



**A MARKET FEASIBILITY STUDY OF
LONLEAF SENIOR VILLAGE PHASE II**

Located At

**205 Bushwillow Circle
Aiken, Aiken County, South Carolina 29801**

Effective Date: January 24, 2017

Report Date: May 5, 2017

Prepared For

**Max Elbe
Principal
Lowcountry Housing
1831 Village Crossing Drive
Daniel Island, SC 29492**

Prepared By

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**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

May 5, 2017

Mr. Max Elbe
Lowcountry Housing
1831 Village Crossing Drive
Daniel Island, SC 29492

Re: Market Study for Longleaf Senior Village Phase II, Aiken, South Carolina

Dear Mr. Elbe:

At your request, Novogradac & Company LLP performed a study of the multifamily rental housing market in the Aiken, Aiken County, South Carolina area relative to the above-proposed Low-Income Housing Tax Credit (LIHTC) project known as Longleaf Senior Village Phase II, the Subject.

The purpose of this market study is to assess the viability of Longleaf Senior Village Phase II, a proposed senior apartment development consisting of 49 units. The property will offer affordable rental units restricted to senior households aged 55 and above earning 50 and 60 percent or less of the Area Median Gross Income (AMI) and unrestricted market-rate units. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance & Development Authority (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy levels for the market area.
- Investigating the health and conditions of the multifamily housing market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, both affordable and market rate.

Lowcountry Housing.
Longleaf Senior Village Phase II
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This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY/CONCLUSIONS

PROPERTY SUMMARY OF SUBJECT

Subject Property Overview: Longleaf Senior Village Phase II, the Subject, is a proposed 49-unit apartment community for seniors age 55 and older. Of the 49 total units, 44 will be restricted to households earning 50 and 60 percent of the AMI, or less. The remaining five units will be unrestricted market-rate units.

Targeted Tenancy: Seniors (age 55 and older)

Proposed Rents, Unit Mix, and Utility Allowance: The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR	1	\$414	\$139	\$553	\$553	\$612
2BR	9	\$479	\$184	\$663	\$663	\$735
<i>60% AMI</i>						
1BR	4	\$524	\$139	\$663	\$663	\$612
2BR	30	\$594	\$184	\$778	\$796	\$735
<i>Market</i>						
1BR	2	\$674	\$0	\$674	N/A	\$612
2BR	3	\$744	\$0	\$744	N/A	\$735
Total	49					

Notes (1) Utility allowance provided by the developer.

Market Vacancy The following table illustrates the market vacancy at the comparable properties.

OVERALL VACANCY ALL PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glen Arbor Apartments	@60%	56	0	0.0%
Longleaf Senior Village Phase I ⁽¹⁾	@50%, @60%	50	0	0.0%
Meadow Brook Acres Apartments	@50%, @60%	48	0	0.0%
Olde South Terrace	@50%, @60%	48	0	0.0%
Village Senior Apartments ⁽¹⁾⁽²⁾	@50%, @60%	72	3	4.2%
Gatewood Apartments	Market	134	5	3.7%
Haven At Market Street Station	Market	284	22	7.7%
The Colony At South Park	Market	168	7	4.2%
Woodwinds Apartment Homes	Market	144	0	0.0%
Total in PMA		932	34	3.6%
Total		1,004	37	3.7%

⁽¹⁾ Senior properties

⁽²⁾ Located outside the PMA

OVERALL VACANCY LIHTC PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glen Arbor Apartments	@60%	56	0	0.0%
Longleaf Senior Village Phase I ⁽¹⁾	@50%, @60%	50	0	0.0%
Meadow Brook Acres Apartments	@50%, @60%	48	0	0.0%
Olde South Terrace	@50%, @60%	48	0	0.0%
Village Senior Apartments ⁽¹⁾⁽²⁾	@50%, @60%	<u>72</u>	<u>3</u>	<u>4.2%</u>
Total in PMA		202	0	0.0%
Total		274	3	1.1%

⁽¹⁾ Senior properties

⁽²⁾ Located outside the PMA

OVERALL VACANCY MARKET RATE PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Gatewood Apartments	Market	134	5	3.7%
Haven At Market Street Station	Market	284	22	7.7%
The Colony At South Park	Market	168	7	4.2%
Woodwinds Apartment Homes	Market	<u>144</u>	<u>0</u>	<u>0.0%</u>
Total		730	34	4.7%

Overall vacancy among the eight comparables in the PMA is low at 3.6 percent, and among all nine comparables the vacancy rate is 3.7 percent. The five surveyed comparable LIHTC properties from inside and outside the PMA have a 1.1 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing, particularly senior housing. Of note, the only LIHTC property reporting any vacancies also reported that vacant units are pre-leased.

Among the market rate properties, the vacancy rate is also low at 4.7 percent, indicating strong support for conventional apartments within the PMA. None of the market comparable properties reported a vacancy rate greater than 7.7 percent. The market rate property with the highest vacancy rate reported that vacancy is seasonal and is expected to drop below five percent soon.

Overall, the local rental market appears to be very healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of three percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

Capture Rates:

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand*	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	30	0	30	1	3.3%
1BR at 60% AMI	35	0	35	4	11.4%
1BR unrestricted	85	0	85	2	2.4%
2BR at 50% AMI	96	8	88	9	10.2%
2BR at 60% AMI	112	8	104	30	28.8%
2BR unrestricted	271	0	271	3	1.1%
Overall at 50% AMI	127	8	119	10	8.4%
Overall at 60% AMI	147	8	139	34	24.4%
Overall unrestricted	356	0	356	5	1.4%
Overall	195	16	179	44	24.6%

*Note the demand totals have been refined to include only size-appropriate households.

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 28.8 percent with an overall capture rate of 24.6 percent. The Subject’s overall capture rates are all well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period:

The newest LIHTC property in the PMA, Longleaf Senior Village Phase I, opened in 2015 and is a senior project. Management at this property reported that all 50 units were absorbed within one month of the first unit’s delivery. Meadow Brook Acres Apartments, a family LIHTC property in Aiken, reported a similar absorption rate of 48 units per month when it opened in 2011. These are excellent lease-up rates for LIHTC apartments, and we believe the Subject should be able to achieve an absorption rate similar to these other LIHTC properties. The LIHTC comparables within the PMA report no vacancies, and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good capture rates, limited supply of affordable senior housing in the area, and an ample number of age and income-qualified households, we believe the Subject could absorb approximately 45 units per month upon opening. This equals an absorption period of approximately one to two months.

Market Conclusions:

Overall vacancy in the local market is low at 3.7 percent among all nine surveyed properties. The Aiken area appears underserved by affordable senior housing.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject’s proposed 50 and 60 percent AMI rents appear reasonable and they are, on average, approximately 42 percent below what we have determined to

be the achievable market rents. The Subject's proposed market-rate rents are, on average, approximately 19 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations:

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 24.6 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 28.8 percent, which are all considered achievable in the PMA, where senior renter households are growing. In addition, Phase I of the Subject is the Aiken community's only other current senior housing option. The Subject site is located within 1.0 mile of most community services and facilities that seniors would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables and the market rate properties we surveyed are also performing well, with the majority reporting vacancy rates of 4.2 percent or less. The only LIHTC property reporting vacancies also reported that all vacant units are pre-leased. The developer's rents represent greater than 35 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in PMA:

The comparable LIHTC units have a 1.1 percent vacancy rate and all the LIHTC comparables maintain waiting lists. Of the five LIHTC properties we surveyed, four are located within the PMA. With only one other senior LIHTC property in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Longleaf Senior Village Phase II Total # Units: 49
 Location: Bushwillow Circle, Aiken, Aiken County, SC # LIHTC Units: 44
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 7 miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,004	37	96.3%
Market-Rate Housing	4	730	34	95.3%
Assisted/Subsidized Housing not to include LIHTC	4	159	0	100.0%
LIHTC (All that are stabilized)*	5	274	3	98.9%
Stabilized Comps**	9	1,004	37	96.3%
Non-stabilized Comps	N/A	N/A	N/A	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
1	1	1	750	\$414	\$850	\$1.13	51.3%	\$884	\$1.15
9	2	2	950	\$479	\$900	\$0.95	46.8%	\$950	\$1.00
4	1	1	750	\$524	\$850	\$1.13	38.4%	\$884	\$1.15
30	2	2	950	\$594	\$900	\$0.95	34.0%	\$950	\$1.00
2	1	1	750	\$674	\$850	\$1.13	20.7%	\$884	\$1.15
3	2	2	950	\$744	\$900	\$0.95	17.3%	\$950	\$1.00
Gross Potential Rent Monthly*				\$28,221	\$43,750		35.5%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page 36)

	2016		2019	
Renter Households	1,418	22.5%	2,132	27.9%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	614	28.8%
Income-Qualified Renter HHs (MR)	N/A	N/A	895	42.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market- rate	Other:	Other:	Overall
Renter Household Growth	10	12	32			17
Existing Households (Overburd + Substand)	108	129	350			178
Homeowner conversion (Seniors)	29	29	29			29
Other:						
Less Comparable/Competitive Supply	8	8	0			16
Net Income-qualified Renter HHs	138	162	411			209

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market- rate	Other:	Other:	Overall
Capture Rate	8.4%	24.4%	1.4%			24.6%

ABSORPTION RATE (found on page 53)

Absorption Period: 1-2 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
1	1 BR	\$414	\$414	\$850	\$850	
4	1 BR	\$524	\$2,096	\$850	\$3,400	
2	1 BR	\$674	\$1,348	\$850	\$1,700	
9	2 BR	\$479	\$4,311	\$900	\$8,100	
30	2 BR	\$594	\$17,820	\$900	\$27,000	
3	2 BR	\$744	\$2,232	\$900	\$2,700	
Totals	49		\$28,221		\$43,750	35.5%

Source: SCSHFDA, Novogradac & Company LLP, January 2017

A. PROJECT DESCRIPTION

A. PROPERTY DESCRIPTION

Development Location: The Subject site is located at 205 Bushwillow Circle, in Aiken, Aiken County, South Carolina.

Construction Type: The Subject will involve the new construction of one elevator-serviced three-story apartment building.

Occupancy Type: Seniors (age 55+)

Target Income Group: Forty-five of the Subject’s units will target households with incomes of 50 and 60 percent AMI or less. The remaining four units will be unrestricted and will not target a specific income cohort.

Special Population Target: None

Number of Units by Unit Type: The Subject will include seven one-bedroom units and 42 two-bedroom units.

Number of Buildings And Stories: The Subject will be constructed in one elevator-serviced three-story building.

Unit Size: One-bedroom units will be 750 square feet and two-bedroom units will be 950 square feet.

Structure Type/Design: The Subject will offer one elevator-serviced three-story building.

Proposed Rents and Utility Allowance: The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile.

PROPOSED RENTS

Unit Type	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>50% AMI</i>						
1BR	1	\$414	\$139	\$553	\$553	\$612
2BR	9	\$479	\$184	\$663	\$663	\$735
<i>60% AMI</i>						
1BR	4	\$524	\$139	\$663	\$663	\$612
2BR	30	\$594	\$184	\$778	\$796	\$735
<i>Market</i>						
1BR	2	\$674	\$0	\$674	N/A	\$612
2BR	3	\$744	\$0	\$744	N/A	\$735
Total	49					

Notes (1) Utility allowance provided by the developer.

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$139 for one-bedroom units and \$184 for two-bedroom units.


Existing or Proposed Project Based Rental Assistance: The Subject is planned new construction and will not receive project-based rental assistance.

Community Amenities: See Subject Profile

Unit Amenities: See Subject Profile

Current Occupancy/Rent Levels: The Subject will be proposed new construction.

Scope of Renovation: The Subject will be proposed new construction.

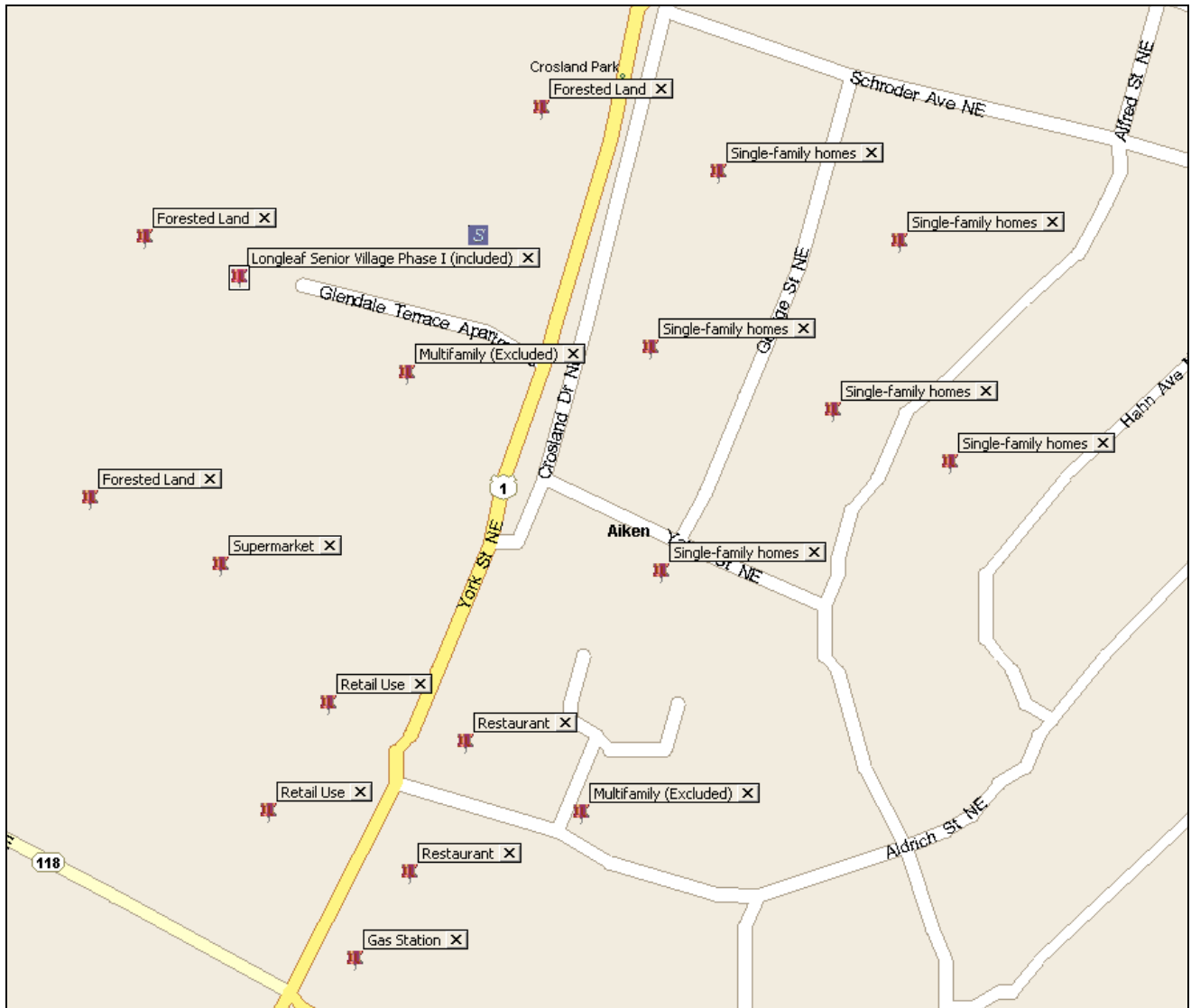
Longleaf Senior Village Phase II											
Location	205 Bushwillow Circle Aiken, SC 29801 Aiken County Intersection: York Street NE										
Units	49										
Vacant Units	N/A										
Vacancy Rate	N/A										
Type	Lowrise (age-restricted)										
Year Built / Renovated	Proposed 2019 / n/a										
Tenant Characteristics	Seniors age 55 and older										
Contact Name	Max Elbe										
Phone	404-228-5483										
Market											
Program	@50%, @60%, Market					Leasing Pace	n/a				
Annual Turnover Rate	N/A					Change in Rent (Past Year)	n/a				
Units/Month Absorbed	n/a					Concession					
Section 8 Tenants	N/A										
Utilities											
A/C	not included -- central					Other Electric	not included				
Cooking	not included -- electric					Water	not included				
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (3 stories)	1	750	\$414	\$0	@50%	n/a	N/A	N/A	yes
1	1	Lowrise (3 stories)	4	750	\$524	\$0	@60%	n/a	N/A	N/A	no
1	1	Lowrise (3 stories)	2	750	\$674	\$0	Market	n/a	N/A	N/A	N/A
2	2	Lowrise (3 stories)	9	950	\$479	\$0	@50%	n/a	N/A	N/A	yes
2	2	Lowrise (3 stories)	30	950	\$594	\$0	@60%	n/a	N/A	N/A	no
2	2	Lowrise (3 stories)	3	950	\$744	\$0	Market	n/a	N/A	N/A	N/A
Amenities											
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Hand Rails Microwave Oven Pull Cords Refrigerator Walk-In Closet Washer/Dryer hookup					Security	none				
Property	Parking spaces: 49 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area					Premium	none				
Services	none					Other	Library, craft room				

B. SITE DESCRIPTION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues, and traffic flow.

Date of Site Visit: January 24, 2017

Surrounding Land Uses: The following map and pictures illustrate the surrounding land uses.



Physical Features of Site: The Subject site is located within Aiken, South Carolina and is undeveloped, forested land.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single-family residential and retail/commercial developments. Immediately south of the Subject site is Glendale Terrace Apartments, a multifamily property. We have not included the property as a comparable within this report because its unit mix is not comparable to the

Subject's. Immediately east of the Subject site are single-family homes in good condition. Further east are Aiken's elementary and middle schools. To the south of the Subject is a BI-LO grocery store, beyond which are retail uses, as well as a restaurant. Immediately to the west of the Subject site is forested land, followed by a railroad track running north south through Aiken. Single family homes in average to good condition are on the east side of Route 1, across the street from the Subject. Retail in the area is generally in average to good condition, and appeared to be better than 95 percent occupied at the time of inspection. Overall, the Subject site is considered a desirable building site for senior rental housing.

Pictures of Site and Surrounding Uses



Subject site



Subject site



View south along US Highway 1



View north along US Highway 1



View of adjacent multifamily property to the south



Typical single-family home



Typical single-family home



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use



Typical neighborhood commercial use

Visibility/Views:

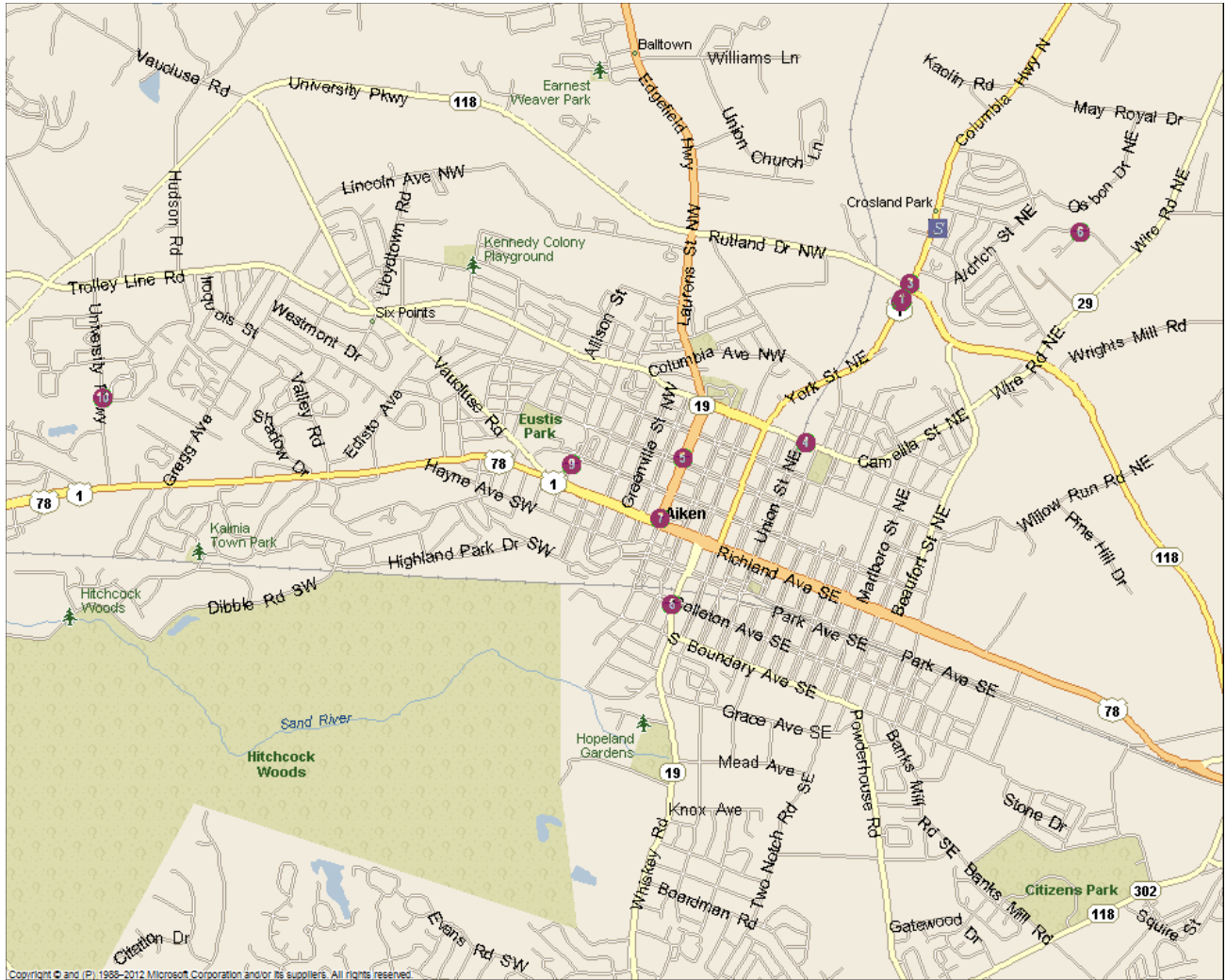
Views from the Subject site include forested land to the north and west, Longleaf Senior Village Phase I to the west and south, Glendale Terrace Apartments to the immediate south, and single-family homes to the east. Views from the site are considered good. The Subject will have good visibility from US Highway 1 to the north, south, and east. Route 1 has good traffic flow north to Interstate 20 and south to Aiken. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

Detrimental Influences:

There are no detrimental influences in the Subject’s immediate neighborhood.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including retail, banks and a library. The following table details the Subject’s distance from key locational amenities. A *Locational Amenities Map*, corresponding to the following table, is below.



LOCATIONAL AMENITIES

Map Number	Service or Amenity	Miles From Subject
1	Hometown BI-LO Grocery Store	0.3 Miles
2	CVS Pharmacy	0.3 Miles
3	BP Gas Station	0.3 Miles
4	Aiken County Sheriff Office	1.3 Miles
5	US Post Office	1.7 Miles
6	North Aiken Elementary	1.8 Miles
7	Wells Fargo Bank	2 Miles
8	Aiken County Library	2.1 Miles
9	Aiken Senior Life Services	2.4 Miles
10	Aiken Regional Medical Center	5 Miles

Availability of Public Transportation:

Public transportation in Aiken County is provided by Best Friend Express, which provides bus service in the area. The Subject is located approximately 1.2 miles from the Hampton/York Street bus stop, which provides access to the downtown Aiken area. One way fares for riding the bus are \$2.00 per trip, while seniors can ride for \$1.00 per trip.

Road/Infrastructure Proposed Improvements:

We witnessed no current road improvements within the Subject’s immediate neighborhood.

Crime Rates:

Based upon site inspection, there appeared to be no crime issues in the Subject’s neighborhood and property managers did not report having issues with crime. The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

2016 CRIME RISK INDICES

	PMA	Augusta-Richmond County, GA-SC MSA
Total Crime*	136	126
Personal Crime*	118	113
Murder	203	143
Rape	121	96
Robbery	110	114
Assault	119	113
Property Crime*	138	127
Burglary	131	163
Larceny	145	115
Motor Vehicle Theft	105	130

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

*Unweighted aggregations

The total crime risk index in the PMA is higher than the MSA and the nation. Additionally, total personal crime risks and total property crime risks in the PMA are higher than in the MSA and the national averages. As proposed, the Subject does not include any security features. With the exception of Glen Arbor Apartments and Meadowbrook Apartments, all of the comparables offer at least one security feature, typically a patrol or perimeter fence. Interviews with local property managers did not indicate that the Subject is likely to be affected by crime. We believe the Subject will be competitive within the market as proposed.

Access and Traffic Flow:

The Subject site will have access along York Street. York Street is an arterial roadway, which connects to Highway 78 about 1.8 miles to the south of the Subject. Overall, access and traffic flow are considered good.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in Aiken, most of which are within less than 2.4 miles of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

The proposed Subject will be a 49-unit senior new construction development in Aiken, South Carolina. The PMA is generally defined as Interstate 20 and Beaverdam to the north, Shaws Fork Road and New Holland Road to the east, Highway 191 to the west, and Highway 118 to the south. The Subject will be one of the first senior LIHTC properties in Aiken, and as such will be able to draw from approximately a 10 to 15-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Aiken and several other communities in Aiken County as well as some of the smaller communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. The approximate distances from the Subject to the farthest boundaries of the PMA in each direction are as follows:

- North: 7 miles
- East: 7 miles
- South: 6 miles
- West: 7 miles

The PMA includes all or part of the following census tracts:

Census Tracts in PMA
450030202.00
250030203.02
450030204.00
450030213.00
450030214.00
450030216.01
450030211.02
450030212.01
450030212.02
450030215.00

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the Aiken area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

2010 POPULATION BY RACE						
	PMA		SMA		USA	
Total	36,223	-	564,873	-	308,745,538	-
White	21,236	58.6%	330,618	58.5%	223,553,265	72.4%
Black	13,409	37.0%	199,265	35.3%	38,929,319	12.6%
American Indian	165	0.5%	1,969	0.3%	2,932,248	0.9%
Asian	297	0.8%	9,701	1.7%	14,674,252	4.8%
Pacific	24	0.1%	709	0.1%	540,013	0.2%
Other	462	1.3%	9,763	1.7%	19,107,368	6.2%
Two or More Races	630	1.7%	12,848	2.3%	9,009,073	2.9%
Total Hispanic	1,136	-	24,810	-	50,477,594	-
Hispanic: White	477	42.0%	10,748	43.3%	26,735,713	53.0%
Hispanic: Black	98	8.6%	2,130	8.6%	1,243,471	2.5%
Hispanic: American Indian	31	2.7%	268	1.1%	685,150	1.4%
Hispanic: Asian	6	0.5%	111	0.4%	209,128	0.4%
Hispanic: Pacific	0	0.0%	51	0.2%	58,437	0.1%
Hispanic: Other	414	36.4%	8,978	36.2%	18,503,103	36.7%
Hispanic: Two or More Races	110	9.7%	2,524	10.2%	3,042,592	6.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

Per SCSHFDA Guidelines, we have not accounted for leakage and have assumed 100 percent of demand will come from within the PMA boundaries.

The following map outlines the PMA and identifies the census tracts included within these boundaries.

D. MARKET AREA ECONOMY

Employment by Industry

The following table exhibits employment by industry for the PMA.

2016 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	1,990	13.3%	15,499,826	10.2%
Health Care/Social Assistance	1,954	13.0%	21,304,508	14.1%
Retail Trade	1,793	12.0%	17,169,304	11.3%
Educational Services	1,611	10.8%	14,359,370	9.5%
Construction	1,123	7.5%	9,342,539	6.2%
Utilities	1,011	6.7%	1,344,219	0.9%
Admin/Support/Waste Mgmt Svcs	882	5.9%	6,511,707	4.3%
Prof/Scientific/Tech Services	818	5.5%	10,269,978	6.8%
Accommodation/Food Services	812	5.4%	11,574,403	7.6%
Public Administration	722	4.8%	7,093,689	4.7%
Other Services (excl Publ Adm)	519	3.5%	7,463,834	4.9%
Finance/Insurance	381	2.5%	6,942,986	4.6%
Arts/Entertainment/Recreation	290	1.9%	3,416,474	2.3%
Wholesale Trade	224	1.5%	4,066,471	2.7%
Real Estate/Rental/Leasing	217	1.4%	2,946,196	1.9%
Information	214	1.4%	2,862,063	1.9%
Transportation/Warehousing	180	1.2%	6,128,217	4.0%
Agric/Forestry/Fishing/Hunting	171	1.1%	2,253,044	1.5%
Mining	68	0.5%	749,242	0.5%
Mgmt of Companies/Enterprises	0	0.0%	89,612	0.1%
Total Employment	14,980	100.0%	151,387,682	100.0%

Source: Esri Demographics 2010, Novogradac & Company LLP, January 2017

Employment within the PMA is concentrated in the manufacturing, healthcare/social assistance, retail trade, and educational services sectors. These sectors make up 49.1 percent of the total employment in the PMA. Compared to the nation, the PMA is underrepresented in the healthcare/social assistance, and professional/scientific/tech services, public administration, other services, finance/insurance, arts/entertainment/recreation, wholesale trade, real estate/rental/leasing, information, transportation/warehousing, agriculture/forestry/fishing/hunting, mining, and management of companies/enterprises sectors. Sectors that are overrepresented in the PMA compared to the nation include the manufacturing, retail trade, educational services, construction, utilities, admin/support/waste mgmt. services, and accommodation/food services sectors.

The following table illustrates the changes in employment by industry from 2000 to 2016, in the Subject’s PMA.

2000-2016 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2016		2000-2016	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Annualized Change in Employment	Annual Change in Percentage
Prof/Scientific/Tech Services	638	4.4%	818	5.5%	11	1.8%
Admin/Support/Waste Mgmt Svcs	698	4.8%	882	5.9%	12	1.6%
Health Care/Social Assistance	1,561	10.7%	1,954	13.0%	25	1.6%
Public Administration	627	4.3%	722	4.8%	6	0.9%
Real Estate/Rental/Leasing	189	1.3%	217	1.4%	2	0.9%
Finance/Insurance	335	2.3%	381	2.5%	3	0.9%
Construction	1,024	7.0%	1,123	7.5%	6	0.6%
Mining	63	0.4%	68	0.5%	0	0.5%
Arts/Entertainment/Recreation	272	1.9%	290	1.9%	1	0.4%
Agric/Forestry/Fishing/Hunting	161	1.1%	171	1.1%	1	0.4%
Educational Services	1,519	10.4%	1,611	10.8%	6	0.4%
Information	204	1.4%	214	1.4%	1	0.3%
Retail Trade	1,737	11.9%	1,793	12.0%	4	0.2%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Transportation/Warehousing	190	1.3%	180	1.2%	-1	-0.3%
Accommodation/Food Services	860	5.9%	812	5.4%	-3	-0.3%
Other Services (excl Publ Adm)	564	3.8%	519	3.5%	-3	-0.5%
Utilities	1,163	7.9%	1,011	6.7%	-10	-0.8%
Wholesale Trade	282	1.9%	224	1.5%	-4	-1.3%
<u>Manufacturing</u>	<u>2,569</u>	<u>17.5%</u>	<u>1,990</u>	<u>13.3%</u>	<u>-36</u>	<u>-1.4%</u>
Total Employment	14,656	100.0%	14,980	100.0%	20	0.1%

Source: Esri Demographics 2010, Novogradac & Company LLP, January 2017

* Change in percentage is calculated as a rate of change by industry.

*Industry data current as of 2010. Other projections current as of 2016.

As illustrated, six of the industries in the table above experienced a decrease in employment from 2000 to 2016. The largest percent decreases were among the manufacturing and wholesale trade sectors. The smallest decreases were in the transportation/warehousing and accommodation/food services sectors. The healthcare/social services sector experienced the largest annualized employment increase over the past 16 years, recording an increase of approximately 393 employees, or approximately 1.6 percent each year.

Major Employers

The following table details the major employers in Aiken County as of October 2015 (the most recent available).

AIKEN COUNTY MAJOR EMPLOYERS

Employer	Industry	Number employed
Savannah River Nuclear Solutions	Nuclear Processing	5,388
Aiken County Public Schools	Education	3,300
Savannah River Remediation Llc	Utilities	2,115
Bridgestone Americas Tire Operation	Manufacturing	1,830
Kimberly Clark Corporation	Manufacturing	1,250
Wal-Mart Associates Inc	Retail	1,203
Aiken Regional Medical Centers	Healthcare	1,200
County Of Aiken	Government	890
Agy Aiken Llc	Manufacturing	770
Crane Merchandising Systems	Manufacturing	746
Centerra Group Llc	Manufacturing	685
Shaw Industries Group Inc	Manufacturing	600
University Of Sc Aiken	Education	534
City Of Aiken	Government	471
Parsons	Construction	453
Ups Customhouse Brokerage Inc	Transportation/Logistics	450
Dept Of Energy	Utilities	444
Hubbell Power Systems	Manufacturing	370
Tri-Development Center Of Aiken	Non-profit service Agency	343
Asco Valve Mfg., Inc.	Manufacturing	330

Source: The Greater Aiken Chamber of Commerce, October 2015

The largest employers in Aiken County are in fields including nuclear processing, manufacturing, education, utilities, retail, healthcare, and government. Some of these sectors, such as healthcare and education, are less susceptible to economic cycles.

Expansions/Contractions

The following table illustrates the contractions to the Aiken, SC economy provided by the South Carolina Department of Employment and Workforce between 2013 and 2017.

2013-2017 WARN NOTICES; AIKEN, SC

Employer	Industry	Jobs Affected	Date
Dillard’s Inc.	Retail	73	3/20/2016
Aiken/Barnwell Counties Community Action Agcy.	Healthcare/Social Assistance	82	6/30/2015
Harvey Industries Die Casting LLC	Manufacturing	150	11/21/2013
Pepperidge Farm, Inc	Manufacturing	115	9/27/2013
Shaw Project Services Group	Construction	485	8/6/2013
AREVA Federal Services LLC	Engineering/Construction	158	8/6/2013
Newman Technology South Carolina, Inc.	Manufacturing	214	6/7/2013
Total		1,277	

Source: SC Department of Employment and Workforce, January 2017

As the table depicts, there were 1,277 layoffs/closures in Aiken that took effect between 2013 and 2017. The majority of these layoffs were in the manufacturing sector.

Aiken is also experiencing the following business expansions:

- Emerson, manufacturer and marketer of ASCO fluid automation products, is expanding its operations to Aiken County. The expansion represents eight million dollars in capital investment and the creation of 86 new jobs in the Aiken area.
- Autoneum, producer of acoustic and thermal management solutions for vehicles, is expanding its operations in Aiken County. The expansion represents 35 million dollars in capital investment and the creation of more than 40 new jobs in the Aiken area.
- AGY Holding, producer of glass fiber yarns and high-strength glass fiber reinforcement metals, is expanding its operations in Aiken County. The expansion will upgrade the existing facility’s equipment and machinery, and is expected to create approximately 80 new manufacturing jobs in the next five years.

Business expansions in the Aiken area are concentrated primarily in manufacturing, underscoring the continued importance of the industry to the local economy.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Augusta-Richmond County, GA-SC MSA. As such, the following table details employment and unemployment trends for the Augusta-Richmond County, GA-SC MSA from 2002 to 2016 (through November).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	<u>Augusta-Richmond County, GA-SC MSA</u>				<u>USA</u>			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	228,426	-	5.1%	-	136,933,000	-	4.7%	-
2003	234,215	2.5%	5.2%	0.1%	136,485,000	-0.3%	5.8%	1.1%
2004	239,841	2.4%	5.4%	0.2%	137,736,000	0.9%	6.0%	0.2%
2005	240,686	0.4%	6.1%	0.7%	139,252,000	1.1%	5.5%	-0.5%
2006	242,357	0.7%	5.9%	-0.2%	141,730,000	1.8%	5.1%	-0.4%
2007	246,618	1.8%	5.5%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2008	247,126	0.2%	6.3%	0.9%	146,047,000	1.1%	4.6%	0.0%
2009	240,106	-2.8%	9.3%	3.0%	145,362,000	-0.5%	5.8%	1.2%
2010	230,830	-3.9%	9.7%	0.5%	139,877,000	-3.8%	9.3%	3.5%
2011	233,618	1.2%	9.8%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2012	235,367	0.7%	9.2%	-0.6%	139,869,000	0.6%	8.9%	-0.7%
2013	235,923	0.2%	8.4%	-0.8%	142,469,000	1.9%	8.1%	-0.8%
2014	237,025	0.5%	7.3%	-1.1%	143,929,000	1.0%	7.4%	-0.7%
2015	240,013	1.3%	6.3%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2016 YTD Average*	244,286	1.8%	5.7%	-0.6%	151,402,909	3.5%	4.9%	-1.3%
Nov-2015	238,182	-	5.8%	-	149,766,000	-	4.8%	-
Nov-2016	247,311	3.8%	5.1%	-0.7%	152,385,000	1.7%	4.4%	-0.4%

Source: U.S. Bureau of Labor Statistics January 2017

*2016 data is through Mar

Between 2002 and 2008, total employment in the Augusta-Richmond County, GA-SC MSA exhibited positive growth, reaching a peak in 2008. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2009 and 2010. Total employment in the MSA began to increase again in 2011, one year prior to the nation as a whole. Employment growth in the MSA from 2013 to 2016 has been weaker than the nation as a whole on a percentage point basis. Total employment in the 12 month period prior to November 2016 has indicated growth in employment of 3.8 percent. This is higher than the national growth rate of 1.7 percent over the same time period. Total employment surpassed the pre-recession peak in November 2016.

In terms of unemployment rates, the rate in the MSA has historically been above that of the nation. While the national unemployment rate increased sharply in 2009 from 5.8 percent to 9.3 percent in 2010, the MSA saw unemployment rise from 2008 through 2011 and reached a peak unemployment rate of 9.8 percent in 2011 and has subsequently decreased through 2016. The unemployment rate has trended downward over the past several years but remains below the national average. The change in unemployment rate in the MSA in the 12 month period prior to November 2016 is approximately 0.3 percentage points above that of the nation.

Housing and Economy

There is only one senior LIHTC property in Aiken. Therefore, the availability of housing for low to very low income senior renters is considered limited. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession has impacted Aiken’s single-family housing market. According to RealtyTrac’s December 2016 estimates, the city experienced a foreclosure rate of one in every 992 housing units. Aiken County experienced a higher foreclosure rate compared to the city, which had a foreclosure rate of one in every 731 housing units in December 2016. The state of South Carolina had a foreclosure rate of one in every 1,212 housing units, a rate lower than Aiken and Aiken County. Note that since the Subject will target senior seeking a maintenance-free lifestyle,

foreclosure rates and home sales and rentals in the area will have minimal impact on the Subject project and its potential residents.

Commuting Patterns

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is 23.1 minutes. Approximately 52.4 percent of households have commute times of less than 20 minutes.

COMMUTING PATTERNS

2000 Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	408	2.9%
Travel Time 5-9 min	1,802	12.7%
Travel Time 10-14 min	2,699	19.0%
Travel Time 15-19 min	2,527	17.8%
Travel Time 20-24 min	1,729	12.2%
Travel Time 25-29 min	693	4.9%
Travel Time 30-34 min	1,738	12.2%
Travel Time 35-39 min	438	3.1%
Travel Time 40-44 min	450	3.2%
Travel Time 45-59 min	1,017	7.2%
Travel Time 60-89 min	450	3.2%
Travel Time 90+ min	238	1.7%
Average Travel Time	23.1	-

Source: US Census 2000, Novogradac & Company, LLP, January 2017

Manufacturing

For the last three years, manufacturing in the United States has been growing at a faster rate than overall GDP, which is the first time this has occurred in 50 years. This marks a new era in the industry. Labor economists have pointed to the relatively balanced costs of labor across the world as a leading factor. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. As global markets have become more integrated over time, the foreign labor cost advantage has eroded significantly.

Furthermore, the United States enjoys relatively low costs of capital, raw materials, and transportation. Of note, in late 2014, the U.S. became the world’s largest producer of oil after surpassing Russia and Saudi Arabia, giving domestic manufacturers privileged access to this fundamental driver of growth.

When combined, all of these factors have had a significant, positive impact on U.S. manufacturing. Since 2011, the nation’s manufacturing exports have grown by an average of 11 percent per year. According to U.S. Secretary of Commerce Penny Pritzker, “the U.S. has now added 786,000 manufacturing jobs over the past 58 months, the strongest growth since the 1990s”. This marks the first sustained job growth in the sector in more than 20 years.

While U.S. manufacturing is currently experiencing a period of growth, the industry suffered significant employment losses every consecutive year from 2000 to 2010. In addition, while the industry appears to be experiencing steady growth, total employment growth in manufacturing has only outperformed growth in all U.S. industries in one year since 2000, which was in 2011. It is

important to note, however, that changes in technological capabilities over the past decade have made the industry much more efficient than years past. This has transformed manufacturing from a relatively labor-intensive industry to a much more capital intensive industry.

Total employment in manufacturing experienced a decline every year from 2000 to 2010, reaching its lowest level in 2009 in the aftermath of the most recent national recession. However, total employment in manufacturing has begun to steadily increase, experiencing positive growth every year since 2010.

Furthermore, gross manufacturing output surpassed pre-recessionary output levels in 2011, evidencing the industry's shift toward more capital-intensive production methods. Manufacturing constitutes approximately 20 percent of GDP and has been steadily increasing gross output every year since 2009. Additionally, manufacturing output surpassed pre-recessionary output levels in 2011, three years following the most recent national recession.

While the output growth is impressive, for the purposes of analyzing impact upon multi-family housing we focus more on job creation. Unfortunately, the positive story from production has not translated to job growth. Over the long term a tremendous number of jobs have been lost in the US as recently as the Great Recession. Further, job creation in this sector continues to lag the overall economy. However, it is significant that growth in manufacturing jobs is positive since 2010, and outpaced the nation in 2011. The local experience is similar: manufacturing still represents the largest industry in the PMA, though it has experienced manufacturing job loss at an annualized rate of 1.4 percent and in the SMA by 1.7 percent.

Despite this contraction in employment, Aiken County continues to attract new manufacturing companies and to encourage growth of existing manufacturing plants. Bridgestone and other tire production companies remain in the list of Aiken's top employers. Aiken County's manufacturing jobs are also shifting to support new production of advanced technologies. Advanced manufacturing companies benefit from proximity to Aiken Technical College, Piedmont Technical College, and the University of South Carolina at Aiken, all of which provide graduates with requisite technical training. Recent business expansions suggest Aiken is pivoting to support a new, advanced kind of manufacturing in coming years.

Conclusions

Overall, it appears the area was impacted by the national recession, but has since recovered. Total employment in the MSA has surpassed pre-recession levels. Between November 2015 and November 2016, total employment in the MSA increased 3.8 percent, while unemployment from the same period declined 0.7 percent. The MSA's year-to-date unemployment rate as was 0.8 percentage points above the nation's unemployment rate. However, with its reliance on the manufacturing and retail trade industries, the local economy will remain susceptible to employment losses and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Augusta-Richmond County, GA-SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, SMA, and nation.

Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Population Growth Rate.

TOTAL POPULATION

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	35,251	-	508,022	-	281,421,906	-
2010	36,224	0.3%	564,873	1.1%	308,745,538	1.0%
2016	37,314	0.5%	600,545	1.0%	323,580,626	0.8%
Projected Mkt Entry						
July 2019	37,803	0.4%	617,016	0.9%	331,827,921	0.8%
2021	38,129	0.4%	627,996	0.9%	337,326,118	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

Since the Subject is age-restricted to seniors age 55 and older, we have provided demographic data in this section that specifically details numbers and percentages for seniors age 55 and older.

TOTAL SENIOR POPULATION (55+)

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	9,009	-	99,500	-	59,266,437	-
2010	10,942	2.1%	140,284	4.1%	76,750,713	3.0%
2016	12,336	2.0%	168,551	3.2%	90,114,303	2.8%
Projected Mkt Entry						
July 2019	12,950	1.7%	181,255	2.5%	96,411,594	2.3%
2021	13,359	1.7%	189,724	2.5%	100,609,788	2.3%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

POPULATION BY AGE GROUP

PMA					
Age Cohort	2000	2010	2016	Projected Mkt Entry July 2019	2021
0-4	2,202	2,151	2,114	2,121	2,126
5-9	2,538	2,143	2,147	2,128	2,115
10-14	2,458	2,142	2,119	2,136	2,148
15-19	2,612	2,740	2,463	2,456	2,452
20-24	2,297	2,875	2,647	2,496	2,396
25-29	2,090	2,307	2,695	2,526	2,414
30-34	2,163	1,950	2,416	2,585	2,698
35-39	2,481	1,873	1,982	2,199	2,344
40-44	2,665	2,064	1,923	1,989	2,033
45-49	2,504	2,436	2,038	1,961	1,910
50-54	2,234	2,601	2,433	2,254	2,135
55-59	1,742	2,506	2,666	2,559	2,487
60-64	1,474	2,192	2,503	2,580	2,632
65-69	1,488	1,808	2,209	2,351	2,445
70-74	1,453	1,315	1,690	1,912	2,060
75-79	1,285	1,140	1,190	1,372	1,494
80-84	877	969	940	992	1,027
85+	690	1,012	1,138	1,184	1,214
Total	35,253	36,224	37,313	37,803	38,130

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The total population in the PMA increased at an annual rate of 0.5 percent from 2010 to 2016, a lower rate compared to the SMA and the nation, but at a greater rate than the previous census in 2010. The population in the PMA is expected to continue to increase through the projected market entry date and 2021 at 0.4 percent per annum, a rate that will remain below the SMA and the nation but in line with historical growth rates. The total senior population in the PMA increased at an annual rate of 2.0 percent from 2010 to 2016, a slower rate than the SMA and the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2021 at 1.7 percent per annum, a rate that will lag behind the growth rate for the SMA and the nation.

The population in the PMA in 2016 was concentrated most heavily in the age groups of 25 to 29 and 55 to 59, with these ages representing 14.3 percent of the total population in the PMA. Through market entry these age groups will still have the two of the highest representations in the PMA.

Household Trends

Total Number of Households, Average Household Size, and Group Quarters

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	14,087	-	188,048	-	105,480,101	-
2010	14,816	0.5%	215,526	1.5%	116,716,292	1.1%
2016	15,340	0.6%	228,978	1.0%	121,786,233	0.7%
Projected Mkt Entry						
July 2019	15,569	0.5%	235,084	0.9%	124,731,054	0.8%
2021	15,722	0.5%	239,155	0.9%	126,694,268	0.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

TOTAL NUMBER OF HOUSEHOLDS 55+

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	5,488	-	62,073	-	36,459,822	-
2010	6,310	1.5%	84,677	3.6%	45,892,195	2.6%
2016	7,654	3.4%	102,192	3.3%	54,372,574	3.0%
Projected Mkt Entry						
July 2019	7,908	1.1%	108,408	2.0%	57,722,208	2.1%
2021	8,078	1.1%	112,552	2.0%	59,955,298	2.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

AVERAGE HOUSEHOLD SIZE

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.41	-	2.61	-	2.59	-
2010	2.32	-0.4%	2.54	-0.3%	2.58	-0.1%
2016	2.31	-0.1%	2.55	0.0%	2.59	0.1%
Projected Mkt Entry						
July 2019	2.31	0.0%	2.55	0.1%	2.60	0.1%
2021	2.31	0.0%	2.55	0.1%	2.60	0.1%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

POPULATION IN GROUP QUARTERS

Year	PMA		Augusta-Richmond County, GA-SC MSA	
2000	1,358		16,952	
2016	1,885	2.4%	17,619	0.2%
2021	1,885	0.0%	17,619	0.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The total number of households in the PMA increased at 0.6 percent per annum between 2010 and 2016, a slower rate than the SMA and a slightly lower rate compared to the nation over the same time period. Through market entry date and 2021, the total number of households in the PMA is expected to increase by 0.5 percent annually, which is below the growth rate of the SMA and below that of the nation. The senior households age 55 and older increased by 3.4 percent annually in the PMA between 2010 and 2016, and this growth in the PMA is expected to be 1.1 percent annually over the next five years. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased slightly in the PMA between 2000 and 2016 and remained steady in the MSA over the same time period; however, no growth is expected in these categories from 2016 through 2021.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	9,715	69.0%	4,372	31.0%	131,459	69.9%	56,589	30.1%
2010	9,255	62.5%	5,561	37.5%	145,301	67.4%	70,225	32.6%
2016	9,202	60.0%	6,138	40.0%	148,001	64.6%	80,977	35.4%
Projected Mkt Entry July 2019	9,341	60.0%	6,229	40.0%	152,449	64.8%	82,635	35.2%
2021	9,433	60.0%	6,289	40.0%	155,414	65.0%	83,741	35.0%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)

Year	PMA				Augusta-Richmond County, GA-SC MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	-	-	-	-	-	-	-	-
2010	4,892	77.5%	1,418	22.5%	67,735	80.0%	16,942	20.0%
2016	5,522	72.1%	2,132	27.9%	79,802	78.1%	22,389	21.9%
Projected Mkt Entry July 2019	5,696	72.0%	2,212	28.0%	84,748	78.2%	23,660	21.8%
2021	5,812	72.0%	2,265	28.0%	88,045	78.2%	24,507	21.8%

Source: Esri Demographics 2016, Novogradac & Company LLP, January 2017

The PMA is dominated by owner-occupied housing units. In 2016, there were approximately 6,138 renter-occupied households in the PMA, equaling 40.0 percent of households in the PMA. In 2016 approximately 72.1 percent of senior households were owner-occupied, while 27.9 percent were renter-occupied. Through market entry and 2021, the percentage of renter households is expected to remain stable for households of all ages.

Household Income

The following table depicts senior household income in the PMA from 2010 to 2021.

HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	637	10.1%	597	7.8%	588	7.4%	582	7.2%
\$10,000-19,999	986	15.6%	1,059	13.8%	1,027	13.0%	1,005	12.4%
\$20,000-29,999	868	13.8%	1,181	15.4%	1,172	14.8%	1,166	14.4%
\$30,000-39,999	629	10.0%	733	9.6%	782	9.9%	815	10.1%
\$40,000-49,999	596	9.4%	736	9.6%	695	8.8%	667	8.3%
\$50,000-59,999	468	7.4%	787	10.3%	852	10.8%	895	11.1%
\$60,000-74,999	452	7.2%	492	6.4%	537	6.8%	567	7.0%
\$75,000-99,999	626	9.9%	701	9.2%	713	9.0%	720	8.9%
\$100,000-124,999	454	7.2%	596	7.8%	620	7.8%	637	7.9%
\$125,000-149,999	186	2.9%	300	3.9%	338	4.3%	363	4.5%
\$150,000-199,999	239	3.8%	179	2.3%	224	2.8%	254	3.1%
\$200,000+	168	2.7%	294	3.8%	361	4.6%	405	5.0%
Total	6,310	100.0%	7,654	100.0%	7,908	100.0%	8,078	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

The Subject will target senior households earning between \$16,590 and \$60,000. As the table above depicts, approximately 29.3 percent of households in the PMA earned between \$10,000 and \$29,999 in 2016. Some households within these income cohorts will provide support for the Subject.

Household Income by Tenure

The following tables depict senior renter household incomes in the PMA in 2010, 2016, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	240	16.9%	281	13.2%	278	12.6%	275	12.2%
\$10,000-19,999	263	18.5%	396	18.6%	391	17.7%	388	17.1%
\$20,000-29,999	209	14.7%	382	17.9%	389	17.6%	394	17.4%
\$30,000-39,999	156	11.0%	202	9.5%	215	9.7%	224	9.9%
\$40,000-49,999	135	9.5%	198	9.3%	184	8.3%	175	7.7%
\$50,000-59,999	68	4.8%	103	4.8%	111	5.0%	117	5.2%
\$60,000-74,999	58	4.1%	62	2.9%	77	3.5%	88	3.9%
\$75,000-99,999	104	7.4%	158	7.4%	167	7.5%	172	7.6%
\$100,000-124,999	113	8.0%	183	8.6%	182	8.2%	182	8.0%
\$125,000-149,999	20	1.4%	57	2.7%	71	3.2%	80	3.5%
\$150,000-199,999	23	1.6%	27	1.3%	35	1.6%	41	1.8%
\$200,000+	29	2.0%	84	4.0%	111	5.0%	128	5.7%
Total	1,418	100.0%	2,132	100.0%	2,212	100.0%	2,265	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

Senior renter households with incomes between \$10,000 and \$29,999 represent 36.5 percent of the senior renter households in the PMA in 2016, and this share is expected to remain near this level through market entry.

Renter Households by Number of Persons in the Household

The following table illustrates household size for senior renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA

	2010		2016		Projected Mkt Entry July 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	907	64.0%	1,408	66.0%	1,469	66.4%	1,509	66.6%
With 2 Persons	302	21.3%	441	20.7%	449	20.3%	454	20.0%
With 3 Persons	58	4.1%	107	5.0%	116	5.2%	122	5.4%
With 4 Persons	82	5.8%	98	4.6%	102	4.6%	104	4.6%
With 5+ Persons	68	4.8%	78	3.7%	77	3.5%	76	3.4%
Total	1,418	100.0%	2,132	100.0%	2,212	100.0%	2,265	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, January 2017

Approximately 86.7 percent of senior renter households resided in a one to two-person household in the PMA in 2016. Over the next five years, this percentage is projected to remain constant.

Conclusion

The senior population 55+ in the PMA increased at an annual rate of 2.0 percent from 2010 to 2016, and is expected to increase at a 1.7 percent annually through 2021, a rate that will lag behind the growth rate nationally and in the MSA. The senior 55+ population growth occurring in the PMA is outpacing total population growth. The same trend is the case for the senior 55+ population in the MSA. Between 2016 and market entry, senior 55+ households are expected to increase by 1.1 percent annually in the PMA. Senior renter households with incomes between \$10,000 and \$29,999 represent 36.5 percent of the senior renter households in the PMA in 2016, and this share is expected to remain near this level through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by SCSHFDA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Authority (SCSHFDA) will estimate the relevant income levels, with annual updates.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For senior properties we have assumed a maximum of one person per bedroom with a maximum household size of two persons.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Business Information Solutions to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels for the LIHTC units are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the Novogradac website. Maximum income for market-rate units is assumed to be \$60,000, which is just above the Aiken County Area Median Income (\$59,000).

2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis.

3. Minimum and Maximum Income Levels

The following table illustrates the minimum and maximum income levels for the Subject’s units.

INCOME COHORTS

Unit Type	Minimum Income	Maximum Income
1BR 50%	\$16,590	\$20,650
2BR 50%	\$19,890	\$23,600
1BR 60%	\$19,890	\$24,780
2BR 60%	\$23,340	\$28,320
1BR Market	\$20,130	\$60,000
2BR Market	\$22,230	\$60,000
Overall	\$16,590	\$28,320

4. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated on the attached table.

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2016 as the base year for the analysis and project forward to the anticipated placed-in-service year of 2019. This number is adjusted for income eligibility and renter tenure. In the following tables this calculation is identified as Step 1.

4b. Demand from Existing Households

Demand from existing households is estimated by summing three sources of potential tenants. (2a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs. This number is estimated using census 2010 data. (2b) The second source is households living in substandard housing. This number is estimated using census 2010 data. (2c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership may be used to refine the analysis. The Subject is rural and generally could typically attract as much as five percent or more of its support from homeowners seeking to downsize into a rental unit. We have considered the typical shares of support from homeowners in our calculations, while also being conservative in our projection so as not to overstate demand. We have used 0.6 percent as the support figure from senior homeowners in our demand calculation, which limits this component to less than 20 percent of the overall demand for the Subject in all calculations. A higher percentage of support from homeowners may be possible for the Subject, given the limited supply of LIHTC Senior options in the PMA. (2d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

Additions to Supply

SCSHFDA guidelines indicate that units in all competing properties that were allocated, under construction, placed in service, or funded in 2016 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. We have identified the following developments which have been accounted for in the demand analysis.

- Palmetto Crossing is a family LIHTC project allocated in 2016 located approximately 4.6 miles south of the Subject on Owens Street. This project will include 48 two, three, and four-bedroom units targeting family renter households with incomes of up to 60 percent AMI. The new construction project is expected to open in 2018. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis.

4 and 5. Method - Capture Rates

The above calculations and derived capture rates are illustrated in the following table.

Renter Household Income Distribution 2016-2021							
Longleaf Senior Village Phase II							
PMA							
	2016		Projected Mkt Entry July 2019		2021		Percent Growth
	#	%	#	%	#	%	
\$0-9,999	281	13.2%	278	12.6%	275	12.2%	-2.1%
\$10,000-19,999	396	18.6%	391	17.7%	388	17.1%	-1.9%
\$20,000-29,999	382	17.9%	389	17.6%	394	17.4%	3.2%
\$30,000-39,999	202	9.5%	215	9.7%	224	9.9%	9.9%
\$40,000-49,999	198	9.3%	184	8.3%	175	7.7%	-12.8%
\$50,000-59,999	103	4.8%	111	5.0%	117	5.2%	12.2%
\$60,000-74,999	62	2.9%	77	3.5%	88	3.9%	29.2%
\$75,000-99,999	158	7.4%	167	7.5%	172	7.6%	8.1%
\$100,000-124,999	183	8.6%	182	8.2%	182	8.0%	-0.7%
\$125,000-149,999	57	2.7%	71	3.2%	80	3.5%	29.5%
\$150,000-199,999	27	1.3%	35	1.6%	41	1.8%	34.3%
\$200,000+	84	4.0%	111	5.0%	128	5.7%	34.2%
Total	2,132	100.0%	2,212	100.0%	2,265	100.0%	5.9%

Households by Tenure Projected Mkt Entry July 2019		
	Number	Percentage
Renter	2,212	28.0%
Owner	5,696	72.0%
Total	7,908	100.0%

Renter Household Size for Projected Mkt Entry July 2019		
Size	Number	Percentage
1	1,469	66.39%
2	449	20.28%
3	116	5.24%
4	102	4.61%
5+	77	3.48%
Total	2,212	100%

50% AMI Demand

Tenure Prj Mrkt Entry July 2019	
Renter	28.0%
Owner	72.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	1,469	66.4%
2 Person	449	20.3%
3 Person	116	5.2%
4 Person	102	4.6%
5+ Person	77	3.5%
Total	2,212	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,618	37.0%
2 Person	1,139	26.1%
3 Person	732	16.7%
4 Person	498	11.4%
5+ Person	384	8.8%
Total	4,372	100.0%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		50%	
Minimum Income Limit		\$16,590	
Maximum Income Limit		\$23,600	3
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019	Income Brackets	Renter Households within Bracket
\$0-9,999	10.03		0
\$10,000-19,999	14.12	3,409	5
\$20,000-29,999	14.06	3,600	5
\$30,000-39,999	7.78		0
\$40,000-49,999	6.65		0
\$50,000-59,999	4.01		0
\$60,000-74,999	2.79		0
\$75,000-99,999	6.02		0
\$100,000-124,999	6.57		0
\$125,000-149,999	2.56		0
\$150,000-199,999	1.27		0
\$200,000+	4.00		0
	80		10
Percent of renter households within limits versus total number of renter households			12.37%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		50%	
Minimum Income Limit		\$16,590	
Maximum Income Limit		\$23,600	3
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2019	Income Brackets	Households within Bracket
\$0-9,999	278		0
\$10,000-19,999	391	\$3,409	133
\$20,000-29,999	389	\$3,600	140
\$30,000-39,999	215		0
\$40,000-49,999	184		0
\$50,000-59,999	111		0
\$60,000-74,999	77		0
\$75,000-99,999	167		0
\$100,000-124,999	182		0
\$125,000-149,999	71		0
\$150,000-199,999	35		0
\$200,000+	111		0
	2,212		274
Percent of renter households within limits versus total number of renter households			12.37%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No	
Senior	
Urban	
40%	
\$34,938	
\$41,124	
\$6,186	
17.7%	
3.0%	
3.0%	Two year adjustment
\$23,600	1.0000
\$23,600	
3	
50%	
\$553	
\$553.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	25%	75%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		50%
New Renter Households PMA		80
Percent Income Qualified		12.4%
New Renter Income Qualified Households		10

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand from Rent Overburdened Households		
Income Target Population		50%
Total Existing Demand		2,212
Income Qualified		12.4%
Income Qualified Renter Households		274
Percent Rent Overburdened Prj Mrkt Entry July 2019		39.0%
Rent Overburdened Households		107

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		274
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		1

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		50%
Total Senior Homeowners		5696
Rural Versus Urban	0.5%	
Senior Demand Converting from Homeownership		29

Total Demand

Total Demand from Existing Households		136
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		136
Total New Demand		10
Total Demand (New Plus Existing Households)		146

Demand from Seniors Who Convert from Homeownership		29
Percent of Total Demand From Homeownership Conversion		19.9%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	66.4%	97
Two Persons	20.3%	30
Three Persons	5.2%	8
Total	100.0%	134

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	25%	24
Of two-person households in 1BR units	20%	6
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	75%	73
Of two-person households in 2BR units	80%	24
Of three-person households in 2BR units	60%	5
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		131
Check		OK

Total Demand by Bedroom

1 BR	30
2 BR	96
Total Demand	127

Additions To Supply 2016 to Prj Mrkt Entry July 2019

1 BR	0
2 BR	8
Total	8

Net Demand

1 BR	30
2 BR	88
Total	119

Net Demand

1 BR	30
2 BR	88
Total	119

Developer's Unit Mix

1 BR	1
2 BR	9
Total	10

Capture Rate Analysis

1 BR	3.3%
2 BR	10.2%
Total	8.4%

60% AMI Demand

Tenure Prj Mrkt Entry July 2019	
Renter	28.0%
Owner	72.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	1,469	66.4%
2 Person	449	20.3%
3 Person	116	5.2%
4 Person	102	4.6%
5+ Person	77	3.5%
Total	2,212	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,618	37.0%
2 Person	1,139	26.1%
3 Person	732	16.7%
4 Person	498	11.4%
5+ Person	384	8.8%
Total	4,372	100.0%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%	
Minimum Income Limit		\$19,890	
Maximum Income Limit		\$28,320	3
	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019		Renter Households within Bracket
Income Category		Income Brackets	Percent within Cohort
\$0-9,999	10.03		0.0%
\$10,000-19,999	14.12	\$109	1.1%
\$20,000-29,999	14.06	\$8,320	83.2%
\$30,000-39,999	7.78		0.0%
\$40,000-49,999	6.65		0.0%
\$50,000-59,999	4.01		0.0%
\$60,000-74,999	2.79		0.0%
\$75,000-99,999	6.02		0.0%
\$100,000-124,999	6.57		0.0%
\$125,000-149,999	2.56		0.0%
\$150,000-199,999	1.27		0.0%
\$200,000+	4.00		0.0%
	80		100.0%
Percent of renter households within limits versus total number of renter households			14.84%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		60%	
Minimum Income Limit		\$19,890	
Maximum Income Limit		\$28,320	3
	Total Renter Households PMA Prj Mrkt Entry July 2019		Households within Bracket
Income Category		Income Brackets	Percent within Cohort
\$0-9,999	278		0.0%
\$10,000-19,999	391	\$109	1.1%
\$20,000-29,999	389	\$8,320	83.2%
\$30,000-39,999	215		0.0%
\$40,000-49,999	184		0.0%
\$50,000-59,999	111		0.0%
\$60,000-74,999	77		0.0%
\$75,000-99,999	167		0.0%
\$100,000-124,999	182		0.0%
\$125,000-149,999	71		0.0%
\$150,000-199,999	35		0.0%
\$200,000+	111		0.0%
	2,212		100.0%
Percent of renter households within limits versus total number of renter households			14.84%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$34,938		
\$41,124		
\$6,186		
17.7%		
3.0%		
3.0%	Two year adjustment	1.0000
\$28,320		
\$28,320		
\$3		
60%		
\$663		
\$663.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	25%	75%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

Income Target Population		60%
New Renter Households PMA		80
Percent Income Qualified		14.8%
New Renter Income Qualified Households		12

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand from Rent Overburdened Households		
Income Target Population		60%
Total Existing Demand		2,212
Income Qualified		14.8%
Income Qualified Renter Households		328
Percent Rent Overburdened Prj Mrkt Entry July 2019		39.0%
Rent Overburdened Households		128

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households		328
Percent Living in Substandard Housing		0.2%
Households Living in Substandard Housing		1

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		5,696
Rural Versus Urban	0.5%	
Senior Demand Converting from Homeownership		29

Total Demand

Total Demand from Existing Households		158
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		158
Total New Demand		12
Total Demand (New Plus Existing Households)		170

Demand from Seniors Who Convert from Homeownership		29
Percent of Total Demand From Homeownership Conversion		17.1%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	66.4%	113
Two Persons	20.3%	34
Three Persons	5.2%	9
Four Persons	4.6%	0
Five Persons	3.5%	0
Total	100.0%	156

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	25%	28
Of two-person households in 1BR units	20%	7
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	75%	85
Of two-person households in 2BR units	80%	28
Of three-person households in 2BR units	60%	5
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0

Total Demand	153
Check	OK

Total Demand by Bedroom 60%

1 BR	35
2 BR	112
Total Demand	147

Additions To Supply 2016 to Prj Mrkt Entry July 2019 60%

1 BR	0
2 BR	8
Total	8

Net Demand 60%

1 BR	35
2 BR	104
Total	139

Net Demand 60%

1 BR	35
2 BR	104
Total	139

Developer's Unit Mix 60%

1 BR	4
2 BR	30
Total	34

Capture Rate Analysis 60%

1 BR	11.4%
2 BR	28.8%
Total	24.4%

Market Demand

Tenure Prj Mrkt Entry July 2019	
Renter	28.0%
Owner	72.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	1,469	66.4%
2 Person	449	20.3%
3 Person	116	5.2%
4 Person	102	4.6%
5+ Person	77	3.5%
Total	2,212	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,618	37.0%
2 Person	1,139	26.1%
3 Person	732	16.7%
4 Person	498	11.4%
5+ Person	384	8.8%
Total	4,372	100.0%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		Market-rate		
Minimum Income Limit		\$20,130		
Maximum Income Limit		\$60,000	3	
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	10.03		0.0%	0
\$10,000-19,999	14.12		0.0%	0
\$20,000-29,999	14.06	\$9,869	98.7%	14
\$30,000-39,999	7.78	\$9,999	100.0%	8
\$40,000-49,999	6.65	\$9,999	100.0%	7
\$50,000-59,999	4.01	\$10,000	100.0%	4
\$60,000-74,999	2.79		0.0%	0
\$75,000-99,999	6.02		0.0%	0
\$100,000-124,999	6.57		0.0%	0
\$125,000-149,999	2.56		0.0%	0
\$150,000-199,999	1.27		0.0%	0
\$200,000+	4.00		0.0%	0
	80			32
Percent of renter households within limits versus total number of renter households				40.47%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		Market-rate		
Minimum Income Limit		\$20,130		
Maximum Income Limit		\$60,000	3	
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	278		0.0%	0
\$10,000-19,999	391		0.0%	0
\$20,000-29,999	389	\$9,869	98.7%	384
\$30,000-39,999	215	\$9,999	100.0%	215
\$40,000-49,999	184	\$9,999	100.0%	184
\$50,000-59,999	111	\$10,000	100.0%	111
\$60,000-74,999	77		0.0%	0
\$75,000-99,999	167		0.0%	0
\$100,000-124,999	182		0.0%	0
\$125,000-149,999	71		0.0%	0
\$150,000-199,999	35		0.0%	0
\$200,000+	111		0.0%	0
	2,212			895
Percent of renter households within limits versus total number of renter households				40.47%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
	40%	
	\$34,938	
	\$41,124	
	\$6,186	
	17.7%	
	3.0%	
	3.0%	Two year adjustment
	\$60,000	1.0000
	\$60,000	
	3	
	Market-rate	
	\$671	
	\$671.00	

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	25%	75%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

	Market-rate
Income Target Population	
New Renter Households PMA	80
Percent Income Qualified	40.3%
New Renter Income Qualified Households	32

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand from Rent Overburdened Households

	Market-rate
Income Target Population	
Total Existing Demand	2,212
Income Qualified	40.3%
Income Qualified Renter Households	892
Percent Rent Overburdened Prj Mrkt Entry July 2019	39.0%
Rent Overburdened Households	348

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	892
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	2

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

	Market-rate
Income Target Population	
Total Senior Homeowners	5,696
Rural Versus Urban	0.5%
Senior Demand Converting from Homeownership	29

Total Demand

Total Demand from Existing Households		379
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		379
Total New Demand		32
Total Demand (New Plus Existing Households)		411

Demand from Seniors Who Convert from Homeownership	29
Percent of Total Demand From Homeownership Conversion	7.1%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	66.4%	273
Two Persons	20.3%	83
Three Persons	5.2%	22
Total	100.0%	378

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	25%	68
Of two-person households in 1BR units	20%	17
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	75%	205
Of two-person households in 2BR units	80%	67
Of three-person households in 2BR units	60%	13
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		369
Check		OK

Total Demand by Bedroom	Market-rate
1 BR	85
2 BR	271
Total Demand	356

Additions To Supply 2016 to Prj Mrkt Entry July 2019	Market-rate
1 BR	0
2 BR	0
Total	0

Net Demand	Market-rate
1 BR	85
2 BR	271
Total	356

Net Demand	Market-rate
1 BR	85
2 BR	271
Total	356

Developer's Unit Mix	Market-rate
1 BR	2
2 BR	3
Total	5

Capture Rate Analysis	Market-rate
1 BR	2.4%
2 BR	1.1%
Total	1.4%

Overall Demand

Tenure Prj Mrkt Entry July 2019	
Renter	28.0%
Owner	72.0%
Total	100.0%

Renter Household Size for Prj Mrkt Entry July 2019		
Size	Number	Percentage
1 Person	1,469	66.4%
2 Person	449	20.3%
3 Person	116	5.2%
4 Person	102	4.6%
5+ Person	77	3.5%
Total	2,212	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	1,618	37.0%
2 Person	1,139	26.1%
3 Person	732	16.7%
4 Person	498	11.4%
5+ Person	384	8.8%
Total	4,372	100.0%

Calculation of New Renter Household Demand by Income Cohort by % of AMI

Percent of AMI Level		Overall		
Minimum Income Limit		\$16,590		
Maximum Income Limit		\$28,320		3
Income Category	New Renter Households - Total Change in Households PMA 2016 to Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	10.03		0.0%	0
\$10,000-19,999	14.12	\$3,409	34.1%	5
\$20,000-29,999	14.06	\$8,320	83.2%	12
\$30,000-39,999	7.78		0.0%	0
\$40,000-49,999	6.65		0.0%	0
\$50,000-59,999	4.01		0.0%	0
\$60,000-74,999	2.79		0.0%	0
\$75,000-99,999	6.02		0.0%	0
\$100,000-124,999	6.57		0.0%	0
\$125,000-149,999	2.56		0.0%	0
\$150,000-199,999	1.27		0.0%	0
\$200,000+	4.00		0.0%	0
	80			17
				100.0%
Percent of renter households within limits versus total number of renter households				20.67%

Calculation of Potential Household Demand by Income Cohort by % of AMI

Percent of AMI Level		Overall		
Minimum Income Limit		\$16,590		
Maximum Income Limit		\$28,320		3
Income Category	Total Renter Households PMA Prj Mrkt Entry July 2019	Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	278		0.0%	0
\$10,000-19,999	391	\$3,409	34.1%	133
\$20,000-29,999	389	\$8,320	83.2%	324
\$30,000-39,999	215		0.0%	0
\$40,000-49,999	184		0.0%	0
\$50,000-59,999	111		0.0%	0
\$60,000-74,999	77		0.0%	0
\$75,000-99,999	167		0.0%	0
\$100,000-124,999	182		0.0%	0
\$125,000-149,999	71		0.0%	0
\$150,000-199,999	35		0.0%	0
\$200,000+	111		0.0%	0
	2,212			457
				100.0%
Percent of renter households within limits versus total number of renter households				20.67%

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2016 Median Income

Change from 2016 to Prj Mrkt Entry July 2019

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

No		
Senior		
Urban		
40%		
\$34,938		
\$41,124		
\$6,186		
17.7%		
3.0%		
3.0%	Two year adjustment	1.0000
\$28,320		
\$28,320		
3		
Overall		
\$553		
\$553.00		

Persons in Household	OBR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	25%	75%	0%	0%	0%	100%
2	0%	20%	80%	0%	0%	0%	100%
3	0%	0%	60%	40%	0%	0%	100%
4	0%	0%	0%	80%	20%	0%	100%
5+	0%	0%	0%	70%	30%	0%	100%

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2016 to Prj Mrkt Entry July 2019

	Overall
Income Target Population	
New Renter Households PMA	80
Percent Income Qualified	20.7%
New Renter Income Qualified Households	17

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2016

Demand from Rent Overburdened Households	
	Overall
Income Target Population	
Total Existing Demand	2,212
Income Qualified	20.7%
Income Qualified Renter Households	457
Percent Rent Overburdened Prj Mrkt Entry July 2019	39.0%
Rent Overburdened Households	178

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

Income Qualified Renter Households	457
Percent Living in Substandard Housing	0.2%
Households Living in Substandard Housing	1

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	5696
Rural Versus Urban	0.5%
Senior Demand Converting from Homeownership	29

Total Demand

Total Demand from Existing Households		209
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		209
Total New Demand		17
Total Demand (New Plus Existing Households)		225

Demand from Seniors Who Convert from Homeownership	29
Percent of Total Demand From Homeownership Conversion	12.9%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	66.4%	149
Two Persons	20.3%	46
Three Persons	5.2%	12
Total	100.0%	207

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	25%	37
Of two-person households in 1BR units	20%	9
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	75%	112
Of two-person households in 2BR units	80%	37
Of three-person households in 2BR units	60%	7
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Total Demand		202
Check		OK

Total Demand by Bedroom	Overall
1 BR	46
2 BR	149
Total Demand	195

Additions To Supply 2016 to Prj Mrkt Entry July 2019	Overall
1 BR	0
2 BR	16
Total	16

Net Demand	Overall
1 BR	46
2 BR	133
Total	179

Net Demand	Overall
1 BR	46
2 BR	133
Total	179

Developer's Unit Mix	Overall
1 BR	5
2 BR	39
Total	44

Capture Rate Analysis	Overall
1 BR	10.8%
2 BR	29.4%
Total	24.6%

Conclusions

One factor that affects the indicated capture rates is detailed as follows:

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from the areas of central South Carolina outside the PMA. Therefore, we conservatively estimate that approximately 20 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

The following tables summarize the demand and net demand for the Subject.

Demand and Net Demand

	HH at Market (\$20,130 to \$60,000)	HH at 50% AMI (\$16,590 to \$23,600)	HH at 60% AMI (\$19,890 to \$28,320)	All LIHTC Households (\$16,590 to \$28,320)
Demand from New Households (age and income appropriate)	32	10	12	17
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	1	1	1
PLUS	+	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	348	107	128	178
=				
Sub Total	382	117	141	196
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicatble)	29	29	29	29
Equals Total Demand	411	146	170	225
Less	-	-	-	-
New Supply	0	8	8	16
Equals Net Demand	411	138	162	209

Note that the above *Demand and Net Demand* estimates include all income-eligible renter households. These estimates are then adjusted to reflect only the size-appropriate households by bedroom type in the following *Capture Rate Analysis*.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand*	Supply	Net Demand	Units Proposed	Capture Rate
1BR at 50% AMI	30	0	30	1	3.3%
1BR at 60% AMI	35	0	35	4	11.4%
1BR unrestricted	85	0	85	2	2.4%
2BR at 50% AMI	96	8	88	9	10.2%
2BR at 60% AMI	112	8	104	30	28.8%
2BR unrestricted	271	0	271	3	1.1%
Overall at 50% AMI	127	8	119	10	8.4%
Overall at 60% AMI	147	8	139	34	24.4%
Overall unrestricted	356	0	356	5	1.4%
Overall	195	16	179	44	24.6%

*Note the demand totals have been refined to include only size-appropriate households.

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 28.8 percent with an overall capture rate of 24.6 percent. The Subject’s overall capture rates are all well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

The newest LIHTC property in the PMA, Longleaf Senior Village Phase I, opened in 2015 and is a senior project offering one and two-bedroom units at 50 and 60 percent AMI. Management at this property reported that all 50 units were absorbed within one month of the first unit’s delivery. Meadow Brook Acres Apartments, a family LIHTC property in Aiken, reported a similar absorption rate of 48 units per month when it opened in 2011. These are good lease-up rates for LIHTC apartments, and we believe the Subject should be able to achieve an absorption rate similar to these other LIHTC properties. The LIHTC comparables within the PMA report no vacancies, and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good capture rates and an ample number of age and income-qualified households, we believe the Subject could absorb approximately 45 units per month upon opening. This equals an absorption period of approximately one to two months.

G. SUPPLY ANALYSIS

SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. We surveyed many properties that we chose not to use in the survey because they were not as comparable to the Subject as others that were selected.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Subsidized properties were excluded due to differing rent structures from the Subject without a subsidy.

The following table illustrates the excluded properties and the vacancy rates, where they were available, for the excluded properties.

EXCLUDED PROPERTIES

Name	City	Program	Tenancy	Reason for Exclusion	No. of Units	2017 Vacancy Rate
Dupont Landing	Aiken	LIHTC	Family	Unit mix is not comparable	44	0.0%
Cushman Arms Apartments	Aiken	LIHTC	Family	Unit mix is not comparable	31	0.0%
Oxford Trace	Aiken	LIHTC	Family	Could not contact	29	N/A
Glendale Terrace Apartments	Aiken	LIHTC	Family	Could not contact	60	N/A
Crosland Apartments	Aiken	Section 8	Family	Subsidized rents	56	0.0%
Northgate Apartments	Aiken	Section 8	Family	Subsidized rents	20	0.0%
Windham House	Aiken	Section 8	Family	Subsidized rents	47	0.0%
Villages at Horse Creek Apartments	Gloverville	Section 8	Senior	Subsidized rents	36	0.0%
Colony Woods Apartments	Aiken	Market	Family	Unit mix is not comparable	34	0.0%
Grand Oaks	Aiken	Market	Family	Could not contact	32	N/A
Trotters Run	Aiken	Market	Family	Closer comparables	96	1.0%
The Summits	Aiken	Market	Family	Closer comparables	120	2.5%
Verandas On The Green	Aiken	Market	Family	Closer comparables	222	0.9%
Total LIHTC Only					164	0.0%
Total Assisted*					159	0.0%
Total All Affordable*					323	0.0%

*Vacancy rates calculated using only properties reporting vacancy information

N/A - not available

LIHTC Competition

Longleaf Senior Village Phase I is the sister property of the Subject. Longleaf Senior Village Phase I opened in 2015 and is located on a parcel adjacent to the Subject property. This project includes 50 one and two-bedroom units targeting senior households earning 50 and 60 percent of AMI. As the nearest and best comparable, we expect Longleaf Senior Village Phase I to compete with the Subject for senior renter households.

Palmetto Crossing is a family LIHTC project allocated in 2016 located 4.7 miles south of the Subject on Owens Street. This project will include 48 two, three, and four-bedroom units targeting family renter households with incomes of up to 60 percent AMI. The new construction project is expected to open in 2018. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis.

Pipeline Construction

As mentioned previously, Palmetto Crossing is a planned family LIHTC project in Aiken County. This project is expected to be completed in 2017. In total, this project will feature 48 two, three, and four-bedroom units targeting families earning up to 60 percent AMI. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis. There are no other new developments in the construction pipeline within the PMA based on our interviews with planning or community development departments in Aiken County.

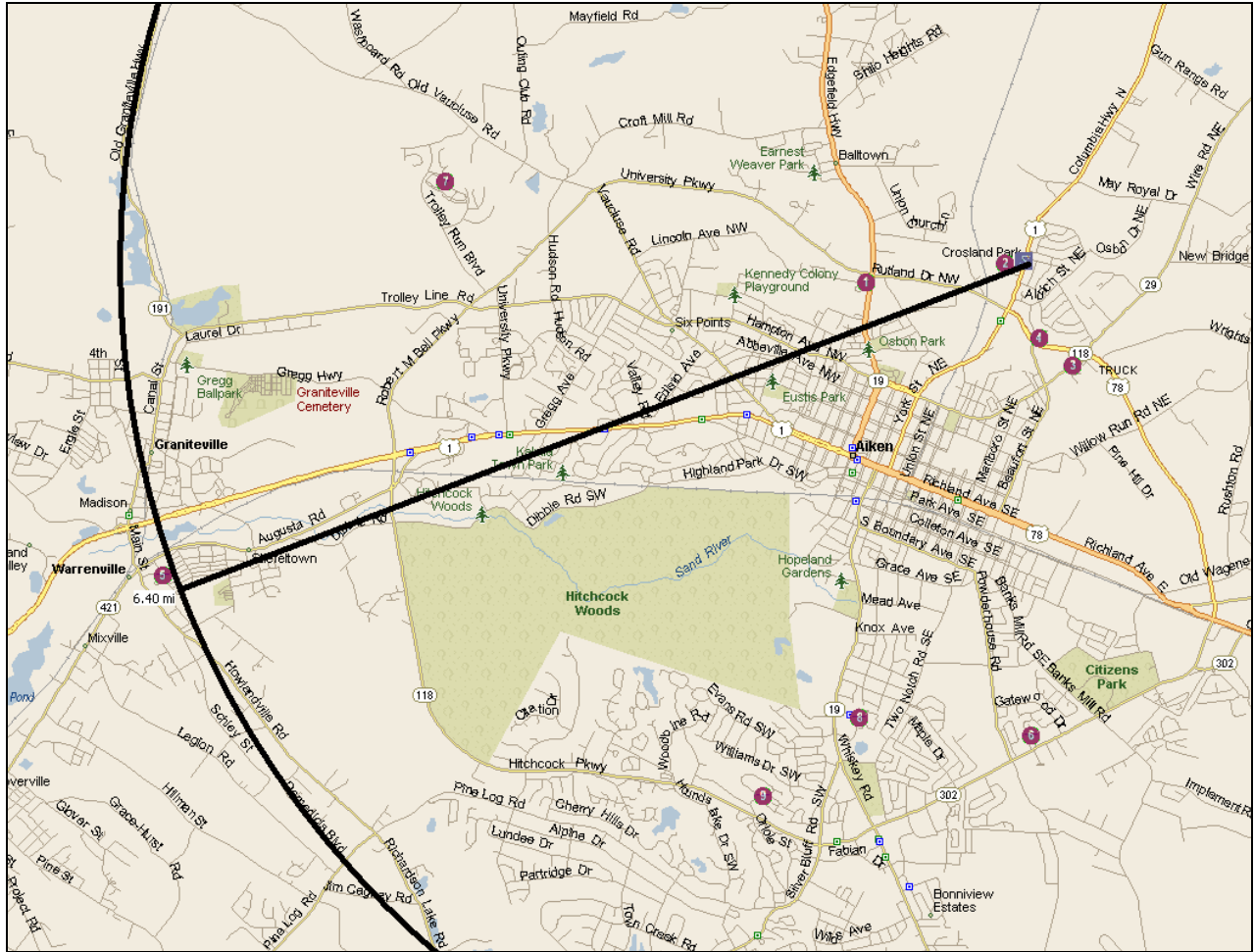
Comparable Properties

Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes nine comparable properties containing 1,004 units.

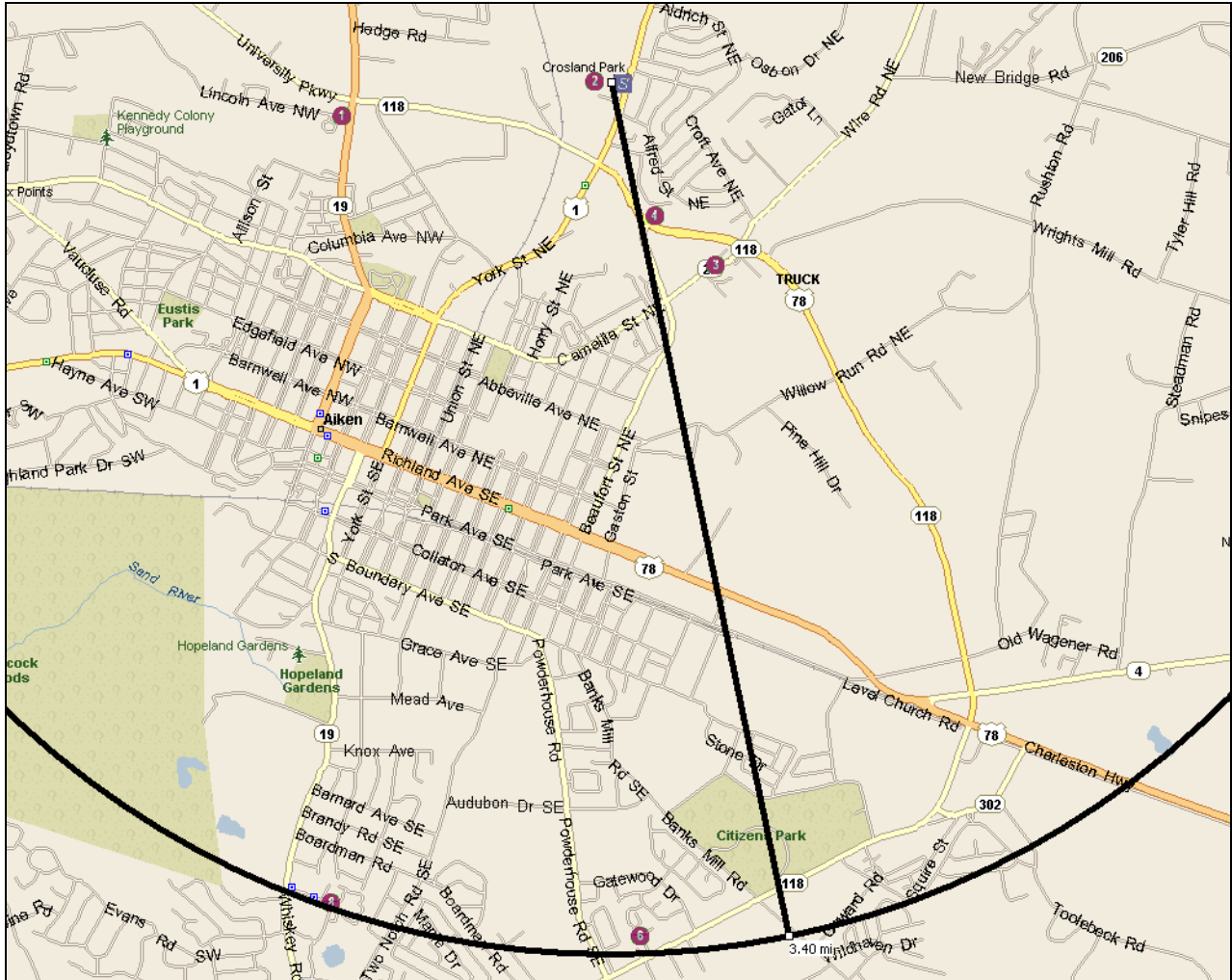
The availability of senior LIHTC data in the PMA and specifically in the City of Aiken area was limited and, therefore, we extended our search for comparable LIHTC properties into Aiken County. Of the LIHTC comparables, four are within City of Aiken city limits, while the remaining senior LIHTC comparable is located within 6.3 miles of the Subject site in Warrentonville in Aiken County. Note that since the Subject will offer no rental assistance, we have excluded subsidized or Rural Development properties from the analysis of “true” comparables. Market data available for market rate apartments in the PMA is considered average. We were able to identify four market rate properties from within the PMA in Aiken as comparables.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A *Comparable Properties Map*, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Comparable Rental Property Map – General



Comparable Rental Property Map - Detailed



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Glen Arbor Apartments	Aiken	Family	@60%	1.1
2	Longleaf Senior Village Phase I	Aiken	Senior	@50%, @60%	0.1
3	Meadow Brook Acres Apartments	Aiken	Family	@50%, @60%	0.8
4	Olde South Terrace	Aiken	Family	@50%, @60%	0.6
5	Village Senior Apartments	Warrenville	Senior	@50%, @60%	6.7
6	Gatewood Apartments	Aiken	Family	Market	4.9
7	Haven At Market Street Station	Aiken	Family	Market	4.1
8	The Colony At South Park	Aiken	Family	Market	3.4
9	Woodwinds Apartment Homes	Aiken	Family	Market	4.3

The following tables illustrate unit mix by bedroom type and income level, square footage by bedroom type, year built, common area and in-unit amenities, rent per square foot, monthly rents and utilities included, and vacancy information for the comparable properties and the Subject in a comparative framework.

Longleaf Senior Village Phase II – Aiken, SC – Market Study

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Longleaf Senior Village Phase II 205 Bushwillow Circle Aiken, SC 29801 Aiken County	n/a	Lowrise (age-restricted) (3 stories) Proposed 2019	@50%, @60%, Market	1BR / 1BA	1	2.0%	@50%	\$414	750	yes		N/A	N/A
					1BR / 1BA	4	8.2%	@60%	\$524	750	no		N/A	N/A
					1BR / 1BA	2	4.1%	Market	\$674	750	n/a		N/A	N/A
					2BR / 2BA	9	18.4%	@50%	\$479	950	yes		N/A	N/A
					2BR / 2BA	30	61.2%	@60%	\$594	950	no		N/A	N/A
					2BR / 2BA	3	6.1%	Market	\$744	950	n/a		N/A	N/A
					49	100.0%							N/A	N/A
1	Glen Arbor Apartments 515 Lincoln Ave Aiken, SC 29801 Aiken County	1.1 miles	Garden (2 stories) 2002 / n/a	@60%	2BR / 1BA	40	71.4%	@60%	\$474	908	no	No	N/A	N/A
					3BR / 2BA	16	28.6%	@60%	\$539	1,053	no	Yes	0	0.0%
					56	100.0%						0	0.0%	
2	Longleaf Senior Village Phase I 205 Bushwillow Circle Aiken, SC 29801 Aiken County	0.1 miles	Garden (age-restricted) 2015 / n/a	@50%, @60%	1BR / 1BA	1	2.0%	@50%	\$332	850	no	Yes	0	0.0%
					1BR / 1BA	5	10.0%	@60%	\$362	850	no	Yes	0	0.0%
					2BR / 2BA	12	24.0%	@50%	\$392	1,100	no	Yes	0	0.0%
					2BR / 2BA	32	64.0%	@60%	\$450	1,100	no	Yes	0	0.0%
					50	100.0%						0	0.0%	
3	Meadow Brook Acres Apartments 111 Wire Rd Aiken, SC 29801 Aiken County	0.8 miles	Garden (2 stories) 2011 / n/a	@50%, @60%	2BR / 2BA	8	16.7%	@50%	\$440	1,100	no	Yes	N/A	N/A
					2BR / 2BA	24	50.0%	@60%	\$480	1,100	no	Yes	N/A	N/A
					3BR / 2BA	4	8.3%	@50%	\$490	1,300	no	Yes	N/A	N/A
					3BR / 2BA	12	25.0%	@60%	\$545	1,300	no	Yes	N/A	N/A
					48	100.0%						0	0.0%	
4	Olde South Terrace 1000 Twilight Lane Aiken, SC 29801 Aiken County	0.6 miles	Garden (3 stories) 2010 / n/a	@50%, @60%	2BR / 2BA	8	16.7%	@50%	\$440	1,100	no	Yes	0	0.0%
					2BR / 2BA	24	50.0%	@60%	\$480	1,100	no	Yes	0	0.0%
					3BR / 2BA	4	8.3%	@50%	\$490	1,300	no	Yes	0	0.0%
					3BR / 2BA	12	25.0%	@60%	\$545	1,300	no	Yes	0	0.0%
					48	100.0%						0	0.0%	
5	Village Senior Apartments 115 Timmerman Street Warrenville, SC 29851 Aiken County	6.7 miles	Garden (age-restricted) (3 stories) 2000 / n/a	@50%, @60%	1BR / 1BA	24	33.3%	@50%	\$436	600	yes	Yes	0	0.0%
					2BR / 1BA	4	5.6%	@50%	\$508	850	yes	Yes	0	0.0%
					2BR / 1BA	27	37.5%	@50%	\$494	850	yes	Yes	3	11.1%
					2BR / 1BA	4	5.6%	@60%	\$599	850	yes	Yes	0	0.0%
					2BR / 1BA	13	18.1%	@60%	\$584	850	yes	Yes	0	0.0%
					72	100.0%						3	4.2%	
6	Gatewood Apartments 303 Pebble Lane Aiken, SC 29801 Aiken County	4.9 miles	Garden (2 stories) 1984 / n/a	Market	2BR / 1.5BA	28	20.9%	Market	\$822	975	n/a	No	1	3.6%
					2BR / 1.5BA	76	56.7%	Market	\$853	1,053	n/a	No	3	3.9%
					3BR / 2BA	30	22.4%	Market	\$979	1,125	n/a	No	1	3.3%
					134	100.0%						5	3.7%	
					7	100.0%						22	7.7%	
7	Haven At Market Street Station 8034 Macbean Loop Aiken, SC 29801 Aiken County	4.1 miles	Garden (3 stories) 2008 / n/a	Market	1BR / 1BA	68	23.9%	Market	\$783	770	n/a	None	N/A	N/A
					1.5BR / 1BA	50	17.6%	Market	\$883	998	n/a	None	N/A	N/A
					2BR / 2BA	142	50.0%	Market	\$900	1,150	n/a	None	N/A	N/A
					3BR / 2BA	24	8.5%	Market	\$1,179	1,292	n/a	None	N/A	N/A
					284	100.0%						22	7.7%	
8	The Colony At South Park 101 Greengate Circle Aiken, SC 29803 Aiken County	3.4 miles	Garden (2 stories) 1989 / n/a	Market	1BR / 1BA	N/A	N/A	Market	\$860	750	n/a	No	0	N/A
					1BR / 1BA	45	26.8%	Market	\$840	750	n/a	No	0	0.0%
					2BR / 2BA	N/A	N/A	Market	\$950	950	n/a	No	0	N/A
					2BR / 2BA	78	46.4%	Market	\$900	950	n/a	No	0	0.0%
					3BR / 2BA	N/A	N/A	Market	\$1,015	1,150	n/a	No	0	N/A
					3BR / 2BA	45	26.8%	Market	\$1,000	1,150	n/a	No	7	15.6%
168	100.0%						7	4.2%						
9	Woodwinds Apartment Homes 100 Cody Lane Aiken, SC 29803 Aiken County	4.3 miles	Various (2 stories) 1989 / n/a	Market	R / 2BA (Garden)	72	50.0%	Market	\$875	1,074	n/a	Yes	0	0.0%
					2.5BA (Townhome)	20	13.9%	Market	\$925	1,157	n/a	Yes	0	0.0%
					R / 2BA (Garden)	24	16.7%	Market	\$975	1,236	n/a	Yes	0	0.0%
					/ 2BA (Townhome)	28	19.4%	Market	\$975	1,252	n/a	Yes	0	0.0%
					144	100.0%						0	0.0%	

Longleaf Senior Village Phase II – Aiken, SC – Market Study

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	1,004.00	Weighted Occupancy:	96.3%
	Market Rate	730	Market Rate	95.3%
	Tax Credit	274	Tax Credit	98.9%
One Bedroom One Bath		Two Bedrooms Two Bath		
RENT	Property	Average	Property	Average
	The Colony At South Park	\$860	The Colony At South Park	\$950
	The Colony At South Park	\$840	Haven At Market Street Station	\$900
	Haven At Market Street Station	\$783	The Colony At South Park	\$900
	Longleaf Senior Village Phase II * (M)	\$674	Woodwinds Apartment Homes	\$875
	Longleaf Senior Village Phase II * (60%)	\$524	Gatewood Apartments (2.5BA)	\$853
	Village Senior Apartments * (50%)	\$436	Longleaf Senior Village Phase II * (M)	\$744
	Longleaf Senior Village Phase II * (50%)	\$414	Village Senior Apartments * (1BA 60%)	\$599
	Longleaf Senior Village Phase I * (60%)	\$362	Longleaf Senior Village Phase II * (60%)	\$594
	Longleaf Senior Village Phase I * (50%)	\$332	Village Senior Apartments * (1BA 60%)	\$584
			Village Senior Apartments * (1BA 50%)	\$508
			Village Senior Apartments * (1BA 50%)	\$494
			Meadow Brook Acres Apartments * (60%)	\$480
			Olde South Terrace * (60%)	\$480
			Longleaf Senior Village Phase II * (50%)	\$479
			Glen Arbor Apartments * (1BA 60%)	\$474
			Longleaf Senior Village Phase I * (60%)	\$450
			Meadow Brook Acres Apartments * (50%)	\$440
			Olde South Terrace * (50%)	\$440
			Longleaf Senior Village Phase I * (50%)	\$392
SQUARE FOOTAGE				
	Longleaf Senior Village Phase I * (50%)	850	Haven At Market Street Station	1,150
	Longleaf Senior Village Phase I * (60%)	850	Longleaf Senior Village Phase I * (50%)	1,100
	Haven At Market Street Station	770	Longleaf Senior Village Phase I * (60%)	1,100
	Longleaf Senior Village Phase II * (50%)	750	Meadow Brook Acres Apartments * (50%)	1,100
	Longleaf Senior Village Phase II * (60%)	750	Meadow Brook Acres Apartments * (60%)	1,100
	Longleaf Senior Village Phase II * (M)	750	Olde South Terrace * (50%)	1,100
	The Colony At South Park	750	Olde South Terrace * (60%)	1,100
	The Colony At South Park	750	Woodwinds Apartment Homes	1,074
	Village Senior Apartments * (50%)	600	Gatewood Apartments (2.5BA)	1,053
			Longleaf Senior Village Phase II * (50%)	950
			Longleaf Senior Village Phase II * (60%)	950
			Longleaf Senior Village Phase II * (M)	950
			The Colony At South Park	950
			The Colony At South Park	950
			Glen Arbor Apartments * (1BA 60%)	908
			Village Senior Apartments * (1BA 50%)	850
			Village Senior Apartments * (1BA 50%)	850
			Village Senior Apartments * (1BA 60%)	850
			Village Senior Apartments * (1BA 60%)	850
RENT PER SQUARE FOOT				
	The Colony At South Park	\$1.15	The Colony At South Park	\$1.00
	The Colony At South Park	\$1.12	The Colony At South Park	\$0.95
	Haven At Market Street Station	\$1.02	Woodwinds Apartment Homes	\$0.81
	Longleaf Senior Village Phase II * (M)	\$0.90	Gatewood Apartments (2.5BA)	\$0.81
	Village Senior Apartments * (50%)	\$0.73	Longleaf Senior Village Phase II * (M)	\$0.78
	Longleaf Senior Village Phase II * (60%)	\$0.70	Haven At Market Street Station	\$0.78
	Longleaf Senior Village Phase II * (50%)	\$0.55	Village Senior Apartments * (1BA 60%)	\$0.70
	Longleaf Senior Village Phase I * (60%)	\$0.43	Village Senior Apartments * (1BA 60%)	\$0.69
	Longleaf Senior Village Phase I * (50%)	\$0.39	Longleaf Senior Village Phase II * (60%)	\$0.63
			Village Senior Apartments * (1BA 50%)	\$0.60
			Village Senior Apartments * (1BA 50%)	\$0.58
			Glen Arbor Apartments * (1BA 60%)	\$0.52
			Longleaf Senior Village Phase II * (50%)	\$0.50
			Meadow Brook Acres Apartments * (60%)	\$0.44
			Olde South Terrace * (60%)	\$0.44
			Longleaf Senior Village Phase I * (60%)	\$0.41
			Meadow Brook Acres Apartments * (50%)	\$0.40
			Olde South Terrace * (50%)	\$0.40
			Longleaf Senior Village Phase I * (50%)	\$0.36

UNIT MATRIX REPORT

	Longleaf Senior Village Phase II	Glen Arbor Apartments	Longleaf Senior Village Phase I	Meadow Brook Acres Apartments	Olde South Terrace	Village Senior Apartments
Comp #	Subject	1	2	3	4	5
Property Information						
Property Type	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Garden (age-restricted)	Garden (2 stories)	Garden (3 stories)	Garden (age-restricted) (3 stories)
Year Built / Renovated	Proposed 2019	2002	2015	2011	2010	2000
Market (Conv.)/Subsidy Type	@50%, @60%, Market	@60%	@50%, @60%	@50%, @60%	@50%, @60%	@50%, @60%
Utility Adjustments						
Cooking	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no
Heat	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no
Water	no	yes	no	no	no	yes
Sewer	no	yes	no	no	no	yes
Trash Collection	yes	yes	yes	yes	yes	yes
In-Unit Amenities						
Balcony/Patio	no	yes	no	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes
Carpet/Hardwood	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	no	no	no
Dishwasher	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	yes	no
Ceiling Fan	yes	no	yes	no	yes	yes
Fireplace	no	no	no	no	no	no
Garbage Disposal	yes	yes	yes	yes	yes	yes
Hand Rails	yes	no	yes	no	no	no
Microwave	yes	yes	yes	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes
Pull Cords	yes	no	yes	no	no	no
Refrigerator	yes	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	yes	no	yes	yes
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes
Property Amenities						
Business Center/Computer Lab	yes	no	yes	yes	yes	no
Car Wash	no	no	no	no	no	no
Clubhouse/Meeting						
Room/Community Room	yes	yes	yes	yes	yes	yes
Elevators	yes	no	no	no	no	yes
Exercise Facility	yes	no	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	no	no	no	no
Playground	no	yes	no	yes	yes	no
Swimming Pool	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A
Security						
Limited Access	no	no	no	no	no	yes
Patrol	no	no	no	no	yes	no
Perimeter Fencing	no	no	yes	no	yes	yes
Other Amenities						
Other	Library, craft room	n/a	n/a	n/a	n/a	n/a

UNIT MATRIX REPORT

	Longleaf Senior Village Phase II	Gatewood Apartments	Haven At Market Street Station	The Colony At South Park	Woodwinds Apartment Homes
Comp #	Subject	6	7	8	9

Property Information

Property Type	Lowrise (age-restricted) (3 stories)	Garden (2 stories)	Garden (3 stories)	Garden (2 stories)	Various (2 stories)
Year Built / Renovated	Proposed 2019	1984	2008	1989	1989
Market (Conv.)/Subsidy Type	@50%, @60%, Market	Market	Market	Market	Market

Utility Adjustments

Cooking	no	no	no	no	no
Water Heat	no	no	no	no	no
Heat	no	no	no	no	no
Other Electric	no	no	no	no	no
Water	no	no	no	no	no
Sewer	no	no	no	no	no
Trash Collection	yes	yes	no	yes	yes

In-Unit Amenities

Balcony/Patio	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes
Carpet/Hardwood	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes
Coat Closet	yes	no	no	no	no
Dishwasher	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	yes
Ceiling Fan	yes	no	yes	yes	no
Fireplace	no	no	no	yes	no
Garbage Disposal	yes	yes	yes	yes	yes
Hand Rails	yes	no	no	no	no
Microwave	yes	no	no	no	yes
Oven	yes	yes	yes	yes	yes
Pull Cords	yes	no	no	no	no
Refrigerator	yes	yes	yes	yes	yes
Walk-In Closet	yes	no	yes	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes

Property Amenities

Business Center/Computer Lab	yes	yes	yes	yes	no
Car Wash	no	no	yes	yes	no
Clubhouse/Meeting Room/Community Room	yes	yes	yes	yes	yes
Elevators	yes	no	no	no	no
Exercise Facility	yes	no	yes	yes	no
Central Laundry	yes	no	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	yes	no
Playground	no	yes	yes	yes	yes
Swimming Pool	no	yes	yes	yes	yes
Garage Fee	N/A	N/A	\$75.00	N/A	N/A

Security

Limited Access	no	no	no	no	no
Patrol	no	no	no	yes	yes
Perimeter Fencing	no	yes	yes	no	no

Other Amenities

Other	Library, craft room	n/a	n/a	Trash Collection \$10/month; Dog Park	Dog park, outdoor grills
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PROPERTY PROFILE REPORT

Glen Arbor Apartments

Effective Rent Date 1/25/2017

Location 515 Lincoln Ave
Aiken, SC 29801
Aiken County
Intersection: Laurens Street NW

Distance 1.1 miles

Units 56

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2002 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Dupont Landing, Walton Court, Hollybrook

Tenant Characteristics 80 percent from Aiken, a few from North Augusta

Contact Name Marcia

Phone 803.648.6808



Market Information

Program @60%

Annual Turnover Rate 16%

Units/Month Absorbed N/A

HCV Tenants 16%

Leasing Pace Preleased to two weeks

Annual Chg. in Rent Increased 2.72 - 3.19 percent

Concession none

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	40	908	\$515	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	16	1,053	\$595	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$515	\$0	\$515	-\$41	\$474
3BR / 2BA	\$595	\$0	\$595	-\$56	\$539

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Dishwasher		
Microwave		
Refrigerator		
Blinds		
Central A/C		
Garbage Disposal		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Off-Street Parking		
Playground		
Central Laundry		
On-Site Management		

Glen Arbor Apartments, continued

Comments

The property maintains a waiting list, which currently has 10 households. However, the property manager stated that she pre-screens/pre-approves tenants before placing them on the list. Otherwise the waiting list would be much longer.

Glen Arbor Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q13	1Q15	1Q17
0.0%	3.6%	1.8%	0.0%

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$450	\$0	\$450	\$409
2013	3	2.5%	\$470	\$0	\$470	\$429
2015	1	2.5%	\$485	\$0	\$485	\$444
2017	1	N/A	\$515	\$0	\$515	\$474

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$530	\$0	\$530	\$474
2013	3	6.2%	\$550	\$0	\$550	\$494
2015	1	0.0%	\$565	\$0	\$565	\$509
2017	1	0.0%	\$595	\$0	\$595	\$539

Trend: Comments

1Q08 Contact did not have any further information.

3Q13 The property manager stated that there are currently two vacancies. There is no waiting list for either unit type, but the property manager said that it is not uncommon for there to be a short waiting list at any given time. She stated that it typically takes one or two weeks to rent a vacant unit if there is no waiting list to draw tenants from.

1Q15 The property manager stated there is currently one vacant two-bedroom. Rental rates increased \$15 on both units as of January 1, 2015.

1Q17 The property maintains a waiting list, which currently has 10 households. However, the property manager stated that she pre-screens/pre-approves tenants before placing them on the list. Otherwise the waiting list would be much longer.

Glen Arbor Apartments, continued

Photos



PROPERTY PROFILE REPORT

Longleaf Senior Village Phase I

Effective Rent Date 2/01/2017
Location 205 Bushwillow Circle
 Aiken, SC 29801
 Aiken County
 Intersection: York Street NE
Distance 0.1 miles
Units 50
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (age-restricted)
Year Built/Renovated 2015 / N/A
Marketing Began 1/01/2015
Leasing Began 5/29/2015
Last Unit Leased 6/29/2015
Major Competitors Glen Arbor Apartments, Northgate Apartments
Tenant Characteristics Seniors age 55 and older, average age 55
Contact Name Nona Weddan
Phone 803-648-1097



Market Information

Program @50%, @60%
Annual Turnover Rate 1%
Units/Month Absorbed 50
HCV Tenants 3%
Leasing Pace Within one week
Annual Chg. in Rent Increased three percent
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	1	850	\$332	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden	5	850	\$362	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden	12	1,100	\$392	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden	32	1,100	\$450	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$332	\$0	\$332	\$0	\$332	1BR / 1BA	\$362	\$0	\$362	\$0	\$362
2BR / 2BA	\$392	\$0	\$392	\$0	\$392	2BR / 2BA	\$450	\$0	\$450	\$0	\$450

Longleaf Senior Village Phase I, continued

Amenities

In-Unit

Blinds	Carpeting
Central A/C	Coat Closet
Dishwasher	Ceiling Fan
Garbage Disposal	Hand Rails
Microwave	Oven
Pull Cords	Refrigerator
Walk-In Closet	Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab	Clubhouse/Meeting
Exercise Facility	Central Laundry
Off-Street Parking	On-Site Management

Premium

None

Other

None

Comments

This property is the first phase of multi-phase senior development restricted to seniors 55 years old . The contact reported that Walmart, Shaw, AGY, and SRS are major employers for tenants who are working. The waiting list currently includes 201 households. The contact estimates the average age of tenants is 55 years old, and the average income is \$14,400 per year. She reports high demand for affordable senior housing in the area. According to the owner, rents are much lower than an achievable rent as the property was opened with low rents. The owner has been able to raise rents annually but those rent increases must be approved by the housing authority, which does not allow large increases. Thus, rents at the property lag achievable rents.

Photos



PROPERTY PROFILE REPORT

Meadow Brook Acres Apartments

Effective Rent Date 1/25/2017

Location 111 Wire Rd
Aiken, SC 29801
Aiken County
Intersection: Willis Hill Road

Distance 0.8 miles

Units 48

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2011 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors N/A

Tenant Characteristics N/A

Contact Name Iikia Calhoun

Phone (803)226-0559



Market Information

Program @50%, @60%

Annual Turnover Rate 25%

Units/Month Absorbed 48

HCV Tenants 10%

Leasing Pace Within one to two weeks

Annual Chg. in Rent None

Concession None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	8	1,100	\$440	\$0	@50%	Yes	N/A	N/A	no	None
2	2	Garden (2 stories)	24	1,100	\$480	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	4	1,300	\$490	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	12	1,300	\$545	\$0	@60%	Yes	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$440	\$0	\$440	\$0	\$440	2BR / 2BA	\$480	\$0	\$480	\$0	\$480
3BR / 2BA	\$490	\$0	\$490	\$0	\$490	3BR / 2BA	\$545	\$0	\$545	\$0	\$545

Meadow Brook Acres Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Garbage Disposal
Refrigerator

Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

There is a waiting list with 100 households currently on it. The contact could not indicate why rents were not at max. However, the contact stated that there is significant demand for affordable housing in the area.

Meadow Brook Acres Apartments, continued

Trend Report

Vacancy Rates

3Q13	1Q15	1Q17
8.3%	8.3%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$395	\$0	\$395	\$395
2015	1	0.0%	\$395	\$0	\$395	\$395
2017	1	N/A	\$440	\$0	\$440	\$440

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	\$445	\$0	\$445	\$445
2015	1	0.0%	\$445	\$0	\$445	\$445
2017	1	N/A	\$490	\$0	\$490	\$490

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	8.3%	\$435	\$0	\$435	\$435
2015	1	8.3%	\$435	\$0	\$435	\$435
2017	1	N/A	\$480	\$0	\$480	\$480

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	16.7%	\$500	\$0	\$500	\$500
2015	1	16.7%	\$500	\$0	\$500	\$500
2017	1	N/A	\$545	\$0	\$545	\$545

Trend: Comments

- 3Q13** The property manager stated that there are currently four vacancies, but all of these are pre-leased. There is a waiting list with 22 people currently on it, but the property manager says not everyone on the waiting list qualifies. She stated that there have been approximately 10 vacancies in the past year.
- 1Q15** N/A
- 1Q17** There is a waiting list with 100 households currently on it. The contact could not indicate why rents were not at max. However, the contact stated that there is significant demand for affordable housing in the area.

Meadow Brook Acres Apartments, continued

Photos



PROPERTY PROFILE REPORT

Olde South Terrace

Effective Rent Date	1/26/2017
Location	1000 Twilight Lane Aiken, SC 29801 Aiken County Intersection: Rudy Mason Parkway
Distance	0.6 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	N/A
Contact Name	Ilikia Calhoun
Phone	(803) 226-0466



Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	13%
Leasing Pace	Within two weeks
Annual Chg. in Rent	N/A
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	8	1,100	\$440	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	24	1,100	\$480	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	4	1,300	\$490	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	12	1,300	\$545	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$440	\$0	\$440	\$0	\$440	2BR / 2BA	\$480	\$0	\$480	\$0	\$480
3BR / 2BA	\$490	\$0	\$490	\$0	\$490	3BR / 2BA	\$545	\$0	\$545	\$0	\$545

Olde South Terrace, continued

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Central A/C
Exterior Storage
Garbage Disposal
Oven
Walk-In Closet

Blinds
Carpeting
Dishwasher
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Security

Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Playground

Clubhouse/Meeting
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property maintains a waiting list, which consists of approximately 100 households. The contact could not provide an explanation as to why units are not at max rent. However, the contact stated that there is a strong demand for affordable housing throughout the area. The property manager also mentioned that they are in the process of installing a video surveillance system.

Photos



PROPERTY PROFILE REPORT

Village Senior Apartments

Effective Rent Date	2/03/2017
Location	115 Timmerman Street Warrenville, SC 29851 Aiken County Intersection: Aiken Boulevard
Distance	6.7 miles
Units	72
Vacant Units	3
Vacancy Rate	4.2%
Type	Garden (age-restricted) (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	HUD properties, Longleaf Village
Tenant Characteristics	Seniors age 55 and older from the Warrenville area and neighboring states
Contact Name	Lynn Hall
Phone	803-663-0392



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	17%
Leasing Pace	Within one week
Annual Chg. in Rent	Increase of \$20 across all units
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	600	\$465	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (3 stories)	4	850	\$549	\$0	@50%	Yes	0	0.0%	yes	HIGH*
2	1	Garden (3 stories)	27	850	\$535	\$0	@50%	Yes	3	11.1%	yes	LOW*
2	1	Garden (3 stories)	4	850	\$640	\$0	@60%	Yes	0	0.0%	yes	HIGH*
2	1	Garden (3 stories)	13	850	\$625	\$0	@60%	Yes	0	0.0%	yes	LOW*

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$465	\$0	\$465	-\$29	\$436	2BR / 1BA	\$625 - \$640	\$0	\$625 - \$640	-\$41	\$584 - \$599
2BR / 1BA	\$535 - \$549	\$0	\$535 - \$549	-\$41	\$494 - \$508						

Village Senior Apartments, continued

Amenities

In-Unit

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Carpeting
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security

Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Exercise Facility
Off-Street Parking

Elevators
Central Laundry
On-Site Management

Premium

None

Other

None

Comments

Two-bedroom units with higher rents have balcony/patios. The contact reported that maximum allowable rents are achievable in the area. The current waiting list for this property includes nine households. The contact reported historic occupancy rates of 98 to 100 percent in the past several years, and anticipates occupancy will remain stable as the local population ages and becomes eligible for senior properties. The average age of tenants at this property is 70 years old. All vacant units are pre-leased. The contact reported that turnover has been high recently because several long-time tenants have suffered health issues and moved to assisted living facilities.

Village Senior Apartments, continued

Photos



PROPERTY PROFILE REPORT

Gatewood Apartments

Effective Rent Date 1/23/2017
Location 303 Pebble Lane
 Aiken, SC 29801
 Aiken County
 Intersection: E Pine Log Road
Distance 4.9 miles
Units 134
Vacant Units 5
Vacancy Rate 3.7%
Type Garden (2 stories)
Year Built/Renovated 1984 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Churchill Commons, Other outlying Aiken apartments
Tenant Characteristics None identified
Contact Name Susan
Phone 803.642.6553



Market Information

Program Market
Annual Turnover Rate 27%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace One month
Annual Chg. in Rent Increased three percent
Concession See comments

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	28	975	\$822	\$0	Market	No	1	3.6%	N/A	None
2	2.5	Garden (2 stories)	76	1,053	\$853	\$0	Market	No	3	3.9%	N/A	None
3	2	Garden (2 stories)	30	1,125	\$979	\$0	Market	No	1	3.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$822	\$0	\$822	\$0	\$822
2BR / 2.5BA	\$853	\$0	\$853	\$0	\$853
3BR / 2BA	\$979	\$0	\$979	\$0	\$979

Gatewood Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Off-Street Parking
Playground

Clubhouse/Meeting
On-Site Management
Swimming Pool

Premium

None

Other

None

Comments

The property is offering a concession of \$250 off the first month's rent for applicants that move in by January 26, 2017. Pest control is included in the rent. The property does not accept Housing Choice Vouchers.

Gatewood Apartments, continued

Trend Report

Vacancy Rates

3Q04	1Q08	1Q16	1Q17
6.7%	6.7%	5.2%	3.7%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	10.7%	\$594	\$0	\$594	\$594
2008	1	N/A	\$705	\$0	\$705	\$705
2016	1	7.1%	\$792	\$0	\$792	\$792
2017	1	3.6%	\$822	\$0	\$822	\$822

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	3.9%	\$610	\$0	\$610	\$610
2008	1	N/A	\$720	\$0	\$720	\$720
2016	1	3.9%	\$853	\$0	\$853	\$853
2017	1	3.9%	\$853	\$0	\$853	\$853

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2004	3	10.0%	\$706	\$0	\$706	\$706
2008	1	N/A	\$706	\$790	-\$84	-\$84
2016	1	6.7%	\$979	\$0	\$979	\$979
2017	1	3.3%	\$979	\$0	\$979	\$979

Trend: Comments

- 3Q04** Gatewood Apartments is a market-rate property with 134 two and three-bedroom units. Currently there is a decrease in rent of \$19 for two bedroom units with 2.5 baths. The property manager said that the high turnover rate is due to students and workers for SRS in the area. SRS hires many interns and has recently had major cutbacks in staffing which caused many tenants to move. Current occupancy is 93 percent, but historically it is 95 to 99 percent.
- 1Q08** Management reported a 84 percent occupancy rate. Management reported that this is not usual and that for financial reasons several tenants moved out last month. Management noted that the highest number of vacancies are in the two-bedroom, two-and-a-half bath units because there are a larger number of this bedroom type relative to the other bedroom types on the property. There are two applications pending for vacant units. Management noted that a concession is being offered only on the eight two-bedroom, two-and-a-half bath townhome units. They are being offered at half off monthly rent, or a reduced rate of \$669.
- 1Q16** Management reported a 91 percent occupancy rate, which has been typical of recent years. Management noted that the highest number of vacancies are in the two-bedroom, two-and-a-half bath.
- 1Q17** The property is offering a concession of \$250 off the first month's rent for applicants that move in by January 26, 2017. Pest control is included in the rent. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Haven At Market Street Station

Effective Rent Date 1/23/2017
Location 8034 Macbean Loop
 Aiken, SC 29801
 Aiken County
 Intersection: St. Charles Avenue
Distance 4.1 miles
Units 284
Vacant Units 22
Vacancy Rate 7.7%
Type Garden (3 stories)
Year Built/Renovated 2008 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Summit
Tenant Characteristics Locals and several families
Contact Name Francesca
Phone 803-641-3111



Market Information

Program Market
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace See comments
Annual Chg. in Rent None
Concession See comments

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	68	770	\$760	\$0	Market	None	N/A	N/A	N/A	None
1.5	1	Garden (3 stories)	50	998	\$860	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (3 stories)	142	1,150	\$935	\$60	Market	None	N/A	N/A	N/A	None
3	2	Garden (3 stories)	24	1,292	\$1,155	\$0	Market	None	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	\$23	\$783
1.5BR / 1BA	\$860	\$0	\$860	\$23	\$883
2BR / 2BA	\$935	\$60	\$875	\$25	\$900
3BR / 2BA	\$1,155	\$0	\$1,155	\$24	\$1,179

Haven At Market Street Station, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Oven
Walk-In Closet

Security

Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Also, the contact stated the high vacancy was due to the slow season during December and January. The property is offering a temporary concession. Two-bedroom units leased prior to January 31, 2017 will be offered at \$875/month.

Haven At Market Street Station, continued

Trend Report

Vacancy Rates

1Q14	1Q15	1Q16	1Q17
3.2%	10.9%	2.5%	7.7%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	10.0%	\$815	\$50	\$765	\$788
2015	1	N/A	\$835	\$0	\$835	\$858
2016	1	4.0%	\$860	\$61	\$799	\$822
2017	1	N/A	\$860	\$0	\$860	\$883

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	2.9%	\$715	\$0	\$715	\$738
2015	1	N/A	\$735	\$0	\$735	\$758
2016	1	0.0%	\$760	\$0	\$760	\$783
2017	1	N/A	\$760	\$0	\$760	\$783

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$885	\$75	\$810	\$835
2015	1	N/A	\$910	\$0	\$910	\$935
2016	1	3.5%	\$935	\$36	\$899	\$924
2017	1	N/A	\$935	\$60	\$875	\$900

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	8.3%	\$1,110	\$135	\$975	\$999
2015	1	N/A	\$1,130	\$0	\$1,130	\$1,154
2016	1	0.0%	\$1,155	\$0	\$1,155	\$1,179
2017	1	N/A	\$1,155	\$0	\$1,155	\$1,179

Trend: Comments

- 1Q14** The property is currently offering a concession of \$50 off the monthly rent for one-bedroom units with a den, and reduced rents on the two and three-bedroom units. The two-bedroom rent is currently \$810 per month and the three-bedroom rent is \$975 per month. All units come with washer and dryer connections, and all units have the option of having a washer and dryer for an extra \$50 per month premium. The property manager could not say how many tenants utilize this option.
- 1Q15** The property is experiencing a higher than average vacancy rate due to a number of tenants terminating their leases to pursue home ownership. Rents increased \$20 on all unit types in August 2014.
- 1Q16** The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Through January 2016, rents for one-bedroom with den and two-bedroom will be \$799 and \$899, respectively. Residents are billed separately for all utilities.
- 1Q17** The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Also, the contact stated the high vacancy was due to the slow season during December and January. The property is offering a temporary concession. Two-bedroom units leased prior to January 31, 2017 will be offered at \$875/month.

Photos



PROPERTY PROFILE REPORT

The Colony At South Park

Effective Rent Date	1/23/2017
Location	101 Greengate Circle Aiken, SC 29803 Aiken County Intersection: Colony Parkway
Distance	3.4 miles
Units	168
Vacant Units	7
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Churchill Commons, Trotters Run
Tenant Characteristics	Families
Contact Name	Laura
Phone	(803)649-4140



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three percent
Concession	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	750	\$860	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	45	750	\$840	\$0	Market	No	0	0.0%	N/A	LOW
2	2	Garden (2 stories)	N/A	950	\$950	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (2 stories)	78	950	\$900	\$0	Market	No	0	0.0%	N/A	LOW
3	2	Garden (2 stories)	N/A	1,150	\$1,015	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	45	1,150	\$1,000	\$0	Market	No	7	15.6%	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$840 - \$860	\$0	\$840 - \$860	\$0	\$840 - \$860
2BR / 2BA	\$900 - \$950	\$0	\$900 - \$950	\$0	\$900 - \$950
3BR / 2BA	\$1,000 - \$1,015	\$0	\$1,000 - \$1,015	\$0	\$1,000 - \$1,015

The Colony At South Park, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Fireplace
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

Trash Collection \$10/month;

Comments

The property does not accept Housing Choice Vouchers.

The Colony At South Park, continued

Trend Report

Vacancy Rates

3Q13	1Q14	1Q16	1Q17
2.7%	2.7%	7.7%	4.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	2.1%	\$685	\$0	\$685	\$685
2014	1	2.1%	\$685	\$0	\$685	\$685
2016	1	N/A	\$780 - \$880	\$0	\$780 - \$880	\$780 - \$880
2017	1	N/A	\$840 - \$860	\$0	\$840 - \$860	\$840 - \$860

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	1.1%	\$755	\$0	\$755	\$755
2014	1	1.1%	\$755	\$0	\$755	\$755
2016	1	N/A	\$880 - \$980	\$0	\$880 - \$980	\$880 - \$980
2017	1	N/A	\$900 - \$950	\$0	\$900 - \$950	\$900 - \$950

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	6.2%	\$835	\$0	\$835	\$835
2014	1	6.2%	\$835	\$0	\$835	\$835
2016	1	N/A	\$890 - \$1,022	\$0	\$890 - \$1,022	\$890 - \$1,022
2017	1	N/A	\$1,000 - \$1,015	\$0	\$1,000 - \$1,015	\$1,000 - \$1,015

Trend: Comments

3Q13	The property currently has five vacancies. The property manager stated that it usually takes between one and two weeks to fill a unit once it goes vacant and that there is no waiting list. The property manager stated that rents are unchanged since last year.
1Q14	N/A
1Q16	The property is currently 91 percent occupied. The property includes a basic cable package of approximately 70 channels in the listed rents. The property manager indicated that rents increase approximately five percent annually.
1Q17	The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

Woodwinds Apartment Homes

Effective Rent Date 1/23/2017
Location 100 Cody Lane
 Aiken, SC 29803
 Aiken County
 Intersection: Aberdeen Drive
Distance 4.3 miles
Units 144
Vacant Units 0
Vacancy Rate 0.0%
Type Various (2 stories)
Year Built/Renovated 1989 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Verandas on the Green
Tenant Characteristics Families
Contact Name Chexbres
Phone (803)648-5451



Market Information

Program Market
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace Pre-leased
Annual Chg. in Rent Increase of one to two percent
Concession See comments

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- electric
Other Electric not included
Water not included
Sewer not included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	72	1,074	\$875	\$0	Market	Yes	0	0.0%	N/A	AVG
2	2.5	Townhouse (2 stories)	20	1,157	\$925	\$0	Market	Yes	0	0.0%	N/A	AVG
3	2	Garden	24	1,236	\$975	\$0	Market	Yes	0	0.0%	N/A	AVG
3	2	Townhouse (2 stories)	28	1,252	\$975	\$0	Market	Yes	0	0.0%	N/A	AVG

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$875	\$0	\$875	\$0	\$875
2BR / 2.5BA	\$925	\$0	\$925	\$0	\$925
3BR / 2BA	\$975	\$0	\$975	\$0	\$975

Woodwinds Apartment Homes, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Microwave
Refrigerator

Security

Patrol

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Playground

Central Laundry
On-Site Management
Swimming Pool

Premium

None

Other

Dog park, outdoor grills

Comments

Housing Choice Vouchers are not accepted. The contact noted that the property experiences above average turnover. The property maintains a waiting list that contains approximately eight households. Currently, the property is offering a temporary concession of 1/2 off of the \$50 application fee and a waived \$150 application fee. Pest control is included in the rent.

Woodwinds Apartment Homes, continued

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	1Q17
9.7%	9.7%	0.7%	0.0%

Trend: Market

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$705 - \$740	\$0	\$705 - \$740	\$705 - \$740
2015	2	N/A	\$705 - \$740	\$0	\$705 - \$740	\$705 - \$740
2016	1	N/A	\$863 - \$958	\$0	\$863 - \$958	\$863 - \$958
2017	1	0.0%	\$925	\$0	\$925	\$925

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$680 - \$705	\$0	\$680 - \$705	\$680 - \$705
2015	2	N/A	\$680 - \$705	\$0	\$680 - \$705	\$680 - \$705
2016	1	N/A	\$813 - \$908	\$0	\$813 - \$908	\$813 - \$908
2017	1	0.0%	\$875	\$0	\$875	\$875

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$800 - \$845	\$0	\$800 - \$845	\$800 - \$845
2015	2	N/A	\$800 - \$845	\$0	\$800 - \$845	\$800 - \$845
2016	1	N/A	\$913 - \$1,058	\$0	\$913 - \$1,058	\$913 - \$1,058
2017	1	0.0%	\$975	\$0	\$975	\$975

Trend: Comments

- 1Q15** The contact reported of the property's 14 vacancies, eight have occurred in March due to tenants expired leases. In addition, the contact stated March is historically a slow month. The property is not offering any concessions. Housing Choice Vouchers are not accepted.
- 2Q15** The contact reported that of the property's 14 vacancies, eight have occurred in March due to tenants expired leases. In addition, the contact stated March is historically a slow month. The property is not offering any concessions. Housing Choice Vouchers are not accepted.
- 1Q16** The listed rents include a \$63 fee for basic cable, trash pickup, and pest control that is not optional. Housing Choice Vouchers are not accepted. The contact noted that the property experiences above average turnover.
- 1Q17** Housing Choice Vouchers are not accepted. The contact noted that the property experiences above average turnover. The property maintains a waiting list that contains approximately eight households. Currently, the property is offering a temporary concession of 1/2 off of the \$50 application fee and a waived \$150 application fee. Pest control is included in the rent.

Woodwinds Apartment Homes, continued

Photos



Comparable Property Analysis

Vacancy

The following tables illustrate the market vacancy at the comparable properties.

OVERALL VACANCY ALL PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glen Arbor Apartments	@60%	56	0	0.0%
Longleaf Senior Village Phase I ⁽¹⁾	@50%, @60%	50	0	0.0%
Meadow Brook Acres Apartments	@50%, @60%	48	0	0.0%
Olde South Terrace	@50%, @60%	48	0	0.0%
Village Senior Apartments ⁽¹⁾⁽²⁾	@50%, @60%	72	3	4.2%
Gatewood Apartments	Market	134	5	3.7%
Haven At Market Street Station	Market	284	22	7.7%
The Colony At South Park	Market	168	7	4.2%
Woodwinds Apartment Homes	Market	144	0	0.0%
Total in PMA		932	34	3.6%
Total		1,004	37	3.7%

⁽¹⁾ Senior properties

⁽²⁾ Located outside the PMA

OVERALL VACANCY LIHTC PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Glen Arbor Apartments	@60%	56	0	0.0%
Longleaf Senior Village Phase I ⁽¹⁾	@50%, @60%	50	0	0.0%
Meadow Brook Acres Apartments	@50%, @60%	48	0	0.0%
Olde South Terrace	@50%, @60%	48	0	0.0%
Village Senior Apartments ⁽¹⁾⁽²⁾	@50%, @60%	72	3	4.2%
Total in PMA		202	0	0.0%
Total		274	3	1.1%

⁽¹⁾ Senior properties

⁽²⁾ Located outside the PMA

OVERALL VACANCY MARKET RATE PROPERTIES

Property name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Gatewood Apartments	Market	134	5	3.7%
Haven At Market Street Station	Market	284	22	7.7%
The Colony At South Park	Market	168	7	4.2%
Woodwinds Apartment Homes	Market	144	0	0.0%
Total		730	34	4.7%

Overall vacancy in the PMA among the eight comparables is low at 3.6 percent, and among all nine comparables the vacancy rate is again 3.7 percent. The five surveyed comparable LIHTC properties from inside and outside the PMA have a 1.1 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing, particularly senior housing. The single senior

LIHTC property located outside of the PMA has a currently vacancy rate of 4.2 percent, but the contact noted that all of the vacant units are pre-leased and the property maintains a waiting list.

Among the market rate properties, the vacancy rate is also low at 4.7 percent, indicating very strong support for conventional apartments within the PMA. Haven at Market Street Station, the only comparable reporting a vacancy rate above 4.2 percent, noted that high current vacancy is due to a slow rental season in the winter months. The contact there expects vacancy rates to fall below five percent as the season changes.

Overall, the local rental market appears to be very healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of three percent or less following stabilization per state guideline standards. In fact, we would expect that after completion of absorption, the Subject will likely be able to generate a waiting list with the projected senior household growth in the PMA.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 202 total LIHTC units in the PMA that we included in this comparable analysis. There are no vacancies among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

Reasonability of Rents

This report is written to SCSHFDA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the Subject development to ensure the proposed rents are acceptable to all.

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the Housing Authority of the City of Aiken’s Utility Allowances effective October 1, 2016. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 50 percent AMI net rents compared to the maximum allowable 50 percent AMI rents, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @50%		
Property Name	1BR	2BR
Longleaf Senior Village Phase II (Subject)	\$414	\$479
2016 LIHTC Maximum (Net)	\$414	\$479
Longleaf Senior Village Phase I ⁽¹⁾	\$332	\$392
Meadow Brook Acres Apartments		\$440
Olde South Terrace		\$440
Village Senior Apartments ⁽¹⁾⁽²⁾	\$436	\$494 - \$508
Average (excluding Subject)	\$384	\$455
Novoco Achievable Rent	\$414	\$479

(1) Senior property

(2) Located outside of PMA

The Subject’s proposed 50 percent AMI rents are set at the maximum allowable 2016 rents. The average 50 percent AMI rents at the comparables are below the proposed rents, as well as the maximum rents for 2016. The Subject is considered most similar to the 50 percent AMI comparables Longleaf Senior Village Phase I and Village Senior Apartments in terms of amenities, unit sizes, age, and condition. These are the only senior LIHTC comparables in the competitive set. Longleaf Senior Village Phase I has one and two-bedroom rents at 50 percent AMI that are below the Subject’s proposed rents. The property manager at Longleaf Senior Village Phase I reported that rents were set artificially low when the property opened. The property has since successfully raised rents annually, but the annual increases are limited by the local housing authority, which will not allow large annual rent increases. Therefore, we believe rents at Longleaf Senior Village Phase I are significantly lower than what the market will bear. Absorption at this property occurred within one month and the property maintains a waiting list of over 200 households. Longleaf Senior Village Phase I is slightly inferior to the Subject with respect to age. Village Senior Apartments has one and two-bedroom units at 50 percent AMI that are above the Subject’s proposed rents. Village Senior Apartments offers similar in-unit and property amenities, but is considered inferior to the Subject with respect to age, location, and unit size. Given the fact the Subject will be in a market with a limited supply of senior affordable housing, as well as the limited number of units proposed at 50 percent AMI, we believe the Subject’s proposed LIHTC rents at this level are achievable.

The following table summarizes the Subject’s proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC Rent Comparison - @60%		
Property Name	1BR	2BR
Longleaf Senior Village Phase II (Subject)	\$524	\$594
2016 LIHTC Maximum (Net)	\$524	\$612
Glen Arbor Apartments		\$474
Longleaf Senior Village Phase I ⁽¹⁾	\$362	\$450
Meadow Brook Acres Apartments		\$480
Olde South Terrace		\$480
Village Senior Apartments ⁽¹⁾⁽²⁾		\$584 - \$599
Average (excluding Subject)	\$362	\$511
Novoco Achievable Rent	\$524	\$612

(1) Senior property

(2) Located outside of PMA

The Subject’s proposed 60 percent AMI rents are set at the maximum allowable 2016 rents. The average 60 percent AMI rents at the comparables are below the proposed rents, as well as the maximum rents for 2016. The Subject is considered most similar to the 60 percent AMI comparables Longleaf Senior Village Phase I and Village Senior Apartments in terms of amenities, unit sizes, age, and condition. These are the only senior LIHTC comparables in the competitive set. Longleaf Senior Village Phase I has one and two-bedroom rents at 60 percent AMI that are below the Subject’s proposed rents and below the 2016 LIHTC maximum rents. The property manager at Longleaf Senior Village Phase I reported that rents were set artificially low when the property opened. The property has since successfully raised rents annually, but the annual increases are limited by the local housing authority, which will not allow large annual rent increases. Therefore, we believe rents at Longleaf Senior Village Phase I are significantly lower than what the market will

bear. Absorption at this property occurred within one month and the property maintains a waiting list of over 200 households. Longleaf Senior Village Phase I is slightly inferior to the Subject with respect to age. Village Senior Apartments has two-bedroom units at 60 percent AMI that are similar to the Subject’s proposed rents. Village Senior Apartments offers similar in-unit and property amenities, but is considered inferior to the Subject with respect to age, location, and unit size. Given the fact the Subject will be in a market with a limited supply of senior affordable housing, as well as the limited number of units proposed at 60 percent AMI, we believe the Subject’s proposed LIHTC rents at this level are achievable.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject’s rental rates are well below the achievable market rates for the Subject’s area. The following table shows both market rent comparisons and achievable market rents.

Subject Comparison To Market Rents						
Unit Type	Subject	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rents	Subject Rent Advantage
1 BR@50%	\$414	\$783	\$883	\$842	\$850	51%
2 BR@50%	\$479	\$822	\$950	\$889	\$900	47%
1 BR@60%	\$524	\$783	\$883	\$842	\$850	38%
2 BR@60%	\$594	\$822	\$950	\$889	\$900	34%
1 BR at market rate	\$674	\$783	\$883	\$842	\$850	21%
2 BR at market rate	\$744	\$822	\$950	\$889	\$900	17%

All of the market rate properties were built between 1984 and 2008 and are located in Aiken. The majority of the comparable market rate properties have similar to superior property amenities, but inferior in-unit amenities. The majority of the market-rate comparables are located in a slightly superior area of Aiken. All have slightly superior unit sizes. Overall, Haven at Market Street is most comparable in terms of amenities and age and condition, while Colony at South Park is considered the most comparable market rate property in terms of location and unit size. Haven at Market Street offers one-bedroom units at 770 square feet for \$784 per month, and two-bedroom units at 1,150 square feet for \$899 per month. The Colony at South Park offers one-bedroom units at 750 square feet for \$840 and \$860 per month, and two-bedroom units at 950 square feet for \$900 and \$950 per month. The Subject’s proposed rents are below the range of the comparables. The achievable market rents we determined are slightly above the average market rents based on the Subject’s similarity with Haven at Market Street and The Colony at South Park, both of whom offer units above the market average. The Subject’s proposed LIHTC rents will have advantages of 34 to 50 percent over what we have determined to be the achievable market rents. The Subject’s market rate rents will have advantages of 17 to 21 percent over what we have determined to be achievable market rents. The overall average market rent advantage for the Subject is 35 percent.

There is an adequate supply of conventional market rate apartments in the PMA for which to measure the proposed Subject’s rents and features. As a result, for the senior project, we have not considered area single-family rental options or mobile homes. Most seniors seeking housing in a senior apartment community would be less likely to consider moving into a single-family rental home or a mobile home.

Cost and Availability of Homeownership

The Subject site will target seniors, who generally would not consider a home purchase. Conversely, most seniors may be considering downsizing from homeownership and moving into a rental community such as the Subject. We expect some of this type of support to occur at the Subject. Therefore, we have not performed an analysis of local for sale home prices compared to rental costs at the Subject.

Impact of Subject on Other Affordable Units in Market

There are three total comparable vacant LIHTC units surveyed, none of which are located within the PMA, and all the LIHTC comparables maintain waiting lists. There are four LIHTC properties we surveyed in the PMA, only one of which is age-restricted. With only one senior LIHTC property in the PMA and a growing senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is a limited supply of LIHTC units without subsidies in the PMA, and all of the LIHTC units we surveyed within the PMA are full. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic growth of the PMA. The Subject would bring better balance to the supply of affordable senior rental housing in the PMA.

Summary Evaluation of the Proposed Project

Overall vacancy in the local market is performing well with a 3.6 percent vacancy rate in the PMA and a 3.7 percent vacancy rate among all nine surveyed comparable projects. The five properties with LIHTC units reported three total vacancies and all maintain waiting lists, suggesting significant latent demand for affordable housing, and in particular, senior affordable housing. The market rate comparables are also performing well, with an average vacancy of 4.7 percent. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable. Overall, they are approximately 35 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

Planning

We spoke to Maury Moultrie, planner in the City of Aiken Planning Department (803-642-7608). Ms. Moultrie was not aware of any planned, proposed, under construction or recently constructed multifamily developments within the city of Aiken or nearby. One LIHTC property in the area received LIHTC allocation in 2016. Details of this project are as follows.

- Palmetto Crossing is a family LIHTC project allocated in 2016 located 4.7 miles south of the Subject on Owens Street. This project will include 48 two, three, and four-bedroom units targeting family renter households with incomes of up to 60 percent AMI. The new construction project is expected to open in 2018. This project will likely not be competitive with the Subject, but may attract some senior tenants to its two-bedroom units given the limited supply of affordable senior housing in the market area. We have deducted the two-bedroom units in our demand analysis.

Section 8/Public Housing

We spoke with Ms. Deborah Young, Housing Choice Voucher administrator with the City of Aiken Housing Authority (803-649-6673). Ms. Young indicated that the authority is authorized to distribute 875 tenant-based Housing Choice Vouchers. The City of Aiken Housing Authority does not administer any project-based vouchers. Of the 875 authorized vouchers, 850 are currently in use. The Housing Authority maintains a waiting list which is currently closed and not set to reopen in the near future. Ms. Young stated that there is high demand for affordable housing in the area, and high demand for all bedroom types. Most tenants using Housing Choice Vouchers are from the Aiken area. The voucher payment standards are provided in the table below.

PAYMENT STANDARDS, CITY OF AIKEN

Unit Type	Payment Standards
1BR	\$588
2BR	\$735

Source: City of Aiken Housing Authority, January 2017

The Subject’s projected rents at 50 percent AMI are below these payment standards, indicating tenants utilizing vouchers can reside in the Subject’s 50 percent AMI units without paying additional rent out of pocket. The Subject’s project rents for market-rate units and units at 60 percent AMI are above the payment standards, indicating that tenants utilizing vouchers would be responsible for paying the difference between the Subject’s rents and the payment standards.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports.

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 24.6 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 28.8 percent, which are all considered achievable in the PMA, where senior renter households are growing. In addition, the Subject is in a community (Aiken) that currently has very limited affordable senior housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that seniors would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables and the market rate properties we surveyed are also performing well. Overall market vacancy is approximately 3.7 percent. The developer's proposed rents represent greater than a 35 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar senior LIHTC comparables we surveyed.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

May 5, 2017

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner



Brian C. Neukam
Manager – Valuation
SC State Certified Appraiser #7493
Brian.Neukam@novoco.com
(678) 339-3687

ADDENDA

ADDENDUM A
Qualifications of Analysts

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as

if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.