

NEED AND DEMAND ANALYSIS
FOR THE PHOENIX PLACE APARTMENTS
IN
GREENWOOD, SOUTH CAROLINA

Prepared for
Orbach Affordable Housing Solutions
for submission to
the South Carolina State Housing Finance and Development Authority

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INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the proposed rehabilitation of the Phoenix Place Apartments in Greenwood, South Carolina. A total of 100 units are to be rehabilitated: eight one-bedroom units, 58 two-bedroom units, 24 three-bedroom units, and ten four-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The data and analysis in this study are based on information relating to conditions in the town, market area, county, and state in which the project is to be located, and has been obtained from the most pertinent and current available sources. Likewise, every effort has been made to ensure its accuracy and reliability. However, we can assume no responsibility for inaccuracies in reporting by any local, regional, state, or federal agency cited, nor for any information withheld or erroneously reported by the sources cited during the normal course of our professional research. Consequently, we reserve the right to alter our findings and conclusions, if necessary, on the basis of any discovered material inaccuracies.

It is important to stress that coverage from the 2010 Census does not equate with the coverage provided in previous decennial Censuses. Thus, other sources - notably the Census Bureau's American Community Survey - is necessarily to be relied upon. The latter is based on a relatively small sample (compared with earlier sample-based Census reports) and therefore is subject to large statistical margins of error. Thus, use of these data is subject to the *caveat* that those data may not be as rigorous or as reliable as Census data prior to 2010. In this regard, if the data suggest outcomes at variance with our observations from other sources, these will be highlighted in our findings.

The site of the proposed apartments was visited (on October 11, 2024). In addition, interviews are held with persons with particular knowledge pertinent to the study.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.


It is stated that we have no responsibility for opinions requiring expertise in other fields of expertise - these would include, for example, legal, environmental, architectural, and engineering matters.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

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Date: October 16, 2024

EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

The proposed project will comprise the rehabilitation of 100 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 60 percent of the local area median income. The project is fully rent-assisted.

The Phoenix Place Apartments are located on Phoenix Street, off Marshall Road, to the north of South Main Street (US 178, business), in southern Greenwood, in central Greenwood County, in west-central South Carolina.

The market area for the proposed development is north central Greenwood County, as defined by several census tracts.

In 2023, the most recent year for which annualized data are available, the Greenwood County labor force comprised an estimated 30,030 persons. Of this total, 28,972 were employed and 1,058 or 3.5 percent were unemployed. Unemployment increased by 981 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.0 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 6.7 percent in 2014, for example.

The population of the project market area decreased from 58,223 in 2010, to 57,886 in 2020, and is projected to decrease to 57,602 in 2023 and to 57,014 in 2026. The number of households grew from 22,995 in 2010 to 23,376 in 2020, and is projected to increase, slightly, to 23,442 in 2023 and then to decrease, slightly, to 23,374 in 2026. There were 8,717 renter households in the market area in 2020: which is projected to increase to 8,753 by 2023, and to decrease, to 8,736 by 2026.

There are several apartment complexes located throughout the Greenwood area. These include properties that are financed through the use of Low Income Housing Tax Credits, properties that are subsidized for low and very low income renters, through the HUD Section 8 program, and market rate complexes.

Occupancy in the stabilized market rate complexes is 95.0 percent, and occupancy at the tax credit properties for which we have occupancy data, is 95.9 percent. The overall occupancy rate is found to be 95.6 percent.

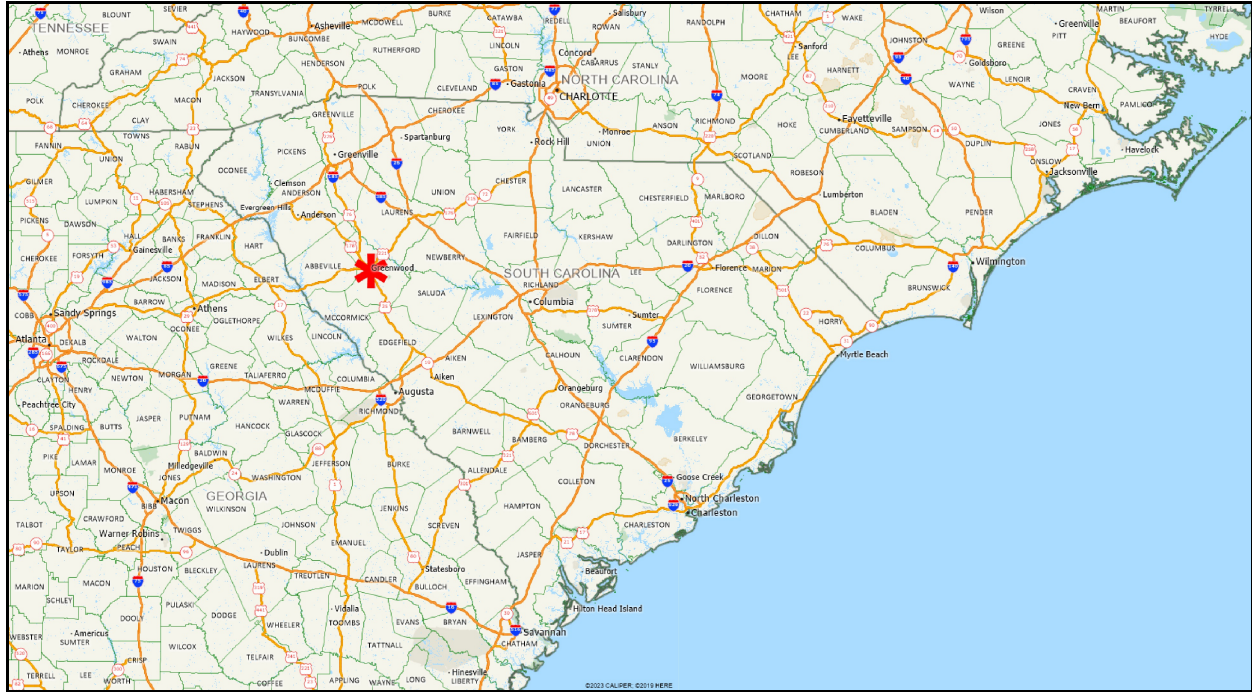
The total potential need for rent-assisted tax credit units, such as is proposed, in the project market area by 2026 is calculated to be for 3,604 units. The net need is for 3,604 units. Given the calculated need, the proposed 97-unit re-development amounts to 2.8 percent of the total net need. The proposed development is considered very marketable.

Based on the above, the project could expect to lease-up over a period determined by the renovation schedule.

A. PROJECT DESCRIPTION

Project Location

The Phoenix Place Apartments are located on Phoenix Street, off Marshall Road, to the north of South Main Street (US 178, business), in southern Greenwood, in central Greenwood County, in west-central South Carolina.



Construction type: Rehabilitation

Occupancy type :Family

Target income group: 60 percent of the local area median income.

Special population target: not applicable

The property will offer a total of 100 units: eight one-bedroom units, 58 two-bedroom units, 24 three-bedroom units, and ten four-bedroom units.

The complex comprises five one- story, and ten two-story buildings.

The one-bedroom units are 585 square feet, the two-bedroom units are 836 square feet, the three-bedroom units are 1,161 square feet, and the four-bedroom units are 1,288 square feet.

Proposed unit mix, etc.

	<u>Units</u>	<u>Rent</u>	<u>Utility Allowance</u>	<u>Targeting*</u>
1 bedroom/1 bath	8	\$1,150	\$45	less than 60 percent **
2 bedroom/ 1 bath	58	\$1,400	\$74	less than 60 percent **
3 bedroom/ 1.5 bath	24	\$1,700	\$101	less than 60 percent **
4 bedroom/ 2 bath	10	\$1,900	\$100	less than 60 percent **

* percent of area median income

** rental assistance

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$45 for a one-bedroom unit, \$74 for a two-bedroom unit, \$101 for a three bedroom units, and \$100 for a four-bedroom unit.

Rental Assistance: see above

The complex will feature a rental office, laundry, and a playground.

Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans, balconies, and outdoor storage areas. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

Information submitted by the developer suggests that the rehabilitation program would start in April 2025, with completion scheduled twelve months later.

Rehabilitation information: The rehabilitation of the Phoenix Place Apartments will be a substantial rehab. The work to be completed includes installing new roofs on all buildings; upgrading all the HVAC to energy efficient heat pumps; installing new flooring in all units; installing new hot water heaters; installing new tub/shower units with new plumbing; installing new kitchen cabinets and countertops; installing new ranges/ovens; and installing new refrigerators.

B. SITE DESCRIPTION

The Phoenix Place Apartments are located on Phoenix Street, off Marshall Road, to the north of South Main Street (US 178, business), in southern Greenwood, in central Greenwood County, in west-central South Carolina.

Adjacent properties include various businesses fronting on South Main Street and undeveloped land.



There are no apparent physical, environmental, or other constraints upon the rehabilitation and marketing of the proposed project at this location.



Typical units



Typical units



Typical units



View on property



View on property



View on property



View on property



View on Phoenix St.



Office



Playground

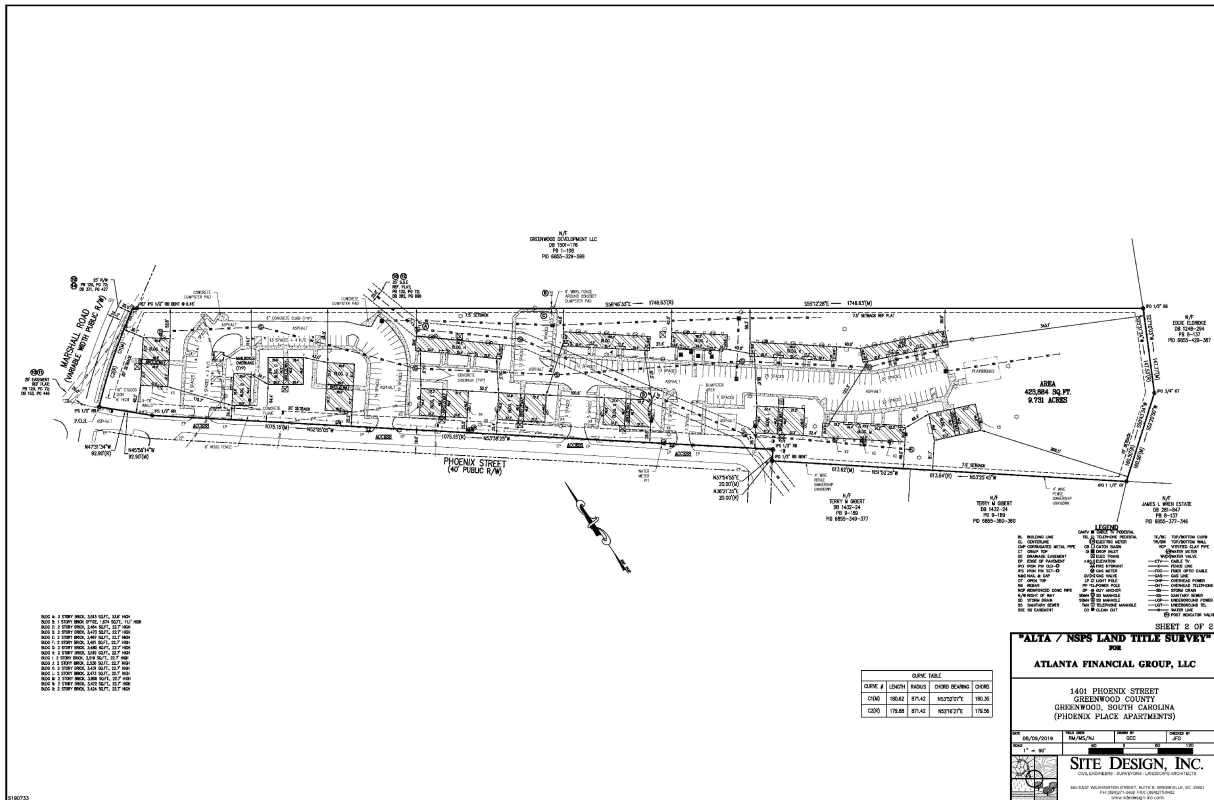


View across Phoenix St., at site



View on Marshall Rd., towards Main St., near site

Site plan



The following distances are from the site to various local services and amenities.

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	S. Main St (US 178, business)	0.2
	US 187, bypass	1.1
	SC 72	3.2
Public transportation	MAT Tranist	by reservation
Retail - Grocery	Price Wise Foods	0.6
	Food Lion	1.7
	Publix	3.7
Retail - Other	7-11	0.1
	Dollar General	0.3
	Family Dollar	0.3
	Greenwood Mall	3.7
	Wal mart	4.0
Pharmacies*	CVS	0.2
	Walgreens	0.3
Recreation, etc.	West Cambridge Park	2.2
Schools	Lakeview Elementary School	4.1
	Westview Middle School	3.0
	Emerald High School	3.7
City Hall	Greenwood	1.4
Post Office	Greenwood	3.8
Library	Greenwood County	1.2
Hospital	Self Regional Medical Center	1.4

* excluding those in grocery stores, etc.

Access from the site to local thoroughfares, community amenities, shopping, schools, sources of employment, and other local services is quite good.

The Phoenix Place Apartments are located two-tenths of a mile off South Main Street (US 178, business) - a major north-south thoroughfare serving the Greenwood community. The site is approximately one mile from the US 178 bypass, and is within three and one-fourth miles south of SC highway, to the north.

Bus service is available on the MAT system, which operate a bus service, by reservation, within a four-mile radius of the Greenwood County courthouse.

South Main Street is a focus for retail and other service provision. For example, a 7-11 convenience store, a Walgreen's, a CVS pharmacy, and a Family Dollar store are in the general vicinity of the intersection of Marshall Road and South Main Street (within one-third of a mile of the property) A Price Wise grocery store is two-thirds of a mile from the property, on South Main Street, to the north; and a Food Lion store is located one and three-fourths of a mile to the south, on South Main Street, at US 25/US 221. The property is within four miles, or so, of the concentration of shops and other services in the vicinity of the Montague Avenue/US 25/SC 72, bypass, to the north of downtown Greenwood. Shops (and other services) there include the Greenwood Mall, Publix, ALDI, and a Wal Mart supercenter. The Post Office is also located in that area.

Information on the locations of employment sources is mapped in the Market Area Economy section of this report.

The site is within three-to-four miles or so of the public schools that serve the property.

The Self Regional Medical Center and associated medical services are within one mile of the property, a s is the County Health Department.

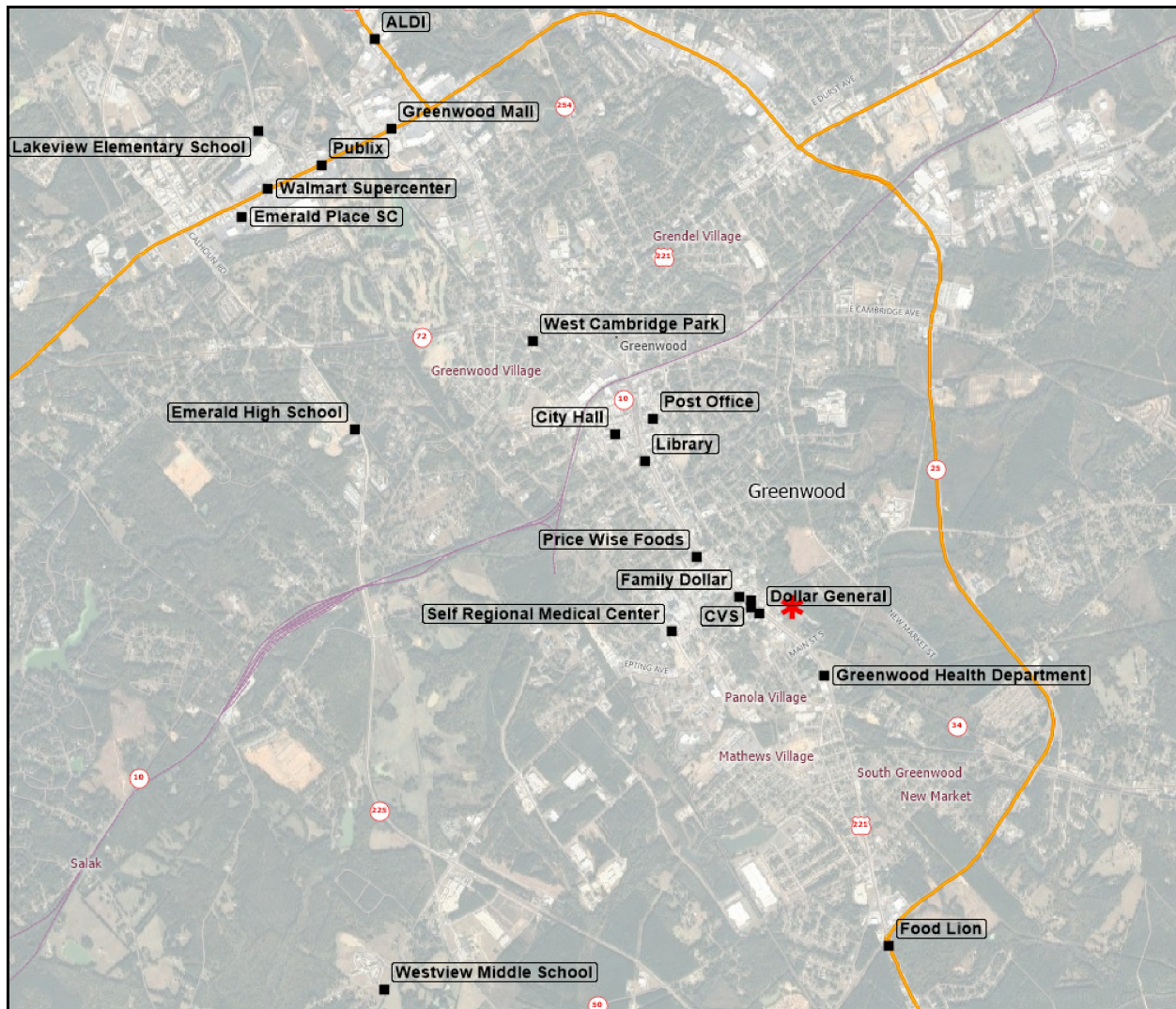
The County Library, City Hall, and shopping and other services located in downtown Greenwood are within two miles of the site, to the south.

It is understood that there are no significant road or other infrastructure projects under way or planned for this immediate area.

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area. It is not expected that crime or the perception of crime in the area, would impact the project's marketability - nonetheless, as is prudent, security should be considered in the design and marketing of the project.

There are no apparent physical, environmental, or other constraints upon the rehabilitation and ongoing marketing of the proposed project at this location.

The locations of various amenities relative to the site of the proposed development are mapped, below.



C. MARKET AREA

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census tracts may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

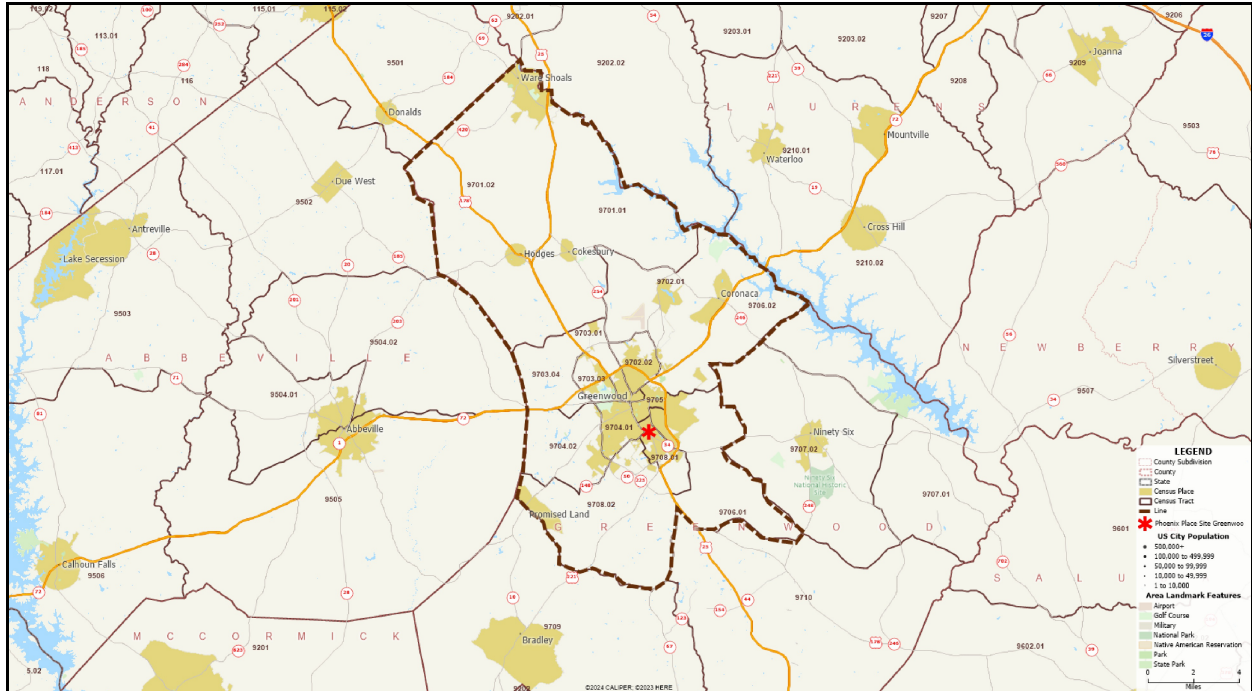
Greenwood is located in central Greenwood County in north-west central South Carolina. The market area for the proposed development is north central Greenwood County, as defined by several census tracts¹. This area is roughly centered on the site of the proposed development and extends up to an approximately four-to-five hinterland, except to the north, where it extends up to 15 miles or so.

The market area is irregularly-shaped. The area is bounded to the west by the Greenwood/Abbeville county line, and by the Greenwood Lake/Saluda River to the east. To the south it is bounded by portions of the railroad, Parkland Place Road, Siloam Church Road, Shepard Road, SC 34, Lebanon Church Road, Tilman Territory Road, McKenzie Road (SC 28), US 178, US 25, SC 67, Cowhead Creek Road, Greenwood Mills Farm Road, and Whitehall Road.

The area is focused on Greenwood. It excludes neighboring and potentially competing communities, such as Ninety Six and Abbeville. The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar characteristics, and with residents, or potential residents, likely to be interested in the project.

¹ Census tracts: 9701.01, 9701.02, 9702.01, 9702.02, 9703.01, 9703.03, 9703.04, 9704.01, 9704.02, 9705, 9706.01, 9706.02, 9708.01, and 9708.02

Market area map



D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

The distribution of employment, by industry, for the project market area is set out in Table 1, below. This information is from the 2018 to 2022 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest source of employment is education and healthcare and social assistance, accounting for 27.6 percent of the area total. Manufacturing accounts for 23.5 percent

Table 1 - Employment by Industry, Market Area

	<u>number</u>	<u>percent</u>
Agriculture, etc	157	0.6
Construction	997	4.0
Manufacturing	5,827	23.5
Wholesale Trade	205	0.8
Retail Trade	2,668	10.8
Transportation, Warehousing, Utilities	1,141	4.6
Information	175	0.7
Finance, Insurance, Real Estate	668	2.7
Professional, scientific, management	1,846	7.4
Educational Services, Health care, Social Assistance	6,850	27.6
Arts, Entertainment, Recreation, Accommodation, Food Service	2,309	9.3
Other services	1,205	4.9
Public Administration	757	3.1

Source: 2018 to 2022 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in the Greenwood area are listed in Table 2, below. From this table it is seen that the largest employer is Self Regional Hospital - which employs 2,284 persons. Other large employers include the local school systems and the Eaton Corporation, and Carolina Pride.

Table 2 - Major Employers

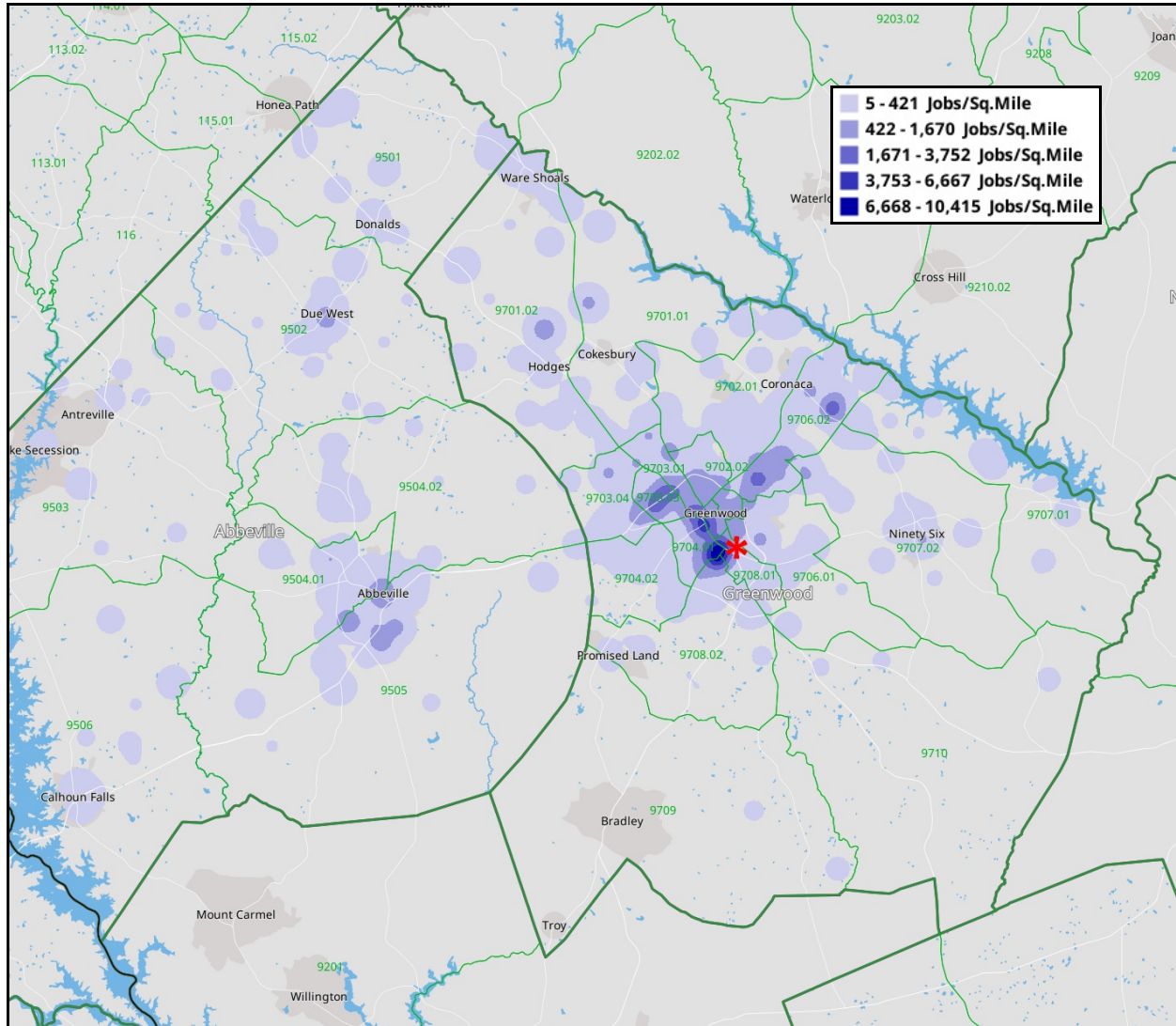
<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
Self Regional Healthcare	Healthcare	2,284
Greenwood County School Districts	Public education	1,940
Eaton Corp	Power management solutions	1,275
Carolina Pride Foods	Meat and meat products	925
Lonza	Gelatin capsule manufacturing	600
Lander University	Education	558
Piedmont Technical College	Education	525
Cardinal Health	Healthcare	500
Ascend Performance Materials	Nylon and other fibers	485
Velux	Skights and windows	350
Greenwood Mills - Harris Plant	Cotton mill	320
Colgate Palmolive	Household and healthcare products	300
Wesley Commons	Retirement community	290
Mayville Engineering Company	Contract fabrication	202
Park Seed Company	Seed distribution	200

Source: Vision Greenwood

Information from the South Carolina Department of Commerce shows that since the start of 2022 there have been five firms announcing new plans at locations throughout Greenwood County - adding a total of 484 new jobs. The largest announcement is at the E.A. Sween Company which will create 300 new positions.

SC WARN notices show that in for 2022, 2023, and 2024, to date, there has been one announced permanent lay-off in Greenwood County - impacting a total of 64 persons.

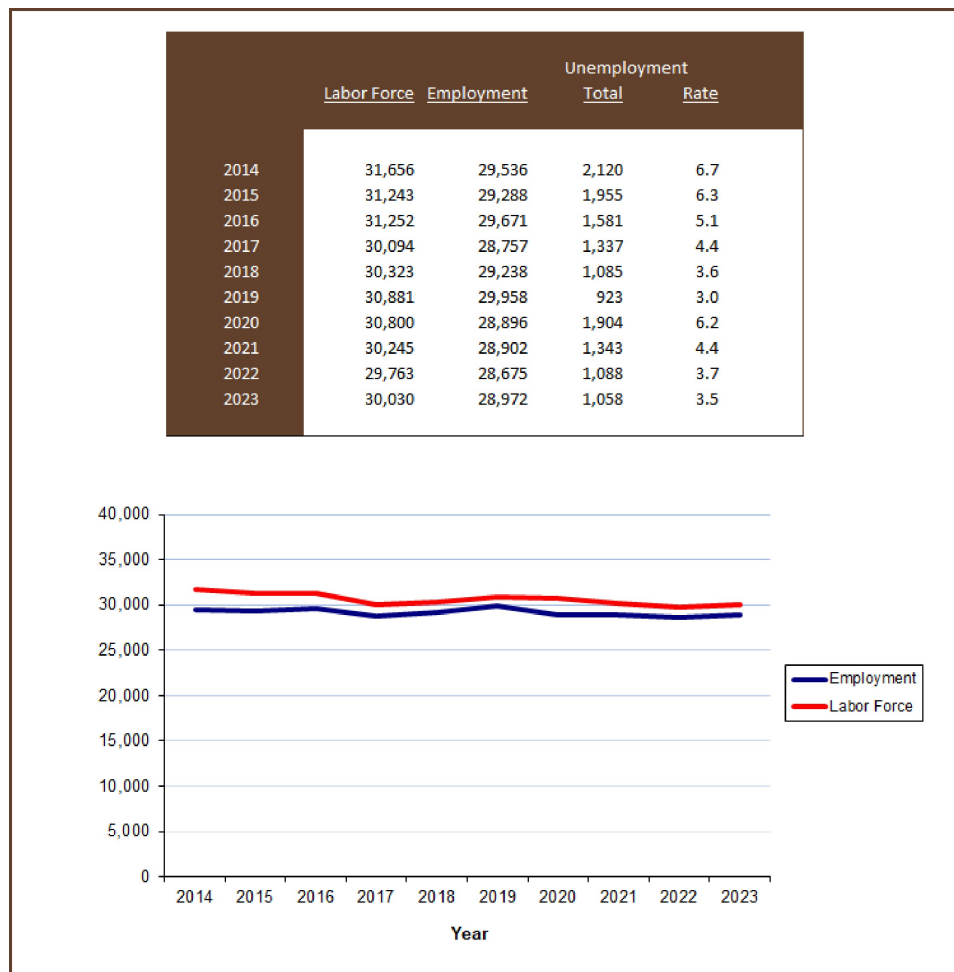
Based on information from the Census, the location of the site relative to the distribution of employment throughout Greenwood County and adjacent portions of Abbeville County area is illustrated in the map, below.



LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2023, the most recent year for which annualized data are available, the Greenwood County labor force comprised an estimated 30,030 persons. Of this total, 28,972 were employed and 1,058 or 3.5 percent were unemployed. Unemployment increased by 981 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.0 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 6.7 percent in 2014, for example.

Table 3 - Greenwood County Labor Force and Employment



Source: US Department of Labor

COMMUTING

Based on data from the American Community Survey, 42.3 percent of workers resident in Greenwood were employed in Greenwood, with 78.2 percent employed in Greenwood County as a whole. The average driving time to work for residents of Greenwood was 18.3 minutes, compared with 25.5 minutes for the State as a whole.

Table 4 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	8,754	100.0
Worked in Place of residence	3,703	42.3
Worked in County of residence	6,846	78.2
Worked outside Place of residence	5,051	57.7
Worked outside County of residence	1,908	21.8
Mean travel time to work (minutes)	18.3	

Source: 2018 to 2022 American Community Survey; T Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau's OnTheMap application. These data, on commuting patterns for persons who live and/or work in Greenwood County are set out, below.

Here it is seen that many persons who live in Greenwood County commute to work in adjacent counties - such as Greenville, Laurens, Richland and Abbeville Counties (more than 6,100 persons, combined). Likewise, more a similar number of workers employed in Greenwood County commute to work there from those same adjacent counties.

Table 5 - Commuting Patterns

Working in Greenwood County	15,152
Where Greenwood County residents are commuting to:	
Greenville County	2,552
Laurens County	1,462
Richland County	1,122
Abbeville County	1,023
Lexington County	999
Anderson County	975
Spartanburg County	732
Aiken County	523
Newberry County	410
Elsewhere	4,371
Where Greenwood County workers are commuting from:	
Abbeville County	2,052
Laurens County	1,756
Anderson County	1,150
Greenville County	1,122
Spartanburg County	617
Saluda County	496
Richland County	452
McCormick County	403
Newberry County	367
Elsewhere	4,303

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

The local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2010, the population of Greenwood County was 69,661, and in 2020 the population was recorded as 69,351. Population projections for Greenwood County are provided by the South Carolina Revenue and Fiscal Affairs. Based on these data, the population of the county is projected to be 69,053 by 2023, and to be 68,409 by 2026.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2010 to 2020, corrected for the county projection. The projection is that in 2023 the project market area will have a population of around 57,602, and around 57,014 in 2026.

Information on population trends and changes between 2000 and 2026 are set out in Table 6, below.

Table 6 - Population Trends

	Greenwood	Market Area	Greenwood County
2010	23,222	58,233	69,661
2020	22,545	57,886	69,351
2023	n/a	57,602	69,053
2026	n/a	57,014	68,409
absolute change			
2010-2020	-677	-347	-310
2020-2023	n/a	-284	-298
2023-2026	n/a	-588	-644
annual change			
2010-2020	-68	-35	-31
2020-2023	n/a	-95	-99
2023-2026	n/a	-196	-215

Source: 2010 Census and 2020 Census; SC Revenue and Fiscal Affairs; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Greenwood, the Greenwood market area, and for Greenwood County are set out in Table 7, below. These data are from the 2020 Census.

Table 7 - Age Distribution

	Greenwood		Market Area		Greenwood County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	1,383	6.1	3,249	5.6	3,791	5.5
5 to 9 years	1,468	6.5	3,513	6.1	4,216	6.1
10 to 14 years	1,489	6.6	3,825	6.6	4,573	6.6
15 to 19 years	2,161	9.6	4,284	7.4	4,971	7.2
20 to 24 years	2,131	9.5	4,314	7.5	4,932	7.1
25 to 29 years	1,468	6.5	3,465	6.0	3,972	5.7
30 to 34 years	1,371	6.1	3,393	5.9	3,969	5.7
35 to 39 years	1,374	6.1	3,329	5.8	3,933	5.7
40 to 44 years	1,169	5.2	3,225	5.6	3,807	5.5
45 to 49 years	1,135	5.0	3,332	5.8	3,991	5.8
50 to 54 years	1,198	5.3	3,534	6.1	4,301	6.2
55 to 59 years	1,245	5.5	3,747	6.5	4,692	6.8
60 to 64 years	1,205	5.3	3,629	6.3	4,547	6.6
65 to 69 years	1,034	4.6	3,346	5.8	4,179	6.0
70 to 74 years	888	3.9	2,969	5.1	3,763	5.4
75 to 79 years	673	3.0	2,056	3.6	2,524	3.6
80 to 84 years	489	2.2	1,277	2.2	1,586	2.3
85 years and over	664	2.9	1,399	2.4	1,604	2.3
55 and older	6,198	27.5	18,423	31.8	22,895	33.0
65 and older	3,748	16.6	11,047	19.1	13,656	19.7
Total	22,545		57,886		69,351	

Source: 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Greenwood, the project market area, and for Greenwood County are out in Table 8, below. These projections are based on the population projections set out, above.

The projection is that in 2023 the project market area will have around 23,442 households, and around 22,274 in 2026. In 2020, there were 23,376 households in the market area.

Table 8 - Household Trends

	Greenwood	Market Area	Greenwood County
2010	8,966	22,995	27,547
2020	8,925	23,376	28,123
2023	n/a	23,442	28,231
2026	n/a	23,374	28,190
absolute change			
2010-2020	-41	381	576
2020-2023	n/a	66	108
2023-2026	n/a	-68	-41
annual change			
2010-2020	-4	38	58
2020-2023	n/a	22	36
2023-2026	n/a	-23	-14

Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

TENURE

Table 9, below, sets out the number and proportion of owner and renter households for Greenwood, the Greenwood market area, and for Greenwood County. In the years beyond 2020, the tenure proportions are based on the 2010 to 2020 tenure trends. In 2020, 37.3 percent of households in the market area were renters, compared with 53.1 percent in Greenwood, and 34.7 percent in the county.

Table 9 - Tenure

Greenwood			persons per household	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>		<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	23,222	8,966	2.59	4,165	46.5	4,801	53.5
2020	22,545	8,925	2.53	4,186	46.9	4,739	53.1
2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2026	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Market Area			persons per household	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>		<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	58,233	22,995	2.53	14,457	62.9	8,538	37.1
2020	57,886	23,376	2.48	14,659	62.7	8,717	37.3
2023	57,602	23,442	2.46	14,689	62.7	8,753	37.3
2026	57,014	23,374	2.44	14,635	62.6	8,739	37.4

Greenwood County			persons per household	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>		<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	69,661	27,547	2.53	18,025	65.4	9,522	34.6
2020	69,351	28,123	2.47	18,377	65.3	9,746	34.7
2023	69,053	28,231	2.45	18,440	65.3	9,791	34.7
2026	68,409	28,190	2.43	18,406	65.3	9,784	34.7

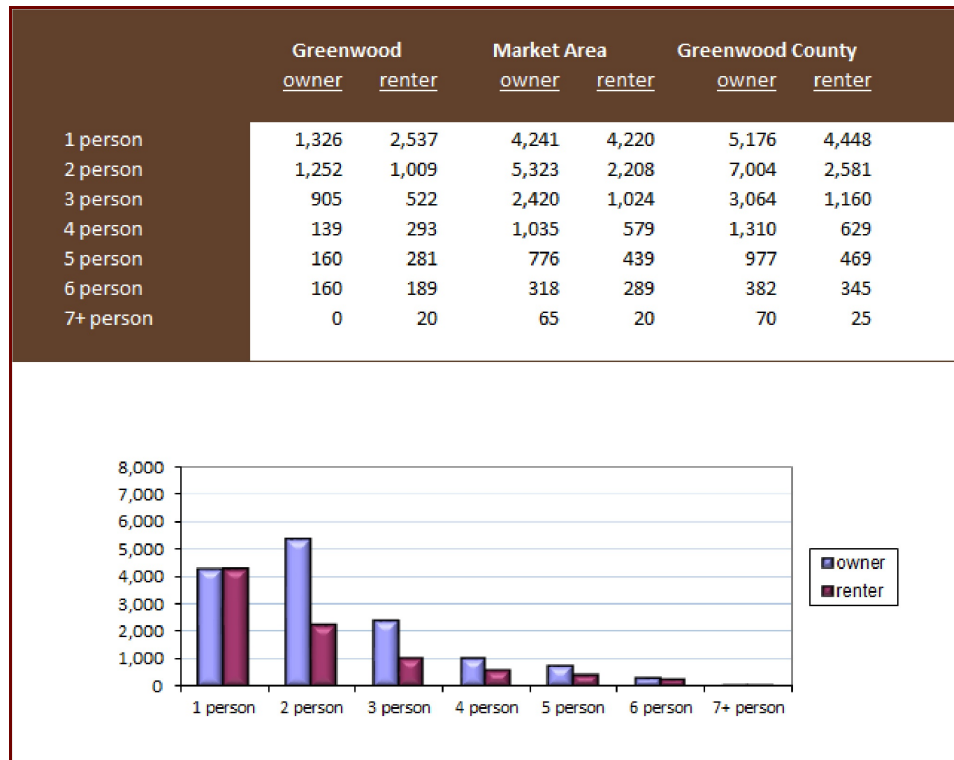
Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 10 below, sets out household size, by tenure, for households in Greenwood, the project market area, and Greenwood County.

The distribution of household sizes, by tenure, for the market area is also illustrated.

Table 10 - Household Size, by Tenure



Source: 2018 to 2022 American Community Survey; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Greenwood, the market area, and for Greenwood County are set out in Table 11, below. These figures are taken from the 2018 to 2022 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Greenwood was \$38,884 and that for Greenwood County as a whole was seen to be \$47,553. The median income for the market area is estimated to be around \$46,777.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$38,523 - based on the American Community Survey data.

Table 11 - Household Income

	Greenwood		Market area		Greenwood County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	764	8.8	1,690	7.4	1,926	7.0
\$10,000 to \$14,999	806	9.2	1,753	7.6	1,961	7.1
\$15,000 to \$19,999	612	7.0	993	4.3	1,248	4.5
\$20,000 to \$24,999	849	9.7	1,888	8.2	2,028	7.3
\$25,000 to \$29,999	399	4.6	1,079	4.7	1,384	5.0
\$30,000 to \$34,999	309	3.5	1,204	5.2	1,516	5.5
\$35,000 to \$39,999	903	10.4	1,476	6.4	1,721	6.2
\$40,000 to \$44,999	405	4.6	1,028	4.5	1,322	4.8
\$45,000 to \$49,999	526	6.0	1,030	4.5	1,272	4.6
\$50,000 to \$59,999	955	11.0	1,867	8.1	2,370	8.6
\$60,000 to \$74,999	539	6.2	1,914	8.3	2,339	8.5
\$75,000 to \$99,999	799	9.2	2,395	10.4	2,870	10.4
\$100,000 to \$124,999	446	5.1	1,641	7.1	2,060	7.5
\$125,000 to \$149,999	115	1.3	1,293	5.6	1,546	5.6
\$150,000 to \$199,999	168	1.9	873	3.8	1,092	4.0
\$200,000 or more	124	1.4	833	3.6	985	3.6
median income	\$38,884		\$46,777 *		\$47,553	

* estimate

Source: 2018 to 2022 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Greenwood, the market area, and Greenwood County set out in Table 12, below. These figures are also taken from the 2018-2022 American Community Survey.

Here, it is seen that the median renter household income in Greenwood was \$32,924, and that for Greenwood County as a whole was seen to be \$33,924. The median income for renters in the market area is estimated to be around \$33,098.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$28,614 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

	Greenwood		Market area		Greenwood County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	606	12.5	1,144	13.0	1,260	13.0
\$10,000 to \$19,999	1,121	23.1	1,616	18.4	1,708	17.7
\$20,000 to \$34,999	794	16.4	1,866	21.3	2,086	21.6
\$35,000 to \$49,999	1,124	23.2	1,692	19.3	1,900	19.7
\$50,000 to \$74,999	635	13.1	1,297	14.8	1,453	15.0
\$75,000 to \$99,999	319	6.6	555	6.3	613	6.3
\$100,000 or more	252	5.2	609	6.9	637	6.6
median income	\$32,924		\$33,098 *		\$33,924	

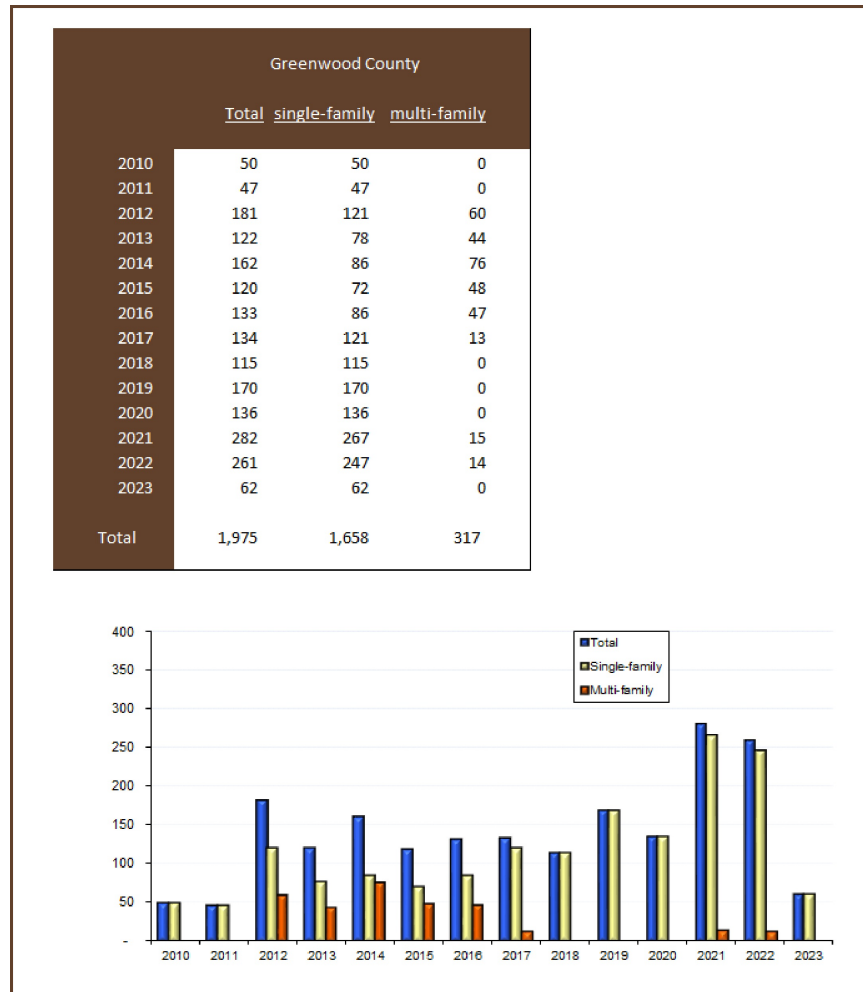
* estimate

Source: 2018 to 2022 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2010

Table 13 below gives details of residential construction in Greenwood County since 2010. Here it can be seen that a total of 1,975 units were added in Greenwood County, of which 317 were multi-family units. No data are available for the City of Greenwood, or the market area.

Table 13 - Residential Construction Since 2010



Source: Current Construction Reports, C-40; Bureau of the Census; T Ronald Brown: Research & Analysis

F. PROJECT SPECIFIC DEMAND ANALYSIS

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 97 units proposed, all will be targeted to households with incomes up to 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of one-, two-, and three- bedroom units. The project has full project-based rental assistance.

The income limits for Greenwood County are set out below, along with maximum housing expenses. The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 14 - Income Limits and Maximum Housing Costs

Income Limits	
	<u>60 percent</u>
1 person	\$26,220
2 person	\$29,940
3 person	\$33,660
4 person	\$37,380
5 person	\$40,380
6 person	\$44,580
Maximum Housing Costs	
	<u>60 percent</u>
1 bedroom	\$702
2 bedroom	\$842
3 bedroom	\$972
4 bedroom	\$1,115

Source: HUD

The median income for Greenwood County in 2024 is \$60,100 - having been \$78,800 in 2023, and \$52,700 in 2014. This represents a 23.7 percent decrease over the previous year, and a 15.1 percent increase over the last decade: an average of 1.42 percent per year.

Information as to rents and income targeting, and qualifying income ranges are set out in Table 15, below

Table 15 - Rents and Income Targeting

income targeting		
	<u>60 percent</u>	<u>Total</u>
1 bedroom	8	8
2 bedroom	58	58
3 bedroom	24	24
4 bedroom	10	10
Total	100	100
proposed rents		
	<u>60 percent</u>	
1 bedroom	\$1,150	
2 bedroom	\$1,400	
3 bedroom	\$1,700	
4 bedroom	\$1,900	
proposed rents as a proportion (%) of maximum		
	<u>60 percent</u>	
1 bedroom	175.0	
2 bedroom	182.4	
3 bedroom	195.2	
4 bedroom	187.3	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$45, \$74, \$101, and \$101 for the one-, two-, three-, and four bedroom units, respectively.

From the table above, it can be seen that housing expenses for unassisted units the complex are in excess of the maximum allowable for units targeted at 60 percent of the median income. Under these circumstances, demand for unassisted units are based on the maximum housing costs.

Qualifying income ranges for unassisted units are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities), based on the maximum rents. The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom.

Table 16 - Qualifying Income Ranges

	<u>60 percent</u>	
	lower	upper
1 bedroom	\$24,069	\$28,080
2 bedroom	\$28,851	\$33,660
3 bedroom	\$33,326	\$38,880
4 bedroom	\$38,211	\$44,580

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project, without rental assistance, are seen to range from \$24,069 to \$44,580.

As noted, the market for the proposed project is determined on the basis of income-qualified renter growth, existing income-qualified existing renter households likely to move, and the need from obsolete housing.

Projections of need and demand are based upon a 2023 to 2026 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 9, no new rental units are needed between 2023 and 2026

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 2,229 renter households in the qualifying income ranges in the project market area. This figure has to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, around 51.1 percent of renters qualifying for unassisted units at the 60 percent level are rent overburdened. Here, this proportion is applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This based on an annual average rate of 0.6 percent of the rental housing stock. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 44 units.

Total demand is therefore seen to amount to 1,287 unassisted units at 60 percent of the median.

These figures are based on a 2023 to 2026 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. One potentially comparable projects has been approved - the 48-unit Havenwood Mathis Apartments. No other comparable projects have been funded or are under construction. Therefore, the net need is for 1,239 units

The preceding calculations are summarized in the table on the following page.

Table 17 - Demand Calculations

	<u>60 percent</u>	<u>Total*</u>
(i) income eligible new renter households	0	0
(ii) income eligible existing renter households	2,429	2,429
(iii) existing households, likely to move	1,243	1,243
(iv) need from obsolete housing	44	44
Total demand (i)+(iii)+(iv)	1,287	1,287
Supply	48	48
Net demand	1,239	1,239

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 32 percent of the total, two-bedroom units should account for 40 percent of the total, and three-bedroom units should account for 22 percent of the total with four- or more bedroom units accounting for 7 percent. Here, it is important to note that the need and demand for three- and four-bedroom units (which account for 34 percent of the 100-unit total) is based on renter household size - with a focus on four-or-more person households for the three-bedroom units.

Capture rates are illustrated in the table on the following page.

Table 18 - Capture Rates

	<u>60 percent</u>	<u>Total*</u>
Total demand		
1 bedroom	413	413
2 bedroom	509	509
3 bedroom	276	276
4 bedroom	89	89
Total	1,287	1,287
Supply		
1 bedroom	6	6
2 bedroom	24	24
3 bedroom	18	18
4 bedroom	0	0
Total	48	48
Net demand		
1 bedroom	407	407
2 bedroom	485	485
3 bedroom	258	258
4 bedroom	89	89
Total	1,239	1,239
Units proposed		
1 bedroom	8	8
2 bedroom	58	58
3 bedroom	24	24
4 bedroom	10	10
Total	100	100
Capture rates		
1 bedroom	2.0%	2.0%
2 bedroom	11.9%	11.9%
3 bedroom	9.3%	9.3%
4 bedroom	11.2%	11.2%
Total	8.1%	8.1%

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 100-unit development amounts to 8.1 percent of the total net need for unassisted units.

RENT-ASSISTED UNITS

As noted, all 100 units at the proposed development will be rent-assisted. The approach to calculating the demand for the assisted units parallels that for the unassisted units - where the lower income limit for those units is effectively zero dollars. Here, the effective upper income limit is based on 50 percent of the median income.

The demand calculations are summarized, below.

Table 19 - Demand Calculations, Rent-assisted units

	<u>60 percent</u>	<u>Total*</u>
(i) income eligible new renter households	0	0
(ii) income eligible existing renter households	4,846	4,846
(iii) existing households, likely to move	3,517	3,517
(iv) need from obsolete housing	88	88
Total demand (i)+(iii)+(iv)	3,604	3,604
Supply	0	0
Net demand	3,604	3,604

Source: T. Ronald Brown: Research & Analysis

The capture rates for the project, incorporating the proposed rent-assisted units, are as below.

Table 20 - Capture Rates, Rent-assisted units

	<u>60 percent</u>	<u>Total*</u>
Total demand		
1 bedroom	1,155	1,155
2 bedroom	1,426	1,426
3 bedroom	773	773
4 bedroom	249	249
Total	3,604	3,604
Supply		
1 bedroom	0	0
2 bedroom	0	0
3 bedroom	0	0
4 bedroom	0	0
Total	0	0
Net demand		
1 bedroom	1,155	1,155
2 bedroom	1,426	1,426
3 bedroom	773	773
4 bedroom	249	249
Total	3,604	3,604
Units proposed		
1 bedroom	8	8
2 bedroom	58	58
3 bedroom	24	24
4 bedroom	10	10
Total	100	100
Capture rates		
1 bedroom	0.7%	0.7%
2 bedroom	4.1%	4.1%
3 bedroom	3.1%	3.1%
4 bedroom	4.0%	4.0%
Total	2.8%	2.8%

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, a 100-unit development amounts to 2.8 percent of the total net need.

The capture rates for the eight one-bedroom units is 0.7 percent, that for the 58 two-bedroom units is 4.1 percent, the capture rate for the 24 three-bedroom units is 3.1 percent, and that for the ten four-bedroom units is 4.0 percent .

These capture rates are considered realistic.

Based on the above, the project could expect to lease-up over a period determined by the renovation schedule.

G. EXISTING RENTAL UNITS

There are several apartment complexes located throughout the Greenwood area. These include properties that are financed through the use of Low Income Housing Tax Credits, properties that are subsidized for low and very low income renters, through the HUD Section 8 program, and market rate complexes. Information on the tax credit properties, subsidized properties, and market rate properties in the market area is presented below. It should be noted that the ability to collect current data on each of these properties was impacted by the disruption caused by Hurricane Helene. More than usual, we encountered properties that did not answer our calls, had voice-mail systems that were full, and properties that did not respond to our voice-mail requests. Also, most of the properties that we tried to contact on our site visit were closed.

The fact that our survey data was less complete than we would have hoped does not impact the findings of our report as the proposed development is the rehabilitation of an existing fully-subsidized property.

There are two other HUD-financed properties in Greenwood that can be considered comparable to Phoenix Place. Wisewood, for example, is 96.7 percent occupied.

There are five stabilized tax credit-financed complexes in the area - based on what information we could obtain, occupancy appears to be good - The Gardens at Parkway, Liberty Village, and Sterling Ridge, for example, all report 100 percent occupancy.

The Havenwood Mathis Apartments is currently under construction and will offer 48 units. These will be a mix of one-, two-, and three bedroom units, with five one-bedroom units targeted at 20 percent of the median with the remainder at the 60 percent level.

We have identified and surveyed seven market rate apartment complexes in the Greenwood area. These date from 1972 to 2022. The newest complex, for example, is the Hamilton Park property - which offers 264 units. The project has studio units that rent for \$1,036 to \$1,056, with one- and two-bedroom units available for \$1,037 and \$1,476 to \$1,701, respectively. The property reports a 94 percent occupancy level. Rents at the various conventional properties range from \$705 to \$999 for one-bedroom units, from \$850 to \$1,295 for two-bedroom units, with three-bedroom units in the \$950 to \$1,375 range.

Overall occupancy in the market rate complexes is 95.0 percent, and occupancy at the stabilized tax credit properties is 95.9 percent. The overall occupancy rate subsidized properties (HUD and LIHTC) is around 96.5 percent. The overall occupancy rate is 95.6 percent. Again, it should be noted that these occupancy figures are based on a subset of the existing properties in the market.

Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Amber Chase	Conventional	1972	100	n/a	n/a
Cardinal Glen	Conventional	2003	64	n/a	n/a
Gardens at Parkway	LIHTC	2002	48	0	100.0
Hamilton Park	Conventional	2022	264	17	93.6
Havenwood Mathis	LIHTC	2024	48	n/a	n/a
Lakeview	Conventional	1975	100	6	94.0
Liberty Village	LIHTC	2016	36	0	100.0
Oakmont Place	LIHTC	2014	55	1	98.2
Phoenix Place	HUD §8	1974(2008)	100	2	98.0
Promenade Residential	LIHTC	1982(2009)	88	10	88.6
Regency Park	Conventional	2001	132	n/a	n/a
Sterling Ridge	LIHTC	2013	39	0	100.0
Swann Meadows	USDA/RD	1988(2002)	56	n/a	n/a
Twin Oaks	HUD §8	1971(1999)	56	n/a	n/a
University Commons	Conventional	1976	106	12	88.7
Winter Ridge	Conventional	2005	252	1	99.6
Wisewood	HUD §8	1980	90	3	96.7

Report for the Phoenix Place Apartments in Greenwood, South Carolina

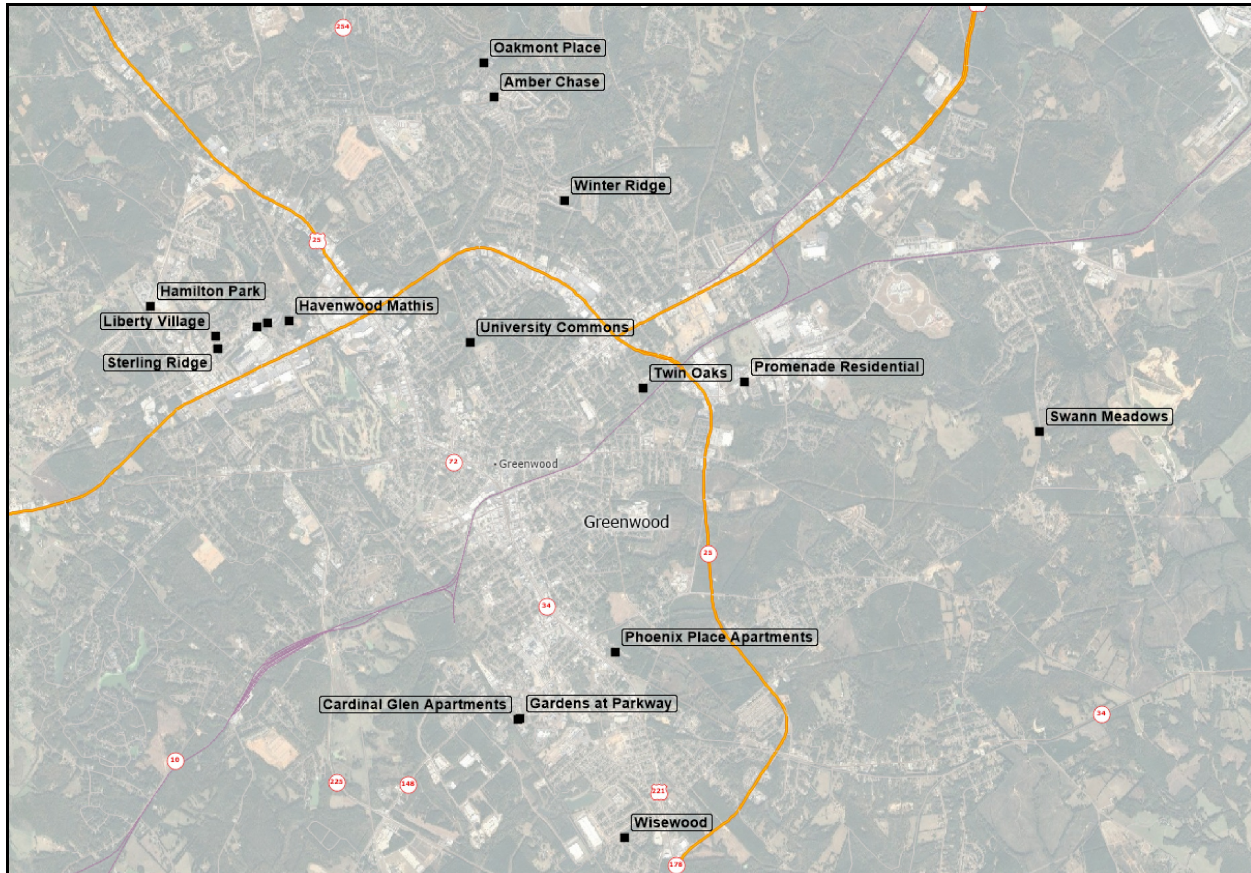
	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Amber Chase				12	800	\$800-850
Cardinal Glen				16	650	\$999
Gardens at Parkway						
Hamilton Park	n/a	500-550	\$1,036-1,056	n/a	540	\$1,307
Havenwood Mathis				6	760	
Lakeview				8	540	\$795-925
Liberty Village						
Oakmont Place				8	850	\$665-810
Phoenix Place				8	601	boi
Promenade Residential						
Regency Park				18	750-800	\$854-895
Sterling Ridge						
Swann Meadows						
Twin Oaks				16	619	boi
University Commons				8	663	\$705
Winter Ridge				n/a	665-720	\$935-960
Wisewood						

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Amber Chase	40	1,100	\$900-1,050			
Cardinal Glen	32	850	\$1,099			
Gardens at Parkway				32	935	\$820-920
Hamilton Park				n/a	980-1,030	\$1,476-1,701
Havenwood Mathis				24	960	
Lakeview	80	810	\$870-1,000			
Liberty Village				12	1,100	\$470-605
Oakmont Place				20	1,100	\$790-964
Phoenix Place	58	836	boi			
Promenade Residential	88	780	\$905-1,086			
Regency Park				66	1,000-1,125	\$1,195-1,295
Sterling Ridge				4	1,100	\$500
Swann Meadows	56	950	boi			
Twin Oaks	16	740	boi			
University Commons	60	900	\$850-950			
Winter Ridge				n/a	985-1,080	\$1,045-1,135
Wisewood	38	872	boi			

Report for the Phoenix Place Apartments in Greenwood, South Carolina

3 br/1-1½ ba				3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Amber Chase	48	1,300	\$1,100-1,250			
Cardinal Glen				16	1,050	\$1,375
Gardens at Parkway				16	1,092	\$950-1,100
Hamilton Park						
Havenwood Mathis				18	1,200	
Lakeview	12	900	\$1,015-1,145			
Liberty Village				24	1,250	\$510-630
Oakmont Place				19	1,250	\$914-1,115
Phoenix Place	24	1,161	boi			
Promenade Residential						
Regency Park				48	1,200-1,325	\$1,495-1,525
Sterling Ridge				31	1,450	\$555-625
Swann Meadows						
Twin Oaks	16	940	boi			
University Commons	38	1,100	\$950-1,050			
Winter Ridge				n/a	1,200	\$1,310
Wisewood	18	1,163	boi			
4br/1-1½ ba				4 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Oakmont Place				8	1,250	\$1,232
Phoenix Place				10	1,288	boi
Sterling Ridge				5	1,540	\$700
Twin Oaks	8	1,066	boi			
Wisewood				6	1,397	boi

A map showing the locations of these properties, relative to the site of the proposed apartments is provided, below.



Several market rate apartment developments in the project market area can be used in the determination of market rents. Here, we focused on Hamilton Park, Lakeview, Regency, University Commons, and Winter Ridge. The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the unassisted units at the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$898 for a one-bedroom unit, \$1,014 for a two-bedroom unit, and \$1,386 for a three-bedroom unit. The four-bedroom units are estimated to be around \$1,414

Based on the proposed rents (that is, the maximum allowable tax credit rent for unassisted units) at the proposed development, this rent is found to be well below the gross adjusted market rent (29.69 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
	0 BR					
	0 BR					
	1 BR					
8	1 BR	\$657	\$5,256	\$898	\$7,185	
	1 BR					
	1 BR					
	2 BR					
58	2 BR	\$767	\$44,486	\$1,014	\$58,818	
	2 BR					
	2 BR					
24	3 BR	\$871	\$20,904	\$1,386	\$33,269	
	3 BR					
	3 BR					
10	4 BR	\$1,014	\$10,140	\$1,563	\$15,627	
	4 BR					
	4 BR					
Totals	100		\$80,786		\$114,898	29.69%

The relationship between the proposed rents and the HUD Fair Market Rents (FMRs), as per the S-2 Exhibit, are set out, below.

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted FMR	Gross Adjusted FMR	Tax Credit Gross Rent Advantage
	0 BR					
	0 BR					
	0 BR					
	1 BR					
8	1 BR	\$657	\$5,256	\$786	\$6,288	
	1 BR					
	1 BR					
	2 BR					
58	2 BR	\$767	\$44,486	\$981	\$56,898	
	2 BR					
	2 BR					
24	3 BR	\$871	\$20,904	\$1,186	\$28,464	
	3 BR					
	3 BR					
10	4 BR	\$1,014	\$10,140	\$1,337	\$13,370	
	4 BR					
	4 BR					
Totals	100		\$80,786		\$105,020	23.08%



Amber Chase

Location: 751 East Northside Drive

Financing: Conventional

Year Built: 1972

Total Units: 100

Vacant units: n/a n/a occupied

Telephone: 864.223.4748

Management: n/a

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	12	800	\$800-850	\$1.00
2/1½	40	1,100	\$900-1,050	\$1.00
3/1½	48	1,300	\$1,100-1,250	\$1.00

management did not have time to respond

Unit Amenities

- Microwave
- Dishwasher •
- Washer/dryer
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies

Community Amenities

- Clubhouse/community room •
- Fitness center
- Business center
- Pool •
- Playground •
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry •

Utilities in Rent

- Water •
- Sewer •
- Trash •



Cardinal Glen

Location: 1524 Parkway

Financing: Conventional

Year Built: 2003

Total Units: 64

Vacant units: n/a n/a occupied

Telephone: 864.943.8883

Management: Broad Management Group
10/7

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	16	650	\$999	\$1.80	Microwave
					Dishwasher •
					Washer/dryer
2/1	32	850	\$1,099	\$1.41	Washer/dryer hook-up •
					9' Ceilings
3/2	16	1,050	\$1,375	\$1.38	High-end kitchen
					Wood/style floors
					Fireplaces
					Patios/balconies •
does not disclose occupancy levels					
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center
					Business center •
					Pool
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry •
<u>Utilities in Rent</u>					
Water	•				
Sewer	•				
Trash	•				



Gardens at Parkway

Location: 1508 Parkway

Financing: LIHTC

Year Built: 2002

Total Units: 48

Vacant units: 0 100.0% occupied (waiting list)

Telephone: 864.223.6837

Management: CAHEC Management

10/8

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	4	935	50%	\$820	\$81	\$0.88	Microwave
2/2	28	935	60%	\$920	\$81	\$0.98	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2	5	1,092	50%	\$950	\$92	\$0.87	9' Ceilings
3/2	11	1,092	60%	\$1,100	\$92	\$1.01	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies
							<u>Community Amenities</u>
							Clubhouse/community room •
							Fitness center
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage •
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



Hamilton Park

Location: 101 Hamilton Park Circle

Financing: Conventional

Year Built: 2022

Total Units: 264

Vacant units: 17 93.6% occupied

Telephone: 864.523.9229

Management: ATC Development
10/8

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
0/1	n/a	500-550	\$1,036-1,056	\$1.99	Microwave •
					Dishwasher •
					Washer/dryer •
1/1	n/a	540	\$1,307	\$2.42	Washer/dryer hook-up
					9' Ceilings
2/2	n/a	980-1,030	\$1,476-1,701	\$1.58	High-end kitchen
					Wood/style floors •
					Fireplaces
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center •
					Pool •
					Playground
					Controlled access/gated
					Elevator
					Garages •
					Storage •
					Laundry
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



Havenwood Mathis

Location: 1228 Mathis Road

Financing: LIHTC

Year Built: 2024

Total Units: 48

Vacant units: n/a n/a occupied (under construction)

Telephone:

Management:

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	5	760	20%			\$0.00	Microwave •
1/1	1	760	60%			\$0.00	Dishwasher •
							Washer/dryer
							Washer/dryer hook-up
2/2	24	960	60%			\$0.00	9' Ceilings
							High-end kitchen
3/2	18	1,200	60%			\$0.00	Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water							
Sewer							
Trash	•						



Lakeview

Location: 106 Barkwood Drive

Financing: Conventional

Year Built: 1975

Total Units: 100

Vacant units: 6 94.0% occupied

Telephone: 864.223.6285

Management: Saber Matrix Group
(10/11)

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	8	540	\$795-925	\$1.59	Microwave
2/1	80	810	\$870-1,000	\$1.15	Dishwasher
3/1½	12	900	\$1,015-1,145	\$1.20	Washer/dryer
					Washer/dryer hook-up
					9' Ceilings
					High-end kitchen
					Wood/style floors •
					Fireplaces
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center •
					Pool •
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry •
<u>Utilities in Rent</u>					
Water	•				
Sewer	•				
Trash	•				



Liberty Village

Location: 109 Liberty Circle

Financing: LIHTC

Year Built: 2016

Total Units: 36

Vacant units: 0 100.0% occupied

Telephone: 864.450.9218

Management: Guardian Management
10/15

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	3	1,100	50%	\$470	n/a	\$0.43	Microwave •
2/2	9	1,100	60%	\$605	n/a	\$0.55	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2½	6	1,250	50%	\$510	n/a	\$0.41	9' Ceilings
3/2½	18	1,250	60%	\$630	n/a	\$0.50	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water							
Sewer							
Trash	•						



Oakmont Place

Location: 104 Pampas Drive

Financing: LIHTC

Year Built: 2014

Total Units: 55

Vacant units: 1 98.2% occupied

Telephone: 864.860.3281

Management: Strive 360

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	3	850	50%	\$665	\$61	\$0.78	Microwave •
1/1	5	850	60%	\$810	\$61	\$0.95	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
2/2	5	1,100	50%	\$790	\$81	\$0.72	9' Ceilings
2/2	15	1,100	60%	\$964	\$81	\$0.88	High-end kitchen
							Wood/style floors
3/2	5	1,250	50%	\$914	\$92	\$0.73	Fireplaces
3/2	14	1,250	60%	\$1,115	\$92	\$0.89	Patios/balconies
4/2	8	1,250	60%	\$1,232	\$115	\$0.99	Community Amenities
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool •
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •

Utilities in Rent

Water	•
Sewer	•
Trash	•



Phoenix Place

Location: 1401 Phoenix Street

Financing: HUD §8

Year Built: 1974(2008)

Total Units: 100

Vacant units: 2 98.0% occupied

Telephone: 864.227.6091

Management: Orbach Affordable Housing
10/9

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	585	\$905
2/1	58	836	\$1,033
3/1½	24	1,161	\$1,300
4/2	10	1,288	\$1,414

Unit Amenities

- Microwave •
- Dishwasher •
- Washer/dryer
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies

Community Amenities

- Clubhouse/community room •
- Fitness center
- Business center
- Pool
- Playground •
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry •

Utilities in Rent

- Water •
- Sewer •
- Trash •



Promenade Residential

Location: 337 Emerald Road North

Financing: LIHTC

Year Built: 1982(2009)

Total Units: 88

Vacant units: 10 88.6% occupied (Remodelling in progress) 10/11

Telephone: 864.223.6000

Management: Vive Property Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/1	22	780	50%	\$905	\$81	\$1.16	Microwave
2/1	66	780	60%	\$1,086	\$81	\$1.39	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
							9' Ceilings
							High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies
formerly Hallmark at Greenwood							Community Amenities
							Clubhouse/community room
							Fitness center
							Business center
							Pool •
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



Regency Park

Location: 120 Edinborough Circle

Financing: Conventional

Year Built: 2001

Total Units: 132

Vacant units: n/a n/a occupied

Telephone: 864.943.1333

Management: n/a

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	18	750-800	\$854-895	\$1.80
2/2	66	1,000-1,125	\$1,195-1,295	\$1.41
3/2	48	1,200-1,325	\$1,495-1,525	\$1.38

person who could provide occupancy information is not available

Unit Amenities

- Microwave •
- Dishwasher •
- Washer/dryer •
- Washer/dryer hook-up •
- 9' Ceilings •
- High-end kitchen •
- Wood/style floors •
- Fireplaces •
- Patios/balconies •

Community Amenities

- Clubhouse/community room •
- Fitness center •
- Business center •
- Pool •
- Playground •
- Controlled access/gated •
- Elevator •
- Garages •
- Storage •
- Laundry •

Utilities in Rent

- Water
- Sewer
- Trash •



Sterling Ridge

Location: 128 Leslie Drive

Financing: LIHTC

Year Built: 2013

Total Units: 39

Vacant units: 0 100.0% occupied

Telephone: 864.396.5043

Management: Guardian Management
10-15

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	4	1,100	50%	\$500	n/a	\$0.45	Microwave •
							Dishwasher •
							Washer/dryer
3/2½	10	1,450	50%	\$555	n/a	\$0.38	Washer/dryer hook-up
3/2½	21	1,450	60%	\$625	n/a	\$0.43	9' Ceilings
							High-end kitchen
4/2½	4	1,540	60%	\$700	n/a	\$0.45	Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
Clubhouse/community room							
Fitness center •							
Business center •							
Pool							
Playground •							
Controlled access/gated							
<u>Utilities in Rent</u>							
Elevator							
Garages							
Storage							
Laundry •							
Water							
Sewer							
Trash •							



Swann Meadows

Location: 1091 Parkland Place Road

Financing: USDA/RD 50 units rental assistance

Year Built: 1988(2002)

Telephone: 864.943.1755

Total Units: 56

Management: Fitch Irick

Vacant units: n/a n/a occupied

Br/ba	Units	Sq. ft	Basic Rent	Market Rent	Unit Amenities
2/1	56	950	n/a	n/a	<ul style="list-style-type: none"> Microwave Dishwasher Washer/dryer Washer/dryer hook-up 9' Ceilings High-end kitchen Wood/style floors Fireplaces Patios/balconies
					<u>Community Amenities</u> <ul style="list-style-type: none"> Clubhouse/community room Fitness center Business center Pool Playground Controlled access/gated Elevator Garages Storage Laundry
<u>Utilities in Rent</u>					
Water	•				
Sewer	•				
Trash	•				



Twin Oaks

Location: 200 Holman Street

Financing: HUD §8

Year Built: 1971(1999)

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 864.223.0327

Management: SPM

10/9

Br/ba	Units	Sq. ft	Contract Rent
1/1	16	619	\$651
2/1	16	740	\$710
3/1	16	940	\$940
4/1	8	1,066	\$992

Unit Amenities

Microwave
Dishwasher •
Washer/dryer
Washer/dryer hook-up
9' Ceilings
High-end kitchen
Wood/style floors
Fireplaces
Patios/balconies

Community Amenities

Clubhouse/community room •
Fitness center
Business center
Pool
Playground •
Controlled access/gated
Elevator
Garages
Storage
Laundry •

Utilities in Rent

Water •
Sewer •
Trash •



University Commons

Location: 1010 Grace Street

Financing: Conventional

Year Built: 1976

Total Units: 106

Vacant units: 12 88.7% occupied

Telephone: 854.229.3044

Management: SK Management
10/7

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	8	663	\$705	\$1.06	Microwave Dishwasher Washer/dryer
2/1	60	900	\$850-950	\$1.00	Washer/dryer hook-up 9' Ceilings
3/1	38	1,100	\$950-1,050	\$0.91	High-end kitchen Wood/style floors Fireplaces Patos/balconies
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center
					Business center
					Pool
					Playground
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry
					<u>Utilities in Rent</u>
					Water
					Sewer
					Trash



Winter Ridge

Location: 102 Winter Way

Financing: Conventional

Year Built: 2005

Total Units: 252

Vacant units: 1 99.6% occupied

Telephone: 864.610.5288

Management: Phillips Management Co
10/9

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	n/a	665-720	\$935-960	\$1.37	Microwave Dishwasher Washer/dryer
2/2	n/a	985-1,080	\$1,045-1,135	\$1.06	Washer/dryer hook-up 9' Ceilings
3/2	n/a	1,200	\$1,310	\$1.09	High-end kitchen Wood/style floors Fireplaces Patos/balconies
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center
					Business center
					Pool
					Playground
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry
					<u>Utilities in Rent</u>
					Water
					Sewer
					Trash



Wisewood

Location: 235 Florida Avenue

Financing: HUD §8

Year Built: 1980

Total Units: 90

Vacant units: 3 96.7% occupied

Telephone: 864.227.2050

Management: The Michaels Organization
10/7

Br/ba	Units	Sq. ft	Contract Rent
1/1	28	650	\$644
2/1	38	872	\$734
3/1½	18	1,163	\$911
4/2½	6	1,397	\$999

Unit Amenities

Microwave
Dishwasher
Washer/dryer
Washer/dryer hook-up
9' Ceilings
High-end kitchen
Wood/style floors
Fireplaces
Patos/balconies

Community Amenities

Clubhouse/community room •
Fitness center
Business center
Pool
Playground •
Controlled access/gated
Elevator
Garages
Storage
Laundry •

Utilities in Rent

Water •
Sewer •
Trash •

H. INTERVIEWS

The proposed development is the rehabilitation of an existing HUD Section 8 apartment complex. As such it does not represent a net addition to the local housing stock - thus this proposal represents a potential qualitative rather than a quantitative impact on the market.

I. RECOMMENDATIONS

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

J. SIGNED STATEMENT

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



Market Analyst

Date: October 16, 2024

ANALYST QUALIFICATIONS

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has more than 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced more than 2,500 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Mr. Brown is a member of several groups that promote housing in general and affordable housing in particular. These include the North Carolina Housing Coalition, Preservation North Carolina, the Virginia Housing Alliance, and the National Council of Housing Market Analysts.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, 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 the 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 .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates 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. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown



MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

Absorption period - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption rate - the average number of units rented each month during the *absorption period*.

Acceptable rent burden - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Achievable rents - See *Market Rent, Achievable Restricted Rent*.

Affordable housing - housing affordable to low or very low-income tenants.

Amenity - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

Annual demand - the total estimated demand present to the market in any one year for the type of units proposed.

Assisted housing - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

Bias - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

Capture rate - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The *Capture Rate* is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the *primary market area*. See also: penetration rate.

Comparable property - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

Competitive property - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Comprehensive market study - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

Concession - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

Demand - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Effective rents - contract rent less concessions.

Household trends - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

Income band - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically⁷ is pre-defined by specific program requirements or by general market parameters.

Infrastructure - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

Market analysis - a study of real estate market conditions for a specific type of property.

Market area - See *primary market area*.

Market demand - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

Market rent - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

Market study - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Marketability - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market vacancy rate, economic - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

Market vacancy rate, physical - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

Migration - the movement of households into or out of an area, especially a *primary market area*.

Mixed income property - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

Mobility - the ease with which people move from one location to another.

Move-up demand - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

Multi-family - structures that contain more than two housing units.

Neighborhood - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net rent (also referred to as contract rent or lease rent) - Gross rent less *tenant paid utilities*.

Penetration rate - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100, see also: capture rate.

Pent-up demand - a market in which there is a scarcity of supply and vacancy rates are very low.

Population trends - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

Primary market area - a geographic area from which a property is expected to draw the majority of its residents.

Programmatic rents - See *restricted rents*.

Project based rent assistance - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment - the redesign or rehabilitation of existing properties.

Rent burden - gross rent divided by adjusted monthly household income.

Rent burdened households - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

Restricted rent - the rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, achievable - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

Saturation - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

Secondary market area - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

Special needs population - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized level of occupancy - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

Subsidy - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

Substandard conditions - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target income band - the *income band* from which the subject property will draw tenants.

Target population - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

Tenant paid utilities - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Turnover period - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents - rents that are not subject to *restriction*.

Unrestricted units - units that are not subject to any income or rent restrictions.

Vacancy period - the amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic vacancy rate - physical - maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

Area Median Income (AMI) - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Attached housing - two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic rent - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate program (BMIR) - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Census tract - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD) - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC) - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Condominium - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract rent - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

Difficult Development Area (DDA) - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached housing - a freestanding dwelling unit, typically single-family, situated on its own lot.

Elder or senior housing - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income - person or household with income below 30% of the Area Median Income adjusted for household size.

Fair Market Rent (FMR) - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden apartments - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross rent - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise - a residential building having more than ten stories.

Household - one or more people who occupy a housing unit as their usual place of residence.

Housing unit - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program) - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (FHA) - state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 811 Program - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

HUD Section 236 Program - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income limits - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

Low income - person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low income housing tax credit - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

Low rise building - a building with one to three stories.

Metropolitan Statistical Area (MSA) - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise - a building with four to ten stories.

Moderate income - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

Public Housing or Low Income Conventional Public Housing - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT) - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) market rent - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Single-family housing - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

State Data Center (SDC) - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Tenant - one who rents real property from another.

Tenure - the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

Very low income - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

Zoning - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.

Development Name		Phoenix Place		Total units:		100				
Location		1401 Phoenix Street, Greenwood		LIHTC units:		100				
PMA Boundary		North-central Greenwood County								
Development Type		Family	✓	Older	Fartherest Boundary Distance to subject:		15 miles			
Rental Housing Stock (found on pages 34-39)										
Type	Properties		Total Units		Vacant Units		Average Occupancy			
All Rental Housing	15		1178		52		95.6%			
Market Rate Housing	4		722		36		95.0%			
Assisted/Subsidized Housing, not to include LIHTC	3		190		5		96.0%			
LIHTC (all that are stabilized)*	4		266		11		95.9%			
Subsidized comps**	4		266		11		95.9%			
Non-stabilized comps										
* Stabilized occupancy of at least 93% (excludes projects still in 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 Rent	per unit	per sf	Advantage	per unit	per sf	
8	1	1	585	\$657	\$786	\$0.99	16.41	\$1,307	\$2.42	
58	2	1	836	\$767	\$981	\$1.24	21.81	\$1,701	\$1.65	
24	3	1.5	1,161	\$871	\$1,186	\$1.50	26.56	\$1,525	\$1.15	
10	4	2	1,288	\$1,014	\$1,337	\$1.69	24.16	n/a	n/a	
Gross Potential Rent Monthly*					\$80,786	\$114,898	29.69			
* market advantage is calculated using the following formula: gross adjusted market rent (minus) gross proposed rent (divided by) gross adjusted market rent										
The calculation should be expressed as a percentage rounded to two decimal places.										
The rent calculation Excel worksheet must be provided with the Exhibit S-2 form										
Demographic Data (found on pages 29,60)										
					2020		2023		2026	
Renter Households					8,717	37.3	8,753	37.3	8,739	37.4
Income-Qualified Renter Households (LIHTC)					n/a	n/a	2,433	27.8	2,429	27.8
Income qualified Renter HHs (MR) if applicable										
Targeted Income-Qualified Renter Household Demand (found on page 61)										
Type of demand					60%			Market Rate	other	Overall
Renter Household Growth					0					0
Existing Households (over burdened+substandard)					1,287					1,287
Homeowner conversion (senior)										
Other										
Less comparable/competitive supply					48					48
Net income-qualified renter hholds					1,239					1,239
Capture Rates (found on page 62)										
Targeted population					60%			Market Rate	other	Overall
Capture rate					8.1%					8.1%
Absorption Rate										
n/a										

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & Development Authority's programs. I also affirm that I have no financial interest 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 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: T. Ronald Brown Company: T. Ronald Brown: Research & Analysis

Signature  Date October 16,2024

