

Exhibit S-2 SCSHFDA Primary Market Area Analysis Summary:

Development Name: Montrose Court Total # of Units: 64

Address: South side of Oakleaf Drive, Lancaster, SC 29720 # of LIHTC/TEB Units: 64

PMA Boundary:

The PMA boundaries are generally defined as Highway 160 and the North Carolina and South Carolina border to the north, the Lynche River and Highway 601 to the east, Highway 601, Highway 521, and Highway 97 to the south, and Interstate 77 and Highway 5 to the west.

Development Type: Family Farthest Boundary Distance to Subject: 19 Miles

Rental Housing Stock (found on page <u>58</u>)				
Type	# of Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	20	1,408	23	98.4%
Market-Rate Housing	5	286	4	98.6%
Assisted/Subsidized Housing not to include LIHTC	11	559	15	97.3%
LIHTC (All that are stabilized)*	4	203	3	98.5%
Stabilized Comparables**	7	360	1	99.7%
Non Stabilized Comparables	0	0	-	-

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

** Comparables 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 Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage (%)	Per Unit	Per SF
2	1	1	764	\$176	\$790	\$ 1.03	77.7%	\$950	\$ 1.24
3	1	1	764	\$657	\$790	\$ 1.03	16.8%	\$950	\$ 1.24
11	1	1	764	\$817	\$790	\$ 1.03	-3.4%	\$950	\$ 1.24
3	2	1	1,045	\$193	\$1,026	\$ 0.98	81.2%	\$1,200	\$ 1.15
6	2	1	1,045	\$770	\$1,026	\$ 0.98	25.0%	\$1,200	\$ 1.15
23	2	1	1,045	\$962	\$1,026	\$ 0.98	6.2%	\$1,200	\$ 1.15
2	3	2	1,190	\$190	\$1,360	\$ 1.14	86.0%	\$1,375	\$ 1.16
3	3	2	1,190	\$856	\$1,360	\$ 1.14	37.1%	\$1,375	\$ 1.16
11	3	2	1,190	\$1,078	\$1,360	\$ 1.14	20.7%	\$1,375	\$ 1.16
Gross Potential Rent Monthly*				\$ 53,441	\$ 67,232		20.5%		

*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. The calculation should be expressed as a percentage and rounded to two decimal points.

Demographic Data (found on page <u>46</u>)					
	2010		2023		June 2026
Renter Households	10,371	-	11,527	-	11,607
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	4,526	39.27%	4,557
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A

Targeted Income-Qualified Renter Household Demand (found on page <u>52</u>)					
Type of Demand	20%	50%	60%	Overall	
Renter Household Growth	10	17	16	31	
Existing Households (Overburd + Substand)	468	822	760	1,531	
Homeowner conversion (Seniors)	0	0	0	0	
Other:	-	-	-	-	
Less Comparable/Competitive Supply	0	0	0	0	
Net Income-qualified Renters HHs	478	838	776	1,562	

Capture Rates (found on page <u>55</u>)					
Targeted Population	20%	50%	60%		Overall
Capture Rate	1.6%	1.6%	6.3%		4.5%

Absorption Rate (found on page <u>55</u>)					
Absorption Period	Six to seven	months.			

I affirm that I or a person signing the report 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 in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Market Analyst Author: Abby M. Cohen Company: Novogradac

Signature:  Date: 6/5/2024

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:**

MONTROSE COURT

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: MONTROSE COURT

South side of Oakleaf Drive
Lancaster, Lancaster County, South Carolina 29720

Effective Date: May 15, 2024
Report Date: June 5, 2024

Prepared for:
Kathleen Mathews
In-Fill Housing, Inc.
2015 Felton Avenue
Macon, GA 31201

Prepared by:
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June 5, 2024

Kathleen Mathews
In-Fill Housing, Inc.
2015 Felton Avenue
Macon, GA 31201

Re: Market Study for Montrose Court, located in Lancaster, South Carolina

Dear Kathleen Mathews:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting ("Novogradac") has performed a study of the multifamily rental market in the Lancaster, Lancaster County, South Carolina area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Montrose Court (the Subject). We are concurrently preparing an appraisal of the Subject site.

The purpose of this market study is to assess the viability of the Subject, a proposed 64-unit LIHTC/Bond/PBV project. The Subject will be a newly constructed, affordable LIHTC project, with 64 units restricted to households earning 20, 50, and 60 percent of the Area Median Income (AMI), or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Authority (SC Housing), including the following:

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

The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of SCSHFDA market study requirements. The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. Novogradac is a disinterested third party. The report and the conclusions are subject to the Assumptions and Limiting Conditions attached.

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

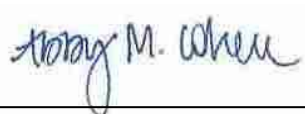
The Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as

KATHLEEN MATHEWS
IN-FILL HOUSING, INC.
JUNE 5, 2024

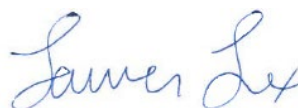
the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

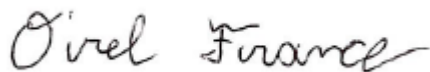
Respectfully submitted,
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A. EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Montrose Court, the Subject, is a proposed 64-unit apartment community that will offer one, two, and three-bedroom units restricted to households earning 20, 50, and 60 percent of the Area Median Income (AMI), or less. As proposed, the Subject will consist of three, three-story, garden-style residential buildings in addition to one community/clubhouse building.

Targeted Tenancy:

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

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject's proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2024 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents
@20%							
1BR / 1BA	764	2	\$176	\$144	\$320	\$320	\$790
2BR / 1BA	1,045	3	\$193	\$191	\$384	\$384	\$1,026
3BR / 2BA	1,190	2	\$190	\$254	\$444	\$444	\$1,360
@50%							
1BR / 1BA	764	3	\$657	\$144	\$801	\$801	\$790
2BR / 1BA	1,045	6	\$770	\$191	\$961	\$961	\$1,026
3BR / 2BA	1,190	3	\$856	\$254	\$1,110	\$1,110	\$1,360
@60%							
1BR / 1BA	764	11	\$817	\$144	\$961	\$961	\$790
2BR / 1BA	1,045	23	\$962	\$191	\$1,153	\$1,153	\$1,026
3BR / 2BA	1,190	11	\$1,078	\$254	\$1,332	\$1,332	\$1,360
		64					

Notes (1) Source of Utility Allowance provided by the Developer.

Market Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Abbingdon Willow Lake	LIHTC	40	0	0.0%
Miller Grove	LIHTC	48	0	0.0%
Millers Ridge	LIHTC/ Market	72	1	1.4%
Northwest Apartments	LIHTC	72	0	0.0%
Old Hickory Apartments	LIHTC	32	0	0.0%
Sycamore Run	LIHTC	48	0	0.0%
The Cottages At Azalea	LIHTC	48	0	0.0%
Azalea Apartments	Market	28	1	3.6%
Chesterfield / Eula Apartments	Market	49	2	4.1%
Dalton Ridge Apartments	Market	87	0	0.0%
Oakhaven Apartments	Market	68	0	0.0%
Woodhaven Apartments	Market	54	1	1.9%
Total LIHTC		360	1	0.3%
Total Market Rate		286	4	1.4%
Overall Total		646	5	0.8%

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 4.1 percent or lower. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less, upon stabilization.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART								
AMI Level	Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
20%	1BR	\$10,971	\$13,680	2	176	0	176	1.1%
	2BR	\$13,166	\$13,680	3	184	0	184	1.6%
	3BR	\$15,223	\$18,460	2	78	0	78	2.6%
Overall Total		\$10,971	\$18,460	7	438	0	438	1.6%
50%	1BR	\$27,463	\$34,200	3	308	0	308	1.0%
	2BR	\$32,949	\$34,200	6	324	0	324	1.9%
	3BR	\$38,057	\$46,150	3	137	0	137	2.2%
Overall Total		\$27,463	\$46,150	12	769	0	769	1.6%
60%	1BR	\$32,949	\$41,040	11	285	0	285	3.9%
	2BR	\$39,531	\$41,040	23	300	0	300	7.7%
	3BR	\$45,669	\$55,380	11	127	0	127	8.7%
Overall Total		\$32,949	\$55,380	45	711	0	711	6.3%
Overall	1BR	\$10,971	\$41,040	16	575	0	575	2.8%
	2BR	\$13,166	\$41,040	32	603	0	603	5.3%
	3BR	\$15,223	\$55,380	16	255	0	255	6.3%
Overall Total		\$10,971	\$55,380	64	1,432	0	1,432	4.5%

The Subject's capture rates are 1.6 percent at the 20 percent AMI level, 1.6 percent at the 50 percent AMI level, 6.3 percent at the 60 percent AMI level, and 4.5 percent overall. These capture rates are reasonable, and the overall capture rate is below the 30 percent capture rate threshold, and indicative of demand for the Subject.

Projected Absorption Period

The following table details the absorption comparables, five of which we were able to identify.

ABSORPTION						
Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Madison Place	Charlotte, NC	Market	Family	2022	215	14
Elan Indian Trail	Indian Trail, SC	Market	Family	2022	350	19
The Collins	Charlotte, NC	Market	Family	2021	350	19
Abbingtion Willow Lake*	Lancaster, SC	LIHTC	Family	2021	40	10
The Adair	Charlotte, NC	LIHTC	Family	2021	96	8
Average						14

*Utilized as a comparable property

We obtained absorption data from five properties, one of which is a comparable property used in this report, which reported absorption rates ranging from eight to 19 units per month, with an overall average of 14 units per month. We also consider the location of the absorption comparables, which are generally in faster growing markets in South Carolina and adjacent North Carolina. As such, we believe absorption toward the low end of the range is reasonable. Overall, we expect the proposed Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately six to seven months.

Market Conclusions

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. The seven LIHTC properties reported one total vacancy and all of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. When compared to the Subject's proposed rental rates the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 20, 50, and 60 percent AMI rents appear reasonable, and overall, they are 11 to 85 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations

We believe there is adequate demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's capture rates vary from 1.6 to 6.3 percent with an overall capture rate of 4.5 percent, as proposed. These capture rates are all considered reasonable in the PMA, and are considered conservative for a family property. In addition, the majority of affordable properties in the PMA maintain low vacancy rates and all maintain waiting lists, which indicates a need for affordable housing, such as the proposed Subject. The Subject site is located within 3.0 miles of most community services and facilities that families would utilize on a consistent basis.

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total vacancy and all of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. When compared to the Subject's proposed rental rates the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 20, 50, and 60 percent AMI rents appear reasonable, and overall, they are 11 to 85 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Long Term Impact on Existing LIHTC Properties in the PMA

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. Additionally, property managers at some of the LIHTC properties reported strong demand for affordable housing in the area and that higher rents are achievable. With an apparent high demand for affordable housing options for the general population in the market and a large base of low-income tenants, we believe the Subject's construction will have no long-term impact on the existing area LIHTC developments. Between 2023 and market entry, the total number of households is expected to increase at a rate of 1.6 percent annually in the PMA. Additionally, there are a limited number of affordable housing options in the market. As such, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments.

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Development Name:	Montrose Court	Total # of Units:	64
Address:	South side of Oakleaf Drive, Lancaster, SC 29720	# of LIHTC/TEB Units:	64
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Development Type: Family Farthest Boundary Distance to Subject: 19 Miles

Rental Housing Stock (found on page 58)				
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* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

** Comparables 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 Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage (%)	Per Unit	Per SF
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3	1	1	764	\$657	\$790	\$ 1.03	16.8%	\$950	\$ 1.24
11	1	1	764	\$817	\$790	\$ 1.03	-3.4%	\$950	\$ 1.24
3	2	1	1,045	\$193	\$1,026	\$ 0.98	81.2%	\$1,200	\$ 1.15
6	2	1	1,045	\$770	\$1,026	\$ 0.98	25.0%	\$1,200	\$ 1.15
23	2	1	1,045	\$962	\$1,026	\$ 0.98	6.2%	\$1,200	\$ 1.15
2	3	2	1,190	\$190	\$1,360	\$ 1.14	86.0%	\$1,375	\$ 1.16
3	3	2	1,190	\$856	\$1,360	\$ 1.14	37.1%	\$1,375	\$ 1.16
11	3	2	1,190	\$1,078	\$1,360	\$ 1.14	20.7%	\$1,375	\$ 1.16
Gross Potential Rent Monthly*				\$ 53,441	\$ 67,232		20.5%		

*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. The calculation should be expressed as a percentage and rounded to two decimal points.

Demographic Data (found on page 46)						
	2010		2023		June 2026	
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Income-Qualified Renter HHs (LIHTC)	N/A	N/A	4,526	39.27%	4,557	39.26%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

Targeted Income-Qualified Renter Household Demand (found on page 52)						
Type of Demand	20%	50%	60%	Overall		
Renter Household Growth	10	17	16	31		
Existing Households (Overburd + Substand)	468	822	760	1,531		
Homeowner conversion (Seniors)	0	0	0	0		
Other:	-	-	-	-		
Less Comparable/Competitive Supply	0	0	0	0		
Net Income-qualified Renters HHs	478	838	776	1,562		

Capture Rates (found on page 55)						
Targeted Population	20%	50%	60%			Overall
Capture Rate	1.6%	1.6%	6.3%			4.5%

Absorption Rate (found on page 55)						
Absorption Period	Six to seven	months.				

# Units	Bedroom Type	Proposed Tenant-Paid Rent	Net Proposed Tenant Rent by Bedroom Type	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
2	1BR	\$176	\$352	\$790	\$1,580	77.7%
3	1BR	\$657	\$1,971	\$790	\$2,370	16.8%
11	1BR	\$817	\$8,987	\$790	\$8,690	-3.4%
3	2BR	\$193	\$579	\$1,026	\$3,078	81.2%
6	2BR	\$770	\$4,620	\$1,026	\$6,156	25.0%
23	2BR	\$962	\$22,126	\$1,026	\$23,598	6.2%
2	3BR	\$190	\$380	\$1,360	\$2,720	86.0%
3	3BR	\$856	\$2,568	\$1,360	\$4,080	37.1%
11	3BR	\$1,078	\$11,858	\$1,360	\$14,960	20.7%
Totals	64		\$53,441		\$67,232	20.5%

Source: SC Housing, Novogradac, May 2024

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Development Location:	The Subject will be located on the south side of Oakleaf Drive, Lancaster, Lancaster County, SC 29673.
Date of Construction:	According to the developer, construction is expected to begin in July 2025, with an anticipated completion date in August 2026.
Construction Type:	The Subject will involve the new construction of 64 units contained in three, three-story, garden-style residential buildings and one single-story clubhouse/leasing office.
Occupancy Type:	Families.
Target Income Group:	The Subject's units will target households with one to five persons earning 60 percent of the AMI, or less. Based on the unit mix, the annual household income levels will range from \$10,971 to \$55,380 as proposed.
Special Population Target:	None.
Number of Units by Unit Type:	The Subject will include 16 one-bedroom units, 32 two-bedroom units, and 16 three-bedroom units.
Number of Buildings and Stories:	The Subject will consist of three, three-story, garden-style residential buildings and one clubhouse/leasing office.
Unit Mix:	The following table summarizes the Subject's unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	16	764	12,224
2BR / 1BA	32	1,045	33,440
3BR / 2BA	16	1,190	19,040
Total	64		64,704

Structure Type/Design:	The Subject will offer three, three-story, garden-style residential buildings and one clubhouse/leasing office.
Proposed Rents and Utility Allowance:	The following table details the Subject's proposed rents and utility allowances.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2024 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents
@20%							
1BR / 1BA	764	2	\$176	\$144	\$320	\$320	\$790
2BR / 1BA	1,045	3	\$193	\$191	\$384	\$384	\$1,026
3BR / 2BA	1,190	2	\$190	\$254	\$444	\$444	\$1,360
@50%							
1BR / 1BA	764	3	\$657	\$144	\$801	\$801	\$790
2BR / 1BA	1,045	6	\$770	\$191	\$961	\$961	\$1,026
3BR / 2BA	1,190	3	\$856	\$254	\$1,110	\$1,110	\$1,360
@60%							
1BR / 1BA	764	11	\$817	\$144	\$961	\$961	\$790
2BR / 1BA	1,045	23	\$962	\$191	\$1,153	\$1,153	\$1,026
3BR / 2BA	1,190	11	\$1,078	\$254	\$1,332	\$1,332	\$1,360
		64					

Notes (1) Source of Utility Allowance provided by the Developer.

Utility Structure/Allowance:

Tenants will be responsible for electric cooking, electric water heating, electric heating, general electric, central air conditioning, cold water, and sewer service. The landlord will be responsible for trash expenses. The estimated utility allowances for the Subject are \$144 for its one-bedroom units, \$191 for its two-bedroom units, and \$254 for its three-bedroom units. For adjustment purposes, we utilized a utility allowance furnished by the South Carolina Housing Finance and Development Authority for the Upstate Region (which includes Lancaster County), effective February 5, 2024, the most recent available.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$14	\$16	\$18
Cooking - Electric	Tenant	\$6	\$8	\$11
Other Electric	Tenant	\$33	\$42	\$50
Air Conditioning	Tenant	\$9	\$13	\$16
Water Heating - Electric	Tenant	\$14	\$17	\$21
Water	Tenant	\$24	\$33	\$50
Sewer	Tenant	\$44	\$62	\$88
Trash	Landlord	\$18	\$18	\$18
TOTAL - Paid By Landlord		\$18	\$18	\$18
TOTAL - Paid By Tenant		\$144	\$191	\$254
TOTAL - Paid By Tenant Provided by Developer		\$144	\$191	\$254
DIFFERENCE		100%	100%	100%

Source: SC Housing, effective February 2024

The developer's estimates of tenant paid utilities are equal to the housing authority's estimates. Housing authority estimates are used to adjust the comparable properties with differing utility structures to the Subject's utility structure for an "apples-to-apples" comparison.

Existing or Proposed Project-Based Rental Assistance: None.

Community Amenities:	The Subject's community amenities will include a business center/computer lab, clubhouse/community room, exercise facility, central laundry facility, off-street parking, on-site management, and a playground.
Unit Amenities:	The Subject's in-unit amenities will include balcony/patio, blinds, carpeting, central air conditioning, ceiling fans, and vinyl plank flooring. Appliances will include dishwashers, microwaves, ranges/ovens, refrigerators, and in-unit washer/dryer hookups.
Parking:	The Subject will offer 96 off-street parking spaces, or 1.5 spaces per unit. There will be no fees for parking. We expect the number of parking spaces to be adequate.
Security:	The Subject will offer video surveillance in terms of security features.
Scope of Renovations:	The Subject will be new construction.

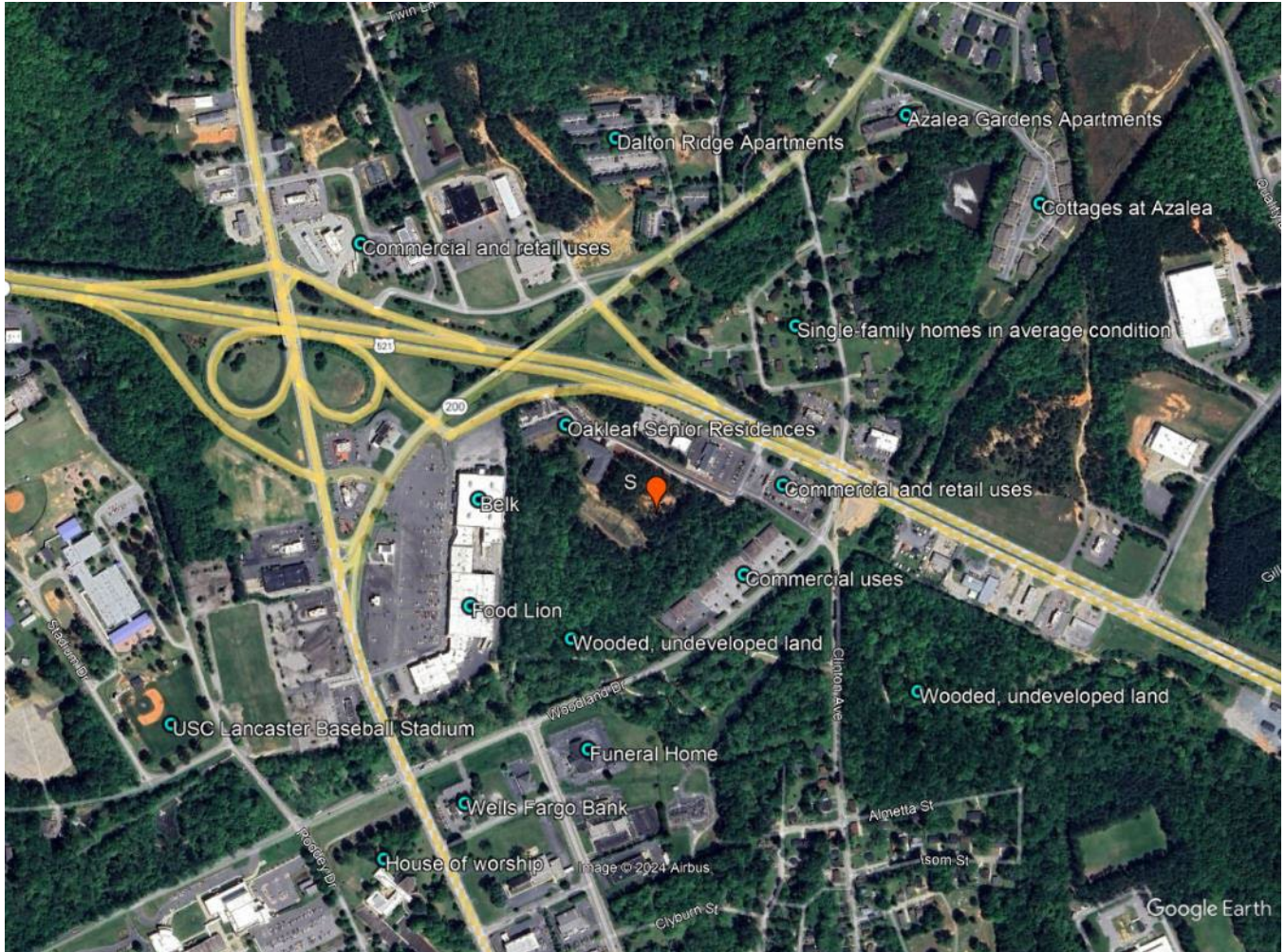
C. SITE DESCRIPTION

SITE DESCRIPTION

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

Date of Site Visit: May 15, 2024.

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



Source: Google Earth, May 2024

Physical Features of Site:

The Subject site is located along the south side of Oakleaf Drive. The Subject site is irregular in shape, exhibits gently sloping topography, and is located outside of a flood plain. The site is currently wooded, undeveloped land with no existing improvements.

Size:

According to a final plat document provided by the client, dated March 12, 2024, the Subject site will measure approximately 8.43 acres, or 367,167 square feet. The Subject site will be subdivided from a larger 27.26-acre site. The remainder of the parcel will be held for future unspecified development by current ownership.

Shape:	The Subject site is irregular in shape.
Existing Improvements:	The site is currently wooded, undeveloped land with no existing improvements.
Frontage:	The site has frontage along the south side of Oakleaf Drive.
Topography:	The site is gently sloping and at road grade.
Location/Surrounding Uses:	<p>The Subject site is located in a mixed-use neighborhood consisting of single-family homes, multifamily uses, commercial uses, and institutional uses such as houses of worship, and recreational facilities including Lancaster County Memorial Stadium. Immediately north of the Subject site are commercial and retail uses with frontage along U.S. Route 50 (the Lancaster Bypass). Further to the north are single-family homes in average condition and a number of multifamily developments including Dalton Ridge Apartments, Millers Ridge Apartments, Azalea Gardens Apartments, and Cottages of Azalea. We include all of these properties with the exception of Azalea Gardens Apartments, which is age-restricted, as comparable properties in this report. East of the Subject site are commercial buildings largely occupied by small businesses. Farther east are additional commercial and retail uses, and wooded, undeveloped land. Land uses to the south of the Subject consist of wooded undeveloped land that forms part of the overall site the Subject will be subdivided from. Land uses further to the south include commercial and institutional uses located along Woodland Drive. Land uses to the west of the Subject site consist of Oakleaf Senior Residences, a 50-unit age-restricted LIHTC property that opened in 2022, and Lancaster Square Shopping Center. Current tenants at Lancaster Square Shopping Center include a Food Lion supermarket, Belk department store, Kimbrell's Furniture, and The UPS store, among others. We exclude Oakleaf Senior Residences as a comparable in this report due to its differing senior tenancy. Overall, the Subject site is considered a desirable site for rental housing.</p>
Visibility/Views:	<p>The Subject site has good visibility from Oakleaf Drive. Views from the Subject site consist of commercial uses to the north and east, wooded, undeveloped land to the south, and Oakleaf Senior Residences, a 2022-built age-restricted LIHTC property. Overall, visibility is considered good while views are considered average.</p>
Detrimental Influence:	There were no detrimental influences observed during the course of inspection.

PHOTOGRAPHS OF SUBJECT SITE AND SURROUNDING USES



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



View east along Oakleaf Drive



View west along Oakleaf Drive



CVS Pharmacy north of Subject site



Azalea Gardens Apartments (ecluded senior property)
north of Subject site



Hardee's restaurant north of Subject site



Single-family home north of Subject site



Car wash east of Subject site



Gas station east of the Subject site



Commercial use east of Subject site



Retail plaza east of Subject site



Single-family home south of Subject site



Single-family home south of Subject site



House of worship south of Subject site



Commercial use south of Subject site



Commercial use west of Subject site



Church's restaurant west of Subject site



Commercial use west of Subject site



Furniture store west of Subject site



Retail plaza west of Subject site

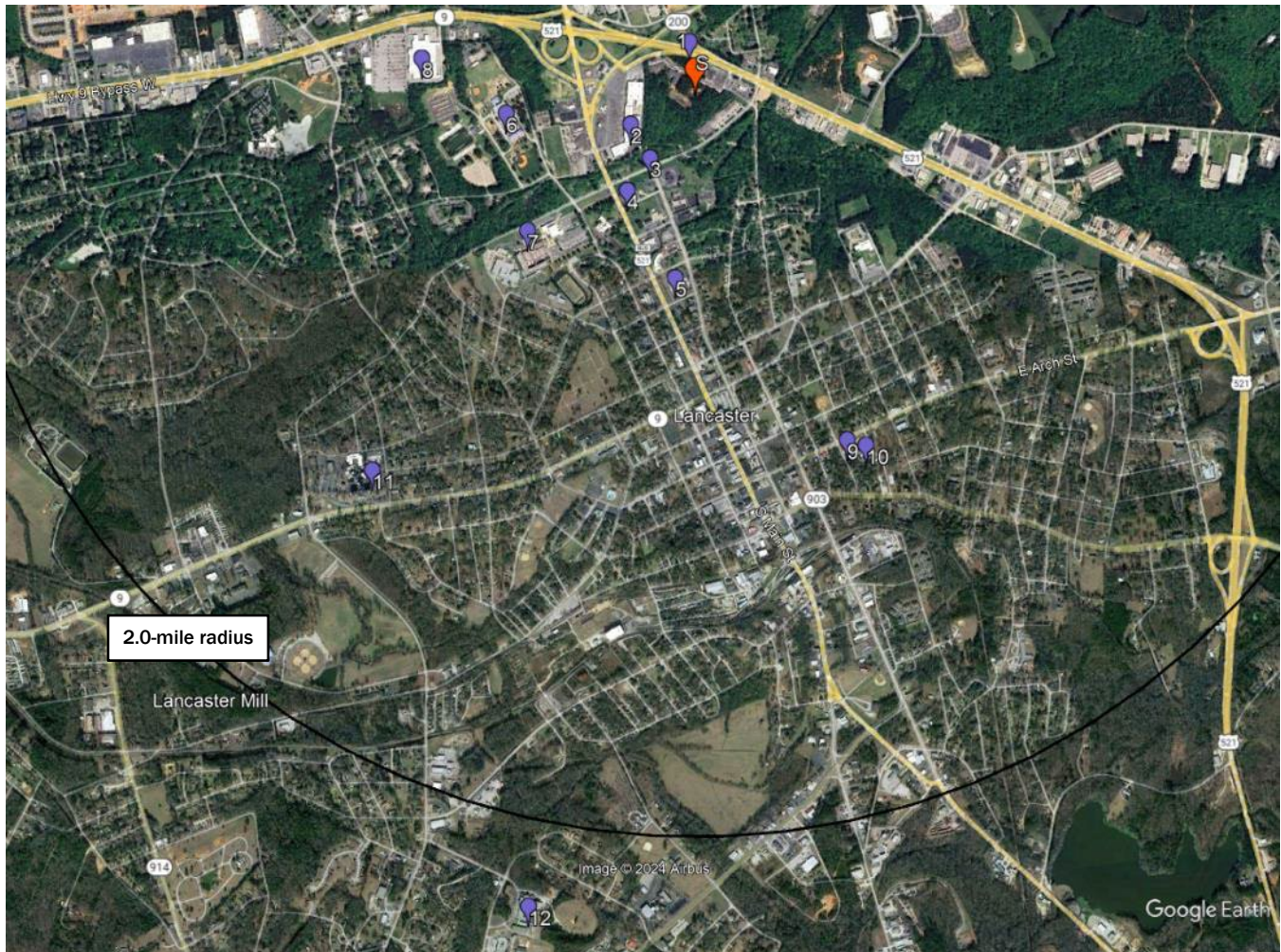


Retail plaza west of Subject site

Proximity to Local Services:

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

Locational Amenities Map



Source: Google Earth, May 2024

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	CVS Pharmacy	0.1 miles
2	Food Lion	0.2 miles
3	Independence Park	0.3 miles
4	Wells Fargo Bank	0.4 miles
5	United States Post Office	0.5 miles
6	North Elementary School	0.6 miles
7	Lancaster Senior High School	0.6 miles
8	Walmart Supercenter	0.8 miles
9	Lancaster Fire Department Station 1	1.0 miles
10	Lancaster Police Department	1.1 miles
11	MUSC Health Lancaster Medical Center	1.4 miles
12	South Middle School	2.3 miles

Availability of Public Transportation:

There is currently no fixed-route public transportation in the city of Lancaster or surrounding Lancaster County. The Lancaster Area Ride Service (LARS) is designed to provide Lancaster County residents of all ages access to transportation via dial-a-ride service. Hours of operation are Monday through Friday from 9 a.m. to 3 p.m. To make a transportation reservation, Lancaster County residents must call three business days in advance. All persons must be 18 years of age or older to ride alone. Trips within Lancaster County are \$5.00 dollars each way. Fares to and from Rock Hill, South Carolina are \$10.00 dollars each way. Fares to and from Columbia or Charlotte, South Carolina are \$20.00 dollars each way. Fares must be exact change. LARS is a joint effort of local nonprofit organizations. The service is operated by the Lancaster County Council on Aging with funding from the South Carolina Department of Transportation and Lancaster County.

Road/Infrastructure Proposed Improvements:

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

Crime Rates:

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

2023 CRIME INDICES

	PMA	Charlotte-Concord-Gastonia, NC-SC MSA
Total Crime*	127	131
Personal Crime*	116	134
Murder	138	140
Rape	93	81
Robbery	67	131
Assault	136	143
Property Crime*	129	131
Burglary	122	140
Larceny	132	134
Motor Vehicle Theft	116	96

Source: Esri Demographics 2023, Novogradac, May 2024

*Unweighted aggregations

Total crime indices in the PMA are modestly elevated relative to the national average and similar to the surrounding MSA. Both geographic areas feature crime indices above the overall nation. In terms of security features, the proposed subject will offer video surveillance. Three of the 12 comparables reported offering some sort of security feature; as such, the Subject will be similar to slightly superior to the comparables in terms of security features.

Access and Traffic Flow:

The Subject site will have access along the south side of Oakleaf Drive. Oakleaf Drive is a lightly trafficked road that traverses east/west and intersects with Woodland Drive one block to the east to the Subject site. Woodland Drive is a moderately to heavily-trafficked road that provides access to U.S. Route 50 (the Lancaster Bypass) one block to the north of its intersection with Woodland Drive. U.S. Route 50 provides access to Interstate 77, approximately 17.9 miles to the west of Lancaster. U.S. Route 521 (Charlotte Highway) is also located in the Subject's immediate neighborhood, which provides northbound access to the city of Charlotte, North Carolina, approximately 41.5 miles from Lancaster. Overall, access is considered good while traffic flow is considered light to heavy, with light traffic observed on Oakleaf Drive, which will serve as the main point of access for the Subject site.

Positive/Negative Attributes:

In terms of positive attributes, the Subject will have overall good access to area retail and community services in Lancaster, most of which are within 2.3 miles of the Subject site. Overall, the Subject is considered to be in an adequate location for an affordable multifamily development.

D. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is a proposed 64-unit family development to be constructed in Lancaster, South Carolina. The PMA boundaries are generally defined as Highway 160 and the North Carolina and South Carolina border to the north, the Lynche River and Highway 601 to the east, Highway 601, Highway 521, and Highway 97 to the south, and Interstate 77 and Highway 5 to the west. Based on interviews with local property managers, most of the tenants will originate from the central and northern portion of Lancaster County and the eastern portion of Chester County, while some may come from other communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. The PMA is approximately 642 square miles in total size. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 19 miles
 East: 17 miles
 South: 12 miles
 West: 15 miles

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

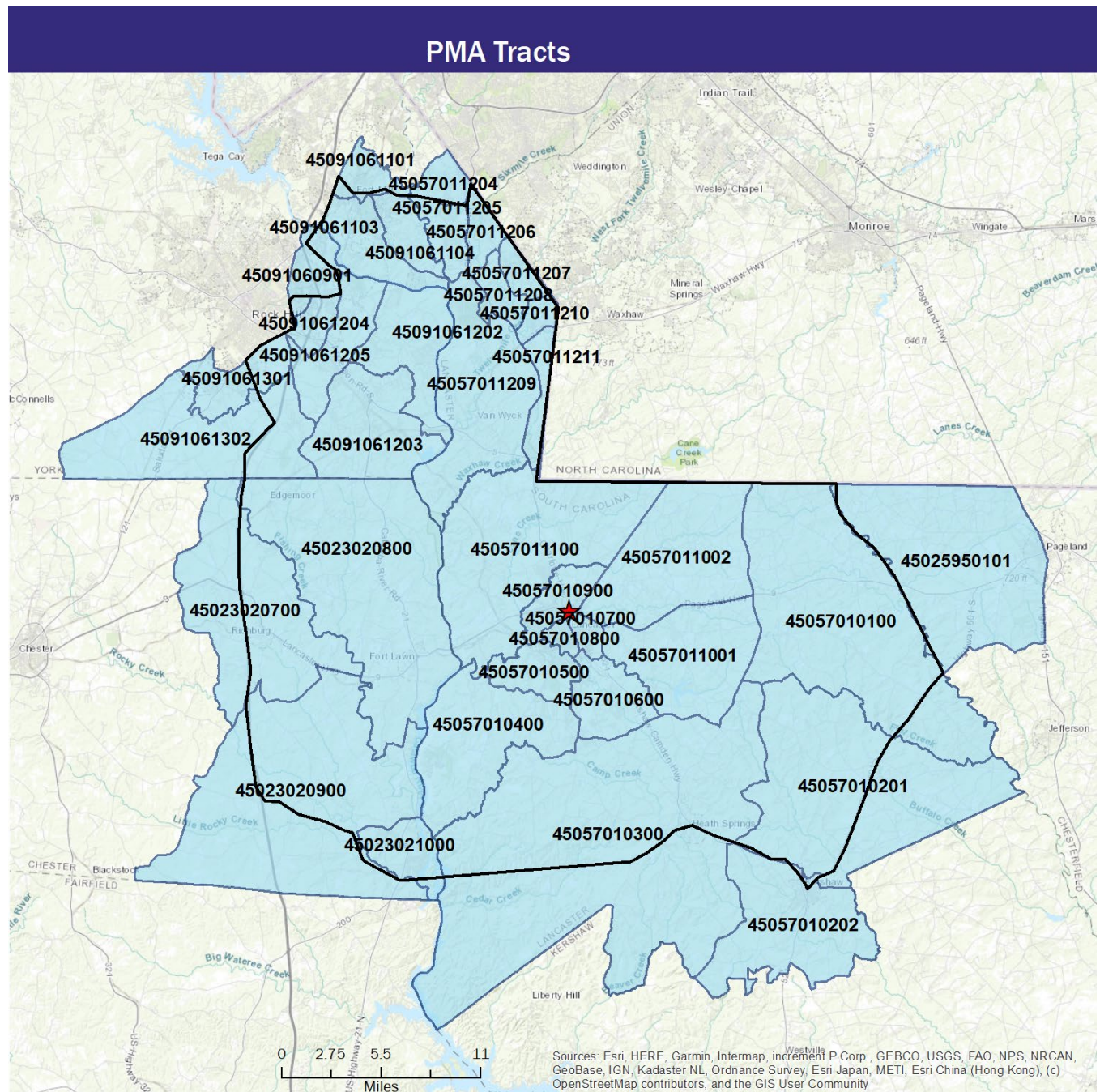
CENSUS TRACTS IN PMA			
450230207.00	450570104.00	450570112.04	450910611.01
450230208.00	450570105.00	450570112.05	450910611.03
450230209.00	450570106.00	450570112.06	450910611.04
450230210.00	450570107.00	450570112.07	450910612.02
450259501.01	450570108.00	450570112.08	450910612.03
450570101.00	450570109.00	450570112.09	450910612.04
450570102.01	450570110.01	450570112.10	450910612.05
450570102.02	450570110.02	450570112.11	450910613.01
450570103.00	450570111.00	450910609.01	450910613.02

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

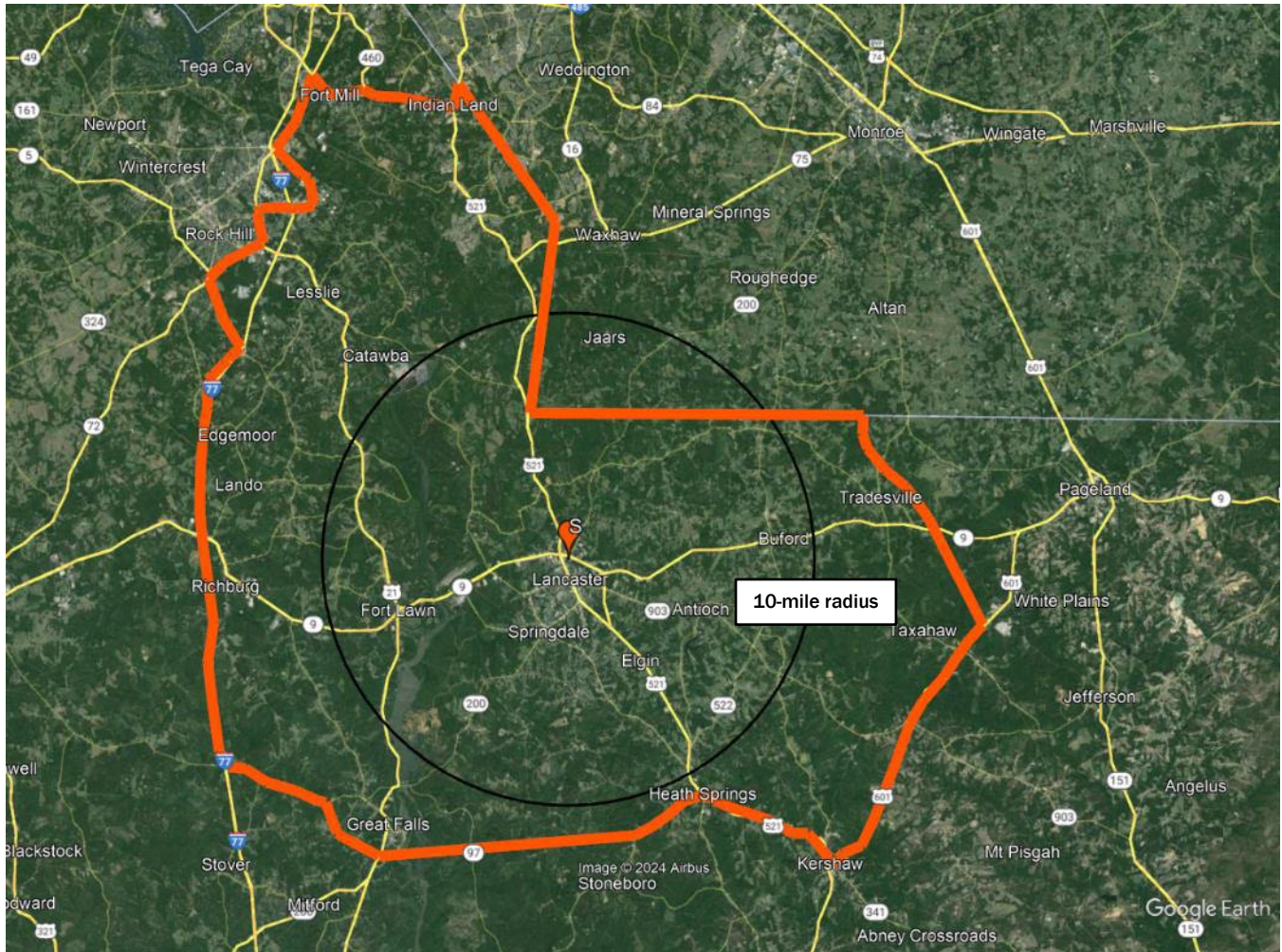
The secondary market area (SMA) for the Subject is the Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area (MSA), which consists of the following counties: Chester, Lancaster, and York in South Carolina; Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, and Union in North Carolina. The MSA is approximately 8,300 square miles in total size.

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

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

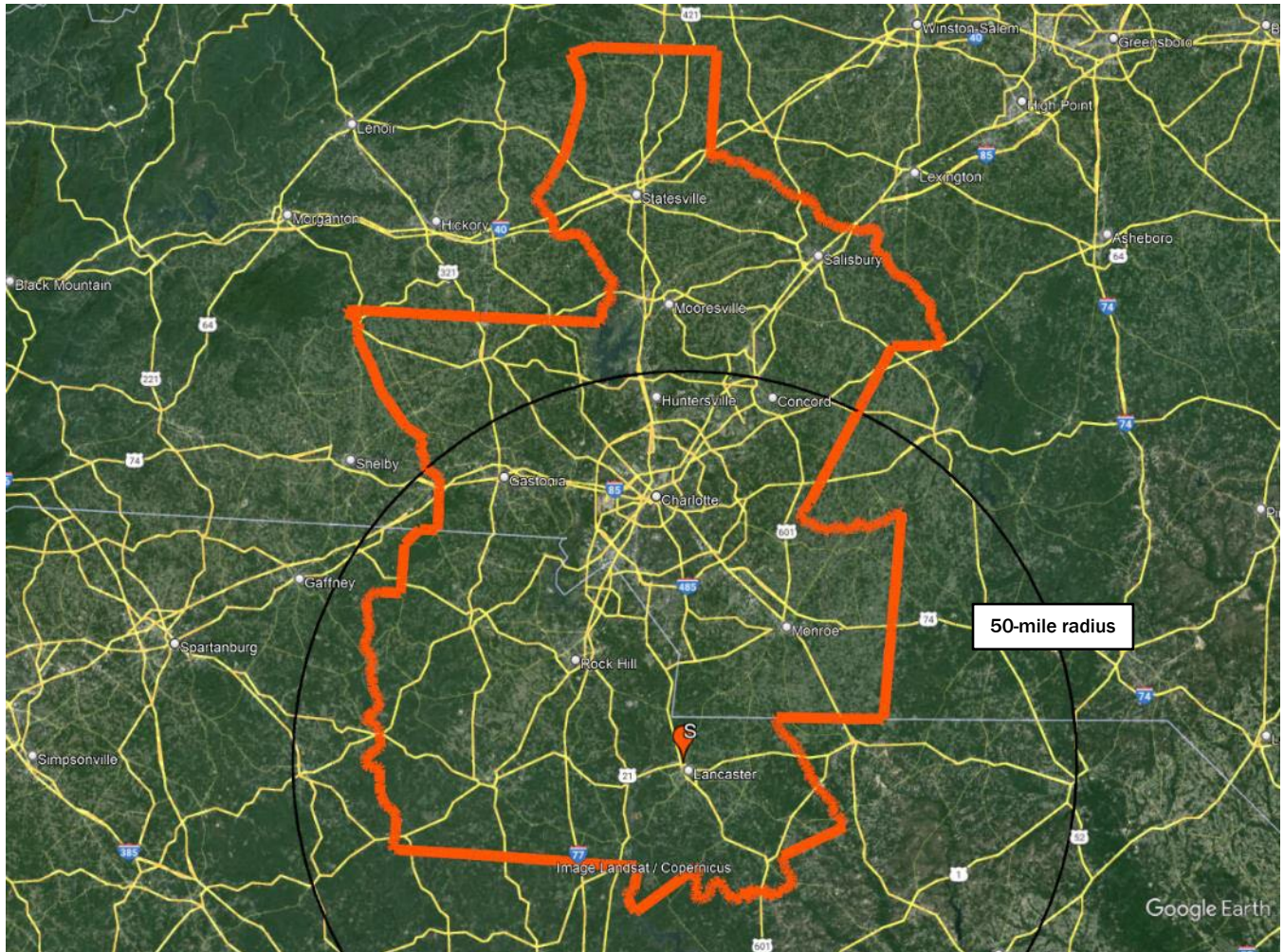


Primary Market Area Map



Source: Google Earth, May 2024

Secondary Market Area Map



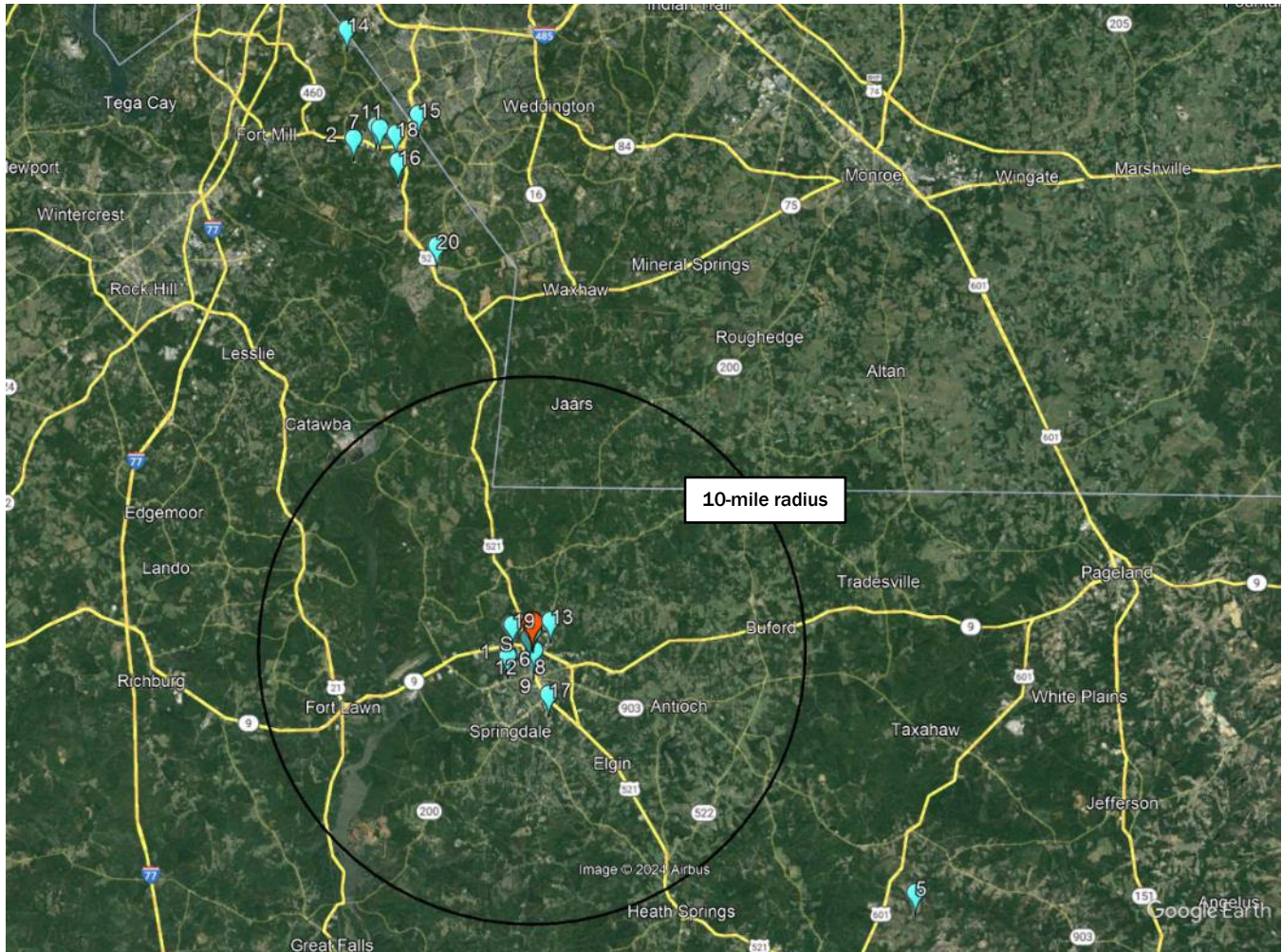
Source: Google Earth, May 2024

E. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

The following map illustrates the Subject's location compared to major employment centers in the surrounding areas. It should be noted that some major employers are based at various locations or stores and are not shown on this map.



Source: Google Earth, May 2024

MAJOR EMPLOYERS

Lancaster County, SC

#	Employer Name	Industry
1	CMHA Primary Care Facilities	Healthcare
2	Continental Tire	Wholesale/Distribution
3	Food Lion	Retail
4	Founders Federal Credit Union	Financial Services
5	Haile Gold Mine Inc.	Mining
6	Kanawha Insurance Company	Financial Services
7	Keer America Corporation	Manufacturing
8	Lancaster County	Government
9	Lancaster County School District	Education
10	Medical University of SC Hospital Authority	Healthcare
11	Movement Mortgage LLC	Financial Services
12	Newbold Services - Lancaster	Facilities Services
13	Nutramax Manufacturing	Manufacturing
14	Pci Group	Communications
15	Rbus Inc	Consulting Services
16	Remac Corporation	Manufacturing
17	The Budd Group	Facilities Services
18	TriNet USA	Professional/Scientific/Technical Services
19	Wal-Mart	Retail
20	Watercrest Community Management	Social Assistance

Source: SC Department of Employment & Workforce 2024 Q2, retrieved May 2024

Employment by Industry

The following table illustrates employment by industry for the PMA and the nation.

2023 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	9,949	16.4%	16,269,811	10.0%
Healthcare/Social Assistance	7,038	11.6%	22,115,876	13.6%
Retail Trade	5,803	9.6%	16,983,329	10.4%
Finance/Insurance	4,895	8.1%	8,135,144	5.0%
Educational Services	4,767	7.8%	14,946,247	9.2%
Construction	4,161	6.9%	11,436,301	7.0%
Prof/Scientific/Tech Services	3,824	6.3%	13,955,403	8.6%
Transportation/Warehousing	3,351	5.5%	9,030,239	5.5%
Admin/Support/Waste Mgmt Svcs	3,253	5.4%	7,195,078	4.4%
Accommodation/Food Services	3,212	5.3%	10,883,169	6.7%
Other Services	3,174	5.2%	7,645,568	4.7%
Public Administration	1,647	2.7%	7,857,180	4.8%
Wholesale Trade	1,226	2.0%	3,029,965	1.9%
Real Estate/Rental/Leasing	1,187	2.0%	2,901,274	1.8%
Arts/Entertainment/Recreation	1,054	1.7%	3,578,110	2.2%
Utilities	895	1.5%	1,335,595	0.8%
Information	828	1.4%	3,143,826	1.9%
Mining	191	0.3%	572,355	0.4%
Agric/Forestry/Fishing/Hunting	147	0.2%	1,800,335	1.1%
Mgmt of Companies/Enterprises	129	0.2%	216,588	0.1%
Total Employment	60,731	100.0%	163,031,393	100.0%

Source: Esri Demographics 2023, Novogradac, May 2024

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 37.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, finance/insurance, and admin/support/waste management services industries. Conversely, the PMA is underrepresented in the professional/scientific/technical services, public administration, and healthcare/social assistance industries.

The following table illustrates the changes in employment by industry from 2000 to 2023 in the PMA.

2010-2023 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2023		2010-2023	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	9,510	22.7%	9,949	16.4%	439	0.4%
Healthcare/Social Assistance	4,210	10.1%	7,038	11.6%	2,828	5.2%
Retail Trade	5,474	13.1%	5,803	9.6%	329	0.5%
Finance/Insurance	1,486	3.6%	4,895	8.1%	3,409	17.6%
Educational Services	2,959	7.1%	4,767	7.8%	1,808	4.7%
Construction	4,274	10.2%	4,161	6.9%	-113	-0.2%
Prof/Scientific/Tech Services	1,336	3.2%	3,824	6.3%	2,488	14.3%
Transportation/Warehousing	1,374	3.3%	3,351	5.5%	1,977	11.1%
Admin/Support/Waste Mgmt Svcs	1,555	3.7%	3,253	5.4%	1,698	8.4%
Accommodation/Food Services	1,702	4.1%	3,212	5.3%	1,510	6.8%
Other Services	1,803	4.3%	3,174	5.2%	1,371	5.8%
Public Administration	1,396	3.3%	1,647	2.7%	251	1.4%
Wholesale Trade	1,566	3.7%	1,226	2.0%	-340	-1.7%
Real Estate/Rental/Leasing	523	1.3%	1,187	2.0%	664	9.8%
Arts/Entertainment/Recreation	605	1.4%	1,054	1.7%	449	5.7%
Utilities	538	1.3%	895	1.5%	357	5.1%
Information	955	2.3%	828	1.4%	-127	-1.0%
Mining	21	0.1%	191	0.3%	170	62.3%
Agric/Forestry/Fishing/Hunting	406	1.0%	147	0.2%	-259	-4.9%
Mgmt of Companies/Enterprises	110	0.3%	129	0.2%	19	1.3%
Total Employment	41,803	100.0%	60,731	100.0%	18,928	3.5%

Source: Esri Demographics 2023, Novogradac, May 2024

*Industry data current as of 2010. Other projections current as of 2023.

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

Total employment in the PMA increased at an annualized rate of 3.5 percent between 2010 and 2023. The industries which expanded most substantially during this period include finance/insurance, healthcare/social assistance, and professional/scientific/technical services. Conversely, the wholesale trade, agriculture/forestry/fishing/hunting, and information sectors experienced the least growth.

Manufacturing

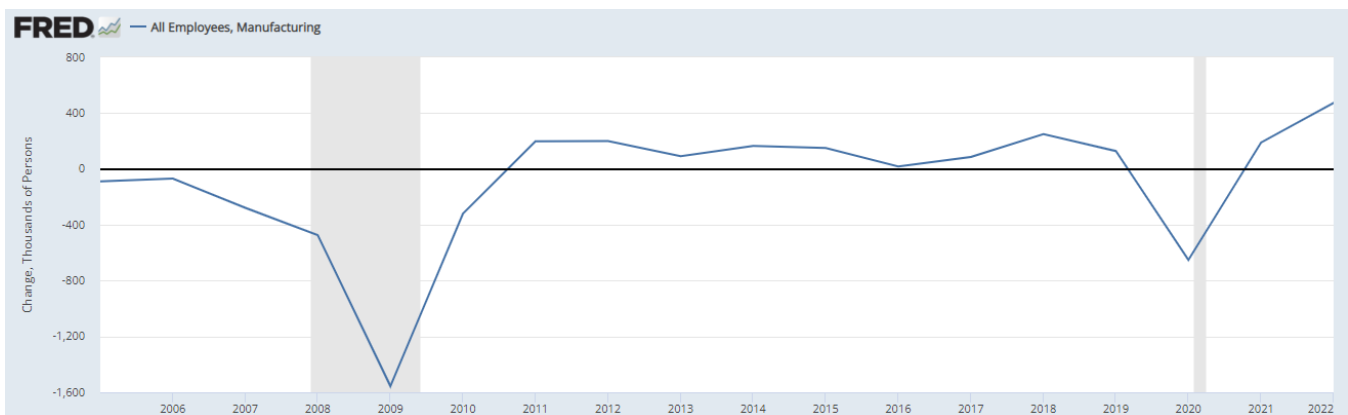
In the years preceding the COVID-19 pandemic, manufacturing in the U.S. grew at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Over the past fifty years employment within the U.S. manufacturing sector has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

Manufacturing employment peaked in 1979 with approximately 20,000,000 persons employed in the sector. This compares to approximately 13,000,000 in 2022. This decrease stretches over fifty years and is the product of globalization. Competition from more inexpensive labor and infrastructure gains in many foreign countries yielded greater competition for those employed in manufacturing. This disadvantage was somewhat pronounced in the period from 1980 to 2000. Foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. The pace of job losses accelerated in the early 2000s and

then again during the recession of 2010. However, as global markets became more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation. Interestingly, after the 2010 recession manufacturing employment began a period of moderate growth until the COVID-19 pandemic recession.

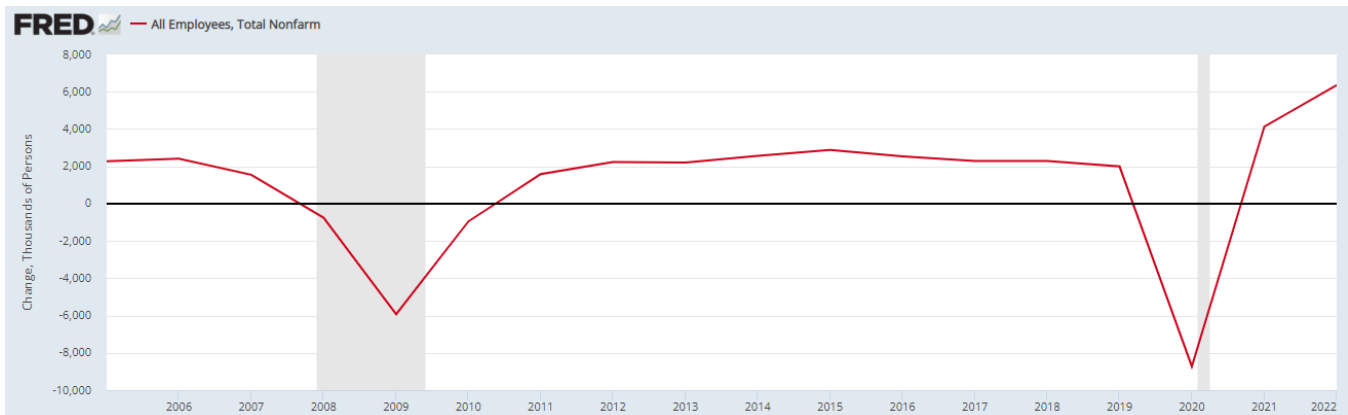
Employment is the focus of our analysis as it is a key input into housing demand. Growth in economic output and employment levels have not been equivalent as technological and productivity gains allowed manufacturers to increase per employee output. According to a November 18, 2016, article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth, leading to a disconnect between economic output and employment growth. Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for 10.8 percent of the U.S. economy in 2020 and as a major source of employment for the MSA, manufacturing employment should continue to be monitored closely.

The following graphs detail total employment trends in both manufacturing and all industries (non-farm) in the nation since 2005.



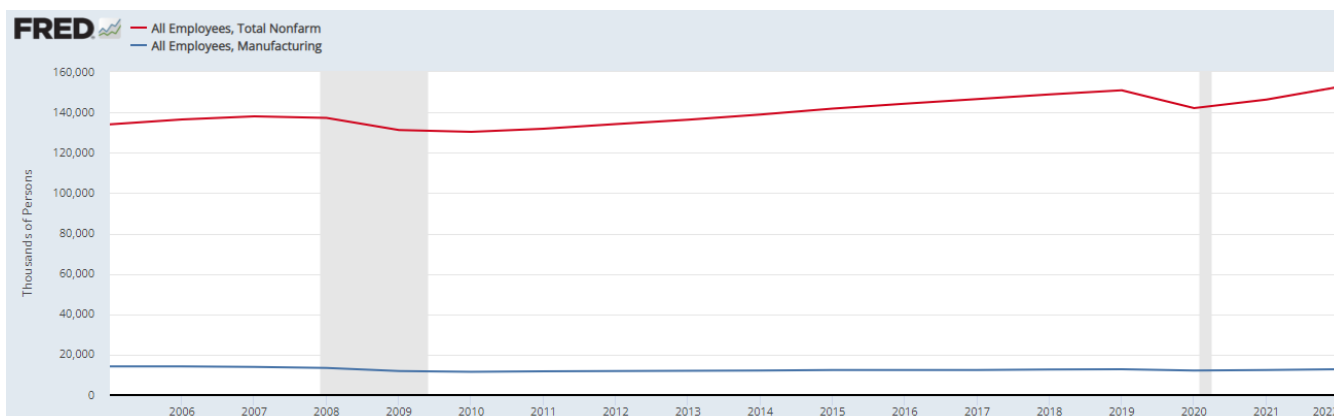
Source: Federal Reserve Bank of St. Louis, 3/2023.

Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.

Note: Shaded area indicates U.S. recessions.

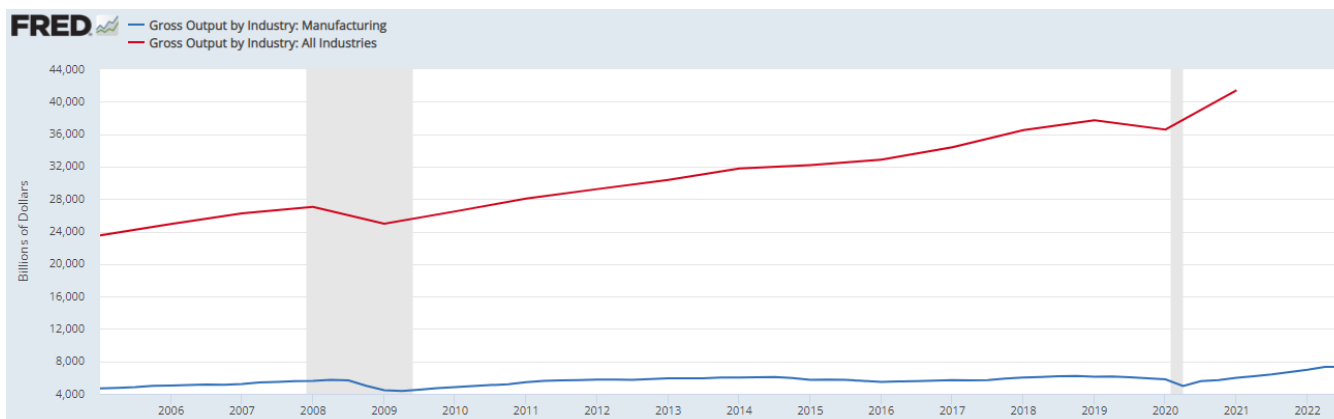


Source: Federal Reserve Bank of St. Louis, 3/2023.

Note: Shaded area indicates U.S. recessions.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the previous national recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. From the end of the recession and before the onset of the COVID-19 pandemic, total employment in non-farm industries steadily increased, though the manufacturing sector experienced a slower recovery than other non-farm industries. At the onset of the COVID-19 pandemic, employment in all industries, except farming, declined sharply. Employment sharply increased after the initial decline and is continuing to increase. Employment for all industries except farming has increased above 2012-2019 levels, but employment increases in manufacturing has increased at a slower rate and is marginally above 2019 levels.

The following graphs illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 3/2023.

Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.

Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 15 percent of the gross output of all private industries as of 2020. Manufacturing output surpassed pre-recessionary output levels in 2011, three years following the national recession. However, manufacturing output decreased for both 2015 and 2016, increased in 2017 and 2018, but then decreased in 2019 immediately preceding the pandemic. All industries and manufacturing output have reached a new peak in 2021 and 2022 during the pandemic recovery. A 2023 Deloitte manufacturing outlook report indicates “US manufacturing has demonstrated continued strength in 2022, building on the momentum it gained emerging from the pandemic, and surpassing expectations from the prior two years. Policy initiatives such as the Creating Helpful Incentives to Produce Semiconductors for America Act (CHIPS Act) and Inflation Reduction Act (IRA) have the potential to help sustain recovery in the manufacturing industry.” This report anticipates a 2.5 percent growth in GDP in the manufacturing industry.

While the rebound in manufacturing output following the short recession resulting from the onset of the COVID-19 pandemic is noteworthy, this has not necessarily turned into significant job creation for the national economy. Job creation in the manufacturing sector continues to lag the overall economy. A 2021 article from Deloitte highlights some of the long-term challenges the manufacturing sector is facing. These challenges include a shortage of skilled employees, supply chain instability, and cybersecurity threats. Overall, we believe it is reasonable to assume that Lancaster County, similar to the rest of the nation, will continue to be negatively impacted by automation and other challenges in the manufacturing sector, leading to a continued decline in manufacturing employment.

Major Employers

The following table details major employers in Lancaster County. It should be noted that the number of employees was not available, and the following list is alphabetical and does not necessarily indicate the order of major employers by total employment.

MAJOR EMPLOYERS

Lancaster County, SC

Employer Name	Industry
CMHA Primary Care Facilities	Healthcare
Continental Tire	Wholesale/Distribution
Food Lion	Retail
Founders Federal Credit Union	Financial Services
Haile Gold Mine Inc.	Mining
Kanawha Insurance Company	Financial Services
Keer America Corporation	Manufacturing
Lancaster County	Government
Lancaster County School District	Education
Medical University of SC Hospital Authority	Healthcare
Movement Mortgage LLC	Financial Services
Newbold Services - Lancaster	Facilities Services
Nutramax Manufacturing	Manufacturing
Pci Group	Communications
Rbus Inc	Consulting Services
Remac Corporation	Manufacturing
The Budd Group	Facilities Services
TriNet USA	Professional/Scientific/Technical Services
Wal-Mart	Retail
Watercrest Community Management	Social Assistance

Source: SC Department of Employment & Workforce 2024 Q2, retrieved May 2024

Lancaster County's major employers are primarily concentrated within the healthcare, retail, financial services, and manufacturing sectors. The healthcare and financial services sectors represent historically stable industries, while the retail and manufacturing sectors are more volatile during economic downturns. Overall, we believe the diverse mix of industries in typically stable sectors bodes well for the local area economy.

Expansions/Contractions

We contacted the County of Lancaster Economic Development Director, in order to gather information about economic expansions in the city; however, the Economic Development Director stated that they do not maintain records of business expansions or have a research department. Therefore, we conducted our own research into economic expansions in the area. We used the South Carolina I-77 Alliance website, an economic development agency. Notable expansions include, but are not limited to, the following:

- It was announced in May 2023 that Snider Fleet Solutions will be relocating its headquarters offices to Lancaster County. The investment in the company is \$6.9 million dollars and it is forecast to create 167 jobs.
- It was announced in March 2022, FROMM Group is expanding in Lancaster County. The investment in the company is \$34.6 million dollars and it is forecast to create 63 jobs. The expansion was completed in March 2023.
- It was announced in June 2022, Nutramax Laboratories is expanding into Indian Land area, in Lancaster County. The company already has three existing locations in Lancaster, and the new expansion created approximately 200 new jobs. The company
- It was announced in January 2022, Chief Buildings which is a subsidiary of Chief Industries has a new operation site in Lancaster. Operations started to be online in October 2022. In the next five years, the company's \$22.1 million investment will create approximately 102 new jobs.

WARN Notices

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the South Carolina Economic Development Department for January 2021 to year-to-date 2024. During this period, there have been no WARN filings in Lancaster County.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Charlotte-Concord-Gastonia, NC-SC MSA. As such, the following table details employment and unemployment trends for the Charlotte-Concord-Gastonia, NC-SC MSA from 2008 to 2024 (through March).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Charlotte-Concord-Gastonia, NC-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2008	1,020,753	-	6.6%	-	145,363,000	-	5.8%	-
2009	966,977	-5.3%	12.3%	5.7%	139,878,000	-3.8%	9.3%	3.5%
2010	1,012,597	4.7%	11.6%	-0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	1,036,870	2.4%	10.6%	-1.0%	139,869,000	0.6%	9.0%	-0.7%
2012	1,071,281	3.3%	9.4%	-1.2%	142,469,000	1.9%	8.1%	-0.9%
2013	1,097,007	2.4%	7.6%	-1.8%	143,929,000	1.0%	7.4%	-0.7%
2014	1,133,169	3.3%	6.0%	-1.6%	146,305,000	1.7%	6.2%	-1.2%
2015	1,172,526	3.5%	5.4%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	1,213,116	3.5%	4.8%	-0.6%	151,436,000	1.7%	4.9%	-0.4%
2017	1,236,766	1.9%	4.3%	-0.6%	153,337,000	1.3%	4.4%	-0.5%
2018	1,264,009	2.2%	3.7%	-0.5%	155,761,000	1.6%	3.9%	-0.4%
2019	1,300,480	2.9%	3.5%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020	1,233,058	-5.2%	7.2%	3.6%	147,795,000	-6.2%	8.1%	4.4%
2021	1,299,759	5.4%	4.6%	-2.5%	152,581,000	3.2%	5.4%	-2.7%
2022	1,379,196	6.1%	3.5%	-1.2%	158,291,000	3.7%	3.7%	-1.7%
2023	1,410,817	2.3%	3.2%	-0.2%	161,037,000	1.7%	3.6%	0.0%
2024 YTD Average*	1,408,335	-0.2%	3.6%	0.3%	160,440,333	-0.4%	4.1%	0.4%
Mar-2023	1,405,060	-	3.3%	-	160,741,000	-	3.6%	-
Mar-2024	1,415,533	0.7%	3.6%	0.3%	161,356,000	0.4%	3.9%	0.3%

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

*2024 data is through March

Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years before the overall nation. Between 2012 and 2019, employment growth in the MSA exceeded the nation in every year. Employment in the MSA declined sharply by 4.9 percent in 2020 amid the pandemic, compared to 6.2 percent across the overall nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of March 2024, employment in the MSA is increasing at an annualized rate of 0.7 percent, compared to 0.4 percent growth across the nation.

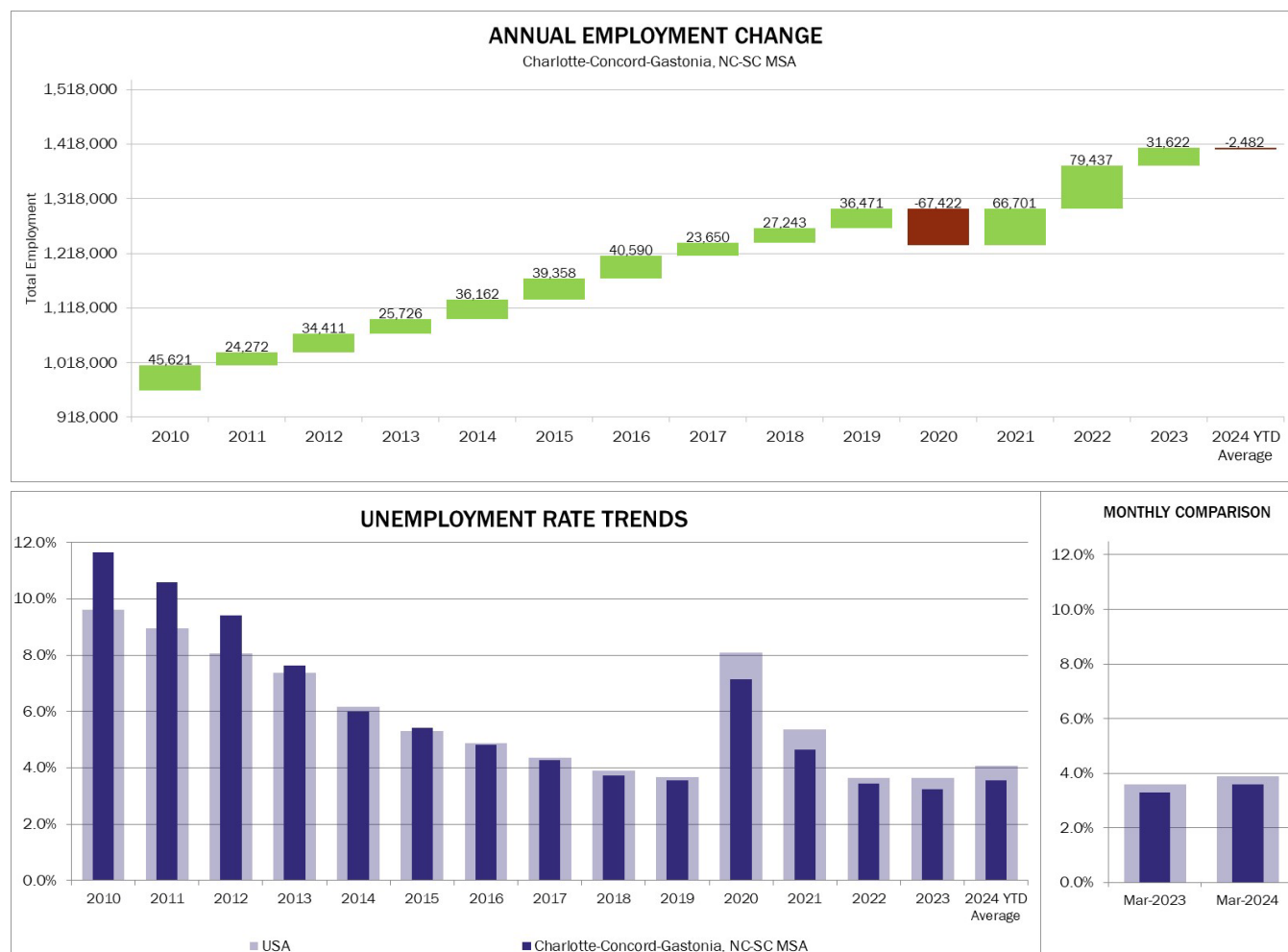
The MSA unemployment rate increased modestly by 3.6 percentage points in 2020 amid the pandemic-induced recession, reaching a high of 7.1 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated March 2024, the current MSA unemployment rate is 3.6 percent. This is well below the highs of 2020, and slightly below the current national unemployment rate of 3.9 percent. We believe that the performance of the MSA economy is a positive indication of future housing demand in the region.

It should be noted that increasing inflation and rising interest rates have created an uncertain economic climate. In March 2024, the Federal Reserve announced interest rates will be held between 5.25 and 5.50 percent for the fourth consecutive meeting. The last interest rate hike was in July 2023, which marked the 11th increase since March 2022 and the highest target policy rate in 22 years. The committee stated it intends to maintain interest rates at the current level until there is more certainty that inflation is trending down

towards its 2.0 percent goal. According to the 12-month percentage of change in the consumer price index, the inflation rate increased 3.5 percent between March 2023 and March 2024, which was slightly above the 3.2 percent increase between February 2023 and February 2024. According to an article published by CNBC in March 2024, the Federal Reserve’s policymakers expect to cut the benchmark rate to 4.6 percent by the end of 2024. The Federal Reserve Chair Jerome Powell stated in March 2024 that inflation is not far from where it needs to be. Moreover, the National Association for Business Economics released its economic forecast in February 2024, and expects the national economy to expand by 2.2 percent in 2024. This figure is up from the previous 2024 expansion forecast of 1.3 percent released in November 2023. According to an article published by CNN in March 2024, the Federal Reserve’s policymakers do not foresee a recession in 2024, 2025 or 2026, and economic growth is expected to be stronger than previously thought.

In March 2023, Silicon Valley Bank was shut down by regulators, and represented the second largest U.S. bank failure since 2008. A second bank, Signature Bank, was also shut down shortly thereafter. In May 2023 regulators took possession of First Republic Bank, and it was auctioned to JPMorgan Chase. The First Republic Bank failure represented the largest U.S. Bank failure since 2008. In an article published by CNN on May 1, 2023, JPMorgan Chase CEO Jamie Dimon state the recent bank failures are unlikely to worsen the U.S. economic outlook. According to a survey published by the World Economic Forum on May 2, 2023, approximately 70 percent of chief economists surveyed characterized the recent banking crises as isolated events rather than signs of systemic weaknesses.

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



Housing and Economy

There are numerous LIHTC (without subsidy) and subsidized properties in the PMA. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low-income renters is considered limited.

As noted prior, as of March 2024, the unemployment rate in the MSA is 3.6 percent, which is lower than the current national unemployment rate of 3.9 percent.

According to Zillow, the median home value in Lancaster is \$278,955, up 4.8 percent from one year ago (April 2023). This indicates that, like many markets across the country, the supply of homes is constrained, and many families will begin to or continue to rent. As such, the demand for rental units is anticipated to continue, particularly for low income units such as the Subject's.

Commuting Patterns

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

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,483	3.7%
Travel Time 5-9 min	2,989	7.4%
Travel Time 10-14 min	6,075	15.0%
Travel Time 15-19 min	5,526	13.6%
Travel Time 20-24 min	4,674	11.5%
Travel Time 25-29 min	2,373	5.9%
Travel Time 30-34 min	4,989	12.3%
Travel Time 35-39 min	1,638	4.0%
Travel Time 40-44 min	1,718	4.2%
Travel Time 45-59 min	4,038	10.0%
Travel Time 60-89 min	3,592	8.9%
Travel Time 90+ min	1,433	3.5%
Weighted Average	31 minutes	

Source: US Census 2023, Novogradac, May 2024

As shown in the preceding table, the average travel time is 31 minutes. Approximately 51.2 percent of households within the PMA have commute times of less than 25 minutes, indicating that a slight majority of PMA commuters work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and educational services industries, which collectively comprise 43.6 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. For the 12-month period ending in March 2024 the SMA exhibited a 2.1 percent increase in employment, which compares to a 0.4 percent increase in national employment for the same period of analysis. However, total employment in the SMA remains below historic highs. We believe that growing local employment is a positive indication of housing demand. Though we note that smaller, more rural employment markets can experience disproportionate fluctuations in employment during any future economic downturns.

F. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Charlotte-Concord-Gastonia, NC-SC MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and the MSA. Construction on the Subject is anticipated to be completed in August 2026, which will be used as the estimated market entry time in this section of the report according to SCHFDA guidelines.

Population Trends

The following tables illustrate Total Population, Population by Age Group within the population in the MSA, the PMA and nationally from 2010 through 2028.

Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2010 through 2028.

POPULATION						
Year	PMA		Charlotte-Concord-Gastonia, NC-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	109,130	-	2,243,837	-	308,730,056	-
2023	142,065	2.3%	2,798,267	1.9%	337,460,311	0.7%
Projected Mkt Entry August 2026	148,019	1.4%	2,882,232	1.0%	340,647,992	0.3%
2028	151,720	1.4%	2,934,426	1.0%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac, May 2024

The PMA exhibited population growth from 2010 to 2023, and grew at a rate faster than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.4 percent through market entry and 2028, continuing to surpass the rate of growth in the MSA and above the overall nation. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject's proposed units.

Total Population by Age Group

The following table illustrates the total population within the PMA and MSA from 2010 to 2028.

POPULATION BY AGE GROUP

Age Cohort	PMA			
	2010	2023	Projected Mkt Entry August 2026	2028
0-4	7,335	7,889	8,207	8,405
5-9	7,052	8,729	8,824	8,883
10-14	7,225	9,173	9,566	9,810
15-19	7,235	8,063	8,670	9,048
20-24	6,111	7,114	7,227	7,297
25-29	6,304	8,684	8,213	7,921
30-34	6,766	9,223	9,299	9,346
35-39	7,699	8,722	9,672	10,262
40-44	7,910	9,144	9,290	9,380
45-49	8,356	8,921	9,355	9,625
50-54	7,789	9,412	9,376	9,353
55-59	7,158	9,556	9,706	9,800
60-64	7,034	9,589	9,666	9,714
65-69	5,592	8,897	9,300	9,550
70-74	3,838	8,086	8,296	8,426
75-79	2,579	5,577	6,594	7,226
80-84	1,707	3,080	4,019	4,602
85+	1,440	2,208	2,740	3,071
Total	109,130	142,067	148,019	151,719
Charlotte-Concord-Gastonia, NC-SC MSA				
Age Cohort				
	2010	2023	Projected Mkt Entry August 2026	2028
0-4	157,468	166,414	172,724	176,646
5-9	162,302	182,447	183,667	184,425
10-14	159,342	189,054	192,195	194,148
15-19	153,370	179,767	183,223	185,372
20-24	137,813	169,463	173,350	175,767
25-29	153,214	189,134	190,883	191,970
30-34	157,451	194,602	201,566	205,895
35-39	173,114	195,508	205,431	211,600
40-44	172,449	197,101	198,339	199,108
45-49	171,242	183,552	189,993	193,997
50-54	155,138	181,981	179,253	177,558
55-59	131,488	173,154	173,956	174,455
60-64	114,629	167,254	165,318	164,115
65-69	83,071	145,780	152,057	155,959
70-74	57,881	119,608	126,230	130,347
75-79	43,296	78,840	92,877	101,603
80-84	31,777	45,703	56,561	63,311
85+	28,792	38,905	44,606	48,150
Total	2,243,837	2,798,267	2,882,232	2,934,426

Source: Esri Demographics 2023, Novogradac, May 2024

The population in the PMA as of 2023 is concentrated in the age groups of 60 to 64, 55 to 59, and 50 to 54. Outside of these age groups, the 30 to 34, 10 to 14, and 40 to 44 age groups are the largest groups in the PMA. The largest age groups are expected to remain similar through 2028.

HOUSEHOLD TRENDS

The following tables illustrate Total Households and Average Household Size, Household Tenure, Households by Income, Renter Households by Size in the PMA, MSA and nationally from 2010 through 2028.

Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2010 through 2028.

HOUSEHOLDS

Year	PMA		Charlotte-Concord-Gastonia, NC-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	41,781	-	858,456	-	116,709,667	-
2023	55,687	2.5%	1,092,620	2.1%	129,912,564	0.9%
Projected Mkt Entry August 2026	58,423	1.6%	1,130,316	1.1%	131,873,732	0.5%
2028	60,123	1.6%	1,153,748	1.1%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac, May 2024

AVERAGE HOUSEHOLD SIZE

Year	PMA		Charlotte-Concord-Gastonia, NC-SC MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	2.59	-	2.57	-	2.57	-
2023	2.52	-0.2%	2.52	-0.1%	2.53	-0.1%
Projected Mkt Entry August 2026	2.50	-0.2%	2.51	-0.1%	2.52	-0.2%
2028	2.49	-0.2%	2.51	-0.1%	2.51	-0.2%

Source: Esri Demographics 2023, Novogradac, May 2024

The PMA exhibited household growth from 2010 through 2023, and grew at a faster rate compared to the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.6 percent through market entry and 2028, continuing to surpass the rate of growth in the MSA and above the overall nation.

The average household size in the PMA is generally similar to that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA and all other areas of analysis are projected to decrease slightly through market entry and 2028.

Households by Tenure

The table below depicts household growth by tenure from 2010 through 2028.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	31,410	75.2%	10,371	24.8%
2023	44,160	79.3%	11,527	20.7%
Projected Mkt Entry August 2026	46,816	80.1%	11,607	19.9%
2028	48,467	80.6%	11,656	19.4%

Source: Esri Demographics 2023, Novogradac, May 2024

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than in the nation. This percentage is projected to decrease slightly through market entry and 2028 however, the total number of renter households is projected to increase during this time.

Household Income

The following table depicts renter household income in the PMA and MSA in 2023, market entry, and 2028.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2023		Projected Mkt Entry August 2026		2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,406	12.2%	1,317	11.3%	1,261	10.8%
\$10,000-19,999	1,848	16.0%	1,674	14.4%	1,566	13.4%
\$20,000-29,999	1,824	15.8%	1,620	14.0%	1,493	12.8%
\$30,000-39,999	1,464	12.7%	1,415	12.2%	1,385	11.9%
\$40,000-49,999	818	7.1%	861	7.4%	888	7.6%
\$50,000-59,999	739	6.4%	755	6.5%	765	6.6%
\$60,000-74,999	1,025	8.9%	1,017	8.8%	1,012	8.7%
\$75,000-99,999	632	5.5%	700	6.0%	742	6.4%
\$100,000-124,999	392	3.4%	446	3.8%	479	4.1%
\$125,000-149,999	470	4.1%	595	5.1%	672	5.8%
\$150,000-199,999	489	4.2%	638	5.5%	731	6.3%
\$200,000+	420	3.6%	569	4.9%	662	5.7%
Total	11,527	100.0%	11,607	100.0%	11,656	100.0%

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, May 2024

RENTER HOUSEHOLD INCOME DISTRIBUTION - Charlotte-Concord-Gastonia, NC-SC MSA

Income Cohort	2023		Projected Mkt Entry August 2026		2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	36,012	9.6%	35,036	9.0%	34,430	8.6%
\$10,000-19,999	45,619	12.1%	43,121	11.0%	41,568	10.4%
\$20,000-29,999	48,586	12.9%	46,916	12.0%	45,878	11.4%
\$30,000-39,999	45,411	12.1%	44,046	11.3%	43,198	10.8%
\$40,000-49,999	37,370	9.9%	38,579	9.9%	39,330	9.8%
\$50,000-59,999	32,366	8.6%	32,964	8.4%	33,336	8.3%
\$60,000-74,999	35,024	9.3%	37,234	9.5%	38,608	9.6%
\$75,000-99,999	35,153	9.4%	38,475	9.8%	40,540	10.1%
\$100,000-124,999	20,381	5.4%	23,472	6.0%	25,394	6.3%
\$125,000-149,999	13,256	3.5%	16,320	4.2%	18,224	4.5%
\$150,000-199,999	13,624	3.6%	17,354	4.4%	19,673	4.9%
\$200,000+	13,039	3.5%	17,763	4.5%	20,700	5.2%
Total	375,841	100.0%	391,281	100.0%	400,879	100.0%

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, May 2024

The Subject will target tenants earning between \$10,971 and \$55,380. As the table above depicts, approximately 51.7 percent of renter households in the PMA are earning incomes between \$10,000 and \$49,999, which is comparable to the 47.1 percent of renter households in the MSA in 2023. For the projected market entry date of August 2026, these percentages are projected to decrease to 48.0 percent and 44.1 percent for the PMA and MSA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2023, market entry and 2028. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2023		Projected Mkt Entry August 2026		2028	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	4,037	35.0%	4,097	35.3%	4,134	35.5%
2 Persons	3,036	26.3%	2,996	25.8%	2,971	25.5%
3 Persons	1,931	16.8%	1,958	16.9%	1,974	16.9%
4 Persons	1,535	13.3%	1,551	13.4%	1,561	13.4%
5+ Persons	988	8.6%	1,005	8.7%	1,016	8.7%
Total Households	11,527	100%	11,607	100%	11,656	100%

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, May 2024

The majority of renter households in the PMA are one to three-person households.

Rent Overburdened Households

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, MSA and nation.

RENT OVERBURDENED						
Year	PMA		Charlotte-Concord-Gastonia, NC-SC MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2023	3,217	32.4%	116,126	36.3%	16,448,785	40.3%

Source: Esri Demographics 2023, Novogradac, May 2024

The PMA as of 2023 has a lower percentage of rent overburdened households than the MSA and nation.

Conclusion

The PMA exhibited population growth from 2010 to 2023, and grew at a rate faster than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.4 percent through market entry and 2028, continuing to surpass the rate of growth in the MSA and above the overall nation. households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than in the nation. This percentage is projected to decrease slightly through market entry and 2028 however, the total number of renter households is projected to increase during this time. The median income in the PMA as of 2023 is similar to the MSA and overall nation. According to ESRI demographic projections, population, household, and number of renter households are all expected to rise through market entry and 2028. Overall, the combination of rising population and renter households bodes well for future demand for multifamily housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

The maximum allowable gross LIHTC rents are based upon a percentage of the Area Median Gross Income ("AMI"), adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates, which are published on SCSHFDA's website. The rents are calculated assuming that the maximum net rent a household will pay is 30 percent of its household income at the appropriate AMI level.

Based upon HUD's methodology, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number for family projects. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). For senior projects, the maximum household size is two persons.

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

The maximum income levels are determined by HUD and have been obtained from the Rent and Income Limits Guidelines Table as accessed from the SCSHFDA website.

2. Affordability

As discussed above, the maximum income is set by HUD, while the minimum income is based upon the minimum income needed to support affordability. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can be as high as 50 percent depending upon the market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@20%		@50%		@60%	
1BR	\$10,971	\$13,680	\$27,463	\$34,200	\$32,949	\$41,040
2BR	\$13,166	\$15,380	\$32,949	\$38,450	\$39,531	\$46,140
3BR	\$15,223	\$18,460	\$38,057	\$46,150	\$45,669	\$55,380

3. Total Demand

The demand for the Subject will be derived from three sources: existing renter households, new renter households, and elderly homeowners likely to convert to rentership (if project is senior). These calculations are illustrated below.

Demand from Existing Renter Households

First, we must calculate the total number of income qualified renter households in the PMA as of 2023. The following table details this calculation.

FAMILY INCOME DISTRIBUTION 2023															
Income Cohort	Total Renter Households	@20%			@50%			@60%			All Units				
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort		
\$0-9,999	1,406														
\$10,000-19,999	1,848	7,488	74.9%	1,384							7,488	74.9%	1,384		
\$20,000-29,999	1,824												2,536	25.4%	463
\$30,000-39,999	1,464												9,999	100.0%	1,464
\$40,000-49,999	818												9,999	100.0%	818
\$50,000-59,999	739												5,381	53.8%	398
\$60,000-74,999	1,025														
\$75,000-99,999	632														
\$100,000-124,999	392														
\$125,000-149,999	470														
\$150,000-199,999	489														
\$200,000+	420														
Total	11,527		12.0%	1,384		21.1%	2,430		19.5%	2,248		39.3%	4,526		

Demand for existing renter households is estimated by summing two sources of potential tenants. The first source is tenants who are rent overburdened. These are households who are paying over 35 percent (for family households) or 40 percent (for senior households) of their income in housing costs. The percentage of rent overburdened households from the most recent American Community Survey is applied to the number of existing income qualified renter households in the PMA.

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

Demand from New Households

The number of new renter households entering the market is the first level of demand calculated. We utilized August 2026 as the estimated date of market entry. Therefore, the August 2026 (market entry) renter household figures are estimated utilizing interpolation of the difference between 2023 base numbers and 2028 projections. We then apply the income qualified percentages detailed above to estimate the number of new income qualified renters in the PMA at each AMI level and overall.

Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per SCSHFDA guidelines, we limit demand from seniors who convert to homeownership to be at or below 20 percent of total demand. As the Subject will target family households we do not account for conversion from former senior homeowners.

Other

Per the SCSHFDA Qualified Allocation Plan (QAP) and Market Study Manual, SCSHFDA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

Total Demand Summary

DEMAND SUMMARY				
		As Proposed		
	@20%	@50%	@60%	Overall
NEW				
New Renter Households through Market Entry	80	80	80	80
Income-Qualified Percentage	12.0%	21.1%	19.5%	39.3%
Qualified New Renter Households	10	17	16	31
CURRENT				
Existing Renter Households	11,527	11,527	11,527	11,527
Income-Qualified Percentage	12.0%	21.1%	19.5%	39.3%
Existing Income-Qualified Renter Households	1,384	2,430	2,248	4,526
Percentage Rent-Overburdened	32.4%	32.4%	32.4%	32.4%
Existing Rent-Overburdened Households	449	788	729	1,468
Percentage Substandard Housing	1.4%	1.4%	1.4%	1.4%
Existing Substandard Housing Households	19	34	31	63
Percentage Senior Conversion	0%	0%	0%	0%
Existing Senior Converted Households	0	0	0	0
TOTAL				
Qualified New Renter Households	10	17	16	31
Existing Rent Overburdened Households	449	788	729	1,468
Existing Substandard Housing Households	19	34	31	63
Senior Converted Households	0	0	0	0
Total Demand	478	838	776	1,562

4. Net Demand

Per DCA guidance, we have also calculated net demand, which is total demand less the supply of competitive vacant or pipeline units.

Additions to Supply

SCSHFDA defines competitive units as those of a similar size and configuration that provide alternative housing to a similar tenant population at rent levels comparable to those proposed. Per SCSHFDA guidelines, we deduct all competitive units in properties that have not yet reached stabilized occupancy, including those recently funded by SCSHFDA, proposed for funding for a bond allocation from SCSHFDA, and existing or planned in conventional rental properties.

According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2020 to 2023, there has been one development allocated tax credits in the PMA. This is detailed in the following table.

RECENT LIHTC ALLOCATIONS IN PMA							
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Glenwood Falls	LIHTC	Family	48	48	2021	Existing	25.6 miles
Totals			48	48			

Source: SC Housing, May 2024

- Glenwood Falls, a 48-unit general tenancy LIHTC property in Fort Mill, South Carolina, was awarded LIHTC funding in 2021 for the renovation of the 2004-built property. The property is located 25.6 miles west of the Subject. The property is currently stabilized. Therefore, we do not deduct these units from our *Demand Analysis*.

Overall, we are aware no recent LIHTC developments that will be competitive with the proposed Subject.

The following table illustrates the total number of units removed based on SCSHFDA's criteria.

ADDITIONS TO SUPPLY				
Unit Type	20% AMI	50% AMI	60% AMI	Overall
1BR	0	0	0	0
2BR	0	0	0	0
3BR	0	0	0	0
Total	0	0	0	0

Rehab Developments

For any properties that are rehab developments, the capture rates will be based on the total number of units as it is an extraordinary assumption that all units at the property will need to be re-leased following rehabilitation.

Net Demand Summary

The following table details net demand for the Subject at each AMI level and overall.

NET DEMAND SUMMARY				
	@20%	@50%	@60%	Overall
Total Demand	478	838	776	1,562
Deduct Competitive Supply	0	0	0	0
Net Demand	478	838	776	1,562

5. Capture Rates by Bedroom Type

In accordance with SCSHFDA demand analysis requirements, we have further stratified demand, based upon size appropriate households by bedroom type.

We calculated all of our capture rates based on household size. SCSHFDA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to only consider larger household sizes. Our capture rates incorporate household size adjustments for all the Subject's units.

Number of Appropriate Sized Households

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed in the following table.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	Projected Mkt Entry August					
	2023		2026		2028	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	4,037	35.0%	4,097	35.3%	4,134	35.5%
2 Persons	3,036	26.3%	2,996	25.8%	2,971	25.5%
3 Persons	1,931	16.8%	1,958	16.9%	1,974	16.9%
4 Persons	1,535	13.3%	1,551	13.4%	1,561	13.4%
5+ Persons	988	8.6%	1,005	8.7%	1,016	8.7%
Total Households	11,527	100%	11,607	100%	11,656	100%

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, May 2024

Second, we made assumptions based on the average household size in the market in order to estimate the distribution of households by unit type. Following are these assumptions.

HOUSEHOLD DISTRIBUTION

1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
	30%	Of four-person households in 2BR units
3 BR	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

APPROPRIATE SIZED RENTER HOUSEHOLDS

Unit Type	Household Size	Renter Households by Size	% of Size Households for Unit Type	Qualified Households by Size
One-Bedroom Unit	1 Person	4,037	*	90.0% = 3,633
	2 Persons	+ 3,036	*	20.0% = 607
	3 Persons	+ 1,931	*	0.0% = 0
	4 Persons	+ 1,535	*	0.0% = 0
	5+ Persons	+ 988	*	0.0% = 0
	Total	=	36.8%	4,241
Two-Bedroom Unit	1 Person	4,037	*	10.0% = 404
	2 Persons	+ 3,036	*	80.0% = 2,429
	3 Persons	+ 1,931	*	60.0% = 1,159
	4 Persons	+ 1,535	*	30.0% = 461
	5+ Persons	+ 988	*	0.0% = 0
	Total	=	38.6%	4,452
Three-Bedroom Unit	1 Person	4,037	*	0.0% = 0
	2 Persons	+ 3,036	*	0.0% = 0
	3 Persons	+ 1,931	*	40.0% = 772
	4 Persons	+ 1,535	*	40.0% = 614
	5+ Persons	+ 988	*	50.0% = 494
	Total	=	16.3%	1,880
Total		11,527	91.7%	10,573

These percentages are then applied to the total demand previously calculated in order to estimate the distribution of demand by bedroom type for each AMI level. These calculations are detailed in the following table.

DISTRIBUTION OF TOTAL DEMAND

Distribution of Demand by Bedroom Type		@20%	@50%	@60%	Overall
Total Demand from Demand Summary		478	838	776	1,562
1BR	36.8%	176	308	285	575
2BR	38.6%	184	324	300	603
3BR	16.3%	78	137	127	255
Overall Total	91.7%	438	769	711	1,432

The yielded capture rates are presented in the following table.

CAPTURE RATE ANALYSIS CHART

AMI Level	Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate
20%	1BR	\$10,971	\$13,680	2	176	0	176	1.1%
	2BR	\$13,166	\$13,680	3	184	0	184	1.6%
	3BR	\$15,223	\$18,460	2	78	0	78	2.6%
Overall Total		\$10,971	\$18,460	7	438	0	438	1.6%
50%	1BR	\$27,463	\$34,200	3	308	0	308	1.0%
	2BR	\$32,949	\$34,200	6	324	0	324	1.9%
	3BR	\$38,057	\$46,150	3	137	0	137	2.2%
Overall Total		\$27,463	\$46,150	12	769	0	769	1.6%
60%	1BR	\$32,949	\$41,040	11	285	0	285	3.9%
	2BR	\$39,531	\$41,040	23	300	0	300	7.7%
	3BR	\$45,669	\$55,380	11	127	0	127	8.7%
Overall Total		\$32,949	\$55,380	45	711	0	711	6.3%
Overall	1BR	\$10,971	\$41,040	16	575	0	575	2.8%
	2BR	\$13,166	\$41,040	32	603	0	603	5.3%
	3BR	\$15,223	\$55,380	16	255	0	255	6.3%
Overall Total		\$10,971	\$55,380	64	1,432	0	1,432	4.5%

The Subject's capture rates are 1.6 percent at the 20 percent AMI level, 1.6 percent at the 50 percent AMI level, 6.3 percent at the 60 percent AMI level, and 4.5 percent overall. These capture rates are reasonable, and the overall capture rate is below the 30 percent capture rate threshold, and indicative of demand for the Subject.

Absorption

The following table details the absorption comparables, five of which we were able to identify.

ABSORPTION

Property Name	City	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Madison Place	Charlotte, NC	Market	Family	2022	215	14
Elan Indian Trail	Indian Trail, SC	Market	Family	2022	350	19
The Collins	Charlotte, NC	Market	Family	2021	350	19
Abbingtion Willow Lake*	Lancaster, SC	LIHTC	Family	2021	40	10
The Adair	Charlotte, NC	LIHTC	Family	2021	96	8
Average						14

*Utilized as a comparable property

We obtained absorption data from five properties, one of which is a comparable property used in this report, which reported absorption rates ranging from eight to 19 units per month, with an overall average of 14 units per month. We also consider the location of the absorption comparables, which are generally in faster growing markets in South Carolina and adjacent North Carolina. As such, we believe absorption toward the low end of the range is reasonable. Overall, we expect the proposed Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately six to seven months.

H. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

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

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Wildwood Springs (Fka Catawba Pointe)	LIHTC	Family	More proximate comparables available
Edgewood Apartments	LIHTC	Family	More proximate comparables available
Parr Place	LIHTC	Senior	Dissimilar tenancy
Oakleaf Senior Residences	LIHTC	Senior	Dissimilar tenancy
The Falls	LIHTC	Family	More proximate comparables available
Glenwood Falls Apartments	LIHTC	Family	More proximate comparables available
Azalea Gardens	LIHTC	Senior	Dissimilar tenancy
Chesterfield Villas Of Lancaster	LIHTC/RD-515	Senior	Dissimilar tenancy, rent-assisted
The Manor	LIHTC/RD-515	Senior	Dissimilar tenancy, rent-assisted
Melrose Lane Apartments	LIHTC/RD-516	Family	Rent-assisted
Knolwood Apartments	LIHTC/RD-516	Senior	Dissimilar tenancy, rent-assisted
Lancaster Manor	LIHTC/Section 8	Senior	Dissimilar tenancy, rent-assisted
Carobrook Commons	Market	Family	More proximate comparables available
Wylie Arms	Market	Family	Unable to contact
Carolina Place	Section 8	Senior/Disabled	Dissimilar tenancy, rent-assisted
Foxwood	Section 8	Family	Rent-assisted
Palmetto Place Apartments	Section 8	Family	Rent-assisted
The Glens	Section 8	Family	Rent-assisted
Lancaster Landing	Section 8	Senior/Disabled	Dissimilar tenancy, rent-assisted

Pipeline Construction/LIHTC Competition

We attempted to contact the City of Lancaster and Lancaster County Planning Department to obtain information regarding proposed or under construction developments in the PMA; however, as of the date of this report, our calls have not been returned. As such, we consulted a CoStar report and South Carolina State Housing Finance and Development Authority (SCSHFDA) allocation lists and identified one recently awarded property within the PMA.

According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2020 to 2023, there has been one development allocated tax credits in the PMA. This is detailed in the following table.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Glenwood Falls	LIHTC	Family	48	48	2021	Existing	25.6 miles
Totals			48	48			

Source: SC Housing, May 2024

- Glenwood Falls, a 48-unit general tenancy LIHTC property in Fort Mill, South Carolina, was awarded LIHTC funding in 2021 for the renovation of the 2004-built property. The property is located 25.6 miles west of the Subject. The property is currently stabilized. Therefore, we do not deduct these units from our *Demand Analysis*.

Overall, we are aware no recent LIHTC developments that will be competitive with the proposed Subject.

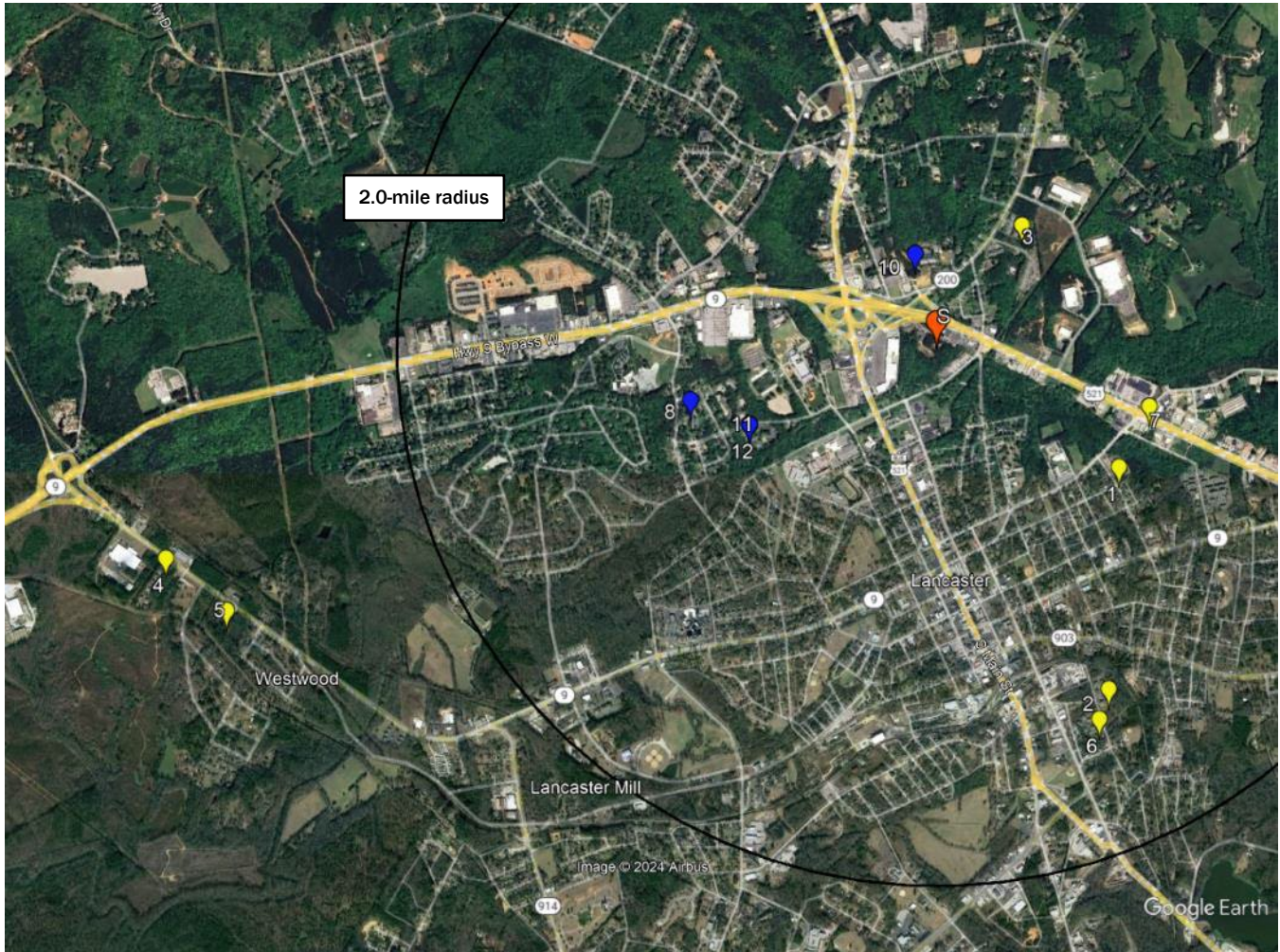
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 12 “true” comparable properties containing 646 units.

The availability of multifamily data in the PMA and specifically in the Lancaster area is considered good. We included seven affordable developments located between 0.5 and 3 miles from the Subject site, all of which are located within the PMA. The market rate data is considered good. We included five market rate properties located between 0.3 and 1.7 miles from the Subject site, all of which are located within the PMA. However, we note that the existing market rate supply in Lancaster consists of older properties in inferior condition to the anticipated condition of the Subject upon completion. Overall, we believe the availability of data is adequate to support our conclusions.

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

Comparable Rental Property Map



Source: Google Earth, May 2024

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Montrose Court	Lancaster	LIHTC	-
1	Abbington Willow Lake	Lancaster	LIHTC	0.8 miles
2	Miller Grove	Lancaster	LIHTC	1.4 miles
3	Millers Ridge	Lancaster	LIHTC/ Market	0.5 miles
4	Northwest Apartments	Lancaster	LIHTC	3.0 miles
5	Old Hickory Apartments	Lancaster	LIHTC	2.9 miles
6	Sycamore Run	Lancaster	LIHTC	1.5 miles
7	The Cottages At Azalea	Lancaster	LIHTC	0.8 miles
8	Azalea Apartments	Lancaster	Market	1.0 miles
9	Chesterfield / Eula Apartments	Lancaster	Market	1.7 miles
10	Dalton Ridge Apartments	Lancaster	Market	0.3 miles
11	Oakhaven Apartments	Lancaster	Market	0.8 miles
12	Woodhaven Apartments	Lancaster	Market	0.8 miles

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

SUMMARY MATRIX														
Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Montrose Court Oakleaf Drive Lancaster, SC 29720 Lancaster County	-	Garden 3-stories 2025 / n/a Family	@20%, @50%, @60%	1BR / 1BA	2	3.1%	764	@20%	\$176	Yes	N/A	N/A	N/A
					1BR / 1BA	3	4.7%	764	@50%	\$657	Yes	N/A	N/A	N/A
					1BR / 1BA	11	17.2%	764	@60%	\$817	Yes	N/A	N/A	N/A
					2BR / 1BA	3	4.7%	1,045	@20%	\$193	Yes	N/A	N/A	N/A
					2BR / 1BA	6	9.4%	1,045	@50%	\$770	Yes	N/A	N/A	N/A
					2BR / 1BA	23	35.9%	1,045	@60%	\$962	Yes	N/A	N/A	N/A
					3BR / 2BA	2	3.1%	1,190	@20%	\$190	Yes	N/A	N/A	N/A
					3BR / 2BA	3	4.7%	1,190	@50%	\$856	Yes	N/A	N/A	N/A
					3BR / 2BA	11	17.2%	1,190	@60%	\$1,078	Yes	N/A	N/A	N/A
						64							N/A	N/A
1	Abbingdon Willow Lake 201 Willow Lake Road N Lancaster, SC 29720 Lancaster County	0.8 miles	Garden 3-stories 2021 / n/a Family	@50%, @60%	1BR / 1BA	2	5.0%	850	@50%	\$600	No	Yes	0	0.0%
					1BR / 1BA	6	15.0%	850	@60%	\$670	No	Yes	0	0.0%
					2BR / 2BA	4	10.0%	975	@50%	\$660	No	Yes	0	0.0%
					2BR / 2BA	24	60.0%	975	@60%	\$750	No	Yes	0	0.0%
					3BR / 2BA	2	5.0%	1,075	@50%	\$755	No	Yes	0	0.0%
					3BR / 2BA	2	5.0%	1,075	@60%	\$845	No	Yes	0	0.0%
2	Miller Grove 2017 Miller Street Lancaster, SC 29720 Lancaster County	1.4 miles	Garden 2-stories 2006 / n/a Family	@50%, @60%	1BR / 1BA	N/A	N/A	700	@50%	\$493	No	Yes	0	N/A
					1BR / 1BA	N/A	N/A	700	@60%	\$513	No	Yes	0	N/A
					2BR / 2BA	N/A	N/A	908	@50%	\$552	No	Yes	0	N/A
					2BR / 2BA	N/A	N/A	908	@60%	\$640	No	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,046	@50%	\$613	No	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,046	@60%	\$735	No	Yes	0	N/A
3	Millers Ridge 1000 Millers Ridge Lane Lancaster, SC 29720 Lancaster County	0.5 miles	Garden 2-stories 2001 / 2019 Family	@50%, @60%, Market	2BR / 1BA	16	22.2%	905	@50%	\$764	No	Yes	0	0.0%
					2BR / 2BA	24	33.3%	905	@60%	\$884	No	Yes	0	0.0%
					2BR / 2BA	16	22.2%	905	Market	\$900	N/A	Yes	1	6.3%
					3BR / 2BA	16	22.2%	1,170	@60%	\$999	No	Yes	0	0.0%
						72							1	1.4%
													0	0.0%
4	Northwest Apartments 3058 NW Apartment Drive Lancaster, SC 29720 Lancaster County	3.0 miles	Garden 2-stories 1979 / 2007 Family	@60%	1BR / 1BA	8	11.1%	700	@60%	\$531	No	Yes	0	0.0%
					2BR / 1BA	56	77.8%	929	@60%	\$599	No	Yes	0	0.0%
					3BR / 1.5BA	8	11.1%	1,000	@60%	\$696	No	Yes	0	0.0%
						72							0	0.0%
													0	0.0%
													0	0.0%
5	Old Hickory Apartments 1005 Hickory Hill Road Lancaster, SC 29720 Lancaster County	2.9 miles	Garden 2-stories 1988 / n/a Family	@50%, @50% (RD-515)	1BR / 1BA	4	12.5%	659	@50%	\$536	No	Yes	0	0.0%
					1BR / 1BA	4	12.5%	659	@50% (RD-515)	\$536	No	Yes	0	0.0%
					2BR / 1BA	20	62.5%	929	@50%	\$596	No	Yes	0	0.0%
					2BR / 1BA	4	12.5%	929	@50% (RD-515)	\$596	No	Yes	0	0.0%
						32							0	0.0%
													0	0.0%
6	Sycamore Run 3038 Miller Street Lancaster, SC 29720 Lancaster County	1.5 miles	Garden 2-stories 2003 / n/a Family	@50%, @60%	2BR / 2BA	6	12.5%	915	@50%	\$762	Yes	Yes	0	0.0%
					2BR / 2BA	26	54.2%	915	@60%	\$954	Yes	Yes	0	0.0%
					3BR / 2BA	6	12.5%	1,100	@50%	\$856	Yes	Yes	0	0.0%
					3BR / 2BA	10	20.8%	1,100	@60%	\$1,078	Yes	Yes	0	0.0%
						48							0	0.0%
													0	0.0%
7	The Cottages At Azalea 200 Monroe Highway Lancaster, SC 29720 Lancaster County	0.8 miles	One-story 1-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	2	4.2%	1,015	@50%	\$657	Yes	Yes	0	0.0%
					1BR / 1BA	6	12.5%	1,015	@60%	\$817	Yes	Yes	0	0.0%
					2BR / 2BA	6	12.5%	1,224	@50%	\$770	Yes	Yes	0	0.0%
					2BR / 2BA	18	37.5%	1,224	@60%	\$962	Yes	Yes	0	0.0%
					3BR / 2BA	4	8.3%	1,393	@50%	\$856	Yes	Yes	0	0.0%
					3BR / 2BA	12	25.0%	1,393	@60%	\$1,078	Yes	Yes	0	0.0%
8	Azalea Apartments 614-630 Eastview Court Lancaster, SC 29720 Lancaster County	1.0 miles	Townhouse 2-stories 1972 / n/a Family	Market	1BR / 1BA	14	50.0%	753	Market	\$950	N/A	No	0	0.0%
					2BR / 1.5BA	7	25.0%	955	Market	\$1,200	N/A	No	1	14.3%
					3BR / 1BA	7	25.0%	1,292	Market	\$1,375	N/A	No	0	0.0%
						28							1	3.6%
													1	N/A
													2	4.1%
9	Chesterfield / Eula Apartments 1210 Chesterfield Ave And 1305 Eula St Lancaster, SC 29720 Lancaster County	1.7 miles	Townhouse 2-stories 1969/1974 / n/a Family	Market	2BR / 1BA	N/A	N/A	850	Market	\$813	N/A	No	1	N/A
					2BR / 1.5BA	N/A	N/A	875	Market	\$833	N/A	No	1	N/A
						49							2	4.1%
													0	0.0%
													0	0.0%
													0	0.0%
10	Dalton Ridge Apartments 581 Dalton Ridge Drive Lancaster, SC 29720 Lancaster County	0.3 miles	Various 2-stories 1996 / n/a Family	Market	0BR / 1.5BA	N/A	N/A	500	Market	\$668	N/A	Yes	0	N/A
					1BR / 1.5BA	N/A	N/A	900	Market	\$818	N/A	Yes	0	N/A
					2BR / 1.5BA	N/A	N/A	1,000	Market	\$893	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,075	Market	\$868	N/A	Yes	0	N/A
					3BR / 2.5BA	N/A	N/A	1,200	Market	\$968	N/A	Yes	0	N/A
						87							0	0.0%
11	Oakhaven Apartments 456 Colonial Avenue Lancaster, SC 29720 Lancaster County	0.8 miles	Various 2-stories 1971 / 2002 Family	Market	1BR / 1BA	3	4.4%	700	Market	\$753	N/A	No	0	0.0%
					1BR / 1BA	3	4.4%	1,080	Market	\$853	N/A	No	0	0.0%
					2BR / 1.5BA	8	11.8%	1,000	Market	\$893	N/A	No	0	0.0%
					2BR / 2BA	8	11.8%	1,000	Market	\$918	N/A	No	0	0.0%
					2BR / 2BA	16	23.5%	1,260	Market	\$1,018	N/A	No	0	0.0%
					3BR / 2BA	16	23.5%	1,350	Market	\$1,043	N/A	No	0	0.0%
12	Woodhaven Apartments 456 Colonial Avenue Lancaster, SC 29720 Lancaster County	0.8 miles	Various 2-stories 1971 / 2020 Family	Market	2BR / 1.5BA	25	46.3%	1,000	Market	\$793	N/A	Yes	1	4.0%
					2BR / 2BA	25	46.3%	1,000	Market	\$913	N/A	Yes	0	0.0%
					3BR / 2BA	2	3.7%	1,250	Market	\$1,018	N/A	Yes	0	0.0%
					3BR / 2.5BA	2	3.7%	1,250	Market	\$1,013	N/A	Yes	0	0.0%
						54							1	1.9%
													0	0.0%

MONTROSE COURT – LANCASTER, SOUTH CAROLINA – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.							
	Units Surveyed:	646	Weighted Occupancy:	99.2%			
	Market Rate	286	Market Rate	98.6%			
	Tax Credit	360	Tax Credit	99.7%			
One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom Two Bath			
	Property	Average	Property	Average	Property	Average	
RENT	Azalea Apartments (Market)	\$950	Azalea Apartments (Market)(1.5BA)	\$1,200	Azalea Apartments (Market)(1BA)	\$1,375	
	Oakhaven Apartments (Market)	\$853	Oakhaven Apartments (Market)(2BA)	\$1,018	Oakhaven Apartments (Market)(3BA)	\$1,168	
	Dalton Ridge Apartments (Market)(1.5BA)	\$818	The Cottages At Azalea (@60%)(2BA)	\$962	Sycamore Run (@60%)	\$1,078	
	Montrose Court (@60%)	\$817	Montrose Court (@60%)	\$962	The Cottages At Azalea (@60%)	\$1,078	
	The Cottages At Azalea (@60%)	\$817	Sycamore Run (@60%)(2BA)	\$954	Montrose Court (@60%)	\$1,078	
	Oakhaven Apartments (Market)	\$753	Oakhaven Apartments (Market)(2BA)	\$918	Oakhaven Apartments (Market)	\$1,043	
	Abbingdon Willow Lake (@60%)	\$670	Woodhaven Apartments (Market)(2BA)	\$913	Woodhaven Apartments (Market)	\$1,018	
	Montrose Court (@50%)	\$657	Millers Ridge (Market)(2BA)	\$900	Woodhaven Apartments (Market)(2.5BA)	\$1,013	
	The Cottages At Azalea (@50%)	\$657	Dalton Ridge Apartments (Market)(1.5BA)	\$893	Millers Ridge (@60%)	\$999	
	Abbingdon Willow Lake (@50%)	\$600	Oakhaven Apartments (Market)(1.5BA)	\$893	Dalton Ridge Apartments (Market)(2.5BA)	\$968	
	Old Hickory Apartments (@50%)	\$536	Millers Ridge (@60%)(2BA)	\$884	Montrose Court (@50%)	\$856	
	Old Hickory Apartments (@50%)	\$536	Dalton Ridge Apartments (Market)(2BA)	\$868	The Cottages At Azalea (@50%)	\$856	
	Northwest Apartments (@60%)	\$531	Chesterfield / Eula Apartments (Market)(1.5BA)	\$833	Sycamore Run (@50%)	\$856	
	Miller Grove (@60%)	\$513	Chesterfield / Eula Apartments (Market)	\$813	Abbingdon Willow Lake (@60%)	\$845	
	Miller Grove (@50%)	\$493	Woodhaven Apartments (Market)(1.5BA)	\$793	Abbingdon Willow Lake (@50%)	\$755	
	Montrose Court (@20%)	\$176	Montrose Court (@50%)	\$770	Miller Grove (@60%)	\$735	
			The Cottages At Azalea (@50%)(2BA)	\$770	Northwest Apartments (@60%)(1.5BA)	\$696	
			Millers Ridge (@50%)	\$764	Miller Grove (@50%)	\$613	
			Sycamore Run (@50%)(2BA)	\$762	Montrose Court (@20%)	\$190	
			Abbingdon Willow Lake (@60%)(2BA)	\$750			
			Abbingdon Willow Lake (@50%)(2BA)	\$660			
			Miller Grove (@60%)(2BA)	\$640			
			Northwest Apartments (@60%)	\$599			
			Old Hickory Apartments (@50%)	\$596			
			Old Hickory Apartments (@50%)	\$596			
			Miller Grove (@50%)(2BA)	\$552			
			Montrose Court (@20%)	\$193			
	SQUARE FOOTAGE	Oakhaven Apartments (Market)	1,080	Oakhaven Apartments (Market)(2BA)	1,260	Oakhaven Apartments (Market)(3BA)	1,780
		The Cottages At Azalea (@50%)	1,015	The Cottages At Azalea (@50%)(2BA)	1,224	The Cottages At Azalea (@50%)	1,393
		The Cottages At Azalea (@60%)	1,015	The Cottages At Azalea (@60%)(2BA)	1,224	The Cottages At Azalea (@60%)	1,393
		Dalton Ridge Apartments (Market)(1.5BA)	900	Dalton Ridge Apartments (Market)(2BA)	1,075	Oakhaven Apartments (Market)	1,350
		Abbingdon Willow Lake (@50%)	850	Montrose Court (@20%)	1,045	Azalea Apartments (Market)(1BA)	1,292
		Abbingdon Willow Lake (@60%)	850	Montrose Court (@60%)	1,045	Woodhaven Apartments (Market)	1,250
Montrose Court (@20%)		764	Montrose Court (@50%)	1,045	Woodhaven Apartments (Market)(2.5BA)	1,250	
Montrose Court (@60%)		764	Oakhaven Apartments (Market)(2BA)	1,000	Dalton Ridge Apartments (Market)(2.5BA)	1,200	
Montrose Court (@50%)		764	Oakhaven Apartments (Market)(1.5BA)	1,000	Montrose Court (@20%)	1,190	
Azalea Apartments (Market)		753	Woodhaven Apartments (Market)(1.5BA)	1,000	Montrose Court (@60%)	1,190	
Miller Grove (@50%)		700	Dalton Ridge Apartments (Market)(1.5BA)	1,000	Montrose Court (@50%)	1,190	
Miller Grove (@60%)		700	Woodhaven Apartments (Market)(2BA)	1,000	Millers Ridge (@60%)	1,170	
Northwest Apartments (@60%)		700	Abbingdon Willow Lake (@50%)(2BA)	975	Sycamore Run (@50%)	1,100	
Oakhaven Apartments (Market)		700	Abbingdon Willow Lake (@60%)(2BA)	975	Sycamore Run (@60%)	1,100	
Old Hickory Apartments (@50%)		659	Azalea Apartments (Market)(1.5BA)	955	Abbingdon Willow Lake (@50%)	1,075	
Old Hickory Apartments (@50%)		659	Old Hickory Apartments (@50%)	929	Abbingdon Willow Lake (@60%)	1,075	
			Old Hickory Apartments (@50%)	929	Miller Grove (@50%)	1,046	
			Northwest Apartments (@60%)	929	Miller Grove (@60%)	1,046	
			Sycamore Run (@50%)(2BA)	915	Northwest Apartments (@60%)(1.5BA)	1,000	
			Sycamore Run (@60%)(2BA)	915			
			Miller Grove (@50%)(2BA)	908			
			Miller Grove (@60%)(2BA)	908			
			Millers Ridge (Market)(2BA)	905			
			Millers Ridge (@60%)(2BA)	905			
			Millers Ridge (@50%)	905			
			Chesterfield / Eula Apartments (Market)(1.5BA)	875			
			Chesterfield / Eula Apartments (Market)	850			
RENT PER SQUARE FOOT		Azalea Apartments (Market)	\$1.26	Azalea Apartments (Market)(1.5BA)	\$1.26	Azalea Apartments (Market)(1BA)	\$1.06
		Oakhaven Apartments (Market)	\$1.08	Sycamore Run (@60%)(2BA)	\$1.04	Sycamore Run (@60%)	\$0.98
		Montrose Court (@60%)	\$1.07	Millers Ridge (Market)(2BA)	\$0.99	Montrose Court (@60%)	\$0.91
		Dalton Ridge Apartments (Market)(1.5BA)	\$0.91	Millers Ridge (@60%)(2BA)	\$0.98	Millers Ridge (@60%)	\$0.85
		Montrose Court (@50%)	\$0.86	Chesterfield / Eula Apartments (Market)	\$0.96	Woodhaven Apartments (Market)	\$0.81
		Old Hickory Apartments (@50%)	\$0.81	Chesterfield / Eula Apartments (Market)(1.5BA)	\$0.95	Woodhaven Apartments (Market)(2.5BA)	\$0.81
	Old Hickory Apartments (@50%)	\$0.81	Montrose Court (@60%)	\$0.92	Dalton Ridge Apartments (Market)(2.5BA)	\$0.81	
	The Cottages At Azalea (@60%)	\$0.80	Oakhaven Apartments (Market)(2BA)	\$0.92	Abbingdon Willow Lake (@60%)	\$0.79	
	Oakhaven Apartments (Market)	\$0.79	Woodhaven Apartments (Market)(2BA)	\$0.91	Sycamore Run (@50%)	\$0.78	
	Abbingdon Willow Lake (@60%)	\$0.79	Oakhaven Apartments (Market)(1.5BA)	\$0.89	The Cottages At Azalea (@60%)	\$0.77	
	Northwest Apartments (@60%)	\$0.76	Dalton Ridge Apartments (Market)(1.5BA)	\$0.89	Oakhaven Apartments (Market)	\$0.77	
	Miller Grove (@60%)	\$0.73	Millers Ridge (@50%)	\$0.84	Montrose Court (@50%)	\$0.72	
	Abbingdon Willow Lake (@50%)	\$0.71	Sycamore Run (@50%)(2BA)	\$0.83	Miller Grove (@60%)	\$0.70	
	Miller Grove (@50%)	\$0.70	Oakhaven Apartments (Market)(2BA)	\$0.81	Abbingdon Willow Lake (@50%)	\$0.70	
	The Cottages At Azalea (@50%)	\$0.65	Dalton Ridge Apartments (Market)(2BA)	\$0.81	Northwest Apartments (@60%)(1.5BA)	\$0.70	
	Montrose Court (@20%)	\$0.23	Woodhaven Apartments (Market)(1.5BA)	\$0.79	Oakhaven Apartments (Market)(3BA)	\$0.66	
			The Cottages At Azalea (@60%)(2BA)	\$0.79	The Cottages At Azalea (@50%)	\$0.61	
			Abbingdon Willow Lake (@60%)(2BA)	\$0.77	Miller Grove (@50%)	\$0.59	
			Montrose Court (@50%)	\$0.74	Montrose Court (@20%)	\$0.16	
			Miller Grove (@60%)(2BA)	\$0.70			
			Abbingdon Willow Lake (@50%)(2BA)	\$0.68			
			Northwest Apartments (@60%)	\$0.64			
			Old Hickory Apartments (@50%)	\$0.64			
			Old Hickory Apartments (@50%)	\$0.64			
			The Cottages At Azalea (@50%)(2BA)	\$0.63			
			Miller Grove (@50%)(2BA)	\$0.61			
			Montrose Court (@20%)	\$0.18			

AMENITY MATRIX

Subject	Abbingdon Willow Lake	Miller Grove	Millers Ridge	Northwest Apartments	Old Hickory Apartments	Sycamore Run	The Cottages At Azalea	Azalea Apartments	Chesterfield / Eula Apartments	Dalton Ridge Apartments	Oakhaven Apartments	Woodhaven Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building												
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Garden	One-story	Townhouse	Townhouse	Various	Various
# of Stories	3-stories	3-stories	2-stories	2-stories	2-stories	2-stories	2-stories	1-stories	2-stories	2-stories	2-stories	2-stories
Year Built	2026	2021	2006	2001	1979	1988	2003	2012	1972	1969/1974	1996	1971
Year Renovated	n/a	n/a	n/a	2019	2007	n/a	n/a	n/a	n/a	n/a	2002	2020
Courtyard	no	no	no	no	no	no	no	yes	no	no	no	no
Utility Structure												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	no	no	no	yes	no	no	no	no
Sewer	no	no	no	no	no	no	no	yes	no	no	no	no
Trash	yes	yes	yes	yes	yes	no	yes	yes	yes	no	no	no
Unit Amenities												
Balcony/Patio	yes	yes	yes	yes	no	no	yes	yes	no	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	no	yes	yes	no	no	yes	no
Coat Closet	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	yes	no	yes	yes	no	no	yes	no
Fireplace	no	no	no	no	no	no	no	no	no	no	no	yes
Walk-In Closet	no	yes	yes	no	no	no	no	yes	no	no	yes	no
Wall A/C	no	no	no	no	no	no	no	no	yes	no	no	no
W/D Hookup	yes	yes	yes	yes	no	no	yes	yes	no	yes	yes	no
Kitchen												
Dishwasher	yes	yes	yes	yes	yes	no	yes	yes	no	no	yes	yes
Disposal	no	yes	yes	yes	no	no	no	no	no	no	yes	yes
Microwave	yes	yes	yes	no	no	no	no	yes	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community												
Business Center	yes	yes	yes	no	no	no	no	yes	no	no	no	no
Community Room	yes	yes	yes	yes	yes	no	yes	yes	no	no	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes
Recreation												
Basketball Court	no	no	no	no	no	no	no	no	no	yes	no	no
Exercise Facility	yes	no	no	no	no	no	no	yes	no	no	yes	yes
Playground	yes	yes	yes	yes	yes	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	no	no	no	no	yes	yes
Picnic Area	no	no	yes	yes	no	no	yes	yes	no	yes	no	yes
Tennis Court	no	no	no	no	no	no	no	no	no	no	yes	yes
Sauna	no	no	no	no	no	no	no	no	no	no	yes	yes
Service Coordination	no	no	no	no	no	no	no	yes	no	no	no	no
Security												
Video Surveillance	yes	yes	yes	no	no	no	no	yes	no	no	no	no
Parking												
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

Abbington Willow Lake

Effective Rent Date	5/03/2024
Location	201 Willow Lake Road N Lancaster, SC 29720 Lancaster County
Distance	0.8 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2021 / N/A
Marketing Began	N/A
Leasing Began	10/01/2021
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Paola
Phone	803-830-6008



Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; 20 households in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	850	\$600	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	6	850	\$670	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	4	975	\$660	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	24	975	\$750	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,075	\$755	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,075	\$845	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$0	\$600	1BR / 1BA	\$670	\$0	\$670	\$0	\$670
2BR / 2BA	\$660	\$0	\$660	\$0	\$660	2BR / 2BA	\$750	\$0	\$750	\$0	\$750
3BR / 2BA	\$755	\$0	\$755	\$0	\$755	3BR / 2BA	\$845	\$0	\$845	\$0	\$845

Abbingdon Willow Lake, continued

Amenities

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

Comments

The contact was unable to comment on whether maximum allowable rents are achievable.

Photos



PROPERTY PROFILE REPORT

Miller Grove

Effective Rent Date	5/03/2024
Location	2017 Miller Street Lancaster, SC 29720 Lancaster County
Distance	1.4 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Miller's Ridge
Tenant Characteristics	Mostly families from Lancaster, Rock Hill, Fort Mill, and Kershaw
Contact Name	Lisa
Phone	803-283-3498



Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; undetermined length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	700	\$493	\$0	@50%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	700	\$513	\$0	@60%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	908	\$552	\$0	@50%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	908	\$640	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,046	\$613	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,046	\$735	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$493	\$0	\$493	\$0	\$493	1BR / 1BA	\$513	\$0	\$513	\$0	\$513
2BR / 2BA	\$552	\$0	\$552	\$0	\$552	2BR / 2BA	\$640	\$0	\$640	\$0	\$640
3BR / 2BA	\$613	\$0	\$613	\$0	\$613	3BR / 2BA	\$735	\$0	\$735	\$0	\$735

Amenities

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

Comments

The contact was unable to opine as to whether or not maximum allowable rents are achievable.

Photos



PROPERTY PROFILE REPORT

Millers Ridge

Effective Rent Date	5/02/2024
Location	1000 Millers Ridge Lane Lancaster, SC 29720 Lancaster County
Distance	0.5 miles
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Garden (2 stories)
Year Built/Renovated	2001 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sycamore Run, Dalton Ridge
Tenant Characteristics	10 percent seniors; most tenants from Lancaster and Rock Hill
Contact Name	Donna
Phone	803-313-5980



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Preleased to one week
Annual Chg. in Rent	Remained at 2023 max
Concession	None
Waiting List	Yes; nine months in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	16	905	\$764	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	24	905	\$884	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	16	905	\$900	\$0	Market	Yes	1	6.2%	N/A	None
3	2	Garden (2 stories)	16	1,170	\$999	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$764	\$0	\$764	\$0	\$764	2BR / 2BA	\$884	\$0	\$884	\$0	\$884
						3BR / 2BA	\$999	\$0	\$999	\$0	\$999
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$900	\$0	\$900	\$0	\$900						

Millers Ridge, continued

Amenities

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

Comments

The contact reported that rents remain set at the 2023 maximum allowable levels, but that management was evaluating 2024 limits for future rent increases. The contact stated that there is strong demand for affordable housing in the market.

Photos



PROPERTY PROFILE REPORT

Northwest Apartments

Effective Rent Date	5/02/2024
Location	3058 NW Apartment Drive Lancaster, SC 29720 Lancaster County
Distance	3 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1979 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wood Creek
Tenant Characteristics	Varied tenancy from Lancaster County and Charlotte
Contact Name	Kacey
Phone	803-286-4822



Market Information

Program	@60%
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	7%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; undetermined length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	700	\$531	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	56	929	\$599	\$0	@60%	Yes	0	0.0%	no	None
3	1.5	Garden (2 stories)	8	1,000	\$696	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$531	\$0	\$531	\$0	\$531
2BR / 1BA	\$599	\$0	\$599	\$0	\$599
3BR / 1.5BA	\$696	\$0	\$696	\$0	\$696

Northwest Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Oven		
Refrigerator			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

The contact stated that there is strong demand for affordable housing in the area. Exterior storage is included for no additional fee. The contact reported that while rents were set below maximum allowable levels that higher rents would likely be achievable given demand in the area.

Photos



PROPERTY PROFILE REPORT

Old Hickory Apartments

Effective Rent Date	4/29/2024
Location	1005 Hickory Hill Road Lancaster, SC 29720 Lancaster County
Distance	2.9 miles
Units	32
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, primarily from Lancaster County and adjacent counties
Contact Name	Kay
Phone	803-286-4822



Market Information

Program	@50%, @50% (RD-515)
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	9%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; six households in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	4	659	\$518	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	659	\$518	\$0	@50% (RD-515)	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	20	929	\$578	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	4	929	\$578	\$0	@50% (RD-515)	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$518	\$0	\$518	\$18	\$536
2BR / 1BA	\$578	\$0	\$578	\$18	\$596

Old Hickory Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Oven	Refrigerator		
Vinyl Plank Flooring			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
Playground			

Comments

The property is managed by CAHEC Management. According to the Rural Development Multi-Family Housing Rentals, the property has 24 units that are subsidized through RD-515 rental assistance, and eight LIHTC units restricted at the 50 percent AMI level without additional subsidy. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use. The contact was unable to provide a breakdown of the unit mix by rent type. The profile reflects the asking rents for the LIHTC-only units. We present these rents for the RD-515 subsidized units, though tenants in these units contribute 30 percent of income toward rent.

Photos



PROPERTY PROFILE REPORT

Sycamore Run

Effective Rent Date	5/01/2024
Location	3038 Miller Street Lancaster, SC 29720 Lancaster County
Distance	1.5 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Millers Ridge
Tenant Characteristics	20 percent seniors, most tenants from the county, work in Lancaster, Rock Hill, and Monroe
Contact Name	Lisa
Phone	803-863-9633



Market Information

Program	@50%, @60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	29%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	Yes; 15 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	6	915	\$762	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	26	915	\$954	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,100	\$856	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,100	\$1,078	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$762	\$0	\$762	\$0	\$762	2BR / 2BA	\$954	\$0	\$954	\$0	\$954
3BR / 2BA	\$856	\$0	\$856	\$0	\$856	3BR / 2BA	\$1,078	\$0	\$1,078	\$0	\$1,078

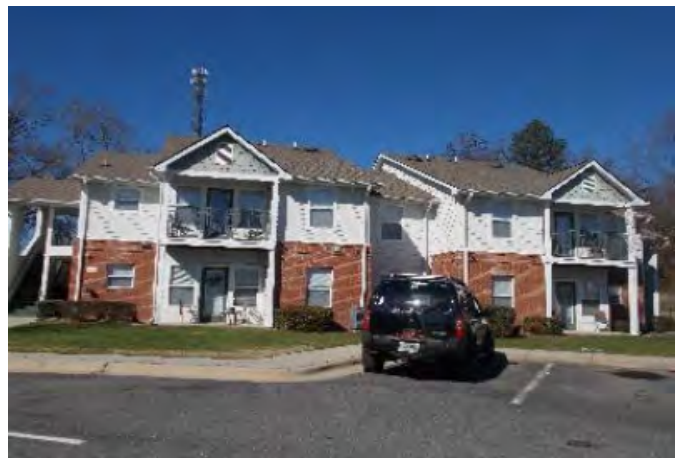
Amenities

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

Comments

The contact reported strong demand for affordable housing in the area and stated that there is demand for additional LIHTC housing at the 50 and 60 percent AMI levels. The property increased rents to 2024 maximum allowable levels in April 2024.

Photos



PROPERTY PROFILE REPORT

The Cottages At Azalea

Effective Rent Date	5/01/2024
Location	200 Monroe Highway Lancaster, SC 29720 Lancaster County
Distance	0.8 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Miller's Ridge
Tenant Characteristics	Mixed-tenancy, majority of tenants are from surrounding Lancaster area
Contact Name	Chelsea
Phone	803-283-6160



Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	4%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	Yes, ten households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	2	1,015	\$725	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	6	1,015	\$885	\$0	@60%	Yes	0	0.0%	yes	None
2	2	One-story	6	1,224	\$865	\$0	@50%	Yes	0	0.0%	yes	None
2	2	One-story	18	1,224	\$1,057	\$0	@60%	Yes	0	0.0%	yes	None
3	2	One-story	4	1,393	\$994	\$0	@50%	Yes	0	0.0%	yes	None
3	2	One-story	12	1,393	\$1,216	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$725	\$0	\$725	-\$68	\$657	1BR / 1BA	\$885	\$0	\$885	-\$68	\$817
2BR / 2BA	\$865	\$0	\$865	-\$95	\$770	2BR / 2BA	\$1,057	\$0	\$1,057	-\$95	\$962
3BR / 2BA	\$994	\$0	\$994	-\$138	\$856	3BR / 2BA	\$1,216	\$0	\$1,216	-\$138	\$1,078

The Cottages At Azalea, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Gazebo
Courtyard	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Service Coordination			

Comments

The contact reported strong demand for rental housing in the area, especially for affordable units given increasing rents. The property increased rents to 2024 maximum allowable levels in April 2024.

Photos



PROPERTY PROFILE REPORT

Azalea Apartments

Effective Rent Date	5/02/2024
Location	614-630 Eastview Court Lancaster, SC 29720 Lancaster County
Distance	1 mile
Units	28
Vacant Units	1
Vacancy Rate	3.6%
Type	Townhouse (2 stories)
Year Built/Renovated	1972 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Matthew
Phone	980-215-9899



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	14	753	\$950	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	7	955	\$1,200	\$0	Market	No	1	14.3%	N/A	None
3	1	Townhouse (2 stories)	7	1,292	\$1,375	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$950	\$0	\$950	\$0	\$950
2BR / 1.5BA	\$1,200	\$0	\$1,200	\$0	\$1,200
3BR / 1BA	\$1,375	\$0	\$1,375	\$0	\$1,375

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Oven		
Vinyl Plank Flooring		
Property	Premium	Other
Off-Street Parking	None	None

Azalea Apartments, continued

Comments

The contact reported that rental demand has remained stable in Lancaster in recent months. The property has generally limited turnover.

PROPERTY PROFILE REPORT

Chesterfield / Eula Apartments

Effective Rent Date	5/02/2024
Location	1210 Chesterfield Ave And 1305 Eula St Lancaster, SC 29720 Lancaster County
Distance	1.7 miles
Units	49
Vacant Units	2
Vacancy Rate	4.1%
Type	Townhouse (2 stories)
Year Built/Renovated	1969/1974 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Family mix
Contact Name	Brandon
Phone	803-336-3376



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Townhouse (2 stories)	N/A	850	\$795	\$0	Market	No	1	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	875	\$815	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$795	\$0	\$795	\$18	\$813
2BR / 1.5BA	\$815	\$0	\$815	\$18	\$833

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Oven		
Vinyl Plank Flooring		
Washer/Dryer hookup		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		
	Off-Street Parking	
	Picnic Area	

Comments

The contact noted that Chesterfield and Eula Apartments are located adjacent to each other and separated only by a wire fence. Both properties are managed by the same property manager. The contact noted that some units have washer/dryer connections, while others do not but have a dishwasher instead. Additionally, the contact noted the larger units have central A/C, while the smaller units have a European style, energy efficient, mini-split system (wall A/C). Units are renovated with new flooring as they turn. Each unit comes with two uncovered parking spaces.

Photos



PROPERTY PROFILE REPORT

Dalton Ridge Apartments

Effective Rent Date	5/03/2024
Location	581 Dalton Ridge Drive Lancaster, SC 29720 Lancaster County
Distance	0.3 miles
Units	87
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Miller's Ridge and Woodhaven
Tenant Characteristics	Mostly families from Lancaster
Contact Name	Kim
Phone	803-286-9776



Market Information

Program	Market
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; six months in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1.5	Garden (2 stories)	N/A	500	\$650	\$0	Market	Yes	0	N/A	N/A	None
1	1.5	Garden (2 stories)	N/A	900	\$800	\$0	Market	Yes	0	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	1,000	\$875	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,075	\$850	\$0	Market	Yes	0	N/A	N/A	None
3	2.5	Townhouse (2 stories)	N/A	1,200	\$950	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1.5BA	\$650	\$0	\$650	\$18	\$668
1BR / 1.5BA	\$800	\$0	\$800	\$18	\$818
2BR / 1.5BA	\$875	\$0	\$875	\$18	\$893
2BR / 2BA	\$850	\$0	\$850	\$18	\$868
3BR / 2.5BA	\$950	\$0	\$950	\$18	\$968

Dalton Ridge Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$25.00)	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		

Comments

The contact reported strong demand for rental housing in the area. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Oakhaven Apartments

Effective Rent Date	5/03/2024
Location	456 Colonial Avenue Lancaster, SC 29720 Lancaster County
Distance	0.8 miles
Units	68
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1971 / 2002
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Limited competition
Tenant Characteristics	Families, singles, and seniors from Lancaster
Contact Name	Patty
Phone	803-286-2185



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	3	700	\$735	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	3	1,080	\$835	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	8	1,000	\$875	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	8	1,000	\$900	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	1,260	\$1,000	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	16	1,350	\$1,025	\$0	Market	No	0	0.0%	N/A	None
3	3	Townhouse (2 stories)	14	1,780	\$1,150	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$735 - \$835	\$0	\$735 - \$835	\$18	\$753 - \$853
2BR / 1.5BA	\$875	\$0	\$875	\$18	\$893
2BR / 2BA	\$900 - \$1,000	\$0	\$900 - \$1,000	\$18	\$918 - \$1,018
3BR / 2BA	\$1,025	\$0	\$1,025	\$18	\$1,043
3BR / 3BA	\$1,150	\$0	\$1,150	\$18	\$1,168

Oakhaven Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Sauna	Swimming Pool		
Tennis Court			

Comments

The laundry facility, tennis courts, and car wash are located across the street at the sister property, Woodhaven Apartments. The two-bedroom units are the most in-demand unit type in the market. The contact reported strong demand for rental housing in the area.

Photos



PROPERTY PROFILE REPORT

Woodhaven Apartments

Effective Rent Date	5/03/2024
Location	456 Colonial Avenue Lancaster, SC 29720 Lancaster County
Distance	0.8 miles
Units	54
Vacant Units	1
Vacancy Rate	1.9%
Type	Various (2 stories)
Year Built/Renovated	1971 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Limited competition
Tenant Characteristics	Varied tenancy, most from Lancaster, appr. 50% senior
Contact Name	Patty
Phone	803-286-2185



Market Information

Program	Market
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	25	1,000	\$775	\$0	Market	Yes	1	4.0%	N/A	None
2	2	Garden (2 stories)	25	1,000	\$895	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,250	\$1,000	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	2	1,250	\$995	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$775	\$0	\$775	\$18	\$793
2BR / 2BA	\$895	\$0	\$895	\$18	\$913
3BR / 2BA	\$1,000	\$0	\$1,000	\$18	\$1,018
3BR / 2.5BA	\$995	\$0	\$995	\$18	\$1,013

Woodhaven Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Sauna		
Swimming Pool	Tennis Court		

Comments

The contact reported strong demand for rental housing in the area.

Photos



COMPARABLE PROPERTY ANALYSIS

Following are relevant characteristics of comparable properties surveyed:

Location

The following table illustrates the Subject and comparable property household incomes, median gross rents, and median home values.

LOCATION COMPARISON SUMMARY

#	Property Name	City	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Montrose Court	Lancaster	LIHTC	-	\$42,102	\$117,600	\$695	171	37	11.9%	46.9%
1	Abbingtion Willow Lake	Lancaster	LIHTC	0.8 miles	\$26,899	\$117,600	\$695	134	36	11.2%	62.5%
2	Miller Grove	Lancaster	LIHTC	1.4 miles	\$32,740	\$117,600	\$695	192	25	11.7%	58.1%
3	Millers Ridge	Lancaster	LIHTC/Market	0.5 miles	\$50,000	\$117,600	\$695	118	19	14.5%	40.8%
4	Northwest Apartments	Lancaster	LIHTC	3.0 miles	\$54,712	\$117,600	\$695	69	0	4.4%	36.8%
5	Old Hickory Apartments	Lancaster	LIHTC	2.9 miles	\$54,870	\$117,600	\$695	69	0	5.4%	36.3%
6	Sycamore Run	Lancaster	LIHTC	1.5 miles	\$31,853	\$117,600	\$695	192	28	11.6%	58.4%
7	The Cottages At Azalea	Lancaster	LIHTC	0.8 miles	\$25,191	\$117,600	\$695	134	45	11.5%	64.3%
8	Azalea Apartments	Lancaster	Market	1.0 miles	\$82,536	\$117,600	\$695	217	31	3.2%	19.5%
9	Chesterfield / Eula Apartments	Lancaster	Market	1.7 miles	\$37,885	\$117,600	\$695	123	11	13.6%	54.7%
10	Dalton Ridge Apartments	Lancaster	Market	0.3 miles	\$50,000	\$117,600	\$695	203	40	13.5%	41.0%
11	Oakhaven Apartments	Lancaster	Market	0.8 miles	\$77,427	\$117,600	\$695	217	23	5.3%	26.3%
12	Woodhaven Apartments	Lancaster	Market	0.8 miles	\$77,427	\$117,600	\$695	217	23	5.3%	26.3%

As seen in the previous table, the LIHTC comparables offer locations that range from similar to slightly inferior relative to the Subject's location. The locations surrounding Abbingtion Willow Lake, Miller Grove, Sycamore Run, and The Cottages at Azalea all exhibit slightly lower median household incomes relative to the Subject's location. The remaining LIHTC comparables are considered to offer generally similar locations relative to the Subject.

The market rate comparables offer locations that range from similar to slightly superior relative to the Subject's location. The location of Azalea Apartments, Oakhaven Apartments, and Woodhaven Apartments have higher median household incomes relative to the Subject's location, while exhibiting higher crime indices relative to the Subject's location. The remaining market rate comparables offer generally similar locations relative to the Subject.

Unit Size

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

UNIT SIZE COMPARISON			
Bedroom Type	1BR	2BR	3BR
Subject	764	1,045	1,190
Average	814	982	1,220
Min	659	850	1,000
Max	1,080	1,260	1,780
Advantage/Disadvantage	-6%	6%	-2%

As seen in the previous table, the Subject's one and three-bedroom unit sizes will offer a modest size disadvantage relative to the average unit sizes in the market, while the two-bedroom units will offer a modest size advantage. All proposed unit sizes fall within the comparable unit size range. Thus, we believe the Subject's unit sizes will be accepted in the market. We have considered the Subject's unit sizes in determining our achievable market rents.

Vacancy

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

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Abbingtion Willow Lake	LIHTC	40	0	0.0%
Miller Grove	LIHTC	48	0	0.0%
Millers Ridge	LIHTC/ Market	72	1	1.4%
Northwest Apartments	LIHTC	72	0	0.0%
Old Hickory Apartments	LIHTC	32	0	0.0%
Sycamore Run	LIHTC	48	0	0.0%
The Cottages At Azalea	LIHTC	48	0	0.0%
Azalea Apartments	Market	28	1	3.6%
Chesterfield / Eula Apartments	Market	49	2	4.1%
Dalton Ridge Apartments	Market	87	0	0.0%
Oakhaven Apartments	Market	68	0	0.0%
Woodhaven Apartments	Market	54	1	1.9%
Total LIHTC		360	1	0.3%
Total Market Rate		286	4	1.4%
Overall Total		646	5	0.8%

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less, upon stabilization.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 360 total LIHTC units that we included in this comparable analysis. There are low vacancy rates among these units and all of the LIHTC properties maintain waiting lists. This indicates strong demand for affordable rental housing in the PMA. The PMA experienced increasing population and household growth from 2010 through 2023 at faster rates to the MSA and above the nation throughout the same time period. Through 2028, population is expected increase at an annual rate of 1.4 percent and households in the PMA are

expected to increase at an annual rate of 1.6 percent, both of which are expected to be faster than the MSA and outpace the nation throughout the same time period. We believe that positive population and household trends bode well for future demand for housing in the Subject's market area.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay for all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the South Carolina Housing Finance and Development Authority's Upstate Region Utility Allowance, effective February 5, 2024, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following tables summarize the Subject's proposed 20, 50, and 60 percent AMI net rents compared to the maximum allowable 20, 50, and 60 percent AMI rents for 2023 and 2024, the net rents at the comparables, and the averages of these comparable net rents. As 2024 rent limits were recently released in early April 2024 we present both 2023 and 2024 maximum allowable rents.

LIHTC RENT COMPARISON @20%

Property Name	1BR	2BR	3BR	Rents at Max?
Montrose Court	\$176	\$193	\$190	Yes (2024)
2024 LIHTC Maximum Rent (Net)	\$176	\$193	\$190	
2023 LIHTC Maximum Rent (Net)	\$163	\$177	\$171	
Achievable LIHTC Rent	\$176	\$193	\$190	Yes (2024)

The Subject's pro forma rents at the 20 percent of AMI level are set at the 2024 maximum allowable levels. There were no comparable properties offering units at 20 percent of AMI. These rents will be the lowest in the market upon completion and we believe that maximum allowable rents are achievable based on the significant discount to market rents and rents at higher LIHTC AMI restrictions. These rents are among the lowest in the market.

LIHTC RENT COMPARISON @50%

	1BR	2BR	3BR	Rents at Max?
Montrose Court	\$657	\$770	\$856	Yes (2024)
2024 LIHTC Maximum Rent (Net)	\$657	\$770	\$856	
2023 LIHTC Maximum Rent (Net)	\$623	\$730	\$809	
Abbingtion Willow Lake	\$600	\$660	\$755	No
Miller Grove	\$493	\$552	\$613	No
Millers Ridge	-	\$764	-	Yes (2023)
Old Hickory Apartments	\$536	\$596	-	No
Sycamore Run	-	\$762	\$856	Yes (2024)
The Cottages At Azalea	\$657	\$770	\$856	Yes (2024)
Average	\$572	\$684	\$770	
Achievable LIHTC Rent	\$657	\$770	\$856	Yes (2024)

LIHTC RENT COMPARISON @60%

Property Name	1BR	2BR	3BR	Rents at Max?
Montrose Court	\$817	\$962	\$1,078	Yes (2024)
2024 LIHTC Maximum Rent (Net)	\$817	\$962	\$1,078	
2023 LIHTC Maximum Rent (Net)	\$777	\$914	\$1,022	
Abbingtion Willow Lake	\$670	\$750	\$845	No
Miller Grove	\$513	\$640	\$735	No
Millers Ridge	-	\$884	\$999	Yes (2023)
Northwest Apartments	\$531	\$599	\$696	No
Sycamore Run	-	\$954	\$1,078	Yes (2024)
The Cottages At Azalea	\$817	\$962	\$1,078	Yes (2024)
Average	\$633	\$798	\$905	
Achievable LIHTC Rent	\$817	\$962	\$1,078	Yes (2024)

The Subject's pro forma 50 and 60 percent of AMI rents are set at the 2024 maximum allowable levels. Two of the comparables, Sycamore Run and The Cottages at Azalea, reported having recently increased rents to the 2024 maximum allowable levels. One additional comparable, Millers Ridge, reported holding rents at 2023 maximum allowable levels as of May 2024, while evaluating the new limits for potential future rent increases. The remaining comparables reported rents below the maximum allowable levels. We believe that for two of these properties, Miller Grove, Northwest Apartments, and Old Hickory Apartments, this may be due to the older condition of these properties with generally fewer amenities. For Abbingtion Willow Lake, which was completed in 2021 and will exhibit similar condition to the Subject upon completion, this appears to be the property not fully testing the market with regard to rents. The properties reporting rents at the 2024 maximum allowable levels, Sycamore Run and The Cottages at Azalea, were built in 2003 and 2012, respectively and exhibit slightly inferior to inferior condition to the anticipated condition of the Subject upon completion. These properties offer generally similar in-unit and common area amenity packages. All LIHTC comparables offering units at 50 and 60 percent of AMI reported minimal to no vacancy and all reported operating with a waiting list, some of which are considered extensive. We believe that this supports current rents being accepted in the market, with upward potential for properties operating with rents below the 2024 maximum allowable levels. As such, we believe the developer's proposed 50 and 60 percent of AMI rents at the 2024 maximum allowable levels, are achievable.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@20%	\$176	\$753	\$950	\$844	\$925	81%
1BR / 1BA	@50%	\$657	\$753	\$950	\$844	\$925	29%
1BR / 1BA	@60%	\$817	\$753	\$950	\$844	\$925	12%
2BR / 1BA	@20%	\$193	\$793	\$1,200	\$913	\$1,075	82%
2BR / 1BA	@50%	\$770	\$793	\$1,200	\$913	\$1,075	28%
2BR / 1BA	@60%	\$962	\$793	\$1,200	\$913	\$1,075	11%
3BR / 2BA	@20%	\$190	\$968	\$1,375	\$1,098	\$1,250	85%
3BR / 2BA	@50%	\$856	\$968	\$1,375	\$1,098	\$1,250	32%
3BR / 2BA	@60%	\$1,078	\$968	\$1,375	\$1,098	\$1,250	14%

The Subject's proposed LIHTC rents for the LIHTC only units are below the achievable market rents. The Subject's proposed and achievable LIHTC rents represent a rent advantage of 11 to 85 percent over the achievable market rents. We have compared the Subject to Azalea Apartments and Oakhaven Apartments.

Azalea Apartments is a 28-unit, development located 1.0 mile west of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 1972, and currently exhibits inferior condition relative to the proposed Subject, which will be new construction. The manager at Azalea Apartments reported a vacancy rate of 3.6 percent, indicating the current rents are accepted in the market. The following table compares the Subject with Azalea Apartments..

SUBJECT COMPARISON TO AZALEA APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Azalea Apartments Rent	Square Feet	Azalea Apartments RPSF
1BR / 1BA	\$925	764	\$1.21	\$950	753	\$1.26
2BR / 1BA	\$1,075	1,045	\$1.03	\$1,200	955	\$1.26
3BR / 2BA	\$1,250	1,190	\$1.05	\$1,375	1,292	\$1.06

Azalea Apartments offers no notable amenities not already offered by the proposed Subject. However, the Subject will offer balconies/patios, washer/dryer hook-ups, dishwashers, microwaves, a business center, a community room, on-site management, a fitness center, and a playground, none of which are provided by Azalea Apartments. The in-unit and property amenity packages offered by Azalea Apartments are both considered inferior relative to the proposed Subject's amenities. Azalea Apartments offers similar one-bedroom unit sizes, inferior two-bedroom unit sizes, and superior three-bedroom unit sizes. In overall terms, we believe the Subject will be similar product relative to the Azalea Apartments.. Due to the Subject's anticipated superior condition, we believe the achievable market rents for the Subject would be slightly below to below the rents at Azalea Apartments with consideration given to unit size differences.

Oakhaven Apartments is a 68-unit, development located 0.8 miles southwest of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 1971 and renovated in 2002. We consider the condition of this property inferior relative to the proposed Subject, which will be new construction. The manager at Oakhaven Apartments reported the property as fully occupied, indicating the current rents are well accepted in the market. The following table compares the Subject with Oakhaven Apartments.

SUBJECT COMPARISON TO OAKHAVEN APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Oakhaven Apartments Rent	Square Feet	Oakhaven Apartments RPSF
1BR / 1BA	\$925	764	\$1.21	\$753	700	\$1.08
2BR / 1BA	\$1,075	1,045	\$1.03	\$918	1,000	\$0.92
3BR / 2BA	\$1,250	1,190	\$1.05	\$1,043	1,350	\$0.77

Oakhaven Apartments offers walk-in closets, disposals, a swimming pool, and tennis courts, all of which the proposed Subject will lack. However, the Subject will offer microwaves, a business center, and a playground, none of which are provided by Oakhaven Apartments. On balance, we believe the in-unit and property amenity packages offered by Oakhaven Apartments to be similar and superior relative to the proposed Subject, respectively. Azalea Apartments offers inferior one and two-bedroom unit sizes, and superior three-bedroom unit sizes. In overall terms, we believe the Subject will be superior product relative to Oakhaven Apartments. Due to the Subject's anticipated superior condition, we believe the achievable market rents for the Subject would be above the rents at Oakhaven Apartments with consideration given to unit size differences.

In conclusion, we believe that the Subject's achievable market rents are **\$925**, **\$1,075**, and **\$1,250** for its one, two, and three-bedroom units, respectively. Our concluded market rents result in a rent advantage of 11 to 85 percent for the Subject's achievable and proposed rents.

Impact of Subject on Other Affordable Units in Market

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. Additionally, property managers at some of the LIHTC properties reported strong demand for affordable housing in the area and that higher rents are achievable. With an apparent high demand for affordable housing options for the general population in the market and a large base of low-income tenants, we believe the Subject's construction will have no long-term impact on the existing area LIHTC developments. Between 2023 and market entry, the total number of households is expected to increase at a rate of 1.6 percent annually in the PMA. Additionally, there are a limited number of affordable housing options in the market. As such, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard. According to HUD, substandard housing includes: dilapidated unit, unit lacks operable indoor plumbing, unit lacks a usable flush toilet for the exclusive use of a family, unit lacks a usable bathtub or shower for the exclusive use of a family, unit lacks electricity or has inadequate or unsafe electrical services, unit lacks a safe or adequate source of heat, unit should, but lacks a kitchen, and unit has been declared inhabitable by an agency or government entity.

SUBSTANDARD HOUSING

Year	PMA	Charlotte-Concord-Gastonia, NC- SC MSA	USA
	Percentage	Percentage	Percentage
2023	1.4%	1.1%	1.7%

Source: Esri Demographics 2023, Novogradac, May 2024

The percentage of residents living in substandard housing in the PMA is above that of the MSA and below the nation.

Rent versus Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$259,900 and an interest rate of 7.00 percent for a 30-year fixed mortgage with a 10 percent down payment. This was compared to the cost to rent the Subject's three-bedroom net LIHTC unit. This analysis indicates that with a monthly differential of \$890, it is more affordable to rent the Subject's most expensive three-bedroom unit than to purchase a home. The rent buy analysis is illustrated in the following table.

RENT BUY ANALYSIS			
Property Type:		Three-Bedroom Single Family Home	
Sale Price		\$259,900	
Down Payment at 10%		\$25,990	
Mortgage Amount		\$233,910	
Current Interest Rate		7.00%	
<i>Homeownership Costs</i>		<i>Monthly</i>	<i>% of Home Value</i>
Mortgage Payment		\$1,556	
Property Taxes		\$271	1.25%
Private Mortgage Insurance ¹		\$97	0.50%
Maintenance		\$433	2.00%
Utility Costs ²		\$18	
Tax Savings		-\$407	
			Annual
			\$18,675
			\$3,249
			\$1,170
			\$5,198
			\$216
			-\$4,887
Cost Comparison			
		<i>Monthly</i>	<i>Annual</i>
Costs of Homeownership		\$1,968	\$23,620
Cost of Renting At Subject	-	\$1,078	\$12,936
Differential		\$890	\$10,684
Cost of Occupancy			
<i>Homeownership</i>			
Closing Costs		3.0%	\$7,797
Down Payment at 10%		10.0%	\$25,990
Total			\$33,787
<i>Subject Rental</i>			
First Month's Rent		\$1,078	
Security Deposit		\$1,078	
Total		\$2,156	

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

As illustrated, the “cash due at occupancy” category adds to \$33,787 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time homebuyers have difficulty saving for a down payment. For this reason, we believe that the Subject will face limited competition from homeownership.

Availability of Affordable Housing Options

There are seven family LIHTC properties without subsidies and five family LIHTC properties with subsidies in the PMA. Additionally, there are two senior LIHTC properties without subsidies and three senior LIHTC properties with subsidies in the PMA. It should be noted that the majority of these developments have fewer than 50 units. Therefore, the availability of LIHTC housing targeting low to moderate incomes is considered limited given the depth of demand in the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

Summary Evaluation of the Proposed Project

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. The seven LIHTC properties reported one total vacancy and all of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. When compared to the Subject’s proposed rental rates the current 50 and 60 percent

rents at the LIHTC properties, the Subject's proposed 20, 50, and 60 percent AMI rents appear reasonable, and overall, they are 11 to 85 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

I. INTERVIEWS

INTERVIEWS

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

Planning

We attempted to contact the City of Lancaster and Lancaster County Planning Department to obtain information regarding proposed or under construction developments in the PMA; however, as of the date of this report, our calls have not been returned. As such, we consulted a CoStar report and South Carolina State Housing Finance and Development Authority (SCSHFDA) allocation lists and identified one recently awarded property within the PMA.

According to the South Carolina State Housing Finance and Development Authority (SCSHFDA) LIHTC allocation lists from 2020 to 2023, there has been one development allocated tax credits in the PMA. This is detailed in the following table.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Glenwood Falls	LIHTC	Family	48	48	2021	Existing	25.6 miles
Totals			48	48			

Source: SC Housing, May 2024

- Glenwood Falls, a 48-unit general tenancy LIHTC property in Fort Mill, South Carolina, was awarded LIHTC funding in 2021 for the renovation of the 2004-built property. The property is located 25.6 miles west of the Subject. The property is currently stabilized. Therefore, we do not deduct these units from our *Demand Analysis*.

Overall, we are aware no recent LIHTC developments that will be competitive with the proposed Subject.

Section 8/Public Housing

We contacted the Housing Authority of Lancaster, which serves Lancaster County, and spoke with Susan Rollings regarding the Housing Choice Voucher program for the city of Lancaster. According to Susan Rollings, the Housing Choice Voucher waiting list is currently closed, and has been closed for an extended period of time, and has administered 250 vouchers, 219 of which are currently in use. Further, Ms. Rollings stated that given the limited supply of new rental housing in the area, the waiting lists is expected to remain closed and additional vouchers will not be allocated. The payment standards for one and two-bedroom units are illustrated in the proceeding table.

PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$869
Two-Bedroom	\$1,129
Three-Bedroom	\$1,496

Source: Housing Authority of Lancaster, January 2024

As indicated in the previous table, payment standards for all units with the exception of one and two-bedroom units at 60 percent of AMI, are below the Subject's highest proposed LIHTC rents, indicating that voucher tenants will have to pay additional rent out of pocket. Tenants residing in the Subject's one and two-bedroom units at 60 percent of AMI would need to make a modest out of pocket contribution toward rent if utilizing a voucher.

Property Managers

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

J. RECOMMENDATIONS

Recommendations

We believe there is adequate demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's capture rates vary from 1.6 to 6.3 percent with an overall capture rate of 4.5 percent, as proposed. These capture rates are all considered reasonable in the PMA, and are considered conservative for a family property. In addition, the majority of affordable properties in the PMA maintain low vacancy rates and all maintain waiting lists, which indicates a need for affordable housing, such as the proposed Subject. The Subject site is located within 3.0 miles of most community services and facilities that families would utilize on a consistent basis.

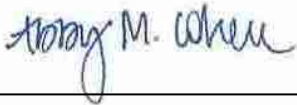
The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 0.8 percent. Managers at six of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.3 percent, well below the 1.4 percent average reported by the market rate properties. The average LIHTC vacancy rate of 0.3 percent is considered exceptionally low, and indicative of supply constrained conditions. The seven LIHTC properties reported one total vacancy and all of these properties maintain waiting lists, suggesting significant latent demand for affordable housing. When compared to the Subject's proposed rental rates the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 20, 50, and 60 percent AMI rents appear reasonable, and overall, they are 11 to 85 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

K. SIGNED STATEMENT REQUIREMENTS


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

Respectfully submitted,
Novogradac

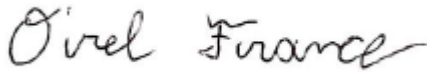
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ADDENDUM A

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA, Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, AK License #213395
Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, GA License #427009
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487
Certified General Appraiser, TX License #1381138-G

Designated Member of the National Council of Housing Market Analysts (NCHMA)

III. Professional Experience

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2024-2025, March 2024
GSE Appraisal Requirements and Guidelines, March 2024
Fair Housing Bias and Discrimination, March 2024
Market Disturbances – Appraisals in Atypical Markets and Cycles, March 2024
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored “Determining Whether a Developer Fee is Reasonable and Market-Oriented for Purposes of the Revenue Procedure 2014-12 Historic Tax Credit Safe Harbor,” Novogradac Journal of Tax Credits, March 2021
Co-authored “Reasonableness of Historic Tax Credit Related-Party Fees a Complicated, Changing Question in Context of Rev. Proc. 2014-12,” Novogradac Journal of Tax Credits, March 2021
Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall prime lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAUREN E. LEX

I. Education

Trinity College, Hartford, CT
Bachelor of Arts in American Studies and Art History, *cum laude*

II. Professional Experience

Manager, *Novogradac & Company LLP*, December 2019 – Present
Senior Analyst, *Novogradac & Company LLP*, December 2017 – December 2019
Analyst, *Novogradac & Company LLP*, December 2015 – December 2017
Junior Analyst, *Novogradac & Company LLP*, August 2013 – December 2015
Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

O'rel France

I. Education

Georgia State University – Atlanta, GA
Bachelor of Science in Business Administration, Accounting

II. Professional Experience

Junior Analyst Intern, Novogradac & Company LLP

III. Real Estate Assignments

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

ADDENDUM B
Utility Allowance Schedule

Utility Allowance Schedule

U.S. Department of Housing and
Urban Development

OMB Approval No. 2577-0169

Office of Public and Indian Housing

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

Locality/PHA		Green Discount		Unit Type			Date (mm/dd/yyyy)
SC State Housing Finance & Development Agency Upstate Region		ENERGY STAR		Larger Apartment Bldgs. (5+ units)			02/05/2024
Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	\$16	\$19	\$21	\$24	\$27	\$29
	Bottled Gas	\$52	\$61	\$69	\$77	\$86	\$94
	Electric Resistance	\$13	\$16	\$20	\$25	\$30	\$35
	Electric Heat Pump	\$12	\$14	\$16	\$18	\$20	\$22
	Fuel Oil	\$46	\$54	\$61	\$68	\$75	\$83
Cooking	Natural Gas	\$3	\$3	\$4	\$6	\$7	\$8
	Bottled Gas	\$9	\$10	\$15	\$19	\$24	\$28
	Electric	\$5	\$6	\$8	\$11	\$13	\$16
	Other						
Other Electric	Electric	\$18	\$21	\$30	\$38	\$46	\$55
Air Conditioning	Electric	\$8	\$9	\$13	\$16	\$20	\$23
Water Heating	Natural Gas	\$6	\$7	\$10	\$13	\$16	\$19
	Bottled Gas	\$19	\$23	\$33	\$43	\$53	\$63
	Electric	\$11	\$14	\$17	\$21	\$25	\$28
	Fuel Oil	\$17	\$20	\$29	\$38	\$47	\$55
Water		\$23	\$24	\$33	\$50	\$69	\$90
Sewer		\$41	\$44	\$62	\$88	\$115	\$142
Trash Collection		\$18	\$18	\$18	\$18	\$18	\$18
Other - Specify							
Range/Microwave		\$10	\$10	\$10	\$10	\$10	\$10
Refrigerator		\$11	\$11	\$11	\$11	\$11	\$11
Electric Base Charge		\$12	\$12	\$12	\$12	\$12	\$12
Natural Gas Base Charge		\$9	\$9	\$9	\$9	\$9	\$9

Actual Family Allowances-May be used by the family to compute allowance while searching for a unit.				Utility/Service/Appliance	Allowance
132 179				Heating 242	
Head of Household Name				Cooking	
				Other Electric	
Unit Address				Air Conditioning	
				Water Heating	
				Water	
				Sewer	
				Trash Collection	
Number of Bedrooms				Other	
				Range/Microwave	
				Refrigerator	
				Total	

Previous versions are obsolete.

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

ADDENDUM C

Site Plans



Source: Developer, May 2024

ADDENDUM D
NCHMA Certification



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Abby Cohen
Partner

Certificate of Professional Designation

This certificate verifies that

Abby Cohen

Novogradac & Company LLP

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



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

Membership Term

1/1/2024 to 12/31/2024



Kaitlyn Snyder
Managing Director, NCHMA