



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

West End Apartments
629 Rice Avenue Extension
Union, Union County South Carolina 29379

Prepared For

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Effective Date

April 14, 2021

Job Reference Number

21-224 JW

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2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

Development Name:	West End Manor Apartments	Total # Units: 28
Location:	629 Rice Avenue Extension, Union, SC 29379	# LIHTC Units: 28
PMA Boundary:	Union County boundaries to the north, east and west. The southern boundary of the market area is generally comprised of Oak Hill Road, Old Ferry Road, Lockhart Highway, Monarch Mill incorporated limits, Hawkins Road, Sardis School House Road, Sardis Road, Fair Forest River, Cross Keys Highway and the Tyger River.	
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 14.0 miles

RENTAL HOUSING STOCK (found on page H-1 & 13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	671	7	99.0%
Market-Rate Housing	1	96	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	3	387	7	98.2%
LIHTC (All that are stabilized)*	4	188	0	100.0%
Stabilized Comps**	1	96	0	100.0%
Non-stabilized Comps	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)	Current Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
28	One	1.0	624	\$204	\$535	\$0.86	61.87%	\$820	\$1.60
Gross Potential Rent Monthly*				\$5,712	\$14,980		61.87%		

*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. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2012	2020		2023	
Renter Households 62+		800	21.2%	778	19.7%
Income-Qualified Renter HHs (LIHTC)		542	67.8%	533	68.5%
Income-Qualified Renter HHs (MR)		-	-	-	-

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60% w/RA	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		-9				-9
Existing Households (Overburd + Substand)		301				301
Homeowner conversion (Seniors)		68				68
Other:		0				0
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		360				360

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60% w/RA	Market-rate	Other: __	Other: __	Overall
Capture Rate		7.8%				7.8%

ABSORPTION RATE (found on page G-6)

Absorption Period: 3 months

2021 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Current Tenant Paid Rent	Net Tenant Paid Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
28	1 BR	\$204	\$5,712	\$535	\$14,980	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	28		\$5,712		\$14,980	61.87%

2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):

Development Name:	West End Manor Apartments	Total # Units: 28
Location:	629 Rice Avenue Extension, Union, SC 29379	# LIHTC Units: 28
PMA Boundary:	Union County boundaries to the north, east and west. The southern boundary of the market area is generally comprised of Oak Hill Road, Old Ferry Road, Lockhart Highway, Monarch Mill incorporated limits, Hawkins Road, Sardis School House Road, Sardis Road, Fair Forest River, Cross Keys Highway and the Tyger River.	
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 14.0 miles

RENTAL HOUSING STOCK (found on page H-1 & 13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	671	7	99.0%
Market-Rate Housing	1	96	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	3	387	7	98.2%
LIHTC (All that are stabilized)*	4	188	0	100.0%
Stabilized Comps**	1	96	0	100.0%
Non-stabilized Comps	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
28	One	1.0	624	\$485	\$535	\$0.86	9.35%	\$820	\$1.60
Gross Potential Rent Monthly*				\$13,580	\$14,980		9.35%		

*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. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2012	2020		2023	
Renter Households 55+		1,209	23.2%	1,172	22.0%
Income-Qualified Renter HHs (LIHTC)		294	24.3%	290	24.7%
Income-Qualified Renter HHs (MR)		-	-	-	-

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		-4				-4
Existing Households (Overburd + Substand)		127				127
Homeowner conversion (Seniors)		30				30
Other:		0				0
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		153				153

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate		18.3%				18.3%

ABSORPTION RATE (found on page G-7)

Absorption Period: 4 months

2021 S-2 RENT CALCULATION WORKSHEET (LIHTC Only)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Net Proposed Tenant Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
28	1 BR	\$485	\$13,580	\$535	\$14,980	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	28		\$13,580		\$14,980	9.35%

B. Project Description

Project Name:	West End Manor Apartments
Location:	629 Rice Avenue Extension, Union, South Carolina 29379 (Union County)
Census Tract:	301.00
Target Market:	Senior Age 62+
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC and RD 515

The subject project involves the renovation of the 28-unit West End Manor Apartments at 629 Rice Avenue Extension in Union, South Carolina. Built in 1993, the project operates under the Rural Development Section 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs, with 27 units receiving Rental Assistance (RA). The RA requires tenants to pay up to 30% of their adjusted gross household incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a four-household waiting list for the next available unit. The one non-RA unit is occupied by a tenant utilizing a Housing Choice Voucher (HCV).

The project will be renovated utilizing funding from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target senior households ages 62 and older with incomes of up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program, with RA retained on 27 units. All renovations are expected to be complete by October 2022. Additional details of the subject project are as follows:

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Basic/Note Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
28	One-Br.	1.0	Garden	624	60%/RD	\$435/\$582	\$485	\$132	\$617	\$713
28	Total									

Source: CAHEC Management, Inc. and West End Manor Apartments property management
 AMHI – Area Median Household Income (2021 National Nonmetropolitan Median Income)
 RD – Rural Development

Building/Site Information	
Residential Buildings:	Seven (7) one-story buildings
Building Style:	Single-story
Community Space:	Stand-alone building
Acres:	4.0

Construction Timeline	
Original Year Built:	1993
Renovation Start:	June 2022
Begin Preleasing:	In-Place Renovation
Renovation End:	October 2022

Unit Amenities		
• Electric Range	• Washer/Dryer Hookups	• Carpet/Composite
• Refrigerator w/Icemaker*	• Central Air Conditioning	• Window Blinds
• Microwave*	• Ceiling Fan*	• Emergency Call System
• Patio		

*Amenity to be added post renovations

Community Amenities		
• On-Site Management	• Laundry Facility	• Community Room w/Kitchen
• Surface Parking Lot (41 Spaces)		

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
28	0	100.0%	4 Households

PLANNED RENOVATION & CURRENT OCCUPANCY:

While the scope of work was not provided at the time this report was issued, it is expected that the project will include, but not limited to the following renovations:

- Replace all flooring
- New kitchen appliances
- Addition of icemaker in refrigerator in the units
- Addition of a microwave in the units
- Addition of ceiling fans in the units
- Paint the interior of all the units
- Replacement of all windows
- Install new entry doors
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- New roofing

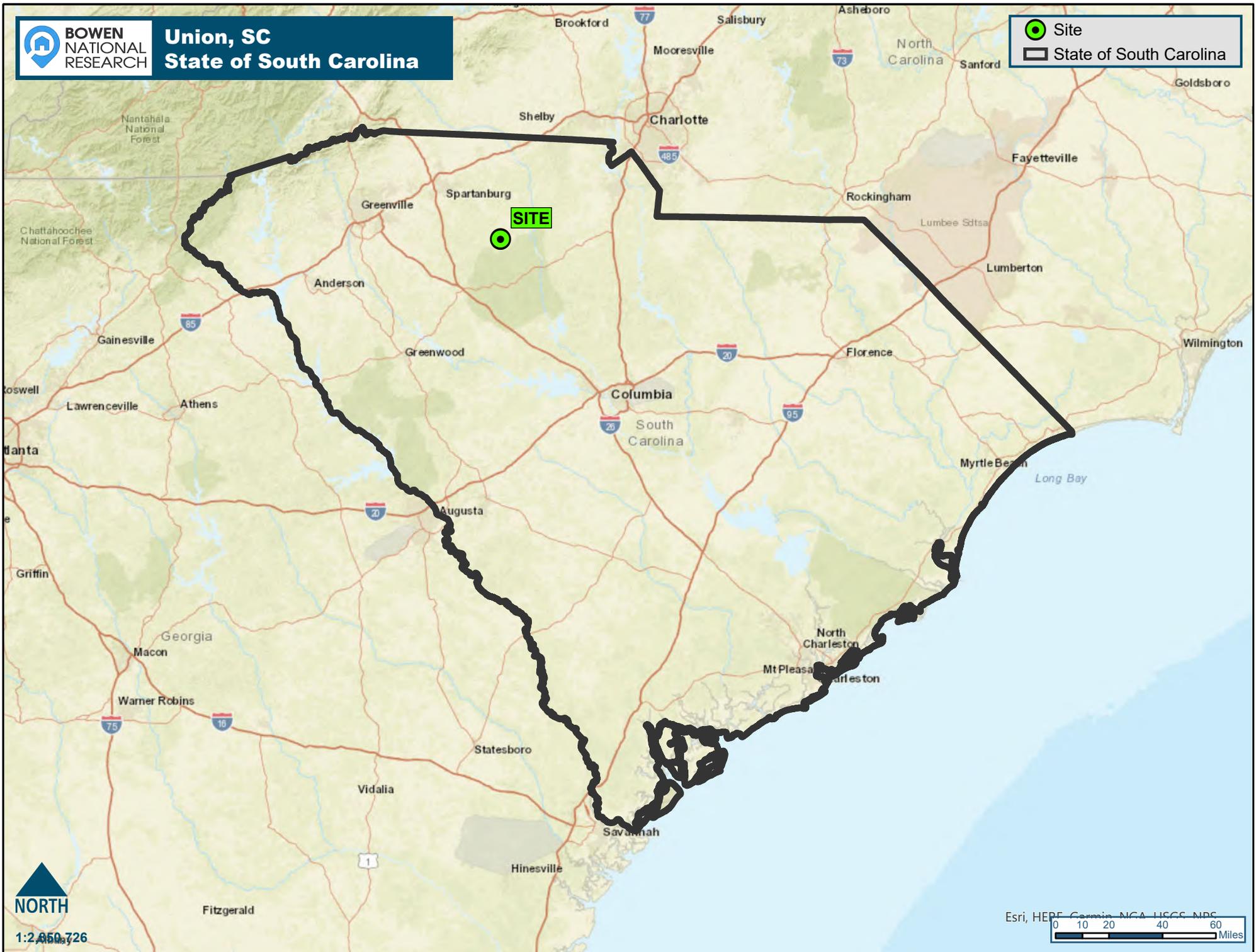
The subject project consists of 28 one-bedroom units that are 100.0% occupied, with a four-household waiting list for the next available unit. The project currently charges \$435 (basic) and \$582 (note), with 27 units receiving RA from RD. Due to the subsidy that is available on nearly all of the subject units, the average tenant-paid rent is \$204, based on the subject project’s current rent roll as illustrated in *Addendum C*. Following Tax Credit renovations, the subsidy will be retained on 27 units. It is anticipated that most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project.

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



Union, SC State of South Carolina

● Site
▭ State of South Carolina

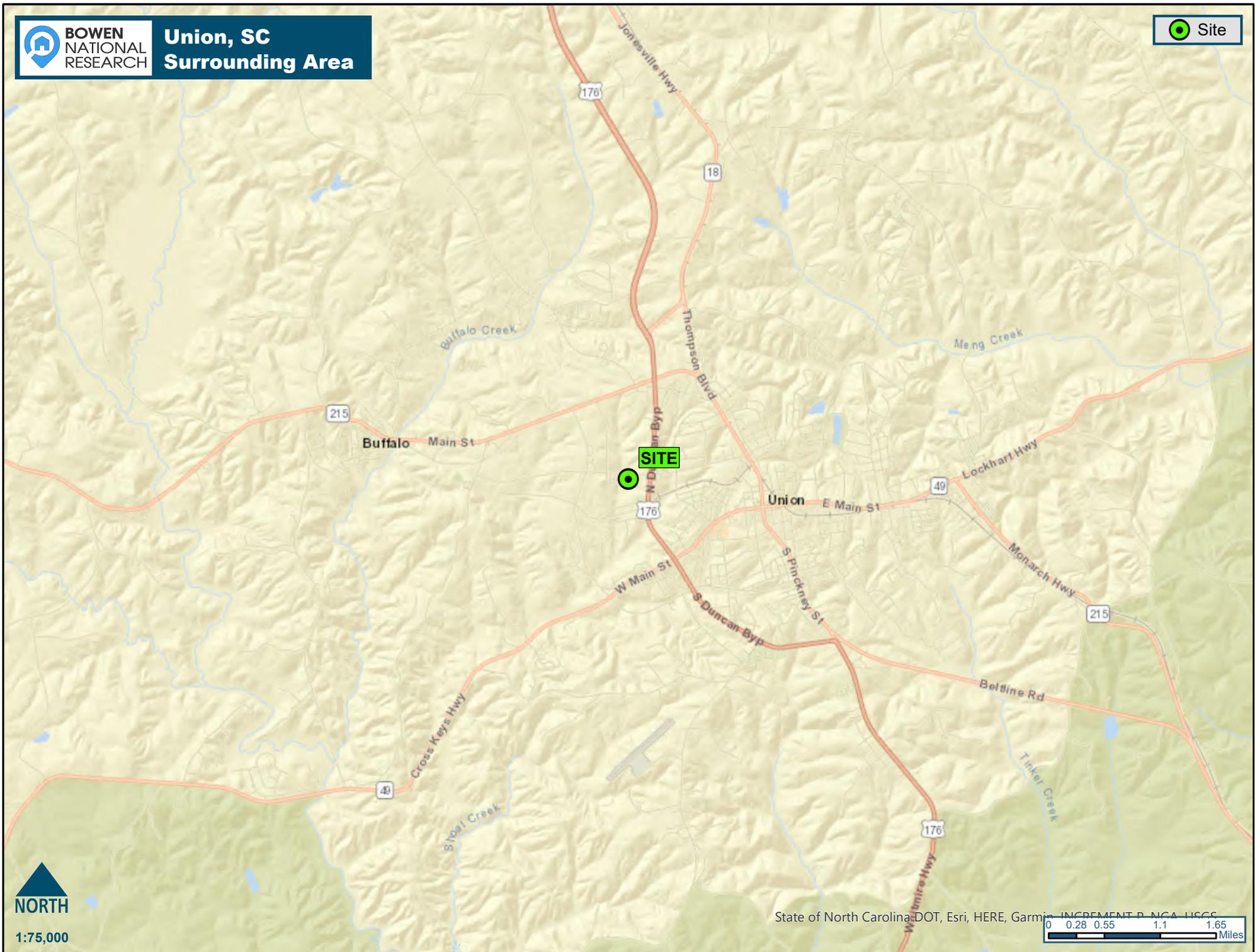


1:2,850,726

Esri, HERE, Garmin, NGA, USGS, NPS
0 10 20 40 60 Miles



Union, SC Surrounding Area



1:75,000

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of March 29, 2021. 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, West End Manor Apartments, is located at 629 Rice Avenue Extension in Union, South Carolina. Located within Union County, Union is approximately 26.0 miles southeast from Spartanburg, South Carolina and approximately 58.0 miles southeast from Greenville, South Carolina. Following is a description of surrounding land uses:

North -	Rice Avenue Extension borders the site to the north, followed by wooded land. Wooded land continues north to the West Towne Shopping Center, with several stores in good condition.
East -	The eastern boundary is defined by wooded land, followed by a vacant building and a Pizza Hut. Continuing east is U.S. Highway 176, a retail/commercial corridor that includes, but not limited to a CVS Pharmacy, auto parts stores, Bojangles and KJ's Market IGA - Union.
South -	Wooded land borders the site to the south, which continues north to Palmetto Long Term Pharmacy and Covenant Baptist Church, in fair to good condition. Farther south are a hotel and single-family homes.
West -	The western boundary is defined by wooded land, followed by Buena Vista Apartments (Map ID 2) and Heartland Health Care Center - Union, both in fair to good condition. Farther west are the Timken Sports Complex and undeveloped land.

The subject site is located within a medium-density mixed-use neighborhood. Most buildings are in fair to good condition and the wooded land surrounding the site filters ambient noise and lights from the surrounding community. The site is also within very close proximity to various business and shopping opportunities. Overall, the subject property fits well with the surrounding land uses, which should continue to contribute to its marketability.

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 176	0.2 East
	State Route 49	0.9 Southeast
	State Route 215	2.5 Southeast
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Walmart Supercenter	1.1 North
	Union Medical Center	1.3 Southeast
Convenience Store	KC Mart	0.4 North
	Murphy USA	1.0 North
Grocery	KJ's Market IGA - Union	0.3 Southeast
	Save-a-Lot	0.3 Northeast
	Walmart Grocery	1.1 North
Discount Department Store	Dollar General	0.3 Northeast
	Walmart Supercenter	1.1 North
	Dollar Tree	1.2 North
Shopping Center/Mall	Merchants Walk	0.3 Northeast
	West Towne Shopping Center	0.4 North
Hospital	Union Medical Center	1.3 Southeast
Police	Union County Sheriff	1.5 East
Fire	Union Fire Department	1.0 East
Post Office	U.S. Post Office	1.5 South
Bank	Arthur State Bank	0.7 Northeast
	South State Bank	0.8 Northeast
Recreational Facilities	Timken Sports Complex	0.4 West
	Union County Recreation and Park	1.0 Southeast
Gas Station	Mobil	0.4 Northeast
	Exxon	0.9 Southeast
Pharmacy	CVS Pharmacy	0.2 East
	Union Family Pharmacy	0.2 East
	Palmetto Long Term Care Pharmacy	0.6 South
Restaurant	Pizza Hut	0.2 East
	Bojangles	0.2 Northeast
	China 1	0.3 East
Senior Center	Union County Senior Citizens	1.4 East
Community Center	Buffalo Community Center	2.7 West
Library	Union County Carnegie Library	1.8 East

N/A – Not Available

As the preceding illustrates, most area services are located within approximately 1.5 miles of the subject site. Many area services are easily accessible given the site's proximity to North Duncan Bypass (U.S. Highway 176) and Main Street (State Route 49), which serve as commercial corridors within the area. Notable services within approximately 1.0 mile include, but are not limited to the Merchants Walk and West Towne shopping centers, Pizza Hut, CVS Pharmacy, Dollar General, KJ's Market IGA - Union, Save-a-Lot, KC Mart and Mobil Gas Station. Notably, Walmart Supercenter is 1.1 miles north of the site.

Public safety services are provided by the Union County Sheriff and Union Fire Department, both of which are located within 1.5 miles of the site. The nearest full-service hospital is the Union Medical Center, located 1.3 miles northeast of the site. Pharmacies can be accessed within approximately 0.3 miles. Additionally, community services, such as community centers and a public library are within 2.7 miles.

4. SITE PHOTOGRAPHS

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



View of site from the north



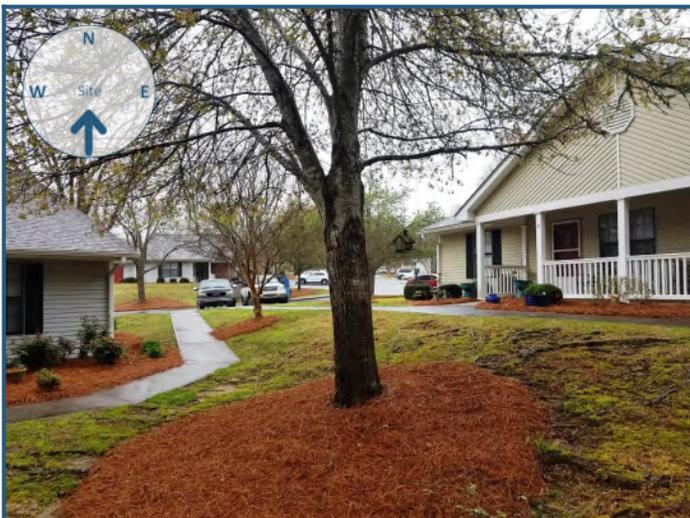
View of site from the northeast



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



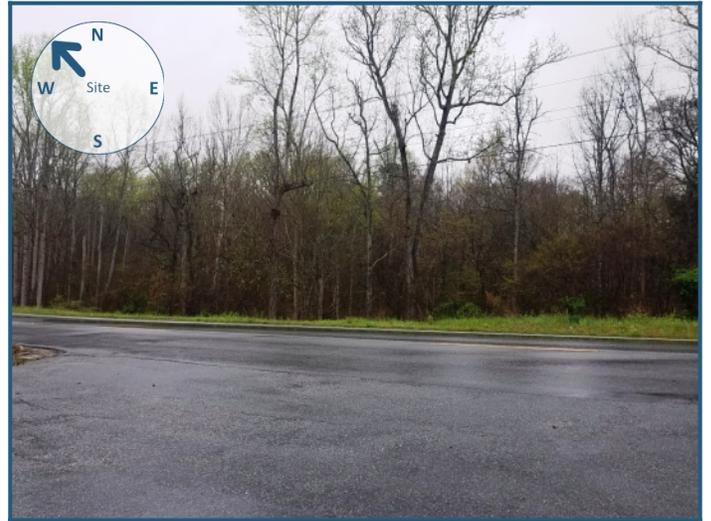
South view from site



Southwest view from site



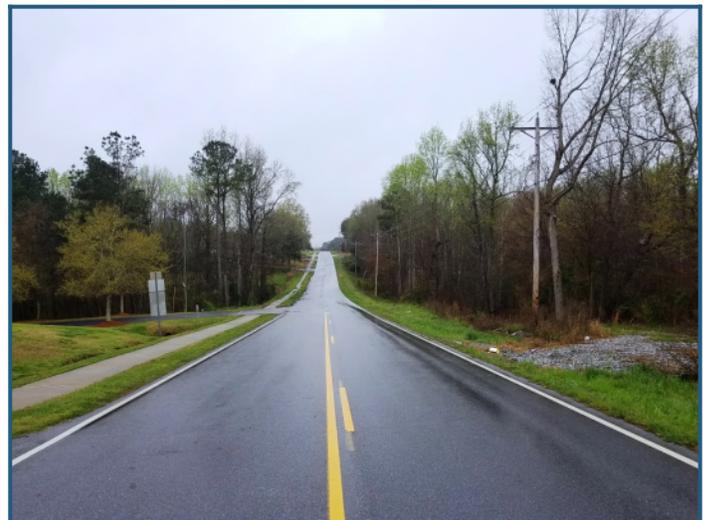
West view from site



Northwest view from site



Streetscape: East view of Rice Avenue Extension



Streetscape: West view of Rice Avenue Extension



Community Room



Community Room: Kitchen



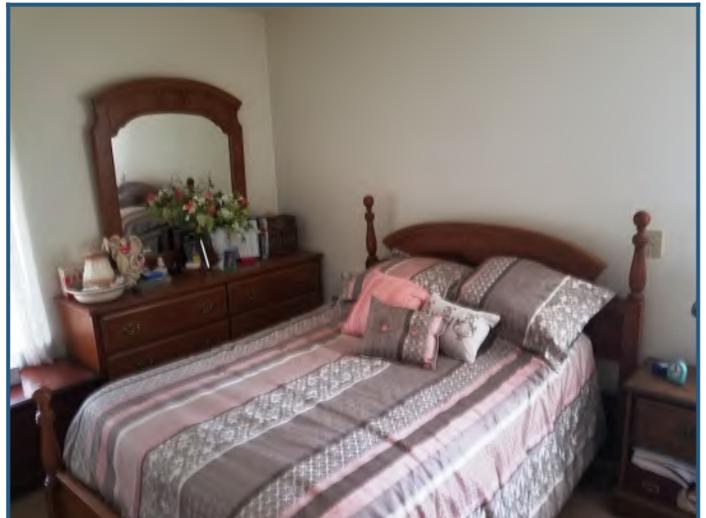
Laundry Facility



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)



One-Bedroom (Bathroom)

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



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**Union, SC
Site Neighborhood**

Legend
Site Area

Times Blvd Times Dr

Oakmont Ln

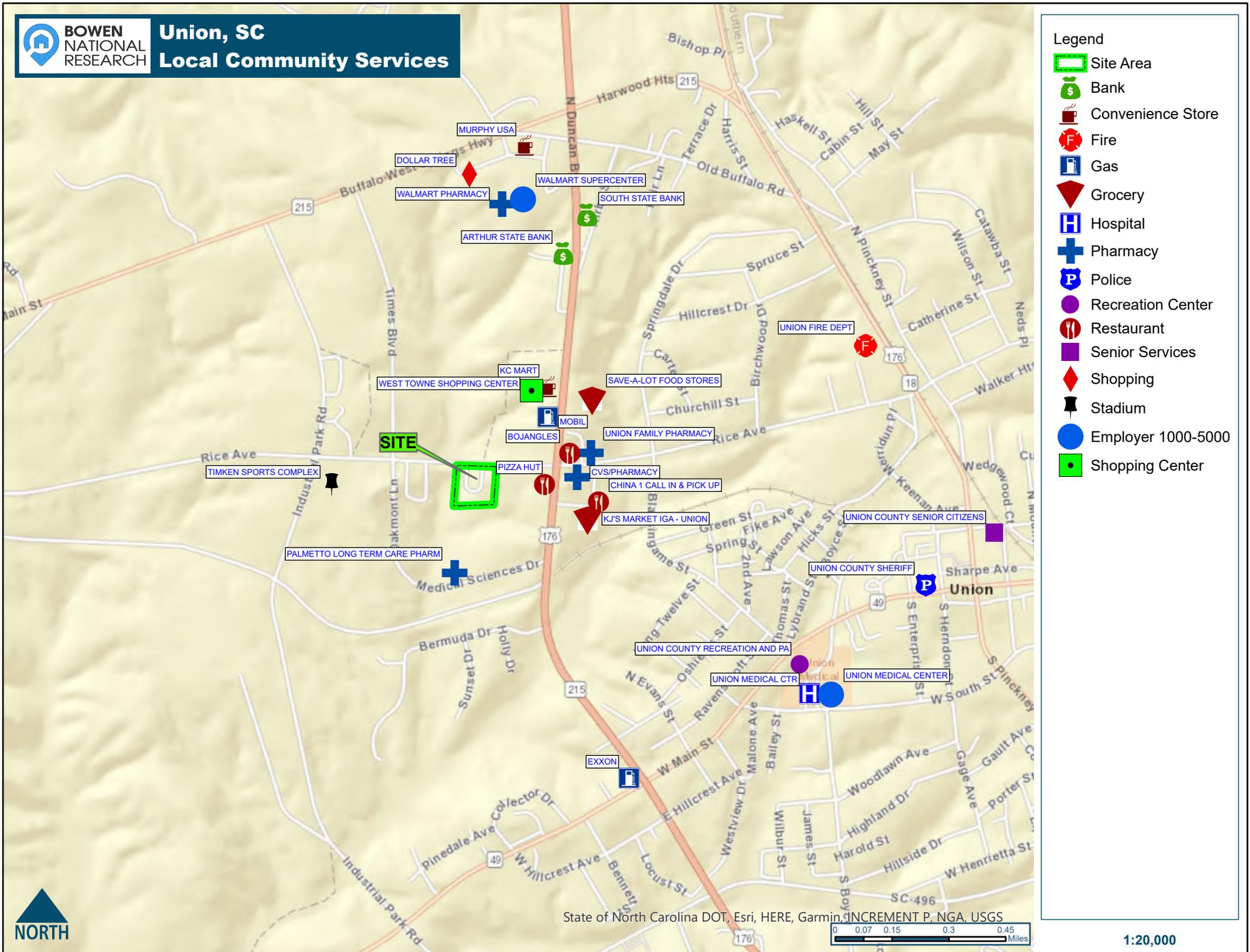
Rice Ave Rice Avenue Ext



NORTH

1:3,000



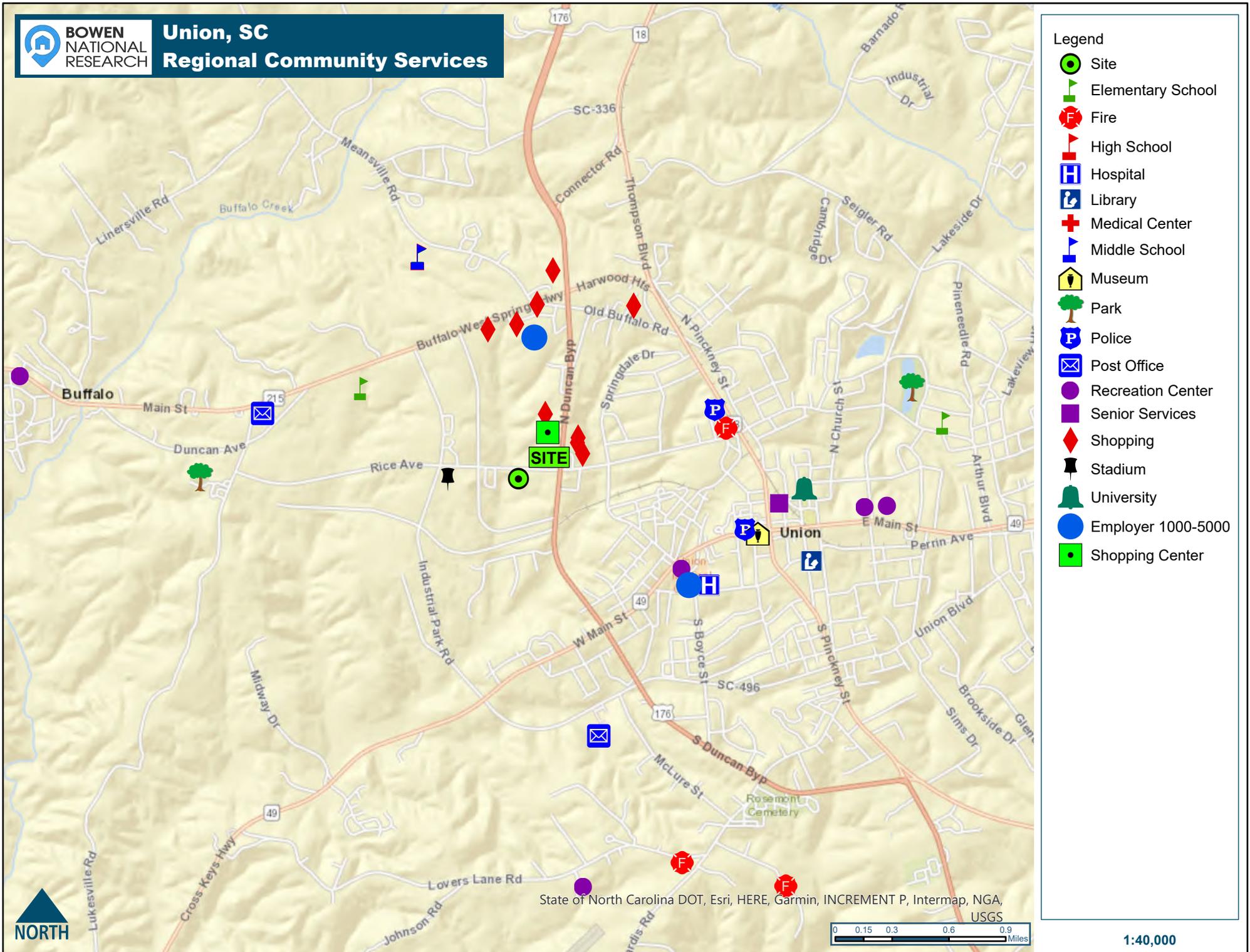


- Legend**
- Site Area
 - Bank
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Hospital
 - Pharmacy
 - Police
 - Recreation Center
 - Restaurant
 - Senior Services
 - Shopping
 - Stadium
 - Employer 1000-5000
 - Shopping Center





Union, SC Regional Community Services



- Legend**
- Site
 - Elementary School
 - Fire
 - High School
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Senior Services
 - Shopping
 - Stadium
 - University
 - Employer 1000-5000
 - Shopping Center

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



1:40,000



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.

Total crime risk for the site’s ZIP Code is 133, with an overall personal crime index of 172 and a property crime index of 127. Total crime risk for Union County is 118, with indexes for personal and property crime of 154 and 112, respectively.

	Crime Risk Index	
	Site ZIP Code	Union County
Total Crime	133	118
Personal Crime	172	154
Murder	158	166
Rape	125	95
Robbery	82	80
Assault	217	195
Property Crime	127	112
Burglary	166	154
Larceny	122	104
Motor Vehicle Theft	87	93

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index within the site’s ZIP Code (133) is slightly above that of Union County (118), both of which are slightly above the national average (100). Nonetheless, the slightly elevated crime index within the area has not had an adverse impact on the subject’s marketability, as evidenced by its full occupancy and waiting list.

A map illustrating crime risk is on the following page.



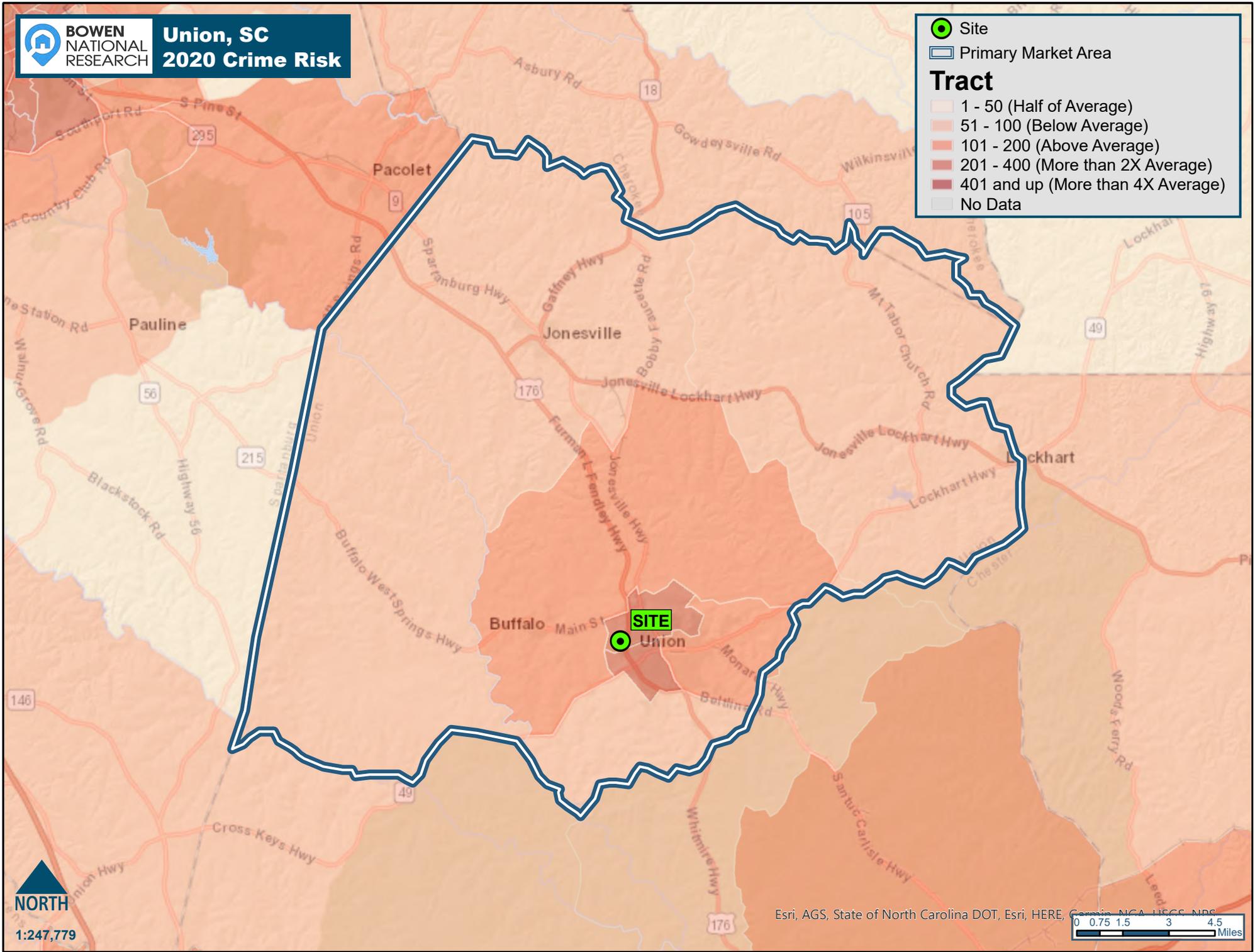
Union, SC 2020 Crime Risk

Site

Primary Market Area

Tract

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH
1:247,779

Esri, AGS, State of North Carolina DOT, Esri, HERE, Garmin, NGA, USGS, NPS
 Miles

7. ACCESS AND VISIBILITY

North Duncan Bypass (U.S. Highway 176) is the primary arterial within the immediate site area. Visibility of the subject property is obstructed from this roadway, due to the surrounding land uses east of the site. However, the property is clearly visible upon ingress from Rice Avenue Extension, a residential roadway bordering the site to the north. Additionally, signage is present at the subject site entryway on Rice Avenue Extension. Given that the subject project is 100.0% occupied with a waiting list, visibility is considered adequate.

As previously mentioned, the subject property derives access from Rice Avenue Extension. Rice Avenue Extension is a two-lane residential roadway with light vehicular traffic, which allows for unimpeded ingress and egress. Rice Avenue Extension is accessed via North Duncan Bypass (U.S. Highway 176), which also provides direct access to and from Main Street (State Route 49) south of the site. Main Street (State Route 49) is a four-lane, east-west arterial roadway within the Union area, with light to moderate traffic. Overall, access to and from the site is considered good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no notable visible or environmental issues observed that could potentially impact the marketability of the subject site.

9. OVERALL SITE CONCLUSIONS

The subject site is within a medium-density mixed-use neighborhood of Union, with the surrounding structures in fair to good condition. Many area services are within walking distance of the subject site. Rice Avenue Extension provides visibility and ease of ingress and egress to the subject site. Two arterial roadways service the area, North Duncan Bypass (U.S. Highway 176) and Main Street (State Route 49), which provide access to services and the greater Union County area. The subject project fits in well with surrounding land uses. Visibility and access are considered good. The site is within 1.5 miles of most shopping, employment, recreation, entertainment and education opportunities. Social services, public transportation and public safety services are all within 2.7 miles, and the site has convenient access to major highways. Overall, we consider the site's location and proximity to community services to have a positive impact on its continued marketability.

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 continue to originate. The Union Site PMA was determined through interviews with management at the subject site, area leasing 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 Union Site PMA includes Union, Monarch Mill and Jonesville, as well as the surrounding unincorporated areas of Union County. Specifically, the boundaries of the Site PMA include the Union County boundaries to the north, east and west. The southern boundary of the market area is generally comprised of Oak Hill Road, Old Ferry Road, Lockhart Highway, Monarch Mill incorporated limits, Hawkins Road, Sardis School House Road, Sardis Road, Fair Forest River, Cross Keys Highway and the Tyger River. All boundaries of the Site PMA are generally within 14.0 miles from the site. The Site PMA includes all of, or portions of, the following Census Tracts:

301.00*	302.00	303.00
304.01	304.02	305.00
307.00	308.00	309.00

*Subject site location

Connie Vincon, Property Manager of West End Manor Apartments (subject site), confirmed the boundaries of the Site PMA, indicating that approximately 95% of her property's current tenants originated from Union and the surrounding towns of northern Union County. She stressed that the area has an aging population, which anchors prospective tenants to the region as they have no desire to move away.

Donna Sumner, Property Manager of Buena Vista I & II (Map ID 2), a Rural Development Section 515 (RD 515) and Tax Credit property in Union, confirmed the Site PMA, stating that family ties and low rents within the northern areas of Union County anchor tenants within the immediate region.

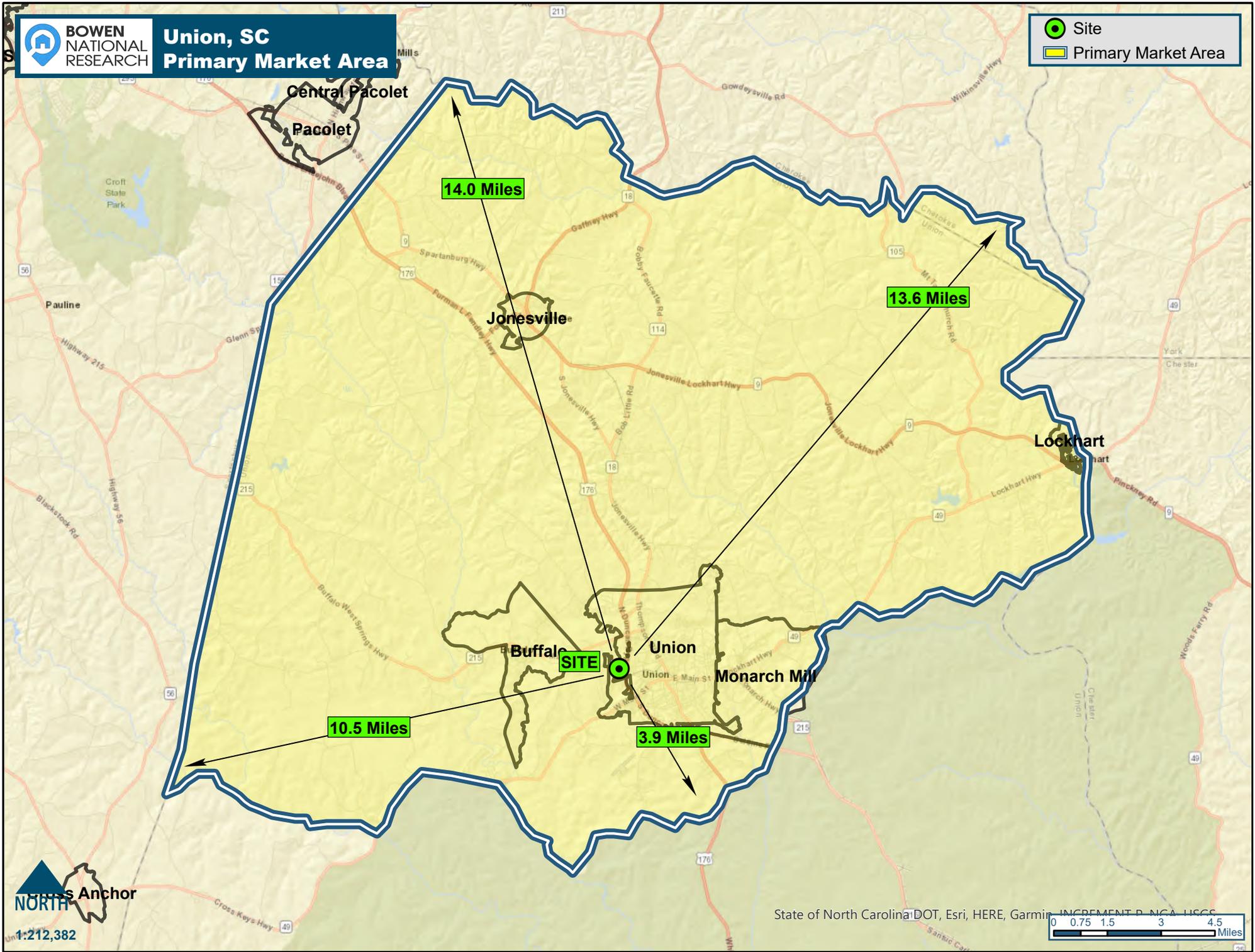
A modest portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



Union, SC Primary Market Area

● Site
■ Primary Market Area



NORTH
Anchor
Scale: 1:212,382

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
Scale: 0 0.75 1.5 3 4.5 Miles

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

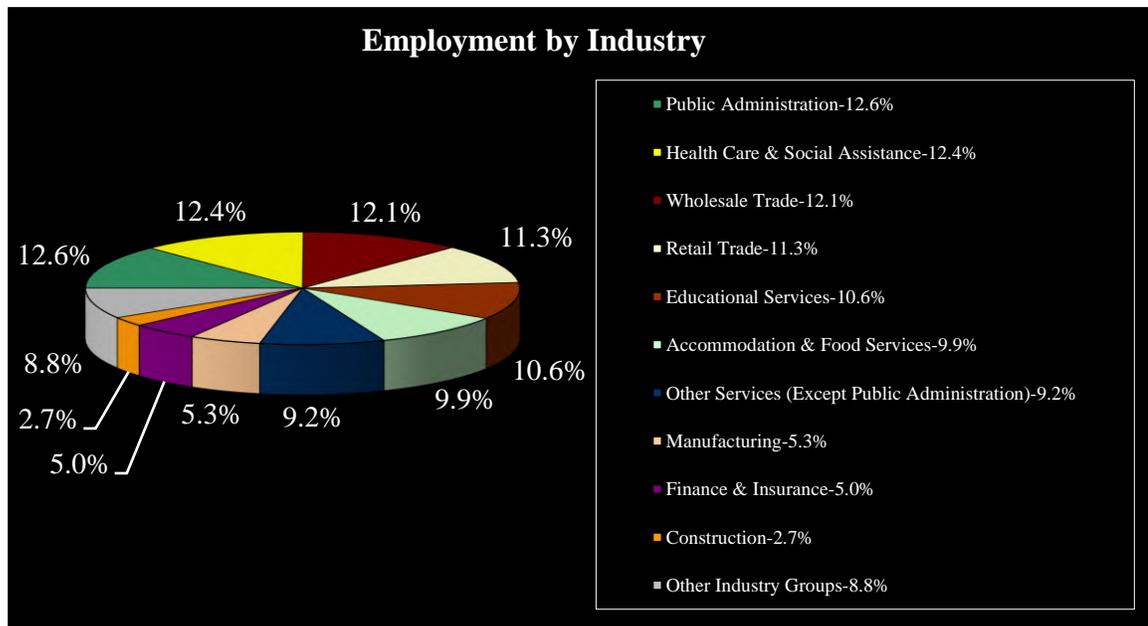
The labor force within the Union Site PMA is based primarily in five sectors. Public Administration (which comprises 12.6%), Health Care & Social Assistance, Wholesale Trade, Retail Trade and Educational Services comprise approximately 59% of the Site PMA labor force. Employment in the Union Site PMA, as of 2020, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	5	0.7%	22	0.3%	4.4
Mining	1	0.1%	7	0.1%	7.0
Utilities	5	0.7%	88	1.3%	17.6
Construction	27	3.9%	179	2.7%	6.6
Manufacturing	19	2.7%	354	5.3%	18.6
Wholesale Trade	23	3.3%	802	12.1%	34.9
Retail Trade	124	17.8%	749	11.3%	6.0
Transportation & Warehousing	11	1.6%	100	1.5%	9.1
Information	9	1.3%	121	1.8%	13.4
Finance & Insurance	37	5.3%	334	5.0%	9.0
Real Estate & Rental & Leasing	25	3.6%	68	1.0%	2.7
Professional, Scientific & Technical Services	31	4.4%	131	2.0%	4.2
Management of Companies & Enterprises	1	0.1%	12	0.2%	12.0
Administrative, Support, Waste Management & Remediation Services	10	1.4%	18	0.3%	1.8
Educational Services	19	2.7%	706	10.6%	37.2
Health Care & Social Assistance	56	8.0%	826	12.4%	14.8
Arts, Entertainment & Recreation	4	0.6%	13	0.2%	3.3
Accommodation & Food Services	49	7.0%	656	9.9%	13.4
Other Services (Except Public Administration)	160	23.0%	614	9.2%	3.8
Public Administration	69	9.9%	838	12.6%	12.1
Nonclassifiable	12	1.7%	4	0.1%	0.3
Total	697	100.0%	6,642	100.0%	9.5

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

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. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Spartanburg MSA	South Carolina
Management Occupations	\$112,050	\$109,500
Business and Financial Occupations	\$74,900	\$70,470
Computer and Mathematical Occupations	\$69,570	\$77,080
Architecture and Engineering Occupations	\$82,470	\$80,470
Community and Social Service Occupations	\$45,180	\$44,530
Art, Design, Entertainment and Sports Medicine Occupations	\$47,100	\$50,930
Healthcare Practitioners and Technical Occupations	\$73,680	\$76,850
Healthcare Support Occupations	\$28,950	\$29,220
Protective Service Occupations	\$39,140	\$39,760
Food Preparation and Serving Related Occupations	\$23,490	\$23,250
Building and Grounds Cleaning and Maintenance Occupations	\$27,500	\$27,650
Personal Care and Service Occupations	\$27,860	\$28,850
Sales and Related Occupations	\$36,310	\$37,680
Office and Administrative Support Occupations	\$38,210	\$37,870
Construction and Extraction Occupations	\$44,060	\$44,550
Installation, Maintenance and Repair Occupations	\$45,360	\$46,990
Production Occupations	\$43,280	\$40,730
Transportation and Moving Occupations	\$36,460	\$34,010

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

Most annual blue-collar salaries range from \$23,490 to \$47,100 within the Spartanburg MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$82,534. It is important to note that most occupational types within the Spartanburg MSA have similar typical wages as the State of South Carolina's typical wages.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Union County comprise a total of 4,364 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Union County Schools	Education	508
Union Medical Center	Health Care	404
Gestamp South Carolina LLC	Automotive	834
Dollar General Distribution Center	Retail	827
Belk E-Commerce	Distribution Center	575
Timken Roller Bearings	Manufacturing	271
Union County Government	Government	261
South Carolina State Government	Government	230
Milliken-Cedar Hill	Manufacturing	246
CSL Plasma	Medical Devices	208
	Total	4,364

Source: Union County Development Board (2021)

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy. The following was obtained via extensive online research regarding Union County:

- University of South Carolina Union offered relief grants to students through the CARES Act. Pell Grant recipients and other students were eligible for assistance because of disruptions from COVID-19 and grants covered housing, food, course materials and other student expenses.
- Union County delayed implementing reassessment of real property for one year due to the COVID-19 pandemic.

WARN (layoff notices):

WARN Notices were reviewed in April 2021 and according to South Carolina Works, there have been no WARN notices reported for Union County over the past 12 months.

4. EMPLOYMENT TRENDS

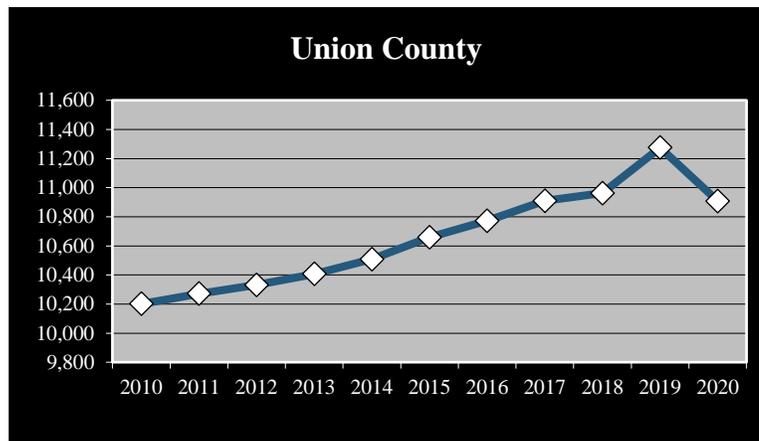
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2020, the employment base has increased by 5.8% over the past five years in Union County, less than the South Carolina state increase of 7.9%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Union County, South Carolina and the United States.

Year	Total Employment					
	Union County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	10,202	-	1,928,442	-	140,469,139	-
2011	10,271	0.7%	1,957,493	1.5%	141,791,255	0.9%
2012	10,332	0.6%	1,992,957	1.8%	143,621,634	1.3%
2013	10,406	0.7%	2,034,404	2.1%	145,017,562	1.0%
2014	10,509	1.0%	2,082,941	2.4%	147,313,048	1.6%
2015	10,659	1.4%	2,134,087	2.5%	149,500,941	1.5%
2016	10,772	1.1%	2,174,301	1.9%	151,887,366	1.6%
2017	10,909	1.3%	2,200,602	1.2%	154,160,937	1.5%
2018	10,962	0.5%	2,242,438	1.9%	156,081,212	1.2%
2019	11,275	2.8%	2,302,573	2.7%	158,102,439	1.3%
2020	10,908	-3.3%	2,237,407	-2.8%	148,739,082	-5.9%

Source: Department of Labor; Bureau of Labor Statistics

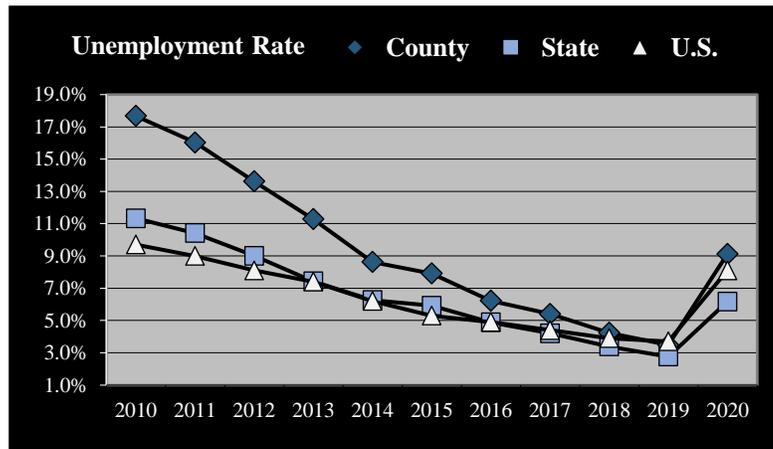


As the preceding illustrates, the Union County employment base experienced consistent growth between 2010 and 2019. However, between 2019 and 2020, the county's employment base declined by 3.3% as the result of the COVID-19 pandemic.

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

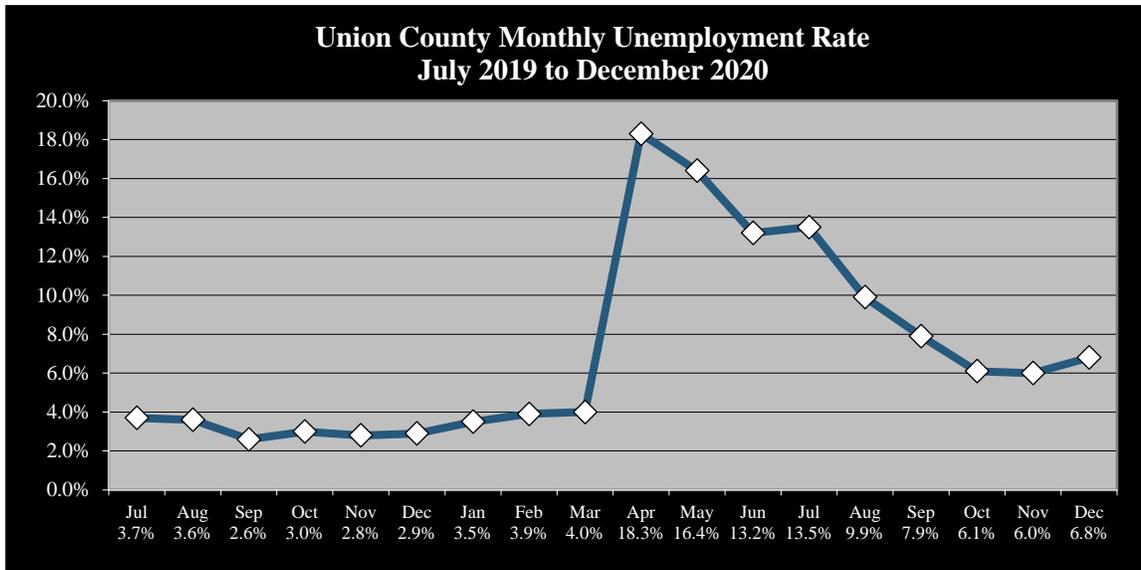
Year	Unemployment					
	Union County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	2,190	17.7%	246,093	11.3%	15,070,017	9.7%
2011	1,961	16.0%	227,678	10.4%	14,035,049	9.0%
2012	1,631	13.6%	197,246	9.0%	12,691,553	8.1%
2013	1,324	11.3%	163,472	7.4%	11,634,201	7.4%
2014	993	8.6%	139,485	6.3%	9,776,089	6.2%
2015	916	7.9%	133,750	5.9%	8,417,793	5.3%
2016	715	6.2%	111,753	4.9%	7,854,801	4.9%
2017	624	5.4%	96,477	4.2%	7,093,912	4.4%
2018	482	4.2%	78,442	3.4%	6,385,787	3.9%
2019	406	3.5%	65,112	2.8%	6,073,924	3.7%
2020	1,113	9.1%	147,183	6.2%	13,039,335	8.1%

Source: Department of Labor; Bureau of Labor Statistics



The unemployment rate in Union County consistently decreased between 2010 and 2019, then increased by nearly seven percentage points between 2019 and 2020 due to the COVID-19 pandemic.

The table on the following page illustrates the monthly unemployment rate in Union County for the most recent 18-month period for which data is currently available.



The *monthly* unemployment rate in Union County was relatively stable between July 2019 and March 2020. However, between March and April 2020, the monthly unemployment rate within the county spiked by over 14 percentage points. On a positive note, the county’s monthly unemployment rate has generally trended downward since to a rate of 6.8% reported in December.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Union County.

In-Place Employment Union County			
Year	Employment	Change	Percent Change
2010	5,898	-	-
2011	6,284	386	6.5%
2012	6,251	-33	-0.5%
2013	6,833	582	9.3%
2014	7,149	316	4.6%
2015	7,403	254	3.6%
2016	7,747	344	4.6%
2017	7,771	24	0.3%
2018	7,942	171	2.2%
2019	8,353	411	5.2%
2020*	7,395	-958	-11.5%

Source: Department of Labor, Bureau of Labor Statistics
*Through September

Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Union County to be 74.1% of the total Union County employment. This means that Union County has a high share of employed persons leaving the county for daytime employment, which could have an adverse impact on residency with increasing energy costs. However, residents in rural markets, such as the Union Site PMA, are accustomed to extensive commute times to their place of employment.

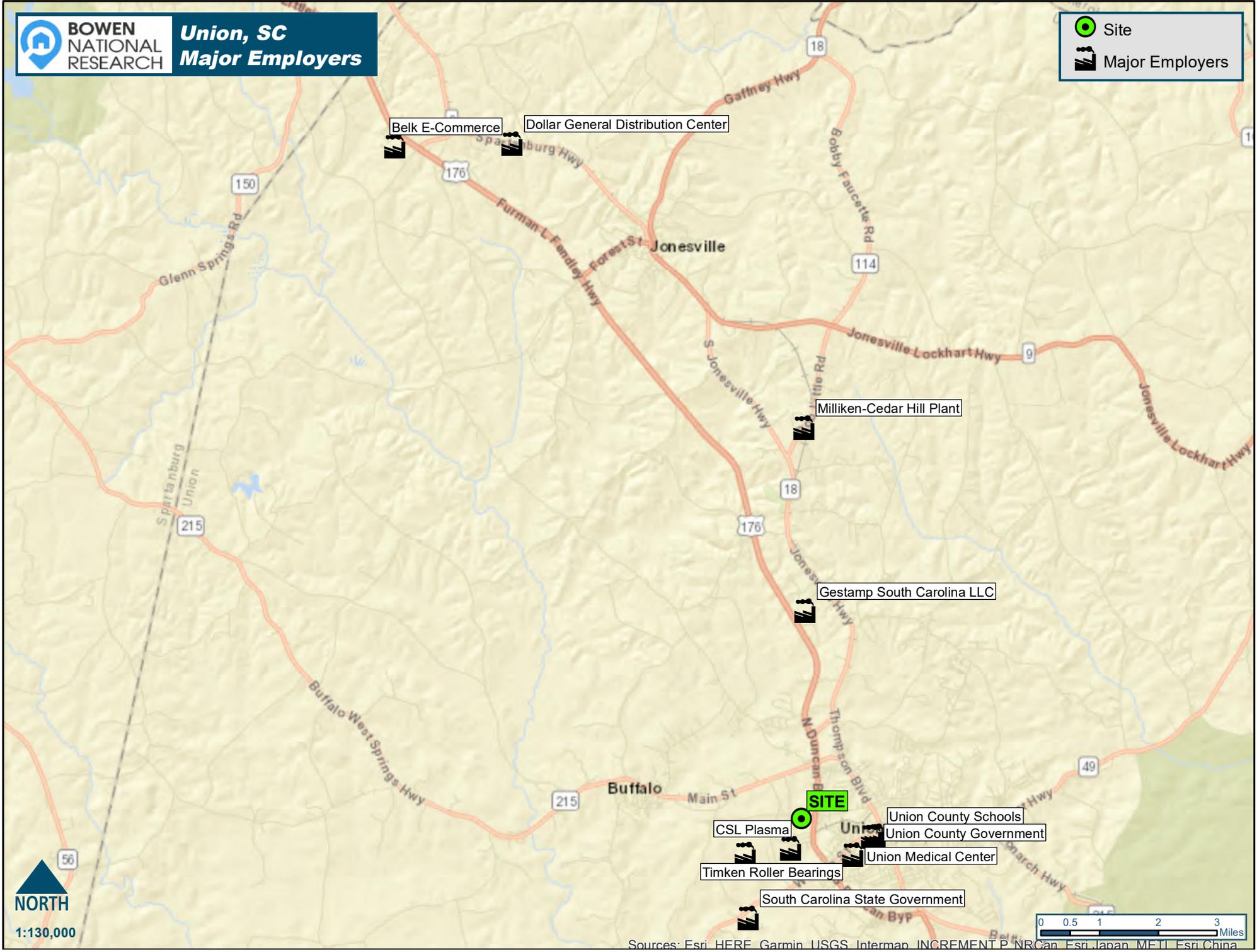
5. EMPLOYMENT CENTERS MAP

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



Union, SC Major Employers

- Site
- Major Employers



NORTH
1:130,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

6. COMMUTING PATTERNS

Based on the American Community Survey (2015-2019), 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	8,273	86.3%
Carpooled	919	9.6%
Public Transit	11	0.1%
Walked	85	0.9%
Other Means	98	1.0%
Worked at Home	195	2.0%
Total	9,581	100.0%

Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

Over 86% of all workers drove alone, 9.6% carpooled and only 0.1% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	3,255	34.0%
15 to 29 Minutes	2,490	26.0%
30 to 44 Minutes	1,727	18.0%
45 to 59 Minutes	1,061	11.1%
60 or More Minutes	854	8.9%
Worked at Home	195	2.0%
Total	9,582	100.0%

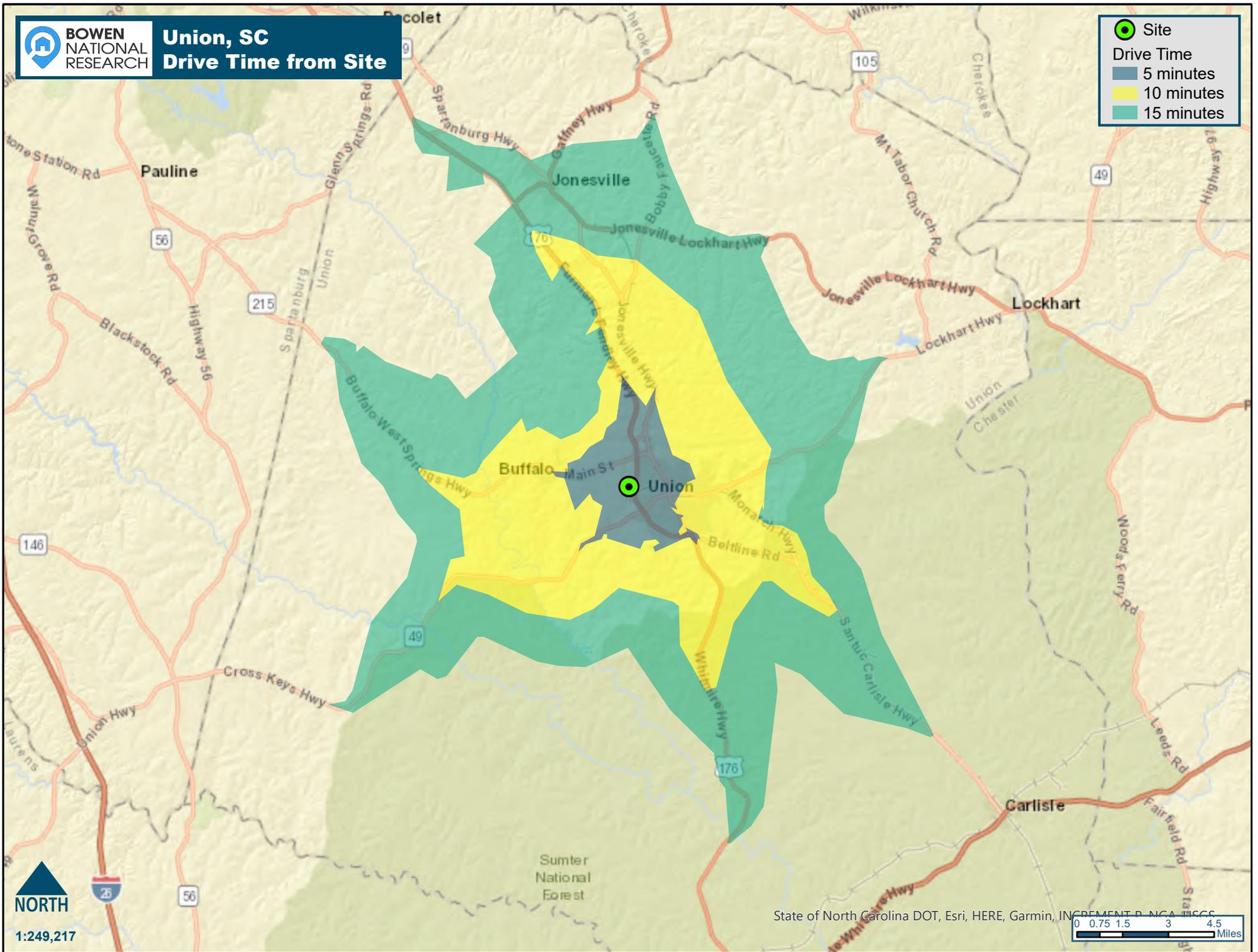
Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should continue to contribute to its marketability. A drive-time map for the subject site is on the following page.



Union, SC Drive Time from Site

● Site
Drive Time
■ 5 minutes
■ 10 minutes
■ 15 minutes



NORTH
1:249,217

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NCA, TIGRS
0 0.75 1.5 3 4.5 Miles

7. ECONOMIC FORECAST AND HOUSING IMPACT

The Union County economy experienced continued job growth between 2010 and 2019. However, between 2019 and 2020, the county declined by nearly 370 jobs, or 3.3%, likely, in part, as the result of the COVID-19 pandemic, which caused many area businesses to experience a significant reduction in business activity, increasing unemployment and decreasing the county's employment base. This correlates with unemployment rate trends, as the county experienced an increase of nearly seven percentage points during the same time frame. Specifically, between March and April 2020, the unemployment rate within Union County spiked by over 14 percentage points; however, the county's unemployment rate has generally been trending downward since. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for over 21% of the market's labor force and provide lower wage paying positions. The subject site will continue to provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2023 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2023 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2020 (estimated) and 2023 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Population	25,290	24,506	23,800	23,592
Population Change	-	-784	-706	-208
Percent Change	-	-3.1%	-2.9%	-0.9%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Since 2000, the market's population base has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2023.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.0% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	482	2.0%
Population not in Group Quarters	24,024	98.0%
Total Population	24,506	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2020 (Estimated)		2023 (Projected)		Change 2020-2023	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,227	25.4%	5,373	22.6%	5,326	22.6%	-47	-0.9%
20 to 24	1,330	5.4%	1,210	5.1%	1,117	4.7%	-93	-7.7%
25 to 34	2,617	10.7%	2,903	12.2%	2,685	11.4%	-218	-7.5%
35 to 44	3,149	12.8%	2,696	11.3%	2,727	11.6%	31	1.1%
45 to 54	3,751	15.3%	3,147	13.2%	2,991	12.7%	-156	-5.0%
55 to 64	3,340	13.6%	3,527	14.8%	3,456	14.6%	-71	-2.0%
65 to 74	2,230	9.1%	2,956	12.4%	3,068	13.0%	112	3.8%
75 & Over	1,862	7.6%	1,988	8.4%	2,223	9.4%	235	11.8%
Total	24,506	100.0%	23,800	100.0%	23,592	100.0%	-208	-0.9%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 36% of the population is expected to be age 55 and older in 2020. This age group is the primary group of current and potential support for the subject site and likely represents a significant number of the tenants.

c. Elderly and Non-Elderly Population

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2020 (Estimated)	2023 (Projected)
Elderly (Age 62+)	5,069	6,000	6,352
Non-Elderly	19,437	17,800	17,240
Total	24,506	23,800	23,592

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The elderly population is projected to increase by 352, or 5.9%, between 2020 and 2023. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

d. Special Needs Population

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

e. Minority Concentrations

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	44.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	40.5%
American Indian	0.4%	0.4% + 20.0% = 20.4%	0.0%
Asian/Hawaiian/Pacific Islander	1.4%	1.4% + 20.0% = 21.4%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	1.5%

Source: SC Housing and 2020 FFIEC Census Report

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Households	10,301	10,169	9,841	9,747
Household Change	-	-132	-328	-94
Percent Change	-	-1.3%	-3.2%	-1.0%
Household Size	2.46	2.41	2.37	2.37

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Similar to population trends, the market's household base has been generally stable since 2000 and is projected to remain relatively stable through 2023.

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

Households by Age	2010 (Census)		2020 (Estimated)		2023 (Projected)		Change 2020-2023	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	331	3.3%	260	2.6%	249	2.6%	-11	-4.4%
25 to 34	1,171	11.5%	1,244	12.6%	1,143	11.7%	-101	-8.1%
35 to 44	1,755	17.3%	1,430	14.5%	1,432	14.7%	2	0.1%
45 to 54	2,121	20.9%	1,696	17.2%	1,592	16.3%	-104	-6.1%
55 to 64	2,038	20.0%	2,039	20.7%	1,967	20.2%	-72	-3.5%
65 to 74	1,461	14.4%	1,834	18.6%	1,877	19.3%	43	2.4%
75 to 84	956	9.4%	979	9.9%	1,088	11.2%	109	11.2%
85 & Over	336	3.3%	359	3.6%	399	4.1%	40	11.2%
Total	10,169	100.0%	9,841	100.0%	9,747	100.0%	-94	-1.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2020 and 2023, the greatest growth among household age groups is projected to be among those between the ages of 75 and 84, illustrating that there will be an increasing need for housing for seniors in the market.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,074	69.6%	6,281	63.8%	6,223	63.8%
Renter-Occupied	3,095	30.4%	3,560	36.2%	3,524	36.2%
Total	10,169	100.0%	9,841	100.0%	9,747	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, homeowners occupied 63.8% of all occupied housing units, while the remaining 36.2% were occupied by renters.

Households by tenure for those age 55 and older in 2010, 2020 (estimated) and 2023 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,850	80.4%	4,002	76.8%	4,160	78.0%
Renter-Occupied	941	19.6%	1,209	23.2%	1,172	22.0%
Total	4,791	100.0%	5,211	100.0%	5,332	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 1,209 (23.2%) of all households age 55 and older within the Site PMA were renters in 2020.

Households by tenure for those age 62 and older in 2010, 2020 (estimated) and 2023 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,759	82.0%	2,978	78.8%	3,174	80.3%
Renter-Occupied	604	18.0%	800	21.2%	778	19.7%
Total	3,363	100.0%	3,778	100.0%	3,952	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 800 (21.2%) of all households age 62 and older within the Site PMA were renters in 2020.

c. Households by Income

The distribution of households by income age 62 and older within the Union Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	356	10.6%	316	8.4%	293	7.4%
\$10,000 to \$19,999	940	28.0%	889	23.5%	868	22.0%
\$20,000 to \$29,999	629	18.7%	669	17.7%	641	16.2%
\$30,000 to \$39,999	399	11.9%	492	13.0%	493	12.5%
\$40,000 to \$49,999	300	8.9%	476	12.6%	513	13.0%
\$50,000 to \$59,999	200	5.9%	225	6.0%	268	6.8%
\$60,000 to \$74,999	181	5.4%	237	6.3%	287	7.3%
\$75,000 to \$99,999	187	5.6%	260	6.9%	319	8.1%
\$100,000 to \$124,999	84	2.5%	107	2.8%	137	3.5%
\$125,000 to \$149,999	49	1.5%	50	1.3%	60	1.5%
\$150,000 to \$199,999	23	0.7%	38	1.0%	49	1.2%
\$200,000 & Over	15	0.4%	19	0.5%	24	0.6%
Total	3,363	100.0%	3,778	100.0%	3,952	100.0%
Median Income	\$26,129		\$30,305		\$33,528	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 62 and older was \$26,129. This increased by 16.0% to \$30,305 in 2020. By 2023, it is projected that the median household income will be \$33,528, an increase of 10.6% from 2020.

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 age 62 and older for 2010, 2020 and 2023 for the Union Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	55	16	11	8	4	93
\$10,000 to \$19,999	154	41	28	20	14	257
\$20,000 to \$29,999	76	21	14	10	6	128
\$30,000 to \$39,999	36	10	7	4	3	61
\$40,000 to \$49,999	19	5	3	3	1	31
\$50,000 to \$59,999	7	2	2	1	0	13
\$60,000 to \$74,999	6	2	2	1	0	11
\$75,000 to \$99,999	5	2	1	0	0	8
\$100,000 to \$124,999	2	0	0	0	0	2
\$125,000 to \$149,999	1	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	361	99	69	46	29	604

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	60	13	7	5	3	89
\$10,000 to \$19,999	197	38	22	14	12	283
\$20,000 to \$29,999	114	23	14	8	7	166
\$30,000 to \$39,999	66	14	8	5	4	97
\$40,000 to \$49,999	54	11	7	4	4	79
\$50,000 to \$59,999	17	3	2	1	1	24
\$60,000 to \$74,999	17	4	2	2	1	25
\$75,000 to \$99,999	15	3	2	1	1	22
\$100,000 to \$124,999	5	1	1	0	0	7
\$125,000 to \$149,999	3	0	0	0	0	4
\$150,000 to \$199,999	1	0	0	0	0	2
\$200,000 & Over	1	0	0	0	0	1
Total	551	111	66	39	33	800

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	56	11	7	3	3	80
\$10,000 to \$19,999	200	36	21	12	11	282
\$20,000 to \$29,999	115	21	12	7	6	161
\$30,000 to \$39,999	66	12	7	4	4	94
\$40,000 to \$49,999	54	10	6	3	3	77
\$50,000 to \$59,999	19	4	2	1	1	27
\$60,000 to \$74,999	20	4	2	2	1	28
\$75,000 to \$99,999	14	3	2	1	1	19
\$100,000 to \$124,999	4	1	0	0	0	6
\$125,000 to \$149,999	2	0	0	0	0	2
\$150,000 to \$199,999	1	0	0	0	0	1
\$200,000 & Over	1	0	0	0	0	1
Total	551	102	60	34	30	778

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2020 and 2023 for the Union Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	104	83	34	28	13	263
\$10,000 to \$19,999	290	205	86	69	33	683
\$20,000 to \$29,999	206	153	65	52	25	501
\$30,000 to \$39,999	128	110	46	37	18	338
\$40,000 to \$49,999	96	90	38	30	15	269
\$50,000 to \$59,999	67	62	26	21	11	187
\$60,000 to \$74,999	59	58	24	20	10	170
\$75,000 to \$99,999	62	61	26	20	10	179
\$100,000 to \$124,999	25	29	13	10	4	82
\$125,000 to \$149,999	15	17	7	6	2	48
\$150,000 to \$199,999	8	8	3	2	1	23
\$200,000 & Over	5	5	2	2	1	15
Total	1,067	881	369	298	143	2,759

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	96	73	26	20	12	227
\$10,000 to \$19,999	272	186	67	50	31	606
\$20,000 to \$29,999	221	157	57	42	27	503
\$30,000 to \$39,999	160	130	47	35	23	395
\$40,000 to \$49,999	154	135	49	36	22	397
\$50,000 to \$59,999	74	71	26	19	11	201
\$60,000 to \$74,999	77	75	27	20	12	212
\$75,000 to \$99,999	89	83	30	22	14	238
\$100,000 to \$124,999	40	34	12	9	5	100
\$125,000 to \$149,999	18	16	6	4	2	46
\$150,000 to \$199,999	17	11	4	3	1	36
\$200,000 & Over	7	6	2	2	1	18
Total	1,224	978	352	262	162	2,978

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	93	67	23	18	12	213
\$10,000 to \$19,999	275	174	61	46	30	586
\$20,000 to \$29,999	220	146	51	38	25	480
\$30,000 to \$39,999	171	128	45	34	22	400
\$40,000 to \$49,999	174	147	52	39	24	436
\$50,000 to \$59,999	88	85	30	23	14	241
\$60,000 to \$74,999	94	92	33	24	15	259
\$75,000 to \$99,999	112	106	37	27	18	300
\$100,000 to \$124,999	52	45	16	12	7	131
\$125,000 to \$149,999	22	20	7	5	3	57
\$150,000 to \$199,999	22	14	5	4	2	47
\$200,000 & Over	9	8	3	3	1	24
Total	1,333	1,032	365	271	173	3,174

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Over one-third of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain relatively stable through 2023. Regardless, the 3,778 senior households estimated in 2020 represent a sufficient base of continued and potential support in the market for the subject development. As discussed later in Section H of this report, most 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.

G. Project-Specific Demand Analysis

The subject project currently operates under the income and rent requirements of the Rural Development Section 515 (RD 515) program. While the project will be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the unlikely event the project had to operate exclusively under the LIHTC program.

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 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 Union County, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$51,200 for 2021. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$63,400 in 2021. The subject property will be restricted to senior households with incomes up to 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income
	60%
One-Person	\$26,640
Two-Person	\$30,420

The subject project consists entirely of one-bedroom units that are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$30,420**.

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 lowest gross LIHTC rent for a one-bedroom unit at the site is \$617. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,404. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$18,510**.

Considering that the subject project will continue to offer Rental Assistance (RA) on 27 of the 28 units post LIHTC renovations, it will continue to serve senior households with little or no income. As such, we have also conducted a capture rate analysis that considers the project to continue to operate with RA.

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 program and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/LIHTC with RA	\$0	\$30,420
LIHTC Only without RA	\$18,510	\$30,420

3. **DEMAND COMPONENTS**

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2020 Census data estimates and projecting forward to 2023, per state requirements, using a growth rate established from a reputable source such as ESRI. The population projected 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 a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all 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. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2015-2019 5-year estimates, approximately 39.2% to 51.5% (depending upon the targeted income level) 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 use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2019 ACS 5-Year Estimates Table B25016, 4.0% of all 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:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. 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.*

The subject project is located in a rural area of South Carolina. As a result, we anticipate that 5.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 5.0% homeowner conversion rate in our capture rate estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be 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 2020 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2020 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 (2020 to current). In addition, most existing affordable rental units surveyed within the market are occupied. Therefore, we did not utilize any existing units in the demand analysis illustrated on the following page.

Note that under the RD 515 program, the subject project is restricted to seniors age 62 and older. In the unlikely event the subsidy was lost and the project was to operate exclusively under the LIHTC guidelines, it would then be open to seniors age 55 and older. The following demand estimates consider these aforementioned age restrictions for each of these scenarios.

Demand Component	Percent of Median Household Income	
	As Proposed w/RA Age 62+ (\$0-\$30,420)	Tax Credit Only Age 55+ (\$18,510-\$30,420)
Demand from New Renter Households (Age- & Income-Appropriate)	533 - 542 = -9	290 - 294 = -4
+		
Demand from Existing Households (Rent Overburdened)	542 X 51.5% = 279	294 X 39.2% = 115
+		
Demand from Existing Households (Renters in Substandard Housing)	542 X 4.0% = 22	294 X 4.0% = 12
+		
Demand from Existing Households (Senior Homeowner Conversion)	1,353 X 5.0% = 68	721 X 5.0% = 30*
=		
Total Demand	360	153
-		
Supply (Directly Comparable Units Built and/or Funded Since 2020)	0	0
=		
Net Demand	360	153
Subject Units	28	28
Subject Units / Net Demand	28 / 360	28 / 153
Capture Rate	= 7.8%	= 18.3%

*Demand from homeowners is limited to no more than 20% of overall demand.

Typically, under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As proposed, the subject project will maintain RA on 27 of the 28 units and will require an overall capture rate of 7.8%, which is considered very low and easily achievable. This is especially true, considering that the subject project is fully occupied with a waiting list. As all tenants are anticipated to income-qualify post renovations, the effective capture rate is **0.0%**.

In the unlikely event the subject project was to lose RA on all units and operated exclusively under the LIHTC program, its capture rate would be 18.3%, which is also considered achievable.

Based on the distribution of senior persons per household and the share of age-restricted 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	70%
Two-Bedroom	30%
Total	100.0%

Applying the preceding shares to the income-qualified senior households yields demand and capture rates of the subject units by bedroom type as illustrated in the tables on the following page.

As Proposed with Subsidy

Units Targeting 60% Of AMHI with RA (360 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (70%)	252	0	252	28	11.1%
Two-Bedroom (30%)	108	0	108	-	-

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

LIHTC-Only

Units Targeting 60% Of AMHI Tax Credit Only (153 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (70%)	107	0	107	28	26.2%
Two-Bedroom (30%)	46	0	46	-	-

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

As proposed with the RA on all units, the subject’s capture rate by bedroom type is 11.1%. This capture rate is considered low and easily achievable, which is further evidenced by the subject’s 100.0% occupancy rate and waiting list.

In the unlikely event the subject project did not offer RA, its capture rate by bedroom type of 26.2% is also considered achievable.

6. ABSORPTION PROJECTIONS

All 28 of the subject units are occupied with the project maintaining a waiting list of four households for the next available unit. It is important to note that the renovations at the subject site will not necessitate the displacement of current residents. As a result, it is anticipated that none, or very few, of the current tenants will move from the project during or following renovations. Therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 28 subject units will be vacated and that all units will have to be re-rented under the Rural Development Section 515 (RD 515) program. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy and that initial renovated units at the site will be available for rent in October 2022, though the actual completion time may be earlier.

It is our opinion that the 28 units at the subject site will reach a stabilized occupancy of 93.0% within approximately three months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately nine units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that the subsidy will be maintained on nearly all units.

Should RA not be secured, and the project had to operate exclusively under the LIHTC program, the 28 LIHTC units at the subject site would likely experience a slightly extended absorption period of approximately four months. This is based on an absorption rate of approximately six to seven units per month.

In reality, the absorption period for this project will be less than one month, as most tenants are expected to remain at the project and continue to pay up to 30% of their adjusted gross income towards housing costs.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

Excluding the subject project, we identified and surveyed three Low-Income Housing Tax Credit (LIHTC) properties within the Site PMA. However, only one of these developments offers one-bedroom units, similar to the subject project, with no Rental Assistance (RA), Buena Vista I & II (Map ID 2). Given the limited number of LIHTC communities surveyed within the market that offer one-bedroom units, we identified four additional LIHTC properties outside of the market, but within the region in Spartanburg, Moore, Clinton and Chester. Note that these four properties outside of the market do not compete with the subject development, as they derive support from a different geographical region. These four properties outside of the market were selected for comparability purposes only. The five comparable LIHTC properties and the subject development are summarized as follows:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	West End Manor Apartments	1993 / 2022	28	100.0%	-	4 HH	Seniors 62+; 60% AMHI & RD 515 (27 units of RA)
2	Buena Vista I & II	1982 / 2010	96	100.0%	0.3 Miles	20 HH	Families; 60% AMHI & RD 515 (21 units of RA)
903	Companion at Lee's Crossing I	2010	192	100.0%	29.1 Miles	5 HH	Families; 60% AMHI
904	Country Garden Estates I & II	2002	90*	100.0%	27.7 Miles	25 HH	Families; 50% & 60% AMHI
907	Jacob Press Apts.	2001**	16*	100.0%	25.5 Miles	3 HH	Families; 50% & 60% AMHI
910	McAliley Apts.	1999**	22	100.0%	29.1 Miles	Yes***	Families; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

900 series Map IDs are located outside Site PMA

*Non-subsidized Tax Credit units only

**Adaptive reuse

***Number not available

The five comparable LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain waiting lists, illustrating that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will continue to accommodate a portion of this unmet demand.

The gross rents for the comparable projects and the proposed rent 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.	
Site	West End Manor Apartments	\$617/60% (28)	-	-	-
2	Buena Vista I & II	\$550-\$598*/60% (24/0)	\$645-\$693*/60% (64/0)	\$762-\$810*/60% (8/0)	None
903	Companion at Lee's Crossing I	\$717/60% (36/0)	\$858/60% (98/0)	\$991/60% (58/0)	None
904	Country Garden Estates I & II	\$584/50% (2/0)	\$715/50% (6/0)	\$784/50% (2/0)	None
		\$584/50% (4/0)	\$715/50% (12/0)	\$955/50% (4/0)	
		\$708/60% (4/0)	\$863/60% (12/0)	\$997/60% (1/0)	
907	Jacob Press Apts.	\$508/50% (1/0) \$604/60% (6/0)	\$590/50% (1/0) \$707/60% (3/0)	\$689/50% (1/0) \$793/60% (4/0)	None
910	McAliley Apts.	\$508/50% (7/0) \$565/60% (8/0)	\$595/50% (3/0) \$630/60% (4/0)	-	None

*Denotes basic and note rents

900 series Map IDs are located outside Site PMA

The proposed subject gross rent of \$617 is within the range of gross one-bedroom rents offered at the comparable LIHTC properties. Note that, with the exception of the one property located in Spartanburg (Companion at Lee's Crossing I; Map ID 903), the locations of the other comparable properties (Moore, Clinton and Chester) are considered socioeconomically similar to the location of the subject project in terms of population, median household income and median gross rent. Therefore, given the full occupancy levels of the comparable developments and the fact that the subject's rent is competitively positioned, it is considered appropriate for the Union Site PMA. Nonetheless, nearly all of the subject units will continue to operate with RA, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. Therefore, the subject project will continue to represent a substantial value to low-income senior households within the market.

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

2 Buena Vista I & II 0.3 miles to site



Address: 683 Rice Ave Ext, Union, SC 29379
 Phone: (864) 427-1712 Contact: Donna
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 96 Year Built: 1982
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2010
 Turnover: Stories: 1,2
 Waitlist: 20 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/B

Notes: Tax Credit; Tax Credit Bond; RD 515, has RA (21 units); Phase II opened in 1991



Features And Utilities

Utility Schedule Provided by: Union Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Range; Refrigerator; Central AC; Balcony; Deck / Patio; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite)

Property Amenities: Community Room; Laundry Room; On-Site Management; Recreation Areas (Playground); WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	12	0	660 - 700	Subsidized	Subsidized	Subsidized
1	1	G	12	0	662	Subsidized	Subsidized	Subsidized
2	1	G	32	0	812	Subsidized	Subsidized	Subsidized
2	1 - 1.5	T	32	0	812 - 900	Subsidized	Subsidized	Subsidized
3	1.5	T	8	0	1,100	Subsidized	Subsidized	Subsidized

*Adaptive Reuse

*DTS is based on drive time

903 Companion at Lee's Crossing I 29.1 miles to site



Address: 100 Lees Crossing Dr., Spartanburg, SC 29301
 Phone: (864) 481-1422 Contact: Kelly
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 192 Year Built: 2010
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist: 5 HH
 Rent Special: None

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

Notes: Tax Credit; Tax Credit Bond



Features And Utilities

Utility Schedule Provided by: Union Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Car Care (Car Vacuum, Car Wash); Community Room; Laundry Room; On-Site Management; Pet Stations; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool)

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	0	730	\$0.83	\$605	60%
2	2	G	98	0	1,057	\$0.69	\$725	60%
3	2	G	58	0	1,248	\$0.66	\$825	60%

*Adaptive Reuse

*DTS is based on drive time

904 Country Garden Estates I & II 27.7 miles to site



Address: 346 N. Sunflower Way, Moore, SC 29369
 Phone: (864) 574-0072 Contact: Carolyn
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 100 Year Built: 2002
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1,2
 Waitlist: 25 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/B

Notes: Tax Credit (90 units); PBV/RAD & Tax Credit (10 units); HOPE VI; 3-br garden unit is a single-family home



Features And Utilities

Utility Schedule Provided by: Union Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	907	Subsidized	Subsidized	Subsidized
1	1	G	4	0	907	\$0.51	\$460	50%
1	1	G	4	0	907	\$0.64	\$584	60%
2	1.5 - 2	T	6	0	1,184	Subsidized	Subsidized	Subsidized
2	1.5 - 2	T	12	0	1,184	\$0.47	\$562	50%
2	1.5 - 2	T	12	0	1,184	\$0.60	\$710	60%
3	2.5	H	1	0	1,272	\$0.64	\$811	60%
3	2.5	T	2	0	1,272	Subsidized	Subsidized	Subsidized
3	2.5	T	4	0	1,272	\$0.60	\$769	50%
3	2.5	T	53	0	1,272	\$0.64	\$811	60%

*Adaptive Reuse

*DTS is based on drive time

907 Jacob Press Apts. 25.5 miles to site



Address: 101 Clay St., Clinton, SC 29325
 Phone: (864) 938-0403 Contact: Greta
 Property Type: Market Rate, Tax Credit
 Target Population: Family
 Total Units: 20 Year Built: 1910
 Vacant Units: 0 *AR Year: 2001
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 3 HH
 Rent Special: None

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

Notes: Market-rate (4 units); Tax Credit (16 units)



Features And Utilities

Utility Schedule Provided by: Union Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Range; Refrigerator; Central AC; Ceiling Fan; Window Treatments; Flooring (Carpet, Vinyl, Wood Laminate / Plank)

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	1	0	780 - 900	\$0.51 - \$0.44	\$396	50%
1	1	G	6	0	780	\$0.63	\$492	60%
1	1	G	2	0	780 - 900	\$0.76 - \$0.66	\$592	Market
2	1	G	1	0	950 - 1,000	\$0.48 - \$0.46	\$457	50%
2	1	G	3	0	950	\$0.60	\$574	60%
2	1	G	1	0	1,000	\$0.64	\$642	Market
3	1.5	G	1	0	1,800	\$0.29	\$523	50%
3	1.5	G	4	0	1,800	\$0.35	\$627	60%
3	1.5	G	1	0	2,100	\$0.33	\$699	Market

*Adaptive Reuse

*DTS is based on drive time

910 McAliley Apts. 29.1 miles to site



Address: 120 Main St., Chester, SC 29706
 Phone: (803) 385-5559 Contact: Virginia (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 22 Year Built: 1866
 Vacant Units: 0 *AR Year: 1999
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: Yes
 Rent Special: None

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

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: Union Housing Authority
 Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash

Unit Amenities: Range; Refrigerator; Central AC; Ceiling Fan; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Laundry Room

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	7	0	600	\$0.85	\$508	50%
1	1	G	8	0	600	\$0.94	\$565	60%
2	1	G	3	0	800	\$0.74	\$595	50%
2	1	G	4	0	800	\$0.79	\$630	60%

*Adaptive Reuse

*DTS is based on drive time

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	West End Manor Apartments	624	-	-
2	Buena Vista I & II	660 - 700	812 - 900	1,100
903	Companion at Lee's Crossing I	730	1,057	1,248
904	Country Garden Estates I & II	907	1,184	1,272
907	Jacob Press Apts.	780 - 900	950 - 1,000	1,800
910	McAliley Apts.	600	800	-

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	West End Manor Apartments	1.0	-	-
2	Buena Vista I & II	1.0	1.0 - 1.5	1.5
903	Companion at Lee's Crossing I	1.0	2.0	2.0
904	Country Garden Estates I & II	1.0	1.5 - 2.0	2.5
907	Jacob Press Apts.	1.0	1.0	1.5
910	McAliley Apts.	1.0	1.0	-

900 series Map IDs are located outside Site PMA

The subject project will continue to offer some of the smallest one-bedroom LIHTC unit sizes (square feet) within the market and region. However, the smaller unit sizes at the site have not had an adverse impact on its marketability, as evidenced by its 100.0% occupancy rate and waiting list. The one bathroom to be provided within every subject unit is typical for one-bedroom units.

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

Tax Credit Unit Amenities by Map ID							
	Site* ♦	2	903	904	907	910	
Appliances	Dishwasher		X	X			
	Disposal		X	X			
	Icemaker	X					
	Microwave	X					
	Range	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X
	No Appliances						
Unit Amenities	AC-Central	X	X	X	X	X	X
	AC-Other						
	Balcony		S	X			
	Deck / Patio	X	S	X	X		
	Basement						
	Ceiling Fan	X		X	X	X	X
	Controlled Access						
	E-Call System	X					
	Fireplace						
	Furnished						
	Security System						
	Sunroom						
	W/D Hookup	X	X	X	X		
	W/D						
	Walk-In Closet		X		X		
	Window Treatments	X	X	X	X	X	X
	Flooring	Carpet	X	X	X	X	X
Ceramic Tile							
Composite (VCT)(LVT)		X	X		X		
Hardwood							
Finished Concrete							
Vinyl				X	X	X	X
Wood Laminate / Plank						X	
Upgraded	Premium Appliances						
	Premium Countertops						
	Premium Cabinetry						
	Premium Fixtures						
	High Ceilings						
	Vaulted Ceilings						
	Crown Molding						
	Oversized Windows						
Parking	Attached Garage						
	Detached Garage			O	S		
	Street Parking						
	Surface Lot	X	X	X	X	X	X
	Carport						
	Property Parking Garage						
	Podium Parking						
	No Provided Parking						

♦ - Senior Property

* Proposed Site(s): West End Manor Apartments

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*♦	2	903	904	907	910
Bike Racks / Storage						
Business Center **						
Car Care **			X			
Common Patio						
Community Garden						
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse					
	Conference Room					
	Community Kitchen	X				
	Community Room	X	X	X		
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge					
	Concierge Service **					
	Convenience Amenities **					
Courtyard						
Covered Outdoor Area **						
Elevator						
Laundry Room	X	X	X		X	X
Meals						
On-Site Management	X	X	X	X	X	
Pet Care **			X			
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center			X		X
	Grill					
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library					
	Media Room / Theater					
	Picnic Table / Area					
	Playground		X	X		
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor			X		
	Tennis					
Volleyball						
Security	CCTV					
	Courtesy Officer					
	Gated Community					
	Gated Parking					
	Police Substation					
	Social Services **					
	Storage - Extra					
	Water Feature					
	WiFi		X			

♦ - Senior Property

* Proposed Site(s): West End Manor Apartments

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

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject's amenities package will be slightly superior to those offered at the comparable LIHTC projects within the market and region. In terms of unit amenities, the subject project will be the only LIHTC development to offer an icemaker in the refrigerator and a microwave. The inclusion of the aforementioned amenities will position the site at a competitive advantage. The subject's project amenities package is very similar to those offered.

Comparable Tax Credit Summary

Based on our analysis of the proposed rent, unit size (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will continue to be marketable. This has been considered in our absorption estimates.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

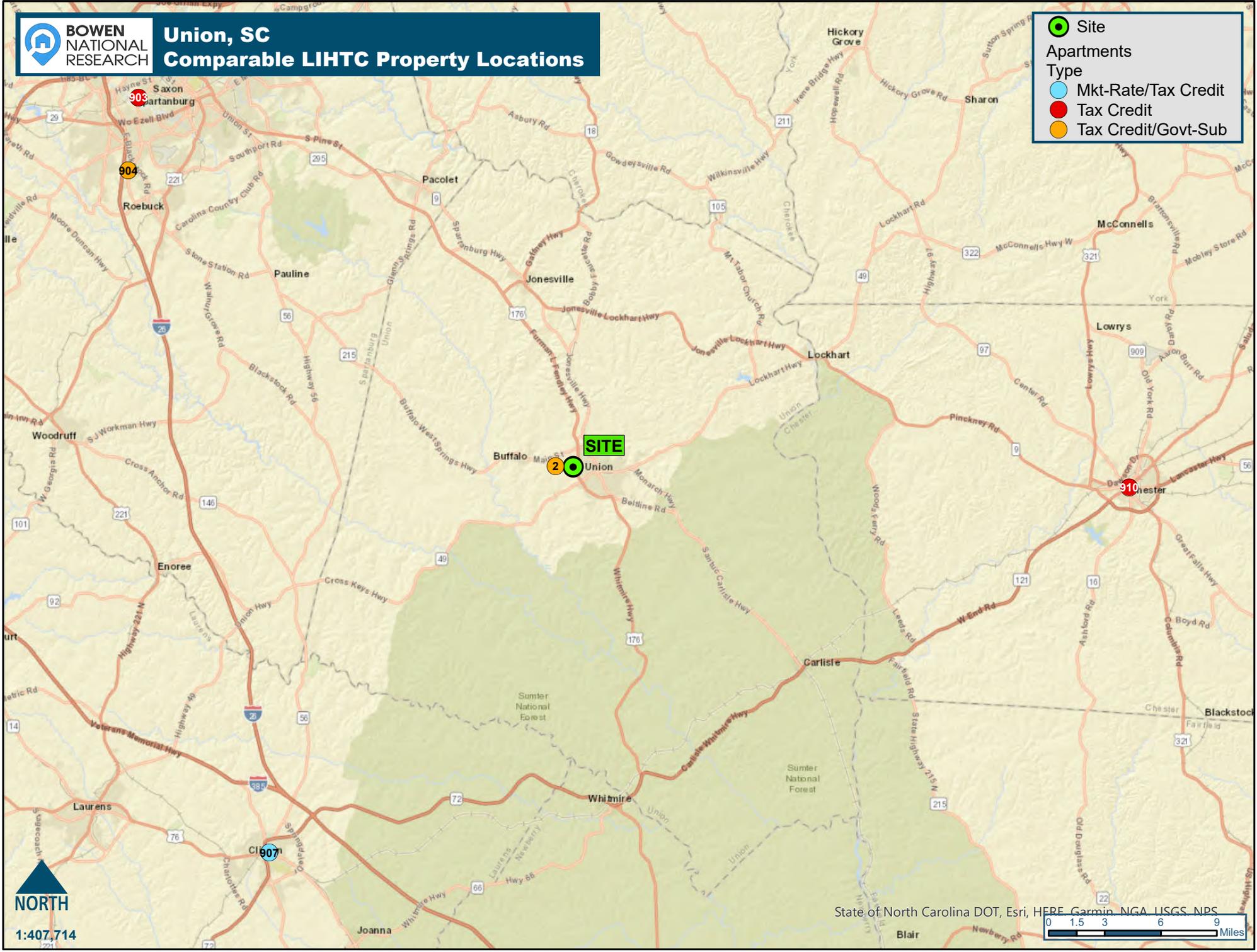
A map illustrating the location of the comparable Tax Credit properties we surveyed is on the following page.



Union, SC Comparable LIHTC Property Locations

Site
Apartment Type

- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub



NORTH
1:407,714

State of North Carolina DOT, Esri, HERE, Garmin, NGA, USGS, NPS
0 1.5 3 6 9 Miles

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Union Site PMA in 2010 and 2020 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2020 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	10,169	85.4%	9,841	82.7%
Owner-Occupied	7,074	69.6%	6,281	63.8%
Renter-Occupied	3,095	30.4%	3,560	36.2%
Vacant	1,738	14.6%	2,059	17.3%
Total	11,907	100.0%	11,900	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2020 update of the 2010 Census, of the 11,900 total housing units in the market, 17.3% were vacant. In 2020, it was estimated that homeowners occupied 63.8% of all occupied housing units, while the remaining 36.2% were occupied by renters. The share of renters is considered typical for a rural market, such as the Union Site PMA, and the 3,560 renter households estimated in 2020 represent a sufficient base of current and potential support in the market for the subject project.

Conventional Apartments

We identified and personally surveyed eight conventional housing projects (including the subject project) containing a total of 671 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 99.0%, a very strong rate for rental housing. The following table summarizes project types identified in the Site PMA:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	96	0	100.0%
Tax Credit	1	40	0	100.0%
Tax Credit/Government-Subsidized	3	148	0	100.0%
Government-Subsidized	3	387	7	98.2%
Total	8	671	7	99.0%

As the preceding table illustrates, all rental housing segments are performing very well, as none have an occupancy rate below 98.2%. In fact, most of the affordable rental developments surveyed are fully occupied and maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the Union Site PMA. The subject development will continue to accommodate a portion of this unmet demand.

In addition to the four Tax Credit projects surveyed, there are five additional Tax Credit developments within the market that we were unable to survey at the time this report was issued. The following table summarizes these Tax Credit projects we were unable to survey:

Project Name	Address	Year Built/Rehab	Total Units
Brittany Manor	269 Meansville Rd., Union	1989 / 2011	78
Fairforest Apts. I	221 E. Main St., Union	1993	42
Fairforest Apts. II	200 N Gadberry St., Union	1994	19
Keenan Oaks	W. Academy St. & Stutts Ave., Union	2016	40
Rose Hill Gardens	175 Industrial Park Rd., Union	1999	40

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	8	8.3%	0	0.0%	\$579
Two-Bedroom	1.0	56	58.3%	0	0.0%	\$675
Three-Bedroom	1.5	32	33.3%	0	0.0%	\$733
Total Market-rate		96	100.0%	0	0.0%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	2.0	20	50.0%	0	0.0%	\$579
Three-Bedroom	2.0	20	50.0%	0	0.0%	\$695
Total Tax Credit		40	100.0%	0	0.0%	-

As the preceding table illustrates, the median gross Tax Credit rents are below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income renters within the market. This is further evidenced by the combined 0.0% vacancy rate among all non-subsidized Tax Credit units surveyed within the Union Site PMA.

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

4. RENTAL HOUSING INVENTORY MAP

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

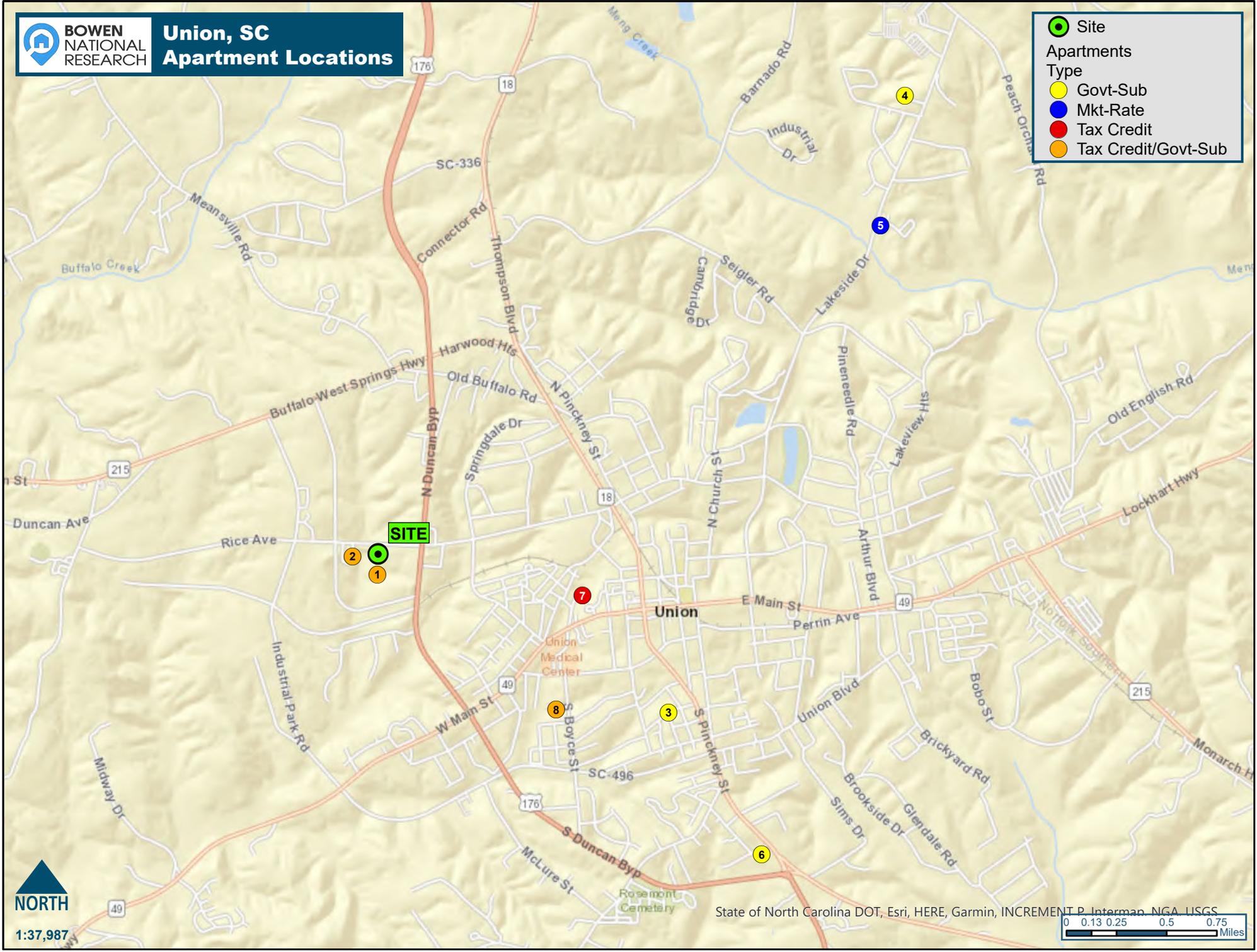


Union, SC Apartment Locations

Site
● (Green circle with black outline)

Apartments Type

- (Yellow circle) Govt-Sub
- (Blue circle) Mkt-Rate
- (Red circle) Tax Credit
- (Orange circle) Tax Credit/Govt-Sub

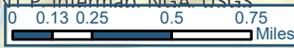


SITE



1:37,987

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there are no rental housing projects planned within the Site PMA.

7. MARKET ADVANTAGE

Per the direction of 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.

The current HUD FMR for a one-bedroom unit within the Union County, South Carolina HUD Metro FMR Area is \$535. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the one-bedroom FMR with the *average current tenant-paid rent*, assuming that the subsidy is retained on the majority of units as proposed and all current tenants continue to reside at the project post LIHTC renovations. The second analysis compares the one-bedroom FMR with the proposed Tax Credit one-bedroom rent in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

Market Advantage – Current Rent

Per SC Housing methodology, for existing projects that offer a project-based subsidy, the subject's market advantage should be calculated utilizing current tenant-paid rents to represent the "true" value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project's current rent roll, as illustrated in *Addendum C* of this report, the average tenant rent paid at the site is \$204. The following table illustrates the subject project's market advantage with the retention of the subsidy on the majority of the units:

Bedroom Type	Current Tenant-Paid Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$204	\$535	61.87%

As the preceding illustrates, the subject's market advantage is 61.87% as proposed with the subsidy retained on the majority of the units. This demonstrates that the subject project will continue to represent a significant value within the Union market, which is further evident by its 100.0% occupancy rate and waiting list.

Market Advantage - Proposed Tax Credit Rent

As previously discussed, the proposed LIHTC rent evaluated throughout this report is only effective in the unlikely event the project-based subsidy was lost. Regardless, the market advantage for the proposed LIHTC rent evaluated throughout this report is illustrated in the following table:

Bedroom Type	Proposed Collected Rent (AMHI)	Fair Market Rent	Market Advantage
One-Bedroom	\$485	\$535	9.35%

The proposed collected Tax Credit rent represents a market advantage of 9.35%, when compared to the one-bedroom FMR for the area. Regardless, the subject project will continue to operate with a subsidy on the majority of units, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to represent a substantial value to low-income seniors.

8. AFFORDABLE HOUSING IMPACT

Given that most affordable rental communities surveyed within the market are occupied and maintain a waiting list, this provides clear evidence that the existence of the subject project has not had any impact on other low-income rental housing alternatives within the Union Site PMA.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$84,447. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$84,447 home is \$508, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$84,447
Mortgaged Value = 95% of Median Home Price	\$80,225
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$406
Estimated Taxes and Insurance*	\$102
Estimated Monthly Mortgage Payment	\$508

*Estimated at 25% of principal and interest

In comparison, nearly all subject units operate with RA, requiring residents to pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As noted throughout this section of the report, most affordable rental communities surveyed in the market are fully occupied and maintain a waiting list, including the subject project. This provides clear evidence that pent-up demand exists for additional affordable rental housing. The subject development will continue to fill a rental housing void within the Site PMA.

Additionally, it is our opinion that the renovations at the subject site will add much needed modern affordable rental units to a market that is generally aging and in need of updating. The subject site currently is and will continue to accommodate a portion of the housing void that exists in the market, as the project is currently 100.0% occupied with a four-household wait list for the next available unit.

I. Interviews

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

- Connie Vincon, Property Manager of West End Manor Apartments (subject site), indicated there is a need for affordable housing in the area. Ms. Vincon stipulated that the population of Union is an aging one, as the region does not draw young people to replace the older population. Ms. Vincon has experience with other rental properties and believes that one-bedroom units have the highest demand in the Union area. *(864) 429-8754*
- Kathy Teague, Planning and Zoning Coordinator for the City of Union, stated that there are very few rental developments for seniors within the city limits. The city could use more rental housing for seniors. *(864) 429-1720*
- Donna Sumner, Site Manager at Buena Vista Apartments I & II (Map ID 2), a Tax Credit and RD 515 rental community near the site, indicated a need for additional affordable senior housing. She specified that incomes in the area are generally very low for the elderly population and the population as a whole is aging. *(864) 427-1712*
- Donna Ivey, Section 8 Coordinator for the Union Housing Authority, stated that the greatest need for multifamily units right now is one- and three-bedroom units. These are not turning over quickly and are in high demand. *(864) 427-9679 x 11*

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist following renovations at the 28-unit West End Manor Apartments, assuming it is renovated as detailed in this report and retains the project-based subsidy as proposed. Note changes in the project's scope of renovations or renovation completion date may alter these findings.

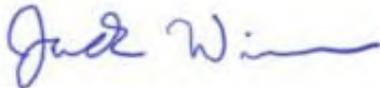
The subject site is currently 100.0% occupied and maintains a four-household waiting list for the next available unit. As the subject project is anticipated to continue to offer a subsidy on the majority of the units, we expect all current tenants to remain at the subject project. Even in the unlikely event the subsidy was lost and the subject project operated exclusively as a non-subsidized development, it will continue to be successful. The subject's Tax Credit-only capture rate in this unlikely scenario is 18.3%, illustrating that a good base of demographic support will exist for the subject project. Additionally, the proposed Tax Credit rent represents a market rent advantage of 13.39% (as illustrated later in Addendum D of this report), illustrating that it will likely represent a good value to low-income seniors within the market.

Nonetheless, the project-based subsidy will continue to be offered and will represent substantial value to low-income seniors within the Union Site PMA. 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:



Jack Wiseman (Primary Contact)
Market Analyst
jackw@bowennational.com
Date: April 14, 2021



Jonathan Kabat
Market Analyst
jonathank@bowennational.com
Date: April 14, 2021



Patrick M. Bowen
President/Market Analyst
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(614) 833-9300
patrickb@bowennational.com
Date: April 14, 2021

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.

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.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Gregory Piduch, 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. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Ron Pompey, 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. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

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.

Jonathan Kabat, 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. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

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 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 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- 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

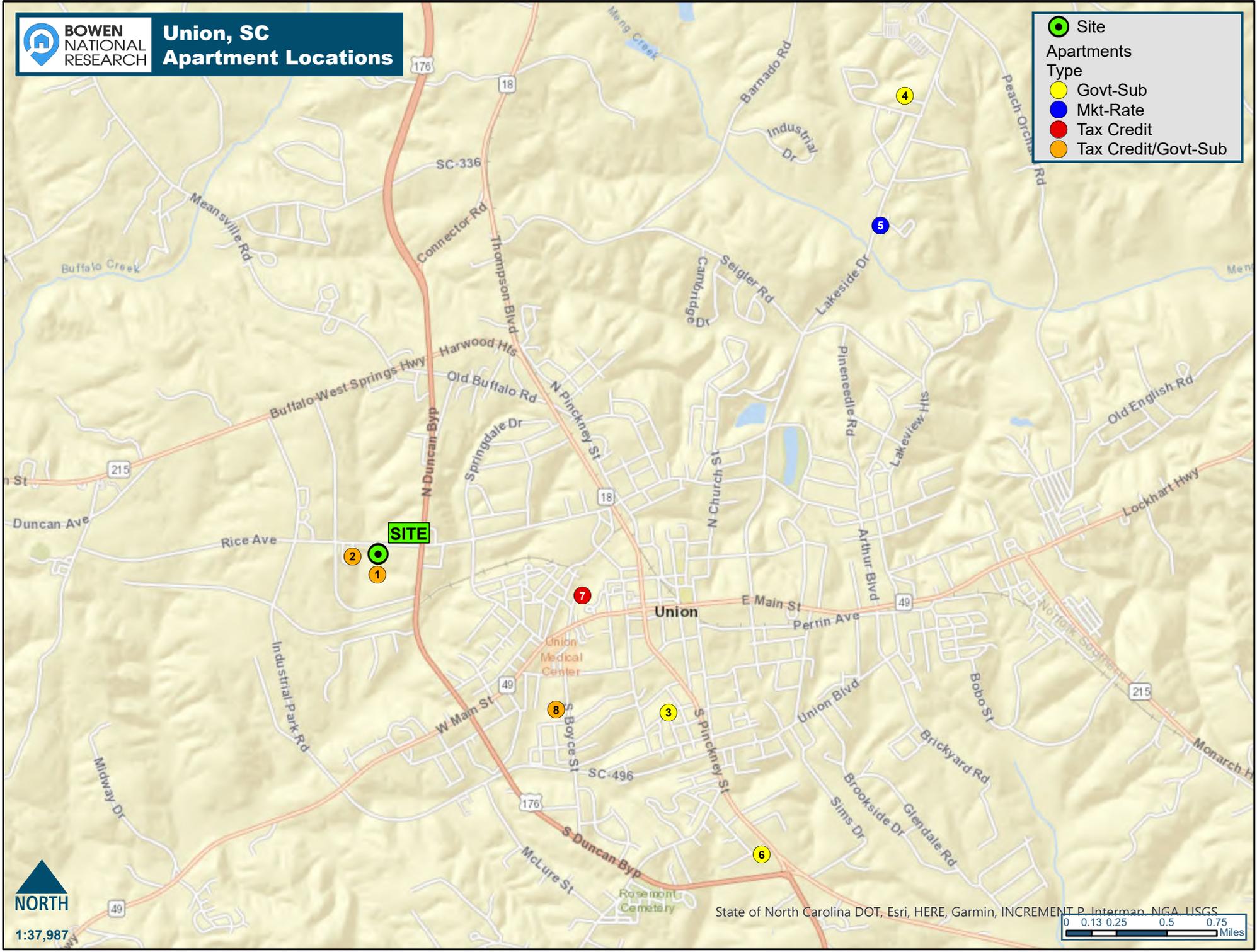


Union, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-Sub
- Mkt-Rate
- Tax Credit
- Tax Credit/Govt-Sub

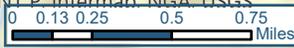


SITE



1:37,987

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	West End Manor Apts.	TGS	B	1993	28	0	100.0%	-
2	Buena Vista I & II	TGS	B	1982	96	0	100.0%	0.3
3	Cogdell Plaza	GSS	C	1960	287	5	98.3%	2.2
4	Lakeside Manor	GSS	C-	1975	54	0	100.0%	3.4
5	Lakeview Gardens	MRR	C+	1971	96	0	100.0%	2.9
6	Pinckney Place	GSS	C	1986	46	2	95.7%	2.6
7	Union Mill Crossing	TAX	B+	2005	40	0	100.0%	1.7
8	Woodlawn Manor Apts.	TGS	B+	1990	24	0	100.0%	1.6
901	1022 West Apartment Homes	MRR	B	1989	166	1	99.4%	28.2
903	Companion at Lee's Crossing I	TAX	B+	2010	192	0	100.0%	29.1
904	Country Garden Estates I & II	TGS	B	2002	100	0	100.0%	27.7
905	Creekside	MRR	B	1974	92	0	100.0%	29.3
907	Jacob Press Apts.	MRT	C	1910	20	0	100.0%	25.5
909	Magnolia Ridge Apts.	MRR	B-	1972	80	0	100.0%	27.4
910	McAliley Apts.	TAX	C+	1866	22	0	100.0%	29.1
911	Stonecrest Apts.	MRR	B+	2008	114	0	100.0%	31.0

*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	

<p>1</p>	<p>West End Manor Apts. 629 Rice Ave Ext, Union, SC 29379</p> 	<p>Contact: Connie Vincon Phone: (864) 429-8754</p>
<p>Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1993 BR: 1 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: Tax Credit; RD 515, has RA (27 units)</p>		
<p>2</p>	<p>Buena Vista I & II 683 Rice Ave Ext, Union, SC 29379</p> 	<p>Contact: Donna Phone: (864) 427-1712</p>
<p>Total Units: 96 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1982 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 20 HH AR Year: Target Population: Family Yr Renovated: 2010 Rent Special: None Notes: Tax Credit; Tax Credit Bond; RD 515, has RA (21 units); Phase II opened in 1991</p>		
<p>3</p>	<p>Cogdell Plaza 201 Porter St., Union, SC 29379</p> 	<p>Contact: Trina Phone: (864) 427-9679</p>
<p>Total Units: 287 UC: 0 Occupancy: 98.3% Stories: 1,2 Year Built: 1960 BR: 0, 1, 2, 3, 4, 5 Vacant Units: 5 Waitlist: 1-br; 25 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Public Housing</p>		
<p>4</p>	<p>Lakeside Manor 1111 Lakeside Dr, Union, SC 29379</p> 	<p>Contact: Trina Phone: (864) 427-7498</p>
<p>Total Units: 54 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1975 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8</p>		
<p>5</p>	<p>Lakeview Gardens 720 Lakeside Dr, Union, SC 29379</p> 	<p>Contact: Joel Phone: (864) 762-1429</p>
<p>Total Units: 96 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 1 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>		

 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	

6	Pinckney Place 1300 S Pinckney St, Union, SC 29379	Contact: Stephanie Phone: (803) 534-0815
	 <p>Total Units: 46 UC: 0 Occupancy: 95.7% Stories: 3 w/Elevator Year Built: 1986 BR: 0, 1 Vacant Units: 2 Waitlist: None AR Year: Target Population: Senior 62+, Disabled Yr Renovated: Rent Special: None Notes: HUD Section 8; Also serves disabled; 2009 occupancy: 2nd quarter/95% & 4th quarter/95%</p>	

7	Union Mill Crossing 120 Boyce St, Union, SC 29379	Contact: Patricia Phone: (864) 429-3717
	 <p>Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2005 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	

8	Woodlawn Manor Apts. 222 S Boyce St, Union, SC 29379	Contact: Connie Phone: (864) 427-2811
	 <p>Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1990 BR: 1 Vacant Units: 0 Waitlist: 16 HH AR Year: Target Population: Senior 62+ Yr Renovated: 2010 Rent Special: None Notes: Tax Credit; RD 515, has RA (24 units)</p>	

901	1022 West Apartment Homes 1022 W. Buford St., Gaffney, SC 29341	Contact: Susie Phone: (864) 487-2167
	 <p>Total Units: 166 UC: 0 Occupancy: 99.4% Stories: 2 Year Built: 1989 BR: 0, 1, 2, 3 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily</p>	

903	Companion at Lee's Crossing I 100 Lees Crossing Dr., Spartanburg, SC 29301	Contact: Kelly Phone: (864) 481-1422
	 <p>Total Units: 192 UC: 0 Occupancy: 100.0% Stories: 3,4 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Tax Credit Bond</p>	

<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (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 	<ul style="list-style-type: none">  (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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904	Country Garden Estates I & II 346 N. Sunflower Way, Moore, SC 29369	Contact: Carolyn Phone: (864) 574-0072
	Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2002 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 25 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (90 units); PBV/RAD & Tax Credit (10 units); HOPE VI; 3-br garden unit is a single-family home	



905	Creekside 1230 Overbrook Dr., Gaffney, SC 29341	Contact: Penny Phone: (864) 487-5757
	Total Units: 92 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2007 Rent Special: None Notes:	



907	Jacob Press Apts. 101 Clay St., Clinton, SC 29325	Contact: Greta Phone: (864) 938-0403
	Total Units: 20 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1910 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 3 HH AR Year: 2001 Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (4 units); Tax Credit (16 units)	



909	Magnolia Ridge Apts. 266 Goldmine Springs Rd., Gaffney, SC 29340	Contact: Taunya Phone: (864) 489-0692
	Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1972 BR: 0, 1, 2, 3 Vacant Units: 0 Waitlist: 6-12 mos AR Year: Target Population: Family Yr Renovated: 2008 Rent Special: None Notes:	



910	McAliley Apts. 120 Main St., Chester, SC 29706	Contact: Virginia Phone: (803) 385-5559
	Total Units: 22 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1866 BR: 1, 2 Vacant Units: 0 Waitlist: Yes AR Year: 1999 Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	

✔	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		



911	Stonecrest Apts. 102 Stonecrest Ln., Gaffney, SC 29341	Contact: Marie Phone: (864) 488-2224
	Total Units: 114 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2008	
	BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year:	
	Target Population: Family Yr Renovated:	
	Rent Special: None	
	Notes:	

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	

Source: Union Housing Authority
Effective: 08/2020

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	14	18	24	28	31	34	14	18	24	28	31	34
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	46	58	71	89	103	112	46	58	71	89	103	112
	Electric	25	33	38	48	60	75	25	33	38	48	60	75
	Heat Pump	23	31	36	45	56	70	23	31	36	45	56	70
	Oil	26	32	39	49	57	62	26	32	39	49	57	62
Cooking	Natural Gas	5	5	6	7	7	7	5	5	6	7	7	7
	Bottled Gas	13	14	17	20	22	22	13	14	17	20	22	22
	Electric	10	11	13	14	16	17	10	11	13	14	16	17
Other Electric		31	33	39	47	54	66	31	33	39	47	54	66
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		12	17	19	24	30	37	12	17	19	24	30	37
Water Heating	Natural Gas	9	10	12	14	17	19	9	10	12	14	17	19
	Bottled Gas	17	17	24	32	39	46	17	17	24	32	39	46
	Electric	17	18	24	33	40	47	17	18	24	33	40	47
	Oil	9	9	13	18	22	26	9	9	13	18	22	26
Water		13	14	19	24	29	33	13	14	19	24	29	33
Sewer		20	21	27	35	40	46	20	21	27	35	40	46
Trash Collection		17	17	17	17	17	17	17	17	17	17	17	17
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:

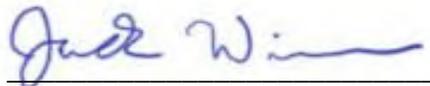


Patrick M. Bowen

President

patrickb@bowennational.com

Date: April 14, 2021



Jack Wiseman (Primary Contact)

Market Analyst

jackw@bowennational.com

Date: April 14, 2021

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)

		Section (s)
EMPLOYMENT AND ECONOMY		
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
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
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
ANALYSIS/CONCLUSIONS		
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 E
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:
RENT ROLL

NOTICE OF PAYMENT DUE REPORT

1. BORROWER NAME West End Manor		2. CASE NUMBER 46-044-694024217		3. PROJECT NO. 022
4. AUDIT RECEIVABLES	5. LATE FEES	6. COST ITEMS	7. OVG/SURG	8. LOAN PAYMENT 2,130.04
9. PAST DUE	10. UNITS ON RA 27	11. TOTAL RA 6,477	12. RA CHECK 4,346.96	13. TOTAL PAYMENT

ONLY FOR SECTION 8 PROJECTS WHERE HUD RENT EXCEEDS THE RHS NOTE RATE RENT

14. No. of Section 8 units _____ x 15. HUD Rent _____ = 16. _____
 17. No. of Section 8 units _____ x 18. RHS Note Rate Rent _____ = 19. _____
 ADDITIONAL PAYMENT TO THE RESERVE ACCOUNT 20. _____

In accordance with Rural Housing Service’s (RHS) formula and procedures, all rental units are occupied by households who have executed Form RD 3560-8 “Tenant Certification,” and for labor housing projects, farmworkers, or for rental housing projects, have incomes within the limits set in Agency regulations or the project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and per attached Multi-Family Information System Notice of Payment Due Report are true to the best of my knowledge and belief and are made in good faith.

***WARNING: Section 1001 of title 18, United States Code provides, “Whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.”**

21. _____
(Date)

22. _____
(Borrower or Borrower’s Representative)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PART II		Page 1 of 2			Name of Borrower West End Manor								Reflects date as of 1st day of April, 2021		
1. Apt. No.	2. Type	3. No. of Indiv. In Unit	4. Initial Occupancy Date	5. Exp. Date of Tenant Certifica- tion	6. Leased To	7. Basic Rent	8. Note Rate Rent	9. HUD Rent	10. % of GTC	11. Utility Allowance	12. NTC	13. Amt. Due Tenant to Cover Utilities	14. Rental Assistance Due Borrower	15. Overage and/or Surcharge	
1A	H1	1	12/20/18	12/31/21		435	582		30.00	132	256	0	179	0	
1B	H1	1	03/08/16	03/31/22		435	582		30.00	132	155	0	280	0	
1C	S1	1	10/24/13	10/31/21		435	582		30.00	132	214	0	221	0	
1D	S1	2	09/03/93	08/31/21		435	582		30.00	132	298	0	137	0	
2A	S1	1	07/14/20	07/31/21		435	582		30.00	132	93	0	342	0	
2B	S1	1	11/23/20	11/30/21		435	582		30.00	132	162	0	273	0	
2C	S1	1	08/01/93	03/31/22		435	582		30.00	132	237	0	198	0	
2D	S1	1	02/04/21	02/28/22		435	582		30.00	132	192	0	243	0	
3A	S1	1	09/22/15	09/30/21		435	582		30.00	132	191	0	244	0	
3B	S1	1	08/08/19	01/31/22		435	582		30.00	132	267	0	168	0	
3C	S1	1	12/08/15	12/31/21		435	582		30.00	132	88	0	347	0	
3D	S1	1	04/23/15	01/31/22		435	582		30.00	132	106	0	329	0	
4A	S1	1	11/26/18	11/30/21		435	582		30.00	132	250	0	185	0	
4B	S1	1	01/14/21	01/31/22		435	582		30.00	132	361	0	74	0	
4C	S1	1	07/01/07	06/30/21		435	582		30.00	132	161	0	274	0	
4D	S1	1	06/21/12	07/31/21		435	582		30.00	132	276	0	159	0	
5A	S1	1	09/03/04	09/30/21		435	582		30.00	132	99	0	336	0	
5B	S1	1	03/11/10	07/31/21		435	582		30.00	132	208	0	227	0	
5C	S1	1	06/30/15	06/30/21		435	582		30.00	132	184	0	251	0	
5D	S1	1	05/01/08	06/30/21		435	582		30.00	132	435	0	HUD	0	
TOTALS											5,703		6,477		

Maximum Number of R/A Units

27

Total Assigned R/A Units

Available Number of R/A Units

0

TOTALS

16. 19. 17. 18.

PART II

1.		Page 2 of 2			Name of Borrower West End Manor							Reflects date as of 1st day of April, 2021		
Apt. No.	2. Type	3. No. of Indiv. In Unit	4. Initial Occupancy Date	5. Exp. Date of Tenant Certification	6. Leased To	7. Basic Rent	8. Note Rate Rent	9. HUD Rent	10. % of GTC	11. Utility Allowance	12. NTC	13. Amt. Due Tenant to Cover Utilities	14. Rental Assistance Due Borrower	15. Overage and/or Surcharge
6A	S1	1	04/22/14	11/30/21	[REDACTED]	435	582		34.00	132	24	0	411	0
6B	S1	1	12/06/18	12/31/21		435	582		30.00	132	211	0	224	0
6C	S1	1	10/21/20	10/31/21		435	582		30.00	132	113	0	322	0
6D	S1	1	12/13/18	12/31/21		435	582		30.00	132	172	0	263	0
7A	S1	1	03/29/12	03/31/22		435	582		30.00	132	185	0	250	0
7B	S1	1	11/03/17	04/30/21		435	582		30.00	132	374	0	61	0
7C	S1	1	07/21/17	07/31/21		435	582		30.00	132	298	0	137	0
7D	S1	1	02/02/16	02/28/22		435	582		30.00	132	93	0	342	0
TOTALS											5,703		6,477	

Maximim Number of R/A Units 27
 Total Assigned R/A Units 27
 Available Number of R/A Units 0

16. 19. 17. 18.

Addendum D – Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within and near the Union Site PMA that we consider comparable in terms of unit and project amenities to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the 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 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
- 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 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 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 subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	West End Manor Apartments	1993 / 2022	28	100.0%	-	28 (100.0%)	-	-
5	Lakeview Gardens	1971	96	100.0%	-	8 (100.0%)	56 (100.0%)	32 (100.0%)
901	1022 West Apartment Homes	1989	166	99.4%	20 (95.0%)	70 (100.0%)	60 (100.0%)	16 (100.0%)
905	Creekside	1974 / 2007	92	100.0%	-	18 (100.0%)	66 (100.0%)	8 (100.0%)
909	Magnolia Ridge Apts.	1972 / 2008	80	100.0%	12 (100.0%)	16 (100.0%)	32 (100.0%)	20 (100.0%)
911	Stonecrest Apts.	2008	114	100.0%	-	48 (100.0%)	36 (100.0%)	30 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside the Site PMA

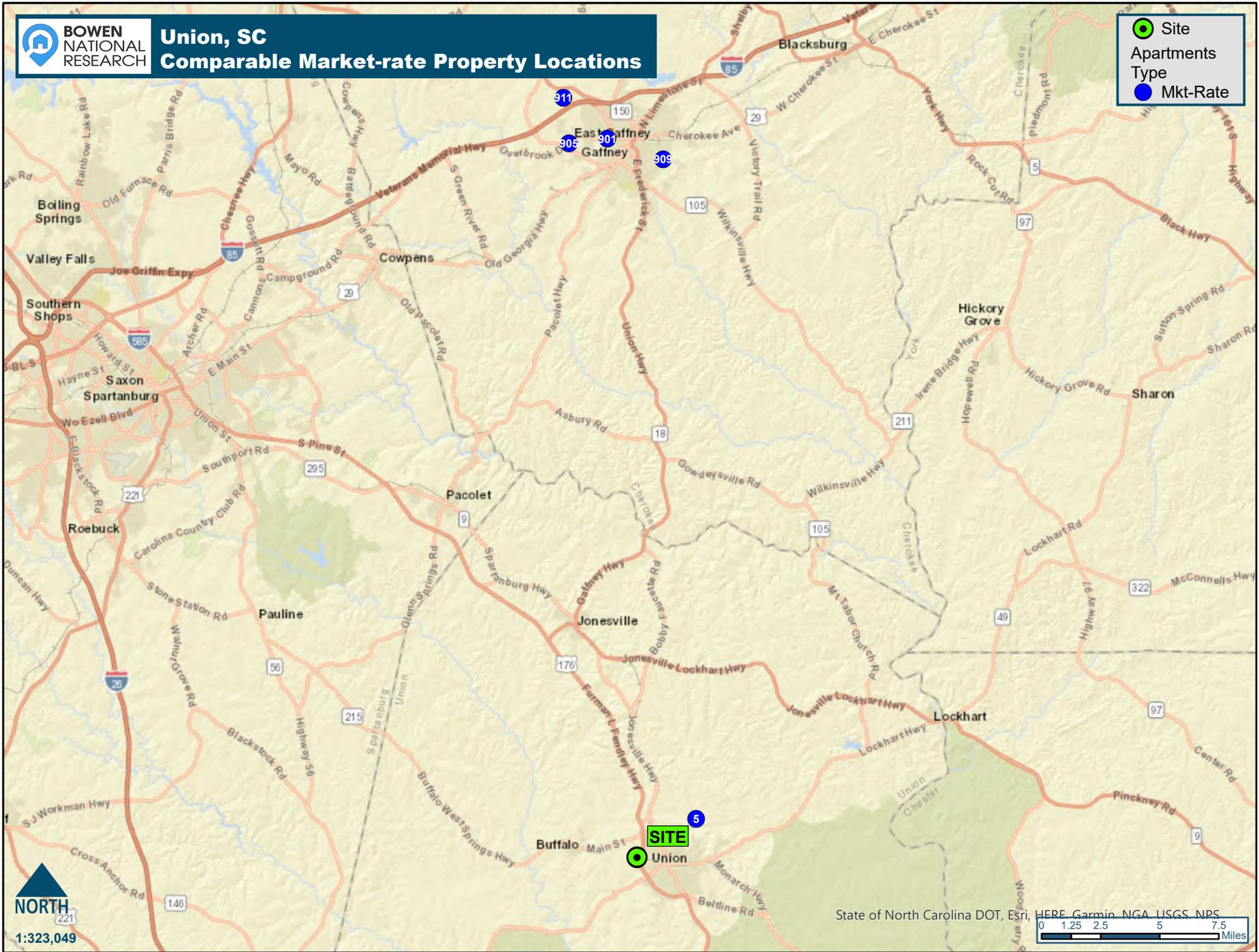
The five selected market-rate projects have a combined total of 548 units with an overall occupancy rate of 99.8%, a very strong rate for rental housing. This illustrates that these projects have been very well received within the market and region and will serve as accurate benchmarks with which to compare the subject development.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates 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 subject development. Preceding the Rent Comparability Grid is a map of the comparable market-rate properties in relation to the location of the subject project.



Union, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



NORTH
221
1:323,049

State of North Carolina DOT, Esri, HERE, Garmin, NGA, USGS, NPS
0 1.25 2.5 5 7.5 Miles

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
West End Manor Apartments		Lakeview Gardens		1022 West Apartment Homes		Creekside		Magnolia Ridge Apts.		Stonecrest Apts.	
629 Rice Avenue Extension		720 Lakeside Dr		1022 W. Buford St.		1230 Overbrook Dr.		266 Goldmine Springs Rd.		102 Stonecrest Ln.	
Union, SC		Union, SC		Gaffney, SC		Gaffney, SC		Gaffney, SC		Gaffney, SC	
Data		Data		Data		Data		Data		Data	
on		Subject		Subject		Subject		Subject		Subject	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$450		\$820		\$599		\$629		\$585	
Date Surveyed		Apr-21		Mar-21		Mar-21		Mar-21		Mar-21	
Rent Concessions		None		None		None		None		None	
Occupancy for Unit Type		100%		100%		100%		100%		100%	
Effective Rent & Rent/ sq. ft		\$450	0.67	\$820	1.60	\$599	0.85	\$629	0.87	\$585	0.83
B. Design, Location, Condition		Data		Data		Data		Data		Data	
Structure / Stories		R/1	WU/2	WU/2		WU/2,3		WU/1,2		WU/3	
Yr. Built/Yr. Renovated		1993/2022	1971 \$37	1989 \$19		1974/2007 \$17		1972/2008 \$18		2008	
Condition/Street Appeal		G	F \$15	G		G		G		G	
Neighborhood		G	G	G		G		F \$10		G	
Same Market?		Yes		No (\$41)		No (\$30)		No (\$31)		No (\$29)	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
# Bedrooms		1	1	1		1		1		1	
# Baths		1	1	1		1		1		1	
Unit Interior Sq. Ft.		624	672 (\$11)	512 \$26		708 (\$20)		720 (\$22)		708 (\$20)	
Patio/Balcony		Y	N \$5	Y		Y		N \$5		Y	
AC: Central/Wall		C	C	W \$5		C		C		C	
Range/Refrigerator		R/F	R/F	R/F		R/F		R/F		R/F	
Microwave/Dishwasher		Y/N	N/N \$5	N/N \$5		N/Y (\$5)		Y/N		Y/Y (\$10)	
Washer/Dryer		HU/L	L \$10	L \$10		HU/L		L \$10		HU/L	
Floor Coverings		C/V	C/V	C/L		C/V		C/T/L		C/L	
Window Treatments		Y	Y	Y		Y		Y		Y	
Secured Entry		N	N	N		N		N		N	
Garbage Disposal		N	N	N		Y (\$5)		N		Y (\$5)	
Ceiling Fan/E-Call System		Y/Y	N/N \$10	Y/N \$5		Y/N \$5		N/N \$10		N/N \$10	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
Parking (\$ Fee)		LOT/\$0	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
On-Site Management		Y	Y	Y		Y		Y		Y	
Security Features		N	N	N		N		Y (\$5)		N	
Community Space		Y	N \$5	Y		N \$5		N \$5		Y	
Pool/Recreation Areas		N	N	P (\$10)		P/F (\$15)		N		P/F/MT (\$18)	
Computer/Business Center		N	N	N		N		Y (\$3)		N	
Picnic Area/Storage		N/N	Y/N (\$3)	Y/N (\$3)		Y/N (\$3)		Y/N (\$3)		Y/N (\$3)	
Library		N	N	N		N		N		N	
Social Services		N	N	N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
Heat (in rent?/ type)		N/E	N/E	N/E		N/G		N/E		N/E	
Cooling (in rent?/ type)		N/E	N/E	N/E		N/E		N/E		N/E	
Cooking (in rent?/ type)		N/E	N/E	N/E		N/E		N/E		N/E	
Hot Water (in rent?/ type)		N/E	N/E	N/E		N/G		N/E		N/E	
Other Electric		N	N	N		N		N		N	
Cold Water/Sewer		N/N	Y/Y (\$35)	N/N		N/N		N/N		N/N	
Trash/Recycling		N/N	N/N	N/N		Y/N (\$17)		Y/N (\$17)		N/N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
# Adjustments B to D		7	2	6	3	3	6	6	5	1	6
Sum Adjustments B to D		\$87	(\$14)	\$70	(\$54)	\$27	(\$78)	\$58	(\$64)	\$10	(\$85)
Sum Utility Adjustments			(\$35)				(\$17)		(\$17)		
		Net		Gross		Net		Gross		Net	
Net/ Gross Adjmts B to E		\$38	\$136	\$16	\$124	(\$68)	\$122	(\$23)	\$139	(\$75)	\$95
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$488		\$836		\$531		\$606		\$510	
Adj Rent/Last rent			108%		102%		89%		96%		87%
Estimated Market Rent		\$560	\$0.90 ←	Estimated Market Rent/ Sq. Ft							

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 Grid, it was determined that the present-day achievable market one-bedroom rent for units similar to the subject development is \$560, which is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$485	\$560	13.39%

The proposed collected rent represents a market rent advantage of 13.39%. Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the proposed subject rent should represent a good value for the local market, in the unlikely event Rental Assistance (RA) was not offered. This is considered in our absorption rate estimates.

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 renovations, the subject project will have an effective age of a project built in 2008. The selected properties were built between 1971 and 2008; however, two were extensively renovated in 2007 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for the one property that we consider to be of inferior quality compared to the subject development.
9. One of the selected properties is located in a less desirable neighborhood than that of the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.

10. A total of four of the selected properties are located outside of the Union Site PMA in Gaffney. The Gaffney market is larger than Union in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Gaffney will not directly translate to the Union market. Therefore, we have adjusted each collected rent at the four comparable projects located in Gaffney by approximately 5.0% to account for this market difference.
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.
- 14.-23. The subject project will offer a unit amenity package generally superior to those offered at the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 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.