

Tab 19

Market Study



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

A MARKET FEASIBILITY STUDY OF:
HAVENWOOD
FOUNDRY

A MARKET FEASIBILITY STUDY OF:

HAVENWOOD FOUNDRY

Chesterfield Highway and Foundry Hill Road
Cheraw, Chesterfield County, South Carolina 29520

Effective Date: January 20, 2018
Report Date: March 9, 2018

Prepared for:
Mr. Max Elbe
Principal
Lowcountry Housing Communities
1831 Village Crossing Drive
Daniel Island, SC 29492

Assignment Code: PHP600.073

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



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



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

March 9, 2018

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

Re: Market Study for Havenwood Foundry, located in Cheraw, South Carolina

Dear Mr. Elbe:

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

The purpose of this market study is to assess the viability of Havenwood Foundry, a proposed 32-unit family LIHTC project. The property will be a newly constructed affordable LIHTC project, with 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.

LOWCOUNTRY HOUSING COMMUNITIES
HAVENWOOD FOUNDRY
MARCH 9, 2018
PAGE 2

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

TABLE OF CONTENTS

Executive Summary.....	1
A. Project Description.....	6
B. Site Description	10
C. Market Area	18
Primary Market Area	19
D. Market Area Economy	22
Regional and Local Economic Overview	23
Commuting Patterns	31
Conclusion	31
E. Community Demographic Data	32
Household Trends	34
Renter Households by Number of Persons in the Household.....	37
Conclusion	37
F. Project-Specific Demand Analysis.....	39
Project Specific Demand Analysis.....	40
G. Supply Analysis.....	54
Survey of Comparable Projects	55
Reasonability of Rents	65
Summary Evaluation of the Proposed Project.....	69
H. Interviews	70
Interviews.....	71
I. Recommendations.....	72
J. Signed Statement Requirements.....	74

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview: Havenwood Foundry, 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%			
2BR / 2BA	950	4	\$322	\$195	\$517	\$621	\$674
3BR / 2BA	1,100	4	\$343	\$253	\$596	\$717	\$851
				@60%			
2BR / 2BA	950	12	\$485	\$195	\$680	\$745	\$674
3BR / 2BA	1,100	12	\$550	\$253	\$803	\$861	\$851
		32					

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

Market Vacancy

The following tables illustrate the market vacancy at the comparables.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments*	LIHTC	40	0	0.0%
Bennettsville Green Apartments*	LIHTC	40	1	2.5%
Bennettsville Lofts*	LIHTC	22	1	4.5%
Glenfield I	LIHTC	40	1	2.5%
Glenfield II	LIHTC	40	0	0.0%
Bentree Apartments*	Market	132	1	0.8%
Hillcrest Apartments	Market	72	4	5.6%
Sage Pointe Apartments*	Market	112	1	0.9%
Somersett Acres*	Market	192	9	4.7%
The Emerson*	Market	83	3	3.6%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Overall Total		893	23	2.6%
Overall Total in PMA		152	5	3.3%

*These properties are outside of the PMA

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments*	LIHTC	40	0	0.0%
Bennettsville Green Apartments*	LIHTC	40	1	2.5%
Bennettsville Lofts*	LIHTC	22	1	4.5%
Glenfield I	LIHTC	40	1	2.5%
Glenfield II	LIHTC	<u>40</u>	<u>0</u>	<u>0.0%</u>
Total LIHTC		182	3	1.6%
Total LIHTC in PMA		80	1	1.3%

*These properties are outside of the PMA

MARKET RATE VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bentree Apartments*	Market	132	1	0.8%
Hillcrest Apartments	Market	72	4	5.6%
Sage Pointe Apartments*	Market	112	1	0.9%
Somersett Acres*	Market	192	9	4.7%
The Emerson*	Market	83	3	3.6%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total Market Rate		711	20	2.8%
Total Market Rate in PMA		72	4	5.6%

*These properties are outside of the PMA

Overall, vacancy in the PMA is low at 3.3 percent, and among all 11 comparables the vacancy rate is 2.6 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 1.3 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing. Glenfield I reported that its vacant unit is already pre-leased, and that the property is typically fully-occupied.

Among the market rate properties, vacancy is also very low at 2.8 percent, indicating very strong support for conventional apartments. Of note, only one of the market rate properties is located within the PMA. None of

the market comparable properties reported a vacancy rate greater than 5.6 percent. The market rate property reporting the highest vacancy, Hillcrest Apartments, reported that vacancy is typically below five percent. We believe elevated vacancy at this property is coincidental to the time of our survey.

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
2BR @50%	70	0	70	4	5.7%
2BR @60%	61	0	61	12	19.8%
2BR Overall	100	0	100	16	16.1%
3BR @50%	41	0	41	4	9.7%
3BR @60%	36	0	36	12	33.6%
3BR Overall	59	0	59	16	27.3%
@50% Overall	111	0	111	8	7.2%
@60% Overall	96	0	96	24	24.9%
Overall Project	158	0	158	32	20.2%

As the analysis illustrates, the Subject’s capture rates vary from 5.7 to 33.6 percent with an overall capture rate of 20.2 percent. The Subject’s highest capture rates are for its three-bedroom units at 60 percent. However, this capture rate calculation is conservative and does not consider any potential leakage from outside of the PMA, which property managers have reported. According to our understanding of SCSFDA guidelines as confirmed with Ms. Laura Nicholson, capture rates for a family property must be below 30 percent and there are no threshold limits by unit type or AMI level. Overall, capture rates are low and based on the capture rates alone, there appears to be demand for the Subject.

Projected Absorption Period

Only one of the LIHTC comparable properties surveyed, Bennettsville Green Apartments, was able to provide absorption data. We have thus considered absorption data from recently constructed properties located in Florence, just beyond the PMA. Absorption rates at these properties are detailed below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pametto Station Apartments	LIHTC	Family	2014	48	24
Woodlake Apartments	Market	Family	2012	120	15
McGowan Commons	LIHTC	Family	2012	36	12
Bennettsville Green Apartments	LIHTC	Family	2010	40	13
				Average	16

On average, these properties reported an absorption rate of 16 units per month. With the stable demographic base of moderate-income renters in the PMA and the general limited supply of affordable

multifamily housing, we believe the Subject should be able to experience an absorption rate at the high end of this range and similar to the most recently constructed LIHTC property, Palmetto Station Apartments. The LIHTC comparables report few vacancies and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number of income-qualified households, we believe the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of two to three months. We expect the Subject to reach stabilized occupancy of 93 percent within three months.

Market Conclusions

Overall, vacancy in the PMA is low at 3.3 percent, and among all 11 comparables the vacancy rate is 2.6 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 1.3 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing.

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 20.2 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 5.7 to 33.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Cheraw) that has few affordable multifamily housing alternatives. The Subject site is located within 1.8 miles of most community services and facilities that families would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables, yielding a vacancy rate of 1.6 percent. Among the market rate properties, vacancy is also low at 2.8 percent, indicating very 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 three total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. There are two LIHTC properties we surveyed in the PMA, and both are currently 100 percent occupied. With a limited supply of affordable housing options in the market and a stable base of moderate-income renters, 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.

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:									
Development Name: Havenwood Foundry						Total # Units: 32			
Location: Chesterfield Highway and Foundry Hill Road						# LIHTC Units: 32			
Development Type: X Family ___Older Persons						Farthest Boundary Distance to Subject: 14 miles			
RENTAL HOUSING STOCK (found on page 58)									
Type	# Properties	Total Units	Vacant Units	Average Occupancy					
All Rental Housing	11	893	23	97.4%					
Market-Rate Housing	6	711	20	97.2%					
Assisted/Subsidized Housing not to include LIHTC	5	187	0	100.0%					
LIHTC (All that are stabilized)*	5	182	3	98.4%					
Stabilized Comps**	11	893	23	97.4%					
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
4	2	2	950	\$322	\$750	\$0.79	57.1%	\$1,344	\$1.39
4	3	2	1,100	\$343	\$850	\$0.77	59.6%	\$1,047	\$0.94
12	2	2	950	\$485	\$750	\$0.79	35.3%	\$1,344	\$1.39
12	3	2	1,100	\$550	\$850	\$0.77	35.3%	\$1,047	\$0.94
Gross Potential Rent Monthly*				\$15,080	\$25,600		41.1%		
*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	2,762	26.0%	3,472	32.0%	3,408	31.7%			
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	861	24.8%	839	24.8%			
TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 60)									
Type of Demand	50%	60%	Market-rate	Other:___	Overall Affordable	Overall			
Renter Household Growth	-16	-11			-22	-22			
Existing Households (Overburd + Substand)	228	195			324	324			
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	212	183			301	301			
CAPTURE RATES (found on page 61)									
Targeted Population	50%	60%	Market-rate	Other:___	Overall Affordable	Overall			
Capture Rate	7.2%	24.9%			20.2%	20.2%			
ABSORPTION RATE (found on page 62)									
Absorption Period: 3 months									

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
4	2 BR	\$322	\$1,288	\$750	\$3,000	57.1%
12	2 BR	\$485	\$5,820	\$750	\$9,000	35.3%
4	3 BR	\$343	\$1,372	\$850	\$3,400	59.6%
12	3 BR	\$550	\$6,600	\$850	\$10,200	35.3%
Totals	32		\$15,080		\$25,600	41.1%

Source: SCSHFDA, Novogradac & Company LLP, January 2018

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject site is located at the northwest corner of Chesterfield Highway and Foundry Hill Road in Cheraw, Chesterfield 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 16 two-bedroom units and 16 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: 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
2BR / 2BA	16	950	15,200
3BR / 2BA	16	1,100	17,600
TOTAL	32		32,800

Structure Type/Design: The Subject will offer three, 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%							
2BR / 2BA	950	4	\$322	\$195	\$517	\$621	\$674
3BR / 2BA	1,100	4	\$343	\$253	\$596	\$717	\$851
@60%							
2BR / 2BA	950	12	\$485	\$195	\$680	\$745	\$674
3BR / 2BA	1,100	12	\$550	\$253	\$803	\$861	\$851
		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 \$195 for two-bedroom units and \$253 for three-bedroom units. There is no utility allowance for market-rate 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.

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

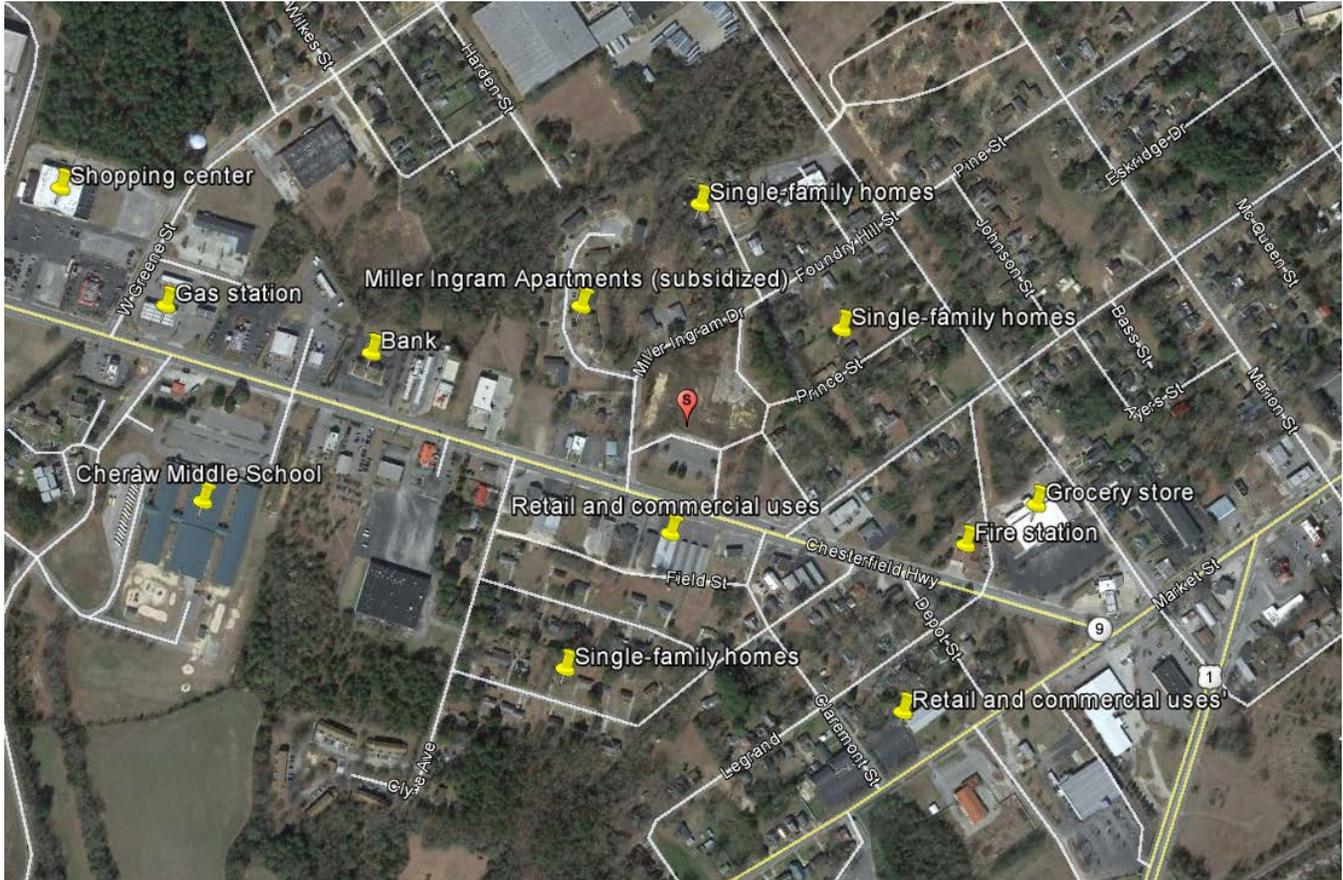
Havenwood Foundry												
Location	Chesterfield Highway And Foundry Hill Road Cheraw, SC 29520 Chesterfield County											
Units	32											
Type	Garden (2 stories)											
Year Built / Renovated	Proposed 2020											
Tenant Characteristics	Families											
Contact Name	Max Elbe											
Phone	678-895-6172											
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?	
2	2	Garden (2 stories)	4	950	\$322	\$0	@50%	n/a	n/a	n/a	no	
2	2	Garden (2 stories)	12	950	\$485	\$0	@60%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	4	1,100	\$343	\$0	@50%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	12	1,100	\$550	\$0	@60%	n/a	n/a	n/a	no	
Amenities												
In-Unit	Blinds Carpeting Central A/C Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup				Property				Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking: 64 spaces On-Site Management			
Security	none				Premium				none			
Services	none				Other				Library, craft room			
Comments												
This property is proposed for construction between February 2019 and February 2020. The Subject will consist of two, two-story residential buildings and one, one-story community building. Other property amenities include a craft room and a library. Utility allowances are \$195 and \$253 for 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 12, 2018.

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



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

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of single family homes, schools, and retail/commercial developments. Immediately north of the Subject site are single-family homes in average condition and a subsidized multifamily development known as Miller Ingram Apartments, which was not used as a comparable for this report. Further north of the Subject site is EZ Products, LLC manufacturing plant. Immediately east of the Subject site are single-family homes in average condition and commercial and retail uses. Immediately south of the Subject site is a house of worship and commercial and retail uses. Further south are single-family homes in average condition. Immediately west of the Subject site are commercial uses in average condition. Further

west of the Subject are commercial and retail uses including fast food restaurants, gas stations, a bank, and a grocery store. Cheraw Intermediate School and Cheraw High School are also located west of the Subject site along Chesterfield Highway. 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 west on Chesterfield Highway



View east on Chesterfield Highway



Commercial use east of the Subject site



Commercial use west of the Subject site



Commercial use west of the Subject site



Commercial use west of the Subject site



Institutional use west of the Subject site



School west of the Subject



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:

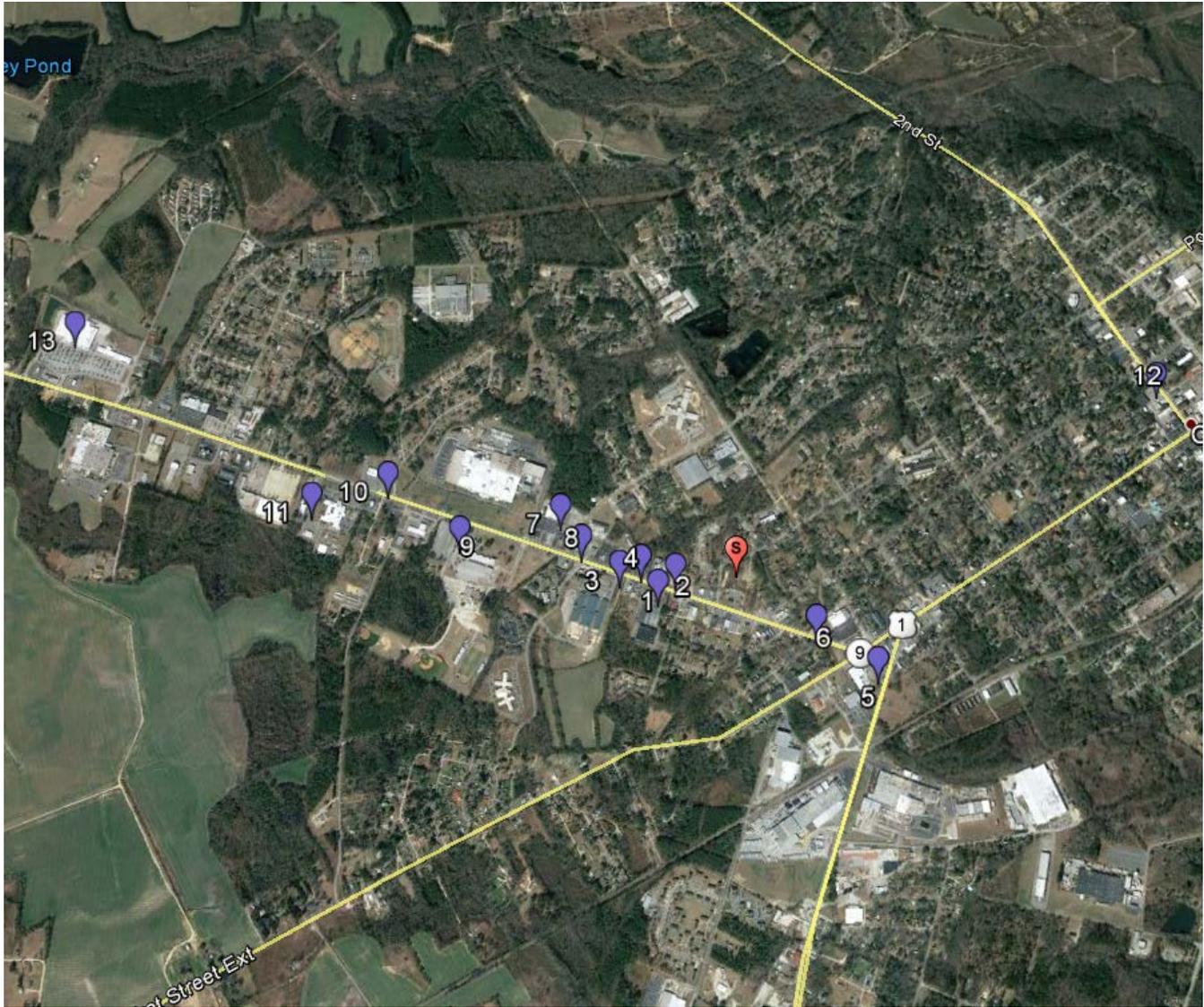
Views from the Subject site include single-family homes to the north, wooded land to the east, retail/commercial uses across Chesterfield Highway to the south, and single-family homes to the west. Views from the site are considered good. The Subject will have good visibility from Chesterfield Highway to the south. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

Detrimental Influence:

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

Proximity to Local Services:

The Subject is located in reasonable proximity to local services including schools, restaurants, banks, and a pharmacy. 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	Pizza Hut	0.1 miles
2	Auto Zone	0.1 miles
3	Cheraw Intermediate School	0.2 miles
4	Carolina Bank & Trust Co	0.2 miles
5	CVS Pharmacy	0.4 miles
6	Cheraw Fire Department	0.4 miles
7	Dollar General	0.4 miles
8	Exxon Gas Station	0.4 miles
9	Cheraw High School	0.7 miles
10	P&H Discount Pharmacy	0.8 miles
11	McLeod Health Cheraw	1.1 miles
12	Cheraw IGA	1.3 miles
13	Walmart Supercenter	1.8 miles

Availability of Public Transportation: Public transportation is not provided in Cheraw.

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	Pee Dee South Carolina nonmetropolitan area
Total Crime*	90	121
Personal Crime*	131	196
Murder	157	207
Rape	99	111
Robbery	69	104
Assault	163	250
Property Crime*	84	111
Burglary	105	152
Larceny	80	99
Motor Vehicle Theft	67	96

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

*Unweighted aggregations

The total crime risk index in the PMA is below the nonmetropolitan area and the nation. Personal crime in the PMA is below the nonmetropolitan area and above the national average. Property crime risks in the PMA are lower both the nonmetropolitan area and national averages. Like the Subject, most comparable properties do not offer security features. The Subject’s lack of security features is consistent with the competition and is not expected to be a competitive disadvantage.

Access and Traffic Flow: The Subject site will have access along Chesterfield Highway. Chesterfield Highway is a moderately-trafficked four-lane roadway which connects to Highway 52 approximately 0.4 miles east of the Subject site and Highway 601 approximately 28 miles west of the Subject site. Highway 52 traverses north/south and provides access to Florence, South Carolina approximately 32 miles south of the Subject site. Highway 601 traverses north/south and provides access to Charlotte, North Carolina approximately 64 miles northwest of the Subject site. 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 Cheraw, most of which are within less than 1.0 mile 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

The following sections will provide an analysis of the economic and demographic characteristics within the market area. Data such as employment totals, population, households and growth patterns will be studied, to determine if the SMA and the Primary Market Area (PMA) are areas of growth or contraction.

The proposed Subject is a proposed 32-unit family development to be constructed in Cheraw, South Carolina. The PMA is defined as the South Carolina state line to the north, Highway 38 to the east, Highway 15 and Highway 80 to the south, and Highway 145 and Highway 102 to the west. The Subject will be one of few LIHTC properties in the Cheraw area of Chesterfield 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 Cheraw and several other communities in Chesterfield 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: 12 miles
East: 14 miles
South: 13 miles
West: 12 miles

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

Census Tracts

450259504.00
450259505.01
450259505.02
450259506.00
450259507.00
450699601.00
450699602.00
450699603.02

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 Cheraw 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 SMA.

2010 POPULATION BY RACE

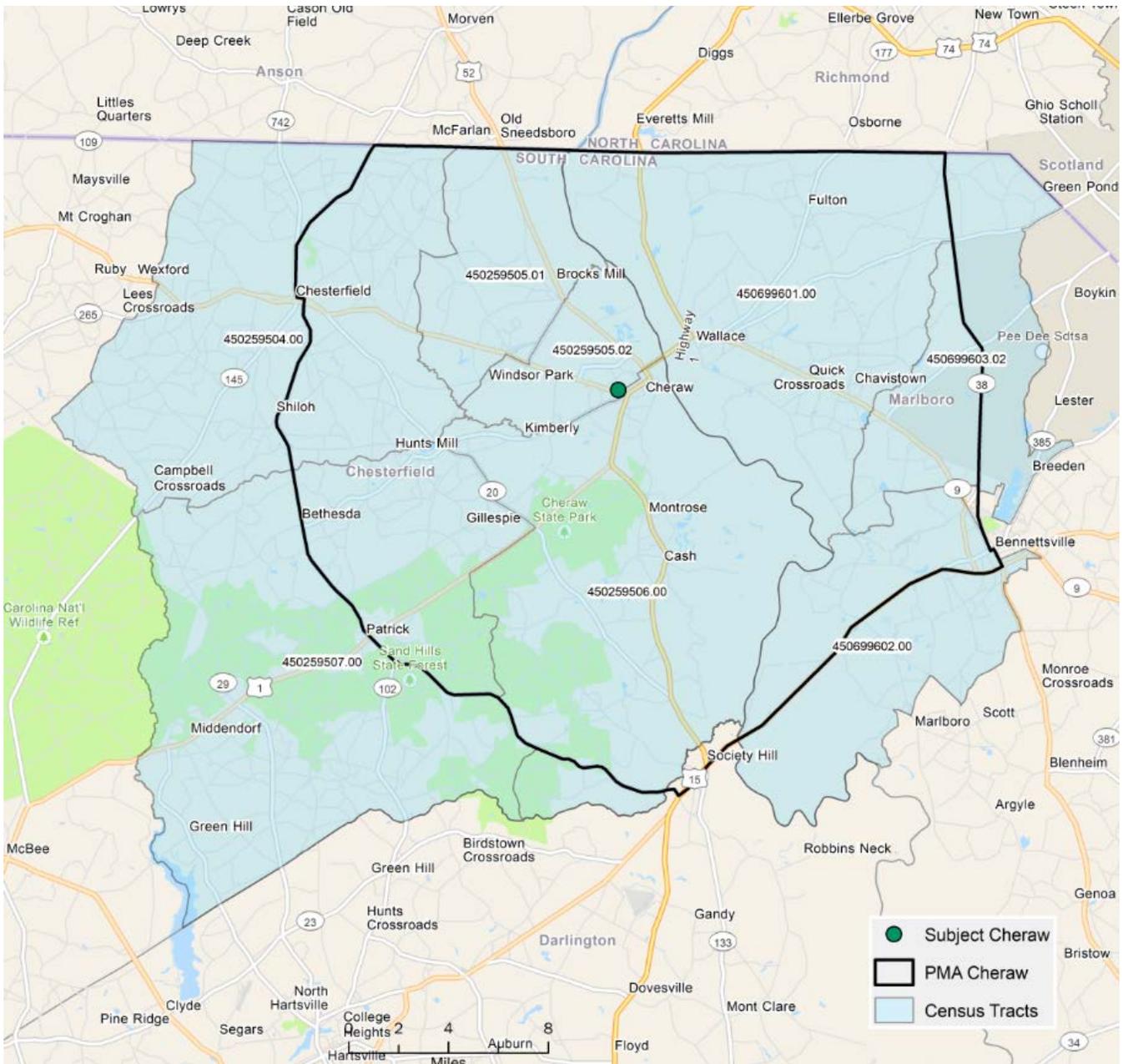
	PMA		SMA		USA	
Total	30,003	-	140,791	-	308,745,538	-
White	14,396	48.0%	70,172	49.8%	223,553,265	72.4%
Black	14,412	48.0%	63,240	44.9%	38,929,319	12.6%
American Indian	313	1.0%	2,479	1.8%	2,932,248	0.9%
Asian	135	0.4%	501	0.4%	14,674,252	4.8%
Pacific	4	0.0%	26	0.0%	540,013	0.2%
Other	286	1.0%	2,149	1.5%	19,107,368	6.2%
Two or More Races	457	1.5%	2,224	1.6%	9,009,073	2.9%
Total Hispanic	698	-	4,090	-	50,477,594	-
Hispanic: White	275	39.4%	1,343	32.8%	26,735,713	53.0%
Hispanic: Black	85	12.2%	314	7.7%	1,243,471	2.5%
Hispanic: American Indian	24	3.4%	107	2.6%	685,150	1.4%
Hispanic: Asian	1	0.1%	4	0.1%	209,128	0.4%
Hispanic: Pacific	0	0.0%	4	0.1%	58,437	0.1%
Hispanic: Other	253	36.2%	2,026	49.5%	18,503,103	36.7%
Hispanic: Two or More Races	59	8.5%	292	7.1%	3,042,592	6.0%

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

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

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

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

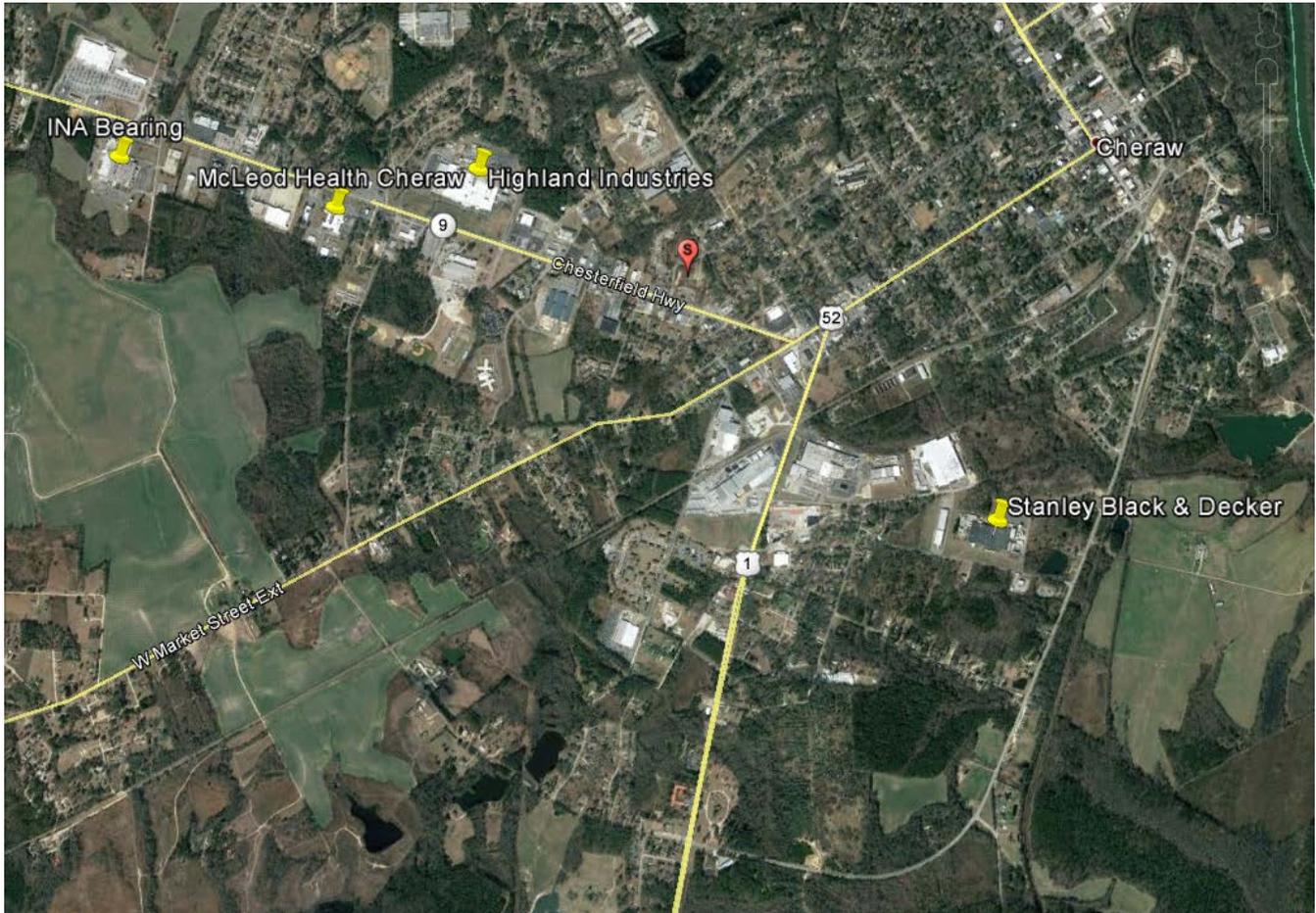


D. MARKET AREA ECONOMY

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	3,025	27.9%	15,589,157	10.0%
Healthcare/Social Assistance	1,610	14.8%	21,941,435	14.1%
Retail Trade	1,191	11.0%	17,038,977	11.0%
Educational Services	1,007	9.3%	14,390,707	9.3%
Accommodation/Food Services	693	6.4%	12,036,513	7.7%
Public Administration	605	5.6%	6,982,075	4.5%
Other Services (excl Publ Adm)	470	4.3%	7,493,272	4.8%
Construction	465	4.3%	9,872,629	6.4%
Admin/Support/Waste Mgmt Svcs	346	3.2%	6,968,170	4.5%
Transportation/Warehousing	339	3.1%	6,498,777	4.2%
Finance/Insurance	247	2.3%	7,200,593	4.6%
Prof/Scientific/Tech Services	216	2.0%	11,068,132	7.1%
Arts/Entertainment/Recreation	169	1.6%	3,448,696	2.2%
Information	132	1.2%	2,741,630	1.8%
Agric/Forestry/Fishing/Hunting	110	1.0%	2,288,795	1.5%
Utilities	104	1.0%	1,401,281	0.9%
Wholesale Trade	92	0.8%	4,064,621	2.6%
Real Estate/Rental/Leasing	39	0.4%	3,130,712	2.0%
Mining	0	0.0%	609,828	0.4%
Total Employment	10,860	100.0%	155,375,828	100.0%

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

The largest industries in the PMA are manufacturing, healthcare/social assistance, retail trade and educational services. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. The public administration industry is also over represented in the PMA; industries under-represented in the PMA include accommodation/food services, construction, and finance/insurance. As will be demonstrated in the employment discussion, the manufacturing industry has been affected by numerous layoffs and employment decreases in the past 17 years. Nationwide, these industries have also been affected by the recession.

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 Change
Manufacturing	4,087	36.6%	3,025	27.9%	-1,062	-1.5%
Healthcare/Social Assistance	990	8.9%	1,610	14.8%	620	3.7%
Retail Trade	1,276	11.4%	1,191	11.0%	-85	-0.4%
Educational Services	849	7.6%	1,007	9.3%	158	1.1%
Accommodation/Food Services	627	5.6%	693	6.4%	66	0.6%
Public Administration	500	4.5%	605	5.6%	105	1.2%
Other Services (excl Publ Adm)	390	3.5%	470	4.3%	80	1.2%
Construction	591	5.3%	465	4.3%	-126	-1.3%
Admin/Support/Waste Mgmt Svcs	232	2.1%	346	3.2%	114	2.9%
Transportation/Warehousing	378	3.4%	339	3.1%	-39	-0.6%
Finance/Insurance	327	2.9%	247	2.3%	-80	-1.4%
Prof/Scientific/Tech Services	127	1.1%	216	2.0%	89	4.1%
Arts/Entertainment/Recreation	93	0.8%	169	1.6%	76	4.8%
Information	107	1.0%	132	1.2%	25	1.4%
Agric/Forestry/Fishing/Hunting	182	1.6%	110	1.0%	-72	-2.3%
Utilities	103	0.9%	104	1.0%	1	0.1%
Wholesale Trade	219	2.0%	92	0.8%	-127	-3.4%
Real Estate/Rental/Leasing	54	0.5%	39	0.4%	-15	-1.6%
Mining	19	0.2%	0	0.0%	-19	0.0%
Total Employment	11,170	100.0%	10,860	100.0%	-310	-0.2%

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

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

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

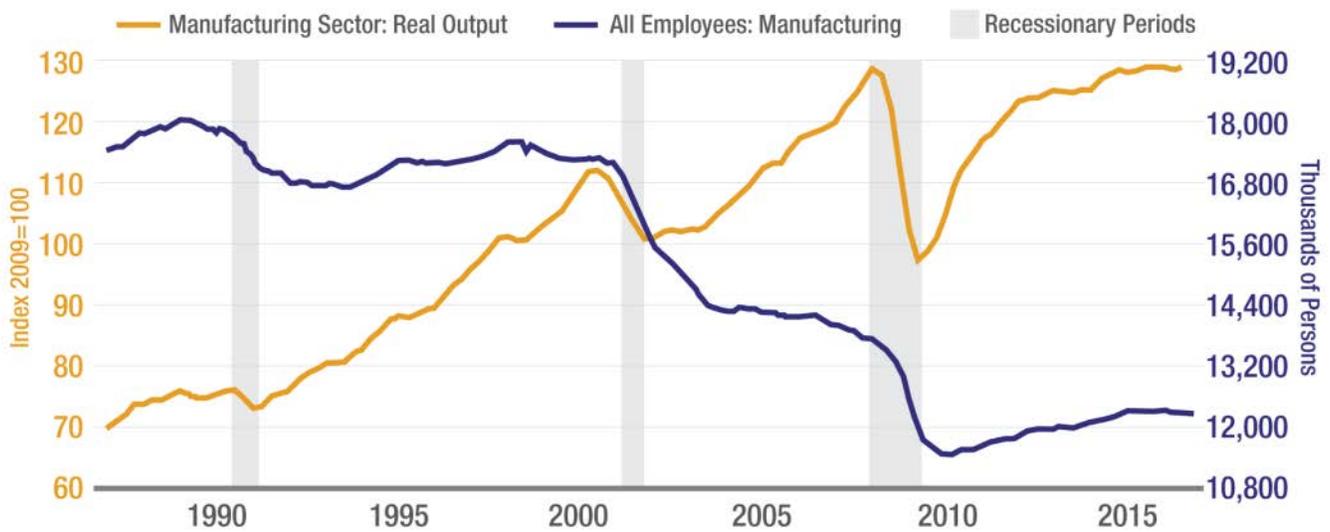
As illustrated, seven of the industries in the table above experienced a decrease in employment from 2000 to 2017. The largest decreases were among the manufacturing and wholesale trade sectors. Job loss in the manufacturing sector is discussed below. The healthcare/social assistance sector added the greatest number of employees in the last 16 years, adding 620 new employees to its workforce.

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 in the PMA has experienced a contraction of approximately 1.5 percent in the past 17 years and state and national trends mirror the PMA. The PMA remains heavily reliant on manufacturing, as it constitutes 27.9 percent of total employment within the PMA, and recent expansions in the manufacturing sector help to offset some of the losses over the past 17 years. While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the local economy. According to a November 18, 2016 article published by the MIT Technology Review, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. Overall, we believe it is reasonable to assume that the Cheraw area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

Major Employers

The following table details major employers in Chesterfield County as of the second quarter 2017 (the most recent available).

MAJOR EMPLOYERS CHESTERFIELD COUNTY		
Employer Name	Industry	# Of Employees
Walmart Distribution Center	Retail trade	500 to 999
Ina Bearing	Manufacturing	500 to 999
AO Smith Water Products	Retail trade	250 to 499
Conbraco Industries Inc - Valve	Manufacturing	250 to 499
Highland Industries	Manufacturing	250 to 499
Stanley Black & Decker	Manufacturing	250 to 499
Conbraco Industries Inc	Manufacturing	250 to 499
CM Tucker Lumber Co LLC	Manufacturing	250 to 499
McLeod Health Cheraw	Healthcare/Social Assistance	100 to 249
Talley Metals Technology	Manufacturing	100 to 249

Source: SC Works Online Services, 2Q2017

The major employers in Chesterfield County are in sectors including manufacturing, retail trade, and healthcare/social assistance. The healthcare/social assistance sector is less susceptible to economic cycles, but manufacturing and retail trade are volatile industries. However, as previously mentioned, recent manufacturing sector business expansions in the area suggest the current health of the industry in the area.

Expansions/Contractions

We utilized the South Carolina Department of Employment and Workforce website to research layoffs and closures of significance that have occurred or been announced since January 1, 2015 in Chesterfield County. According to the South Carolina Department of Employment and Workforce, there have been no WARN notices in Harnett County since July 1, 2014.

We attempted to contact the Chesterfield County Economic Development department regarding any recent business expansions in Chesterfield County. As of the date of this report, our calls have not been returned. Additional online research revealed the following expansions in the Subject’s area.

- According to a news release from the Chesterfield County Economic Development website, on September 27, 2017, the Chesterfield County Council unanimously approved an economic incentive package for the production expansion of the Stanley Black & Decker Inc. plant located in Cheraw, approximately one mile east of the Subject site. Previously known as Project Tape, this \$3.9 million investment is expected to create 60 new full-time jobs over five years at the Cheraw facility and entails the production of a tape measure.
- In April 2016, Nestle Waters North America opened a bottling facility in McBee, South Carolina approximately 25 miles northeast of the Subject site. The plant resulted in a \$40 million investment and the creation of 60 new jobs.
- In April 2016, Chesterfield County Council approved an ordinance that authorized a property tax incentive and infrastructure improvement package to aid Conbraco in its expansion of its distribution center in Pageland. This economic development is projected to create 62 jobs and \$10.9 million of investment by 2021, bringing the total employment of Conbraco’s Pageland facilities to about 300 jobs.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the Pee Dee South Carolina nonmetropolitan area, which is the Subject’s Secondary Market Area (SMA) from 2002 to October 2017.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Pee Dee South Carolina nonmetropolitan area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	52,348	-	8.7%	-	136,485,000	-	5.8%	-
2003	52,337	0.0%	11.4%	2.7%	137,736,000	0.9%	6.0%	0.2%
2004	51,196	-2.2%	11.4%	0.0%	139,252,000	1.1%	5.5%	-0.5%
2005	51,675	0.9%	10.9%	-0.6%	141,730,000	1.8%	5.1%	-0.5%
2006	52,040	0.7%	10.4%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	50,632	-2.7%	9.8%	-0.6%	146,047,000	1.1%	4.6%	0.0%
2008	49,776	-1.7%	11.1%	1.3%	145,363,000	-0.5%	5.8%	1.2%
2009	47,574	-4.4%	17.6%	6.6%	139,878,000	-3.8%	9.3%	3.5%
2010	50,353	5.8%	16.9%	-0.7%	139,064,000	-0.6%	9.6%	0.3%
2011	50,225	-0.3%	15.9%	-1.0%	139,869,000	0.6%	9.0%	-0.7%
2012	50,253	0.1%	14.2%	-1.7%	142,469,000	1.9%	8.1%	-0.9%
2013	50,793	1.1%	11.5%	-2.7%	143,929,000	1.0%	7.4%	-0.7%
2014	51,620	1.6%	8.9%	-2.5%	146,305,000	1.7%	6.2%	-1.2%
2015	51,998	0.7%	8.2%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	53,201	2.3%	6.6%	-1.7%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	54,260	2.0%	5.5%	-1.1%	153,175,600	1.1%	4.5%	-0.4%
Oct-2016	53,232	-	6.3%	-	152,335,000	-	4.7%	-
Oct-2017	54,446	2.3%	5.0%	-1.3%	153,861,000	1.0%	4.1%	-0.6%

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

*2017 data is through Jan

Between 2003 and 2006, total employment in the Pee Dee South Carolina nonmetropolitan area exhibited neutral or positive growth all but one year, reaching a peak in 2006. However, the nonmetropolitan area began experiencing the effects of the most recent national recession with declines in employment in 2007. Total employment in the nonmetropolitan area began to increase again in 2010, although the area experienced another decline in employment in 2011. The nonmetropolitan area has experienced positive employment growth each year since 2011 and total employment in the 12-month period prior to October 2017 has indicated growth in employment of 2.3 percent for the nonmetropolitan area. This is higher than the national growth rate of 1.0 percent over the same time period. Total employment in the SMA surpassed the pre-recession peak in 2016.

In terms of unemployment rates, the rate in the SMA has historically been above that of the nation. While the national unemployment rate increased sharply between 2009 and 2010, from 5.8 percent to 9.3 percent, the SMA saw unemployment rise during the same time period and reached a peak unemployment rate of 17.6 percent in 2010. The unemployment rate has trended downward for eight consecutive years, and is now only slightly higher than the national average. The unemployment rate in the nonmetropolitan area as of October 2017 is approximately 0.9 percentage points above that of the nation.

Housing and Economy

There are eight LIHTC and subsidized properties in Cheraw. The availability of housing for low to very low income renters is considered limited. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession has impacted Cheraw’s single-family housing market. According to RealtyTrac’s January 2018 estimates, the city experienced a foreclosure rate of one in every 1,207 housing units. Chesterfield County experienced a slightly lower foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 1,423 housing units in January 2018. The state of South

Carolina had a foreclosure rate of one in every 1,333 housing units, a rate lower than Cheraw and higher than Chesterfield 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 ten and 14 minutes. Approximately 58.4 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	622	6.3%
Travel Time 5-9 min	1,496	15.2%
Travel Time 10-14 min	1,911	19.4%
Travel Time 15-19 min	1,722	17.5%
Travel Time 20-24 min	1,024	10.4%
Travel Time 25-29 min	493	5.0%
Travel Time 30-34 min	1,118	11.4%
Travel Time 35-39 min	146	1.5%
Travel Time 40-44 min	92	0.9%
Travel Time 45-59 min	805	8.2%
Travel Time 60-89 min	335	3.4%
Travel Time 90+ min	81	0.8%

Source: US Census 2017, Novogradac & Company, LLP February 2017

CONCLUSION

The Pee Dee South nonmetropolitan area has experienced positive employment growth each year since 2011 and total employment significantly outpaced the nation in 2016 and 2017. Total employment in the nonmetropolitan area surpassed the pre-recession peak in 2016. The unemployment rate has trended downward for eight consecutive years and is now only slightly higher than the national average. The unemployment rate in the nonmetropolitan area as of October 2017 is approximately 0.9 percentage points above that of the nation. Manufacturing in the PMA has experienced a contraction of approximately 1.5 percent in the past 17 years and state and national trends mirror the PMA. Overall, we believe it is reasonable to assume that the Cheraw area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment. Despite the contractions the nonmetropolitan area has experienced in the manufacturing industry, increases in total employment and declines in unemployment rates indicate that the area has recovered from the most recent national recession 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 Pee Dee South Carolina nonmetropolitan area, 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		Pee Dee South Carolina nonmetropolitan area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	27,762	-	137,774	-	281,038,168	-
2010	30,001	0.8%	140,791	0.2%	308,745,538	1.0%
2017	29,936	0.0%	138,606	-0.2%	327,514,334	0.6%
Projected Mkt Entry July 2020	29,716	-0.2%	136,912	-0.4%	335,799,890	0.8%
2022	29,570	-0.2%	135,782	-0.4%	341,323,594	0.8%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry July 2020	2022
0-4	1,797	1,750	1,607	1,551	1,514
5-9	2,087	1,732	1,701	1,634	1,589
10-14	2,132	1,924	1,675	1,685	1,692
15-19	1,953	2,017	1,625	1,627	1,629
20-24	1,622	1,721	1,797	1,658	1,566
25-29	1,737	1,846	2,129	2,014	1,938
30-34	1,905	2,108	2,091	2,103	2,111
35-39	2,163	2,075	1,968	1,929	1,903
40-44	2,157	2,123	1,917	1,888	1,868
45-49	2,067	2,253	1,957	1,873	1,817
50-54	1,926	2,278	2,080	1,983	1,918
55-59	1,518	2,121	2,218	2,132	2,074
60-64	1,175	1,896	2,116	2,148	2,169
65-69	1,059	1,429	1,881	1,952	2,000
70-74	890	980	1,288	1,457	1,570
75-79	705	794	848	988	1,082
80-84	450	520	538	585	617
85+	417	434	501	509	515
Total	27,760	30,001	29,937	29,718	29,572

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

The total population in the PMA experienced no growth from 2010 to 2017. In comparison, the SMA experienced a decline in growth while the nation experienced growth in total population during the same

period of time. The population in the PMA is expected to decrease through 2022 at 0.2 percent per annum, a rate that will remain above the SMA and below the nation.

The population in the PMA in 2017 was concentrated most heavily in the age groups of 55 to 59 and 25 to 29, combined these age groups represent 14.5 percent of the total population in the PMA. Through market entry the 60 to 64 and 55 to 59 age groups will have the highest representation in the PMA.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Pee Dee South Carolina nonmetropolitan area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,624	-	51,543	-	105,403,008	-
2010	10,861	0.2%	53,512	0.4%	116,716,293	1.1%
2017	10,865	0.0%	52,764	-0.1%	123,158,898	0.5%
Projected Mkt Entry July 2020	10,738	-0.4%	52,143	-0.4%	125,752,338	0.7%
2022	10,653	-0.4%	51,729	-0.4%	127,481,298	0.7%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Pee Dee South Carolina nonmetropolitan area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.52	-	2.61	-	2.59	-
2010	2.61	0.4%	2.54	-0.3%	2.58	-0.1%
2017	2.48	-0.5%	2.54	0.0%	2.59	0.1%
Projected Mkt Entry July 2020	2.49	0.1%	2.53	0.0%	2.61	0.2%
2022	2.50	0.1%	2.53	0.0%	2.61	0.2%

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

POPULATION IN GROUP QUARTERS

Year	PMA		Pee Dee South Carolina nonmetropolitan area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	992	-	3,055	-	7,596,362	-
2010	1,630	6.4%	5,055	6.5%	8,043,577	0.6%
2017	2,968	8.0%	4,826	-0.4%	8,081,594	0.0%
Projected Mkt Entry July 2020	2,968	0.0%	4,826	0.0%	8,081,594	0.0%
2022	2,968	0.0%	4,826	0.0%	8,081,594	0.0%

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

The total number of households in the PMA remained stable from 2010 and 2017, while the SMA experienced a slight decrease and the nation experienced growth over the same time period. Through market entry date and 2022, the total number of households in the PMA is expected to decline at a similar

rate as the SMA, while the nation is expected to experience population growth. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased dramatically in the PMA between 2000 and 2017 and remained stable in the SMA and nation over the same time period.

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	7,862	74.0%	2,762	26.0%
2017	7,393	68.0%	3,472	32.0%
Projected Mkt Entry July 2020	7,330	68.3%	3,408	31.7%
2022	7,288	68.4%	3,365	31.6%

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

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 slightly smaller percentage of renters in the PMA than the nation. This percentage is projected to remain relatively stable over the next five years.

Household Income Distribution

The table below depicts household income in the PMA from 2000 through 2022.

Income Cohort	HOUSEHOLD INCOME PMA					
	2017		2022		Annual Change 2017 to 2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,717	15.8%	1,598	15.0%	-24	-1.4%
\$10,000-19,999	2,086	19.2%	1,928	18.1%	-32	-1.5%
\$20,000-29,999	1,432	13.2%	1,379	12.9%	-11	-0.7%
\$30,000-39,999	1,309	12.0%	1,247	11.7%	-12	-0.9%
\$40,000-49,999	1,038	9.6%	1,047	9.8%	2	0.2%
\$50,000-59,999	785	7.2%	733	6.9%	-10	-1.3%
\$60,000-74,999	840	7.7%	862	8.1%	4	0.5%
\$75,000-99,999	741	6.8%	797	7.5%	11	1.5%
\$100,000-	433	4.0%	464	4.4%	6	1.4%
\$125,000-	297	2.7%	328	3.1%	6	2.1%
\$150,000-	75	0.7%	135	1.3%	12	16.0%
\$200,000+	112	1.0%	135	1.3%	5	4.1%
Total	10,865	100.0%	10,653	100.0%		

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

The Subject’s LIHTC units will target households earning between \$17,726 and \$34,440. As the table above depicts, approximately 44.4 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 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	989	28.5%	952	27.9%	928	27.6%
\$10,000-19,999	792	22.8%	758	22.2%	735	21.8%
\$20,000-29,999	490	14.1%	480	14.1%	474	14.1%
\$30,000-39,999	430	12.4%	419	12.3%	411	12.2%
\$40,000-49,999	268	7.7%	266	7.8%	265	7.9%
\$50,000-59,999	133	3.8%	123	3.6%	117	3.5%
\$60,000-74,999	128	3.7%	129	3.8%	130	3.9%
\$75,000-99,999	93	2.7%	104	3.1%	112	3.3%
\$100,000-124,999	67	1.9%	78	2.3%	86	2.6%
\$125,000-149,999	35	1.0%	46	1.3%	53	1.6%
\$150,000-199,999	15	0.4%	20	0.6%	24	0.7%
\$200,000+	32	0.9%	31	0.9%	30	0.9%
Total	3,472	100.0%	3,408	100.0%	3,365	100.0%

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

The Subject’s affordable units will target households earning between \$17,726 and \$34,440. Renter households with incomes between \$10,000 and \$39,999 represent 49.3 percent of the renter households in the PMA in 2017. This percentage is expected to remain relatively stable 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	1,531	44.1%	1,503	44.1%	1,484	44.1%
2 Persons	822	23.7%	800	23.5%	786	23.4%
3 Persons	570	16.4%	562	16.5%	556	16.5%
4 Persons	298	8.6%	297	8.7%	297	8.8%
5+ Persons	251	7.2%	246	7.2%	242	7.2%
Total Households	3,472	100%	3,408	100%	3,365	100%

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

Approximately 55.9 percent of renter households resided in a two to five-person household in the PMA in 2017. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The total population in the PMA experienced no growth from 2010 to 2017. In comparison, the nonmetropolitan area experienced a decline in growth while the nation experienced growth in total population during the same period of time. The population in the PMA is expected to decrease through 2022 at 0.2 percent per annum, a rate that will remain above the SMA and below the nation. The total number of

households in the PMA remained stable from 2010 and 2017, while the nonmetropolitan area experienced a slight decrease and the nation experienced growth over the same time period. Through market entry date and 2022, the total number of households in the PMA is expected to decline at a similar rate as the nonmetropolitan area, while the nation is expected to experience population growth. Renter households with incomes between \$10,000 and \$39,999 represent 49.3 percent of the renter households in the PMA in 2017, and this share is expected to remain relatively stable 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. For elderly projects, we have used a maximum income based on two-person households.

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

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		Overall Affordable	
2BR	\$17,726	\$24,850	\$23,314	\$29,820	\$17,726	\$29,820
3BR	\$20,434	\$28,700	\$27,531	\$34,440	\$20,434	\$34,440

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 Chesterfield 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		\$17,726		Maximum Income Limit		\$28,700	
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	-37	57.0%	\$0	0.0%	0		
\$10,000-19,999	-34	53.3%	\$2,273	22.7%	-8		
\$20,000-29,999	-10	15.0%	\$8,700	87.0%	-8		
\$30,000-39,999	-11	17.8%	\$0	0.0%	0		
\$40,000-49,999	-2	2.8%	\$0	0.0%	0		
\$50,000-59,999	-10	15.0%	\$0	0.0%	0		
\$60,000-74,999	1	-1.9%	\$0	0.0%	0		
\$75,000-99,999	11	-17.8%	\$0	0.0%	0		
\$100,000-124,999	11	-17.8%	\$0	0.0%	0		
\$125,000-149,999	11	-16.8%	\$0	0.0%	0		
\$150,000-199,999	5	-8.4%	\$0	0.0%	0		
\$200,000+	-1	1.9%	\$0	0.0%	0		
Total	-64	100.0%		25.1%	-16		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$17,726		Maximum Income Limit		\$28,700	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	989	28.5%	\$0	0.0%	0		
\$10,000-19,999	792	22.8%	\$2,273	22.7%	180		
\$20,000-29,999	490	14.1%	\$8,700	87.0%	426		
\$30,000-39,999	430	12.4%	\$0	0.0%	0		
\$40,000-49,999	268	7.7%	\$0	0.0%	0		
\$50,000-59,999	133	3.8%	\$0	0.0%	0		
\$60,000-74,999	128	3.7%	\$0	0.0%	0		
\$75,000-99,999	93	2.7%	\$0	0.0%	0		
\$100,000-124,999	67	1.9%	\$0	0.0%	0		
\$125,000-149,999	35	1.0%	\$0	0.0%	0		
\$150,000-199,999	15	0.4%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,472	100.0%		17.5%	606		

ASSUMPTIONS - @50%

ASSUMPTIONS - @50%					
Tenancy		Family		% of Income towards Housing	
Rural/Urban		Rural		Maximum # of Occupants	
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%	90%	10%
5+	0%	0%	0%	70%	30%

Demand from New Renter Households 2017 to July 2020

Income Target Population	@50%
New Renter Households PMA	-64
Percent Income Qualified	25.1%
New Renter Income Qualified Households	-16

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	3,472
Income Qualified	17.5%
Income Qualified Renter Households	606
Percent Rent Overburdened Prj Mrkt Entry July 2020	37.2%
Rent Overburdened Households	226

Demand from Living in Substandard Housing

Income Qualified Renter Households	606
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	228
Total New Demand	-16
Total Demand (New Plus Existing Households)	212

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	44.1%	93
Two Persons	23.5%	50
Three Persons	16.5%	35
Four Persons	8.7%	18
Five Persons	7.2%	15
Total	100.0%	212

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	9
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%	75
Of two-person households in 1BR units	20%	10
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%	9
Of two-person households in 2BR units	80%	40
Of three-person households in 2BR units	60%	21
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%	14
Of four-person households in 3BR units	90%	17
Of five-person households in 3BR units	70%	11
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	10%	2
Of five-person households in 4BR units	30%	5
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		212

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	70	-	0	=	70
3 BR	41	-	0	=	41
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	111		0		111

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR		/	-	=	-
2 BR	4	/	70	=	5.7%
3 BR	4	/	41	=	9.7%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	8		111		7.2%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$23,314		Maximum Income Limit		\$34,440	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households		
	Change in Households PMA to Prj Mrkt Entry July 2020				within Bracket		
\$0-9,999	-37	57.0%	\$0	0.0%	0		
\$10,000-19,999	-34	53.3%	\$0	0.0%	0		
\$20,000-29,999	-10	15.0%	\$6,685	66.9%	-6		
\$30,000-39,999	-11	17.8%	\$4,440	44.4%	-5		
\$40,000-49,999	-2	2.8%	\$0	0.0%	0		
\$50,000-59,999	-10	15.0%	\$0	0.0%	0		
\$60,000-74,999	1	-1.9%	\$0	0.0%	0		
\$75,000-99,999	11	-17.8%	\$0	0.0%	0		
\$100,000-124,999	11	-17.8%	\$0	0.0%	0		
\$125,000-149,999	11	-16.8%	\$0	0.0%	0		
\$150,000-199,999	5	-8.4%	\$0	0.0%	0		
\$200,000+	-1	1.9%	\$0	0.0%	0		
Total	-64	100.0%		17.9%	-11		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$23,314		Maximum Income Limit		\$34,440	
Income Category	Total Renter Households PMA		Income Brackets	Percent within Cohort	Households		
	2017				within Bracket		
\$0-9,999	989	28.5%	\$0	0.0%	0		
\$10,000-19,999	792	22.8%	\$0	0.0%	0		
\$20,000-29,999	490	14.1%	\$6,685	66.9%	328		
\$30,000-39,999	430	12.4%	\$4,440	44.4%	191		
\$40,000-49,999	268	7.7%	\$0	0.0%	0		
\$50,000-59,999	133	3.8%	\$0	0.0%	0		
\$60,000-74,999	128	3.7%	\$0	0.0%	0		
\$75,000-99,999	93	2.7%	\$0	0.0%	0		
\$100,000-124,999	67	1.9%	\$0	0.0%	0		
\$125,000-149,999	35	1.0%	\$0	0.0%	0		
\$150,000-199,999	15	0.4%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,472	100.0%		14.9%	519		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		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%	90%	10%	
5+	0%	0%	0%	70%	30%	

Demand from New Renter Households 2017 to July 2020

Income Target Population	@60%
New Renter Households PMA	-64
Percent Income Qualified	17.9%
New Renter Income Qualified Households	-11

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	3,472
Income Qualified	14.9%
Income Qualified Renter Households	519
Percent Rent Overburdened Prj Mrkt Entry July 2020	37.2%
Rent Overburdened Households	193

Demand from Living in Substandard Housing

Income Qualified Renter Households	519
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	195
Total New Demand	-11
Total Demand (New Plus Existing Households)	183

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	44.1%	81
Two Persons	23.5%	43
Three Persons	16.5%	30
Four Persons	8.7%	16
Five Persons	7.2%	13
Total	100.0%	183

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	8
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%	65
Of two-person households in 1BR units	20%	9
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	8
Of two-person households in 2BR units	80%	34
Of three-person households in 2BR units	60%	18
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%	12
Of four-person households in 3BR units	90%	14
Of five-person households in 3BR units	70%	9
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	10%	2
Of five-person households in 4BR units	30%	4
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		183

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	61	-	0	=	61
3 BR	36	-	0	=	36
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	96		0		96

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR		/	-	=	-
2 BR	12	/	61	=	19.8%
3 BR	12	/	36	=	33.6%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	24		96		24.9%

Overall Affordable

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall Affordable

Minimum Income Limit		\$17,726		Maximum Income Limit		\$34,440	
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	-37	57.0%	\$0	0.0%	0		
\$10,000-19,999	-34	53.3%	\$2,273	22.7%	-8		
\$20,000-29,999	-10	15.0%	\$9,999	100.0%	-10		
\$30,000-39,999	-11	17.8%	\$4,440	44.4%	-5		
\$40,000-49,999	-2	2.8%	\$0	0.0%	0		
\$50,000-59,999	-10	15.0%	\$0	0.0%	0		
\$60,000-74,999	1	-1.9%	\$0	0.0%	0		
\$75,000-99,999	11	-17.8%	\$0	0.0%	0		
\$100,000-124,999	11	-17.8%	\$0	0.0%	0		
\$125,000-149,999	11	-16.8%	\$0	0.0%	0		
\$150,000-199,999	5	-8.4%	\$0	0.0%	0		
\$200,000+	-1	1.9%	\$0	0.0%	0		
Total	-64	100.0%		34.9%	-22		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall Affordable

Minimum Income Limit		\$17,726		Maximum Income Limit		\$34,440	
Income Category	Total Renter Households PMA		Income Brackets	Percent within Cohort	Households within Bracket		
	2017						
\$0-9,999	989	28.5%	\$0	0.0%	0		
\$10,000-19,999	792	22.8%	\$2,273	22.7%	180		
\$20,000-29,999	490	14.1%	\$9,999	100.0%	490		
\$30,000-39,999	430	12.4%	\$4,440	44.4%	191		
\$40,000-49,999	268	7.7%	\$0	0.0%	0		
\$50,000-59,999	133	3.8%	\$0	0.0%	0		
\$60,000-74,999	128	3.7%	\$0	0.0%	0		
\$75,000-99,999	93	2.7%	\$0	0.0%	0		
\$100,000-124,999	67	1.9%	\$0	0.0%	0		
\$125,000-149,999	35	1.0%	\$0	0.0%	0		
\$150,000-199,999	15	0.4%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,472	100.0%		24.8%	861		

ASSUMPTIONS - Overall Affordable

ASSUMPTIONS - Overall Affordable						
Tenancy		Family	% of Income towards Housing			35%
Rural/Urban		Rural	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%	90%	10%	
5+	0%	0%	0%	70%	30%	

Demand from New Renter Households 2017 to July 2020

Income Target Population	Overall Affordable
New Renter Households PMA	-64
Percent Income Qualified	34.9%
New Renter Income Qualified Households	-22

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall Affordable
Total Existing Demand	3,472
Income Qualified	24.8%
Income Qualified Renter Households	861
Percent Rent Overburdened Prj Mrkt Entry July 2020	37.2%
Rent Overburdened Households	321

Demand from Living in Substandard Housing

Income Qualified Renter Households	861
Percent Living in Substandard Housing	0.3%
Households Living in Substandard Housing	3

Senior Households Converting from Homeownership

Income Target Population	Overall Affordable
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	323
Total New Demand	-22
Total Demand (New Plus Existing Households)	301

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	44.1%	133
Two Persons	23.5%	71
Three Persons	16.5%	50
Four Persons	8.7%	26
Five Persons	7.2%	22
Total	100.0%	301

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	10%	13
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%	106
Of two-person households in 1BR units	20%	14
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%	13
Of two-person households in 2BR units	80%	57
Of three-person households in 2BR units	60%	30
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%	20
Of four-person households in 3BR units	90%	24
Of five-person households in 3BR units	70%	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	10%	3
Of five-person households in 4BR units	30%	7
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		301

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	100	-	0	=	100
3 BR	59	-	0	=	59
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	158		0		158

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	/	/	-	=	-
1 BR	0	/	-	=	-
2 BR	16	/	100	=	16.1%
3 BR	16	/	59	=	27.3%
4 BR	/	/	-	=	-
5 BR	/	/	-	=	-
Total	32		158		20.2%

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 (\$17,726 to \$28,700)	HH at @60% AMI (\$23,314 to \$34,440)	Overall Affordable (\$17,726 to \$34,440)
Demand from New Households (age and income appropriate)	-16	-11	-22
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	226	193	321
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	3
=	=	=	=
Sub Total	212	183	301
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	212	183	301
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	212	183	301

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 (\$17,726 to \$28,700)	HH at @60% AMI (\$23,314 to \$34,440)	All Affordable Households (\$17,726 to \$34,440)
Demand from New 3-Person+ Large Households (age and income appropriate)	-5	-4	-7
PLUS	+	+	+
Demand from Existing 3-Person+ Large Renter Housholds - Rent Overburdened Households	73	63	104
PLUS	+	+	+
Demand from Existing 3+ Large Renter Households - Substandard Housing	1	1	1
=	=	=	=
Total 3-Person+ Large Household Demand	69	59	98
Less	-	-	-
New Supply (3-Bedroom Units)	0	0	0
=	=	=	=
Net 3-Person+ Large Household Demand	69	59	98
Proposed 3-Bedroom+ Subject Units	4	12	16
Proposed 3-Bedroom+ Subject Units Divided by Net 3-Person Large Household Demand	5.8%	20.2%	16.4%
Large-Household (3-Person+) Capture Rate by Income Level	5.8%	20.2%	16.4%

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
2BR @50%	70	0	70	4	5.7%
2BR @60%	61	0	61	12	19.8%
2BR Overall	100	0	100	16	16.1%
3BR @50%	41	0	41	4	9.7%
3BR @60%	36	0	36	12	33.6%
3BR Overall	59	0	59	16	27.3%
@50% Overall	111	0	111	8	7.2%
@60% Overall	96	0	96	24	24.9%
Overall Project	158	0	158	32	20.2%

As the analysis illustrates, the Subject’s capture rates vary from 5.7 to 33.6 percent with an overall capture rate of 20.2 percent. The Subject’s highest capture rates are for its three-bedroom units at 60 percent. However, this capture rate calculation is conservative and does not consider any potential leakage from outside of the PMA, which property managers have reported. According to our understanding of SCSFDA guidelines as confirmed with Ms. Laura Nicholson, capture rates for a family property must be below 30 percent and there are no threshold limits by unit type or AMI level. Overall, capture rates are low and based on the capture rates alone, there appears to be demand for the Subject.

Absorption Rate

Only one of the LIHTC comparable properties surveyed, Bennettsville Green Apartments, was able to provide absorption data. We have thus considered absorption data from recently constructed properties located in Florence, just beyond the PMA. Absorption rates at these properties are detailed below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Palmetto Station Apartments	LIHTC	Family	2014	48	24
Woodlake Apartments	Market	Family	2012	120	15
McGowan Commons	LIHTC	Family	2012	36	12
Bennettsville Green Apartments	LIHTC	Family	2010	40	<u>13</u>
				Average	16

On average, these properties reported an absorption rate of 16 units per month. With the stable demographic base of moderate-income renters in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate at the high end of this range and similar to the most recently constructed LIHTC property, Palmetto Station Apartments. The LIHTC comparables report few vacancies and all maintain waiting lists. Therefore, based upon the demand calculations presented within this report, which indicate good to excellent capture rates and an ample number of income-qualified households, we believe the Subject could absorb approximately 20 units per month upon opening. This equals an absorption period of two to three months. We expect the Subject to reach stabilized occupancy of 93 percent within three 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
Airport Apartments	Market	Family	More comparable properties	18	5.6%
Arrowhead Place Apartments, inc.	Section 8	Family	Subsidized	12	0.0%
Chesterfield Courts, Inc.	Section 8	Family	Subsidized	40	0.0%
Magnolia Village	Market	Family	More comparable properties	28	0.0%
Town And Country Apartments	Market	Family	More comparable properties	8	0.0%
Dream Builders I	Section 8	Family	Subsidized	8	0.0%
Indian Creek Apartments	Section 8	Family	Subsidized	28	0.0%
River Birch	LIHTC/RD	Family	Subsidized	14	0.0%
Oak Terrace Apartments	LIHTC/RD	Family	Subsidized	48	0.0%
Cool Breeze Crossing	LIHTC	Family	More comparable properties	40	0.0%
Page Square Apartments	LIHTC	Family	Dissimilar age and condition	39	0.0%
Greystone III Apartments	LIHTC	Family	Dissimilar age and condition	14	0.0%
Third Street Apartments	LIHTC	Family	Dissimilar age and condition	14	0.0%

LIHTC Competition

We attempted to contact the Cheraw Planning and Community Development department regarding any multifamily properties currently proposed, planned, or under construction in the Cheraw area. However, as of the date of this report, our calls have not been returned. Therefore, we utilized a CoStar new construction report and found no currently proposed, planned, or under construction in the Cheraw or greater Chesterfield County area. Furthermore, according to the South Carolina LIHTC allocations lists, there are currently no LIHTC properties proposed or under construction in the Subject’s PMA.

Pipeline Construction

As detailed above, there are no LIHTC or market-rate developments currently proposed, planned, or under construction within the Subject’s PMA.

Comparable Properties

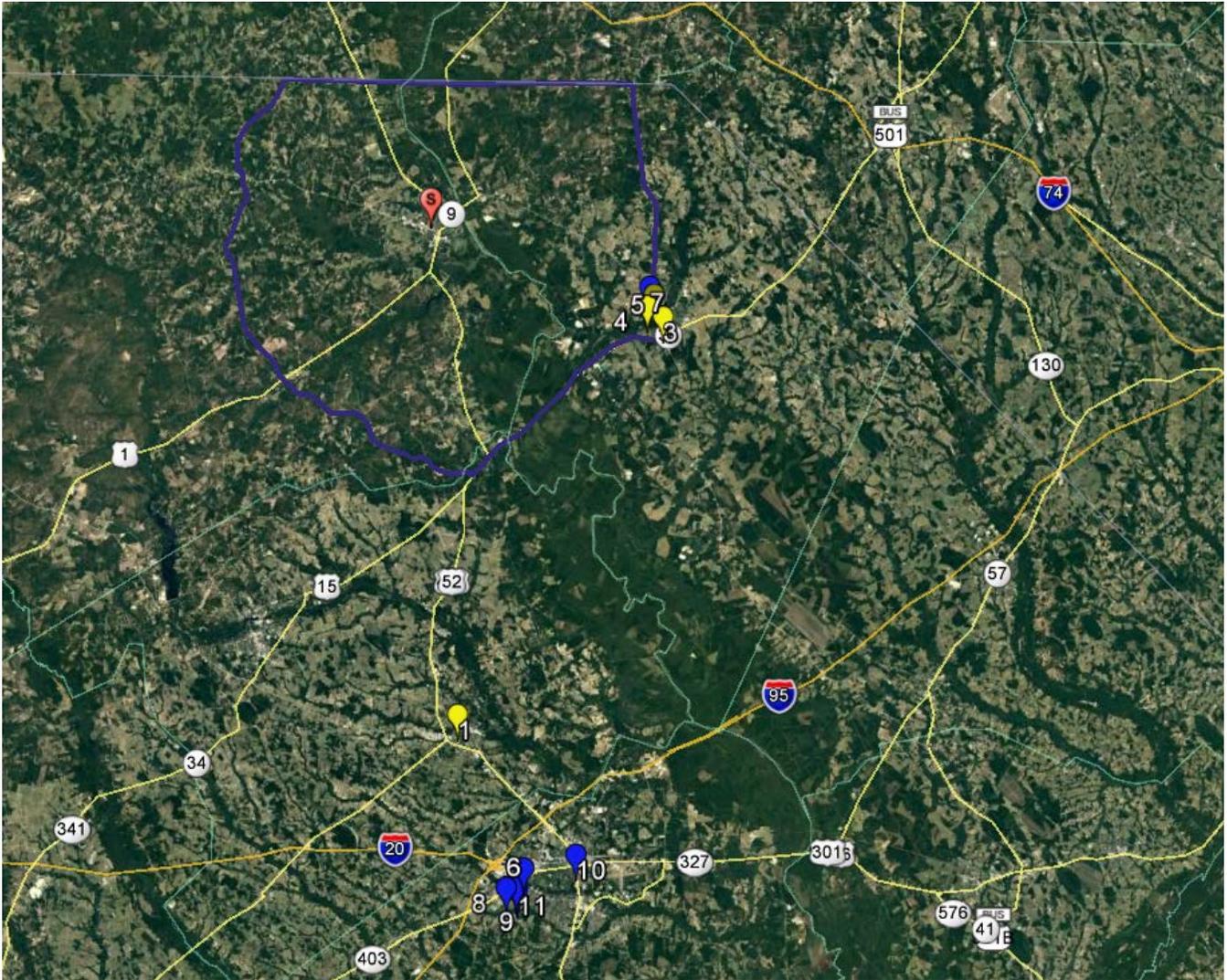
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes 11 “true” comparable properties containing 893 units.

The availability of LIHTC data is considered average. Only two of the LIHTC comparables are located within the PMA. The other three LIHTC comparables are located outside of the PMA, three in nearby Darlington and Bennettsville. Darlington and Bennettsville are considered similar locations to Cheraw with respect to median household income, median home value, and median rent. However, these LIHTC comparables are the most proximate to the Subject. There are no other LIHTC properties within the PMA. The comparable LIHTC properties are all located between 12.4 and 26.7 miles of the proposed Subject.

The availability of market-rate data is considered average. The Subject is located in Cheraw, and there are few market-rate properties in the area. Most of these properties are far inferior to the proposed Subject with respect to age and condition. We have excluded other market rate properties within the PMA because they differ significantly from the Subject with respect to design and unit mix. We have included five conventional properties in our analysis of the competitive market. Only one of these properties, Hillcrest Apartments in Bennettsville, is located within the PMA. The market-rate comparables are located between 12.2 and 36.5 miles from the Subject site. There are a limited number of new construction or recent construction market-rate properties in the area, and thus we have included four market-rate comparables in Florence. Florence is considered a superior location with respect to median rent, median household income, and median home value. However, the most proximate recently constructed market-rate properties are located in Florence, and are thus included because they are the most similar market-rate properties with respect to age and condition. The market-rate comparables were built or renovated between 1981 and 2016. Overall, we believe the market-rate properties we have used in our analysis are the most comparable.

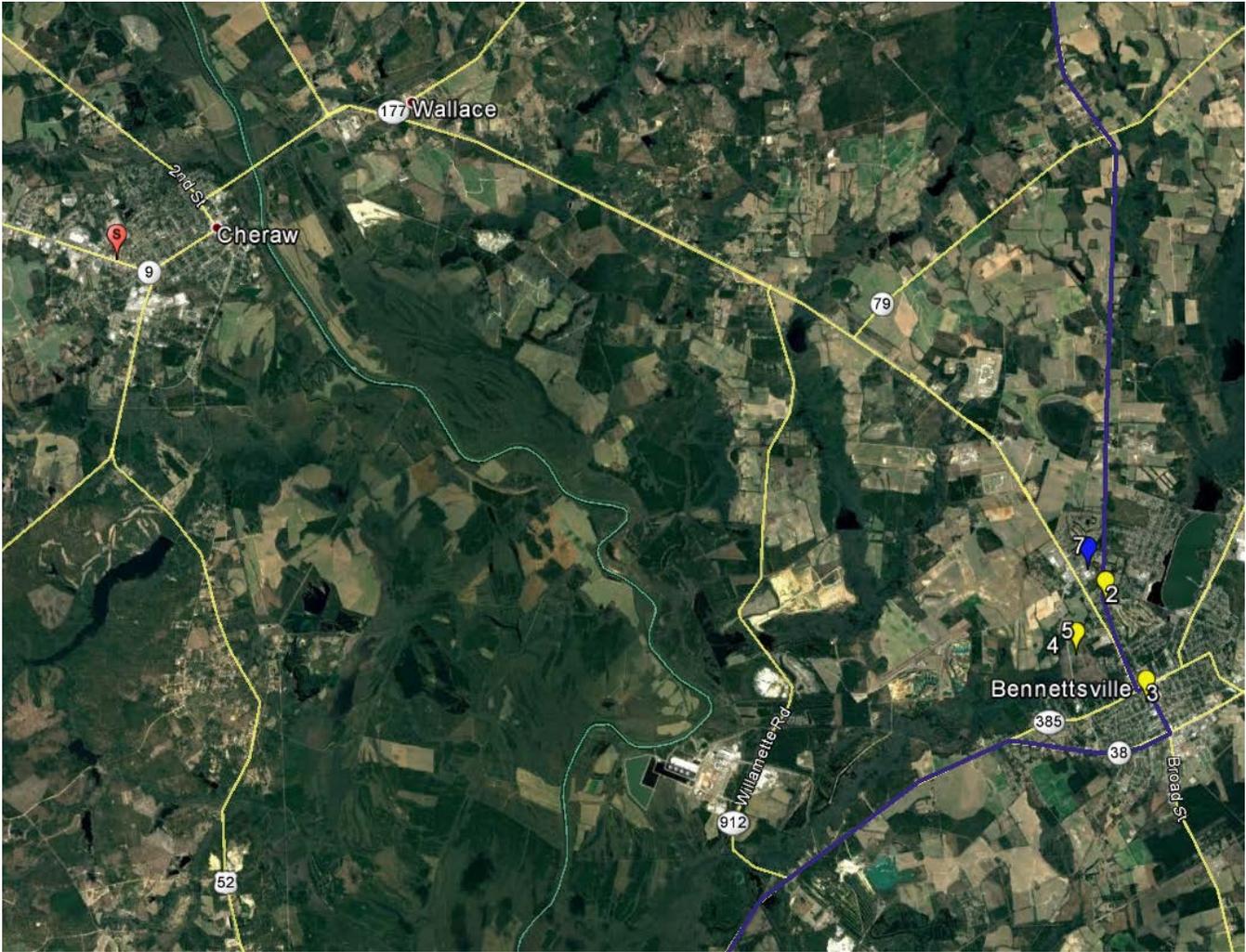
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are 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, January 2018.

COMPARABLE RENTAL PROPERTY MAP - DETAILED



Source: Google Earth, January 2018.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Foundry	Cheraw	LIHTC	Family	-
1	Autumn Run Apartments*	Darlington	LIHTC	Family	26.7 miles
2	Bennettsville Green Apartments*	Bennettsville	LIHTC	Family	12.6 miles
3	Bennettsville Lofts*	Bennettsville	LIHTC	Family	13.5 miles
4	Glenfield I	Bennettsville	LIHTC	Family	12.4 miles
5	Glenfield II	Bennettsville	LIHTC	Family	12.4 miles
6	Bentree Apartments*	Florence	Market	Family	35.3 miles
7	Hillcrest Apartments	Bennettsville	Market	Family	12.2 miles
8	Sage Pointe Apartments*	Florence	Market	Family	36.2 miles
9	Somerset Acres*	Florence	Market	Family	36.3 miles
10	The Emerson*	Florence	Market	Family	35.1 miles
11	Woodlake Apartments*	Florence	Market	Family	36.5 miles

*These properties are located outside of the PMA.

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.

HAVENWOOD FOUNDRY – CHERAW, 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	Havenwood Foundry Chesterfield Highway And Foundry Hill Road Cheraw, SC 29520 Chesterfield County	-	Garden (2 stories) Proposed 2020 / n/a Family	@50%, @60%	2BR / 2BA	4	12.5%	950	@50%	\$322	No	N/A	N/A	N/A		
					2BR / 2BA	12	37.5%	950	@60%	\$485	No	N/A	N/A	N/A		
					3BR / 2BA	4	12.5%	1,100	@50%	\$343	No	N/A	N/A	N/A		
					3BR / 2BA	12	37.5%	1,100	@60%	\$550	No	N/A	N/A	N/A		
						32	100.0%								N/A	N/A
1	Autumn Run Apartments 405 Wells Street Darlington, SC 29532 Darlington County	26.7 miles	Garden (2 stories) 2004 / n/a Family	@50%, @60%	2BR / 1BA	14	35.0%	850	@50%	\$337	No	Yes	0	0.0%		
					2BR / 1BA	14	35.0%	850	@60%	\$459	No	Yes	0	0.0%		
					3BR / 2BA	6	15.0%	1,000	@50%	\$364	No	Yes	0	0.0%		
					3BR / 2BA	6	15.0%	1,000	@60%	\$499	No	Yes	0	0.0%		
						40	100.0%								0	0.0%
2	Bennettsville Green Apartments 501 Center Street Bennettsville, SC 29512 Marlboro County	12.6 miles	Garden (2 stories) 2010 / n/a Family	@50%, @60%	2BR / 1BA	16	40.0%	887	@50%	\$406	Yes	Yes	0	0.0%		
					2BR / 1BA	14	35.0%	887	@60%	\$459	No	Yes	0	0.0%		
					3BR / 2BA	6	15.0%	1,094	@50%	\$434	Yes	No	0	0.0%		
					3BR / 2BA	6	15.0%	1,094	@60%	\$550	No	No	1	16.7%		
						40	100.0%								1	2.5%
3	Bennettsville Lofts 101 Center Street Bennettsville, SC 29512 Marlboro County	13.5 miles	Lowrise (2 stories) 1910 / 2003 Family	@50%	1BR / 1BA	7	31.8%	750	@50%	\$407	Yes	Yes	0	0.0%		
					2BR / 1BA	14	63.6%	800	@50%	\$386	Yes	No	1	7.1%		
					3BR / 2BA	1	4.5%	900	@50%	\$413	Yes	No	0	0.0%		
						22	100.0%								1	4.5%
4	Glenfield I 604 Center St Bennettsville, SC 29512 Marlboro County	12.4 miles	Garden (2 stories) 1985 / 2010 Family	@60%, @60% (RRAP)	1BR / 1BA	8	20.0%	660	@60%	\$403	No	Yes	0	0.0%		
					2BR / 1BA	12	30.0%	887	@60% (RRAP)	-	N/A	Yes	0	0.0%		
					2BR / 1BA	12	30.0%	840	@60%	\$440	No	Yes	1	8.3%		
					2BR / 1BA	12	30.0%	840	@60% (RRAP)	-	N/A	Yes	0	0.0%		
						40	100.0%								1	2.5%
5	Glenfield II 606 Center St Bennettsville, SC 29512 Marlboro County	12.4 miles	Garden (2 stories) 1990 / 2010 Family	@60%, @60% (RRAP)	1BR / 1BA	8	20.0%	660	@60%	\$403	No	Yes	0	0.0%		
					1BR / 1BA	8	20.0%	660	@60% (RRAP)	-	N/A	Yes	0	0.0%		
					2BR / 1BA	12	30.0%	840	@60%	\$445	No	Yes	0	0.0%		
					2BR / 1BA	12	30.0%	840	@60% (RRAP)	-	N/A	Yes	0	0.0%		
						40	100.0%								0	0.0%
6	Bentree Apartments 200 Bentree Lane Florence, SC 29501 Florence County	35.3 miles	Garden (2 stories) 1981 / n/a Family	Market	1BR / 1BA	36	27.3%	650	Market	\$651	N/A	No	0	0.0%		
					2BR / 1.5BA	72	54.5%	850	Market	\$695	N/A	No	1	1.4%		
					3BR / 2BA	24	18.2%	1,100	Market	\$865	N/A	No	0	0.0%		
						132	100.0%								1	0.8%
7	Hillcrest Apartments 800 Oakwood Street Bennettsville, SC 29512 Marlboro County	12.2 miles	Garden (2 stories) 1985 / n/a Family	Market	1BR / 1BA	36	50.0%	689	Market	\$529	N/A	None	2	5.6%		
					2BR / 1BA	30	41.7%	900	Market	\$390	N/A	None	2	6.7%		
					3BR / 2BA	6	8.3%	1,000	Market	\$466	N/A	None	0	0.0%		
						72	100.0%								4	5.6%
8	Sage Pointe Apartments 1321 Brittany Drive Florence, SC 29501 Florence County	36.2 miles	Garden (2 stories) 2000 / n/a Family	Market	2BR / 2BA	56	50.0%	1,000	Market	\$675	N/A	No	1	1.8%		
					3BR / 2BA	56	50.0%	1,200	Market	\$725	N/A	No	0	0.0%		
						112	100.0%								1	0.9%
9	Somerset Acres 2815 Kinloch Court Florence, SC 29501 Florence County	36.3 miles	Garden (3 stories) 2008 / n/a Family	Market	2BR / 2BA	192	100.0%	1,040	Market	\$775	N/A	No	N/A	N/A		
					2BR / 2BA	0	0.0%	1,040	Market	\$800	N/A	No	N/A	N/A		
					2BR / 2BA	0	0.0%	1,040	Market	\$750	N/A	No	N/A	N/A		
						192	100.0%								9	4.7%
10	The Emerson 150 S Irby Florence, SC 29501 Florence County	35.1 miles	Midrise (4 stories) 2016 / n/a Family	Market	1BR / 1BA	59	71.1%	681	Market	\$1,039	N/A	No	2	3.4%		
					2BR / 2BA	24	28.9%	953	Market	\$1,344	N/A	No	1	4.2%		
						83	100.0%								3	3.6%
11	Woodlake Apartments 1347 Jefferson Drive Florence, SC 29501 Florence County	36.5 miles	Garden (3 stories) 2012 / n/a Family	Market	2BR / 2BA	N/A	N/A	1,040	Market	\$925	N/A	No	2	N/A		
					2BR / 2BA	N/A	N/A	1,040	Market	\$825	N/A	No	0	N/A		
					3BR / 2BA	N/A	N/A	1,222	Market	\$1,047	N/A	No	0	N/A		
					3BR / 2BA	N/A	N/A	1,222	Market	\$947	N/A	No	0	N/A		
						120	N/A								2	1.7%

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	893	Weighted Occupancy:	97.4%
	Market Rate	711	Market Rate	97.2%
	Tax Credit	182	Tax Credit	98.4%
	Two-Bedroom Two Bath		Three-Bedroom Two Bath	
	Property	Average	Property	Average
RENT	The Emerson (Market)	\$1,344	Woodlake Apartments (Market)	\$1,047
	Woodlake Apartments (Market)	\$926	Woodlake Apartments (Market)	\$947
	Woodlake Apartments (Market)	\$826	Bentree Apartments (Market)	\$865
	Somersett Acres (Market)	\$801	Sage Pointe Apartments (Market)	\$725
	Somersett Acres (Market)	\$776	Havenwood Foundry (@60%)	\$550
	Somersett Acres (Market)	\$751	Bennettsville Green Apartments (@60%)	\$550
	Bentree Apartments (Market) (1.5BA)	\$695	Autumn Run Apartments (@60%)	\$499
	Sage Pointe Apartments (Market)	\$676	Hillcrest Apartments (Market)	\$466
	Bennettsville Green Apartments (@60%) (1BA)	\$510	Bennettsville Green Apartments (@50%)	\$434
	Havenwood Foundry (@60%)	\$485	Bennettsville Lofts (@50%)	\$413
	Autumn Run Apartments (@60%) (1BA)	\$460	Autumn Run Apartments (@50%)	\$364
	Glenfield II (@60%) (1BA)	\$445	Havenwood Foundry (@50%)	\$343
	Glenfield I (@60%) (1BA)	\$440		
	Bennettsville Green Apartments (@50%) (1BA)	\$406		
	Hillcrest Apartments (Market) (1BA)	\$391		
	Bennettsville Lofts (@50%) (1BA)	\$386		
	Autumn Run Apartments (@50%) (1BA)	\$338		
	Havenwood Foundry (@50%)	\$322		
	Glenfield I (@60%) (1BA)	-		
	Glenfield II (@60%) (1BA)	-		
SQUARE FOOTAGE	Somersett Acres (Market)	1,040	Woodlake Apartments (Market)	1,222
	Somersett Acres (Market)	1,040	Woodlake Apartments (Market)	1,222
	Somersett Acres (Market)	1,040	Sage Pointe Apartments (Market)	1,200
	Woodlake Apartments (Market)	1,040	Havenwood Foundry (@50%)	1,100
	Woodlake Apartments (Market)	1,040	Havenwood Foundry (@60%)	1,100
	Sage Pointe Apartments (Market)	1,000	Bentree Apartments (Market)	1,100
	The Emerson (Market)	953	Bennettsville Green Apartments (@50%)	1,094
	Havenwood Foundry (@50%)	950	Bennettsville Green Apartments (@60%)	1,094
	Havenwood Foundry (@60%)	950	Autumn Run Apartments (@50%)	1,000
	Hillcrest Apartments (Market) (1BA)	900	Autumn Run Apartments (@60%)	1,000
	Bennettsville Green Apartments (@50%) (1BA)	887	Hillcrest Apartments (Market)	1,000
	Bennettsville Green Apartments (@60%) (1BA)	887	Bennettsville Lofts (@50%)	900
	Autumn Run Apartments (@50%) (1BA)	850		
	Autumn Run Apartments (@60%) (1BA)	850		
	Bentree Apartments (Market) (1.5BA)	850		
	Glenfield I (@60%) (1BA)	840		
	Glenfield I (@60%) (1BA)	840		
	Glenfield II (@60%) (1BA)	840		
	Glenfield II (@60%) (1BA)	840		
	Bennettsville Lofts (@50%) (1BA)	800		
RENT PER SQUARE FOOT	The Emerson (Market)	\$1.39	Woodlake Apartments (Market)	\$0.94
	Woodlake Apartments (Market)	\$0.96	Woodlake Apartments (Market)	\$0.86
	Woodlake Apartments (Market)	\$0.87	Bentree Apartments (Market)	\$0.79
	Somersett Acres (Market)	\$0.84	Sage Pointe Apartments (Market)	\$0.69
	Bentree Apartments (Market) (1.5BA)	\$0.82	Autumn Run Apartments (@60%)	\$0.60
	Somersett Acres (Market)	\$0.82	Bennettsville Lofts (@50%)	\$0.57
	Somersett Acres (Market)	\$0.79	Hillcrest Apartments (Market)	\$0.57
	Sage Pointe Apartments (Market)	\$0.75	Bennettsville Green Apartments (@60%)	\$0.50
	Autumn Run Apartments (@60%) (1BA)	\$0.63	Havenwood Foundry (@60%)	\$0.50
	Bennettsville Lofts (@50%) (1BA)	\$0.58	Autumn Run Apartments (@50%)	\$0.47
	Bennettsville Green Apartments (@60%) (1BA)	\$0.57	Bennettsville Green Apartments (@50%)	\$0.40
	Hillcrest Apartments (Market) (1BA)	\$0.52	Havenwood Foundry (@50%)	\$0.31
	Glenfield II (@60%) (1BA)	\$0.51		
	Havenwood Foundry (@60%)	\$0.51		
	Glenfield I (@60%) (1BA)	\$0.50		
	Autumn Run Apartments (@50%) (1BA)	\$0.48		
	Bennettsville Green Apartments (@50%) (1BA)	\$0.46		
	Havenwood Foundry (@50%)	\$0.34		
	Glenfield I (@60%) (1BA)	N/A		
	Glenfield II (@60%) (1BA)	N/A		

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

Subject	Autumn Run Apartments	Hartsville Garden	Middletown Apartments	Pecan Grove Apartments	Charles Pointe	Columns At Millstone	Somerset Acres	The Reserve At Mill Creek	Woodlake Apartments	
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	
Building										
Property Type	Garden	Garden	Garden	Garden	Duplex	Garden	Garden	Garden	Garden	Garden
# of Stories	2-stories	2-stories	3-stories	2-stories	1-stories	3-stories	3-stories	3-stories	3-stories	3-stories
Year Built	Proposed	2004	2011	1998	2007	2001	2007	2008	2008	2012
Year Renovated	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
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	no	yes	no	yes	yes	no	yes
Sewer	no	yes	yes	no	yes	no	yes	yes	no	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Unit Amenities										
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	no	yes	yes	yes	yes	yes	no
Coat Closet	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	yes	no	no	no	no
Walk-In Closet	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community										
Business Center	yes	no	yes	no	no	no	no	no	yes	no
Community Room	yes	yes	yes	yes	yes	no	no	yes	yes	no
Central Laundry	yes	yes	yes	yes	yes	no	no	no	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	no	yes	no
Recreation										
Basketball Court	no	no	yes	no	no	no	no	no	no	no
Exercise Facility	yes	no	yes	no	no	yes	no	yes	yes	yes
Playground	yes	yes	yes	yes	yes	yes	no	no	yes	no
Swimming Pool	no	no	no	no	no	yes	no	yes	yes	yes
Picnic Area	yes	no	yes	no	no	yes	no	no	yes	no
WiFi	no	no	no	no	no	no	no	no	yes	no
Security										
Limited Access	no	no	no	no	no	no	no	no	yes	no
Perimeter Fencing	no	no	no	no	no	no	no	no	yes	no
Video Surveillance	no	yes	yes	no	no	no	no	no	no	no
Parking										
Garage	no	no	no	no	no	yes	no	no	yes	no
Garage Fee	n/a	n/a	n/a	n/a	n/a	\$85	n/a	n/a	\$150	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Autumn Run Apartments

Effective Rent Date 1/02/2018

Location 405 Wells Street
Darlington, SC 29532
Darlington County
Intersection: Doneralie Street

Distance 26.7 miles

Units 40

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2004 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors N/A

Tenant Characteristics Mostly families, some seniors and single adults, primarily from the city of Darlington; some from Florence

Contact Name Tracy

Phone (843) 398-1981



Market Information

Program @50%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed N/A

HCV Tenants 25%

Leasing Pace Within one month

Annual Chg. in Rent N/A

Concession None

Waiting List Yes

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)	14	850	\$412	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	14	850	\$534	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,000	\$467	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,000	\$602	\$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 / 1BA	\$412	\$0	\$412	-\$75	\$337	2BR / 1BA	\$534	\$0	\$534	-\$75	\$459
3BR / 2BA	\$467	\$0	\$467	-\$103	\$364	3BR / 2BA	\$602	\$0	\$602	-\$103	\$499

Autumn Run Apartments, continued

Amenities

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

Comments

The contact indicated that there is a need for more affordable housing in the market. The contact could not provide the percentage of senior tenants at the property. The majority of tenants originate from Florence and surrounding counties. This property maintains a waiting list of 15 households for all unit types.

PROPERTY PROFILE REPORT

Bennettsville Green Apartments

Effective Rent Date	1/23/2018
Location	501 Center Street Bennettsville, SC 29512 Marlboro County
Distance	12.6 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Glenfield Apartments
Tenant Characteristics	Mostly families from Bennettsville and Marlboro County
Contact Name	Debra
Phone	843-454-9500



Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	13
HCV Tenants	45%
Leasing Pace	Within two weeks
Annual Chg. in Rent	See comments
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
2	1	Garden (2 stories)	16	887	\$406	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	12	887	\$510	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,094	\$434	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	6	1,094	\$550	\$0	@60%	No	1	16.7%	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 / 1BA	\$406	\$0	\$406	\$0	\$406	2BR / 1BA	\$510	\$0	\$510	\$0	\$510
3BR / 2BA	\$434	\$0	\$434	\$0	\$434	3BR / 2BA	\$550	\$0	\$550	\$0	\$550

Bennettsville Green Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	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	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Service Coordination			

Comments

The waiting list consists of four households, all of which are waiting for two-bedroom units. According to the contact, the property typically does not maintain a wait list for three-bedroom units; however, tenants rarely move out of these units and when they do there is no problem quickly leasing them back up. The manager cited a need for new housing in the area, mentioning she frequently has to turn prospective tenants away. Rents have increased between five and six percent since we last conducted an interview with this property in December 2016.

Photos



PROPERTY PROFILE REPORT

Bennettsville Lofts

Effective Rent Date	1/22/2018
Location	101 Broad Street Bennettsville, SC 29512 Marlboro County
Distance	13.5 miles
Units	22
Vacant Units	1
Vacancy Rate	4.5%
Type	Lowrise (2 stories)
Year Built/Renovated	1910 / 2003
Marketing Began	3/01/2003
Leasing Began	9/01/2003
Last Unit Leased	3/01/2004
Major Competitors	Bennettsville Green Apartments
Tenant Characteristics	Singles and small families from Bennettsville and Marlboro County
Contact Name	Jackie
Phone	843-479-9882



Market Information

Program	@50%
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased one 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	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	7	750	\$407	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (2 stories)	14	800	\$460	\$0	@50%	No	1	7.1%	yes	None
3	2	Lowrise (2 stories)	1	900	\$516	\$0	@50%	No	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$407	\$0	\$407	\$0	\$407
2BR / 1BA	\$460	\$0	\$460	-\$75	\$385
3BR / 2BA	\$516	\$0	\$516	-\$103	\$413

Bennettsville Lofts, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Oven	Refrigerator		
Property		Premium	Other
Business Center/Computer Lab	Exercise Facility	None	Computer classes
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The waiting list consists of three households. The contact indicated that the unit sizes vary; the profile reflects her estimates. The contact reported strong demand for affordable housing in the local area and stated she believed the property was achieving maximum allowable rents.

Photos



PROPERTY PROFILE REPORT

Glenfield I

Effective Rent Date	1/22/2018
Location	604 Center St Bennettsville, SC 29512 Marlboro County
Distance	12.4 miles
Units	40
Vacant Units	1
Vacancy Rate	2.5%
Type	Garden (2 stories)
Year Built/Renovated	1985 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly from Bennettsville, some seniors.
Contact Name	Kathy
Phone	843-479-4968



Market Information

Program	@60%, @60% (Rural Rental Assistance)
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	35%
Leasing Pace	4-5 days
Annual Chg. in Rent	Increased four 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	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 (2 stories)	8	660	\$403	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	8	660	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	12	840	\$424	\$0	@60%	Yes	1	8.3%	no	None
2	1	Garden (2 stories)	12	840	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$403	\$0	\$403	\$0	\$403
2BR / 1BA	\$424	\$0	\$424	\$16	\$440

Amenities

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

Comments

The waiting list consists of five households. Management indicated that 20 of the units operate with project-based rental assistance. There are seven voucher holders in the 20 unsubsidized units. The contact reported strong demand for affordable housing in the area and believes that rents at the property could likely be slightly higher and annual rent increases are based on slightly in expenses and are not directly tied to the market. The contact stated the property is usually 100 percent occupied and that the vacant unit has already been pre-leased.

Photos



PROPERTY PROFILE REPORT

Glenfield II

Effective Rent Date 1/22/2018
Location 606 Center St
 Bennettsville, SC 29512
 Marlboro County
Distance 12.4 miles
Units 40
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1990 / 2010
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Majority from Bennettsville
Contact Name Kathy
Phone 843-479-4968



Market Information

Program @60%, @60% (Rural Rental Assistance)
Annual Turnover Rate 13%
Units/Month Absorbed N/A
HCV Tenants 60%
Leasing Pace 4-5 days
Annual Chg. in Rent N/A
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 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 (2 stories)	8	660	\$403	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	8	660	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	12	840	\$429	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	12	840	N/A	\$0	@60% (Rural Rental Assistance Program - RRAP)	Yes	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$403	\$0	\$403	\$0	\$403
2BR / 1BA	\$429	\$0	\$429	\$16	\$445

Amenities

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

Comments

The waiting list consists of five households. Management indicated that 20 of the units operate with project-based rental assistance. There are 12 voucher holders in the 20 unsubsidized units. The manager reported strong demand for affordable housing in the area and believes that rents at the property could likely be slightly higher and annual rent increases are based on growth in expenses and are not directly tied to the market. The contact stated the property is usually 100 percent occupied and that the vacant unit has already been pre-leased.

Photos



PROPERTY PROFILE REPORT

Bentree Apartments

Effective Rent Date 1/16/2018
Location 200 Bentree Lane
 Florence, SC 29501
 Florence County
 Intersection: W Palmetto Street
Distance 35.3 miles
Units 132
Vacant Units 1
Vacancy Rate 0.8%
Type Garden (2 stories)
Year Built/Renovated 1981 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Cambridge Apartments
Tenant Characteristics Most of the tenants are from Florence.
Contact Name Jillian
Phone 843-669-5399



Market Information

Program Market
Annual Turnover Rate 32%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Preleased
Annual Chg. in Rent None
Concession None
Waiting List None

Utilities

A/C not included -- central
Cooking not included -- gas
Water Heat not included -- gas
Heat not included -- gas
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)	36	650	\$651	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (2 stories)	72	850	\$695	\$0	Market	No	1	1.4%	N/A	None
3	2	Garden (2 stories)	24	1,100	\$865	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$651	\$0	\$651	\$0	\$651
2BR / 1.5BA	\$695	\$0	\$695	\$0	\$695
3BR / 2BA	\$865	\$0	\$865	\$0	\$865

Bentree Apartments, continued

Amenities

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

Comments

The property does not accept Housing Choice Vouchers. The contact reported that vacant units are typically pre-leased and thus the property is typically better than 99 percent occupied. Most tenants are families and couples from the Florence area. The contact could not provide the annual change in rent.

Photos



PROPERTY PROFILE REPORT

Hillcrest Apartments

Effective Rent Date	1/13/2018
Location	800 Oakwood Street Bennettsville, SC 29512 Marlboro County Intersection: Oakwood Street
Distance	12.2 miles
Units	72
Vacant Units	4
Vacancy Rate	5.6%
Type	Garden (2 stories)
Year Built/Renovated	1985 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sister property: Northwood Townhomes
Tenant Characteristics	Tenants tend to be families from the local area.
Contact Name	Northside Realty
Phone	(843) 479-9333



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	1 month
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	36	689	\$529	\$0	Market	None	2	5.6%	N/A	None
2	1	Garden (2 stories)	30	900	\$465	\$0	Market	None	2	6.7%	N/A	None
3	2	Garden (2 stories)	6	1,000	\$569	\$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$529	\$0	\$529	\$0	\$529
2BR / 1BA	\$465	\$0	\$465	-\$75	\$390
3BR / 2BA	\$569	\$0	\$569	-\$103	\$466

Hillcrest Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None

Comments

This property was purchased in February 2016 and came under new management. The contact reported that the property is typically better than 95 percent occupied; current vacancy is coincidental to the time of our survey. The property does not maintain a waiting list but the contact noted that demand for three-bedroom units is high as these units are rarely available and quickly leased when they do become available.

PROPERTY PROFILE REPORT

Sage Pointe Apartments

Effective Rent Date	1/13/2018
Location	1321 Brittany Drive Florence, SC 29501 Florence County Intersection: W Palmetto Street
Distance	36.2 miles
Units	112
Vacant Units	1
Vacancy Rate	0.9%
Type	Garden (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None provided
Tenant Characteristics	Families from the Florence area, other areas of South Carolina
Contact Name	Brittany
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within three weeks
Annual Chg. in Rent	N/A
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	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	2	Garden (2 stories)	56	1,000	\$750	\$0	Market	No	1	1.8%	N/A	None
3	2	Garden (2 stories)	56	1,200	\$828	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$750	\$0	\$750	-\$75	\$675
3BR / 2BA	\$828	\$0	\$828	-\$103	\$725

Amenities

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

Comments

The contact reported that three-bedroom units are rarely available and lease quickly when they are. Most tenants are from the Florence area or other parts of South Carolina, mostly families and couples. This property does not accept housing choice vouchers. The contact estimated the annual turnover rate but could not provide an estimate of annual change in rent or absorption.

Photos



PROPERTY PROFILE REPORT

Somerset Acres

Effective Rent Date	1/13/2018
Location	2815 Kinloch Court Florence, SC 29501 Florence County Intersection: Jefferson Drive
Distance	36.3 miles
Units	192
Vacant Units	9
Vacancy Rate	4.7%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Columns at Millstone; Woodlake
Tenant Characteristics	Mostly younger households; few seniors
Contact Name	Danielle
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	See comments
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	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	2	Garden (3 stories)	192	1,040	\$850	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	0	1,040	\$875	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	0	1,040	\$825	\$0	Market	No	N/A	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$825 - \$875	\$0	\$825 - \$875	-\$75	\$750 - \$800

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. The units with higher rents are located on the ground floor. The contact mentioned that the current occupancy rate is typical for this property. Rents have remained stable across all unit types at this property since first quarter 2017.

Photos



PROPERTY PROFILE REPORT

The Emerson

Effective Rent Date	1/16/2018
Location	150 S Irby Florence, SC 29501 Florence County Intersection: W Cheves Street
Distance	35.1 miles
Units	83
Vacant Units	3
Vacancy Rate	3.6%
Type	Midrise (4 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Somerset Acres, The Reserve at Mill Creek
Tenant Characteristics	Singles, families, couples from Florence
Contact Name	Jennifer
Phone	844-857-9418



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	N/A
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	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	Midrise (4 stories)	59	681	\$1,039	\$0	Market	No	2	3.4%	N/A	None
2	2	Midrise (4 stories)	24	953	\$1,328	\$0	Market	No	1	4.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,039	\$0	\$1,039	\$0	\$1,039
2BR / 2BA	\$1,328	\$0	\$1,328	\$16	\$1,344

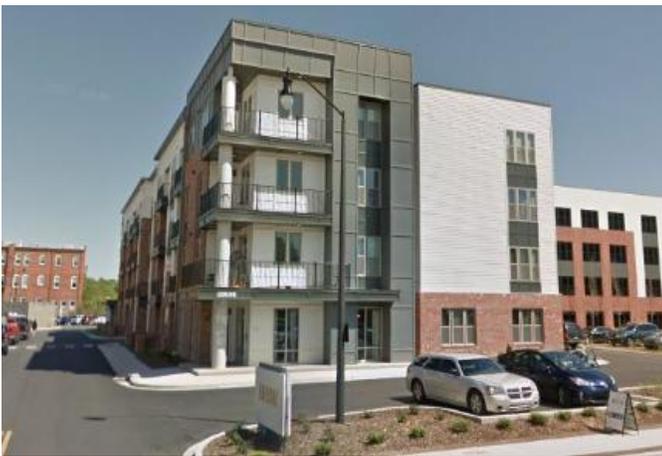
Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Carpeting		
Central A/C	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Exercise Facility	None	None
Off-Street Parking	On-Site Management		

Comments

This property was constructed in 2016 but the contact could not provide absorption information. Additional property amenities include a pet play area. Garage parking is free. The contact reported that most tenants are singles, couples, and families from the Florence area. The contact estimated the number of parking spaces.

Photos



PROPERTY PROFILE REPORT

Woodlake Apartments

Effective Rent Date	12/28/2017
Location	1347 Jefferson Drive Florence, SC 29501 Florence County Intersection: Millbank Drive
Distance	36.5 miles
Units	120
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	9/01/2011
Leasing Began	1/01/2012
Last Unit Leased	8/31/2012
Major Competitors	None identified
Tenant Characteristics	Mostly younger tenants; few seniors
Contact Name	Danielle
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	15
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	None reported
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	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	2	Garden (3 stories)	N/A	1,040	\$1,000	\$0	Market	No	2	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,040	\$900	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,222	\$1,150	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,222	\$1,050	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$900 - \$1,000	\$0	\$900 - \$1,000	-\$75	\$825 - \$925
3BR / 2BA	\$1,050 - \$1,150	\$0	\$1,050 - \$1,150	-\$103	\$947 - \$1,047

Woodlake Apartments, continued

Amenities

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

Comments

The property does not accept Housing Choice Vouchers. Higher priced units are located on the ground floor. Management reported no increases in rent for 2017, while the preceding year saw rents go up by five to eight percent.

Photos



Comparable Property Analysis

Vacancy

The following tables illustrate the market vacancy at the comparables.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments*	LIHTC	40	0	0.0%
Bennettsville Green Apartments*	LIHTC	40	1	2.5%
Bennettsville Lofts*	LIHTC	22	1	4.5%
Glenfield I	LIHTC	40	1	2.5%
Glenfield II	LIHTC	40	0	0.0%
Bentree Apartments*	Market	132	1	0.8%
Hillcrest Apartments	Market	72	4	5.6%
Sage Pointe Apartments*	Market	112	1	0.9%
Somersett Acres*	Market	192	9	4.7%
The Emerson*	Market	83	3	3.6%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Overall Total		893	23	2.6%
Overall Total in PMA		152	5	3.3%

*These properties are outside of the PMA

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments*	LIHTC	40	0	0.0%
Bennettsville Green Apartments*	LIHTC	40	1	2.5%
Bennettsville Lofts*	LIHTC	22	1	4.5%
Glenfield I	LIHTC	40	1	2.5%
Glenfield II	LIHTC	<u>40</u>	<u>0</u>	<u>0.0%</u>
Total LIHTC		182	3	1.6%
Total LIHTC in PMA		80	1	1.3%

*These properties are outside of the PMA

MARKET RATE VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bentree Apartments*	Market	132	1	0.8%
Hillcrest Apartments	Market	72	4	5.6%
Sage Pointe Apartments*	Market	112	1	0.9%
Somersett Acres*	Market	192	9	4.7%
The Emerson*	Market	83	3	3.6%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total Market Rate		711	20	2.8%
Total Market Rate in PMA		72	4	5.6%

*These properties are outside of the PMA

Overall, vacancy in the PMA is low at 3.3 percent, and among all 11 comparables the vacancy rate is 2.6 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 1.3 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing. Glenfield I reported that its singular vacant unit is already pre-leased, and that the property is typically fully-occupied.

Among the market rate properties, vacancy is also very low at 2.8 percent, indicating very strong support for conventional apartments. Of note, only one of the market rate properties is located within the PMA. None of the market comparable properties reported a vacancy rate greater than 5.6 percent. The market rate property reporting the highest vacancy, Hillcrest Apartments, reported that vacancy is typically below five percent. We believe elevated vacancy at this property is coincidental to the time of our survey.

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 80 total LIHTC units in the PMA that we included in this comparable analysis. There is one vacant unit among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Midlands Region, effective January 1, 2017, 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 SMA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @50%

Property Name	2BR	3BR
Havenwood Foundry	\$322	\$343
LIHTC Maximum Rent (Net)	\$426	\$464
Autumn Run Apartments (@50%)	\$337	\$364
Bennettsville Green Apartments (@50%)	\$406	\$434
Bennettsville Lofts (@50%)	\$385	\$413
Average (excluding Subject)	\$376	\$404
Achievable LIHTC Rent	\$322	\$343

The Subject’s proposed 50 percent AMI rents are set below the maximum allowable 2017 rents at this AMI level. The average 50 percent AMI rents at the comparables are above the proposed rents for the Subject’s two and three-bedroom rents. Autumn Run Apartments is located in Darlington County and Bennettsville Green Apartments and Bennettsville Lofts are located in Marlboro County. These counties have the same maximum allowable rents as Chesterfield County. The average 50 percent AMI rents are below the maximum rents for 2017 for all unit types, though all three properties report achieving rents at the 50 percent AMI maximum allowable levels. Discrepancies between rents at these properties and their respective counties’ maximum allowable rents are likely due to differing utility allowances.

The Subject is considered most similar to Bennettsville Green Apartments, which is located 12.6 miles from the Subject site in Bennettsville. Bennettsville is considered a similar location with respect to median rent, median household income, and median home value. Bennettsville Green Apartments was constructed in 2010 and exhibits good condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. This property offers slightly superior in-unit and property amenities, as it offers balcony/patios, coat closets, walk-in closets, a playground, and non-shelter services, which the proposed Subject will not offer. However, this property offers inferior unit sizes. Overall, Bennettsville Green Apartments is considered slightly inferior to the proposed Subject. The contact at this property reported low vacancy at 2.5 percent and noted that the property maintains a waiting list for two-bedroom units. Additionally, she reported that three-bedroom units rarely become available, and lease quickly whenever vacant. Given the demand for affordable units and the Subject’s slight superiority to Bennettsville Green Apartments, we believe the Subject can achieve 50 percent AMI rents slightly above those being achieved at Bennettsville Green Apartments. We believe the Subject’s proposed rents at this level are achievable, with upward potential.

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

LIHTC RENT COMPARISON @60%

Property Name	2BR	3BR
Havenwood Foundry	\$485	\$550
LIHTC Maximum Rent (Net)	\$550	\$608
Autumn Run Apartments (@60%)	\$460	\$499
Bennettsville Green Apartments (@60%)	\$510	\$550
Glenfield I (@60%)	\$440	-
Glenfield II (@60%)	\$445	-
Average (excluding Subject)	\$464	\$525
Achievable LIHTC Rent	\$485	\$550

The Subject’s proposed 60 percent AMI rents for two and three-bedroom units are set below the maximum allowable rent at this AMI level. Average 60 percent AMI rents in the market are below the Subject’s proposed rents and the maximum allowable rents at this AMI level. As noted above, Autumn Run Apartments is located in Darlington County and Bennettsville Green Apartments, Glenfield I, and Glenfield II are located in Marlboro County. These counties have the same maximum allowable rents as Chesterfield County. Autumn Run Apartments and Bennettsville Green Apartments report achieving rents at the 60 percent AMI maximum allowable levels, though it appears unlikely given the properties report rents between \$90 and \$109 below maximum allowable levels. By contrast, Glenfield I and Glenfield II report achieving rents below the 60 percent maximum allowable levels. The Subject is considered most similar to Bennettsville Green Apartments and Glenfield I and Glenfield II.

Bennettsville Green Apartments is located 12.6 miles from the Subject site in Bennettsville, which is considered a similar location with respect to median rent, median household income, and median home value. Bennettsville Green Apartments was constructed in 2010 and exhibits good condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. This property offers slightly superior in-unit and property amenities, as it offers balcony/patios, coat closets, walk-in closets, a playground, and non-shelter services, which the proposed Subject will not offer. However, this property offers inferior unit sizes. Overall, Bennettsville Green Apartments is considered slightly inferior to

the proposed Subject. The contact at this property reported low vacancy at 2.5 percent and noted that the property maintains a waiting list for two-bedroom units. Additionally, she reported that three-bedroom units rarely become available, and lease quickly whenever vacant. Given the demand for affordable units and the Subject’s slight superiority to Bennettsville Green Apartments, we believe the Subject can achieve 60 percent AMI rents above those being achieved at Bennettsville Green Apartments.

Glenfield I and Glenfield II are also located in Bennettsville and are considered similar with respect to location. These properties were originally constructed in 1985 and 1990, respectively, and both were extensively renovated in 2010. These properties exhibit good condition and are considered inferior with respect to age and condition. Glenfield I and Glenfield II offer slightly inferior property and in-unit amenities, as they do not offer a business center, community room, exercise facility, ceiling fans, dishwashers, or microwaves, all of which the Subject will offer. These properties offer inferior unit sizes in comparison to the Subject. The contact at these properties reported only one vacant unit between the two properties and noted that there is high demand for affordable housing in the area. She indicated that rents at both properties could likely be slightly higher, as the property is typically fully occupied and the singular vacant unit has already been pre-leased. Given the Subject’s superiority to these properties and their strong performance, we believe the Subject can achieve 60 percent AMI rents above those being achieved at Glenfield I and Glenfield II. Given the Subject’s superiority to Bennettsville Green Apartments and Glenfield I and Glenfield II, we believe the Subject can achieve its proposed 60 percent AMI rents. We believe the Subject’s proposed rents at this level are achievable, with upward potential.

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 Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2BR / 2BA	@50%	\$322	\$391	\$1,344	\$798	\$750	57%
2BR / 2BA	@60%	\$485	\$391	\$1,344	\$798	\$750	35%
3BR / 2BA	@50%	\$343	\$466	\$1,047	\$810	\$850	60%
3BR / 2BA	@60%	\$550	\$466	\$1,047	\$810	\$850	35%

All of the market rate properties were built between 1981 and 2016. One of the market-rate comparables, Hillcrest Apartments, is located in nearby Bennettsville, which is considered a similar location with respect to median rent, median household income, and median home value. The remaining market rate comparables are located in Florence, approximately 35 miles southeast of the Subject, which is considered a superior location to Cheraw with respect to median rent, median household income, and median home value. However, these properties are the closest market rate comparables in the general area constructed within the past 20 years, and are considered most comparable with respect to age and condition. Thus, we believe the market-rate properties in Florence are most comparable to the proposed Subject. It should be noted the closest market-rate comparable, Hillcrest Apartments, is located 12.2 miles from the Subject in Bennettsville. Hillcrest Apartments is achieving the lowest two and three-bedroom rents in the market. Though this property is the nearest market-rate comparable to the Subject, we do not believe its performance is due solely to location. Rather, this comparable is considered far inferior to the proposed Subject with respect to age and condition, amenities, and unit sizes. Thus, we do not believe current rents at Hillcrest Apartments are an indictment of the location. Given the Subject’s superiority to the most proximate comparable, it is considered most similar to Bintree Apartments, Sage Pointe Apartments, and Woodlake Apartments, all located in Florence.

Bentree Apartments is located in Florence, approximately 35.3 miles from the Subject. As discussed above, Florence is considered a superior location with respect to median household income, median rent, and median home value. However, Bentree Apartments was constructed in 1981 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. This property offers similar property amenities but slightly superior in-unit amenities in comparison to the Subject, as it offers balcony/patios, coat closets, and exterior storage, which the proposed Subject will not offer. Bentree Apartments offers inferior unit sizes in comparison to the Subject's proposed unit sizes. Overall, Bentree Apartments is considered slightly inferior to the Subject. Given the Subject's slight superiority to Bentree, we believe it can achieve rents above those offered at Bentree Apartments. This property reports vacancy rates of 0.8 percent and is achieving rents of \$695, and \$865 for its most similarly sized two and three-bedroom units, respectively.

Sage Pointe Apartments is also located in Florence, approximately 36.2 miles from the Subject. As discussed above, Florence is considered a superior location with respect to median household income, median rent, and median home value. However, this property was constructed in 2000 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Sage Pointe Apartments offers similar in-unit amenities but inferior property amenities when compared to the Subject, as it does not offer a business center, community room, central laundry facility, exercise facility, or on-site management, which the proposed Subject will offer. This property offers slightly superior in-unit amenities when compared to the Subject's proposed unit sizes. Overall, Sage Pointe Apartments is considered similar to the Subject. Given the Subject's similarity to Sage Pointe Apartments, we believe it can achieve rents similar to those offered at this property. Sage Pointe Apartments reports vacancy rates of 0.9 percent and is achieving rents of \$763 and \$841 for its most similarly sized two and three-bedroom units, respectively.

Woodlake Apartments is also located in Florence, approximately 36.5 miles from the Subject. As discussed above, Florence is considered a superior location with respect to median household income, median rent, and median home value. However, 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. Woodlake Apartments offers slightly inferior property amenities when compared to the Subject, as it does not offer a business center, community room, central laundry room, and on-site management, which the Subject will offer. This property offers slightly superior in-unit amenities, as it offers balcony/patios, coat closets, and walk-in closets, which the Subject will not offer. Overall, Woodlake Apartments is considered slightly superior to the proposed Subject. Given the Subject's slight inferiority to Woodlake Apartments, we believe it can achieve rents below those offered at this property. Woodlake Apartments offers reports low vacancy at 1.7 percent and is achieving rents of \$940 and \$1,067 for its most similar two and three-bedroom units, respectively.

Given the Subject's similarity to these three properties, we believe it can achieve rents similar to those offered at these properties. Thus, we have concluded to achievable market rents of **\$750** and **\$850** for two and three-bedroom units, respectively. The Subject's achievable LIHTC rents will have advantages of 35 to 60 percent over what we have determined to be the achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are three total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. There are two LIHTC properties we surveyed in the PMA, and both are currently 100 percent occupied. With a limited supply of affordable housing options in the market and a stable base of moderate-income renters, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is limited supply of LIHTC units without subsidies 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 in the PMA is low at 3.3 percent, and among all 11 comparables the vacancy rate is 2.6 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 1.3 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing. Glenfield I reported that its singular vacant unit is already pre-leased, and that the property is typically fully-occupied.

Among the market rate properties, vacancy is also very low at 2.8 percent, indicating very strong support for conventional apartments. Of note, only one of the market rate properties is located within the PMA. None of the market comparable properties reported a vacancy rate greater than 5.6 percent. The market rate property reporting the highest vacancy, Hillcrest Apartments, reported that vacancy is typically below five percent. We believe elevated vacancy at this property is coincidental to the time of our survey.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 40 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

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

Planning

We attempted to contact the Cheraw Planning and Community Development department regarding any multifamily properties currently proposed, planned, or under construction in the Cheraw area. However, as of the date of this report, our calls have not been returned. Therefore, we utilized a CoStar new construction report and found no currently proposed, planned, or under construction in the Cheraw or greater Chesterfield County area.

Section 8/Public Housing

We attempted to contact the Housing Authority of Cheraw (843-669-4163) for information regarding the local voucher program. However, as of the date of this report, our calls have not been returned. Therefore, we utilized the Housing Authority of Cheraw’s website and learned that the Housing Authority of Cheraw currently administers 180 Housing Choice Vouchers. The waiting list is currently closed. The following table illustrates the current payment standards for the program as of November 1, 2017.

Unit Type	Standard
Two-Bedroom	\$625
Three-Bedroom	\$825

Source: Housing Authority of Cheraw, effective 10/1/2017

The Subject’s proposed two and three-bedroom units are below the current payment standards, which indicates that tenants with 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 20.2 percent, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 5.7 to 33.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Cheraw) that has few affordable multifamily housing alternatives. The Subject site is located within 1.8 miles of most community services and facilities that families would utilize on a consistent basis.

There are only three vacancies among LIHTC comparables, yielding a vacancy rate of 1.6 percent. Among the market rate properties, vacancy is also low at 2.8 percent, indicating very 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 9, 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

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

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

Development Name: Havenwood Foundry Total # Units: 32
 Location: Chesterfield Highway and Foundry Hill Road # LIHTC Units: 32
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 14 miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	893	23	97.4%
Market-Rate Housing	6	711	20	97.2%
Assisted/Subsidized Housing not to include LIHTC	5	187	0	100.0%
LIHTC (All that are stabilized)*	5	182	3	98.4%
Stabilized Comps**	11	893	23	97.4%
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
4	2	2	950	\$322	\$750	\$0.79	57.1%	\$1,344	\$1.39
4	3	2	1,100	\$343	\$850	\$0.77	59.6%	\$1,047	\$0.94
12	2	2	950	\$485	\$750	\$0.79	35.3%	\$1,344	\$1.39
12	3	2	1,100	\$550	\$850	\$0.77	35.3%	\$1,047	\$0.94
Gross Potential Rent Monthly*				\$15,080	\$25,600		41.1%		

*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	2,762	26.0%	3,472	32.0%	3,408	31.7%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	861	24.8%	839	24.8%

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

Type of Demand	50%	60%	Market-rate	Other: __	Overall Affordable	Overall
Renter Household Growth	-16	-11			-22	-22
Existing Households (Overburd + Substand)	228	195			324	324
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	212	183			301	301

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market-rate	Other: __	Overall Affordable	Overall
Capture Rate	7.2%	24.9%			20.2%	20.2%

ABSORPTION RATE (found on page 62)

Absorption Period: 3 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
4	2 BR	\$322	\$1,288	\$750	\$3,000	57.1%
12	2 BR	\$485	\$5,820	\$750	\$9,000	35.3%
4	3 BR	\$343	\$1,372	\$850	\$3,400	59.6%
12	3 BR	\$550	\$6,600	\$850	\$10,200	35.3%
Totals	32		\$15,080		\$25,600	41.1%

Source: SCSHFDA, Novogradac & Company LLP, January 2018

Tab 19

Exhibit S-2 Rent Calculation Worksheet

HAVENWOOD FOUNDRY – CHERAW, SC – APPLICATION MARKET STUDY

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

Development Name: Havenwood Foundry Total # Units: 32
 Location: Chesterfield Highway and Foundry Hill Road # LIHTC Units: 32
 Development Type: Family Older Persons Farthest Boundary Distance to Subject: 14 miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	893	23	97.4%
Market-Rate Housing	6	711	20	97.2%
Assisted/Subsidized Housing not to include LIHTC	5	187	0	100.0%
LIHTC (All that are stabilized)*	5	182	3	98.4%
Stabilized Comps**	11	893	23	97.4%
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
4	2	2	950	\$322	\$750	\$0.79	57.1%	\$1,344	\$1.39
4	3	2	1,100	\$343	\$850	\$0.77	59.6%	\$1,047	\$0.94
12	2	2	950	\$485	\$750	\$0.79	35.3%	\$1,344	\$1.39
12	3	2	1,100	\$550	\$850	\$0.77	35.3%	\$1,047	\$0.94
Gross Potential Rent Monthly*				\$15,080	\$25,600		41.1%		

*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	2,762	26.0%	3,472	32.0%	3,408	31.7%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	861	24.8%	839	24.8%

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

Type of Demand	50%	60%	Market-rate	Other:___	Overall Affordable	Overall
Renter Household Growth	-16	-11			-22	-22
Existing Households (Overburd + Substand)	228	195			324	324
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	212	183			301	301

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market-rate	Other:___	Overall Affordable	Overall
Capture Rate	7.2%	24.9%			20.2%	20.2%

ABSORPTION RATE (found on page 62)

Absorption Period: 3 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
4	2 BR	\$322	\$1,288	\$750	\$3,000	57.1%
12	2 BR	\$485	\$5,820	\$750	\$9,000	35.3%
4	3 BR	\$343	\$1,372	\$850	\$3,400	59.6%
12	3 BR	\$550	\$6,600	\$850	\$10,200	35.3%
Totals	32		\$15,080		\$25,600	41.1%

Source: SCSHFDA, Novogradac & Company LLP, January 2018