

# Market Feasibility Analysis

Dillon Graded School Apartments  
301 Martin Luther King Jr. Boulevard  
Dillon, Dillon County, South Carolina 29536

*Prepared For*

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*Effective Date*

March 27, 2020

*Job Reference Number*

20-213 JW



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## 2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Dillon Graded School Apartments	Total # Units: 37
Location:	301 Martin Luther King Jr. Blvd, Dillon SC 29536	# LIHTC Units: <b>37</b>
PMA Boundary:	Dillon County boundaries	
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 19.0 miles

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

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	20	786	10	98.7%
Market-Rate Housing	5	182	6	96.7%
Assisted/Subsidized Housing not to include LIHTC	6	294	4	98.6%
<b>LIHTC (All that are stabilized)*</b>	<b>9</b>	<b>310</b>	<b>0</b>	<b>100.0%</b>
Stabilized Comps**	2	64	0	100.0%
Non-stabilized Comps	0	-	-	-

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

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	Studio	1.0	530	\$425	\$513	\$0.97	17.15%	\$1,100	\$1.82
33	One	1.0	750	\$422	\$592	\$0.79	28.72%	\$1,100	\$1.82
<b>Gross Potential Rent Monthly*</b>				<b>\$15,626</b>	<b>\$21,588</b>		<b>27.62%</b>		

\*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)

	2010	2019		2022	
Renter Households 62+		603	14.7%	651	15.1%
Income-Qualified Renter HHs (LIHTC)		424	70.3%	433	66.5%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	As Proposed w/Subsidy	LIHTC Only 50%	LIHTC Only 60%	LIHTC Only Overall	Other:	Overall (as proposed)
Renter Household Growth	9	2	3	3		9
Existing Households (Overburd + Substand)	235	102	109	109		235
Homeowner conversion (Seniors)	61	26	28	28		61
Other:	-	-	-	-		-
Less Comparable/Competitive Supply	0	0	0	0		0
<b>Net Income-qualified Renter HHs</b>	<b>305</b>	<b>130</b>	<b>140</b>	<b>140</b>		<b>305</b>

### CAPTURE RATES (found on page G-5)

Targeted Population	As Proposed w/Subsidy	LIHTC Only 50%	LIHTC Only 60%	LIHTC Only Overall	Other:	Overall (as proposed)
Capture Rate	12.1%	25.4%	2.9%	26.4%		12.1%

### ABSORPTION RATE (found on page G-6)

Absorption Period: 3 months
-----------------------------

2/2020

2020 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Programmatic Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Fair Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
4	0 BR	\$425	\$1,700	\$513	\$2,052	
33	1 BR	\$422	\$13,926	\$592	\$19,536	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	37		\$15,626		\$21,588	27.62%

## B. Project Description

Project Name:	<b>Dillon Graded School Apartments</b>
Location:	301 Martin Luther King Jr. Boulevard, Dillon, South Carolina 29536 (Dillon County)
Census Tract:	9703.00
Target Market:	Senior 62+
Construction Type:	Adaptive Reuse
Funding Source:	4% Tax-Exempt Bond

The subject project involves the adaptive reuse of an existing building located at 301 Martin Luther King Junior Boulevard in Dillon, South Carolina into a 37-unit rental housing project to be known as Dillon Graded School Apartments. The project will target senior households ages 62 and older earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, the units set aside at 50% of AMHI will operate with a HUD Section 202 subsidy. The proposed project is expected to be complete by March 2022. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
4	Studio	1.0	Garden	530	60%	\$425	\$59	\$484	\$550
33	One-Br	1.0	Garden	750	50%/Sec. 202	\$544	\$69	\$613	\$491
37	Total								

Source: Tapestry Development Group, Inc.

AMHI – Area Median Household Income (Dillon County, SC; 2020)

*Note that tenants residing within the subsidized units at the subject project will effectively pay up to 30% of their adjusted gross household income towards gross rent. The maximum allowable LIHTC gross rent of \$491 is the programmatic limit for one-bedroom units targeting households earning up to 50% of AMHI. However, this limit would only apply in the unlikely scenario that these units did not operate with a project-based subsidy. Note that the maximum allowable gross LIHTC rent for these units have been utilized throughout the remainder of this report.*

Building/Site Information	
Residential Buildings:	Five (5) two-story buildings
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	4.8

Construction Timeline	
Original Year Built:	1896 (Adaptive Reuse)
Construction Start:	September 2020
Begin Preleasing:	December 2021
Construction End:	March 2022

Unit Amenities		
• Electric Range	• Microwave	• Carpet/Hardwood/Wood Laminate
• Refrigerator w/Icemaker	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Walk-In Closet
• Dishwasher	• Ceiling Fan	

**Community Amenities**

- |                               |                                    |                                    |
|-------------------------------|------------------------------------|------------------------------------|
| • Computer/Business Center    | • Car Charging Station             | • Elevator                         |
| • Laundry Room                | • On-Site Management               | • Community Garden                 |
| • Courtyard                   | • Clubhouse                        | • Conference Room                  |
| • Community Room with Kitchen | • TV Lounge                        | • Basketball Court                 |
| • Beauty Parlor/Barber Shop   | • Greenhouse                       | • Cafeteria                        |
| • Fitness Center/Gymnasium    | • Game Room/Billiards              | • Media Room/Theater               |
| • Sports Court                | • Yoga Room                        | • Police Substation                |
| • Classes                     | • Social Service Coordinator       | • Health Screenings/Medical Clinic |
| • Parties/Picnics             | • Auditorium                       | • Dog Park                         |
| • Dog Wash                    | • Surface Parking Lot (132 Spaces) |                                    |

**Utility Responsibility**

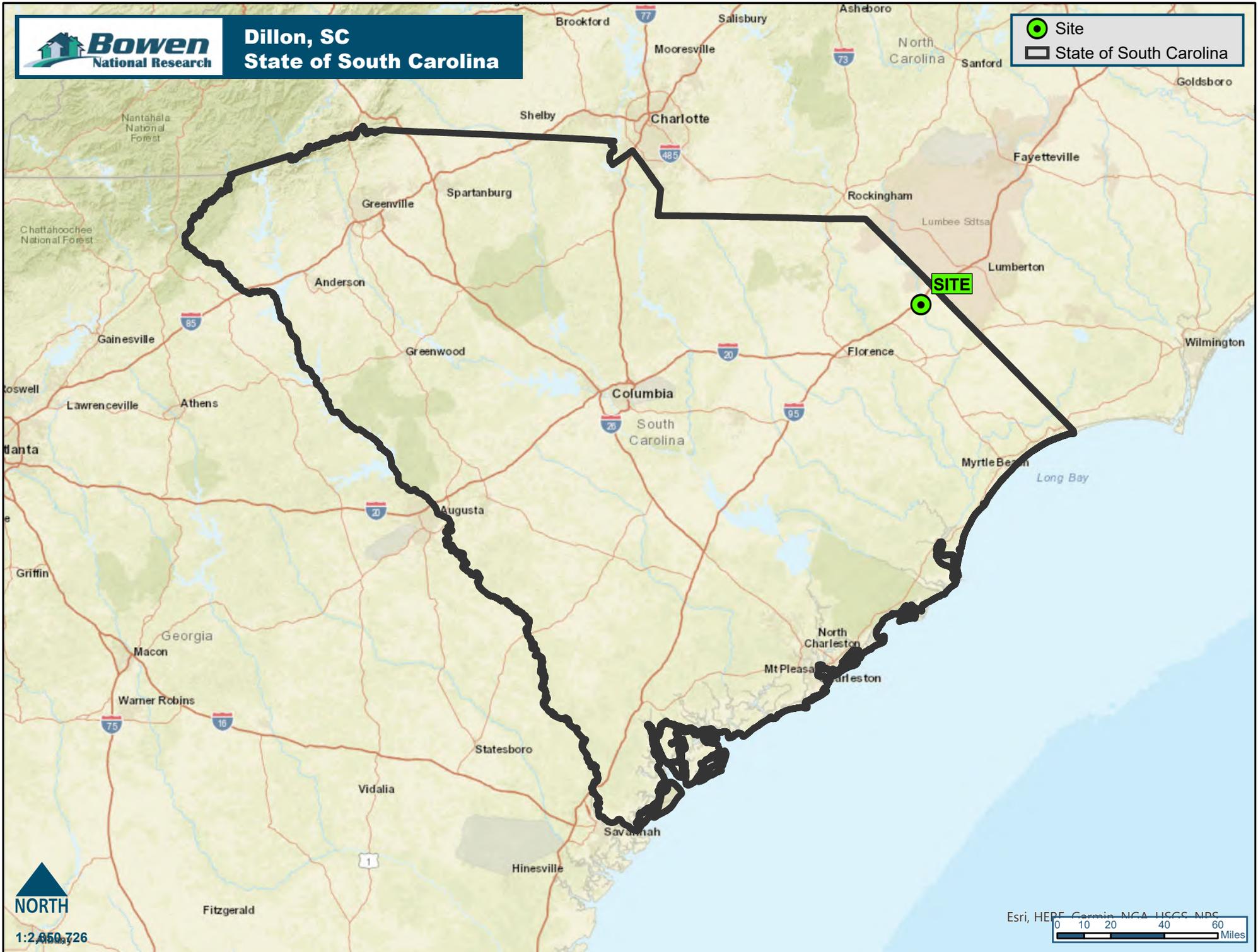
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
<b>Paid By</b>	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
<b>Source</b>	Electric	Electric	Electric				

A state map, an area map and a site neighborhood map are on the following pages.



# Dillon, SC State of South Carolina

● Site  
▭ State of South Carolina

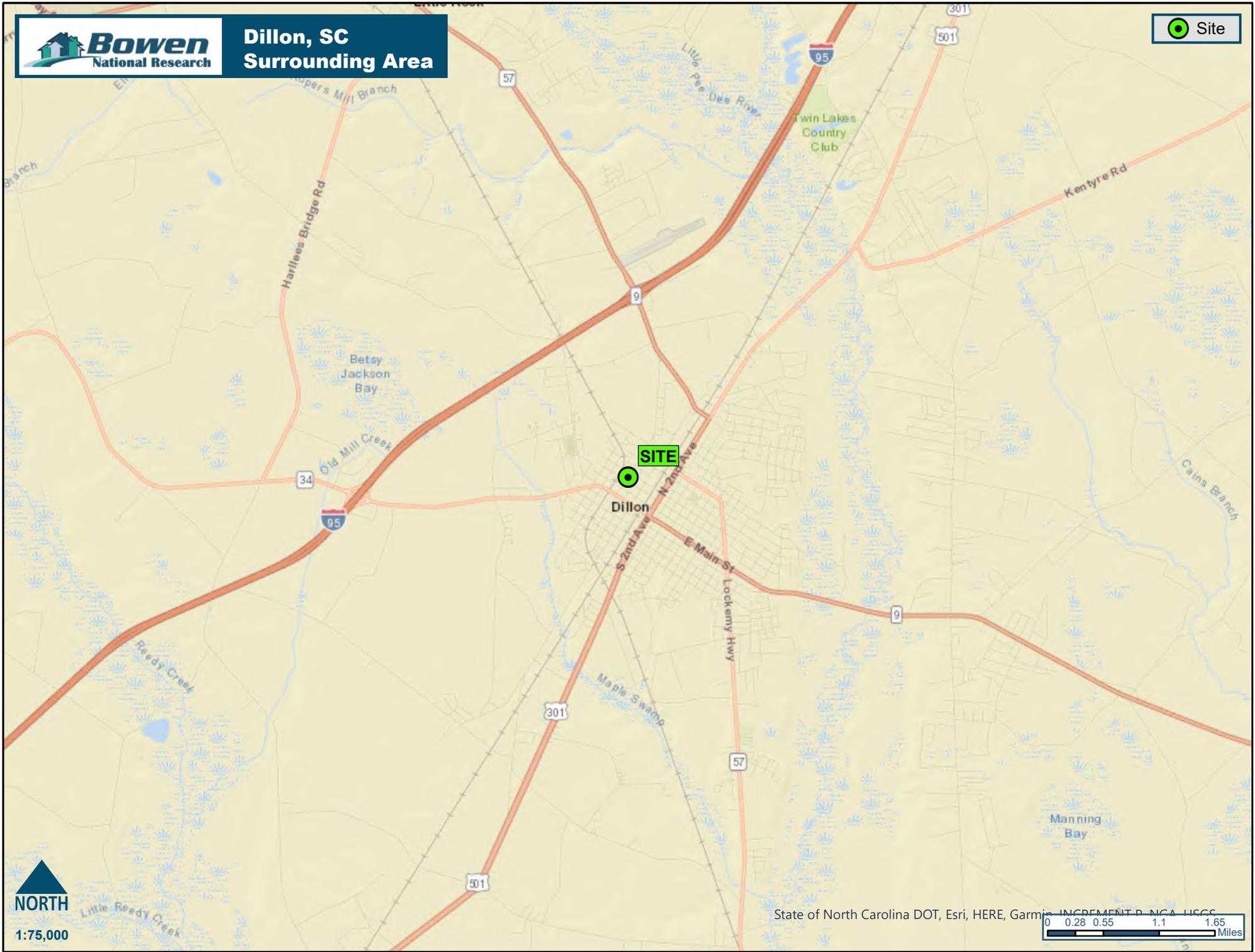


1:2,850,726

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



# Dillon, SC Surrounding Area



**NORTH**  
1:75,000

State of North Carolina DOT, Esri, HERE, Garmin, INCREMENT P, NCA, USGS  
0 0.28 0.55 1.1 1.65 Miles

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of March 9, 2020. Specifically, the subject site was inspected on Wednesday, March 12, 2020. 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, Dillon Graded School Apartments, is a proposed adaptive reuse renovation of the existing J.V. Martin Junior High School located at 301 Martin Luther King Jr. Boulevard in the north-central portion of Dillon, South Carolina. Located within Dillon County, Dillon is approximately 29.0 miles northeast of Florence, South Carolina and approximately 63.0 miles northwest of Myrtle Beach, South Carolina. Following is a description of surrounding land uses:

<b>North -</b>	The northern boundary is defined by West Washington Street, a two-lane residential road with light traffic. Continuing north are a ball field, single-family homes in fair to good condition and wooded land. Extending farther north are additional single-family homes, commercial buildings and undeveloped land.
<b>East -</b>	The eastern boundary is defined by Martin Luther King Jr. Boulevard, a two-lane residential road with light traffic. Continuing east are a tennis court, single-family homes and commercial buildings in fair to good condition. Extending farther east are a passenger railway containing light to moderate traffic operated by Amtrak, single-family homes and commercial buildings.
<b>South -</b>	The southern boundary is defined by West Cleveland Street, a two-lane residential road with light traffic. Continuing south are a vacant lot, single-family homes, KJ's Market IGA grocery store and other commercial buildings, all of which are in good condition. Extending farther south are the U.S. Post Office, Dillon County Sheriff's office and commercial buildings.
<b>West -</b>	The western boundary is defined by a thin tree line. Continuing west are railroad tracks containing light traffic, single-family homes and commercial buildings in fair to good condition. Extending farther west are single-family homes, mobile homes, apartments and commercial buildings, as well as undeveloped land.

The proposed site is situated within an established mixed-use area of Dillon, comprised mostly of multi- and single-family homes, commercial buildings and wooded/vacant land. Buildings and structures within a block of the site are in fair to good condition. As such, an adaptive reuse renovation of the J.V. Martin Junior High School into apartments is expected to fit well with the surrounding land uses and they should contribute to its marketability.

### 3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 34	0.2 South
	U.S. Highway 301/501	0.3 East
	State Route 57	1.1 North
	Interstate 95	1.6 North
Public Bus/Train Stop	Amtrak	0.3 Southeast
Major Employers/ Employment Centers	McLeod Medical Center-Dillon	0.6 East
	Walmart Supercenter	1.7 North
Convenience Store	Marathon	0.4 Southeast
	Food Mart	0.4 West
Grocery	KJ's Market IGA	Adjacent Southwest
	Food Lion	0.8 Northeast
Discount Department Store	Family Dollar	0.4 Southeast
	Dollar General	0.8 Northeast
	Roses Discount Store	1.1 Northeast
	Walmart Supercenter	1.7 North
Shopping Center/Mall	Dillon Plaza	0.9 North
Hospital/Medical Center	Med First Urgent Care	0.4 East
	McLeod Medical Center-Dillon	0.6 East
Police	Dillon Police Department	0.3 Southwest
Fire	City of Dillon Fire Department	0.7 Southeast
	Dillon County Fire Department Station #1	0.7 South
Post Office	U.S. Post Office	0.2 Southwest
Bank	First Citizens Bank & Trust	0.3 East
	First Bank	0.3 South
Recreational Facilities	Criterion Recreation Center	0.3 Northwest
	City of Dillon Wellness Center	2.1 Northeast
Gas Station	Marathon	0.4 Southeast
	Food Mart	0.4 West
Pharmacy	Dillon Community Pharmacy	0.1 South
	Dillon Family Pharmacy	0.6 East
Restaurant	Kintyre House	0.2 South
	Southern Fried Restaurant	0.2 South
	Hardee's	0.3 Southeast
Senior Services	Dillon County Council for the Aging	0.4 Southeast
Community Center	Criterion Recreation Center	0.3 Northwest
Library	J.V. Martin Library	0.2 Northeast
Church	St. Stephens United Methodist	0.3 Northeast
Park	Harmon Field	0.6 East

As the preceding illustrates, most area services such as dining/entertainment, shopping, employment and mass transit are located within 2.0 miles of the subject site and are easily accessible given the site's proximity to State Routes 34 and 57 and U.S. Highway 301/501, all of which serve as commercial corridors within the Dillon area. Access to Interstate 95 is approximately 1.6 miles north of the site. Notable services within 1.0 mile of the subject site include, but are not limited to, KJ's Market IGA, First Citizens Bank & Trust, St. Stephens United Methodist Church, Marathon gas station/convenience store, Family Dollar, Southern Fried Restaurant, J.V. Martin Library, Harmon Park, which includes a playground, open space to walk and ball fields, Dillon Community Pharmacy and Dillon County Council For Aging, which provides meal, activities and other services for the elderly. In addition, there is a train station 0.3 miles southeast of the site, operated by Amtrak.

Public safety services are provided by the Dillon Police Department, which is located within 0.3 miles southwest of the site. The City of Dillon Fire Department and Dillon County Fire Department Station #1 are both located within 0.7 miles. The nearest full-service hospital is the McLeod Medical Center-Dillon, located 0.6 miles east of the site. Additionally, Med First Urgent Care and Dillon Family Medical Center are located within 0.6 miles. Pharmacies are accessed within approximately 1.0 mile of the site, with the closest, Dillon Family Pharmacy, only 0.1 mile away.

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

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

Dillon Graded School Apartments



View of site from the north



View of site from the east



View of site from the south



View of site from the west



North view from site



East view from site

Dillon Graded School Apartments



South view from site



West view from site



Streetscape: Northeast view of Martin Luther King Jr. Boulevard



Streetscape: Southwest view of Martin Luther King Jr. Boulevard



Streetscape: Northwest view of West Cleveland Street

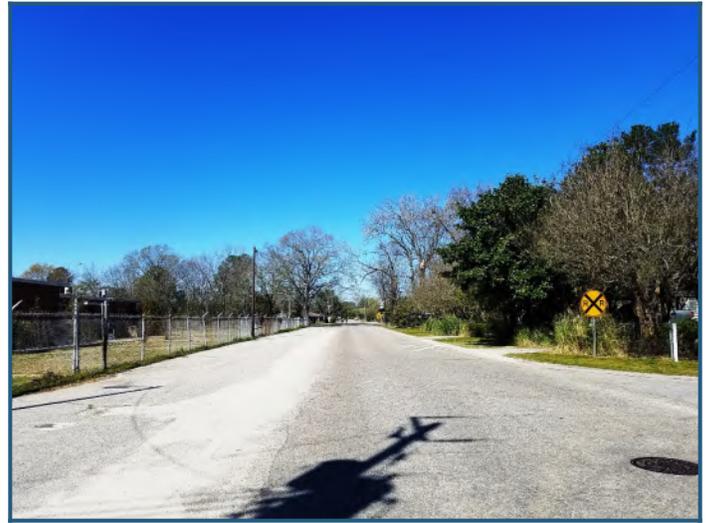


Streetscape: Southeast view of West Cleveland Street

Dillon Graded School Apartments



Streetscape: Northwest view of West Washington Street



Streetscape: Southeast view of West Washington Street

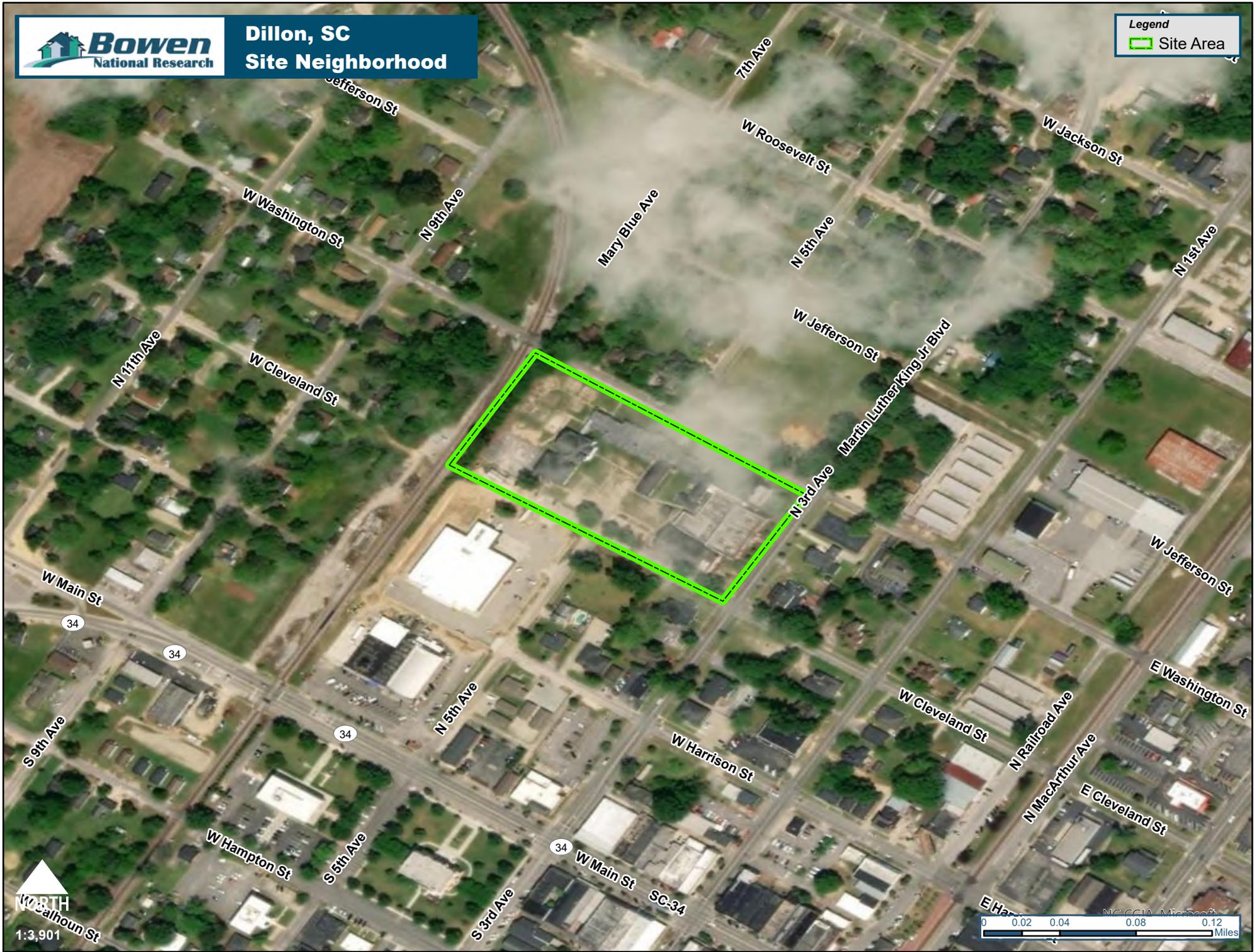
**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.



# Dillon, SC Site Neighborhood

Legend  
Site Area

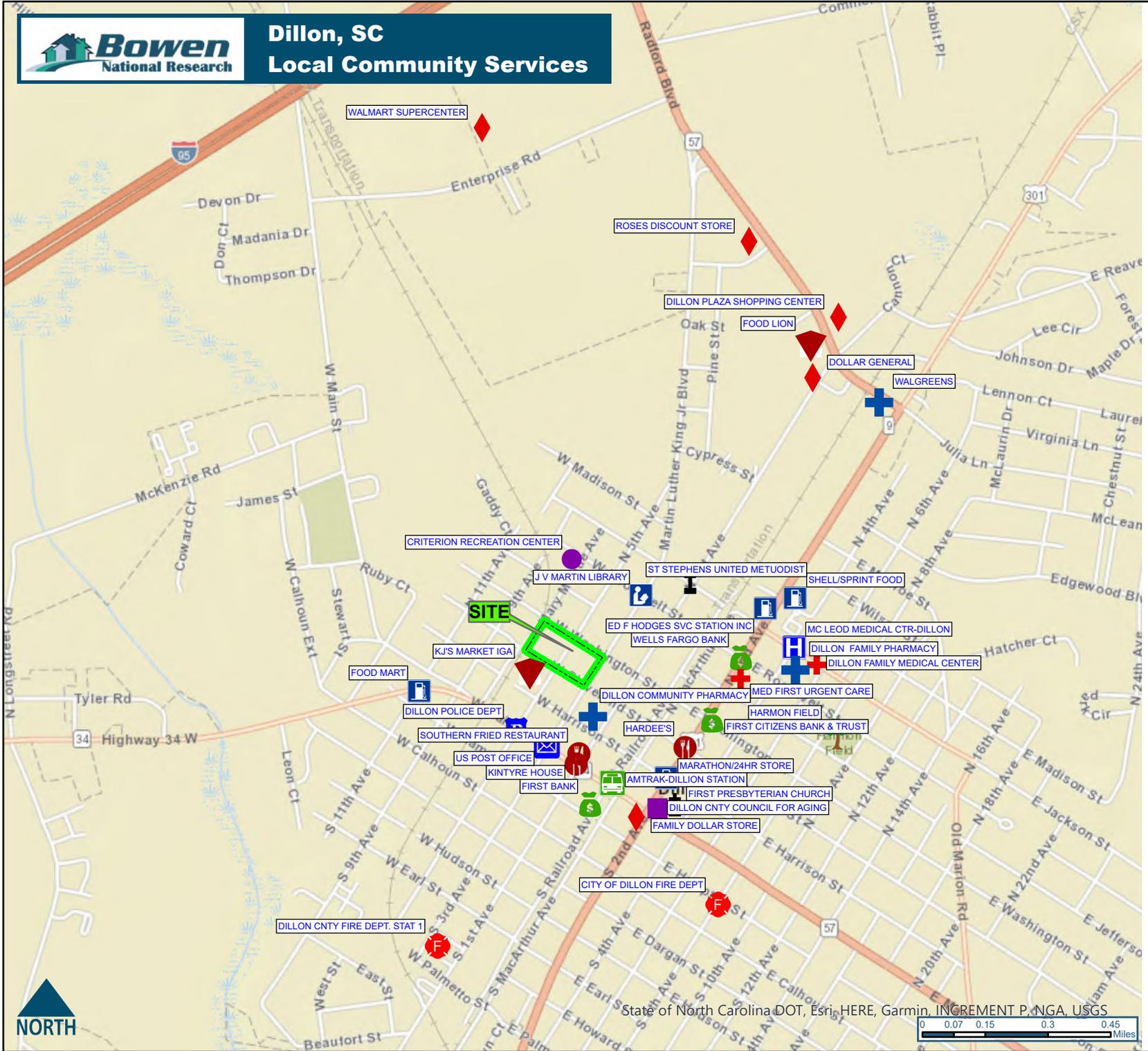


1:3,901  
NORTH  
W Calhoun St

0 0.02 0.04 0.08 0.12 Miles



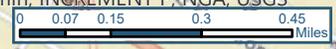
# Dillon, SC Local Community Services



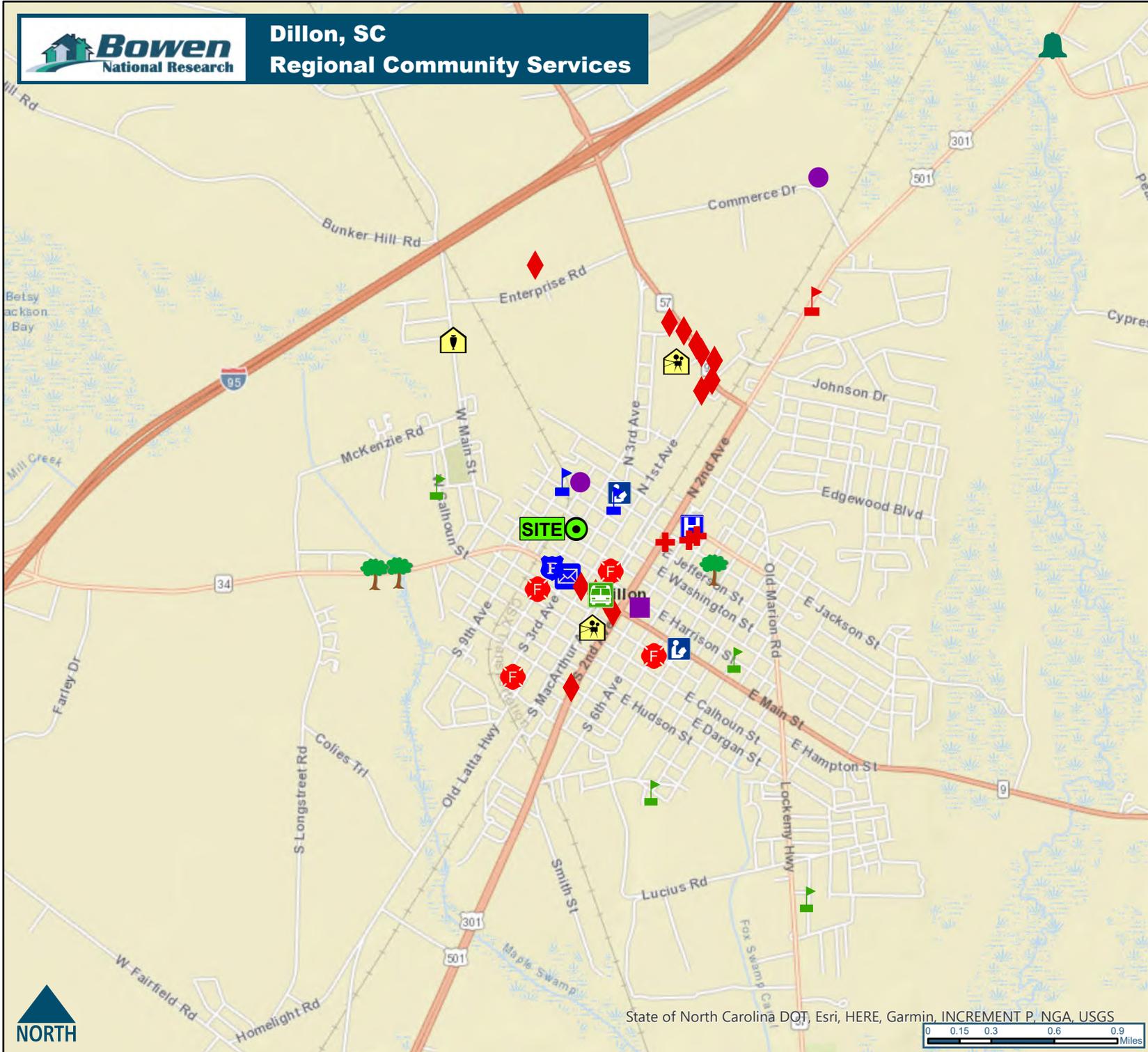
- Legend**
- Site Area
  - Bank
  - Church
  - Fire
  - Gas
  - Grocery
  - Hospital
  - Library
  - Medical Center
  - Park
  - Pharmacy
  - Police
  - Post Office
  - Recreation Center
  - Restaurant
  - Senior Services
  - Shopping
  - Transit



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



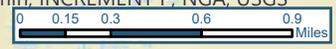
1:20,000



- Legend**
- Site
  - Cinema
  - Elementary School
  - Fire
  - High School
  - Hospital
  - Library
  - Medical Center
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Senior Services
  - Shopping
  - Transit
  - University



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



1:40,000

## 6. CRIME ISSUES

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

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

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

Total crime risk for the site's ZIP Code is 225, with an overall personal crime index of 289 and a property crime index of 215. Total crime risk for Dillon County is 181, with indexes for personal and property crime of 256 and 170, respectively.

	Crime Risk Index	
	Site ZIP Code	Dillon County
<b>Total Crime</b>	<b>225</b>	<b>181</b>
<b>Personal Crime</b>	<b>289</b>	<b>256</b>
Murder	471	369
Rape	139	116
Robbery	156	136
Assault	368	329
<b>Property Crime</b>	<b>215</b>	<b>170</b>
Burglary	276	240
Larceny	210	157
Motor Vehicle Theft	113	109

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index within the site's ZIP Code (225) is above that of Dillon County (181), both of which are above the national average (100). However, the perception of crime within the area has not had an adverse impact on the overall marketability of the Dillon rental housing market, as evidenced by the strong occupancy levels maintained at the majority of properties surveyed. In addition, the subject project will offer security features such as on-site management and a police substation, which will likely mitigate any potential concerns of crime by residents. Overall, it is not anticipated that the perception of crime within the area will have a significant adverse impact on the site's marketability. A map illustrating crime risk is on the following page.



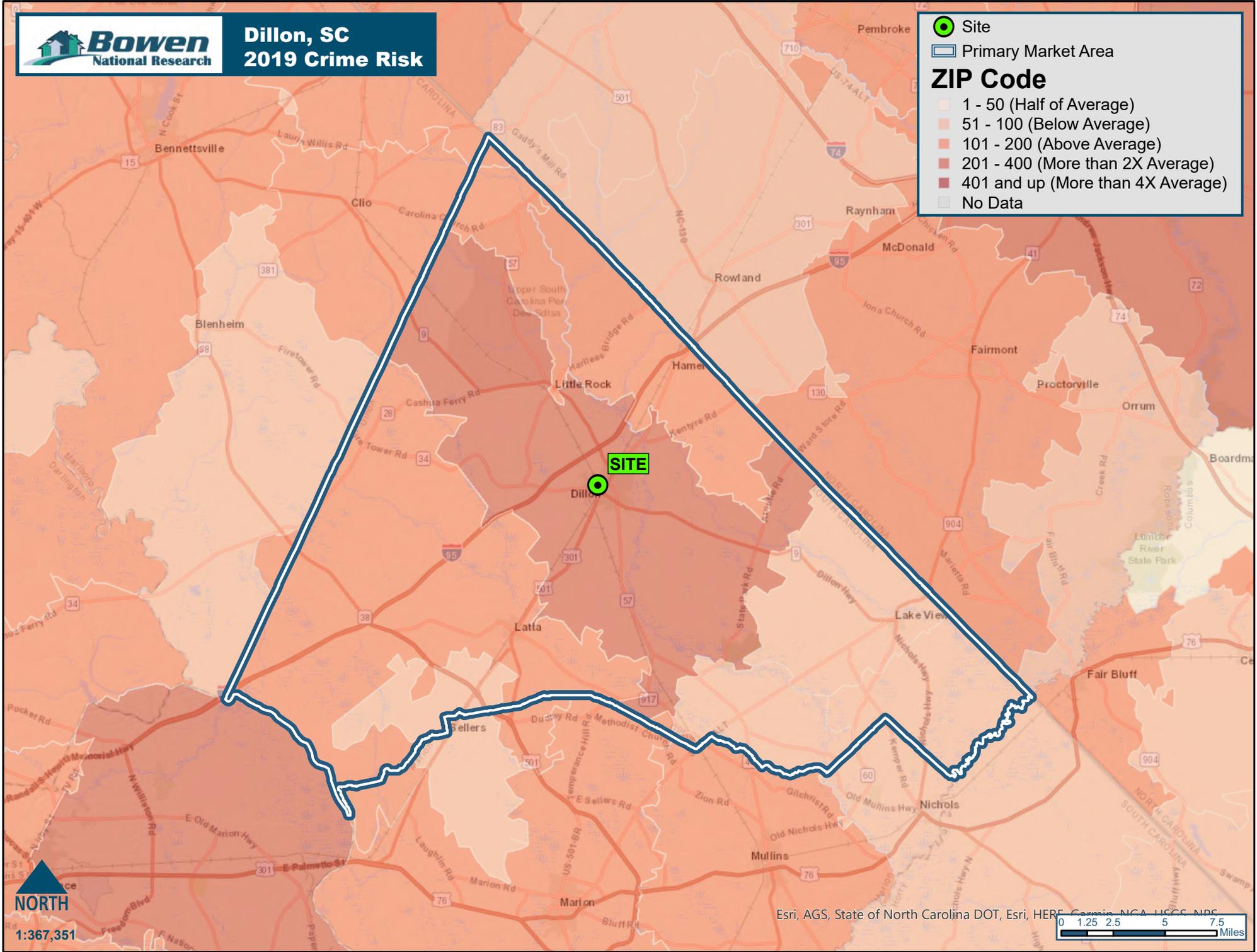
# Dillon, SC 2019 Crime Risk

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  
1:367,351

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

## **7. ACCESS AND VISIBILITY**

The subject property will derive access from Martin Luther King Jr. Boulevard, a two-lane residential roadway that borders the site to the east. Traffic was observed to be light, which allows for convenient ingress and egress. This roadway also provides direct access to and from West Main Street/State Route 34, approximately 0.2 miles south of the site, and North Second Avenue/U.S. Highway 301/501, approximately 0.3 miles east of the site. West Main Street/State Route 34 is a four-lane, northwest-southeast arterial roadway with light to moderate traffic. North Second Avenue/U.S. Highway 301/501 is a four-lane, northeast-southwest commercial corridor roadway with moderate to heavy traffic. Overall, access is considered good. Visibility of the site within the immediate area is considered good due to the mostly unobstructed views from Martin Luther King Jr. Boulevard. Additionally, the KJ's Market IGA grocery is adjacent to the site, which will create additional drive-by traffic within the site area. However, the site will not be visible to motorists traveling along arterial roadways and, as such, permanent and/or promotional signage is recommended to enhance the subject's awareness.

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

There are railroad/commuter tracks adjacent west and 0.3 miles east of the site. Based on our on-site observations and interviews with area stakeholders, these tracks generate minimal train traffic. As such, the nearby railroad/commuter tracks are not anticipated to have a significant adverse impact on the proposed development's marketability.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is situated within an established mixed-use area in the north-central portion of Dillon and fits well with the surrounding land uses. Visibility of the subject site within the immediate area is considered good due to the anticipated unobstructed views of the site from traffic along Martin Luther King Jr. Boulevard, directly east of the site and with additional passerby traffic coming from the KJ's Market IGA grocery store adjacent to the site to the southwest. However, the site will not be visible to motorists traveling along arterial roadways and, as such, permanent and/or promotional signage is recommended. Access to and from the site is considered good, due to the light traffic on Martin Luther King Jr. Boulevard. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social and public safety services are all within 1.5 miles. Proximity and ease of access to State Routes 34 and 57, U.S. Highway 301/501 and Interstate 95 enhances access and marketability of the site. Overall, we consider the site's location and proximity to community services to have a positive effect on its marketability.

## D. Primary Market Area Delineation

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

The Dillon Site PMA includes Dillon, Latta and Lake View, as well as the remaining unincorporated areas of Dillon County. The boundaries of the Site PMA are the boundaries of Dillon County in all directions. All areas of the Site PMA are within approximately 19.0 miles of the site. The Site PMA includes the following Census Tracts:

9701.00	9702.00	9703.00*
9704.00	9705.00	9706.00

\*Subject site location

Robin Sagendorph is the Property Manager of BrookStone Landing (Map ID 1), a general-occupancy Tax Credit community in Dillon. Ms. Sagendorph stated that most of the tenants at her property have originated from Dillon County and believes the subject site will experience similar trends, thus confirming the Site PMA. Dillon is the county seat, with several community services, employment opportunities and housing alternatives. Therefore, low-income residents seeking affordable housing within all areas of the county would most likely take advantage of such housing if it were made available in Dillon.

Beth Tuberville is the Property Manager of Southside II (Map ID 18), a general-occupancy government-subsidized community in Latta. Ms. Tuberville also confirmed the Site PMA boundaries, stating that most of her property's tenants have originated from within Dillon County and expects that the proposed development will experience similar trends.

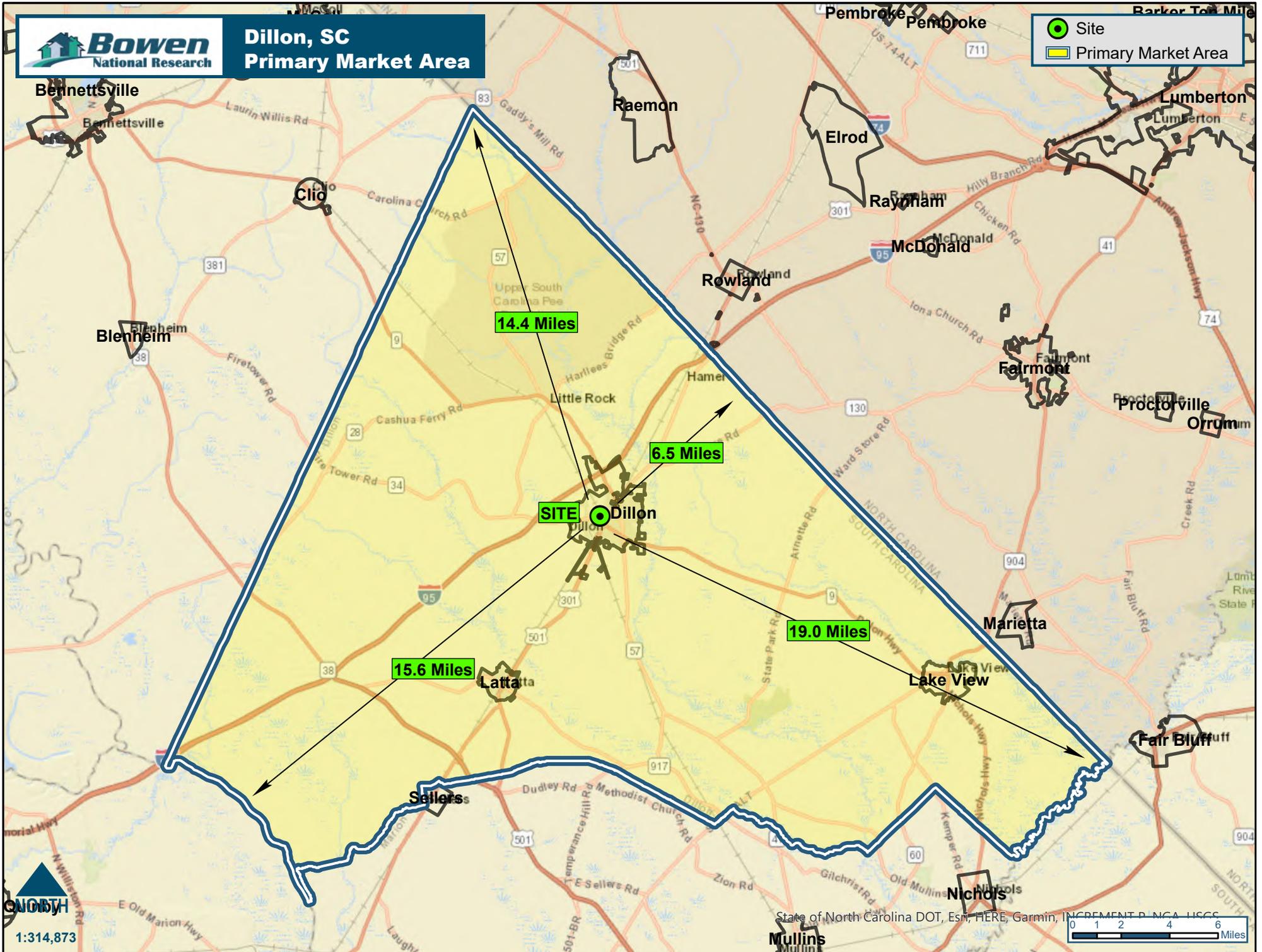
The majority of rental housing opportunities in Dillon County are located in the city of Dillon. The town of Latta and Lakeview are substantially smaller than Dillon and dominated by homeowners. However, the Site PMA was designed to include all three municipalities, as it is likely that any potential tenants in these areas would seek affordable rental housing in Dillon. This is especially, considering the amount of community services and employment opportunities that are available within Dillon, as well as the existence of multiple arterial roadways within the city.

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



# Dillon, SC Primary Market Area

- Site
- ▭ Primary Market Area



**NORTH**  
1:314,873

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

## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

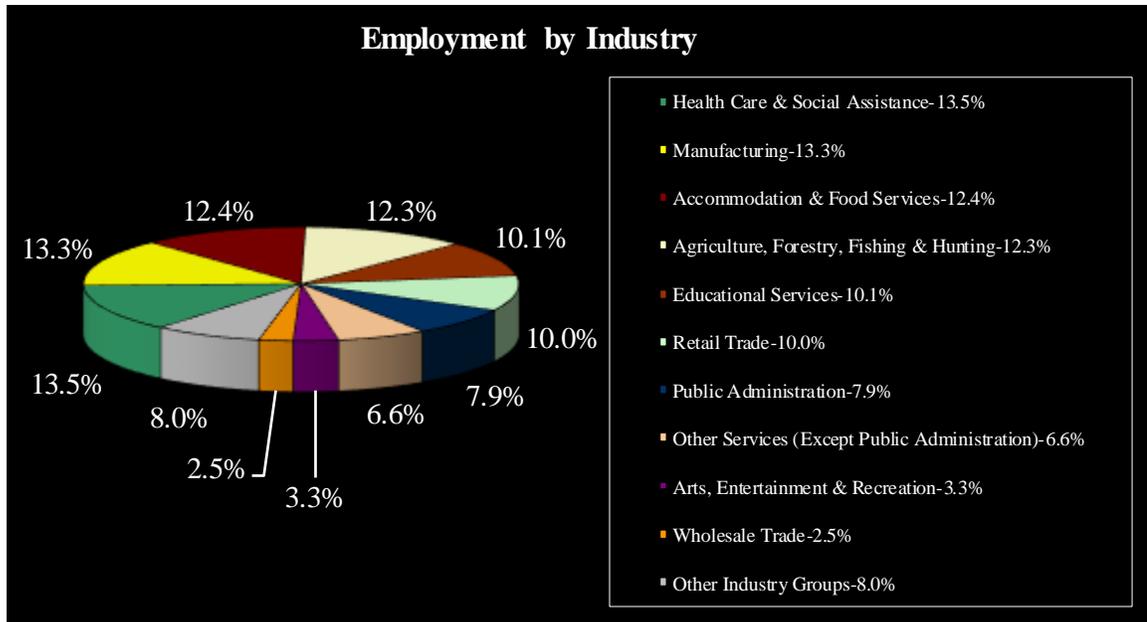
The labor force within the Dillon Site PMA is based primarily in six sectors. Health Care & Social Assistance (which comprises 13.5%), Manufacturing (13.3%), Accommodation & Food Services (12.4%), Agriculture, Forestry, Fishing & Hunting (12.3%), Educational Services (10.1%) and Retail Trade (10.0%) comprise over 70.0% of the Site PMA labor force. Employment in the Dillon Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	23	2.5%	1,204	12.3%	52.3
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.1%	8	0.1%	8.0
Construction	19	2.1%	58	0.6%	3.1
Manufacturing	23	2.5%	1,305	13.3%	56.7
Wholesale Trade	31	3.4%	247	2.5%	8.0
Retail Trade	183	20.0%	973	10.0%	5.3
Transportation & Warehousing	20	2.2%	179	1.8%	9.0
Information	9	1.0%	46	0.5%	5.1
Finance & Insurance	51	5.6%	206	2.1%	4.0
Real Estate & Rental & Leasing	32	3.5%	120	1.2%	3.8
Professional, Scientific & Technical Services	35	3.8%	121	1.2%	3.5
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	11	1.2%	29	0.3%	2.6
Educational Services	33	3.6%	986	10.1%	29.9
Health Care & Social Assistance	79	8.6%	1,315	13.5%	16.6
Arts, Entertainment & Recreation	14	1.5%	326	3.3%	23.3
Accommodation & Food Services	74	8.1%	1,213	12.4%	16.4
Other Services (Except Public Administration)	176	19.2%	648	6.6%	3.7
Public Administration	87	9.5%	777	7.9%	8.9
Nonclassifiable	16	1.7%	15	0.2%	0.9
<b>Total</b>	<b>917</b>	<b>100.0%</b>	<b>9,776</b>	<b>100.0%</b>	<b>10.7</b>

\*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 Northeast South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Northeast South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$86,310	\$103,100
Business and Financial Occupations	\$58,270	\$64,640
Computer and Mathematical Occupations	\$60,630	\$74,030
Architecture and Engineering Occupations	\$66,660	\$79,960
Community and Social Service Occupations	\$47,980	\$43,170
Art, Design, Entertainment and Sports Medicine Occupations	\$36,510	\$48,550
Healthcare Practitioners and Technical Occupations	\$71,470	\$73,040
Healthcare Support Occupations	\$27,820	\$29,070
Protective Service Occupations	\$39,340	\$38,670
Food Preparation and Serving Related Occupations	\$22,190	\$21,910
Building and Grounds Cleaning and Maintenance Occupations	\$24,430	\$25,170
Personal Care and Service Occupations	\$22,770	\$24,210
Sales and Related Occupations	\$26,560	\$34,590
Office and Administrative Support Occupations	\$32,050	\$34,970
Construction and Extraction Occupations	\$38,910	\$41,220
Installation, Maintenance and Repair Occupations	\$40,540	\$44,730
Production Occupations	\$34,850	\$39,000
Transportation and Moving Occupations	\$31,910	\$33,870

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

Most annual blue-collar salaries range from \$22,190 to \$47,980 within the Northeast South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$68,668. It is important to note that most occupational types within the Northeast South Carolina Nonmetropolitan Area have lower typical wages than the State of South Carolina's typical wages. Nonetheless, the proposed project will target senior households that are expected to be retired or not actively seeking employment. Therefore, the area employment base is not expected to be a factor for occupancy at the site project.

### 3. AREA'S LARGEST EMPLOYERS

The 20 largest employers within Dillon County are listed alphabetically in the following table. Note that specific employment numbers were not available at the time this report was issued.

Industry	Business Type
Barrier Reef Fiberglass Pools, Inc.	Manufacturing
Carlyle Senior Care of Fork LLC	Senior Care
City of Dillon	Government
County of Dillon	Government
Dillon County Board of Education	Education
Firstfleet, Inc.	Transportation
Floco Foods, Inc.	Retail
Franco Manufacturing Company, Inc.	Manufacturing
Harbor Freight Tools Texas LP*	Distribution
Luihn VantEdge Partners LLC	Restaurant Franchisee
Mann Hummel Filtration Technology	Manufacturing/Research
McLeod Medical Center Dillon	Health Care
Perdue Farms Incorporated	Agriculture
Pilot Travel Center LLC	Retail
Pruitthealth – Dillon LLC	Health Care
Pruitthealth Therapy Services, Inc.	Health Care
Stellar Management Group III, Inc.	Distribution
The Schafer Company, Inc.	Restaurant
Walmart Associates, Inc.	Retail
Wyman Gordon Company	Manufacturing

Source: SC Department of Employment and Workforce (3<sup>rd</sup> Quarter 2019).

\*County's largest employer.

Despite numerous attempts to contact economic representatives regarding the health of the local economy, a response was not received at the time this report was issued. Due to the COVID-19 crises, most agencies are working remotely and/or with minimal staff. The economic impacts summarized on the following page were obtained via extensive online research.

Harbor Freight Tools announced a one-million square-foot expansion of their Dillon facility in 2019. The existing facility is 2.1 million square feet. The expansion will cost \$80 million and is expected to create 500 to 600 new jobs. This facility serves 450 stores in 30 states. The expansion project began in December 2019.

Perdue Farms completed a \$25 million expansion in December 2019. The company expanded its portioning and marinating operations, added a shipping cooler, installed an automated pallet storage system, and constructed additional office space. The new expansion added 100 jobs to its existing workforce.

Marlboro Development Team announced in December 2019 that it was developing a new 254,000 square-foot distribution and logistics facility in Carolina’s Interstate 95 Megasite in Dillon County. This speculative project is expected to begin September 2020.

Infrastructure

The South Carolina Department of Transportation (SCDOT) proposed to make improvements and widen the turn lanes at the State Route 9/State Route 57 intersection in Dillon. Per SCDOT, right-of-way acquisition will take place in 2020 and project construction is scheduled to start in 2021. Completion is anticipated 12 to 18 months after construction begins.

WARN (layoff notices):

WARN Notices were reviewed in March 2020, and according to the South Carolina Works, there has been one WARN notice reported for Dillon County over the past 18 months. Below is a table summarizing this notice:

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Vesuvius USA Corporation	Dillon	NA	NA	7/31/2019

According to the 2019 WARN Notification Report distributed by SC Works, the WARN Notice submitted by Vesuvius USA Corporation pertained to the closure of the Dillon location. No information was available regarding the number of jobs lost as part of this closure.

**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.

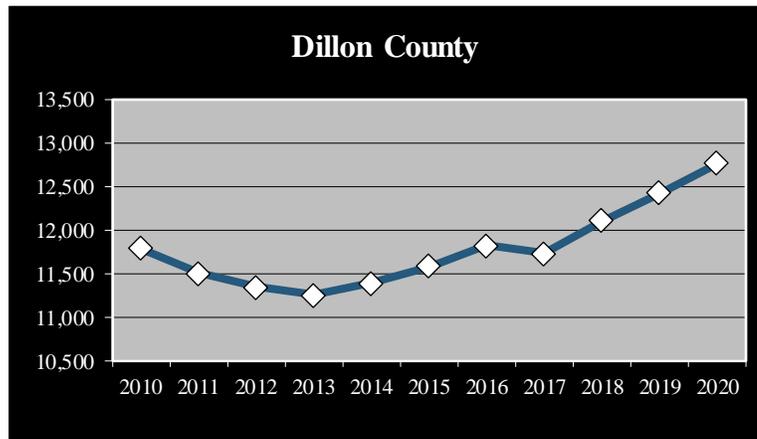
Excluding 2020, the employment base has increased by 7.3% over the past five years in Dillon County, less than the South Carolina state increase of 8.0%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Dillon County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	11,783	-	1,915,045	-	140,469,139	-
2011	11,495	-2.4%	1,945,900	1.6%	141,791,255	0.9%
2012	11,338	-1.4%	1,985,618	2.0%	143,621,634	1.3%
2013	11,248	-0.8%	2,023,642	1.9%	145,017,562	1.0%
2014	11,382	1.2%	2,078,592	2.7%	147,313,048	1.6%
2015	11,571	1.7%	2,137,158	2.8%	149,500,941	1.5%
2016	11,812	2.1%	2,181,587	2.1%	151,887,366	1.6%
2017	11,722	-0.8%	2,212,845	1.4%	154,160,937	1.5%
2018	12,096	3.2%	2,259,057	2.1%	156,081,212	1.2%
2019	12,415	2.6%	2,308,362	2.2%	158,102,439	1.3%
2020*	12,761	2.8%	2,313,562	0.2%	157,927,470	-0.1%

Source: Department of Labor; Bureau of Labor Statistics

\*Through January

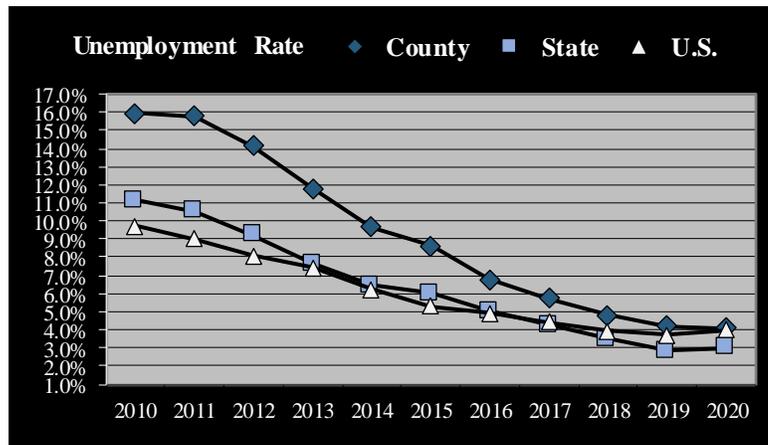


As the preceding illustrates, the Dillon County employment base has increased by 632 employees, or 5.4%, between 2010 and 2019. Although the county employment base has fluctuated during this period, it has increased each of the past two full years, reflecting an overall increase of 693 jobs, or 5.9%.

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

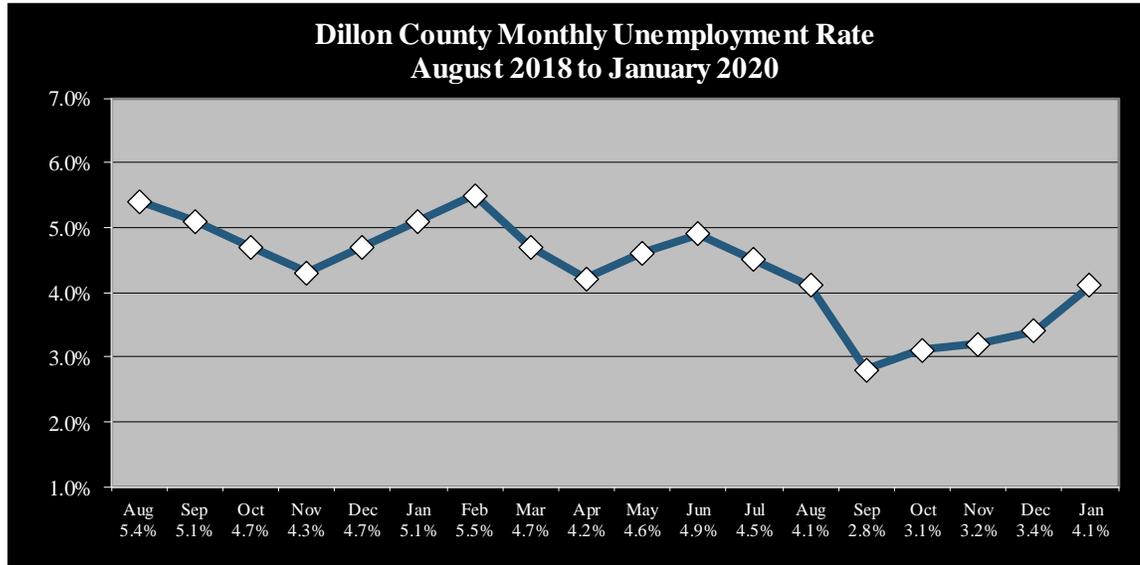
Year	Unemployment					
	Dillon County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	2,231	15.9%	240,623	11.2%	15,070,017	9.7%
2011	2,159	15.8%	229,623	10.6%	14,035,049	9.0%
2012	1,865	14.1%	201,260	9.2%	12,691,553	8.1%
2013	1,509	11.8%	167,326	7.6%	11,634,201	7.4%
2014	1,216	9.6%	143,753	6.5%	9,776,089	6.2%
2015	1,093	8.6%	135,838	6.0%	8,417,793	5.3%
2016	861	6.8%	115,213	5.0%	7,854,801	4.9%
2017	712	5.7%	98,921	4.3%	7,093,912	4.4%
2018	606	4.8%	80,882	3.5%	6,385,787	3.9%
2019	539	4.2%	67,707	2.9%	6,073,924	3.7%
2020*	552	4.1%	70,328	3.0%	6,602,253	4.0%

Source: Department of Labor; Bureau of Labor Statistics  
 \*Through January



The unemployment rate in Dillon County has ranged between 4.1% and 15.9%, above both the state and national averages since 2010. Note that the unemployment rate exceeded 15.0% in 2010 and 2011, likely as a direct result of the national recession during this time. The most recent annual unemployment rate of 4.2%, recorded in 2019, is significantly lower than the 2010 and 2011 unemployment rates. The lower rate is reflective of an economy that appears to be much stronger than it was ten years ago. However, there is economic uncertainty due to the current COVID-19 outbreak, which may have a negative effect on the county unemployment rate in 2020.

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



The monthly unemployment rate range for the most recent 18-month period reflects a low figure of 2.8% recorded in September 2019 and a high figure of 5.5% recorded in February 2019. Note that since September 2019, the monthly unemployment rate has increased by 1.3 percentage points, as the most recent monthly unemployment figure available (January 2020) is 4.1%. This data does not include monthly unemployment figures for February or March 2020 and is not considered to be reflective of economic conditions due to the COVID-19 outbreak.

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 Dillon County.

In-Place Employment Dillon County			
Year	Employment	Change	Percent Change
2009	9,146	-	-
2010	8,825	-321	-3.5%
2011	8,487	-338	-3.8%
2012	8,366	-121	-1.4%
2013	8,252	-114	-1.4%
2014	8,321	69	0.8%
2015	8,473	152	1.8%
2016	8,730	257	3.0%
2017	8,676	-54	-0.6%
2018	8,850	174	2.0%
2019*	9,154	304	3.4%

Source: Department of Labor, Bureau of Labor Statistics

\*Through September

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Dillon County to be 73.2% of the total Dillon County employment. This means that Dillon County has a high share of employed persons staying in the county for daytime employment.

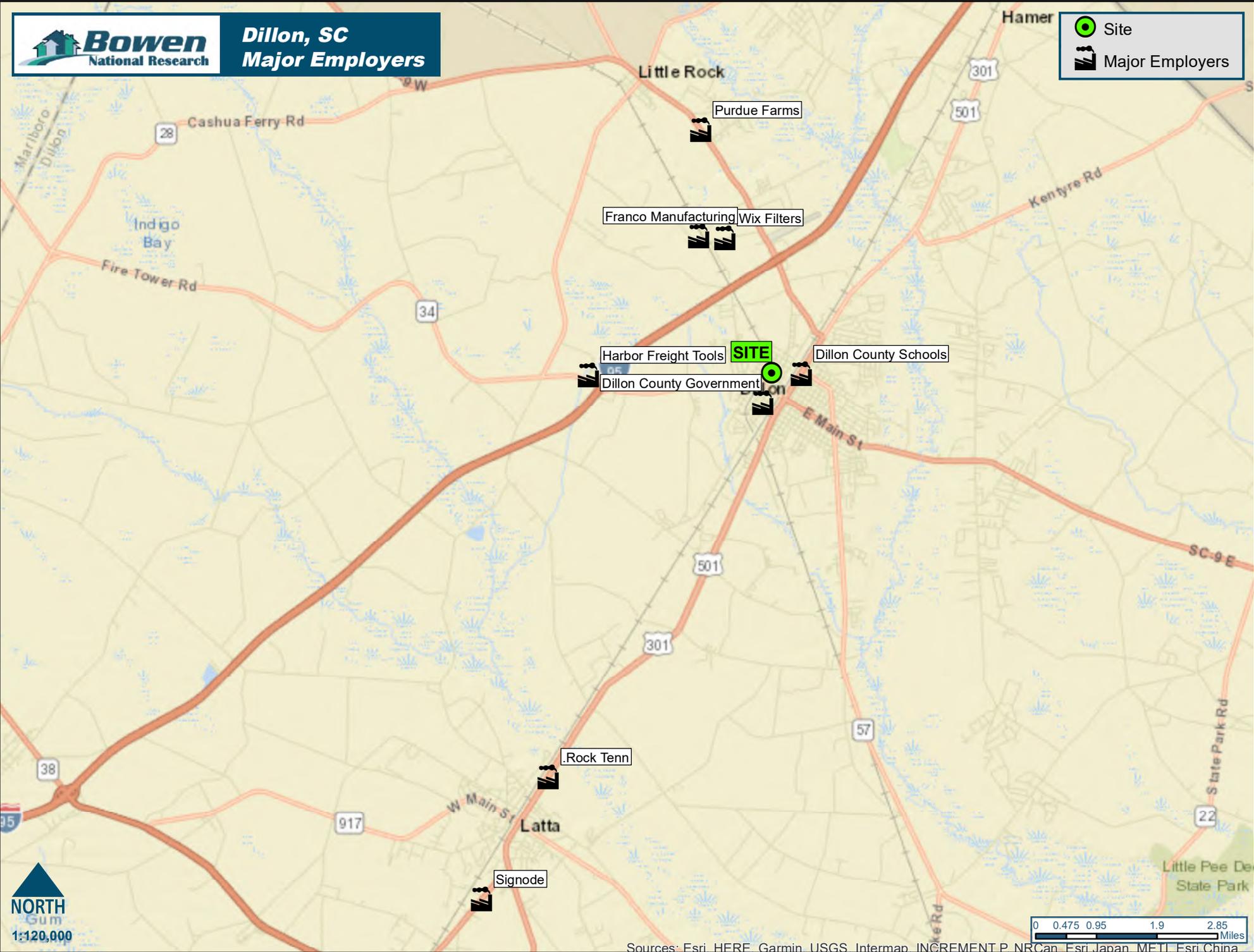
5. **EMPLOYMENT CENTERS MAP**

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

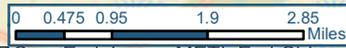


# Dillon, SC Major Employers

- Site
- Major Employers



**NORTH**  
Gum  
1:120,000



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

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	8,153	73.3%
Carpooled	2,308	20.8%
Public Transit	0	0.0%
Walked	152	1.4%
Other Means	95	0.9%
Worked at Home	414	3.7%
Total	11,122	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Over 73.0% of all workers drove alone, 20.8% carpoled and no workers used public transportation to get to work.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	3,829	34.4%
15 to 29 Minutes	3,654	32.9%
30 to 44 Minutes	1,707	15.3%
45 to 59 Minutes	827	7.4%
60 or More Minutes	691	6.2%
Worked at Home	414	3.7%
Total	11,122	100.0%

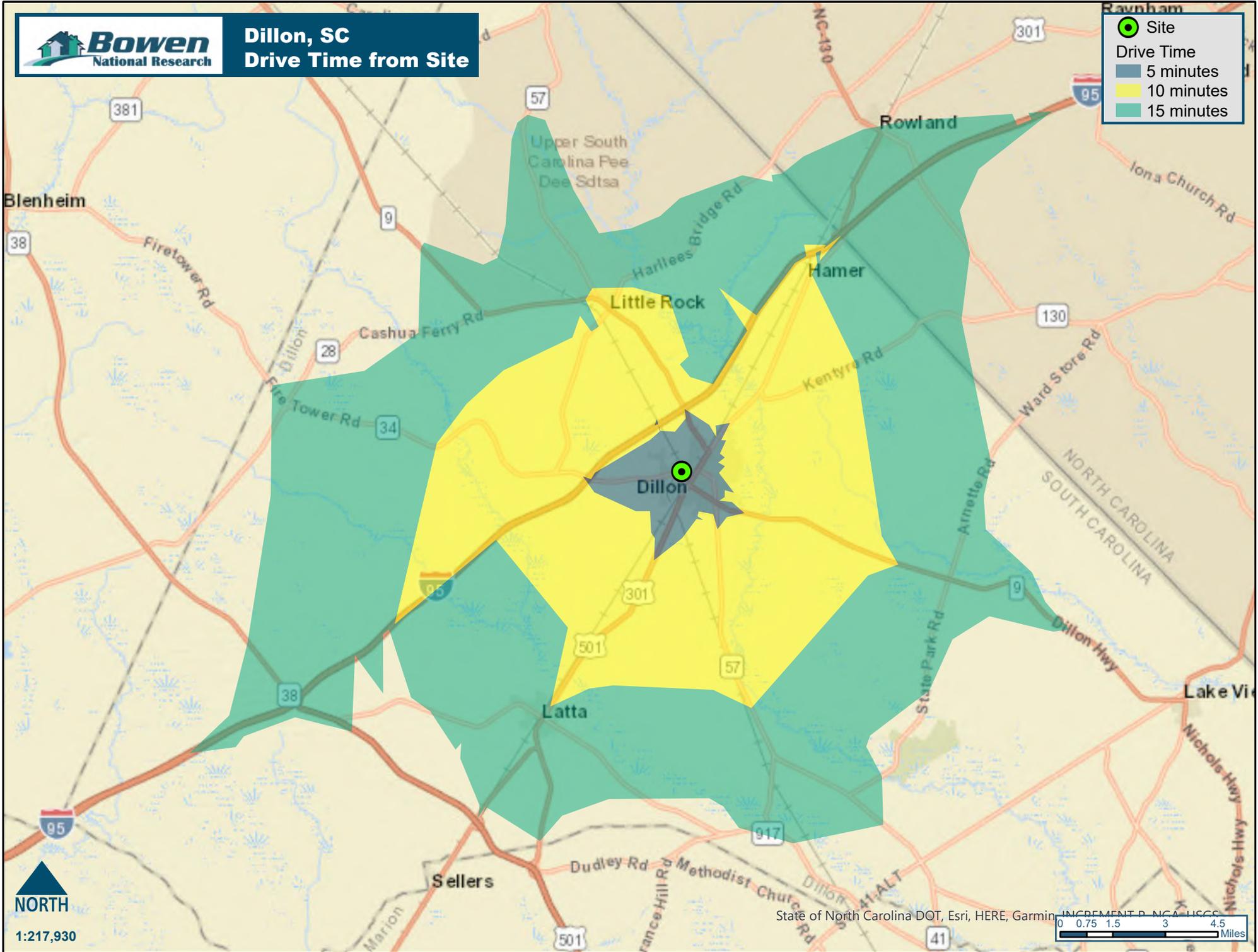
Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share (34.4%) of area commuters has typical travel times to work of less than 15 minutes. A slightly lower share (32.9%) of workers has typical travel times to work between 15 and 29 minutes. Overall, over two-thirds of area commuters have a typical travel time to work of less than 30 minutes. A drive-time map for the subject site is on the following page.



# Dillon, SC Drive Time from Site

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



1:217,930

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

The Dillon County economy is diversified among several employment sectors. Health Care & Social Assistance and Manufacturing each represent over 13.0% of the county labor force. Large employers in Dillon County are currently in the process or have recently completed an expansion of existing facilities. Harbor Freight Tools, the largest employer in Dillon County, is currently undergoing its third expansion since opening its facility. The current expansion project, which started in December 2019, will allow it to serve an increasing distribution footprint that currently consists of 450 stores in 30 states. This expansion project will allow Harbor Freight Tools to hire 500 to 600 more workers. Perdue Farms recently completed a \$25 million expansion of its Dillon County facility, which provided additional office and operations space for 100 new workers. In addition, a developer has plans to construct a 254,000 square-foot distribution and logistics facility on a speculative basis.

Employment trends in Dillon County indicate an expanding employment base in the past couple of years. During a two-year period spanning from the beginning of 2018 to the end of 2019, the local employment base increased by 693 (5.9%). The county's unemployment rate has also decreased significantly since the national recession. The year-end unemployment rate for 2019 (4.2%) is the lowest annual figure recorded in the past ten years. However, monthly unemployment, recorded as 2.8% in September 2019, has increased the past several months. The current COVID-19 outbreak in the United States may lead to a further increase in unemployment in Dillon County, primarily among restaurant and retail workers.

Note that the proposed site project will be restricted to senior tenants. It is assumed that many prospective tenants are either retired or not actively seeking work. Therefore, we do not anticipate that the local economy will have an adverse effect on occupancy at the proposed site project.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2022 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2022 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2022 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Population	30,722	32,062	31,884	31,652
Population Change	-	1,340	-178	-232
Percent Change	-	4.4%	-0.6%	-0.7%

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

Since 2000, the market's population base has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.5% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	471	1.5%
Population not in Group Quarters	31,591	98.5%
Total Population	32,062	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)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,496	29.6%	8,644	27.1%	8,571	27.1%	-73	-0.8%
20 to 24	1,988	6.2%	1,748	5.5%	1,714	5.4%	-34	-2.0%
25 to 34	3,907	12.2%	4,124	12.9%	3,750	11.8%	-374	-9.1%
35 to 44	3,911	12.2%	3,841	12.0%	3,837	12.1%	-4	-0.1%
45 to 54	4,573	14.3%	3,867	12.1%	3,782	11.9%	-85	-2.2%
55 to 64	4,028	12.6%	4,341	13.6%	4,220	13.3%	-121	-2.8%
65 to 74	2,400	7.5%	3,326	10.4%	3,528	11.1%	202	6.1%
75 & Over	1,759	5.5%	1,993	6.3%	2,250	7.1%	257	12.9%
Total	32,062	100.0%	31,884	100.0%	31,652	100.0%	-232	-0.7%

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

As the preceding table illustrates, over 30% of the population is expected to be age 55 and older in 2019. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

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

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

Population Type	Year		
	2010 (Census)	2019 (Estimated)	2022 (Projected)
Elderly (Age 62+)	5,272	6,581	7,047
Non-Elderly	26,790	25,303	24,605
Total	32,062	31,884	31,652

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

The elderly population is projected to increase by 466, or 7.1%, between 2019 and 2022. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

**d. Special Needs Population**

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

**e. Minority Concentrations**

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	44.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	40.0%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	1.5%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.7%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.7%

Source: U.S. Census Bureau, 2010 Census

**2. HOUSEHOLD TRENDS**

**a. Total Households**

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

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	11,199	11,923	11,733	11,623
Household Change	-	724	-190	-110
Percent Change	-	6.5%	-1.6%	-0.9%
Household Size	2.74	2.69	2.68	2.69

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

Similar to population trends, the market's household base has been generally stable since 2000 and is projected to remain relatively stable through 2022.

**b. Households by Tenure**

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,908	66.3%	8,266	70.5%	8,193	70.5%
Renter-Occupied	4,015	33.7%	3,467	29.5%	3,430	29.5%
Total	11,923	100.0%	11,733	100.0%	11,623	100.0%

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

In 2019, homeowners occupied 70.5% of all occupied housing units, while the remaining 29.5% were occupied by renters.

Households by tenure for those age 62 and older in 2010, 2019 (estimated) and 2022 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,950	83.2%	3,509	85.3%	3,668	84.9%
Renter-Occupied	594	16.8%	603	14.7%	651	15.1%
Total	3,544	100.0%	4,112	100.0%	4,320	100.0%

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

As the preceding table illustrates, senior renters ages 62 and older are projected to increase by 48, or 8.0%, between 2019 and 2022. This projected growth illustrates that there will likely be an increasing need for age-restricted rental housing within the Dillon Site PMA.

**c. Households by Income**

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

Household Income 62+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	448	12.6%	564	13.7%	552	12.8%
\$10,000 to \$19,999	1,061	29.9%	970	23.6%	932	21.6%
\$20,000 to \$29,999	758	21.4%	731	17.8%	710	16.4%
\$30,000 to \$39,999	352	9.9%	564	13.7%	617	14.3%
\$40,000 to \$49,999	251	7.1%	321	7.8%	372	8.6%
\$50,000 to \$59,999	202	5.7%	221	5.4%	253	5.9%
\$60,000 to \$74,999	196	5.5%	260	6.3%	312	7.2%
\$75,000 to \$99,999	175	4.9%	232	5.6%	270	6.2%
\$100,000 to \$124,999	43	1.2%	120	2.9%	146	3.4%
\$125,000 to \$149,999	30	0.8%	85	2.1%	104	2.4%
\$150,000 to \$199,999	21	0.6%	27	0.7%	31	0.7%
\$200,000 & Over	7	0.2%	17	0.4%	21	0.5%
Total	3,544	100.0%	4,112	100.0%	4,320	100.0%
Median Income	\$23,470		\$27,141		\$29,524	

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

In 2010, the median household income for households age 62 and older was \$23,470. This increased by 15.6% to \$27,141 in 2019. By 2022, it is projected that the median household income will be \$29,524, an increase of 8.8% from 2019.

**d. Average Household Size**

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

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2019 and 2022 for the Dillon Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	81	17	15	8	8	128
\$10,000 to \$19,999	163	34	28	15	15	255
\$20,000 to \$29,999	77	17	14	8	7	123
\$30,000 to \$39,999	21	5	4	2	2	35
\$40,000 to \$49,999	12	2	2	2	1	19
\$50,000 to \$59,999	8	2	2	0	0	12
\$60,000 to \$74,999	8	2	2	0	0	13
\$75,000 to \$99,999	5	1	1	0	0	7
\$100,000 to \$124,999	0	0	0	0	0	1
\$125,000 to \$149,999	0	0	0	0	0	1
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
<b>Total</b>	<b>376</b>	<b>80</b>	<b>67</b>	<b>36</b>	<b>34</b>	<b>594</b>

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	100	18	15	9	8	151
\$10,000 to \$19,999	170	30	24	15	13	252
\$20,000 to \$29,999	72	13	10	6	5	106
\$30,000 to \$39,999	29	5	4	3	2	44
\$40,000 to \$49,999	13	3	2	1	1	20
\$50,000 to \$59,999	7	2	1	0	0	10
\$60,000 to \$74,999	6	2	1	0	0	9
\$75,000 to \$99,999	4	1	0	0	0	6
\$100,000 to \$124,999	2	0	0	0	0	3
\$125,000 to \$149,999	2	0	0	0	0	3
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
<b>Total</b>	<b>405</b>	<b>75</b>	<b>58</b>	<b>35</b>	<b>30</b>	<b>603</b>

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	105	19	15	9	8	155
\$10,000 to \$19,999	177	31	24	15	13	260
\$20,000 to \$29,999	77	14	11	6	6	114
\$30,000 to \$39,999	35	7	5	4	2	53
\$40,000 to \$49,999	15	4	3	1	1	24
\$50,000 to \$59,999	8	2	1	1	1	13
\$60,000 to \$74,999	7	2	1	1	1	11
\$75,000 to \$99,999	7	1	1	0	0	9
\$100,000 to \$124,999	5	1	1	0	0	6
\$125,000 to \$149,999	4	1	0	0	0	5
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	440	80	62	37	33	651

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2019 and 2022 for the Dillon Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	122	109	41	30	19	320
\$10,000 to \$19,999	312	270	102	74	48	806
\$20,000 to \$29,999	235	219	82	60	39	635
\$30,000 to \$39,999	113	112	42	30	20	317
\$40,000 to \$49,999	79	84	31	23	15	232
\$50,000 to \$59,999	67	67	25	19	12	190
\$60,000 to \$74,999	63	65	24	18	12	183
\$75,000 to \$99,999	61	58	22	16	11	168
\$100,000 to \$124,999	13	16	6	5	3	42
\$125,000 to \$149,999	9	12	5	3	1	29
\$150,000 to \$199,999	8	7	3	2	1	21
\$200,000 & Over	2	3	1	1	0	7
Total	1,085	1,021	383	281	181	2,950

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	156	140	58	33	26	413
\$10,000 to \$19,999	281	239	98	56	44	718
\$20,000 to \$29,999	236	212	87	49	39	625
\$30,000 to \$39,999	184	184	76	42	34	520
\$40,000 to \$49,999	102	109	45	26	21	301
\$50,000 to \$59,999	69	77	32	18	15	211
\$60,000 to \$74,999	83	92	38	22	17	251
\$75,000 to \$99,999	84	78	32	18	14	226
\$100,000 to \$124,999	39	43	18	10	8	117
\$125,000 to \$149,999	28	30	12	7	5	82
\$150,000 to \$199,999	11	9	3	2	1	27
\$200,000 & Over	6	6	3	2	1	17
Total	1,279	1,219	503	284	224	3,509

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	153	133	56	30	25	397
\$10,000 to \$19,999	268	220	92	51	41	672
\$20,000 to \$29,999	230	200	83	45	37	596
\$30,000 to \$39,999	206	196	82	45	37	564
\$40,000 to \$49,999	118	125	52	29	24	348
\$50,000 to \$59,999	79	87	37	20	17	240
\$60,000 to \$74,999	99	110	46	25	20	300
\$75,000 to \$99,999	99	89	37	20	16	261
\$100,000 to \$124,999	47	51	21	11	10	140
\$125,000 to \$149,999	34	36	15	8	6	99
\$150,000 to \$199,999	13	10	4	3	1	31
\$200,000 & Over	7	7	3	2	1	21
Total	1,353	1,265	528	289	235	3,668

Source: ESRI; Urban Decision Group

The following tables illustrate all household income by household size for age 62 and older for 2010, 2019 and 2022 for the Dillon Site PMA:

All Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	202	126	55	38	27	448
\$10,000 to \$19,999	475	304	130	89	63	1,061
\$20,000 to \$29,999	312	236	96	68	46	758
\$30,000 to \$39,999	134	117	45	33	22	352
\$40,000 to \$49,999	90	87	33	25	16	251
\$50,000 to \$59,999	75	69	27	19	13	202
\$60,000 to \$74,999	72	67	26	19	13	196
\$75,000 to \$99,999	66	59	23	16	11	175
\$100,000 to \$124,999	13	16	6	5	3	43
\$125,000 to \$149,999	9	12	5	3	1	30
\$150,000 to \$199,999	8	7	3	2	1	21
\$200,000 & Over	3	3	1	1	0	7
Total	1,461	1,101	450	317	215	3,544

Source: ESRI; Urban Decision Group

All Age 62+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	256	158	73	42	35	564
\$10,000 to \$19,999	451	269	123	70	57	970
\$20,000 to \$29,999	308	226	97	55	45	731
\$30,000 to \$39,999	213	189	80	45	36	564
\$40,000 to \$49,999	115	112	47	26	21	321
\$50,000 to \$59,999	76	79	32	19	15	221
\$60,000 to \$74,999	88	94	39	22	17	260
\$75,000 to \$99,999	88	79	33	18	14	232
\$100,000 to \$124,999	41	43	18	10	8	120
\$125,000 to \$149,999	30	31	13	7	5	85
\$150,000 to \$199,999	11	9	3	2	1	27
\$200,000 & Over	6	6	3	2	1	17
Total	1,684	1,294	561	319	255	4,112

Source: ESRI; Urban Decision Group

All Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	257	152	70	39	33	552
\$10,000 to \$19,999	445	251	116	65	54	932
\$20,000 to \$29,999	307	214	94	52	43	710
\$30,000 to \$39,999	241	202	87	48	39	617
\$40,000 to \$49,999	133	129	55	30	25	372
\$50,000 to \$59,999	87	90	38	21	17	253
\$60,000 to \$74,999	106	112	47	26	21	312
\$75,000 to \$99,999	106	89	38	21	17	270
\$100,000 to \$124,999	52	52	22	12	10	146
\$125,000 to \$149,999	38	36	16	8	6	104
\$150,000 to \$199,999	13	10	4	3	1	31
\$200,000 & Over	7	7	3	2	1	21
Total	1,792	1,345	590	326	267	4,320

Source: ESRI; Urban Decision Group

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

### Demographic Summary

Over one-fourth of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2010 and are projected to remain relatively stable through 2022. Regardless, the 4,112 senior households estimated in 2019 represent a sufficient base of potential support in the market for the subject development. As discussed later in Section H of this report, nearly 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

### 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 in Dillon County, a nonmetropolitan statistical area, which has a four-person median household income of \$42,400 for 2020. The subject property will be restricted to senior households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,350	\$22,020
Two-Person	\$21,000	\$25,200

The subject project will consist of studio and one-bedroom units, which are expected to house up to two-person senior households. However, as all 60% of AMHI subject units will consist of studio apartments, the maximum allowable income at the subject site is **\$22,020**.

### 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 LIHTC gross rent at the site is \$484. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,808. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$14,520**.

Considering that the subject project will offer a project-based subsidy on 33 of the 37 units, it will serve senior households with little or no income. Therefore, we used \$0 as the minimum income requirement for the subject's Section 202 units.

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the Section 202 program and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
<b>As Proposed</b>		
Tax Credit at 50% of AMHI w/Section 202	\$0	\$20,950
Tax Credit at 60% of AMHI	\$14,520	\$22,020
Overall	\$0	\$22,020
<b>Tax Credit Only</b>		
Tax Credit at 50% of AMHI	\$14,730	\$20,950
Tax Credit at 60% of AMHI	\$14,520	\$22,020
Overall	\$14,520	\$22,020

### 3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2019 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2022) 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) 2013-2017 5-year estimates, approximately 42.5% to 48.9% (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 2017 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.*

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

4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### 4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2019 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 (2019 to current). In addition, nearly 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.

*Note that under the Section 202 program, the subject project is restricted to seniors age 62 and older. In the unlikely event the subsidy was not offered and the project was to operate exclusively under the LIHTC guidelines, it would then be open to seniors age 55 and older. The following demand estimates consider these aforementioned age restrictions for each of these scenarios.*

Demand Component	Percent of Median Household Income			
	As Proposed w/202 Age 62+ (\$0-\$22,020)	Tax Credit Only Age 55+		
		50% AMHI (\$14,730-\$20,950)	60% AMHI (\$14,520-\$22,020)	Overall (\$14,520-\$22,020)
Demand from New Renter Households (Age- & Income-Appropriate)	433 - 424 = 9	199 - 197 = 2	224 - 221 = 3	224 - 221 = 3
+				
Demand from Existing Households (Rent Overburdened)	424 X 48.2% = 205	197 X 44.6% = 88	221 X 42.5% = 94	221 X 42.5% = 94
+				
Demand from Existing Households (Renters in Substandard Housing)	424 X 7.0% = 30	197 X 7.0% = 14	221 X 7.0% = 15	221 X 7.0% = 15
+				
Demand from Existing Households (Senior Homeowner Conversion)	1,257 X 5.0% = 61*	543 X 5.0% = 26*	649 X 5.0% = 28*	649 X 5.0% = 28*
=				
Total Demand	305	130	140	140
-				
Supply (Directly Comparable Units Built and/or Funded Since 2019)	0	0	0	0
=				
Net Demand	305	130	140	140
Subject Units	37	33	4	37
Subject Units / Net Demand	37 / 305	33 / 130	4 / 140	37 / 140
Capture Rate	= 12.1%	= 25.4%	= 2.9%	= 26.4%

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

Typically, under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As such, the subject's overall capture rates in either scenario of 12.1% and 26.4% are considered achievable. This demonstrates that a sufficient base of demographic support exists for the site as proposed (with subsidy), as well as in the unlikely scenario the subject project did not offer a subsidy and had to exclusively operate as a non-subsidized LIHTC community.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
Studio	10.0%
One-Bedroom	70.0%
Two-Bedroom	20.0%
Total	100.0%

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

As Proposed with Subsidy

Units Targeting 50% and 60% Of AMHI with 202 (305 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
Studio (10%)	31	0	31	4	12.9%
One-Bedroom (70%)	214	0	214	33	15.4%
Two-Bedroom (20%)	60	0	60	-	-

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

LIHTC-Only

Units Targeting 50% Of AMHI Tax Credit Only (130 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
Studio (10%)	13	0	13	-	-
One-Bedroom (70%)	91	0	91	33	36.3%
Two-Bedroom (20%)	26	0	26	-	-

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

Units Targeting 60% Of AMHI Tax Credit Only (140 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
Studio (10%)	14	0	14	4	28.6%
One-Bedroom (70%)	98	0	98	-	-
Two-Bedroom (20%)	28	0	28	-	-

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

As proposed with the subsidy on most units, the subject's capture rates by bedroom type are 12.9% and 15.4% which are considered low and achievable.

In the unlikely event the subject project did not offer a subsidy, its capture rates by bedroom type will be 28.6% and 36.3%. These are also considered achievable, especially considering the pent-up demand that exists for additional affordable age-restricted housing within the Dillon Site PMA.

**6. ABSORPTION PROJECTIONS**

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow agency guidelines that assume a 2022 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2022. Further, these absorption projections assume the project will be developed as outlined in this report. Changes to the project's amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period.

It is our opinion that the proposed 37 units at the subject site will experience an average initial absorption rate of approximately 12 units per month and reach a stabilized occupancy of 93.0% in approximately three months. This assumes the subject project operates as proposed with the subsidy. If the subsidy was not offered, it is anticipated that the 37-unit subject development will stabilize within approximately four months, as a result of eight units per month.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

While the subject project will offer a subsidy on the majority of its units, the purpose of this comparable analysis is to analyze the site as if the subsidy were not offered and it operated exclusively under the Low-Income Housing Tax Credit (LIHTC) program. We identified two LIHTC projects that offer one-bedroom units within the market, similar to the subject development. While both these developments operate under the Rural Development Section 515 (RD 515) program, they offer units without Rental Assistance (RA), which will provide a gauge of affordable non-subsidized one-bedroom rents being achieved within the Dillon Site PMA. Additionally, given the lack of non-subsidized age-restricted LIHTC product within the market, we identified and surveyed two LIHTC projects outside of the market, but within the region in Florence that offer one-bedroom units targeting senior households. Note that these two age-restricted LIHTC projects outside of the market will not compete with the subject development, as they derive demographic support from a different geographical region. These projects located outside of the market were selected for comparability purposes only. The four selected comparable 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	<b>Dillon Graded School Apartments</b>	<b>1896 / 2022</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Seniors 62+; 50% &amp; 60% AMHI &amp; Section 202</b>
3	Cedar Terrace Apts.	1990	40	100.0%	1.1 Miles	4 HH	Families; 60% AMHI & RD 515 (20 units of RA)
10	Lake View Green Apts.	1992	24	100.0%	14.8 Miles	9 HH	Families; 60% AMHI & RD 515 (18 units of RA)
903	Crescent Villas II	2019	49	100.0%	34.4 Miles	26 HH	Seniors 55+; 50% & 60% AMHI
905	Irby Senior Village	2018	40	100.0%	32.2 Miles	42 HH	Seniors 55+; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

900 series Map IDs are located outside Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within both the market and region. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)		
		Studio	One-Br.	Two-Br.
<b>Site</b>	<b>Dillon Graded School Apartments</b>	<b>\$484/60% (4)</b>	<b>\$491*/50% (33)</b>	<b>-</b>
3	Cedar Terrace Apts.	-	\$568-\$702**/60% (12/0)	\$644-\$850**/60% (28/0)
10	Lake View Green Apts.	-	\$663-\$844**/60% (4/0)	\$726-\$907**/60% (20/0)
903	Crescent Villas II	-	\$514/50% (2/0)	\$618/50% (8/0)
			\$617/60% (10/0)	\$706/60% (29/0)
905	Irby Senior Village	-	\$518/50% (4/0)	\$569/50% (16/0)
			\$603/60% (4/0)	\$709/60% (16/0)

\*2020 maximum allowable LIHTC rent

\*\*Denotes basic and market rents

900 series Map IDs are located outside Site PMA

The programmatic LIHTC one-bedroom rent at the site of \$491 will be the lowest LIHTC one-bedroom rent within the market and region. This will position the subject project at a market advantage. Nonetheless, the subject project will offer a subsidy on all one-bedroom units, requiring residents to pay up to 30% of their gross adjusted income toward housing costs. As such, the subject project will represent a substantial value to low-income seniors within the market.

Also note that the subject project will be the only LIHTC project to offer studio units. While the subject project will provide an affordable rental housing alternative to low-income individual seniors who are currently underserved, this unit type is untested within the market and will likely lease up the slowest.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
3	Cedar Terrace Apts.	20*	4	20.0%
10	Lake View Green Apts.	6*	0	0.0%
903	Crescent Villas II	49	1	2.0%
905	Irby Senior Village	40	5	12.5%
Total		115	10	8.7%

\*Units without RA

900 series Map IDs are located outside Site PMA

As the preceding table illustrates, there are a total of 10 units that are occupied by Voucher holders among the four comparable LIHTC projects in the market and region. The 10 units occupied by Voucher holders comprise only 8.7% of these comparable units. This illustrates that over 91% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the comparable LIHTC project are achievable.

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

**3 Cedar Terrace Apts. 1.1 miles to site**



Address: 1010 McKenzie Rd, Dillon, SC 29536  
 Phone: (843) 774-8355      Contact: Yolonda (In Person)  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 40      Year Built: 1990  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 1,2  
 Waitlist: 4 HH;  
 Rent Special:

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

Notes: Tax Credit; RD 515, has RA (20 units); HCV (4 units)



**Features And Utilities**

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

Unit Amenities: Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Playground); Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	12	0	658	\$0.66 - \$0.86	\$435 - \$569	60%
2	1.5	T	28	0	925	\$0.52 - \$0.75	\$485 - \$691	60%

\* Adaptive Reuse

**10** Lake View Green Apts. 14.8 miles to site



Address: 1609 Scott St, Lake View, SC 29563  
 Phone: (843) 268-1129      Contact: Tameka (In Person)  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 24      Year Built: 1992      Ratings  
 Vacant Units: 0      \*AR Year:      Quality: B  
 Occupancy: 100.0%      Yr Renovated:      Neighborhood: B  
 Turnover:      Stories: 1      Access/Visibility: B/B  
 Waitlist: 9 HH;  
 Rent Special:

Notes: Tax Credit; RD 515, has RA (18 units); Accepts HCV (0 currently)

**Features And Utilities**

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

Unit Amenities: Range; Refrigerator; Central AC; Deck / Patio; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: On-Site Management; Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	646	\$0.89 - \$1.17	\$578 - \$759	60%
2	1	G	20	0	800	\$0.78 - \$1.00	\$620 - \$801	60%

\* Adaptive Reuse

**903** Crescent Villas II 34.4 miles to site



Address: 326 N Beltline Dr, Florence, SC 18488  
 Phone: (843) 407-6688      Contact: Tracie (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 49      Year Built: 2019  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3 (w/Elev)  
 Waitlist: 26 HH;  
 Rent Special:

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



Notes: Tax Credit; HCV (1 unit)

**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; Balcony; Deck / Patio; Controlled Access; E-Call System; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer); Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Grill, Library, Picnic Table / Area); Social Services (Parties / Picnics)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	831	\$0.52	\$429	50%
1	1	G	10	0	831	\$0.64	\$532	60%
2	2	G	8	0	1,000	\$0.51	\$512	50%
2	2	G	29	0	1,000	\$0.60	\$600	60%

\* Adaptive Reuse

**905 Irby Senior Village** 32.2 miles to site



Address: 125 Federal Ct., Florence, SC 29501  
 Phone: (843) 799-6226      Contact: Clair (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 40      Year Built: 2018  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3 (w/Elev)  
 Waitlist: 42 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (5 units); Preleasing 2/2018, opened 5/218, 100% occupied 7/2018



**Features And Utilities**

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

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

Property Amenities: Business Center (Computer, Copy, Fax); Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area); CCTV; Social Services (Classes, Health Screenings, Meals on Wheels, Parties / Picnics)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	750	\$0.51	\$385	50%
1	1	G	4	0	750	\$0.63	\$470	60%
2	2	G	16	0	950	\$0.43	\$410	50%
2	2	G	16	0	950	\$0.58	\$550	60%

\* Adaptive Reuse

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		
		Studio	One-Br.	Two-Br.
<b>Site</b>	<b>Dillon Graded School Apartments</b>	<b>530</b>	<b>750</b>	<b>-</b>
3	Cedar Terrace Apts.	-	658	925
10	Lake View Green Apts.	-	646	800
903	Crescent Villas II	-	831	1,000
905	Irby Senior Village	-	750	950

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths		
		Studio	One-Br.	Two-Br.
<b>Site</b>	<b>Dillon Graded School Apartments</b>	<b>1.0</b>	<b>1.0</b>	<b>-</b>
3	Cedar Terrace Apts.	-	1.0	1.5
10	Lake View Green Apts.	-	1.0	1.0
903	Crescent Villas II	-	1.0	2.0
905	Irby Senior Village	-	1.0	2.0

900 series Map IDs are located outside Site PMA

The subject project will offer unit sizes generally within the range of those offered at the comparable LIHTC projects within the market and region and, as such, are considered appropriately positioned.

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**	3	10	903	905	
Appliances	Dishwasher	X			X	X
	Disposal	X			X	X
	Icemaker	X			X	X
	Microwave	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	
	Deck / Patio			X	X	
	Basement					
	Ceiling Fan	X				X
	Controlled Access				X	
	E-Call System				X	S
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	X	X	X	X
	W/D					
	Walk-In Closet	X				
	Window Treatments	X	X	X	X	X
	Flooring	Carpet	X	X	X	X
Ceramic Tile						
Composite (VCT)(LVT)			X			
Hardwood		X				
Finished Concrete						
Vinyl					X	X
Upgraded	Wood Laminate / Plank	X				
	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage					
	Detached Garage					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
No Provided Parking						

\*\* Proposed Site(s): Dillon Graded School Apts

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

\* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

	Site**	3	10	903	905	
Bike Racks / Storage						
Business Center *	X			X	X	
Car Care *	X					
Common Patio						
Community Garden	X					
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse	X				
	Conference Room	X				
	Community Kitchen	X				
	Community Room	X			X	X
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge	X				
	Concierge Service *					
	Convenience Amenities *	X				
Courtyard	X					
Covered Outdoor Area *						
Elevator	X			X	X	
Laundry Room	X	X		X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care *	X					
Recreation	Basketball	X				
	Bocce Ball					
	Firepit					
	Fitness Center	X			X	
	Grill			X	X	
	Game Room - Billiards	X				
	Hiking - Walking Trail					
	Hot Tub					
	Library			X		
	Media Room / Theater	X				
	Picnic Table / Area			X	X	
	Playground		X			
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court	X				
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					
	Tennis					
	Volleyball					
Security	CCTV				X	
	Courtesy Officer					
	Gated Community					
	Gated Parking					
	Police Substation	X				
	Social Services *	X			X	X
	Storage - Extra		S	X		
	Water Feature					
WiFi						

\*\* Proposed Site(s): Dillon Graded School Apts

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

\* Details in Comparable Property Profile Report

As the preceding tables illustrate, the amenities package to be offered at the subject site will be comprehensive and superior to those offered at the comparable LIHTC projects within the market and region. Specifically, when compared to the selected LIHTC projects within the *market*, the subject project will be the only LIHTC development to offer an icemaker within the refrigerator, dishwasher, garbage disposal, microwave, ceiling fans and a walk-in closet within the units, and will be the only LIHTC development to offer a computer/business center, community garden, community room, dog park, sports courts, fitness center, game room, theater room, yoga room, cafeteria, beauty parlor, greenhouse, police substation and a social services package as community amenities. The inclusion of the aforementioned amenities will position the project at a significant competitive advantage and will bode well in the demand of the subject units.

#### Comparable Tax Credit Summary

Based on our analysis of the unit sizes, 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 very marketable. The subject project will be the newest LIHTC project in the market, offering the lowest LIHTC rents and a superior amenities package, which will have a positive impact on marketability. In fact, given that the subject project will offer a subsidy on the majority of units, it will represent a substantial value to low-income seniors within the market. These factors have been considered in our absorption estimates.

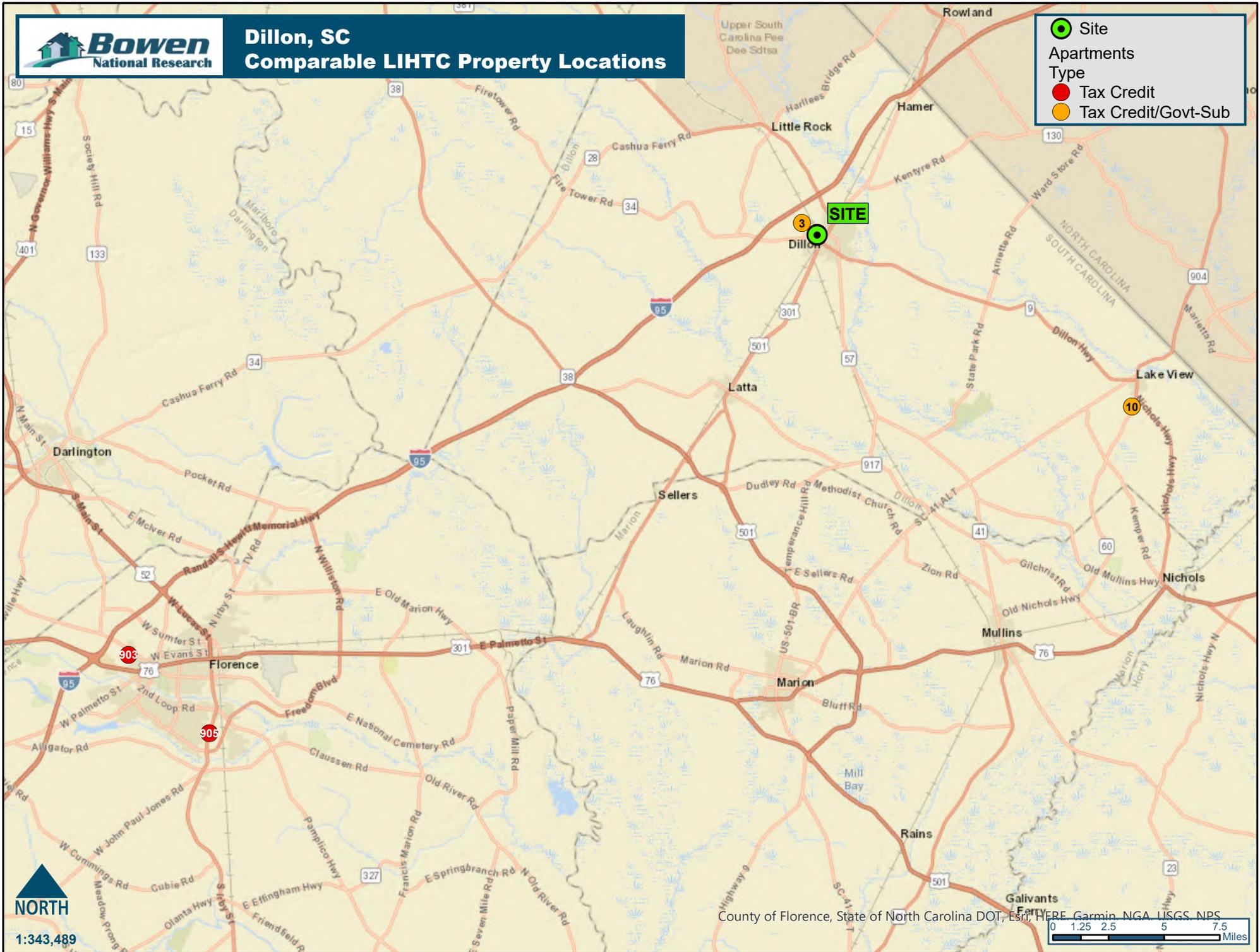
## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

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



# Dillon, SC Comparable LIHTC Property Locations

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



1:343,489

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



### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Dillon Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	11,923	86.8%	11,733	85.4%
Owner-Occupied	7,908	66.3%	8,266	70.5%
Renter-Occupied	4,015	33.7%	3,467	29.5%
Vacant	1,819	13.2%	2,009	14.6%
Total	13,742	100.0%	13,742	100.0%

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

Based on a 2019 update of the 2010 Census, of the 13,742 total housing units in the market, 14.6% were vacant. In 2019, it was estimated that homeowners occupied 70.5% of all occupied housing units, while the remaining 29.5% were occupied by renters. The share of renters is considered typical for a rural market, such as the Dillon Site PMA, and the 3,467 renter households estimated in 2019 represent a good base of potential support for the subject development.

#### Conventional Apartments

We identified and personally surveyed 20 conventional housing projects containing a total of 786 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 98.7%, a very strong rate for rental housing. The following table summarizes the surveyed rental projects within the market, broken out by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	5	182	6	96.7%
Tax Credit	2	80	0	100.0%
Tax Credit/Government-Subsidized	7	230	0	100.0%
Government-Subsidized	6	294	4	98.6%
Total	20	786	10	98.7%

All rental housing segments surveyed in the market are operating at strong occupancy levels, as none are lower than 96.7%. In fact, only four vacant units exist among the affordable rental communities surveyed, illustrating that pent-up demand likely exists for additional low-income rental housing within the Dillon Site PMA.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	17	9.3%	0	0.0%	\$500
Two-Bedroom	1.0	99	54.4%	6	6.1%	\$571
Two-Bedroom	1.5	12	6.6%	0	0.0%	\$659
Three-Bedroom	1.0	27	14.8%	0	0.0%	\$698
Three-Bedroom	1.5	16	8.8%	0	0.0%	\$792
Four-Bedroom	1.5	11	6.0%	0	0.0%	\$762
<b>Total Market-Rate</b>		<b>182</b>	<b>100.0%</b>	<b>6</b>	<b>3.3%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	2.0	32	40.0%	0	0.0%	\$542
Three-Bedroom	2.0	48	60.0%	0	0.0%	\$659
<b>Total Tax Credit</b>		<b>80</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

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

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	1	64	0.0%
1970 to 1979	2	34	17.6%
1980 to 1989	1	44	0.0%
1990 to 1999	1	40	0.0%
2000 to 2009	1	40	0.0%
2010 to 2016	0	0	0.0%
2017	1	40	0.0%
2018 to 2020*	0	0	0.0%

\*As of March

The only vacancies identified among non-subsidized product within the market are among the properties surveyed built between 1970 and 1979. In fact, all vacancies are located at Interstate Apartments (Map ID 8), a market-rate property located in Dillon. According to management, vacancies are attributed to previous management issues. Current management took over the property in July 2019 and is renovating vacant units. Given that all other non-subsidized rental properties surveyed broken out by age are fully occupied, it can be concluded that there is no strong correlation between year built and vacancies within the Site PMA.

The newest project surveyed within the market, BrookStone Landing (Map ID 1), opened in May 2017, with all 40 units occupied within the first month of opening. Note that preleasing took place in March 2017, resulting in an absorption rate of approximately 20 units per month, a very rapid rate for affordable rental housing in rural markets. Notably, this project maintains a waiting list of up to 300 households for the next available unit. These trends illustrate that new affordable rental housing has been very well received within the Dillon Site PMA. This will have a positive impact on the subject's marketability.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized rental properties surveyed were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	40	0.0%
B-	3	78	7.7%
C	1	64	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	40	0.0%
B+	1	40	0.0%

Excluding the one market-rate rental property with a quality rating of a "B-" (Interstate Apartments), all other non-subsidized rental properties within the market are fully occupied. This also illustrates that no significant correlation exists between vacancy levels and quality within the Dillon rental housing market.

#### Government-Subsidized

We identified and surveyed 13 government-subsidized projects within the Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	116	50.4%	0	0.0%
Two-Bedroom	1.0	76	33.0%	0	0.0%
Two-Bedroom	1.5	28	12.2%	0	0.0%
Three-Bedroom	1.0	10	4.3%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>230</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	10	3.4%	0	0.0%
One-Bedroom	1.0	140	47.6%	4	2.9%
Two-Bedroom	1.0	90	30.6%	0	0.0%
Three-Bedroom	1.0	14	4.8%	0	0.0%
Three-Bedroom	1.5	40	13.6%	0	0.0%
<b>Total Subsidized</b>		<b>294</b>	<b>100.0%</b>	<b>4</b>	<b>1.4%</b>

Nearly all subsidized units surveyed (with and without Tax Credits) within the market are occupied and maintain a waiting list. This illustrates that pent-up demand exists for very low-income rental housing within the Dillon Site PMA. The subject project will be able 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**

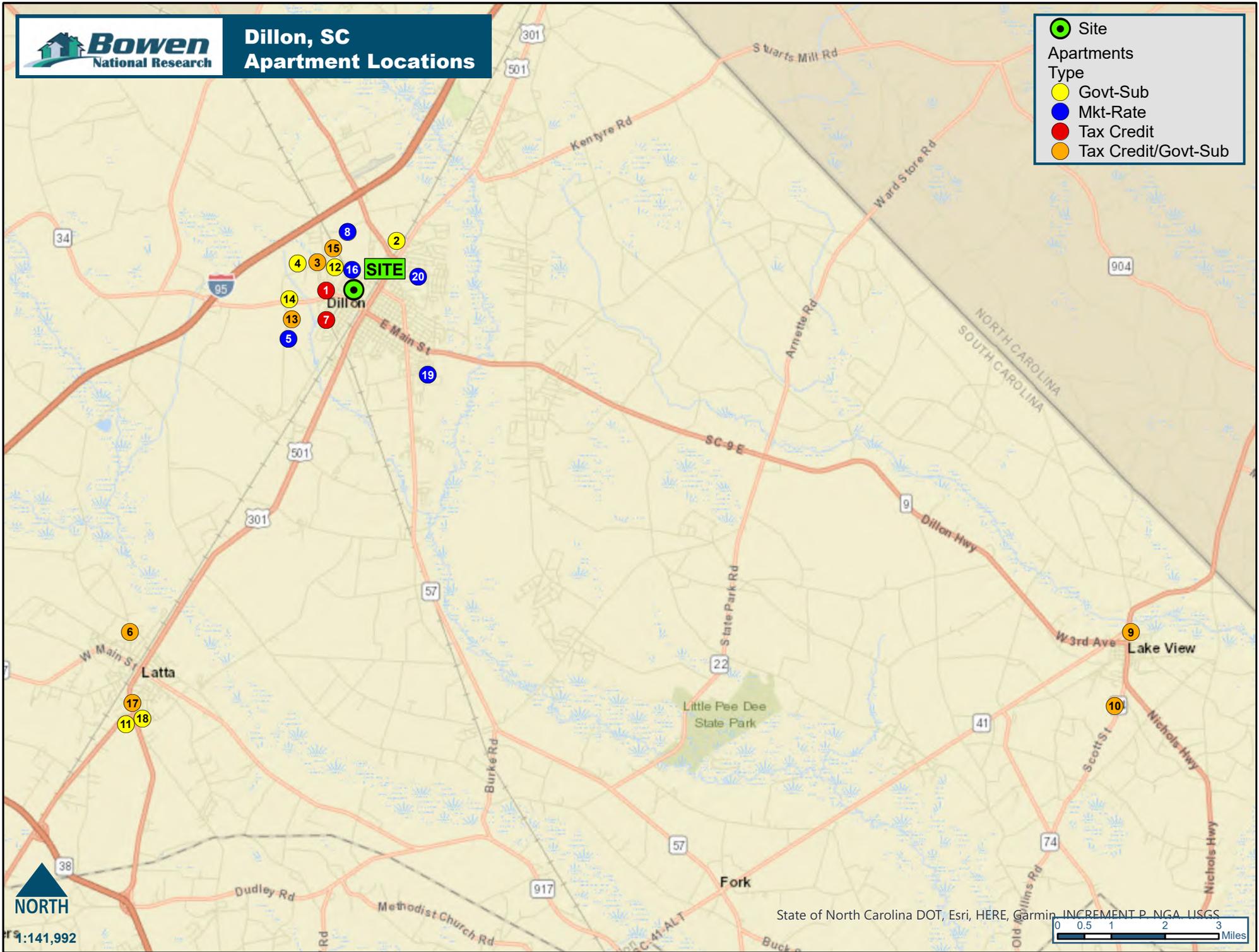
A map identifying the location of all properties surveyed within the Dillon Site PMA is on the following page.





# Dillon, SC Apartment Locations

● Site  
Apartments  
Type  
● Govt-Sub  
● Mkt-Rate  
● Tax Credit  
● Tax Credit/Govt-Sub



## 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 the South Carolina State Housing Finance and Development Authority (SCSHFDA), the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located. All developments must have an overall minimum market advantage of **10%**.

As previously discussed, we have evaluated the programmatic LIHTC one-bedroom rent at the site in the unlikely event the subsidy was not offered. The following table illustrates the market advantage of the subject's programmatic LIHTC rent when compared to the FMR one-bedroom rent for Dillon County:

Bedroom Type	Proposed/Programmatic Collected Rent	Fair Market Rent	Market Advantage
Studio	\$425	\$513	17.15%
One-Bedroom	\$422*	\$592	28.72%
<b>Weighted Average</b>			<b>27.62%</b>

\*Maximum allowable rents less the value of tenant-paid utilities

The proposed/programmatic collected Tax Credit rents at the site represent market advantages of 17.15% and 28.72%. This meets SCSHFDA's threshold of 10%. Regardless, the subject project will 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 represent a substantial value to low-income seniors.

### Achievable Tax Credit Rent Conclusions

Although not required by SCSHFDA, we have derived an achievable Tax Credit rent for the subject project, assuming the project is developed as outlined in this report. The achievable Tax Credit rent is the highest rent an income-eligible renter would be expected (or willing) to pay. This rent is determined by considering the achievable market rent (as shown in Addendum C), the rents, occupancy rates and quality levels of competing/comparable LIHTC properties (as detailed earlier in this section), the performance of other affordable projects, the status and occupancy rates of other rental choices and the depth of support (capture rate) from income-eligible renters within the Site PMA.

Bedroom Type	Proposed/Programmatic Collected Rent	Achievable LIHTC Rent
Studio	\$425	\$425
One-Bedroom	\$422*	\$422

\*Maximum allowable rents less the value of tenant-paid utilities

As illustrated in the preceding table, the proposed/programmatic subject rents are positioned equal to their achievable LIHTC rent levels. Therefore, the proposed/programmatic collected LIHTC rents at the subject project are considered appropriate for the market.

## 8. AFFORDABLE HOUSING IMPACT

As the subject property will operate with a HUD Section 202 subsidy, it will directly compete with age-restricted subsidized product. We identified five age-restricted government-subsidized developments within the Site PMA. A total of four of these developments are fully occupied with waiting lists, illustrating that pent-up demand exists for very low-income senior rental housing within the market. As such, we do not believe the development of the subject property will have any negative impact on the occupancy rates of other affordable age-restricted rental communities within the market.

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

According to ESRI, the median home value within the Site PMA was \$79,595. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$79,595 home is \$479, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$79,595
Mortgaged Value = 95% of Median Home Price	\$75,615
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$383
Estimated Taxes and Insurance*	\$96
Estimated Monthly Mortgage Payment	\$479

\*Estimated at 25% of principal and interest

In comparison, the majority of the proposed collected rents for the subject property are subsidized where residents pay up to 30% of their adjusted gross income toward housing costs. As such, most 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 previously noted, there are no non-subsidized age-restricted LIHTC projects within the Site PMA. Additionally, nearly all government-subsidized senior rental communities surveyed are fully occupied with waiting lists, indicating that significant pent-up demand exists for additional low-income senior housing. Therefore, the subject development will help fill a rental housing void within the Site PMA. Additionally, it is our opinion that the development of 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 will accommodate a portion of the housing void that exists in the market.

## I. Interviews

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

- Arthur Jackson, City of Dillon Building Inspector, stated that there is a need for affordable housing in the city of Dillon. Mr. Jackson explained that the current housing stock is not maintained very well, and the owners seldom cut the grass and keep up with the properties that are available. Mr. Jackson noted that the last affordable housing complex that was built in Dillon filled up before the project was completed. There is a need for all types of housing, including affordable senior housing. (843) 774-0040
- Robin Sagendorph, Property Manager at Brookstone Landing (Map ID 1), a general-occupancy Tax Credit property located in Dillon, stated that there is a need for affordable housing in the area. This is further evidenced by her property's full occupancy and waiting list. (843) 627-3036
- Beth Tuberville, Property Manager at Southside II (Map ID 18), a general-occupancy government-subsidized community in Latta, stated that there is a need for affordable housing in the area. Ms. Tuberville specifically stated that if she had two more complexes like hers, she could fill them now with her waiting list. (843) 752-7258
- Pamela Stevens, Deputy Director of Rental Assistance with the Housing Authority of Florence, stated that there is a need for additional affordable housing. Ms. Stevens believes that there are a lot of Tax Credit properties being built in the Dillon area, but additional affordable housing will still be needed for low-income people in the community. (843) 669-4163

## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 37 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of design (square footage and number of bathrooms), amenities and overall quality. Given the 15.8% and 33.0% market rent advantages (as illustrated in Addendum C), the proposed project will be considered an excellent value. Regardless, the subject project is anticipated to offer a subsidy on the majority of units, requiring residents to pay up to 30% of their adjusted gross income toward housing costs. As such, the subject project will represent a substantial value to low-income seniors within the Dillon Site PMA.

Given that nearly all affordable rental development surveyed are fully occupied and maintain a waiting list, the proposed project will provide a housing type that is in high demand.

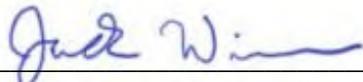
Based on the 12.1% capture rate (as proposed with the subsidy) illustrated in Section G of this report, there is a good base of income-qualified senior households present within the Site PMA. Additionally, many of these households have no modern affordable housing alternative at the moment, given the high occupancy rates of the existing affordable rental supply. Therefore, the proposed project will fill a void in the Dillon rental housing market.

No recommendations are proposed 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 the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Certified:

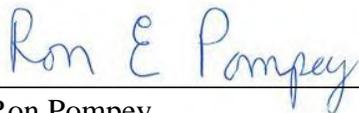


Jack Wiseman (Primary Contact)

Market Analyst

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

Date: March 27, 2020

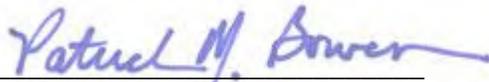


Ron Pompey

Market Analyst

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

Date: March 27, 2020



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

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

Date: March 27, 2020

## 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

**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.

**Ambrose Lester**, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

**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.

**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.

**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.

**Craig Rupert**, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

**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.

**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.

### **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 the South Carolina State Housing Finance and Development Authority (SCSHFDA) 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 the 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 proposed property.
- 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 SCSHFDA'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 SCSHFDA; 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
- South Carolina State Housing Finance and Development Authority

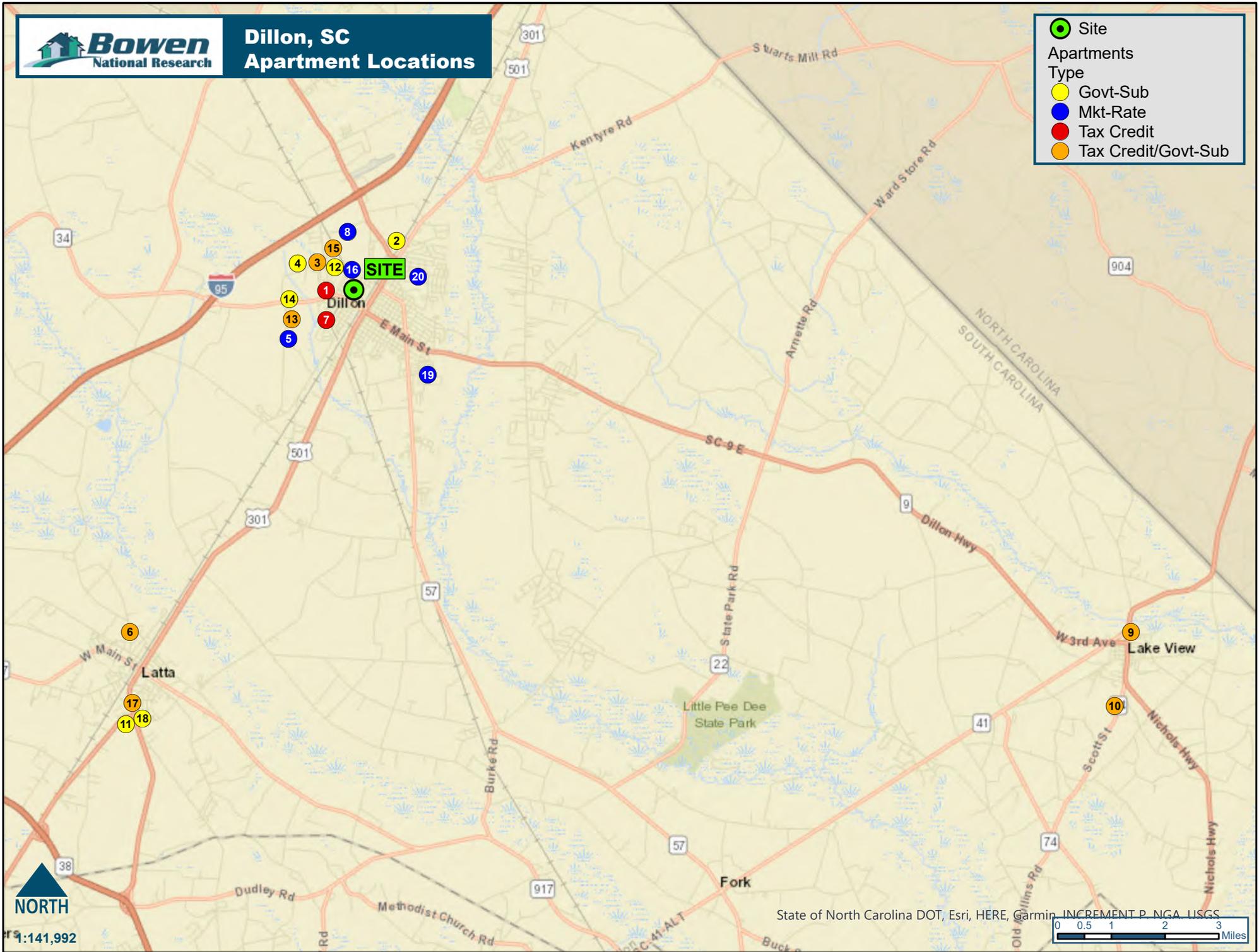
ADDENDUM A:

FIELD SURVEY OF  
CONVENTIONAL RENTALS



# Dillon, SC Apartment Locations

● Site  
Apartments  
Type  
● Govt-Sub  
● Mkt-Rate  
● Tax Credit  
● Tax Credit/Govt-Sub



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

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	BrookStone Landing	TAX	A	2017	40	0	100.0%	0.8
2	Cannon Court	GSS	B	1993	40	4	90.0%	1.1
3	Cedar Terrace Apts.	TGS	B	1990	40	0	100.0%	1.1
4	Dillon Manor Apts.	GSS	C+	1980	92	0	100.0%	1.4
5	Dover Village	MRR	B	1997	40	0	100.0%	1.7
6	Fairmeadow Apts.	TGS	B	1993	24	0	100.0%	7.3
7	Hunter's Crossing	TAX	B+	2005	40	0	100.0%	0.8
8	Interstate Apts.	MRR	B-	1978	22	6	72.7%	1.6
9	Lake View Apts.	TGS	B	1991	30	0	100.0%	13.8
10	Lake View Green Apts.	TGS	B	1992	24	0	100.0%	14.8
11	Latta Arms	GSS	B	1978	60	0	100.0%	8.1
12	Long Branch Apts.	GSS	B	1993	29	0	100.0%	0.9
13	Maplewood Green	TGS	B-	1985	48	0	100.0%	1.7
14	Maplewood II	GSS	B	1985	46	0	100.0%	1.5
15	Mill Pond Apts.	TGS	B	1991	40	0	100.0%	1.1
16	Rosewood Manor	MRR	B-	1980	44	0	100.0%	0.6
17	Southside Apts.	TGS	B	1982	24	0	100.0%	8.0
18	Southside II	GSS	B	1998	27	0	100.0%	8.1
19	Sunflower Place	MRR	C	1969	64	0	100.0%	1.9
20	Tree Top Apts.	MRR	B-	1972	12	0	100.0%	1.3
901	Charles Pointe Apts.	MRR	B	2001	168	7	95.8%	35.5
903	Crescent Villas II	TAX	B+	2019	49	0	100.0%	34.4
904	Emerson	MRR	A	2016	83	0	100.0%	29.2
905	Irby Senior Village	TAX	A	2018	40	0	100.0%	32.2
907	Reserve at Mill Creek	MRR	B+	2008	268	5	98.1%	35.0

\*Drive distance in miles

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

1	<b>BrookStone Landing</b> 1012 W Main St, Dillon, SC 29536	Contact: Robin (In Person) Phone: (843) 627-3036
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1,2,3 Year Built: 2017 BR: 2, 3 Vacant Units: 0 Waitlist: 300 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (4 units)	
2	<b>Cannon Court</b> 212 Cannon Ct, Dillon, SC 29536	Contact: Manuel (In Person) Phone: (910) 892-0436
	Total Units: 40 UC: 0 Occupancy: 90.0% Stories: 1 Year Built: 1993 BR: 0, 1 Vacant Units: 4 Waitlist: AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: HUD Section 8/202	
3	<b>Cedar Terrace Apts.</b> 1010 McKenzie Rd, Dillon, SC 29536	Contact: Yolonda (In Person) Phone: (843) 774-8355
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1990 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; RD 515, has RA (20 units); HCV (4 units)	
4	<b>Dillon Manor Apts.</b> 1046 McKenzie Rd, Dillon, SC 29536	Contact: Tammy (In Person) Phone: (843) 774-5601
	Total Units: 92 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 54 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
5	<b>Dover Village</b> 414 S Longstreet Rd, Dillon, SC 29536	Contact: Neal (In Person) Phone: (843) 774-4488
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1997 BR: 2, 3 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HCV (2 units, no longer accepts)	

 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 & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

6	<b>Fairmeadow Apts.</b> 605 N Marion St, Latta, SC 29565	Contact: Vonda (In Person) Phone: (843) 752-7780
	Total Units: 24    UC: 0    Occupancy: 100.0%    Stories: 1    Year Built: 1993 BR: 1    Vacant Units: 0    Waitlist: 8 HH;    AR Year: Target Population: Senior 62+    Yr Renovated: 2019 Rent Special: Notes: Tax Credit; RD 515, has RA (23 units); Accepts HCV (0 currently)	
7	<b>Hunter's Crossing</b> 701 S 9th Ave, Dillon, SC 29536	Contact: Jessica (In Person) Phone: (843) 774-1625
	Total Units: 40    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2005 BR: 2, 3    Vacant Units: 0    Waitlist: 9 HH;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units)	
8	<b>Interstate Apts.</b> 806 Enterprise Rd, Dillon, SC 29536	Contact: Gwen (In Person) Phone: (704) 283-1912
	Total Units: 22    UC: 8    Occupancy: 72.7%    Stories: 2    Year Built: 1978 BR: 2    Vacant Units: 6    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: HCV (2 units)    Yr Renovated: 2008	
9	<b>Lake View Apts.</b> 109 E 1st Ave, Lake View, SC 29563	Contact: Frankie (In Person) Phone: (843) 759-2560
	Total Units: 30    UC: 0    Occupancy: 100.0%    Stories: 1    Year Built: 1991 BR: 1, 2    Vacant Units: 0    Waitlist: 7 HH;    AR Year: Target Population: Senior 62+    Yr Renovated: Rent Special: Notes: Tax Credit; RD 515, has RA (30 units)	
10	<b>Lake View Green Apts.</b> 1609 Scott St, Lake View, SC 29563	Contact: Tameka (In Person) Phone: (843) 268-1129
	Total Units: 24    UC: 0    Occupancy: 100.0%    Stories: 1    Year Built: 1992 BR: 1, 2    Vacant Units: 0    Waitlist: 9 HH;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit; RD 515, has RA (18 units); Accepts HCV (0 currently)	

✓	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 & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
■	(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
■	(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
■	(MIN) Market-Rate & Income Restricted (not LIHTC)		

<b>11</b>	<b>Latta Arms</b> 229 Sardis Rd, Latta, SC 29565	Contact: Linda (In Person) Phone: (843) 752-5957
	Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1978 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 23 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
<b>12</b>	<b>Long Branch Apts.</b> 1034 W Main St, Dillon, SC 29536	Contact: Frankie (In Person) Phone: (843) 841-3062
	Total Units: 29 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1993 BR: 1 Vacant Units: 0 Waitlist: 3 HH; AR Year: Target Population: Senior 62+, Special Needs Yr Renovated: Rent Special: Notes: RD 515, has RA (29 units)	
<b>13</b>	<b>Maplewood Green</b> 220 S Longstreet Rd, Dillon, SC 29536	Contact: Tameka (In Person) Phone: (843) 506-8576
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1985 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Family Yr Renovated: 2011 Rent Special: Notes: Tax Credit; RD 515, has RA (39 units); HCV (7 units)	
<b>14</b>	<b>Maplewood II</b> 220 S Longstreet Rd, Dillon, SC 29536	Contact: Beth (In Person) Phone: (843) 774-8104
	Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1985 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 19 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: RD 515, has RA (46 units); Accepts HCV (0 currently)	
<b>15</b>	<b>Mill Pond Apts.</b> 1206 W Main St, Dillon, SC 29536	Contact: Brenda (In Person) Phone: (843) 774-1596
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1991 BR: 1, 2 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: Tax Credit; RD 515, has RA (40 units)	

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

<b>16</b>	<b>Rosewood Manor</b> 701 Garden Ct, Dillon, SC 29536	Contact: Betty (In Person) Phone: (843) 774-0611
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 20 HH; AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: Notes: HCV (20 units)	
<b>17</b>	<b>Southside Apts.</b> 721 US-501, Latta, SC 29565	Contact: Tameka (In Person) Phone: (843) 752-7258
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1982 BR: 2, 3 Vacant Units: 0 Waitlist: 45 HH; Waitlist shared AR Year: Target Population: Family Yr Renovated: 1998 Rent Special: Notes: Tax Credit; RD 515, has RA (20 units); Accepts HCV (0 currently)	
<b>18</b>	<b>Southside II</b> 721 US-501, Latta, SC 29565	Contact: Tameka (In Person) Phone: (843) 752-7258
	Total Units: 27 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1998 BR: 1, 2 Vacant Units: 0 Waitlist: 45 HH; Waitlist shared AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: RD 515, has RA (21 units); Accepts HCV (0 currently)	
<b>19</b>	<b>Sunflower Place</b> 1602 McNeil St, Dillon, SC 29536	Contact: Krystal (In Person) Phone: (843) 245-4963
	Total Units: 64 UC: 20 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: Notes: HCV (5 units); 20 units offline due to renovations	
<b>20</b>	<b>Tree Top Apts.</b> 798 Elizabeth Ln, Dillon, SC 29536	Contact: Gordon (In Person) Phone: (843) 774-4156
	Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1972 BR: 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	



 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 & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

<b>901</b>	<b>Charles Pointe Apts.</b> 201 Millstone Rd, Florence, SC 29505	Contact: Cindy (In Person) Phone: (843) 661-0111
	Total Units: 168 UC: 0 Occupancy: 95.8% Stories: 3 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 7 Waitlist: 3-br: 4 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
<b>903</b>	<b>Crescent Villas II</b> 326 N Beltline Dr, Florence, SC 18488	Contact: Tracie (In Person) Phone: (843) 407-6688
	Total Units: 49 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2019 BR: 1, 2 Vacant Units: 0 Waitlist: 26 HH; AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: Notes: Tax Credit; HCV (1 unit)	
<b>904</b>	<b>Emerson</b> 150 S Irby St, Florence, SC 29501	Contact: Shannon (In Person) Phone: (833) 610-2777
	Total Units: 83 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2016 BR: 1, 2 Vacant Units: 0 Waitlist: 8 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Opened 10/2016	
<b>905</b>	<b>Irby Senior Village</b> 125 Federal Ct., Florence, SC 29501	Contact: Clair (In Person) Phone: (843) 799-6226
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2018 BR: 1, 2 Vacant Units: 0 Waitlist: 42 HH; AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: Notes: Tax Credit; HCV (5 units); Preleasing 2/2018, opened 5/218, 100% occupied 7/2018	
<b>907</b>	<b>Reserve at Mill Creek</b> 2350 Freedom Blvd., Florence, SC 29505	Contact: Megan (In Person) Phone: (843) 665-5311
	Total Units: 268 UC: 0 Occupancy: 98.1% Stories: 3 Year Built: 2008 BR: 1, 2, 3 Vacant Units: 5 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Higher rent for 1st-floor units based on den or view	

 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 & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

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
Heating	Natural Gas	23	23	25	27	30		23	25	27	30	
	+Base Charge											
	Bottled Gas											
	Electric	18	18	23	27	33		18	23	27	33	
	Heat Pump											
Cooking	Oil											
	Natural Gas	3	3	5	5	6		3	5	5	6	
	Bottled Gas											
Other Electric	Electric	6	6	8	9	11		6	8	9	11	
	+Base Charge											
Air Conditioning												
Water Heating	Natural Gas	13	13	16	22	29		13	16	22	29	
	Bottled Gas											
	Electric	18	18	24	37	50		18	24	37	50	
Water	Oil											
	Water	7	7	9	12	13		7	9	12	13	
Sewer		19	19	22	25	28		19	22	25	28	
Trash Collection		22	22	22	22	22		22	22	22	22	
Internet*		20	20	20	20	20		20	20	20	20	
Cable*		20	20	20	20	20		20	20	20	20	
Alarm Monitoring*												

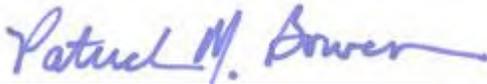
\* Estimated- not from source

## 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:

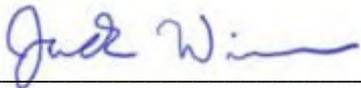


Patrick M. Bowen

President

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Date: March 27, 2020



Jack Wiseman (Primary Contact)

Market Analyst

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

Date: March 27, 2020

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)
<b>Executive Summary</b>		
1.	Executive Summary (Exhibit S-2)	A
<b>Project Description</b>		
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
<b>Location and Market Area</b>		
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)
<b>EMPLOYMENT AND ECONOMY</b>		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
<b>DEMOGRAPHIC CHARACTERISTICS</b>		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
<b>COMPETITIVE ENVIRONMENT</b>		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
<b>ANALYSIS/CONCLUSIONS</b>		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	H
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)**

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

## Addendum C – Achievable Market Rent Analysis

### A. INTRODUCTION

We identified five market-rate properties within or near the Dillon Site PMA that we consider comparable in terms of unit and project amenities to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

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

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

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

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

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

The proposed subject development and the 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.	Four-Br.
<b>Site</b>	<b>Dillon Graded School Apartments</b>	<b>1896 / 2022</b>	<b>37</b>	<b>-</b>	<b>4 (-)</b>	<b>33 (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>
5	Dover Village	1997	40	100.0%	-	-	24 (100.0%)	16 (100.0%)	-
19	Sunflower Place	1969 / 2012	64 + 20*	100.0%	-	11 (100.0%)	21 (100.0%)	21 (100.0%)	11 (100.0%)
901	Charles Pointe Apts.	2001	168	95.8%	-	42 (100.0%)	114 (93.9%)	12 (100.0%)	-
904	Emerson	2016	83	100.0%	-	56 (100.0%)	27 (100.0%)	-	-
907	Reserve at Mill Creek	2008	268	98.1%	-	122 (100.0%)	122 (96.7%)	24 (95.8%)	-

Occ. – Occupancy

\*Units under renovation

900 series Map IDs located outside Site PMA

The five selected market-rate projects have a combined total of 623 units with an overall occupancy rate of 98.1%, a very strong rate for rental housing. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject development.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development. Preceding the Rent Comparability Grid is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



# Dillon, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



1:235,071

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



**Rent Comparability Grid**

Unit Type → **STUDIO**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Dillon Graded School Apartments		Dover Village		Sunflower Place		Charles Pointe Apts.		Emerson		Reserve at Mill Creek	
301 Martin Luther King Jr. Boulevard		414 S Longstreet Rd		1602 McNeil St		201 Millstone Rd		150 S Irby St		2350 Freedom Blvd.	
Dillon, SC		Dillon, SC		Dillon, SC		Florence, SC		Florence, SC		Florence, SC	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$550		\$415		\$830		\$1,100		\$980	
2	Date Surveyed	Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$550	0.71	\$415	0.74	\$830	1.19	\$1,100	1.82	\$980	1.25
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/2		WU/2		WU/3		EE/4		WU/3	
7	Yr. Built/Yr. Renovated	2022	\$25	1969/2012	\$31	2001	\$21	2016	\$6	2008	\$14
8	Condition/Street Appeal	E	\$15	F	\$30	G	\$15	E		G	\$15
9	Neighborhood	F	(\$10)	F		G	(\$10)	G	(\$10)	G	(\$10)
10	Same Market?	Yes		Yes		No	(\$249)	No	(\$330)	No	(\$294)
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	Studio	(\$100)	1	(\$50)	1	(\$50)	1	(\$50)	1	(\$50)
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	530	(\$69)	558	(\$8)	700	(\$48)	605	(\$21)	783	(\$72)
14	Patio/Balcony	N	(\$5)	N		Y	(\$5)	N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$15	N/N	\$15	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	\$5	L	\$10	HU	\$5	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/W/L		V		C/V		C/L		C/V	
20	Window Treatments	Y		N	\$5	Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fan/E-Call System	Y/N	\$5	Y/N		Y/N		Y/N		Y/N	
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		P-GAR	(\$30)	LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
27	Community Space	Y	\$5	N	\$5	N	\$5	Y		Y	
28	Pool/Recreation Areas	F/S/BS/G/MT	\$17	N	\$17	P/F	\$2	F	\$12	P/F/L	(\$1)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area/Storage	N/N	(\$5)	N/N		Y/N	(\$3)	N/N		Y/Y	(\$8)
31	Library	N		N		N		N		N	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$26	Y/Y		N/N	\$26	N/N	\$26	N/N	\$26
39	Trash/Recycling	Y/N	\$22	Y/N		Y/N		Y/N		N/N	\$22
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	10	5	11	2	8	6	5	6	3	8
41	Sum Adjustments B to D	\$105	(\$189)	\$136	(\$58)	\$66	(\$365)	\$36	(\$466)	\$39	(\$465)
42	Sum Utility Adjustments	\$48				\$26		\$26		\$48	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$36)	\$342	\$78	\$194	(\$273)	\$457	(\$404)	\$528	(\$378)	\$552
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$514		\$493		\$557		\$696		\$602	
45	Adj Rent/Last rent		93%		119%		67%		63%		61%
46	Estimated Market Rent	\$505	\$0.95	← Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type →

**ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Dillon Graded School Apartments 301 Martin Luther King Jr. Boulevard Dillon, SC		Dover Village 414 S Longstreet Rd Dillon, SC		Sunflower Place 1602 McNeil St Dillon, SC		Charles Pointe Apts. 201 Millstone Rd Florence, SC		Emerson 150 S Irby St Florence, SC		Reserve at Mill Creek 2350 Freedom Blvd. Florence, SC	
<b>Data on Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1 \$ Last Rent / Restricted?		\$550		\$415		\$830		\$1,100		\$980	
2 Date Surveyed		Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft		\$550	0.71	\$415	0.74	\$830	1.19	\$1,100	1.82	\$980	1.25
<b>B. Design, Location, Condition</b>											
6 Structure / Stories	EE/2	WU/2		WU/2		WU/3		EE/4		WU/3	
7 Yr. Built/Yr. Renovated	2022	1997	\$25	1969/2012	\$31	2001	\$21	2016	\$6	2008	\$14
8 Condition/Street Appeal	E	G	\$15	F	\$30	G	\$15	E		G	\$15
9 Neighborhood	F	G	(\$10)	F		G	(\$10)	G	(\$10)	G	(\$10)
10 Same Market?		Yes		Yes		No	(\$249)	No	(\$330)	No	(\$294)
<b>C. Unit Equipment/ Amenities</b>											
11 # Bedrooms	1	2	(\$50)	1		1		1		1	
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	750	775	(\$7)	558	\$54	700	\$14	605	\$41	783	(\$9)
14 Patio/Balcony	N	Y	(\$5)	N		Y	(\$5)	N		Y	(\$5)
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/Y	N/N	\$15	N/N	\$15	Y/Y		Y/Y		Y/Y	
18 Washer/Dryer	HU/L	HU	\$5	L	\$10	HU	\$5	W/D	(\$25)	W/D	(\$25)
19 Floor Coverings	C/W/L	C/W		V		C/V		C/L		C/V	
20 Window Treatments	Y	Y		N	\$5	Y		Y		Y	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	Y	Y		N	\$5	Y		Y		Y	
23 Ceiling Fan/E-Call System	Y/N	N/N	\$5	Y/N		Y/N		Y/N		Y/N	
<b>D Site Equipment/ Amenities</b>											
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		P-GAR	(\$30)	LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y		Y	
26 Security Features	Y	N	\$5	N	\$5	N	\$5	N	\$5	Y	
27 Community Space	Y	N	\$5	N	\$5	N	\$5	Y		Y	
28 Pool/Recreation Areas	F/S/BS/G/MT	N	\$17	N	\$17	P/F	\$2	F	\$12	P/F/L	(\$1)
29 Computer/Business Center	Y	N	\$3	N	\$3	N	\$3	N	\$3	Y	
30 Picnic Area/Storage	N/N	N/Y	(\$5)	N/N		Y/N	(\$3)	N/N		Y/Y	(\$8)
31 Library	N	N		N		N		N		N	
32 Social Services	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>											
33 Heat (in rent?/ type)	N/E	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		N/E	
35 Cooking (in rent?/ type)	N/E	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		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	Y/Y	N/N	\$26	Y/Y		N/N	\$26	N/N	\$26	N/N	\$26
39 Trash/Recycling	Y/N	N/N	\$22	Y/N		Y/N		Y/N		N/N	\$22
<b>F. Adjustments Recap</b>											
40 # Adjustments B to D		10	5	12		9	4	6	4	3	7
41 Sum Adjustments B to D		\$105	(\$77)	\$190		\$80	(\$267)	\$77	(\$395)	\$39	(\$352)
42 Sum Utility Adjustments		\$48				\$26		\$26		\$48	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43 Net/ Gross Adjmts B to E		\$76	\$230	\$190	\$190	(\$161)	\$373	(\$292)	\$498	(\$265)	\$439
<b>G. Adjusted &amp; Market Rents</b>											
44 Adjusted Rent (5+ 43)		\$626		\$605		\$669		\$808		\$715	
45 Adj Rent/Last rent			114%		146%		81%		73%		73%
46 Estimated Market Rent	\$630	\$0.84	← 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 \$505 for a studio and \$630 for a one-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
Studio	\$425	\$505	15.8%
One-Bedroom	\$422*	\$630	33.0%

\*Maximum allowable rent minus tenant-paid utilities

Typically, Tax Credit rents must represent at least a 10.0% market rent advantage in order to be viewed as a value within a market area. Tax Credit rents that represent a value can help to ensure a steady flow of tenants that will allow the project to operate at a stabilized occupancy rate. As such, the proposed/programmatic rents at the subject site will likely represent a substantial value to low-income seniors within the market, as they represent rent advantages between 15.8% and 33.0%. Regardless, the subject project will offer a subsidy on the majority of units, requiring tenants to pay up to 30% of their gross adjusted income towards housing costs. As such, the subject development will represent an even greater value to low-income seniors within the market.

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

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
  
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1969 and 2016, one of which was substantially renovated in 2012. 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 proposed subject project will have an excellent appearance once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.

9. A total of four of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
10. A total of three of the selected properties are located outside of the Dillon Site PMA in Florence. The Florence market is significantly larger than Dillon 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 Dillon market. Therefore, we have adjusted each collected rent at the three comparable projects located in Florence by approximately 30.0% to account for these market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer studio or one-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally superior to those offered at the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project will offer a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed 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.