

Tab 19

Market Study



**NOVOGRADAC
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A MARKET FEASIBILITY STUDY OF:
LONGLEAF
VILLAGE PHASE
II

A MARKET FEASIBILITY STUDY OF:

LONGLEAF VILLAGE PHASE



North side of Bushwillow Circle
Aiken, Aiken County, South Carolina 29801

Effective Date: February 23, 2018
Report Date: March 7, 2018

Prepared for:
Ms. Mary Ellen Judah
Executive Director
Neighborhood Concepts, Inc.
100 Washington Street NE, Suite B3
Huntsville, AL 35801

Prepared by:
Novogradac & Company LLP
2325 Lakeview Parkway, Suite 450
Alpharetta, GA 30009
678-867-2333



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March 7, 2018

Ms. Mary Ellen Judah
Executive Director
Neighborhood Concepts, Inc.
100 Washington Street NE, Suite B3
Huntsville, AL 35801

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

Dear Ms. Judah:

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

The purpose of this market study is to assess the viability of Longleaf Village Phase II, a proposed 32-unit family LIHTC project. The property will be a newly constructed affordable LIHTC project, with 32 units restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. 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 and Development Agency (SCSHFDA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed Subject's 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 Low-Income Housing Tax Credit (LIHTC) and market rate.

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.

NEIGHBORHOOD CONCEPTS, INC.
LONLEAF VILLAGE PHASE II
MARCH 7, 2018
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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



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
SC State Certified Appraiser #7493
Brian.Neukam@novoco.com



Meg Southern
Analyst
Meg.Southern@novoco.com



Travis Jorgenson
Junior Analyst
Travis.Jorgenson@novoco.com

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EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview: Longleaf Village Phase II, the Subject, is a proposed 32-unit apartment community for families that will offer units restricted to households earning 50 and 60 percent of AMI or less. As proposed, the Subject will contain two, two-story walk-up residential buildings and one non-residential community building.

Targeted Tenancy: Family.

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	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$436	\$145	\$581	\$581	\$618	
2BR / 2BA	950	4	\$502	\$195	\$697	\$697	\$745	
3BR / 2BA	1,100	2	\$515	\$253	\$768	\$806	\$1,013	
@60%								
1BR / 1BA	750	6	\$450	\$145	\$595	\$697	\$618	
2BR / 2BA	950	12	\$575	\$195	\$770	\$837	\$745	
3BR / 2BA	1,100	6	\$675	\$253	\$928	\$967	\$1,013	
		32						

Notes (1) Source of Utility Allowance provided by the Developer.

Market Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Busch Crossing	LIHTC	Family	23	0	0.0%
Dupont Landing	LIHTC	Family	44	0	0.0%
Glen Arbor Apartments	LIHTC	Family	56	0	0.0%
Meadow Brook Acres Apartments	LIHTC	Family	48	0	0.0%
Olde South Terrace	LIHTC	Family	48	0	0.0%
Gatewood Apartments	Market	Family	134	5	3.7%
Haven At Market Street Station	Market	Family	284	20	7.0%
The Colony At South Park	Market	Family	168	4	2.4%
The Summits of Aiken Apartments*	Market	Family	120	1	0.8%
Woodwinds Apartment Homes	Market	Family	144	0	0.0%
Total LIHTC			219	0	0.0%
Total Market Rate			850	30	3.5%
Overall Total			1,069	30	2.8%

*This property is located outside the PMA

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Busch Crossing	LIHTC	Family	23	0	0.0%
Dupont Landing	LIHTC	Family	44	0	0.0%
Glen Arbor Apartments	LIHTC	Family	56	0	0.0%
Meadow Brook Acres Apartments	LIHTC	Family	48	0	0.0%
Olde South Terrace	LIHTC	Family	48	0	0.0%
Total LIHTC			219	0	0.0%
Total LIHTC in PMA			219	0	0.0%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Gatewood Apartments	Market	Family	134	5	3.7%
Haven At Market Street Station	Market	Family	284	20	7.0%
The Colony At South Park	Market	Family	168	4	2.4%
The Summits of Aiken Apartments*	Market	Family	120	1	0.8%
Woodwinds Apartment Homes	Market	Family	144	0	0.0%
Total Market Rate			850	30	3.5%
Total Market Rate in PMA			730	29	4.0%

*This property is located outside the PMA

Overall vacancy among the ten comparables is low at 2.8 percent. All of the comparable LIHTC properties are located within the PMA and report full occupancy as well as waiting lists ranging from three to 100 households. It should be noted that the Subject's sister property, Longleaf Senior Village Phase I, is located adjacent to the Subject and is currently fully occupied with a waiting list that consists of over 200 households. The low vacancy rates among the LIHTC comparables coupled with the presence of waiting lists indicates strong demand for affordable housing in the area.

Among the market rate properties, vacancy is also low at 3.5 percent, indicating strong support for conventional apartments. Haven At Market Street Station is the market rate comparable reporting the highest vacancy rate at seven percent. According to the property contact at Haven At Market Street Station, the property typically operates at a vacancy rate of five percent or less. The contact attributed the slightly

elevated vacancy to the slow season the property experiences during December, January, and February. While this property is disproportionately affected by seasonal shifts in demand, we do not believe this property’s under-performance is an indication of negative market or locational attributes relative to the Subject’s market. Excluding the outlier, Haven At Market Street Station, the remaining market rate comparables report low vacancy rates ranging from zero to 3.7 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

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 @50%	176	0	176	2	1.1%
1BR @60%	251	0	251	6	2.4%
1BR Overall	259	0	259	8	3.1%
2BR @50%	135	0	135	4	3.0%
2BR @60%	193	0	193	12	6.2%
2BR Overall	199	0	199	16	8.0%
3BR @50%	71	0	71	2	2.8%
3BR @60%	101	0	101	6	6.0%
3BR Overall	104	0	104	8	7.7%
@50% Overall	381	0	381	8	2.1%
@60% Overall	545	0	545	24	4.4%
Overall	562	0	562	32	5.7%

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 8.0 percent with an overall capture rate of 5.7 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

Three of the comparable properties surveyed, two of which were LIHTC, were able to provide absorption data. Absorption rates at these properties are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Dupont Landing	LIHTC	Family	2015	44	6
Meadow Brook Acres Apartments	LIHTC	Family	2011	48	48
The Summits Of Aiken Apartments	Market	Family	2012	120	17
				Average	24

These properties reported absorption rates ranging from six to 48 units per month, with an average of 24 units per month. With the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. It should be noted that according to the contact at Dupont Landing, the property began pre-leasing in September 2014 and was 100 percent occupied at least by the time construction was completed in April 2015. The contact could not provide a more specific date as to when the last unit was leased. As such, we have assumed the last unit was leased

in April 2015, when construction was completed and tenants began moving in, which provides a conservative calculation of six units per month. Given the conservative nature of this calculation, we believe the Subject will experience an absorption rate more similar to The Summits Of Aiken Apartments. We believe that the Subject could absorb approximately 15 units per month upon opening. This equals an absorption period of two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

Market Conclusions

Overall vacancy among the ten comparables is low at 2.8 percent. All of the comparable LIHTC properties are located within the PMA and report full occupancy as well as waiting lists ranging from three to 100 households. It should be noted that the Subject's sister property, Longleaf Senior Village Phase I, is located adjacent to the Subject and is currently fully occupied with a waiting list that consists of over 200 households. The low vacancy rates among the LIHTC comparables coupled with the presence of waiting lists indicates strong demand for affordable housing in the area.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable, and they are more than 40 percent on average 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 5.7 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 8.0 percent, which are all considered achievable in the PMA. In addition, the Subject is in a community (Aiken) that has few affordable multifamily housing alternatives. The Subject site is located within 2.4 miles of most community services and facilities that families would utilize on a consistent basis.

All of the LIHTC comparables reported full occupancy. Among the market rate properties, vacancy is also low at 2.8 percent, indicating strong support for conventional apartments. The developer's proposed rents represent greater than a 40 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in the PMA

There are zero total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. It should be noted that the Subject's sister property, Longleaf Senior Village Phase I, is located adjacent to the Subject and is currently fully occupied with a waiting list that consists of over 200 households. With a limited supply of affordable housing options in the 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.

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

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

Development Name: Longleaf Village Phase II	Total # Units: 32
Location: North side of Bushwillow Circle	# LIHTC Units: 32
Development Type: X_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	10	1,069	30	97.2%
Market-Rate Housing	5	850	30	96.5%
Assisted/Subsidized Housing not to include LIHTC	14	699	0	100.0%
LIHTC (All that are stabilized)*	5	219	0	100.0%
Stabilized Comps**	10	1,069	30	97.2%
Non-stabilized Comps	0	0	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
2	1	1	750	\$436	\$800	\$1.07	45.5%	\$865	\$1.15
4	2	2	950	\$502	\$950	\$1.00	47.2%	\$969	\$1.01
2	3	2	1,100	\$515	\$1,075	\$0.98	52.1%	\$1,259	\$0.97
6	1	1	750	\$450	\$800	\$1.07	43.8%	\$865	\$1.15
12	2	2	950	\$575	\$950	\$1.00	39.5%	\$969	\$1.01
6	3	2	1,100	\$675	\$1,075	\$0.98	37.2%	\$1,259	\$0.97
Gross Potential Rent Monthly*				\$17,560	\$30,200		41.9%		

*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 41)

	2000		2017		2020	
Renter Households	4,032	29.4%	5,872	38.8%	5,960	38.8%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,371	23.3%	1,385	23.2%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 60)

Type of Demand	50%	60%	Market- rate	Other:___	Overall Affordable	Overall
Renter Household Growth	-2	15	-	-	14	14
Existing Households (Overburd + Substand)	430	598	-	-	617	617
Homeowner conversion (Seniors)	0	0	-	-	0	0
Other:	0	0	-	-	0	0
Less Comparable/Competitive Supply	0	0	-	-	0	0
Net Income-qualified Renter HHs	428	613	-	-	631	631

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market- rate	Other:___	Overall Affordable	Overall
Capture Rate	2.1%	4.4%	-	-	5.7%	5.7%

ABSORPTION RATE (found on page 62)

Absorption Period: 2 months

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1 BR	\$436	\$872	\$800	\$1,600	45.5%
6	1 BR	\$450	\$2,700	\$800	\$4,800	43.8%
4	2 BR	\$502	\$2,008	\$950	\$3,800	47.2%
12	2 BR	\$575	\$6,900	\$950	\$11,400	39.5%
2	3 BR	\$515	\$1,030	\$1,075	\$2,150	52.1%
6	3 BR	\$675	\$4,050	\$1,075	\$6,450	37.2%
Totals	32		\$17,560		\$30,200	41.9%

Source: SCSHFDA, Novogradac & Company LLP, January 2018

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject site is located on the north side of Bushwillow Circle in Aiken, Aiken County, South Carolina.

Construction Type: The Subject will involve the new construction of 32 units in two, two-story residential buildings and one non-residential community building.

Occupancy Type: Family.

Target Income Group: The Subject’s LIHTC units will target households earning 50 and 60 percent of AMI, or less.

Special Population Target: None.

Number of Units by Unit Type: The Subject will include eight one-bedroom units, 16 two-bedroom units, and eight three-bedroom units.

Number of Buildings and Stories: The Subject will be constructed in two, two-story buildings and a separate community building.

Unit Mix: One-bedroom units will be 750 square feet, two-bedroom units will be 950 square feet, and three-bedroom units will be 1,100 square feet. The following table summarizes the Subject’s proposed unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Gross Area
1BR / 1BA	8	750	6,000
2BR / 2BA	16	950	15,200
3BR / 2BA	8	1,100	8,800
TOTAL	32		30,000

Structure Type/Design: The Subject will offer two, two-story garden-style buildings.

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	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$436	\$145	\$581	\$581	\$618	
2BR / 2BA	950	4	\$502	\$195	\$697	\$697	\$745	
3BR / 2BA	1,100	2	\$515	\$253	\$768	\$806	\$1,013	
@60%								
1BR / 1BA	750	6	\$450	\$145	\$595	\$697	\$618	
2BR / 2BA	950	12	\$575	\$195	\$770	\$837	\$745	
3BR / 2BA	1,100	6	\$675	\$253	\$928	\$967	\$1,013	
		32						

Notes (1) Source of 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 \$145 for one-bedroom units, \$195 for two-bedroom units, and \$253 for three-bedroom units.
- Existing or Proposed Project-Based Rental Assistance:** The Subject is proposed and will not operate with project-based rental assistance subsidy.
- Community Amenities** See following Subject Profile sheet.
- Unit Amenities** See following Subject Profile sheet.
- Current Occupancy/Rent Levels:** The Subject will be proposed new construction.
- Scope of Renovation.** The Subject will be proposed new construction.

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

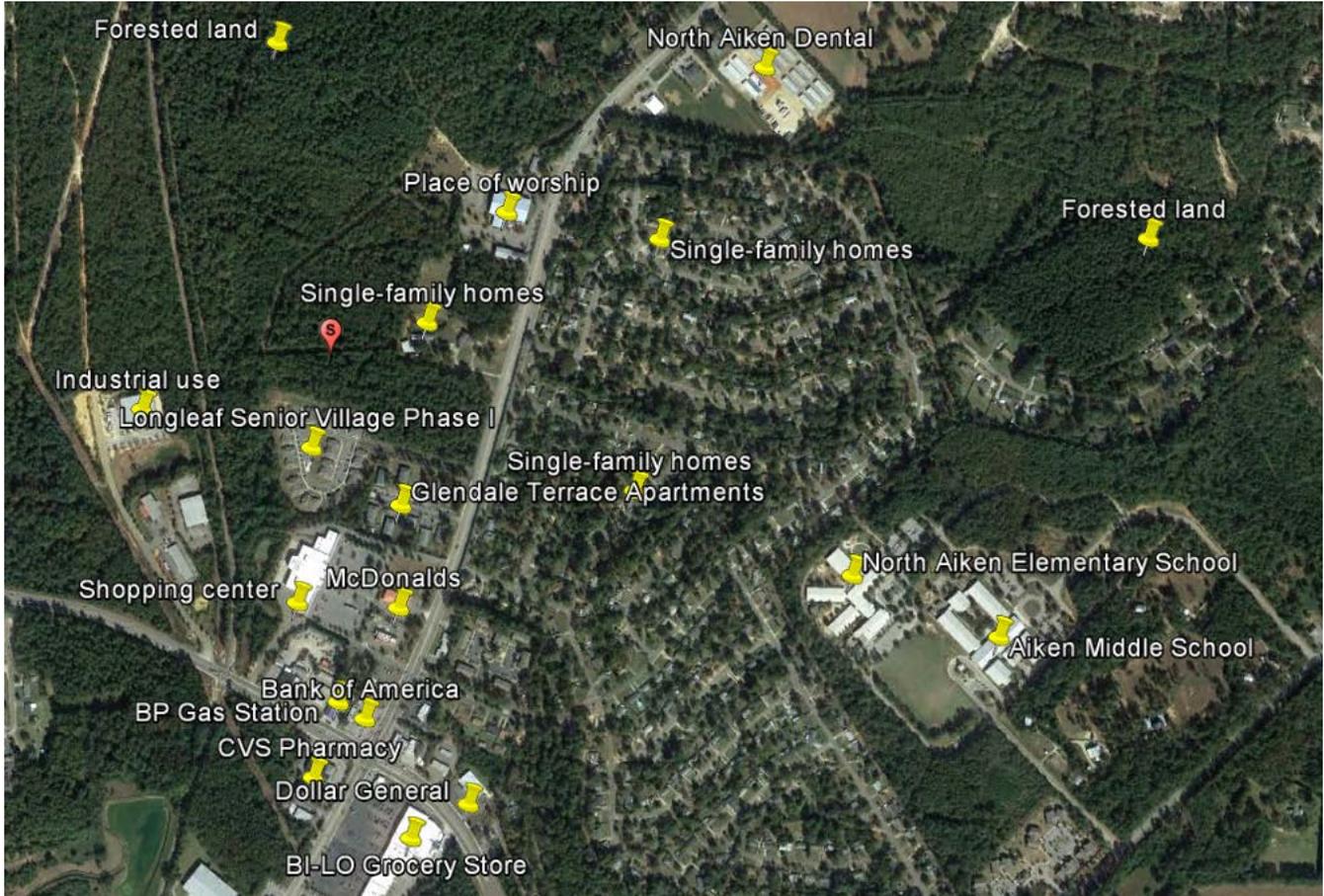
Longleaf Village Phase II												
Location	205 Bushwillow Circle Aiken, SC 29801 Aiken County											
Units	32											
Type	Garden (2 stories)											
Year Built / Renovated	Proposed 2020											
Contact Name	Mary Ellen Judah											
Phone	256-534-0075											
Market												
Program	@50%, @60%					Leasing Pace	n/a					
Annual Turnover Rate	n/a					Change in Rent (Past Year)	n/a					
Units/Month Absorbed	n/a					Concession	n/a					
Section 8 Tenants	n/a											
Utilities												
A/C	not included – central					Other Electric	not included					
Cooking	not included – electric					Water	not included					
Water Heat	not included – electric					Sewer	not included					
Heat	not included – electric					Trash Collection	included					
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden (2 stories)	2	750	\$436	\$0	@50%	n/a	n/a	n/a	yes	
1	1	Garden (2 stories)	6	750	\$450	\$0	@60%	n/a	n/a	n/a	no	
2	2	Garden (2 stories)	4	950	\$502	\$0	@50%	n/a	n/a	n/a	yes	
2	2	Garden (2 stories)	12	950	\$575	\$0	@60%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	2	1,100	\$515	\$0	@50%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	6	1,100	\$675	\$0	@60%	n/a	n/a	n/a	no	
Amenities												
In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup					Security	none					
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management					Premium	none					
Services	none					Other	Library, craft room					
Comments												
Construction is proposed for February 2019 to February 2020. The Subject will consist of two, two-story residential buildings and one, one-story community building. The utility allowances are \$145, \$195, and \$253 for the Subject's one, two, and three-bedroom units, respectively.												

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: February 23, 2018.

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, multifamily developments, single-family homes, and retail/commercial developments. Immediately south of the Subject site is Longleaf Senior Village Phase I and Glendale Terrace Apartments. We have not included Longleaf Senior Village Phase I as a comparable within this report because it targets seniors. We have not included Glendale Terrace Apartments as a comparable within this report as it was constructed in 1972 and offers inferior age and condition compared to the proposed Subject. Further south is a variety of retail/commercial uses, including multiple restaurants, a bank, pharmacy, and grocery store. Immediately east

of the Subject site are single-family homes in average condition. Further east are more single-family homes in average condition followed by Aiken's elementary and middle schools and vacant, wooded land. Immediately west of the Subject site is forested land, followed by a railroad track running north/south through Aiken. 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 site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of the Subject site



View of the Subject site



View south on Highway 1



View north on Highway 1



Commercial use south of the Subject site



Commercial use south of the Subject site



Commercial use south of the Subject site



Commercial use south of the Subject site



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood

Visibility/Views:

Views from the Subject site include forested land to the north, east, and west, and Longleaf Senior Village Phase I to the south. Views from the site are considered average. The Subject will have average visibility from Highway 1 to the east. Highway 1 has good traffic flow

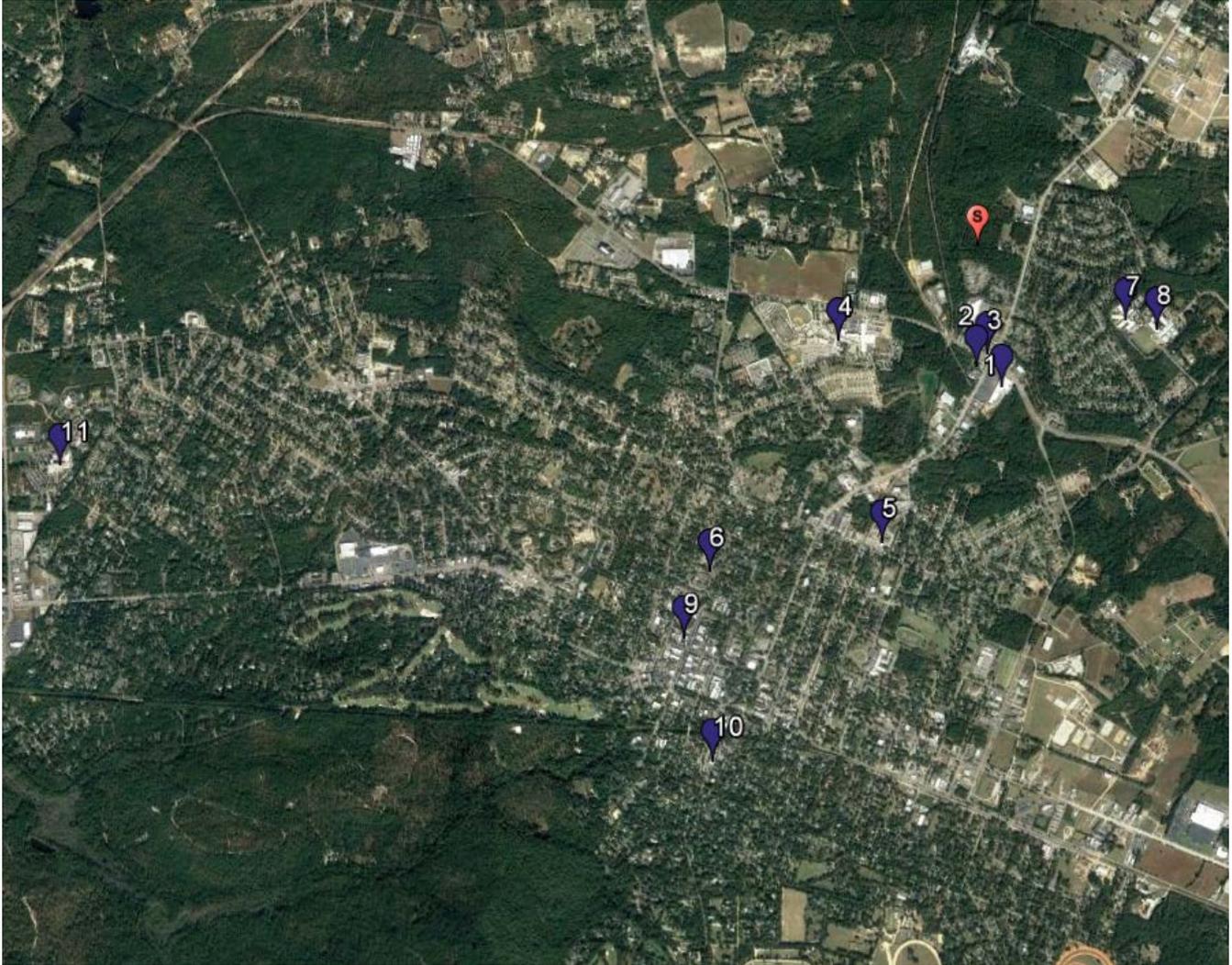
north to Interstate 20 and south to Aiken. Overall, visibility is considered average.

Detrimental Influence:

Immediately west of the Subject site is forested land, followed by a railroad track running north/south through Aiken. Management from the Subject's sister property, Longleaf Senior Village Phase I, reports no impact of the infrequent noise provided by the passing trains. Further, Longleaf Senior Village Phase I is fully occupied and maintains an extensive waiting list. As such, we do not believe the railroad tracks will negatively impact the Subject's performance.

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including a grocery store, bank, pharmacy, and gas station. 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 #	Service or Amenity	Distance from Subject
1	BI-LO Grocery Store	0.3 miles
2	CVS Pharmacy	0.3 miles
3	BP Gas Station	0.3 miles
4	Aiken High School	1.0 miles
5	Aiken County Sherrif's Office	1.3 miles
6	US Post Office	1.7 miles
7	North Aiken Elementary School	1.8 miles
8	Aiken Middle School	2.0 miles
9	Wells Fargo Bank	2.1 miles
10	Aiken County Library	2.4 miles
11	Aiken Regional Medical Center	5.0 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, \$1.50 for students, and \$1.00 for seniors and persons with disabilities.

Road/Infrastructure Improvements: We witnessed no current road improvements within the Subject’s immediate neighborhood.

Crime Rates: Based upon our 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.

2017 CRIME INDICES

	PMA	Augusta-Richmond County, GA-SC MSA
Total Crime*	142	126
Personal Crime*	129	113
Murder	216	143
Rape	128	96
Robbery	123	114
Assault	130	113
Property Crime*	144	127
Burglary	138	163
Larceny	149	115
Motor Vehicle Theft	115	130

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

*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, similar to four of the comparable properties. The strong performance of the comparable properties not offering security features indicates the lack of security features does not hinder performance in the market. As such, we believe the Subject will be competitive within the market as proposed.

Access and Traffic Flow: The Subject site will have access from Bushwillow Circle, which connects with Highway 1 immediately east of the Subject. Highway 1 is an arterial route that traverses north/south and connects to Highway 78 approximately 1.8 miles to the south of the Subject and Interstate 20 approximately 6.1 miles north of the Subject. Highway 78 provides access to Augusta, Georgia approximately 18 miles southwest of the Subject and various cities throughout the middle and southeastern portion of South Carolina. Interstate 20 provides access to Augusta, Georgia approximately 18 miles southwest of the Subject and Columbia, South Carolina approximately 47 miles northeast 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 Subject is a proposed 32-unit family development to be constructed in Aiken, South Carolina. The PMA is generally defined as Interstate 20 and Beaver Dam to the north, Farm Field Road and New Holland Road to the east, Wagener Road and Pine Log Road to the south, and Howlandville Road and Highway 191 to the west. The Subject will one of few LIHTC properties in the Aiken area of Aiken County, and as such will be able to draw from approximately a 15 to 25-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. Approximate distances 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
450030202.00
450030203.02
450030204.00
450030211.02
450030212.01
450030212.02
450030213.00
450030214.00
450030215.00
450030216.01

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.

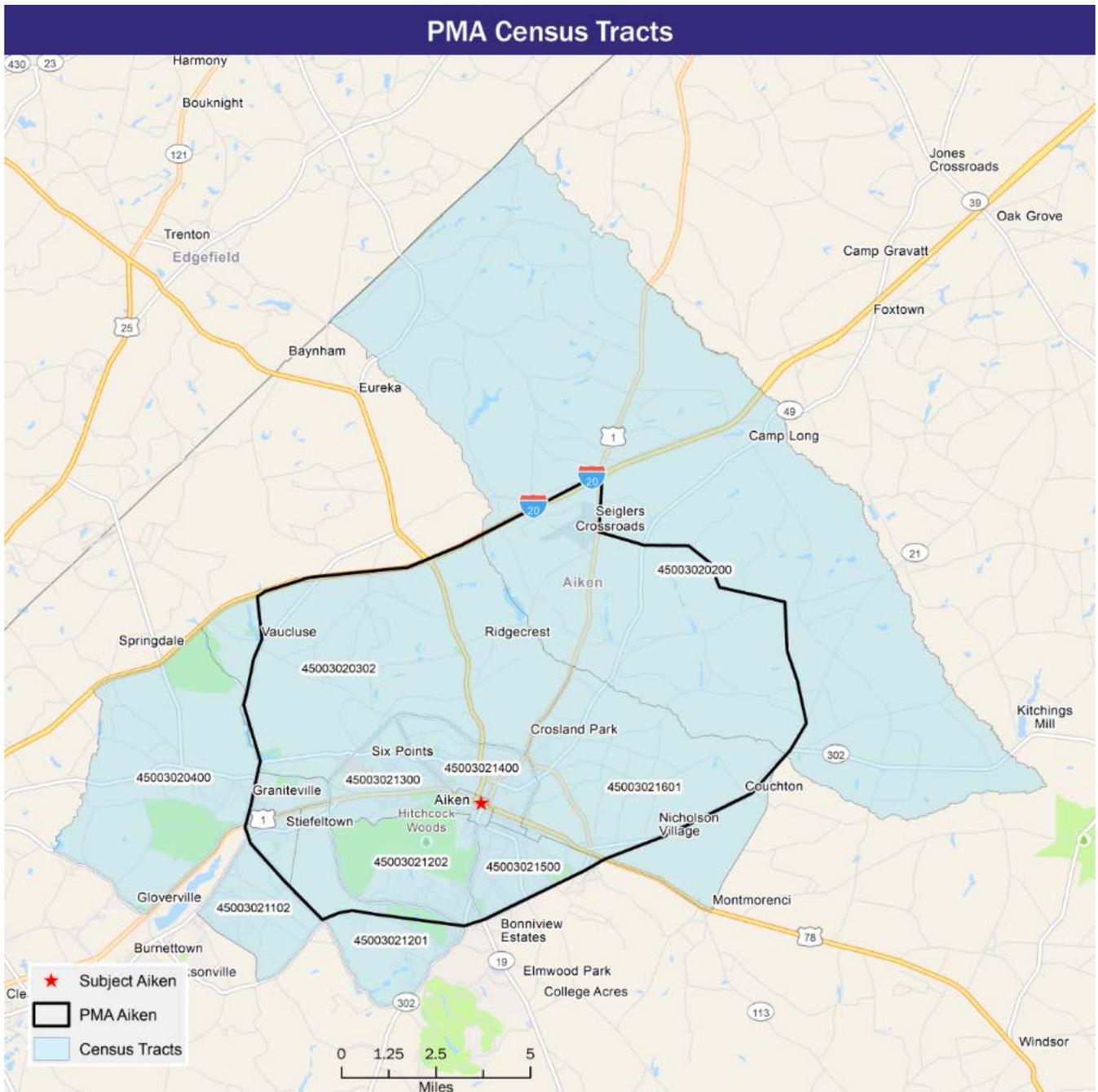
2010 POPULATION BY RACE

	PMA		SMA		USA	
Total	35,924	-	564,873	-	308,745,538	-
White	20,956	58.3%	330,618	58.5%	223,553,265	72.4%
Black	13,399	37.3%	199,265	35.3%	38,929,319	12.6%
American Indian	163	0.5%	1,969	0.3%	2,932,248	0.9%
Asian	294	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	626	1.7%	12,848	2.3%	9,009,073	2.9%
Total Hispanic	1,132	-	24,810	-	50,477,594	-
Hispanic: White	474	41.9%	10,748	43.3%	26,735,713	53.0%
Hispanic: Black	97	8.6%	2,130	8.6%	1,243,471	2.5%
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	36.6%	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 2017, Novogradac & Company LLP, March 2018

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.

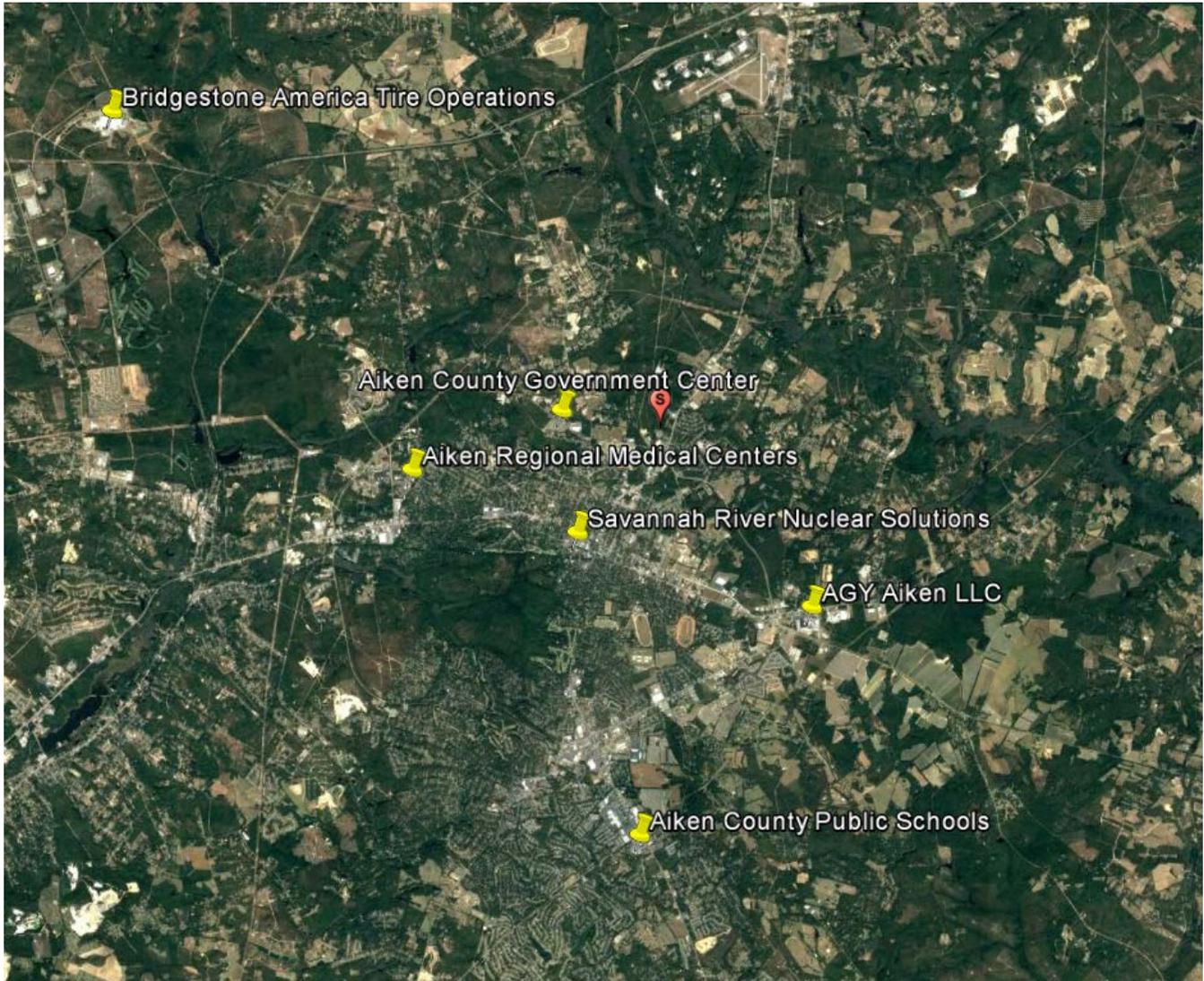


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

The following map illustrates the Subject's location compared to major employment centers in the surrounding areas.



Employment by Industry

The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	2,577	15.8%	15,589,157	10.0%
Healthcare/Social Assistance	2,147	13.2%	21,941,435	14.1%
Retail Trade	1,911	11.7%	17,038,977	11.0%
Accommodation/Food Services	1,588	9.8%	12,036,513	7.7%
Educational Services	1,357	8.3%	14,390,707	9.3%
Construction	1,011	6.2%	9,872,629	6.4%
Prof/Scientific/Tech Services	965	5.9%	11,068,132	7.1%
Admin/Support/Waste Mgmt Svcs	958	5.9%	6,968,170	4.5%
Other Services (excl Publ Adm)	658	4.0%	7,493,272	4.8%
Public Administration	585	3.6%	6,982,075	4.5%
Transportation/Warehousing	411	2.5%	6,498,777	4.2%
Real Estate/Rental/Leasing	410	2.5%	3,130,712	2.0%
Finance/Insurance	397	2.4%	7,200,593	4.6%
Arts/Entertainment/Recreation	377	2.3%	3,448,696	2.2%
Information	261	1.6%	2,741,630	1.8%
Utilities	241	1.5%	1,401,281	0.9%
Agric/Forestry/Fishing/Hunting	238	1.5%	2,288,795	1.5%
Wholesale Trade	177	1.1%	4,064,621	2.6%
Mining	0	0.0%	609,828	0.4%
Mining	0	0.0%	609,828	0.4%
Total Employment	16,269	100.0%	155,375,828	100.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

Employment within the PMA is concentrated in the manufacturing, healthcare/social assistance, retail trade, accommodation/food services, and educational services sectors. These sectors make up 58.8 percent of the total employment in the PMA. Compared to the nation, the PMA is underrepresented in the healthcare/social assistance, educational services, and professional/scientific/technical services sectors. Sectors that are overrepresented in the PMA compared to the nation include the manufacturing, retail trade, accommodation/food services, and administrative/support/waste management sectors. While the manufacturing and retail trade sectors are historically more volatile during times of economic downturn, the healthcare/social assistance and educational services sectors are more stable.

The following table illustrates the changes in employment by industry from 2000 to 2017, in the Subject's PMA.

2000-2017 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2017		2000-2017	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	2,561	17.5%	2,577	15.8%	16	0.0%
Healthcare/Social Assistance	1,483	10.1%	2,147	13.2%	664	2.6%
Retail Trade	1,698	11.6%	1,911	11.7%	213	0.7%
Accommodation/Food Services	848	5.8%	1,588	9.8%	740	5.1%
Educational Services	1,554	10.6%	1,357	8.3%	-197	-0.7%
Construction	1,005	6.9%	1,011	6.2%	6	0.0%
Prof/Scientific/Tech Services	654	4.5%	965	5.9%	311	2.8%
Admin/Support/Waste Mgmt Svcs	703	4.8%	958	5.9%	255	2.1%
Other Services (excl Publ Adm)	586	4.0%	658	4.0%	72	0.7%
Public Administration	644	4.4%	585	3.6%	-59	-0.5%
Transportation/Warehousing	187	1.3%	411	2.5%	224	7.0%
Real Estate/Rental/Leasing	182	1.2%	410	2.5%	228	7.4%
Finance/Insurance	332	2.3%	397	2.4%	65	1.2%
Arts/Entertainment/Recreation	264	1.8%	377	2.3%	113	2.5%
Information	205	1.4%	261	1.6%	56	1.6%
Utilities	1,186	8.1%	241	1.5%	-945	-4.7%
Agric/Forestry/Fishing/Hunting	159	1.1%	238	1.5%	79	2.9%
Wholesale Trade	252	1.7%	177	1.1%	-75	-1.8%
Mining	59	0.4%	0	0.0%	-59	0.0%
Total Employment	14,621	100.0%	16,269	100.0%	1,648	0.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

*Industry data current as of 2010. Other projections current as of 2017.

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

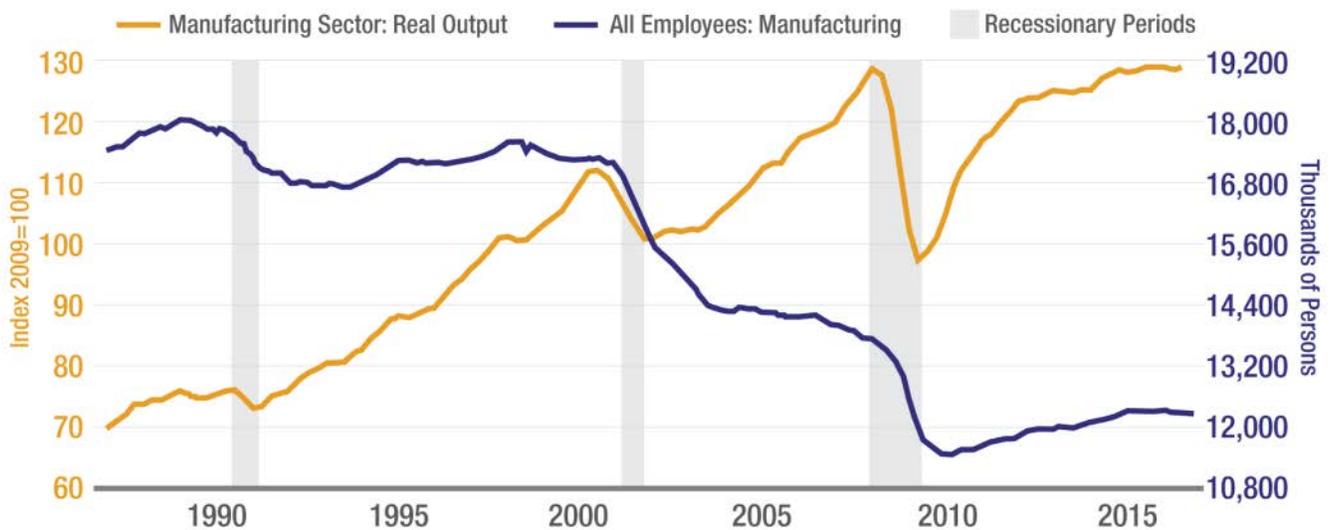
As illustrated, five of the industries in the table above experienced a decrease in employment from 2000 to 2017. The largest decreases were among the utilities and educational services sectors. The largest increases were among the accommodation/food services and healthcare/social assistance sectors. The smallest decreases were in the mining and public administration industries. The accommodation/food services sector added the greatest number of employees in the last 17 years, adding 740 new employees to its workforce. Job loss in the manufacturing sector is discussed below.

Manufacturing

Output over Employment

For the past 40 years, the U.S. contribution to global manufacturing output remained constant at approximately 21 percent of overall world manufacturing output. However, American manufacturing employment declined significantly over this same period. The divergence between output and employment is the result of advancements in robotics and materials science that increased productivity, transforming manufacturing from a relatively labor-intensive industry to a much more capital-intensive industry. Another factor that contributed to the decline in U.S. manufacturing employment is the outsourcing of production by American companies that shifted operations overseas, where labor costs are lower. The following graph illustrates the divergence between manufacturing output and employment. Note that shaded areas indicate recessionary periods.

How Employment and Output Have Changed in the Manufacturing Sector



Source: Federal Reserve; Novogradac & Company LLP



After 2010, U.S. manufacturing employment began to increase for the first time in more than a decade, marking a new era. Labor economists pointed to the relatively balanced costs of labor across the world as a leading factor. Before the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries benefited from a comparative advantage in manufacturing by leveraging low labor costs. As global markets became more integrated over time, the foreign labor cost advantage eroded significantly. Furthermore, the United States enjoys relatively low costs for capital, raw materials and transportation. Significantly, the U.S. became the world's largest producer of oil in late 2014, surpassing Russia and Saudi Arabia and giving domestic manufacturers privileged access to this fundamental driver of growth.

U.S. Moving Up in Competitiveness

While productivity enhancements dislocated many American workers, those enhancements also increased the competitiveness of American manufacturing exports in the global marketplace. The accounting firm Deloitte publishes a Global Manufacturing Competitiveness Index, which ranks 40 nations based on a number of factors including labor cost/productivity, education, infrastructure, supplier networks, intellectual property protections and regulatory/environmental requirements. In the 2016 version of this report, the U.S.

ranked second behind China and ahead of Germany. The same report projects that by 2020 the U.S. will overtake China to become the world’s most desirable country for manufacturing businesses. In particular, the increasingly vital role of proprietary and complex technology in production processes has raised the appeal of countries that provide strong intellectual property protection and educated work forces, rather than the lowest labor costs. This new dynamic tilted the advantage back toward developed nations, which tend to feature superior legal protections and skilled labor forces. The following tables illustrate the Deloitte rankings for 2016 and 2020 (projected).

U.S. Moving Up in Competitiveness

Deloitte’s Global Manufacturing Competitiveness Index, ranking 40 nations on a number of factors.

2016 (Current)			2020 (Projected)		
Rank	Country	Index score (100=high, 10=low)	Change	Country	Index score (100=high, 10=low)
1	China	100.0	▲ +1	United States	100.0
2	United States	99.5	▼ -1	China	93.5
3	Germany	93.9	=	Germany	90.8
4	Japan	80.4	=	Japan	78.0
5	South Korea	76.7	▲ +6	India	77.5
6	United Kingdom	75.8	▼ -1	South Korea	77.0
7	Taiwan	72.9	▲ +1	Mexico	75.9
8	Mexico	69.5	▼ -2	United Kingdom	73.8
9	Canada	68.7	▼ -2	Taiwan	72.1
10	Singapore	68.4	▼ -1	Canada	68.1
11	India	67.2	▼ -1	Singapore	67.6
12	Switzerland	63.6	▲ +6	Vietnam	65.5
13	Sweden	62.1	▲ +4	Malaysia	62.1
14	Thailand	60.4	=	Thailand	62.0
15	Poland	59.1	▲ +4	Indonesia	61.9

Source: Deloitte; Novogradac & Company LLP



Where the Jobs Go

For the purposes of analyzing impact upon multifamily housing, we focus more on job creation. The American manufacturing jobs lost over the preceding decades generally correlate with simple products such as clothing and toys. By contrast, most manufacturing employment gains have been in advanced industries such as telecommunications, pharmaceuticals, aircraft and heavy machinery. The factors influencing domestic investment patterns are similar to the drivers of international investment. In particular, American manufacturers are likely to invest in jurisdictions featuring educated labor forces, competitive tax rates, limited regulation and proximity to transportation networks. This is evident in areas such as Nevada and the American Southwest, where firms such as Tesla have invested hundreds of millions of dollars in new plant and production facilities. The following table details employment growth since 2001 in the manufacturing industry versus all industries.

Comparing National Employment Trends

Year	Total Manufacturing Employment	Change	Total National Employment (All Industries)	Change
2001	16,440,000	-	136,939,000	-
2002	15,256,000	-7.2%	136,480,000	-0.3%
2003	14,508,000	-4.9%	137,729,000	0.9%
2004	14,314,000	-1.3%	139,239,000	1.1%
2005	14,225,000	-0.6%	141,730,000	1.8%
2006	14,156,500	-0.5%	144,427,000	1.9%
2007	13,877,833	-2.0%	146,047,000	1.1%
2008	13,403,417	-3.4%	145,363,000	-0.5%
2009	11,847,833	-11.6%	139,878,000	-3.8%
2010	11,528,667	-2.7%	139,064,000	-0.6%
2011	11,727,083	1.7%	139,896,000	0.6%
2012	11,927,250	1.7%	142,469,000	1.9%
2013	12,019,167	0.8%	143,929,000	1.0%
2014	12,184,167	1.4%	146,305,000	1.7%
2015	12,318,083	1.1%	148,833,000	1.7%
2016*	12,289,091	-0.2%	151,190,222	1.6%

* YTD average, includes through Nov. 2016

Source: U.S. Bureau of Labor Statistics; Novogradac & Company LLP



As illustrated, employment in the manufacturing sector began to increase in 2011, marking a reversal in a decades-long trend of declines. However, the growth rate of manufacturing employment has trailed overall employment growth. The decline of manufacturing employment likely reflects a natural economic process experienced by many industries in previous eras.

Under President Trump, we can expect recent employment growth trends in manufacturing to continue. Whether it can increase to the point of being a “revitalization”—which likely requires job growth surpassing other industries—remains to be seen. Manufacturing still represents the largest industry in the PMA, and Aiken County continues to attract new manufacturing. Contrary to national and global trends, the PMA has experienced no declines in total employment within the manufacturing sector over the previous 17 years. Savannah River Nuclear Solutions, CB&I Areva Mox Services, Bridgestone, and other manufacturing 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.

Major Employers

The following table details major employers in Aiken as of July 2017 (the most recent available).

MAJOR EMPLOYERS AIKEN COUNTY

Employer Name	Industry	# Of Employees
Savannah River Nuclear Solutions, LLC	Manufacturing	5,429
Aiken County Public Schools	Education	3,350
CB& I AREVA MOX Services	Manufacturing	2,156
Savannah River Remediation	Utilities	2,079
Bridgestone America's Tire Operations, LLC	Manufacturing	1,884
Kimberly Clark Corporation	Manufacturing	1,200
Aiken Regional Medical Centers	Healthcare/Social Assistance	1,070
Aiken County	Public Administration	975
Centerra (WSI)	Manufacturing	665
AGY	Manufacturing	660

Source: Aiken Chamber of Commerce, July 2017

The largest employers in Aiken County are concentrated in a variety of sectors including manufacturing, education, utilities, healthcare/social assistance, and public administration. Although manufacturing is historically more volatile during periods of economic downturn, the education, healthcare/social assistance, and public administration sectors are traditionally more stable, which bodes well for the local economy.

Expansions/Contractions

The following table illustrates the contractions to the economy in Aiken County, provided by the South Carolina Department of Employment and Workforce, between 2014 and February 2018. Employees affected represent job losses.

WARN LISTINGS AIKEN COUNTY

Company	Industry	Employees Affected
Aiken/Barnwell Counties Community Action Agency	Non-profit	82
Dillard's Inc.	Retail Trade	73

As illustrated in the above table, there have been 155 employees in Aiken County impacted by layoffs or closures since 2014. Despite these job losses that have been reported, there has been some growth occurring in the area.

- Zeus Industrial Products is expanding its existing operations in Aiken County, according to a press release issued in February 2018 by South Carolina Governor Henry McMaster's office. The expansion will bring a 15.7 million dollar investment and create 51 new jobs to Aiken County. The manufacturing plant is located at 9150 Levels Church Road, approximately 2.9 miles southeast of the Subject site.
- According to an article written by the Aiken Standard on May 2, 2017, military component manufacturer BAE Systems Inc. will be expanding its operations in Aiken County. Approximately 100 employees currently work at BAE Systems Inc.'s Aiken facility, located at 15 Windham Blvd., 5.1 miles north of the Subject site. The company is slated to bring \$8.4 million of new investment to the area and create more than 120 jobs.

- According to an article written by the Aiken Standard on February 7, 2017, ASCO, a manufacturer of fluid automation products, plans to expand its operations in Aiken County. The expansion is expected to bring more than \$8 million of capital investment and create 86 new jobs. The plant is located at 1561 Columbia Highway North, less than a mile north of the Subject site.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Augusta-Richmond County, GA-SC MSA from 2002 to 2017 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)								
Year	Augusta-Richmond County, GA-SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	229,153	-	5.1%	-	136,485,000	-	5.8%	-
2003	234,215	2.2%	5.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	239,841	2.4%	5.4%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	240,686	0.4%	6.1%	0.7%	141,730,000	1.8%	5.1%	-0.5%
2006	242,357	0.7%	5.9%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	246,618	1.8%	5.5%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	247,126	0.2%	6.3%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	240,106	-2.8%	9.3%	3.0%	139,878,000	-3.8%	9.3%	3.5%
2010	230,828	-3.9%	9.7%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	233,616	1.2%	9.8%	0.1%	139,869,000	0.6%	9.0%	-0.7%
2012	235,384	0.8%	9.2%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	236,001	0.3%	8.4%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2014	237,356	0.6%	7.3%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	242,387	2.1%	6.4%	-1.0%	148,833,000	1.7%	5.3%	-0.9%
2016	248,468	2.5%	5.6%	-0.7%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	255,217	2.7%	4.9%	-0.7%	153,307,833	1.2%	4.4%	-0.5%
Dec-2016	251,267	-	5.1%	-	151,798,000	-	4.5%	-
Dec-2017	259,892	3.4%	4.6%	-0.5%	154,021,000	1.5%	4.1%	-0.4%

Source: U.S. Bureau of Labor Statistics February 2018

*2017 data is through Jan

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 has increased in each year since 2010 and total employment in the 12 month period prior to December 2017 has indicated growth in employment of 3.4 percent, more than double the growth rate of the nation over the same time period. Total employment surpassed the pre-recession peak in 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, reaching a peak unemployment rate of 9.8 percent in 2011. The unemployment rate in the MSA has subsequently decreased through 2017 year-to-date. Although the unemployment rate has trended downward over the past several years, it remains slightly above the national average. The decrease in unemployment rate in the MSA in the 12 month period prior to December 2017 is approximately 0.1 percentage points above that of the nation. Overall, the MSA appears to have been moderately affected by the most recent national recession. However, the increase in total employment and steadily decreasing unemployment rates indicates the local economy has recovered and is currently in an expansionary phase.

Housing and Economy

There are nine LIHTC and 14 subsidized properties in Aiken. The availability of housing for low to very low income renters is considered somewhat 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 January 2018 estimates, the city experienced a foreclosure rate of one in every 1,587 housing units. Aiken County experienced a higher foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 1,093 housing units in January 2018. The state of South Carolina had a foreclosure rate of one in every 1,333 housing units, a rate higher than Aiken and lower than Aiken County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2000. The typical travel time is between 15 and 19 minutes. Approximately 53.5 percent of households within the PMA have commute times of less than 20 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	363	2.6%
Travel Time 5-9 min	1,601	11.3%
Travel Time 10-14 min	2,748	19.3%
Travel Time 15-19 min	2,879	20.3%
Travel Time 20-24 min	1,696	11.9%
Travel Time 25-29 min	591	4.2%
Travel Time 30-34 min	1,467	10.3%
Travel Time 35-39 min	653	4.6%
Travel Time 40-44 min	528	3.7%
Travel Time 45-59 min	899	6.3%
Travel Time 60-89 min	548	3.9%
Travel Time 90+ min	231	1.6%

Source: US Census 2017, Novogradac & Company, LLP March 2018

CONCLUSION

Total employment in the MSA has increased in each year since 2010 and total employment in the 12 month period prior to December 2017 has indicated growth in employment of 3.4 percent, more than double the growth rate of the nation over the same time period. Total employment surpassed the pre-recession peak in 2016. 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, reaching a peak unemployment rate of 9.8 percent in 2011. The unemployment rate in the MSA has subsequently decreased through 2017 year-to-date. Overall, the MSA appears to have been moderately affected by the most recent national recession. However, the increase in total employment and steadily decreasing unemployment rates indicates the local economy has recovered and is currently in an expansionary phase.

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 the 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 and (b) Population by Age Group, and (c) Population Growth Rate.

POPULATION

Year	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	34,559	-	508,032	-	281,038,168	-
2010	35,922	0.4%	564,873	1.1%	308,745,538	1.0%
2017	36,979	0.4%	607,516	1.0%	327,514,334	0.8%
Projected Mkt Entry July 2020	37,500	0.5%	626,058	1.0%	335,799,890	0.8%
2022	37,848	0.5%	638,420	1.0%	341,323,594	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt	2022
0-4	2,089	2,137	2,070	2,091	2,105
5-9	2,486	2,131	2,123	2,106	2,094
10-14	2,432	2,127	2,091	2,125	2,148
15-19	2,551	2,722	2,392	2,422	2,442
20-24	2,250	2,866	2,543	2,409	2,320
25-29	2,065	2,302	2,674	2,471	2,335
30-34	2,139	1,941	2,479	2,576	2,641
35-39	2,470	1,859	2,085	2,299	2,442
40-44	2,632	2,050	1,867	2,018	2,119
45-49	2,477	2,419	1,981	1,921	1,881
50-54	2,212	2,574	2,299	2,156	2,061
55-59	1,730	2,472	2,554	2,415	2,322
60-64	1,446	2,163	2,491	2,512	2,526
65-69	1,445	1,780	2,276	2,386	2,459
70-74	1,394	1,297	1,766	1,974	2,113
75-79	1,228	1,124	1,211	1,436	1,586
80-84	844	954	908	989	1,043
85+	672	1,004	1,170	1,195	1,211
Total	34,562	35,922	36,980	37,501	37,848

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

The total population in the PMA increased from 2010 to 2017, although at a slower rate when compared to the MSA and nation over the same time period. Through projected market entry and 2022, this trend is projected to continue.

The population in the PMA in 2017 was concentrated most heavily in the age groups of 25 to 29 and 55 to 59, combined these age groups represent 14.1 percent of the total population in the PMA. Through market entry, the age groups of 30 to 34 and 60 to 64 are projected to have the highest representation in the PMA.

HOUSEHOLD TRENDS

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

Year	HOUSEHOLDS					
	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	13,731	-	188,041	-	105,403,008	-
2010	14,641	0.7%	215,524	1.5%	116,716,293	1.1%
2017	15,134	0.5%	231,794	1.0%	123,158,898	0.8%
Projected Mkt Entry July 2020	15,355	0.5%	238,206	0.9%	125,752,338	0.7%
2022	15,503	0.5%	242,481	0.9%	127,481,298	0.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	2.42	-	2.61	-	2.59	-
2010	2.36	-0.2%	2.54	-0.3%	2.58	-0.1%
2017	2.32	-0.2%	2.54	0.0%	2.59	0.1%
Projected Mkt Entry July 2020	2.32	0.0%	2.55	0.1%	2.61	0.2%
2022	2.32	0.0%	2.56	0.1%	2.61	0.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

Year	POPULATION IN GROUP QUARTERS					
	PMA		Augusta-Richmond County, GA-SC MSA		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	1,339	-	16,952	-	7,596,362	-
2010	1,349	0.1%	17,650	0.4%	8,043,577	0.4%
2017	1,878	3.8%	17,671	0.0%	8,081,594	0.0%
Projected Mkt Entry July 2020	1,878	0.0%	17,671	0.0%	8,081,594	0.0%
2022	1,878	0.0%	17,671	0.0%	8,081,594	0.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

The total number of households in the PMA increased between 2010 and 2017, although at a slower rate than the MSA and the nation over the same time period. Through market entry date and 2022, this trend in household growth is expected to continue. The average household sizes are expected to remain relatively stable in the PMA between 2017 and projected market entry and 2022. Average household size in the MSA and nation are expected to experience slight increases over the same period. The number of persons in group quarters experienced a significant increase in the PMA between 2000 and 2017 and remained steady in the MSA over the same time period. It should be noted that forecasted data for the population in group

quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2022.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	9,699	70.6%	4,032	29.4%
2017	9,262	61.2%	5,872	38.8%
Projected Mkt Entry July 2020	9,396	61.2%	5,960	38.8%
2022	9,485	61.2%	6,018	38.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, February 2018

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a larger percentage of renters in the PMA than the nation. This percentage is projected to remain stable over the next five years.

Household Income Distribution

The following table depicts household income in the PMA from 2017 to 2022.

Income Cohort	HOUSEHOLD INCOME PMA					
	2017		2022		Annual Change 2017 to 2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,403	9.3%	1,331	8.6%	-14	-1.0%
\$10,000-19,999	1,899	12.5%	1,760	11.4%	-28	-1.5%
\$20,000-29,999	2,038	13.5%	1,934	12.5%	-21	-1.0%
\$30,000-39,999	1,335	8.8%	1,423	9.2%	18	1.3%
\$40,000-49,999	1,550	10.2%	1,340	8.6%	-42	-2.7%
\$50,000-59,999	1,201	7.9%	1,331	8.6%	26	2.2%
\$60,000-74,999	1,116	7.4%	1,249	8.1%	27	2.4%
\$75,000-99,999	1,558	10.3%	1,565	10.1%	1	0.1%
\$100,000-	1,229	8.1%	1,245	8.0%	3	0.3%
\$125,000-	749	4.9%	892	5.8%	29	3.8%
\$150,000-	519	3.4%	719	4.6%	40	7.7%
\$200,000+	537	3.5%	714	4.6%	35	6.6%
Total	15,134	100.0%	15,503	100.0%		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, February 2018

The Subject's LIHTC units will target households earning between \$19,920 and \$38,700. As the table above depicts, approximately 34.8 percent of households in the PMA earned between \$10,000 and \$39,999 in 2017. Many households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2010, 2017, market entry, and 2022.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry July 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	964	16.4%	947	15.9%	936	15.6%
\$10,000-19,999	1,119	19.1%	1,079	18.1%	1,052	17.5%
\$20,000-29,999	878	15.0%	870	14.6%	865	14.4%
\$30,000-39,999	556	9.5%	582	9.8%	599	10.0%
\$40,000-49,999	632	10.8%	585	9.8%	554	9.2%
\$50,000-59,999	296	5.0%	325	5.5%	345	5.7%
\$60,000-74,999	382	6.5%	430	7.2%	462	7.7%
\$75,000-99,999	445	7.6%	458	7.7%	466	7.7%
\$100,000-124,999	263	4.5%	260	4.4%	258	4.3%
\$125,000-149,999	105	1.8%	125	2.1%	138	2.3%
\$150,000-199,999	100	1.7%	126	2.1%	143	2.4%
\$200,000+	132	2.2%	173	2.9%	200	3.3%
Total	5,872	100.0%	5,960	100.0%	6,018	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, February 2018

Renter households with incomes between \$10,000 and \$39,999 represent 43.6 percent of the renter households in the PMA in 2017. This share is expected to decrease slightly through market entry.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS IN THE HOUSEHOLD

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2017		Projected Mkt Entry July 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	2,640	45.0%	2,714	45.5%	2,763	45.9%
2 Persons	1,351	23.0%	1,351	22.7%	1,351	22.4%
3 Persons	870	14.8%	873	14.6%	875	14.5%
4 Persons	589	10.0%	599	10.1%	606	10.1%
5+ Persons	422	7.2%	423	7.1%	423	7.0%
Total Households	5,872	100%	5,960	100%	6,018	100%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, February 2018

Approximately 55 percent of renter households resided in a two to five-person household in the PMA in 2016. Over the next five years, this percentage is projected to decrease slightly.

CONCLUSION

The total population and number of households in the PMA increased from 2010 to 2017, although at a slower rate when compared to the MSA and nation. Through market entry date and 2022, this trend in population and household growth is expected to continue. Renter households with incomes between \$10,000 and \$39,999 represent 43.6 percent of the renter households in the PMA in 2017. This share is

expected to decrease slightly 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 Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum gross rent a family household will pay is 35 percent of its household income at the appropriate AMI level and the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, for one-bedroom units we assume the average income limits of a one- and two-person household and for three-bedroom units we assume the average income limits for a four- and five-person household. This applies to family projects.

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 are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from Novogradac & Company’s website.

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 tables illustrate the minimum and maximum allowable income levels for the Subject’s units.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
	Income	Income	Income	Income	Income	Income
	@50%		@60%		Overall	
1BR	\$19,920	\$23,250	\$20,400	\$27,900	\$19,920	\$27,900
2BR	\$23,897	\$27,900	\$26,400	\$33,480	\$23,897	\$33,480
3BR	\$26,331	\$32,250	\$31,817	\$38,700	\$26,331	\$38,700

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 2017 as the base year for the analysis, with demographic projections to 2020. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using census 2010 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2000 Census data. (c) 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 must be used to refine the analysis. The Subject is rural and generally not likely to attract homeowners seeking to downsize into a family rental unit. (d) 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.

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2017 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such developments in the Aiken area that would compete with the Subject. Therefore, we have not included any new supply in our demand analysis.

5. Method – Capture Rates

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$19,920		Maximum Income Limit		\$32,250	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2017 to Prj Mrkt Entry July 2020						
\$0-9,999	-17	-19.2%	\$0	0.0%	0	0	
\$10,000-19,999	-40	-45.9%	\$79	0.8%	0	0	
\$20,000-29,999	-8	-8.9%	\$9,362	93.6%	-7	-7	
\$30,000-39,999	26	29.5%	\$2,250	22.5%	6	6	
\$40,000-49,999	-47	-53.4%	\$0	0.0%	0	0	
\$50,000-59,999	29	33.6%	\$0	0.0%	0	0	
\$60,000-74,999	48	54.8%	\$0	0.0%	0	0	
\$75,000-99,999	13	14.4%	\$0	0.0%	0	0	
\$100,000-124,999	-3	-3.4%	\$0	0.0%	0	0	
\$125,000-149,999	20	22.6%	\$0	0.0%	0	0	
\$150,000-199,999	26	29.5%	\$0	0.0%	0	0	
\$200,000+	41	46.6%	\$0	0.0%	0	0	
Total	88	100.0%		-2.1%	-2	-2	

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$19,920		Maximum Income Limit		\$32,250	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	964	16.4%	\$0	0.0%	0	0	
\$10,000-19,999	1,119	19.1%	\$79	0.8%	9	9	
\$20,000-29,999	878	15.0%	\$9,362	93.6%	822	822	
\$30,000-39,999	556	9.5%	\$2,250	22.5%	125	125	
\$40,000-49,999	632	10.8%	\$0	0.0%	0	0	
\$50,000-59,999	296	5.0%	\$0	0.0%	0	0	
\$60,000-74,999	382	6.5%	\$0	0.0%	0	0	
\$75,000-99,999	445	7.6%	\$0	0.0%	0	0	
\$100,000-124,999	263	4.5%	\$0	0.0%	0	0	
\$125,000-149,999	105	1.8%	\$0	0.0%	0	0	
\$150,000-199,999	100	1.7%	\$0	0.0%	0	0	
\$200,000+	132	2.2%	\$0	0.0%	0	0	
Total	5,872	100.0%		16.3%	956	956	

OK

ASSUMPTIONS - @50%

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Urban		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2017 to July 2020

Income Target Population	@50%
New Renter Households PMA	88
Percent Income Qualified	-2.1%
New Renter Income Qualified Households	-2

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	5,872
Income Qualified	16.3%
Income Qualified Renter Households	956
Percent Rent Overburdened Prj Mrkt Entry July 2020	43.1%
Rent Overburdened Households	412

Demand from Living in Substandard Housing

Income Qualified Renter Households	956
Percent Living in Substandard Housing	1.9%
Households Living in Substandard Housing	18

Senior Households Converting from Homeownership

Income Target Population	@50%
tal Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	431
Total New Demand	-2
Total Demand (New Plus Existing Households)	429

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	45.5%	195
Two Persons	22.7%	97
Three Persons	14.6%	63
Four Persons	10.1%	43
Five Persons	7.1%	30
Total	100.0%	429

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	20
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	156
Of two-person households in 1BR units	20%	19
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	10%	20
Of two-person households in 2BR units	80%	78
Of three-person households in 2BR units	60%	38
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	25
Of four-person households in 3BR units	70%	30
Of five-person households in 3BR units	50%	15
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	13
Of five-person households in 4BR units	50%	15
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		429

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	176	-	0	=	176
2 BR	135	-	0	=	135
3 BR	71	-	0	=	71
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	381		0		381

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	2	/	176	=	1.1%
2 BR	4	/	135	=	3.0%
3 BR	2	/	71	=	2.8%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	8		381		2.1%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,400		Maximum Income Limit		\$38,700	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2020						
\$0-9,999	-17	-19.2%	\$0	0.0%	0		
\$10,000-19,999	-40	-45.9%	\$0	0.0%	0		
\$20,000-29,999	-8	-8.9%	\$9,599	96.0%	-7		
\$30,000-39,999	26	29.5%	\$8,700	87.0%	22		
\$40,000-49,999	-47	-53.4%	\$0	0.0%	0		
\$50,000-59,999	29	33.6%	\$0	0.0%	0		
\$60,000-74,999	48	54.8%	\$0	0.0%	0		
\$75,000-99,999	13	14.4%	\$0	0.0%	0		
\$100,000-124,999	-3	-3.4%	\$0	0.0%	0		
\$125,000-149,999	20	22.6%	\$0	0.0%	0		
\$150,000-199,999	26	29.5%	\$0	0.0%	0		
\$200,000+	41	46.6%	\$0	0.0%	0		
Total	88	100.0%		17.1%	15		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,400		Maximum Income Limit		\$38,700	
Income Category	Total Renter Households PMA		Income Brackets	Percent within Cohort	Households within Bracket		
	2017						
\$0-9,999	964	16.4%	\$0	0.0%	0		
\$10,000-19,999	1,119	19.1%	\$0	0.0%	0		
\$20,000-29,999	878	15.0%	\$9,599	96.0%	843		
\$30,000-39,999	556	9.5%	\$8,700	87.0%	484		
\$40,000-49,999	632	10.8%	\$0	0.0%	0		
\$50,000-59,999	296	5.0%	\$0	0.0%	0		
\$60,000-74,999	382	6.5%	\$0	0.0%	0		
\$75,000-99,999	445	7.6%	\$0	0.0%	0		
\$100,000-124,999	263	4.5%	\$0	0.0%	0		
\$125,000-149,999	105	1.8%	\$0	0.0%	0		
\$150,000-199,999	100	1.7%	\$0	0.0%	0		
\$200,000+	132	2.2%	\$0	0.0%	0		
Total	5,872	100.0%		22.6%	1,327		

Check

OK

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%					
Tenancy	Family		% of Income towards Housing		35%
Rural/Urban	Urban		Maximum # of Occupants		5
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	10%	80%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2017 to July 2020

Income Target Population	@60%
New Renter Households PMA	88
Percent Income Qualified	17.1%
New Renter Income Qualified Households	15

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	5,872
Income Qualified	22.6%
Income Qualified Renter Households	1,327
Percent Rent Overburdened Prj Mrkt Entry July 2020	43.1%
Rent Overburdened Households	572

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,327
Percent Living in Substandard Housing	1.9%
Households Living in Substandard Housing	26

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	0.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	598
Total New Demand	15
Total Demand (New Plus Existing Households)	613

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	45.5%	279
Two Persons	22.7%	139
Three Persons	14.6%	90
Four Persons	10.1%	62
Five Persons	7.1%	43
Total	100.0%	613

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	28
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	223
Of two-person households in 1BR units	20%	28
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	10%	28
Of two-person households in 2BR units	80%	111
Of three-person households in 2BR units	60%	54
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	36
Of four-person households in 3BR units	70%	43
Of five-person households in 3BR units	50%	22
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	18
Of five-person households in 4BR units	50%	22
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		613

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	251	-	0	=	251
2 BR	193	-	0	=	193
3 BR	101	-	0	=	101
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	545		0		545

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	/	/	-	=	-
1 BR	6	/	251	=	2.4%
2 BR	12	/	193	=	6.2%
3 BR	6	/	101	=	6.0%
4 BR	/	/	-	=	-
5 BR	/	/	-	=	-
Total	24		545		4.4%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$19,920		Maximum Income Limit		\$38,700	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2020						
\$0-9,999	-17	-19.2%	\$0	0.0%	0		
\$10,000-19,999	-40	-45.9%	\$79	0.8%	0		
\$20,000-29,999	-8	-8.9%	\$9,999	100.0%	-8		
\$30,000-39,999	26	29.5%	\$8,700	87.0%	22		
\$40,000-49,999	-47	-53.4%	\$0	0.0%	0		
\$50,000-59,999	29	33.6%	\$0	0.0%	0		
\$60,000-74,999	48	54.8%	\$0	0.0%	0		
\$75,000-99,999	13	14.4%	\$0	0.0%	0		
\$100,000-124,999	-3	-3.4%	\$0	0.0%	0		
\$125,000-149,999	20	22.6%	\$0	0.0%	0		
\$150,000-199,999	26	29.5%	\$0	0.0%	0		
\$200,000+	41	46.6%	\$0	0.0%	0		
Total	88	100.0%		16.4%	14		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$19,920		Maximum Income Limit		\$38,700	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	964	16.4%	\$0	0.0%	0		
\$10,000-19,999	1,119	19.1%	\$79	0.8%	9		
\$20,000-29,999	878	15.0%	\$9,999	100.0%	878		
\$30,000-39,999	556	9.5%	\$8,700	87.0%	484		
\$40,000-49,999	632	10.8%	\$0	0.0%	0		
\$50,000-59,999	296	5.0%	\$0	0.0%	0		
\$60,000-74,999	382	6.5%	\$0	0.0%	0		
\$75,000-99,999	445	7.6%	\$0	0.0%	0		
\$100,000-124,999	263	4.5%	\$0	0.0%	0		
\$125,000-149,999	105	1.8%	\$0	0.0%	0		
\$150,000-199,999	100	1.7%	\$0	0.0%	0		
\$200,000+	132	2.2%	\$0	0.0%	0		
Total	5,872	100.0%		23.3%	1,371		

ASSUMPTIONS - Overall

Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Urban	Maximum # of Occupants				5
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	10%	80%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2017 to July 2020

Income Target Population		Overall
New Renter Households PMA		88
Percent Income Qualified		16.4%
New Renter Income Qualified Households		14

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population		Overall
Total Existing Demand		5,872
Income Qualified		23.3%
Income Qualified Renter Households		1,371
Percent Rent Overburdened Prj Mrkt Entry July 2020		43.1%
Rent Overburdened Households		591

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,371
Percent Living in Substandard Housing		1.9%
Households Living in Substandard Housing		26

Senior Households Converting from Homeownership

Income Target Population		Overall
Total Senior Homeowners		0
Rural Versus Urban	0.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		618
Total New Demand		14
Total Demand (New Plus Existing Households)		632

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 20 percent of Total Demand?		No

By Bedroom Demand

One Person	45.5%	288
Two Persons	22.7%	143
Three Persons	14.6%	93
Four Persons	10.1%	64
Five Persons	7.1%	45
Total	100.0%	632

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	29
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	230
Of two-person households in 1BR units	20%	29
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	10%	29
Of two-person households in 2BR units	80%	115
Of three-person households in 2BR units	60%	56
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	37
Of four-person households in 3BR units	70%	44
Of five-person households in 3BR units	50%	22
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	19
Of five-person households in 4BR units	50%	22
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		632

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	259	-	0	=	259
2 BR	199	-	0	=	199
3 BR	104	-	0	=	104
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	562		0		562

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	/	/	-	=	-
1 BR	8	/	259	=	3.1%
2 BR	16	/	199	=	8.0%
3 BR	8	/	104	=	7.7%
4 BR	/	/	-	=	-
5 BR	/	/	-	=	-
Total	32		562		5.7%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- 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. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

DEMAND AND NET DEMAND

	HH at @50% AMI (\$19,920 to \$32,250)	HH at @60% AMI (\$20,400 to \$38,700)	Overall Demand
Demand from New Households (age and income appropriate)	-2	15	14
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	412	572	591
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	18	26	26
=	=	=	=
Sub Total	429	613	632
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	429	613	632
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	429	613	632

Over 20 percent of the Subject’s units consist of three-bedroom units or larger. Therefore, we have included a large-household demographic demand evaluation in the following table.

LARGE HOUSEHOLD (3-PERSON OR LARGER) DEMOGRAPHIC DEMAND BY TARGETED INCOME

	HH at @50% AMI (\$19,920 to \$28,700)	HH at @60% AMI (\$23,314 to \$38,700)	Overall Demand
Demand from New 3-Person+ Large Households (age and income appropriate)	-1	5	5
PLUS	+	+	+
Demand from Existing 3-Person+ Large Renter Households - Rent Overburdened Households	131	182	188
PLUS	+	+	+
Demand from Existing 3+ Large Renter Households - Substandard Housing	6	8	8
=	=	=	=
Total 3-Person+ Large Household Demand	136	195	201
Less	-	-	-
New Supply (3-Bedroom Units)	0	0	0
=	=	=	=
Net 3-Person+ Large Household Demand	136	195	201
Proposed 3-Bedroom+ Subject Units	2	6	8
Proposed 3-Bedroom+ Subject Units Divided by Net 3-Person Large Household Demand	1.5%	3.1%	4.0%
Large-Household (3-Person+) Capture Rate by Income Level	1.5%	3.1%	4.0%

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 @50%	176	0	176	2	1.1%
1BR @60%	251	0	251	6	2.4%
1BR Overall	259	0	259	8	3.1%
2BR @50%	135	0	135	4	3.0%
2BR @60%	193	0	193	12	6.2%
2BR Overall	199	0	199	16	8.0%
3BR @50%	71	0	71	2	2.8%
3BR @60%	101	0	101	6	6.0%
3BR Overall	104	0	104	8	7.7%
@50% Overall	381	0	381	8	2.1%
@60% Overall	545	0	545	24	4.4%
Overall	562	0	562	32	5.7%

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 8.0 percent with an overall capture rate of 5.7 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

Three of the comparable properties surveyed, two of which were LIHTC, were able to provide absorption data. Absorption rates at these properties are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Dupont Landing	LIHTC	Family	2015	44	6
Meadow Brook Acres Apartments	LIHTC	Family	2011	48	48
The Summits Of Aiken Apartments	Market	Family	2012	120	<u>17</u>
				Average	24

These properties reported absorption rates ranging from six to 48 units per month, with an average of 24 units per month. With the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within this range. It should be noted that according to the contact at Dupont Landing, the property began pre-leasing in September 2014 and was 100 percent occupied at least by the time construction was completed in April 2015. The contact could not provide a more specific date as to when the last unit was leased. As such, we have assumed the last unit was leased in April 2015, when construction was completed and tenants began moving in, which provides a conservative calculation of six units per month. Given the conservative nature of this calculation, we believe the Subject will experience an absorption rate more similar to The Summits Of Aiken Apartments. We believe that the Subject could absorb approximately 15 units per month upon opening. This equals an absorption period of two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

G. 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. Fully subsidized properties were excluded due to differing rent structures from the Subject without a subsidy; however, it should be noted that subsidized properties in the market area were found to have stable occupancies.

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

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion	Number of Units	2018 Vacancy Rate
Cushman Arms Apartments	LIHTC	Family	More comparable properties	31	0.0%
Longleaf Senior Village Phase I	LIHTC	Senior	Senior tenancy	50	0.0%
Oxford Trace	LIHTC	Family	Could not contact	29	N/Av
Glendale Terrace Apartments	Market	Family	Inferior age and condition, dissimilar design	60	N/Av
Crosland Apartments	Section 8	Family	Subsidized	56	0.0%
Northgate Apartments	Section 8	Family	Subsidized	20	0.0%
Windham House	Section 8	Family	Subsidized	47	0.0%
Villages at Horse Creek Apartments	Section 8	Senior	Subsidized, senior tenancy	36	0.0%
Colony Woods Apartments	Market	Family	More comparable properties	34	0.0%
Grand Oaks	Market	Family	More comparable properties	32	0.0%
Trotters Run	Market	Family	Closer comparables	96	0.0%
Verandas On The Green	Market	Family	Closer comparables	222	7.7%
Total LIHTC Only*				81	0.0%
Total Assisted				159	0.0%
Total All Affordable				329	0.0%

*Includes properties that reported vacancy

LIHTC Competition

We spoke to Mr. Ryan Bland, director in the City of Aiken Planning Department (803-642-7608). Mr. Bland was not aware of any planned, proposed, under construction or recently constructed multifamily developments within the city of Aiken or nearby. We also consulted a CoStar new construction report and did not find any planned, proposed, under construction or recently constructed multifamily developments within the Subject’s PMA. Two LIHTC properties have been allocated in the Subject’s PMA since 2013, Longleaf Senior Village Phase I and Dupont Landing. 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 Longleaf Senior Village Phase I targets senior tenants, it will not directly compete with the Subject. It should be noted, however, that Phase I is currently fully occupied with a waiting list that consists of over 200 households. Dupont Landing is a family LIHTC project allocated in 2013 located 0.8 miles from the Subject. This project was constructed in 2015 and includes 22 three-bedroom units at 50 percent AMI and 22 three-bedroom units at 60 percent AMI. The project has been stabilized since it opened in 2015. Therefore, we have not deducted the units at Dupont Landing in our demand analysis.

Pipeline Construction

As detailed above, we spoke to Mr. Ryan Bland, director in the City of Aiken Planning Department (803-642-7608). Mr. Bland was not aware of any planned, proposed, under construction or recently constructed multifamily developments within the city of Aiken or nearby. We also consulted a CoStar new construction report and did not find any planned, proposed, under construction or recently constructed multifamily developments within the Subject's PMA.

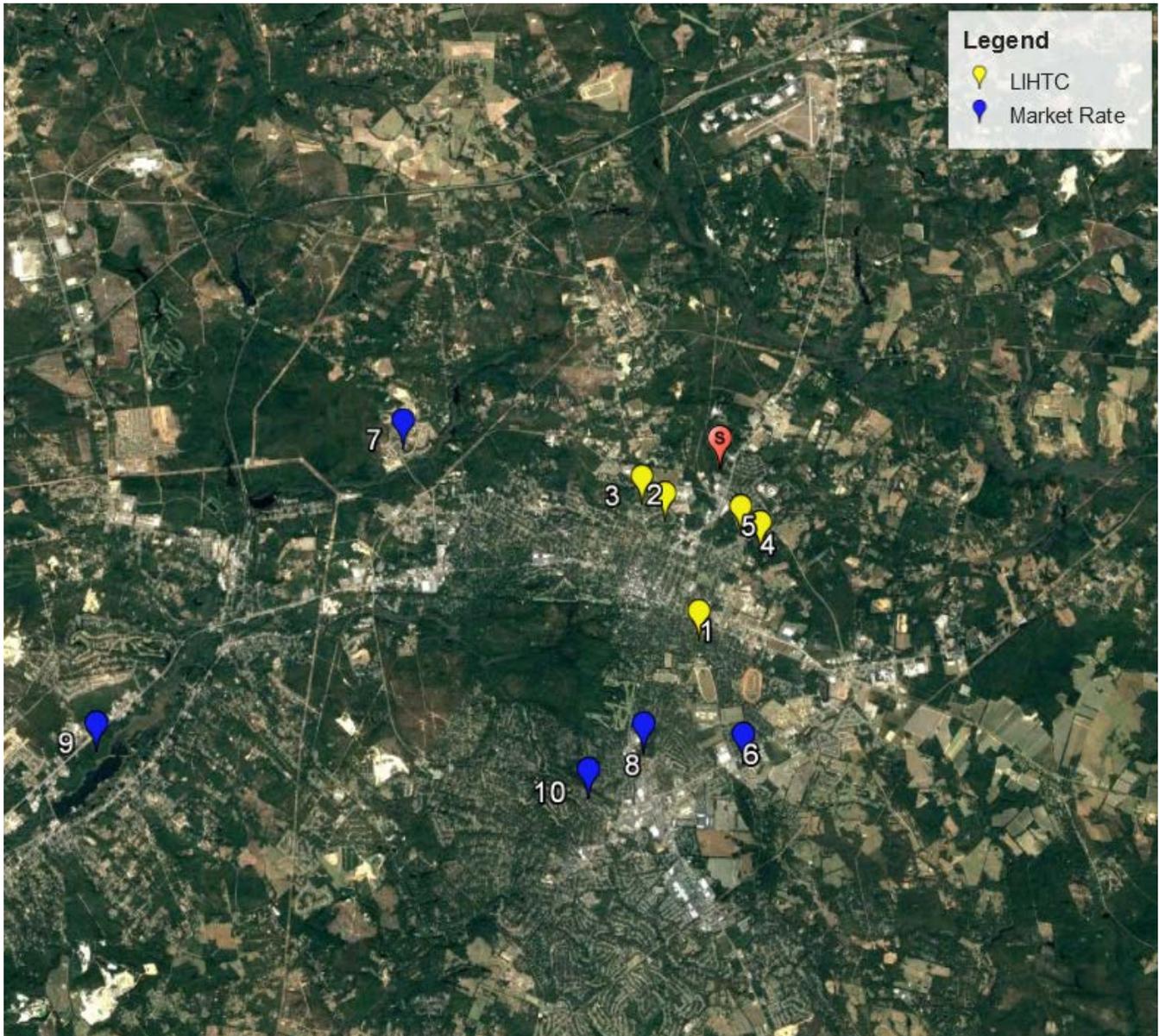
Comparable Properties

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 ten “true” comparable properties containing 1,069 units.

The availability of multifamily data in the PMA and specifically in the Aiken area was adequate and all of the LIHTC comparables are located within the PMA. 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 also considered good. All but one of the market-rate comparables, The Summits Of Aiken Apartments, are located in the Subject’s PMA.

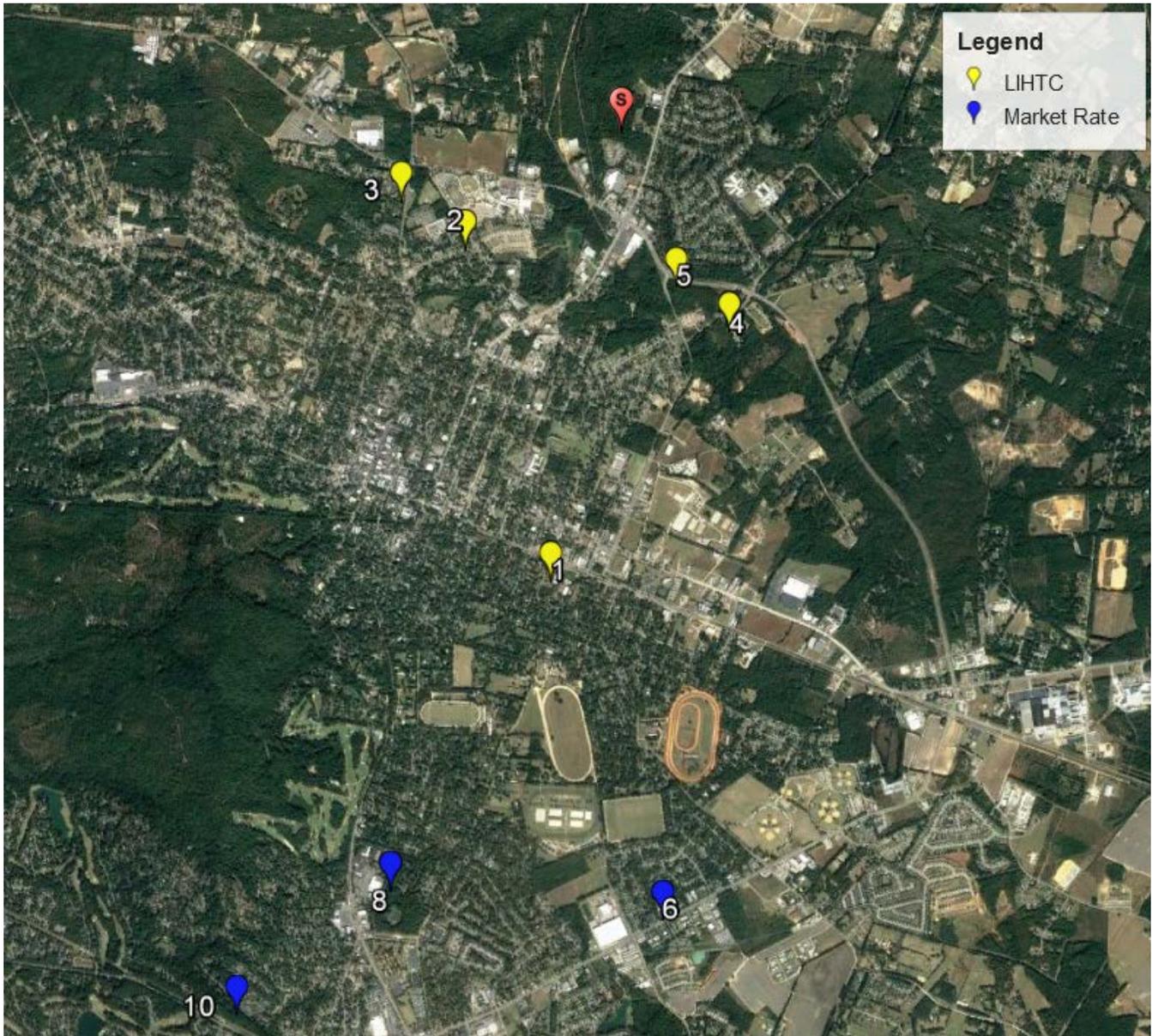
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are 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. Throughout the course of performing this analysis of the local rental market, many apartment managers, realtors, leasing agents, and owners were contacted in person, or through the telephone or email.

COMPARABLE RENTAL PROPERTY MAP - GENERAL



Source: Google Earth, February 2018.

COMPARABLE RENTAL PROPERTY MAP - DETAILED



Source: Google Earth, February 2018.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Longleaf Village Phase II	Aiken	LIHTC	-
1	Busch Crossing	Aiken	LIHTC	1.9 miles
2	Dupont Landing	Aiken	LIHTC	0.8 miles
3	Glen Arbor Apartments	Aiken	LIHTC	1.0 miles
4	Meadow Brook Acres Apartments	Aiken	LIHTC	0.9 miles
5	Olde South Terrace	Aiken	LIHTC	0.6 miles
6	Gatewood Apartments	Aiken	Market	3.3 miles
7	Haven At Market Street Station	Aiken	Market	4.0 miles
8	The Colony At South Park	Aiken	Market	3.4 miles
9	The Summits Of Aiken Apartments	Graniteville	Market	8.3 miles
10	Woodwinds Apartment Homes	Aiken	Market	4.1 miles

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 VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent	Waiting List?	Vacant Units	Vacancy Rate
Subject	Longleaf Village Phase II 205 Bushwillow Circle Aiken, SC 29801 Aiken County	-	Garden (2 stories) Proposed 2020 / n/a Family	@50%, @60%	1BR / 1BA	2	6.3%	750	@50%	\$436	Yes	N/A	N/A	N/A
					2BR / 2BA	4	12.5%	950	@50%	\$502	Yes	N/A	N/A	N/A
					3BR / 2BA	2	6.3%	1,100	@50%	\$515	No	N/A	N/A	N/A
					1BR / 1BA	6	18.8%	750	@60%	\$450	No	N/A	N/A	N/A
					2BR / 2BA	12	37.5%	950	@60%	\$575	No	N/A	N/A	N/A
					3BR / 2BA	6	18.8%	1,100	@60%	\$675	No	N/A	N/A	N/A
					32	100.0%						N/A	N/A	
1	Busch Crossing 600 Block Carver Terrace And 200 Even Block Williamsburg Street Aiken, SC 29801 Aiken County	1.9 miles	Single Family (1 stories) 2003 / n/a Family	@60%	3BR / 2BA	16	69.6%	1,370	@60%	\$690	No	Yes	0	0.0%
					4BR / 3BA	7	30.4%	1,400	@60%	\$720	No	Yes	0	0.0%
					23	100.0%						0	0.0%	
2	Dupont Landing 109 Benedict Drive Aiken, SC 29801 Aiken County	0.8 miles	One-story (1 stories) 2015 / n/a Family	@50%, @60%	3BR / 2BA	22	50.0%	1,250	@50%	\$470	No	Yes	0	0.0%
					3BR / 2BA	22	50.0%	1,250	@60%	\$590	No	Yes	0	0.0%
					44	100.0%						0	0.0%	
3	Glen Arbor Apartments 515 Lincoln Ave Aiken, SC 29801 Aiken County	1.0 miles	Garden (2 stories) 2002 / n/a Family	@60%	2BR / 1BA	40	71.4%	908	@60%	\$488	No	Yes	0	0.0%
					3BR / 2BA	16	28.6%	1,053	@60%	\$556	No	Yes	0	0.0%
					56	100.0%						0	0.0%	
4	Meadow Brook Acres Apartments 111 Wire Rd Aiken, SC 29801 Aiken County	0.9 miles	Garden (2 stories) 2011 / n/a Family	@50%, @60%	2BR / 2BA	8	16.7%	1,100	@50%	\$450	No	Yes	0	0.0%
					3BR / 2BA	4	8.3%	1,300	@50%	\$500	No	Yes	0	0.0%
					2BR / 2BA	24	50.0%	1,100	@60%	\$490	No	Yes	0	0.0%
					3BR / 2BA	12	25.0%	1,300	@60%	\$555	No	Yes	0	0.0%
					48	100.0%					0	0.0%		
5	Olde South Terrace 1000 Twilight Lane Aiken, SC 29801 Aiken County	0.6 miles	Garden (3 stories) 2010 / n/a Family	@50%, @60%	2BR / 2BA	8	16.7%	1,100	@50%	\$450	No	Yes	0	0.0%
					3BR / 2BA	4	8.3%	1,300	@50%	\$500	No	Yes	0	0.0%
					2BR / 2BA	24	50.0%	1,100	@60%	\$490	No	Yes	0	0.0%
					3BR / 2BA	12	25.0%	1,300	@60%	\$555	No	Yes	0	0.0%
					48	100.0%					0	0.0%		
6	Gateway Apartments 303 Pebble Lane Aiken, SC 29801 Aiken County	3.3 miles	Garden (2 stories) 1984 / n/a Family	Market	2BR / 1.5BA	28	20.9%	975	Market	\$822	N/A	No	1	3.6%
					2BR / 2.5BA	76	56.7%	1,053	Market	\$853	N/A	No	3	3.9%
					3BR / 2BA	30	22.4%	1,125	Market	\$979	N/A	No	1	3.3%
					134	100.0%					5	3.7%		
7	Haven At Market Street Station 8034 Macbean Loop Aiken, SC 29801 Aiken County	4.0 miles	Garden (3 stories) 2008 / n/a Family	Market	1BR / 1BA	68	23.9%	770	Market	\$785	N/A	None	N/A	N/A
					1.5BR / 1BA	50	17.6%	998	Market	\$885	N/A	None	N/A	N/A
					2BR / 2BA	142	50.0%	1,150	Market	\$962	N/A	None	N/A	N/A
					3BR / 2BA	24	8.5%	1,292	Market	\$1,182	N/A	None	N/A	N/A
					284	100.0%					20	7.0%		
8	The Colony At South Park 101 Greengate Circle Aiken, SC 29803 Aiken County	3.4 miles	Garden (2 stories) 1989 / n/a Family	Market	1BR / 1BA	45	26.8%	750	Market	\$865	N/A	No	0	0.0%
					2BR / 2BA	78	46.4%	950	Market	\$955	N/A	No	1	1.3%
					3BR / 2BA	45	26.8%	1,150	Market	\$1,025	N/A	No	3	6.7%
					168	100.0%					4	2.4%		
9	The Summits Of Aiken Apartments 2170 Jefferson Davis Hwy Graniteville, SC 29829 Aiken County	8.3 miles	Garden (3 stories) 2012 / n/a Family	Market	2BR / 2BA	96	80.0%	1,050	Market	\$969	N/A	None	1	1.0%
					3BR / 2BA	24	20.0%	1,300	Market	\$1,259	N/A	None	0	0.0%
					120	100.0%						1	0.8%	
10	Woodwinds Apartment Homes 100 Cody Lane Aiken, SC 29803 Aiken County	4.1 miles	Various (2 stories) 1989 / n/a Family	Market	2BR / 2BA	72	50.0%	1,074	Market	\$875	N/A	Yes	0	0.0%
					2BR / 2.5BA	20	13.9%	1,157	Market	\$925	N/A	Yes	0	0.0%
					3BR / 2BA	24	16.7%	1,236	Market	\$975	N/A	Yes	0	0.0%
					3BR / 2BA	28	19.4%	1,252	Market	\$980	N/A	Yes	0	0.0%
					144	100.0%					0	0.0%		

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	1,069	Weighted Occupancy:	97.2%		
	Market Rate	850	Market Rate	96.5%		
	Tax Credit	219	Tax Credit	100.0%		
One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath		
Property	Average	Property	Average	Property	Average	
RENT	The Colony At South Park (Market)	\$865	The Summits Of Aiken Apartments (Market)	\$969	The Summits Of Aiken Apartments (Market)(2BA)	\$1,259
	Haven At Market Street Station (Market)	\$785	Haven At Market Street Station (Market)	\$962	Haven At Market Street Station (Market)(2BA)	\$1,182
	Longleaf Village Phase II (@60%)	\$450	The Colony At South Park (Market)	\$955	The Colony At South Park (Market)(2BA)	\$1,025
	Longleaf Village Phase II (@50%)	\$436	Woodwinds Apartment Homes (Market)(2.5BA)	\$925	Woodwinds Apartment Homes (Market)(2BA)	\$980
			Woodwinds Apartment Homes (Market)	\$875	Gatewood Apartments (Market)(2BA)	\$979
			Gatewood Apartments (Market)(2.5BA)	\$853	Woodwinds Apartment Homes (Market)(2BA)	\$975
			Gatewood Apartments (Market)(1.5BA)	\$822	Busch Crossing (@60%)(2BA)	\$690
			Longleaf Village Phase II (@60%)	\$575	Longleaf Village Phase II (@60%)(2BA)	\$675
			Longleaf Village Phase II (@50%)	\$502	Dupont Landing (@60%)(2BA)	\$590
			Meadow Brook Acres Apartments (@60%)	\$490	Glen Arbor Apartments (@60%)(2BA)	\$556
			Olde South Terrace (@60%)	\$490	Meadow Brook Acres Apartments (@60%)(2BA)	\$555
			Glen Arbor Apartments (@60%)(1BA)	\$488	Olde South Terrace (@60%)(2BA)	\$555
			Olde South Terrace (@50%)	\$450	Longleaf Village Phase II (@50%)(2BA)	\$515
			Meadow Brook Acres Apartments (@50%)	\$450	Meadow Brook Acres Apartments (@50%)(2BA)	\$500
					Olde South Terrace (@50%)(2BA)	\$500
				Dupont Landing (@50%)(2BA)	\$470	
SQUARE FOOTAGE	Haven At Market Street Station (Market)	770	Woodwinds Apartment Homes (Market)(2.5BA)	1,157	Busch Crossing (@60%)(2BA)	1,370
	Longleaf Village Phase II (@50%)	750	Haven At Market Street Station (Market)	1,150	Olde South Terrace (@60%)(2BA)	1,300
	Longleaf Village Phase II (@60%)	750	Meadow Brook Acres Apartments (@60%)	1,100	The Summits Of Aiken Apartments (Market)(2BA)	1,300
	The Colony At South Park (Market)	750	Meadow Brook Acres Apartments (@50%)	1,100	Meadow Brook Acres Apartments (@50%)(2BA)	1,300
			Olde South Terrace (@60%)	1,100	Meadow Brook Acres Apartments (@60%)(2BA)	1,300
			Olde South Terrace (@50%)	1,100	Olde South Terrace (@50%)(2BA)	1,300
			Woodwinds Apartment Homes (Market)	1,074	Haven At Market Street Station (Market)(2BA)	1,292
			Gatewood Apartments (Market)(2.5BA)	1,053	Woodwinds Apartment Homes (Market)(2BA)	1,252
			The Summits Of Aiken Apartments (Market)	1,050	Dupont Landing (@50%)(2BA)	1,250
			Gatewood Apartments (Market)(1.5BA)	975	Dupont Landing (@60%)(2BA)	1,250
			The Colony At South Park (Market)	950	Woodwinds Apartment Homes (Market)(2BA)	1,236
			Longleaf Village Phase II (@50%)	950	The Colony At South Park (Market)(2BA)	1,150
			Longleaf Village Phase II (@60%)	950	Gatewood Apartments (Market)(2BA)	1,125
			Glen Arbor Apartments (@60%)(1BA)	908	Longleaf Village Phase II (@60%)(2BA)	1,100
					Longleaf Village Phase II (@50%)(2BA)	1,100
				Glen Arbor Apartments (@60%)(2BA)	1,053	
RENT PER SQUARE FOOT	The Colony At South Park (Market)	\$1.15	The Colony At South Park (Market)	\$1.01	The Summits Of Aiken Apartments (Market)(2BA)	\$0.97
	Haven At Market Street Station (Market)	\$1.02	The Summits Of Aiken Apartments (Market)	\$0.92	Haven At Market Street Station (Market)(2BA)	\$0.91
	Longleaf Village Phase II (@60%)	\$0.60	Gatewood Apartments (Market)(1.5BA)	\$0.84	The Colony At South Park (Market)(2BA)	\$0.89
	Longleaf Village Phase II (@50%)	\$0.58	Haven At Market Street Station (Market)	\$0.84	Gatewood Apartments (Market)(2BA)	\$0.87
			Woodwinds Apartment Homes (Market)	\$0.81	Woodwinds Apartment Homes (Market)(2BA)	\$0.79
			Gatewood Apartments (Market)(2.5BA)	\$0.81	Woodwinds Apartment Homes (Market)(2BA)	\$0.78
			Woodwinds Apartment Homes (Market)(2.5BA)	\$0.80	Longleaf Village Phase II (@60%)(2BA)	\$0.61
		Longleaf Village Phase II (@60%)	\$0.61	Glen Arbor Apartments (@60%)(2BA)	\$0.53	
		Glen Arbor Apartments (@60%)(1BA)	\$0.54	Busch Crossing (@60%)(2BA)	\$0.50	
		Longleaf Village Phase II (@50%)	\$0.53	Dupont Landing (@60%)(2BA)	\$0.47	

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

	Subject	Busch Crossing	Dupont Landing	Glen Arbor Apartments	Meadow Brook Acres	Olde South Terrace	Gatewood Apartments	Haven At Market	The Colony At South	The Summits Of Aiken	Woodwinds Apartment
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Building											
Property Type	Garden	Single Family	One-story	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Various
# of Stories	2-stories	1-stories	1-stories	2-stories	2-stories	3-stories	2-stories	3-stories	2-stories	3-stories	2-stories
Year Built	Proposed	2003	2015	2002	2011	2010	1984	2008	1989	2012	1989
Year Renovated	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Structure											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	no	no	yes	yes	no	no	no	no	no	no	no
Sewer	no	no	yes	yes	no	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Unit Amenities											
Balcony/Patio	no	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no	yes	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	yes	no	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	yes	no	no	yes	no	yes	yes	yes	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	no	no	yes	yes	no	yes	no	yes
Fireplace	no	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	yes	no	no	no	yes	no	yes	no	no	no
Washer/Dryer	no	no	no	no	no	no	no	no	no	yes	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	yes	yes	no	yes	no	no	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community											
Business Center	yes	no	yes	no	yes	yes	yes	yes	yes	yes	yes
Community Room	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	no	yes	yes	yes	yes	no	yes	yes	no	yes
On-Site Mgmt	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation											
Exercise Facility	yes	no	yes	no	yes	yes	no	yes	yes	yes	no
Playground	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes	yes
Picnic Area	no	no	yes	no	no	no	no	yes	yes	no	no
Recreational Area	no	no	no	no	no	no	no	no	no	yes	no
Security											
Patrol	no	no	no	no	no	yes	no	no	yes	no	yes
Perimeter Fencing	no	no	no	no	no	yes	yes	yes	no	no	no
Video Surveillance	no	no	yes	no	no	no	no	no	no	no	no
Parking											
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$75	n/a	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Busch Crossing

Effective Rent Date	2/28/2018
Location	600 Block Carver Terrace And 200 Even Block Williamsburg Street Aiken, SC 29801 Aiken County
Distance	1.9 miles
Units	23
Vacant Units	0
Vacancy Rate	0.0%
Type	Single Family
Year Built/Renovated	2003 / 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	Roxanne
Phone	803-648-9846



Market Information

Program	@60%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	Three households

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
3	2	Single Family	16	1,370	\$690	\$0	@60%	Yes	0	0.0%	no	None
4	3	Single Family	7	1,400	\$720	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	\$690	\$0	\$690	\$0	\$690
4BR / 3BA	\$720	\$0	\$720	\$0	\$720

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Garbage Disposal		
Refrigerator		
Washer/Dryer hookup		
Blinds		
Central A/C		
Dishwasher		
Oven		
Walk-In Closet		
Property	Premium	Other
Off-Street Parking	None	None

Comments

The property manager stated that there are currently no vacancies and the property typically operates at 100 percent. According to the contact, the property maintains a waiting list that consists of three households. The contact could not estimate the percentage of tenants utilizing Housing Choice Vouchers. This property is currently achieving rents slightly below maximum allowable levels for its three-bedroom units. The property contact believed maximum allowable rents are achievable in the market.

Photos



Comments

Dupont landing was awarded LIHTC equity in 2013 for the new construction of 44 family units. According to the contact, the property began pre-leasing in September 2014 and was 100 percent occupied at least by the time construction was completed. The contact could not provide a more specific date as to when the last unit was leased. As such, we have assumed the last unit was leased in April 2015, when construction was completed and tenants began moving in, which provides a conservative calculation of six units per month. The contact believed this property has no major competitors and there is a lack of newly constructed affordable housing in the local market. Furthermore, this property typically operates at 100 percent occupancy and maintains a waiting list that consists of 30 households. The contact stated the property is owned by a non-profit and has not tested the market, though she believes that maximum allowable rents are achievable for newly constructed, affordable properties that offer quality housing and competitive amenities.

Photos



PROPERTY PROFILE REPORT

Glen Arbor Apartments

Effective Rent Date 2/26/2018
Location 515 Lincoln Ave
 Aiken, SC 29801
 Aiken County
 Intersection: Laurens Street NW
Distance 1 mile
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 15%
Units/Month Absorbed N/A
HCV Tenants 20%
Leasing Pace Pre-leased
Annual Chg. in Rent Increased 2.9 to 3.5 percent
Concession none
Waiting List 15 households

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	\$530	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	16	1,053	\$616	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$530	\$0	\$530	-\$42	\$488
3BR / 2BA	\$616	\$0	\$616	-\$59	\$557

Glen Arbor Apartments, continued

Amenities

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

Comments

This property currently maintains a waiting list that consists of 15 households. The property manager stated that she pre-screens and pre-approves tenants before placing them on the list, which reduces the length. Rents have increased between 2.9 and 3.5 percent since we previously interviewed this property in January 2017. The contact reported strong demand for affordable housing in the area and stated regular rent increases at the property do not affect demand as the rents are still far more affordable than market-rate properties in the area.

Photos



PROPERTY PROFILE REPORT

Meadow Brook Acres Apartments

Effective Rent Date 2/26/2018
Location 111 Wire Rd
 Aiken, SC 29801
 Aiken County
 Intersection: Willis Hill Road
Distance 0.9 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 Destiny
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
Waiting List 100 households

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	\$450	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	24	1,100	\$490	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	4	1,300	\$500	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	12	1,300	\$555	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$450	\$0	\$450	\$0	\$450	2BR / 2BA	\$490	\$0	\$490	\$0	\$490
3BR / 2BA	\$500	\$0	\$500	\$0	\$500	3BR / 2BA	\$555	\$0	\$555	\$0	\$555

Meadow Brook Acres Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

Meadow Brook Acres Apartments was awarded LIHTC equity in 2010 for the new construction of 48 family units. Construction was completed in 2011. This property currently maintains a waiting list that consists of 100 households. The contact could not provide annual turnover rate, percentage of tenants utilizing housing choice vouchers, or average leasing pace. Therefore, the data in the profile for these categories reflects an interview previously conducted with this property in January 2017. The contact reported strong demand for affordable housing in the area. The contact believed a newly constructed property with competitive amenities may be able to achieve maximum allowable rents at 50 but not 60 percent AMI.

Photos



PROPERTY PROFILE REPORT

Olde South Terrace

Effective Rent Date 2/26/2018
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 Destiny
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 Increased 2-3 percent
Concession None
Waiting List 100 households

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	\$450	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	24	1,100	\$490	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	4	1,300	\$500	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	12	1,300	\$555	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$450	\$0	\$450	\$0	\$450	2BR / 2BA	\$490	\$0	\$490	\$0	\$490
3BR / 2BA	\$500	\$0	\$500	\$0	\$500	3BR / 2BA	\$555	\$0	\$555	\$0	\$555

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpet/Hardwood	Carpeting	Perimeter Fencing	
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

Olde South Terrace was awarded LIHTC equity for the new construction of 48 family units in 2009 and construction was completed in 2010. This property currently maintains a waiting list that consists of 100 households. The contact could not provide annual turnover rate, percentage of tenants utilizing housing choice vouchers, or average leasing pace; the data in the profile for these categories reflects an interview with this property in January 2017. The contact reported strong demand for affordable housing in the area. The contact believed a newly constructed property with competitive amenities may be able to achieve maximum allowable rents at 50 percent AMI but not 60 percent.

Photos



PROPERTY PROFILE REPORT

Gatewood Apartments

Effective Rent Date	2/26/2018
Location	303 Pebble Lane Aiken, SC 29801 Aiken County Intersection: E Pine Log Road
Distance	3.3 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
Waiting List	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	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.	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		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Gatewood Apartments is a market-rate property with 134 two and three-bedroom units. The property does not accept Housing Choice Vouchers. Rents have remained stable since we previously interviewed this property in January 2017. Pest control is included in the rent.

PROPERTY PROFILE REPORT

Haven At Market Street Station

Effective Rent Date 2/26/2018

Location 8034 Macbean Loop
Aiken, SC 29801
Aiken County
Intersection: St. Charles Avenue

Distance 4 miles

Units 284

Vacant Units 20

Vacancy Rate 7.0%

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 Jessica

Phone 803-641-3111



Market Information

Program Market

Annual Turnover Rate 13%

Units/Month Absorbed N/A

HCV Tenants 0%

Leasing Pace N/A

Annual Chg. in Rent None

Concession N/A

Waiting List None

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	\$0	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.	Adj. Rent
1BR / 1BA	\$760	\$0	\$760	\$25	\$785
1.5BR / 1BA	\$860	\$0	\$860	\$25	\$885
2BR / 2BA	\$935	\$0	\$935	\$27	\$962
3BR / 2BA	\$1,155	\$0	\$1,155	\$27	\$1,182

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

This property does not accept Housing Choice Vouchers. The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. The contact reported a typical occupancy rate of 95 percent and attributed the slightly elevated vacancy to the slow season during December, January, and February. Garage parking is available to tenants for an additional \$75 per month. The property has 50 garages and one vacant, which equates to a utilization rate of 98 percent. Rents have remained the same at this property since the last time we interviewed this property in January 2017.

Photos



PROPERTY PROFILE REPORT

The Colony At South Park

Effective Rent Date	2/26/2018
Location	101 Greengate Circle Aiken, SC 29803 Aiken County Intersection: Colony Parkway
Distance	3.4 miles
Units	168
Vacant Units	4
Vacancy Rate	2.4%
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 1 to 2.1 percent
Concession	None
Waiting List	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)	45	750	\$865	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	78	950	\$955	\$0	Market	No	1	1.3%	N/A	None
3	2	Garden (2 stories)	45	1,150	\$1,025	\$0	Market	No	3	6.7%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$865	\$0	\$865	\$0	\$865
2BR / 2BA	\$955	\$0	\$955	\$0	\$955
3BR / 2BA	\$1,025	\$0	\$1,025	\$0	\$1,025

The Colony At South Park, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Dog Park, sun deck, gazebo
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. Trash collection is billed separately for an additional \$10 per month. Premium amenities include a sun deck, dog park, and gazebo. The vacancy rate has declined by 1.3 percent and rents have increased from 1.0 to 2.1 percent since we last interviewed this property in January 2017.

Photos



PROPERTY PROFILE REPORT

The Summits Of Aiken Apartments

Effective Rent Date	2/26/2018
Location	2170 Jefferson Davis Hwy Graniteville, SC 29829 Aiken County
Distance	8.3 miles
Units	120
Vacant Units	1
Vacancy Rate	0.8%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Haven at Market Street
Tenant Characteristics	Families with children
Contact Name	Jillian
Phone	803-392-7049



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	3.1% - 10%
Concession	N/A
Waiting List	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)	96	1,050	\$969	\$0	Market	None	1	1.0%	N/A	None
3	2	Garden (3 stories)	24	1,300	\$1,259	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$969	\$0	\$969	\$0	\$969
3BR / 2BA	\$1,259	\$0	\$1,259	\$0	\$1,259

The Summits Of Aiken Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Recreation Areas	Swimming Pool		

Comments

This property does not accept Housing Choice Vouchers. The property manager stated that she believes there is higher demand in the area for three-bedroom units. All units come with exterior storage and a washer/dryer for no additional charge. Two-bedroom rents have increased by 3.1 percent and three-bedroom rents have increased by ten percent since we last interviewed this property in January 2016. The contact reported a typical occupancy rate of 97 percent or higher.

Photos



PROPERTY PROFILE REPORT

Woodwinds Apartment Homes

Effective Rent Date 2/26/2018

Location 100 Cody Lane
Aiken, SC 29803
Aiken County
Intersection: Aberdeen Drive

Distance 4.1 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 No change

Concession See comments

Waiting List Ten households

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	None
2	2.5	Townhouse (2 stories)	20	1,157	\$925	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden	24	1,236	\$975	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	28	1,252	\$980	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$875	\$0	\$875	\$0	\$875
2BR / 2.5BA	\$925	\$0	\$925	\$0	\$925
3BR / 2BA	\$975 - \$980	\$0	\$975 - \$980	\$0	\$975 - \$980

Woodwinds Apartment Homes, continued

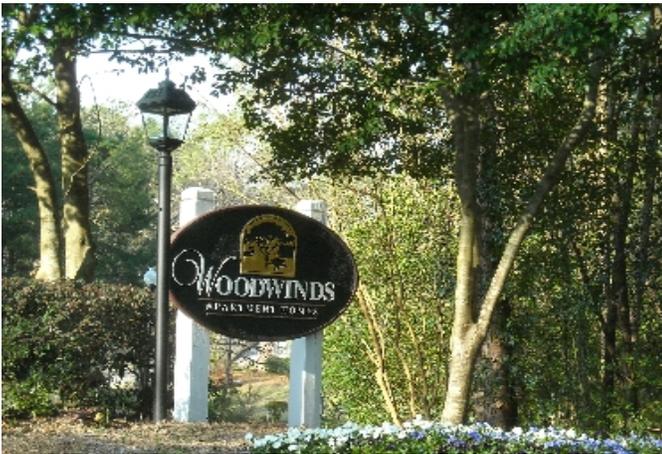
Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Dog park, outdoor grills
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

This property does not accept Housing Choice Vouchers. Since we last interviewed this property in January 2017, rents have remained stable across all floor plans except the 1,252 square foot two-bedroom units, which have increased by \$5. The property maintains a waiting list that contains approximately ten households. Premium amenities include a dog park and outdoor grills.

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Busch Crossing	LIHTC	Family	23	0	0.0%
Dupont Landing	LIHTC	Family	44	0	0.0%
Glen Arbor Apartments	LIHTC	Family	56	0	0.0%
Meadow Brook Acres Apartments	LIHTC	Family	48	0	0.0%
Olde South Terrace	LIHTC	Family	48	0	0.0%
Gatewood Apartments	Market	Family	134	5	3.7%
Haven At Market Street Station	Market	Family	284	20	7.0%
The Colony At South Park	Market	Family	168	4	2.4%
The Summits of Aiken Apartments*	Market	Family	120	1	0.8%
Woodwinds Apartment Homes	Market	Family	144	0	0.0%
Total LIHTC			219	0	0.0%
Total Market Rate			850	30	3.5%
Overall Total			1,069	30	2.8%

*This property is located outside the PMA

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Busch Crossing	LIHTC	Family	23	0	0.0%
Dupont Landing	LIHTC	Family	44	0	0.0%
Glen Arbor Apartments	LIHTC	Family	56	0	0.0%
Meadow Brook Acres Apartments	LIHTC	Family	48	0	0.0%
Olde South Terrace	LIHTC	Family	48	0	0.0%
Total LIHTC			219	0	0.0%
Total LIHTC in PMA			219	0	0.0%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Gatewood Apartments	Market	Family	134	5	3.7%
Haven At Market Street Station	Market	Family	284	20	7.0%
The Colony At South Park	Market	Family	168	4	2.4%
The Summits of Aiken Apartments*	Market	Family	120	1	0.8%
Woodwinds Apartment Homes	Market	Family	144	0	0.0%
Total Market Rate			850	30	3.5%
Total Market Rate in PMA			730	29	4.0%

*This property is located outside the PMA

Overall vacancy among the ten comparables is low at 2.8 percent. All of the comparable LIHTC properties are located within the PMA and report full occupancy as well as waiting lists ranging from three to 100 households. It should be noted that the Subject's sister property, Longleaf Senior Village Phase I, is located adjacent to the Subject and is currently fully occupied with a waiting list that consists of over 200 households. The low vacancy rates among the LIHTC comparables coupled with the presence of waiting lists indicates strong demand for affordable housing in the area.

Among the market rate properties, vacancy is also low at 3.5 percent, indicating strong support for conventional apartments. Haven At Market Street Station is the market rate comparable reporting the

highest vacancy rate at seven percent. According to the property contact at Haven At Market Street Station, the property typically operates at a vacancy rate of five percent or less. The contact attributed the slightly elevated vacancy to the slow season the property experiences during December, January, and February. While this property is disproportionately affected by seasonal shifts in demand, we do not believe this property’s under-performance is an indication of negative market or locational attributes relative to the Subject’s market. Excluding the outlier, Haven At Market Street Station, the remaining market rate comparables report low vacancy rates ranging from zero to 3.7 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 219 total LIHTC units in the PMA that we included in this comparable analysis. There are zero vacancies among these units and all properties maintain waiting lists. It should be noted that the Subject’s sister property, Longleaf Senior Village Phase I, is located adjacent to the Subject and is currently fully occupied with a waiting list that consists of over 200 households. 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 utility allowance provided by the Housing Authority of the City of Aiken, effective October 1, 2016, the most recent available. 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 in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @50%

Property Name	1BR	2BR	3BR
Longleaf Village Phase II	\$436	\$502	\$515
LIHTC Maximum Rent (Net)	\$436	\$502	\$553
Dupont Landing	-	-	\$470
Meadow Brook Acres Apartments	-	\$450	\$500
Olde South Terrace	-	\$450	\$500
Average (excluding Subject)	-	\$450	\$490
Achievable LIHTC Rent	\$436	\$502	\$515

The Subject’s proposed one and two-bedroom rents at 50 percent AMI are set at the 2017 maximum allowable levels, and the Subject’s proposed three-bedroom rents are set below the 2017 maximum rents at this AMI level. The average 50 percent AMI rents at the comparables are below the proposed rents, as well as the maximum rents for 2017. None of the comparables reported rents at the maximum allowable levels. However, it should be noted that Dupont Landing is owned by a non-profit organization, and we believe the

property has not fully tested the market. The contact at Dupont Landing stated she believes maximum allowable rents are achievable in the market for newly constructed properties that offer quality affordable housing. Additionally, the contacts at Meadow Brook Acres Apartments and Old South Terrace reported strong demand for additional affordable housing and believed maximum allowable rents are achievable at 50 percent AMI in the market. The strong performance of LIHTC comparables as well as the presence of waiting lists indicates that these properties are not fully testing the market.

Dupont Landing is located 0.8 miles from the Subject in Aiken and offers a similar location. Dupont Landing was constructed in 2015 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. This property offers slightly superior in-unit amenities when compared to the Subject, as it offers balcony/patios and exterior storage, which the Subject will not offer, and slightly superior community amenities, as it offers a playground, which the Subject will not offer. Dupont Landing offers similar unit sizes compared to the proposed Subject. Additionally, Dupont Landing features a single-family design, which is considered superior to the Subject. Overall, Dupont Landing is considered slightly superior to the proposed Subject. This property is currently achieving rents below 50 percent AMI maximum allowable levels. However, as stated above, Dupont Landing is owned by a non-profit organization, and we believe the property has not fully tested the market. The contact at Dupont Landing stated she believes maximum allowable rents are achievable in the market for newly constructed properties that offer quality affordable housing. Furthermore, the property reports full occupancy and maintains a waiting list that consists of 100 households.

Olde South Terrace and Meadow Brook Acres Apartments are located 0.6 and 0.9 miles from the Subject in Aiken and offer similar locations. Olde South Terrace was constructed in 2002 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Meadow Brook Acres Apartments was constructed in 2011 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Olde South Terrace offers superior in-unit amenities when compared to the Subject, as it offers balcony/patios, exterior storage, and walk-in closets, which the Subject will not offer. Meadow Brook Acres Apartments offers similar in-unit amenities compared to the Subject. Olde South Terrace and Meadow Brook Acres Apartments offer slightly superior community amenities, as they both offer playgrounds, which the Subject will not. Olde South Terrace and Meadow Brook Acres Apartments offer slightly superior unit sizes compared to the proposed Subject. Overall, Olde South Terrace and Meadow Brook Acres Apartments are considered slightly inferior to the proposed Subject upon completion. Both properties report full occupancy and waiting lists that consists of ten households.

Overall, the Subject is considered slightly inferior to Dupont Landing and slightly superior to Olde South Terrace and Meadow Brook Acres Apartments. Given the Subject's anticipated excellent condition upon, we believe the Subject can achieve two and three-bedroom rents above Dupont Landing, Olde South Terrace, and Meadow Brook Acres Apartments. Because the Subject will be in a market with demonstrated demand for affordable housing and given the performance of the LIHTC comparables, we believe the Subject's proposed two and three-bedroom rents at 50 percent AMI rents are achievable. It should be noted that none of the comparable property's offer one-bedroom units at the 50 percent AMI level. The Subject's proposed rents are set at the maximum allowable levels for its one-bedroom units. As we believe the Subject's two and three-bedroom rents are achievable at these levels, we believe the Subject's one-bedroom rents would also be achievable at these levels. Further, the Subject's one-bedroom units will present a 46 percent rent advantage over what we consider to be achievable market rents, and will also fill a void for one-bedroom units in the market.

The following table summarizes the Subject's proposed 60 percent AMI net rents compared to the maximum allowable 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @60%

Property Name	1BR	2BR	3BR
Longleaf Village Phase II	\$450	\$575	\$675
LIHTC Maximum Rent (Net)	\$552	\$642	\$714
Busch Crossing	-	-	\$690
Dupont Landing	-	-	\$590
Glen Arbor Apartments	-	\$488	\$557
Meadow Brook Acres Apartments	-	\$490	\$555
Olde South Terrace	-	\$490	\$555
Average (excluding Subject)	-	\$489	\$589
Achievable LIHTC Rent	\$450	\$575	\$675

The Subject’s proposed 60 percent AMI rents for one, two, and three-bedroom units are set below the maximum allowable rents at this AMI level. Average 60 percent AMI rents in the market are below the Subject’s proposed rents at this AMI level. However, as mentioned above, Dupont Landing is owned by a non-profit organization, and we believe the property has not fully tested the market. The contact at Dupont Landing stated she believes maximum allowable rents are achievable in the market for newly constructed properties that offer quality affordable housing. Additionally, the contacts at Meadow Brook Acres Apartments, Old South Terrace, and Busch Crossing all reported strong demand for additional affordable housing.

Dupont Landing is located 0.8 miles from the Subject in Aiken and offers a similar location. Dupont Landing was constructed in 2015 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. This property offers slightly superior in-unit amenities when compared to the Subject, as it offers balcony/patios and exterior storage, which the Subject will not offer, and slightly superior community amenities, as it offers a playground, which the Subject will not offer. Dupont Landing offers similar unit sizes compared to the proposed Subject. Additionally, Dupont Landing features a single-family design, which is considered superior to the Subject. Overall, Dupont Landing is considered slightly superior to the proposed Subject. This property is currently achieving rents below 60 percent AMI maximum allowable levels. However, as stated above, Dupont Landing is owned by a non-profit organization, and we believe the property has not fully tested the market. The contact at Dupont Landing stated she believes maximum allowable rents are achievable in the market for newly constructed properties that offer quality affordable housing. Furthermore, the property reports full occupancy and a waiting list that consists of 100 households.

Olde South Terrace and Meadow Brook Acres Apartments are located 0.6 and 0.9 miles from the Subject in Aiken and offer similar locations. Olde South Terrace was constructed in 2002 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Meadow Brook Acres Apartments was constructed in 2011 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Olde South Terrace offers superior in-unit amenities when compared to the Subject, as it offers balcony/patios, exterior storage, and walk-in closets, which the Subject will not offer. Meadow Brook Acres Apartments offers similar in-unit amenities compared to the Subject. Olde South Terrace and Meadow Brook Acres Apartments offer slightly superior community amenities, as they both offer playgrounds, which the Subject will not. Olde South Terrace and Meadow Brook Acres Apartments offer slightly superior unit sizes compared to the proposed Subject. Overall, Olde South Terrace and Meadow Brook Acres Apartments are considered slightly inferior to the proposed Subject upon completion. Both properties report full occupancy and waiting lists that consists of ten households.

Busch Crossing is located 1.9 miles from the Subject in Aiken and offers a similar location. Busch Crossing was constructed in 2003 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. This property offers slightly superior in-unit amenities when compared to the Subject, as it offers balcony/patios and walk-in closets, which the Subject will not offer, and inferior community amenities, as lacks a business center, community room, exercise facility, and on-site management, which the Subject will offer. Busch Crossing offers superior unit sizes compared to the proposed Subject. Additionally, Busch Crossing features a single-family design, which is considered superior to the Subject. Overall, Busch Crossing is considered slightly superior to the proposed Subject. This property is currently achieving rents slightly below 60 percent AMI maximum allowable levels. As stated above, the contact at Busch Crossing reported strong demand for affordable housing in the area and believed maximum allowable rents are achievable in the market. Furthermore, the property reports full occupancy and a waiting list that consists of three households.

Overall, the Subject is considered slightly inferior to Busch Crossing and Dupont Landing, and slightly superior to Olde South Terrace and Meadow Brook Acres Apartments. Given the Subject’s anticipated excellent condition upon completion, we believe the Subject can achieve two and three-bedroom rents above Dupont Landing, Olde South Terrace, Meadow Brook Acres Apartments, and below Busch Crossing. Because the Subject will be in a market with demonstrated demand for affordable housing and given the performance of the LIHTC comparables, we believe the Subject’s proposed two and three-bedroom rents at 60 percent AMI rents are achievable. It should be noted that none of the comparable property’s offer one-bedroom units at the 60 percent AMI level. The Subject’s proposed rents are set below the maximum allowable levels for its one-bedroom units. As we believe the Subject’s two and three-bedroom rents are achievable at these levels, we believe the Subject’s one-bedroom rents would also be achievable at these levels. Further, the Subject’s one-bedroom units will present a 44 percent rent advantage over what we consider to be achievable market rents, and will also fill a void for one-bedroom units in the market.

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	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@50%	\$436	\$785	\$865	\$825	\$800	46%
2BR / 2BA	@50%	\$502	\$822	\$969	\$909	\$950	47%
3BR / 2BA	@50%	\$515	\$975	\$1,259	\$1,067	\$1,075	52%
1BR / 1BA	@60%	\$450	\$785	\$865	\$825	\$800	44%
2BR / 2BA	@60%	\$575	\$822	\$969	\$909	\$950	39%
3BR / 2BA	@60%	\$675	\$975	\$1,259	\$1,067	\$1,075	37%

All of the market rate properties were built between 1984 and 2012, and are located in Aiken and nearby Graniteville, which is approximately three miles west of the Aiken city limits and offers a slightly inferior location compared to the Subject in terms of median rents. These comparables are among the closest market rate comparables in the general area. The market rate comparables are considered slightly inferior to inferior to the proposed Subject with respect to age and condition.

Gatewood Apartments and Woodwinds Apartment Homes are located approximately 3.3 and 4.1 miles from the Subject in Aiken. Gatewood Apartments is in a location considered similar to the Subject with respect to

median rents and Woodwinds Apartment Homes is in a location considered slightly superior with respect to median rents. These properties were constructed in 1984 and 1989 and both exhibit average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Gatewood Apartments offers slightly superior in-unit amenities when compared to the Subject as the comparable offers a balcony/patio and exterior storage, which the Subject will not. Woodwinds Apartment homes offers slightly superior in-unit amenities when compared to the Subject as the comparable offers a balcony/patio and exterior storage, which the Subject will not. Gatewood Apartments offers similar property amenities as it offers a playground and swimming pool, which the Subject will not offer, though it lacks an exercise facility, which the Subject will offer. Woodwinds Apartment Homes offers inferior property amenities as it lacks a business center, community room, and exercise facility, which the Subject will offer. Both properties offer slightly superior unit sizes compared to those of the proposed Subject. Overall, Gatewood Apartments and Woodwinds Apartment Homes are considered inferior to the Subject.

Haven At Market Street Station is located in a zip code considered similar to the Subject's with respect to median rents. This property was constructed in 2008 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Haven At Market Street Station offers slightly superior in-unit amenities when compared to the Subject as the comparable offers a balcony/patio and walk-in closets, which the Subject will not. The comparable offers superior property amenities in comparison to the Subject, as it offers a playground and swimming pool, which the Subject will not. This property offers superior unit sizes compared to those of the proposed Subject. Overall, Haven At Market Street Station is considered similar to the Subject.

The Summits Of Aiken Apartments is located in a zip code considered slightly inferior to the Subject's with respect to median rents. This property was constructed in 2012 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. The Summits Of Aiken Apartments offers superior property and in-unit amenities, and slightly superior unit sizes compared to the Subject. Overall, The Summits Of Aiken Apartments is considered superior to the Subject.

The Subject property is considered similar to Haven At Market Street Station, superior to Gatewood Apartments and Woodwinds Apartment Homes, and inferior to The Summits Of Aiken Apartments. Thus, we have concluded to achievable market rents of **\$800, \$950, and \$1,075** for the Subject's one, two, and three-bedroom units, respectively. The Subject's proposed LIHTC rents will have advantages of 37 to 52 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are zero total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. With a limited supply of affordable housing options in the 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

Based on the full occupancy and presence of waiting lists in among the LIHTC comparables, there is a limited supply of LIHTC units in the PMA. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic stability of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy among the ten comparables is low at 2.8 percent. All of the comparable LIHTC properties are located within the PMA and report full occupancy as well as waiting lists ranging from three to 100

households. The low vacancy rates among the LIHTC comparables coupled with the presence of waiting lists indicates strong demand for affordable housing in the area. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable, and they are more than 40 percent on average 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

The following section details interviews with local market participants regarding the housing market.

Planning

We spoke to Ryan Bland, director in the City of Aiken Planning Department (803-642-7608). Mr. Bland was not aware of any planned, proposed, under construction or recently constructed multifamily developments within the city of Aiken or nearby. We also consulted a CoStar new construction report and did not find any planned, proposed, under construction or recently constructed multifamily developments within the Subject’s PMA.

Section 8/Public Housing

We made numerous attempts to contact the City of Aiken Housing Authority. As of the date of this report, our calls have not been returned. Therefore, we utilized the City of Aiken Housing Authority’s website and learned that the housing authority is authorized to distribute 875 tenant-based Housing Choice Vouchers. Of the 875 authorized vouchers, 787 are currently in use. The Housing Authority maintains a waiting list which is currently closed and not set to reopen in the near future. Additionally, we previously conducted an interview with Ms. Deborah Young, Housing Choice Voucher administrator with the City of Aiken Housing Authority, in January 2017. 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, effective October 1, 2016, the most recent version available, are provided in the table below.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$588
Two-Bedroom	\$735
Three-Bedroom	\$907

Source: Aiken Housing Authority, effective 10/1/2016

The Subject’s 50 and 60 percent rents are set below the current payment standards, which indicates that tenants utilizing vouchers would be able to reside at the Subject without paying out of pocket.

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 5.7 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 8.0 percent, which are all considered achievable in the PMA. In addition, the Subject is in a community (Aiken) that has few affordable multifamily housing alternatives. The Subject site is located within 2.4 miles of most community services and facilities that families would utilize on a consistent basis.

All of the LIHTC comparables reported full occupancy. Among the market rate properties, vacancy is also low at 2.8 percent, indicating strong support for conventional apartments. The developer's proposed rents represent greater than a 40 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar 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

March 7, 2018

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
SC State Certified Appraiser #7493
Brian.Neukam@novoco.com



Meg Southern
Analyst
Meg.Southern@novoco.com



Travis Jorgenson
Junior Analyst
Travis.Jorgenson@novoco.com

ADDENDA

ADDENDUM A
Qualifications of Consultants

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

State of South Carolina Certified General Real Property Appraiser No. 7493

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.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Meg Southern

I. Education

University of South Carolina – Columbia, SC
Master of Arts, Public History

College of William and Mary – Williamsburg, VA
Bachelor of Arts, Anthropology and History

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2017 - Present
Junior Analyst, Novogradac & Company LLP, September 2016 – December 2017
Researcher, Historic Columbia, May 2014 - September 2016

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Travis Jorgenson

I. Education

Georgia Institute of Technology- Atlanta, GA
Bachelors of Business Administration and Management, General Management

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2017 – Present
Claims Analyst, Zelis Healthcare, May 2017-July 2017
Automotive Research Intern, Hearst Autos, October 2016-May 2017

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals of proposed and existing Low-Income Housing Tax credit (LIHTC) properties
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

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

Development Name: Longleaf Village Phase II	Total # Units: 32
Location: North side of Bushwillow Circle	# LIHTC Units: 32
Development Type: <u>X</u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject: <u> 7</u> miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	1,069	30	97.2%
Market-Rate Housing	5	850	30	96.5%
Assisted/Subsidized Housing not to include LIHTC	14	699	0	100.0%
LIHTC (All that are stabilized)*	5	219	0	100.0%
Stabilized Comps**	10	1,069	30	97.2%
Non-stabilized Comps	0	0	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
2	1	1	750	\$436	\$800	\$1.07	45.5%	\$865	\$1.15
4	2	2	950	\$502	\$950	\$1.00	47.2%	\$969	\$1.01
2	3	2	1,100	\$515	\$1,075	\$0.98	52.1%	\$1,259	\$0.97
6	1	1	750	\$450	\$800	\$1.07	43.8%	\$865	\$1.15
12	2	2	950	\$575	\$950	\$1.00	39.5%	\$969	\$1.01
6	3	2	1,100	\$675	\$1,075	\$0.98	37.2%	\$1,259	\$0.97
Gross Potential Rent Monthly*				\$17,560	\$30,200		41.9%		

*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 41)

	2000		2017		2020	
Renter Households	4,032	29.4%	5,872	38.8%	5,960	38.8%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,371	23.3%	1,385	23.2%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 60)

Type of Demand	50%	60%	Market- rate	Other: __	Overall Affordable	Overall
Renter Household Growth	-2	15	-	-	14	14
Existing Households (Overburd + Substand)	430	598	-	-	617	617
Homeowner conversion (Seniors)	0	0	-	-	0	0
Other:	0	0	-	-	0	0
Less Comparable/Competitive Supply	0	0	-	-	0	0
Net Income-qualified Renter HHs	428	613	-	-	631	631

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market- rate	Other: __	Overall Affordable	Overall
Capture Rate	2.1%	4.4%	-	-	5.7%	5.7%

ABSORPTION RATE (found on page 62)

Absorption Period: 2 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

LONGLEAF VILLAGE PHASE II – AIKEN, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1 BR	\$436	\$872	\$800	\$1,600	45.5%
6	1 BR	\$450	\$2,700	\$800	\$4,800	43.8%
4	2 BR	\$502	\$2,008	\$950	\$3,800	47.2%
12	2 BR	\$575	\$6,900	\$950	\$11,400	39.5%
2	3 BR	\$515	\$1,030	\$1,075	\$2,150	52.1%
6	3 BR	\$675	\$4,050	\$1,075	\$6,450	37.2%
Totals	32		\$17,560		\$30,200	41.9%

Source: SCSHFDA, Novogradac & Company LLP, January 2018