent.

## LIHTC Vacancy – All LIHTC Properties in PMA

We were unable to contact any of the LIHTC developments located in the PMA, despite multiple attempts. Through online research, we were unable to find occupancy information for the one strictly LIHTC property in the PMA; however, we were able to find occupancy information for two LIHTC/USDA properties, or 405 total units. These properties reported a total of seven vacant units of the 405 total units, which indicates strong demand for affordable rental housing in the PMA.

## REASONABILITY OF RENTS

This report is written to South Carolina State Housing Finance and Development Authority (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 for 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 SC State Housing Finance & Development Agency utility allowance for the Upstate Region, which includes Cherokee County, effective as of February 5, 2024. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The Subject's LIHTC asking rents are restricted at the 60 percent AMI levels. The following table illustrates the Subject's proposed LIHTC rents compared to the rents of the comparable LIHTC properties. The rents have been adjusted for variance in utilities, as well as concessions if applicable.

**LIHTC RENT COMPARISON @60%**

Property Name	County	2BR	3BR	Max Rent?
Chestnut Hills Apartments	Cherokee	\$791**	\$816**	-
Chestnut Hills Apartments – As Renovated***	Cherokee	\$1,125 - \$1,195	\$1,325 - \$1,370	
Non-Metro Maximum Rent (Net)	Cherokee	\$950	\$1,047	
LIHTC Maximum Rent (Net)	Cherokee	\$826	\$904	
LIHTC Maximum Rent (Net)	York	\$1,336	\$1,493	
LIHTC Maximum Rent (Net)	Spartanburg	\$920	\$1,013	
Cherry Laurel*	York	-	\$1,213	Yes
Companion At Lee's Crossing*	Spartanburg	\$944	\$1,083	Yes
Cotton Mill Village*	York	\$1,000	\$1,175	No
Innsbrook Commons*	York	\$1,120	\$1,313	Yes
Wellington Square*	York	\$1,343	\$1,546	Yes
<b>Average</b>		<b>\$1,102</b>	<b>\$1,266</b>	
<b>Achievable LIHTC Rent (Absent rental assistance)</b>		<b>\$875</b>	<b>\$1,000</b>	No

\*Located outside PMA

\*\*USDA Basic rent from approved rent letter, effective 1/1/2024

\*\*\*Based on as-renovated rent comparability grids in Addendum B

Four of the five LIHTC comparables reported achieving maximum allowable rents at the 60 percent AMI level. It should be noted that due to differences in utility allowances, some comparables may appear to be below or above the maximum allowable levels. Management at Cotton Mill Village reported the rents are deliberately kept below the maximum allowable levels to increase affordability for tenants. The contact was unable to report if higher rents are achievable for the property. Managers at four of the five LIHTC properties reported being fully occupied, including Cotton Mill Village, which reported rents below the maximum allowable levels and maintains a waiting list, indicating that higher rents are likely achievable of this property.

Post-renovation, the Subject will offer a similar condition, a slightly inferior to inferior location, slightly inferior to inferior in-unit amenities, inferior to similar community amenities, and similar unit sizes relative to the affordable comparables.

Companion At Lee's Crossing is considered the most similar affordable comparable overall. This property is located in Spartanburg, approximately 26.6 miles southwest of the Subject site in a slightly superior location. This property was constructed in 2010, and exhibits good condition, which is considered similar to the anticipated condition of the Subject upon completion of renovations. Companion At Lee's Crossing offers slightly superior in-unit and common area amenities relative to the Subject. This property offers slightly larger to smaller two-bedroom unit sizes and similar three-bedroom unit sizes relative to the Subject. Overall, Companion At Lee's Crossing is considered slightly superior to the Subject. Companion At Lee's Crossing reported achieving maximum allowable rents at the 60 percent AMI level and is currently fully occupied, with a waiting list of 10 households in length. Given the Subject's anticipated condition upon completion and competitive amenity packages, as well as the low vacancy and presence of waiting lists among the LIHTC comparables, we believe that the Subject could achieve two and three-bedroom rents of **\$875** and **\$1,000** at the 60 percent AMI level, respectively, absent rental assistance. These rents are below the 2024 non-metro maximum allowable levels, but above the 2024 maximum allowable rents for Cherokee County.



## 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 below the achievable market rates for the Subject's area. We have prepared rent adjustment grids, which are included in the Addenda to this report. The following table shows both adjusted market rent comparisons and achievable market rents.

### SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Square Feet	Achievable LIHTC Rent	Adjusted Min	Adjusted Max	Adjusted Average	Achievable Market Rent*	Subject Rent Advantage
2BR/1BA	@60%/USDA	796	\$875	\$999	\$1,188	\$1,123	\$1,125	22%
2BR/1BA	@60%/USDA	1,045	\$875	\$1,065	\$1,272	\$1,195	\$1,195	27%
3BR/2BA	@60%/USDA	1,057	\$1,000	\$1,223	\$1,456	\$1,326	\$1,325	25%
3BR/2BA	@60%/USDA	1,104	\$1,000	\$1,263	\$1,515	\$1,369	\$1,370	27%

\*Based on as-renovated rent comparability grids in Addendum B

The Subject's achievable LIHTC rents are below the achievable market rents, and below the range of the market rate comparables. The Subject's achievable LIHTC rents represent a rent advantage of 22 to 27 percent over our estimate of achievable market rents. We compared the Subject to Magnolia Ridge and 1022 West Apartments, as they are the most similar comparables to the Subject, as renovated.

Magnolia Ridge is an 84-unit garden-style development located 7.4 miles southwest of the Subject, in a similar location. The property was constructed in 1976 and most recently renovated in 2006 and 2016 and exhibits good condition. We consider the condition of this property similar relative to the Subject post-renovation. Magnolia Ridge reported being fully occupied, indicating the current rents are well accepted in the market. The in-unit and common area amenities offered by Magnolia Ridge are considered similar and slightly superior, respectively, relative to the Subject's amenities. In overall terms, we believe the Subject to be a comparable product relative to Magnolia Ridge. The following table compares the Subject with Magnolia Ridge.

### SUBJECT COMPARISON TO MAGNOLIA RIDGE

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	Magnolia Ridge Rent*	Square Feet	Magnolia Ridge RPSF	Subject Rent Advantage
2BR/1BA	@60%/USDA	\$875	796	\$1.10	\$1,147	860	\$1.33	24%
2BR/1BA	@60%/USDA	\$875	1,045	\$0.84	\$1,221	860	\$1.42	28%
3BR/2BA	@60%/USDA	\$1,000	1,057	\$0.95	\$1,310	1,000	\$1.31	24%
3BR/2BA	@60%/USDA	\$1,000	1,104	\$0.91	\$1,357	1,000	\$1.36	26%

\*Adjusted rent from rent comparability grids

1022 West Apartments is a 166-unit garden-style development located 8.9 miles west of the Subject, in a slightly superior location. The property was constructed in 1989, renovated in 2022, and exhibits good condition. We consider the condition of this property similar relative to the Subject post-renovation. Broad 1022 West Apartments is currently 96.4 percent occupied. The in-unit and common area amenities offered by 1022 West Apartments are considered slightly superior relative to the Subject's amenities. In overall terms, we believe the proposed Subject to be a slightly inferior product relative to 1022 West Apartments. The following table compares the Subject with 1022 West Apartments.

**SUBJECT COMPARISON TO 1022 WEST APARTMENTS**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	1022 West Apartments Rent*	Square Feet	1022 West Apartments RPSF	Subject Rent Advantage
2BR/1BA	@60%/USDA	\$875	796	\$1.10	\$1,188	860	\$1.38	26%
2BR/1BA	@60%/USDA	\$875	1,045	\$0.84	\$1,272	860	\$1.48	31%
3BR/2BA	@60%/USDA	\$1,000	1,057	\$0.95	\$1,456	990	\$1.47	31%
3BR/2BA	@60%/USDA	\$1,000	1,104	\$0.91	\$1,515	990	\$1.53	34%

\*Adjusted rent from rent comparability grids

Overall, we believe that the Subject could achieve market rents of **\$1,125 and \$1,195** for its 795 and 1,045-square foot two-bedroom units, respectively, and **\$1,325 and \$1,370** for its 1,004 and 1,157-square foot three-bedroom units, respectively. Our estimate of the Subject's achievable LIHTC rents provide a 22 to 27 percent rent advantage to our estimate of achievable market rent.

**Impact of Subject on Other Affordable Units in Market**

Managers at four of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply-constrained conditions. With an apparent high demand for affordable housing options for the general population in the market and a large base of low-income tenants, we believe the Subject's rehabilitation will have no long-term impact on the existing area LIHTC developments. In addition, no new units will be added to the market as a result of the Subject's allocation. Between 2023 and market entry, the total number of households is expected to increase slightly in the PMA. Since the Subject will continue to operate with Rental Assistance, we do not expect any impact on the existing low-income rental assisted housing in the market.

## Rent versus Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom, single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$179,900 and an interest rate of 7.35 percent for a 30-year fixed mortgage with a ten percent down payment. This was compared with the cost to rent the Subject's three-bedroom unit at the 60 percent AMI level. The analysis indicates that with a monthly differential of \$716, it is more affordable to rent than purchase a home. The rent buy analysis is illustrated in the following table.

RENT BUY ANALYSIS			
<b>Property Type:</b>	<b>Three-Bedroom Single-Family Home</b>		
Sales Price			\$179,900
Down Payment at 10.0%			\$17,990
Mortgage Amount			\$161,910
Current Interest Rate			7.35%
<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment	\$1,116		\$13,386
Property Taxes	\$187	1.25%	\$2,249
Private Mortgage Insurance*	\$67	0.50%	\$810
Maintenance	\$300	2.00%	\$3,598
Utility Costs**	\$156		\$1,872
Tax Savings	(\$294)		(\$3,525)
<b>Cost Comparison</b>			
	<i>Monthly</i>		<i>Annual</i>
Costs of Homeownership	\$1,532		\$18,390
Cost of Renting At Subject	\$816		\$9,792
<b>Differential</b>	<b>\$716</b>		<b>\$8,598</b>
<b>Cost of Occupancy</b>			
	<i>Homeownership</i>		
Closing Costs		3.00%	\$5,397
Down Payment at 10.0%		10.00%	\$17,990
<b>Total</b>			<b>\$23,387</b>
	<i>Subject Rental</i>		
First Month's Rent	\$816		
Security Deposit	\$816		
<b>Total</b>	<b>\$1,632</b>		

\* Based upon 0.50% of mortgage amount

\*\* Utility Costs Included in Rent at Subject

As illustrated, the cash due at occupancy category more than \$23,300 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time home buyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in the Subject's neighborhood. Overall, we believe the Subject will face limited competition from homeownership.

## Availability of Affordable Housing Options

There is one vacant LIHTC units among the five LIHTC comparables surveyed, equating to an average weighted vacancy rate of 0.3 percent, and all five of the LIHTC comparables maintain waiting lists. We are aware of only eight general tenancy affordable properties in the PMA, offering a total of 430 units, 370 of which are subsidized. Therefore, the availability of LIHTC housing targeting low and moderate incomes is considered constrained given the demographic growth of the PMA. The renovation of the Subject would improve the existing housing stock in the PMA for affordable housing.

### Summary Evaluation of the Proposed Project

Overall, the local multifamily market is performing well with a 1.1 percent vacancy rate among all of the surveyed comparable projects, and 0.3 among the LIHTC comparables alone. Four of the five LIHTC properties are fully occupied and all five of the LIHTC properties maintain waiting lists, suggesting latent demand for affordable housing.

Two of the five comparables reported achieving maximum allowable rents at the 60 percent AMI level. Managers at four of the five LIHTC properties reported being fully occupied, including Cotton Mill Village and Wellington Square, which both reported rents below the maximum allowable levels and maintain waiting lists, indicating that higher rents are likely achievable. Post-renovation, the Subject will offer a similar condition, a slightly inferior to inferior location, slightly inferior to inferior in-unit amenities, inferior to similar community amenities, and similar unit sizes relative to the affordable comparables. Given the Subject's anticipated condition upon completion and competitive amenity packages, as well as the low vacancy and presence of waiting lists among the LIHTC comparables, we believe that the Subject could achieve two and three-bedroom rents of **\$875** and **\$1,000** at the 60 percent AMI level, respectively, absent rental assistance. These rents are below the 2024 non-metro maximum allowable levels, but above the 2024 maximum allowable rents for Cherokee County. Our estimate of the Subject's achievable LIHTC rents provide a 22 to 27 percent rent advantage to our estimate of achievable market rent. Overall, we believe that the Subject will continue to be successful in the local market.

## **IX. INTERVIEWS**



## INTERVIEWS

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

### Planning

#### Pipeline Construction/LIHTC Competition

We obtained information from CoStar regarding proposed or under construction developments in the PMA. According to CoStar, there are no proposed or under construction developments in the PMA.

#### LIHTC Competition / Recent and Proposed Construction

According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2022 to present, there have been no developments allocated tax credits in the PMA.

### Section 8/Public Housing

We spoke with Randy Allen, Director of Section 8, with the South Carolina Regional Housing Authority (SCRHA), which oversees the Section 8 program across nine counties in the Northwest portion of South Carolina in towns of less 5,000 persons, which includes Blacksburg. Mr. Allen reported that the Housing Authority administers 1,675 vouchers across its jurisdiction, 161 of which are being utilized in Cherokee County. Mr. Allen noted that there is not a set number of vouchers allocated to each of the nine counties. Mr. Allen reported that the waiting list for Cherokee County is currently closed and ranges from one to four years in length. The current payment standards are detailed in the table below and were provided by Mr. Allen.

PAYMENT STANDARDS		
Bedroom Type	Standard	Subject Highest Proposed Gross LIHTC Rent
2BR	\$1,027	\$970
3BR	\$1,305	\$1,160

As indicated in the previous table, payment standards for all units are above the Subject's highest proposed LIHTC rents, indicating tenants in these units would not have to pay additional money out of pocket. However, all the Subject's units will continue to receive Rental Assistance through USDA Section 515, and vouchers will not be necessary.

### Property Managers

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

## **X. RECOMMENDATIONS**

## Recommendations

We believe there is demand for the Subject in the PMA and the market supports the renovation of the Subject development as proposed. The Subject's overall capture rate is 3.0 percent, as proposed, and 13.7 percent, absent subsidy, both of which are within acceptable demand thresholds and considered adequate. Individual capture rates by bedroom type range from 2.9 to 3.4 percent, as proposed, and from 13.0 to 15.5 percent, absent subsidy, which are all considered reasonable. Between 2023 and the market entry date, the total number of renter households is expected to decrease by 0.6 percent in the PMA; however, renter households will still represent a significant portion of households at 28.3 percent. The Subject is located within 0.7 miles of most community services and facilities that tenants would utilize on a consistent basis.

Given the Subject's anticipated condition upon completion and competitive amenity packages, as well as the low vacancy and presence of waiting lists among the LIHTC comparables, we believe that the Subject could achieve two and three-bedroom rents of **\$875** and **\$1,000** at the 60 percent AMI level, respectively, absent rental assistance. These rents are below the 2024 non-metro maximum allowable levels, but above the 2024 maximum allowable rents for Cherokee County. Our estimate of the Subject's achievable LIHTC rents provide a 22 to 27 percent rent advantage to our estimate of achievable market rent. Overall, we believe that the Subject will continue to be successful in the local market.

Further, there are several apparent strengths of the Subject's site, development scheme, and market, which include:

- Rehabilitation of the Subject's units will positively impact the surrounding area by improving the Subject's condition and street appeal, and thus representing an improvement to the neighborhood.
- All of the Subject's units will continue to receive Rental Assistance through USDA Section 515; thus, these tenants will continue to pay 30 percent of their income towards rent.
- The Subject is an existing property with a wait list, and all tenants are expected to remain income qualified post-renovation.
- The Subject will be in good condition upon completion and will fill a need for good quality/newly renovated affordable housing in Blacksburg.

As such, we recommend the Subject as proposed, with no suggested modifications.

## **XI. SIGNED STATEMENT REQUIREMENTS**

I affirm that a person employed by Novogradac has 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 South Carolina State Housing Finance and Development Authority (SCSHFDA) market study requirements. The information included is accurate and can be relied upon by South Carolina State Housing Finance and Development Authority (SCSHFDA) to present a true assessment of the low-income housing rental market.

Respectfully submitted,  
Novogradac

Date: May 16, 2024



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## **ADDENDUM A**

### **Qualifications of Consultants**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

University of Nebraska, Lincoln, Nebraska  
Bachelor of Science in Business Administration – Finance

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

Member of Kansas Housing Association  
Board of Directors; 2017 – Present  
Vice President - Board of Directors; 2017 - 2021  
Designated Member of the Appraisal Institute (MAI)  
Kansas City Chapter of the Appraisal Institute Board of Directors: 2013 – 2014  
National Council of Housing Market Analysts (NCHMA) – Member in Good Standing  
Member of Texas Association of Affordable Housing Providers  
Member of Women's Affordable Housing Network (WAHN)

State of Arkansas Certified General Real Estate Appraiser No. CG2682  
State of Arizona Certified General Real Estate Appraiser No. 31992  
State of California Certified General Real Estate Appraiser No. AG041010  
State of Connecticut Certified General Real Estate Appraiser No. RCG.0001770  
State of Delaware Certified General Real Estate Appraiser No. X1-0010790  
State of Georgia Certified General Real Estate Appraiser No. CG416465  
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047  
State of Iowa Certified General Real Estate Appraiser No. CG03200  
State of Indiana Certified General Real Estate Appraiser No. CG41300037  
State of Kansas Certified General Real Estate Appraiser No. G-2153  
State of Louisiana Certified General Real Estate Appraiser No. 4018  
State of Massachusetts Certified General Real Estate Appraiser No. 1000327-RA-CG  
State of Maryland Certified General Real Estate Appraiser No. 35109  
State of Michigan Certified General Real Estate Appraiser No. 1205074011  
State of Minnesota Certified General Real Estate Appraiser No. 40219655  
State of Missouri Certified General Real Estate Appraiser No. 2004035401  
State of New Jersey Certified General Real Estate Appraiser No. 42RG00289900  
State of New York Certified General Real Estate Appraiser No. 46000053039  
State of North Carolina Certified General Real Estate Appraiser No. A8713  
State of Oklahoma Certified General Real Estate Appraiser No. 13563CGA  
State of Rhode Island Certified General Real Estate Appraiser No. CGA.0020164  
State of South Carolina Certified General Real Estate Appraiser No. 8417  
State of Tennessee Certified General Real Estate Appraiser No. 6399  
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G  
State of Virginia Certified General Real Estate Appraiser No. 4001018566  
State of Washington Certified General Real Estate Appraiser No. 23001712

**III. Professional Experience**

Partner, Novogradac & Company LLP  
Principal, Novogradac & Company LLP  
Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Corporate Financial Analyst, Deloitte LLP

#### **IV. Professional Training**

RAD and HUD related seminars  
Various Continuing Education Classes as required by appraisal licensing, ongoing  
NCHMA Seminars  
Uniform Standards of Professional Appraisal Practice  
Forecasting Revenue  
Discounted Cash Flow Model  
Business Practices and Ethics  
Biases in Appraising  
HUD MAP Training – Ongoing  
The Appraiser as an Expert Witness: Preparation & Testimony  
How to Analyze and Value Income Properties  
Appraising Apartments – The Basics  
HUD MAP Third Party Tune-Up Workshop  
HUD MAP Third Party Valuation Training  
HUD LEAN Third Party Training  
National Uniform Standards of Professional Appraisal Practice  
MAI Comprehensive Four Part Exam  
Report Writing & Valuation Analysis  
Advanced Applications  
Highest and Best Use and Market Analysis  
HUD MAP – Valuation Advance MAP Training  
Advanced Sales Comparison and Cost Approaches  
Advanced Income Capitalization  
Basic Income Capitalization  
Appraisal Procedures  
Appraisal Principals

#### **IV. Real Estate Assignments**

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Public Housing for RAD conversion, Section 18 disposition, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. 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.
- Completed numerous appraisals of public housing properties for RAD conversion, Section 18 disposition, and/or LIHTC application of housing authority owned properties.

- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- 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 and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Performs valuations of solar panels, wind turbines and other renewable energy installations in connection with financing and structuring analyses performed by various clients.

## **V. Speaking Engagements**

A representative sample of industry speaking engagements follows:

- Novogradac & Company LLP: RAD Conferences, LIHTC, Developer and Bond Conferences
- Institute for Professional Education and Development (IPED): LIHTC and Year 15 Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Western FHA Mortgage Lenders Conference: Annual Meetings
- Midwest FHA Mortgage Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Missouri Workforce Housing (MOWHA) Annual Conference
- Ohio Housing Council Symposium
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

## **VI. Industry Engagements**

- Novogradac & Company LLP – Chairperson of Annual RAD Conference
- Novogradac & Company LLP – Chairperson of Annual Affordable Housing LIHTC and Bond Developer and Investor Conference

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## RYAN BROWDER

### I. EDUCATION

**Baylor University, Waco, Texas**

Bachelor of Business Administration, Finance, 2014

### II. PROFESSIONAL EXPERIENCE

Manager – Novogradac & Company LLP, *December 2021 to Present*

Real Estate Analyst – Novogradac & Company LLP, *December 2016 to December 2021*

### III. PROFESSIONAL TRAINING

Texas Appraiser Trainee License: TX 1343826

Basic Appraisal Principles

Basic Appraisal Procedures

National USPAP Course

### IV. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.



- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## SOPHIA BOURNE

### I. EDUCATION

**Texas Christian University**

Bachelors of Business Administration, Finance with a Real Estate Emphasis, *2020*

### II. PROFESSIONAL EXPERIENCE

**Novogradac Consulting**

Analyst, *December 2021 to Present*

Junior Analyst, *January 2020 to December 2021*

### III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

**ADDENDUM B**  
**Rent Comparability Grid**

OMB Approval # 2502-0507 (exp. 04-30-2021)

Subject		Comparable #6		Comparable #7		Comparable #8		Comparable #9		Comparable #10		
Chestnut Hills Apartments		Data	1022 West Apartments		Magnolia Ridge		Sage At Martin Lane		Stonecrest Apartments		The Orchard Apartment Homes	
206 E Clairborne Street		on	1022 West Buford Street		266 Goldmine Springs Road		112 Martin Lane		102 Stonecrest Lane		506 South Oliver Street	
Blacksburg, Cherokee County, SC		Subject	Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,236	N	\$1,099	N	\$1,050	N	\$985	N	\$1,250	N
2	Date Last Leased (mo/yr)		Apr-24		Apr-24		Apr-24		Apr-24		Apr-24	
3	Rent Concessions		N		N		N		N		N	
4	Occupancy for Unit Type		100%		100%		96%		100%		100%	
5	Effective Rent & Rent/ sq. ft		\$1,236	\$1.44	\$1,099	\$1.28	\$1,050	\$1.14	\$985	\$1.09	\$1,250	\$1.20
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G / 1	G / 2	\$5	G / 2	\$5	G / 2	\$5	G / 3	\$5	T / 2	
7	Yr. Built / Yr. Renovated	1975 / 2002 / 2026	1989 / 2022		1976 / 2006/2016		1997 / 2022		2008 / 2015		1987 / 2021	
8	Condition / Street Appeal	G	G		G		G		A	\$200	G	
9	Neighborhood	A	E	(\$100)	G	(\$50)	E	(\$100)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/8.9		Y/7.4		Y/7.0		Y/10.0		Y/8.9	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2.0	2.0		2.0		2.0		2.0		2.0	
12	# Bathrooms	1.5	1.0	\$15	1.0	\$15	1.5		2.0	(\$15)	1.5	
13	Unit Interior Sq. Ft.	796	860	(\$23)	860	(\$20)	921	(\$36)	904	(\$29)	1,038	(\$73)
14	Balcony / Patio	Y	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C	C		C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	M / D	D		M / D		D		D		N	\$10
18	Washer / Dryer	L / HU	L / HU		L	\$10	L / HU		L / HU		L / HU	
19	Floor Coverings	C / V	C		C		V		C		V	
20	Window Coverings	B	B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N	
22	Special Features	N	CF / GD / WIC / Wi-Fi	(\$20)	WIC	(\$5)	CF / GD / WIC	(\$15)	GD / WIC	(\$10)	CF / WIC	(\$10)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L		L		L		L / G(\$80)		L	
25	Extra Storage	N	N		N		N		Y (\$40)		Y	(\$10)
26	Security	Y	Y		N	\$5	N	\$5	N	\$5	Y	
27	Clubhouse / Meeting Rooms	N	MR	(\$10)	MR	(\$10)	MR	(\$10)	MR	(\$10)	N	
28	Pool / Recreation Areas	R	P / R	(\$10)	RR	(\$5)	RR	(\$5)	P / E / RR	(\$20)	RR	(\$5)
29	Business Ctr / Nbhd Network	N	N		BC	(\$10)	N		BC	(\$10)	N	
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / G	N / E		N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / G	N / E		N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$95	N / N	\$95	N / N	\$95	N / N	\$95	N / N	\$95
39	Trash / Recycling	Y	Y		N	\$18	Y		N	\$18	Y	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40												

**OMB Approval # 2502-0507 (exp. 04-30-2021)**

	Subject		Comparable #6		Comparable #7		Comparable #8		Comparable #9		Comparable #10	
	Chestnut Hills Apartments	Data	1022 West Apartments		Magnolia Ridge		Sage At Martin Lane		Stonecrest Apartments		The Orchard Apartment Homes	
	206 E Clairborne Street	on	1022 West Buford Street		266 Goldmine Springs Road		112 Martin Lane		102 Stonecrest Lane		506 South Oliver Street	
	Blacksburg, Cherokee County, SC	Subject	Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,236	N	\$1,099	N	\$1,050	N	\$985	N	\$1,250	N
2	Date Last Leased (mo/yr)		Apr-24		Apr-24		Apr-24		Apr-24		Apr-24	
3	Rent Concessions		N		N		N		N		N	
4	Occupancy for Unit Type		100%		100%		96%		100%		100%	
5	Effective Rent & Rent/ sq. ft		\$1,236	\$1.44	\$1,099	\$1.28	\$1,050	\$1.14	\$985	\$1.09	\$1,250	\$1.20
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	G / 2		G / 2		G / 2		G / 3		T / 2	
7	Yr. Built / Yr. Renovated	1975 / 2002 / 2026	1989 / 2022		1976 / 2006/2016		1997 / 2022		2008 / 2015		1987 / 2021	
8	Condition / Street Appeal	G	G		G		G		A	\$200	G	
9	Neighborhood	A	E	(\$100)	G	(\$50)	E	(\$100)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/8.9		Y/7.4		Y/7.0		Y/10.0		Y/8.9	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2.0	2.0		2.0		2.0		2.0		2.0	
12	# Bathrooms	1.5	1.0	\$15	1.0	\$15	1.5		2.0	(\$15)	1.5	
13	Unit Interior Sq. Ft.	1,045	860	\$66	860	\$59	921	\$35	904	\$38	1,038	
14	Balcony / Patio	Y	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C	C		C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	M / D	D		M / D		D		D		N	\$10
18	Washer / Dryer	L / HU	L / HU		L	\$10	L / HU		L / HU		L / HU	
19	Floor Coverings	C / V	C		C		V		C		V	
20	Window Coverings	B	B		B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N		N	
22	Special Features	N	CF / GD / WIC / WiFi	(\$20)	WIC	(\$5)	CF / GD / WIC	(\$15)	GD / WIC	(\$10)	CF / WIC	(\$10)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L		L		L		L / G(\$80)		L	
25	Extra Storage	N	N		N		N		Y (\$40)		Y	(\$10)
26	Security	Y	Y		N	\$5	N	\$5	N	\$5	Y	
27	Clubhouse / Meeting Rooms	N	MR	(\$10)	MR	(\$10)	MR	(\$10)	MR	(\$10)	N	
28	Pool / Recreation Areas	R	P / R	(\$10)	RR	(\$5)	RR	(\$5)	P / E / RR	(\$20)	RR	(\$5)
29	Business Ctr / Nhd Network	N	N		BC	(\$10)	N		BC	(\$10)	N	
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / G	N / E		N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / G	N / E		N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$95	N / N	\$95	N / N	\$95	N / N	\$95	N / N	\$95
39	Trash / Recycling	Y	Y		N	\$18	Y		N	\$18	Y	
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D											



## Rent Comparability Grid

Unit Type: 3BR/1.5BA - One-story - 1,004 sf - As Renovated

OMB Approval # 2502-0507 (exp. 04-30-2021)

Subject FHA#: -

	Subject	Comparable #6	Comparable #7	Comparable #8	Comparable #9
	Chestnut Hills Apartments	1022 West Apartments	Magnolia Ridge	Sage At Martin Lane	Stonecrest Apartments
	206 E Clairborne Street	1022 West Buford Street	266 Goldmine Springs Road	112 Martin Lane	102 Stonecrest Lane
	Blacksburg, Cherokee County, SC	Gaffney, Cherokee County, SC	Gaffney, Cherokee County, SC	Gaffney, Cherokee County, SC	Gaffney, Cherokee County, SC
A.	Rents Charged	Data	Data	Data	Data
1	\$ Last Rent / Restricted?	\$1,526	\$1,199	\$1,250	\$1,100
2	Date Last Leased (mo/yr)	Apr-24	Apr-24	Apr-24	Apr-24
3	Rent Concessions	Y (\$63)	N	N	N
4	Occupancy for Unit Type	88%	100%	96%	100%
5	Effective Rent & Rent/ sq. ft	\$1,463	\$1,199	\$1,250	\$1,100
B.	Design, Location, Condition	Data	Data	Data	Data
6	Structure / Stories	G / 1	G / 2	G / 2	G / 3
7	Yr. Built / Yr. Renovated	1975 / 2002 / 2026	1989 / 2022	1976 / 2006/2016	1997 / 2022
8	Condition / Street Appeal	G	G	G	A
9	Neighborhood	A	E (\$100)	G (\$50)	E (\$100)
10	Same Market? Miles to Subj.	Y/8.9	Y/7.4	Y/7.0	Y/10.0
C.	Unit Equipment/ Amenities	Data	Data	Data	Data
11	# Bedrooms	3.0	3.0	3.0	3.0
12	# Bathrooms	1.5	2.0 (\$15)	1.0	2.0 (\$15)
13	Unit Interior Sq. Ft.	1,004	990	1,000	1,151 (\$40)
14	Balcony / Patio	Y	Y	Y	Y
15	AC: Central / Wall	C	C	C	C
16	Range / Refrigerator	R / F	R / F	R / F	R / F
17	Microwave / Dishwasher	M / D	D	M / D	D
18	Washer / Dryer	L / HU	L / HU	L	L / HU
19	Floor Coverings	C / V	C	C	C
20	Window Coverings	B	B	B	B
21	Cable / Satellite / Internet	N	N	N	N
22	Special Features	N	CF / GD / WIC / WiFi (\$20)	WIC (\$5)	CF / GD / WIC (\$15)
D.	Site Equipment/ Amenities	Data	Data	Data	Data
24	Parking (\$ Fee)	L	L	L	L / G(\$80)
25	Extra Storage	N	N	N	Y (\$40)
26	Security	Y	Y	N	N
27	Clubhouse / Meeting Rooms	N	MR (\$10)	MR (\$10)	MR (\$10)
28	Pool / Recreation Areas	R	P / R (\$10)	RR (\$5)	P / E / RR (\$20)
29	Business Ctr / Nbhd Network	N	N	BC (\$10)	BC (\$10)
30	Service Coordination	N	N	N	N
31	Non-shelter Services	N	N	N	N
32	Neighborhood Networks	N	N	N	N
E.	Utilities	Data	Data	Data	Data
33	Heat (in rent? / type)	N / G	N / E	N / E	N / E
34	Cooling (in rent? / type)	N / C	N / C	N / C	N / C
35	Cooking (in rent? / type)	N / E	N / E	N / E	N / E
36	Hot water (in rent? / type)	N / G	N / E	N / E	N / E
37	Other Electric	N	N	N	N
38	Cold Water / Sewer	Y / Y	N / N	N / N	N / N
39	Trash / Recycling	Y	Y	N	N
F.	Adjustments Recap	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	(5)	4	(5)
41	Sum Adjustments B to D	\$10	(\$155)	\$35	(\$80)
42	Sum Utility Adjustments	\$138		\$156	
		Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	(\$7)	\$303	\$111	\$271
G.	Adjusted & Market Rents	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent
44	Adjusted Rent (5 + 43)	\$1,456	\$1,310	\$1,223	\$1,313
45	Adj Rent / Last rent		109%		98%
46	Estimated Market Rent	\$1,325	\$1.32 Estimated Market Rent / Sq. Ft		

### Rent Comparability Grid

**Unit Type: 3BR/1.5BA - Townhouse - 1,157 sf - As Renovated**

OMB Approval # 2502-0507 (exp. 04-30-2021)

**Subject FHA#: -**

Subject			Comparable #6		Comparable #7		Comparable #8		Comparable #9	
	Chestnut Hills Apartments	Data	1022 West Apartments		Magnolia Ridge		Sage At Martin Lane		Stoncrest Apartments	
	206 E Clairborne Street	on	1022 West Buford Street		266 Goldmine Springs Road		112 Martin Lane		102 Stoncrest Lane	
	Blacksburg, Cherokee County, SC	Subject	Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC		Gaffney, Cherokee County, SC	
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,526	N	\$1,199	N	\$1,250	N	\$1,100	N
2	Date Last Leased (mo/yr)		Apr-24		Apr-24		Apr-24		Apr-24	
3	Rent Concessions		Y	(\$63)	N		N		N	
4	Occupancy for Unit Type		88%		100%		96%		100%	
5	Effective Rent & Rent/ sq. ft		\$1,463	\$1.48	\$1,199	\$1.20	\$1,250	\$1.09	\$1,100	\$0.75
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2	G / 2	\$5	G / 2	\$5	G / 2	\$5	G / 3	\$5
7	Yr. Built / Yr. Renovated	1975 / 2002 / 2026	1989 / 2022		1976 / 2006/2016		1997 / 2022		2008 / 2015	
8	Condition / Street Appeal	G	G		G		G		A	\$300
9	Neighborhood	A	E	(\$100)	G	(\$50)	E	(\$100)	E	(\$100)
10	Same Market? Miles to Subj.		Y/8.9		Y/7.4		Y/7.0		Y/10.0	
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3.0	3.0		3.0		3.0		3.0	
12	# Bathrooms	1.5	2.0	(\$15)	1.0	\$15	2.0	(\$15)	2.0	(\$15)
13	Unit Interior Sq. Ft.	1,157	990	\$64	1,000	\$47	1,151		1,475	(\$59)
14	Balcony / Patio	Y	Y		Y		N	\$10	Y	
15	AC: Central / Wall	C	C		C		C		C	
16	Range / Refrigerator	R / F	R / F		R / F		R / F		R / F	
17	Microwave / Dishwasher	M / D	D		M / D		D		D	
18	Washer / Dryer	L / HU	L / HU		L	\$10	L / HU		L / HU	
19	Floor Coverings	C / V	C		C		V		C	
20	Window Coverings	B	B		B		B		B	
21	Cable / Satellite / Internet	N	N		N		N		N	
22	Special Features	N	CF / GD / WIC / WiFi	(\$20)	WIC	(\$5)	CF / GD / WIC	(\$15)	GD / WIC	(\$10)
D.	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L		L		L		L / G(\$80)	
25	Extra Storage	N	N		N		N		Y (\$40)	
26	Security	Y	Y		N	\$5	N	\$5	N	\$5
27	Clubhouse / Meeting Rooms	N	MR	(\$10)	MR	(\$10)	MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	P / R	(\$10)	RR	(\$5)	RR	(\$5)	P / E / RR	(\$20)
29	Business Ctr / Nbhd Network	N	N		BC	(\$10)	N		BC	(\$10)
30	Service Coordination	N	N		N		N		N	
31	Non-shelter Services	N	N		N		N		N	
32	Neighborhood Networks	N	N		N		N		N	
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N / G	N / E		N / E		N / E		N / E	
34	Cooling (in rent? / type)	N / C	N / C		N / C		N / C		N / C	
35	Cooking (in rent? / type)	N / E	N / E		N / E		N / E		N / E	
36	Hot water (in rent? / type)	N / G	N / E		N / E		N / E		N / E	
37	Other Electric	N	N		N		N		N	
38	Cold Water / Sewer	Y / Y	N / N	\$138	N / N	\$138	N / N	\$138	N / N	\$138
39	Trash / Recycling	Y	Y		N	\$18	Y		N	\$18
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		2	(5)	5	(5)	3	(5)	3	(7)
41	Sum Adjustments B to D		\$69	(\$155)	\$82	(\$80)	\$20	(\$145)	\$310	(\$224)
42	Sum Utility Adjustments		\$138		\$156		\$138		\$156	
			Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E		\$52	\$362	\$158	\$318	\$13	\$303	\$242	\$690
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)		\$1,515		\$1,357		\$1,263		\$1,342	
45	Adj Rent / Last rent			104%		113%		101%		122%
46	Estimated Market Rent	\$1,370	\$1.18 Estimated Market Rent / Sq. Ft							

**ADDENDUM C**  
**Utility Allowance Schedule**

# Utility Allowance Schedule

## U.S. Department of Housing and Urban Development

OMB Approval No. 2577-0169

Office of Public and Indian Housing

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA <b>SC State Housing Finance &amp; Development Agency Upstate Region</b>		Green Discount  <b>No</b>		Unit Type  <b>Larger Apartment Bldgs. (5+ units)</b>			Date (mm/dd/yyyy)  <b>02/05/2024</b>
<b>Utility or Service</b>	<b>Fuel Type</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>
<b>Heating</b>	Natural Gas	\$20	\$23	\$26	\$29	\$32	\$36
	Bottled Gas	\$63	\$74	\$84	\$94	\$104	\$114
	Electric Resistance	\$16	\$19	\$25	\$31	\$37	\$43
	Electric Heat Pump	\$14	\$17	\$20	\$22	\$25	\$28
	Fuel Oil	\$56	\$65	\$74	\$83	\$92	\$101
<b>Cooking</b>	Natural Gas	\$3	\$4	\$5	\$7	\$9	\$10
	Bottled Gas	\$10	\$12	\$18	\$23	\$29	\$34
	Electric	\$6	\$7	\$10	\$13	\$16	\$19
	Other						
<b>Other Electric</b>	Electric	\$22	\$26	\$36	\$46	\$56	\$67
<b>Air Conditioning</b>	Electric	\$9	\$11	\$15	\$20	\$24	\$29
<b>Water Heating</b>	Natural Gas	\$7	\$8	\$12	\$16	\$19	\$23
	Bottled Gas	\$23	\$28	\$40	\$52	\$64	\$77
	Electric	\$14	\$16	\$21	\$26	\$30	\$35
	Fuel Oil	\$21	\$24	\$35	\$46	\$57	\$68
<b>Water</b>		\$23	\$24	\$33	\$50	\$69	\$90
<b>Sewer</b>		\$41	\$44	\$62	\$88	\$115	\$142
<b>Trash Collection</b>		\$18	\$18	\$18	\$18	\$18	\$18
<b>Other - Specify</b>							
<b>Range/Microwave</b>		\$10	\$10	\$10	\$10	\$10	\$10
<b>Refrigerator</b>		\$11	\$11	\$11	\$11	\$11	\$11
<b>Electric Base Charge</b>		\$12	\$12	\$12	\$12	\$12	\$12
<b>Natural Gas Base Charge</b>		\$9	\$9	\$9	\$9	\$9	\$9
<b>Actual Family Allowances</b> -May be used by the family to compute allowance while searching for a unit.					<b>Utility/Service/Appliance</b>		<b>Allowance</b>
					Heating		
Head of Household Name					Cooking		
					Other Electric		
Unit Address					Air Conditioning		
					Water Heating		
					Water		
					Sewer		
					Trash Collection		
Number of Bedrooms					Other		
					Range/Microwave		
					Refrigerator		
					<b>Total</b>		

Previous versions are obsolete.

Spreadsheet (ver14) based on Form HUD-52667 (04/2023).  
ref. Handbook 7420.8

**ADDENDUM D**  
Floor Plans – N/A

**ADDENDUM E**  
**NCHMA Certification & Checklist**



# Certificate of Professional Designation

*This certificate verifies that*

**Rebecca Sue Arthur**  
*Novogradac & Company LLP*

Has completed NCHMA's Professional Designation Requirements  
and is hence an approved member in good standing of:



National Council of Housing Market Analysts  
1400 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

**Membership Term**  
1/1/2024 to 12/31/2024



Kaitlyn Snyder  
Managing Director, NCHMA



### NCHMA MEMBER CERTIFICATION

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

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

A handwritten signature in black ink, reading "Rebecca S. Arthur".

Rebecca S. Arthur, MAI  
Partner  
Novogradac  
May 16, 2024

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section
<b>Executive Summary</b>		
1	Executive Summary	Section I
<b>Scope of Work</b>		
2	Scope of Work	Transmittal
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income Targeting	Section II
4	Utilities (and utility sources) included in rent	Section II
5	Target market/population description	Section II
6	Project description including unit features and community amenities	Section II
7	Date of construction/preliminary completion	Section II
8	If rehabilitation, scope of work, existing rents, and existing vacancies	Section II
<b>Location</b>		
9	Concise description of the site and adjacent parcels	Section III
10	Site photos/maps	Section III
11	Map of community services	Section III
12	Site evaluation/neighborhood including visibility, accessibility, and crime	Section III
<b>Market Area</b>		
13	PMA description	Section IV
14	PMA Map	Section IV
<b>Employment and Economy</b>		
15	At-Place employment trends	Section V
16	Employment by sector	Section V
17	Unemployment rates	Section V
18	Area major employers/employment centers and proximity to site	Section V
19	Recent or planned employment expansions/reductions	Section V
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	Section VI
21	Area building permits	Section VI
22	Population and household characteristics including income, tenure, and size	Section VI
23	For senior or special needs projects, provide data specific to target market	N/Ap
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Section VIII
25	Map of comparable properties	Section VIII
26	Existing rental housing evaluation including vacancy and rents	Section VIII
27	Comparison of subject property to comparable properties	Section VIII
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	Section VIII
29	Rental communities under construction, approved, or proposed	Section VIII
30	For senior or special needs populations, provide data specific to target market	N/Ap

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	Section VII
32	Affordability analysis with capture rate	Section VII
33	Penetration rate analysis with capture rate	Section VII
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	Section VII
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section VIII
36	Precise statement of key conclusions	Section I
37	Market strengths and weaknesses impacting project	Section I
38	Product recommendations and/or suggested modifications to subject	Section X
39	Discussion of subject property's impact on existing housing	Section VIII
40	Discussion of risks or other mitigating circumstances impacting subject	Section X
41	Interviews with area housing stakeholders	Section IX
Other Requirements		
42	Certifications	Addendum E
43	Statement of qualifications	Addendum A
44	Sources of data not otherwise identified	N/Ap

# CHESTNUT HILLS APARTMENTS – BLACKSBURG, SC – APPLICATION MARKET STUDY

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

Development Name: Chestnut Hills  
 Address: 206 E Clairborne Street  
 PMA Boundary: Cherokee County border to the north, east, south, and west.  
 Development Type: ☒ Family ☐ Older Persons  
 Total # of Units: 40  
 # of LIHTC Units: 40  
 Farthest Boundary Distance to Subject: 21.0 miles

### RENTAL HOUSING STOCK (found on page 59 & 110)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,254	10	99.2%
Market-Rate Housing	5	592	10	98.3%
Assisted/Subsidized Housing not to include LIHTC	13	405	7	98.7%
LIHTC (All that are stabilized)*	5	395	1	99.7%
Stabilized Comps**	10	987	11	98.9%
Non-stabilized Comps	0	0	N/A	N/A

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

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

Subject Development				HUD Area FMR				Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
26	2	1.5	796 - 1,045	\$791	\$934	\$0.84 - \$1.10	615.31%	\$1,250	\$1.20 - \$1.57
14	3	1.5	1,004 - 1,157	\$816	\$1,187	\$0.91 - \$0.95	31.26%	\$1,523	\$1.32 - \$1.52
Gross Potential Rent Monthly*				\$31,990	\$40,902		21.79%		

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

### DEMOGRAPHIC DATA (found on page 47, 52-55)

	2010		2023		2026	
Renter Households	6,652	31.0%	6,525	33.9%	6,385	33.1%
Income-Qualified Renter HHs (As Proposed)	N/A	N/A	5,105	78.2%	4,898	76.7%
Income-Qualified Renter HHs (Absent Rental Assistance)	N/A	N/A	1,059	16.2%	1,041	16.3%

### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 56)

Type of Demand	60%/USDA (Rental Assistance)	60%/USDA (Absent Rental Assistance)
Renter Household Growth	-207	-18
Existing Households (Overburd + Substand)	1,958	406
Homeowner conversion (Seniors)	0	0
Other:		
Less Comparable/Competitive Supply	0	0
Net Income-qualified Renter HHs	1,751	388

### CAPTURE RATES (found on page 56)

Targeted Population	60%/USDA (Rental Assistance)	60%/USDA (Absent Rental Assistance)
Capture Rate	3.0%	13.7%

### ABSORPTION RATE (found on page 57)

Absorption Period: three months

I affirm that a person employed by Novogradac has made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & 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.

Market Analyst Author: Rebecca S. Arthur

Company: Novogradac

Signature:



Date: 5/16/2024

**EXHIBIT S-2 RENT CALCULATION WORKSHEET**

Bedroom Type	# of Units	Proposed Tenant Paid Rent	Net Proposed Tenant Rent by Bedroom Type	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
2 BR	26	\$791	\$20,566	\$934	\$24,284	15.3%
3 BR	14	\$816	\$11,424	\$1,187	\$16,618	31.3%
<b>Totals</b>	<b>40</b>		<b>\$31,990</b>		<b>\$40,902</b>	<b>21.8%</b>

Source: SCSHFDA, Novogradac, May 2024