NEED AND DEMAND ANALYSIS

FOR THE ROCKY RIDGE TRACE APARTMENTS

IN

GREENWOOD, SOUTH CAROLINA

Prepared for
The Taft-Mills Group
for submission to
the South Carolina State Housing Finance and Development Authority

May, 2026

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INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the proposed Rocky Ridge Trace Apartments in Greenwood, South Carolina. A total of 60 units are to be developed: twelve one-bedroom units, 36 two-bedroom units, and twelve three-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The data and analysis in this study are based on information relating to conditions in the town, market area, county, and state in which the project is to be located, and has been obtained from the most pertinent and current available sources. Likewise, every effort has been made to ensure its accuracy and reliability. However, we can assume no responsibility for inaccuracies in reporting by any local, regional, state, or federal agency cited, nor for any information withheld or erroneously reported by the sources cited during the normal course of our professional research. Consequently, we reserve the right to alter our findings and conclusions, if necessary, on the basis of any discovered material inaccuracies.

It is important to stress that coverage from the 2010 Census does not equate with the coverage provided in previous decennial Censuses. Thus, other sources - notably the Census Bureau's American Community Survey - is necessarily to be relied upon. The latter is based on a relatively small sample (compared with earlier sample-based Census reports) and therefore is subject to large statistical margins of error. Thus, use of these data is subject to the *caveat* that those data may not be as rigorous or as reliable as Census data prior to 2010. In this regard, if the data suggest outcomes at variance with our observations from other sources, these will be highlighted in our findings.

The site of the proposed apartments was visited (on April 18, 2026). In addition, interviews are held with persons with particular knowledge pertinent to the study.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

It is stated that we have no responsibility for opinions requiring expertise in other fields of expertise - these would include, for example, legal, environmental, architectural, and engineering matters.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

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Date: May 5, 2026

EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

The proposed project will comprise 60 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 30 percent, 50 percent, 60 percent, and 70 percent of the local area median income.

The Rocky Ridge Trace Apartments are to be located on the east side of Montague Avenue, extension, to the north of the SC 72, bypass, in north-central Greenwood, in central Greenwood County, in west-central South Carolina.

The market area for the proposed development is north central Greenwood County, as defined by several census tracts.

In 2024, the most recent year for which annualized data are available, the Greenwood County labor force comprised an estimated 35,375 persons. Of this total,33,254 were employed and 2,121 or 6.0 percent were unemployed. Unemployment increased by 1,417 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.5 percent in April, 2020). Prior to 2019, employment fluctuated somewhat, and employment is currently around pre-COVID levels.

The population of the project market area decreased from 58,223 in 2010, to 57,886 in 2020, and is projected to decrease to 57,822 in 2025 and to 57,572 in 2028. The number of households grew from 22,995 in 2010 to 23,376 in 2020, and is projected to increase, slightly, to 23,667 in 2025 and to 23,749 in 2028. There were 8,717 renter households in the market area in 2020: which is projected to increase to 8,845 by 2025, and to 8,887 by 2028.

There are several apartment complexes located throughout the Greenwood area. These include properties that are financed through the use of Low Income Housing Tax Credits, properties that are subsidized for low and very low income renters, through the HUD Section 8 program or Rural Development, and market rate complexes.

Overall occupancy in the market rate complexes is 95.9 percent, and occupancy at the stabilized tax credit properties is 96.1 percent. The overall occupancy for rate subsidized properties (HUD and USDA/RD) is around 97.6 percent. The overall occupancy rate is 96.3 percent.

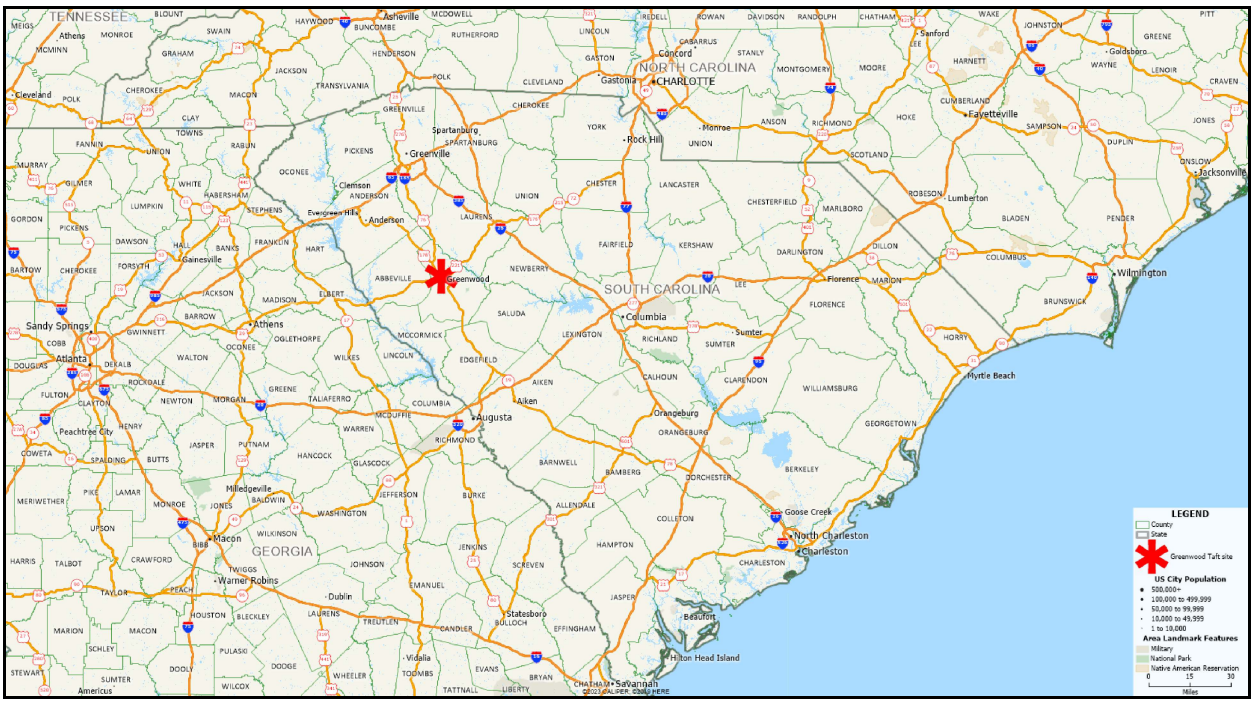
The total potential demand tax credit units, such as is proposed, in the project market area by 2028 is calculated to be for 3,256 units. The net need is for 3,208 units. Given the calculated demand, the proposed 60-unit development amounts to 1.9 percent of the total net demand. The proposed development is considered very marketable for a project of its size, with four target income ranges ranging from 30 percent to 70 percent of the area median income.

Based on the above, the project could expect to lease-up over a period of six months, or less.

A. PROJECT DESCRIPTION

Project Location

The Rocky Ridge Trace Apartments are to be located on the east side of Montague Avenue, extension, to the north of the SC 72, bypass, in north-central Greenwood, in central Greenwood County, in west-central South Carolina.



Construction type: new construction

Occupancy type :Family

Target income group: 60 percent of the local area median income.

Special population target: not applicable

The property will offer a total of 60 units: twelve one-bedroom units, 36 two-bedroom units, and twelve three-bedroom units.

The complex will comprises three, three-story buildings.

The one-bedroom units are to 774 square feet, the two-bedroom units are 1,025 square feet, and the three-bedroom units are to 1,228 square feet.

Proposed unit mix, etc.

	Units	Rent	Utility Allowance	Targeting*
1 bedroom/1 bath	1	$227	$82	less than 30 percent
1 bedroom/1 bath	5	$675	$82	less than 50 percent
1 bedroom/1 bath	1	$750	$82	less than 60 percent
1 bedroom/1 bath	5	$850	$82	less than 70 percent
2 bedroom/ 2 bath	3	$264	$106	less than 30 percent
2 bedroom/ 2 bath	10	$800	$106	less than 50 percent
2 bedroom/ 2 bath	12	$900	$106	less than 60 percent
2 bedroom/ 2 bath	11	$1,000	$106	less than 70 percent
3 bedroom/ 2 bath	2	$298	$130	less than 30 percent
3 bedroom/ 2 bath	2	$900	$130	less than 50 percent
3 bedroom/ 2 bath	3	$1,000	$130	less than 60 percent
3 bedroom/ 2 bath	5	$1,100	$130	less than 70 percent

** percent of area median income*

With respect to utilities, the units will be all-electric. Each tenant will be responsible for heating, cooling and other electricity. The owner will responsible for water and sewer and trash collection. The utility allowance is $82 for a one-bedroom unit, $106 for a two-bedroom unit, and $130 for a three-bedroom unit.

The complex comprises three, three-story buildings. The project will feature a clubhouse , community room, fitness center, and computer room and a playground.

Unit amenities include a fully equipped kitchen, washer and dryer, ceiling fans and mini-blinds. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

Information submitted by the developer suggests that construction would start in Spring 2027 with completion around 15 months thereafter.

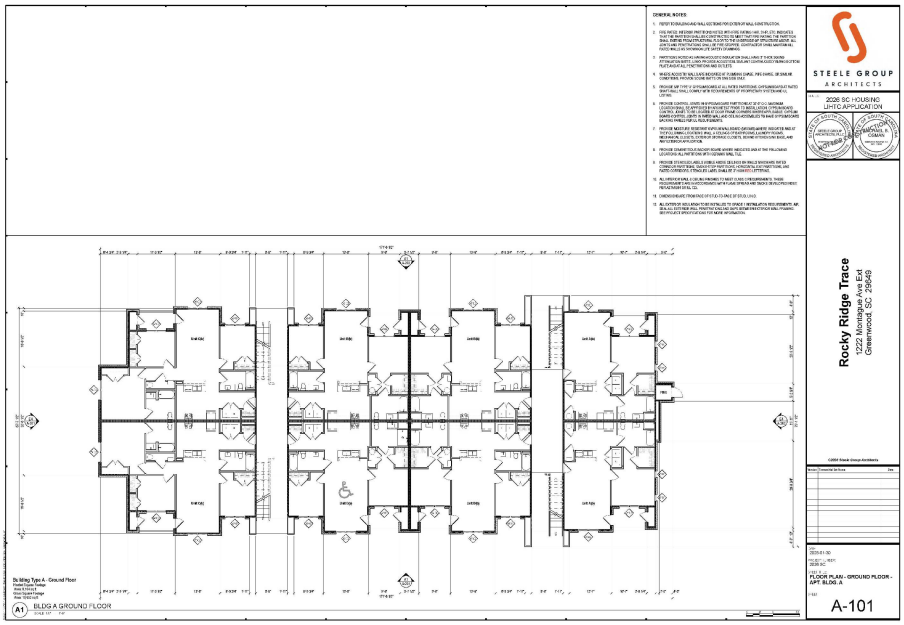
Representative architectural drawings/plans are set out on the following pages.

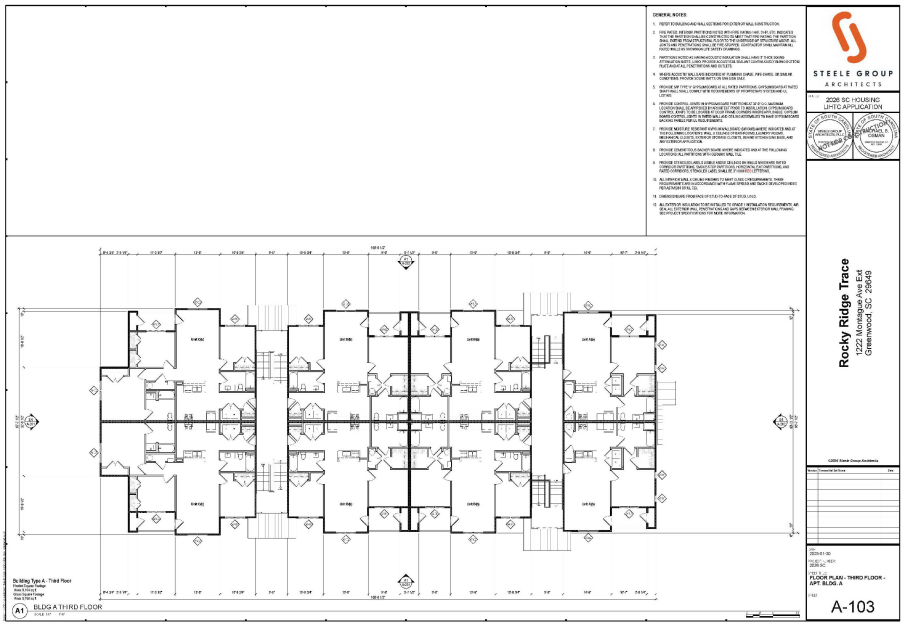
Rehabilitation information: n/a

Site plan

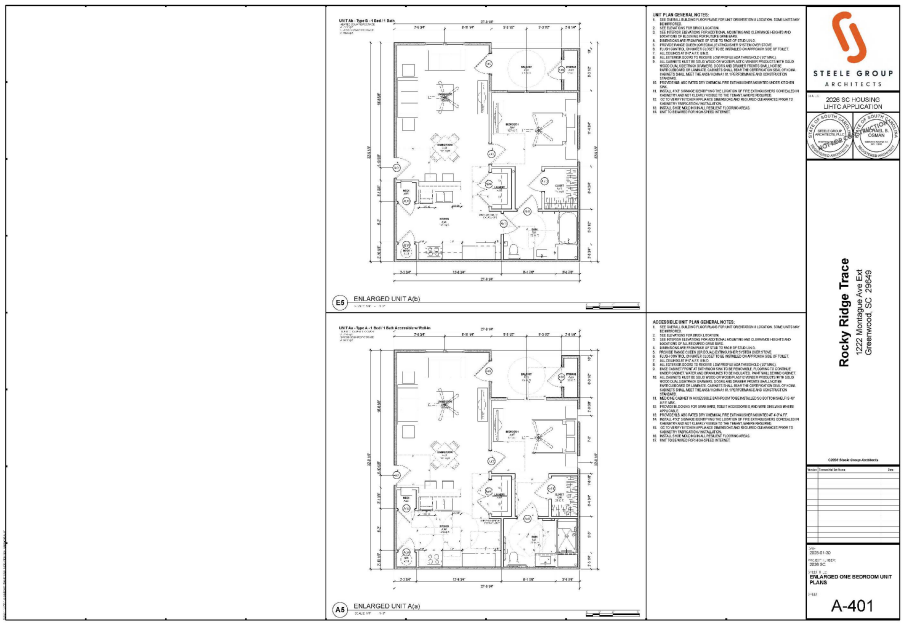

STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
SITE PLAN
A-000
STORMWATER MANAGEMENT
DUMPSTER ENCLOSURE
~7.66 ACRES
BLDG 01
24 UNITS
3 STORIES
92 Parking Spaces
BLDG 02
24 UNITS
3 STORIES
BLDG 03
12 UNITS
3 STORIES
PICNIC SHELTER
PLAY GROUND
CLUB-HOUSE
MONTAGUE AVE EXT
MONUMENT SIGN
A1
SITE PLAN

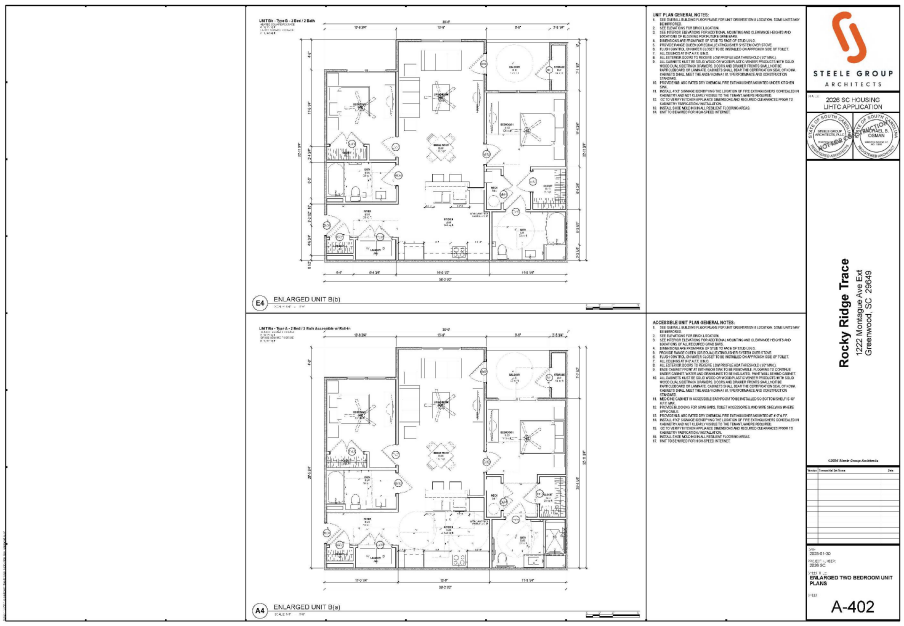
Floor plans

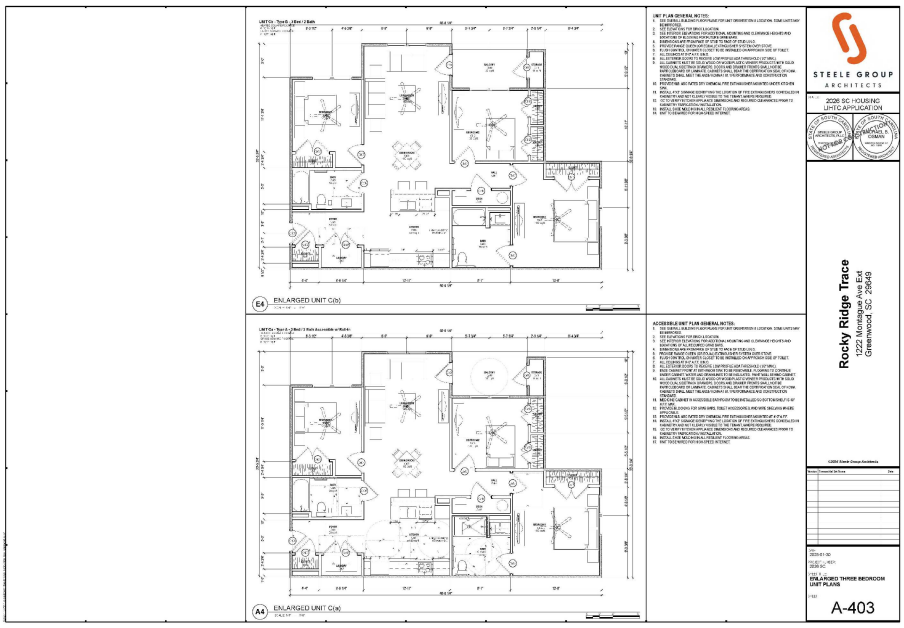

STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
FLOOR PLAN - GROUND FLOOR - APT. BLDG. A
A-101
BLDG A GROUND FLOOR


STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
FLOOR PLAN - THIRD FLOOR - APT. BLDG. A
A-103
BLDG A THIRD FLOOR

Unit plans

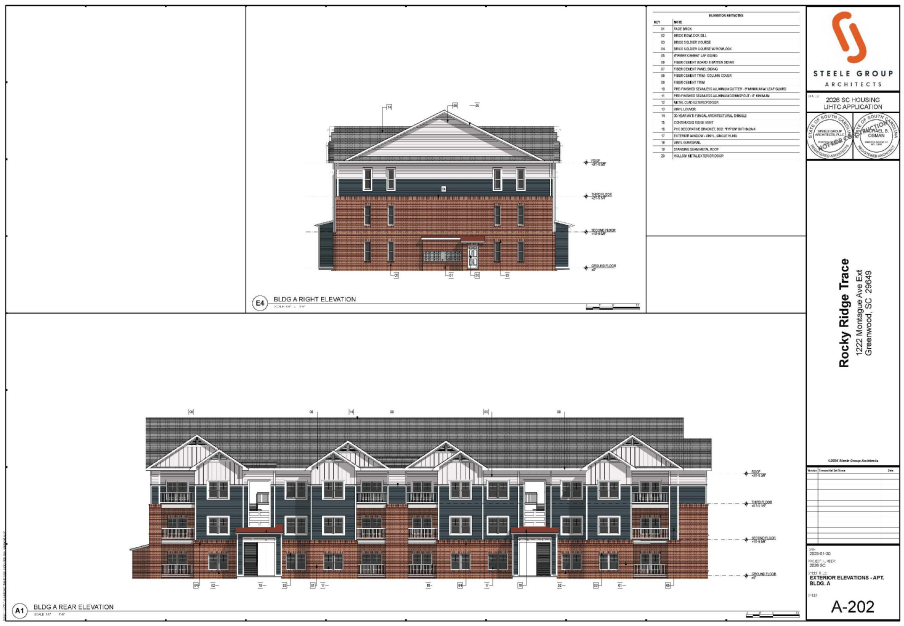

STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
ENLARGED ONE BEDROOM UNIT PLANS
A-401


STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
ENLARGED TWO BEDROOM UNIT PLANS
A-402


E4 ENLARGED UNIT C(b)
A4 ENLARGED UNIT C(a)
STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
FFA AFFORD THREE BEDROOM
UNIT PLANS
A-403

Elevations


STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
EXTERIOR ELEVATIONS - APT. BLDG. A
A-201
BLDG A LEFT ELEVATION
BLDG A FRONT ELEVATION


STEELE GROUP
ARCHITECTS
2026 SC HOUSING
LIHTC APPLICATION
Rocky Ridge Trace
1222 Montague Ave Ext
Greenwood, SC 29649
EXTERIOR ELEVATIONS - APT. BLDG. A
A-202
BLDG A RIGHT ELEVATION
BLDG A REAR ELEVATION

B. SITE DESCRIPTION

The Rocky Ridge Trace Apartments are to be located on the east side of Montague Avenue, extension, to the north of the SC 72, bypass, in north-central Greenwood, in central Greenwood County, in west-central South Carolina.

Adjacent properties include various businesses fronting on Montague Avenue and undeveloped land. The Rocky Creek flows to the north and east of the property.



The site is wooded, and slopes to the creek. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.



View onto property



View on property



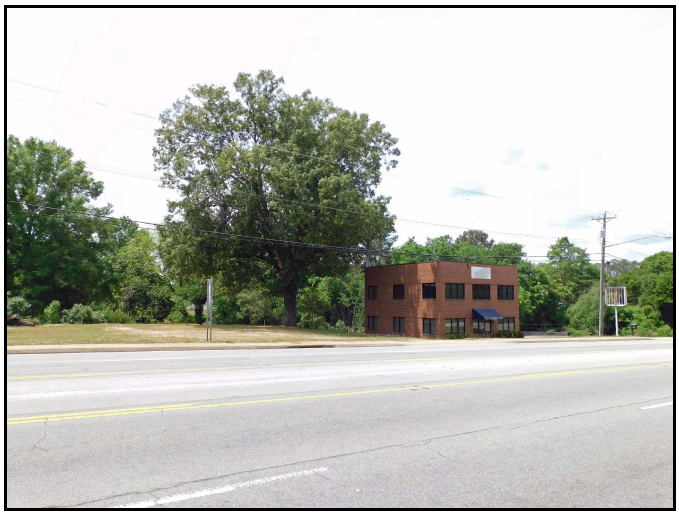
View of site on Montague Ave.



View north on Montague Ave., at site



View south on Montague Ave., at site



View across Montague Ave., from site

The following distances are from the site to various local services and amenities.

Category	Neighborhood/Community Amenity	Distance (miles)
Highways	Montague Avenue (US 25/US 178, business)	adjacent
	SC 72, bypass	0.2
Public transportation	MAT Tranist	by reservation
Retail - Grocery	ALDI	0.3
	Food Lion	1.4
	Publix	0.9
	Food Lion	1.6
Retail - Other	Dollar General	0.3
	Greenwood Mall	0.4
	Wal Mart	1.2
	Emerald Place	1.3
Pharmacies*	Walgreens	0.4
	CVS	1.3
Recreation, etc.	Grace Street Park	0.9
Schools	Merrywood Elementary School	3.2
	Northside Middle School	3.1
	Greenwood High School	1.6
City Hall	Greenwood	1.9
Post Office	Greenwood	0.4
Library	Greenwood County	2.4
Hospital	Self Regional Medical Center	3.5

** excluding those in grocery stores, etc.*

Access from the site to local thoroughfares, community amenities, shopping, schools, sources of employment, and other local services is good.

The proposed development is to be located on Montague Avenue, extension, (US25/178) - a major north-south route, and is one-fourth of a mile north of its intersection with the SC 72 Bypass - a major east-west route.

Bus service is available on the MAT system, which operate a bus service, by reservation, within a four-mile radius of the Greenwood County courthouse.

The site is within one-third of a mile ,of an ALDI supermarket and a Dollar General on Montague Avenue, to the north. The SC 72 Bypass is a major commercial corridor - with, for example, the Greenwood Mall, the Emerald Place shopping center, and a Wal-Mart supercenter all within one and one-half miles of the site.

The site is within one--to-three miles, or so, of the public schools that serve the property.

The Self Regional Medical Center and associated medical services are within three and one-half miles of the property.

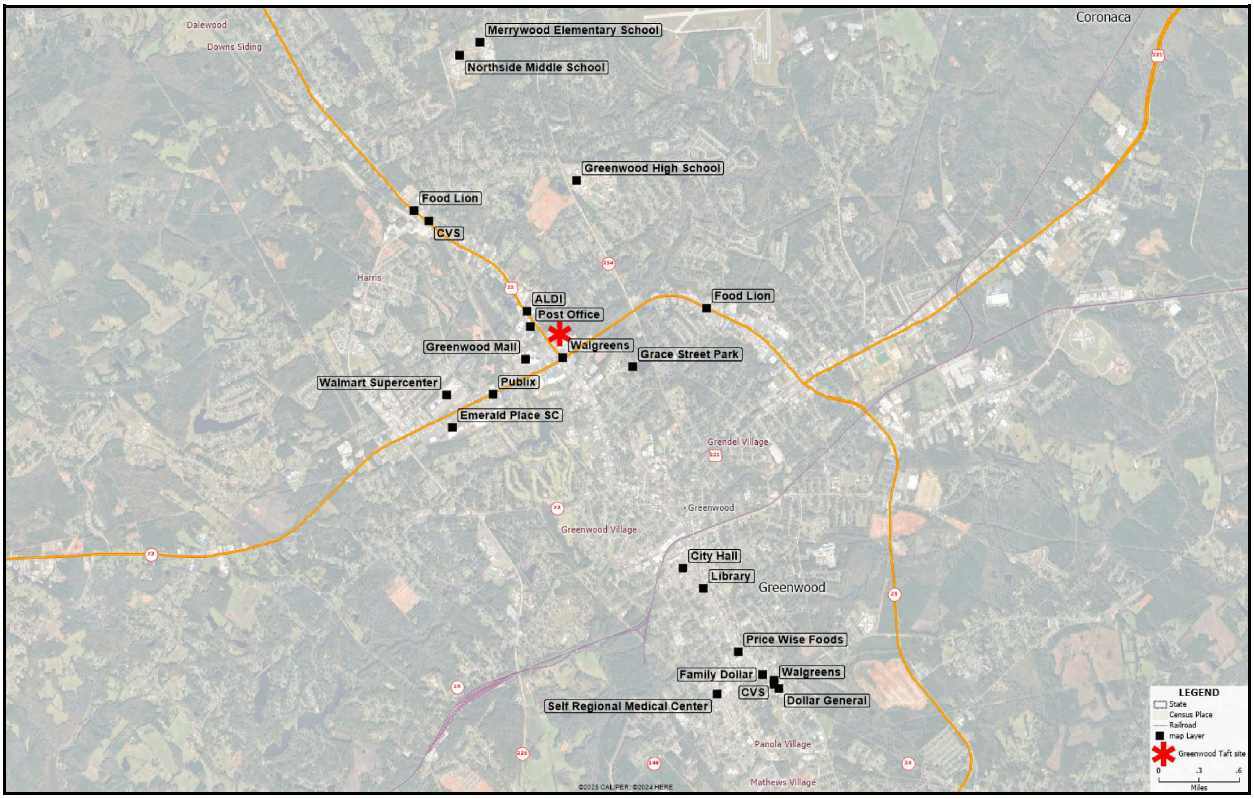
The County Library, City Hall, and shopping and other services located in downtown Greenwood are within two- to three miles of the site, to the south. The Post Office is located west of Montague Avenue, within one half-mile of the site.

It is understood that there are no significant road or other infrastructure projects under way or planned for this immediate area.

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area. It is not expected that crime or the perception of crime in the area, would impact the project's marketability - nonetheless, as is prudent, security should be considered in the design and marketing of the project.

There are no apparent physical, environmental, or other constraints upon the construction and ongoing marketing of the proposed project at this location.

The locations of various amenities relative to the site of the proposed development are mapped, below.



C. MARKET AREA

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census tracts may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

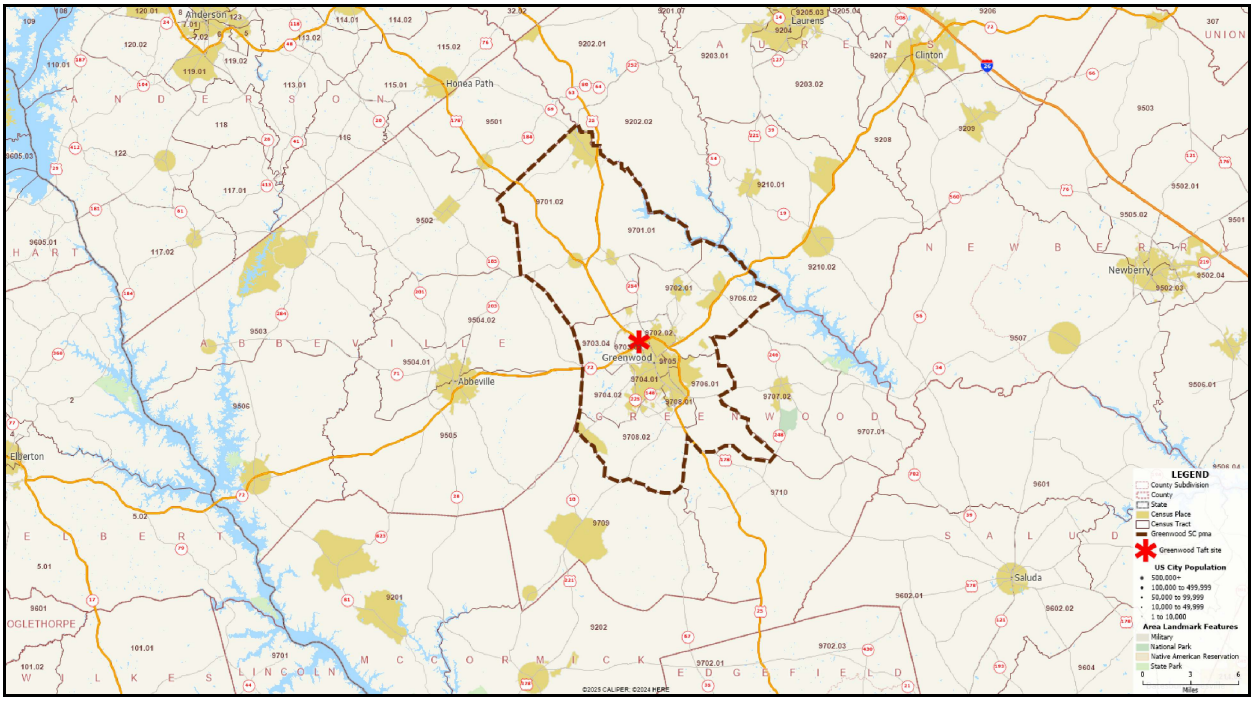
Greenwood is located in central Greenwood County in north-west central South Carolina. The market area for the proposed development is north-central Greenwood County, as defined by several census tracts[1]. This area is roughly centered on the site of the proposed development and extends up to an approximately four-to- eight hinterland, except to the north, where it extends up to 14 miles or so.

The market area is irregularly-shaped. The area is bounded to the west by the Greenwood/Abbeville county line, and by the Greenwood Lake/Saluda River to the east. To the south it is bounded by portions of the railroad, Parkland Place Road, Siloam Church Road, Shepard Road, SC 34, Lebanon Church Road, Tilman Territory Road, McKenzie Road (SC 28), US 178, US 25, SC 67, Cowhead Creek Road, Greenwood Mills Farm Road, and Whitehall Road.

The area is focused on Greenwood. It excludes neighboring and potentially competing communities, such as Ninety Six and Abbeville. The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar characteristics, and with residents, or potential residents, likely to be interested in the project.

[1] Census tracts: 9701.01, 9701.02, 9702.01, 9702.02, 9703,01, 9703.03, 9703.04, 9704.01, 9704.02, 9705, 9706.01, 9706,02, 9708.01, and 9708.02

Market area map



D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

The distribution of employment, by industry, for the project market area is set out in Table 1, below. This information is from the 2020 to 2024 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest source of employment is education and healthcare and social assistance, accounting for 26.9 percent of the area total. Manufacturing accounts for 22.9 percent

Table 1 - Employment by Industry, Market Area

	number	percent
Agriculture, etc	173	0.7
Construction	1,475	5.9
Manufacturing	5,715	22.9
Wholesale Trade	227	0.9
Retail Trade	2,622	10.5
Transportation, Warehousing, Utilities	1,277	5.1
Information	221	0.9
Finance, Insurance, Real Estate	848	3.4
Professional, scientific, management	1,630	6.5
Educational Services, Health care, Social Assistance	6,693	26.9
Arts, Entertainment, Recreation, Accommodation, Food Service	2,025	8.1
Other services	1,297	5.2
Public Administration	701	2.8

Source: 2020 to 2024 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in the Greenwood area are listed in Table 2, below. From this table it is seen that the largest employer is Self Regional Hospital - which employs 2,284 persons. Other large employers include the local school systems, the Eaton Corporation, and Carolina Pride.

Table 2 - Major Employers

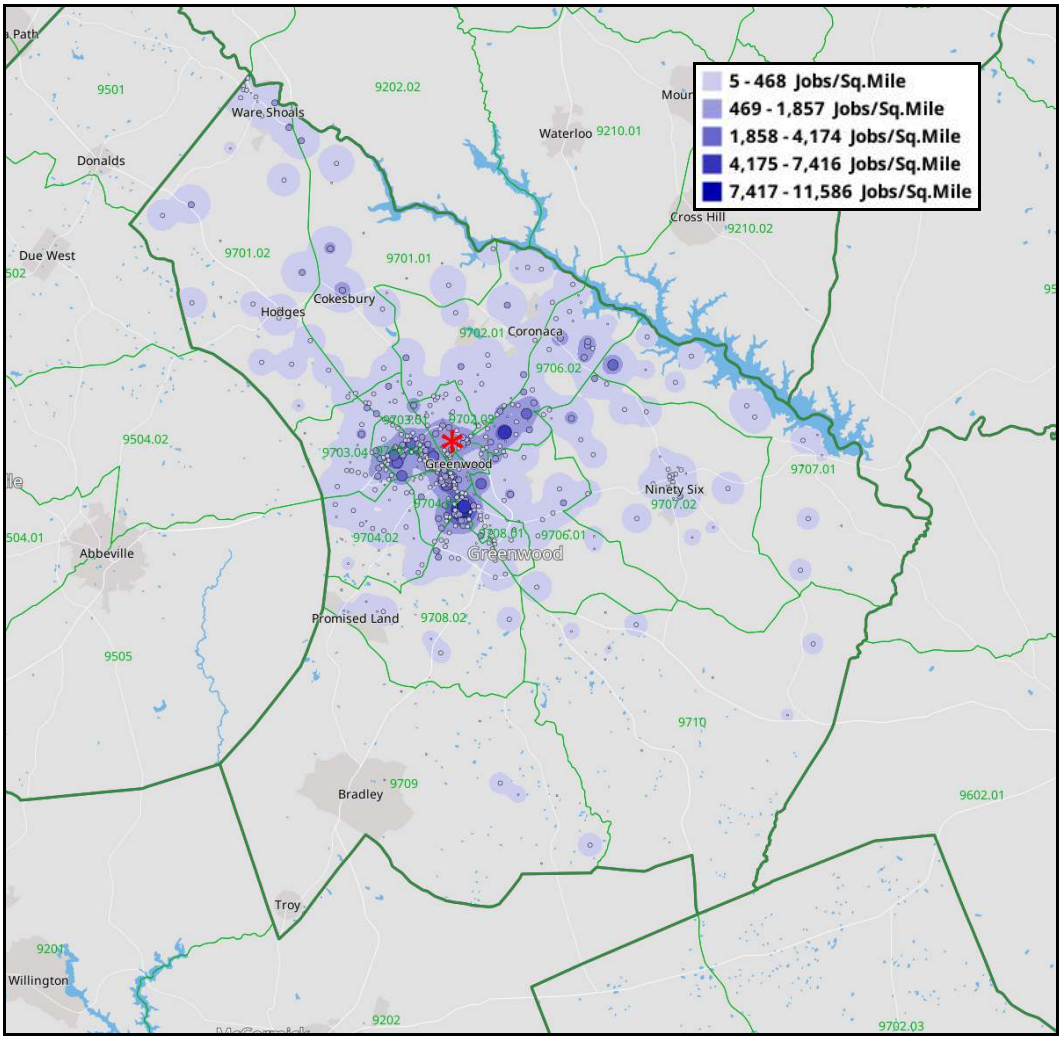
Employer Name	Product/Service	Employees
Self Regional Healthcare	Healthcare	2,284
Greenwood County School Districts	Public education	1,940
Eaton Corp	Power management solutions	1,275
Carolina Pride Foods	Meat and meat products	925
Lonza	Gelatin capsule manufacturing	600
Lander University	Education	558
Piedmont Technical College	Education	525
Cardinal Health	Healthcare	500
Velux	Sklights and windows	350
Greenwood Mills - Harris Plant	Cotton mill	320
Colgate Palmolive	Household and healthcare products	300
Wesley Commons	Retirement community	290
Mayville Engineering Company	Contract fabrication	202
Park Seed Company	Seed distribution	200

Source: Vision Greenwood

Information from the South Carolina Department of Commerce shows that since the start of 2024 there have been two firms announcing expansions throughout Greenwood County - adding a total of 92 new jobs.

SC WARN notices show that in from 2024 to 2026, to date, there has been one announced permanent closure in Greenwood County - the closure of Ascend Performance materials, impacting a total of 208 persons.

Based on information from the Census, the location of the site relative to the distribution of employment throughout Greenwood County and adjacent portions of Abbeville County area is illustrated in the map, below.

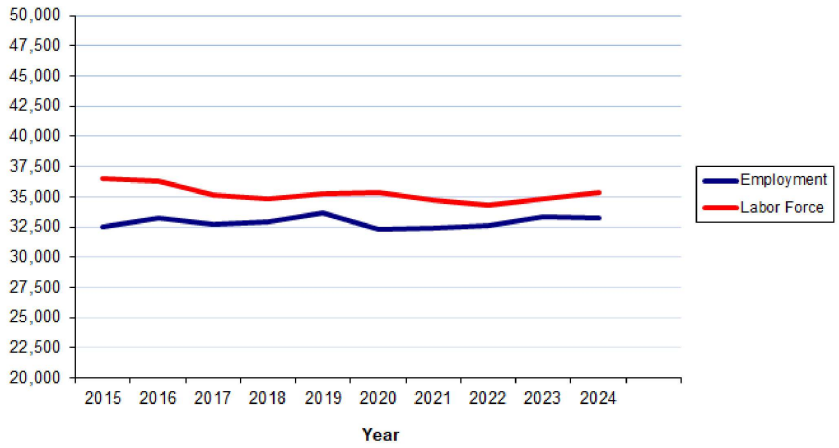


LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2024, the most recent year for which annualized data are available, the Greenwood County labor force comprised an estimated 35,375 persons. Of this total,33,254 were employed and 2,121 or 6.0 percent were unemployed. Unemployment increased by 1,417 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.5 percent in April, 2020). Prior to 2019, employment fluctuated somewhat, and employment is currently around pre-COVID levels.

Table 3 - Greenwood County Labor Force and Employment

	Labor Force	Employment	Unemployment Total	Unemployment Rate
2015	36,467	32,540	3,927	10.8
2016	36,267	33,206	3,061	8.4
2017	35,136	32,734	2,402	6.8
2018	34,819	32,909	1,910	5.5
2019	35,202	33,631	1,571	4.5
2020	35,324	32,306	3,018	8.5
2021	34,727	32,438	2,289	6.6
2022	34,267	32,631	1,636	4.8
2023	34,822	33,342	1,480	4.3
2024	35,375	33,254	2,121	6.0



Source: US Department of Labor

COMMUTING

Based on data from the American Community Survey, 44.0 percent of workers resident in Greenwood were employed in Greenwood, with 82.9 percent employed in Greenwood County as a whole. The average driving time to work for residents of Greenwood was 17.9 minutes, compared with 25.6 minutes for the State as a whole.

Table 4 - Commuting Data

	number	percent
Total Workers	8,665	100.0
Worked in Place of residence	3,813	44.0
Worked in County of residence	7,183	82.9
Worked outside Place of residence	4,852	56.0
Worked outside County of residence	1,482	17.1
Mean travel time to work (minutes)	17.9	

Source: 2020 to 2024 American Community Survey; T Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau's OnTheMap application. These data, on commuting patterns for persons who live and/or work in Greenwood County are set out, below.

Here it is seen that many persons who live in Greenwood County commute to work in adjacent counties - such as Greenville, Laurens, Richland, Lexington, Anderson, and Abbeville Counties (more than 8,000 persons, combined). Likewise, around 6,000 workers employed in Greenwood County commute to work there from four adjacent counties.

Table 5 - Commuting Patterns

Working in Greenwood County	15,696
Where Greenwood County residents are commuting to:	
Greenville County	2,344
Richland County	1,230
Laurens County	1,216
Lexington County	1,135
Anderson County	1,087
Abbeville County	1,002
Spartanburg County	851
Aiken County	591
Newberry County	386
Elsewhere	4,779
Where Greenwood County workers are commuting from:	
Abbeville County	2,183
Laurens County	1,791
Anderson County	1,254
Greenville County	1,090
Spartanburg County	712
Saluda County	528
McCormick County	483
Richland County	468
Aiken County	403
Elsewhere	4,532

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

The local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2010, the population of Greenwood County was 69,661, and in 2020 the population was recorded as 69,351. Population projections for Greenwood County are provided by the South Carolina Revenue and Fiscal Affairs. Based on these data, the population of the county is projected to be 69,312 by 2025, and to be 69,045 by 2028.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2010 to 2020, corrected for the county projection. The projection is that in 2025 the project market area will have a population of around 57,822, and around 57,572 in 2028.

Information on population trends and changes between 2010 and 2028 are set out in Table 6, below.

Table 6 - Population Trends

	Greenwood	Market Area	Greenwood County
2010	23,222	58,233	69,661
2020	22,545	57,886	69,351
2025	n/a	57,822	69,312
2028	n/a	57,572	69,045
absolute change			
2010-2020	-677	-347	-310
2020-2025	n/a	-64	-39
2025-2028	n/a	-250	-267
annual change			
2010-2020	-68	-35	-31
2020-2025	n/a	-13	-8
2025-2028	n/a	-83	-89

Source: 2010 Census, 2020 Census; SC Revenue and Fiscal Affairs; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Greenwood, the Greenwood market area, and for Greenwood County are set out in Table 7, below. These data are from the 2020 Census.

Table 7 - Age Distribution

	Greenwood		Market Area		Greenwood County	
	number	percent	number	percent	number	percent
Under 5 years	1,383	6.1	3,249	5.6	3,791	5.5
5 to 9 years	1,468	6.5	3,513	6.1	4,216	6.1
10 to 14 years	1,489	6.6	3,825	6.6	4,573	6.6
15 to 19 years	2,161	9.6	4,284	7.4	4,971	7.2
20 to 24 years	2,131	9.5	4,314	7.5	4,932	7.1
25 to 29 years	1,468	6.5	3,465	6.0	3,972	5.7
30 to 34 years	1,371	6.1	3,393	5.9	3,969	5.7
35 to 39 years	1,374	6.1	3,329	5.8	3,933	5.7
40 to 44 years	1,169	5.2	3,225	5.6	3,807	5.5
45 to 49 years	1,135	5.0	3,332	5.8	3,991	5.8
50 to 54 years	1,198	5.3	3,534	6.1	4,301	6.2
55 to 59 years	1,245	5.5	3,747	6.5	4,692	6.8
60 to 64 years	1,205	5.3	3,629	6.3	4,547	6.6
65 to 69 years	1,034	4.6	3,346	5.8	4,179	6.0
70 to 74 years	888	3.9	2,969	5.1	3,763	5.4
75 to 79 years	673	3.0	2,056	3.6	2,524	3.6
80 to 84 years	489	2.2	1,277	2.2	1,586	2.3
85 years and over	664	2.9	1,399	2.4	1,604	2.3
55 and older	6,198	27.5	18,423	31.8	22,895	33.0
65 and older	3,748	16.6	11,047	19.1	13,656	19.7
Total	22,545		57,886		69,351	

Source: 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Greenwood, the project market area, and for Greenwood County are out in Table 8, below. These projections are based on the population projections set out, above.

The projection is that in 2025 the project market area will have around 23,667 households, and around 23,749 in 2028. In 2020, there were 23,376 households in the market area.

Table 8 - Household Trends

	Greenwood	Market Area	Greenwood County
2010	8,966	22,995	27,547
2020	8,925	23,376	28,123
2025	n/a	23,667	28,499
2028	n/a	23,749	28,621
absolute change			
2010-2020	-41	381	576
2020-2025	n/a	291	376
2025-2028	n/a	82	122
annual change			
2010-2020	-4	38	58
2020-2025	n/a	58	75
2025-2028	n/a	27	41

Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

TENURE

Table 9, below, sets out the number and proportion of owner and renter households for Greenwood, the Greenwood market area, and for Greenwood County. In the years beyond 2020, the tenure proportions are based on the 2010 to 2020 tenure trends. In 2020, 37.3 percent of households in the market area were renters, compared with 53.1 percent in Greenwood, and 34.7 percent in the county.

Table 9 - Tenure

Greenwood	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2010	23,222	8,966	2.59	4,165	46.5	4,801	53.5
2020	22,545	8,925	2.53	4,186	46.9	4,739	53.1
2025	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2028	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market Area	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2010	58,233	22,995	2.53	14,457	62.9	8,538	37.1
2020	57,886	23,376	2.48	14,659	62.7	8,717	37.3
2025	57,822	23,667	2.45	14,822	62.6	8,845	37.4
2028	57,572	23,749	2.43	14,862	62.6	8,887	37.4
Greenwood County	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2010	69,661	27,547	2.53	18,025	65.4	9,522	34.6
2020	69,351	28,123	2.47	18,377	65.3	9,746	34.7
2025	69,312	28,499	2.43	18,623	65.3	9,876	34.7
2028	69,045	28,621	2.41	18,702	65.3	9,919	34.7

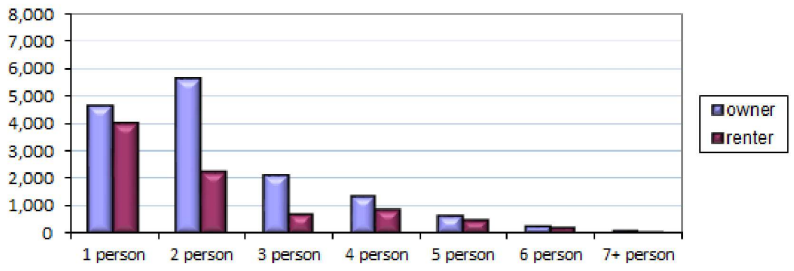
Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 10 below, sets out household size, by tenure, for households in Greenwood, the project market area, and Greenwood County.

Table 10 - Household Size, by Tenure

	Greenwood		Market Area		Greenwood County	
	owner	renter	owner	renter	owner	renter
1 person	1,510	2,496	4,639	3,961	5,730	4,150
2 person	1,402	1,094	5,604	2,224	7,320	2,492
3 person	509	394	2,135	680	2,677	810
4 person	196	583	1,335	878	1,653	970
5 person	98	314	641	476	908	496
6 person	98	109	250	242	295	256
7+ person	0	25	85	25	102	25



Source: 2020 to 2024 American Community Survey; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Greenwood, the market area, and for Greenwood County are set out in Table 11, below. These figures are taken from the 2020 to 2024 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Greenwood was $41,150 and that for Greenwood County as a whole was seen to be $52,830. The median income for the market area is estimated to be around $51,139.

The median income for the census tract in which the site of the proposed development is located is estimated to be around $70,441 - based on the American Community Survey data.

Table 11 - Household Income

	Greenwood		Market area		Greenwood County	
	number	percent	number	percent	number	percent
less than $10,000	719	8.1	1,530	6.6	1,924	6.9
$10,000 to $14,999	777	8.8	1,482	6.4	1,595	5.7
$15,000 to $19,999	640	7.2	1,018	4.4	1,203	4.3
$20,000 to $24,999	871	9.8	1,598	6.9	1,910	6.8
$25,000 to $29,999	262	3.0	933	4.0	1,177	4.2
$30,000 to $34,999	386	4.4	1,004	4.3	1,125	4.0
$35,000 to $39,999	526	5.9	1,136	4.9	1,382	5.0
$40,000 to $44,999	693	7.8	1,455	6.3	1,661	6.0
$45,000 to $49,999	648	7.3	1,227	5.3	1,357	4.9
$50,000 to $59,999	951	10.7	1,821	7.9	2,106	7.6
$60,000 to $74,999	673	7.6	2,044	8.8	2,530	9.1
$75,000 to $99,999	725	8.2	2,670	11.5	3,374	12.1
$100,000 to $124,999	629	7.1	1,814	7.8	2,133	7.6
$125,000 to $149,999	205	2.3	1,436	6.2	1,838	6.6
$150,000 to $199,999	65	0.7	1,062	4.6	1,343	4.8
$200,000 or more	96	1.1	945	4.1	1,226	4.4
median income	$41,150		$51,139 *		$52,830	

** estimate*

Source: 2020 to 2024 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Greenwood, the market area, and Greenwood County set out in Table 12, below. These figures are also taken from the 2018-2022 American Community Survey.

Here, it is seen that the median renter household income in Greenwood was $36,278, and that for Greenwood County as a whole was seen to be $36,847. The median income for renters in the market area is estimated to be around $36,780.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around $48,785 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

	Greenwood		Market area		Greenwood County	
	number	percent	number	percent	number	percent
less than $10,000	628	12.5	973	11.5	1,032	11.2
$10,000 to $19,999	1,040	20.7	1,515	17.9	1,598	17.4
$20,000 to $34,999	770	15.4	1,527	18.0	1,668	18.1
$35,000 to $49,999	1,229	24.5	1,996	23.5	2,134	23.2
$50,000 to $74,999	775	15.5	1,382	16.3	1,482	16.1
$75,000 to $99,999	275	5.5	590	7.0	702	7.6
$100,000 or more	298	5.9	503	5.9	583	6.3
median income	$36,278		$36,780 *		$36,847	

** estimate*

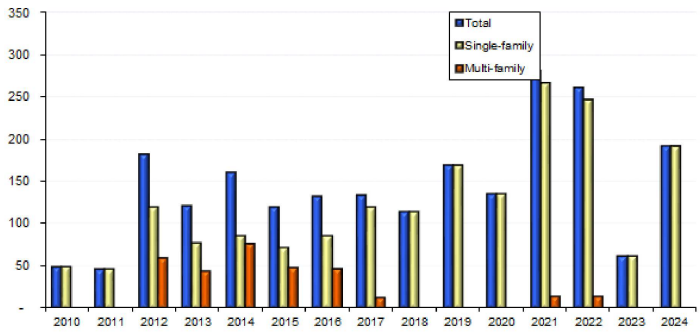
Source: 2020 to 2024 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2010

Table 13 below gives details of residential construction in Greenwood County since 2010. Here it can be seen that a total of 2,168 units were added in Greenwood County, of which 317 were multi-family units. No data are available for the City of Greenwood, or the market area.

Table 13 - Residential Construction Since 2010

	Greenwood County		
	Total	single-family	multi-family
2010	50	50	0
2011	47	47	0
2012	181	121	60
2013	122	78	44
2014	162	86	76
2015	120	72	48
2016	133	86	47
2017	134	121	13
2018	115	115	0
2019	170	170	0
2020	136	136	0
2021	282	267	15
2022	261	247	14
2023	62	62	0
2024	193	193	0
Total	2,168	1,851	317



Source: Current Construction Reports, C-40; Bureau of the Census; T Ronald Brown: Research & Analysis

F. PROJECT SPECIFIC DEMAND ANALYSIS

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 60 units proposed, six will be targeted to households with incomes up to 30 percent of the median, 17 units targeted to households with incomes up to 50 percent of the median, 16 units targeted at 60 percent of the median, and 21 units targeted at the 70 percent level, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of one-, two-, and three- bedroom units.

Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Here, the average target income, overall, cannot exceed 60 percent of the median, and the average targeted income for any bedroom type cannot exceed 60 percent of the median.

The income limits for a rural site in Greenwood County are set out below, along with maximum housing expenses. The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 14 - Income Limits and Maximum Housing Costs

Income Limits	30 percent	50 percent	60 percent	70 percent
1 person	$17,310	$28,850	$34,620	$40,390
2 person	$19,770	$32,950	$39,540	$46,130
3 person	$22,230	$37,050	$44,460	$51,870
4 person	$24,690	$41,150	$49,380	$57,610
5 person	$26,670	$44,450	$53,340	$62,230
6 person	$28,650	$47,750	$57,300	$66,850
Maximum Housing Costs	**30 percent**	**50 percent**	**60 percent**	**70 percent**
1 bedroom	$464	$773	$927	$1,082
2 bedroom	$556	$926	$1,112	$1,297
3 bedroom	$642	$1,070	$1,284	$1,498

Source: HUD

The median income for Greenwood County in 2025 is $81,900 - having been $60,100 in 2024, and $45,900 in 2015. This represents a 36.3 percent increase over the previous year, and a 78.4 percent increase over the last decade (or an average of 5.96 percent per year).

Information as to rents and income targeting, and qualifying income ranges are set out in Table 15, below

Table 15 - Rents and Income Targeting

income targeting	30 percent	50 percent	60 percent	70 percent	Total
1 bedroom	1	5	1	5	12
2 bedroom	3	10	12	11	36
3 bedroom	2	2	3	5	12
Total	6	17	16	21	60

proposed rents	30 percent	50 percent	60 percent	70 percent
1 bedroom	$227	$675	$750	$850
2 bedroom	$264	$800	$900	$1,000
3 bedroom	$298	$900	$1,000	$1,100

proposed rents as a proportion (%) of maximum	30 percent*	50 percent	60 percent	70 percent
1 bedroom	100.0	97.8	88.8	85.0
2 bedroom	99.8	97.5	89.5	84.0
3 bedroom	100.0	95.7	86.7	80.4

* based on 20 percent

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are $82, $106, and $130 for the one-, two-, and three bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at the maximum allowable for the units targeted at the 30 percent level (based on incomes at 20 percent). Those units targeted at the 50 percent level are seen to be between 96 and 98 percent of the maximum, and those at the 60 percent level are between 87 and 90 percent of the maximum. Those units targeted at the 70 percent level are seen to be between 80 and 85 percent of the maximum allowable.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. It is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom.

Table 16 - Qualifying Income Ranges

	30 percent lower	30 percent upper
1 bedroom	$10,594	$18,540
2 bedroom	$12,703	$22,230
3 bedroom	$14,674	$25,680
	50 percent lower	**50 percent upper**
1 bedroom	$25,954	$30,900
2 bedroom	$31,063	$37,050
3 bedroom	$35,314	$42,800
	60 percent lower	**60 percent upper**
1 bedroom	$28,526	$37,080
2 bedroom	$34,491	$44,460
3 bedroom	$38,743	$51,360
	70 percent lower	**70 percent upper**
1 bedroom	$31,954	$43,260
2 bedroom	$37,920	$51,870
3 bedroom	$42,171	$59,920

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from $10,594 to $59,920, reflecting the target incomes used.

Any gaps between the target income ranges (and any overlaps between them) will be taken into consideration in our calculations.

Projections of need and demand are based upon a 2025 to 2028 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 9, 42 new rental units are needed between 2025 and 2028 - of which 27 would be eligible for the proposed development.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-stye.

Our calculations show that there will be a total of 5,756 renter households in the qualifying income ranges in the project market area. This figure has to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 80.6 percent of renters qualifying for units at the 30 percent level are rent overburdened, with 46.3 percent at the 50 percent level being over-burdened, with 36.6 percent and 29.9 percent at the 60 percent and 70 percent levels, respectively, being over-burdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This based on an annual average rate of 0.6 percent of the rental housing stock. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 104 units.

Total demand is therefore seen to amount to 3,256 units: as many as 2,373 qualifying for units at the 30 percent level, and 1,332 and 1,244 qualifying for units at the 50 and 60 percent levels, with 962 qualifying at 70 percent of the median.

These figures are based on a 2025 to 2028 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. One potentially comparable projects has been funded - the 48-unit Havenwood Mathis Apartments. Construction started on this project started in 2024, and it is assumed that the property may have leased-up in 2026. No other comparable projects have been funded or are under construction. Therefore, the net need is for 3,208 units

The preceding calculations are summarized in the table on the following page.

Table 17 - Demand Calculations

	30 percent	50 percent	60 percent	70 percent	Total*
(i) income eligible new renter households	14	13	15	14	27
(ii) income eligible existing renter households	2,865	2,741	3,203	2,989	5,756
(iii) existing households, likely to move	2,308	1,269	1,171	894	3,125
(iv) need from obsolete housing	52	50	58	54	104
Total demand *(i)+(iii)+(iv)*	2,373	1,332	1,244	962	3,256
Supply	5	0	43	0	48
Net demand	2,368	1,332	1,201	962	3,208

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 31 percent of the total, two-bedroom units should account for 40 percent of the total, and three-bedroom units should account for 22 percent of the total with four- or more bedroom units accounting for 7 percent. Here, it is important to note that the need and demand for three- bedroom units (which account for 20.0 percent of the 60-unit total) is based on renter household size - with a focus on four-or-more person households.

Capture rates are illustrated in the table on the following page.

Table 18 - Capture Rates

	30 percent	50 percent	60 percent	70 percent	Total*
Total demand					
1 bedroom	743	417	390	301	1,020
2 bedroom	940	527	493	381	1,289
3 bedroom	518	291	272	210	711
4 bedroom	172	97	90	70	236
Total	2,373	1,332	1,244	962	3,256
Supply					
1 bedroom	5	0	1	0	6
2 bedroom	0	0	24	0	24
3 bedroom	0	0	18	0	18
4 bedroom	0	0	0	0	0
Total	5	0	43	0	48
Net demand					
1 bedroom	738	417	389	301	1,014
2 bedroom	940	527	469	381	1,265
3 bedroom	518	291	254	210	693
4 bedroom	172	97	90	70	236
Total	2,368	1,332	1,201	962	3,208
Units proposed					
1 bedroom	1	5	1	5	12
2 bedroom	3	10	12	11	36
3 bedroom	2	2	3	5	12
4 bedroom	0	0	0	0	0
Total	6	17	16	21	60
Capture rates					
1 bedroom	0.1%	1.2%	0.3%	1.7%	1.2%
2 bedroom	0.3%	1.9%	2.6%	2.9%	2.8%
3 bedroom	0.4%	0.7%	1.2%	2.4%	1.7%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.3%	1.3%	1.3%	2.2%	1.9%

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Given the calculated demand, the proposed 60-unit development amounts to 1.9 percent of the total net demand.

The capture rate for the six units targeted at 30 percent of the median being 0.3 percent, with that for the 17 units targeted at the 50 percent level being 1.3 percent. The capture rate for the 16 units targeted at 60 percent of the median determined to be 1.3 percent, with that for the 21 units targeted at 70 percent being 2.2 percent.

The capture rates, by bedroom, are determined to be 1.2 percent for the 12 one-bedroom units, 2.8 percent for the 36 two-bedroom units, and 1.7 percent for the 12 three-bedroom units.

These capture rates are considered to be realistic for community of its size, with four target income ranges ranging from 30 percent to 70 percent of the area median income.

The proposed project is considered marketable.

ABSORPTION RATES

As noted, the capture rates presented above are considered realistic - and reflect the impact of the size of the project, with four target income ranges. Were the project to be developed as proposed it would expect to lease-up over a period of six months, or less.

G. EXISTING RENTAL UNITS

There are several apartment complexes located throughout the Greenwood area. These include properties that are financed through the use of Low Income Housing Tax Credits, properties that are subsidized for low and very low income renters, through the HUD Section 8 program or Rural Development, and market rate complexes. Information on these various properties is presented below.

There are five stabilized tax credit-financed complexes in the area - based on what information we could obtain, occupancy is 96.1 percent at the two complexes for which we could obtain useful information.

The newest tax credit financed complex is the Havenwood Mathis Apartments. This property offers 48 units - a mix of one-, two-, and three bedroom units (with five one-bedroom units targeted at 20 percent of the median with the remainder at the 60 percent level).

We have identified and surveyed seven market rate apartment complexes in the Greenwood area. These date from 1972 to 2022. The newest complex, for example, is the Hamilton Park property - which offers 264 units. The project has studio units that rent for $1,156 to $1,1856, with one-and two-bedroom units available for $1,261, and $1,474 to $1,514, respectively. The property reports a 90.5 percent occupancy level. Rents at the various conventional properties range from $750 to $1,295 for one-bedroom units, from $900 to $1,495 for two-bedroom units, with three-bedroom units in the $1,000 to $1,695 range.

Overall occupancy in the market rate complexes is 95.9 percent, and occupancy at the stabilized tax credit properties is 96.1 percent. The overall occupancy for rate subsidized properties (HUD and USDA/RD) is around 97.6 percent. The overall occupancy rate is 96.3 percent.

Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Amber Chase	Conventional	1972	100	0	n/a
Cardinal Glen	Conventional	2003	64	2	n/a
Gardens at Parkway	LIHTC	2002	48	0	100.0
Hamilton Park	Conventional	2022	264	25	90.5
Havenwood Mathis	LIHTC	2024	48	n/a	n/a
Lakeview	Conventional	1975	100	1	99.0
Liberty Village	LIHTC	2016	36	n/a	n/a
Oakmont Place	LIHTC	2014	55	4	92.7
Phoenix Place	HUD §8	1974(2008)	100	2	98.0
Promenade Residential	LIHTC	1982(2009)	88	n/a	n/a
Regency Park	Conventional	2001	132	n/a	n/a
Sterling Ridge	LIHTC	2013	39	n/a	n/a
Swann Meadow	USDA/RD	1988(2002)	56	0	n/a
Twin Oaks	HUD §8	1971(1999)	56	n/a	n/a
University Commons	Conventional	1976	106	3	97.2
Winter Ridge	Conventional	2005	252	5	98.0
Wisewood	HUD §8	1980	90	4	95.6

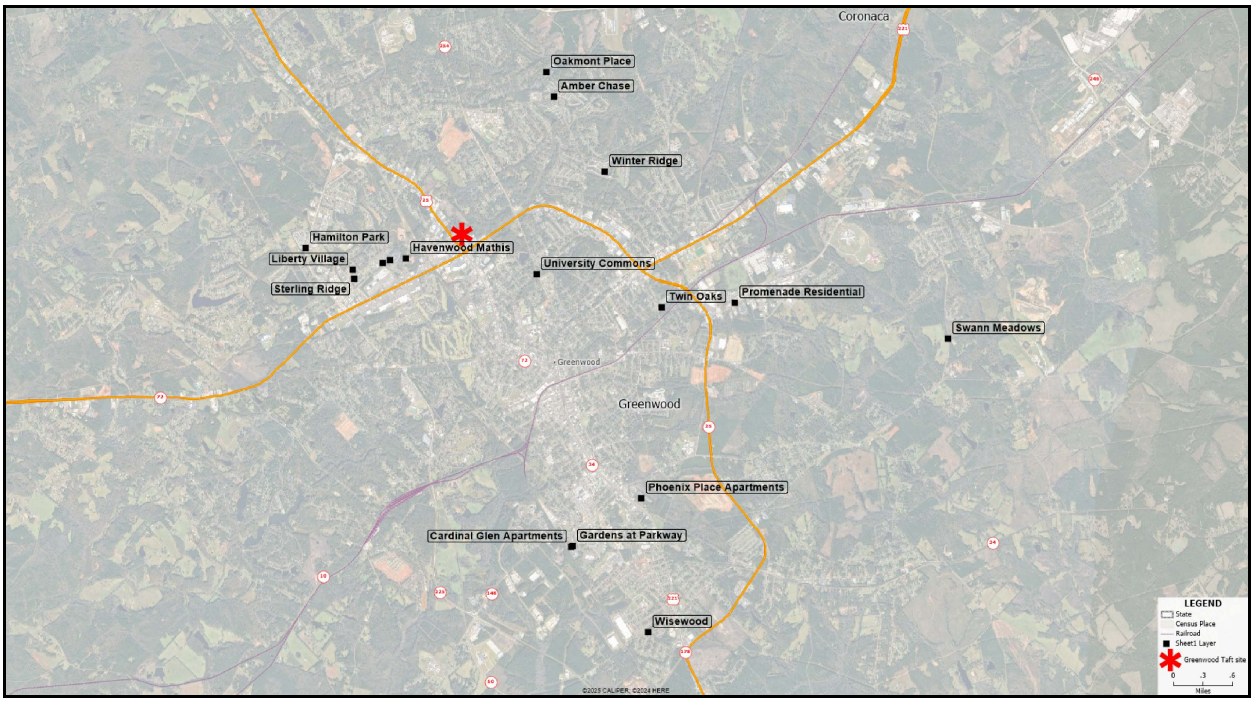
	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Rocky Ridge Trace				12	774	$227-850
Amber Chase				12	800	$850-875
Cardinal Glen				16	650	$949
Gardens at Parkway						
Hamilton Park	n/a	500-550	$1,156-1,186	n/a	540	$1,261
Havenwood Mathis				6	760	n/a
Lakeview				8	540	$795
Liberty Village						
Oakmont Place				8	850	$715-870
Phoenix Place				8	601	boi
Promenade Residential						
Regency Park				18	750-800	$999-1,295
Sterling Ridge						
Swann Meadow						
Twin Oaks				16	619	boi
University Commons				8	663	$750
Winter Ridge				n/a	665-720	$1,020-1,050
Wisewood				28	650	boi

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Rocky Ridge Trace				36	1,025	$264-1,000
Amber Chase	40	1,100	$960-1,060			
Cardinal Glen	32	850	$1,149			
Gardens at Parkway				32	935	$940-1,128
Hamilton Park				n/a	980-1,030	$1,261
Havenwood Mathis				24	960	n/a
Lakeview	80	810	$900			
Liberty Village				12	1,100	n/a
Oakmont Place				20	1,100	$855-1,040
Phoenix Place	58	836	boi			
Promenade Residential	88	780	$859-1,047			
Regency Park				66	1,000-1,125	$1,075-1,495
Sterling Ridge				4	1,100	n/a
Swann Meadow	56	950	boi			
Twin Oaks	16	740	boi			
University Commons	60	900	$900-1,000			
Winter Ridge				n/a	985-1,080	$1,070-1,230
Wisewood	38	872	boi			

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Rocky Ridge Trace				12	1,228	$298-1,100
Amber Chase	48	1,300	$1,160-1,260			
Cardinal Glen				16	1,050	$1,399
Gardens at Parkway				16	1,092	n/a
Hamilton Park						
Havenwood Mathis				18	1,200	n/a
Lakeview	12	900	$1,015			
Liberty Village				24	1,250	n/a
Oakmont Place				19	1,250	$985-1,199
Phoenix Place	24	1,161	boi			
Promenade Residential						
Regency Park				48	1,200-1,325	$1,245-1,695
Sterling Ridge				31	1,450	n/a
Swann Meadow						
Twin Oaks	16	940	boi			
University Commons	38	1,100	$1,000			
Winter Ridge				n/a	1,200	$1,430
Wisewood	18	1,163	boi			

	4br/1-1½ ba			4 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Oakmont Place				8	1,250	$1,095-1,334
Phoenix Place				10	1,288	boi
Sterling Ridge				5	1,540	n/a
Twin Oaks	8	1,066	boi			
Wisewood				6	1,397	boi

A map showing the locations of these properties, relative to the site of the proposed apartments is provided, below.



Several market rate apartment developments in the project market area can be used in the determination of market rents. Here, we focused on Hamilton Park, Lakeview, Regency, University Commons, and Winter Ridge. The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the unassisted units at the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around $1,040 for a one-bedroom unit, $1,154 for a two-bedroom unit, and $1,343 for a three-bedroom unit.

Based on the proposed rents at the proposed development, these rents are found to be well below the gross adjusted market rent (28.41 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
1	1 BR	$227	$227	$1,040	$1,040	
5	1 BR	$675	$3,375	$1,040	$5,199	
1	1 BR	$750	$750	$1,040	$1,040	
5	1 BR	$850	$4,250	$1,040	$5,199	
	2 BR					
3	2 BR	$264	$792	$1,154	$3,461	
10	2 BR	$800	$8,000	$1,154	$11,535	
12	2 BR	$900	$10,800	$1,154	$13,842	
11	2 BR	$1,000	$11,000	$1,154	$12,689	
	3 BR					
2	3 BR	$298	$596	$1,331	$2,661	
2	3 BR	$900	$1,800	$1,331	$2,661	
3	3 BR	$1,000	$3,000	$1,331	$3,992	
5	3 BR	$1,100	$5,500	$1,331	$6,653	
	4 BR					
Totals	60		$50,090		$69,972	28.41%

The relationship between the proposed rents and the HUD Fair Market Rents (FMRs), as per the S-2 Exhibit, are set out, below.

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted FMR	Gross Adjusted FMR	Tax Credit Gross Rent Advantage
	0 BR					
1	1 BR	$227	$227	$757	$757	
5	1 BR	$675	$3,375	$757	$3,785	
1	1 BR	$750	$750	$757	$757	
5	1 BR	$850	$4,250	$757	$3,785	
	2 BR					
3	2 BR	$264	$792	$934	$2,802	
10	2 BR	$800	$8,000	$934	$9,340	
12	2 BR	$900	$10,800	$934	$11,208	
11	2 BR	$1,000	$11,000	$934	$10,274	
	3 BR					
2	3 BR	$298	$596	$1,135	$2,270	
2	3 BR	$900	$1,800	$1,135	$2,270	
3	3 BR	$1,000	$3,000	$1,135	$3,405	
5	3 BR	$1,100	$5,500	$1,135	$5,675	
	4 BR					
Totals	60		$50,090		$56,328	11.07%



Amber Chase

Location: 751 East Northside Drive

Financing: Conventional
Year Built: 1972
Total Units: 100
Vacant units: 0 100.0% occupied

Telephone: 864.223.4748
Management: Eskay Management
[4/9]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	12	800	$850-875	$1.08
2/1½	40	1,100	$960-1,060	$0.94
3/1½	48	1,300	$1,160-1,260	$0.93

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities	
Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities	
Clubhouse/community room	●
Fitness center	
Business center	
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Cardinal Glen

Location: 1524 Parkway

Financing: Conventional
Year Built: 2003
Total Units: 64
Vacant units: 2 96.9% occupied

Telephone: 864.943.8883
Management: Broad Management Group
[4/7]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	16	730	$949	$1.30
2/1	32	935	$1,149	$1.23
3/2	16	1,150	$1,399	$1.22

Utilities in Rent

Water	•
Sewer	•
Trash	•

Unit Amenities

Microwave	
Dishwasher	•
Washer/dryer	
Washer/dryer hook-up	•
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	•

Community Amenities

Clubhouse/community room	•
Fitness center	
Business center	•
Pool	
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	•



Gardens at Parkway

Location: 1508 Parkway

Financing: LIHTC
Year Built: 2002
Total Units: 48
Vacant units: 0 100.0% occupied (waiting list)

Telephone: 864.223.6837
Management: CAHEC Management
[4/6]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	4	935	50%	$940	n/a	$1.01
2/2	28	935	60%	$1,128	n/a	$1.21
3/2	5	1,092	50%	n/a	n/a	n/a
3/2	11	1,092	60%	n/a	n/a	n/a

hang-up

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities

Clubhouse/community room	●
Fitness center	
Business center	
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	●
Laundry	●



Hamilton Park

Location: 101 Hamilton Park Circle

Financing: Conventional
Year Built: 2022
Total Units: 264
Vacant units: 25 90.5% occupied

Telephone: 803.887.0934
Management: ATC Development
[4/8]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
0/1	n/a	500-550	$1,156-1,186	$2.23
1/1	n/a	540	$1,261	$2.34
2/2	n/a	980-1,030	$1,474-1,514	$1.49

Utilities in Rent
Water
Sewer
Trash

Unit Amenities	
Microwave	●
Dishwasher	●
Washer/dryer	●
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	●
Fireplaces	
Patios/balconies	●

Community Amenities	
Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	●
Playground	
Controlled access/gated	
Elevator	
Garages	●
Storage	●
Laundry	



Havenwood Mathis

Location: 1228 Mathis Road

Financing: LIHTC
Year Built: 2024
Total Units: 48
Vacant units: n/a n/a occupied

Telephone: 864.920.7800
Management: CAHEC Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	5	760	20%	n/a	n/a	n/a
1/1	1	760	60%	n/a	n/a	n/a
2/2	24	960	60%	n/a	n/a	n/a
3/2	18	1,200	60%	n/a	n/a	n/a

Utilities in Rent

Water	
Sewer	
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	●

Community Amenities

Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Lakeview

Location: 106 Barkwood Drive

Financing: Conventional
Year Built: 1975
Total Units: 100
Vacant units: 1 99.0% occupied

Telephone: 864.223.6285
Management: Saber Matrix Group
[4/7]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	8	540	$795	$1.47
2/1	80	810	$900	$1.11
3/1½	12	900	$1,015	$1.13

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	
Dishwasher	
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	●
Fireplaces	
Patios/balconies	●

Community Amenities

Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Liberty Village

Location: 109 Liberty Lane

Financing: LIHTC
Year Built: 2016
Total Units: 36
Vacant units: n/a n/a occupied

Telephone: 864.450.9218
Management: Guardian Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	3	1,100	50%		n/a	$0.00
2/2	9	1,100	60%		n/a	$0.00
3/2½	6	1,250	50%		n/a	$0.00
3/2½	18	1,250	60%		n/a	$0.00

Utilities in Rent

Water	
Sewer	
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	●

Community Amenities

Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Oakmont Place

Location: 104 Pampas Drive

Financing: LIHTC
Year Built: 2014
Total Units: 55
Vacant units: 4 92.7% occupied

Telephone: 864.803.3638
Management: Asset Living
[4/9]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	3	850	50%	$715	$61	$0.84
1/1	5	850	60%	$870	$61	$1.02
2/2	5	1,100	50%	$855	$81	$0.78
2/2	15	1,100	60%	$1,040	$81	$0.95
3/2	5	1,250	50%	$985	$92	$0.79
3/2	14	1,250	60%	$1,199	$92	$0.96
4/2		1,250	50%	$1,095	$115	$0.88
		1,250	60%	$1,334	$115	$1.07

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities

Clubhouse/community room	
Fitness center	●
Business center	●
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Phoenix Place

Location: 1401 Phoenix Street

Financing: HUD §8
Year Built: 1974(2008)
Total Units: 100
Vacant units: 2 98.0% occupied

Telephone: 864.227.6091
Management: Orbach Affordable Housing
[4/8]

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	585	$932
2/1	58	836	$1,064
3/1½	24	1,161	$1,339
4/2	10	1,288	$1,456

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities

Clubhouse/community room	●
Fitness center	
Business center	
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Promenade Residential

Location: 337 Emerald Road North

Financing: LIHTC
Year Built: 1982(2009)
Total Units: 88
Vacant units: n/a n/a occupied

Telephone: 864.223.6000
Management: Vive Property Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/1	22	730	50%	$859	n/a	$1.18
2/1	66	730	60%	$1,047	n/a	$1.43

formerly Hallmark at Greenwood
information from internet

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities

Clubhouse/community room	
Fitness center	
Business center	
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Regency Park

Location: 120 Edinborough Circle

Financing: Conventional
Year Built: 2001
Total Units: 132
Vacant units: n/a n/a occupied*

Telephone: 864.943.1333
Management: owner managed
[4/11]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	18	750-800	$999-1,295	$1.54
2/2	66	1,000-1,125	$1,075-1,495	$1.27
3/2	48	1,200-1,325	$1,245-1,695	$1.25

lower rents for units not yet renovated
* does not disclose

Utilities in Rent

Water	
Sewer	
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	●
High-end kitchen	
Wood/style floors	●
Fireplaces	●
Patios/balconies	●

Community Amenities

Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Sterling Ridge

Location: 128 Leslie Drive

Financing: LIHTC
Year Built: 2013
Total Units: 39
Vacant units: n/a n/a occupied

Telephone: 864.396.5043
Management: Guardian Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	4	1,100	50%	n/a	n/a	n/a
3/2½	10	1,450	50%	n/a	n/a	n/a
3/2½	21	1,450	60%	n/a	n/a	n/a
4/2½	4	1,540	60%	n/a	n/a	n/a

Utilities in Rent

Water	
Sewer	
Trash	●

Unit Amenities

Microwave	●
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	●

Community Amenities

Clubhouse/community room	
Fitness center	●
Business center	●
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Swann Meadow

Location: 1091 Parkland Place Road

Financing: USDA/RD 50 units rental assistance
Year Built: 1988(2002) Telephone: 864.943.1755
Total Units: 56 Management: Fitch Irick
Vacant units: 0 100.0% occupied (waiting list) [4/7]

Br/ba	Units	Sq. ft	Basic Rent	Market Rent
2/1	56	950	$853	n/a

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities	
Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities	
Clubhouse/community room	
Fitness center	
Business center	
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Twin Oaks

Location: 200 Holman Street

Financing: HUD §8
Year Built: 1971(1999)
Total Units: 56
Vacant units: n/a n/a occupied

Telephone: 864.223.0327
Management: SDMC

Br/ba	Units	Sq. ft	Contract Rent
1/1	16	619	n/a
2/1	16	740	n/a
3/1	16	940	n/a
4/1	8	1,066	n/a

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities	
Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities	
Clubhouse/community room	●
Fitness center	
Business center	
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



University Commons

Location: 1010 Grace Street

Financing: Conventional
Year Built: 1976
Total Units: 106
Vacant units: 3 97.2% occupied

Telephone: 864.229.3044
Management: Eskay Management
[4/7]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	8	663	$750	$1.13
2/1½	60	900	$900-1,000	$1.06
3/1½	38	1,100	$1,000	$0.93

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities	
Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities	
Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Winter Ridge

Location: 102 Winter Way

Financing: Conventional
Year Built: 2005
Total Units: 252
Vacant units: 5 98.0% occupied

Telephone: 864.610.5288
Management: Phillips Management Co
[4/7]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	n/a	665-720	$1,020-1,050	$1.49
2/2	n/a	985-1,080	$1,170-1,230	$1.16
3/2	n/a	1,200	$1,430	$1.19

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

Microwave	
Dishwasher	●
Washer/dryer	
Washer/dryer hook-up	●
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	

Community Amenities

Clubhouse/community room	●
Fitness center	●
Business center	●
Pool	●
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●



Wisewood

Location: 235 Florida Avenue

Financing: HUD §8
Year Built: 1980
Total Units: 90
Vacant units: 4 95.6% occupied

Telephone: 864.227.2050
Management: The Michaels Organization
[4/7]

Br/ba	Units	Sq. ft	Contract Rent
1/1	28	650	$734
2/1	38	872	$801
3/1½	18	1,163	$994
4/2½	6	1,397	$1,090

Utilities in Rent

Water	●
Sewer	●
Trash	●

Unit Amenities

- Microwave
- Dishwasher
- Washer/dryer
- Washer/dryer hook-up
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies

Community Amenities

Clubhouse/community room	●
Fitness center	
Business center	
Pool	
Playground	●
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	●

H. INTERVIEWS

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer and attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages).

The only manager we were able to speak with, the manager at the Oakmont Place complex, had not been in job long enough for her to offer an opinion as to how a new tax credit property might be received.

I. RECOMMENDATIONS

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

J. SIGNED STATEMENT

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 Low Income Housing Tax Credit units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low income housing rental market.



Market Analyst

Date: May 5, 2026

ANALYST QUALIFICATIONS

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has more than 40 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced more than 2,500 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies–for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Mr. Brown is a member of several groups that promote housing in general and affordable housing in particular. These include the North Carolina Housing Coalition, Preservation North Carolina, the Virginia Housing Alliance, and the National Council of Housing Market Analysts.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, 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*, and *Model Content Standards for the Content of Market Studies.* 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 the 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 .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates 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. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown



MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

Absorption period - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption rate - the average number of unites rented each month during the *absorption period*.

Acceptable rent burden - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Achievable rents - *See Market Rent, Achievable Restricted Rent.*

Affordable housing - housing affordable to low or very low-income tenants.

Amenity - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

Annual demand - the total estimated demand present to the market in any one year for the type of units proposed.

Assisted housing - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

Bias - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

Capture rate - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The *Capture Rate* is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the *primary market area.* See also: penetration rate.

Comparable property - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

Competitive property - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Comprehensive market study - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

Concession - discount given to a prospective tenant to induce the tenant to sign a least. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

Demand - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Effective rents - contract rent less concessions.

Household trends - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

Income band - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically7 is pre-defined by specific program requirements or by general market parameters.

Infrastructure - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. (*market rent - proposed rent*) / *market rent * 100*

Market analysis - a study of real estate market conditions for a specific type of property.

Market area - *See primary market area.*

Market demand - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

Market rent - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

Market study - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Marketability - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market vacancy rate, economic - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

Market vacancy rate, physical - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

Migration - the movement of households into or out of an area, especially a *primary market area*.

Mixed income property - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

Mobility - the ease with which people move from one location to another.

Move-up demand - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

Multi-family - structures that contain more than two housing units.

Neighborhood - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net rent (also referred to as contract rent or lease rent) - Gross rent less *tenant paid utilities.*

Penetration rate - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100, see also: capture rate.

Pent-up demand - a market in which there is a scarcity of supply and vacancy rates are very low.

Population trends - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

Primary market area - a geographic area from which a property is expected to draw the majority of its residents.

Programmatic rents - See *restricted rents.*

Project based rent assistance - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment - the redesign or rehabilitation of existing properties.

Rent burden - gross rent divided by adjusted monthly household income.

Rent burdened households - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

Restricted rent - the rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, achievable - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

Saturation - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

Secondary market area - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

Special needs population - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized level of occupancy - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

Subsidy - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

Substandard conditions - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target income band - the *income band* from which the subject property will draw tenants.

Target population - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

Tenant paid utilities - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Turnover period - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents - rents that are not subject to *restriction*.

Unrestricted units - units that are not subject to any income or rent restrictions.

Vacancy period - the amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic vacancy rate - physical - maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

Area Median Income (AMI) - 1005 of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Attached housing - two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic rent - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate program (BMIR) - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Census tract - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD) - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC) - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Condominium - a form of join ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract rent - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

Difficult Development Area (DDA) - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached housing - a freestanding dwelling unit, typically single-family, situated on its own lot.

Elder or senior housing - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age order or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income - person or household with income below 30% of the Area Median Income adjusted for household size.

Fair Market Rent (FMR) - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden apartments - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross rent - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise - a residential building having more than ten stories.

Household - one or more people who occupy a housing unit as their usual place of residence.

Housing unit - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program) - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (FHA) - state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 811 Program - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

HUD Section 236 Program - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income limits - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

Low income - person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low income housing tax credit - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

Low rise building - a building with one to three stories.

Metropolitan Statistical Area (MSA) - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise - a building with four to ten stories.

Moderate income - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

Public Housing or Low Income Conventional Public Housing - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT) - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) market rent - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Single-family housing - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

State Data Center (SDC) - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Tenant - one who rents real property from another.

Tenure - the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

Very low income - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

Zoning - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.