



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Pembrook Apartments
464 East 6th Avenue
Pamplico, Florence County, South Carolina 29583

Prepared For

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Effective Date

April 16, 2021

Job Reference Number

21-225 JW

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

Development Name:	Pembroke Apartments	Total # Units: 24
Location:	464 East 6 th Avenue, Pamplico, SC 29583	# LIHTC Units: 24
PMA Boundary:	East Howe Springs Road and Claussen Road to the north; Old River Road, River Road, State Route 41/51, East Broadway Street and South Persimmon Ford Road the east; the Florence/Williamsburg County line and the Lake City incorporated limits to the south; U.S. Highway 52, and the Scranton and Coward town limits to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 16.4 miles

RENTAL HOUSING STOCK (found on page H-1 & 12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	169	0	100.0%
Market-Rate Housing	0	-	-	-
Assisted/Subsidized Housing not to include LIHTC	4	132	0	100.0%
LIHTC (All that are stabilized)*	1	37	0	100.0%
Stabilized Comps**	1	37	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
8	One	1.0	625	\$254	\$620	\$0.99	59.03%	\$860	\$1.23
16	Two	1.0	737	\$156	\$809	\$1.10	80.72%	\$995	\$1.00
Gross Potential Rent Monthly*				\$4,528	\$17,904		74.71%		

*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		2,636	24.7%	2,665	24.7%
Income-Qualified Renter HHs (LIHTC)		1,477	56.0%	1,410	52.9%
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 w/RA
Renter Household Growth		-67				-67
Existing Households (Overburd + Substand)		745				745
Homeowner conversion (Seniors)		0				0
Other:		0				0
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		678				678

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate		3.5%				3.5%

ABSORPTION RATE (found on page G-7)

Absorption Period: 2 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	
8	1 BR	\$254	\$2,032	\$620	\$4,960	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
16	2 BR	\$156	\$2,496	\$809	\$12,944	
	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	24		\$4,528		\$17,904	74.71%

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

Development Name:	Pembroke Apartments	Total # Units: 24
Location:	464 East 6 th Avenue, Pamplico, SC 29583	# LIHTC Units: 24
PMA Boundary:	East Howe Springs Road and Claussen Road to the north; Old River Road, River Road, State Route 41/51, East Broadway Street and South Persimmon Ford Road the east; the Florence/Williamsburg County line and the Lake City incorporated limits to the south; U.S. Highway 52, and the Scranton and Coward town limits to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 16.4 miles

RENTAL HOUSING STOCK (found on page H-1 & 12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	169	0	100.0%
Market-Rate Housing	0	-	-	-
Assisted/Subsidized Housing not to include LIHTC	4	132	0	100.0%
LIHTC (All that are stabilized)*	1	37	0	100.0%
Stabilized Comps**	1	37	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
8	One	1.0	625	\$500	\$620	\$0.99	19.35%	\$860	\$1.23
16	Two	1.0	737	\$557	\$809	\$1.10	31.15%	\$995	\$1.00
Gross Potential Rent Monthly*				\$12,912	\$17,904		27.88%		

*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		2,636	24.7%	2,665	24.7%
Income-Qualified Renter HHs (LIHTC)		465	17.6%	445	16.7%
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		-20				-20
Existing Households (Overburd + Substand)		168				168
Homeowner conversion (Seniors)		0				0
Other:		0				0
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		148				148

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate		16.2%				16.2%

ABSORPTION RATE (found on page G-7)

Absorption Period: 2 to 3 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	
8	1 BR	\$500	\$4,000	\$620	\$4,960	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
16	2 BR	\$557	\$8,912	\$809	\$12,944	
	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	24		\$12,912		\$17,904	27.88%

B. Project Description

Project Name:	Pembrook Apartments
Location:	464 East 6 th Avenue, Pamplico, South Carolina 29583 (Florence County)
Census Tract:	18.00
Target Market:	Family
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC and RD 515

The subject project involves the renovation of the 24-unit Pembrook Apartments at 464 East 6th Avenue in Pamplico, South Carolina. Built in 1986, the project operates under the Rural Development Section 515 (RD 515) program, with 21 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 project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households 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 21 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	
8	One-Br.	1.0	Garden	625	60%/RD	\$470/\$634	\$500	\$119	\$619	\$713
16	Two-Br.	1.0	Garden	737	60%/RD	\$527/\$702	\$557	\$145	\$702	\$856
24	Total									

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

Building/Site Information	
Residential Buildings:	Three (3) two-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building
Acres:	3.0

Construction Timeline	
Original Year Built:	1986
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*	• Exterior Storage (Two-Br. Units)

*Amenity to be added post renovations

Community Amenities		
• On-Site Management	• Laundry Facility	• Playground
• Surface Parking Lot (40 Spaces)		

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
24	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 a microwave in the units
- Addition of an icemaker in the refrigerator in the units
- Paint the interior of all the units
- Addition of ceiling fans in 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

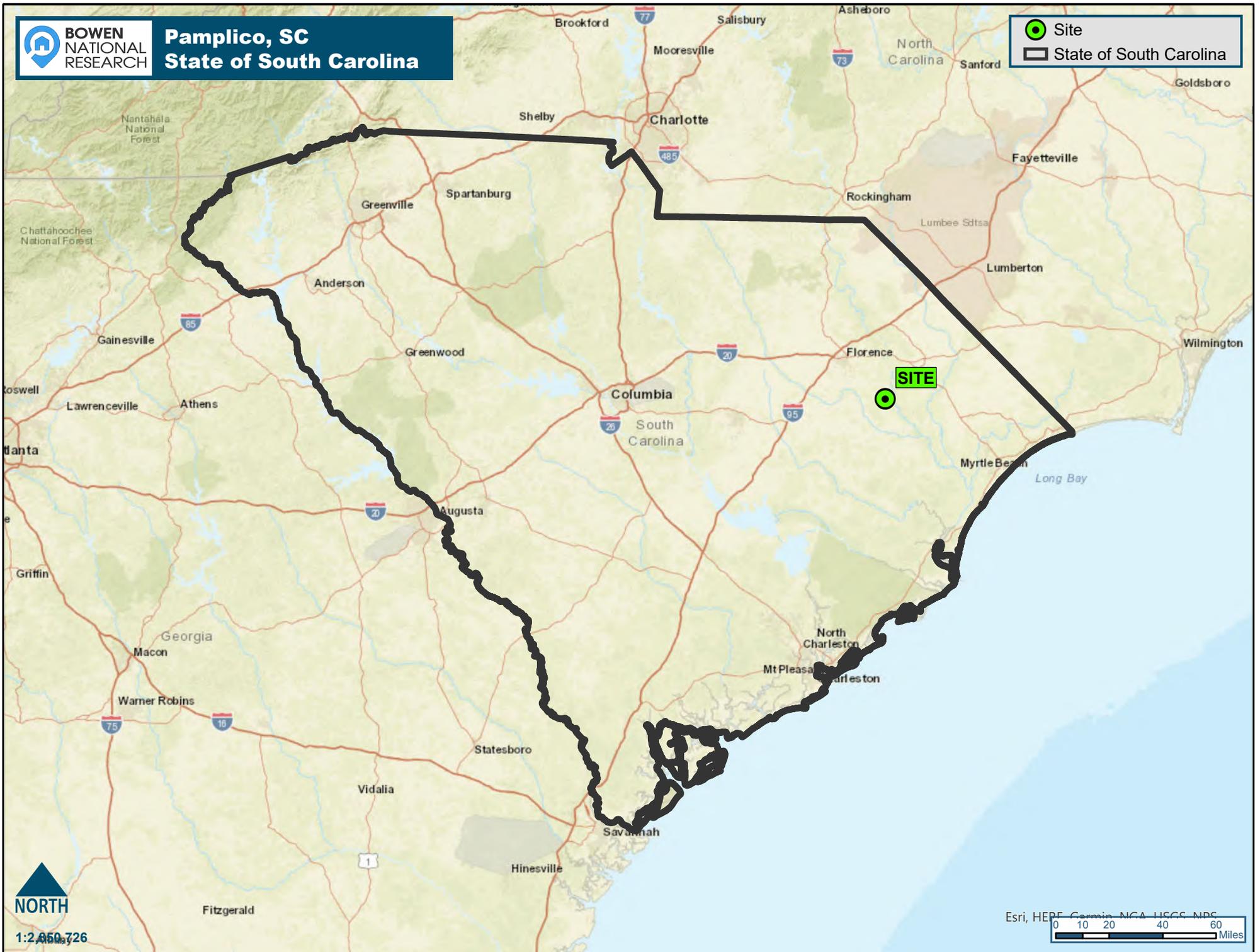
The subject project consists of 24 one- and two-bedroom units that are 100.0% occupied, with a four-household waiting list for the next available unit. The project currently charges \$470 (basic) and \$634 (note) for a one-bedroom units and \$527 (basic) and \$702 (note) for a two-bedroom unit, with 21 units receiving RA from RD. Due to the subsidy that is available on most of the subject units, the average tenant-paid rents are \$254 and \$156 for a one- and two-bedroom unit, respectively, based on the subject project’s current rent roll as illustrated in *Addendum C*. Following Tax Credit renovations, the subsidy will be retained on 21 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.



Pamplico, SC State of South Carolina

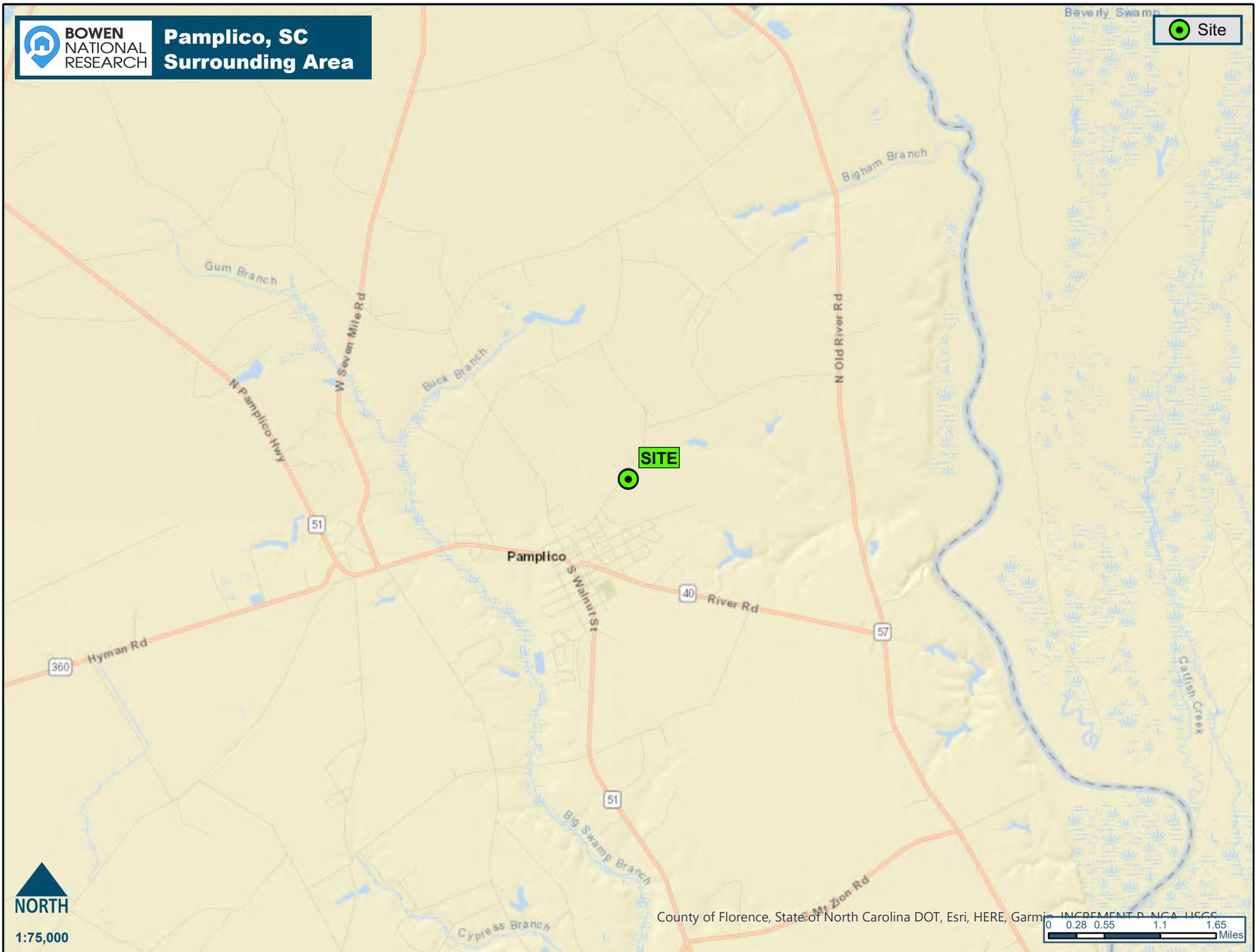
● Site
▭ State of South Carolina





Pamplico, SC Surrounding Area

Site



1:75,000

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, Pembroke Apartments, is located at 464 East 6th Street in Pamplico, South Carolina. Located within Florence County, Pamplico is situated approximately 17.0 miles southeast of Florence, South Carolina and approximately 45.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of surrounding land uses:

North -	The northern site boundary is defined by a single-family home in good condition. Continuing north are Laverne Ard Park, undeveloped and agricultural land and additional single-family homes in fair to good condition.
East -	The eastern site boundary is defined by wooded land. Undeveloped and agricultural land continue and extend farther east for a considerable distance.
South -	The southern site boundary is defined by agricultural land. Undeveloped land, scattered single-family homes in fair to good condition and downtown Pamplico extend farther south.
West -	The western site boundary is defined by East 6 th Street, a two-lane roadway with light vehicular traffic. Extending west are the Laverne Ard Park, agricultural and undeveloped land.

The subject development is situated in a primarily rural and undeveloped area, with nearby residential dwellings in fair to good condition. 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 Highway	State Route 51	0.9 Southwest
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	McCall Farm Distribution Center Florence County Schools Walmart	4.4 North 4.6 South 15.9 Southwest
Convenience Store	Sunoco BP	0.9 Southwest 2.2 West
Grocery	Pamplico IGA	1.4 South
Discount Department Store	Dollar General	1.4 South
Shopping Center/Mall	Walmart	15.9 Southwest
Schools:		
Elementary	Hannah-Pamplico Elementary School	4.9 South
Middle/Junior High	Hannah-Pamplico Middle School	4.9 South
High	Pamplico High School	4.6 South
Hospital/Medical Center	MUSC Health Center Lake City Community Hospital	1.8 South 16.6 Southwest
Police	Pamplico Police Department	0.8 Southwest
Fire	Pamplico Volunteer Fire Department	0.9 Southwest
Post Office	U.S. Post Office	0.9 Southwest
Bank	Citizens Bank	1.4 South
Recreational Facilities	Laverne Ard Park Unnamed Park	0.1 North 1.0 South
Gas Station	Sunoco BP	0.9 Southwest 2.2 West
Pharmacy	Pamplico Pharmacy	1.4 South
Restaurant	Pearl's Harbor Seafood and Grill Sweet T New Dragon	0.9 South 1.4 South 1.4 South
Day Care	Head Start PDCAA	1.1 Southwest
Community Center	Johnsonville Community Building	17.9 South
Library	Pamplico Public Library	0.9 Southwest

N/A – Not Available

As noted, the subject site is situated within a primarily rural and undeveloped portion of Florence County, though several essential community services are available within the town of Pamplico. Notable services within 2.0 miles include a grocery store, a Dollar General, a pharmacy, a bank, several restaurants, a library, a gas station and a convenience store. Notably, the site is within 1.0 mile of two parks – an unnamed park in downtown Pamplico and the Laverne Ard Park sports complex within walking distance north of the site. All three public schools that serve the site are within 4.0 to 5.0 miles, and the Pamplico Public Library is situated within 1.0 mile of the site.

Public safety services are provided by the Pamplico Police and Volunteer Fire departments, each of which are within 1.0 mile of the site. While the nearest hospital is situated 16.6 miles from the site in Lake City, the site has access to the MUSC Health Center primary care physician's office within 2.0 miles. Additional shopping, dining, recreational and employment services are available in the nearby communities of Florence and Lake City. Florence is conveniently accessible from the nearby thoroughfare State Route 51, which is situated 0.9 miles southwest of the site. Overall, the site's proximity to community services is considered good and is expected to positively impact its continued marketability.

4. SITE PHOTOGRAPHS

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

Pembroke Apartments



Entryway Signage



Typical exterior of building



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

Pembrook Apartments



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

Pembroke Apartments



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

Pembrook Apartments



Streetscape: Northeast view of 6th Avenue



Streetscape: Southwest view of 6th Avenue



Recreation Area: Playground



Laundry Facility



One-Bedroom (Living Room)



One-Bedroom (Kitchen)

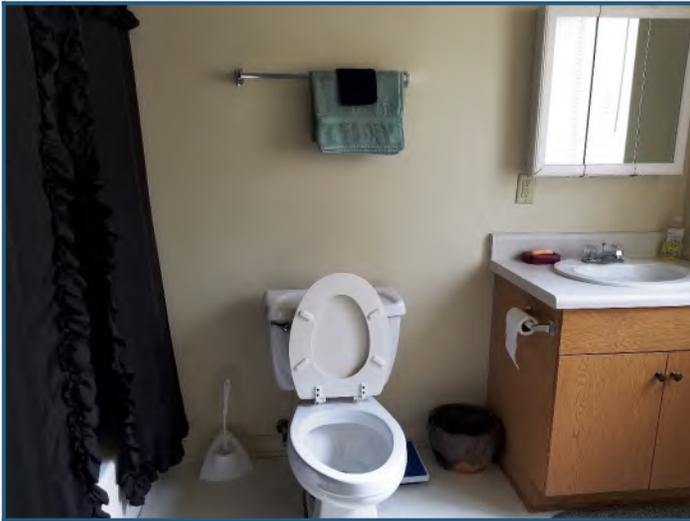
Pembrook Apartments



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)



One-Bedroom (Bathroom)



Two-Bedroom (Living Room)

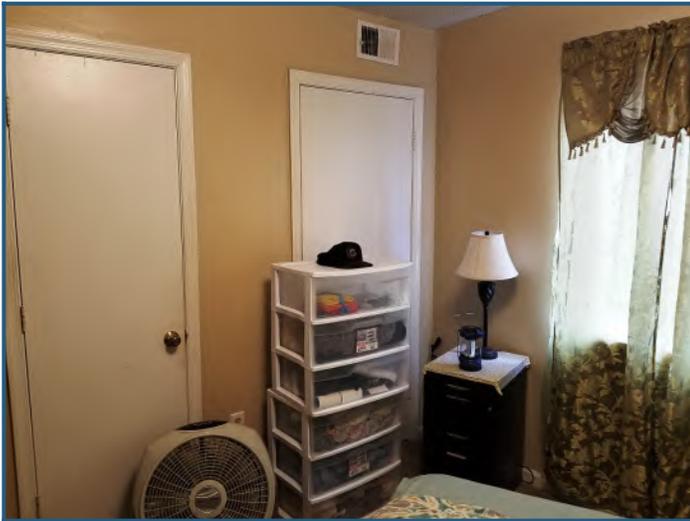


Two-Bedroom (Kitchen)



Two-Bedroom (Master Bedroom - View A)

Pembrook Apartments



Two-Bedroom (Master Bedroom - View B)



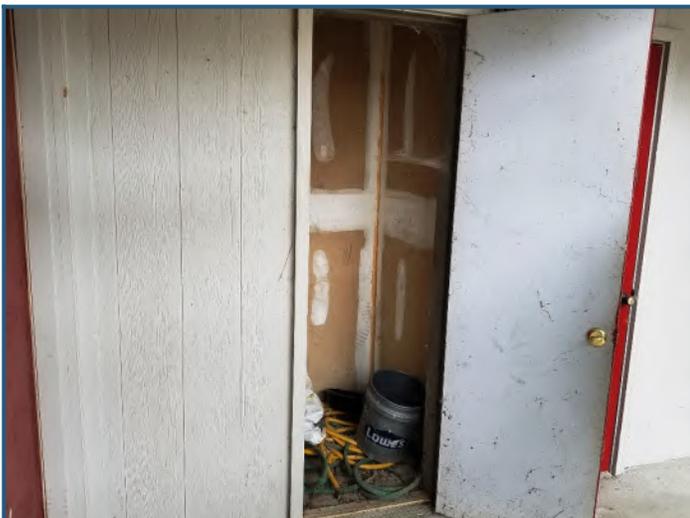
Two-Bedroom (Second Bedroom - View A)



Two-Bedroom (Second Bedroom - View B)



Two-Bedroom (Full Bathroom)



Two-Bedroom (Attached Storage Unit)

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

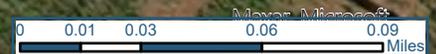


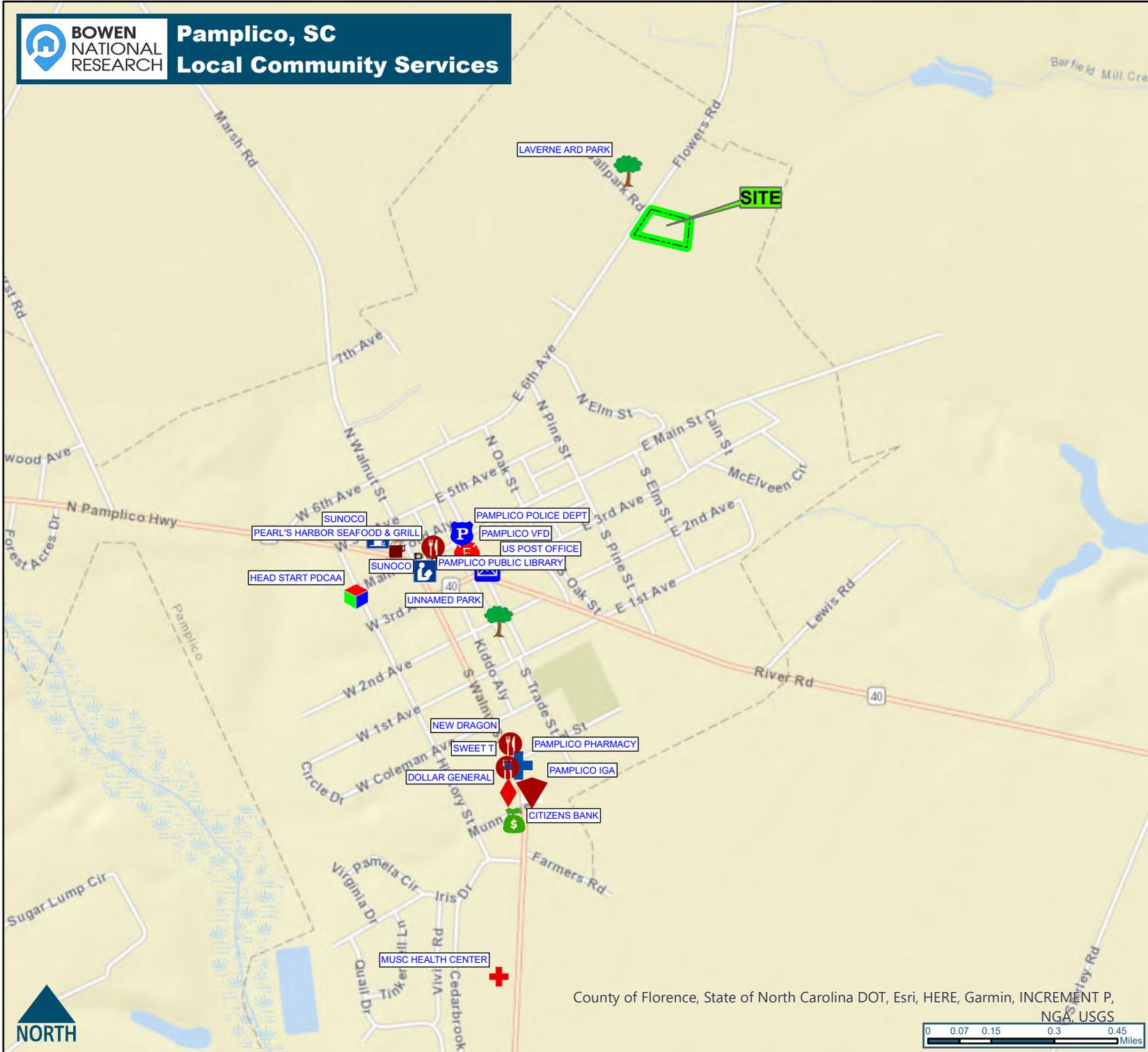
Pamplico, SC
Site Neighborhood

Legend
Site Area




NORTH
1:3,000





- Legend**
- Site Area
 - Bank
 - Child Care
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Library
 - Medical Center
 - Park
 - Pharmacy
 - Police
 - Post Office
 - Restaurant
 - Shopping



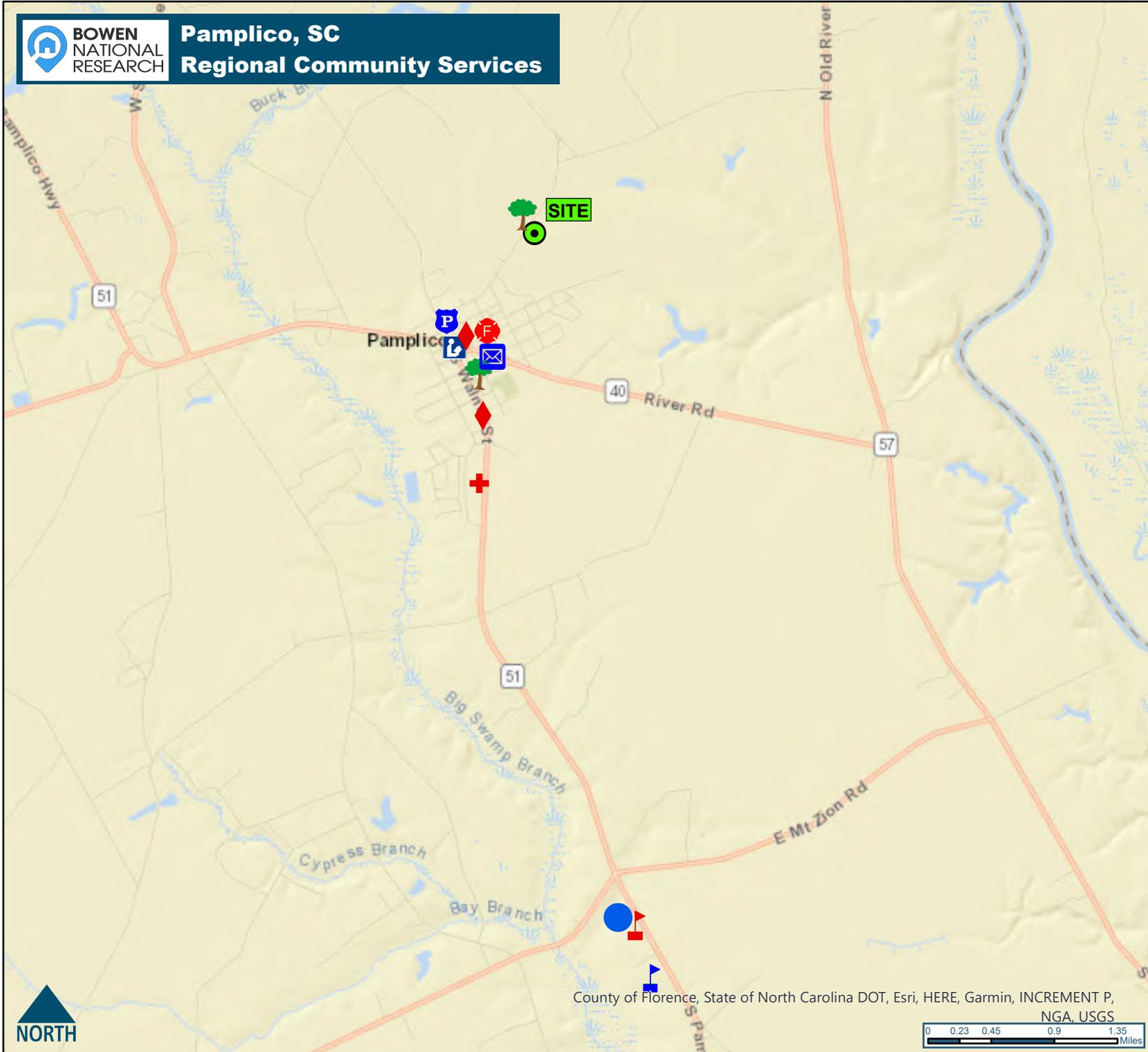
County of Florence, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:20,000



Pamplico, SC
Regional Community Services



- Legend
- Site
 - Elementary School
 - Fire
 - High School
 - Library
 - Medical Center
 - Middle School
 - Park
 - Police
 - Post Office
 - Shopping
 - Employer 1000-5000



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



1:60,000

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 78, with an overall personal crime index of 109 and a property crime index of 73. Total crime risk for Florence County is 153, with indexes for personal and property crime of 158 and 153, respectively.

	Crime Risk Index	
	Site ZIP Code	Florence County
Total Crime	78	153
Personal Crime	109	158
Murder	168	161
Rape	28	102
Robbery	84	101
Assault	131	191
Property Crime	73	153
Burglary	117	171
Larceny	52	151
Motor Vehicle Theft	138	127

Source: Applied Geographic Solutions

The crime risk index within the subject's ZIP Code (78) is below both those of Florence County (153) and the nation (100). As such, the perception of crime within the area is not expected to play a significant role in the subject's continued marketability, which is further evidenced by its full occupancy and waiting list.

A map illustrating crime risk is on the following page.



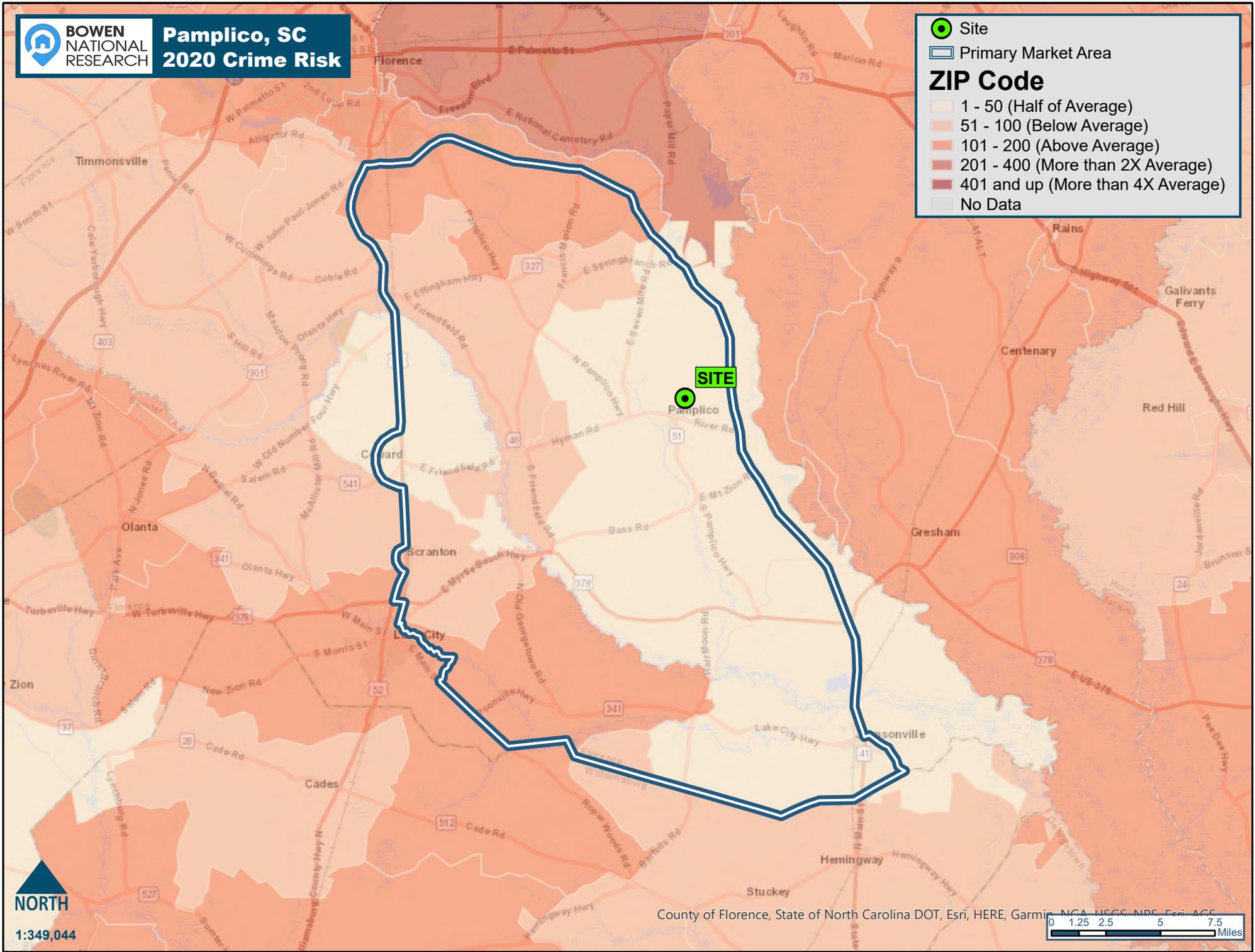
Pamplico, SC 2020 Crime Risk

Site

Primary Market Area

ZIP Code

- 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

1:349,044

7. ACCESS AND VISIBILITY

The subject site property is primarily visible to passerby traffic from East 6th Street, a two-lane roadway with light vehicular traffic. While passerby traffic is light, site management indicated that the adjacent Laverne Ard Park draws traffic to the area for school athletic competitions. The site is clearly visible to persons utilizing this facility. Overall, visibility of the site is considered adequate.

The site maintains one vehicular access point along East 6th Street. Given the light area traffic patterns, direct vehicular ingress and egress are considered convenient. The site is also within 1.0 mile of State Route 51, which provides convenient access to Florence. Site management indicated that residents of the site typically commute to Florence, and that tenants without personal vehicles typically carpool with other tenants. Overall, accessibility of the site is considered good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no nuisances or environmental issues observed at the time of the subject site analysis.

9. OVERALL SITE CONCLUSIONS

The subject site is the existing Pembroke Apartments in Pamplico. Surrounding land uses consist primarily of undeveloped and agricultural land, with nearby homes in fair to good condition. Visibility of the site is considered adequate, while access to and from the site is considered good. While the site is situated within a primarily rural and undeveloped portion of Florence County, several essential community services are available within the town of Pamplico. Notable services within 2.0 miles include a grocery store, a Dollar General, a pharmacy, a bank, several restaurants, a library, public safety services, a gas station and a convenience store. The site also has convenient access to State Route 51, which provides access to more abundant shopping, recreational and employment options in the nearby community of Florence. Overall, we consider the site's location and proximity to community services to have a positive impact on its continued marketability, as evidenced by its 100.0% occupancy rate and waiting list.

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 Pamplico Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, as well as 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 Pamplico Site PMA includes all of Pamplico, Johnsonville, Scranton and Coward, small portions of Florence and the surrounding unincorporated areas of Florence County. Specifically, the boundaries of the Site PMA generally include East Howe Springs Road and Claussen Road to the north; Old River Road, River Road, State Route 41/51, East Broadway Street and South Persimmon Ford Road the east; the Florence/Williamsburg County line and the Lake City incorporated limits to the south; U.S. Highway 52, and the Scranton and Coward town limits to the west. All boundaries of the Site PMA are generally within 16.4 miles from the site. The Site PMA includes all of, or portions of, the following Census Tracts:

15.05	16.01	16.02	17.00
18.00*	19.01	19.02	20.00
22.02	23.00		

*Subject site location

Lashader Linder, Property Manager of Pembroke Apartments (subject site), stated that approximately 50% of her property's tenants are long-time residents of Pamplico, while an estimated 40% moved to her property from Florence. Ms. Linder estimated that the remainder of demand has generated from other nearby communities of Florence County, including Johnsonville, Scranton and Coward, thus, confirming the Site PMA. Ms. Linder added that the proximity of her property to Florence tends to keep residents in the area, as rents and cost of living are higher in Florence. Ms. Linder also noted that Pamplico is only a short commute from several major employers in Florence, contributing to marketability and keeping residents in the area.

Jason Servoss, Community Manager for Marion Commons, a senior Tax Credit development in the nearby community of Lake City, explained that support for the existing property in Pamplico likely does not originate from Lake City, as Lake City is larger and offers more robust access to community services. Mr. Servoss added that while a resident of Pamplico may move to a new development in Lake City, a Lake City resident would be unlikely to move to Pamplico, hence for the market's exclusion of Lake City.

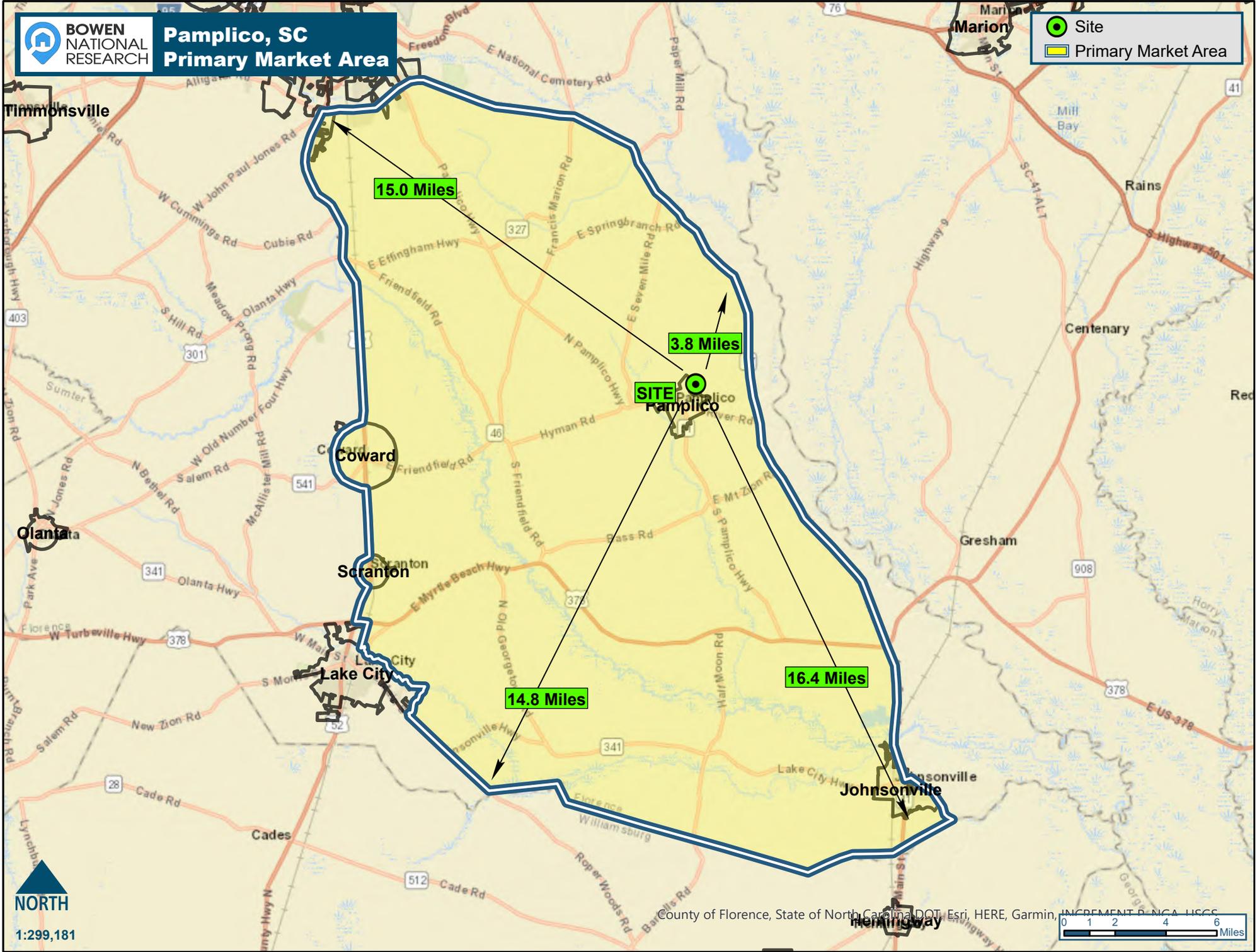
A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



Pamplico, SC Primary Market Area

- Site
- Primary Market Area



NORTH
1:299,181

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

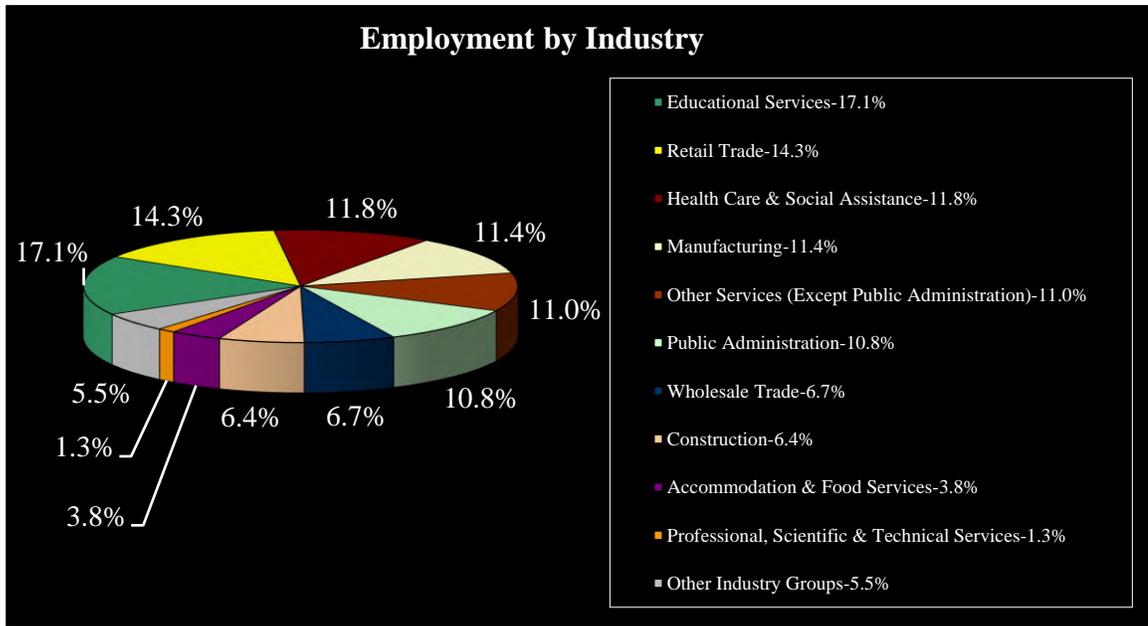
The labor force within the Pamplico Site PMA is based primarily in six sectors. Educational Services (which comprises 17.1%), Retail Trade, Health Care & Social Assistance, Manufacturing, Other Services (Except Public Administration) and Public Administration comprise over 76% of the Site PMA labor force. Employment in the Pamplico Site PMA, as of 2020, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	11	2.1%	62	1.1%	5.6
Mining	0	0.0%	0	0.0%	0.0
Utilities	2	0.4%	8	0.1%	4.0
Construction	49	9.4%	344	6.4%	7.0
Manufacturing	17	3.3%	617	11.4%	36.3
Wholesale Trade	18	3.5%	365	6.7%	20.3
Retail Trade	100	19.2%	774	14.3%	7.7
Transportation & Warehousing	12	2.3%	37	0.7%	3.1
Information	7	1.3%	40	0.7%	5.7
Finance & Insurance	12	2.3%	52	1.0%	4.3
Real Estate & Rental & Leasing	16	3.1%	25	0.5%	1.6
Professional, Scientific & Technical Services	20	3.8%	71	1.3%	3.6
Management of Companies & Enterprises	0	0.0%	1	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	13	2.5%	41	0.8%	3.2
Educational Services	23	4.4%	924	17.1%	40.2
Health Care & Social Assistance	24	4.6%	639	11.8%	26.6
Arts, Entertainment & Recreation	4	0.8%	22	0.4%	5.5
Accommodation & Food Services	24	4.6%	207	3.8%	8.6
Other Services (Except Public Administration)	128	24.6%	594	11.0%	4.6
Public Administration	29	5.6%	582	10.8%	20.1
Nonclassifiable	12	2.3%	7	0.1%	0.6
Total	521	100.0%	5,412	100.0%	10.4

*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 Florence Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Florence MSA	South Carolina
Management Occupations	\$112,280	\$109,500
Business and Financial Occupations	\$61,230	\$70,470
Computer and Mathematical Occupations	\$67,720	\$77,080
Architecture and Engineering Occupations	\$71,100	\$80,470
Community and Social Service Occupations	\$42,830	\$44,530
Art, Design, Entertainment and Sports Medicine Occupations	\$44,330	\$50,930
Healthcare Practitioners and Technical Occupations	\$73,360	\$76,850
Healthcare Support Occupations	\$26,320	\$29,220
Protective Service Occupations	\$37,890	\$39,760
Food Preparation and Serving Related Occupations	\$21,350	\$23,250
Building and Grounds Cleaning and Maintenance Occupations	\$24,630	\$27,650
Personal Care and Service Occupations	\$27,770	\$28,850
Sales and Related Occupations	\$34,110	\$37,680
Office and Administrative Support Occupations	\$37,540	\$37,870
Construction and Extraction Occupations	\$45,910	\$44,550
Installation, Maintenance and Repair Occupations	\$47,610	\$46,990
Production Occupations	\$42,280	\$40,730
Transportation and Moving Occupations	\$34,230	\$34,010

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

Most annual blue-collar salaries range from \$21,350 to \$47,610 within the Florence MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,138. It is important to note that most occupational types within the Florence MSA have lower typical wages than the State of South Carolina's typical wages.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Florence area comprise a total of 18,290 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
McLeod Regional Medical Center	Healthcare	8,500
Florence School District 1	Education	1,920
Carolinas Hospital System	Healthcare	1,500
Honda of South Carolina Mfg.	Manufacturer	1,400
Assurant	Insurance	940
Nan Ya Plastics Corporation	Manufacturer	918
TRICARE (Blue Cross Blue Shield) PGBA	Insurance	800
McCall Farms	Food Service Products	800*
Florence County	Public - Government	792
Ruiz Foods	Food Service Products	720
Total		18,290

Source: Florence County Economic Development Partnership (April 2018)

*Seasonally grows to 1,400.

The COVID-19 pandemic has affected the Florence County economy, especially the service industry. South Carolina received nearly \$2 billion in federal relief funds from the CARES Act. The majority of the funds were allocated for unemployment benefits, schools, and to extend broadband to rural communities. Florence County saw the largest number of cases in January 2021 and continues to operate under restricted indoor gatherings and infection control measures in place for schools. The mask mandates are gradually being lifted and the COVID-19 vaccination is now available to all residents 16 and older.

Despite multiple attempts, we were unable to receive a response from local economic development representatives regarding the current status of the local Florence economy and/or recent or ongoing economic development activity. The following was obtained via extensive online research:

- Buc-ee's, a chain gas station based in Texas, is constructing a new travel mart at 3390 North Williston Road in Florence. The new facility has 53,200 square feet, 120 fueling stations, a mini-mart and food items. The facility will add 200 new full-time jobs with full benefits once it is open in early 2022.
- McCall Farms, which recently underwent several large production expansions in 2015, 2017 and 2019, is again undergoing a \$50 million expansion to their facility in Effingham. This production line expansion will allow the company to add new lines and increase productivity on existing lines. This latest expansion will create 140 jobs for the area and was completed in 2020.

- In 2017, WestRock Company invested \$410 million over a two-year period for a new manufacturing facility. The company also plans to invest an additional \$60 million over the next five years to support the facility's new machines and other mill projects.
- LiUazZi Café opened at 163 North Dargan Street in downtown Florence in January 2021. The café serves breakfast and lunch. The new café has nine employees.
- Florence County will develop the McLendon Young industrial site off Interstate 95 at the Honda Way exit near Timmonsville. The site is 274 acres with water, sewer, gas, and power already available at the site.
- McLeod Regional Medical Center added a four-story addition to expand its trauma and emergency room. The new addition opened in March 2021.
- Woodforest National Bank added a new location inside the Walmart on Irby Street in Florence. The bank opened in March 2021.
- A \$16 million baseball and track complex is planned in the city of Florence. The new complex will have a full-size track, stadium and five little league fields. Construction of the new facility started March 2021.
- Precious and Hope Healthcare LLC opened a new facility at 203 West Smith Street in Florence. The new facility opened October 2020.

Infrastructure Projects

Florence County has a strong infrastructure reinvestment plan. The county has enacted a penny tax that is in effect through 2021. The penny tax is projected to generate \$145 million and some of the funds are used for needed infrastructure projects. Several infrastructure projects currently underway or that have recently been completed in Florence County are summarized as follows:

- U.S. Highway 301 Bypass between Alligator Road and West Palmetto Street will be widened along a 7.5 mile stretch of the highway. This is a \$73.4 million project and is expected to be complete in Spring 2021.
- The South Carolina Department of Transportation plans to replace the S-76 Bridge over Jefferies Creek and make improvements to the intersection along Francis Marion Road at Claussen Road in Florence County. The proposed improvements also include constructing a roundabout. There is no estimated completion date as of the time of this report, as the project is still up for bids.

- A new parking garage was opened in February 2021. The four-story garage cost around \$14 million and was partially funded by the penny sales tax savings plan.

WARN (layoff notices):

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

4. EMPLOYMENT TRENDS

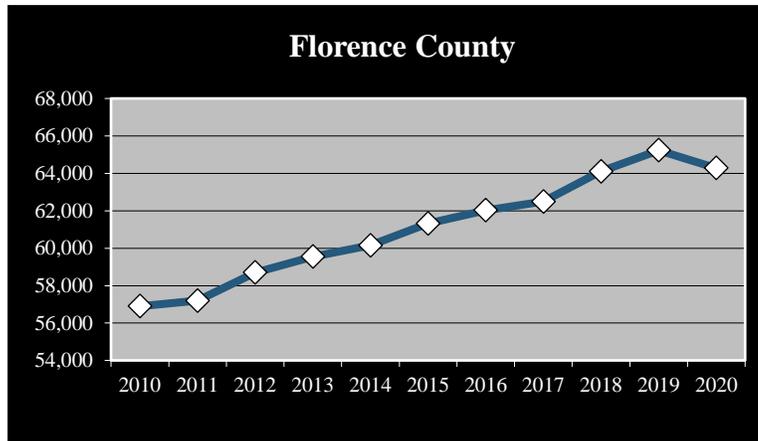
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2020, the employment base has increased by 6.4% over the past five years in Florence 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 Florence County, South Carolina and the United States.

Year	Total Employment					
	Florence County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	56,905	-	1,928,442	-	140,469,139	-
2011	57,197	0.5%	1,957,493	1.5%	141,791,255	0.9%
2012	58,697	2.6%	1,992,957	1.8%	143,621,634	1.3%
2013	59,546	1.4%	2,034,404	2.1%	145,017,562	1.0%
2014	60,153	1.0%	2,082,941	2.4%	147,313,048	1.6%
2015	61,322	1.9%	2,134,087	2.5%	149,500,941	1.5%
2016	62,024	1.1%	2,174,301	1.9%	151,887,366	1.6%
2017	62,493	0.8%	2,200,602	1.2%	154,160,937	1.5%
2018	64,107	2.6%	2,242,438	1.9%	156,081,212	1.2%
2019	65,235	1.8%	2,302,573	2.7%	158,102,439	1.3%
2020	64,284	-1.5%	2,237,407	-2.8%	148,739,082	-5.9%

Source: Department of Labor; Bureau of Labor Statistics

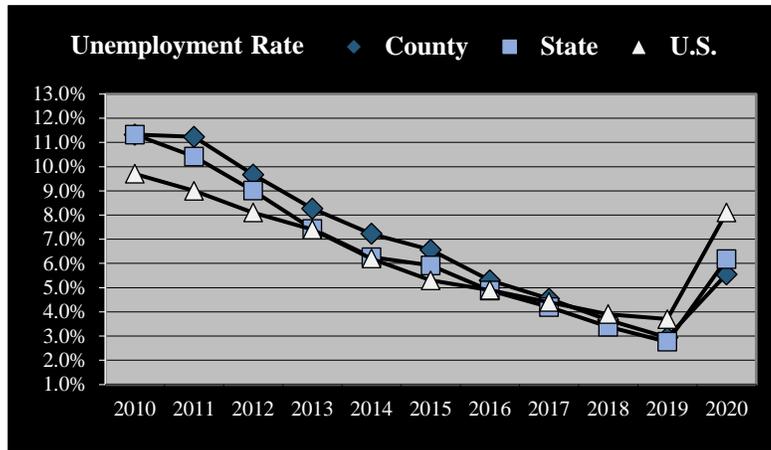


As the preceding illustrates, the Florence County employment base experienced consistent growth between 2010 and 2019. However, between 2019 and 2020, the county’s employment base declined by 1.5% as the result of the COVID-19 pandemic.

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

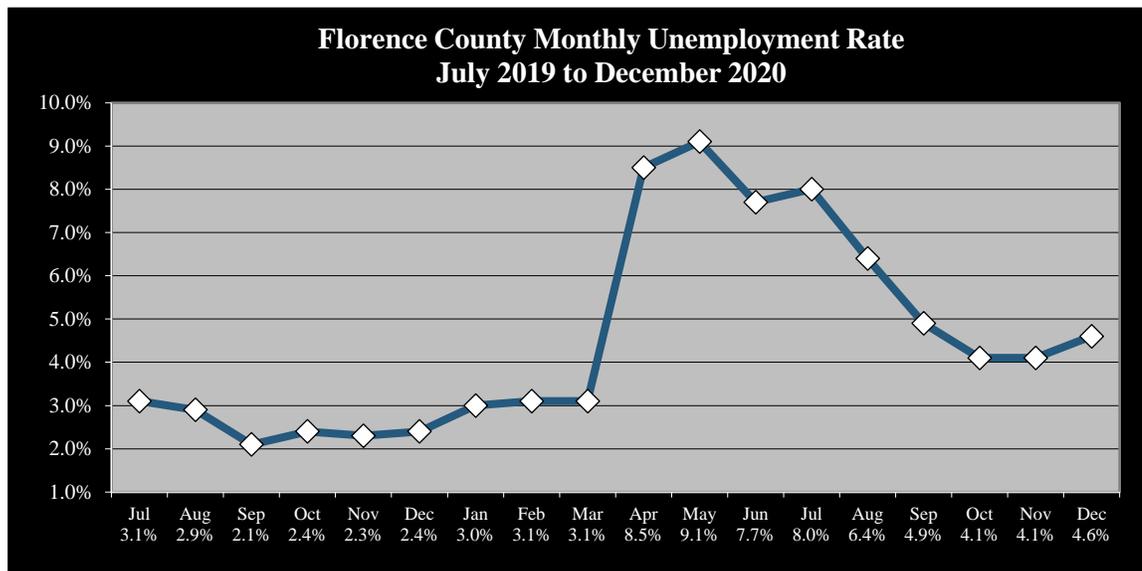
Year	Unemployment					
	Florence County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	7,268	11.3%	246,093	11.3%	15,070,017	9.7%
2011	7,233	11.2%	227,678	10.4%	14,035,049	9.0%
2012	6,276	9.7%	197,246	9.0%	12,691,553	8.1%
2013	5,364	8.3%	163,472	7.4%	11,634,201	7.4%
2014	4,692	7.2%	139,485	6.3%	9,776,089	6.2%
2015	4,302	6.6%	133,750	5.9%	8,417,793	5.3%
2016	3,464	5.3%	111,753	4.9%	7,854,801	4.9%
2017	2,969	4.5%	96,477	4.2%	7,093,912	4.4%
2018	2,428	3.7%	78,442	3.4%	6,385,787	3.9%
2019	1,976	2.9%	65,112	2.8%	6,073,924	3.7%
2020	3,795	5.6%	147,183	6.2%	13,039,335	8.1%

Source: Department of Labor; Bureau of Labor Statistics



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

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



The *monthly* unemployment rate in Florence County was relatively stable between July 2019 and March 2020. However, between March and May 2020, the monthly unemployment rate within the county spiked by six percentage points. On a positive note, the county’s monthly unemployment rate has generally trended downward since to a rate of 4.6% 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 Florence County.

In-Place Employment Florence County			
Year	Employment	Change	Percent Change
2010	59,132	-	-
2011	59,034	-98	-0.2%
2012	60,082	1,048	1.8%
2013	59,493	-589	-1.0%
2014	60,445	952	1.6%
2015	61,398	953	1.6%
2016	62,254	856	1.4%
2017	62,780	526	0.8%
2018	64,771	1,991	3.2%
2019	66,089	1,318	2.0%
2020*	63,280	-2,809	-4.3%

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 Florence County to be 101.3% of the total Florence County employment. This means that Florence County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there.

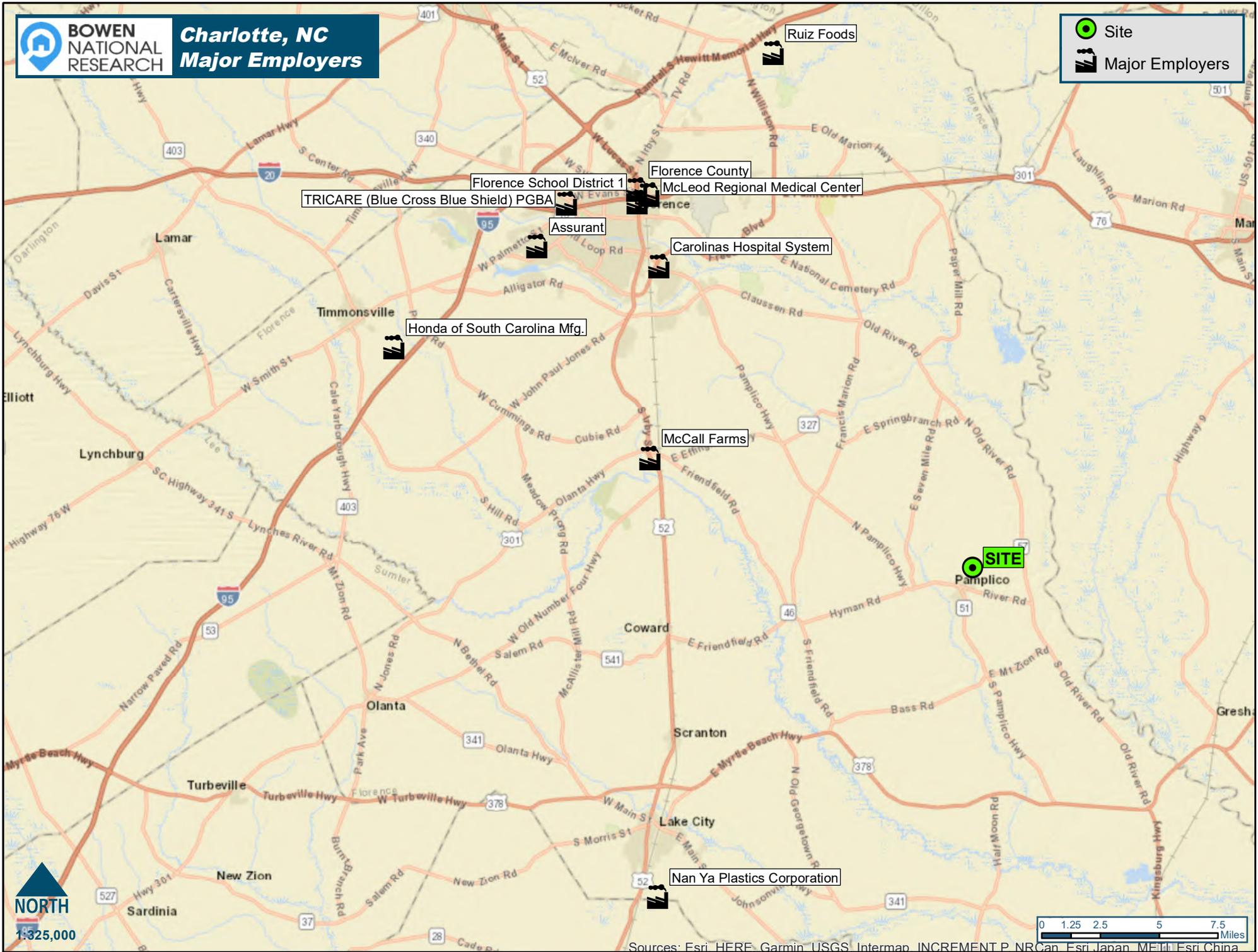
5. **EMPLOYMENT CENTERS MAP**

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



Charlotte, NC Major Employers

- Site
- Major Employers



1:325,000



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, MEIT, 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	9,697	86.0%
Carpooled	880	7.8%
Public Transit	2	< 0.1%
Walked	62	0.5%
Other Means	95	0.8%
Worked at Home	545	4.8%
Total	11,281	100.0%

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

Approximately 86% of all workers drove alone, 7.8% carpooled and less than 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	2,246	19.9%
15 to 29 Minutes	4,019	35.6%
30 to 44 Minutes	2,398	21.3%
45 to 59 Minutes	924	8.2%
60 or More Minutes	1,149	10.2%
Worked at Home	545	4.8%
Total	11,281	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 15 to 29 minutes. The subject site is within a 30-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.

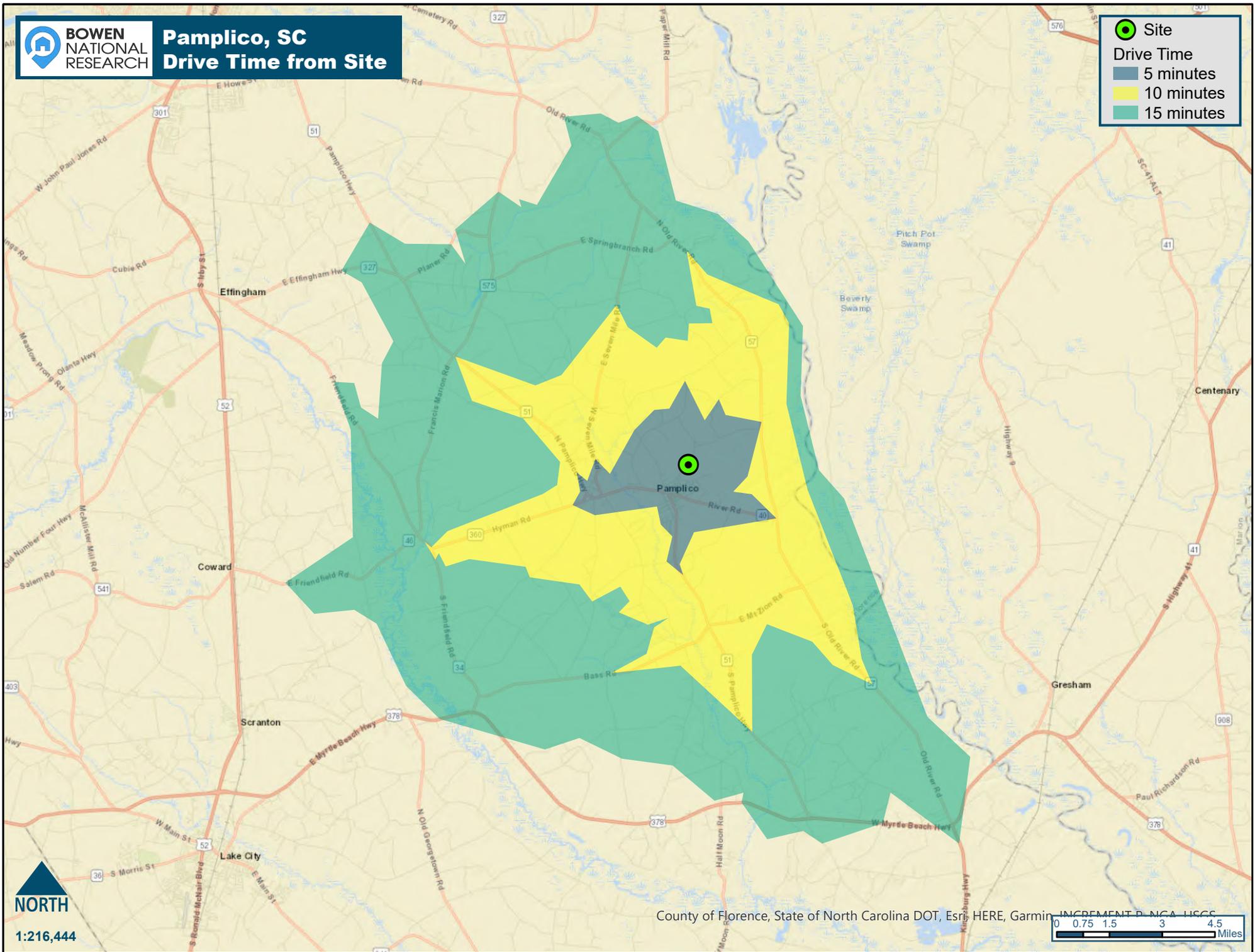


Pamplico, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:216,444

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

7. ECONOMIC FORECAST AND HOUSING IMPACT

The Florence County economy experienced continued job growth between 2010 and 2019. However, between 2019 and 2020, the county declined by over 950 jobs, or 1.5%, 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 three percentage points during the same time frame. Specifically, between March and May 2020, the unemployment rate within Florence County spiked by six 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 18% 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	25,869	28,230	29,103	29,493
Population Change	-	2,361	873	390
Percent Change	-	9.1%	3.1%	1.3%

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

The Pamplico Site PMA population base increased by 2,361 between 2000 and 2010. This represents a 9.1% increase from the 2000 population base, or an annual rate of 0.9%. Between 2010 and 2020, the population increased by 873, or 3.1%. It is projected that the population will increase by 390, or 1.3%, between 2020 and 2023.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.1% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	592	2.1%
Population not in Group Quarters	27,638	97.9%
Total Population	28,230	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	8,078	28.6%	7,384	25.4%	7,515	25.5%	131	1.8%
20 to 24	1,642	5.8%	1,575	5.4%	1,535	5.2%	-40	-2.6%
25 to 34	3,515	12.5%	4,000	13.7%	3,729	12.6%	-271	-6.8%
35 to 44	3,787	13.4%	3,732	12.8%	3,823	13.0%	91	2.4%
45 to 54	3,897	13.8%	3,739	12.8%	3,765	12.8%	26	0.7%
55 to 64	3,601	12.8%	3,706	12.7%	3,707	12.6%	1	0.0%
65 to 74	2,221	7.9%	3,150	10.8%	3,248	11.0%	98	3.1%
75 & Over	1,489	5.3%	1,817	6.2%	2,172	7.4%	355	19.5%
Total	28,230	100.0%	29,103	100.0%	29,493	100.0%	390	1.3%

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

As the preceding table illustrates, over 52% of the population is expected to be between 25 and 64 years old 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 subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA’s senior and non-senior population.

d. Special Needs Population

The subject project will 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%	41.5%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	32.1%
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%	8.7%

Source: SC Housing and 2020 FFIEC Census Report

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Households	9,437	10,401	10,669	10,800
Household Change	-	964	268	131
Percent Change	-	10.2%	2.6%	1.2%
Household Size	2.74	2.71	2.67	2.68

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

Within the Pamplico Site PMA, households increased by 964 (10.2%) between 2000 and 2010. Between 2010 and 2020, households increased by 268, or 2.6%. By 2023, there will be 10,800 households, an increase of 131 households, or 1.2%, from 2020. This is an increase of approximately 44 households annually over the next three years.

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	338	3.2%	275	2.6%	268	2.5%	-7	-2.6%
25 to 34	1,468	14.1%	1,604	15.0%	1,488	13.8%	-116	-7.3%
35 to 44	1,940	18.7%	1,827	17.1%	1,859	17.2%	32	1.7%
45 to 54	2,134	20.5%	1,928	18.1%	1,926	17.8%	-2	-0.1%
55 to 64	2,150	20.7%	2,085	19.5%	2,062	19.1%	-23	-1.1%
65 to 74	1,417	13.6%	1,857	17.4%	1,895	17.5%	38	2.0%
75 to 84	729	7.0%	907	8.5%	1,082	10.0%	175	19.3%
85 & Over	225	2.2%	186	1.7%	221	2.0%	35	19.0%
Total	10,401	100.0%	10,669	100.0%	10,800	100.0%	131	1.2%

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. However, over 70% of all households are projected to be under the age of 65 in 2023. This demonstrates that a larger number of age-appropriate households will continue to be present within the Site PMA to support the subject project.

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	7,917	76.1%	8,033	75.3%	8,136	75.3%
Renter-Occupied	2,484	23.9%	2,636	24.7%	2,665	24.7%
Total	10,401	100.0%	10,669	100.0%	10,801	100.0%

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

In 2020, homeowners occupied 75.3% of all occupied housing units, while the remaining 24.7% were occupied by renters. The share of renters is considered typical for rural markets, such as the Pamplico Site PMA, and the 2,636 renter households estimated in 2020 represent a sufficient base of continued support for the subject site.

c. Households by Income

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

Household Income	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,394	13.4%	927	8.7%	874	8.1%
\$10,000 to \$19,999	1,817	17.5%	1,279	12.0%	1,208	11.2%
\$20,000 to \$29,999	1,433	13.8%	1,195	11.2%	1,116	10.3%
\$30,000 to \$39,999	1,358	13.1%	1,170	11.0%	1,150	10.6%
\$40,000 to \$49,999	1,239	11.9%	1,052	9.9%	1,014	9.4%
\$50,000 to \$59,999	939	9.0%	1,031	9.7%	1,029	9.5%
\$60,000 to \$74,999	1,060	10.2%	1,295	12.1%	1,374	12.7%
\$75,000 to \$99,999	550	5.3%	1,054	9.9%	1,167	10.8%
\$100,000 to \$124,999	229	2.2%	678	6.4%	753	7.0%
\$125,000 to \$149,999	150	1.4%	491	4.6%	555	5.1%
\$150,000 to \$199,999	167	1.6%	331	3.1%	379	3.5%
\$200,000 & Over	65	0.6%	168	1.6%	187	1.7%
Total	10,401	100.0%	10,671	100.0%	10,804	100.0%
Median Income	\$34,098		\$47,267		\$50,398	

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

In 2010, the median household income was \$34,098. This increased by 38.6% to \$47,267 in 2020. By 2023, it is projected that the median household income will be \$50,398, an increase of 6.6% 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 2010, 2020 and 2023 for the Pamplico Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	217	174	109	73	59	633
\$10,000 to \$19,999	258	187	117	79	63	704
\$20,000 to \$29,999	133	114	72	48	39	406
\$30,000 to \$39,999	82	78	49	33	27	269
\$40,000 to \$49,999	68	70	44	29	24	234
\$50,000 to \$59,999	25	30	19	12	10	96
\$60,000 to \$74,999	28	33	21	14	11	107
\$75,000 to \$99,999	7	8	5	3	3	25
\$100,000 to \$124,999	1	1	1	1	0	4
\$125,000 to \$149,999	1	1	1	0	0	3
\$150,000 to \$199,999	0	1	0	0	0	2
\$200,000 & Over	0	0	0	0	0	1
Total	821	696	438	293	237	2,484

Source: ESRI; Urban Decision Group

Renter Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	175	107	68	48	44	442
\$10,000 to \$19,999	219	122	77	54	50	522
\$20,000 to \$29,999	152	96	61	43	40	391
\$30,000 to \$39,999	108	71	45	32	29	285
\$40,000 to \$49,999	89	66	42	29	27	254
\$50,000 to \$59,999	78	64	40	29	26	237
\$60,000 to \$74,999	99	80	51	36	33	298
\$75,000 to \$99,999	34	30	19	14	13	110
\$100,000 to \$124,999	14	13	8	6	5	47
\$125,000 to \$149,999	10	9	6	4	4	33
\$150,000 to \$199,999	3	3	2	1	1	11
\$200,000 & Over	1	1	1	1	1	5
Total	983	664	419	296	274	2,636

Source: ESRI; Urban Decision Group

Renter Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	165	98	63	45	42	413
\$10,000 to \$19,999	203	109	69	50	47	477
\$20,000 to \$29,999	138	85	54	39	36	351
\$30,000 to \$39,999	111	71	45	32	30	289
\$40,000 to \$49,999	88	61	39	28	26	242
\$50,000 to \$59,999	93	69	44	32	30	268
\$60,000 to \$74,999	124	93	60	43	40	360
\$75,000 to \$99,999	42	34	22	16	15	128
\$100,000 to \$124,999	22	18	11	8	8	66
\$125,000 to \$149,999	16	13	8	6	6	48
\$150,000 to \$199,999	5	4	3	2	2	16
\$200,000 & Over	2	2	1	1	1	7
Total	1,009	656	419	299	282	2,665

Source: ESRI; Urban Decision Group

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

Demographic Summary

Nearly one-fourth of the market is occupied by renter households. Overall, population and household trends within the Site PMA have been positive since 2000 and are projected to remain positive through 2023. Renter households are also projected to experience positive growth between 2020 and 2023. Additionally, the 2,636 renter households estimated in 2020 represent a sufficient base of continued support in the market for the subject development. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied. This indicates that pent-up demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

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

The subject site is within the Florence, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$61,100 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 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
Three-Person	\$34,260

The largest subject units (two-bedroom) at the subject site will continue to generally house up to three-person households. As such, the maximum allowable income at the subject site is **\$34,260**.

2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to SCSHFDA 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 \$619. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,428. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$21,223**.

Considering that the subject project will continue to offer Rental Assistance (RA) on 21 of the 24 units post LIHTC renovations, it will continue to serve 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	\$34,260
LIHTC Only without RA	\$21,223	\$34,260

3. **DEMAND COMPONENTS**

The following are the demand components as outlined by South Carolina (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 29.1% to 43.5% (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, 7.0% 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.*

- 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, all 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.

Demand Component	Percent of Median Household Income	
	As Proposed w/RA (\$0-\$34,260)	Tax Credit Only (\$21,223-\$34,260)
Demand from New Renter Households (Income-Appropriate)	1,410 - 1,477 = -67	445 - 465 = -20
+		
Demand from Existing Households (Rent Overburdened)	1,477 X 43.5% = 642	465 X 29.1% = 135
+		
Demand from Existing Households (Renters in Substandard Housing)	1,477 X 7.0% = 103	465 X 7.0% = 33
+		
Demand from Existing Households (Senior Homeowner Conversion)	N/A	
=		
Total Demand	678	148
-		
Supply (Directly Comparable Units Built and/or Funded Since 2020)	0	0
=		
Net Demand	678	148
Subject Units	24	24
Subject Units / Net Demand	24 / 678	24 / 148
Capture Rate	= 3.5%	= 16.2%

N/A - Not Applicable

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 21 of the 24 units and will require an overall capture rate of 3.5%, 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 most units and operated exclusively under the LIHTC program, its capture rate would be 16.2%. This capture rate is also considered low and achievable.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	35.0%
Two-Bedroom	40.0%
Three-Bedroom	25.0%
Total	100.0%

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

As Proposed with Subsidy

Units Targeting 60% Of AMHI with RA (678 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 (35%)	237	0	237	8	3.4%
Two-Bedroom (40%)	271	0	271	16	5.9%
Three-Bedroom (25%)	170	0	170	-	-

*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 (148 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 (35%)	52	0	52	8	15.4%
Two-Bedroom (40%)	59	0	59	16	27.1%
Three-Bedroom (25%)	37	0	37	-	-

*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 rates by bedroom type are 3.4% and 5.9%. These capture rates are 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 rates by bedroom type are 15.4% and 27.1%, which are also considered achievable.

6. ABSORPTION PROJECTIONS

All 24 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 24 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 24 units at the subject site will reach a stabilized occupancy of 93.0% within approximately two months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 10 to 11 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.

Should RA not be secured, and the project had to operate exclusively under the LIHTC program, the 24 LIHTC units at the subject site would likely experience a slightly extended absorption period of approximately two to three months. This is based on an estimated absorption rate of approximately eight to nine 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

Although the subject project will continue to operate with Rental Assistance (RA) on the majority of units, we select non-subsidized Low-Income Housing Tax Credit (LIHTC) product. We identified and surveyed one non-subsidized LIHTC project within the market, Yorkshire at the Providence (Map ID 5). Given the limited amount of such product type within the Pamlico Site PMA, we identified and surveyed three additional non-subsidized LIHTC projects outside of the market, but within the nearby region of Florence. Note that these three projects outside of the market will not directly compete with the subject development, as they derive demographic support from a different geographical region. These properties outside of the market were selected for comparability purposes only. The four selected LIHTC properties are summarized in the following table, along with the subject development:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pembrook Apartments	1986 / 2022	24	100.0%	-	4 HH	Families; 60% AMHI & RD 515
5	Yorkshire at the Providence	2019	37	100.0%	17.4 Miles	12-18 Months	Families; 50% & 60% AMHI
903	Cambridge Court Apts.	2003	64	100.0%	21.3 Miles	300 HH	Families; 50% & 60% AMHI
905	Coit Village	2008	60	100.0%	20.7 Miles	32 HH	Families; 50% & 60% AMHI
910	Lakota Crossing	2004	72	100.0%	18.7 Miles	117 HH	Families; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

900 series Map IDs are located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain extensive waiting lists. This illustrates 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.

Note that the one non-subsidized LIHTC project within the market, Yorkshire at the Providence, opened in June 2019. All 37 units were leased in August 2019, yielding an absorption rate of approximately 19 units per month (five units per month when considering preleasing efforts that took place in January 2019), a rapid rate for affordable housing in rural markets.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Pembroke Apartments	\$619/60% (8)	\$702/60% (16)	-	-
5	Yorkshire at the Providence	-	\$589/50% (3/0) \$619/60% (10/0)	\$685/50% (5/0) \$715/60% (19/0)	None
903	Cambridge Court Apts.	-	\$714/50% (20/0) \$814/60% (12/0)	\$820/50% (23/0) \$1,020/60% (9/0)	None
905	Coit Village	-	\$698/50% (12/0) \$791/60% (18/0)	\$804/50% (12/0) \$893/60% (18/0)	None
910	Lakota Crossing	\$578/50% (4/0)	\$695/50% (37/0) \$775/60% (3/0)	\$798/50% (26/0) \$888/60% (2/0)	None

900 series Map IDs are located outside the Site PMA

The proposed subject gross rents of \$619 and \$702 for a one- and two-bedroom unit, respectively, will be some of the lowest LIHTC rents targeting similar income levels within the market and region. This will position the subject at a competitive advantage. Additionally, 21 of the 24 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 households within the Pamlico Site PMA.

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

5 Yorkshire at the Providence 17.4 miles to site



Address: 318-320 Chapman Dr., Johnsonville, SC 29555
 Phone: (843) 384-6322 Contact: Ryn
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 37 Year Built: 2019
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 12-18 mos
 Rent Special: None

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

Notes: Tax Credit; Preleasing 1/2019, opened 6/2019



Features And Utilities

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

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

Property Amenities: Business Center (Computer); Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	3	0	1,000	\$0.41	\$405	50%
2	2	G	10	0	1,000	\$0.44	\$435	60%
3	2	G	5	0	1,250	\$0.37	\$465	50%
3	2	G	19	0	1,250	\$0.40	\$495	60%

*Adaptive Reuse

*DTS is based on drive time

903 Cambridge Court Apts. 21.3 miles to site



Address: 550 W. Darlington St., Florence, SC 29501
 Phone: (843) 413-0586 Contact: Jerrick (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 64 Year Built: 2003
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 300 HH
 Rent Special: None

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

Notes: Tax Credit; HOME Funds (32 units)



Features And Utilities

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

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

Property Amenities: Concierge Services (Package Receiving); On-Site Management; Recreation Areas (Playground); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	20	0	900	\$0.59	\$530	50%
2	2	G	12	0	900	\$0.70	\$630	60%
3	2	G	23	0	1,000	\$0.60	\$600	50%
3	2	G	9	0	1,000	\$0.80	\$800	60%

*Adaptive Reuse

*DTS is based on drive time

905 Coit Village 20.7 miles to site



Address: 240 W. Darlington St., Florence, SC 29501
 Phone: (843) 662-7008 Contact: Kimberly (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 60 Year Built: 2008
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 32 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Housing Authority of Florence

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

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

Property Amenities: Business Center (Computer, Copy, Fax); Community Room; Gazebo; Laundry Room; On-Site Management; Recreation Areas (Library, Playground); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	12	0	950	\$0.62	\$592	50%
2	2	G	18	0	950	\$0.72	\$685	60%
3	2	G	12	0	1,100	\$0.61	\$671	50%
3	2	G	18	0	1,100	\$0.69	\$760	60%

*Adaptive Reuse

*DTS is based on drive time

910 Lakota Crossing 18.7 miles to site



Address: 1741 Lakota Dr., Florence, SC 29501
 Phone: (843) 664-9030 Contact: Shamonte (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 72 Year Built: 2004
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: 117 HH
 Rent Special: None

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

Notes: Tax Credit; HOME Funds (72 units)



Features And Utilities

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

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

Property Amenities: Business Center (Computer, Copy); Community Room; Gazebo; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Playground); WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	750	\$0.66	\$493	50%
2	1	G	37	0	950	\$0.62	\$589	50%
2	1	G	3	0	950	\$0.70	\$669	60%
3	2	G	26	0	1,100	\$0.60	\$665	50%
3	2	G	2	0	1,100	\$0.69	\$755	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	Pembroke Apartments	625	737	-
5	Yorkshire at the Providence	-	1,000	1,250
903	Cambridge Court Apts.	-	900	1,000
905	Coit Village	-	950	1,100
910	Lakota Crossing	750	950	1,100

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Pembroke Apartments	1.0	1.0	-
5	Yorkshire at the Providence	-	2.0	2.0
903	Cambridge Court Apts.	-	2.0	2.0
905	Coit Village	-	2.0	2.0
910	Lakota Crossing	1.0	1.0	2.0

900 series Map IDs are located outside the Site PMA

The subject project will continue to offer the smallest LIHTC unit sizes (square feet) within the market and region. In addition, the subject project will be one of two LIHTC projects to lack an additional bathroom within its two-bedroom units. However, the small 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. Nonetheless, these characteristics have been considered in our achievable market rent analysis illustrated later in Addendum D of this report.

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*	5	903	905	910	
Appliances	Dishwasher	X	X	X	X	
	Disposal		X	X		
	Icemaker	X	X	X	X	
	Microwave	X	X	X	X	
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony		X	X		
	Deck / Patio		X	X		S
	Basement					
	Ceiling Fan	X	X	X	X	X
	Controlled Access					X
	E-Call System					
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	X	X	X	X
	W/D					
	Walk-In Closet			X		X
	Window Treatments	X	X	X	X	X
	Flooring	Carpet	X	X	X	X
Ceramic Tile						
Composite (VCT)(LVT)		X		X	X	
Hardwood						
Finished Concrete						
Vinyl						X
Upgraded	Wood Laminate / Plank					
	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
	No Provided Parking					

◆ - Senior Property

* Proposed Site(s): Pembroke Apts.

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*	5	903	905	910	
Bike Racks / Storage						
Business Center **		X		X	X	
Car Care **						
Common Patio						
Community Garden						
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse		X			
	Conference Room					
	Community Kitchen					
	Community Room				X	X
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge					
	Concierge Service **			X		
	Convenience Amenities **					
Courtyard						
Covered Outdoor Area **				X	X	
Elevator						
Laundry Room	X	X		X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care **						
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center		X			X
	Grill		X			
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library				X	
	Media Room / Theater					
	Picnic Table / Area		X			
	Playground	X	X	X	X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					
	Tennis					
	Volleyball					
Security	CCTV			X		
	Courtesy Officer					
	Gated Community					
	Gated Parking					
	Police Substation					
	Social Services **					
	Storage - Extra	S	X	X		
	Water Feature					
	WiFi					X

◆ - Senior Property

* Proposed Site(s): Pembroke Apts.

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

** Details in Comparable Property Profile Report

As the preceding table illustrates, the subject's amenities package will continue to be inferior 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 development to not offer a dishwasher and one of two to not offer a patio/balcony. Regarding community amenities, the subject project will be one of two to lack a computer center. However, the lack of the aforementioned amenities have not had an adverse impact on site marketability as evidenced by its full occupancy and waiting list.

Comparable Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (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.

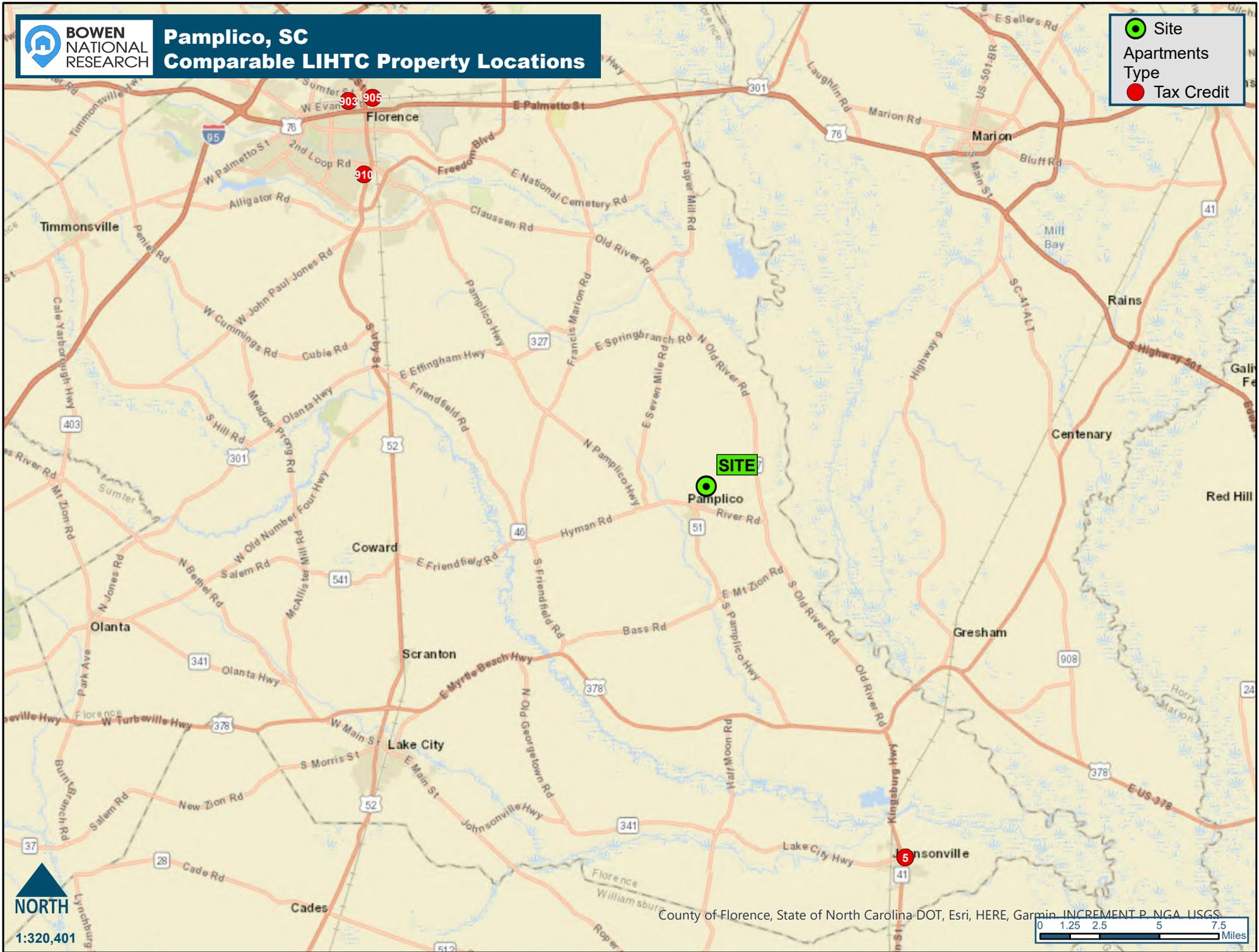
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Pamplico, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Tax Credit



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



NORTH
1:320,401

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Pamplico 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	10,401	90.0%	10,669	88.4%
Owner-Occupied	7,917	76.1%	8,033	75.3%
Renter-Occupied	2,484	23.9%	2,636	24.7%
Vacant	1,157	10.0%	1,406	11.6%
Total	11,558	100.0%	12,075	100.0%

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

Based on a 2020 update of the 2010 Census, of the 12,075 total housing units in the market, 11.6% were vacant. In 2020, it was estimated that homeowners occupied 75.3% of all occupied housing units, while the remaining 24.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Pamplico Site PMA, and the 2,636 renter households estimated in 2020 represent a sufficient base of current and potential support in the market for the subject project.

Conventional Apartments

Due to the rural nature of the market, we identified and personally surveyed only five conventional housing projects (including the subject project) containing a total of 169 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, an excellent 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
Tax Credit	1	37	0	100.0%
Government-Subsidized	4	132	0	100.0%
Total	5	169	0	100.0%

As noted, the rental communities surveyed in the market, all of which are affordable, are fully occupied and maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the Pamplico Site PMA. The subject development will continue to accommodate a portion of this unmet demand.

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

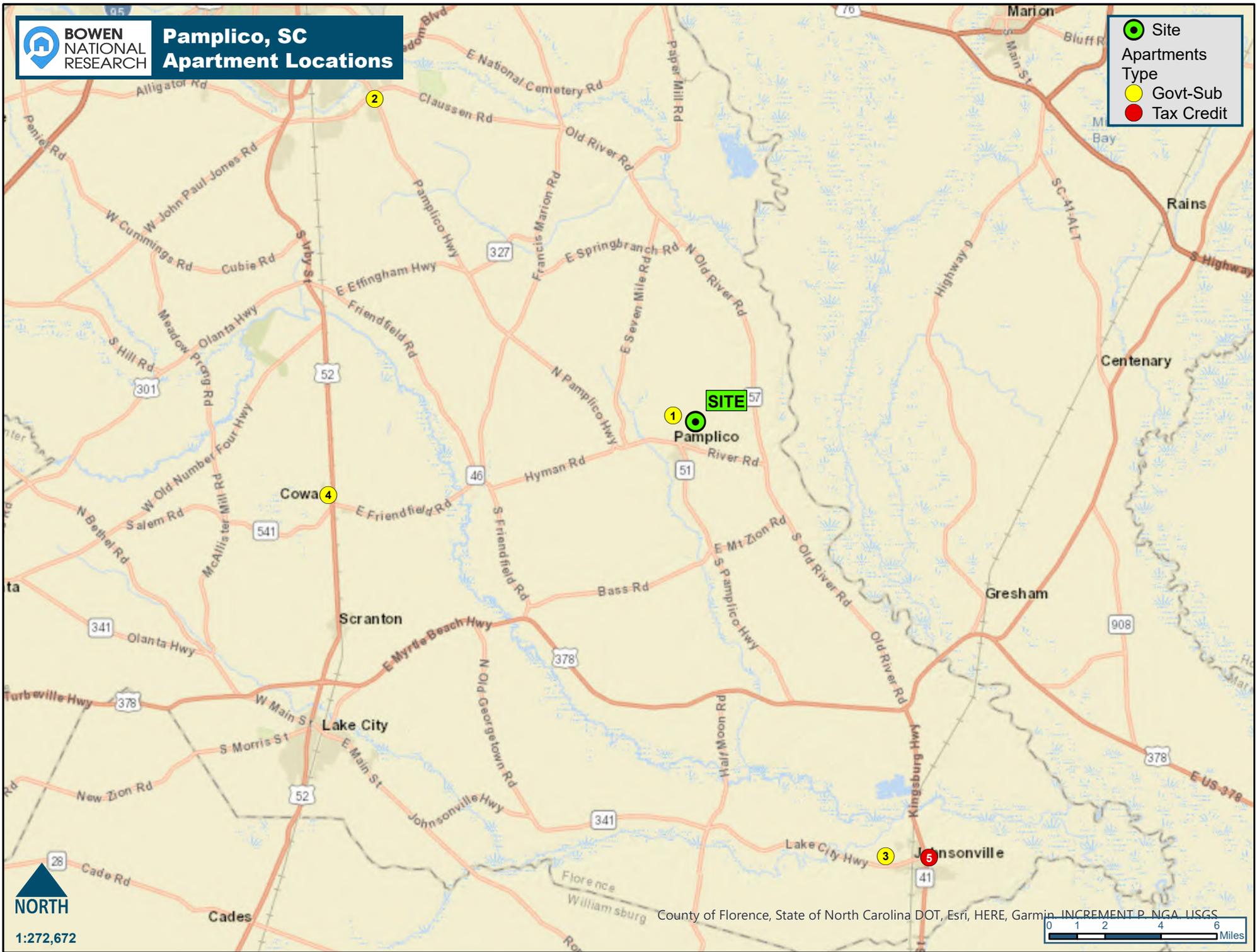
4. RENTAL HOUSING INVENTORY MAP

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



Pamplico, SC Apartment Locations

● Site
● Apartments Type
● Govt-Sub
● Tax Credit



NORTH
 1:272,672

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

 0 1 2 4 6 Miles

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 FMRs within the Florence, South Carolina HUD Metro FMR Area are \$620 for a one-bedroom unit and \$809 for a two-bedroom unit. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the FMRs with the *average current tenant-paid rent* per subsidized bedroom type, 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 FMRs with the proposed Tax Credit rents in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

Market Advantage – Current Rents

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 are \$254 for a one- and \$156 for a two-bedroom unit. The following table illustrates the subject project's market advantages 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	\$254	\$620	59.03%
Two-Bedroom	\$156	\$809	80.72%
Weighted Average			74.71%

As the preceding illustrates, the subject's market advantages range between 59.03% and 80.72% as proposed with the subsidy retained on the majority of the units. The weighted average market advantage is 74.71%. This demonstrates that the subject project will continue to represent a significant value within the Pamplico market, which is further evident by its 100.0% occupancy rate.

Market Advantage - Proposed Tax Credit Rents

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 advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

Bedroom Type	Current Tenant-Paid Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$500	\$620	19.35%
Two-Bedroom	\$557	\$809	31.15%
Weighted Average			27.88%

The proposed collected Tax Credit rents represent market advantages between 19.35% and 31.15%. Note that the weighted average market advantage is 27.88%. 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 households.

8. AFFORDABLE HOUSING IMPACT

Given that all 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 Pamlico Site PMA.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$119,821. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$119,821 home is \$721, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$119,821
Mortgaged Value = 95% of Median Home Price	\$113,830
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$577
Estimated Taxes and Insurance*	\$144
Estimated Monthly Mortgage Payment	\$721

*Estimated at 25% of principal and interest

In comparison, most 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, all 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:

- Lashader Linder, Property Manager of Pembroke Apartments (subject site), stated that while there is not necessarily a need for more affordable housing in Pamplico, there are numerous updates needed to Pembroke Apartments. Ms. Linder noted that everything with the property (including, but not limited to, roofing, flooring, cabinetry, HVAC units and appliances) needs redone, adding that air conditioning units have been particularly troublesome. This is exacerbated by the lack of affordable housing in Pamplico, as Pembroke Apartments and the nearby Pine Acres are the only available rental options. (843) 493-5898
- Jason Servoss is the Community Manager for Marion Commons Apartments, a new senior Tax Credit development in the nearby community of Lake City. Mr. Servoss stated that while there is less demand for new rental product for seniors in the area, product serving young residents and families is in high demand. (803) 790-2000
- Marlene Rollins, City Clerk and Treasurer with the City of Johnsonville, stated there is a need for affordable housing in the area. Ms. Rollins noted that there is not a lot of affordable housing within Johnsonville and most multi-family rental properties are located closer to Pamplico. (843) 386-2069

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 24-unit Pembroke 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.

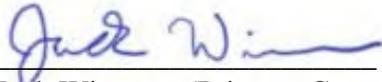
The subject site is currently 100.0% occupied and maintains a four-household waiting list for the next available unit. As the subject project is anticipated to continue to offer a subsidy on the majority of the units, we expect all current tenants to remain at the subject project. Even in the unlikely 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 16.2%, illustrating that a good base of demographic support will exist for the subject project. Additionally, the proposed Tax Credit rents represent market rent advantages of between 20.99% and 21.26% (as illustrated later in Addendum D of this report), illustrating that they will likely represent good values to low-income renters within the market.

Nonetheless, the project-based subsidy will continue to be offered and will represent substantial values to low-income renters within the Pamlico 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 16, 2021

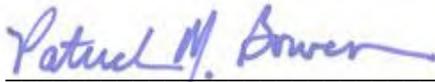


Nathan Stelts

Market Analyst

nathans@bowennational.com

Date: April 16, 2021



Patrick M. Bowen

President/Market Analyst

Bowen National Research

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Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: April 16, 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

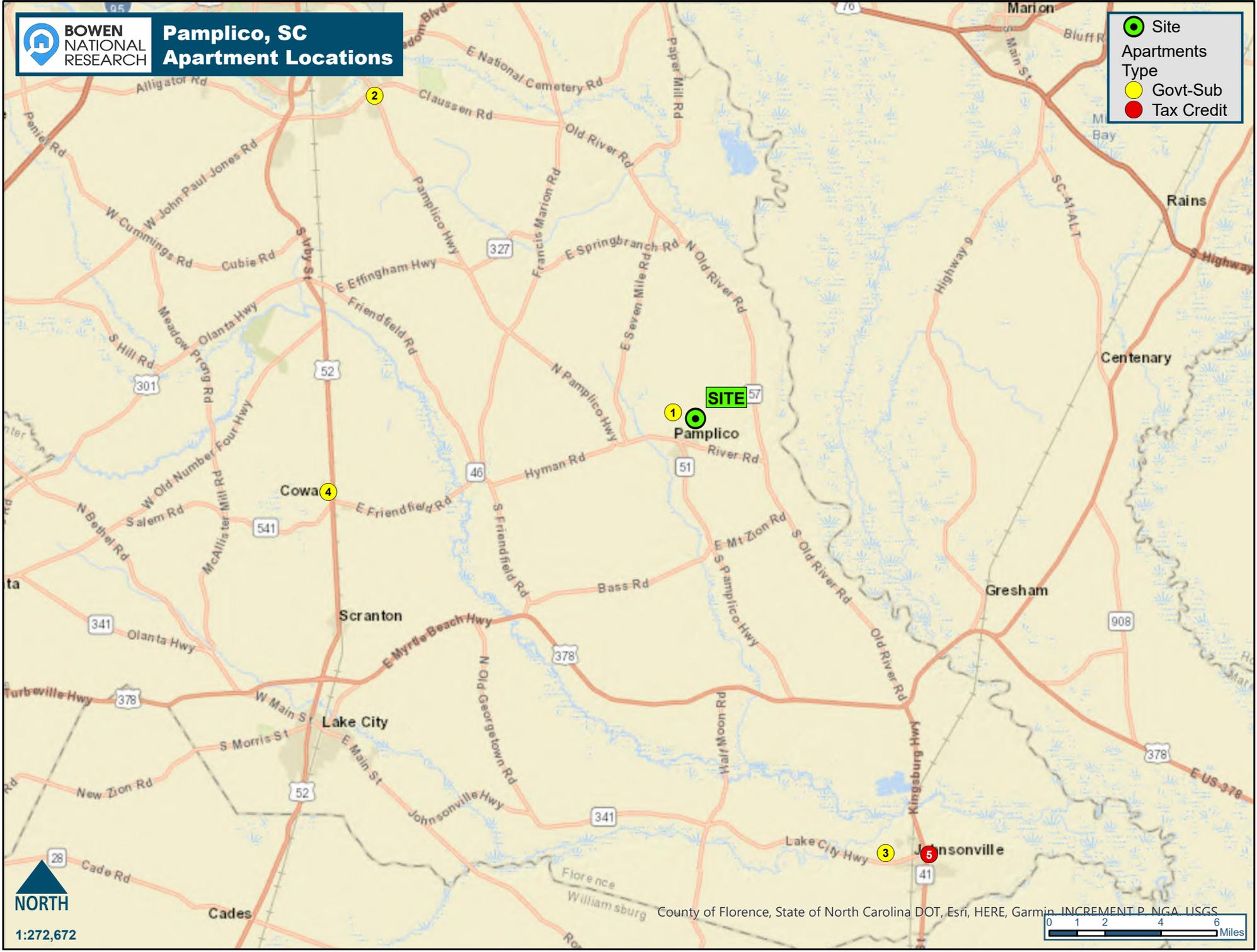
ADDENDUM A:

FIELD SURVEY OF CONVENTIONAL RENTALS



Pamplico, SC Apartment Locations

● Site
● Apartments Type
● Govt-Sub
● Tax Credit



NORTH
1:272,672

County of Florence, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 1 2 4 6 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Pembrook Apts.	GSS	C+	1986	24	0	100.0%	-
2	Hickory Knoll	GSS	B	2002	48	0	100.0%	15.4
3	Johnsonville	GSS	C	1980	54	0	100.0%	18.0
4	Pine Acres	GSS	B-	1980	6	0	100.0%	12.4
5	Yorkshire at the Providence	TAX	B+	2019	37	0	100.0%	17.4
902	Bentree Apartment Homes	MRR	B	1982	132	0	100.0%	21.8
903	Cambridge Court Apts.	TAX	B	2003	64	0	100.0%	21.3
904	Charles Pointe	MRR	B	2001	168	2	98.8%	18.8
905	Coit Village	TAX	B	2008	60	0	100.0%	20.7
910	Lakota Crossing	TAX	A-	2004	72	0	100.0%	18.7
911	Landmark Woods	MRR	B-	1974	104	0	100.0%	20.7
916	Patriot Place	MRR	B	1978	168	4	97.6%	17.7
918	Sedgefield	MRR	C+	1980	272	0	100.0%	20.3

*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	

1	Pembrook Apts. 464 E. 6th St., Pamplico, SC 29583	Contact: Lashader Phone: (843) 493-5898
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1986 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: RD 515, has RA (21 units)	
2	Hickory Knoll 2206 Pamplico Hwy., Florence, SC 29505	Contact: Shelby Phone: (843) 676-9944
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2002 BR: 1 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 202 PRAC	
3	Johnsonville 311 Liberty St., Johnsonville, SC 29555	Contact: Faye Phone: (843) 374-3541
	Total Units: 54 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: shared; 1097 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8; Washer hookups only	
4	Pine Acres 113 Hicks Rd., Coward, SC 29530	Contact: Pansy Phone: (843) 394-2688
	Total Units: 6 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1980 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: RD 515, has RA (6 units)	
5	Yorkshire at the Providence 318-320 Chapman Dr., Johnsonville, SC 29555	Contact: Ryn Phone: (843) 384-6322
	Total Units: 37 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2019 BR: 2, 3 Vacant Units: 0 Waitlist: 12-18 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 1/2019, opened 6/2019	

 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	



902	Bentree Apartment Homes 200 Bentree Ln, Florence, SC 29501	Contact: Bernard Phone: (843) 669-5399
	 <p>Total Units: 132 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1982 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 16 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Higher rent for renovated units</p>	



903	Cambridge Court Apts. 550 W. Darlington St., Florence, SC 29501	Contact: Jerrick Phone: (843) 413-0586
	 <p>Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2003 BR: 2, 3 Vacant Units: 0 Waitlist: 300 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (32 units)</p>	



904	Charles Pointe 201 Millstone Rd, Florence, SC 29505	Contact: Cindy Phone: (843) 661-0111
	 <p>Total Units: 168 UC: 0 Occupancy: 98.8% Stories: 3 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to ongoing remodeling by unit & 1st-floor units are an additional \$20</p>	



905	Coit Village 240 W. Darlington St., Florence, SC 29501	Contact: Kimberly Phone: (843) 662-7008
	 <p>Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2008 BR: 2, 3 Vacant Units: 0 Waitlist: 32 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	



910	Lakota Crossing 1741 Lakota Dr., Florence, SC 29501	Contact: Shamonte Phone: (843) 664-9030
	 <p>Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2004 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 117 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (72 units)</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	



<div style="background-color: #0056b3; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">911</div>	Landmark Woods 1400 Cherokee Rd., Florence, SC 29501		Contact: Vanessa Phone: (843) 407-6580	
		Total Units: 104 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 3-br; 3 HH



<div style="background-color: #0056b3; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">916</div>	Patriot Place 4711 Patriot Ln., Florence, SC 29506		Contact: Iris Phone: (843) 665-8505	
		Total Units: 168 UC: 0 BR: 0, 1, 2, 3 Target Population: Family Rent Special: None Notes: Rent range on floor level	Occupancy: 97.6% Vacant Units: 4	Stories: 2 Waitlist: None



<div style="background-color: #0056b3; color: white; padding: 5px; font-weight: bold; font-size: 1.2em;">918</div>	Sedgefield 1300 Valparaiso Dr, Florence, SC 29503		Contact: Jennifer Phone: (843) 667-6063	
		Total Units: 272 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: 2 mos

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: Housing Authority of Florence
Effective: 10/2018

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	12	12	14	16	19		12	12	14	16	19	
	+Base Charge	11	11	11	11	11		11	11	11	11	11	
	Bottled Gas	28	28	33	38	44		28	28	33	38	44	
	Electric	18	18	23	27	33		18	18	23	27	33	
	Heat Pump	9	9	11	13	16		9	9	11	13	16	
	Oil	34	34	40	46	54		34	34	40	46	54	
Cooking	Natural Gas	3	3	5	5	6		3	3	5	5	6	
	Bottled Gas	7	7	10	11	14		7	7	10	11	14	
	Electric	6	6	8	9	11		6	6	8	9	11	
Other Electric	25	25	30	36	41		25	25	30	36	41		
	+Base Charge	8	8	8	8	8		8	8	8	8	8	
Air Conditioning		10	10	13	16	18		10	10	13	16	18	
Water Heating	Natural Gas	13	13	16	22	29		13	13	16	22	29	
	Bottled Gas	29	29	36	49	63		29	29	36	49	63	
	Electric	18	18	24	37	50		18	18	24	37	50	
	Oil												
Water		25	25	29	33	36		25	25	29	33	36	
Sewer		43	43	49	54	60		43	43	49	54	60	
Trash Collection		6	6	6	6	6		6	6	6	6	6	
Internet*		20	20	20	20	20		20	20	20	20	20	
Cable*		20	20	20	20	20		20	20	20	20	20	
Alarm Monitoring*													

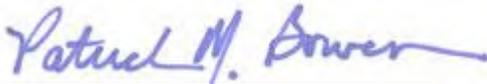
* Estimated- not from source

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:

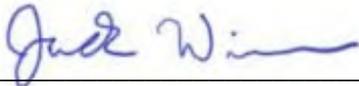


Patrick M. Bowen

President

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Date: April 16, 2021



Jack Wiseman (Primary Contact)

Market Analyst

jackw@bowennational.com

Date: April 16, 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		2. CASE NUMBER		3. PROJECT NO.
4. AUDIT RECEIVABLES	5. LATE FEES	6. COST ITEMS	7. OVG/SURG	8. LOAN PAYMENT
9. PAST DUE	10. UNITS ON RA	11. TOTAL RA	12. RA CHECK	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.

Addendum D – Achievable Market Rent Analysis

A. INTRODUCTION

We were not able to survey any market-rate developments within the market at the time this report was issued. Therefore, we surveyed five market-rate properties near the Pamplico Site PMA that we consider comparable in terms of age, unit sizes (square feet) unit and/or 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
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the 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	Pembroke Apartments	1984 / 2022	24	100.0%	-	8 (100.0%)	16 (100.0%)	-
902	Bentree Apartment Homes	1982	132	100.0%	-	36 (100.0%)	72 (100.0%)	24 (100.0%)
904	Charles Pointe	2001	168	98.8%	-	42 (95.2%)	114 (100.0%)	12 (100.0%)
911	Landmark Woods	1974	104	100.0%	-	24 (100.0%)	56 (100.0%)	24 (100.0%)
916	Patriot Place	1978	168	97.6%	72 (95.8%)	45 (97.8%)	35 (100.0%)	16 (100.0%)
918	Sedgefield	1980	272	100.0%	-	67 (100.0%)	160 (100.0%)	45 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside the Site PMA

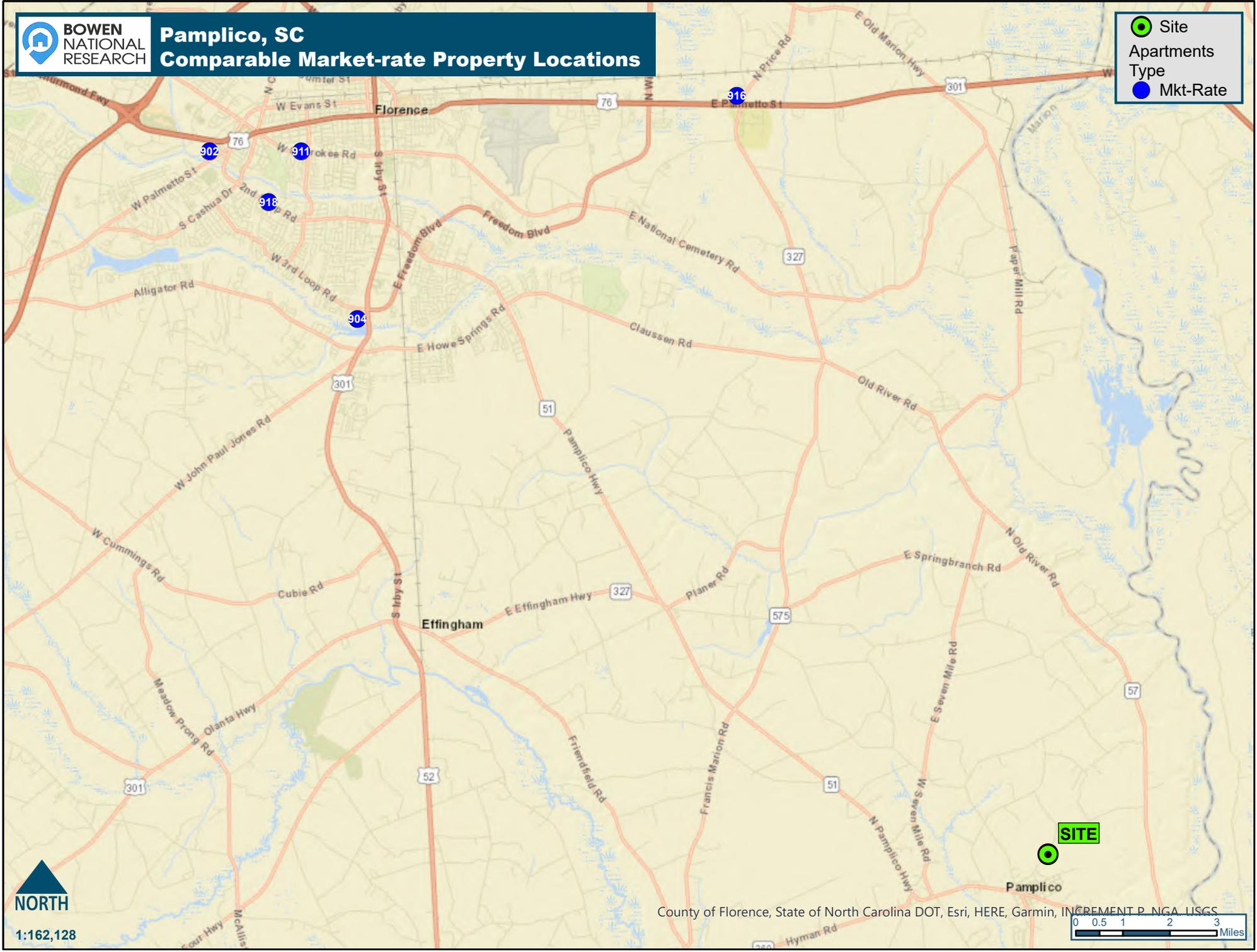
The five selected market-rate projects have a combined total of 844 units with an overall occupancy rate of 99.3%, a very strong rate for rental housing. This illustrates that these projects have been very well received within the region and will serve as accurate benchmarks with which to compare the subject development.

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



Pamplico, SC Comparable Market-rate Property Locations

- Site
- Apartments Type
- Mkt-Rate



NORTH
1:162,128

County of Florence, State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.5 1 2 3 Miles

Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pembroke Apartments		Bentree Apartment Homes		Charles Pointe		Landmark Woods		Patriot Place		Sedgefield	
464 East 6th Avenue		200 Bentree Ln		201 Millstone Rd		1400 Cherokee Rd.		4711 Patriot Ln.		1300 Valparaiso Dr	
Pamplico, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$790		\$860		\$770		\$775		\$655	
2	Date Surveyed	Mar-21		Mar-21		Mar-21		Mar-21		Mar-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		95%		100%		98%		100%	
5	Effective Rent & Rent/ sq. ft	\$790	1.22	\$860	1.23	\$770	0.99	\$775	1.16	\$655	1.01
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/3		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1986/2022		2001	\$3	1974	\$30	1978	\$26	1980	\$24
8	Condition/Street Appeal	G		G		G		G		F	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$119)	No	(\$129)	No	(\$116)	No	(\$116)	No	(\$98)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	625	(\$7)	700	(\$21)	778	(\$43)	670	(\$13)	650	(\$7)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C/W		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)	N/N	\$5	N/Y	(\$5)
18	Washer/Dryer	HU/L	\$10	HU	\$5	HU	\$5	L	\$10	L	\$10
19	Floor Coverings	C/V		C/V/V		C/V		C/L		C/W/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
23	Ceiling Fan/Storage	Y/N	(\$5)	Y/N		Y/N		Y/N		Y/Y	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
27	Community Space	N	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
28	Pool/Recreation Areas	N	(\$10)	P/F	(\$15)	P	(\$10)	P/F/S/MT	(\$21)	P/T	(\$13)
29	Computer/Business Center	N		N		Y	(\$3)	Y	(\$3)	N	
30	Picnic Area/Grill	Y	\$3	Y		N	\$3	Y		Y	
31	Playground	N	(\$3)	Y	(\$3)	N		Y	(\$3)	Y	(\$3)
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$6	N/N	\$6
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	10	2	8	3	9	3	6	3	9
41	Sum Adjustments B to D	\$16	(\$169)	\$8	(\$193)	\$38	(\$202)	\$41	(\$161)	\$49	(\$146)
42	Sum Utility Adjustments							\$6		\$6	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$153)	\$185	(\$185)	\$201	(\$164)	\$240	(\$114)	\$208	(\$91)	\$201
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$637		\$675		\$606		\$661		\$564	
45	Adj Rent/Last rent		81%		78%		79%		85%		86%
46	Estimated Market Rent	\$635	\$1.02	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

TWO-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pembroke Apartments		Bentree Apartment Homes		Charles Pointe		Landmark Woods		Patriot Place		Sedgefield	
464 East 6th Avenue		200 Bentree Ln		201 Millstone Rd		1400 Cherokee Rd.		4711 Patriot Ln.		1300 Valparaiso Dr	
Pamplico, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC		Florence, SC	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?		\$825		\$995		\$875		\$895		\$715	
2 Date Surveyed		Mar-21		Mar-21		Mar-21		Mar-21		Mar-21	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft		\$825	0.97	\$995	1.00	\$875	0.92	\$895	0.96	\$715	0.79
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	WU/2	WU/2		WU/3		WU/2		WU/2		WU/2	
7 Yr. Built/Yr. Renovated	1986/2022	1982/2019	\$3	2001	\$3	1974	\$30	1978	\$26	1980	\$24
8 Condition/Street Appeal	G	G		G		G		G		F	\$15
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$124)	No	(\$149)	No	(\$131)	No	(\$134)	No	(\$107)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1	1.5	(\$15)	2	(\$30)	2	(\$30)	1		1	
13 Unit Interior Sq. Ft.	737	850	(\$26)	1000	(\$61)	946	(\$49)	930	(\$45)	900	(\$38)
14 Patio/Balcony	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
15 AC: Central/Wall	C	C		C		C		C/W		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/N	N/Y	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	N/Y	(\$5)
18 Washer/Dryer	HU/L	L	\$10	HU	\$5	HU	\$5	L	\$10	L	\$10
19 Floor Coverings	C/V	C/V		C/V/V		C/V		C/L		C/W/V	
20 Window Treatments	Y	Y		Y		Y		Y		Y	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23 Ceiling Fan/Storage	Y/Y	Y/Y		Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		Y	
26 Security Features	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
27 Community Space	N	Y	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
28 Pool/Recreation Areas	N	P	(\$10)	P/F	(\$15)	P	(\$10)	P/F/S/MT	(\$21)	P/T	(\$13)
29 Computer/Business Center	N	N		N		Y	(\$3)	Y	(\$3)	N	
30 Picnic Area/Grill	Y	N	\$3	Y		N	\$3	Y		Y	
31 Playground	N	Y	(\$3)	Y	(\$3)	N		Y	(\$3)	Y	(\$3)
32 Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/G		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/G		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/G		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	N/N		N/N		N/N		N/N		N/N	
39 Trash/Recycling	Y/N	Y/N		Y/N		Y/N		N/N	\$6	N/N	\$6
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		3	10	3	9	4	10	3	8	3	8
41 Sum Adjustments B to D		\$16	(\$203)	\$13	(\$283)	\$43	(\$253)	\$41	(\$221)	\$49	(\$181)
42 Sum Utility Adjustments								\$6		\$6	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$187)	\$219	(\$270)	\$296	(\$210)	\$296	(\$174)	\$268	(\$126)	\$236
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$638		\$725		\$665		\$721		\$589	
45 Adj Rent/Last rent			77%		73%		76%		81%		82%
46 Estimated Market Rent	\$705	\$0.96		← 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 Grids, it was determined that the present-day achievable market rents for units similar to the subject development are \$635 for a one-bedroom unit and \$705 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$500	\$635	21.26%
Two-Br.	\$557	\$705	20.99%
Weighted Average			21.08%

The proposed collected rents represent market rent advantages ranging from 20.99% to 21.26%. 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 rents should represent good values 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 2004. The selected properties were built between 1974 and 2001; however, one was partially extensively renovated in 2019. 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.

10. All of the selected market-rate properties are located outside of the Pamplico Site PMA in Florence. The Florence market is much larger than Pamplico in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Florence will not directly translate to the Pamplico market. Therefore, we have adjusted each collected rent at these comparable projects by approximately 15.0% to account for this market difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does 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.