



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Chester Townhouses II
628 Lancaster Highway
Chester, Chester County, South Carolina 29706

Prepared For

Ms. Maile Miller
CAHEC Development, LLC
7700 Trenholm Road Ext.
Columbia, South Carolina 29223

Effective Date

May 5, 2025

Job Reference Number

25-222 NS

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Exhibit S-2 SCSHFDA Primary Market Area Analysis Summary:

Development Name:	Chester Townhouses II	Total # of Units:	52
Address:	628 Lancaster Highway, Chester, South Carolina 29706 (Chester County)	# of LIHTC/TEB Units:	52
PMA Boundary:	The Chester County line to the north; Interstate 77 and the Richburg city limits to the east; the Chester County line to the south; and State Route 215, State Route 72/121, Leeds Road/Woods Ferry Road, Poulos Road and the Chester County line to the west.		
Development Type:	Family	Farthest Boundary Distance to Subject:	18.4 Miles

Rental Housing Stock (found on page H-1;13-)				
Type	# of Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	227	0	100.00%
Market-Rate Housing	0	0	0	-
Assisted/Subsidized Housing not to include LIHTC	3	91	0	100.00%
LIHTC (All that are stabilized)*	3	136	0	100.00%
Stabilized Comparables**	1	22	0	100.00%
Non Stabilized Comparables	0	0	0	-

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

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

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage (%)	Per Unit	Per SF
6	One-Br.	1	564	\$735	\$840	\$ 1.49	12.50%	\$1,295	\$ 2.30
2	One-Br.	1	572	\$735	\$840	\$ 1.47	12.50%	\$1,295	\$ 2.26
2	One-Br.	1	631	\$735.00	\$840	\$ 1.33	12.50%	\$1,295	\$ 2.05
1	One-Br.	1.5	664	\$735	\$840	\$ 1.27	12.50%	\$1,295	\$ 1.95
24	Two-Br.	1.5	767	\$832	\$1,051	\$ 1.37	20.84%	\$1,475	\$ 1.92
16	Three-Br.	1.5	947	\$960	\$1,473	\$ 1.56	34.83%	\$1,945	\$ 2.05
1	Three-Br.	1.5	969	\$960	\$1,473	\$ 1.52	34.83%	\$1,945	\$ 2.01
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
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						\$ -			\$ -
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						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
						\$ -			\$ -
Gross Potential Rent Monthly*				\$ 44,373	\$ 59,505		25.43%		

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

Demographic Data (found on page F-3 & G)						
	2020		2025		2026	
Renter Households	2,411	27.70%	2,126	24.50%	2,108	24.30%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	494	23.24%	491	23.29%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

Targeted Income-Qualified Renter Household Demand (found on page G-4)						
Type of Demand	50%	60%	Market Rate	Editable	Editable	Overall
Renter Household Growth		-3				-3
Existing Households (Overburd + Substand)		191				191
Homeowner conversion (Seniors)		0				0
Other:		0				0
Less Comparable/Competitive Supply		28				28
Net Income-qualified Renters HHs	0	160	0	0	0	160

Capture Rates (found on page G-4)						
Targeted Population	50%	60%	Market Rate			Overall
Capture Rate		32.50%				32.50%

Absorption Rate (found on page G-7)		
Absorption Period	N/A	months.

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

Market Analyst Author: Nathan Stelts Company: Bowen National Research LLC

Signature:  Date: 5/5/2025

Exhibit S-2 SCSHFDA Primary Market Area Analysis Summary:

Development Name:	<u>Chester Townhouses II</u>	Total # of Units:	<u>52</u>
Address:	<u>628 Lancaster Highway, Chester, South Carolina 29706 (Chester County)</u>	# of LIHTC/TEB Units:	<u>52</u>
PMA Boundary:	<div style="border: 1px solid black; padding: 5px;"> The Chester County line to the north; Interstate 77 and the Richburg city limits to the east; the Chester County line to the south; and State Route 215, State Route 72/121, Leeds Road/Woods Ferry Road, Poulos Road and the Chester County line to the west. </div>		
Development Type:	<u>Family</u>	Farthest Boundary Distance to Subject:	<u>18.4</u> Miles

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Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
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Gross Potential Rent Monthly*				\$ 44,373	\$ 59,505		25.43%		

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Demographic Data (found on page F-3 & G)						
	2020		2025		2026	
Renter Households	2,411	27.70%	2,126	24.50%	2,108	24.30%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,440	67.73%	1,405	66.65%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

Targeted Income-Qualified Renter Household Demand (found on page G-4)						
Type of Demand	50%	60%/S8	Market Rate	Editable	Editable	Overall
Renter Household Growth		-35				-35
Existing Households (Overburd + Substand)		557				557
Homeowner conversion (Seniors)		0				0
Other:		0				0
Less Comparable/Competitive Supply		28				28
Net Income-qualified Renters HHs	0	494	0	0	0	494

Capture Rates (found on page G-4)						
Targeted Population	50%	60%/S8	Market Rate			Overall
Capture Rate		10.50%				10.50%

Absorption Rate (found on page G-7)		
Absorption Period	4	months.

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

Market Analyst Author: Nathan Stelts Company: Bowen National Research LLC

Signature:  Date: 5/5/2025

B. Project Description

Project Name:	Chester Townhouses II
Location:	628 Lancaster Highway, Chester, South Carolina 29706 (Chester County)
Census Tract:	206.02
Target Market:	Family
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of the 52-unit Chester Townhouses II at 628 Lancaster Highway in Chester, South Carolina. Built in 1983 and renovated in 2006, the project operates under the Low-Income Housing Tax Credit (LIHTC) and Rural Development Section 515 (RD 515) programs, with 39 units receiving Rental Assistance (RA). The RA allows tenants to pay up to 30% of their adjusted gross household income towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a seven-household waiting list, which is shared with the first phase of the property.

The project will be renovated utilizing financing from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target households with incomes of up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and 39 units will receive RA. All renovations are expected to be completed by October 2026. Additional details of the subject project are as follows:

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Basic/Note Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
6	One-Br.	1.0	Garden	564	60%/RD	\$570/\$672	\$735	\$136	\$871	\$927
2	One-Br.	1.0	Garden	572	60%/RD	\$570/\$672	\$735	\$136	\$871	\$927
2	One-Br.	1.0	Garden	631	60%/RD	\$570/\$672	\$735	\$136	\$871	\$927
1	One-Br.	1.5	TH	664	60%/RD	\$570/\$672	\$735	\$136	\$871	\$927
24	Two-Br.	1.5	TH	767	60%/RD	\$662/\$764	\$832	\$213	\$1,045	\$1,111
16	Three-Br.	1.5	Garden	947	60%/RD	\$764/\$866	\$960	\$247	\$1,207	\$1,284
1	Three-Br.	1.5	TH	969	60%/RD	\$764/\$866	\$960	\$247	\$1,207	\$1,284
52	Total									

Source: CAHEC Properties Corporation

AMHI – Area Median Household Income (National Non-Metropolitan Median Income; 2025)

RD – Rural Development

TH – Townhome

Building/Site Information	
Residential Buildings:	Seven (7) one- & two-story buildings
Building Style:	Walk-up and townhomes
Community Space:	Integrated throughout
Acres:	4.92

Construction Timeline	
Original Year Built:	1983
Renovation Start:	August 2025
Begin Preleasing:	In-place renovation
Renovation End:	October 2026

Unit Amenities		
• Electric Range	• Central Air Conditioning	• Carpet & Composite Flooring
• Refrigerator	• Walk-In Closet	• Window Blinds
• Microwave	• Patio/Balcony	• Ceiling Fans
• Washer/Dryer Connections	• Exterior Storage Closet	

Community Amenities		
• On-Site Management	• Clubhouse/Community Room	• Multipurpose Room
• Laundry Room	• Common Area Wi-Fi	• CCTV/Cameras
• Gazebo/Pavilion	• Grilling Area	• Playground
• Surface Parking Lot (88 Spaces)		

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

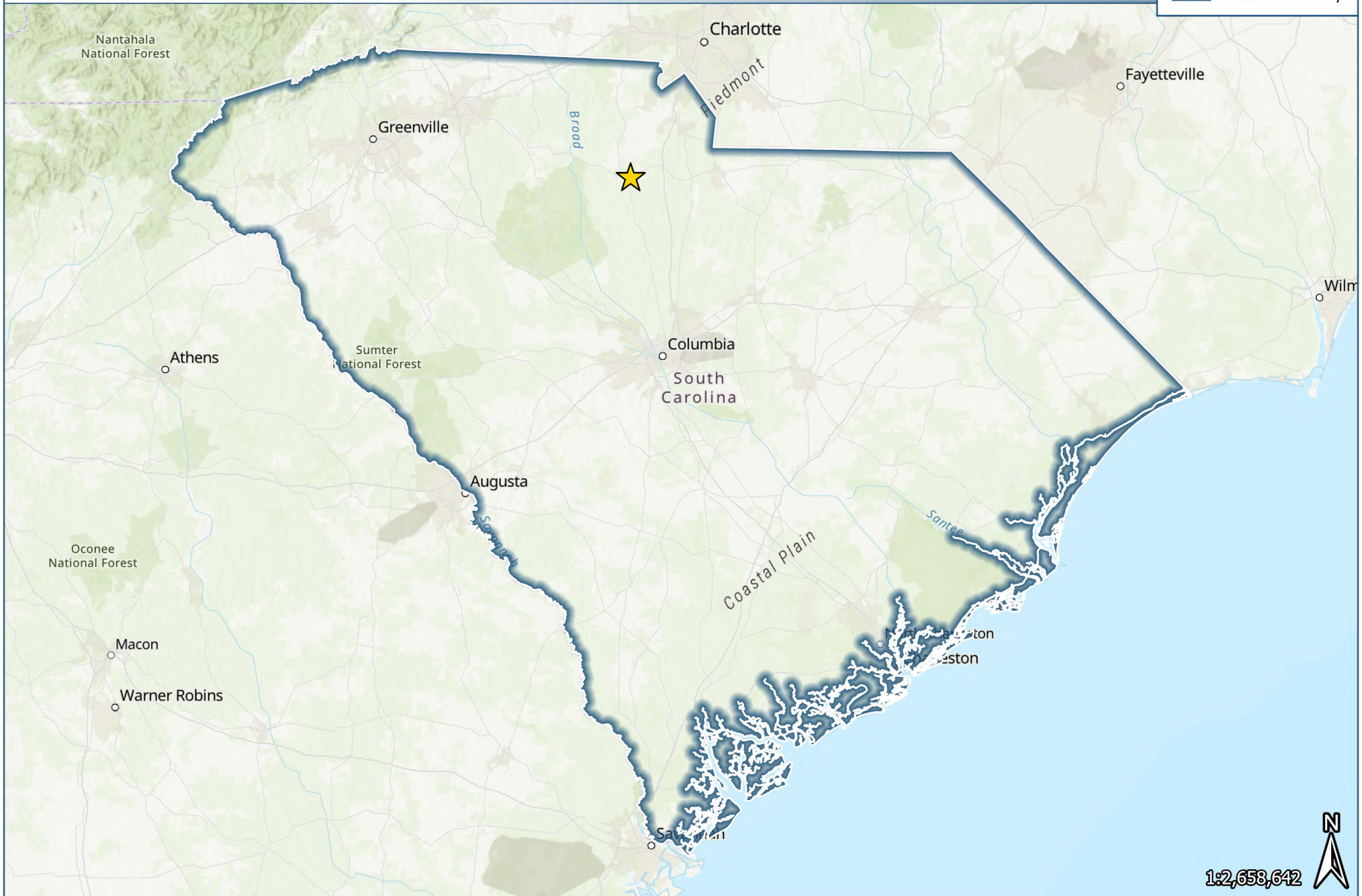
Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
52	0	100.0%	7 Households (Shared w/ Phase I)

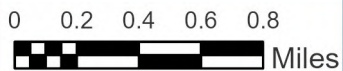
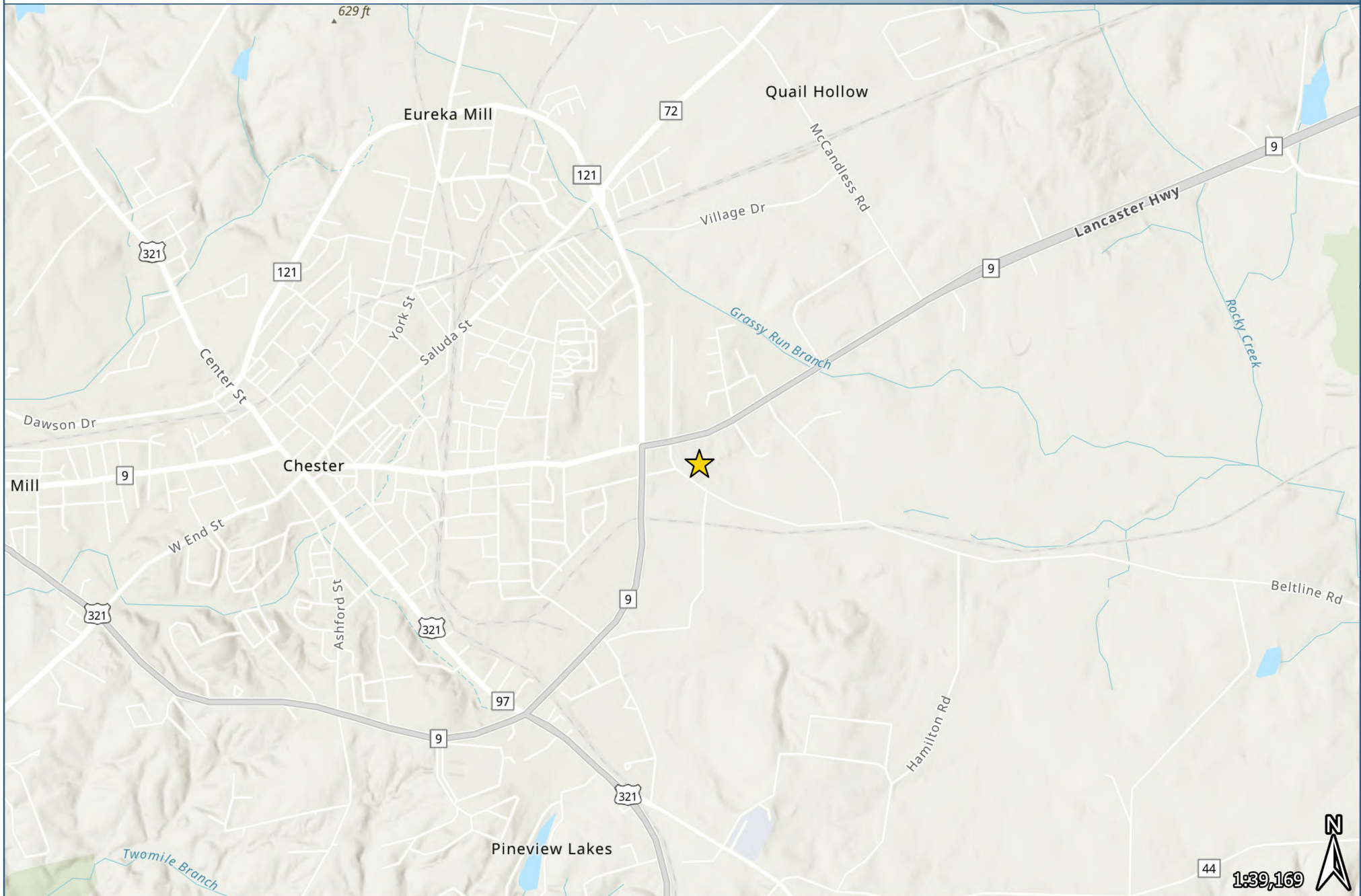
PLANNED RENOVATION & CURRENT OCCUPANCY:

A detailed scope of work provided by the developer is included in *Addendum C*.

The subject project consists of 52 one-, two- and three-bedroom units that are 100.0% occupied, with a seven-household waiting list for the next available unit. The project currently has basic/note rents of \$570/\$672 for a one-bedroom unit, \$662/\$764 for a two-bedroom unit and \$764/\$866 for a three-bedroom unit. Currently, 39 of the subject units receive Rental Assistance (RA). Due to the presence of this subsidy, the average tenant-paid rent is \$316, \$290 and \$272 for a one-, two- and three-bedroom unit, respectively, based on the subject project's current rent roll as illustrated in *Addendum E*. Following Tax Credit renovations, the RA subsidy will be offered for a total of 39 units. It is anticipated that most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project.

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





C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of April 7, 2025. 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 is the existing Chester Townhouses II rental community located at 628 Lancaster Highway in Chester, South Carolina. Located within Chester County, the city of Chester is approximately 19.0 miles southwest of Rock Hill, South Carolina. The site is within a mixed-use area of Chester, with surrounding land uses including the first phase of the subject project, commercial buildings, community services, schools, single-family homes and undeveloped wooded land. Adjacent land uses are as follows:

North -	The northern boundary is defined by Phase I of the subject property in good condition, which continues to a Sunoco gas station and State Route 9 (Lancaster Highway), a four-lane roadway with moderate vehicular traffic patterns. Continuing north are neighborhoods of single-family homes in fair to good condition and undeveloped wooded land.
East -	The eastern boundary is defined by a wooded tree line, which separates the site from a commercial building in fair condition. Continuing east are undeveloped land, the York Technical College Chester Center, a utility service provider and schools within the Chester County School District.
South -	The southern boundary is defined by undeveloped wooded land, which separates the site from a single-family home in good condition. Continuing south are single-family homes in good condition and wooded land.
West -	The western boundary is defined by undeveloped wooded land, which separates the site from a pediatrics office and the lightly travelled Beltline Road. Further west are a variety of businesses along the arterial JA Cochran Bypass, including a CVS Pharmacy, a KJ's Market grocery store and various restaurants (among other services).

The subject site is located within a mixed-use area of Chester, with surrounding residential structures observed to be in fair to good condition. The subject project fits well with the surrounding land uses, which are expected to positively impact its continued marketability. This is further evidenced by the project's 100.0% occupancy rate and waiting list.

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 9 State Route 72 U.S Highway 321	Adjacent North 0.3 West 1.4 South
Public Bus Stop	Union County Public Transportation	On-demand
Major Employers/ Employment Centers	Walmart Supercenter Chester County School District Synthomer	0.8 South 1.0 Northeast 1.4 Southwest
Convenience Store	CVS Kangaroo Express	0.2 West 0.3 West
Grocery	KJ's Market Walmart Supercenter	0.2 West 0.8 South
Discount Department Store	Roses Express Dollar General Walmart Supercenter	0.5 West 0.5 West 0.8 South
Shopping Center/Mall	Chester Crossing Chester Commons	0.5 West 0.8 South
Schools: Elementary Middle/Junior High High	Dora Jones-Gayle Elementary School Chester Middle School Chester Senior High School	1.4 West 1.4 North 1.7 South
Hospital	MUSC Health Chester Medical Center	2.0 South
Police	Chester Police Department	1.6 West
Fire	Chester Fire Department	1.7 West
Post Office	United States Postal Service	1.6 West
Bank	Founders Federal Credit Union First Citizens Bank	0.4 West 0.9 South
Recreational Facilities	Chester Nature Park Leroy Springs Recreation Complex	0.9 East 3.1 East
Gas Station	Sunoco Exxon	0.2 Northeast 0.2 West
Pharmacy	CVS Walmart Pharmacy	0.2 West 0.8 South
Restaurant	Waffle House Hardees Italian Garden of Chester	0.2 West 0.2 West 0.2 West
Day Care	Arms of Love Academy	0.5 Northwest
Community Center	City of Chester Community Center	1.7 West
Library	Chester County Library	1.6 West

The site is within a mixed-use area and is subsequently within 2.0 miles of most essential community services. Notable services within 2.0 miles include grocery stores, banks, restaurants, pharmacies, discount retailers, public schools, gas stations and conveniences stores. Of note, the site is within 0.8 mile of a Walmart Supercenter, which anchors additional community services within the Chester Commons shopping plaza. Most nearby services are accessible along the nearby JA Cochran Bypass commercial corridor, within 0.3 mile of the site.

Public safety services are provided by the Chester County Police and Fire departments, which are located within 1.6 and 1.7 miles of the site, respectively. The nearest hospital, MUSC Health Chester Medical Center, is located 2.0 miles south of the site. All public schools that serve the site are within 1.7 miles, and transportation is provided. Additionally, most nearby services are accessible through the demand-based transportation services of Union County Public Transportation. Overall, the availability and proximity of community services is considered beneficial to the project's continued marketability.

4. SITE PHOTOGRAPHS

Photographs of the subject site and surrounding land uses are on the following pages. Note that, while the site includes only the second phase of the Chester Townhouses rental community, we have included pictures from the northern boundary of the entire Chester Townhouses project to illustrate the non-residential land uses that surround the site to the north.



View of site from the north



View of site from the northeast



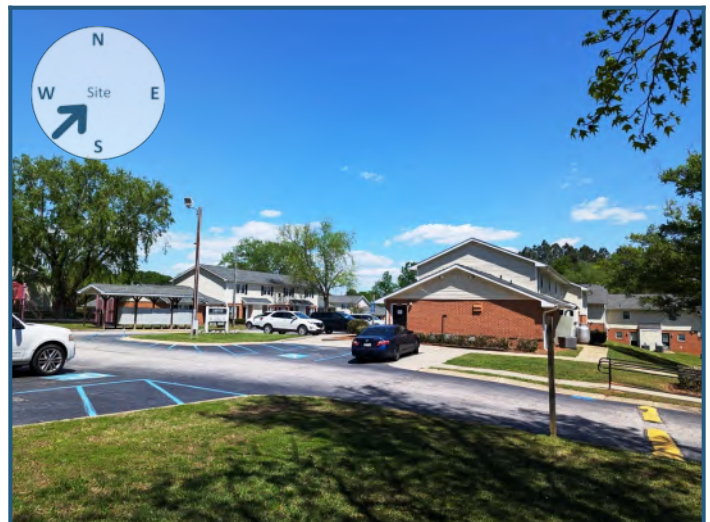
View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Lancaster Highway



Streetscape: West view of Lancaster Highway



Recreation Area: Playground



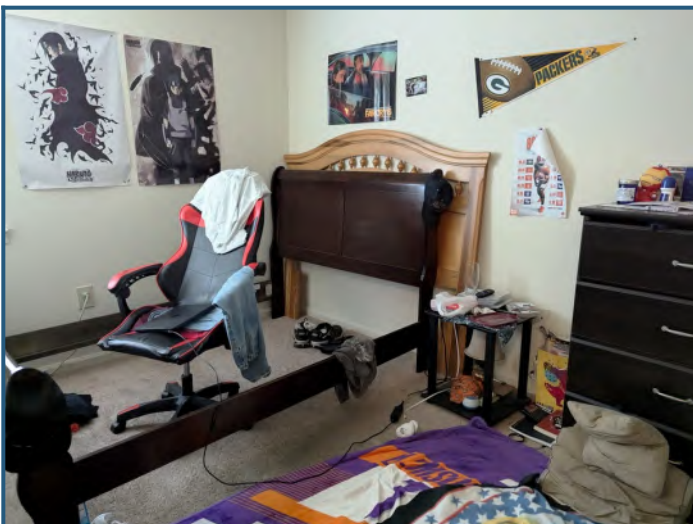
Laundry Facility



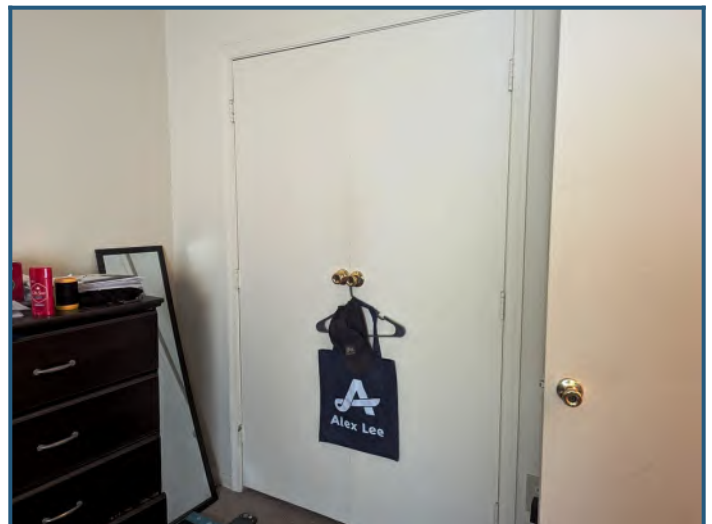
Two-Bedroom (Living Room)



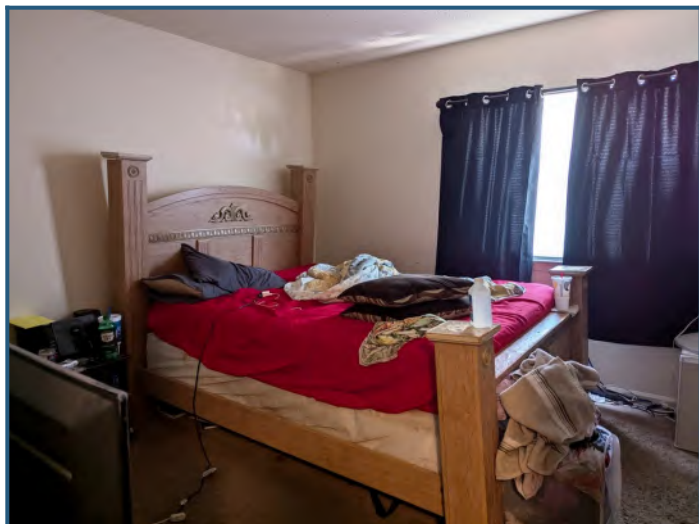
Two-Bedroom (Kitchen)



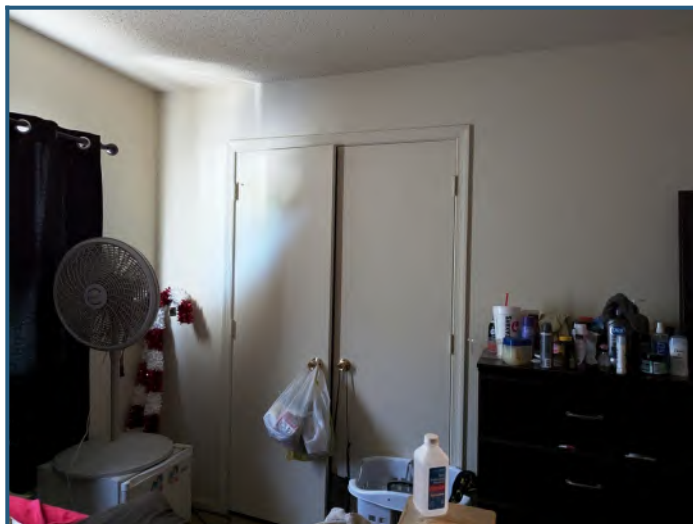
Two-Bedroom (Master Bedroom - View A)



Two-Bedroom (Master Bedroom - View B)



Two-Bedroom (Second Bedroom - View A)



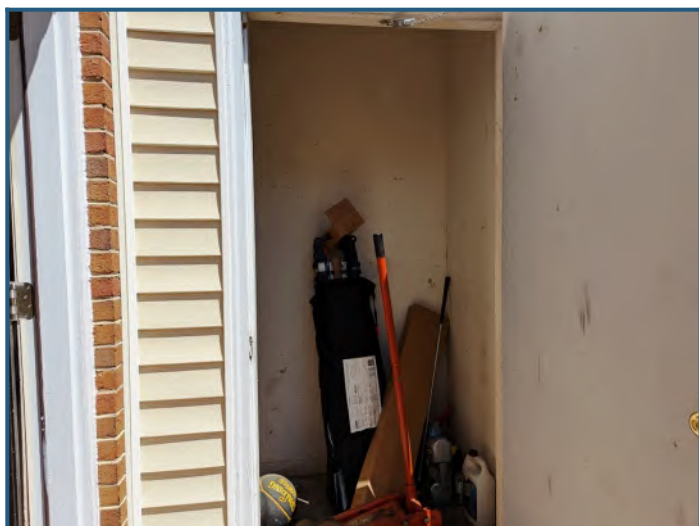
Two-Bedroom (Second Bedroom - View B)



Two-Bedroom (Full Bathroom)



Two-Bedroom (Half-Bath)



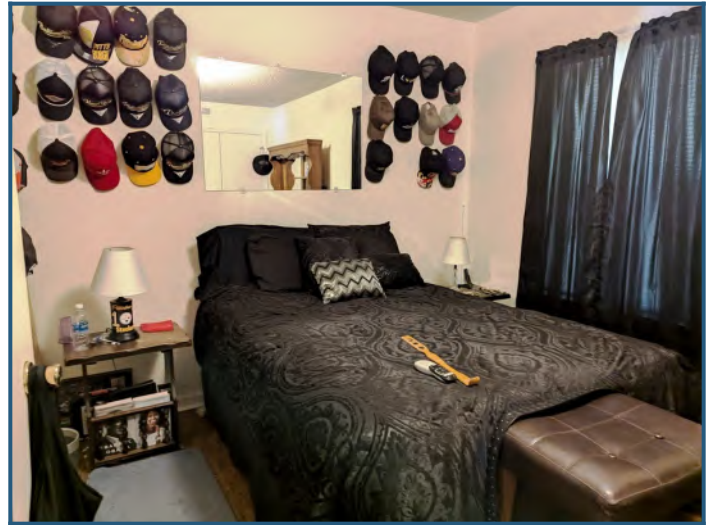
Two-Bedroom (Attached Storage Unit)



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



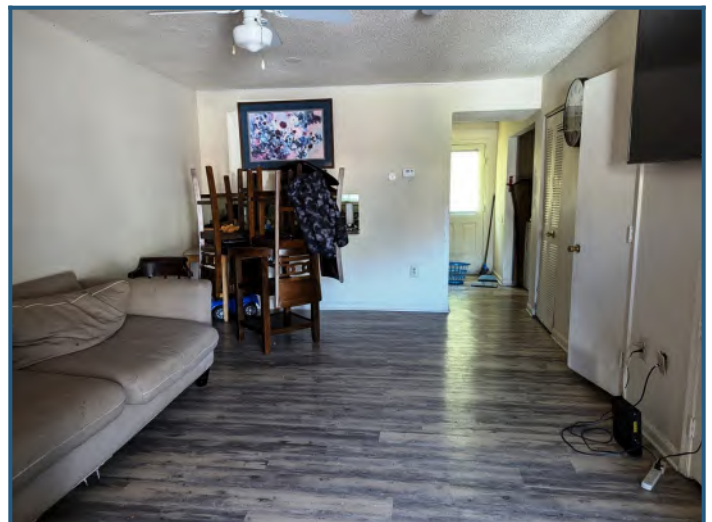
One-Bedroom (Bedroom - View B)



One-Bedroom (Bathroom)



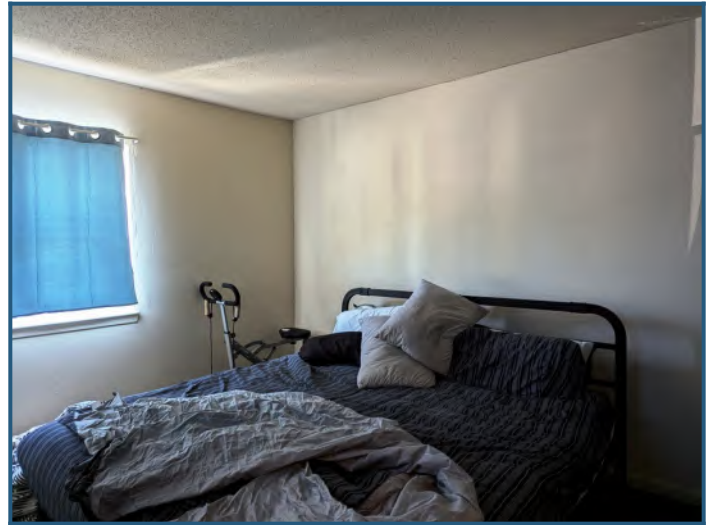
One-Bedroom (Attached Storage Unit)



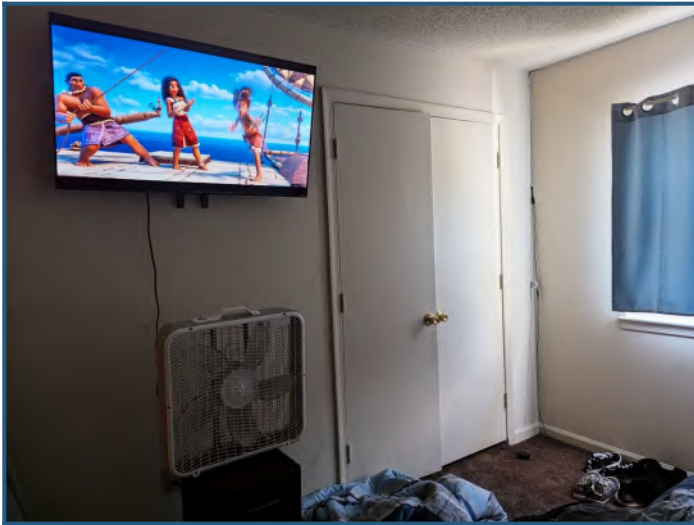
Three-Bedroom (Living Room)



Three-Bedroom (Kitchen)



Three-Bedroom (Master Bedroom - View A)



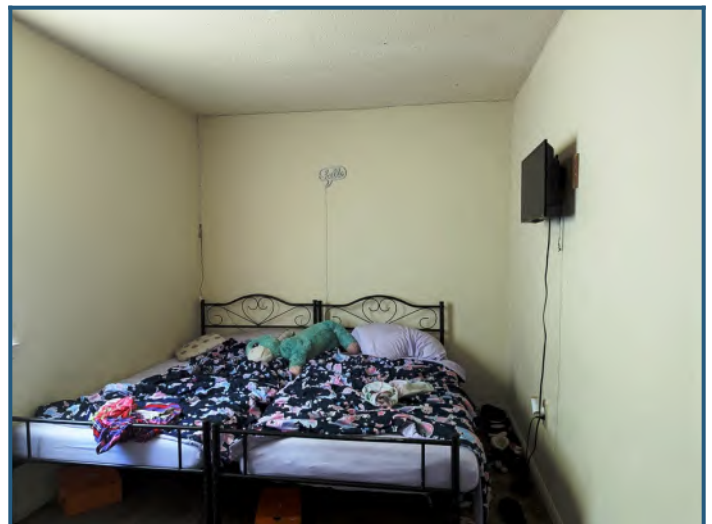
Three-Bedroom (Master Bedroom - View B)



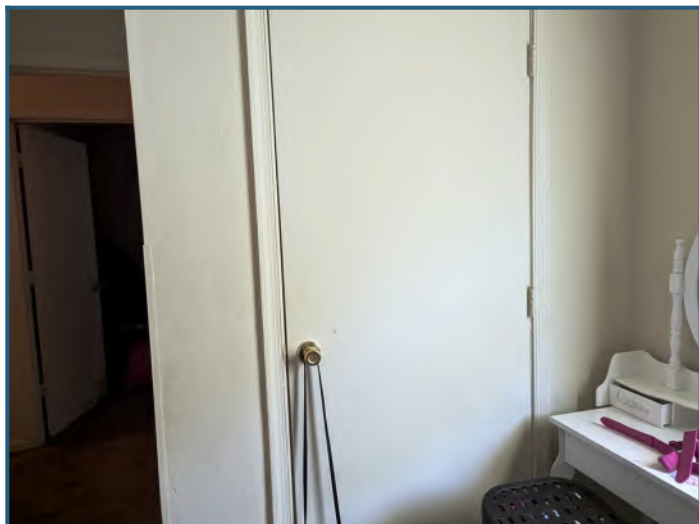
Three-Bedroom (Second Bedroom - View A)



Three-Bedroom (Second Bedroom - View B)



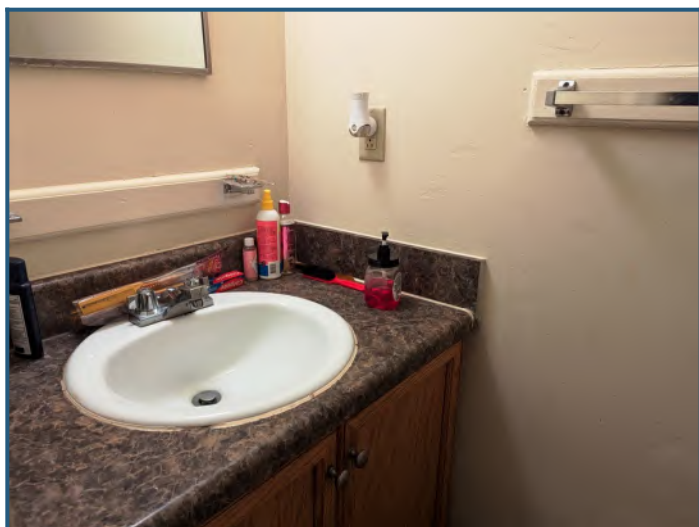
Three-Bedroom (Third Bedroom - View A)



Three-Bedroom (Third Bedroom - View B)



Three-Bedroom (Full Bathroom)



Three-Bedroom (Half-Bath)



Three-Bedroom (Attached Storage Unit)



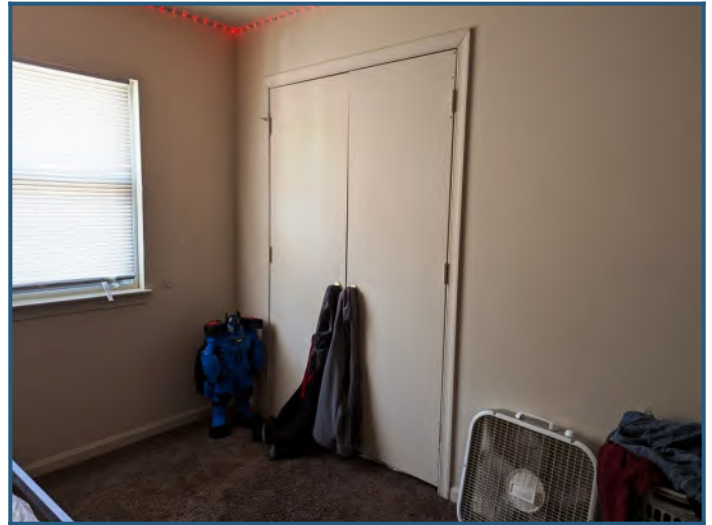
One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)



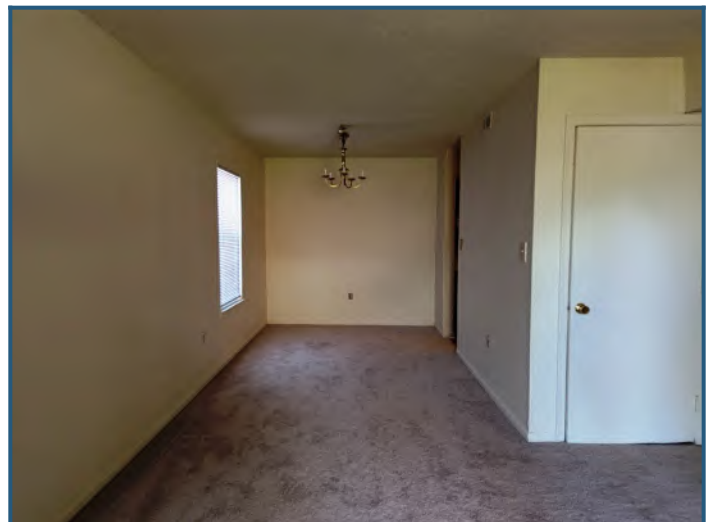
One-Bedroom (Half-Bath)



One-Bedroom (Bathroom)



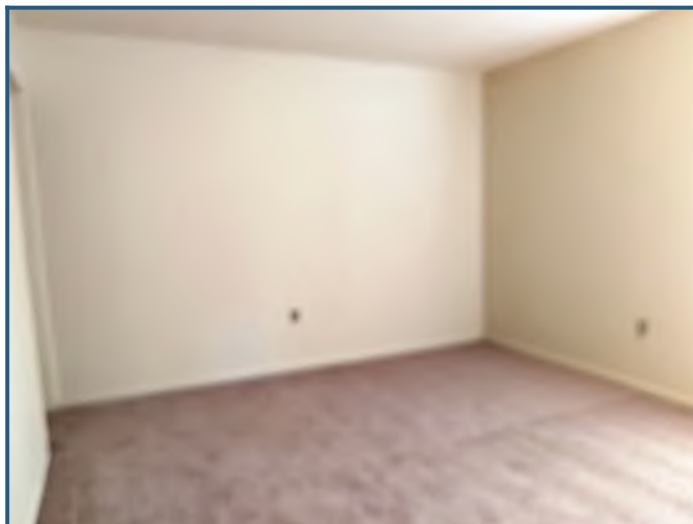
One-Bedroom (Attached Storage Unit)



Three-Bedroom (Living Room)



Three-Bedroom (Kitchen)



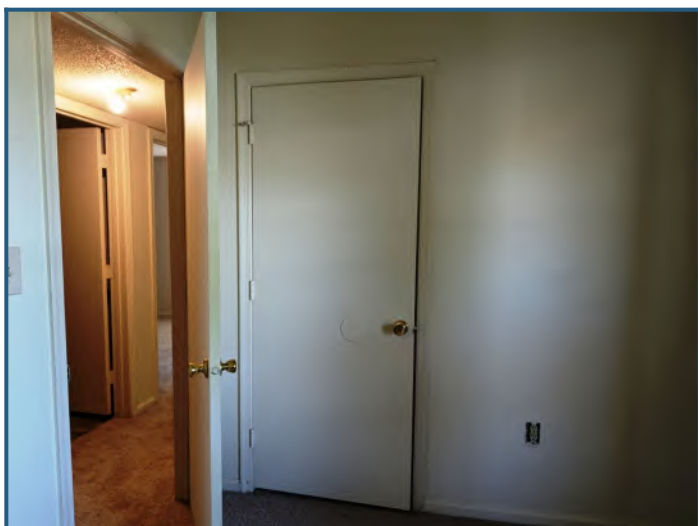
Three-Bedroom (Master Bedroom - View A)



Three-Bedroom (Master Bedroom - View B)



Three-Bedroom (Second Bedroom - View A)



Three-Bedroom (Second Bedroom - View B)



Three-Bedroom (Third Bedroom - View A)



Three-Bedroom (Third Bedroom - View B)



Three-Bedroom (Full Bathroom)











Three-Bedroom (Half-Bath)

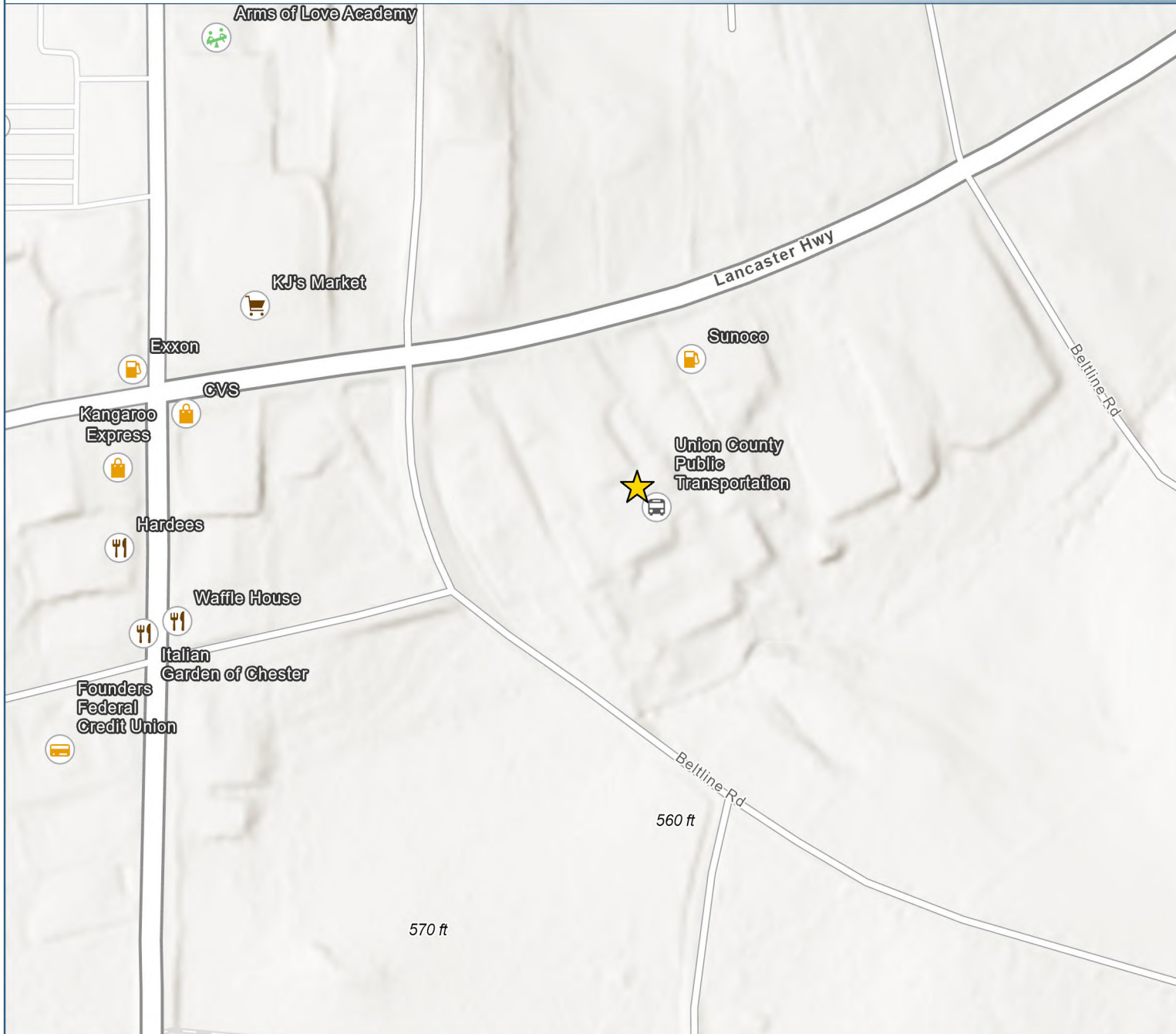
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.




Community Services

-  Gas Station
-  Public Bus Stop
-  Bank
-  Day Care
-  Restaurant
-  Grocery
-  Convenience Store
-  Shopping Center/Mall



0 0.03 0.05 0.08 0.1

























 Miles

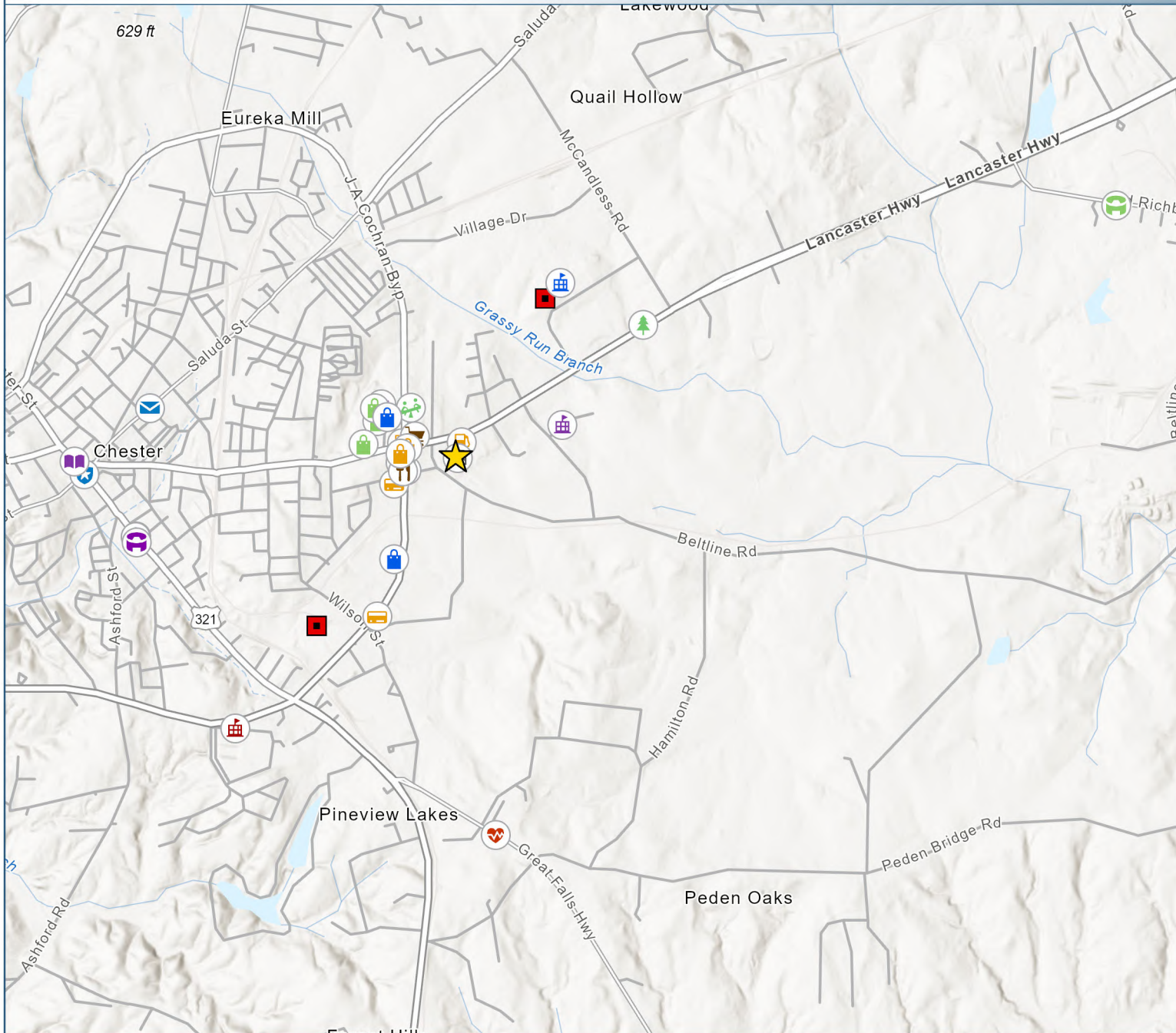
Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, Esri Community Maps Contributors, State of North Carolina DOT, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

1:5,063



Community Services

-  Major Employers/Employment Centers
-  Hospital/Medical Center
-  Police
-  Fire
-  Post Office
-  Pharmacy
-  Gas Station
-  Public Bus Stop
-  Bank
-  Day Care
-  Schools, Elementary
-  Schools, Middle/Junior High
-  Schools, High
-  Schools, College/University
-  Library
-  Park
-  Recreational Facility
-  Community Center
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall



0 0.2 0.4 0.6 0.8

 Miles

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

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 market and Chester County are illustrated in the following table.

	Crime Risk Index	
	PMA	Chester County
Total Crime Index	135	125
Personal Crime Index	191	159
Murder	324	252
Rape	84	73
Robbery	80	69
Assault	238	198
Property Crime Index	125	118
Burglary	171	158
Larceny	119	111
Motor Vehicle Theft	105	110

Source: Applied Geographic Solutions, FBI, ESRI
PMA - Primary Market Area

The crime risk index within the market (135) is similar to that of Chester County (125) and both are slightly above that of the nation (100). Regardless, all of the rental communities identified and surveyed within the market are maintaining strong occupancy rates (including the subject site), indicating that rental properties have not been impacted by any perception of crime. Further, the subject project includes on-site management, which will likely help mitigate potential perceptions of crime. Therefore, it is unlikely that the perception of crime will have any tangible impact on the continued marketability of the subject development.

A map illustrating crime risk is on the following page.



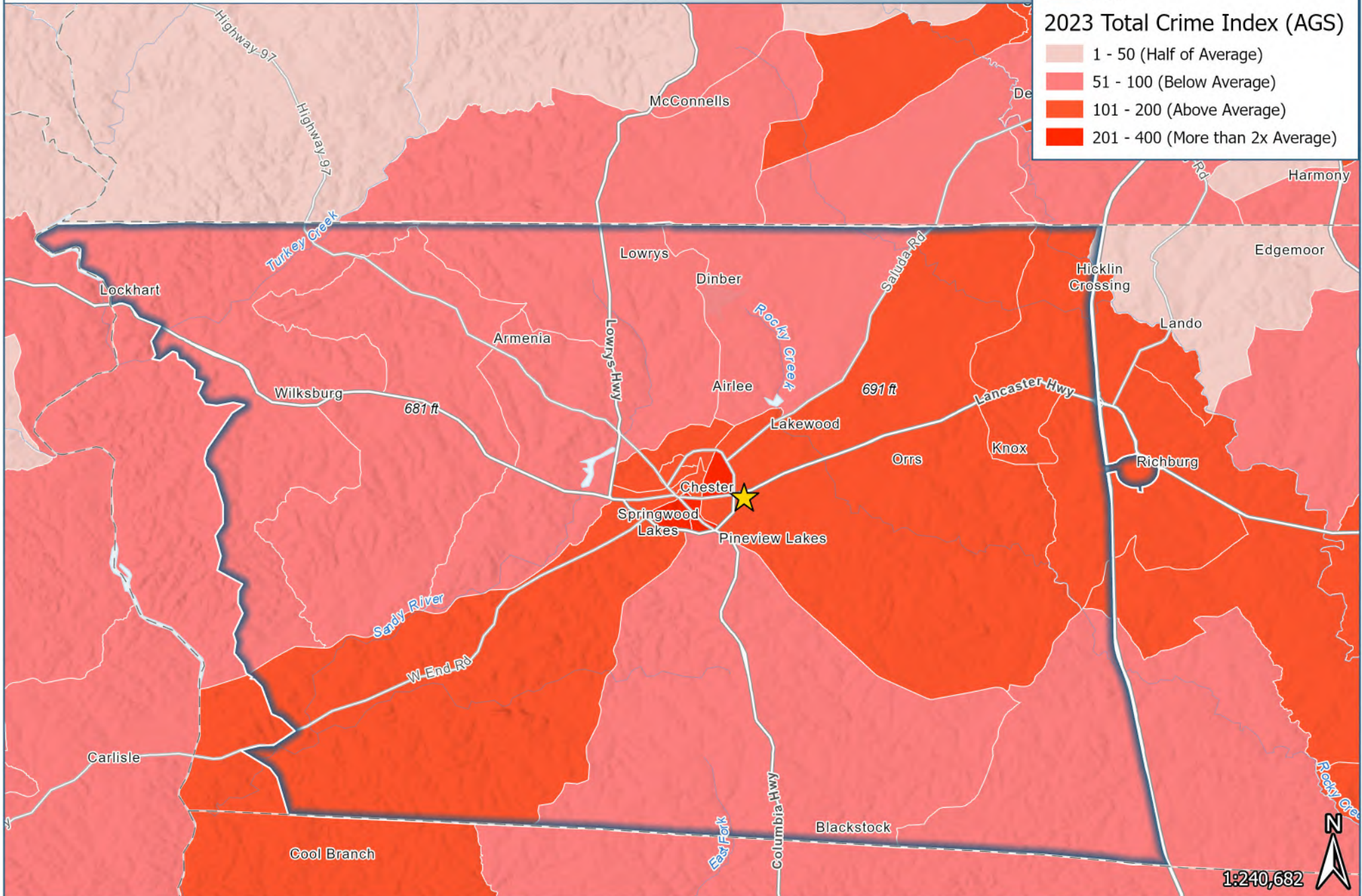
Site



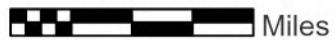
PMA

2023 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2x Average)



0 1.2 2.4 3.6 4.8



Miles

Esri, NASA, NGA, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research

7. ACCESS AND VISIBILITY

The site project features two vehicular access points along State Route 9 to the north. While traffic patterns along this roadway are moderate, dedicated center turn lanes are present to mitigate potential traffic disruptions during ingress and egress of the site. State Route 9 and the arterial State Route 72 and U.S. Highway 321 facilitate accessibility of the site from throughout the greater Chester area. Although fixed-route public transportation is not available in the area, Union County Public Transportation offers demand-based transit services available to residents of the site project. Overall, the accessibility of the subject site is considered good and is anticipated to positively impact its continued marketability.

The subject site maintains frontage and permanent signage along State Route 9, a four-lane arterial roadway with moderate vehicular traffic patterns. According to the South Carolina Department of Transportation (SCDOT), State Route 9 maintains an Annual Average Daily Traffic (AADT) volume of 7,900 to 13,400 vehicles. Considering the clear and unobstructed visibility of the site from this arterial roadway, visibility of the site is considered good and is anticipated to positively impact its continued marketability.

8. VISIBLE OR ENVIRONMENTAL ISSUES

No known detriments or nuisances were observed at the time of analysis.

9. OVERALL SITE CONCLUSIONS

The subject site is the existing Chester Townhouses II rental community located at 628 Lancaster Highway in Chester, South Carolina. The site is within a mixed-use area of Chester, with surrounding residential structures observed to be in fair to good condition. These well-kept structures are anticipated to positively impact the project's continued marketability. Visibility and accessibility of the site are considered good, given its unobstructed location along the arterial State Route 9. Nearly all essential community services are accessible within 2.0 miles, including (but not limited to) grocery stores, banks, restaurants, pharmacies, discount retailers, public schools, gas stations and conveniences stores. Additionally, most nearby services are accessible through the demand-based transportation services of Union County Public Transportation. Overall, the subject site's location and proximity to community services are expected to positively impact the project's continued marketability. This is further evidenced by the project's 100.0% occupancy rate and waiting list.

D. Primary Market Area Delineation

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

The Chester Site PMA includes the incorporated communities of Chester, Richburg, Lowrys, Eureka Mill, Gayle Mill and the surrounding unincorporated areas of Chester County. The boundaries of the Site PMA generally include the Chester County line to the north; Interstate 77 and the Richburg city limits to the east; the Chester County line to the south; and State Route 215, State Route 72/121, Leeds Road/Woods Ferry Road, Poulos Road and the Chester County line to the west. All boundaries of the Site PMA are within 18.4 miles of the site. The Site PMA includes all of, or portions of, the following Census Tracts:

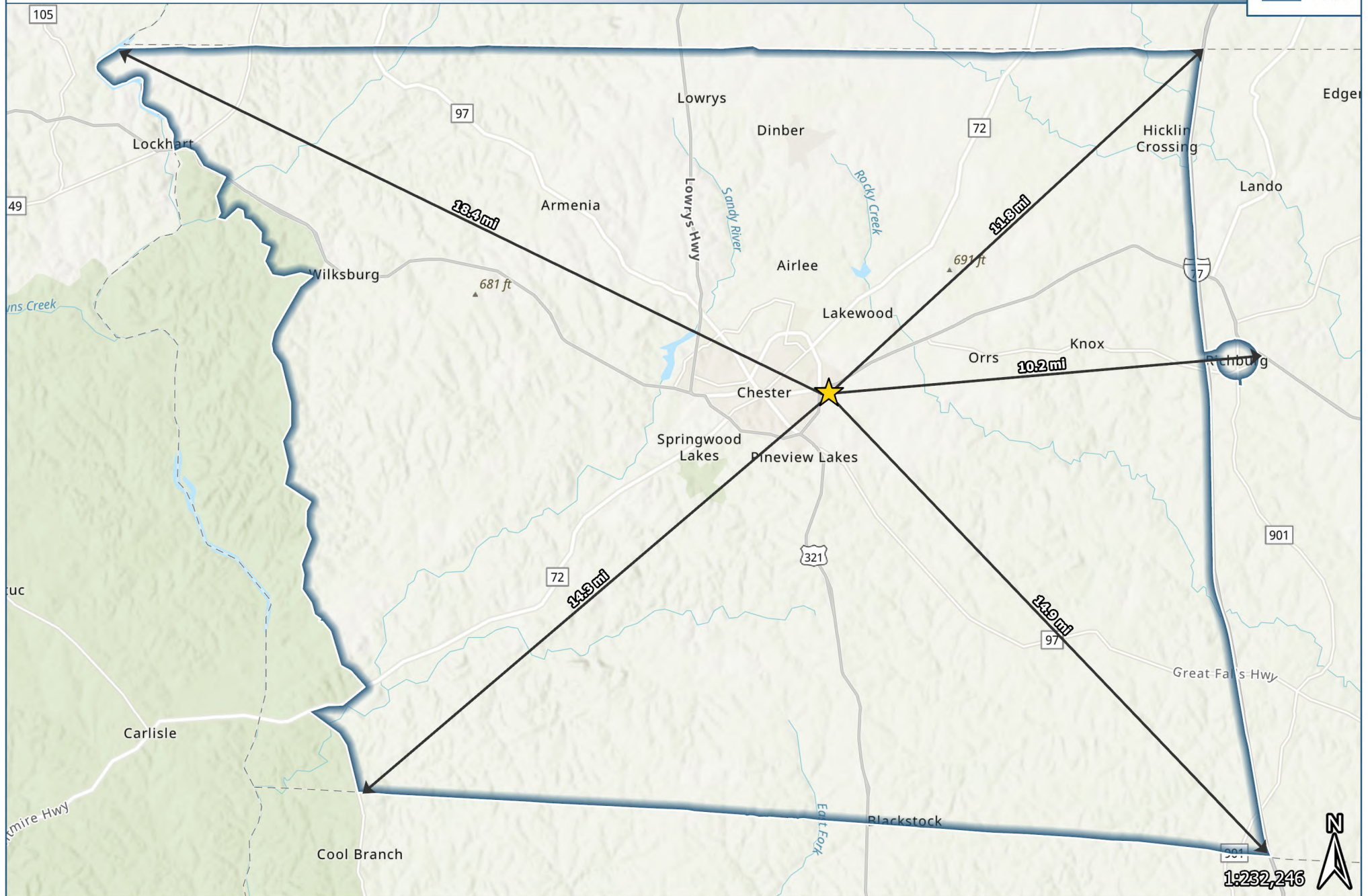
201.00	202.00	203.00
204.00	205.00	206.01
206.02*	207.00	209.00

*Subject site location

Wendy Sawyer is the Property Manager for the subject site Chester Townhouses. Sawyer confirmed the boundaries of the Site PMA, stating that most tenants for the subject project primarily originate from Chester and the surrounding areas. Sawyer added that most residents tend to stay in the area due to the area's lower rents, availability of jobs, and access to higher-paying employment opportunities.

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

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



E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

The labor force within the Chester Site PMA is based primarily in two sectors. Public Administration (which comprises 18.3%) and Health Care & Social Assistance comprise over 32.4% of the Site PMA labor force. Employment in the Chester Site PMA, as of 2024, was distributed as follows:

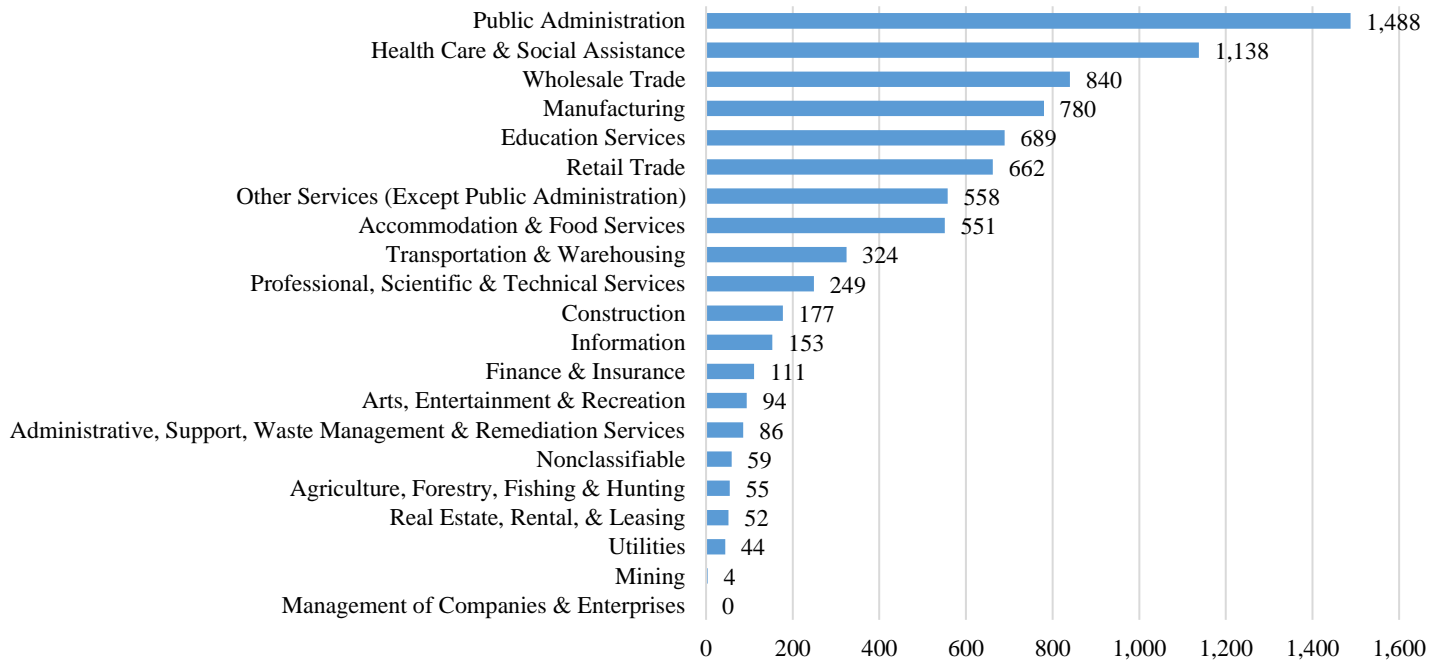
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	13	1.7%	55	0.7%	4
Mining	1	0.1%	4	< 0.1%	4
Utilities	6	0.8%	44	0.5%	7
Construction	38	4.9%	177	2.2%	5
Manufacturing	25	3.2%	780	9.6%	31
Wholesale Trade	18	2.3%	840	10.4%	47
Retail Trade	83	10.7%	662	8.2%	8
Transportation & Warehousing	25	3.2%	324	4.0%	13
Information	14	1.8%	153	1.9%	11
Finance & Insurance	31	4.0%	111	1.4%	4
Real Estate, Rental, & Leasing	23	3.0%	52	0.6%	2
Professional, Scientific & Technical Services	46	5.9%	249	3.1%	5
Management of Companies & Enterprises	0	0.0%	0	0.0%	0
Administrative, Support, Waste Management & Remediation Services	17	2.2%	86	1.1%	5
Education Services	24	3.1%	689	8.5%	29
Health Care & Social Assistance	70	9.0%	1,138	14.0%	16
Arts, Entertainment & Recreation	12	1.6%	94	1.2%	8
Accommodation & Food Services	46	5.9%	551	6.8%	12
Other Services (Except Public Administration)	161	20.8%	558	6.9%	3
Public Administration	91	11.8%	1,488	18.3%	16
Nonclassifiable	30	3.9%	59	0.7%	2
Total	774	100.0%	8,114	100.0%	10

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

Total Employment by Industry



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the MSA are compared with the state of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	MSA	South Carolina
Management Occupations	\$89,937	\$74,598
Business and Financial Occupations	\$82,789	\$67,382
Computer and Mathematical Occupations	\$99,185	\$82,469
Architecture and Engineering Occupations	\$93,374	\$87,090
Community and Social Service Occupations	\$49,940	\$47,696
Art, Design, Entertainment, Sports, and Media Occupations	\$48,150	\$41,227
Healthcare Practitioners and Technical Occupations	\$68,310	\$65,927
Healthcare Support Occupations	\$30,669	\$26,124
Protective Service Occupations	\$52,755	\$46,981
Food Preparation and Serving Related Occupations	\$16,804	\$15,941
Building and Grounds Cleaning and Maintenance Occupations	\$28,879	\$24,804
Personal Care and Service Occupations	\$22,870	\$20,445
Sales and Related Occupations	\$44,777	\$35,691
Office and Administrative Support Occupations	\$40,561	\$36,336
Construction and Extraction Occupations	\$40,091	\$40,248
Installation, Maintenance and Repair Occupations	\$53,285	\$54,164
Production Occupations	\$39,961	\$41,011
Transportation Occupations	\$45,478	\$44,174
Material Moving Occupations	\$30,726	\$27,349

Source: U.S. Department of Labor, Bureau of Statistics
MSA - Charlotte-Concord-Gastonia, NC-SC Metro Area

As the preceding illustrates, most occupational types within the MSA have higher typical wages than South Carolina's typical wages. However, it is important to note that the subject project will continue to target households generally earning less than \$50,000 annually. Therefore, the area employment base appears to have a good base of income-appropriate positions from which the project will continue to be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Chester County area comprise a total of 2,592 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Haddon House Food Products, Incorporated	Grocery	524
MUSC Health	Healthcare	384
Guardian Industries, LLC	Manufacturer	300
Boise Cascade Company	Manufacturer	298
United Contractors, LLC	Construction	215
Electric Glass Fiber America, LLC	Manufacturer	213
Bio-Lo, LLC	Grocery	208
Marcegaglia Stainless Richburg, LLC	Manufacturer	166
TDY Industries, LLC	Manufacturer	156
GNCS, Incorporated	Food Services	128
Total		2,592

Source: Chester County Economic Development (Date Unavailable)

According to a representative with the Chester County Economic Development department, the Chester County economy is on target for another successful year and is among the fastest growing counties in the Charlotte region.

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

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
Albemarle Corporation Richburg	\$1.3 billion	300+	Under Construction: Albemarle Corporation is constructing a new lithium hydroxide processing facility. The approximate annual wage is \$93,000 and 1,500 construction jobs will be created. Phase I of the project is expected to be completed in 2026.
IKO Industries Chester	\$363 million	180	Under Construction: In 2023, IKO Industries, a global roofing products manufacturer, announced they would be revitalizing the former PPG fiberglass plant to manufacture fiberglass, along with a second project that will include a 325,000 square-foot fiberglass mat plant. Production is expected to begin in late 2025.
Schlossburg's Building Chester	\$3.4 million	N/A	Under Construction: Kuester Commercial Real Estate is restoring the former department store into a mixed-use project. Construction began in 2024, ECD late 2025.
Luck Companies Richburg	\$93 million	30	Under Construction: In 2025, Luck Companies, a provider of crushed stone aggregates and environmental performance products, broke ground on a new site. There will also be acreage dedicated to agricultural education.
GFI Partners Chester	\$35 million	17	Planned: To break ground in mid-2025 and is expected to take 15 to 18 months to complete.
Northann Fort Lawn	\$5 million	20	Completed: Northann, which specializes in 3D printing and manufacturing solutions, relocated to Fort Lawn in summer 2024.
E. & J. Gallo Winery Fort Lawn	\$423 million	500	Completed: The distribution facility was completed in 2022, but job creation could take up to five years.
Maccaferri, Incorporated Fort Lawn	\$9.5 million	90	Completed: Maccaferri Incorporated, a company that creates results for road and rail infrastructure, erosion control, and soil stabilization, signed a long-term lease at a facility in Fort Lawn. Renovations on the 236,210 square-foot facility were completed in early 2025.

ECD – Estimated Completion Date

N/A – Not Available

Infrastructure:

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

Project Name	Scope of Work
State Route 901 Chester	Proposed: Widening of State Route 901 from State Route 9 to Victorian Hills Drive, including median and two-way turn lane.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on April 15, 2025, and according to SC Works there have been no WARN notices reported for Chester County over the past 12 months.

4. EMPLOYMENT TRENDS

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

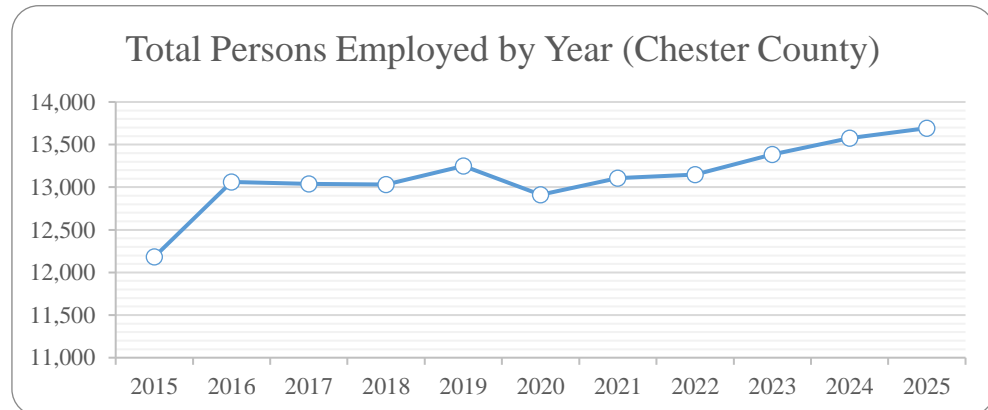
The following illustrates the total employment base for Chester County, the state of South Carolina, and the United States. Total employment reflects the number of employed persons who live within the county.

Year	Total Employment					
	Chester County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2015	12,182	-	2,108,786	-	148,833,000	-
2016	13,062	7.2%	2,145,584	1.7%	151,436,000	1.7%
2017	13,039	-0.2%	2,168,104	1.0%	153,337,000	1.3%
2018	13,031	-0.1%	2,206,821	1.8%	155,761,000	1.6%
2019	13,248	1.7%	2,263,682	2.6%	157,538,000	1.1%
2020	12,911	-2.5%	2,201,090	-2.8%	147,795,000	-6.2%
2021	13,107	1.5%	2,272,940	3.3%	152,581,000	3.2%
2022	13,148	0.3%	2,330,548	2.5%	158,291,000	3.7%
2023	13,385	1.8%	2,401,212	3.0%	161,037,000	1.7%
2024	13,577	1.4%	2,430,453	1.2%	161,346,000	0.2%
2025	13,693*	0.9%	2,439,835**	0.4%	162,768,000**	0.9%

Source: Bureau of Labor Statistics

*Through February 2025

**Through March 2025



As the preceding illustrates, the Chester County employment base experienced growth overall between 2015 and February 2025, with growth occurring each year following the impact of the COVID-19 pandemic in 2020. Specifically, the local employment base has increased to a ten-year high of 13,693 jobs through February 2025, increasing by 6.1% since 2020. This indicates that the Chester County economy is improving, in terms of the overall employment base.

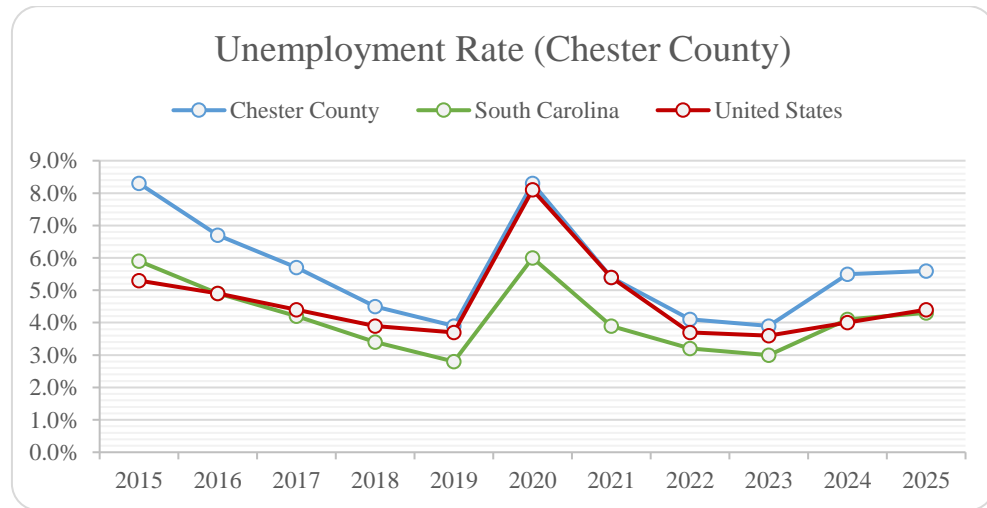
Unemployment rates for Chester County, the state of South Carolina, and the United States are illustrated as follows:

Year	Total Unemployment					
	Chester County		South Carolina		United States	
	Total Number	Percent of Workforce	Total Number	Percent of Workforce	Total Number	Percent of Workforce
2015	1,103	8.3%	132,281	5.9%	8,296,000	5.3%
2016	936	6.7%	110,199	4.9%	7,751,000	4.9%
2017	789	5.7%	94,845	4.2%	6,982,000	4.4%
2018	620	4.5%	76,542	3.4%	6,314,000	3.9%
2019	532	3.9%	64,405	2.8%	6,001,000	3.7%
2020	1,171	8.3%	140,613	6.0%	12,948,000	8.1%
2021	756	5.4%	92,676	3.9%	8,623,000	5.4%
2022	563	4.1%	77,339	3.2%	5,996,000	3.7%
2023	546	3.9%	74,248	3.0%	6,080,000	3.6%
2024	785	5.5%	105,178	4.1%	6,761,000	4.0%
2025	807*	5.6%	109,172**	4.3%	7,427,000**	4.4%

Source: Department of Labor, Bureau of Labor Statistics

*Through February 2025

**Through March 2025



Between 2015 and 2019, the annual unemployment rate within Chester County declined by more than four percentage points, then increased to 8.3% between 2019 and 2020 due to the COVID-19 pandemic. The annual unemployment rate has improved since 2020, declining to a low of 3.9% in 2023. While unemployment has increased between 2023 and February 2025 (similar to state and national trends during the same time period), the preceding indicates that the local economy has improved overall since the pandemic, in terms of the annual unemployment rate.

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

At-Place Employment Chester County			
Year	Employment	Change	Percent Change
2014	8,106	-	-
2015	8,319	213	2.6%
2016	8,341	22	0.3%
2017	8,575	234	2.8%
2018	9,473	898	10.5%
2019	9,822	349	3.7%
2020	9,517	-305	-3.1%
2021	9,527	10	0.1%
2022	9,785	258	2.7%
2023	10,155	370	3.8%
2024*	10,472	317	3.1%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2023, the most recent year that year-end figures are available, indicates at-place employment in Chester County to be 75.9% of the total Chester County employment. This means that Chester County has a good share of employed persons staying within 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.



BOWEN
NATIONAL
RESEARCH

Major Employers

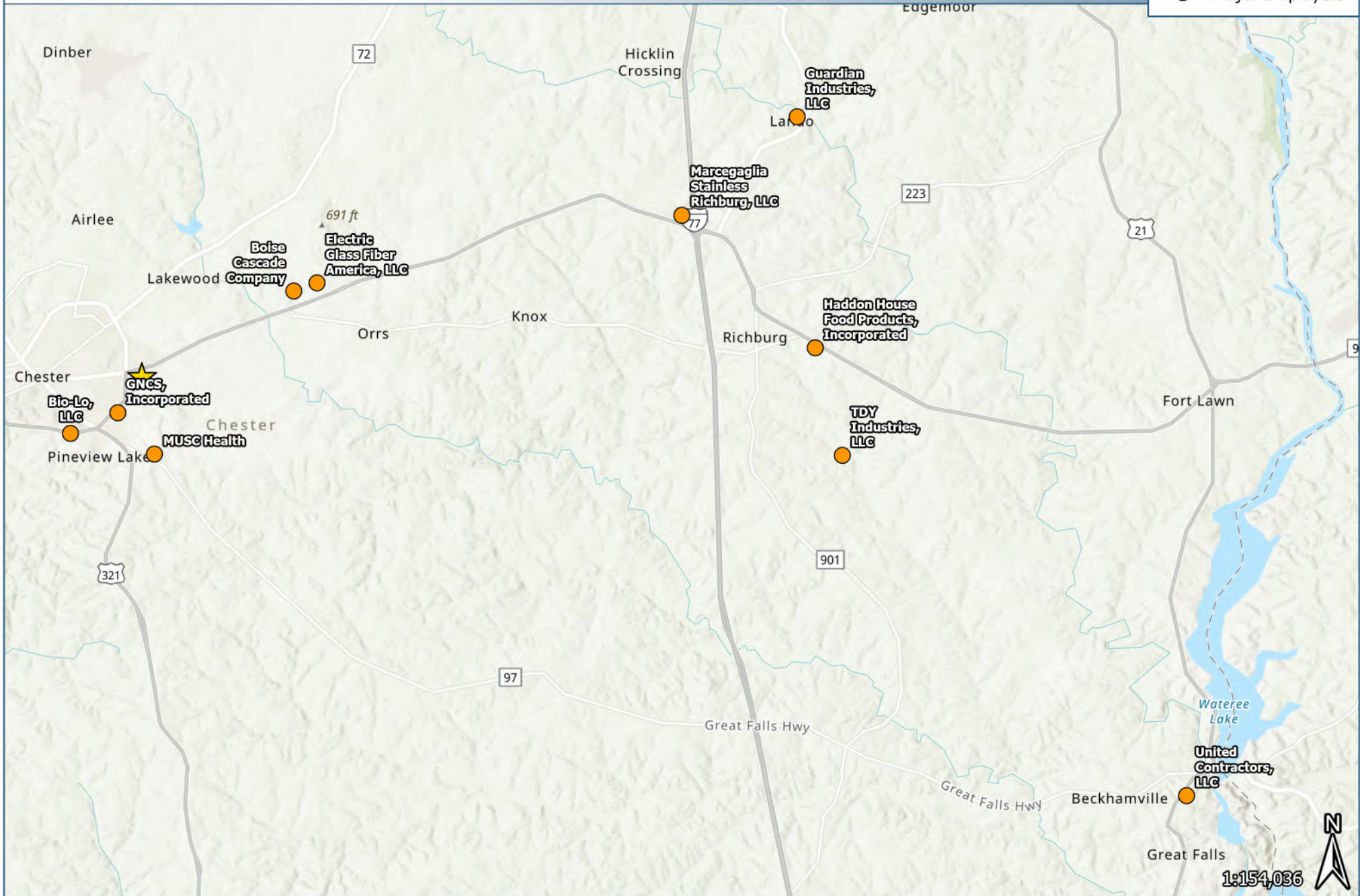
Chester, SC



Site



Major Employers



0 0.79 1.58 2.37 3.16

Miles

Esri, CGIAR, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research

6. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	7,438	79.6%
Carpooled	1,210	13.0%
Public Transit	21	0.2%
Walked	91	1.0%
Motorcycle	21	0.2%
Other Means	163	1.7%
Worked at Home	398	4.3%
Total	9,342	100.0%

Source: Bowen National Research, ESRI

A total of 79.6% of all workers drove alone, 13.0% carpooled, and 0.2% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	2,216	24.8%
15 – 29 Minutes	2,263	25.3%
30 – 44 Minutes	2,277	25.5%
45 – 59 Minutes	1,355	15.1%
60 + Minutes	834	9.3%
Total	8,945	100.0%

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work ranging from 30 to 44 minutes, though similar shares of workers have commute times of 15 to 29 and less than 15 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to its continued marketability.

A drive-time map for the subject site is on the following page.



Site



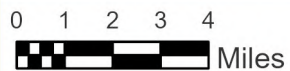
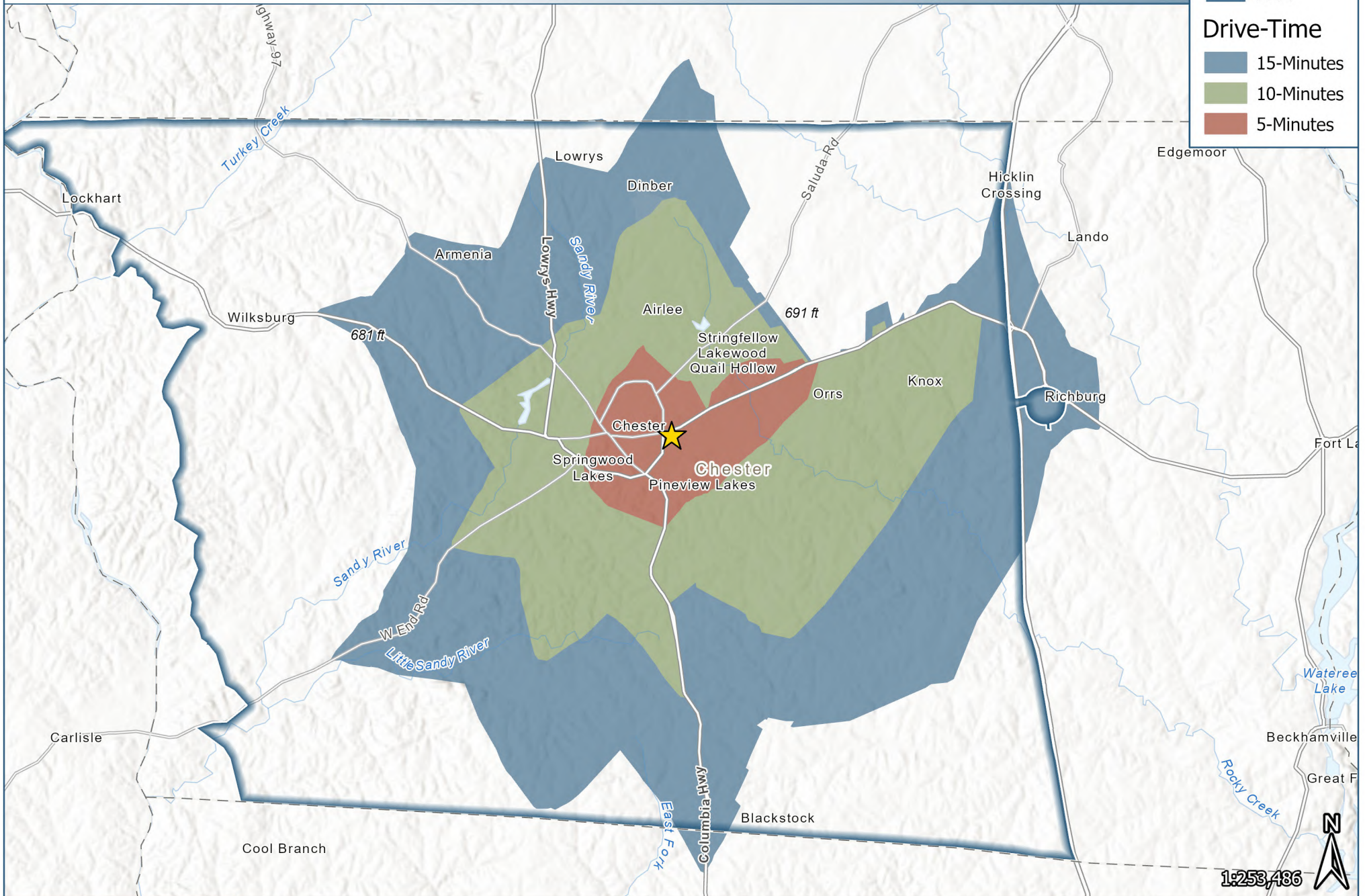
PMA

Drive-Time

15-Minutes

10-Minutes

5-Minutes



7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on data provided by the State of South Carolina Department of Labor, the Chester County economy has experienced growth in the preceding decade, particularly following the impact of the COVID-19 pandemic in 2020. Specifically, the local employment base has increased to a ten-year high of 13,693 jobs through February 2025. While the annual unemployment rate increased between 2023 and February 2025 (similar to statewide and national trends during the same period), it has declined overall from figures experienced in 2020. Additionally, according to local economic development representatives, the economy is performing well overall and several new economic development projects are currently within the development pipeline. Considering the preceding factors, the Chester County economy is performing well and is expected to improve/stabilize for the foreseeable future. This will, in turn, create a stable environment for the local housing market.

F. Community Demographic Data

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

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2010, 2020, 2025 (estimated), and 2026 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2025 (Estimated)	2026 (Projected)
Population	22,391	21,741	21,324	21,254
Population Change	-	-650	-417	-70
Percent Change	-	-2.9%	-1.9%	-0.3%

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

The Chester Site PMA population base declined by 650 between 2010 and 2020. This represents a 2.9% decline over the 2010 population, or an annual rate of 0.3%. Between 2020 and 2025, the population declined by 417, or 1.9%. It is projected that the population will decrease by 70, or 0.3%, between 2025 and 2026.

Based on the 2020 Census, population residing in group quarters represented 2.5% of the PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	538	2.5%
Population not in Group Quarters	21,203	97.5%
Total Population	21,741	100.0%

Source: 2020 Census; ESRI; Bowen National Research

b. Population by Age Group

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

Population by Age	2020 (Census)		2025 (Estimated)		2026 (Projected)		Change 2025-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	5,327	24.5%	5,055	23.7%	4,978	23.4%	-77	-1.5%
20 to 24	1,143	5.3%	1,155	5.4%	1,155	5.4%	0	0.0%
25 to 34	2,447	11.3%	2,417	11.3%	2,426	11.4%	8	0.3%
35 to 44	2,365	10.9%	2,439	11.4%	2,451	11.5%	13	0.5%
45 to 54	2,905	13.4%	2,565	12.0%	2,525	11.9%	-40	-1.6%
55 to 64	3,267	15.0%	3,113	14.6%	3,052	14.4%	-60	-1.9%
65 to 74	2,636	12.1%	2,672	12.5%	2,703	12.7%	31	1.2%
75 & Older	1,651	7.6%	1,908	8.9%	1,964	9.2%	56	2.9%
Total	21,741	100.0%	21,324	100.0%	21,254	100.0%	-70	-0.3%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, over 49% of the population is expected to be between 25 and 64 years old in 2025. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

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

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2010 (Census)	2020 (Census)	2025 (Estimated)	2026 (Projected)
Households	8,716	8,705	8,682	8,686
Household Change	-	-11	-23	5
Percent Change	-	-0.1%	-0.3%	0.1%
Average Household Size	2.57	2.50	2.46	2.45

Source: Bowen National Research, ESRI, Census

Within the Chester Site PMA, households decreased by 11 (0.1%) between 2010 and 2020. Between 2020 and 2025, households decreased by 23, or 0.3%. By 2026, there will be 8,686 households, an increase of five households, or 0.1%, over 2025 levels. These trends are indicative of a generally stable household base.

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

Households by Age	2020 (Census)		2025 (Estimated)		2026 (Projected)		Change 2025-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	181	2.1%	181	2.1%	177	2.0%	-4	-2.3%
25 to 34	1,002	11.5%	1,003	11.5%	1,004	11.6%	2	0.2%
35 to 44	1,140	13.1%	1,180	13.6%	1,187	13.7%	6	0.5%
45 to 54	1,631	18.7%	1,442	16.6%	1,420	16.3%	-22	-1.5%
55 to 64	1,895	21.8%	1,808	20.8%	1,773	20.4%	-36	-2.0%
65 to 74	1,717	19.7%	1,753	20.2%	1,774	20.4%	21	1.2%
75 & Older	1,140	13.1%	1,314	15.1%	1,351	15.6%	37	2.8%
Total	8,705	100.0%	8,682	100.0%	8,686	100.0%	5	0.1%

Source: Bowen National Research, ESRI, Census

Between 2025 and 2026, the greatest growth among household age groups is projected to be among those ages 75 and older. While households under the age of 65 are projected to decline slightly overall, these households will continue to represent nearly two thirds (64.0%) of all households in the market through 2026. This illustrates that there will continue to be a good base of support for family-oriented housing options in the Site PMA.

b. Households by Tenure

Households by tenure in 2020 (census), 2025 (estimated), and 2026 (projected) are distributed as follows:

Tenure	2020 (Census)		2025 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,294	72.3%	6,556	75.5%	6,578	75.7%
Renter-Occupied	2,411	27.7%	2,126	24.5%	2,108	24.3%
Total	8,705	100.0%	8,682	100.0%	8,686	100.0%

Source: Bowen National Research, ESRI, Census

In 2025, homeowners occupied 75.5% of all occupied housing units, while the remaining 24.5% were occupied by renters. Renter households are generally projected to remain stable between 2025 and 2026.

c. Households by Income

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

Household Income	2020 (Census)		2025 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	1,532	17.6%	921	10.6%	894	10.3%
\$15,000 - \$24,999	1,126	12.9%	981	11.3%	932	10.7%
\$25,000 - \$34,999	931	10.7%	698	8.0%	673	7.8%
\$35,000 - \$49,999	1,338	15.4%	1,112	12.8%	1,100	12.7%
\$50,000 - \$74,999	1,738	20.0%	2,023	23.3%	2,025	23.3%
\$75,000 - \$99,999	936	10.8%	1,310	15.1%	1,335	15.4%
\$100,000 - \$149,999	692	8.0%	970	11.2%	1,011	11.6%
\$150,000 & Higher	412	4.7%	669	7.7%	717	8.3%
Total	8,705	100.0%	8,682	100.0%	8,686	100.0%
Median Income	\$43,559		\$57,787		\$59,196	

Source: Bowen National Research, ESRI, Census

In 2025, the median household income is estimated to be \$57,787. By 2026, it is projected that the median household income will be \$59,196, an increase of 2.4% over 2025.

d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2020, 2025, and 2026 for the Chester Site PMA:

Renter Households	2020 (Census)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	341	189	119	104	60	813
\$15,000 - \$24,999	171	71	90	25	50	407
\$25,000 - \$34,999	90	32	57	24	31	234
\$35,000 - \$49,999	79	43	61	33	30	246
\$50,000 - \$74,999	102	199	46	95	22	464
\$75,000 - \$99,999	34	100	19	43	25	221
\$100,000 - \$149,999	3	3	2	2	11	21
\$150,000 & Higher	2	2	1	1	1	7
Total	822	639	395	327	230	2,411

Source: ESRI, Bowen National Research

Renter Households	2025 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	187	79	63	38	22	389
\$15,000 - \$24,999	208	65	104	20	39	436
\$25,000 - \$34,999	108	29	66	19	25	247
\$35,000 - \$49,999	114	47	84	31	28	303
\$50,000 - \$74,999	132	194	57	80	18	481
\$75,000 - \$99,999	32	70	17	26	15	160
\$100,000 - \$149,999	16	12	9	5	36	77
\$150,000 & Higher	11	8	6	3	5	33
Total	808	503	404	223	187	2,126

Source: ESRI, Bowen National Research

Renter Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	186	75	62	36	21	380
\$15,000 - \$24,999	200	61	100	19	37	417
\$25,000 - \$34,999	106	28	65	18	24	240
\$35,000 - \$49,999	115	45	85	30	27	302
\$50,000 - \$74,999	137	193	59	79	18	486
\$75,000 - \$99,999	34	72	18	26	15	166
\$100,000 - \$149,999	17	12	10	5	38	82
\$150,000 & Higher	12	9	7	3	5	36
Total	808	494	406	216	184	2,109

Source: ESRI, Bowen National Research

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

Demographic Summary

The overall household base within the Chester Site PMA is projected to remain relatively stable through 2026. While households under the age of 65 are projected to decline slightly during this time, these households will continue to represent nearly two-thirds (64.0%) of all households in the market. This illustrates that a large base of age-appropriate support will continue to be present within the Site PMA to support family-oriented housing options, such as the subject project. Notably, a base of 2,109 renter households is projected to remain in the market through 2026. Further, nearly two-thirds (63.5%) of renter households in the market are projected to earn less than \$50,000 in 2026. Overall, the demographic trends contained within this report demonstrate a good base of continued support for the subject project.

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 continued potential.

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

The subject site is within the Chester County, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$66,300 for 2025. However, the subject site location is eligible to operate under the National Non-Metropolitan Rent and Income Limits. The four-person National Non-Metropolitan Median Income is \$82,300 for 2025. Following renovations, the subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Maximum Allowable Income
	60%
One-Person	\$34,620
Two-Person	\$39,540
Three-Person	\$44,460
Four-Person	\$49,380
Five-Person	\$53,340

The largest units (three-bedroom) at the subject site will continue to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$53,340**.

2. AFFORDABILITY

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

The lowest gross LIHTC rent at the site is \$871. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$10,452. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$29,863**.

Additionally, considering that the subject project will continue to offer Rental Assistance (RA) available to most units following LIHTC renovations, it will continue to serve households with little or no income. Therefore, we used \$0 as the minimum income requirement for the subject's RA units.

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate with a project-based subsidy as proposed, as well as in the unlikely event the subject project lost its subsidy and operated exclusively under the Tax Credit program.

Unit Type	Income Range	
	Minimum	Maximum
As Proposed (With Subsidy)		
Rental Assistance Units (Limited To 60% AMHI)	\$0	\$53,340
LIHTC Only (Without Subsidy)		
Tax Credit (Limited to 60% AMHI)	\$29,863	\$53,340

3. DEMAND COMPONENTS

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

- a. **Demand from New Renter Households.** *New rental units required in the market area due to projected renter household growth. Determinations must be made using the current base year of 2025 and projecting forward to the anticipated placed-in-service date (2026). The household projections must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2019-2023 5-year estimates, approximately 35.0% of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2019-2023 ACS 5-Year Estimates Table B25016, 3.6% of renter households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

4. METHODOLOGY

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

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

5. DEMAND/CAPTURE RATE CALCULATIONS

We identified one family (general-occupancy) community within the Chester Site PMA that has been allocated Tax Credits and will likely compete with the subject site in the unlikely event that RA was not offered. The following table summarizes the units currently under construction at this project, based on a unit mix provided by the project's developer.

Project Name	Year Allocated	Total Units	Bedroom Type	Units at Targeted AMHI		
				50% AMHI	60% AMHI	70% AMHI
Talford Greene	2021	58	One	3	6	3
			Two	9	16	9
			Three	3	6	3

The 28 competitive units targeting 60% of AMHI at Talford Greene have been considered in the subject's demand estimates illustrated below.

The following table summarizes our demand estimates:

Demand Component	As Proposed w/ Subsidy (\$0-\$53,340)	Tax Credit Only (\$29,863-\$53,340)
Demand from New Renter Households (Income-Appropriate)	1,405 - 1,440 = -35	491 - 494 = -3
+		
Demand from Existing Households (Rent Overburdened)	1,440 x 35.0% = 505	494 x 35.0% = 173
+		
Demand from Existing Households (Renters in Substandard Housing)	1,440 x 3.6% = 52	494 x 3.6% = 18
+		
Demand from Existing Households (Senior Homeowner Conversion)	N/A	N/A
=		
Total Demand	522	188
-		
Supply (Directly Comparable Units Built and/or Funded Since 2023)	28	28
=		
Net Demand	494	160
Subject Units	52	52
Subject Units / Net Demand	52 / 494	52 / 160
Capture Rate	= 10.5%	= 32.5%

N/A - Not Applicable

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 rate of 10.5% as proposed with a subsidy is considered achievable and demonstrates a good base of income-appropriate support in the market for the subject project. Conversely, the subject's *Tax Credit Only* capture rate is 32.5%. This is above the 30.0% threshold required by SC Housing. Therefore, in the unlikely event the project did not offer a subsidy, the subject developer would likely need to reduce rents levels to meet the capture rate threshold required by SC Housing.

Regardless, the subject property is an existing development that is currently 100.0% occupied with a waiting list, and most (if not all) current tenants are anticipated to remain at the property following renovations given that the project-based subsidy will be retained. Therefore, the subject project's effective capture rate is **0.0%**.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	25.0%
Two-Bedroom	45.0%
Three-Bedroom	30.0%
Total	100.0%

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables. The first set of tables illustrate capture rates for the subject project as-proposed with the subsidy available to most units, while the second set of tables illustrate the subject project's capture rates in the unlikely event it lost its subsidy and operated exclusively under the LIHTC program.

As-Proposed with Subsidy

Units Targeting up to 60% Of AMHI with RA (522 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (25%)	130	6	124	11	8.9%
Two-Bedroom (45%)	235	16	219	24	11.0%
Three-Bedroom (30%)	157	6	151	17	11.3%

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

RA – Rental Assistance

LIHTC Only

Units Targeting 60% Of AMHI Tax Credit Only (188 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (25%)	47	6	41	11	26.8%
Two-Bedroom (45%)	85	16	69	24	34.8%
Three-Bedroom (30%)	56	6	50	17	34.0%

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

The subject project's capture rates by bedroom type and targeted income level range from 8.9% to 34.8%, regardless of scenario. While these capture rates are considered achievable, it is important to reiterate that the subject project's overall capture rate is above the required threshold of 30% in the non-subsidized scenario. As such, the subject rents will likely need to be lowered in this scenario.

Large Household Capture Rate Analysis

Considering that the subject project offers 17 three-bedroom units, which comprise 32.7% of all units at the subject project, the following analysis has been conducted to consider support from only large households (three-person+) for the subject three-bedroom units.

Larger Demand Component	Percent Of Median Household Income	
	As-Proposed (LIHTC w/ Subsidy) (\$0-\$53,340)	LIHTC Only (\$41,383-\$53,340)
Size- & Income-Appropriate Renter Households - 2026	544	103
Competitive Three-Br.+ Units Built and/or Funded Since 2023	6	6
Net Large Household Demand	= 538	= 97
Proposed (Three-Br.+) Units/ Net Large Household Demand	17 / 538	17 / 97
Large-Household Capture Rate	= 3.2%	= 17.5%

When considering the number of larger (three-person+) renter households that are income-qualified to reside in the subject's three-bedroom units in 2026, the subject's larger demand capture rates range from 3.2% (with subsidy) to 17.5% (LIHTC only). These capture rates are considered achievable, illustrating that a sufficient base of size- and income-appropriate support will exist for the subject's three-bedroom units regardless of subsidy availability. However, the subject's overall capture rate (based on SC Housing methodology) indicates that the subject rents will likely need to be lowered in the unlikely non-subsidized scenario.

6. ABSORPTION PROJECTIONS

All 52 subject units are occupied with the project maintaining a waiting list for the next available unit. It is important to note that the renovations at the subject site will not necessitate the displacement of current residents. Therefore, it is anticipated that few (if any) of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 52 subject units will be vacated and that all units will have to be re-rented under the Tax Credit and Rural Development Section 515 (RD 515) program, with Rental Assistance (RA) available to 39 units. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy in October 2026.

It is our opinion that the 52 units at the subject site will reach a stabilized occupancy of 93.0% in approximately four months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 12 to 13 units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period (aside from those currently identified in the development pipeline) and that the renovations will be completed as outlined in this report. These absorption projections also assume that the subsidy will be maintained.

Should the project's subsidy not be secured, and the project had to operate exclusively under the LIHTC program, it is important to note that the project has an overall capture rate of 32.5%. In this scenario, the subject developer will need to lower the project's proposed rents to meet SC Housing's required capture rate threshold of 30.0%.

In reality, however, the subject project will retain its subsidy and will offer RA to most units. Further, the subject renovations will be completed in such a way as to limit displacement of current tenants. As such, the absorption period for this project will likely be less than one month, as most tenants are expected to remain at the project and many will continue to pay up to 30% of their adjusted gross income towards housing costs.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

Following renovations, the subject project will offer one- through three-bedroom units targeting families (general occupancy) earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. We identified and surveyed one project within the Site PMA offering non-subsidized family LIHTC units (McAliley Apartments). This project is considered a competitive development in the unlikely event that the subject project lost its subsidy and had to operate exclusively under the LIHTC program.

Considering the limited number of family LIHTC developments in the market, we identified and surveyed three additional LIHTC projects located *outside* of the Site PMA (within the regions of Winnsboro and Lancaster, South Carolina) for the purposes of comparison with the subject site. These developments are not considered competitive with the subject project, as they derive demographic support from different geographic regions. As such, these properties have been included for comparison purposes only.

These four LIHTC properties and the subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Chester Townhouses II	1983 / 2026	52	100.0%	-	Shared: 7 HH	Families; 60% AMHI & RD 515
5	McAliley Apts.	1866 / 1999	22	100.0%	1.6 Miles	16 HH	Families; 50% & 60% AMHI
901	Cottages at Azalea	2013	48	100.0%	26.2 Miles	15 HH	Families; 50% & 60% AMHI
903	Deer Wood Apts.	1997 / 2016	72	100.0%	27.1 Miles	13 HH	Families; 50% & 60% AMHI
906	Miller Grove	2007	46 + 2*	100.0%	26.9 Miles	10 HH	Families; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

900-series Map IDs located outside the Site PMA

*Units under renovation

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

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Chester Townhouses II	\$871/60% (11)	\$1,045/60% (24)	\$1,207/60% (17)	-
5	McAliley Apts.	\$726/50% (7/0) \$871/60% (8/0)	\$871/50% (3/0) \$1,045/60% (4/0)	-	None
901	Cottages at Azalea	\$657/50% (2/0) \$697/60% (6/0)	\$759/50% (6/0) \$794/60% (18/0)	\$849/50% (4/0) \$884/60% (12/0)	None
903	Deer Wood Apts.	\$672/50% (3/0) \$672/60% (9/0)	\$774/50% (6/0) \$774/60% (18/0)	\$854/50% (9/0) \$854/60% (27/0)	None
906	Miller Grove	\$743/50% (4/0) \$793/60% (4/0)	\$869/50% (15/0) \$974/60% (13+2*/0)	\$985/50% (5/0) \$1,135/60% (5/0)	None

900-series Map IDs located outside the Site PMA

*Units under renovation

While the proposed subject rents are positioned above the comparable projects in the *region*, they are identical to the only comparable project in the *market* (McAliley Apartments). Note that while the proposed subject three-bedroom rent (\$1,207) is \$72 higher than the highest LIHTC rent reported among the comparable projects (\$1,135), the proposed rent for this unit types is considered appropriate given the general lack of three-bedroom LIHTC units in the market and the rent positioning of McAliley Apartments. The preceding factors indicate that the proposed rents could be marketable if the project lost its subsidy. However, as illustrated in Section G, the subject project has a capture rate of 32.5% in this unlikely non-subsidized scenario, which is above the SC Housing required threshold of 30.0%. Therefore, in the unlikely event the project did not offer a subsidy, the developer would likely need to reduce the project's rents to meet the required thresholds of SC Housing.

Regardless, it is important to reiterate that the subject project will continue to operate with Rental Assistance (RA) available to most units, requiring tenants of these units to pay just 30% of their gross incomes towards rent and utilities. Therefore, the actual gross rents at the subject project will likely continue to be well below the selected projects.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
5	McAliley Apts.	22	4	18.2%
901	Cottages at Azalea	48	9	18.8%
903	Deer Wood Apts.	72	10	13.9%
906	Miller Grove	46 + 2*	8	17.4%
Total		188	31	16.5%

900-series Map IDs located outside the Site PMA

*Units under construction (not included in total)

As the preceding table illustrates, there are a total of approximately 31 voucher holders residing at the comparable LIHTC properties. This comprises 16.5% of these 188 comparable LIHTC units, which is considered a low share of voucher support. Therefore, the rents offered at the selected projects are considered achievable and will serve as an accurate baseline of comparison for the subject project.

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

5 McAliley Apts.

1.6 miles to site



Address: 120 Main St., Chester, SC 29706

Phone: (803) 385-5559

Contact: Virginia (By Phone)

Property Type: Tax Credit

Target Population: Family

Total Units: 22

Year Built: 1866

Vacant Units: 0

*AR Year: 1999

Occupancy: 100.0%

Yr Renovated:

Turnover:

Stories: 3

Waitlist: 16 HH

Rent Special: None

Ratings

Quality: C+

Neighborhood: B-

Access/Visibility: B/B+

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: South Carolina Housing Finance & Development Agency

Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash

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

Property Amenities: Laundry Room; On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	7	0	700	\$1.04	\$726	50%
1	1	G	8	0	700	\$1.24	\$871	60%
2	1	G	3	0	900	\$0.97	\$871	50%
2	1	G	4	0	900	\$1.16	\$1,045	60%

901 Cottages at Azalea

26.2 miles to site



Address: 100 Pond Ridge Ln., Lancaster, SC 29720

Phone: (803) 283-6160

Contact: Chelsea (In Person)

Property Type: Tax Credit

Target Population: Family

Total Units: 48

Year Built: 2013

Vacant Units: 0

*AR Year:

Occupancy: 100.0%

Yr Renovated:

Turnover:

Stories: 1

Waitlist: 15 HH

Rent Special: None

Ratings

Quality: B+

Neighborhood: B

Access/Visibility: B/B-

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: South Carolina Housing Finance & Development Agency

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	891	\$0.66	\$585	50%
1	1	G	6	0	891	\$0.70	\$625	60%
2	2	G	6	0	1,101	\$0.60	\$665	50%
2	2	G	18	0	1,101	\$0.64	\$700	60%
3	2	G	4	0	1,307	\$0.56	\$735	50%
3	2	G	12	0	1,307	\$0.59	\$770	60%

903 Deer Wood Apts.

27.1 miles to site



Address: 647 U.S. Hwy. 321 Bypass So., Winnsboro, SC 29180

Phone: (803) 712-9098

Contact: Laura

Property Type: Tax Credit

Target Population: Family

Total Units: 72

Year Built: 1997

Vacant Units: 0

*AR Year:

Occupancy: 100.0%

Yr Renovated: 2016

Turnover:

Stories: 2

Waitlist: 13 HH

Rent Special: None

Ratings

Quality: B-

Neighborhood: B

Access/Visibility: B/B-

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: South Carolina Housing Finance & Development Agency

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

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

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Pavilion/Gazebo; Laundry Room; On-Site Management; Recreation Areas (Playground); CCTV, Courtesy Officer

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	642	\$0.93	\$600	50%
1	1	G	9	0	642	\$0.93	\$600	60%
2	2	G	6	0	850	\$0.80	\$680	50%
2	2	G	18	0	850	\$0.80	\$680	60%
3	2	G	9	0	1,003	\$0.74	\$740	50%
3	2	G	27	0	1,003	\$0.74	\$740	60%

906 Miller Grove

26.9 miles to site



Address: 2017 Miller St, Lancaster, SC 29720

Phone: (803) 283-3498

Contact: Lisa

Property Type: Tax Credit

Target Population: Family

Total Units: 46

Year Built: 2007

Vacant Units: 0

*AR Year:

Occupancy: 100.0%

Yr Renovated:

Turnover:

Stories: 2

Waitlist: 10 HH

Rent Special: None

Ratings

Quality: B

Neighborhood: B

Access/Visibility: B/C+

Notes: Tax Credit; Two units under renovation

Features And Utilities

Utility Schedule Provided by: South Carolina Housing Finance & Development Agency

Utility Type & Responsibility: Landlord pays Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	700	\$0.86	\$600	50%
1	1	G	4	0	700	\$0.93	\$650	60%
2	2	G	15	0	908	\$0.74	\$675	50%
2	2	G	13	0	908	\$0.86	\$780	60%
3	2	G	5	0	1,046	\$0.69	\$725	50%
3	2	G	5	0	1,046	\$0.84	\$875	60%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Chester Townhouses II	564 – 664	767	947 – 969
5	McAliley Apts.	700	900	-
901	Cottages at Azalea	891	1,101	1,307
903	Deer Wood Apts.	642	850	1,003
906	Miller Grove	700	908	1,046

900-series Map IDs located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Chester Townhouses II	1.0 – 1.5	1.5	1.5
5	McAliley Apts.	1.0	1.0	-
901	Cottages at Azalea	1.0	2.0	2.0
903	Deer Wood Apts.	1.0	2.0	2.0
906	Miller Grove	1.0	2.0	2.0

900-series Map IDs located outside the Site PMA

The subject's one-bedroom unit sizes are generally within the range of those offered at the comparable LIHTC projects and, as such, are considered appropriately positioned. The subject two- and three-bedroom units will continue to slightly smaller than the comparable supply; however, these features are anticipated to be offset by the pent-up demand for affordable housing in the market and the subsidy to be retained at the project.

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

Tax Credit Unit Amenities by Map ID

	Site*	5	901	903	906
Appliances	Dishwasher		X	X	X
	Disposal			X	X
	Microwave	X		X	X
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	W/D Hookup	X	X	X	X
	W/D				
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony/ Patio/ Sunroom	X	X		X
	Basement				
	Ceiling Fan	X	X	X	X
	Controlled Access			X	
	E-Call System				
	Furnished				
	Walk-In Closet	X		X	
	Window Treatments	X	X	X	X
Flooring	Carpet	X	X	X	X
	Ceramic Tile		X		
	Hardwood				
	Finished Concrete				
	Composite/Vinyl/Laminate	X	X	X	X
Upgraded	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High/Vaulted Ceilings				
	Oversized Windows				
Parking	Attached Garage				
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	No Provided Parking				

◆ - Senior Property

* Proposed Site(s): Chester Townhouses II

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID					
	Site*	5	901	903	906
Community	Multipurpose Room	X	X	X	X
	Chapel				
	Community Kitchen		X		X
	Dining Room - Private				
	Dining Room - Public				
	Rooftop Terrace				
	Concierge Service **				
	Convenience Amenities **				
	Covered Outdoor Area **	X		X	
	Elevator				
	Laundry Room	X	X	X	X
	On-Site Management	X	X	X	X
	Pet Care **				
Recreation	Basketball				
	Bocce Ball				
	Firepit				
	Fitness Center		X		
	Grilling Area	X	X		X
	Game Room - Billiards				
	Walking Path				
	Hot Tub				
	Library				
	Media Room / Theater				
	Playground	X	X	X	X
	Putting Green				
	Racquetball				
	Shuffleboard				
	Swimming Pool - Indoor				
	Swimming Pool - Outdoor				
	Tennis				
	Volleyball				
Security	CCTV	X	X	X	X
	Courtesy Officer			X	
	Security Gate				
	Social Services **				
	Storage - Extra	X	X		X
	Common Space WiFi	X			

◆ - Senior Property

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

* Proposed Site(s): Chester Townhouses II

** Details in Comparable Property Profile Report

The amenity package included at the subject development will continue to be similar to those of the comparable LIHTC projects. While the subject project will not offer dishwasher, it will offer most other amenities commonly offered among the selected projects. The subject development does not appear to lack any amenities that would hinder its continued ability to operate as a Tax Credit project.

Comparable Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will continue to be marketable. The subject project will offer rents that are generally identical to the only competitive LIHTC project in the market and will continue to offer appropriate unit sizes and amenities, which will have a positive impact on its continued marketability. This is particularly true, given the pent-up demand for affordable housing in the market.

However, as illustrated in Section G, the subject project has an overall capture rate of 32.5% if the project ceased to operate with a subsidy, which is above the SC Housing required threshold of 30%. Therefore, in the unlikely event the project did not offer a subsidy, the developer would likely need to reduce the project's rents to meet the thresholds of SC Housing.

Regardless, it is important to reiterate that the subject project is an existing property that is 100.0% occupied. The project will also continue to operate with Rental Assistance (RA) available to most units, requiring tenants of these units to pay just 30% of their gross incomes towards rent and utilities. Considering the preceding factors, the subject project is anticipated to remain very competitive within the Chester market following renovations.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



**BOWEN
NATIONAL
RESEARCH**

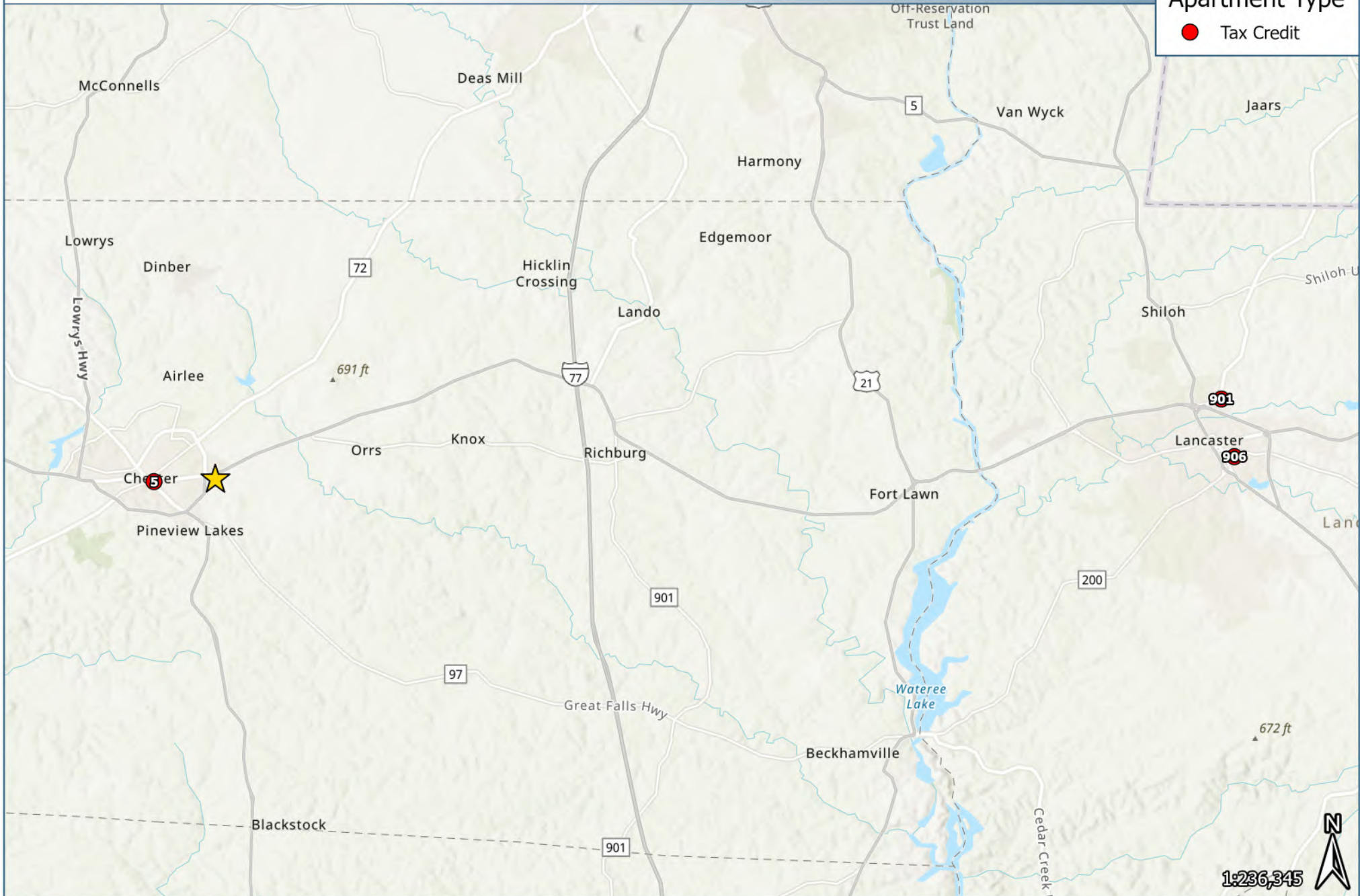
Comparable Affordable Property Locations

Chester, SC

★ Site

Apartment Type

● Tax Credit



0 1.2 2.4 3.6 4.8

Miles

Esri, CGIAR, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Chester Site PMA in 2020 and 2025, are summarized in the following table:

Housing Status	2020 (Census)		2025 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	8,705	88.1%	8,682	88.2%
Owner-Occupied	6,294	72.3%	6,556	75.5%
Renter-Occupied	2,411	27.7%	2,126	24.5%
Vacant	1,183	12.0%	1,161	11.8%
Total	9,884	100.0%	9,843	100.0%

Source: 2020 Census, ESRI, Bowen National Research

Of the 9,843 total housing units in the market, 11.8% were estimated to be vacant. This is slightly lower than the 12.0% vacancy rate reported in 2020, which is likely an indication of a stable housing market.

Conventional Apartments

We identified and personally surveyed six conventional housing projects containing a total of 227 units within the Site PMA, including the subject site. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, a very strong rate for rental housing. The following table summarizes the project types identified and surveyed in the Site PMA.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	1	22	0	100.0%
Tax Credit/Government-Subsidized	2	114	0	100.0%
Government-Subsidized	3	91	0	100.0%
Total	6	227	0	100.0%

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

Government-subsidized

We identified and surveyed four rental properties that offer government-subsidized units within the Site PMA (including the subject project). 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 – 1.5	29	25.4%	0	0.0%
Two-Bedroom	1.5	68	59.6%	0	0.0%
Three-Bedroom	1.5	17	14.9%	0	0.0%
Total Subsidized Tax Credit		114	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	57	62.6%	0	0.0%
Two-Bedroom	1.5	34	37.4%	0	0.0%
Total Subsidized		91	100.0%	0	0.0%

All government-subsidized units surveyed in the market are occupied, with all projects maintaining a waiting list (including the subject project). This illustrates that pent-up demand exists for very low-income rental housing within the Chester Site PMA.

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

4. RENTAL HOUSING INVENTORY MAP

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



Site




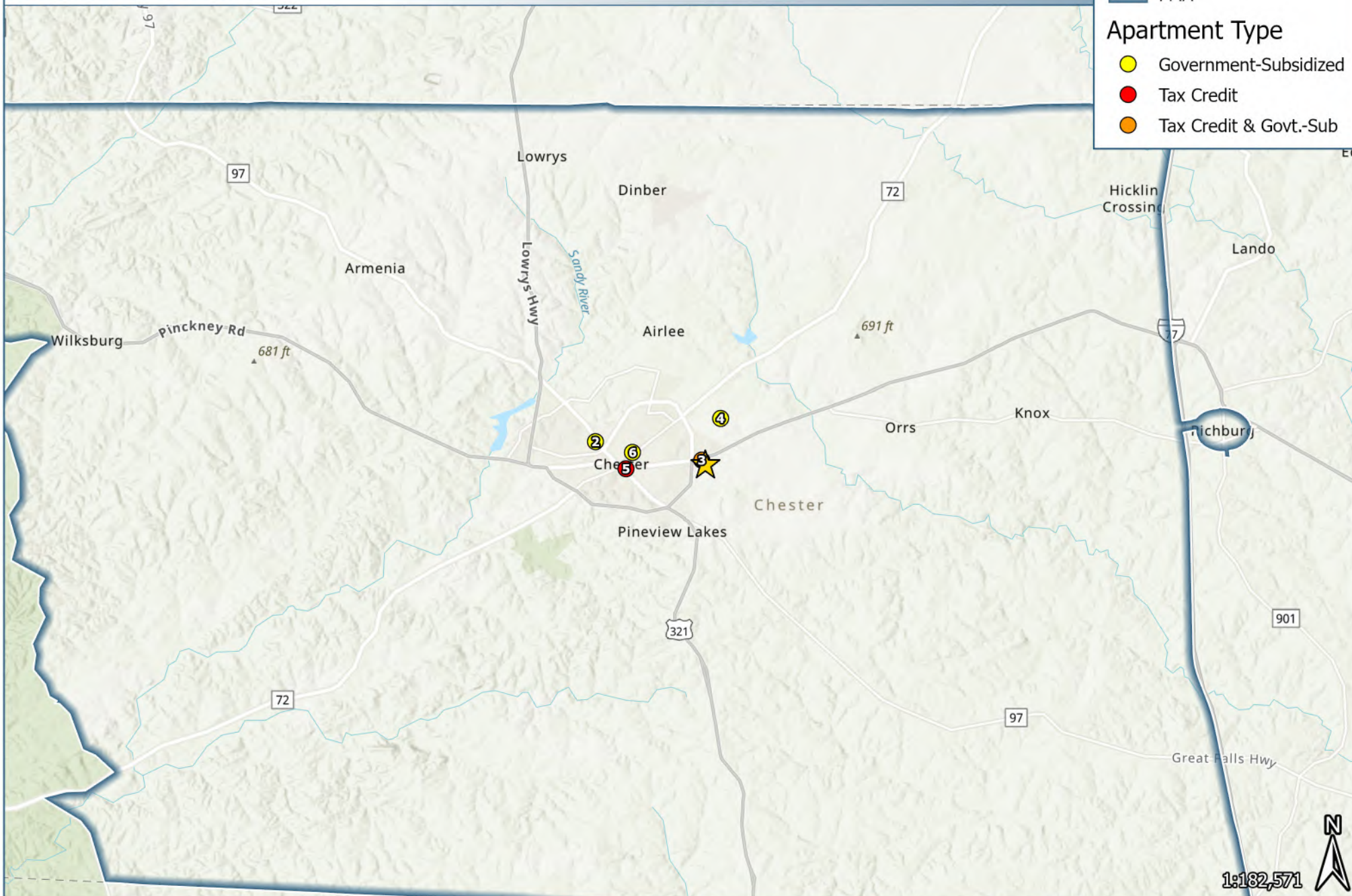
PMA

Apartment Type

 Government-Subsidized

 Tax Credit

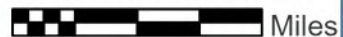
 Tax Credit & Govt.-Sub



1:182,571



0 0.94 1.87 2.81 3.74



Miles

Esri, CGIAR, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on interviews with local planning/building representatives who responded to our inquiries, extensive online research and the observations of our analyst while in the field, it was determined there are several rental projects currently in the development pipeline within the Site PMA. The known details of these projects are summarized in the following table:

Project Name & Address	Property Type	Units	Developer	Status/Details
Schlosburg's Building 140 Gadsden Street Chester	Not Available	10	Kuester Commercial Real Estate	Under Construction: Former department store built in 1924, will be restored into first floor commercial space and apartments; ECD late 2025 or early 2026.
Talford Greene 2600 Dawson Drive Chester	Tax Credit	58	Woda Cooper Companies, Inc.	Under Construction: Allocated Tax Credits in 2021; One- through three-bedroom units targeting 50%, 60% and 70% AMHI; According to developer, project has been reduced from 70 to 58 units; Broke ground in spring 2025; ECD 2026.
Winchester Edgeland Road Chester	Not Available	Not Available	Chester Land Holdings, LLC	Planned: Project includes apartments, townhomes and single-family homes; Infrastructure, roadway and storm water improvements (along with water and sewer expansion) will be required as part of this plan; Project is still in the planning stages.
Kimbrell's Building 113 Main Street Chester	Market-rate	15	Kuester Commercial Real Estate	Proposed: Will involve the adaptive reuse of a building (built in 1870) into its original storefront with first floor retail and apartments.
Woodhaven Village Drive Chester	Market-rate	215	Four-star	Proposed: Final site plans have been submitted for approval in 2024; Project will have six (6) four-story buildings.

ECD – Estimated Completion Date

Only one of the projects in the development pipeline (Talford Greene) has been allocated Tax Credits at the time of this analysis. We have considered this project in our demand estimates in Section G.

7. MARKET ADVANTAGE

Market Advantage – Current Rents

Per SC Housing methodology, for existing projects that offer a project-based subsidy, the subject's market advantage should be calculated utilizing current tenant-paid rents to represent the "true" value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project's current rent roll, as illustrated in *Addendum D* of this report, the average tenant rents at the subject project are \$316, \$290 and \$272 for a one-, two- and three-bedroom unit, respectively. The table on the following page illustrates the subject project's market advantages with the retention of the subsidy on all units.

Bedroom Type	Current Collected Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$316	\$840	62.38%
Two-Bedroom	\$290	\$1,051	72.41%
Three-Bedroom	\$272	\$1,473	81.53%
Weighted Average			73.27%

As the preceding illustrates, the subject's market advantages range between 62.38% and 81.53% as proposed with the subsidy retained on all units. The weighted average market advantage is 73.27%. This demonstrates that the subject project will continue to represent a significant value within the Chester market, which is further evident by its 100.0% occupancy rate.

Market Advantage – Proposed Tax Credit Rents

The market advantages for the proposed LIHTC rents relative to the FMRs for the Chester County HUD Metro FMR Area are illustrated in the following table:

Bedroom Type	Proposed Collected Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$735	\$840	12.50%
Two-Bedroom	\$832	\$1,051	20.84%
Three-Bedroom	\$960	\$1,473	34.83%
Weighted Average			23.65%

As the preceding illustrates, the subject's market advantages range between 12.50% and 34.83%, when compared to the area's HUD FMRs. The weighted average market advantage is 23.65%. Regardless, we have provided an *achievable market rent* analysis for the subject units to determine the true value the proposed rents will represent to low-income renters within the area, which is illustrated later in Addendum E of this report.

8. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2026
5	McAliley Apts.	100.0%	95.0%+

Considering the high demand that exists for affordable rental housing within the Site PMA, it is not expected that the subject project will have any negative impact on the only existing comparable Tax Credit project within the Site PMA. This project is fully occupied and maintains a waiting list. Further, the subject renovations will not introduce any new units to the Chester rental housing market and the subject project is 100.0% occupied with a waiting list. Therefore, we expect this project will operate at or above a 95.0% occupancy rate if the subject project is renovated as proposed in this analysis.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value in the Site PMA was \$162,840. At an estimated interest rate of 6.84% and a 30-year term (and 95% LTV), the monthly mortgage for a \$162,840 home is \$1,266, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI 2024	\$162,840
Mortgaged Value = 95% Of Median Home Price	\$154,698
Interest Rate – MortgageNewsDaily.Com	6.84%
Term	30
Monthly Principal & Interest	\$1,013
Estimated Taxes & Insurance*	\$253
Estimated Monthly Mortgage Payment:	\$1,266

* Estimated at 25% of principal and interest.

In comparison, the proposed collected rents for the subject property range from \$735 to \$960 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$306 greater than the cost of renting at the site, depending on unit type. Therefore, we do not anticipate any competitive impact on or from the homebuyer market. This is particularly true considering that the project will continue to operate with a subsidy available to most units, with *current* average tenant-paid rents at the site ranging from \$272 to \$316.

10. HOUSING VOIDS

As indicated throughout this section of the report, all comparable LIHTC projects within the market and region are 100.0% occupied and maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the Site PMA and surrounding area. Given that the subject is currently fully occupied with a waiting list, it will be able to accommodate a portion of this unmet demand. Additionally, the subject project will continue to operate with a subsidy, enabling the property to accommodate renters with little to no income. Therefore, the subject project will continue to provide an affordable rental housing alternative to low-income renters which appear to be underserved within the market and region.

I. Interviews

The following are summaries of interviews conducted with various government and private sector individuals regarding the demand for affordable housing in the Chester area:

- Wendy Sawyer is the Property Manager for the subject site Chester Townhouses. Sawyer stated that there is an ongoing need for more affordable housing in the area. Sawyer noted that while the community benefits from lower rents and good job availability, demand continues to rise as more residents seek housing that aligns with their financial situations. Sawyer stressed that expanding affordable housing options would help support the growing number of individuals drawn to the area's economic advantages.
- Robert Long is the Director of Chester County Economic Development. Long stated that there is a need for more affordable housing for families in Chester County. Long noted that while there is a large base of working low-income households in the area, housing options are limited for these households.

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 52 units at the subject project, assuming it is renovated as detailed in this report with a Rental Assistance (RA) subsidy available to 39 units.

The project will be generally similar to the comparable LIHTC projects in the region in terms of unit amenities and unit sizes, and the proposed rents are similar to the rents being achieved at the only competitive LIHTC project in the market. Considering that all affordable housing units identified and surveyed in the Site PMA are occupied (including the subject site), the project will continue to provide a good quality rental option to an income cohort that is underserved in the market.

Assuming the subject project continues to operate with RA available to most units, the subject project has a low and achievable capture rate of 10.5%. However, if the subsidy was not offered, the project has a slightly elevated capture rate of 32.5% (which is above the SC Housing-required threshold of 30%).

Therefore, if the subject project were to operate without a subsidy, it is likely that the proposed rents will need to be reduced for the development to meet the capture rate thresholds required by SC Housing.

However, in reality, the subject project will continue to operate with a subsidy available to most units. Further, the subject project is an existing development that is 100.0% occupied with a waiting list, and most (if not all) current tenants are anticipated to remain at the property following renovations. In this scenario, the project is considered marketable as proposed and we have no recommendations.

K. Signed Statement Requirement

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

Certified:

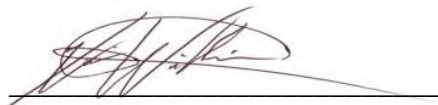


Nathan Stelts (Primary Contact)

Market Analyst

nathans@bowennational.com

Date: May 5, 2025



Xavier Williams

Market Analyst

xavierw@bowennational.com

Date: May 5, 2025



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: May 5, 2025

L. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

Jeff Peters, Market Analyst, has completed over 1,000 site-specific market feasibility studies in a variety of rural and urban market areas throughout the country since 2014. He has provided specialized analysis specific to tribal reservations and senior living, evaluated the impacts of various market conditions and trends, and conducted on-site inspections and analysis for rental and for-sale housing. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

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

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

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

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

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

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

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

Research Staff

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A:

FIELD SURVEY OF
CONVENTIONAL RENTALS



**BOWEN
NATIONAL
RESEARCH**

Surveyed Apartments

Chester, SC

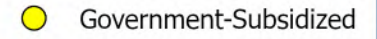


Site

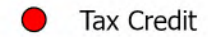


PMA

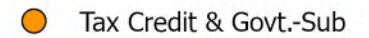
Apartment Type



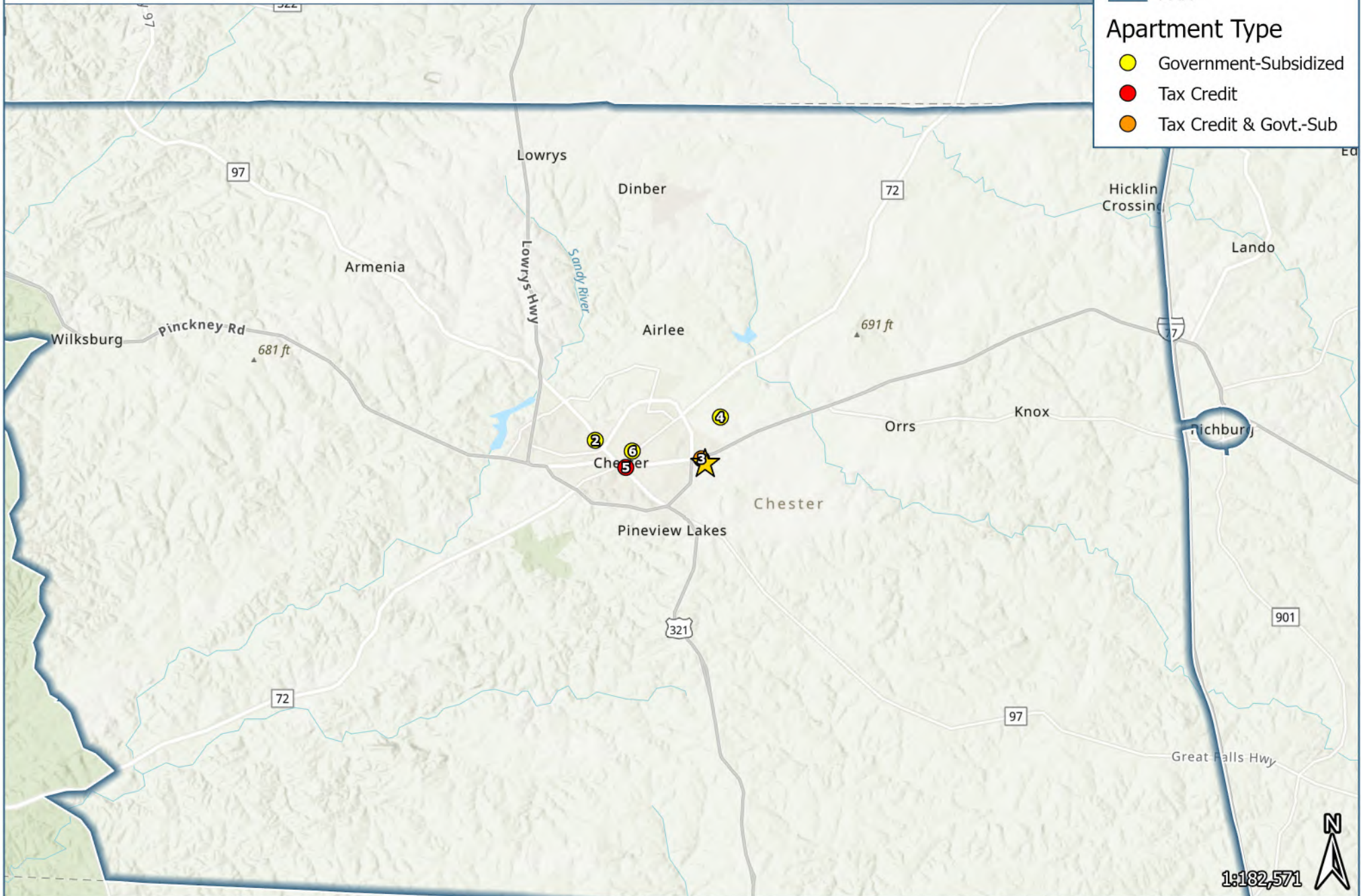
Government-Subsidized



Tax Credit



Tax Credit & Govt.-Sub



0 0.94 1.87 2.81 3.74







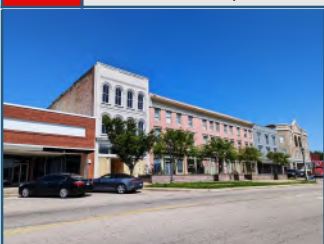
Miles

Esri, CGIAR, USGS, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community
Additional Source(s): Bowen National Research


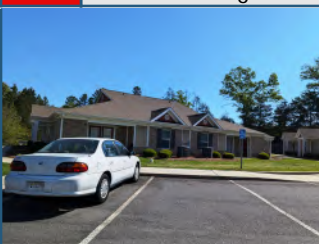



Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Chester Townhomes II	TGS	B+	1980	52	0	100.0%	-
2	Center Street Apts.	GSS	B	1987	48	0	100.0%	2.3
3	Chester Townhomes I (Ph I of site)	TGS	B+	1980	62	0	100.0%	0.1
4	Cottages of Chester Village	GSS	A	2005	19	0	100.0%	2.1
5	McAliley Apts.	TAX	C+	1866	22	0	100.0%	1.6
6	Saluda Apts.	GSS	B-	1987	24	0	100.0%	1.6
901	Cottages at Azalea	TAX	B+	2013	48	0	100.0%	26.2
902	Cushendall Commons	MRR	B+	2001	168	3	98.2%	24.8
903	Deer Wood Apts.	TAX	B-	1997	72	0	100.0%	27.1
906	Miller Grove	TAX	B	2007	46	0	100.0%	26.9
907	Oak Haven Apts.	MRR	B	1987	68	0	100.0%	25.6
908	Pepper Ridge Apts.	MRR	B	1997	160	4	97.5%	25.0

*Drive distance in miles

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


1	<div>Chester Townhomes II</div> <div>628 Lancaster Hwy, Chester, SC 29706</div>	<div>Contact: Wendy</div> <div>Phone: (803) 377-7970</div>
	<div>Total Units: 52 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980</div> <div>BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared; 6 HH AR Year:</div> <div>Target Population: Family Yr Renovated: 2006</div> <div>Rent Special: None</div> <div>Notes: Tax Credit; RD 515, has RA (38 units)</div>	
2	<div>Center Street Apts.</div> <div>301 Center St, Chester, SC 29706</div>	<div>Contact: Amanda</div> <div>Phone: (803) 581-1336</div>
	<div>Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1987</div> <div>BR: 1, 2 Vacant Units: 0 Waitlist: 30 HH AR Year:</div> <div>Target Population: Family Yr Renovated:</div> <div>Rent Special: None</div> <div>Notes: RD 515, has RA (30 units)</div>	
3	<div>Chester Townhomes I (Ph I of site)</div> <div>628 Lancaster St., Chester, SC 29706</div>	<div>Contact: Wendy</div> <div>Phone: (803) 377-7970</div>
	<div>Total Units: 62 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980</div> <div>BR: 1, 2 Vacant Units: 0 Waitlist: Shared; 7 HH AR Year:</div> <div>Target Population: Family Yr Renovated: 2006</div> <div>Rent Special: None</div> <div>Notes: Tax Credit; RD 515, has RA (56 units)</div>	
4	<div>Cottages of Chester Village</div> <div>662 Village Dr., Chester, SC 29706</div>	<div>Contact: Denise</div> <div>Phone: (803) 385-5807</div>
	<div>Total Units: 19 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2005</div> <div>BR: 1 Vacant Units: 0 Waitlist: 50 HH AR Year:</div> <div>Target Population: Senior 62+ Yr Renovated:</div> <div>Rent Special: None</div> <div>Notes: HUD Section 8</div>	
5	<div>McAliley Apts.</div> <div>120 Main St., Chester, SC 29706</div>	<div>Contact: Virginia</div> <div>Phone: (803) 385-5559</div>
	<div>Total Units: 22 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1866</div> <div>BR: 1, 2 Vacant Units: 0 Waitlist: 16 HH AR Year: 1999</div> <div>Target Population: Family Yr Renovated:</div> <div>Rent Special: None</div> <div>Notes: Tax Credit</div>	

 Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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6	Saluda Apts. 100 Culp St, Chester, SC 29706	Contact: Amanda Phone: (803) 581-1336
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1987 BR: 1 Vacant Units: 0 Waitlist: 24 HH AR Year: Target Population: Senior 55+, Disabled Yr Renovated: Rent Special: None Notes: RD 515, has RA (24 units)	
901	Cottages at Azalea 100 Pond Ridge Ln., Lancaster, SC 29720	Contact: Chelsea Phone: (803) 283-6160
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2013 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	
902	Cushendall Commons 819 Arklow Dr., Rock Hill, SC 29730	Contact: Crystal Phone: (803) 328-1980
	Total Units: 168 UC: 0 Occupancy: 98.2% Stories: 3 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Does not keep a WL	
903	Deer Wood Apts. 647 U.S. Hwy. 321 Bypass So., Winnsboro, SC 29180	Contact: Laura Phone: (803) 712-9098
	Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1997 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 13 HH AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: None Notes: Tax Credit	
906	Miller Grove 2017 Miller St, Lancaster, SC 29720	Contact: Lisa Phone: (803) 283-3498
	Total Units: 46 UC: 2 Occupancy: 100.0% Stories: 2 Year Built: 2007 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Two units under renovation	


















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



907	Oak Haven Apts. 456 Colonial Ave., Lancaster, SC 29720	Contact: Mike Phone: (803) 286-2185
	Total Units: 68 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1987 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 6 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	



908	Pepper Ridge Apts. 1895 Springsteen Rd., Rock Hill, SC 29730	Contact: Chad Phone: (803) 327-5252
	Total Units: 160 UC: 0 Occupancy: 97.5% Stories: 2 Year Built: 1997 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	

 Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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Source: South Carolina Housing Finance & Development Agency
Effective: 01/2025

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	17	20	22	25	28	31	17	20	22	25	28	31
	+Base Charge	9	9	9	9	9	9	9	9	9	9	9	9
	Bottled Gas	51	60	69	77	85	93	51	60	69	77	85	93
	Electric	12	14	19	23	28	33	12	14	19	23	28	33
	Heat Pump	11	13	15	17	19	21	11	13	15	17	19	21
	Oil	40	47	53	60	66	73	40	47	53	60	66	73
Cooking	Natural Gas	3	3	5	6	7	9	3	3	5	6	7	9
	Bottled Gas	9	10	14	19	23	28	9	10	14	19	23	28
	Electric	4	5	8	10	12	15	4	5	8	10	12	15
Other Electric		17	20	27	35	43	51	17	20	27	35	43	51
+Base Charge		12	12	12	12	12	12	12	12	12	12	12	12
Air Conditioning		7	8	12	15	18	22	7	8	12	15	18	22
Water Heating	Natural Gas	6	7	10	13	17	20	6	7	10	13	17	20
	Bottled Gas	19	22	32	42	52	62	19	22	32	42	52	62
	Electric	11	13	16	19	23	26	11	13	16	19	23	26
	Oil	15	18	25	33	41	49	15	18	25	33	41	49
Water		24	25	35	53	72	95	24	25	35	53	72	95
Sewer		43	46	65	93	120	148	43	46	65	93	120	148
Trash Collection		19	19	19	19	19	19	19	19	19	19	19	19
Internet*		0	0	0	0	0	0	0	0	0	0	0	0
Cable*		0	0	0	0	0	0	0	0	0	0	0	0
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

* Estimated- not from source

Addendum B – Member Certification & Checklist

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

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

Certified:



Patrick M. Bowen

President

patrickb@bowennational.com

Date: May 5, 2025



Nathan Stelts (Primary Contact)

Market Analyst

nathans@bowennational.com

Date: May 5, 2025

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

ADDENDUM C:

SCOPE OF RENOVATIONS

SECTION 01 11 00 - SCOPE OF WORK DESCRIPTION**Existing Conditions:**

Property was completed and first occupied in 1982.

If placed in service after March 13, 1991, all improvements are to meet or exceed Fair Housing Act and Section 504.☐ Yes☒ No

No Type 'B' units are required

Project Unit Mix:

11	one bedroom, including (2) UFAS/Type "A" accessible units (332, 333)
24	two bedroom
17	three bedroom, including (!) UFAS/Type "A" accessible unit (324)
52	total units
1	office/ laundry / community building

☐ Elderly☒ Family

NOTE: Key numbers (1, 2...) below are positioned on the drawings to indicate general locations of scope of work items.

See Unit by Unit Scope of Work for scope information for individual dwelling units and quantities required.

See Site Plan for unit locations and key numbers within individual building and unit floor plans.

Consult property condition assessment and environmental reports for existing condition information.

Key Section:*Required scope of work (scope includes community building and each unit):**"Provide" means furnish material, equipment, labor, and insurance to complete.***SC Housing QAP Appendix B, Development Design Criteria:**

Section I, Design Document Standards

Section II, Accessibility

Section III, Mandatory New Construction Design Criteria

Section IV, Mandatory Rehabilitation Criteria

Per Section IV, "Any replacement of existing materials or components must comply with the design standards for new construction."

DEVELOPMENT CRITERIA**A** Code Compliance:

Construction must be in compliance with all federal, state, county, city, local and governing jurisdictions codes, in addition to:

- 1 Fair Housing Act
- 2 Section 504
- 3 HUD Housing Quality Standards (HQS)
- 4 HUD Minimum Property Standards (MPS)
- 5 HUD Uniform Physical Condition standards (UPCS)

These code standards are not meant to replace Federal, State or local codes.

B Accessibility:

Development must meet all federal, state and local accessibility standards, as well as all Authority accessibility requirements.

Mobility Disabled Units: Type A, at least 5% of the total units (but no less than one unit) must be equipped for the mobility disabled, including for wheelchair restricted residents. ADA/ANSI compliant 36"x60" minimum useable floor space roll-in showers must be incorporated into all of the Type A mobility units. Mobility units with more than one bathroom must have at least one bathroom with a roll-in shower.

Hearing and Sight-Impaired Units: Type 'B', at least an additional 2% of the total units (but no less than one unit) must be equipped for hearing and sight-impaired residents including compliance with ICC/ANSI A117.1 Section 1006 (audio and visual notification on fire alarms and at the primary unit entrance).

The same unit(s) cannot be used to satisfy the 5% and 2% requirement.

Signage for designated common areas and all units must be I Braille and meet ANSI A117.1, Section 703 standards.

GENERAL

1 General Conditions: 00 7100 00 7200 00 7300	<p>Compliance with 2025 SC Housing QAP documents published under the LIHTC program is required. General Contractor and all subcontractors are responsible for reading, evaluating and applying minimum standards referenced in SC Housing manuals for Year 2025.</p> <p>Unless otherwise noted, General Contractor shall request documentation from the owner for all waivers granted for this project.</p> <ul style="list-style-type: none"> a Provide evidence of maintained workman compensation insurance coverage. b Provide evidence of maintained liability Insurance \$500,000/ \$1,000,000. c All work shall meet all applicable codes, including 2006 International Energy Conservation Code. d All work shall be professional and guaranteed/warranted for one year. e Meet or exceed all building product manufacturer's recommendations. f Bidder visit and inspect jobsite and must confirm all counts and measurements. g Inspect each unit prior to turn-over with property manager. h Complete punch-list prior to final payment. i Final clean each unit immediately prior to turn-over to property manager.
2 Coordination: 01 3100	<ul style="list-style-type: none"> a Prepare sequencing plan (schedule) for relocation and staging of work. b Submit work sequencing plan to Property Manager and Owner designated representative, if applicable, one week before start. c Limit work duration in each apartment to shortest possible time interval.
3 Demolition/ Cleaning:	<p>Remove / dispose of all items to be removed or replaced (per jurisdiction disposal requirements): Consult environmental studies.</p> <p>General Contractor to be responsible for all costs of disposal/removal.</p> <p>The repair and finish of adjacent material where items have been removed shall be provided in kind by the General Contractor.</p> <ul style="list-style-type: none"> a entry sign, old overgrown or damaged plant material, b broken concrete, broken asphalt paving, curb and sidewalks, c mailbox enclosure and mailboxes, damaged dumpsters and enclosures, d walls shown on drawings to be removed, e doors and frames/trim, hardware, windows and frames/trim, f shingle roofing, gutters, damaged fascias and soffits, siding, trim, ridge vent, g loose vinyl floor tile, carpeting, damaged wall trim and drywall, h cabinets, countertops, sinks, lavatories, water closets, bath tubs, i appliances, light fixtures

SITE WORK**4a** General:

- a Upgrade site access to meet UFAS accessibility requirements. See site plan.
- b Jet all storm drains prior to rehab.
- c Jet and camera all sewer lines prior to rehab.

Sewer lines must be scoped and repaired/ replaced as needed.

4b Site
Improvements:
10 5500
12 9300
31 1100

- a Provide covered, fully accessible mailbox center with lighting with USPS approved mailboxes. See site plan for location.
- b Repair existing playground equipment. Upgrade area with ADA mulch within edging.
- c Provide bench with back and warning sign at playground.
- d Repair existing fence at playground.
- e Provide 16x20 accessible picnic shelter. See site plan for location.
- f Provide picnic table(s) with (1) ADA accessible picnic table. See site plan for location.
- g Provide grill(s) with (1) ADA accessible grill. See site plan for location.
- h Provide new accessible white vinyl/PVC (low maintenance) dumpster enclosures to include accessible tenant recycling receptacles.
- i Provide bollards at dumpster.
- j Provide segmented block retaining walls where indicated. See site plan.

Painted pipe bollards must be installed behind all dumpsters.

4c Asphalt Paving:
32 1216
32 1723

- a Repair and patch parking areas and drives. Overlay parking lot with 2" Type 2 asphalt surface. Stripe parking areas and accessible spaces with cross-walks as shown on site plan.
- b Restripe parking spaces to meet handicap requirements and provide ADA signage.
- c Provide crosswalks and curb ramps with access aisle striping per site plan.

5 Sidewalks;
Concrete Pads:

03 1000
32 1313

Upgrade concrete to meet UFAS, per budget estimate, to include:

- a Replace broken and missing concrete sidewalks.
- b Remove, regrade and replace sidewalks flooded by rain.
- c Grind or replace sections of sidewalks at tripping hazards (1/2").
- d Provide accessible sidewalks to laundry facilities, dumpster enclosures, mail kiosk and playground. See site plan.
- e All public spaces and amenities shall be connected by 4' wide ADA accessible sidewalks with turnaround areas. Accessible sidewalk slopes shall be limited to less than 1:20 slope. Limited 6' lengths of accessible sidewalk may be sloped up to 1:12 slope without handrails. See site plan for extent of accessible path throughout site.
- f Position curb-cuts and crosswalks for handicap accessibility of site. See site plan for location of handicap parking spaces and crosswalks.
- g Provide accessible concrete pad for mail kiosk.
- h Provide concrete pad for dumpsters and recycling receptacles with concrete approach apron with accessible clear floor space area.
- i Provide concrete curb repairs as noted on site plan.

6 Site Amenities:
10 5500
12 9300

- a Community Laundry
- b Playground
- c Mailbox Kiosk
- d Leasing Office
- e Maintenance Room (Shed)
- f Refuse Collection Area and Recycling

7 Landscaping: 31 1100 32 9300	Landscape allowance to include: <ul style="list-style-type: none"> a Provide additional plantings and mulch per plan. b Prune existing trees and shrubs of dead wood and to clear walls and roofs. c Provide vertical pruning at rear of Buildings K, R and P. d Remove trees and grind tree stumps remaining after tree removal. e Provide landscaping around project entry sign. f Regrade flat site areas to slope away from buildings. Provide swales to provide proper drainage and eliminate erosion issues. g Repair/ replace retaining walls at Building P and throughout property. See site plan. Replace wood timbers with modular block walls. h Clear all storm drains of debris and soil.
8 Signage:	<ul style="list-style-type: none"> a Provide new permanent project entry sign with masonry columns. b Provide identification signage for each unit under exterior entry light fixture. c Provide bold signage visible from the entry drive for the office/ community building. d Provide building number identification sign on each building visible from street. e Provide handicap parking signage for accessible and van spaces. f Provide SC Housing refuse collection signage. g Braille signage to be provided in locations required by FHA, ADA and UFAS. <p>Property entrance must have a monument sign with brick or stone columns.</p>
9 Site Lighting:	<ul style="list-style-type: none"> a Coordinate installation of site lighting by power company. <p>Existing site lighting must be adequate and functioning according to photo metric analysis software.</p>

BUILDINGS

10a General Improvements: 06 1000 31 3116	<ul style="list-style-type: none"> a Seal all exterior joints and gaps. b Seal all interior and exterior wall penetrations. c Pressure wash all buildings and sidewalks. d Construction documents to include unit-by-unit matrix to identify items scheduled for replacement when the SOW does not identify items to be replaced in all units.
10b General Accessibility	<ul style="list-style-type: none"> a Provide upgrades to Community Building per 504 Plan (attached). b Provide upgrades to handicap units per UFAS accessibility requirements. <p>All Type A accessible units must be brought to current building standards.</p>
11 Masonry: 04 0513 04 0516	<ul style="list-style-type: none"> a Replace damaged and missing brick. b Point up all missing and damaged mortar.
12 Metals: 05 5000	<ul style="list-style-type: none"> a Repair existing metal stairs and landings. b Provide painted bollards at dumpsters. c Repair/replace existing stair stringers. d Add extensions to bring guardrails to 42" minimum. <p>Painted pipe bollards must be installed behind all dumpsters.</p>

13 Carpentry: 06 1000 06 4100 06 4600	<ul style="list-style-type: none"> a Inspect for and replace damaged wood trim, exterior sheathing. b Inspect for and replace damaged floor sheathing, stair treads and rails. c Replace interior stair handrails at townhouse units with continuous backer board for mounting handrail hardware. d Repair base board. See unit matrix. e Provide new shoe molding at all LVT areas. f Provide new trim at all new walls, doors and windows. g Provide flooring, base, shoe molding and painted walls behind and under refrigerators and ranges. h Provide picnic shelter. i Provide mailbox kiosk. <p>Attic access panels must be lockable with keys available. Stair handrails must have continuous wood blocker board.</p>
14 Insulation:	<ul style="list-style-type: none"> a Inspect attic/roof insulation and upgrade to R38 for new construction projects <p>Attic insulation must meet R-30 minimum value.</p>
15 Roofing: 07 3113	<ul style="list-style-type: none"> a Provide new antifungal architectural asphalt fiberglass roof shingle system with minimum 30-year warranty. b Provide new 5" aluminum gutters with gutterguards and 3x5 downspouts discharging a min. 6' from foundation. c Provide splash blocks and downspout extensions. d Remove all existing roof shingles and damaged roof edges and accessories. e Replace damaged fascia boards and sheathing. f Replace plumbing vent boots and gable wall vents. g Provide roofing for new mailbox kiosk and picnic shelter. <p>Architectural (dimensional) anti-fungal shingles must be used and: - must be high quality and durable - must be installed per manufacturer's requirements to achieve at least a 30-year warranty Seamless 5" minimum gutter and downspout systems complete to be installed on all buildings.</p> <p>All water from roof and gutter system must be discharged no less than 6 feet from building foundation by: - Concrete splash blocks with positive sloped drainage away from foundation; or - Be piped underground to an appropriate location.</p> <p>Existing fire walls in attics between units must be intact and solid.</p>

16 Siding:
07 4633

- a Replace all vinyl siding throughout project. Replace Tyvek.
- b Replace all soffit with vented vinyl soffit.
- c Replace all fascia with white aluminum/vinyl trim.
- d Provide decorative vents at gables to replace existing.
- e Replace porch ceilings.
- f Replace all columns.
- g Install new shutters at current locations.
- h Replace dryer and bath exhaust vent covers.
- i Install 'J' boxes for all electrical boxes, disconnect boxes or surface mounted devices on siding. Where standard 'J' boxes are not available, the devices shall be fully flashed, caulked and water-proofed.

High quality durable low maintenance materials are required for exterior building coverings on all elevations including all exterior trims, fascia, soffits, ceilings and vents.

Vinyl siding must have a .044" thickness or greater and be installed per manufacturer's requirements to achieve at least a 30- year warranty.

17 Doors:
08 1416

EXTERIOR:

- a Replace all exterior doors/frame/trim with new insulated metal/wood doors units and rot proof jambs.
Front entry doors at accessible units to have spring hinges.
- b Replace all exterior storage room doors.
- c Caulk all doors inside and outside.
- d Seal all exterior door thresholds with silicone caulk.
- e Replace all exterior doors at Office/Laundry Building.
Laundry Room door to be full glass; no blinds.
- f Replace all interior doors, jambs, frames, and hardware (units and Office/Laundry Building).

All interior doors must:

- be side hinged
- be hollow core paneled hardboard, paneled solid wood, or hollow core flush hardwood

- Hollow core, flush luan doors are prohibited.

- ADA accessible doors at common areas and Type 'A' units must have ADA lever hardware and be 3'-0" minimum.

- Have a 3/4" minimum air space at bottom of door measured from finished floor for air circulation.

- Louvered doors are HVAC closet for air handler return are acceptable.

All exterior doors must be Energy Star metal-clad or fiberglass doors and must:

- Metal clad steel edge doors and frames are acceptable for use in firewalls only.

- Be side hinged.

- Have a rot proof jamb.

- Include a peephole on main entry door.

- Have a thumb latch/lever style deadbolt lock.

- ADA Accessible doors at common areas and Type 'A' units must have a maximum threshold height of 1/2", have ADA lever hardware, include a peephole a maximum of 48" AFF at primary unit entry door only, have spring hinges at the unit's primary unit entry door only.

All bi-fold and accordion doors must be replaced with hinged doors.

18 Hardware: 08 7100	<ul style="list-style-type: none"> a Replace all exterior door hardware at units and Office/Laundry Building. b Replace all interior door hardware. c Provide lever handles in all "public" rooms. Provide lever handles in UFAS units with push-button style locks. d All door stops/wall stops must be installed, whether the door is being replaced or not.
19 Windows: 08 5300 08 8000	<ul style="list-style-type: none"> a Replace windows with Energy Star casement or sliding where needed for egress requirements. b Replace all windows at Community Building. Install flashing per manufacturer's recommendation. Contractor to verify tempered glazing requirement against existing hazardous locations. c Windows shall be tilt-in type for easy cleaning. d Bedroom windows must have egress area of 5.7 sf on 2nd floor and 5.0 sf on 1st floor, and a 24" min vertical egress opening, 20" horizontal. e Provide insect screens at all windows. f Provide child safety snap lock in frame. g Install weather-stripping at all windows. h Windows located within 2' of an operable door shall be tempered. i Windows or doors enclosing bathtub or shower shall be tempered. j Windows in a stairwell within 60" of the walking surface shall be tempered. Windows must be Energy Star rated for zone south central and must: <ul style="list-style-type: none"> - have blinds for each window installed - Metal blinds are prohibited. - Be vinyl. - Be continuously caulked behind the flange and taped per the manufacturer's recommendations. - Be installed per window manufacturers recommendations.
20 Gypsum Wallboard: 09 2900	<ul style="list-style-type: none"> a Inspect for and repair/ replace damaged wallboard, all units and Office/Laundry Building. b Repair drywall at new tubs. c Patch walls and corners at new windows and doors. d Repair drywall at walls and damaged ceilings. e Provide moisture resistant drywall where replaced in bathrooms, laundry rooms, mechanical closets, exterior storage closets, and behind kitchen sink base. f Provide textured ceiling repair as indicated per Unit Matrix. Moisture resistant gypsum board must be installed on all ceilings and walls of bathrooms, on all walls of laundry rooms, mechanical closets and exterior storage closets, and behind kitchen sink base and dishwasher. Water-resistant gypsum board or equivalent shall be provided behind any tub/shower unit located on an exterior wall.

21 Vinyl Flooring: 09 6519	<ul style="list-style-type: none"> a Provide new LVT flooring in kitchen, bath, dining area, and foyer of all units, or throughout units. See unit matrix. In all accessible units, provide LVT flooring throughout. b Provide new LVT flooring throughout Office/Laundry Building. c Replace damaged subflooring. Repair with Schonox where required. d Provide new vinyl cove base at base of all tubs. See unit matrix. <p>LVT must have a 12mil wear layer and provide a minimum 15-year residential warranty. LVT installed in kitchens, bathrooms, laundry areas and mechanical closets must be water resistant.</p> <p>Shoe molding must be intalled in areas where glue down or laminate flooring is/ was installed.</p>
22 Carpet: 09 6816	<ul style="list-style-type: none"> a Provide carpet in all bedrooms of units. See unit matrix. b Provide compatible metal edging at all flooring junctions. <p>Carpeting shall comply with FHA-HUD Use of Materials Bulletin No. 44d. Carpet pad must be installed under all carpeting and shall comply with FHA-HUD Use of Materials Bulletin No. 72a.</p>
23 Painting: 09 9100	<ul style="list-style-type: none"> a Clean, prepare and sand all surfaces prior to painting. b Prime all new and repaired surfaces. c Paint entire interior of each dwelling unit, including ceilings and trim. See unit matrix. <ul style="list-style-type: none"> - All Ceilings: flat - Doors and Trim: semi-gloss - Wet Areas Walls (bath and kitchen): semi-gloss - All Other Walls: eggshell d Paint entire interior of the Community Building, including bathrooms, doors and trim. e Paint all interior doors and trim with semi gloss latex-acrylic enamel paint. Paint top, bottom, sides, and both faces. f Paint all exterior doors and trim with semi gloss latex-acrylic enamel paint. Paint top, sides, bottom, and faces of door. g Caulk all open joints. h Prepare and paint all existing metal handrails, cane rails and miscellaneous guard rails. <p>Interior painting must include the entire unit.</p>

FURNISHINGS

24 Bath Fixtures:	<ul style="list-style-type: none"> a Replace existing tubs and surrounds with 4-piece tub and surround, with blocking. See unit matrix. b Clean and caulk all existing tubs to remain. See unit matrix. c Replace all water closets with new comfort height fixture, 17"-19" from floor to top of seat. d Provide accessible height water closet in Type A accessible units. e Provide vanity cabinet with drop-in sink. See unit matrix. f Replace wall hung lavatories in accessible units and Office Building. Providing blocking in wall for mounting wall hung sinks. <p>Provide solid blocking at all toilets and tub/shower units for grab bar installation. If providing a wall hung sink in an accessible unit it must have solid blocking behind the fixture and a recessed medicine cabinet or a storage cabinet must be provided.</p>
25 Accessories:	<ul style="list-style-type: none"> a Replace all bathroom accessories with brushed nickel: attached (not tension) shower rod,

10 2813

towel bar and toilet paper dispenser.

- b Provide 24"x36" framed tempered mirror mounted at top of back splash in Type 'A' units and provide new recessed medicine cabinet.
- c Replace all medicine cabinets in standard units. See plans for location.
- d Provide grab bars in accessible bathrooms at tub and water closet in Type 'A' units.

Mirror length must extend from top of vanity backsplash to 6' minimum above finish floor.
Framed decorative mirrors are excepted if they meet the above requirements.

26 Casework:
06 4100

KITCHENS:

- a Provide new kitchen and vanity cabinets to meet SC Housing Design Standards. Provide cover for/box in exhaust vents.
- c Provide new plastic laminate countertops with stainless steel sinks in kitchen.
- d Replace casework with UFAS compliant casework in accessible units. See unit matrix.

All kitchen and bathroom/vanity cabinets shall be constructed with solid wood or plywood stiles, rails, doors, and drawer fronts. All cabinets will conform to the performance and fabrication requirements of ANSI/KCMA A161.1-2000.

- Drawers must have dual slide tracks.

- Accessible cabinets with removable fronts must be manufactured to be removable with only a screwdriver.

Counter tops may be manufactured post form, granite or solid surface.

For Type 'A' units, provide ADA compliant handles/pulls on cabinet doors and drawers. Knobs are prohibited.

27 Appliances:
10 4413
11 3100

- a Provide new EnergyStar refrigerators. See unit matrix. Accessible units to receive side-by-side refrigerator.
- b Provide new self-cleaning electric range/ oven. See unit matrix. Ranges with front controls to be provided in ANSI units. Install anti-tip devices at all ranges secured to floor. Provide splash guard behind all ranges. Ranges to fit flush against wall.
- c Provide new over the range mounted microwave oven, with recirculating fan in all standard units.
- d Provide new recirculating range hoods and countertop microwave in all accessible units.

- e Provide fire suppression device at underside of range hood.

All units must have over the range microwave.

All units must have a slide in range that is at least 30 inches wide or a cooktop and wall oven.

- A backsplash panel must be installed behind the cooktop and cover the entire wall behind the cooktop.

- Anti-tip devices must be installed behind the cooktop and cover the entire wall behind the cooktop.

All units must have a Fire Stop or comparable extinguishing system over the stove.

Alternatively, the range must have SmartBurner elements installed in the range.

For Type 'A' units:

- Provide cabinet microwave shelf with microwave or counter top microwave.

- The range hood fan and light must have separate remote switches.

Splash panels must be installed behind all ranges.

Anti-tip devices secured to the floor must be installed under all ranges.

28 Mini-blinds:

- a Management to replace existing blinds with vinyl miniblinds at windows. See unit matrix.
Metal blinds are prohibited.

29 Other:

- a Provide attic access panels with locks. Management to keep keys.
Attic access panels must be lockable with keys available.

PLUMBING, MECHANICAL, ELECTRICAL**30** Plumbing:
22 0000

- a Inspect plumbing systems and replace washers, P traps, pipes, shut-off valves at sinks and toilets.
- b Provide individual water shut off valves in each unit in accessible location and labeled.
- c Provide faucet, fittings and hook-up of kitchen sinks. See unit matrix.
Provide shallow depth rear drain kitchen sinks in UFAS units per UFAS requirements. See unit matrix.
- d Provide faucet, fittings and hook-up of bathroom vanities or sinks. See unit matrix.
Bathroom faucets shall be low flow 1.5/2.0 gpm.
- e Provide wall hung sink in accessible units and Office Building.
- f Provide fittings, new toilet flange and hook-up of new water closet. All toilets to be comfort height, 17"-19". See unit matrix and Office.
- g Caulk front and sides of toilet only.
- h Provide accessible height water closet in type A accessible units.
- i Provide faucet, fittings and hook-up of new tub/shower. Install new water stops.
- j In all UFAS units, controls are to be less than 12" from reach side edge, and have hand-held shower head.
- k Replace water heaters and valves to comply with latest adopted edition of International Plumbing Code for new construction. Provide pan under water heater. See unit matrix.
Water heater capacity 30-gallon minimum in 1BR and 2BR units; 40-gallon in 3BR units. See unit matrix.
- l Pipe pans to exterior or hub drain. Provide elevated stand as required.
- m Repair/ Replace clothes washer valves and boxes in units and Community Laundry. See unit matrix.
- n Replace all existing hose bibbs with new frost proof fixtures.
Unit water cut offs must be in an easily accessible area and clearly marked with signage.
All domestic water line cut off valves must have metal handles, not plastic.
Offset toilet flanges are prohibited.
All shower valves to be anti-scald.
Water sense fixtures must be used:
 - Toilets at 1.28 GPM or less.
 - Showerheads, Kitchen faucets and Bath faucets 1.5 GPM or less.
 Toilets to be ADA height in all units.
Water heater for each unit:
 - Electric water heaters must meet Energy Star requirements.
 - Prohibited to be mounted above equipment or appliances.
 - Placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code.
 All hub drains serving HVAC condensate lines and water heater lines must be piped to the outside. Piping to the sanitary sewer is not allowed unless a primed p-trap is installed.

All polybutylene ("Quest") piping must be replaced.
 All original cast iron p-traps must be replaced.
 All water heaters must be in an overflow pan and piped to the outside (where possible).
 Water heaters under kitchen countertops must be relocated.
 All units must have individual water shut off valves in the unit.

31 HVAC:
23 0000

- a Replace split system heat pump system in units and Office/Laundry Building. See unit matrix.
- b Replace line set to meet manufacturer's recommendation.
- c Install new thermostats with replaced HVAC system. See unit matrix.
- d Repair ductwork where required.
- e Replace all supply diffusers and replace return air grills. See unit matrix.
- f HVAC returns to be hard ducted at the unit. Louvered door returns are acceptable.
- g Provide duct and new wall cap for new dryer vents in units and Community Laundry.
- h Provide new EnergyStar bathroom exhaust fans; (80) cfm required. See unit matrix.
- i Exhaust duct shall have a backflow damper and be vented with hard duct to the exterior.
- j Provide duct and wall cap for new exhaust fans.

Bottom of returns must be 12" minimum above FFE.

The use of duct board is prohibited.

Connections in duct system must be taped and sealed with mastic and fiberglass mesh.

Electric mechanical condensate pumps are not allowed.

All bath exhaust fans shall be rated at 70CFM minimum vented to the exterior of the building using hard ductwork along the shortest run possible. Venting through the roof is prohibited.

All bath exhaust fans shall be rated at 70CFM minimum vented to the exterior of the building using hard ductwork along the shortest run possible. Venting through the roof is prohibited.

Dryer vents must be vented to the exterior of the building using hard ductwork along with the shortest run possible: maximum run is 35' including deductions for elbows.

- Vent connection must be centered behind the dryer.

- Venting thru the roof is prohibited.

All hub drains serving HVAC condensate lines and water heater lines must be piped to the outside. Piping to the sanitary sewer is not allowed unless a primed p-trap is installed.

Existing HVAC air handlers must have a secondary condensate overflow line or cutoff switch.

Clothes dryer venting must be hard ducted to the exterior and concealed in wall.

Hard duct all new and existing bathroom exhaust fans where possible (in attics).

32 Electrical:
26 0000

- a Inspect electrical system and repair or replace damaged components. Provide report to owner.
- b Install new GFI receptacles in all kitchens and baths to meet code.
- c Install new arc fault breakers per code.
- d Replace electric panel/breakers. See unit matrix.
- e Replace all receptacles, switches, and cover plates.

All switches and thermostats to be mounted no more than 48" above the FFE.

All receptacles, telephone jacks (older person +%% development), and cable jacks to be mounted 15" minimum above FFE.

All receptacles, switches and cover plates must be replaced.

SAFETY DEVICES:

- f Provide hardwired smoke detectors, wired in series, to meet code (UL 217).
- g Smoke Detectors to be "audible and flashing" in accessible units and conditioned common areas.
- h Update all unit emergency call systems to have audible alarm and strobe light outside of each apartment front exterior door.
- i Provide emergency pull cords in bathroom and bedroom of all Type A units.

For Type 'A' units, a wireless or hard-wired call for aid station is required in all bathroom.

All units must have looped smoke alarms.

LIGHT FIXTURES:

- j Replace all interior and exterior lighting fixtures, in all units, buildings and Office/Laundry Building.
- k Provide ceiling fan/ light fixture in living room and bedrooms of all units.
- l Provide fan/light combo at all full baths and separate vanity light.
Provide fan only at 1/2 bath and separate vanity light.
- m Provide ceiling fan/light fixture at picnic shelter.
- n Provide lighting at mailbox kiosks enclosures (recessed in soffit).
- o Provide lighting at property monument sign.

Fluorescent lighting or LED lighting is required in the kitchen.

All full bathrooms must have:

- ceiling light and exhaust fan on the same switch and must provide adequate lighting to the tub/shower.

- Vanity light must be provided and be on a separate switch.

All lighting fixtures to be Energy Star rated.

All bulbies to be Energy Star rated.

In bathrooms, overhead ceiling light must be switched with the exhaust fan and the vanity light wired to a separate switch. If a ceiling light is not present, one must be installed and switched accordingly.

Ceiling fans with lights must be installed in all living rooms and bedrooms. Fan and light must be wired to a separate switch.

APPLIANCES AND EQUIPMENT:

- p Wire and hook-up range. Install new range cord. See unit matrix.
- q Wire and hook-up range hood or microhood. Add circuit. See unit matrix.
- r Wire and hook-up water heater. Install new disconnect. See unit matrix.
- s Wire and hook-up bath exhaust fan. Switch with ceiling light. See unit matrix.
- t Provide (2) switches in bathrooms of all Type A accessible units - (1) for sink/vanity lights and (1) for overhead light/exhaust fan combo.
- u Provide (1) switch in bathrooms of all standards units to operate exhaust fan and all lights.
- v Wire and hook-up new split system heat pump system. Upgrade breaker. See unit matrix.

UTILITIES:

- w Replace existing phone lines with Cat5E or better (support high speed internet).
- x Replace existing cable lines with RG6 cable (support high speed internet).

A telephone jack must be installed in the primary bedroom next to a receptacles for future TTY use.

A centrally located port supporting tenants personal (private) wireless high speed internet equipment, per unit.

Last revised: 05/16/25

ADDENDUM D:
RENT ROLL

Affordable Rent Roll
Property:Chester Townhouses II (131) Sort By:Unit

As of Date: 03/17/2025

Property	Unit	Unit Type	Unit Sq Ft	Bed Rms	Tenant Name	Program	Tran Type	Effective Date	Annual Recert Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Total Rent	Utility Allowance	TTP	Utility Reim.
Chester Townhouses II (131)	302	131s2	767	2		No Deep Tenant	GR	01/01/25	10/01/25	764	875	662	662	0	764	764.00	213	977	0
	303	131s2	767	2		Rental Assistance	GR	01/01/25	12/01/25	764	875	662	662	749	0	749.00	213	126	87
	304	131s2	767	2		HUD Voucher	GR	01/01/25	06/01/25	764	875	662	662	0	662	662.00	213	875	0
	305	131s2	767	2		HUD Voucher	AR	03/01/25	03/01/26	764	875	662	662	0	662	662.00	213	875	0
	306	131s3	947	3		Rental Assistance	GR	01/01/25	05/01/25	866	1,011	764	764	855	0	855.00	247	156	91
	307	131s3	947	3		No Deep Tenant	GR	01/01/25	12/01/25	866	1,011	764	764	0	866	866.00	247	1,113	0
	308	131s3	947	3		Rental Assistance	GR	01/01/25	06/01/25	866	1,011	764	764	914	0	914.00	247	97	150
	309	131s3	947	3		HUD Voucher	GR	01/01/25	11/01/25	866	1,011	764	764	0	764	764.00	247	1,011	0
	310	131s2	767	2		Rental Assistance	GR	01/01/25	04/01/25	764	875	662	662	632	30	662.00	213	243	0
	311	131s2	767	2		Rental Assistance	GR	01/01/25	11/01/25	764	875	662	662	581	81	662.00	213	294	0
	312	131s2	767	2		Rental Assistance	GR	01/01/25	06/01/25	764	875	662	662	602	60	662.00	213	273	0
	313	131s2	767	2		Rental Assistance	GR	01/01/25	07/01/25	764	875	662	662	204	458	662.00	213	671	0
	314	131s3	947	3		Rental Assistance	GR	01/01/25	12/01/25	866	1,011	764	764	626	138	764.00	247	385	0
	315	131s3	947	3		Rental Assistance	GR	01/01/25	08/01/25	866	1,011	764	764	686	78	764.00	247	325	0
	316	131s3	947	3		HUD Voucher	GR	01/01/25	06/01/25	866	1,011	764	764	0	764	764.00	247	1,011	0
	317	131s3	947	3		Rental Assistance	MI	01/10/25	01/01/26	866	1,011	764	764	883	0	883.00	247	128	119
	318	131s2	767	2		Rental Assistance	GR	01/01/25	05/01/25	764	875	662	662	630	32	662.00	213	245	0
	319	131s2	767	2		HUD Voucher	GR	01/01/25	10/01/25	764	875	662	662	0	662	662.00	213	875	0
	320	131s2	767	2		Rental Assistance	GR	01/01/25	09/01/25	764	875	662	662	469	193	662.00	213	406	0
	321	131s2	767	2		Rental Assistance	AR	01/01/25	01/01/26	764	875	662	662	82	580	662.00	213	793	0
	322	131s3	947	3		Rental Assistance	GR	01/01/25	11/01/25	866	1,011	764	764	836	0	836.00	247	175	72
	323	131s3	947	3		Rental Assistance	AR	03/01/25	03/01/26	866	1,011	764	764	735	29	764.00	247	276	0
	324	131h3	947	3		HUD Voucher	AR	03/01/25	03/01/26	866	1,011	764	764	0	764	764.00	247	1,011	0
	325	131s3	947	3		Rental Assistance	AR	02/01/25	02/01/26	866	1,011	764	764	840	0	840.00	247	171	76
	326	131s2	767	2		HUD Voucher	AR	01/01/25	01/01/26	764	875	662	662	0	662	662.00	213	875	0
	327	131s2	767	2		Rental Assistance	GR	01/01/25	08/01/25	764	875	662	662	366	296	662.00	213	509	0
	328	131s2	767	2		HUD Voucher	GR	01/01/25	11/01/25	764	875	662	662	0	662	662.00	213	875	0
	329	131s2	767	2		Rental Assistance	GR	01/01/25	05/01/25	764	875	662	662	628	34	662.00	213	247	0
	330	131s3	947	3		Rental Assistance	GR	01/01/25	12/01/25	866	1,011	764	764	172	592	764.00	247	839	0
	331	131s3	947	3		Rental Assistance	GR	01/01/25	11/01/25	866	1,011	764	764	694	70	764.00	247	317	0
	332	131h1	631	1		Rental Assistance	GR	01/01/25	05/01/25	672	706	570	570	511	59	570.00	136	195	0
	333	131h1	631	1		Rental Assistance	GR	01/01/25	11/01/25	672	706	570	570	385	185	570.00	136	321	0
	334	131s1	572	1		HUD Voucher	AR	03/01/25	03/01/26	672	706	570	570	0	570	570.00	136	706	0
	335	131s1	572	1		Rental Assistance	GR	01/01/25	10/01/25	672	706	570	570	83	487	570.00	136	623	0
	336	131s1	564	1		Rental Assistance	GR	01/01/25	12/01/25	672	706	570	570	356	214	570.00	136	350	0
	337	131s1	564	1		HUD Voucher	GR	01/01/25	07/01/25	672	706	570	570	0	570	570.00	136	706	0
	338	131s2	767	2		Rental Assistance	GR	01/01/25	10/01/25	764	875	662	662	644	18	662.00	213	231	0
	339	131s2	767	2		Rental Assistance	AR	02/01/25	02/01/26	764	875	662	662	219	443	662.00	213	656	0
	340	131s2	767	2		Rental Assistance	GR	01/01/25	11/01/25	764	875	662	662	469	193	662.00	213	406	0
	341	131s2	767	2		Rental Assistance	AR	03/01/25	03/01/26	764	875	662	662	795	0	795.00	213	80	133
	342	131s1	664	1		Rental Assistance	GR	01/01/25	08/01/25	672	706	570	570	420	150	570.00	136	286	0
	343	131s3	969	3		Rental Assistance	GR	01/01/25	06/01/25	866	1,011	764	764	768	0	768.00	247	243	4
	344	131s3	947	3		Rental Assistance	GR	01/01/25	08/01/25	866	1,011	764	764	208	556	764.00	247	803	0
	345	131s3	947	3		Rental Assistance	GR	01/01/25	11/01/25	866	1,011	764	764	813	0	813.00	247	198	49
	346	131s1	564	1		HUD Voucher	GR	01/01/25	11/01/25	672	706	570	570	0	570	570.00	136	706	0
	347	131s1	564	1		Rental Assistance	MI	02/24/25	03/01/26	672	706	570	570	305	265	570.00	136	401	0
	348	131s2	767	2		Rental Assistance	GR	01/01/25	11/01/25	764	875	662	662	539	123	662.00	213	336	0
	349	131s2	767	2		Rental Assistance	GR	01/01/25	11/01/25	764	875	662	662	499	163	662.00	213	376	0
	350	131s2	767	2		Rental Assistance	GR	01/01/25	11/01/25	764	875	662	662	692	0	692.00	213	183	30
	351	131s2	767	2		Rental Assistance	GR	01/01/25	10/01/25	764	875	662	662	485	177	662.00	213	390	0
	352	131s1	564	1		Rental Assistance	GR	01/01/25	12/01/25	672	706	570	570	449	121	570.00	136	257	0
	353	131s1	564	1		Rental Assistance	AR	03/01/25	03/01/26	672	706	570	570	286	284	570.00	136	420	0
Total			40,983	##		Number of Units: 52				40,450	45,953	35,146	35,146	21,110	15,051	36,161	10,807	25,047	811

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

The subject development and the three selected properties include the following:

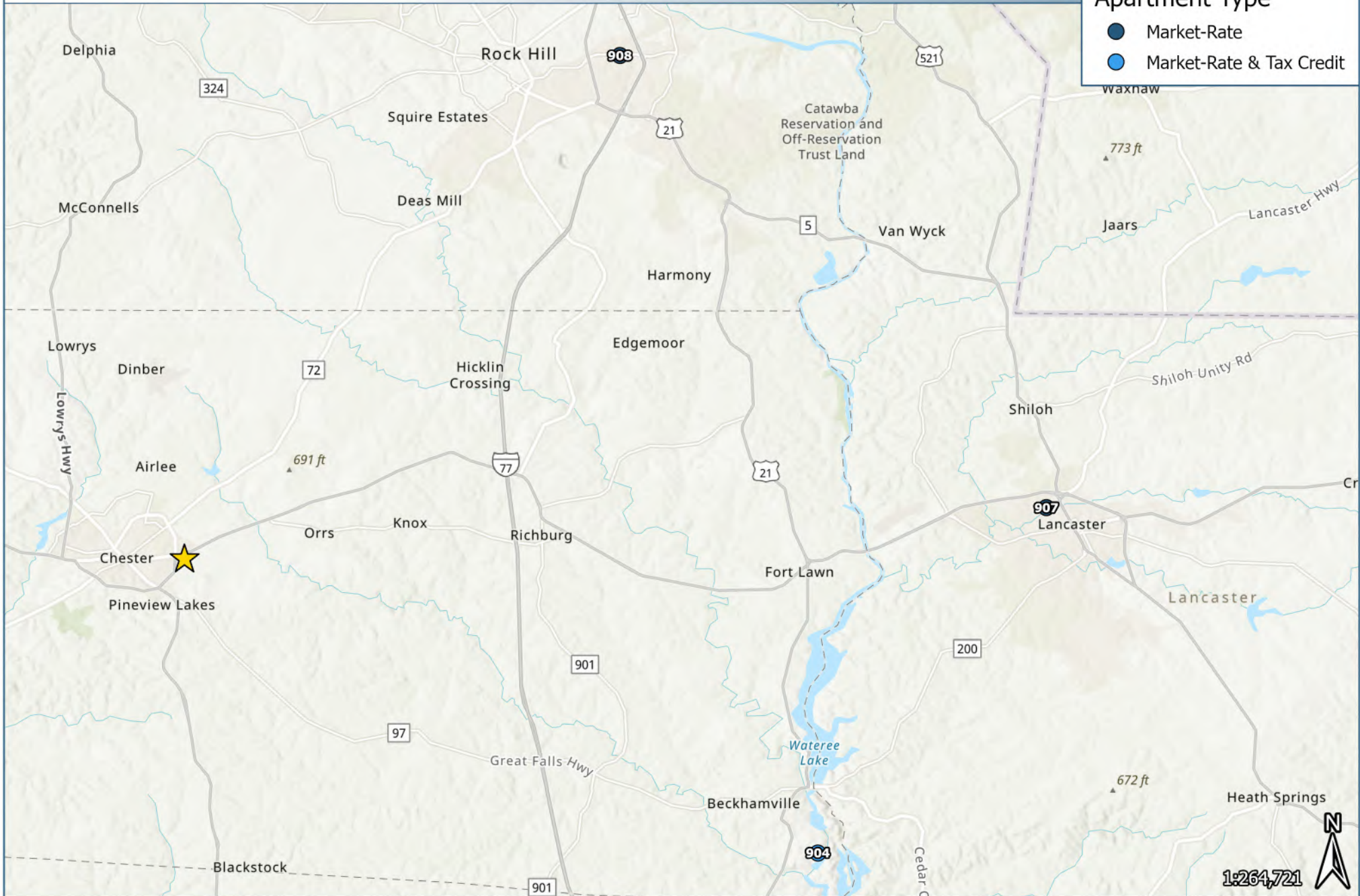
Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Chester Townhouses II	1983 / 2026	52	100.0%	11 (100.0%)	24 (100.0%)	17 (100.0%)
902	Cushendall Commons	2001	168	98.2%	66 (100.0%)	96 (96.9%)	6 (100.0%)
907	Oak Haven Apts.	1987	68	100.0%	18 (100.0%)	40 (100.0%)	10 (100.0%)
908	Pepper Ridge Apts.	1997	160	97.5%	8 (100.0%)	106 (96.2%)	46 (100.0%)

Occ. – Occupancy

900-series Map IDs located outside the Site PMA

The three selected market-rate projects have a combined total of 396 units with an overall occupancy rate of 98.2%. None of the comparable properties has an occupancy rate below 97.5%. This illustrates that the selected properties have been well received within their respective markets and will provide a good base of comparison for the subject project.

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



Unit Type → ONE-BEDROOM

Unit Type → TWO-BEDROOM

Rent Comparability Grid

Unit Type \longrightarrow

THREE-BEDROOM

	Subject		Comp #1		Comp #2		Comp #3					
	Chester Townhouses II		Data		Cushendall Commons		Oak Haven Apts.		Pepper Ridge Apts.			
	628 Lancaster Highway		on		819 Arklow Dr.		456 Colonial Ave.		1895 Springsteen Rd.			
	Chester, SC		Subject		Rock Hill, SC		Lancaster, SC		Rock Hill, SC			
A.	Rents Charged		Data		Data		Data		Data			
1	\$ Last Rent / Restricted?				\$1,945				\$900			
2	Date Surveyed				Apr-25				Apr-25			
3	Rent Concessions				None				None			
4	Occupancy for Unit Type				100%				100%			
5	Effective Rent & Rent/ sq. ft		↓		\$1,945		1.50		\$900		0.90	
B.	Design, Location, Condition		Data		Data		Data		Data			
6	Structure / Stories		WU/1,2		WU/3		WU/1,2		WU/2			
7	Yr. Built/Yr. Renovated		1983/2026		2001		\$4		1987		\$18	
8	Condition/Street Appeal		G		G				G			
9	Neighborhood		G		G				G			
10	Same Market?				No		(\$486)		No		(\$419)	
C.	Unit Equipment/ Amenities		Data		Data		Data		Data			
11	# Bedrooms		3		3		\$50		3			
12	# Baths		1.5		2		(\$15)		2		(\$15)	
13	Unit Interior Sq. Ft.		947		1294		(\$114)		1000		(\$17)	
14	Patio/Balcony/Sunroom		Y		Y				Y			
15	AC: Central/Wall		C		C				C			
16	Range/Refrigerator		R/F		R/F				R/F			
17	Microwave/Dishwasher		Y/N		Y/Y		(\$10)		N/Y		(\$5)	
18	Washer/Dryer		HU/L		HU		\$5		HU/L			
19	Floor Coverings		C/V		C/V				C/V			
20	Window Treatments		Y		Y				Y			
21	Secured Entry		N		N				N			
22	Garbage Disposal		N		Y		(\$5)		Y		(\$5)	
23	Ceiling Fan/Storage		Y/Y		Y/Y				N/N		\$10	
D	Site Equipment/ Amenities		Data		Data		Data		Data			
24	Parking (\$ Fee)		LOT/\$0		LOT/\$0				LOT/\$0			
25	On-Site Management		Y		Y				Y			
26	Security Features		Y		N		\$5		Y			
27	Community Space		Y		Y				Y			
28	Pool/Recreation Areas		N		P/F/L		(\$18)		P/F		(\$15)	
29	Business/Computer Center		N		Y		(\$3)		N			
30	Grilling Area		Y		Y				N		\$3	
31	Playground		Y		N		\$3		Y			
32	Social Services		N		N				N			
E.	Utilities		Data		Data		Data		Data			
33	Heat (in rent?/ type)		N/E		N/E				N/E			
34	Cooling (in rent?/ type)		N/E		N/E				N/E			
35	Cooking (in rent?/ type)		N/E		N/E				N/E			
36	Hot Water (in rent?/ type)		N/E		N/E				N/E			
37	Other Electric		N		N				N			
38	Cold Water/Sewer		N/N		N/N				N/N			
39	Trash/Recycling		Y/N		N/N		\$19		Y/N		\$19	
F.	Adjustments Recap		Pos		Neg		Pos		Neg			
40	# Adjustments B to D				4		7		3		5	
41	Sum Adjustments B to D				\$17		(\$651)		\$78		(\$57)	
42	Sum Utility Adjustments				\$19				\$19			
			Net		Gross		Net		Gross			
43	Net/ Gross Adjmts B to E				(\$615)		\$687		\$40		\$154	
G.	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent			
44	Adjusted Rent (+ 43)				\$1,330				\$940			
45	Adj Rent/Last rent						68%				104%	
46	Estimated Market Rent		\$1,095		\$1.16		← 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 as follows. Note that, given the subject project offers a variety of floorplan/unit layouts, we have only provided rent comparability grids for the most common unit types at the subject project. However, we have determined separate achievable market rents for all unit types in the following table:

Bedroom Type	% AMHI	Square Feet	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Bedroom	60%	564	\$735	\$810	9.26%
	60%	572	\$735	\$810	9.26%
	60%	631	\$735	\$835	11.98%
	60%	664	\$735	\$865	15.03%
Two-Bedroom	60%	767	\$832	\$915	9.07%
Three-Bedroom	60%	947	\$960	\$1,095	12.33%
	60%	969	\$960	\$1,100	12.73%
Weighted Average					10.40%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set approximately 10% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. In more rural settings, such as the subject site location, a lower market rent advantage is often acceptable, as Tax Credit product frequently represents some of the most desirable rental housing opportunities available within these areas. This is believed to be true within the Chester market, as evidenced by our Field Survey of Conventional Rentals. As such, the proposed subject rents should represent sufficient values to low-income renters, as they represent market rent advantages ranging from 9.07% to 15.03%. This is particularly true, given that the project will continue to offer Rental Assistance (RA) to most units following renovations.

However, as illustrated earlier in this report, the subject project has a capture rate of 32.5% if the project did not operate with a subsidy. Therefore, in the unlikely event the project did not offer a subsidy, the developer would likely need to reduce the project's rents to meet the capture rate threshold of 30% required by SC Housing.

Regardless, the subject will continue to operate with a subsidy available to most units and will represent a significant value, as few tenants will pay the proposed rents evaluated in the preceding analysis.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of renovations, the subject project will have an effective age of a property built in 2005 (which is a simple average of the project's year built and the estimated renovation completion year). The selected properties were built between 1987 and 2001. 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.
10. The selected properties are located outside of the Site PMA in the nearby communities of Lancaster and Rock Hill, South Carolina. Rock Hill is a significantly more developed market than Chester, with a larger population base and greater availability of community services. Based on data from the U.S. Census Bureau and American Community Survey, Rock Hill is also considered more affluent than Chester in terms of median household incomes and gross rent, among other metrics. Considering the preceding factors, we have negatively adjusted the collected rents at the selected properties in Rock Hill by 25% to reflect the differences between the Chester and Rock Hill markets. However, based on similar population and household income metrics, Lancaster is considered more comparable to the Chester market. As such, we have not applied any adjustments to the one selected property in Lancaster to account for differences in markets.
11. All of the selected properties offer one-, two- and three-bedroom units; however, the three-bedroom units offered at Oak Haven Apartments are significantly larger than the subject three-bedroom units and include an additional full bathroom. Conversely, the two-bedroom units offered at Oak Haven Apartments are considered more similar to the subject three-bedroom units in terms of design. As such, we have used the two-bedroom units offered at this property and made a positive adjustment of \$50 to reflect the inclusion of an additional defined bedroom within the subject's three-bedroom units.

12. We have made adjustments of \$15 per half bathroom to reflect the differences in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. Following renovations, the subject project will offer a unit amenity package considered similar to those offered at the selected properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' unit amenities.
- 24.-32. The proposed project offers a comprehensive project amenities package considered similar to those offered at the selected properties. 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.