

Tab 19

Market Study



**NOVOGRADAC
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**A MARKET FEASIBILITY STUDY OF:
HAVENWOOD
BEVINGTON
SENIOR**

A MARKET FEASIBILITY STUDY OF:

HAVENWOOD BEVINGTON

SENIOR

SC Highway 165 and Bevington Road
Hollywood, Charleston County, SC 29449

Effective Date: February 28, 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: PHP600.074

Prepared by:
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March 9, 2018

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

Re: Market Study for Havenwood Bevington Senior, located in Hollywood, Charleston County, South Carolina

Dear Mr. Elbe:

At your request, Novogradac & Company LLP has performed a study of the multifamily rental market in the Hollywood, Charleston County, SC area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project known as Havenwood Bevington Senior, (the Subject).

The purpose of this market study is to assess the viability of Havenwood Bevington Senior, a proposed 32-unit senior (55+) LIHTC project. The property will be a newly constructed affordable LIHTC project, with 32 revenue-generating units, restricted to senior (55+) 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.

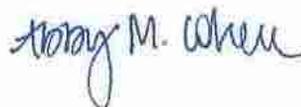
MR. MAX ELBE
HAVENWOOD BEVINGTON SENIOR
MARCH 9, 2018
PAGE 2

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



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TABLE OF CONTENTS

Executive Summary.....	1
A. Project Description.....	7
B. Site Description	11
C. Market Area	19
Primary Market Area	20
D. Market Area Economy	23
Regional and Local Economic Overview	24
Commuting Patterns	33
Conclusion	33
E. Community Demographic Data	34
Household Trends	37
Renter Households by Number of Persons in the Household.....	40
Conclusion	40
F. Project-Specific Demand Analysis.....	42
Project Specific Demand Analysis.....	43
G. Supply Analysis.....	56
Survey of Comparable Projects	57
Reasonability of Rents	68
Summary Evaluation of the Proposed Project.....	71
H. Interviews	72
Interviews.....	73
I. Recommendations.....	75
J. Signed Statement Requirements.....	77

EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview: Havenwood Bevington Senior, the Subject, is a proposed 32-unit apartment community restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. The Subject will be located at SC Highway 165 and Bevington Road and will offer two-bedroom units. All units will have a one-story design. As proposed, the Subject will contain four, one-story residential buildings and one community building.

Targeted Tenancy: Senior (55+).

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	7	\$450	\$162	\$612	\$775	\$973
				@60%			
2BR / 2BA	950	<u>25</u>	\$530	\$162	\$692	\$930	\$973
		32					

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

Market Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grand Oak Apartments	LIHTC	Senior	60	0	0.0%
Grandview Apartments	LIHTC	Senior	72	0	0.0%
Marsh View Place Apartments	LIHTC	Family	53	0	0.0%
Shady Grove	LIHTC	Senior	72	0	0.0%
The Shires Apartments	LIHTC	Family	72	4	5.6%
Colonial Village At Hampton Pointe	Market	Family	304	13	4.3%
Crowne at Live Oak Square*	Market	Family	282	104	36.9%
The Springs at Essex Farms	Market	Family	284	21	7.4%
The Heyward	Market	Family	<u>260</u>	<u>245</u>	<u>94.2%</u>
Overall Total			1,459	387	26.5%
Overall Total within the PMA			1,175	366	31.1%

*This property is located outside the PMA.

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grand Oak Apartments	LIHTC	Senior	60	0	0.0%
Grandview Apartments	LIHTC	Senior	72	0	0.0%
Marsh View Place Apartments	LIHTC	Family	53	0	0.0%
Shady Grove	LIHTC	Senior	72	0	0.0%
The Shires Apartments	LIHTC	Family	<u>72</u>	<u>4</u>	<u>5.6%</u>
Total LIHTC			329	4	1.2%
Total LIHTC within the PMA			329	4	1.2%

*This property is located outside the PMA.

MARKET VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Colonial Village At Hampton Pointe	Market	Family	304	13	4.3%
Crowne at Live Oak Square*	Market	Family	282	104	36.9%
The Springs at Essex Farms	Market	Family	284	21	7.4%
The Heyward	Market	Family	<u>260</u>	<u>245</u>	<u>94.2%</u>
Total Market Rate			1,130	383	33.9%
Total Market Rate within the PMA			846	362	42.8%

*This property is located outside the PMA.

Overall vacancy in the PMA among the five LIHTC comparables is low at 1.2 percent. Four of the five LIHTC comparables report full occupancy. The remaining comparable, The Shires Apartments, reports that all four of its currently vacant units are pre-leased. Excluding the vacant units at this property, overall LIHTC vacancy is zero percent. Additionally, all five of the LIHTC comparables report maintaining waiting lists.

Vacancy rates among the market-rate comparables appear much higher at 33.9 percent overall and 42.8 percent within the PMA. However, the number of new construction market-rate comparables skews these rates as they are still in their lease-up periods. Crowne at Live Oak Square was constructed in 2016 and is currently experiencing an absorption pace of 12 units per month; The Heyward was constructed in 2017 and is experiencing an absorption pace of 22 units per month. The contact at Springs at Essex Farms reports that typical occupancy is more than 94 percent, and that four of its currently vacant units are pre-leased.

Excluding the four pre-leased units, vacancy at this property is six percent. Thus, vacancy among the market-rate comparables belies their healthy performance. Excluding pre-leased units at the stabilized comparables and the units still in absorption at the comparables still in lease-up, total market rate vacancy within the PMA is 3.4 percent. The market rate properties are currently working through a large number of recent additions to the local market, including the 282 new units at Crowne at Live Oak Square and the 260 new units at The Heyward.

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, given the strong performance of the LIHTC comparables and the presence of waiting lists at all LIHTC properties, 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%	144	7	137	7	5.1%
2BR @60%	175	29	146	25	17.1%
2BR Overall	207	36	171	32	18.7%

As the analysis illustrates, the Subject’s capture rates vary from 5.1 to 17.1 percent with an overall capture rate of 18.7 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

None of the LIHTC comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Goose Creek, South Carolina just beyond the PMA. Absorption rates at the properties able to report absorption data are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Waters at St. James	LIHTC	Family	2017	336	39
The Heyward	Market	Family	2017	260	22
Crowne At Live Oak Square	Market	Family	2016	282	12
Springs At Essex Farms	Market	Family	2015	284	12
Pinecrest Greene	LIHTC	Family	2011	46	8
				Average	20

On average, these properties reported an absorption rate of approximately 20 units per month. Two of the new construction properties are in their lease-up periods: Crowne at Live Oak Square was constructed in 2016 and is currently experience an absorption pace of 12 units per month; The Heyward was constructed in 2017 and is experiencing an absorption pace of 22 units per month. With the stable demographic base of moderate-income senior households in the PMA, the general limited supply of affordable senior housing, and the absorption paces at recently constructed properties in the market, we believe the Subject should be able

to experience an absorption rate at the high end of this range. 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 income-qualified households, we believe that the Subject could absorb approximately 30 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 two months.

Market Conclusions

Overall LIHTC vacancy in the local market is very low at 1.2 percent among all five surveyed LIHTC properties, all of which are within the PMA. Furthermore, all of the senior LIHTC comparable report full occupancy and maintain waiting lists. The Hollywood area appears underserved by affordable senior housing.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed rents appear reasonable, and they are more than 52 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 18.7 percent, which is within acceptable demand thresholds. Individual capture rates by AMI level range from 5.1 to 17.1 percent, which are all considered achievable in the PMA, where moderate-income senior (55+) renter households are growing. In addition, the Subject is in a community (Hollywood) that has few affordable multifamily housing alternatives. The Subject site is located within 3.1 miles of most community services and facilities that seniors would utilize on a consistent basis.

There are only four vacancies among LIHTC comparables, yielding a vacancy rate of 1.2 percent. Market rate properties are not performing as well, suggesting higher demand for affordable multifamily housing than for conventional multifamily housing. The developer's proposed rents represent greater than a 59 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.

We do not believe the Subject's unit mix, which will include only two-bedroom units, will inhibit its performance. Vacancy rates are low in the two-bedroom units at the comparable properties, and several LIHTC properties in the state of South Carolina offer only two-bedroom units. For example, Country Club Apartments in Summerville, South Carolina offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy. Similarly, Kings Crossing, a senior LIHTC property in Charleston, offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy and a waiting list. Radcliff Manor, another senior LIHTC property in Charleston, also offers only two-bedroom units and reports maintaining a waiting list. Furthermore, the capture rates for two-bedroom unit determined in our demand calculations are low. This indicates unmet demand for two-bedroom units in the market. Overall, we believe that the Subject will be successful as proposed.

Long Term Impact on Existing LIHTC Properties in the PMA

The comparable LIHTC units have a 1.2 percent vacancy rate and all the LIHTC comparables maintain waiting lists. With few senior LIHTC units in the PMA and a growing moderate-income senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Havenwood Bevington Senior	Total # Units: 32
Location: SC Highway and Bevington Road, Hollywood, SC	# LIHTC Units: 32
PMA Boundary: North: Highway 17; East: Charleston County line and Ashley River; West: Highway 64; South: Wadmalaw River.	
Development Type: <u> </u> Family <u> </u> Older Persons	Farthest Boundary Distance to Subject: 27 miles

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,459	387	73.5%
Market-Rate Housing	4	1,130	383	66.1%
Assisted/Subsidized Housing not to include LIHTC	6	450	2	99.6%
LIHTC (All that are stabilized)*	5	329	4	98.8%
Stabilized Comps**	6	633	4	99.4%
Non-stabilized Comps	3	826	370	55.2%

* 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 Rent

# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Adjusted Market Rent			Highest Unadjusted Comp Rent	
					Per Unit	Per SF	Advantage	Per Unit	Per SF
7	2	2	950	\$450	\$1,100	\$1.16	59.1%	\$1,330	\$1.40
25	2	2	950	\$530	\$1,100	\$1.16	51.8%	\$1,330	\$1.40
Gross Potential Rent Monthly*				\$16,400	\$35,200		53.4%		

*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 30)

	2010		2017		2020	
Renter Households	4,619	19.8%	6,707	21.8%	7,512	22.1%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,323	19.7%	1,422	18.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall Affordable
Renter Household Growth	65	85				99
Existing Households (Overburd + Substand)	349	439				538
Homeowner conversion (Seniors)	93	93				93
Other:						
Less Comparable/Competitive Supply	7	29				36
Net Income-qualified Renter HHs	500	588				693

CAPTURE RATES (found on page 53)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	5.1%	17.1%				18.7%

ABSORPTION RATE (found on page 54)

Absorption Period 2 - 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
7	2 BR	\$450	\$3,150	\$1,100	\$7,700	59.1%
25	<u>2 BR</u>	\$530	<u>\$13,250</u>	\$1,100	<u>\$27,500</u>	<u>51.8%</u>
Totals	32		\$16,400		\$35,200	53.4%

Source: SCSHFDA, Novogradac & Company LLP, February 2018

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject will be located at the intersection of SC Highway 165 and Bevington Road in Hollywood, Charleston County, South Carolina.

Construction Type: The new construction Subject will be constructed in four, one-story buildings and one community building.

Occupancy Type: Elderly (55+).

Target Income Group: The Subject will be restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. The minimum allowable household income for the Subject is \$19,140 based on affordability for the Subject’s least expensive rent (two-bedroom unit at 50 percent AMI) and the maximum allowable household income will be \$33,060 (the 60 percent AMI incomes for a two-person household).

Special Population Target: None.

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

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

Unit Mix: All units will be 950 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	32	950	30,400
TOTAL	32		30,400

Structure Type/Design: The Subject will offer four, one-story 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	7	\$450	\$162	\$612	\$775	\$973
				@60%			
2BR / 2BA	950	25	\$530	\$162	\$692	\$930	\$973
		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 is \$162 for all 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.

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

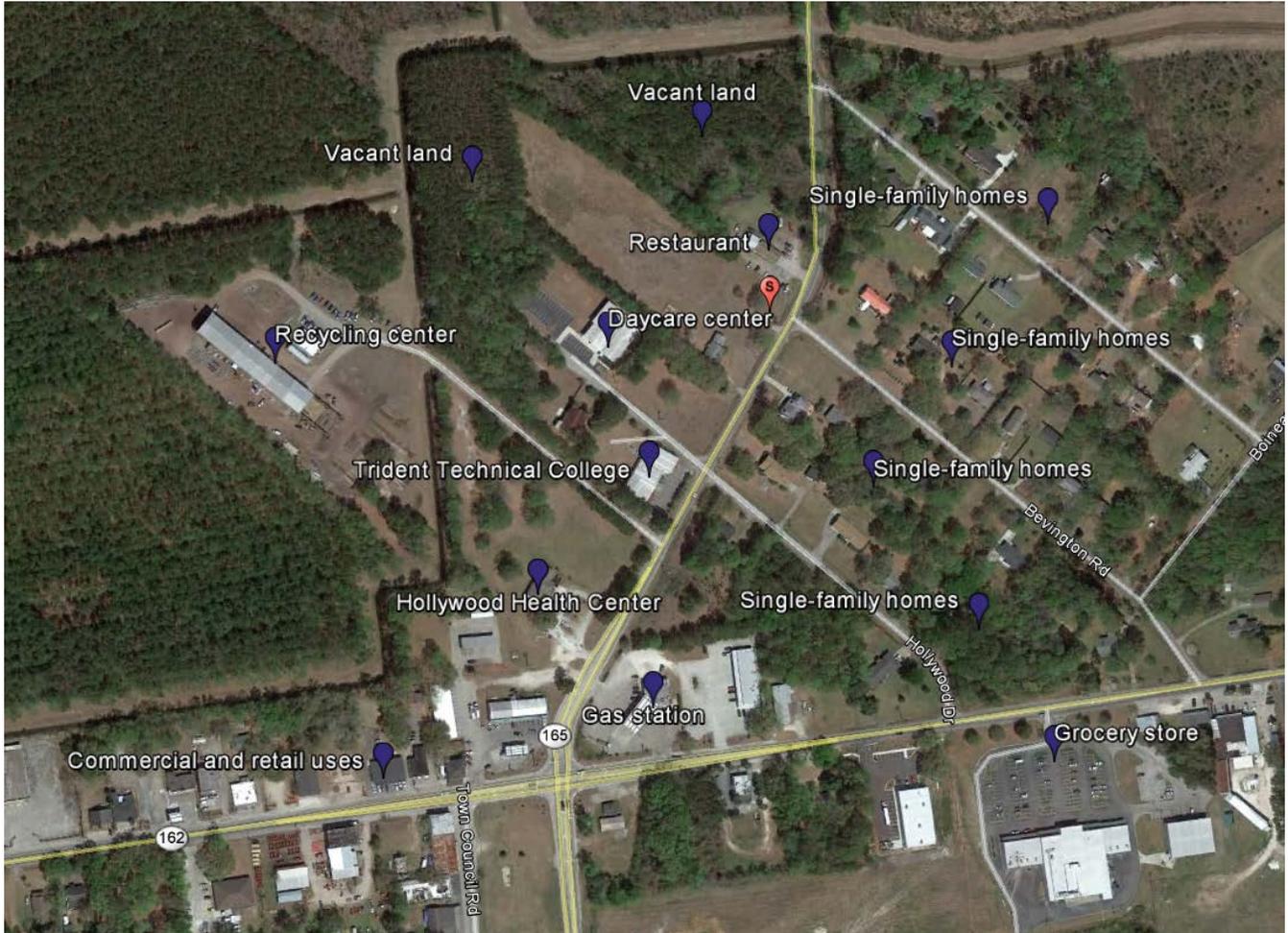
Havenwood Bevington Senior												
Location	SC Highway 165 And Bevington Road Hollywood, SC 29449 Charleston County											
Units	32											
Type	One-story (age-restricted)											
Year Built / Renovated	Proposed 2020											
Tenant Characteristics	Seniors 55+											
Contact Name	Max Elbe											
Phone	678-895-6172											
Market												
Program	@50%, @60%					Leasing Pace	n/a					
Annual Turnover Rate	n/a					Change in Rent (Past	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	One-story	7	950	\$450	\$0	@50%	n/a	n/a	n/a	no	
2	2	One-story	25	950	\$530	\$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					Security	none					
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management					Premium	none					
Services	none					Other	Library, craft room					
Comments												
Construction is proposed for February 2019 to February 2020. This property is restricted to seniors age 55 and older. The Subject will consist of five, one-story residential buildings and one, one-story community building. Utility allowance is \$162.												

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 28, 2018.

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



Physical Features of Site: The Subject site is located within Hollywood, South Carolina and currently includes two small residential buildings to be demolished.

Location/Surrounding Uses: The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site is a restaurant, beyond which is vacant land. Immediately east of the Subject site are single-family homes in average to good condition. West of the Subject site is a vacant daycare center building and vacant land. Commercial and retail uses are south of the Subject site along Highway 165 and Highway 162. Overall, the Subject site is considered an average site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of the Subject site from Highway 165



View of the Subject site from Highway 165



View of the Subject site from Highway 165



View north from the Subject site



Current improvements on the Subject site (to be demolished)



View east from the Subject site



View north on Highway 165 from the Subject site



View south on Highway 165 from the Subject site



Single-family home east of the Subject site



Educational use south of the Subject site



Gas station in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Entrance to Charleston County Waste and Recycling Convenience Center in the Subject's neighborhood



House of worship in the Subject's neighborhood



Grocery store in the Subject's neighborhood



Retail use in the Subject's neighborhood



Retail use in the Subject's neighborhood



Single-family home in the Subject's neighborhood

Visibility/Views:

Views from the Subject site include a restaurant to the north, single-family residential development to the south and east, a vacant

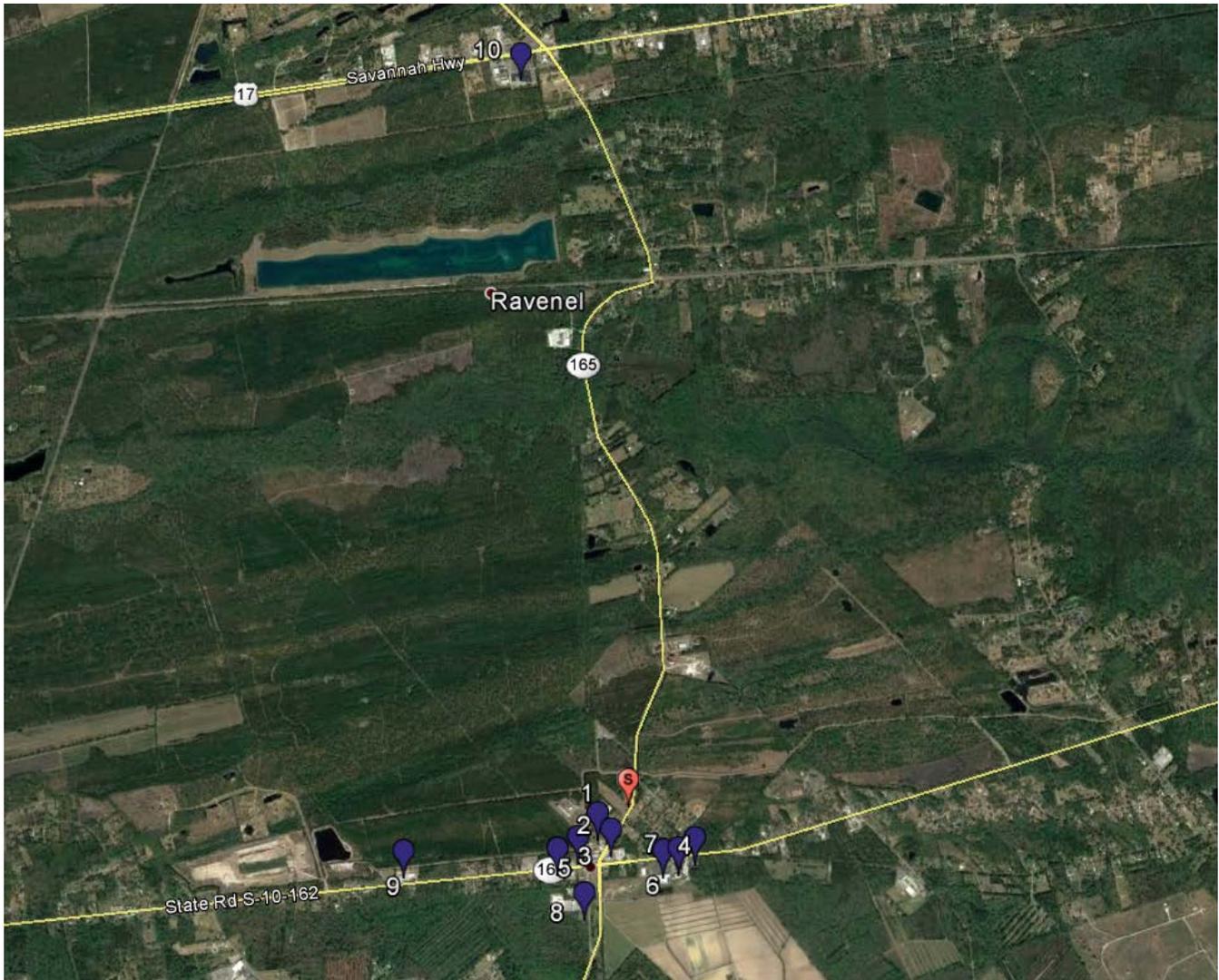
daycare center building and other commercial and retail uses to the south, and vacant, wooded land to the west. Views from the site are considered average. The Subject will have good visibility from Highway 165 to the east. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

Detrimental Influence:

Power lines run parallel to Highway 165 just east of the Subject. These may be considered detrimental influences to the site. However, there are no power lines located on the Subject site itself. We do not believe the presence of the power lines will negatively impact the marketability of the Subject.

Proximity to Local Services:

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



Source: Google Earth, February 2018.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (miles)
1	Franklin C. Fetter Family Health Center	0.2
2	Exxon gas station and convenience store	0.3
3	Hollywood Town Hall and Senior Center	0.3
4	First Citizens Bank	0.3
5	Post Office	0.4
6	Piggly Wiggly (grocery store)	0.4
7	Family Dollar	0.4
8	St. Paul's Library	0.5
9	St. Paul's Fire District Station 1	2.0
10	CVS Pharmacy	3.1

*Distances presented in the table are driving distances, not crow fly distances. Thus, some amenities appear closer to the Subject in the map above.

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

Road/Infrastructure Proposed 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	Charleston-North Charleston, SC
Total Crime*	106	149
Personal Crime*	118	158
Murder	146	146
Rape	113	142
Robbery	89	125
Assault	132	176
Property Crime*	104	147
Burglary	101	133
Larceny	105	153
Motor Vehicle Theft	104	138

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

*Unweighted aggregations

The total crime risk index in the PMA and MSA are above the nation. However, crime risk indices in the PMA are lower than in the MSA in every category. Like the Subject, several comparable properties do not offer security features. These properties report low vacancy rates and are performing well. We believe the Subject will be competitive without additional security features.

Access and Traffic Flow: The Subject site will have access along Highway 165. Highway 165 is a lightly trafficked two-lane roadway, which connects to Highway 17 approximately 2.7 miles north of the Subject site. Highway 17 provides access to Charleston, SC approximately 18 miles east of the Subject site and to Savannah, GA approximately 68 miles south of the Subject site. Highway 17 also provides access to Interstate 95 approximately 38 miles west of the Subject site. Interstate 95 provides north-south access to Fayetteville, NC and Savannah, GA, respectively. 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 Hollywood, most of which are within less than 3.1 miles of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The proposed Subject is a proposed 32-unit senior development to be constructed in Hollywood, South Carolina. The PMA is defined as Highway 17 to the north, the Charleston County line and Ashley River to the east, Wadmalaw River to the south, and Highway 64 to the west. The Subject will be the only LIHTC properties in the Hollywood area of Charleston 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 Hollywood and several other communities in Charleston 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: 19 miles
- East: 16 miles
- South: 10 miles
- West: 27 miles

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

Census Tracts			
450190024.00	450190026.11	450190030.00	450350108.08
450299705.00	450190026.12	450190056.00	450350108.09
450299706.00	450190026.13	450190057.00	450350108.13
450299707.00	450190026.14	450190058.00	450350108.15
450299708.00	450190027.01	450350105.04	450350108.16
450190025.02	450190027.02	450350105.05	450350108.17
450190026.04	450190028.01	450350106.06	450350108.18
450190026.05	450190028.02	450350108.01	450350108.19
450190026.06	450190029.00	450350108.07	450350108.20

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 Hollywood area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone, as these boundaries are rarely known to the average person.

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

2010 POPULATION BY RACE

	PMA		SMA		USA	
Total	163,354	-	663,999	-	308,745,538	-
White	109,648	67.1%	435,299	65.6%	223,553,265	72.4%
Black	43,896	26.9%	183,903	27.7%	38,929,319	12.6%
American Indian	550	0.3%	3,035	0.5%	2,932,248	0.9%
Asian	3,040	1.9%	10,811	1.6%	14,674,252	4.8%
Pacific	228	0.1%	629	0.1%	540,013	0.2%
Other	2,298	1.4%	16,440	2.5%	19,107,368	6.2%
Two or More Races	3,694	2.3%	13,882	2.1%	9,009,073	2.9%
Total Hispanic	6,704	-	35,683	-	50,477,594	-
Hispanic: White	3,449	51.4%	15,507	43.5%	26,735,713	53.0%
Hispanic: Black	435	6.5%	1,656	4.6%	1,243,471	2.5%
Hispanic: American Indian	59	0.9%	437	1.2%	685,150	1.4%
Hispanic: Asian	33	0.5%	160	0.4%	209,128	0.4%
Hispanic: Pacific	15	0.2%	110	0.3%	58,437	0.1%
Hispanic: Other	2,080	31.0%	15,257	42.8%	18,503,103	36.7%
Hispanic: Two or More Races	633	9.4%	2,556	7.2%	3,042,592	6.0%

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

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

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

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

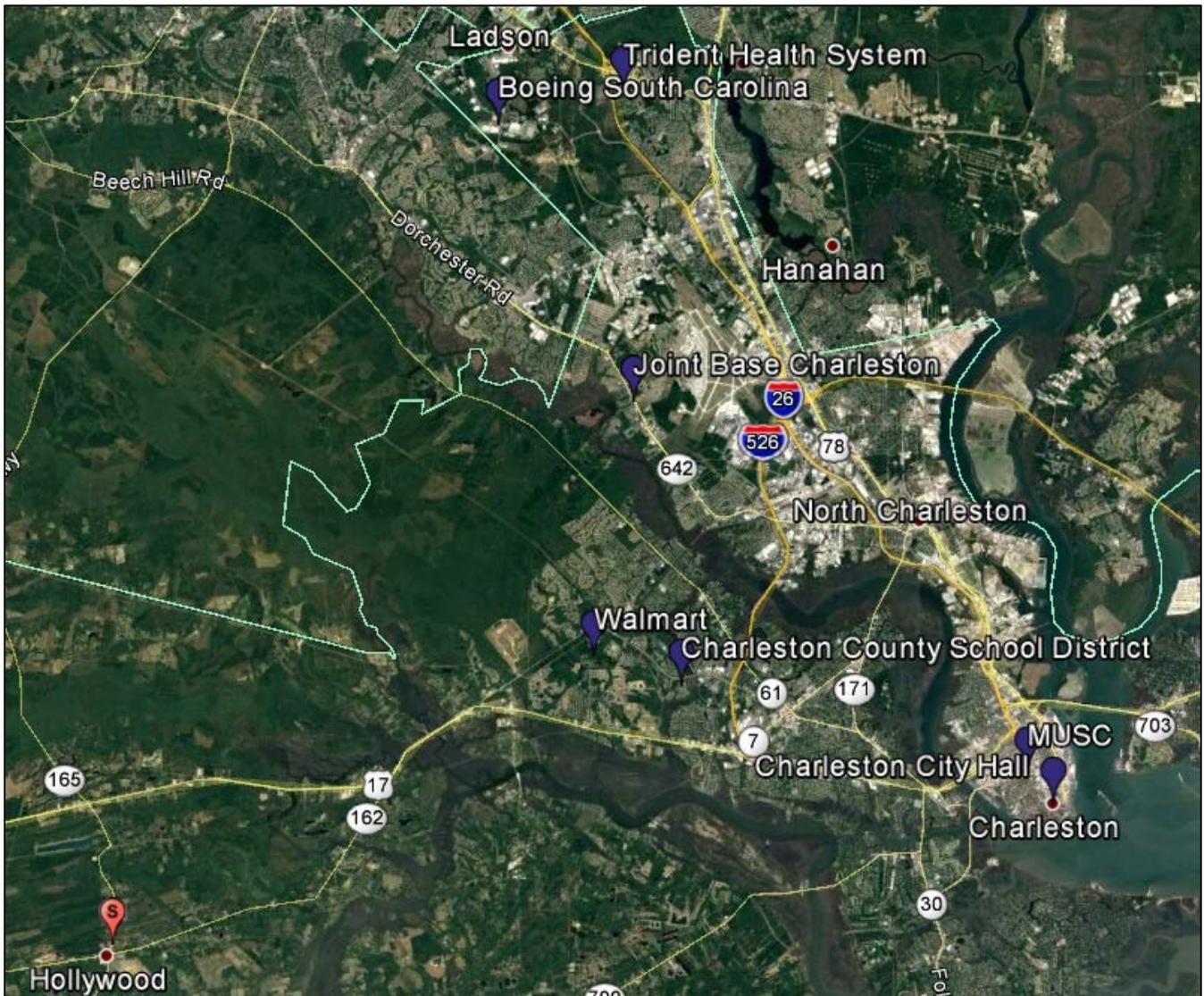


D. MARKET AREA ECONOMY

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.

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	15,003	15.7%	21,941,435	14.2%
Retail Trade	10,082	10.6%	17,038,977	11.0%
Manufacturing	9,044	9.5%	15,589,157	10.1%
Educational Services	8,344	8.7%	14,390,707	9.3%
Accommodation/Food Services	8,282	8.7%	12,036,513	7.8%
Prof/Scientific/Tech Services	7,721	8.1%	11,068,132	7.1%
Public Administration	5,462	5.7%	6,982,075	4.5%
Construction	5,068	5.3%	9,872,629	6.4%
Other Services (excl Publ Adm)	4,807	5.0%	7,493,272	4.8%
Admin/Support/Waste Mgmt Srvc	4,581	4.8%	6,968,170	4.5%
Transportation/Warehousing	3,801	4.0%	6,498,777	4.2%
Finance/Insurance	2,861	3.0%	7,200,593	4.6%
Real Estate/Rental/Leasing	2,477	2.6%	3,130,712	2.0%
Information	2,250	2.4%	2,741,630	1.8%
Arts/Entertainment/Recreation	2,213	2.3%	3,448,696	2.2%
Wholesale Trade	2,097	2.2%	4,064,621	2.6%
Utilities	988	1.0%	1,401,281	0.9%
Agric/Forestry/Fishing/Hunting	462	0.5%	2,288,795	1.5%
Mgmt of Companies/Enterprises	13	0.0%	86,740	0.1%
Mining	0	0.0%	609,828	0.4%
Total Employment	95,556	100.0%	154,852,740	100.0%

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

The largest industries in the PMA are healthcare/social assistance, retail trade, and manufacturing services. The healthcare/social assistance, accommodation/food services, and professional/scientific/technical services sectors are over represented in the PMA; industries under-represented in the PMA include educational services, construction, and finance/insurance.

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
Healthcare/Social Assistance	8,543	13.5%	15,003	15.7%	6,460	4.4%
Retail Trade	8,171	12.9%	10,082	10.6%	1,911	1.4%
Manufacturing	5,903	9.3%	9,044	9.5%	3,141	3.1%
Educational Services	5,745	9.1%	8,344	8.7%	2,599	2.7%
Accommodation/Food Services	5,010	7.9%	8,282	8.7%	3,272	3.8%
Prof/Scientific/Tech Services	3,786	6.0%	7,721	8.1%	3,935	6.1%
Public Administration	4,144	6.5%	5,462	5.7%	1,318	1.9%
Construction	5,000	7.9%	5,068	5.3%	68	0.1%
Other Services (excl Publ Adm)	3,015	4.8%	4,807	5.0%	1,792	3.5%
Admin/Support/Waste Mgmt Svcs	2,079	3.3%	4,581	4.8%	2,502	7.1%
Transportation/Warehousing	2,586	4.1%	3,801	4.0%	1,215	2.8%
Finance/Insurance	2,265	3.6%	2,861	3.0%	596	1.5%
Real Estate/Rental/Leasing	1,426	2.3%	2,477	2.6%	1,051	4.3%
Information	1,359	2.1%	2,250	2.4%	891	3.9%
Arts/Entertainment/Recreation	1,117	1.8%	2,213	2.3%	1,096	5.8%
Wholesale Trade	2,088	3.3%	2,097	2.2%	9	0.0%
Utilities	727	1.1%	988	1.0%	261	2.1%
Agric/Forestry/Fishing/Hunting	293	0.5%	462	0.5%	169	3.4%
Mgmt of Companies/Enterprises	48	0.1%	13	0.0%	-35	-4.3%
Mining	4	0.0%	0	0.0%	-4	0.0%
Total Employment	63,309	100.0%	95,556	100.0%	32,247	3.0%

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.

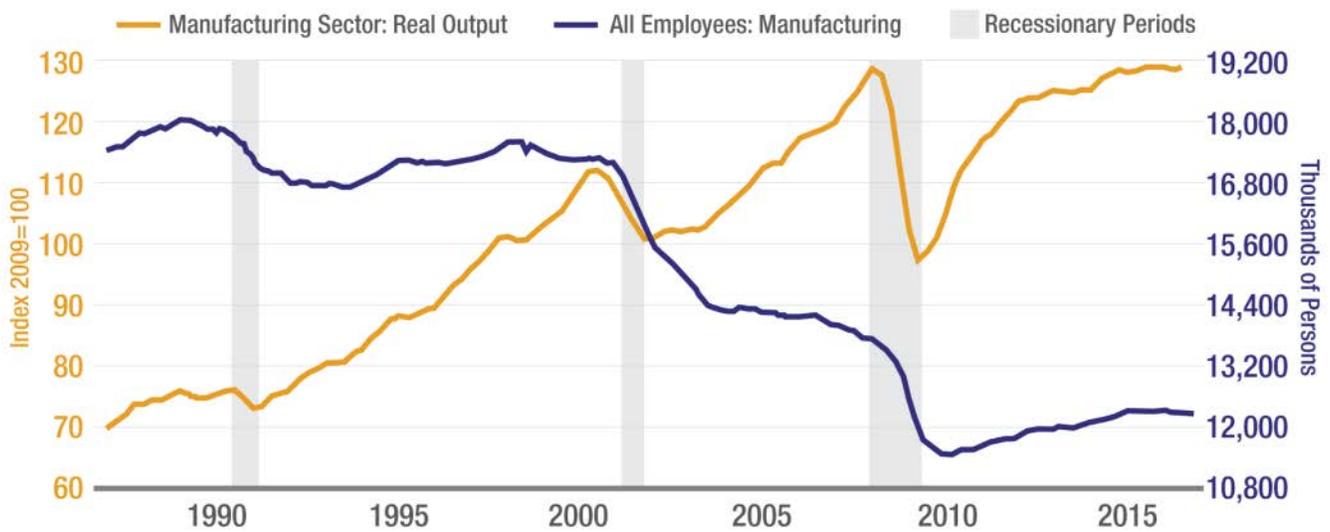
As illustrated, only two industries in the table above experienced a decrease in employment from 2000 to 2017. Management of companies/enterprises and mining were the only industries within the PMA to experience a decrease in employment since 2000, and they were the two smallest employers in the PMA. The healthcare/social assistance sector added the greatest number of employees in the last 16 years, adding 6,460 new employees to its workforce. Of note, the area's manufacturing sector has experienced an annualized growth rate of 3.1 percent. Manufacturing in the local area is outperforming the manufacturing industry in the nation as a whole.

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 is still among the three largest industries in the PMA, growing at an annualized rate of 3.1 percent in the PMA between 2000 and 2017. This is in stark contrast to the job losses experienced by the manufacturing sector as a whole. More than 11 manufacturing companies announced plans for expansion in Charleston County between January 2017 and year-to-date. These expansions are expected to add more than 567 new manufacturing jobs in Charleston County. The county’s lists of major employers and the table of business expansions and new additions in the county presented below demonstrate the county’s continued reliance on manufacturing. Recent business expansions in manufacturing suggest the health of this industry in the area.

Major Employers

The following table details major employers in Charleston County as of December 2016 (the most recent available).

MAJOR EMPLOYERS CHARLESTON COUNTY		
Employer Name	Industry	# Of Employees
Joint Base Charleston	Government	22,000
Medical University of South Carolina	Healthcare/Social Assistance	13,000
Boeing South Carolina	Manufacturing	7,400
Charleston County School District	Education	6,500
Trident Health System	Healthcare/Social Assistance	2,500
Walmart, Inc.	Retail trade	2,300
College of Charleston	Education	2,200
Charleston County Government	Government	2,100
US Postal Service	Government	2,000
City of Charleston	Government	1,700
Kiawah Island Golf Resort	Hospitality	1,500
SAIC	Manufacturing	1,500
Bi-Lo Stores	Retail trade	1,200
Publix Supermarket	Retail trade	1,200
Verizon Wireless	Communications	1,200
KapStone Charleston Kraft LLC	Manufacturing	1,000
Intercontinental Hotel Groups (IHG)	Hospitality	<u>1,000</u>
Totals		70,300

The major employers in Charleston County are in sectors including government, healthcare/social assistance, manufacturing, and education. Some of these sectors, such as government, healthcare and education, are less susceptible to economic cycles. Together, these employers comprise approximately 30 percent of the employment in the MSA.

Expansions/Contractions

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

WARN LISTINGS CHARLESTON COUNTY			
Company	Industry	Employees Affected	Layoff Date
On Demand Publishing, LLC	Information	58	7/3/2018
JCPenney	Retail Trade	58	7/31/2017
Aramark	Accommodation/Food Services	151	6/30/2017
Amazon	Retail Trade	149	2/15/2017
Stryker Communications	Information	88	12/31/2016
Dial America	Information	150	1/11/2016
Consumers Choice	Information	82	11/30/2015
Hill-Rom Holdings Inc.	Manufacturing	70	9/15/2015
SSP America, Inc.	Retail Trade	63	5/31/2014
Piggly Wiggly	Accommodation/Food Services	<u>64</u>	3/31/2014
Total		933	

As illustrated in the above table, there have been 933 employees in the area impacted by layoffs or closures since 2014. Despite these job losses that have been reported, there has been some growth occurring in the area. The following table details recent business expansions and additions in the county.

EXPANSIONS/NEW ADDITIONS - CHARLESTON COUNTY, SC 2017 - 2018		
Company	Industry	Jobs Created
Frontier Logistics	Management	34
Innovative Vehicle Solutions	Manufacturing	108
Firefly Distillery, LLC	Accommodation/Food Services	20
Choate Construction	Construction	20
Heatworks	Manufacturing	60
Finalcontrol, Inc.	Manufacturing	34
Coast Brewing, LLC	Accommodation/Food Services	29
AGRU America, Inc.	Manufacturing	37
Isringhausen	Manufacturing	130
Knapheide Truck Equipment Company	Manufacturing	63
T-Mobile US	Information	400
MTAG Services, Inc.	Finance/Insurance	30
Alcami Corporation	Manufacturing	30
Mid-States Packaging	Transportation/Warehousing	30
NCGS, Inc.	Prof/Scientific/Tech Services	80
Wagner Systems	Manufacturing	30
Shimano	Manufacturing	30
Phishlabs	Information	45
Carver Companies	Manufacturing	22
Bintelli, LLC	Manufacturing	23
	Total	1,255

As illustrated, there were several additions in a variety of industries including manufacturing, accommodation/food service, construction, management, and information. In the last year alone, the county saw the addition of 1,255 new jobs, which helps to counteract the 933 layoffs in the county in recent years.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Charleston-North Charleston, SC MSA. As such, the following table details employment and unemployment trends for the Charleston, SC MSA from 2002 to 2017 (through October).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Charleston-North Charleston, SC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	256,927	-	4.4%	-	136,485,000	-	5.8%	-
2003	263,215	2.4%	5.5%	1.1%	137,736,000	0.9%	6.0%	0.2%
2004	272,480	3.5%	5.4%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	279,789	2.7%	5.4%	0.0%	141,730,000	1.8%	5.1%	-0.5%
2006	287,755	2.8%	5.2%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	299,313	4.0%	4.5%	-0.7%	146,047,000	1.1%	4.6%	0.0%
2008	299,909	0.2%	5.6%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	288,390	-3.8%	9.3%	3.8%	139,878,000	-3.8%	9.3%	3.5%
2010	296,883	2.9%	9.3%	-0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	306,350	3.2%	8.8%	-0.5%	139,869,000	0.6%	9.0%	-0.7%
2012	317,007	3.5%	7.6%	-1.2%	142,469,000	1.9%	8.1%	-0.9%
2013	323,773	2.1%	6.3%	-1.3%	143,929,000	1.0%	7.4%	-0.7%
2014	334,326	3.3%	5.5%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	345,758	3.4%	5.2%	-0.3%	148,833,000	1.7%	5.3%	-0.9%
2016	358,063	3.6%	4.1%	-1.0%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	366,674	2.4%	3.5%	-0.6%	153,175,600	1.1%	4.5%	-0.4%
Oct-2016	360,088	-	3.8%	-	152,335,000	-	4.7%	-
Oct-2017	365,925	1.6%	3.3%	-0.5%	153,861,000	1.0%	4.1%	-0.6%

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

*2017 data is through Jan

Between 2002 and 2008, total employment in the MSA exhibited growth, with a pre-recession peak occurring in 2008. The nation and the MSA experienced their most significant recession-related employment losses in 2009, at the height of the recession. However, in 2010, the MSA reported an increase of 2.9 percent in total employment, at which time the national labor market was still experiencing economic losses. Overall, the MSA experienced total employment losses of 3.8 percent compared to 4.9 percent nationally during the recession. As of 2011, the MSA had surpassed its pre-recession employment high. Employment growth within the MSA has surpassed the nation every year since 2009. Further, in the last 12 months, growth in the MSA was slightly more than in the nation as a whole.

Historically, the MSA has reported a slightly lower unemployment rate relative to the nation. Unemployment in the MSA began to increase during 2008, at the onset of the national recession. Similar to total employment, the MSA maintained a lower unemployment rate throughout the entire recession relative to the nation. Since 2009, unemployment rates in the MSA have decreased each year. Given that total employment in the MSA has surpassed its pre-recession levels, and local employment growth and unemployment are both outperforming the nation, it appears the MSA has fully recovered and entered into an expansionary phase.

Housing and Economy

There no LIHTC or subsidized properties in Hollywood. Affordable and subsidized multifamily developments in the Subject's PMA are located in Charleston and Summerville, approximately 18 and 20 miles from the Hollywood, respectively. Thus, the availability of housing for low to very low income renters is considered limited.

The most recent national recession has impacted Hollywood's single-family housing market. According to RealtyTrac's January 2018 estimates, Charleston County experienced a foreclosure rate of one in every 2,084 housing units. Data was not available for the town of Hollywood, but data from the adjacent towns of Adams Run and Johns Island indicate foreclosure rates between one in 741 and one in every 1,649 housing units. Hollywood is likely experiencing a foreclosure rate within this range, which is much higher than foreclosure rates for the county. The state of South Carolina had a foreclosure rate of one in every 1,333 housing units, a rate likely similar to that projected for Hollywood and higher than that of Charleston County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is between 20 and 24 minutes. Approximately 53 percent of households within the PMA have commute times of less than 25 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,294	1.5%
Travel Time 5-9 min	5,189	6.1%
Travel Time 10-14 min	8,368	9.9%
Travel Time 15-19 min	14,107	16.7%
Travel Time 20-24 min	15,826	18.7%
Travel Time 25-29 min	6,354	7.5%
Travel Time 30-34 min	15,004	17.8%
Travel Time 35-39 min	3,205	3.8%
Travel Time 40-44 min	3,294	3.9%
Travel Time 45-59 min	7,260	8.6%
Travel Time 60-89 min	3,069	3.6%
Travel Time 90+ min	1,530	1.8%

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

CONCLUSION

Overall, it appears the area was impacted by the most recent national recession, but has now recovered and is in an expansionary phase. As of 2011, the employment in the MSA had pushed above pre-recession levels. Between October 2016 and October 2017, total employment in the MSA increased 1.6 percent, while unemployment from the same period declined 0.5 percent. The MSA's year-to-date unemployment rate as of October 2016 was 0.8 percentage points below the nation's unemployment rate. However, with its reliance on the manufacturing, the local economy will remain susceptible to employment losses and closures during times of economic downturn.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

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

Population Trends

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

POPULATION

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	127,986	-	546,889	-	281,038,168	-
2010	163,353	2.8%	663,998	2.1%	308,745,538	1.0%
2017	186,365	1.9%	766,961	2.1%	327,514,334	0.8%
Projected Mkt Entry July 2020	197,199	1.9%	814,334	2.1%	335,799,890	0.8%
2022	204,421	1.9%	845,916	2.1%	341,323,594	0.8%

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

SENIOR POPULATION, 55+

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	24,487	-	103,630	-	59,204,560	-
2010	38,284	5.6%	154,813	4.9%	76,750,713	3.0%
2017	50,054	4.2%	206,394	4.6%	93,482,000	3.0%
Projected Mkt Entry July 2020	54,474	2.9%	226,368	3.2%	99,349,546	2.1%
2022	57,420	2.9%	239,684	3.2%	103,261,244	2.1%

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry July 2020	2022
0-4	8,151	11,136	11,763	12,458	12,922
5-9	9,252	10,786	11,960	12,486	12,837
10-14	9,998	10,659	11,858	12,639	13,160
15-19	9,130	10,338	10,594	11,337	11,833
20-24	8,467	11,044	11,357	11,239	11,161
25-29	9,406	13,368	14,442	14,230	14,089
30-34	9,511	11,681	14,809	15,822	16,497
35-39	11,029	11,095	13,531	15,161	16,248
40-44	10,459	11,125	11,772	13,192	14,138
45-49	9,746	12,370	11,735	11,907	12,021
50-54	8,347	11,467	12,490	12,253	12,095
55-59	6,248	10,438	12,335	12,382	12,413
60-64	4,623	9,178	11,191	11,898	12,369
65-69	4,153	6,410	9,694	10,431	10,922
70-74	3,479	4,356	6,886	8,144	8,983
75-79	2,909	3,317	4,396	5,467	6,181
80-84	1,778	2,363	2,768	3,208	3,502
85+	1,297	2,222	2,784	2,944	3,050
Total	127,983	163,353	186,365	197,199	204,421

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

The total population in the PMA increased at an annual rate of 1.9 percent from 2010 to 2017, a similar rate compared to the SMA and higher than the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2022 at 1.9 percent per annum, a rate that will remain on par with the SMA and above the nation. The total senior population in the PMA increased at an annual rate of 4.2 percent from 2010 to 2017, a similar rate compared to the SMA and higher rate than the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2022 at 2.9 percent per annum, a rate that will be similar to the growth rate for the SMA and above the nation.

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

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	50,167	-	207,374	-	105,403,008	-
2010	66,224	3.2%	259,730	2.5%	116,716,293	1.1%
2017	75,459	1.9%	300,591	2.2%	123,158,898	0.8%
Projected Mkt Entry July 2020	79,720	1.9%	319,159	2.1%	125,752,338	0.7%
2022	82,561	1.9%	331,537	2.1%	127,481,298	0.7%

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

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	15,124	-	65,334	-	36,433,877	-
2010	23,319	5.4%	93,575	4.3%	45,892,692	2.6%
2017	30,731	4.4%	126,140	4.8%	54,968,045	2.7%
Projected Mkt Entry July 2020	33,957	3.5%	139,419	3.5%	57,985,956	1.8%
2022	36,107	3.5%	148,271	3.5%	59,997,897	1.8%

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

AVERAGE HOUSEHOLD SIZE

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.52	-	2.55	-	2.59	-
2010	2.44	-0.3%	2.48	-0.3%	2.58	-0.1%
2017	2.47	0.1%	2.50	0.1%	2.59	0.1%
Projected Mkt Entry July 2020	2.47	0.1%	2.50	0.0%	2.61	0.2%
2022	2.47	0.1%	2.50	0.0%	2.61	0.2%

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

POPULATION IN GROUP QUARTERS

Year	PMA		Charleston-North Charleston, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	1,436	-	18,527	-	7,596,362	-
2010	1,648	1.5%	20,369	1.0%	8,043,577	0.6%
2017	1,672	1.5%	20,572	1.0%	8,081,594	0.0%
Projected Mkt Entry	1,697	1.5%	20,776	1.0%	8,081,594	0.0%
2022	1,722	1.5%	20,983	1.0%	8,081,594	0.0%

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

The total number of households in the PMA increased at 1.9 percent per annum between 2010 and 2017, a similar rate compared to the SMA and higher rate than the nation over the same period. Through market entry date and 2022, the total number of households in the PMA is expected to increase by 1.9 percent annually, which is slightly lower than the SMA and higher than the nation. The senior households age 55 and older increased by 3.1 percent annually in the PMA between 2010 and 2017, and this growth in the PMA is expected to be 3.5 percent annually over the next five years. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased by 1.5 percent in the PMA between 2000 and 2017 and is projected to continue increasing at this rate through market entry and 2022. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	34,000	67.8%	16,167	32.2%
2017	48,982	64.9%	26,477	35.1%
Projected Mkt Entry	51,709	64.9%	28,011	35.1%
July 2020				
2022	53,527	64.8%	29,034	35.2%

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

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	12,650	83.6%	2,474	16.4%
2017	24,024	78.2%	6,707	21.8%
Projected Mkt Entry	26,445	77.9%	7,512	22.1%
July 2020				
2022	28,059	77.7%	8,048	22.3%

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

As the table above illustrates, the PMA is dominated by owner-occupied housing units. In 2017, there were approximately 26,477 renter-occupied households in the PMA, equaling 35.1 percent of households in the PMA. In 2017, approximately 78.2 percent of senior households were owner-occupied, while 21.8 percent were renter-occupied. Nationally, approximately two-thirds of the total number of housing units are owner-occupied. Thus, the PMA contains fewer senior renter-occupied units than does the nation. Through market

entry and 2022, the percentage of renter households is expected to remain stable among seniors and for households of all ages.

Household Income Distribution

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

HOUSEHOLD INCOME PMA 55+

Income Cohort	2017		PMA 2022		Annual Change 2017 to 2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,644	5.3%	1,775	4.9%	26	1.6%
\$10,000-19,999	3,190	10.4%	3,291	9.1%	20	0.6%
\$20,000-29,999	3,384	11.0%	3,689	10.2%	61	1.8%
\$30,000-39,999	2,859	9.3%	3,091	8.6%	46	1.6%
\$40,000-49,999	2,823	9.2%	3,369	9.3%	109	3.9%
\$50,000-59,999	2,173	7.1%	2,341	6.5%	34	1.5%
\$60,000-74,999	3,223	10.5%	3,587	9.9%	73	2.3%
\$75,000-99,999	3,874	12.6%	4,630	12.8%	151	3.9%
\$100,000-124,999	2,624	8.5%	3,245	9.0%	124	4.7%
\$125,000-149,999	1,852	6.0%	2,518	7.0%	133	7.2%
\$150,000-199,999	1,573	5.1%	2,206	6.1%	127	8.0%
\$200,000+	1,512	4.9%	2,365	6.5%	171	11.3%
Total	30,731	100.0%	36,107	100.0%		

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

The Subject will target households earning between \$18,360 and \$33,060. As the table above depicts, approximately 30.7 percent of senior (55+) households in the PMA earned between \$10,000 and \$39,999 in 2017. Some households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

The following tables depict senior (55+) renter household incomes in the PMA in 2017, market entry, and 2022.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+

Income Cohort	2017		Projected Mkt Entry July 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	601	9.0%	644	8.6%	673	8.4%
\$10,000-19,999	1,056	15.7%	1,103	14.7%	1,135	14.1%
\$20,000-29,999	909	13.6%	985	13.1%	1,035	12.9%
\$30,000-39,999	788	11.7%	838	11.2%	872	10.8%
\$40,000-49,999	596	8.9%	661	8.8%	705	8.8%
\$50,000-59,999	465	6.9%	520	6.9%	556	6.9%
\$60,000-74,999	668	10.0%	729	9.7%	770	9.6%
\$75,000-99,999	563	8.4%	646	8.6%	702	8.7%
\$100,000-124,999	278	4.1%	330	4.4%	365	4.5%
\$125,000-149,999	246	3.7%	334	4.4%	393	4.9%
\$150,000-199,999	223	3.3%	299	4.0%	349	4.3%
\$200,000+	314	4.7%	421	5.6%	493	6.1%
Total	6,707	100.0%	7,512	100.0%	8,048	100.0%

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

Senior renter households with incomes between \$10,000 and \$39,999 represent 41.0 percent of the senior renter households in the PMA in 2017, and this share is expected to remain near this level through market entry.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS IN THE HOUSEHOLD

The following table illustrates household size for 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	10,870	41.1%	11,643	41.6%	12,158	41.9%
2 Persons	7,352	27.8%	7,615	27.2%	7,791	26.8%
3 Persons	4,281	16.2%	4,545	16.2%	4,721	16.3%
4 Persons	2,306	8.7%	2,434	8.7%	2,519	8.7%
5+ Persons	1,668	6.3%	1,774	6.3%	1,845	6.4%
Total Households	26,477	100%	28,011	100%	29,034	100%

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

Approximately 68.9 percent of renter households resided in a one to two-person household in the PMA in 2017. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The senior (55+) population in the PMA increased at an annual rate of 4.2 percent from 2010 to 2017 and is expected to increase by 2.9 percent annually through 2022, a rate that will lag behind the growth rate in

the MSA but outpace senior population growth in the nation. Between 2017 and market entry, the total number of senior (55+) households is expected to experience growth of 3.5 percent, in line with the MSA and outpacing the nation. Senior renter households with incomes between \$10,000 and \$39,999 represent 41.0 percent of the senior renter households in the PMA in 2017, and this share is expected to remain near this level through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

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

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development 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.

55+ 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	
2BR	\$18,360	\$27,550	\$20,760	\$33,060	\$18,360	\$33,060

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. (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 is one such property in the Subject’s PMA. Villas at Oakbrook was allocated in 2016 and has not yet been completed. Upon completion, this property will offer 42 one and two-bedroom units to seniors earning 50 and 60 percent of AMI or less. The table below details these additions to supply.

ADDITIONS TO SUPPLY 2017			
Unit Type	50% AMI	60% AMI	Overall
2BR	7	29	36
Total	7	29	36

Overall, a total of 36 units have been removed from our capture rate analyses.

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		\$18,360		Maximum Income Limit		\$27,550	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry July 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	43	5.4%	\$0	0.0%	0		
\$10,000-19,999	47	5.9%	\$1,639	16.4%	8		
\$20,000-29,999	76	9.4%	\$7,550	75.5%	57		
\$30,000-39,999	50	6.3%	\$0	0.0%	0		
\$40,000-49,999	65	8.1%	\$0	0.0%	0		
\$50,000-59,999	55	6.8%	\$0	0.0%	0		
\$60,000-74,999	61	7.6%	\$0	0.0%	0		
\$75,000-99,999	83	10.4%	\$0	0.0%	0		
\$100,000-124,999	52	6.5%	\$0	0.0%	0		
\$125,000-149,999	88	11.0%	\$0	0.0%	0		
\$150,000-199,999	76	9.4%	\$0	0.0%	0		
\$200,000+	107	13.3%	\$0	0.0%	0		
Total	805	100.0%		8.1%	65		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$18,360		Maximum Income Limit		\$27,550	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	601	9.0%	\$0	0.0%	0		
\$10,000-19,999	1,056	15.7%	\$1,639	16.4%	173		
\$20,000-29,999	909	13.6%	\$7,550	75.5%	686		
\$30,000-39,999	788	11.7%	\$0	0.0%	0		
\$40,000-49,999	596	8.9%	\$0	0.0%	0		
\$50,000-59,999	465	6.9%	\$0	0.0%	0		
\$60,000-74,999	668	10.0%	\$0	0.0%	0		
\$75,000-99,999	563	8.4%	\$0	0.0%	0		
\$100,000-124,999	278	4.1%	\$0	0.0%	0		
\$125,000-149,999	246	3.7%	\$0	0.0%	0		
\$150,000-199,999	223	3.3%	\$0	0.0%	0		
\$200,000+	314	4.7%	\$0	0.0%	0		
Total	6,707	100.0%		12.8%	859		

ASSUMPTIONS - @50%

Tenancy	55+	% of Income towards Housing				40%
Rural/Urban	Urban	Maximum # of Occupants				2
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	10%	90%	0%	0%	
3	0%	0%	0%	40%	60%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2017 to July 2020

Income Target Population	@50%
New Renter Households PMA	805
Percent Income Qualified	8.1%
New Renter Income Qualified Households	65

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	6,707
Income Qualified	12.8%
Income Qualified Renter Households	859
Percent Rent Overburdened Prj Mrkt Entry July 2020	39.1%
Rent Overburdened Households	336

Demand from Living in Substandard Housing

Income Qualified Renter Households	859
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	13

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	26,445
Rural Versus Urban	0.4%
Senior Demand Converting from Homeownership	93

Total Demand

Total Demand from Existing Households	442
Total New Demand	65
Total Demand (New Plus Existing Households)	507

Demand from Seniors Who Convert from Homeownership	93
Percent of Total Demand From Homeownership Conversion	18.3%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	57.4%	291
Two Persons	25.1%	127
Three Persons	9.6%	49
Four Persons	5.5%	28
Five Persons	2.4%	12
Total	100.0%	507

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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
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Of one-person households in 1BR units	90%	262
Of two-person households in 1BR units	10%	13
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
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Of one-person households in 2BR units	10%	29
Of two-person households in 2BR units	90%	115
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
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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%	19
Of four-person households in 3BR units	70%	20
Of five-person households in 3BR units	50%	6
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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	60%	29
Of four-person households in 4BR units	30%	8
Of five-person households in 4BR units	50%	6
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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 507

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	144	-	7	=	137
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	144		7		137

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	/	/	-	=	-
1 BR	/	/	-	=	-
2 BR	7	/	137	=	5.1%
3 BR	/	/	-	=	-
4 BR	/	/	-	=	-
5 BR	/	/	-	=	-
Total	7		137		5.1%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,760		Maximum Income Limit		\$33,060	
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	43	5.4%	\$0	0.0%	0		
\$10,000-19,999	47	5.9%	\$0	0.0%	0		
\$20,000-29,999	76	9.4%	\$9,239	92.4%	70		
\$30,000-39,999	50	6.3%	\$3,060	30.6%	15		
\$40,000-49,999	65	8.1%	\$0	0.0%	0		
\$50,000-59,999	55	6.8%	\$0	0.0%	0		
\$60,000-74,999	61	7.6%	\$0	0.0%	0		
\$75,000-99,999	83	10.4%	\$0	0.0%	0		
\$100,000-124,999	52	6.5%	\$0	0.0%	0		
\$125,000-149,999	88	11.0%	\$0	0.0%	0		
\$150,000-199,999	76	9.4%	\$0	0.0%	0		
\$200,000+	107	13.3%	\$0	0.0%	0		
Total	805	100.0%		10.6%	85		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$20,760		Maximum Income Limit		\$33,060	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	601	9.0%	\$0	0.0%	0		
\$10,000-19,999	1,056	15.7%	\$0	0.0%	0		
\$20,000-29,999	909	13.6%	\$9,239	92.4%	840		
\$30,000-39,999	788	11.7%	\$3,060	30.6%	241		
\$40,000-49,999	596	8.9%	\$0	0.0%	0		
\$50,000-59,999	465	6.9%	\$0	0.0%	0		
\$60,000-74,999	668	10.0%	\$0	0.0%	0		
\$75,000-99,999	563	8.4%	\$0	0.0%	0		
\$100,000-124,999	278	4.1%	\$0	0.0%	0		
\$125,000-149,999	246	3.7%	\$0	0.0%	0		
\$150,000-199,999	223	3.3%	\$0	0.0%	0		
\$200,000+	314	4.7%	\$0	0.0%	0		
Total	6,707	100.0%		16.1%	1,081		

ASSUMPTIONS - @60%

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	0BR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	10%	90%	0%	0%		
3	0%	0%	0%	40%	60%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2017 to July 2020

Income Target Population	@60%
New Renter Households PMA	805
Percent Income Qualified	10.6%
New Renter Income Qualified Households	85

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	6,707
Income Qualified	16.1%
Income Qualified Renter Households	1,081
Percent Rent Overburdened Prj Mrkt Entry July 2020	39.1%
Rent Overburdened Households	423

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,081
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	17

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	26,445
Rural Versus Urban	0.4%
Senior Demand Converting from Homeownership	93

Total Demand

Total Demand from Existing Households	532
Total New Demand	85
Total Demand (New Plus Existing Households)	617

Demand from Seniors Who Convert from Homeownership	93
Percent of Total Demand From Homeownership Conversion	15.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	57.4%	354
Two Persons	25.1%	155
Three Persons	9.6%	59
Four Persons	5.5%	34
Five Persons	2.4%	15
Total	100.0%	617

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	90%	319
Of two-person households in 1BR units	10%	16
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%	35
Of two-person households in 2BR units	90%	140
Of three-person households in 2BR units	0%	0
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%	24
Of four-person households in 3BR units	70%	24
Of five-person households in 3BR units	50%	7
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	60%	36
Of four-person households in 4BR units	30%	10
Of five-person households in 4BR units	50%	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		617

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	175	-	29	=	146
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	175		29		146

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR		/	-	=	-
2 BR	25	/	146	=	17.1%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	25		146		17.1%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,360		Maximum Income Limit		\$33,060	
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	43	5.4%	\$0	0.0%	0		
\$10,000-19,999	47	5.9%	\$1,639	16.4%	8		
\$20,000-29,999	76	9.4%	\$9,999	100.0%	76		
\$30,000-39,999	50	6.3%	\$3,060	30.6%	15		
\$40,000-49,999	65	8.1%	\$0	0.0%	0		
\$50,000-59,999	55	6.8%	\$0	0.0%	0		
\$60,000-74,999	61	7.6%	\$0	0.0%	0		
\$75,000-99,999	83	10.4%	\$0	0.0%	0		
\$100,000-124,999	52	6.5%	\$0	0.0%	0		
\$125,000-149,999	88	11.0%	\$0	0.0%	0		
\$150,000-199,999	76	9.4%	\$0	0.0%	0		
\$200,000+	107	13.3%	\$0	0.0%	0		
Total	805	100.0%		12.3%	99		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$18,360		Maximum Income Limit		\$33,060	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	601	9.0%	\$0	0.0%	0		
\$10,000-19,999	1,056	15.7%	\$1,639	16.4%	173		
\$20,000-29,999	909	13.6%	\$9,999	100.0%	909		
\$30,000-39,999	788	11.7%	\$3,060	30.6%	241		
\$40,000-49,999	596	8.9%	\$0	0.0%	0		
\$50,000-59,999	465	6.9%	\$0	0.0%	0		
\$60,000-74,999	668	10.0%	\$0	0.0%	0		
\$75,000-99,999	563	8.4%	\$0	0.0%	0		
\$100,000-124,999	278	4.1%	\$0	0.0%	0		
\$125,000-149,999	246	3.7%	\$0	0.0%	0		
\$150,000-199,999	223	3.3%	\$0	0.0%	0		
\$200,000+	314	4.7%	\$0	0.0%	0		
Total	6,707	100.0%		19.7%	1,323		

ASSUMPTIONS - Overall

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	10%	90%	0%	0%		
3	0%	0%	0%	40%	60%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2017 to July 2020

Income Target Population	Overall
New Renter Households PMA	805
Percent Income Qualified	12.3%
New Renter Income Qualified Households	99

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	6,707
Income Qualified	19.7%
Income Qualified Renter Households	1,323
Percent Rent Overburdened Prj Mrkt Entry July 2020	39.1%
Rent Overburdened Households	517

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,323
Percent Living in Substandard Housing	1.5%
Households Living in Substandard Housing	20

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	26,445
Rural Versus Urban	0.4%
Senior Demand Converting from Homeownership	93

Total Demand

Total Demand from Existing Households	630
Total New Demand	99
Total Demand (New Plus Existing Households)	729

Demand from Seniors Who Convert from Homeownership	93
Percent of Total Demand From Homeownership Conversion	12.7%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	57.4%	418
Two Persons	25.1%	183
Three Persons	9.6%	70
Four Persons	5.5%	40
Five Persons	2.4%	17
Total	100.0%	729

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
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	90%	376
Of two-person households in 1BR units	10%	18
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%	42
Of two-person households in 2BR units	90%	165
Of three-person households in 2BR units	0%	0
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%	28
Of four-person households in 3BR units	70%	28
Of five-person households in 3BR units	50%	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	60%	42
Of four-person households in 4BR units	30%	12
Of five-person households in 4BR units	50%	9
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		729

	Total Demand (Subject Unit Types)		Additions to Supply	=	Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	207	-	36	=	171
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	207		36		171

	Developer's Unit Mix		Net Demand	=	Capture Rate
0 BR		/	-	=	-
1 BR		/	-	=	-
2 BR	32	/	171	=	18.7%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	32		171		18.7%

Conclusions

Several factors affect the indicated capture rates and are discussed following:

- The number of senior (55+) households in the PMA is expected to increase 3.5 percent between 2017 and projected market entry 2020.
- 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 Subject’s two-bedroom only unit mix appears to be acceptable in the market given the performance of other properties offering only two-bedroom units. For example, Country Club Apartments in nearby Summerville, South Carolina offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy. Similarly, Kings Crossing, a senior LIHTC property in Charleston, offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy and a waiting list. Radcliff Manor, another senior LIHTC property in Charleston, also offers only two-bedroom units and reports maintaining a waiting list. Furthermore, the capture rates for two-bedroom unit determined in our demand calculations are low. This indicates unmet demand for two-bedroom units in the market. Overall, we believe that the Subject will be successful as proposed.

The following table summarizes the capture rates for the Subject. Note this table is not adjusted for demand by bedroom type.

DEMAND AND NET DEMAND

	HH at @50% AMI (\$18,360 to \$27,550)	HH at @60% AMI (\$20,760 to \$33,060)	Overall Demand
Demand from New Households (age and income appropriate)	65	85	99
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	336	423	517
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	13	17	20
=	=	=	=
Sub Total	414	524	636
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	93	93	93
Equals Total Demand	507	617	729
Less	-	-	-
New Supply	7	29	36
Equals Net Demand	500	588	693

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%	144	7	137	7	5.1%
2BR @60%	175	29	146	25	17.1%
2BR Overall	207	36	171	32	18.7%

As the analysis illustrates, the Subject’s capture rates vary from 5.1 to 18.7 percent with an overall capture rate of 18.7 percent. The Subject’s overall capture rates are well within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

None of the LIHTC comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Goose Creek, South Carolina just beyond the PMA. Absorption rates at the properties able to report absorption data are detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Waters at St. James	LIHTC	Family	2017	336	39
The Heyward	Market	Family	2017	260	22
Crowne At Live Oak Square	Market	Family	2016	282	12
Springs At Essex Farms	Market	Family	2015	284	12
Pinecrest Greene	LIHTC	Family	2011	46	8
				Average	20

On average, these properties reported an absorption rate of approximately 20 units per month. Two of the new construction properties are in their lease-up periods: Crowne at Live Oak Square was constructed in 2016 and is currently experience an absorption pace of 12 units per month; The Heyward was constructed in 2017 and is experiencing an absorption pace of 22 units per month. With the stable demographic base of moderate-income senior households in the PMA, the general limited supply of affordable senior housing, and the absorption paces at recently constructed properties in the market, we believe the Subject should be able to experience an absorption rate at the high end of this range. 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 income-qualified households, we believe that the Subject could absorb approximately 30 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 two months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

We interviewed numerous properties to determine which ones were considered “true” competition for the Subject. Several properties in the market area were interviewed and not included because of their dissimilarity or other factors. Fully subsidized properties were excluded due to differing rent structures from the Subject without a subsidy; however, it should be noted that subsidized properties in the market area were found to have stable occupancies.

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

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EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion	No. of Units	2018 Vacancy Rate
Country Club Apartments	LIHTC	Family	Closer comparables	32	0.0%
Pinecrest Greene	LIHTC	Family	Closer comparables	46	2.2%
Planters Retreat	LIHTC	Family	Closer comparables	192	1.0%
Palmilla Apartments	Market	Family	Closer comparables	228	N/A
Willow Trace	LIHTC	Family	Closer comparables	56	0.0%
Ashley Arms Apartments	Section 8/ Market	Family	Subsidized	100	2.0%
Ashley Crossing	Market	Family	Closer comparables	200	3.0%
Ashley Knoll Apartment Homes	Market	Family	Closer comparables	408	3.9%
Ashley Park	Market	Senior	Closer comparables	117	15.4%
Bridge Pointe	Market	Family	Closer comparables	130	3.1%
Cedar Grove	Market	Family	Closer comparables	240	0.4%
Colonial Village At Waters Edge	Market	Family	Closer comparables	204	2.5%
Cypress House	Market	Senior	Closer comparables	40	0.0%
Haven Oaks Apartments	Section 8	Family	Subsidized	104	0.0%
Magnolias Of Summerville	Market	Family	Closer comparables	50	2.0%
Martin's Creek Apartments	Market	Family	Closer comparables	200	0.5%
Middleton Cove	Market	Family	Closer comparables	382	1.0%
Monument Square Apartments	Market	Family	Closer comparables	130	4.6%
Moss Creek Apartments	Market	Family	Closer comparables	224	2.7%
Oakbrook Towers	Section 8	Family	Subsidized	96	0.0%
Orleans Gardens Apartments	Section 8	Family	Subsidized	100	0.0%
Pineridge Housing For The Elderly	Section 8	Family	Subsidized	74	N/A
Plantation Oaks	Market	Family	Closer comparables	264	4.2%
Royal Oaks Independent Cottages	Market	Family	Closer comparables	22	0.0%
Royal Oaks Residential Care	Market	Senior	Closer comparables	53	5.7%
Saw Branch Apartments	Market	Family	Closer comparables	112	1.8%
Sherman House	Section 8	Family	Subsidized	56	N/A
Silvana Oaks Apartments	Market	Family	Closer comparables	208	8.7%
Spanish Oaks Apartments	Market	Family	Closer comparables	115	1.7%
The Ashley Apartments	Market	Family	Closer comparables	174	2.9%
The Carlyle	Market	Family	Closer comparables	160	0.6%
The Gardens At Ashley River	Market	Family	Closer comparables	288	12.8%
The Grove At Oakbrook	Market	Family	Closer comparables	280	8.9%
The Legends At Charleston Park	Market	Family	Closer comparables	232	0.9%
The Reserve At Wescott Plantation	Market	Family	Closer comparables	288	5.2%
Village Square (aka The Villages)	Market	Family	Closer comparables	304	0.3%
Waverly Place	Market	Family	Closer comparables	240	4.6%
Westbury Mews	Market	Family	Closer comparables	132	0.8%
Westover Apartments, Inc.	Section 8	Family	Subsidized	20	0.0%
Windjammer Apartments	Market	Family	Closer comparables	212	2.4%
Woodbridge Apartments	Market	Family	Closer comparables	197	13.2%
Total LIHTC Only				554	0.8%
Total Assisted*				550	0.4%
Total All Affordable*				1,104	1.2%

*Vacancy rates calculated using only properties reporting vacancy information

N/A = Not available

LIHTC Competition

We spoke with Mr. Edward Holton, Town Planner/Zoning Administrator with the Town of Hollywood (843-889-3222), about multifamily developments currently planned, proposed, or under construction in the area. Mr. Holton confirmed that there are no other multifamily developments planned, proposed, or under construction within the town of Hollywood. According to South Carolina allocation lists for the past four years, there are no new LIHTC properties proposed, planned, or under construction in the Subject's PMA.

Pipeline Construction

As detailed above, we spoke with Mr. Edward Holton, Town Planner/Zoning Administrator with the Town of Hollywood (843-889-3222), about multifamily developments currently planned, proposed, or under construction in the area. Mr. Holton reported that the Subject will be Hollywood’s only multifamily development, and there are no additional multifamily developments planned, proposed, or under construction within the town of Hollywood. According to our internet research via CoStar, South Carolina LIHTC allocation lists, and various other sources, the following multifamily developments are under construction or proposed in the PMA.

PLANNED DEVELOPMENT IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Status	Distance to Subject
17 South - Phase II	Market	Family	172	0	Under Construction	10.0 miles
Atlantic at Grand Oaks	Market	Family	316	0	Under Construction	11.2 miles
Bluewater at Bolton's Landing Phase II	Market	Family	124	0	Under Construction	9.3 miles
Overture West Ashley	Market	Family	198	0	Under Construction	14.9 miles
Palisades	Market	Family	216	0	Proposed	8.7 miles
The Crossings at West Ashley	Market	Senior	184	0	Under Construction	12.0 miles
The Heyward - Phase II	Market	Family	188	0	Under Construction	9.6 miles
Totals			1,398	0		

Source: CoStar, February 2018

As illustrated in the table above, there are seven multifamily properties proposed or under construction within the Subject’s PMA. All of these properties are market-rate and target family tenancy. Additionally, the newer market rate properties will target a more affluent tenancy than the tenancy targeted by the Subject. Thus, these units are not considered directly competitive with the Subject. There are very few affordable options for the Subject’s target tenancy in the immediate market which should allow for a rapid absorption for the Subject, which includes only 32 units. Overall, we do not believe the addition of these units to the market will negatively impact the Subject’s performance.

Comparable Properties

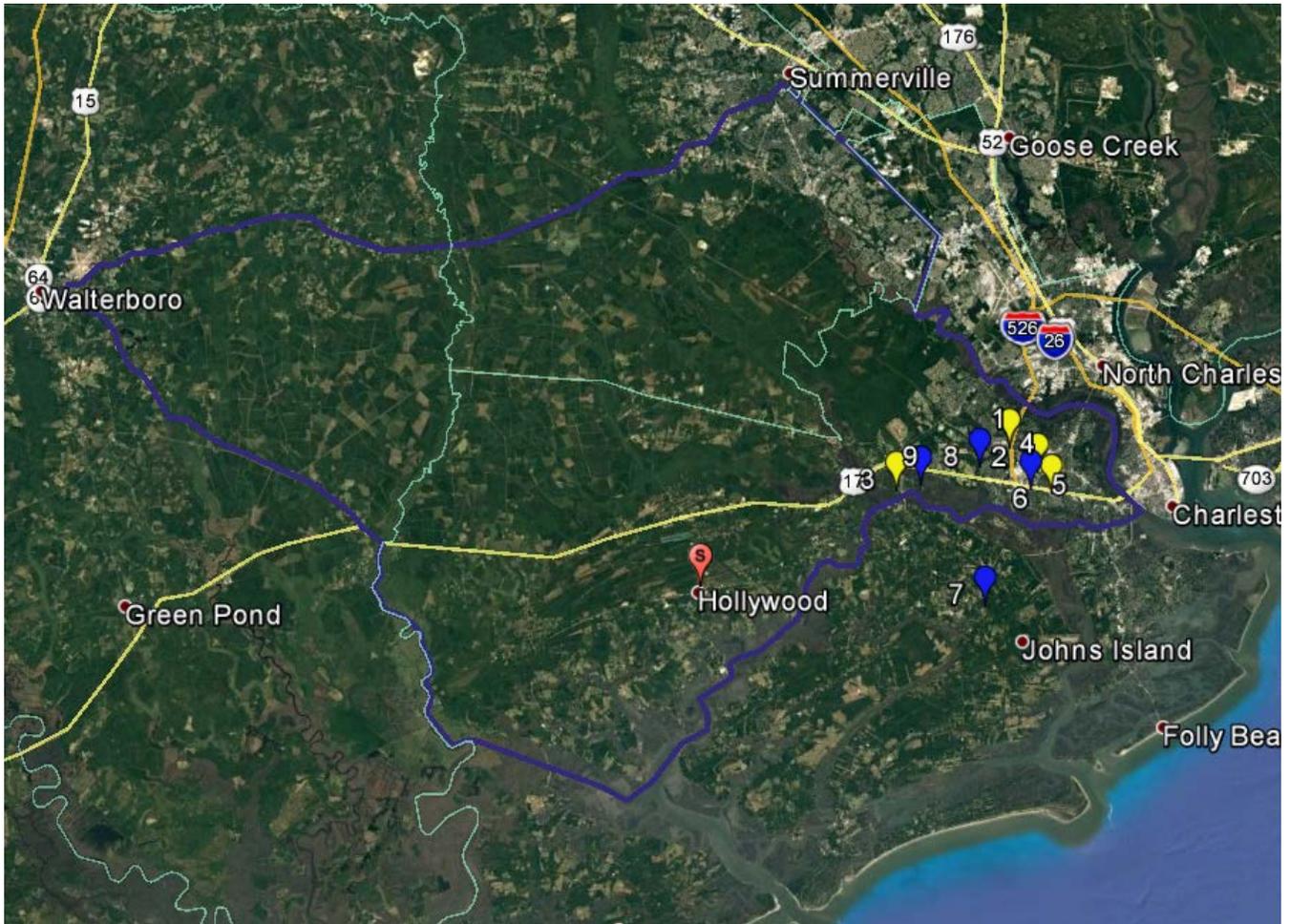
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes nine “true” comparable properties containing 1,459 units.

The availability of LIHTC data is considered average. All of the LIHTC comparables are located in the western portion of Charleston, which is within the Subject’s PMA. Other LIHTC properties within the PMA have been excluded because they are located farther from the Subject site. The comparable LIHTC properties are all located between 8.6 and 14.0 miles of the proposed Subject and are the most proximate LIHTC properties within the PMA. These comparables were built or renovated between 2000 and 2015.

The availability of market-rate data is considered average. The Subject is located in Hollywood, but all of the market-rate comparables are located in the western portion of Charleston, as these are the most proximate market-rate properties in the area. We have included four conventional properties in our analysis of the competitive market. All but one of the market-rate properties are located in the PMA, and all are located between 9.5 and 13.3 miles from the Subject site. These comparables were built or renovated between 2015 and 2017. It should be noted that the PMA contains one market-rate senior property known as Ashley Park. We have excluded this property as a comparable because it includes far superior amenities and services that will not be included at the Subject. We have included two new construction market-rate comparables, Crowne at Live Oak Square and The Heyward. These constitute the newest market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable. Other market-rate properties were excluded based on proximity and unit types.

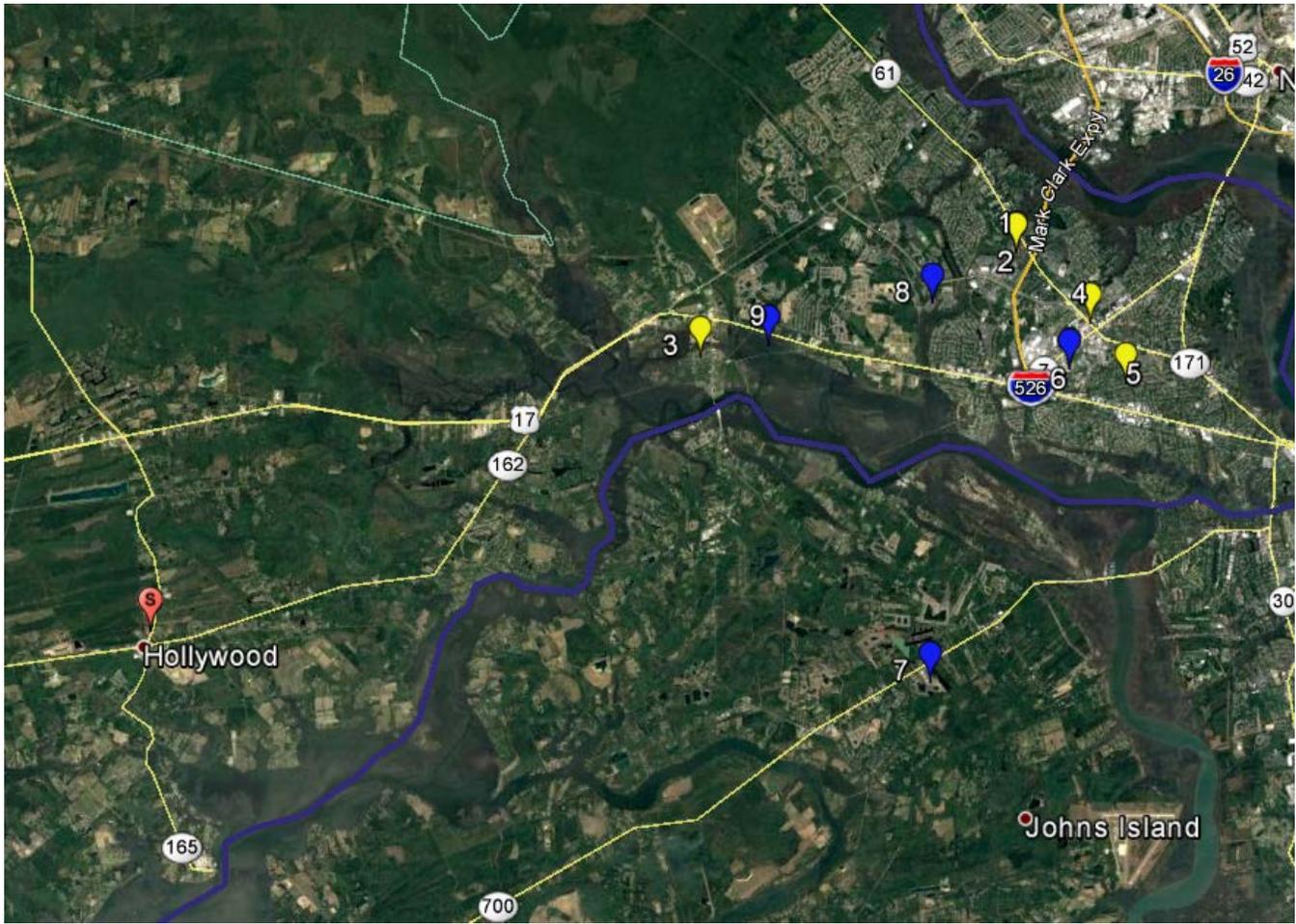
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are 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	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Hollywood	LIHTC	Senior	-
1	Grand Oak Apartments	LIHTC	Senior	13.1 miles
2	Grandview Apartments	LIHTC	Senior	13.1 miles
3	Marsh View Place Apartments	LIHTC	Family	8.6 miles
4	Shady Grove	LIHTC	Senior	13.7 miles
5	The Shires Apartments	LIHTC	Family	14.0 miles
6	Colonial Village At Hampton Pointe	Market	Family	13.3 miles
7	Crowne at Live Oak Square*	Market	Family	10.8 miles
8	Springs At Essex Farms	Market	Family	11.8 miles
9	The Heyward	Market	Family	9.5 miles

*This property is 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 BEVINGTON SENIOR – HOLLYWOOD, 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 Bevington Senior SC Highway 165 And Bevington Road Hollywood, SC 29449 Charleston County	-	One-story	@50%	2BR / 2BA	7	21.9%	950	@50%	\$450	N/A		N/A	N/A	
			(1 stories)	@60%	2BR / 2BA	25	78.1%	950	@60%	\$530	N/A		N/A	N/A	
			Proposed 2020 / n/a Senior												
						32	100.0%						N/A	N/A	
1	Grand Oak Apartments 1830 Magwood Drive Charleston, SC 29414 Charleston County	13.1 miles	Garden	@50%	1BR / 1BA	22	36.7%	621	@50%	\$516	Yes	Yes	0	0.0%	
			(2 stories)	@60%	1BR / 1BA	24	40.0%	621	@60%	\$645	Yes	Yes	0	0.0%	
			2000 / n/a		2BR / 2BA	8	13.3%	1,043	@50%	\$618	Yes	Yes	0	0.0%	
			Senior		2BR / 2BA	5	8.3%	1,043	@60%	\$773	Yes	Yes	0	0.0%	
					2BR / 2BA	1	1.7%	1,043	Mgr's Unit	N/A	N/A	n/a		0	0.0%
						60	100.0%						0	0.0%	
2	Grandview Apartments 1850 Magwood Road Charleston, SC 29414 Charleston County	13.1 miles	Midrise	@50%	1BR / 1BA	13	18.1%	716	@50%	\$516	Yes	Yes	0	0.0%	
			(4 stories)	@60%	1BR / 1BA	35	48.6%	716	@60%	\$645	Yes	Yes	0	0.0%	
			2010 / n/a		2BR / 1BA	6	8.3%	922	@50%	\$618	Yes	Yes	0	0.0%	
			Senior		2BR / 1BA	18	25.0%	922	@60%	\$773	Yes	Yes	0	0.0%	
									72	100.0%					
3	Marsh View Place Apartments 516 McIernon Trace Charleston, SC 29455 Charleston County	8.6 miles	Garden	@50%	1BR / 1BA	2	3.8%	850	@50%	\$503	Yes	Yes	0	0.0%	
			(3 stories)	@60%	2BR / 2BA	12	22.6%	1,100	@50%	\$586	Yes	Yes	0	0.0%	
			2015 / n/a		2BR / 2BA	24	45.3%	1,100	@60%	\$742	Yes	Yes	0	0.0%	
			Family		3BR / 2BA	15	28.3%	1,250	@60%	\$831	Yes	Yes	0	0.0%	
									53	100.0%					
4	Shady Grove 1725 Savage Road Charleston, SC 29407 Charleston County	13.7 miles	Garden	@50%	1BR / 1BA	55	76.4%	702	@50%	\$516	Yes	Yes	0	0.0%	
			(1 stories)		2BR / 2BA	17	23.6%	973	@50%	\$618	Yes	Yes	0	0.0%	
			2005 / n/a Senior												
						72	100.0%							0	0.0%
5	The Shires Apartments 1020 Little John Drive Charleston, SC 29407 Charleston County	14.0 miles	Garden	@50%	1BR / 1BA	12	16.7%	710	@50%	\$503	Yes	Yes	2	16.7%	
			(3 stories)		2BR / 2BA	36	50.0%	932	@50%	\$604	Yes	Yes	1	2.8%	
			2005-2006 / n/a		3BR / 2BA	24	33.3%	1,142	@50%	\$750	Yes	Yes	1	4.2%	
			Family												
									72	100.0%					
6	Colonial Village At Hampton Pointe 1916 Sam Rittenberg Blvd Charleston, SC 29407 Charleston County	13.3 miles	Garden	Market	0BR / 1BA	76	25.0%	750	Market	\$887	N/A	No	2	2.6%	
			(1 stories)		1BR / 1BA	2	0.7%	750	Market	\$897	N/A	No	0	0.0%	
			1986 / 2015		1BR / 1BA	76	25.0%	900	Market	\$1,012	N/A	No	3	3.9%	
			Family		2BR / 2BA	76	25.0%	1,175	Market	\$1,032	N/A	No	4	5.3%	
					2BR / 2BA	74	24.3%	1,200	Market	\$1,097	N/A	No	4	5.4%	
						304	100.0%						13	4.3%	
7	Crowne At Live Oak Square 3112 Maybank Highway Charleston, SC 29455 Charleston County	10.8 miles	Midrise	Market	1BR / 1BA	28	9.9%	728	Market	\$1,150	N/A	No	10	35.7%	
			(4 stories)		1BR / 1BA	17	6.0%	795	Market	\$1,240	N/A	No	6	35.3%	
			2016 / n/a		1BR / 1BA	15	5.3%	841	Market	\$1,240	N/A	No	6	40.0%	
			Family		1BR / 1BA	23	8.2%	858	Market	\$1,240	N/A	No	9	39.1%	
					1BR / 1BA	28	9.9%	890	Market	\$1,239	N/A	No	10	35.7%	
					2BR / 2BA	24	8.5%	1,251	Market	\$1,531	N/A	No	9	37.5%	
					2BR / 2BA	6	2.1%	1,252	Market	\$1,400	N/A	No	2	33.3%	
					2BR / 2BA	53	18.8%	1,287	Market	\$1,400	N/A	No	20	37.7%	
					2BR / 2BA	60	21.3%	1,322	Market	\$1,497	N/A	No	22	36.7%	
					3BR / 2BA	28	9.9%	1,513	Market	\$1,900	N/A	No	10	35.7%	
						282	100.0%						104	36.9%	
8	Springs At Essex Farms 3245 Glenn Mcconnel Pkwy Charleston, SC 29414 Charleston County	11.8 miles	Garden	Market	0BR / 1BA	23	8.1%	525	Market	\$957	N/A	No	N/A	N/A	
			(2 stories)		0BR / 1BA	23	8.1%	623	Market	\$987	N/A	No	N/A	N/A	
			2015 / n/a		1BR / 1BA	46	16.2%	760	Market	\$1,018	N/A	No	N/A	N/A	
			Family		1BR / 1BA	24	8.5%	816	Market	\$1,050	N/A	No	N/A	N/A	
					1BR / 1BA	46	16.2%	857	Market	\$1,177	N/A	No	N/A	N/A	
					1BR / 1BA	24	8.5%	909	Market	\$1,222	N/A	No	N/A	N/A	
					2BR / 2BA	7	2.5%	1,062	Market	\$1,261	N/A	No	N/A	N/A	
					2BR / 2BA	25	8.8%	1,088	Market	\$1,253	N/A	No	N/A	N/A	
					2BR / 2BA	7	2.5%	1,152	Market	\$1,261	N/A	No	N/A	N/A	
					2BR / 2BA	25	8.8%	1,185	Market	\$1,301	N/A	No	N/A	N/A	
		3BR / 2BA			1,334	Market	\$1,544	N/A	No	N/A	N/A				
		3BR / 2BA			1,430	Market	\$1,630	N/A	No	N/A	N/A				
						284	88.0%						21	7.4%	
9	The Heyward 3220 Hatchet Bay Dr Charleston, SC 29414 Charleston County	9.5 miles	Midrise	Market	0BR / 1BA	N/A	N/A	699	Market	\$1,090	N/A	No	N/A	N/A	
			(4 stories)		0BR / 1BA	N/A	N/A	765	Market	\$1,124	N/A	No	N/A	N/A	
			2017 / n/a		1BR / 1BA	N/A	N/A	767	Market	\$1,250	N/A	No	N/A	N/A	
			Family		1BR / 1BA	N/A	N/A	769	Market	\$1,185	N/A	No	N/A	N/A	
					1BR / 1BA	N/A	N/A	865	Market	\$1,260	N/A	No	N/A	N/A	
					2BR / 1BA	N/A	N/A	889	Market	\$1,385	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	1,103	Market	\$1,375	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	1,128	Market	\$1,355	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	1,336	Market	\$1,565	N/A	No	N/A	N/A	
					3BR / 2BA	N/A	N/A	1,318	Market	\$1,395	N/A	No	N/A	N/A	
		3BR / 2BA	N/A	N/A	1,407	Market	\$1,675	N/A	No	N/A	N/A				
						260	N/A						245	94.2%	

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions		
	Units Surveyed:	1,459
	Market Rate	1,130
	Tax Credit	329
Two-Bedroom Two Bath		
RENT	Property	Average
	The Heyward (Market)	\$1,565
	Crowne At Live Oak Square (Market)	\$1,531
	Crowne At Live Oak Square (Market)	\$1,497
	Crowne At Live Oak Square (Market)	\$1,400
	Crowne At Live Oak Square (Market)	\$1,400
	The Heyward (Market) (1BA)	\$1,385
	The Heyward (Market)	\$1,375
	The Heyward (Market)	\$1,355
	Springs At Essex Farms (Market)	\$1,301
	Springs At Essex Farms (Market)	\$1,261
	Springs At Essex Farms (Market)	\$1,261
	Springs At Essex Farms (Market)	\$1,253
	Colonial Village At Hampton Pointe (Market)	\$1,097
	Colonial Village At Hampton Pointe (Market)	\$1,032
	Grand Oak Apartments (@60%)	\$764
	Grandview Apartments (@60%) (1BA)	\$764
	Marsh View Place Apartments (@60%)	\$742
	Grand Oak Apartments (@50%)	\$609
	Grandview Apartments (@50%) (1BA)	\$609
	Shady Grove (@50%)	\$609
	The Shires Apartments (@50%)	\$595
	Marsh View Place Apartments (@50%)	\$586
	Havenwood Hollywood (@60%)	\$530
	Havenwood Hollywood (@50%)	\$450
	Grand Oak Apartments (Mgr's Unit)	-\$64
SQUARE FOOTAGE		
	The Heyward (Market)	1,336
	Crowne At Live Oak Square (Market)	1,322
	Crowne At Live Oak Square (Market)	1,287
	Crowne At Live Oak Square (Market)	1,252
	Crowne At Live Oak Square (Market)	1,251
	Colonial Village At Hampton Pointe (Market)	1,200
	Springs At Essex Farms (Market)	1,185
	Colonial Village At Hampton Pointe (Market)	1,175
	Springs At Essex Farms (Market)	1,152
	The Heyward (Market)	1,128
	The Heyward (Market)	1,103
	Marsh View Place Apartments (@50%)	1,100
	Marsh View Place Apartments (@60%)	1,100
	Springs At Essex Farms (Market)	1,088
	Springs At Essex Farms (Market)	1,062
	Grand Oak Apartments (@50%)	1,043
	Grand Oak Apartments (@60%)	1,043
	Grand Oak Apartments (Mgr's Unit)	1,043
	Shady Grove (@50%)	973
	Havenwood Hollywood (@50%)	950
	Havenwood Hollywood (@60%)	950
	The Shires Apartments (@50%)	932
	Grandview Apartments (@50%) (1BA)	922
	Grandview Apartments (@60%) (1BA)	922
	The Heyward (Market) (1BA)	889
RENT PER SQUARE FOOT		
	The Heyward (Market) (1BA)	\$1.56
	The Heyward (Market)	\$1.25
	Crowne At Live Oak Square (Market)	\$1.22
	The Heyward (Market)	\$1.20
	Springs At Essex Farms (Market)	\$1.19
	The Heyward (Market)	\$1.17
	Springs At Essex Farms (Market)	\$1.15
	Crowne At Live Oak Square (Market)	\$1.13
	Crowne At Live Oak Square (Market)	\$1.12
	Springs At Essex Farms (Market)	\$1.10
	Springs At Essex Farms (Market)	\$1.09
	Crowne At Live Oak Square (Market)	\$1.09
	Colonial Village At Hampton Pointe (Market)	\$0.91
	Grandview Apartments (@60%) (1BA)	\$0.90
	Colonial Village At Hampton Pointe (Market)	\$0.88
	Grand Oak Apartments (@60%)	\$0.79
	Grandview Apartments (@50%) (1BA)	\$0.73
	The Shires Apartments (@50%)	\$0.71
	Shady Grove (@50%)	\$0.69
	Marsh View Place Apartments (@60%)	\$0.67
	Grand Oak Apartments (@50%)	\$0.65
	Havenwood Hollywood (@60%)	\$0.56
	Marsh View Place Apartments (@50%)	\$0.53
	Havenwood Hollywood (@50%)	\$0.47
	Grand Oak Apartments (Mgr's Unit)	\$0.00

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

Subject	Grand Oak Apartments	Grandview Apartments	Marsh View Place	Shady Grove	The Shires Apartments	Colonial Village At	Crowne At Live Oak	Springs At Essex Farms	The Heyward	
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	
Tenancy	Senior	Senior	Senior	Family	Senior	Family	Family	Family	Family	
Building										
Property Type	One-story	Garden	Midrise	Garden	Garden	Garden	Garden	Midrise	Garden	Midrise
# of Stories	1-stories	2-stories	4-stories	3-stories	1-stories	3-stories	1-stories	4-stories	2-stories	4-stories
Year Built	Proposed	2000	2010	2015	2005	2005-2006	1986	2016	2015	2017
Year Renovated	n/a	n/a	n/a	n/a	n/a	n/a	2015	n/a	n/a	n/a
Elevators	no	no	yes	no	yes	no	no	yes	no	yes
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	yes	no	no	no	no
Sewer	no	yes	yes	no	yes	yes	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	no	no	no	no
Accessibility										
Hand Rails	no	no	yes	no	yes	no	no	no	no	no
Pull Cords	no	no	no	no	yes	no	no	no	no	no
Unit Amenities										
Balcony/Patio	no	yes	no	no	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	no	yes	yes
Hardwood	no	no	no	no	no	no	no	yes	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Exterior Storage	no	no	no	no	yes	yes	no	no	no	no
Fireplace	no	no	no	no	no	no	yes	yes	no	yes
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	yes	yes	yes	yes	no	yes	no
Washer/Dryer	no	no	no	yes	no	no	no	yes	yes	yes
W/D Hookup	yes	no	yes	yes	yes	yes	yes	yes	no	no
Kitchen										
Dishwasher	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	no	yes	yes	yes	no	yes
Microwave	yes	no	no	yes	yes	yes	no	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	no	yes	no	yes	yes	yes	no	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	no	yes	yes	yes	no	no	no
On-Site Mgmt	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Recreation										
Basketball Court	no	no	no	no	no	no	yes	no	no	no
Exercise Facility	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Playground	no	no	no	yes	no	yes	no	no	yes	no
Swimming Pool	no	no	no	no	no	no	yes	yes	yes	yes
Picnic Area	no	no	no	yes	no	no	no	yes	yes	yes
Tennis Court	no	no	no	no	no	no	yes	no	no	no
Theatre	no	no	no	no	no	no	no	no	no	yes
Volleyball Court	no	no	no	no	no	no	yes	no	no	no
WiFi	no	no	no	no	no	no	no	yes	no	no
Adult Education	no	no	no	no	no	yes	no	no	no	no
Security										
Intercom (Buzzer)	no	no	no	no	no	no	no	yes	no	no
Limited Access	no	no	yes	no	no	no	no	yes	yes	no
Patrol	no	no	no	no	no	no	yes	no	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no	yes	no
Parking										
Garage	no	no	yes	no	no	no	no	no	no	yes
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$175
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Grand Oak Apartments

Effective Rent Date	1/22/2018
Location	1830 Magwood Drive Charleston, SC 29414 Charleston County Intersection: Ashley River Road
Distance	13.1 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (age-restricted) (2 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Shady Grove
Tenant Characteristics	Seniors 55+, average age between 65 and 75 years old
Contact Name	Jimmy
Phone	(843) 571-5225



Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	24
HCV Tenants	N/A
Leasing Pace	Within 1 week
Annual Chg. in Rent	2% increase
Concession	None
Waiting List	Approximately 10 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	22	621	\$562	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	24	621	\$691	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	8	1,043	\$673	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	5	1,043	\$828	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	1	1,043	\$0	\$0	Mgr's Unit	n/a	0	0.0%	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$562	\$0	\$562	-\$46	\$516	1BR / 1BA	\$691	\$0	\$691	-\$46	\$645
2BR / 2BA	\$673	\$0	\$673	-\$56	\$617	2BR / 2BA	\$828	\$0	\$828	-\$56	\$772
Mgr's Unit	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	N/A	\$0	N/A	-\$56	-\$56						

Grand Oak Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The contact reported that the property is currently maintaining a waiting list of approximately 10 households. He also reported that demand for affordable senior housing is high in the area. The average age of tenants at this property is between 65 and 75. The contact estimated the number of parking spaces at one per unit.

PROPERTY PROFILE REPORT

Grandview Apartments

Effective Rent Date 1/22/2018

Location 1850 Magwood Road
Charleston, SC 29414
Charleston County
Intersection: Ashley Crossing Lane

Distance 13.1 miles

Units 72

Vacant Units 0

Vacancy Rate 0.0%

Type Midrise (age-restricted) (4 stories)

Year Built/Renovated 2010 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Grand Oak Apartments

Tenant Characteristics Seniors 55+

Contact Name Property Manager

Phone 843.718.2084



Market Information

Program @50%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed Unknown

HCV Tenants 14%

Leasing Pace 1 week

Annual Chg. in Rent None.

Concession None.

Waiting List 10 households

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	13	716	\$562	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	35	716	\$691	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	6	922	\$673	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	18	922	\$828	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$562	\$0	\$562	-\$46	\$516	1BR / 1BA	\$691	\$0	\$691	-\$46	\$645
2BR / 1BA	\$673	\$0	\$673	-\$56	\$617	2BR / 1BA	\$828	\$0	\$828	-\$56	\$772

Grandview Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Hand Rails		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Garage		
Central Laundry	Off-Street Parking		

Comments

The contact reported that the property is currently maintaining a waiting list of approximately 10 households, and that demand for affordable senior housing is high in the area. She estimated that most tenants are between 65 and 75 years old, but few are former homeowners. She estimated the number of parking spaces at one per unit plus five guest spaces.

PROPERTY PROFILE REPORT

Marsh View Place Apartments

Effective Rent Date 1/08/2018
Location 516 McLernon Trace
 Charleston, SC 29455
 Charleston County
 Intersection: Main Rd
Distance 8.6 miles
Units 53
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (3 stories)
Year Built/Renovated 2015 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics None identified
Contact Name Carla
Phone 843-972-0123



Market Information

Program @50%, @60%
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace Pre-leased
Annual Chg. in Rent N/A
Concession None
Waiting List None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	850	\$503	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	12	1,100	\$586	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	24	1,100	\$742	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	15	1,250	\$831	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$503	\$0	\$503	\$0	\$503	2BR / 2BA	\$742	\$0	\$742	\$0	\$742
2BR / 2BA	\$586	\$0	\$586	\$0	\$586	3BR / 2BA	\$831	\$0	\$831	\$0	\$831

Marsh View Place Apartments, continued

Amenities

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

Comments

The contact could not comment on the length of the waiting list but stated it is currently closed and extensive in length.

Photos



PROPERTY PROFILE REPORT

Shady Grove

Effective Rent Date 1/22/2018

Location 1725 Savage Road
Charleston, SC 29407
Charleston County
Intersection: Ashley River Road

Distance 13.7 miles

Units 72

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (age-restricted)

Year Built/Renovated 2005 / N/A

Marketing Began 8/01/2005

Leasing Began 8/01/2005

Last Unit Leased 12/31/2005

Major Competitors Grand Oak, Grandview

Tenant Characteristics Seniors 62 and older from Charleston, average age between 70 and 80 years old

Contact Name Rebecca

Phone 843-852-9965; 843-534-0673



Market Information

Program @50%

Annual Turnover Rate 1%

Units/Month Absorbed 15

HCV Tenants N/A

Leasing Pace 1 week

Annual Chg. in Rent 2% increase

Concession None

Waiting List More than 10 households

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	55	702	\$562	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden	17	973	\$673	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$562	\$0	\$562	-\$46	\$516
2BR / 2BA	\$673	\$0	\$673	-\$56	\$617

Shady Grove, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Hand Rails	Microwave		
Oven	Pull Cords		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The contact reported that the property maintains a waiting list of more than 10 households, but could not provide a more specific estimate. Average age of tenants is between 70 and 78 years old. The contact also reported that demand for affordable senior housing in the area is high, particularly for two-bedroom units. She estimated the number of parking spaces as well.

PROPERTY PROFILE REPORT

The Shires Apartments

Effective Rent Date	1/22/2018
Location	1020 Little John Drive Charleston, SC 29407 Charleston County
Distance	14.0 miles
Units	72
Vacant Units	4
Vacancy Rate	5.6%
Type	Garden (3 stories)
Year Built/Renovated	2005-2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashley Arms
Tenant Characteristics	Majority families from Charleston
Contact Name	Paul Johnson
Phone	843-852-5298



Market Information

Program	@50%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Pre-leased
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
1	1	Garden (3 stories)	12	710	\$549	\$0	@50%	Yes	2	16.7%	no	None
2	2	Garden (3 stories)	36	932	\$659	\$0	@50%	Yes	1	2.8%	no	None
3	2	Garden (3 stories)	24	1,142	\$750	\$0	@50%	Yes	1	4.2%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$549	\$0	\$549	-\$46	\$503
2BR / 2BA	\$659	\$0	\$659	-\$56	\$603
3BR / 2BA	\$750	\$0	\$750	-\$90	\$660

The Shires Apartments, continued

Amenities

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

Comments

The contact reported strong demand for affordable housing in the area. According to the contact, the property currently maintains a waiting list 17 households in length and all four of the vacant units have already been pre-leased. Rents have increased five percent across each unit type since we last surveyed this property in December 2016.

Photos



PROPERTY PROFILE REPORT

Colonial Village At Hampton Pointe

Effective Rent Date	1/22/2018
Location	1916 Sam Rittenberg Blvd Charleston, SC 29407 Charleston County
Distance	13.3 miles
Units	304
Vacant Units	13
Vacancy Rate	4.3%
Type	Garden
Year Built/Renovated	1986 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Windjammer, Woodbridge
Tenant Characteristics	Majority young professionals and young families, approximately 30 percent of the tenants are from out of the area.
Contact Name	Liz
Phone	(843) 556-2326



Market Information

Program	Market
Annual Turnover Rate	47%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Rents change daily; annual increase
Concession	N/A
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden	76	750	\$887	\$0	Market	No	2	2.6%	N/A	None
1	1	Garden	2	750	\$897	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden	76	900	\$1,012	\$0	Market	No	3	3.9%	N/A	None
2	2	Garden	76	1,175	\$1,032	\$0	Market	No	4	5.3%	N/A	None
2	2	Garden	74	1,200	\$1,097	\$0	Market	No	4	5.4%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$887	\$0	\$887	\$0	\$887
1BR / 1BA	\$897 - \$1,012	\$0	\$897 - \$1,012	\$0	\$897 - \$1,012
2BR / 2BA	\$1,032 - \$1,097	\$0	\$1,032 - \$1,097	\$0	\$1,032 - \$1,097

Colonial Village At Hampton Pointe, continued

Amenities

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

Comments

The property does not accept Housing Choice Vouchers. The property began renovations in 2015 when the property changed ownership. All units, except the studio units, are being renovated as the units turn. Renovations include new flooring, lighting, plumbing, cabinets, countertops, and appliances. To date, approximately 60 percent of the units have been renovated. Water, sewer, trash, and pest control are paid in a single bill to the landlord; the bill varies based on number of people in the unit and square footage of the unit. Rents change daily but overall the contact indicated that rents have increased over the past year. The contact also indicated that rents are seasonal in the area with summer months leasing at higher rents than winter months.

Photos



PROPERTY PROFILE REPORT

Crowne At Live Oak Square

Effective Rent Date	1/22/2018
Location	3112 Maybank Highway Charleston, SC 29455 Charleston County
Distance	13.3 miles
Units	282
Vacant Units	104
Vacancy Rate	36.9%
Type	Midrise (4 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	8/01/2016
Leasing Began	11/11/2016
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Adrienne
Phone	854-999-4070



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	12
HCV Tenants	0%
Leasing Pace	N/A
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)	28	728	\$1,150	\$0	Market	No	10	35.7%	N/A	None
1	1	Midrise (4 stories)	17	795	\$1,240	\$0	Market	No	6	35.3%	N/A	None
1	1	Midrise (4 stories)	15	841	\$1,240	\$0	Market	No	6	40.0%	N/A	None
1	1	Midrise (4 stories)	23	858	\$1,240	\$0	Market	No	9	39.1%	N/A	None
1	1	Midrise (4 stories)	28	890	\$1,239	\$0	Market	No	10	35.7%	N/A	None
2	2	Midrise (4 stories)	24	1,251	\$1,531	\$0	Market	No	9	37.5%	N/A	None
2	2	Midrise (4 stories)	6	1,252	\$1,400	\$0	Market	No	2	33.3%	N/A	None
2	2	Midrise (4 stories)	53	1,287	\$1,400	\$0	Market	No	20	37.7%	N/A	None
2	2	Midrise (4 stories)	60	1,322	\$1,497	\$0	Market	No	22	36.7%	N/A	None
3	2	Midrise (4 stories)	28	1,513	\$1,900	\$0	Market	No	10	35.7%	N/A	None

Photos



PROPERTY PROFILE REPORT

Springs At Essex Farms

Effective Rent Date	1/08/2018
Location	3245 Glenn Mcconnel Pkwy Charleston, SC 29414 Charleston County
Distance	11.8 miles
Units	284
Vacant Units	21
Vacancy Rate	7.4%
Type	Garden (2 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	N/A
Contact Name	Travis
Phone	843-779-1669



Market Information

Program	Market
Annual Turnover Rate	46%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	30 days
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	None

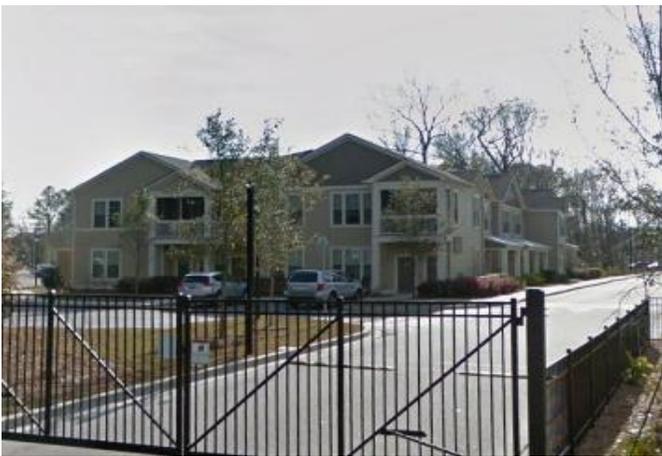
Utilities

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
0	1	Garden (2 stories)	23	525	\$957	\$0	Market	No	N/A	N/A	N/A	None
0	1	Garden (2 stories)	23	623	\$987	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	46	760	\$1,018	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	24	816	\$1,050	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	46	857	\$1,177	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	24	909	\$1,222	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	7	1,062	\$1,261	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	25	1,088	\$1,253	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	7	1,152	\$1,261	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (2 stories)	25	1,185	\$1,301	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	17	1,334	\$1,544	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	17	1,430	\$1,630	\$0	Market	No	N/A	N/A	N/A	None

Photos



PROPERTY PROFILE REPORT

The Heyward

Effective Rent Date	1/08/2018
Location	3220 Hatchet Bay Dr Charleston, SC 29414 Charleston County
Distance	9.5 miles
Units	260
Vacant Units	245
Vacancy Rate	94.2%
Type	Midrise (4 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	11/01/2017
Leasing Began	11/01/2017
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Varies; locals and out of area transfers
Contact Name	Talia
Phone	843-852-7808



Market Information

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

Utilities

A/C	not included
Cooking	not included
Water Heat	not included
Heat	not included
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
0	1	Midrise (4 stories)	N/A	699	\$1,090	\$0	Market	No	N/A	N/A	N/A	None
0	1	Midrise (4 stories)	N/A	765	\$1,124	\$0	Market	No	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	767	\$1,250	\$0	Market	No	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	769	\$1,185	\$0	Market	No	N/A	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	865	\$1,260	\$0	Market	No	N/A	N/A	N/A	None
2	1	Midrise (4 stories)	N/A	889	\$1,385	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,103	\$1,375	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,128	\$1,355	\$0	Market	No	N/A	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,336	\$1,565	\$0	Market	No	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	1,318	\$1,395	\$0	Market	No	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	1,407	\$1,675	\$0	Market	No	N/A	N/A	N/A	None

The Heyward, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,090 - \$1,124	\$0	\$1,090 - \$1,124	\$0	\$1,090 - \$1,124
1BR / 1BA	\$1,185 - \$1,260	\$0	\$1,185 - \$1,260	\$0	\$1,185 - \$1,260
2BR / 1BA	\$1,385	\$0	\$1,385	\$0	\$1,385
2BR / 2BA	\$1,355 - \$1,565	\$0	\$1,355 - \$1,565	\$0	\$1,355 - \$1,565
3BR / 2BA	\$1,395 - \$1,675	\$0	\$1,395 - \$1,675	\$0	\$1,395 - \$1,675

Amenities

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

Comments

This property is currently in its initial leasing phase. The property contact was unable to provide a breakdown of the number of units by unit type. According to the contact, the property began leasing in November 2017 and is currently six percent occupied, which equates to 7.5 units absorbed per month. Premium amenities include a dog park and grooming station, coffee bar, and walking trails. This property does not accept Housing Choice Vouchers.

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grand Oak Apartments	LIHTC	Senior	60	0	0.0%
Grandview Apartments	LIHTC	Senior	72	0	0.0%
Marsh View Place Apartments	LIHTC	Family	53	0	0.0%
Shady Grove	LIHTC	Senior	72	0	0.0%
The Shires Apartments	LIHTC	Family	72	4	5.6%
Colonial Village At Hampton Pointe	Market	Family	304	13	4.3%
Crowne at Live Oak Square*	Market	Family	282	104	36.9%
The Springs at Essex Farms	Market	Family	284	21	7.4%
The Heyward	Market	Family	<u>260</u>	<u>245</u>	<u>94.2%</u>
Overall Total			1,459	387	26.5%
Overall Total within the PMA			1,175	366	31.1%

*This property is located outside the PMA.

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Grand Oak Apartments	LIHTC	Senior	60	0	0.0%
Grandview Apartments	LIHTC	Senior	72	0	0.0%
Marsh View Place Apartments	LIHTC	Family	53	0	0.0%
Shady Grove	LIHTC	Senior	72	0	0.0%
The Shires Apartments	LIHTC	Family	<u>72</u>	<u>4</u>	<u>5.6%</u>
Total LIHTC			329	4	1.2%
Total LIHTC within the PMA			329	4	1.2%

*This property is located outside the PMA.

MARKET VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Colonial Village At Hampton Pointe	Market	Family	304	13	4.3%
Crowne at Live Oak Square*	Market	Family	282	104	36.9%
The Springs at Essex Farms	Market	Family	284	21	7.4%
The Heyward	Market	Family	<u>260</u>	<u>245</u>	<u>94.2%</u>
Total Market Rate			1,130	383	33.9%
Total Market Rate within the PMA			846	362	42.8%

*This property is located outside the PMA.

Overall vacancy in the PMA among the five LIHTC comparables is low at 1.2 percent. Four of the five LIHTC comparables report full occupancy. The remaining comparable, The Shires Apartments, reports that all four of its currently vacant units are pre-leased. Excluding the vacant units at this property, overall LIHTC vacancy is zero percent. Additionally, all five of the LIHTC comparables report maintaining waiting lists.

Vacancy rates among the market-rate comparables appear much higher at 33.9 percent overall and 42.8 percent within the PMA. However, the number of new construction market-rate comparables skews these rates as they are still in their lease-up periods. Crowne at Live Oak Square was constructed in 2016 and is

currently experiencing an absorption pace of 12 units per month; The Heyward was constructed in 2017 and is experiencing an absorption pace of 22 units per month. The contact at Springs at Essex Farms reports that typical occupancy is more than 94 percent, and that four of its currently vacant units are pre-leased. Excluding the four pre-leased units, vacancy at this property is six percent. Thus, vacancy among the market-rate comparables belies their healthy performance. Excluding pre-leased units at the stabilized comparables and the units still in absorption at the comparables still in lease-up, total market rate vacancy within the PMA is 3.4 percent. The market rate properties are currently working through a large number of recent additions to the local market, including the 282 new units at Crowne at Live Oak Square and the 260 new units at The Heyward.

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, given the strong performance of the LIHTC comparables and the presence of waiting lists at all LIHTC properties, 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 329 total LIHTC units in the PMA that we included in this comparable analysis. There are four vacancies among these units and all properties maintain waiting lists. This indicates very strong demand for affordable rental housing in the PMA.

REASONABILITY OF RENTS

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

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the utility allowance for the Housing Authority of the City of Charleston, 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 MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @50%

Property Name	Tenancy	2BR
Havenwood Bevington Senior	Senior	\$450
LIHTC Maximum Rent (Net)		\$613
Grand Oak Apartments (@50%)	Senior	\$618
Grandview Apartments (@50%)	Senior	\$618
Marsh View Place Apartments (@50%)	Family	\$586
Shady Grove (@50%)	Senior	\$618
The Shires Apartments (@50%)	Family	\$604
Average (excluding Subject)		\$609
Achievable LIHTC Rent		\$450

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, as well as the maximum rents for 2017. The three senior comparables, Grand Oak Apartments, Grandview Apartments, and Shady Grove Apartments, report rents slightly above the 2017 maximum allowable levels. This is likely due to differing utility allowances at these properties. The Subject is considered most similar to Grandview Apartments. This property offers one and two-bedroom units at the maximum allowable levels for 50 percent AMI. Grandview Apartments is similar to the Subject with respect to in-unit amenities, but slightly inferior with respect to property amenities as it does not offer a business center or on-site management, which the Subject will offer. Grandview Apartments is also considered slightly inferior to the proposed Subject with respect to age and condition, as it was constructed in 2010 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Grandview Apartments also offers slightly inferior unit sizes compared to those of the proposed Subject. However, this property is considered superior to the Subject with respect to location, as it is located in an area with higher median household income, median rent, and median home value. Overall, Grandview Apartments is considered slightly inferior to the Subject. This property reports full occupancy and maintains a waiting list of 10 households. Given the anticipated superiority of the Subject to this comparable upon completion, we believe the Subject’s rents are achievable as proposed 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 MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @60%

Property Name	Tenancy	2BR
Havenwood Bevington Senior	Senior	\$530
LIHTC Maximum Rent (Net)		\$768
Grand Oak Apartments (@60%)	Senior	\$773
Grandview Apartments (@60%)	Senior	\$773
Marsh View Place Apartments (@60%)	Family	\$742
Average (excluding Subject)		\$763
Achievable LIHTC Rent		\$530

The Subject’s proposed 60 percent AMI rents are set below the maximum allowable 2017 rents at this AMI level. The average 60 percent AMI rents at the comparables are above the proposed rents, as well as the maximum rents for 2017. The two senior comparables, Grand Oak Apartments and Grandview Apartments, report rents slightly above the 2017 maximum allowable levels. This is likely due to differing utility allowances at these properties. The Subject is considered most similar to Grandview Apartments. This property offers one and two-bedroom units at the maximum allowable levels for 60 percent AMI. Grandview Apartments is similar to the Subject with respect to in-unit amenities, but slightly inferior with respect to property amenities as it does not offer a business center or on-site management, which the Subject will offer. Grandview Apartments is also considered slightly inferior to the proposed Subject with respect to age and condition, as it was constructed in 2010 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Grandview Apartments also offers slightly inferior unit sizes compared to those of the proposed Subject. However, this property is considered superior to the Subject with respect to location, as it is located in an area with higher median household income, median rent, and median home value. Overall, Grandview Apartments is considered slightly inferior to the Subject. This property reports full occupancy and maintains a waiting list of 10

households. Given the anticipated superiority of the Subject to this comparable upon completion, we believe the Subject’s rents are achievable as proposed 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 Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
2BR / 2BA	@50%	\$450	\$1,032	\$1,565	\$1,337	\$1,100	59%
2BR / 2BA	@60%	\$530	\$1,032	\$1,565	\$1,337	\$1,100	52%

All of the market rate properties were built between 2005 and 2017, and are located in Charleston, which is approximately 13 miles east of Hollywood. These comparables are the closest market rate comparables in the general area. These comparables are slightly inferior to superior with respect to median household incomes, median monthly rent, and median home values. However, all of the market rate comparables are proximate to Charleston, the major employment center in the area. Overall, the market rate properties are considered similar to the Subject with respect to location. However, the market rate comparables are considered similar to superior to the Subject with respect to amenities, and inferior to slightly inferior with respect to age and condition. The Subject is considered most similar to Colonial Village at Hampton Pointe and The Heyward.

Colonial Village at Hampton Pointe was originally constructed in 1986 and extensively renovated in 2015. This property exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Colonial Village at Hampton Pointe offers a similar location to that of the Subject. This property offers slightly superior in-unit amenities, as it offers balcony/patios, coat closets, fireplaces, and walk-in closets, which the Subject will not offer. Colonial Village at Hampton Pointe also offers superior property amenities, as it offers a basketball court, swimming pool, tennis courts, and volleyball court, which the Subject will not offer. This property offers similar unit sizes when compared to the unit sizes at the proposed Subject. Overall, Colonial Village at Hampton Pointe is considered slightly inferior to the Subject. Thus, we believe the Subject can achieve rents slightly above those being achieved at Colonial Village at Hampton Pointe. This property reports achieving rents of \$1,012 in its most similarly sized two-bedroom units.

The Heyward was constructed in 2017 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. The Heyward offers a similar location to the Subject’s location. This property offers slightly superior property and in-unit amenities, as it offers balcony/patios, fireplaces, washer/dryer units, a swimming pool, picnic area, and a theatre, which the Subject will not offer. The Heyward offers slightly superior unit sizes in comparison to those at the proposed Subject. Overall, The Heyward is considered superior to the Subject. Thus, we believe the Subject can achieve rents below those being achieved at The Heyward. This property reports achieving rents of \$1,375 in its most similarly sized two-bedroom units.

Given the Subject’s anticipated similarity to Colonial Village at Hampton Pointe and slight inferiority to Crowne at Live Oak Square, we have concluded to achievable market rents of **\$1,100**. The Subject’s proposed LIHTC rents will have advantages of 52 to 59 percent over what we have determined to be the achievable market rent.

Impact of Subject on Other Affordable Units in Market

The comparable LIHTC units have a 1.2 percent vacancy rate and all the LIHTC comparables maintain waiting lists. With few senior LIHTC units in the PMA and a growing moderate-income senior household base in this market, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There are many LIHTC units without subsidies in the PMA, several of which target senior tenancy. However, the senior LIHTC comparables report full occupancy and all maintain waiting lists. Therefore, the availability of LIHTC housing targeting moderate-income senior households is considered inadequate given the demographic stability of the PMA. The Subject would bring better balance to the supply of affordable senior rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 1.2 percent, which is considered low. Four of the LIHTC comparables, including the three senior LIHTC properties, report full occupancy. Furthermore, all of the LIHTC comparables maintain waiting lists. The senior (55+) population is expected to increase in the PMA through projected market entry and 2022, and the number of senior (55+) renter-occupied households is expected to increase moderately over the same period. These factors indicate demand for affordable senior housing. The Subject will offer inferior to slightly superior in-unit and property amenities in comparison to the LIHTC and market-rate comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the majority of the available LIHTC housing stock is older construction. There is a void of affordable senior new construction housing in the market, which the Subject will help fill. The Subject will be superior to the comparables in the area and thus provide good quality affordable housing. Given the Subject's anticipated superior condition relative to the competition, the Subject's low capture rates for all unit types at all levels of AMI, and the demand for affordable housing evidenced by waiting lists and low vacancy at the LIHTC comparable properties, we believe that the Subject is feasible as proposed. These factors also indicate that the Subject will not have negative impact on existing affordable units in the market. We believe that the Subject will fill a void in the market and will perform well.

H. INTERVIEWS

INTERVIEWS

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

Planning

We spoke with Mr. Edward Holton, Town Planner/Zoning Administrator with the Town of Hollywood (843-889-3222), about multifamily developments currently planned, proposed, or under construction in the area. Mr. Holton reported that the Subject property will be the only multifamily residential development in the town of Hollywood. We also conducted internet research via CoStar and various other sources to identify multifamily residential developments in the PMA beyond the town of Hollywood. This research identified the following multifamily developments that are under construction or proposed in the PMA.

PLANNED DEVELOPMENT IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Status	Distance to Subject
17 South - Phase II	Market	Family	172	0	Under Construction	10.0 miles
Atlantic at Grand Oaks	Market	Family	316	0	Under Construction	11.2 miles
Bluewater at Bolton's Landing Phase II	Market	Family	124	0	Under Construction	9.3 miles
Overture West Ashley	Market	Family	198	0	Under Construction	14.9 miles
Palisades	Market	Family	216	0	Proposed	8.7 miles
The Crossings at West Ashley	Market	Senior	184	0	Under Construction	12.0 miles
The Heyward - Phase II	Market	Family	188	0	Under Construction	9.6 miles
Villas at Oakbrook	LIHTC	Senior	42	36	Planned	15.5 miles
Totals			1,440	36		

Source: CoStar, February 2018

As illustrated in the table above, there are seven multifamily properties proposed or under construction within the Subject’s PMA. The majority of these properties are market-rate properties targeting families and a more affluent tenancy than the Subject will target. Only one property, Villas at Oakbrook, is considered directly competitive with the Subject. The 36 competitive units at this property have been deducted in our demand analyses. We do not believe the addition of these units to the market will negatively impact the Subject’s performance.

Section 8/Public Housing

The Housing Authority of the City of Charleston administers Housing Choice Vouchers in use in the Hollywood area. We interviewed Ms. Indya Phillips with the Housing Authority of the City of Charleston (843-723-4491) for information regarding the local voucher program. Ms. Phillips indicated that the authority is authorized to distribute 1,481 tenant-based Housing Choice Vouchers. All of these vouchers are currently in use. According to Ms. Phillips, the waiting list is currently closed. The following table illustrates the current payment standards for the program as of December 2016, the most recent data available.

PAYMENT STANDARDS

Unit Type	Standard
Two-Bedroom	\$973

Housing Authority of the City of Charleston, effective December 2016

The Subject’s proposed rents are below the current payment standards. Tenants using Housing Choice Vouchers would not need to pay out of pocket.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports. In addition, the following is an interview with an area property manager regarding demand for new affordable housing.

Our contact at Grand Oak Apartments reported that demand for senior affordable housing in the area is high, as demonstrated by the full occupancy and waiting list maintained at this property. Our contact reported that tenants at his property are typically between 65 and 75 years old. Our contact at Grandview Apartments reported the same, adding that few of the tenants at affordable senior properties in the area are former homeowners. The contact at Shady Grove also reported high demand for affordable senior housing in the area, and stated that demand is particularly high for two-bedroom units.

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 18.7 percent, which is within acceptable demand thresholds. Individual capture rates by AMI level range from 5.1 to 17.1 percent, which are all considered achievable in the PMA, where moderate-income senior (55+) renter households are growing. In addition, the Subject is in a community (Hollywood) that has few affordable multifamily housing alternatives. The Subject site is located within 3.1 miles of most community services and facilities that seniors would utilize on a consistent basis.

There are only four vacancies among LIHTC comparables, yielding a vacancy rate of 1.2 percent. Market rate properties are not performing as well, suggesting higher demand for affordable multifamily housing than for conventional multifamily housing. The developer's proposed rents represent greater than a 59 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.

We do not believe the Subject's unit mix, which will include only two-bedroom units, will inhibit its performance. Vacancy rates are low in the two-bedroom units at the comparable properties, and several LIHTC properties in the state of South Carolina offer only two-bedroom units. For example, Country Club Apartments in Summerville, South Carolina offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy. Similarly, Kings Crossing, a senior LIHTC property in Charleston, offers only two-bedroom units at 50 and 60 percent AMI and reports full occupancy and a waiting list. Radcliff Manor, another senior LIHTC property in Charleston, also offers only two-bedroom units and reports maintaining a waiting list. Furthermore, the capture rates for two-bedroom unit determined in our demand calculations are low. This indicates unmet demand for two-bedroom units in the market. Overall, we believe that the Subject will be successful as proposed.

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

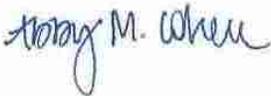
March 9, 2018

Date



Date: March 9, 2018

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



Date: March 9, 2018

Abby Cohen
Principal
Abby.Cohen@novoco.com



Date: March 9, 2018

Meg Southern
Analyst
Meg.Southern@novoco.com



Date: March 9, 2018

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

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Candidate for Designation in the Appraisal Institute
Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update, January 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

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 BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Havenwood Bevington Senior	Total # Units: 32
Location: SC Highway and Bevington Road, Hollywood, SC	# LIHTC Units: 32
PMA Boundary: North: Highway 17; East: Charleston County line and Ashley River; West: Highway 64; South: Wadmalaw River.	
Development Type: <input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 27 miles

RENTAL HOUSING STOCK (found on page 53)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,459	387	73.5%
Market-Rate Housing	4	1,130	383	66.1%
Assisted/Subsidized Housing not to include LIHTC	6	450	2	99.6%
LIHTC (All that are stabilized)*	5	329	4	98.8%
Stabilized Comps**	6	633	4	99.4%
Non-stabilized Comps	3	826	370	55.2%

* 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 Rent		
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	2	2	950	\$450	\$1,100	\$1.16	59.1%	\$1,330	\$1.40
25	2	2	950	\$530	\$1,100	\$1.16	51.8%	\$1,330	\$1.40
Gross Potential Rent Monthly*				\$16,400	\$35,200		53.4%		

*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 30)

	2010		2017		2020	
Renter Households	4,619	19.8%	6,707	21.8%	7,512	22.1%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,323	19.7%	1,422	18.9%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall Affordable
Renter Household Growth	65	85				99
Existing Households (Overburd + Substand)	349	439				538
Homeowner conversion (Seniors)	93	93				93
Other:						
Less Comparable/Competitive Supply	7	29				36
Net Income-qualified Renter HHs	500	588				693

CAPTURE RATES (found on page 53)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	5.1%	17.1%				18.7%

ABSORPTION RATE (found on page 54)

Absorption Period 2 - 3 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

HAVENWOOD BEVINGTON SENIOR – HOLLYWOOD, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
7	2 BR	\$450	\$3,150	\$1,100	\$7,700	59.1%
25	<u>2 BR</u>	\$530	<u>\$13,250</u>	\$1,100	<u>\$27,500</u>	<u>51.8%</u>
Totals	32		\$16,400		\$35,200	53.4%

Source: SCSHFDA, Novogradac & Company LLP, February 2018