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### Exhibit S-2 SCSHFDA Primary Market Area Analysis Summary:

Development Name:	Saluda Townes	Total # of Units:	40
Address:	300 Greenwood Highway, Saluda, South Carolina 29138 (Saluda County)	# of LIHTC/TEB Units:	40
PMA Boundary:	The Saluda County line to the north, south and west; and State Route 391, U.S. Highway 378, Spann Road and Padgett Pond Road to the east.		

Development Type: Family Farthest Boundary Distance to Subject: 15.1 Miles

Rental Housing Stock (found on page <b>H-1; 13-</b> )				
Type	# of Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	3	124	0	100.00%
Market-Rate Housing	0	0	0	-
Assisted/Subsidized Housing not to include LIHTC	1	48	0	100.00%
<b>LIHTC (All that are stabilized)*</b>	2	76	0	100.00%
Stabilized Comparables**	1	40	0	100.00%
Non Stabilized Comparables	0	0	0	-

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

\*\* Comparables - 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
4	Two	1.5	1,111	\$175	\$1,246	\$ 1.12	85.96%	\$1,259	\$ 1.13
2	Two	1.5	1,111	\$540	\$1,246	\$ 1.12	56.66%	\$1,259	\$ 1.13
9	Two	1.5	1,111	\$700.00	\$1,246	\$ 1.12	43.82%	\$1,259	\$ 1.13
15	Two	1.5	1,122	\$700	\$1,246	\$ 1.11	43.82%	\$1,259	\$ 1.12
3	Three	2	1383	\$805	\$1,595	\$ 1.15	49.53%	\$1,739	\$ 1.26
5	Three	2	1392	\$805	\$1,595	\$ 1.15	49.53%	\$1,739	\$ 1.25
2	Three	2	1392	\$1,000	\$1,595	\$ 1.15	37.30%	\$1,739	\$ 1.25
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Gross Potential Rent Monthly*				\$ 27,020	\$ 53,330		49.33%		

\*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 <b>F-3 &amp; G</b> )						
	2010		2024		2026	
Renter Households	1,648	27.60%	1,531	26.00%	1,505	25.60%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	577	37.70%	566	37.60%
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 G-4 )						
Type of Demand	20%	50%	60%	70%	Editable	Overall
Renter Household Growth	-2	-8	-6	0		-11
Existing Households (Overburd + Substand)	22	75	105	73		191
Homeowner conversion (Seniors)	0	0	0	0		0
Other:	0	0	0	0		0
Less Comparable/Competitive Supply	0	0	0	0		0
<b>Net Income-qualified Renters HHs</b>	20	67	99	73	0	180

Capture Rates (found on page <b>G-4</b> )						
Targeted Population	20%	50%	60%	70%		Overall
Capture Rate	20.00%	3.00%	32.30%	2.70%		22.20%

Absorption Rate (found on page <b>G-6</b> )		
Absorption Period	5	months.

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & Development Authority's programs. I also affirm that I have no financial interest 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: Nathan Stelts Company: Bowen National Research

Signature:  Date: 3-May-24

## B. Project Description

Project Name:	<b>Saluda Townes</b>
Location:	300 Greenwood Highway, Saluda, South Carolina 29138 (Saluda County)
Census Tract:	9602.01
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 40-unit Saluda Townes rental community at 300 Greenwood Highway in Saluda, South Carolina. The project will target family (general occupancy) households earning up to 20%, 50%, 60% and 70% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by November 2026. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable Program Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
4	Two-Br.	1.5	Townhome	1,111	20%	\$175	\$213	\$388	\$391
2	Two-Br.	1.5	Townhome	1,111	50%	\$540	\$213	\$753	\$978
9	Two-Br.	1.5	Townhome	1,111	60%	\$700	\$213	\$913	\$1,174
15	Two-Br.	1.5	Townhome	1,122	60%	\$700	\$213	\$913	\$1,174
3	Three-Br.	2.0	Townhome	1,383	60%	\$805	\$277	\$1,082	\$1,356
5	Three-Br.	2.0	Townhome	1,392	60%	\$805	\$277	\$1,082	\$1,356
2	Three-Br.	2.0	Townhome	1,392	70%	\$1,000	\$277	\$1,277	\$1,582
<b>40</b>	<b>Total</b>								

Source: Connelly Development LLC

AMHI – Area Median Household Income (Columbia, SC HUD Metro FMR Area; 2024)

Building/Site Information	
Residential Buildings:	Ten (10) two-story buildings
Building Style:	Townhomes
Community Space:	Stand-alone building
Acres:	3.4

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	September 2025
Begin Preleasing:	August 2026
Construction End:	November 2026

Unit Amenities		
• Electric Range	• Microwave	• Carpet/Composite Flooring
• Refrigerator	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Ceiling Fans
• Dishwasher	• Patio	• Walk-In Closets

Community Amenities		
• On-Site Management	• Car Charging Station	• Clubhouse/Community Room
• Community Kitchen	• Multipurpose Room	• Laundry Room
• Common Area Wi-Fi	• Fitness Center	• CCTV/Cameras
• Playground	• Surface Parking Lot (80 Spaces)	

Utility Responsibility							
Paid By Source	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Landlord
Electric	Electric	Electric	Electric				

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





**BOWEN**  
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RESEARCH

**State of South Carolina**

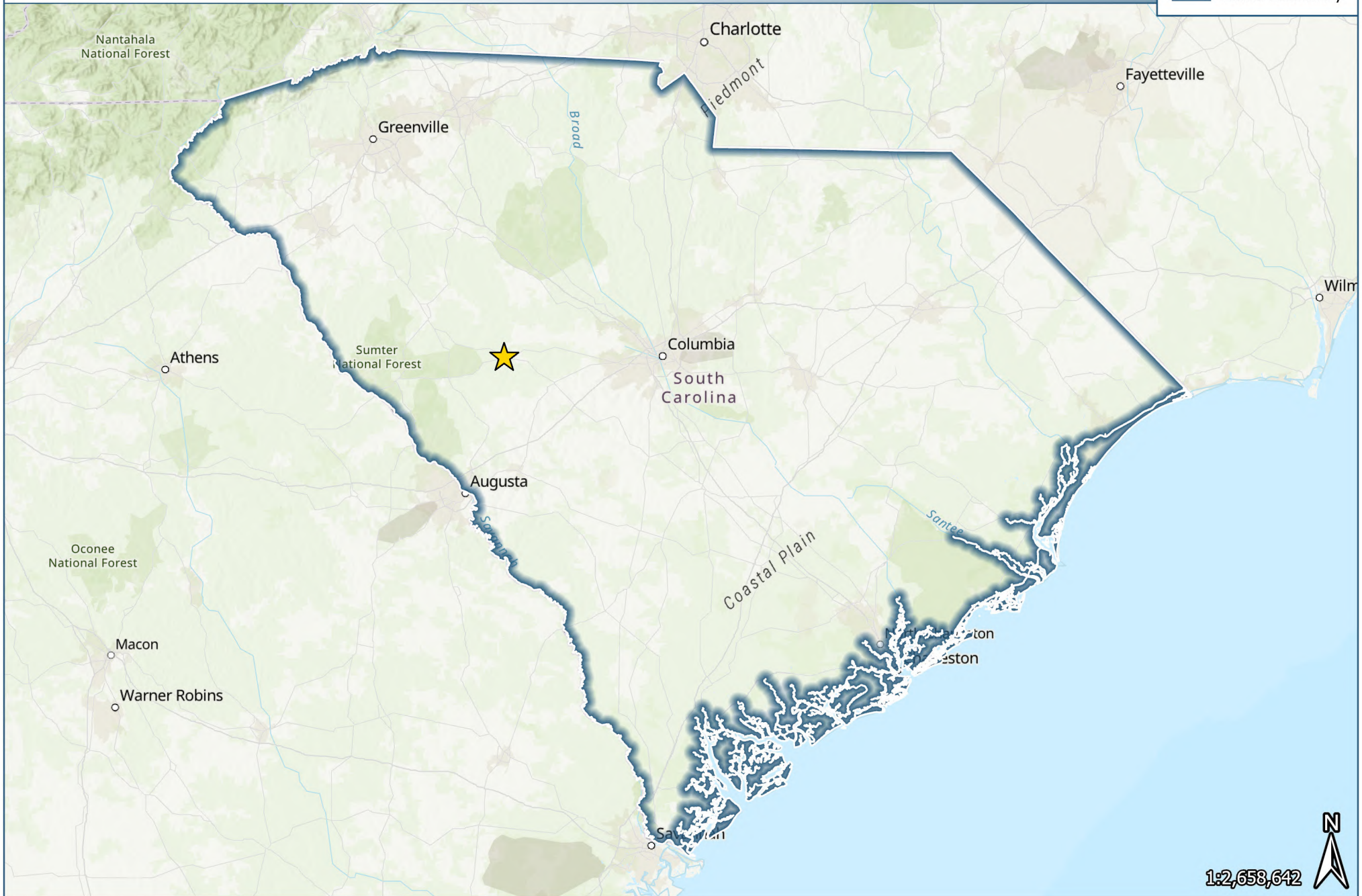
Saluda, SC



Site



State Boundary



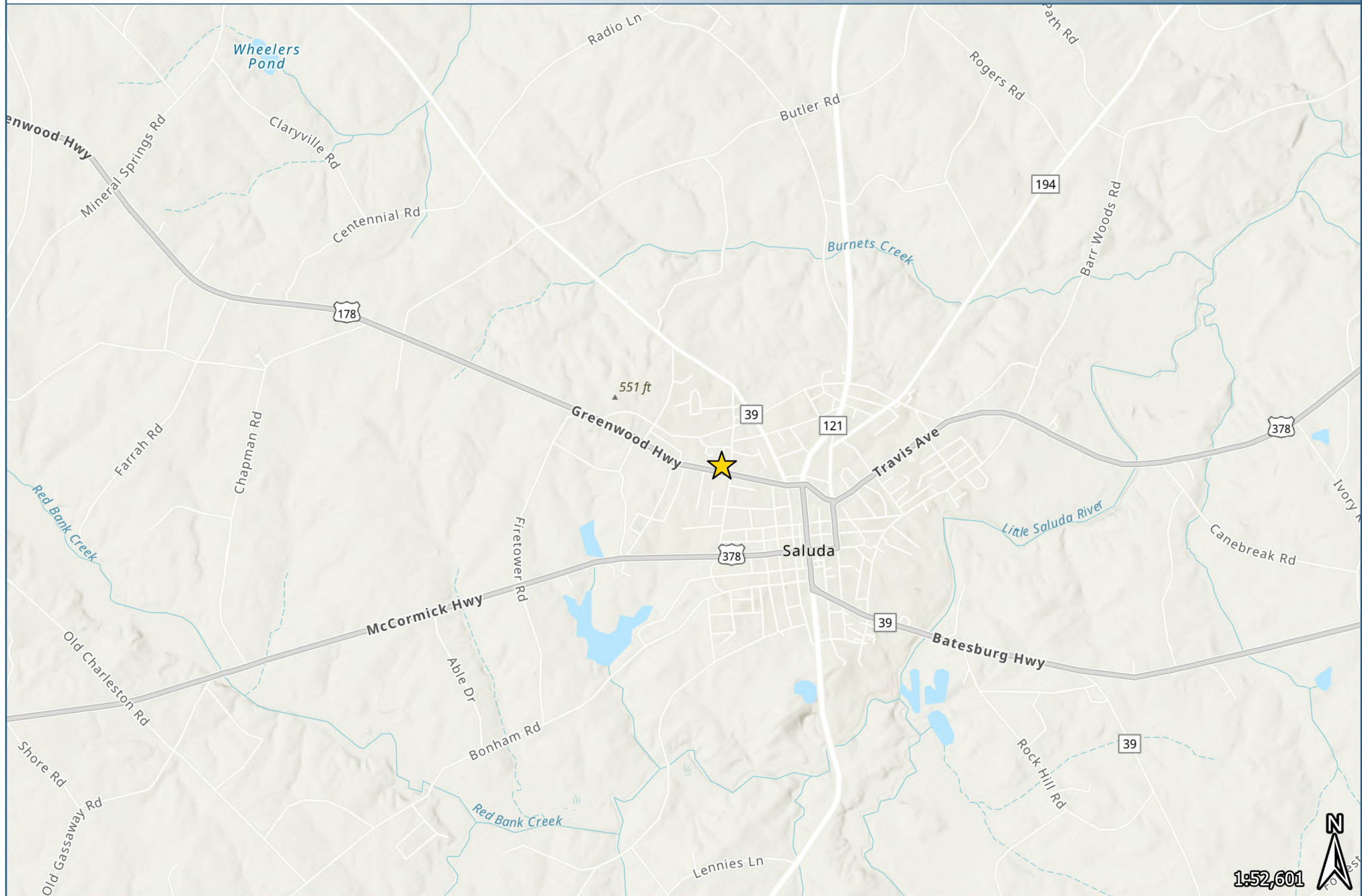
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Additional Source(s): Bowen National Research

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Esri, NASA, NGA, USGS, FEMA, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS  
Additional Source(s): Bowen National Research

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of April 15, 2024. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of a vacant industrial building on a 3.4-acre parcel, located at the intersection of North Wise Road and U.S. Highway 178/Greenwood Highway (herein referred to as Greenwood Highway) in Saluda, South Carolina. Note that the existing structure on the site parcel will be demolished for the proposed project. Located within Saluda County, the town of Saluda is situated approximately 42.0 miles west of Columbia, South Carolina. Following is a description of surrounding land uses:

<b>North -</b>	The northern site boundary is defined by a small shed and Saluda Crossing, a Tax Credit rental property consisting of single-family home-style units in good condition. Continuing north are single-family homes and mobile homes in fair to good condition, a South Carolina Department of Transportation (SCDOT) maintenance facility and undeveloped wooded land.
<b>East -</b>	The eastern site boundary is defined by North Wise Road, a two-lane roadway with light vehicular traffic patterns. Directly east of this roadway are single-family homes in good condition, a Mig's Pizza Castle restaurant and Saluda Commons, a senior Tax Credit rental property in good condition. Continuing east are single-family homes in fair to good condition and various community services.
<b>South -</b>	The southern site boundary is defined by Greenwood Highway, a two-lane roadway with moderate vehicular traffic patterns. Directly south of this roadway are single-family homes in good condition. Continuing south are single-family homes in fair to good condition, the Saluda Family Practice doctor's office, a day care facility and several public schools.
<b>West -</b>	The western site boundary is defined by a light wooded area that separates the site from a single-family home in good condition. Continuing west are single-family homes in good condition and several commercial buildings, including a small distribution center for Palmetto Gourmet Foods.

The site is within a generally established residential area, with surrounding homes and apartments observed to be in fair to good condition. Note that the site is within proximity of the Tax Credit rental communities Saluda Crossing and Saluda Commons, the latter of which is 100.0% occupied with a waiting list. This

indicates that non-subsidized Tax Credit product has been well received within the site neighborhood. Overall, the subject property is expected to fit well with the surrounding land uses, which should contribute to the marketability of the site.

### 3. **PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE**

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 178 U.S. Highway 378 State Route 121	Adjacent South 0.6 East 0.6 East
Public Bus Stop	Not Available	-
Major Employers/ Employment Centers	Saluda County Schools Palmetto Gourmet Foods Food Lion	0.2 South 0.3 West 1.6 East
Convenience Store	7-Eleven	0.5 East
Grocery	Latinos Supermarket Food Lion	0.8 East 1.6 East
Discount Department Store	Dollar General Family Dollar	0.6 West 0.6 East
Shopping Center/Mall	KJ's Market Retail Corridor	16.9 Southeast
Schools:		
Elementary	Saluda Primary School	0.2 South
Primary	Saluda Elementary School	0.2 South
Middle/Junior High	Saluda Middle School	3.9 East
High	Saluda High School	3.9 East
Hospital/Primary Care	Saluda Family Practice Self Regional Medical Center	0.1 Southeast 26.5 West
Police	Saluda Police Department	0.9 South
Fire	Saluda Fire Department	0.8 South
Post Office	United States Postal Service	1.1 East
Bank	AllSouth Federal Credit Union SouthState Bank	0.6 South 0.7 Southeast
Recreational/Community Facilities	Body Building Saluda Swim Club	0.7 Southeast 0.8 North
Gas Station	Exxon	0.5 East
Pharmacy	CVS	0.4 East
Restaurant	Mig's Pizza Castle Japan Express 2 Burger King	0.1 East 0.5 East 0.6 East
Day Care	ABC Academy	0.2 South
Park	Saluda Park	1.2 South
Library	Saluda County Library	0.9 South

The site is within a rural, partially developed area; however, most essential community services are accessible within 2.0 miles of the site within Saluda. Notable services within 2.0 miles include grocery stores, banks, restaurants, a pharmacy, gas stations and convenience stores. Of note, the site is within walking distance of the campuses of Saluda Primary and Elementary School. Additional

essential community services are available in the nearby communities of Batesburg-Leesville and Greenwood, approximately 17.0 to 27.0 miles from the site.

Public safety services are provided by the Saluda Police and Fire departments, which are located within 0.9 and 0.8 mile of the site, respectively. The nearest hospital with emergency services, Self Regional Medical Center, is 26.5 miles west of the site in the community of Greenwood. However, primary care medical services are available within walking distance of the site through the Saluda Family Practice doctor's office. Several recreational areas and a park are accessible within 1.2 miles. Additionally, while there are no fixed-route or demand-based public transportation services available within Saluda, the site is within 0.6 mile of three state and U.S. highways. These roadways facilitate the site's accessibility to community services throughout Saluda and the surrounding region.

Overall, the proximity of community services is considered conducive to the marketability of the proposed project.

#### **4. SITE PHOTOGRAPHS**

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





View of site from the north



View of site from the northeast



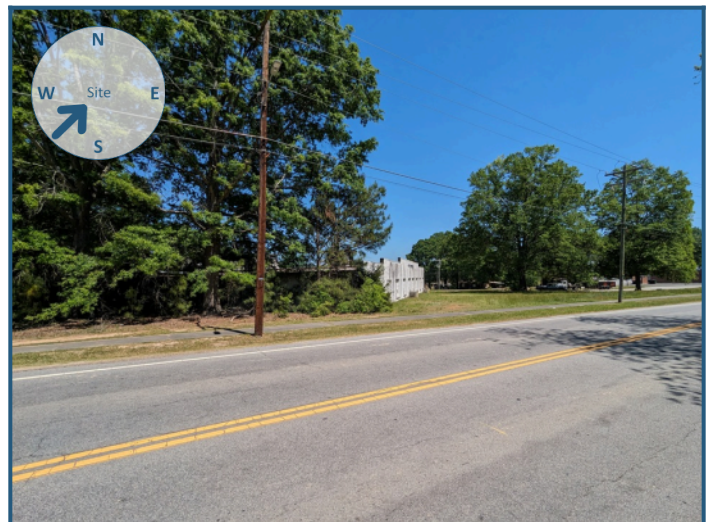
View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest





View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site

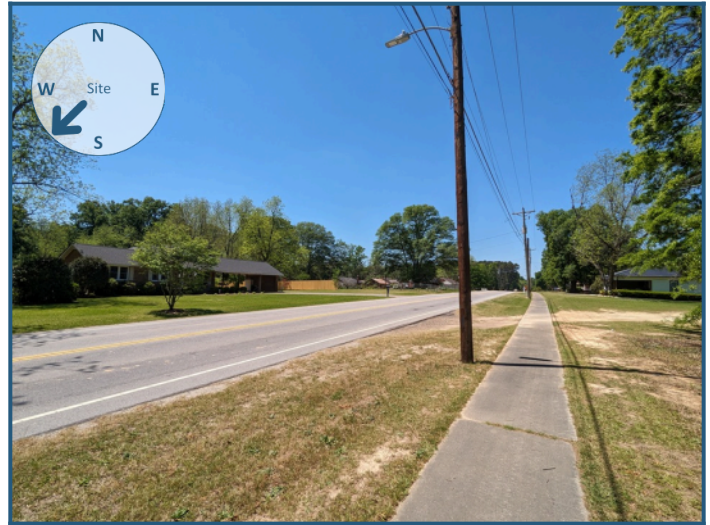


Southeast view from site





South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: North N Wise road



Streetscape: West Greenwood Highway



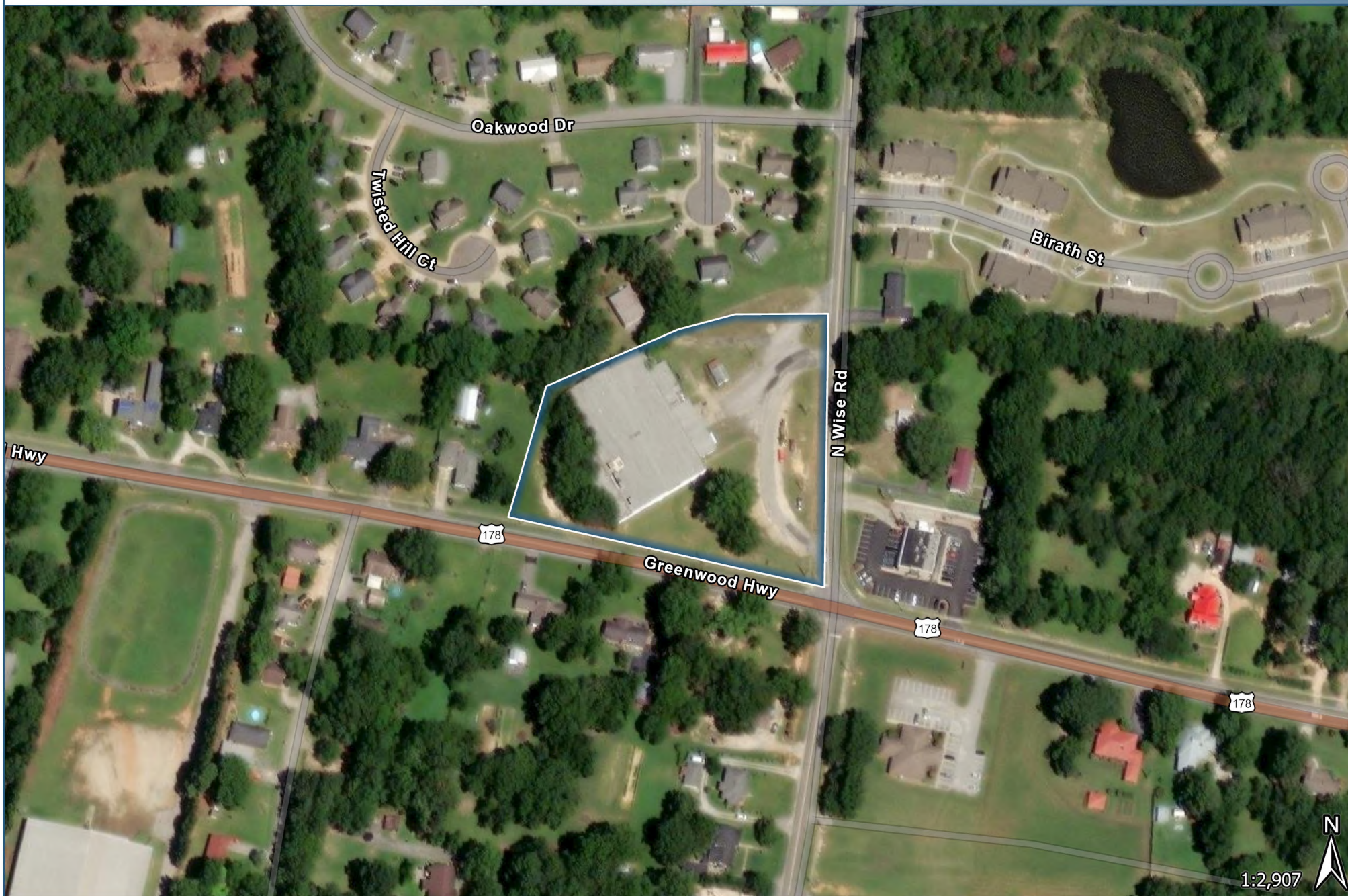


Streetscape: East Greenwood Highway

## **5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.

















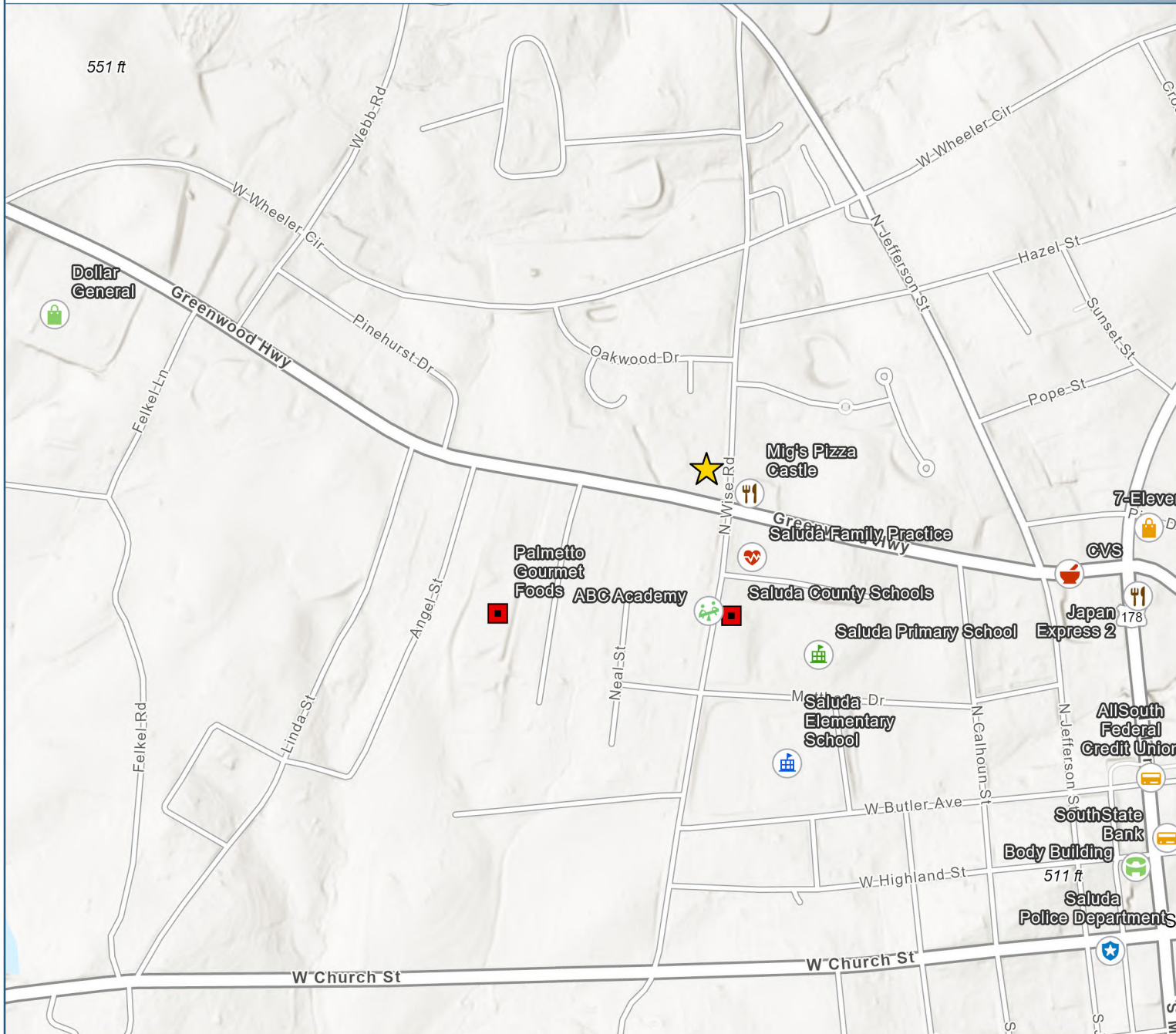




Site

## Community Services

-  Major Employers/Employment Centers
-  Hospital/Medical Center
-  Police
-  Pharmacy
-  Bank
-  Day Care
-  Schools, Elementary
-  Schools, Middle/Junior High
-  Recreational Facility
-  Restaurant
-  Convenience Store
-  Discount Department Store



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Miles

Esri, NASA, NGA, USGS, FEMA, Esri Community Maps Contributors, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS  
Additional Source(s): Bowen National Research

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Site

## Community Services



Major Employers/Employment Centers



Hospital/Medical Center



Police



Fire



Post Office



Pharmacy



Bank



Day Care



Schools, Elementary



Schools, Middle/Junior High



Schools, High



Library



Park



Recreational Facility



Restaurant



Grocery



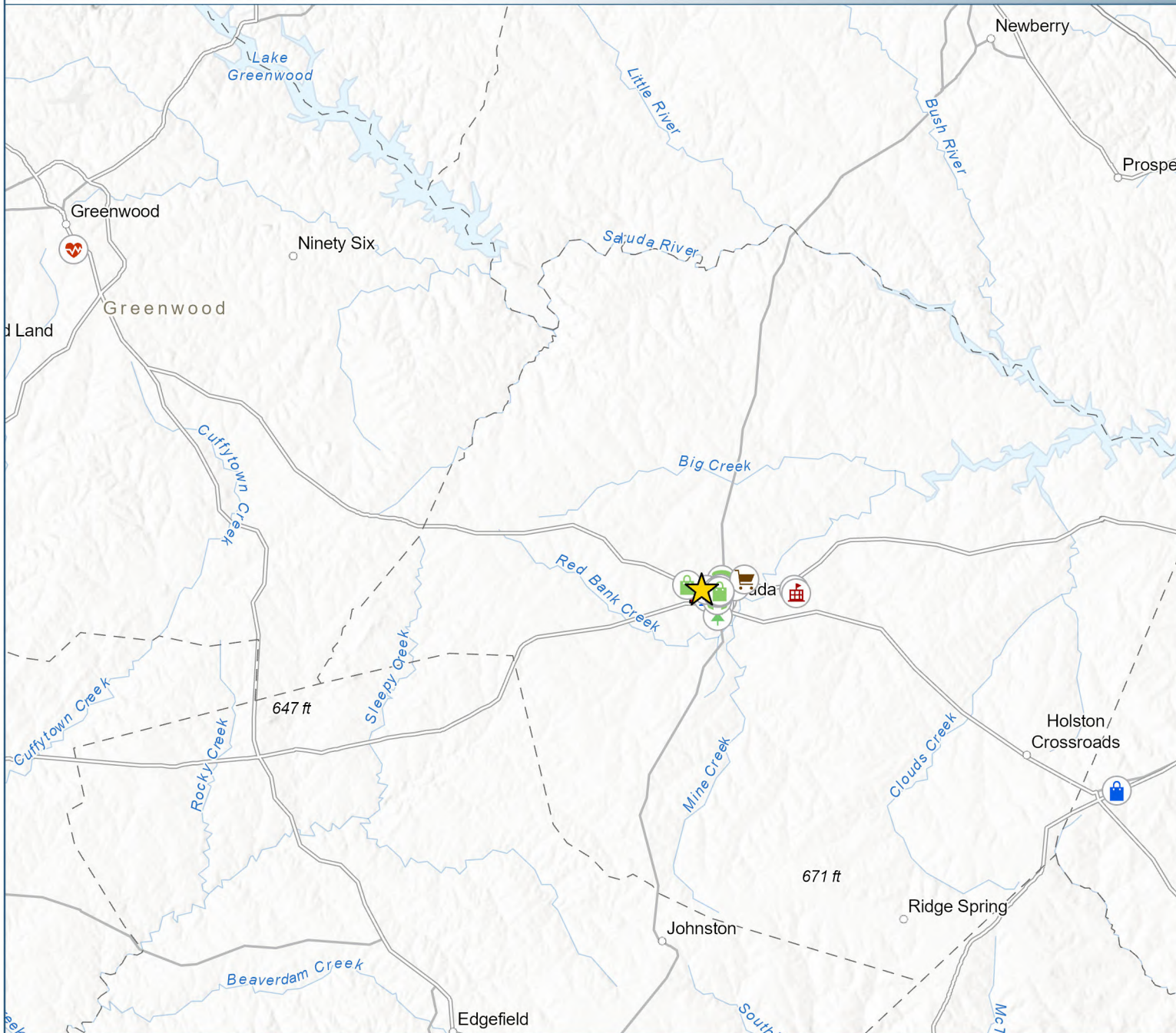
Convenience Store



Discount Department Store



Shopping Center/Mall



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Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS  
Additional Source(s): Bowen National Research

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## 6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

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

The following table illustrates the crime risk indexes for the Primary Market Area (PMA) and Saluda County:

	Crime Risk Index	
	PMA	Saluda County
<b>Total Crime Index</b>	<b>108</b>	<b>99</b>
<b>Personal Crime Index</b>	<b>142</b>	<b>130</b>
Murder	134	136
Rape	127	119
Robbery	40	40
Assault	177	160
<b>Property Crime Index</b>	<b>102</b>	<b>94</b>
Burglary	120	114
Larceny	98	89
Motor Vehicle Theft	98	94

Source: Applied Geographic Solutions, FBI, ESRI

The crime risk index within the PMA (108) is similar to, if slightly above, that of Saluda County (99) and the national average (100). Note that the subject development will feature on-site management and CCTV/security cameras, which will further enhance the sense of security at the site. Overall, the perception of crime within the PMA is not expected to have any impact on the subject's marketability.

A map illustrating crime risk is on the following page.



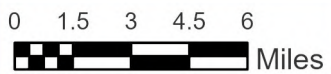
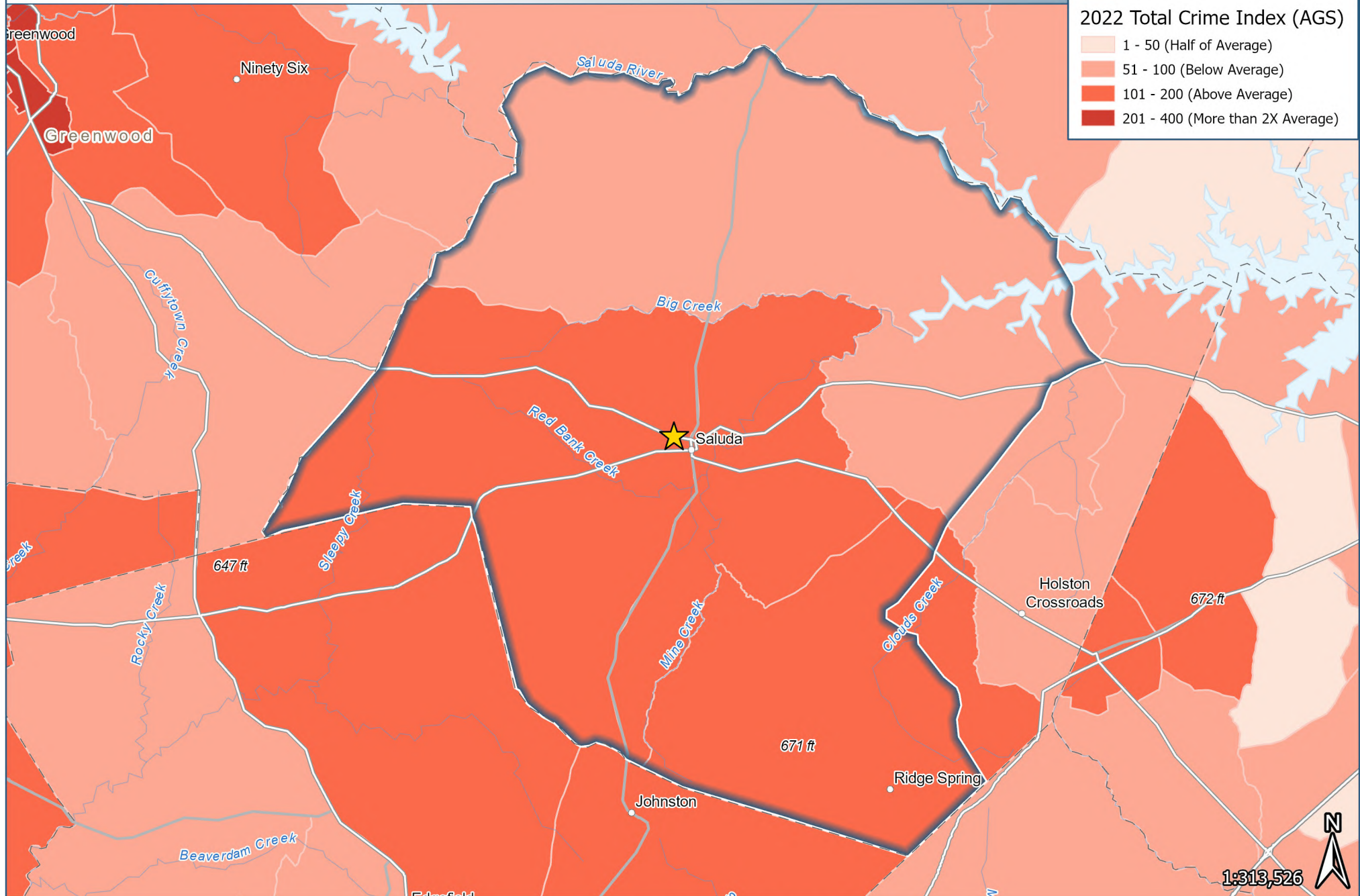
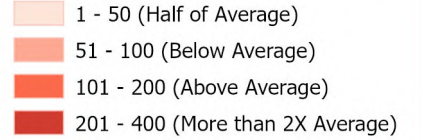


Site



PMA

2022 Total Crime Index (AGS)



## **7. VISIBILITY AND ACCESS**

The proposed site will be primarily visible to passerby traffic from Greenwood Highway, a two-lane roadway with moderate vehicular traffic patterns. According to the South Carolina Department of Transportation (SCDOT), Greenwood Highway maintains an Annual Average Daily Traffic (AADT) volume of approximately 5,300 vehicles. While moderate, this is among the highest traffic volumes in the Saluda market. As such, visibility of the subject site is considered good and is anticipated to positively impact marketability.

Site plans for the subject project were not provided at the time of analysis. However, it is anticipated that the project will maintain at least one vehicular access point along Greenwood Highway to the south or North Wise Road to the east. Considering the light to moderate vehicular traffic patterns in the immediate neighborhood, direct vehicular ingress and egress are considered convenient. While there are no fixed-route or demand-based public transportation options available in Saluda, the site is within 0.6 mile of several state and local highways, including Greenwood Highway, U.S. Highway 378 and State Route 121. These roadways facilitate accessibility of the site throughout Saluda and the surrounding areas. Overall, accessibility of the site is considered good and expected to positively impact marketability of the subject project.

## **8. VISIBLE OR ENVIRONMENTAL ISSUES**

No visible or environmental issues/nuisances were observed within proximity of the subject site.

## **9. OVERALL SITE CONCLUSIONS**

The subject site consists of a vacant industrial building (to be demolished for the proposed project) located at the intersection of North Wise Road and Greenwood Highway in Saluda, South Carolina. The site is within a generally established residential area, with surrounding homes and apartments observed to be in fair to good condition. The proposed project is anticipated to fit well with these existing structures. Given the light to moderate traffic patterns of the site neighborhood and the proximity of several minor arterial roadways, visibility and accessibility of the site are considered good. Further, despite the rural nature of the subject market, many essential community services are accessible within 2.0 miles of the site in the town of Saluda. Notable nearby services include (but are not limited to) grocery stores, banks, restaurants, a pharmacy, gas stations and convenience stores. Note that, while there are no demand-based or fixed-route public transportation services available within Saluda, several nearby arterial roadways (including the adjacent Greenwood Highway) facilitate the accessibility of many community services throughout the region. Overall, the subject site location is considered conducive to the proposed project.



## D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Saluda Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Saluda Site PMA includes all (or portions) of the incorporated communities of Saluda, Ridge Spring, Ward and Monetta, as well as most of the surrounding unincorporated areas of Saluda County. Specifically, the boundaries of the Site PMA include the Saluda County line to the north, south and west; and State Route 391, U.S. Highway 378, Spann Road and Padgett Pond Road to the east. All areas of the Site PMA are within 15.1 miles of the site. The Site PMA includes all, or portions, of the following Census Tracts:

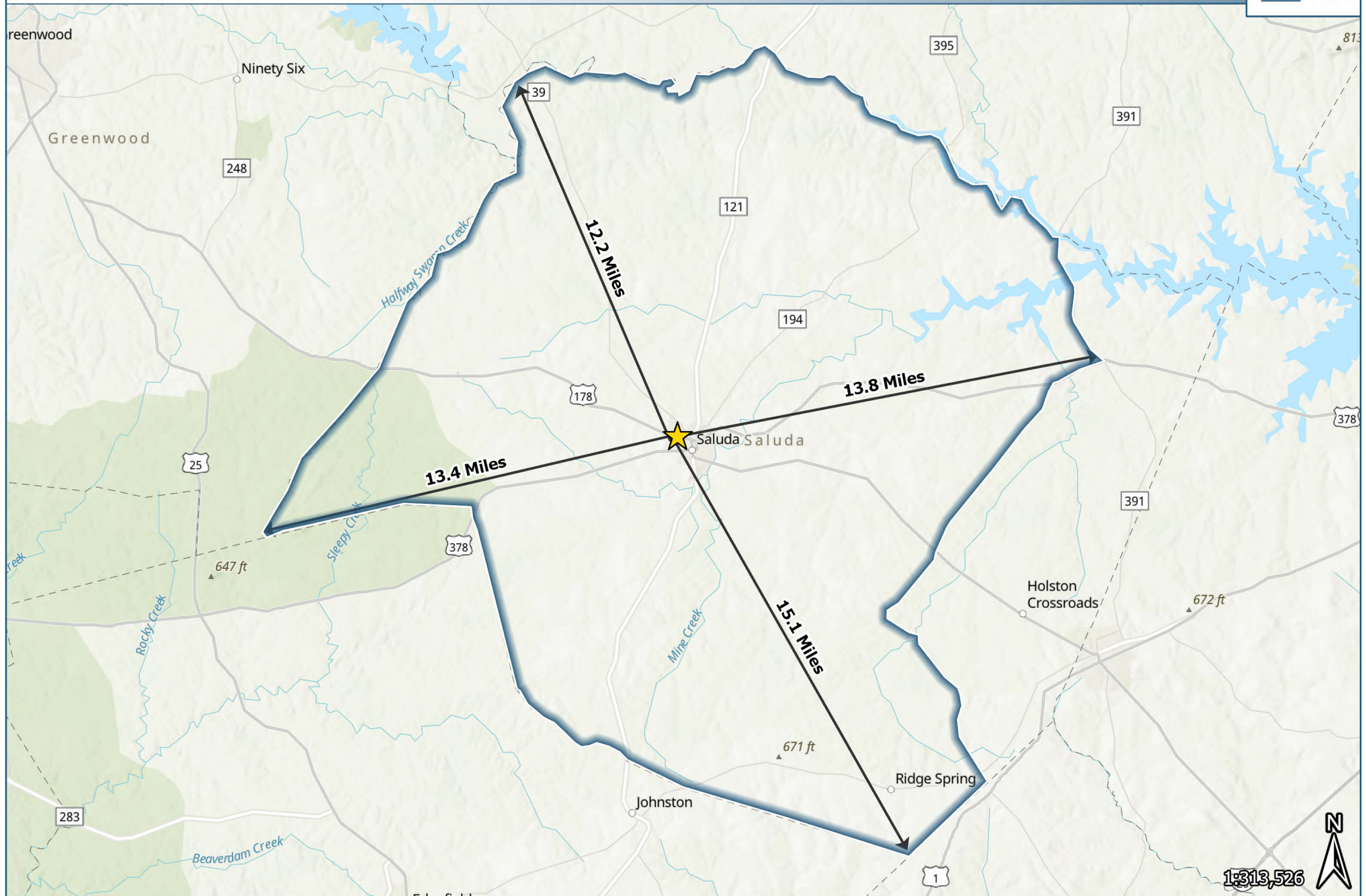
Census Tracts in PMA			
9601.00	9602.01*	9602.02	9603.02
9604.00			

\*Subject site location

Dianne Bennet is the Property Manager for Saluda Commons, a comparable age-restricted Tax Credit property in the Site PMA. Bennet generally confirmed the boundaries of the Site PMA, stated approximately 85.0% of her property's current tenants moved to her property from within the PMA boundaries. Bennet added that her property currently has 40 households on a waiting list for the next available unit, with most of these households currently residing within the Site PMA.

A modest portion of support may originate from some of the outlying rural areas or larger communities east of the Site PMA; however, we have not considered any secondary market area in this report.

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



## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

The labor force within the Saluda Site PMA is based primarily in two sectors. Manufacturing (which comprises 41.1%) and Agriculture, Forestry, Fishing & Hunting comprise over 61.1% of the Site PMA labor force. Employment in the Saluda Site PMA, as of 2023, was distributed as follows:

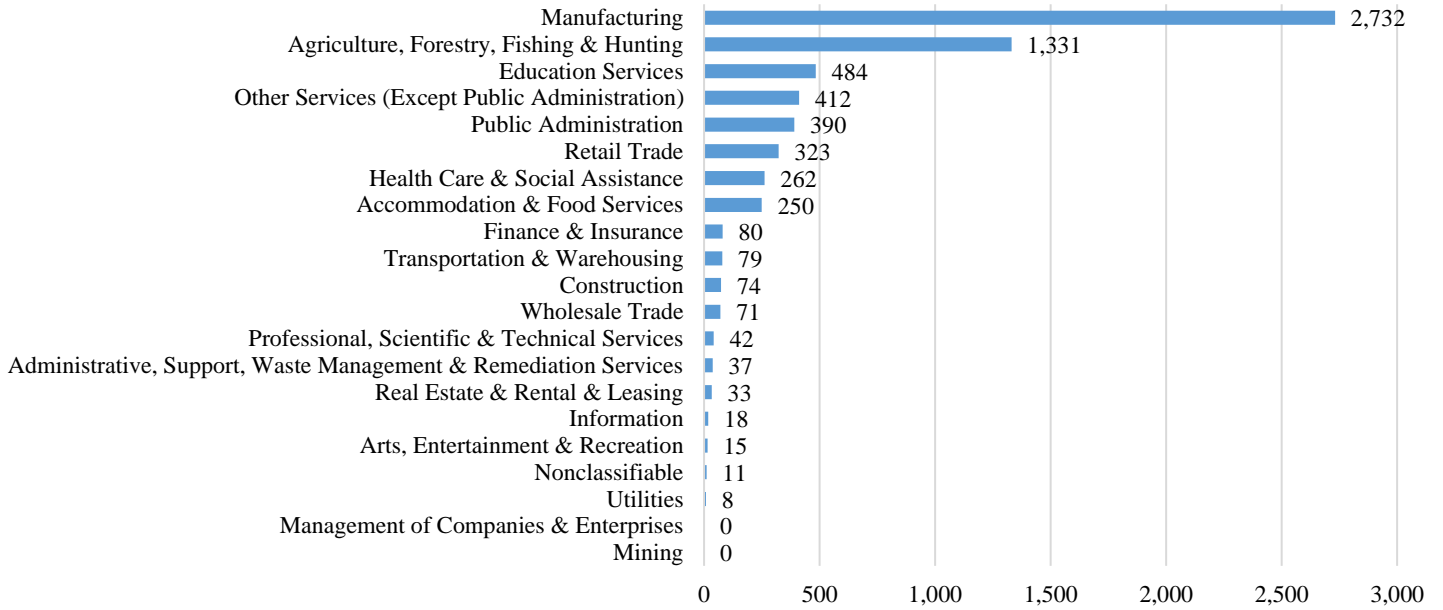
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	12	3.0%	1,331	20.0%	111
Mining	0	0.0%	0	0.0%	0
Utilities	1	0.3%	8	0.1%	8
Construction	15	3.8%	74	1.1%	5
Manufacturing	11	2.8%	2,732	41.1%	248
Wholesale Trade	14	3.5%	71	1.1%	5
Retail Trade	54	13.5%	323	4.9%	6
Transportation & Warehousing	14	3.5%	79	1.2%	6
Information	4	1.0%	18	0.3%	5
Finance & Insurance	19	4.8%	80	1.2%	4
Real Estate & Rental & Leasing	14	3.5%	33	0.5%	2
Professional, Scientific & Technical Services	13	3.3%	42	0.6%	3
Management of Companies & Enterprises	0	0.0%	0	0.0%	0
Administrative, Support, Waste Management & Remediation Services	12	3.0%	37	0.6%	3
Education Services	18	4.5%	484	7.3%	27
Health Care & Social Assistance	26	6.5%	262	3.9%	10
Arts, Entertainment & Recreation	4	1.0%	15	0.2%	4
Accommodation & Food Services	27	6.8%	250	3.8%	9
Other Services (Except Public Administration)	74	18.5%	412	6.2%	6
Public Administration	56	14.0%	390	5.9%	7
Nonclassifiable	11	2.8%	11	0.2%	1
<b>Total</b>	<b>399</b>	<b>100.0%</b>	<b>6,652</b>	<b>100.0%</b>	<b>17</b>

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

## Total Employment by Industry



## 2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	MSA	South Carolina
Management Occupations	\$68,973	\$71,352
Business And Financial Occupations	\$59,071	\$64,095
Computer And Mathematical Occupations	\$71,494	\$79,232
Architecture And Engineering Occupations	\$84,916	\$84,842
Community And Social Service Occupations	\$47,156	\$44,348
Art, Design, Entertainment, Sports, and Media Occupations	\$38,773	\$40,071
Healthcare Practitioners And Technical Occupations	\$63,495	\$63,246
Healthcare Support Occupations	\$26,105	\$25,503
Protective Service Occupations	\$50,383	\$45,608
Food Preparation And Serving Related Occupations	\$14,369	\$15,606
Building And Grounds Cleaning And Maintenance Occupations	\$22,449	\$23,593
Personal Care And Service Occupations	\$19,055	\$18,897
Sales And Related Occupations	\$33,093	\$33,284
Office And Administrative Support Occupations	\$35,123	\$34,814
Construction And Extraction Occupations	\$36,205	\$37,366
Installation, Maintenance And Repair Occupations	\$52,461	\$51,644
Production Occupations	\$38,517	\$39,644
Transportation Occupations	\$40,925	\$41,368
Material Moving Occupations	\$26,874	\$26,533

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

As the preceding table illustrates, most occupational types within the MSA have generally similar typical wages as those of the state.



### 3. AREA'S LARGEST EMPLOYERS

The seven largest employers within the Saluda County area comprise a total of 4,120 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Amick Farms	Chicken Hatchery	2,500
Best Dressed Chicken	Poultry Farm	525
Saluda County Schools	Education	350
Palmetto Gourmet Foods	Food Processing	290
Darling Ingredients	Slaughterhouse	250
Saluda County Government	Government	180
Southland Log Homes	Home Builder	25
Total		4,120

Source: Western South Carolina Economic Development Partnership (April 2024)

According to a representative with the Western South Carolina Economic Development Partnership, the Saluda County economy is improving. Notably, several existing industries have completed expansions meet product demand.

The following table summarizes some recent and/or ongoing economic development projects within the Saluda County area as of the time of this analysis:

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
Best Dressed Chicken	\$30 million	300	Expanded operations and opened February 2023. The expansion will result in doubling of output.
SC Pet Foods	\$14.5 million	14	Announced 2024. No additional information available at this time.
Tractor Supply	N/A	N/A	Opening a new store on Columbia Highway. As of April 2024, the store is under construction.
Palmetto Gourmet Foods	\$100 million	700	Announced in June 2023, food technology company will expand facilities to include new production buildings and product lines. Will also install solar power infrastructure, with completion estimated for 2025. The company plans to add 700 new jobs through 2028.

N/A- Not Available

#### Infrastructure:

The following table summarizes some recent and/or ongoing infrastructure projects within the Saluda County area:

Project Name	Scope of Work, Status, Investment
Elementary Schools	School system will add new elementary school and upgrade an existing elementary school. The projects are expected to be completed in 2025.
Saluda Middle School	Upgrades will add classroom labs and meeting space. The project is expected to be completed in 2025.
Saluda High School	Upgrades to the current facility with the addition of career and technical education classrooms and lab spaces. The project is expected to be completed in 2025.
Saluda County Water and Sewer Authority	New wastewater treatment plant announced early 2024.
EMS Headquarters	A new facility will be developed with \$1 million in funds from the American Rescue Plan Act. The facility will include sleeping quarters, kitchen, and showers. Funds were allocated early 2024.

#### WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on April 30, 2024, and according to South Carolina Works there have been no WARN notices reported for Saluda County over the past 12 months.

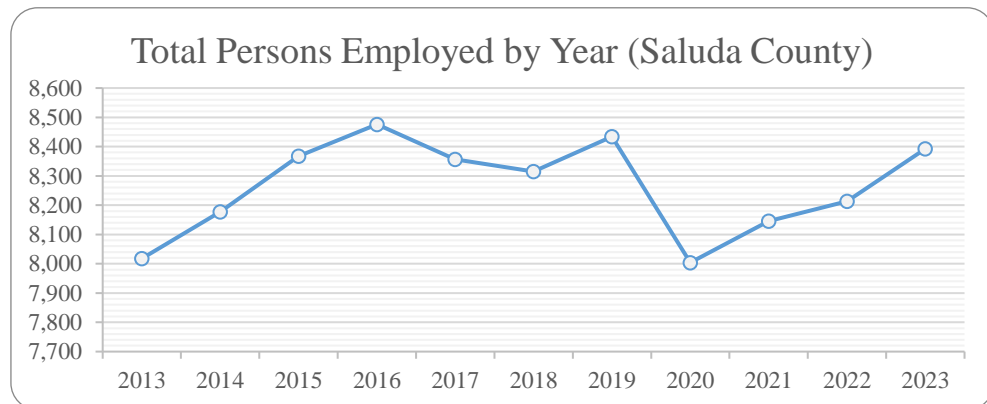
#### **4. EMPLOYMENT TRENDS**

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

The following illustrates the total employment base for Saluda County, the state of South Carolina, and the United States. Total employment reflects the number of employed persons who live within the county.

Year	Total Employment					
	Saluda County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	8,018	-	2,034,404	-	144,637,000	-
2014	8,177	2.0%	2,082,941	2.4%	146,305,000	1.2%
2015	8,367	2.3%	2,134,087	2.5%	148,833,000	1.7%
2016	8,476	1.3%	2,174,301	1.9%	151,436,000	1.7%
2017	8,356	-1.4%	2,166,708	-0.3%	153,337,000	1.3%
2018	8,315	-0.5%	2,205,356	1.8%	155,761,000	1.6%
2019	8,434	1.4%	2,268,884	2.9%	157,538,000	1.1%
2020	8,004	-5.1%	2,199,751	-3.0%	147,795,000	-6.2%
2021	8,146	1.8%	2,266,611	3.0%	152,581,000	3.2%
2022	8,213	0.8%	2,316,435	2.2%	158,291,000	3.7%
2023	8,393	2.2%	2,380,392	2.8%	161,037,000	1.7%

Source: Bureau of Labor Statistics

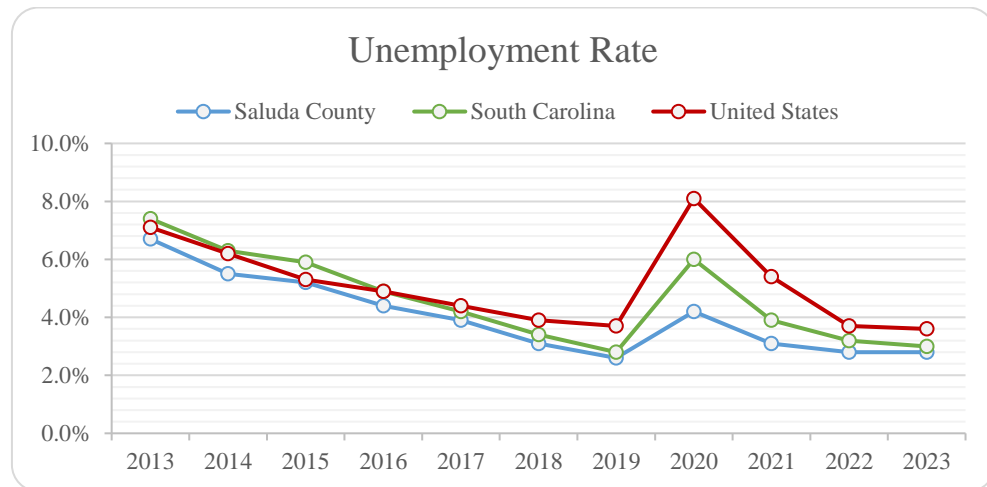


As the preceding illustrates, the Saluda County employment base generally experienced growth between 2013 and 2019. While the county's employment base decreased between 2019 and 2020 as the result of the COVID-19 pandemic, the employment base has improved through the end of 2023. Specifically, the local employment base has increased by 4.9% since 2020, nearly offsetting all jobs lost during the pandemic.

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

Year	Total Unemployment					
	Saluda County		South Carolina		United States	
	Total Number	Percent of Workforce	Total Number	Percent of Workforce	Total Number	Percent of Workforce
2013	578	6.7%	163,472	7.4%	11,101,000	7.1%
2014	479	5.5%	139,485	6.3%	9,616,000	6.2%
2015	458	5.2%	133,750	5.9%	8,296,000	5.3%
2016	394	4.4%	111,753	4.9%	7,751,000	4.9%
2017	336	3.9%	95,058	4.2%	6,982,000	4.4%
2018	262	3.1%	76,666	3.4%	6,314,000	3.9%
2019	224	2.6%	64,649	2.8%	6,001,000	3.7%
2020	347	4.2%	139,389	6.0%	12,948,000	8.1%
2021	263	3.1%	92,558	3.9%	8,623,000	5.4%
2022	240	2.8%	76,894	3.2%	5,996,000	3.7%
2023	245	2.8%	72,668	3.0%	6,080,000	3.6%

Source: Department of Labor, Bureau of Labor Statistics



Between 2013 and 2019, the annual unemployment rate within Saluda County declined by over four percentage points, then increased by 1.6 percentage points between 2019 and 2020 due to the COVID-19 pandemic. Note that the county unemployment rate increased at a much lower rate than the state and national unemployment rate in 2020. Similar to the county's employment base, its unemployment rate has been improving since 2020, declining by 1.4 percentage points and is generally similar to pre-pandemic levels.

At-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total at-place employment base for Saluda County.

At-Place Employment Saluda County			
Year	Employment	Change	Percent Change
2013	4,080	-	-
2014	4,610	530	13.0%
2015	4,554	-56	-1.2%
2016	4,498	-56	-1.2%
2017	4,632	134	3.0%
2018	4,662	30	0.6%
2019	4,787	125	2.7%
2020	4,989	202	4.2%
2021	4,845	-144	-2.9%
2022	4,808	-37	-0.8%
2023*	4,839	31	0.6%

Source: Department of Labor, Bureau of Labor Statistics

\*Through September

Data for 2022, the most recent year that year-end figures are available, indicates at-place employment in Saluda County to be 58.5% of the total Saluda County employment. This is not uncommon, however, of rural counties situated adjacent to larger employment centers, such as Saluda County's location relative to the larger/more developed Richland, Lexington and Greenwood Counties.

## 5. **EMPLOYMENT CENTERS MAP**

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





**BOWEN**  
NATIONAL  
RESEARCH

## Major Employers

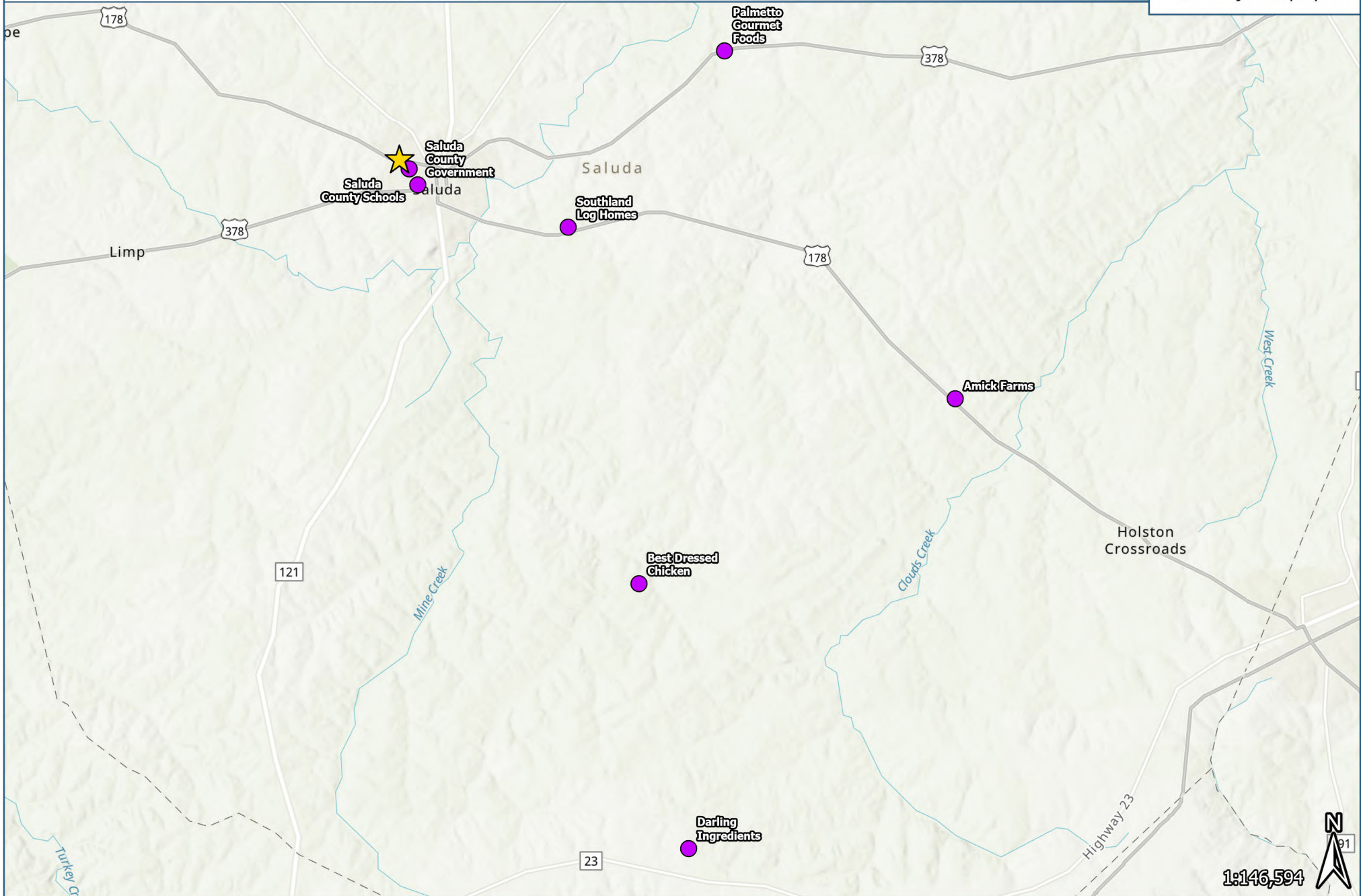
Saluda, SC



Site



Major Employers



0 0.7 1.4 2.1 2.8

Miles

Esri, CGIAR, USGS, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS  
Additional Source(s): Bowen National Research

## 6. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	4,714	76.3%
Carpooled	871	14.1%
Public Transit	0	0.0%
Walked	112	1.8%
Other Means	352	5.7%
Worked at Home	127	2.1%
<b>Total</b>	<b>6,176</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI

More than 76.0% of all workers drove alone, 14.1% carpooled, and 0.0% used public transportation.

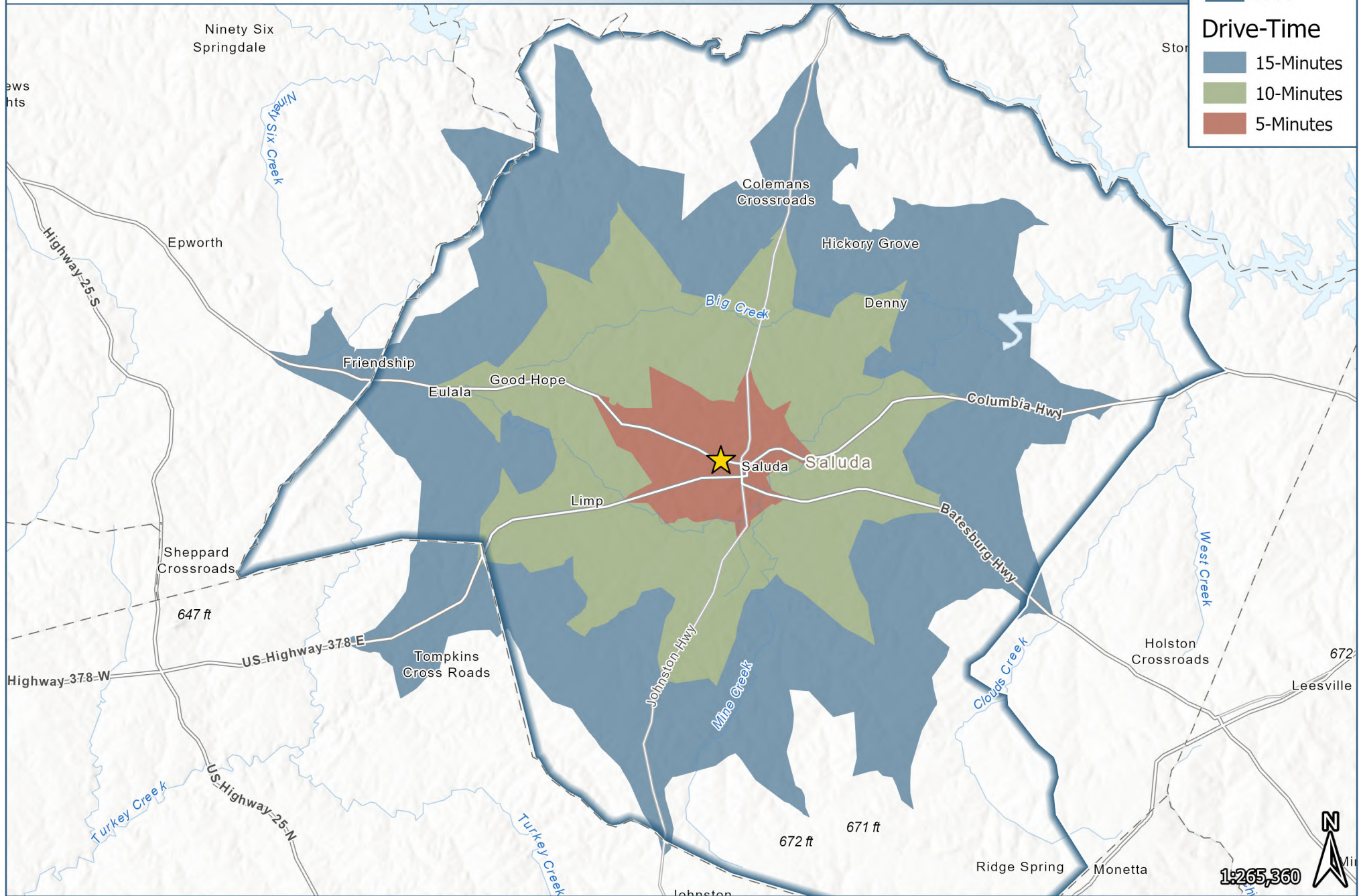
Typical travel times to work for Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,497	24.7%
15 – 29 Minutes	1,481	24.5%
30 – 44 Minutes	1,563	25.8%
45 – 59 Minutes	680	11.2%
60 + Minutes	828	13.7%
<b>Total</b>	<b>6,049</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work ranging from 30 to 44 minutes, though similar shares of workers have commutes of either 15 to 29 minutes or less than 15 minutes. The subject site is within a 45-minute drive of most of the area's largest employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.





## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

Based on data provided by the State of South Carolina Department of Labor, the local economy generally experienced growth between 2013 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Saluda County employment base declined by more than 400 jobs, or 5.1%, and its annual unemployment rate increased by 1.6 percentage points. On a positive note, the local economy has generally experienced growth since 2020, with its employment base increasing by 4.9% (nearly offsetting the jobs lost during the pandemic) and annual unemployment decreasing to a rate of 2.8% through the end of 2023. These are good indications that the Saluda County economy has generally fully recovered from the initial impact of the pandemic. This, in turn, will continue to create a stable environment for the local housing market.

## F. Community Demographic Data

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

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2010, 2020, 2024 (estimated), and 2026 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2026 (Projected)
Population	15,944	14,942	14,801	14,716
Population Change	-	-1,002	-141	-85
Percent Change	-	-6.3%	-0.9%	-0.6%

Source: 2010 & 2020 Census; ESRI; Bowen National Research

As the preceding table illustrates, the population base within the Saluda Site PMA declined between 2010 and 2020 but has been generally stable since 2020. The population base within the market is projected to remain relatively stable through 2026.

Based on the 2020 Census, population residing in group quarters represented 0.0% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	0	0.0%
Population not in Group Quarters	14,942	100.0%
Total Population	14,942	100.0%

Source: 2020 Census; ESRI; Bowen National Research

#### b. Population by Age Group

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

Population by Age	2010 (Census)		2024 (Estimated)		2026 (Projected)		Change 2024-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	4,241	26.6%	3,570	24.1%	3,563	24.2%	-7	-0.2%
20 to 24	1,030	6.5%	710	4.8%	706	4.8%	-4	-0.6%
25 to 34	2,073	13.0%	1,823	12.3%	1,651	11.2%	-172	-9.4%
35 to 44	2,039	12.8%	1,979	13.4%	2,014	13.7%	36	1.8%
45 to 54	2,144	13.4%	1,777	12.0%	1,766	12.0%	-11	-0.6%
55 to 64	1,961	12.3%	1,877	12.7%	1,840	12.5%	-38	-2.0%
65 to 74	1,358	8.5%	1,819	12.3%	1,844	12.5%	24	1.3%
75 & Older	1,101	6.9%	1,247	8.4%	1,334	9.1%	88	7.0%
<b>Total</b>	<b>15,944</b>	<b>100.0%</b>	<b>14,801</b>	<b>100.0%</b>	<b>14,716</b>	<b>100.0%</b>	<b>-85</b>	<b>-0.6%</b>

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, over 50% of the population is estimated to be between 25 and 64 years old in 2024. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

**c. Elderly and Non-Elderly Population**

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA's senior and non-senior population.

**d. Special Needs Population**

The subject project will target family (general occupancy) households. Therefore, we have not provided any population data regarding special needs populations.

**2. HOUSEHOLD TRENDS**

**a. Total Households**

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

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2026 (Projected)
Households	5,967	5,924	5,884	5,880
Household Change	-	-43	-40	-4
Percent Change	-	-0.7%	-0.7%	-0.1%
Average Household Size	2.68	2.64	2.46	2.45

Source: Bowen National Research, ESRI, Census

Similar to the market's population base, households within the Site PMA have been generally stable since 2020. This trend is projected to remain relatively stable through 2026.

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

Households by Age	2010 (Census)		2024 (Estimated)		2026 (Projected)		Change 2024-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	247	4.1%	175	3.0%	177	3.0%	2	1.1%
25 to 34	799	13.4%	712	12.1%	643	10.9%	-69	-9.7%
35 to 44	1,011	16.9%	984	16.7%	1,001	17.0%	17	1.7%
45 to 54	1,193	20.0%	979	16.6%	975	16.6%	-4	-0.4%
55 to 64	1,161	19.5%	1,095	18.6%	1,070	18.2%	-25	-2.3%
65 to 74	843	14.1%	1,128	19.2%	1,140	19.4%	12	1.1%
75 & Older	714	12.0%	812	13.8%	875	14.9%	62	7.7%
<b>Total</b>	<b>5,967</b>	<b>100.0%</b>	<b>5,884</b>	<b>100.0%</b>	<b>5,880</b>	<b>100.0%</b>	<b>-4</b>	<b>-0.1%</b>

Source: Bowen National Research, ESRI, Census



Between 2024 and 2026, the greatest growth among household age groups is projected to be among those ages 75 and older. While households under the age of 65 are projected to decline overall during the same time frame, they will still represent nearly 66.0% of all households within the market through 2026. As such, there will continue to be a larger base of age-appropriate households within the Site PMA to support the subject development.

**b. Households by Tenure**

Households by tenure in 2010 (census), 2024 (estimated), and 2026 (projected) are distributed as follows:

Tenure	2010 (Census)		2024 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,319	72.4%	4,353	74.0%	4,375	74.4%
Renter-Occupied	1,648	27.6%	1,531	26.0%	1,505	25.6%
<b>Total</b>	<b>5,967</b>	<b>100%</b>	<b>5,884</b>	<b>100.0%</b>	<b>5,880</b>	<b>100.0%</b>

Source: Bowen National Research, ESRI, Census

In 2024, homeowners occupied 74.0% of all occupied housing units, while the remaining 26.0% were occupied by renters. The share of renters is considered typical for a rural market of this size.

**c. Households by Income**

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

Household Income	2010 (Census)		2024 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	993	16.6%	889	15.1%	858	14.6%
\$15,000 - \$24,999	954	16.0%	799	13.6%	771	13.1%
\$25,000 - \$34,999	696	11.7%	529	9.0%	507	8.6%
\$35,000 - \$49,999	1,033	17.3%	1,043	17.7%	1,026	17.5%
\$50,000 - \$74,999	1,151	19.3%	1,026	17.4%	1,033	17.6%
\$75,000 - \$99,999	486	8.1%	706	12.0%	721	12.3%
\$100,000 - \$149,999	471	7.9%	546	9.3%	582	9.9%
\$150,000 & Higher	182	3.0%	346	5.9%	383	6.5%
<b>Total</b>	<b>5,967</b>	<b>100.0%</b>	<b>5,884</b>	<b>100.0%</b>	<b>5,880</b>	<b>100.0%</b>
Median Income	\$39,937		\$45,428		\$46,754	

Source: Bowen National Research, ESRI, Census

In 2024, the median household income is estimated to be \$45,428. By 2026, it is projected that the median household income will be \$46,754, an increase of 2.9% over 2024.

**d. Average Household Size**

Information regarding average household size is considered in 2. a. *Total Households* of this section.

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for 2020, 2024, and 2026 for the Saluda Site PMA:

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	212	133	29	74	13	463
\$15,000 - \$24,999	117	62	43	54	37	312
\$25,000 - \$34,999	42	77	41	22	24	209
\$35,000 - \$49,999	12	110	16	29	25	193
\$50,000 - \$74,999	43	6	55	30	92	227
\$75,000 - \$99,999	14	28	58	11	11	123
\$100,000 - \$149,999	4	10	6	16	16	51
\$150,000 & Higher	1	5	1	1	2	8
<b>Total</b>	<b>446</b>	<b>430</b>	<b>250</b>	<b>235</b>	<b>222</b>	<b>1,583</b>

Source: ESRI, Bowen National Research

Renter Households	2024 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	205	130	24	65	9	434
\$15,000 - \$24,999	118	63	35	49	26	292
\$25,000 - \$34,999	42	78	34	21	17	193
\$35,000 - \$49,999	13	115	13	26	18	186
\$50,000 - \$74,999	60	7	54	35	73	231
\$75,000 - \$99,999	17	35	55	12	8	128
\$100,000 - \$149,999	7	14	6	19	13	58
\$150,000 & Higher	1	6	1	1	1	9
<b>Total</b>	<b>463</b>	<b>450</b>	<b>222</b>	<b>228</b>	<b>167</b>	<b>1,531</b>

Source: ESRI, Bowen National Research

Renter Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	202	129	21	60	7	419
\$15,000 - \$24,999	119	64	31	46	21	282
\$25,000 - \$34,999	42	79	31	20	14	185
\$35,000 - \$49,999	14	118	12	25	15	183
\$50,000 - \$74,999	69	8	53	38	64	233
\$75,000 - \$99,999	18	38	54	13	7	131
\$100,000 - \$149,999	8	16	6	20	12	61
\$150,000 & Higher	1	7	1	1	0	10
<b>Total</b>	<b>472</b>	<b>460</b>	<b>208</b>	<b>225</b>	<b>140</b>	<b>1,505</b>

Source: ESRI, Bowen National Research



### Demographic Summary

Overall, population and household trends within the Site PMA have been generally stable since 2020 and are projected to remain relatively stable through 2026. While the base of renter households in the market is projected to remain relatively stable, the 1,505 renter households projected for 2026 represent a good base of support in the market for the subject development. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied. This indicates that pent-up demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing. Additionally, 71.0% of renter households in the market are projected to earn less than \$50,000 in 2026. The preceding trends indicate that a good base of demographic support will continue to exist for affordable rental product, such as that proposed for the site.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Columbia, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$86,900 for 2024. The subject property will be restricted to households with incomes of up to 20%, 50%, 60% and 70% of AMHI. The following table summarizes the maximum allowable income by household size at the targeted income level:

Household Size	Maximum Allowable Income			
	20%	50%	60%	70%
One-Person	\$12,180	\$30,450	\$36,540	\$42,630
Two-Person	\$13,920	\$34,800	\$41,760	\$48,720
Three-Person	\$15,660	\$39,150	\$46,980	\$54,810
Four-Person	\$17,380	\$43,450	\$52,140	\$60,830
Five-Person	\$18,780	\$46,950	\$56,340	\$65,730

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households earning up to 70% of AMHI. As such, the maximum allowable income at the subject site is **\$65,730**.

### 2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to South Carolina (SC) Housing market study guidelines, the maximum rent-to-income ratio permitted for a family project is 35% and for a senior project is 40%.

The proposed LIHTC units will have a lowest gross rent of \$388. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$4,656. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$13,303**.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 20%, 50%, 60% and 70% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 20% Of AMHI)	\$13,303	\$15,660
Tax Credit (Limited To 50% Of AMHI)	\$25,817	\$39,150
Tax Credit (Limited To 60% Of AMHI)	\$31,303	\$56,340
Tax Credit (Limited To 70% Of AMHI)	\$43,783	\$65,730
<b>Overall Project</b>	<b>\$13,303</b>	<b>\$65,730</b>

### 3. **DEMAND COMPONENTS**

The following are the demand components as outlined by SC Housing:

- a. **Demand from New Renter Households.** *New rental units required in the market area due to projected renter household growth. Determinations must be made using the current base year of 2024 and projecting forward to the anticipated placed-in-service date (2026). The household projections must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

*In instances where more than 20% of proposed rental units are comprised of three-bedroom units or larger, analysts must also conduct an additional refined large-household capture rate analysis by considering the number of large households (three-persons and larger).*

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2010 census data or the most current American Community Survey (ACS) data and projected from:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the proposed development.** *Analysts should assume that the rent-overburdened analysis includes households paying greater than 35% or in the case of elderly 40% of their gross income toward gross rent rather than some greater percentage.*

Based on Table B25074 of the American Community Survey (ACS) 2018-2022 5-year estimates, approximately 31.2% of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should be conservative and use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand.*

Based on the 2022 ACS 5-Year Estimates Table B25016, 1.9% of renter households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*
- 4) **Other:** *The analyst may also use other indicators to estimate demand (such as household turnover rates) if fully justified (e.g., an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### 4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2023 must be subtracted to calculate net demand. Vacancies in comparable/competitive projects placed in service prior to 2023 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

## 5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2023 to current). In addition, all existing affordable rental units surveyed within the market are occupied. Therefore, we did not utilize any existing units in the demand analysis illustrated in the following table:

Demand Component	Percent Of Median Household Income				
	20% AMHI (\$13,303-\$15,660)	50% AMHI (\$25,817-\$39,150)	60% AMHI (\$31,303-\$56,340)	70% AMHI (\$43,783-\$65,730)	Overall (\$13,303-\$65,730*)
Demand From New Renter Households (Income-Appropriate)	66 - 68 = -2	221 - 229 = -8	310 - 316 = -6	223 - 223 = 0	566 - 577 = -11
+					
Demand From Existing Households (Rent Overburdened)	68 x 31.2% = 21	229 x 31.2% = 71	316 x 31.2% = 99	223 x 31.2% = 69	577 x 31.2% = 180
+					
Demand From Existing Households (Renters In Substandard Housing)	68 x 1.9% = 1	229 x 1.9% = 4	316 x 1.9% = 6	223 x 1.9% = 4	577 x 1.9% = 11
+					
Demand From Existing Households (Senior Homeowner Conversion)	N/A				
=					
Total Demand	20	67	99	73	180
-					
Supply (Directly Comparable Units Built and/or Funded Since 2023)	0	0	0	0	0
=					
Net Demand	20	67	99	73	180
Proposed Units	4	2	32	2	40
Proposed Units / Net Demand	4 / 20	2 / 67	32 / 99	2 / 73	40 / 180
<b>Capture Rate</b>	<b>= 20.0%</b>	<b>= 3.0%</b>	<b>= 32.3%</b>	<b>= 2.7%</b>	<b>= 22.2%</b>

\*Excludes renters earning between \$15,661 and \$25,816 due to the income gap in targeted income levels

N/A – Not Applicable

The capture rates for units targeting households at 20%, 50%, 60% and 70% of AMHI, ranging from 2.7% to 32.3%, are considered achievable. This is especially true, considering the lack of available affordable rental units within the Site PMA. The overall capture rate for the subject project is also achievable at 22.2%, demonstrating that there is a good base of income-qualified renter households that will be able to support the subject project.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	20.0%
Two-Bedroom	50.0%
Three-Bedroom	30.0%
Total	100.0%

Applying the preceding shares to the income-qualified renter households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables:

Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
<b>Units Targeting 20% Of AMHI (20 Units of Demand)</b>					
One-Bedroom (20%)	4	0	4	0	-
Two-Bedroom (50%)	10	0	10	4	40.0%
Three-Bedroom (30%)	6	0	6	0	-
<b>Units Targeting 50% Of AMHI (67 Units of Demand)</b>					
One-Bedroom (20%)	13	0	13	0	-
Two-Bedroom (50%)	34	0	34	2	5.9%
Three-Bedroom (30%)	20	0	20	0	-
<b>Units Targeting 60% Of AMHI (99 Units of Demand)</b>					
One-Bedroom (20%)	20	0	20	0	-
Two-Bedroom (50%)	49	0	49	24	49.0%
Three-Bedroom (30%)	30	0	30	8	26.7%
<b>Units Targeting 70% Of AMHI (73 Units of Demand)</b>					
One-Bedroom (20%)	15	0	15	0	-
Two-Bedroom (50%)	36	0	36	0	-
Three-Bedroom (30%)	22	0	22	2	9.1%

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

The subject project's capture rates by bedroom type and targeted income level range from 5.9% to 49.0%, which are also considered achievable. This is particularly true, given the lack of available affordable rental units within the Site PMA.

Considering that the subject project will include ten (10) three-bedroom units, which comprise 25.0% of all subject units to be offered, the following analysis has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Larger Demand Component	Percent Of Median Household Income		
	60% AMHI (\$37,097-\$56,340)	70% AMHI (\$43,783-\$65,730)	Overall (\$37,097-\$65,730)
Size- & Income-Appropriate Renter Households - 2026	84	120	143
Competitive Three-Br.+ Units Built and/or Funded Since 2023	- 0	- 0	- 0
Net Large Household Demand	= 84	= 120	= 143
Proposed (Three-Br.+) Units/ Net Large Household Demand	8 / 84	2 / 120	10 / 143
Large-Household Capture Rate	= 9.5%	= 1.7%	= 7.0%

When considering the number of larger (three-person+) renter households that are income-qualified to reside in the subject's three-bedroom units in 2026, the subject's larger demand capture rates by income level are 9.5% and 1.7%, with an overall larger demand capture rate of 7.0%. These capture rates are considered low and achievable.



## **6. ABSORPTION PROJECTIONS**

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy in 2026. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of voucher support the subject development ultimately receives.

It is our opinion that the proposed 40 LIHTC units at the subject site will experience an average initial absorption rate of approximately eight to nine units per month and reach a stabilized occupancy of at least 93.0% in approximately five months of opening. This absorption rate also takes into consideration the competitiveness of the subject project, the lack of available affordable rental housing within the market, its capture rates and its significant market rent advantages.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer two- and three-bedroom units targeting families (general occupancy) earning up to 20%, 50%, 60% and 70% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. We identified one project within the Site PMA believed to offer non-subsidized family LIHTC units (Saluda Crossing); however, we were unable to survey this property for this analysis despite repeated attempts. The known details of this project are summarized later in Section H of this report.

As such, we have selected one senior (age 55+) LIHTC project *within* the Site PMA and three family LIHTC developments located *outside* of the Site PMA (within the regions of Edgefield, Ninety Six and Newberry, South Carolina) for the purposes of comparison with the subject site. These developments are not considered competitive with the subject project, as they either derive demographic support from a different geographical region or primary age cohort. As such, these properties have been included for comparison purposes only. These four LIHTC projects and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Saluda Townes</b>	<b>2026</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 20%, 50%, 60% &amp; 70% AMHI</b>
1	Saluda Commons*	2014	40	100.0%	0.4 Miles	40 HH	Seniors 55+; 50% & 60% AMHI
905	Crest Vue Townhomes	2011	28	100.0%	20.5 Miles	60 HH	Families; 50% & 60% AMHI
906	Cypress Mill	2018	36	100.0%	20.3 Miles	25 HH	Families; 50% & 60% AMHI
912	Palmetto Pointe	2006	48	100.0%	24.2 Miles	50 HH	Families; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

900-series Map IDs located outside the Site PMA

\*Age-restricted property

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the Saluda Site PMA and surrounding region.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>Saluda Townes</b>	-	<b>\$388/20% (4)</b> <b>\$753/50% (2)</b> <b>\$913/60% (24)</b>	<b>\$1,082/60% (8)</b> <b>\$1,277/70% (2)</b>	-
1	Saluda Commons*	\$791/50% (4/0) \$911/60% (12/0)	\$917/50% (6/0) \$1,137/60% (18/0)	-	None
905	Crest Vue Townhomes	-	\$763/50% (4/0) \$808/60% (5/0)	\$880/50% (14/0) \$940/60% (5/0)	None
906	Cypress Mill	-	\$724/50% (5/0) \$834/60% (11/0)	\$803/50% (3/0) \$853/60% (17/0)	None
912	Palmetto Pointe	\$671/50% (8/0) \$671/60% (4/0)	\$833/50% (16/0) \$833/60% (8/0)	\$965/60% (12/0)	None

900-series Map IDs located outside the Site PMA

\*Age-restricted property

While the proposed subject rents set aside at 60% of AMHI are positioned above the comparable projects in the *region*, they are well below the only comparable project in the *market* (Saluda Commons). Note that while the proposed subject three-bedroom rent set aside at 70% of AMHI (\$1,277) is \$140 higher than the highest LIHTC rent at 60% of AMHI reported among the comparable projects (\$1,137), this is to be expected given the higher targeted income cohort and larger bedroom type. Considering the pent-up demand reported by each of the selected properties, it is likely that they could achieve higher rents without adversely impacting their occupancy rates. Additionally, the subject project will be the newest LIHTC project in the market and region, offering units that are considered very similar to the comparable projects in terms of design and amenities offered. Further, the proposed rents will represent good values relative to unrestricted market-rate product in the region. Therefore, it appears that the subject's rent levels are appropriately positioned within the Saluda Site PMA.

Notably, the subject project will be the only LIHTC project in the market to offer units set aside at 20% and 70% of AMHI. This will position the site at a market advantage, as it will offer an affordable rental housing alternative to very low- and moderate-income renters that appear to be underserved within the Site PMA.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Saluda Commons*	40	28	70.0%
905	Crest Vue Townhomes	28	NA	-
906	Cypress Mill	36	20	55.6%
912	Palmetto Pointe	48	5	10.4%
Total		124	53	42.7%

NA – Number not available (units not included in total)

900-series Map IDs located outside the Site PMA

\*Age-restricted property

As the preceding table illustrates, there are a total of approximately 53 voucher holders residing at the three comparable LIHTC properties that provided such information. This comprises 42.7% of these 124 comparable LIHTC units, which is considered a somewhat high share of voucher support. Therefore, it is likely that voucher holders will comprise some support component for the site project.

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

## 1 Saluda Commons

0.4 miles to site



Address: 100 Birath St, Saluda, SC 29138  
 Phone: (864) 445-0194 Contact: Diane  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 40 Year Built: 2014  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 1  
 Waitlist: 40 HH  
 Rent Special: None

Ratings

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

Notes: Tax Credit

## Features And Utilities

Utility Schedule Provided by: SC Regional Housing Authority No. 1

Utility Type &amp; Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Walk-In Closet; Window Treatments;  
 Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Pavilion/Gazebo; Laundry Room; On-Site  
 Management; Recreation Areas (Fitness Center, Grilling Area); CCTV; Extra Storage

Parking Type: Surface Lot

## Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	854	\$0.79	\$678	50%
1	1	G	12	0	854	\$0.93	\$798	60%
2	2	G	6	0	1,101	\$0.71	\$778	50%
2	2	G	18	0	1,101	\$0.91	\$998	60%



**905** Crest Vue Townhomes

20.5 miles to site



Address: 53 Crest Rd., Edgefield, SC 29824

Phone: (803) 336-4662

Contact: Lacey (In Person)

Property Type: Tax Credit

Target Population: Family

Total Units: 28

Year Built: 2011

Vacant Units: 0

\*AR Year:

Occupancy: 100.0%

Yr Renovated:

Turnover:

Stories: 1,2

Waitlist: 60 HH

Rent Special: None

Ratings

Quality: B+

Neighborhood: B

Access/Visibility: A/A

Notes: Tax Credit



## Features And Utilities

Utility Schedule Provided by: SC Regional Housing Authority No. 1

Utility Type &amp; Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Playground)

Parking Type: Surface Lot

## Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	4	0	1,002	\$0.55	\$555	50%
2	2.5	T	5	0	1,100	\$0.55	\$600	60%
3	2.5	T	14	0	1,400	\$0.46	\$640	50%
3	2.5	T	5	0	1,400	\$0.50	\$700	60%

**906** Cypress Mill

20.3 miles to site



Address: 306 N. Cambridge St., Ninety-Six, SC 29666  
 Phone: (864) 543-1538 Contact: Mary Sims (cell 256-554-1608)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 36 Year Built: 2018  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3  
 Waitlist: 25 HH  
 Rent Special: None

Ratings

Quality: B+  
 Neighborhood: B-  
 Access/Visibility: B/B

Notes: Tax Credit



## Features And Utilities

Utility Schedule Provided by: SC Regional Housing Authority No. 1

Utility Type &amp; Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground); CCTV; Extra Storage

Parking Type: Surface Lot

## Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	5	0	1,000	\$0.59	\$585	50%
2	2	G	11	0	1,000	\$0.70	\$695	60%
3	2	G	3	0	1,200	\$0.54	\$645	50%
3	2	G	17	0	1,200	\$0.58	\$695	60%

## 912 Palmetto Pointe

24.2 miles to site



Address: 1123 Palmetto Pointe Dr., Newberry, SC 29108  
 Phone: (803) 321-1951 Contact: Mary Sims (By Phone)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 48 Year Built: 2006  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2  
 Waitlist: 50 HH  
 Rent Special: None

Ratings

Quality: B-  
 Neighborhood: B-  
 Access/Visibility: B-/C

Notes: Tax Credit



## Features And Utilities

Utility Schedule Provided by: SC Regional Housing Authority No. 1

Utility Type &amp; Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Laundry Room; On-Site Management; Recreation Areas (Playground); Extra Storage

Parking Type: Surface Lot

## Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	8	0	750	\$0.67	\$500	50%
1	1	G	4	0	750	\$0.67	\$500	60%
2	2	G	16	0	947	\$0.66	\$625	50%
2	2	G	8	0	947	\$0.66	\$625	60%
3	2	G	12	0	1,179	\$0.61	\$725	60%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Saluda Townes</b>	-	<b>1,111-1,122</b>	<b>1,383-1,392</b>
1	Saluda Commons*	854	1,101	-
905	Crest Vue Townhomes	-	1,002 - 1,100	1,400
906	Cypress Mill	-	1,000	1,200
912	Palmetto Pointe	750	947	1,179

900-series Map IDs located outside the Site PMA

\*Age-restricted property

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Saluda Townes</b>	-	<b>1.5</b>	<b>2.0</b>
1	Saluda Commons*	1.0	2.0	-
905	Crest Vue Townhomes	-	2.0 - 2.5	2.5
906	Cypress Mill	-	2.0	2.0
912	Palmetto Pointe	1.0	2.0	2.0

900-series Map IDs located outside the Site PMA

\*Age-restricted property

The subject project will offer some of the largest unit sizes (square footage) when compared to those offered at the comparable LIHTC projects surveyed. Conversely, the subject project will be the only LIHTC project to lack an additional *full* bathroom within its two-bedroom units. Regardless, the subject units are considered marketable in terms of overall design.

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



## Tax Credit Unit Amenities by Map ID

	Site*	1 ♦	905	906	912
Appliances	Dishwasher	X	X	X	X
	Disposal	X	X		X
	Microwave	X	X	X	X
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	W/D Hookup	X	X	X	X
	W/D				
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony/ Patio/ Sunroom	X	X	X	X
	Basement				
	Ceiling Fan	X	X	X	X
	Controlled Access				
	E-Call System				
	Furnished				
	Walk-In Closet	X	X		
	Window Treatments	X	X	X	X
Flooring	Carpet	X	X	X	X
	Ceramic Tile				
	Hardwood				
	Finished Concrete				
	Composite/Vinyl/Laminate	X	X	X	X
Upgraded	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High/Vaulted Ceilings				
	Oversized Windows				
Parking	Attached Garage				
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	No Provided Parking				

♦ - Senior Property

\* Proposed Site(s): Saluda Townes

X = All Units, S = Some Units, O = Optional with Fee

\*\* Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID						
		Site*	1 ♦	905	906	912
Community	Bike Racks / Storage					
	Computer/Business Center		X	X	X	
	Car Care **	X				
	Community Garden					
	Multipurpose Room	X	X			X
	Chapel					
	Community Kitchen	X				X
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Terrace					
	Concierge Service **					
	Convenience Amenities **					
	Covered Outdoor Area **		X			
	Elevator					
	Laundry Room	X	X	X	X	X
On-Site Management	X	X	X	X	X	
Pet Care **						
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center	X	X	X	X	
	Grilling Area		X		X	
	Game Room - Billiards					
	Walking Path					
	Hot Tub					
	Library					
	Media Room / Theater					
	Playground	X		X	X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					
	Tennis					
	Volleyball					
	Security	CCTV	X	X		X
Courtesy Officer						
Security Gate						
	Social Services **					
	Storage - Extra		X		X	X
	Common Space WiFi	X				

\* Proposed Site(s): Saluda Townes

\*\* Details in Comparable Property Profile Report

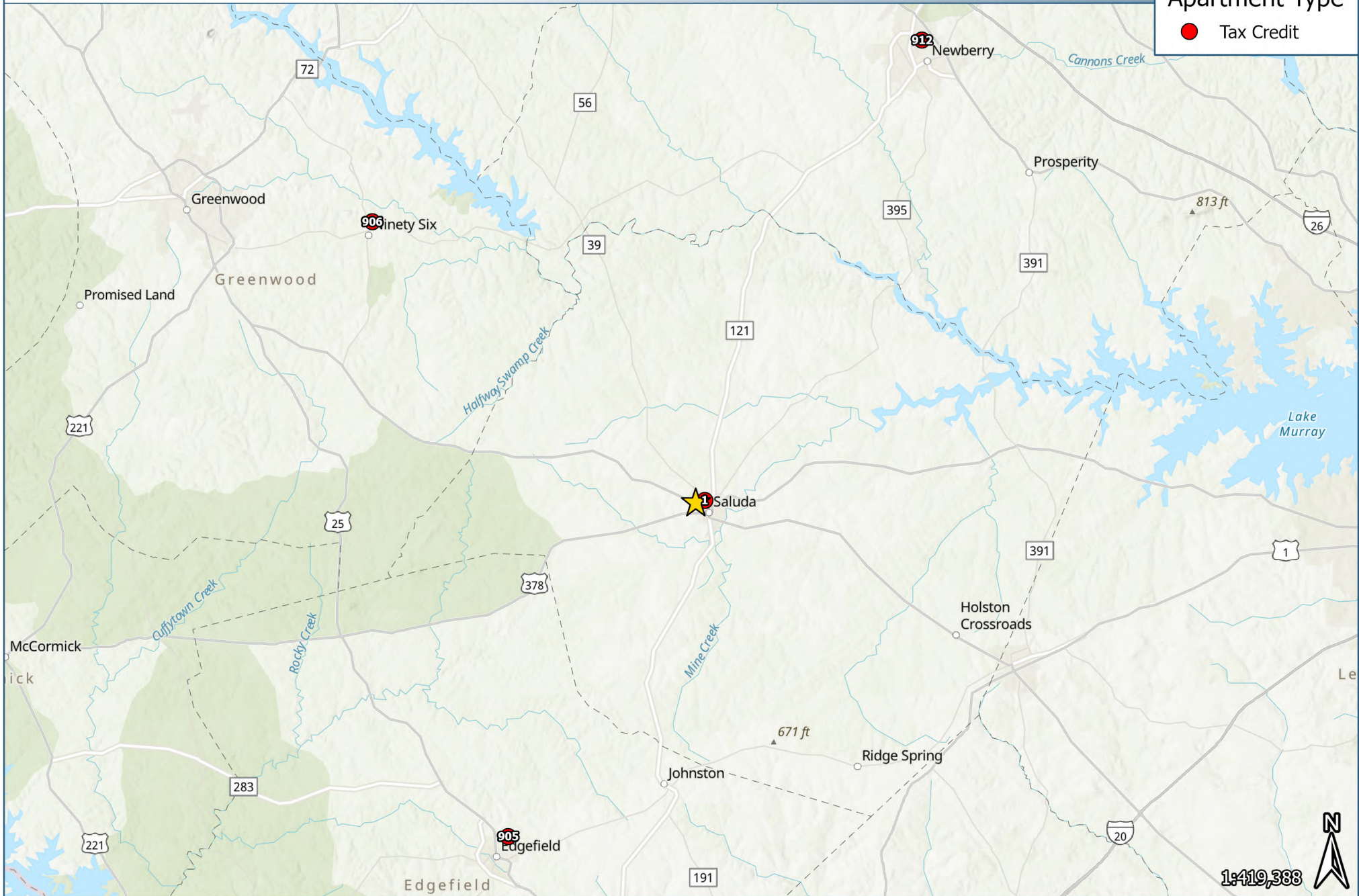
As the preceding table illustrates, the subject project will offer an amenities package that is nearly identical to the selected properties. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Tax Credit project.

#### Comparable Tax Credit Summary

We selected four LIHTC properties in the market and region for the purposes of comparison with the subject site. These properties are each 100.0% occupied with waiting lists, indicating that pent-up demand exists for affordable housing in the market and region. While the proposed subject rents set aside at 60% of AMHI are positioned above the comparable projects in the *region*, they are well below the only comparable project in the *market*. Considering the pent-up demand reported by the selected properties, it is likely that they could achieve higher rents without adversely impacting their occupancy rates. The subject project will be the only LIHTC project in the market to offer units set aside at 20% and 70% of AMHI, enabling it to accommodate very low- and moderate-income renters that appear to be underserved within the Site PMA. Additionally, the subject project will be the newest LIHTC project in the market and region, offering units that are considered very similar to the comparable projects in terms of design and amenities offered. Therefore, it appears that the subject's rent levels are appropriately positioned within the Saluda Site PMA. These factors will bode well in the subject's marketability and have been considered in our absorption estimates.

## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

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





### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Saluda Site PMA in 2010 and 2024, are summarized in the following table:

Housing Status	2010 (Census)		2024 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	5,967	84.1%	5,884	83.4%
Owner-Occupied	4,319	72.4%	4,353	74.0%
Renter-Occupied	1,648	27.6%	1,531	26.0%
Vacant	1,129	15.9%	1,172	16.6%
<b>Total</b>	<b>7,096</b>	<b>100.0%</b>	<b>7,056</b>	<b>100.0%</b>

Source: 2010 Census, ESRI, Bowen National Research

Of the 7,056 total housing units in the market, 16.6% are estimated to be vacant. This is a relatively high vacancy rate and could indicate a softening housing market. However, the status of the vacant units in the market is estimated in the following table illustrating that most vacant units are not long-term rentals:

Vacant Status	Percent of Vacant Units
For-Rent	6.7%
For-Sale Only	0.0%
Renter/Sold, Not Occ.	7.3%
Seasonal or Recreational	32.0%
Other Vacant	54.1%
<b>Total</b>	<b>100.0%</b>

Source: American Community Survey (2018-2022); ESRI; Bowen National Research

As reported in the 2018-2022 American Community Survey, only 6.7% of the vacant housing units in the market are long-term rentals. The majority of vacant units are classified as either "Seasonal or Recreational" or "Other Vacant", the latter of which encompasses foreclosed, dilapidated and abandoned housing. Regardless, to determine if the overall vacancy rate is the reflection of the long-term rental housing market, we conducted a field survey of area apartments.

#### Conventional Apartments

We identified and personally surveyed three conventional housing projects containing a total of 124 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, a very strong rate for rental housing. The following table summarizes the project types identified and surveyed in the Site PMA.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	1	40	0	100.0%
Tax Credit/Government-Subsidized	1	36	0	100.0%
Government-Subsidized	1	48	0	100.0%
<b>Total</b>	<b>3</b>	<b>124</b>	<b>0</b>	<b>100.0%</b>

All rental housing segments surveyed in the market consist of affordable (Tax Credit and/or government-subsidized) units. These projects are each 100.0% occupied with waiting lists, illustrating that pent-up demand exists for additional affordable rental housing within the Saluda Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

#### Government-subsidized

We identified and surveyed two rental properties that offer government-subsidized units within the Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	4	11.1%	0	0.0%
Two-Bedroom	1.0	24	66.7%	0	0.0%
Three-Bedroom	1.5	8	22.2%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>36</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	8	16.7%	0	0.0%
Two-Bedroom	1.0	32	66.7%	0	0.0%
Three-Bedroom	1.5	8	16.7%	0	0.0%
<b>Total Subsidized</b>		<b>48</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units surveyed in the market are occupied and maintain a waiting list. This illustrates that pent-up demand exists for very low-income rental housing within the Saluda Site PMA.

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

**Tax Credit Property Disclosure:** In addition to the two properties surveyed that offer Tax Credit units, we identified two additional properties within the Site PMA that operate under the LIHTC program that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Saluda area and from our review of the state Tax Credit allocation list are summarized in the following table.

Name	Location	Year Built/ Renovated	Total Units	Target Population
Orchard Park Apts.	101 Peach Leaf Curl, Ridge Springs	NA / 2006	20	Family; Tax Credit & Subsidized
Saluda Crossing	105 Oakwood Drive, Saluda	2004	25	Family; Tax Credit

NA – Not Available

Neither property in the preceding table was built in 2023 or after; therefore, these projects have been excluded from our demand analysis in Section G.

**4. RENTAL HOUSING INVENTORY MAP**

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



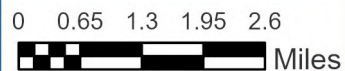
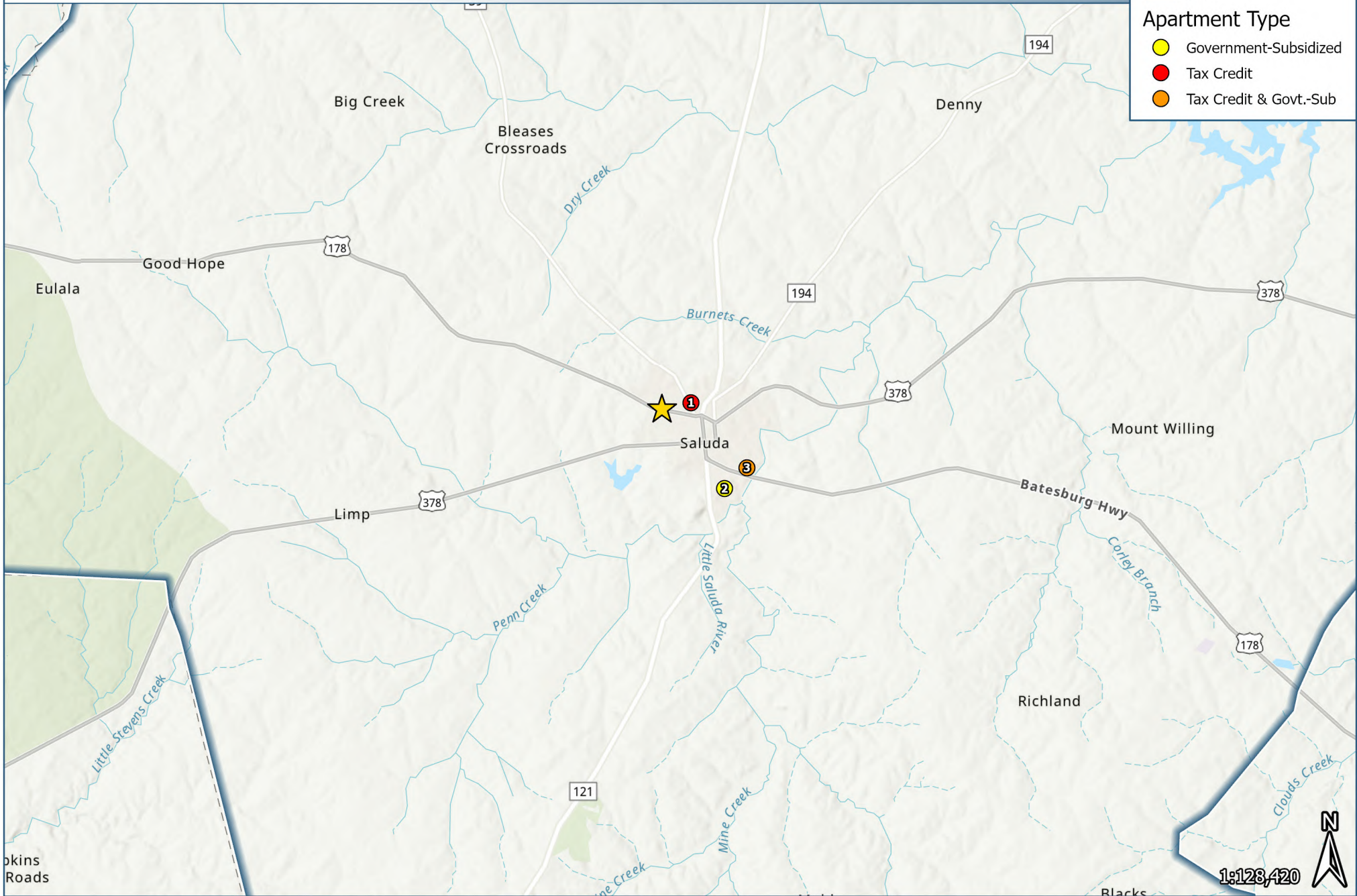
Site



PMA

**Apartment Type**

- Government-Subsidized
- Tax Credit
- Tax Credit & Govt.-Sub





## 5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on interviews with local planning/building representatives, extensive online research and the observations of our analyst while in the field, it was determined there are no rental projects currently in the development pipeline within the Site PMA.

## 7. MARKET ADVANTAGE

Per the direction of the South Carolina (SC) Housing, the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located.

Based on the current HUD FMRs for the Columbia, South Carolina HUD Metro FMR Area, the following table illustrates the subject project's market advantages:

Bedroom Type	% AMHI	Proposed Collected Rent	Fair Market Rent	Market Advantage
Two-Bedroom	20%	\$175	\$1,246	85.96%
	50%	\$540		56.66%
	60%	\$700		43.82%
Three-Bedroom	60%	\$805	\$1,595	49.53%
	70%	\$1,000		37.30%
Weighted Average				49.49%

As the preceding illustrates, the subject's market advantages range between 37.30% and 85.96%, when compared to the area's HUD FMRs. The weighted average market advantage is 49.49%. Regardless, we have provided an *achievable market rent* analysis for the proposed subject units to determine the true value the proposed rents will represent to low-income renters within the area, which is illustrated later in Addendum C of this report.

## 8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rate of the existing comparable Tax Credit development surveyed within the Site PMA following stabilization of the subject property is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2026
1	Saluda Commons*	100.0%	95.0%+

\*Age-restricted property

Considering the high demand that exists for affordable rental housing within the Site PMA, it is not expected that the subject project will have any negative impact on the existing comparable Tax Credit project within the Site PMA. The only comparable LIHTC project surveyed in the market is fully occupied and maintains a waiting list. Additionally, this property targets a different primary

age cohort (age 55+) than the subject project. Therefore, we expect this project will operate at or above a 95.0% occupancy rate if the subject project is developed.

## 9. **OTHER HOUSING OPTIONS (BUY VERSUS RENT)**

According to ESRI, the median home value in the Site PMA was \$121,401. At an estimated interest rate of 7.43% and a 30-year term (and 95% LTV), the monthly mortgage for a \$121,401 home is \$1,001, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$121,401
Mortgaged Value = 95% Of Median Home Price	\$115,331
Interest Rate – MortgageNewsDaily.Com	7.43%
Term	30
Monthly Principal & Interest	\$801
Estimated Taxes & Insurance*	\$200
<b>Estimated Monthly Mortgage Payment:</b>	<b>\$1,001</b>

\* Estimated at 25% of principal and interest.

In comparison, the proposed rents for the subject property range from \$175 to \$1,000 per month. While it is possible that tenants of the subject units restricted to 70% of AMHI would be able to afford the monthly payments required to own a home, the number of tenants that would also be able to afford the down payment on such a home is considered minimal. A median home price of \$121,401 indicates that much of the for-sale housing inventory likely consists of older and/or dilapidated homes, which would require greater maintenance and upkeep expenses. Further, homes within this price range are unlikely to include a comprehensive amenity package such as that proposed for the site. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## 10. **HOUSING VOIDS**

As indicated throughout this section of the report, all comparable LIHTC projects within the market and region are 100.0% occupied and maintain a waiting list. This illustrates that significant pent-up demand exists for additional affordable rental housing within the Site PMA and surrounding area. Given that the subject will be one of the only family Tax Credit properties in the Site PMA, it will be able to accommodate a portion of this unmet demand. Additionally, the subject project will be the only LIHTC development relative to the comparable properties to offer units set aside at 20% and 70% of AMHI. Therefore, the subject project will provide an affordable rental housing alternative to very low- and moderate-income renters which appear to be underserved within the market and region.

## I. Interviews

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

- Nicole Maffett is the Clerk/Treasurer for the Town of Saluda. Maffett stated that there is a need for additional affordable housing in the area, noting that, while the area has a supply of subsidized and Public Housing units available for families and seniors, additional workforce housing targeting the area's middle class is needed. Maffett elaborated that the area requires housing for working single persons and young families who are unable/unwilling to purchase a home, as well as moderate-income housing for those who are income-overqualified for Public Housing but cannot afford traditional market-rate rental prices.
- Lacey Johnson is the Property Manager of Crest Vue Townhomes, a comparable Tax Credit property located outside of the Site PMA in the nearby community of Edgefield, South Carolina. Johnson stated that there is high demand for additional affordable housing in the region, noting that high rents and homeownership costs are increasing demand for low-income rental housing. Johnson added that a large portion of the local low-income housing inventory is outdated and requires renovations. Additionally, Johnson's property is 100.0% occupied with a 60-household waiting list.

## **J. Recommendations**

Based on the findings reported in our market study, it is our opinion that a market exists for the 40 units proposed at the subject site, assuming it is developed as detailed in this report. Changes to the project's site, rents, amenities or opening date may alter these findings.

The project is considered competitive in terms of newness, unit sizes (square feet) and amenities, and the proposed rents will be perceived as significant values in the marketplace. This is demonstrated in Section H and Addendum C. Notably, the subject project will be the only Tax Credit development to offer units set aside at 20% and 70% of Area Median Household Income (AMHI). Therefore, the subject project will provide an affordable rental housing alternative to very low- and moderate-income renter households who appear to be underserved in the Saluda Site PMA. This will bode well in the demand of the subject units.

All of the comparable affordable rental projects surveyed are 100.0% occupied and maintain a waiting list, illustrating that significant pent-up demand exists for additional affordable rental housing within the Saluda Site PMA. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 22.2% (SC Housing maximum threshold is 30%), there is a good base of support for the subject development within the Saluda Site PMA. Therefore, it is our opinion that the subject project will have no significant impact on the existing non-subsidized Tax Credit development surveyed in the market.

We have no recommendations or suggested modifications for the subject project at this time.



## K. Signed Statement Requirement

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in South Carolina (SC) Housing'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 SC Housing's market study requirements. The information included is accurate and can be relied upon by SC Housing to present a true assessment of the low-income housing rental market.

Certified:

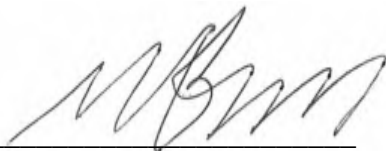


Nathan Stelts (Primary Contact)

Market Analyst

[nathans@bowennational.com](mailto:nathans@bowennational.com)

Date: May 3, 2024



Matthew Brown

Market Analyst

[mattb@bowennational.com](mailto:mattb@bowennational.com)

Date: May 3, 2024



Patrick M. Bowen

President/Market Analyst

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[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: May 3, 2024

## L. Qualifications

### The Company

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

### Company Leadership

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Desireé Johnson** is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

### Market Analysts

**Craig Rupert**, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

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

**Jeff Peters**, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

**Nathan Stelts**, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

**Kwame Amoako**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Amoako holds a Bachelor of Arts in Business Management from Capital University.

**Matthew Brown**, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Brown has a Bachelor Degree in Business Administration, Strategic Marketing and Social Media from the University of the Cumberlands.

**Christopher T. Bunch**, Market Analyst, has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

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

**Braden Henderson**, Market Analyst, has researched various rental housing alternatives, both conventional and non-conventional in markets throughout the United States. In addition, he has conducted on-site inspection for existing properties and vacant parcels of land. This experience allows him to evaluate a project's ability to operate successfully within a market and compare it to surrounding comparable properties. Mr. Henderson has a Bachelor of Science degree in Business Administration from The Ohio State University.

**Xavier Williams**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market.

### **Research Staff**

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

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

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

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



## M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by South Carolina (SC) Housing and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Addendum A: Field Survey of Conventional Rentals*.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SC's Housing's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

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

## **2. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

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

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

## **3. SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2010 and 2020 Census on Housing
- American Community Survey
- ESRI
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- SC Housing

ADDENDUM A:

FIELD SURVEY OF  
CONVENTIONAL RENTALS





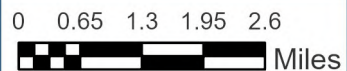
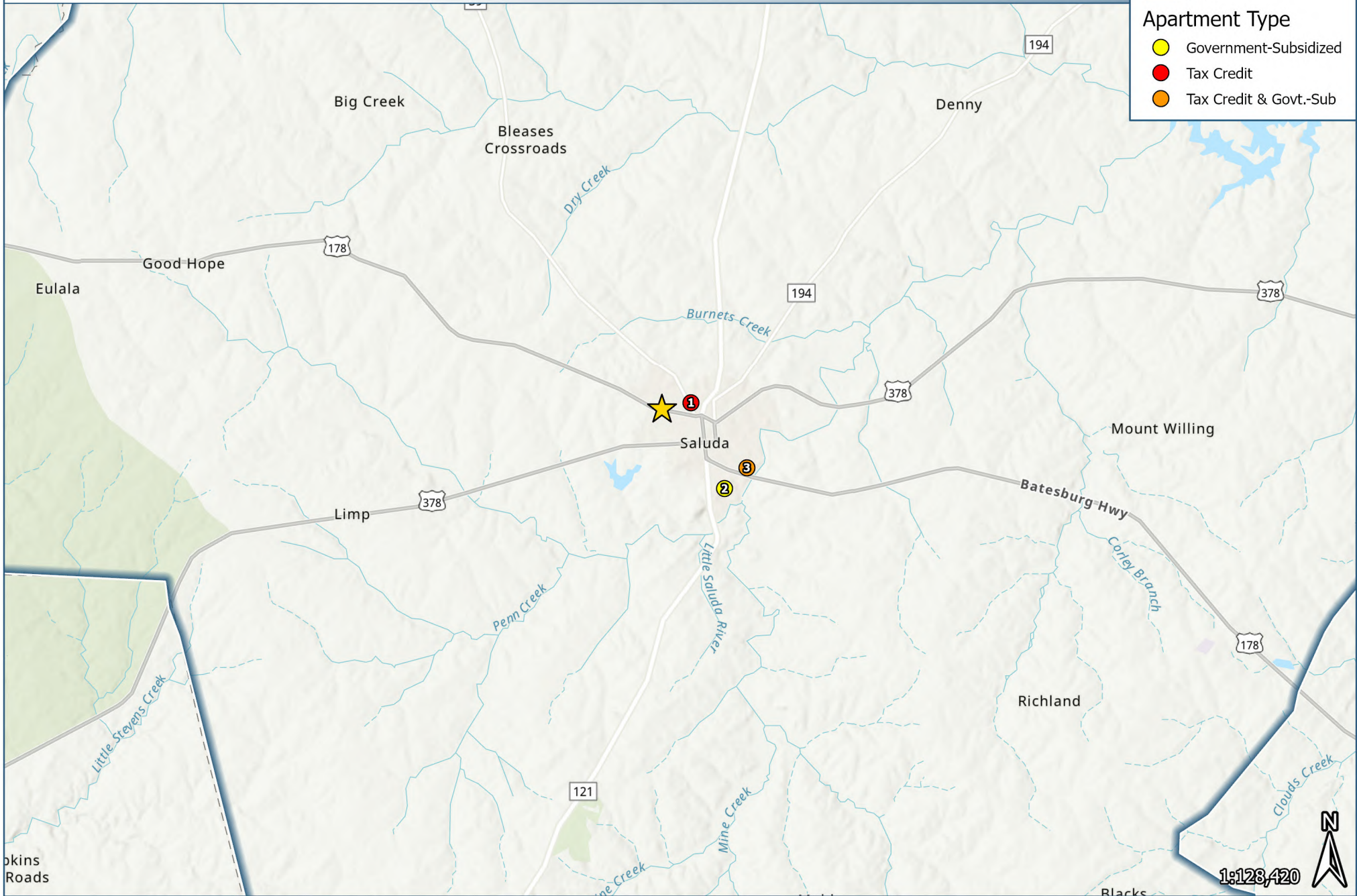
Site



PMA

**Apartment Type**

-  Government-Subsidized
-  Tax Credit
-  Tax Credit & Govt.-Sub




	Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓	1	Saluda Commons	TAX	B+	2014	40	0	100.0%	0.4
	2	Saluda Terrace	GSS	B	1981	48	0	100.0%	1.6
	3	Willow Creek Apts.	TGS	B-	1983	36	0	100.0%	1.7
✓	902	Barrington Apts.	MRR	B+	2016	190	5	97.4%	31.5
✓	903	Cardinal Glen	MRR	B	2003	64	0	100.0%	26.3
✓	905	Crest Vue Townhomes	TAX	B+	2011	28	0	100.0%	20.5
✓	906	Cypress Mill	TAX	B+	2018	36	0	100.0%	20.3
✓	912	Palmetto Pointe	TAX	B-	2006	48	0	100.0%	24.2
✓	913	Regency Park	MRR	B+	2001	132	0	100.0%	30.8
✓	915	Winter Ridge	MRR	B	2007	252	16	93.7%	30.7


\*Drive distance in miles


✓ Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	






<b>1</b>	<b>Saluda Commons</b>		Contact: Diane	
	100 Birath St, Saluda, SC 29138		Phone: (864) 445-0194	
	Total Units:	40	UC:	0
	Occupancy:	100.0%	Stories:	1
	BR:	1, 2	Vacant Units:	0
	Waitlist:	40 HH	Year Built:	2014
	Target Population:	Senior 55+	AR Year:	
Rent Special:		None		
Notes:		Tax Credit		
		Yr Renovated:		


<b>2</b>	<b>Saluda Terrace</b>		Contact: Jordan	
	601 Juniper Dr, Saluda, SC 29138		Phone: (864) 445-7678	
	Total Units:	48	UC:	0
	Occupancy:	100.0%	Stories:	2
	BR:	1, 2, 3	Vacant Units:	0
	Waitlist:	15 HH	Year Built:	1981
	Target Population:	Family	AR Year:	
Rent Special:		None		
Notes:		HUD Section 8		
		Yr Renovated: 2008		

<b>3</b>	<b>Willow Creek Apts.</b>		Contact: Jordan	
	501 Willow Loop, Saluda, SC 29138		Phone: (864) 445-8852	
	Total Units:	36	UC:	0
	Occupancy:	100.0%	Stories:	1,2
	BR:	1, 2, 3	Vacant Units:	0
	Waitlist:	10 HH	Year Built:	1983
	Target Population:	Family	AR Year:	
Rent Special:		None		
Notes:		Tax Credit; RD 515 has RA (24 units)		
		Yr Renovated: 2009		



<b>902</b>	<b>Barrington Apts.</b>		Contact: Dawn	
	101 Bevington Ct., Greenwood, SC 29649		Phone: (864) 559-8900	
	Total Units:	190	UC:	0
	Occupancy:	97.4%	Stories:	2
	BR:	1, 2, 3	Vacant Units:	5
	Waitlist:	None	Year Built:	2016
	Target Population:	Family	AR Year:	
Rent Special:		None		
Notes:		Rents change daily		
		Yr Renovated:		



<b>903</b>	<b>Cardinal Glen</b>		Contact: Tom	
	1524 Parkway, Greenwood, SC 29646		Phone: (864) 943-8883	
	Total Units:	64	UC:	0
	Occupancy:	100.0%	Stories:	2
	BR:	1, 2, 3	Vacant Units:	0
	Waitlist:	3 HH	Year Built:	2003
	Target Population:	Family	AR Year:	
Rent Special:		None		
Notes:				
		Yr Renovated:		

Comparable Property

Senior Restricted

(MRR) Market-Rate

(MRT) Market-Rate &amp; Tax Credit

(MRG) Market-Rate &amp; Government-Subsidized

(MIN) Market-Rate &amp; Income-Restricted (not LIHTC)

(MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized

(TAX) Tax Credit

(TGS) Tax Credit &amp; Government-Subsidized

(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)

(TIN) Tax Credit &amp; Income-Restricted (not LIHTC)

(TMG) Tax Credit, Market-Rate &amp; Government-Subsidized

(TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized


(INR) Income-Restricted (not LIHTC)

(ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized


(GSS) Government-Subsidized

(ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted




905	Crest Vue Townhomes		Contact: Lacey							
	53 Crest Rd., Edgefield, SC 29824		Phone: (803) 336-4662							
	Total Units:	28	UC:	0	Occupancy:	100.0%	Stories:	1,2	Year Built:	2011
	BR:	2, 3			Vacant Units:	0	Waitlist:	60 HH	AR Year:	
	Target Population: Family								Yr Renovated:	
	Rent Special: None									
	Notes: Tax Credit									




906	Cypress Mill		Contact: Mary Sims (cell)								
	306 N. Cambridge St., Ninety-Six, SC 29666		Phone: (864) 543-1538								
	Total Units:	36	UC:	0	Occupancy:	100.0%	Stories:	3	Year Built:	2018	
	BR:	2, 3			Vacant Units:	0	Waitlist:	25 HH	AR Year:		
	Target Population: Family									Yr Renovated:	
	Rent Special: None										
	Notes: Tax Credit										




912	Palmetto Pointe		Contact: Mary Sims							
	1123 Palmetto Pointe Dr., Newberry, SC 29108		Phone: (803) 321-1951							
	Total Units:	48	UC:	0	Occupancy:	100.0%	Stories:	2	Year Built:	2006
	BR:	1, 2, 3			Vacant Units:	0	Waitlist:	50 HH	AR Year:	
	Target Population:	Family							Yr Renovated:	
	Rent Special:	None								
	Notes:	Tax Credit								



913	Regency Park		Contact: Kathy							
	120 Edinborough Cir, Greenwood, SC 29649		Phone: (864) 943-1333							
	Total Units:	132	UC:	0	Occupancy:	100.0%	Stories:	3	Year Built:	2001
	BR:	1, 2, 3			Vacant Units:	0	Waitlist:	None	AR Year:	
	Target Population: Family								Yr Renovated:	
	Rent Special: None									
	Notes: Rent range due to renovations									



915	Winter Ridge		Contact: Ally	
	102 Winter Way, Greenwood, SC 29649		Phone: (864) 943-9191	
		Total Units: 252    UC: 0    Occupancy: 93.7%    Stories: 2    Year Built: 2007		
		BR: 1, 2, 3    Vacant Units: 16    Waitlist: None    AR Year:		
		Target Population: Family    Yr Renovated:		
		Rent Special: None		
		Notes:		

Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC)	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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Source: SC Regional Housing Authority No. 1  
Effective: 01/2024

## Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	17	20	23	26	29	29	17	20	23	26	29	29
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	38	46	55	65	77	77	38	46	55	65	77	77
	Electric	29	35	42	49	59	59	29	35	42	49	59	59
	Heat Pump	14	17	20	24	29	29	14	17	20	24	29	29
	Oil	27	34	40	47	56	56	27	34	40	47	56	56
Cooking	Natural Gas	8	9	10	11	12	12	8	9	10	11	12	12
	Bottled Gas	18	21	25	28	31	31	18	21	25	28	31	31
	Electric	6	7	8	9	10	10	6	7	8	9	10	10
Other Electric		35	40	43	49	53	53	35	40	43	49	53	53
+Base Charge		0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		8	9	13	16	19	19	8	9	13	16	19	19
Water Heating	Natural Gas	10	13	18	19	24	24	10	13	18	19	24	24
	Bottled Gas	21	32	48	51	68	68	21	32	48	51	68	68
	Electric	15	22	33	35	47	47	15	22	33	35	47	47
	Oil	15	23	35	38	49	49	15	23	35	38	49	49
Water		25	28	33	39	46	46	25	28	33	39	46	46
Sewer		26	30	36	43	51	51	26	30	36	43	51	51
Trash Collection		19	19	19	19	19	19	19	19	19	19	19	19
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

\* Estimated- not from source

## Addendum B – Member Certification & Checklist

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

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

Certified:



Patrick M. Bowen

President

[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: May 3, 2024



Nathan Stelts (Primary Contact)

Market Analyst

[nathans@bowennational.com](mailto:nathans@bowennational.com)

Date: May 3, 2024

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

## **CHECKLIST (Continued)**

		<b>Section (s)</b>
<b>EMPLOYMENT AND ECONOMY</b>		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
<b>DEMOGRAPHIC CHARACTERISTICS</b>		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
<b>COMPETITIVE ENVIRONMENT</b>		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
<b>ANALYSIS/CONCLUSIONS</b>		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum C
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I



**CHECKLIST (Continued)**

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

## Addendum C – Achievable Market Rent Analysis

### A. INTRODUCTION

There were no conventional market-rate properties identified and surveyed within the Site PMA. As such, we identified and surveyed four market-rate properties within the region that we consider comparable in terms of unit and project amenities to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

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

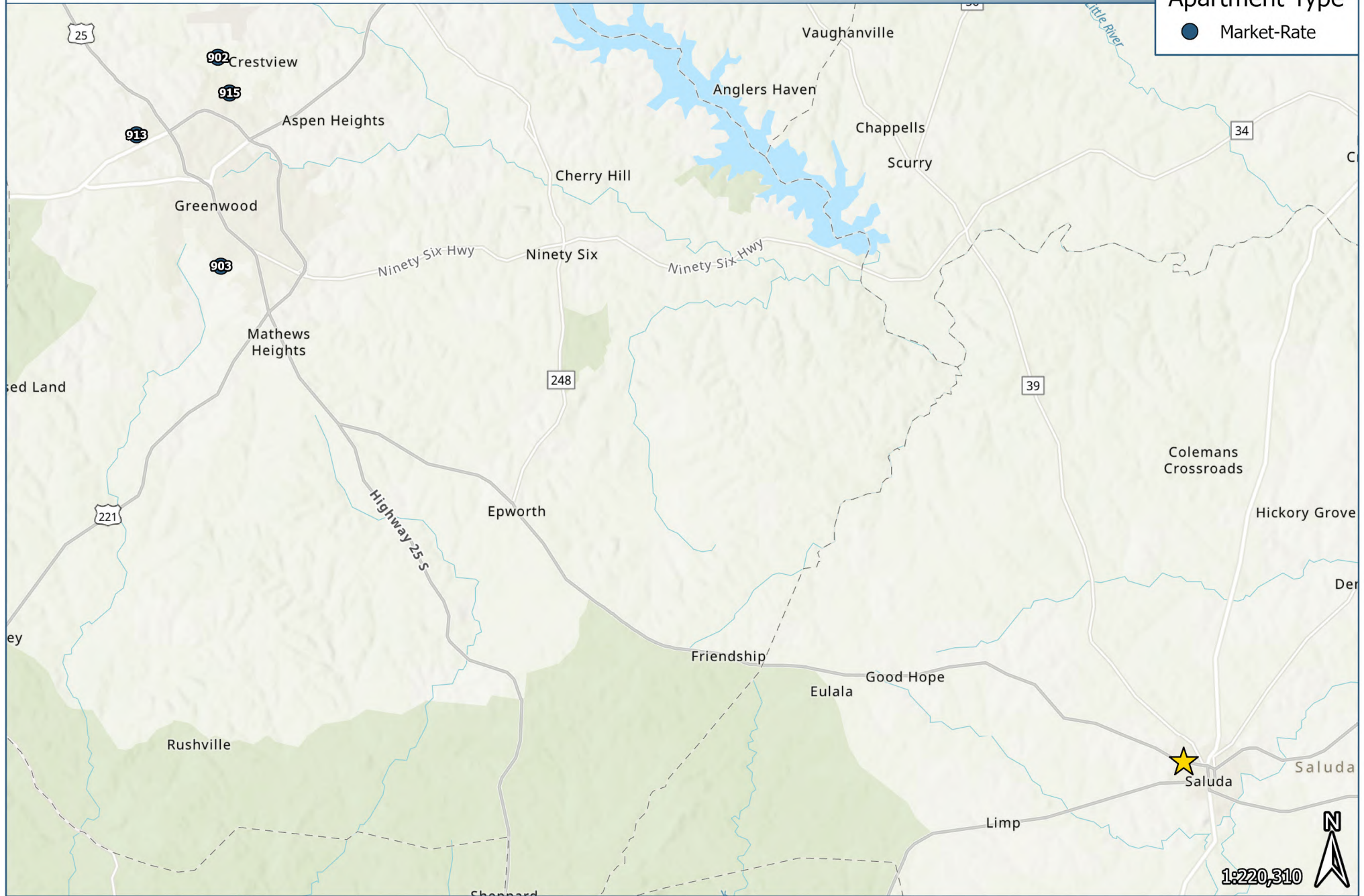
Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Saluda Townes</b>	<b>2026</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>30 (-)</b>	<b>10 (-)</b>
902	Barrington Apts.	2016	190	97.4%	39 (100.0%)	131 (96.2%)	20 (100.0%)
903	Cardinal Glen	2003	64	100.0%	16 (100.0%)	32 (100.0%)	16 (100.0%)
913	Regency Park	2001	132	100.0%	18 (100.0%)	66 (100.0%)	48 (100.0%)
915	Winter Ridge	2007	252	93.7%	64 (92.2%)	132 (95.5%)	56 (91.1%)

Occ. – Occupancy

900-series Map IDs located outside the Site PMA

The four selected market-rate projects have a combined total of 638 units with an overall occupancy rate of 96.7%. None of the comparable properties has an occupancy rate below 93.7%. This illustrates that the selected properties have been well received within their respective markets and will provide a good base of comparison for the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. Preceding the Rent Comparability Grids is a map of the comparable market-rate properties in relation to the location of the subject project.





### *Rent Comparability Grid*

*Unit Type*  $\longrightarrow$

## TWO-BEDROOM

Subject			Comp #1		Comp #2		Comp #3		Comp #4			
	Saluda Townes	Data	Barrington Apts.		Cardinal Glen		Regency Park		Winter Ridge			
	300 Greenwood Highway	on	101 Bevington Ct.		1524 Parkway		120 Edinborough Cir		102 Winter Way			
	Saluda, SC	Subject	Greenwood, SC		Greenwood, SC		Greenwood, SC		Greenwood, SC			
A.	Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
1	\$ Last Rent / Restricted?		\$1,259		\$1,099		\$1,225		\$980			
2	Date Surveyed		Apr-24		Mar-24		Mar-24		Apr-24			
3	Rent Concessions		None		None		None		None			
4	Occupancy for Unit Type		97%		100%		100%		95%			
5	Effective Rent & Rent/ sq. ft		\$1,259	1.14	\$1,099	1.18	\$1,225	1.23	\$980	0.99		
B.	Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
6	Structure / Stories	TH/2	WU/2		WU/2		WU/3		WU/2			
7	Yr. Built/Yr. Renovated	2026	2016	\$10	2003	\$23	2001	\$25	2007	\$19		
8	Condition/Street Appeal	E	G	\$15	G	\$15	G	\$15	G	\$15		
9	Neighborhood	G	G		G		G		G			
10	Same Market?		No	(\$315)	No	(\$275)	No	(\$306)	No	(\$245)		
C.	Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
11	# Bedrooms	2	2		2		2		2			
12	# Baths	1.5	2	(\$15)	1	\$15	2	(\$15)	2	(\$15)		
13	Unit Interior Sq. Ft.	1111	1100	\$3	935	\$50	1000	\$31	985	\$36		
14	Patio/Balcony/Sunroom	Y	N	\$5	Y		Y		Y			
15	AC: Central/Wall	C	C		C		C		C			
16	Range/Refrigerator	R/F	R/F		R/F		R/F		R/F			
17	Microwave/Dishwasher	Y/Y	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5		
18	Washer/Dryer	HU/L	HU	\$5	HU/L		HU/L		HU	\$5		
19	Floor Coverings	C/V	C/V		C/V		V/W		C/V			
20	Window Treatments	Y	Y		Y		Y		Y			
21	Secured Entry	N	N		N		N		N			
22	Garbage Disposal	Y	Y		Y		Y		Y			
23	Ceiling Fan/Storage	Y/N	Y/N		Y/N		Y/N		N/N	\$5		
D	Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
24	Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0			
25	On-Site Management	Y	Y		Y		Y		Y			
26	Security Features	Y	N	\$5	Y		Y		Y			
27	Community Space	Y	N	\$5	Y		Y		Y			
28	Pool/Recreation Areas	F	N	\$5	N	\$5	P/F/S	(\$13)	N	\$5		
29	Business/Computer Center	N	N		N		Y	(\$3)	N			
30	Grilling Area	N	Y	(\$3)	N		Y	(\$3)	N			
31	Playground	Y	N	\$3	Y		Y		N	\$3		
32	Social Services	N	N		N		N		N			
E.	Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
33	Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E			
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E			
35	Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E			
36	Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E			
37	Other Electric	N	N		N		N		N			
38	Cold Water/Sewer	Y/Y	N/N	\$69	Y/Y		N/N	\$69	N/N	\$69		
39	Trash/Recycling	Y/N	N/N	\$19	Y/N		Y/N		N/N	\$19		
F.	Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg		
40	# Adjustments B to D		9	3	6	1	3	5	8	2		
41	Sum Adjustments B to D		\$56	(\$333)	\$113	(\$275)	\$71	(\$340)	\$93	(\$260)		
42	Sum Utility Adjustments		\$88				\$69		\$88			
			Net	Gross	Net	Gross	Net	Gross	Net	Gross		
43	Net/ Gross Adjmts B to E		(\$189)	\$477	(\$162)	\$388	(\$200)	\$481	(\$79)	\$441		
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent			
44	Adjusted Rent (5+ 43)		\$1,070		\$937		\$1,025		\$901			
45	Adj Rent/Last rent			85%		85%		84%		92%		
46	Estimated Market Rent	\$970	\$0.87	← Estimated Market Rent/ Sq. Ft								

*Unit Type* → **THREE-BEDROOM**

### THREE-BEDROOM

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Advantage
Two-Bedroom	20%	\$175	\$970	81.96%
	50%	\$540		44.33%
	60%	\$700		27.84%
Three-Bedroom	60%	\$805	\$1,225	34.29%
	70%	\$1,000		18.37%
Weighted Average				34.89%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households earning up to 70% of AMHI often do not need to represent a market rent advantage of 10% to be perceived as a value, it is often recommended that such units/rents represent around a 7% market rent advantage.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 18.37% to 81.96%, depending upon unit type and targeted income level. Thus, the subject rents should represent significant values within the Saluda Site PMA.

#### **B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market and region. The selected properties were built between 2001 and 2016. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for the selected properties that we consider to be of inferior quality compared to the subject development.
10. Each of the selected properties are located outside of the Site PMA in the nearby community of Greenwood, South Carolina. Greenwood is a significantly more developed market than Saluda, with a larger population base and greater availability of community services. Based on data from the U.S. Census Bureau and American Community Survey, Greenwood is also considered more affluent than Saluda in terms of median household incomes, home value and gross rent, among other metrics. Considering the preceding factors, we have negatively adjusted the collected rents at each selected property by 25% to reflect the differences between the Saluda and Greenwood markets.
12. A variety of bathrooms are offered among the comparable market-rate projects. As such, we have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment. Note that we have conservatively considered square footages of 1,111 and 1,383 for the subject units.
- 14.-23. The proposed subject project will offer a unit amenity package generally similar to those offered at the selected properties. However, we have made adjustments for features lacking at the subject property and, in some cases, for features the subject project does offer.
- 24.-32. The proposed subject property will offer a project amenity package generally similar to those offered at the selected properties. However, we have made adjustments for features lacking at the subject property and, in some cases, for features the subject project does offer.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.