

Tab 19

Market Study



**NOVOGRADAC
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**A MARKET FEASIBILITY STUDY OF:
HARTSVILLE
CROSSING
VILLAGE**

A MARKET FEASIBILITY STUDY OF:

HARTSVILLE CROSSING VILLAGE

Driver Avenue south of Hartsville Crossing Boulevard
Hartsville, Darlington County, South Carolina 29550

Effective Date: January 20, 2018

Report Date: March 9, 2018

Prepared for:

Mr. Josh Thomason

Principal

Piedmont Housing Group

295 W Crossville Road

Roswell, Georgia 30075

Assignment Code: PHP600.070

Prepared by:

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March 9, 2018

Mr. Josh Thomason
Principal
Piedmont Housing Group
295 W Crossville Road
Roswell, GA 30075

Re: Market Study for Hartsville Crossing Village, located in Hartsville, South Carolina

Dear Mr. Thomason:

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

The purpose of this market study is to assess the viability of Hartsville Crossing Village, a proposed 32-unit LIHTC project. The property will be a newly constructed affordable LIHTC project, with 32 units restricted to households earning 50 and 60 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

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

PIEDMONT HOUSING GROUP
HARTSVILLE CROSSING VILLAGE
MARCH 9, 2018
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY

Property Summary of Subject

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

Targeted Tenancy: Family.

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$372	\$145	\$517	\$517	\$584	
2BR / 2BA	950	4	\$426	\$195	\$621	\$621	\$674	
3BR / 2BA	1,100	2	\$464	\$253	\$717	\$717	\$902	
@60%								
1BR / 1BA	750	6	\$476	\$145	\$621	\$621	\$584	
2BR / 2BA	950	12	\$550	\$195	\$745	\$745	\$674	
3BR / 2BA	1,100	6	\$604	\$253	\$857	\$861	\$902	
		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	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	LIHTC	40	0	0.0%
Hartsville Garden Apartments	LIHTC	72	1	1.4%
Middletown Apartments	LIHTC	40	1	2.5%
Pecan Grove Apartments	LIHTC	32	0	0.0%
Charles Pointe*	Market	168	3	1.8%
Columns at Millstone*	Market	60	2	3.3%
Somersett Acres*	Market	192	9	4.7%
The Reserve at Mill Creek*	Market	268	4	1.5%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Overall Total		992	22	2.2%
Overall Total in PMA		184	2	1.1%

*These properties are located outside the PMA.

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	LIHTC	40	0	0.0%
Hartsville Garden Apartments	LIHTC	72	1	1.4%
Middletown Apartments	LIHTC	40	1	2.5%
Pecan Grove Apartments	LIHTC	<u>32</u>	<u>0</u>	<u>0.0%</u>
Total LIHTC		184	2	1.1%
Total LIHTC in PMA		184	2	1.1%

*These properties are located outside the PMA.

MARKET RATE VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Charles Pointe*	Market	168	3	1.8%
Columns at Millstone*	Market	60	2	3.3%
Somersett Acres*	Market	192	9	4.7%
The Reserve at Mill Creek*	Market	268	4	1.5%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total Market Rate		808	20	2.5%
Total Market Rate in PMA		0	0	0.0%

*These properties are located outside the PMA.

Overall vacancy among all nine comparables the vacancy rate is 2.2 percent, and overall vacancy within the PMA is 1.1 percent. The surveyed comparable LIHTC properties have a 1.1 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing.

Among the market rate properties, vacancy is also very low at 2.5 percent, indicating very strong support for conventional apartments. Of note, none of the market rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 4.7 percent.

Overall, the local rental market appears to be healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART					
Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @50%	175	0	175	2	1.1%
1BR @60%	185	0	185	6	3.2%
1BR Overall	263	0	263	8	3.0%
2BR @50%	150	0	150	4	2.7%
2BR @60%	159	0	159	12	7.6%
2BR Overall	225	0	225	16	7.1%
3BR @50%	86	0	86	2	2.3%
3BR @60%	91	0	91	6	6.6%
3BR Overall	130	0	130	8	6.2%
@50% Overall	412	0	412	8	1.9%
@60% Overall	435	0	435	24	5.5%
Overall Project	618	0	618	32	5.2%

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 7.6 percent with an overall capture rate of 5.2 percent for the affordable units. 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 Bennettsville, South Carolina just beyond the PMA. Absorption rates at these properties are detailed in the table below.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Palmetto Station Apartments	LIHTC	Family	2014	48	24
McGowan Apartments	LIHTC	Family	2012	36	12
Average					18

On average, these properties reported an absorption rate of 18 units per month. With the stable demographic base of moderate income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within 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 18 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

Market Conclusions

Overall vacancy in the local market is very low at 2.2 percent among all nine surveyed properties and among the four comparable properties surveyed in the PMA. The Hartsville area appears underserved by affordable housing.

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

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 5.2 percent for the affordable units, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 7.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Hartsville) that has few affordable multifamily housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that families would utilize on a consistent basis.

There are only two vacancies among LIHTC comparables, yielding a vacancy rate of 1.1 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 40 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in the PMA

The comparable LIHTC units have a 1.1 percent vacancy rate and all the LIHTC comparables maintain waiting lists. There are four LIHTC properties we surveyed in the PMA. With few LIHTC units in the PMA and a growing moderate income 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.

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

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

Development Name: Hartsville Crossing Village	Total # Units: 32
Location: Driver Avenue, south of Hartsville Crossing Boulevard	# LIHTC Units: 32
Development Type: <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: <u>23</u> miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	992	22	97.8%
Market-Rate Housing	5	808	20	97.5%
Assisted/Subsidized Housing not to include LIHTC	2	143	0	100.0%
LIHTC (All that are stabilized)*	4	184	2	98.9%
Stabilized Comps**	8	800	22	97.3%
Non-stabilized Comps	0	0	N/A	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	750	\$372	\$880	\$1.17	57.7%	\$895	\$1.51
4	2	2	950	\$426	\$900	\$0.95	52.7%	\$1,175	\$1.51
2	3	2	1100	\$464	\$1,000	\$0.91	53.6%	\$1,395	\$1.51
6	1	1	750	\$476	\$880	\$1.17	45.9%	\$895	\$1.26
12	2	2	950	\$550	\$900	\$0.95	38.9%	\$1,175	\$1.51
6	3	2	1100	\$604	\$1,000	\$0.91	39.6%	\$1,395	\$1.26
Gross Potential Rent Monthly*				\$16,456	\$29,440		44.1%		

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

DEMOGRAPHIC DATA (found on page 41)

	2000		2017		2020	
Renter Households	5,785	13.6%	7,428	14.6%	7,398	14.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,838	24.8%	1,812	24.8%
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 60)

Type of Demand	50%	60%	Market-rate	Other: __	Overall Affordable	Overall
Renter Household Growth	-21	-12			-26	
Existing Households (Overburd + Substand)	469	485			698	
Homeowner conversion (Seniors)	0	0			0	
Other:	0	0			0	
Less Comparable/Competitive Supply	0	0			0	
Net Income-qualified Renter HHs	448	473			672	

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market-rate	Other: __	Overall Affordable	Overall
Capture Rate	1.9%	5.5%			5.2%	

ABSORPTION RATE (found on page 62)

Absorption Period: 2 months

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1 BR	\$372	\$744	\$880	\$1,760	57.7%
6	1 BR	\$476	\$2,856	\$880	\$5,280	45.9%
4	2 BR	\$426	\$1,704	\$900	\$3,600	52.7%
12	2 BR	\$550	\$6,600	\$900	\$10,800	38.9%
2	3 BR	\$464	\$928	\$1,000	\$2,000	53.6%
6	3 BR	\$604	\$3,624	\$1,000	\$6,000	39.6%
Totals	32		\$16,456		\$29,440	44.1%

Source: SCSHFDA, Novogradac & Company LLP, January 2018

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

Development Location: The Subject site is located on Driver Avenue, just south of Hartsville Crossing Boulevard in Hartsville, Darlington County, South Carolina.

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

Occupancy Type: Family

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

Special Population Target: None.

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

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

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

UNIT MIX AND SQUARE FOOTAGE

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

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

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents	
@50%								
1BR / 1BA	750	2	\$372	\$145	\$517	\$517	\$584	
2BR / 2BA	950	4	\$426	\$195	\$621	\$621	\$674	
3BR / 2BA	1,100	2	\$464	\$253	\$717	\$717	\$902	
@60%								
1BR / 1BA	750	6	\$476	\$145	\$621	\$621	\$584	
2BR / 2BA	950	12	\$550	\$195	\$745	\$745	\$674	
3BR / 2BA	1,100	6	\$604	\$253	\$857	\$861	\$902	
		32						

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

Utility Structure/Allowance: The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$145 for one-bedroom units, \$195 for two-bedroom units, and \$253 for three-bedroom units.

Existing or Proposed Project-Based Rental Assistance: The Subject is proposed and will not operate with project-based rental assistance subsidy.

Community Amenities See following Subject Profile sheet.

Unit Amenities See following Subject Profile sheet.

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

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

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

Hartsville Crossing Village

Location Driver Avenue
Hartsville, SC 29550
Darlington County
Intersection: Hartsville
Crossing Boulevard

Units 32

Type Garden

Year Built / Renovated Proposed 2020

Contact Name Josh Thomason

Phone 404-202-1357



Market

Program	@50%, @60%	Leasing Pace	n/a
Annual Turnover Rate	N/A	Change in Rent (Past Year)	n/a
Units/Month Absorbed	n/a	Concession	
Section 8 Tenants	N/A		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (2 stories)	2	750	\$372	\$0	@50%	n/a	N/A	N/A	yes
1	1	Garden (2 stories)	6	750	\$476	\$0	@60%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	4	950	\$426	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (2 stories)	12	950	\$550	\$0	@60%	n/a	N/A	N/A	yes
3	2	Garden (2 stories)	2	1,100	\$464	\$0	@50%	n/a	N/A	N/A	yes
3	2	Garden (2 stories)	6	1,100	\$604	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Property	Parking spaces: 52 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground
Security	none	Premium	none
Services	none	Other	none

Comments

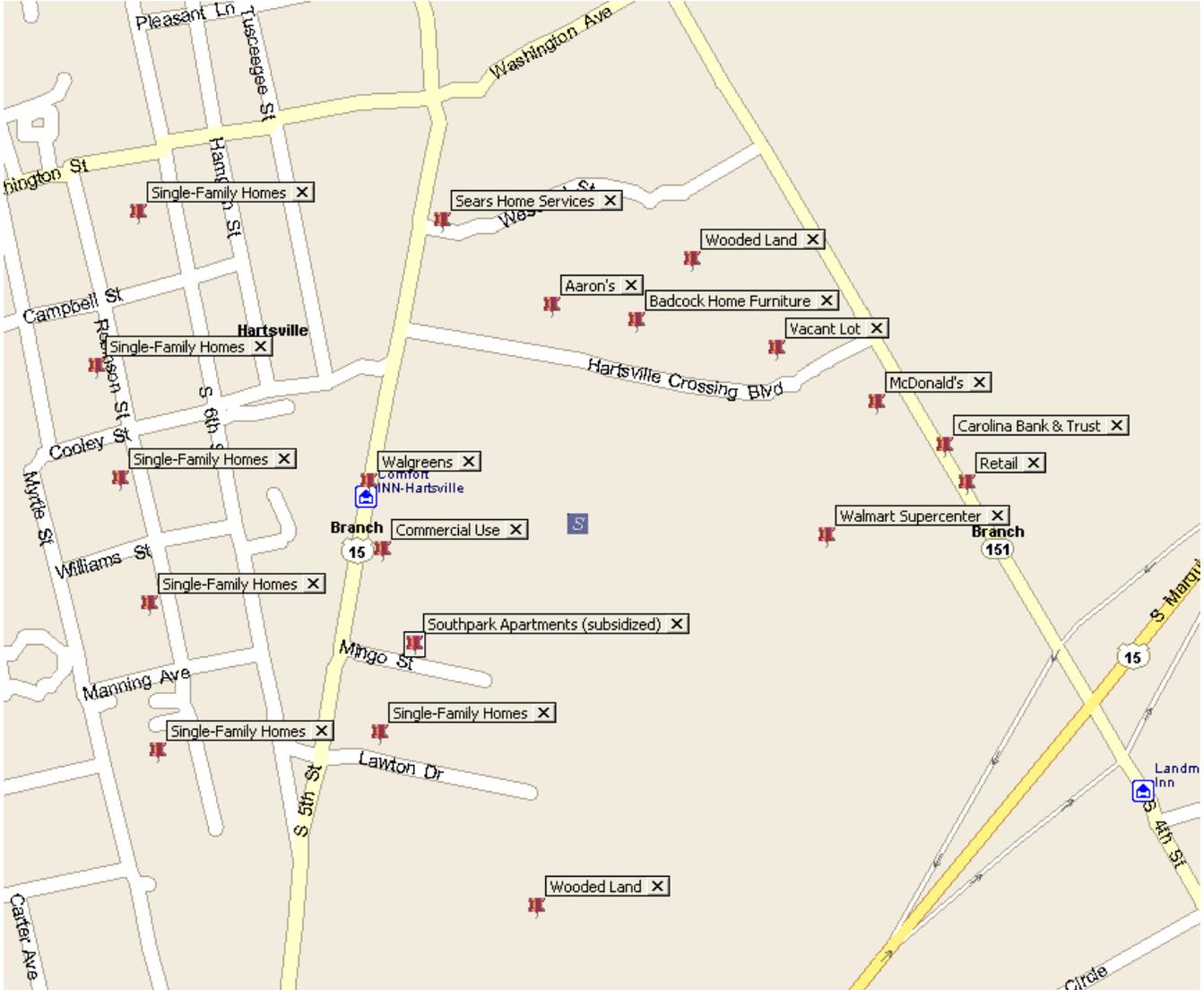
The developer-provided utility allowances are \$145, \$195, and \$253 for one, two, and three-bedroom units, respectively. The property will also offer a library as a community amenity. The Subject includes two, two-story residential buildings and one, one-story community building.

B. SITE DESCRIPTION

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

Date of Site Visit: January 20, 2018.

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



Physical Features of Site:

The Subject site is located within Hartsville, South Carolina and is undeveloped forested land.

Location/Surrounding Uses:

The Subject site is located in a mixed use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site are Aaron's and Badcock Home Furniture store. Further north of the Subject site are retail uses and wooded land. Immediately east of the Subject

site is a Walmart Supercenter. Further east are retail uses, a gas station, and restaurants. Adjacent to the south is wooded land. Immediately to the west of the Subject site is multifamily and single family development. The multifamily development to the west is known as South Park Apartments and is a public housing development in average condition operated by the Housing Authority of Hartsville. Single-family homes are located further west of the Subject across 5th Street. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of the Subject site



View of the Subject site



View north on Driver Avenue



View south on Driver Avenue



Commercial use north of the Subject site



Fast food restaurant adjacent to Subject site



Commercial use east of the Subject site



Single-family home in the Subject's neighborhood



Gas station in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Pharmacy in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood

Visibility/Views:

Views from the Subject site include retail uses to the north, multifamily and single family residential development to the west, wooded land to the south, and a Walmart Supercenter to the east. Views from the site are considered good. The Subject will have good visibility from Hartsville Crossing Boulevard to the north. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

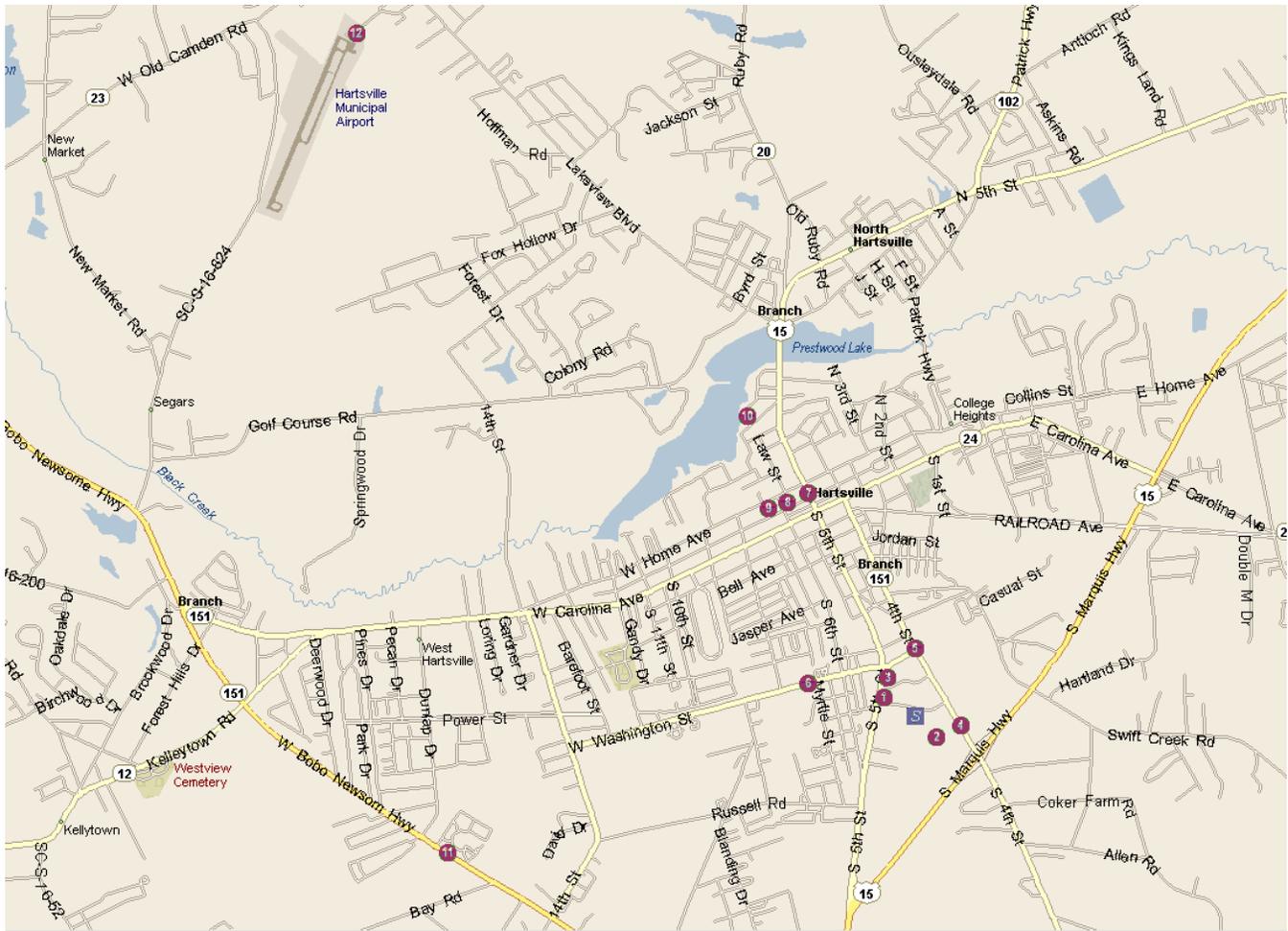
Detrimental Influence:

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

Proximity to Local Services:

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

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Miles)
1	Hardees Restaurant	0.1
2	Walmart Supercenter	0.2
3	Walgreens Pharmacy	0.3
4	Murphy USA Gas Station	0.4
5	US Post Office	0.6
6	Washington St. Elementary School	0.9
7	SPC Cooperative Credit Union	1.2
8	Hartsville Fire Department	1.4
9	Hartsville Memorial Library	1.5
10	Lawton Park	2.2
11	Carolina Pines Regional Medical Center	4.3
12	Hartsville Regional Airport	5.3

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

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

Crime Rates:

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

2017 CRIME INDICES

	PMA	Florence, SC
Total Crime*	154	168
Personal Crime*	201	197
Murder	187	174
Rape	121	135
Robbery	115	124
Assault	253	240
Property Crime*	147	165
Burglary	180	182
Larceny	142	164
Motor Vehicle Theft	100	122

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

*Unweighted aggregations

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

Access and Traffic Flow:

The Subject site will have access along Hartsville Crossing Boulevard. Hartsville Crossing Boulevard is a lightly trafficked two-lane roadway, which connects to S 4th Street and S 5th Street. 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 Hartsville, most of which are within less than 5.3 miles of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is a proposed 32-unit family development to be constructed in Hartsville, South Carolina. The PMA is defined as Route 1 to the north, Highway 52/USMC CPL Kelly Keith Memorial Highway and the Great Pee Dee River to the east, the Darlington County line and Interstate 20 to the south, and the Darlington County line to the west. The Subject will one of few LIHTC properties in the Hartsville area of Darlington 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 Hartsville and several other communities in Darlington 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: 21 miles
- East: 23 miles
- South: 15 miles
- West: 16 miles

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

Census Tracts			
450259508	450310103	450310110	450310116
450259506	450310105	450310111	
450259507	450310106	450310112	
450310101	450310107	450310113	
450310104	450310108	450310114	
450310102	450310109	450310115	

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 Hartsville 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

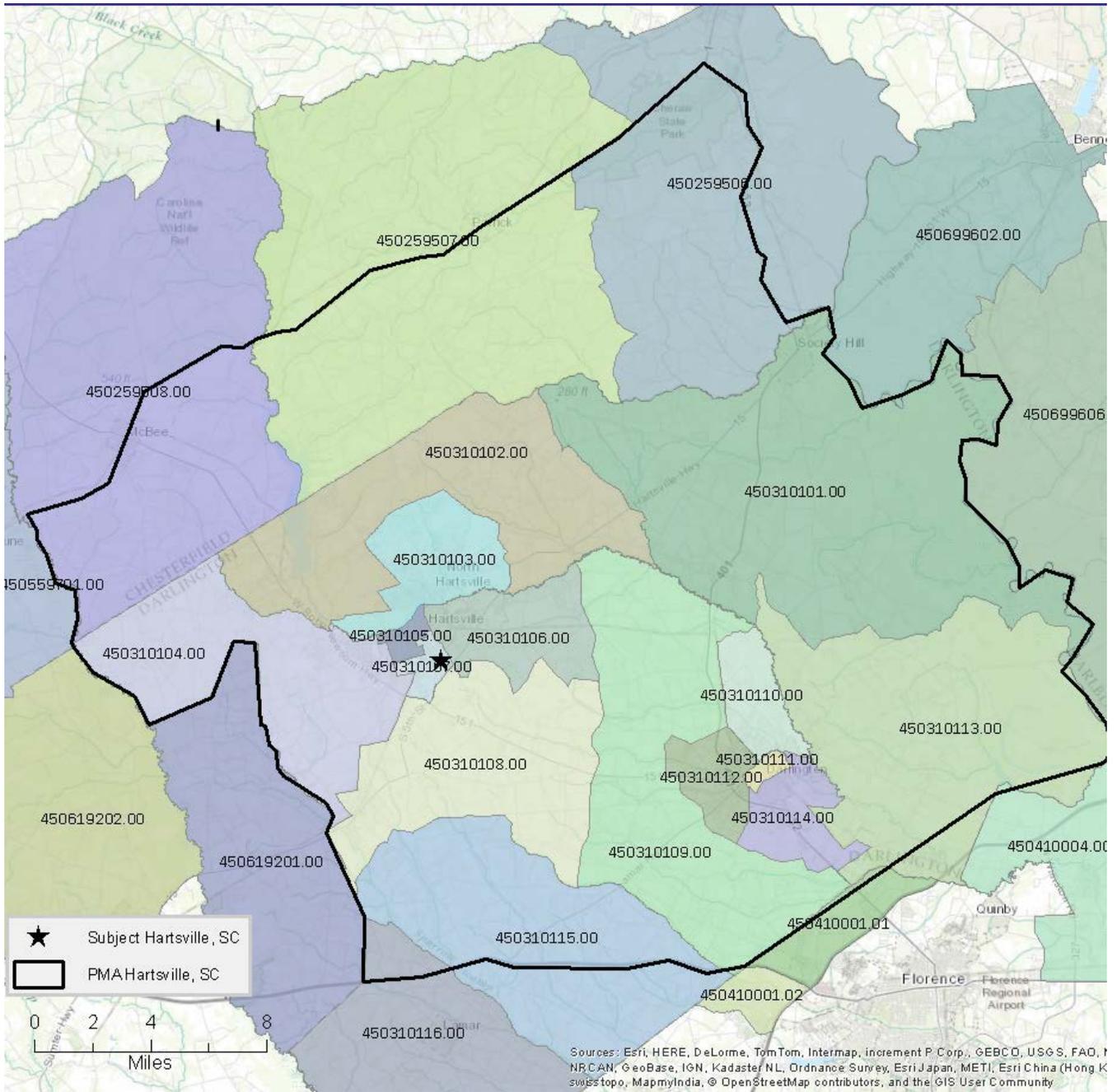
	PMA		SMA		USA	
Total	67,491	-	205,566	-	308,745,538	-
White	39,030	57.8%	113,482	55.2%	223,553,265	72.4%
Black	26,647	39.5%	85,079	41.4%	38,929,319	12.6%
American Indian	202	0.3%	658	0.3%	2,932,248	0.9%
Asian	198	0.3%	1,874	0.9%	14,674,252	4.8%
Pacific	9	0.0%	31	0.0%	540,013	0.2%
Other	662	1.0%	2,151	1.0%	19,107,368	6.2%
Two or More Races	743	1.1%	2,291	1.1%	9,009,073	2.9%
Total Hispanic	1,343	-	4,170	-	50,477,594	-
Hispanic: White	503	37.5%	1,384	33.2%	26,735,713	53.0%
Hispanic: Black	111	8.3%	412	9.9%	1,243,471	2.5%
Hispanic: American Indian	10	0.7%	50	1.2%	685,150	1.4%
Hispanic: Asian	2	0.1%	13	0.3%	209,128	0.4%
Hispanic: Pacific	3	0.2%	2	0.0%	58,437	0.1%
Hispanic: Other	628	46.8%	1,992	47.8%	18,503,103	36.7%
Hispanic: Two or More Races	86	6.4%	317	7.6%	3,042,592	6.0%

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

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

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

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

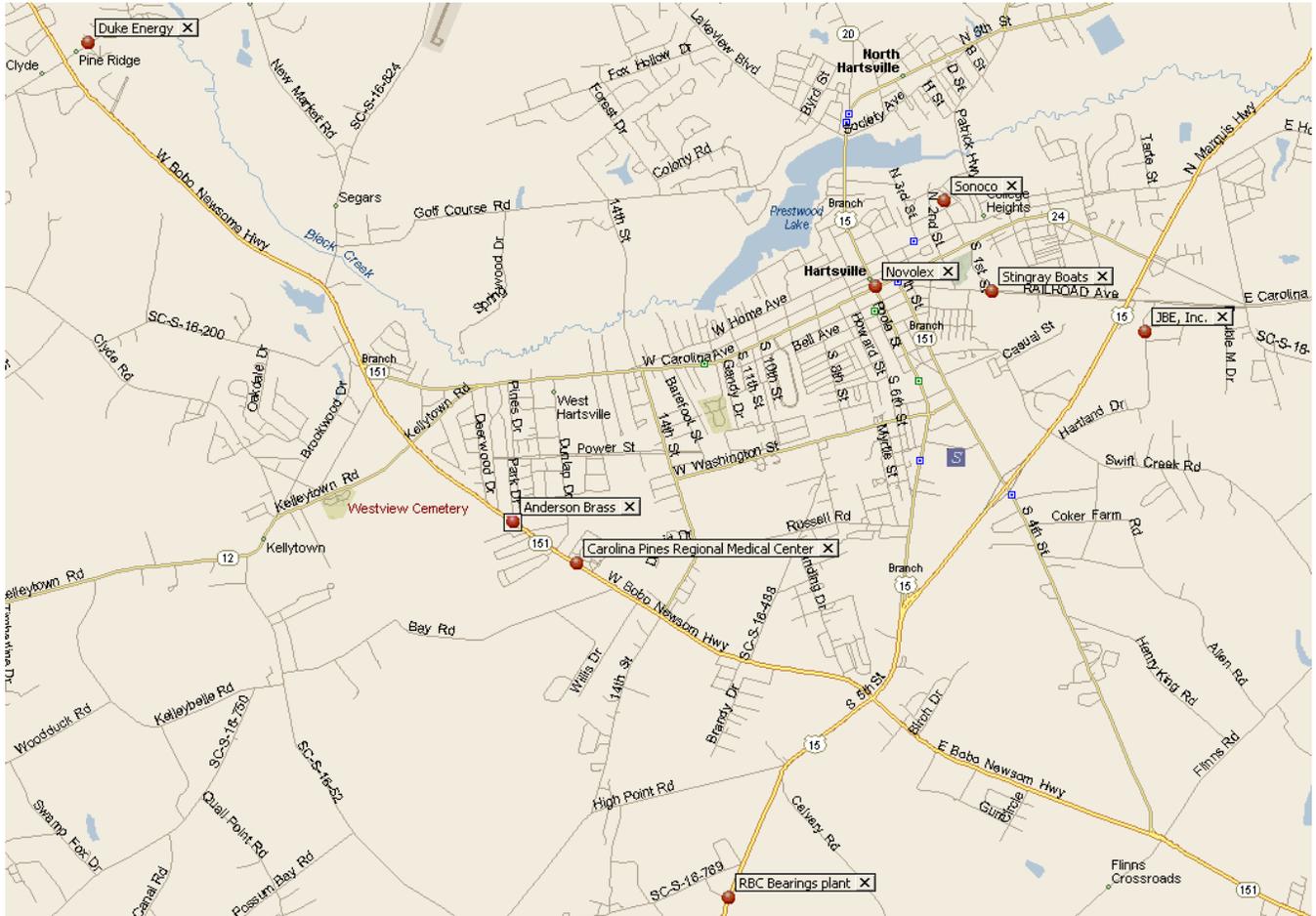


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Employment by Industry

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

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,309	19.0%	15,589,157	10.1%
Healthcare/Social Assistance	4,128	14.8%	21,941,435	14.2%
Retail Trade	3,557	12.7%	17,038,977	11.0%
Educational Services	2,334	8.4%	14,390,707	9.3%
Other Services (excl Publ Adm)	1,617	5.8%	7,493,272	4.8%
Construction	1,547	5.5%	9,872,629	6.4%
Accommodation/Food Services	1,520	5.4%	12,036,513	7.8%
Transportation/Warehousing	1,279	4.6%	6,498,777	4.2%
Finance/Insurance	1,145	4.1%	7,200,593	4.6%
Admin/Support/Waste Mgmt Srvc	1,108	4.0%	6,968,170	4.5%
Wholesale Trade	897	3.2%	4,064,621	2.6%
Utilities	732	2.6%	1,401,281	0.9%
Public Administration	687	2.5%	6,982,075	4.5%
Agric/Forestry/Fishing/Hunting	573	2.1%	2,288,795	1.5%
Prof/Scientific/Tech Services	524	1.9%	11,068,132	7.1%
Real Estate/Rental/Leasing	387	1.4%	3,130,712	2.0%
Information	292	1.0%	2,741,630	1.8%
Arts/Entertainment/Recreation	242	0.9%	3,448,696	2.2%
Mining	18	0.1%	609,828	0.4%
Mgmt of Companies/Enterprises	15	0.1%	86,740	0.1%
Total Employment	27,911	100.0%	154,852,740	100.0%

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

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

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

2000-2017 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2017		2000-2017	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	7,380	26.6%	5,309	19.0%	-2,071	-1.7%
Healthcare/Social Assistance	2,784	10.0%	4,128	14.8%	1,344	2.8%
Retail Trade	3,136	11.3%	3,557	12.7%	421	0.8%
Educational Services	2,145	7.7%	2,334	8.4%	189	0.5%
Other Services (excl Publ Adm)	1,468	5.3%	1,617	5.8%	149	0.6%
Construction	1,566	5.6%	1,547	5.5%	-19	-0.1%
Accommodation/Food Services	1,505	5.4%	1,520	5.4%	15	0.1%
Transportation/Warehousing	993	3.6%	1,279	4.6%	286	1.7%
Finance/Insurance	1,467	5.3%	1,145	4.1%	-322	-1.3%
Admin/Support/Waste Mgmt Svcs	785	2.8%	1,108	4.0%	323	2.4%
Wholesale Trade	1,023	3.7%	897	3.2%	-126	-0.7%
Utilities	596	2.1%	732	2.6%	136	1.3%
Public Administration	1,014	3.6%	687	2.5%	-327	-1.9%
Agric/Forestry/Fishing/Hunting	592	2.1%	573	2.1%	-19	-0.2%
Prof/Scientific/Tech Services	557	2.0%	524	1.9%	-33	-0.3%
Real Estate/Rental/Leasing	247	0.9%	387	1.4%	140	3.3%
Information	258	0.9%	292	1.0%	34	0.8%
Arts/Entertainment/Recreation	259	0.9%	242	0.9%	-17	-0.4%
Mining	9	0.0%	18	0.1%	9	5.9%
Mgmt of Companies/Enterprises	5	0.0%	15	0.1%	10	11.8%
Total Employment	27,789	100.0%	27,911	100.0%	122	0.0%

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.

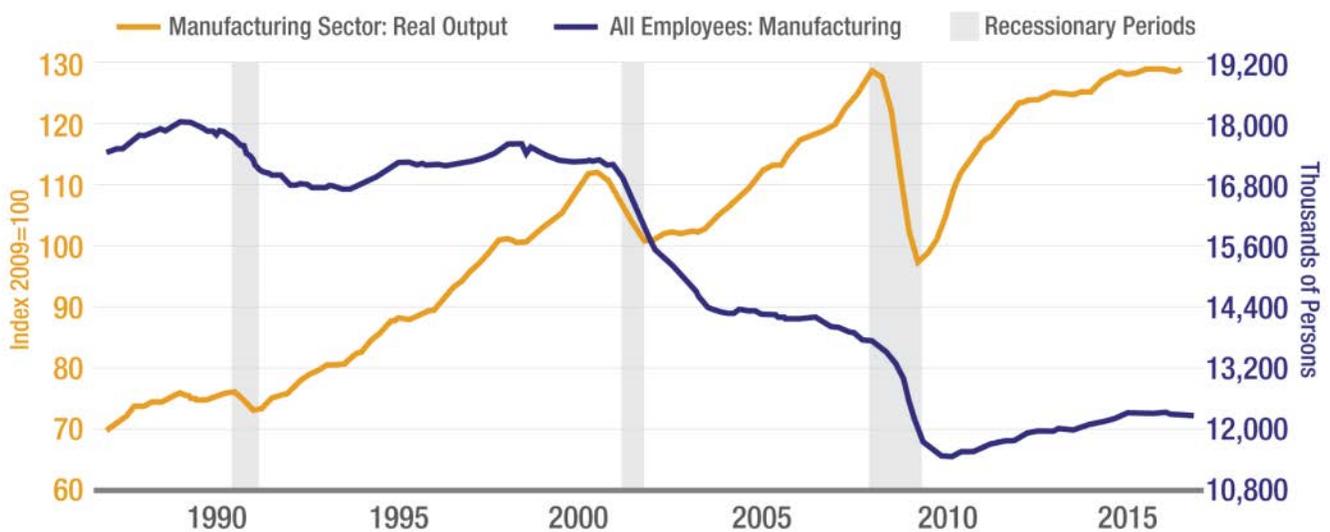
As illustrated, eight of the industries in the table above experienced a decrease in employment from 2000 to 2017. The largest decreases were among the manufacturing and public administration sectors. The largest increases were among the healthcare/social assistance and retail trade sectors. Job loss in the manufacturing sector is discussed below. The smallest decreases were in the arts/entertainment/recreation and construction industries. The health care/social assistance sector added the greatest number of employees in the last 16 years, adding 1,344 new employees to its workforce.

Manufacturing

Output over Employment

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

How Employment and Output Have Changed in the Manufacturing Sector



Source: Federal Reserve; Novogradac & Company LLP



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

U.S. Moving Up in Competitiveness

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

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

U.S. Moving Up in Competitiveness

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

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

Source: Deloitte; Novogradac & Company LLP



Where the Jobs Go

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

Comparing National Employment Trends

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

* YTD average, includes through Nov. 2016

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



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

Under President Trump, we can expect recent employment growth trends in manufacturing to continue. Whether it can increase to the point of being a “revitalization”—which likely requires job growth surpassing other industries—remains to be seen. Manufacturing still represents the largest industry in the PMA, though it has experienced job loss at an annualized rate of 1.7 percent in both the PMA and the SMA. Though manufacturing companies such as Novolex and Sonoco continue to top the list of the area’s largest employers, job loss in the manufacturing sector continues. WARN notices filed in the MSA in the past three years, included below, further illustrate the dramatic loss of manufacturing jobs in the area. Between 2014 and 2017, two manufacturing companies filed WARN notices eliminating approximately 627 jobs in the industry. Continued decline in the manufacturing sector in the area is likely.

Major Employers

The following table details major employers in Hartsville as of June 2016 (the most recent available).

MAJOR EMPLOYERS HARTSVILLE, SC

Employer Name	Industry	# Of Employees
Novolex	Manufacturing	6,000
Darlington County School District	Education	1,700
Sonoco	Manufacturing	1,578
Duke Energy	Utility	830
Carolina Pines Regional Medical Center	Healthcare	700
A.O. Smith	Manufacturing	450
RBC Bearings	Manufacturing	200
Stingray Boats	Manufacturing	125
JBE, Inc.	Manufacturing/Warehousing	100
Anderson Brass	Manufacturing	90

Source: City of Hartsville; Darlington County Economic Development Partnership, June 2016

The major employers in Hartsville are in sectors including manufacturing, education, utilities, and healthcare. Some of these sectors, such as healthcare and education, are less susceptible to economic cycles. Together, these employers comprise approximately 40 percent of the employment in the MSA.

Of note, Novolex has experienced significant growth in the past four years, increasing sales from \$500 million to \$2 billion and acquiring several other plastics manufacturing companies since 2012. Though the company was purchased by Carlyle Group in November 2016, Novolex will continue to operate its 49 locations throughout the United States. Employment numbers are not anticipated to change with the sale of the company.

Expansions/Contractions

The following table illustrates the contractions to the Florence, SC MSA economy provided by the South Carolina Department of Employment and Workforce between 2014 and December 2017. Jobs affected represent job losses.

WARN LISTINGS Florence, SC MSA - 2014-2017

Company	Industry	Employees Affected
BH Media Group	Media	63
ESAB	Manufacturing	319
Sodexo	Accommodation/Food Services	54
Wothington	Manufacturing	308
Heinz	Accommodation/Food Services	198
Mortgage Bank	Finance/Insurance	23
Mortgage Bank	Finance/Insurance	573
Total		1,538

As illustrated in the above table, there have been 1,538 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.

- Fiber Industries is revamping an old Darlington County textile plant with a \$30 million investment that is expected to create at least 135 new jobs. The textile plant is located at the Palmetto facility off of McIver Road, approximately 18 miles southeast of the Subject site.
- The development of a new Hampton Inn & Suites in Hartsville’s downtown area brought an investment of six million dollars to the town in 2014 and 2015. The hotel also created additional jobs in accommodation/food services.
- Development of The Mantissa Hotel through a partnership between Sonoco and local developers will bring an additional investment of two million dollars to Hartsville’s downtown area and is expected to generate additional jobs in accommodation/food service and recreation. The Mantissa Hotel is expected to generate more than two million dollars in total revenue each year.
- Capella Healthcare Inc. of Tennessee is founding a new partnership with the Medical University of South Carolina and a new regional health care network with locations to include the Carolina Pines Regional Medical Center in Hartsville. The partnership will bring additional investment and jobs in the healthcare/social assistance sector to the Hartsville area.

Employment and Unemployment Trends

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

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Florence, SC				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	84,411	-	6.6%	-	136,485,000	-	5.8%	-
2003	85,073	0.8%	8.1%	1.6%	137,736,000	0.9%	6.0%	0.2%
2004	84,208	-1.0%	8.4%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	84,237	0.0%	8.8%	0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	86,290	2.4%	7.4%	-1.4%	144,427,000	1.9%	4.6%	-0.5%
2007	87,547	1.5%	6.2%	-1.2%	146,047,000	1.1%	4.6%	0.0%
2008	86,957	-0.7%	7.5%	1.3%	145,363,000	-0.5%	5.8%	1.2%
2009	83,583	-3.9%	11.8%	4.3%	139,878,000	-3.8%	9.3%	3.5%
2010	83,461	-0.1%	11.9%	0.2%	139,064,000	-0.6%	9.6%	0.3%
2011	83,714	0.3%	11.8%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	85,745	2.4%	10.1%	-1.7%	142,469,000	1.9%	8.1%	-0.9%
2013	86,951	1.4%	8.6%	-1.5%	143,929,000	1.0%	7.4%	-0.7%
2014	87,639	0.8%	7.4%	-1.2%	146,305,000	1.7%	6.2%	-1.2%
2015	89,105	1.7%	6.8%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	90,449	1.5%	5.4%	-1.4%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average ^a	92,381	2.1%	4.6%	-0.8%	153,175,600	1.1%	4.5%	-0.4%
Oct-2016	90,752	-	4.9%	-	152,335,000	-	4.7%	-
Oct-2017	91,295	0.6%	4.5%	-0.4%	153,861,000	1.0%	4.1%	-0.6%

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

^a2017 data is through Jan

Between 2005 and 2007, total employment in the Florence, SC MSA exhibited positive growth, reaching a peak in 2007. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2008. Total employment in the MSA began to increase again in 2011. Total employment in the 12-month period prior to October 2017 has indicated growth in employment of 0.6 percent for the MSA. This is slightly lower than the national growth rate of 1.0 percent over the same time period. Total employment in the MSA surpassed the pre-recession peak in 2014.

In terms of unemployment rates, the rate in the MSA has historically been above that of the nation. While the national unemployment rate increased sharply between 2009 and 2010, from 5.8 percent to 9.3 percent, the MSA saw unemployment rise during the same time period and reached a peak unemployment rate of 11.9 percent in 2010. The unemployment rate has trended downward over the past several years, and is

now similar to the national average. The unemployment rate in the MSA as of October 2017 was 4.1 percent, approximately 0.4 percentage points above that of the nation.

Housing and Economy

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

The most recent national recession has impacted Hartsville’s single-family housing market. According to RealtyTrac’s November 2017 estimates, the city experienced a foreclosure rate of one in every 1,324 housing units. Darlington County experienced a slightly lower foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 1,397 housing units in November 2017. The state of South Carolina had a foreclosure rate of one in every 1,271 housing units, a rate higher than Hartsville and Darlington County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2000. The typical travel time is between 15 and 19 minutes. Approximately 64.9 percent of households within the PMA have commute times of less than 20 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,012	4.2%
Travel Time 5-9 min	3,177	13.1%
Travel Time 10-14 min	3,817	15.7%
Travel Time 15-19 min	4,477	18.4%
Travel Time 20-24 min	3,265	13.5%
Travel Time 25-29 min	1,402	5.8%
Travel Time 30-34 min	3,383	13.9%
Travel Time 35-39 min	715	2.9%
Travel Time 40-44 min	280	1.2%
Travel Time 45-59 min	1,416	5.8%
Travel Time 60-89 min	637	2.6%
Travel Time 90+ min	692	2.9%

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

CONCLUSION

Overall, it appears the area was impacted moderately by the national recession, but has now recovered and is in an expansion mode. As of 2014, the employment in the MSA had pushed above pre-recession levels. Between October 2016 and October 2017, total employment in the MSA increased 0.6 percent, while unemployment from the same period declined 0.4 percent. The MSA’s year-to-date unemployment rate was 0.4 percentage points above 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 Florence, SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, SMA, and nation.

Population Trends

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

Year	PMA		Florence, SC		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	65,553	-	193,155	-	281,038,168	-
2010	67,491	0.3%	205,566	0.6%	308,745,538	1.0%
2017	67,294	0.0%	208,481	0.1%	327,514,334	0.4%
Projected Mkt Entry July 2020	66,842	-0.2%	209,250	0.1%	335,799,890	0.8%
2022	66,541	-0.2%	209,763	0.1%	341,323,594	0.8%

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

POPULATION BY AGE GROUP

Age Cohort	PMA			Projected Mkt	
	2000	2010	2017	Entry July 2020	2022
0-4	4,475	4,243	3,971	3,832	3,739
5-9	5,173	4,433	4,186	4,053	3,964
10-14	4,785	4,622	4,222	4,258	4,282
15-19	4,465	5,070	4,110	4,201	4,262
20-24	4,109	3,961	4,017	3,658	3,418
25-29	4,384	3,536	4,164	3,785	3,532
30-34	4,289	3,946	4,006	3,999	3,994
35-39	4,825	4,391	4,009	3,974	3,951
40-44	4,987	4,364	4,149	4,070	4,017
45-49	5,071	4,909	4,345	4,211	4,121
50-54	4,640	4,985	4,509	4,414	4,351
55-59	3,541	5,029	4,866	4,646	4,500
60-64	2,841	4,434	4,783	4,724	4,684
65-69	2,350	3,310	4,397	4,461	4,503
70-74	2,033	2,331	3,177	3,570	3,832
75-79	1,698	1,679	1,959	2,360	2,627
80-84	1,063	1,162	1,208	1,377	1,490
85+	823	1,086	1,215	1,252	1,276
Total	65,552	67,491	67,293	66,843	66,543

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

The total population in the PMA remained stable from 2010 to 2017. In comparison, the SMA and nation experienced slight growth in total population during the same period of time. The population in the PMA is

expected to decrease slightly through 2022 at 0.2 percent per annum, a rate that will remain below the SMA and the nation.

The population in the PMA in 2017 was concentrated most heavily in the age groups of 55 to 59 and 60 to 64, combined these age groups represent 14.4 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

Year	PMA		Florence, SC		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	25,198	-	72,921	-	105,403,008	-
2010	25,941	0.3%	79,149	0.9%	116,716,293	1.1%
2017	26,102	0.0%	80,116	0.1%	123,158,898	0.3%
Projected Mkt Entry July 2020	26,013	-0.1%	80,359	0.1%	125,752,338	0.7%
2022	25,953	-0.1%	80,521	0.1%	127,481,298	0.7%

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

Year	PMA		Florence, SC		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.55	-	2.58	-	2.59	-
2010	2.54	0.0%	2.53	-0.2%	2.58	-0.1%
2017	2.52	-0.1%	2.54	0.0%	2.59	0.0%
Projected Mkt Entry July 2020	2.51	-0.1%	2.55	0.0%	2.61	0.2%
2022	2.51	-0.1%	2.55	0.0%	2.61	0.2%

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

Year	PMA		Florence, SC		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	1,329.00	-	5,096.00	-	7,596,362	-
2010	1,479.00	1.1%	5,178.00	0.2%	8,043,577	0.6%
2017	1,501.00	0.1%	4,650.00	-0.6%	8,081,594	0.0%
Projected Mkt Entry July 2020	1,501.00	0.0%	4,650.00	0.0%	8,081,594	0.0%
2022	1,501.00	0.0%	4,650.00	0.0%	8,081,594	0.0%

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

The total number of households in the PMA remained stable between 2010 and 2017, while the MSA and the nation both experienced minimal household growth over the over the same time period. Through market entry date and 2022, the total number of households in the PMA is expected to experience very little movement, remaining below the growth rate of the MSA and the nation. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters increased slightly in the PMA between 2000 and 2017 and decreased in the MSA over the same time period; however, no growth is expected in these categories from 2016 through 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-	Renter-Occupied	Percentage Renter-
2000	19,413	77.0%	5,785	23.0%
2017	18,674	71.5%	7,428	28.5%
Projected Mkt Entry July 2020	18,615	71.6%	7,398	28.4%
2022	18,575	71.6%	7,378	28.4%

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

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

Household Income Distribution

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

Income Cohort	HOUSEHOLD INCOME PMA					
	2017		2022		Annual Change 2017 to 2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,418	13.1%	3,204	12.3%	-43	-1.3%
\$10,000-19,999	4,337	16.6%	4,062	15.7%	-55	-1.3%
\$20,000-29,999	3,325	12.7%	3,169	12.2%	-31	-0.9%
\$30,000-39,999	3,078	11.8%	2,994	11.5%	-17	-0.5%
\$40,000-49,999	2,384	9.1%	2,355	9.1%	-6	-0.2%
\$50,000-59,999	1,790	6.9%	1,827	7.0%	7	0.4%
\$60,000-74,999	2,160	8.3%	2,146	8.3%	-3	-0.1%
\$75,000-99,999	2,301	8.8%	2,379	9.2%	16	0.7%
\$100,000-	1,375	5.3%	1,504	5.8%	26	1.9%
\$125,000-	855	3.3%	945	3.6%	18	2.1%
\$150,000-	653	2.5%	793	3.1%	28	4.3%
\$200,000+	426	1.6%	575	2.2%	30	7.0%
Total	26,102	100.0%	25,953	100.0%		

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

The Subject's units will target households earning between \$17,726 and \$34,440. As the table above depicts, approximately 41.1 percent of households in the PMA earned between \$10,000 and \$39,999 in 2017. Many households within these income cohorts will provide support for the Subject.

Renter Household Income Distribution

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

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry July 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,914	25.8%	1,853	25.0%	1,812	24.6%
\$10,000-19,999	1,506	20.3%	1,453	19.6%	1,417	19.2%
\$20,000-29,999	1,100	14.8%	1,089	14.7%	1,082	14.7%
\$30,000-39,999	892	12.0%	885	12.0%	881	11.9%
\$40,000-49,999	600	8.1%	602	8.1%	603	8.2%
\$50,000-59,999	384	5.2%	388	5.2%	390	5.3%
\$60,000-74,999	366	4.9%	367	5.0%	368	5.0%
\$75,000-99,999	213	2.9%	224	3.0%	231	3.1%
\$100,000-124,999	174	2.3%	191	2.6%	203	2.8%
\$125,000-149,999	141	1.9%	179	2.4%	205	2.8%
\$150,000-199,999	86	1.2%	100	1.4%	110	1.5%
\$200,000+	52	0.7%	66	0.9%	76	1.0%
Total	7,428	100.0%	7,398	100.0%	7,378	100.0%

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

Renter households with incomes between \$10,000 and \$29,999 represent 35.1 percent of the renter households in the PMA in 2017. 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	2,792	38%	2,805	38%	2,814	38%
2 Persons	1,892	25%	1,846	25%	1,816	25%
3 Persons	1,208	16%	1,204	16%	1,202	16%
4 Persons	876	12%	879	12%	881	12%
5+ Persons	660	9%	663	9%	665	9%
Total Households	7,428	100%	7,398	100%	7,378	100%

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

Approximately 62 percent of renter households resided in a two to five-person household in the PMA in 2016. Over the next five years, this percentage is projected to remain generally stable.

CONCLUSION

The total population in the PMA remained stable from 2010 to 2017 and is expected to decrease at 0.2 percent annually through 2022, a rate that will lag the growth rate nationally and in the MSA. Between 2017 and market entry, the total households are expected to very little movement annually in the PMA. Renter households with incomes between \$10,000 and \$39,999 represent 41.1 percent of the 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.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%		Overall Affordable	
1BR	\$17,726	\$20,700	\$21,291	\$24,840	\$17,726	\$24,840
2BR	\$21,291	\$24,850	\$25,543	\$29,820	\$21,291	\$29,820
3BR	\$24,583	\$28,700	\$29,383	\$34,440	\$24,583	\$34,440

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2017 as the base year for the analysis, with demographic projections to 2020. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. (a) The first source is tenants who are rent overburdened. These are households who are paying over 35 percent of their income in housing costs for general occupancy housing or over 40 percent of their income in housing costs for elderly housing. This number is estimated using census 2010 or American Community Survey (ACS) data. (b) The second source is households living in substandard housing. This number is estimated using 2000 Census data. (c) The third source is those seniors likely to move from their own homes into rental housing. Data from the American Housing Survey and interviews with area senior apartment property managers regarding the number or share of current renters who originated from homeownership must be used to refine the analysis. The Subject is rural and generally not likely to attract homeowners seeking to downsize into a family rental unit. (d) The fourth potential “Other” source of demand is demand which may exist that is not captured by the above methods, which may be allowed if the factors used can be fully justified.

4c. Additions to Supply

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

5. Method – Capture Rates

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$17,726		Maximum Income Limit		\$28,700	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry July 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-61				204.0%	\$0
\$10,000-19,999	-53	178.0%	\$2,273	22.7%	-12		
\$20,000-29,999	-11	36.0%	\$8,109	81.1%	-9		
\$30,000-39,999	-7	22.0%	\$0	0.0%	0		
\$40,000-49,999	2	-6.0%	\$0	0.0%	0		
\$50,000-59,999	4	-12.0%	\$0	0.0%	0		
\$60,000-74,999	1	-4.0%	\$0	0.0%	0		
\$75,000-99,999	11	-36.0%	\$0	0.0%	0		
\$100,000-124,999	17	-58.0%	\$0	0.0%	0		
\$125,000-149,999	38	-128.0%	\$0	0.0%	0		
\$150,000-199,999	14	-48.0%	\$0	0.0%	0		
\$200,000+	14	-48.0%	\$0	0.0%	0		
Total	-30	100.0%		69.7%	-21		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$17,726		Maximum Income Limit		\$28,700	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	1,914				25.8%	\$0
\$10,000-19,999	1,506	20.3%	\$2,273	22.7%	342		
\$20,000-29,999	1,100	14.8%	\$8,109	81.1%	892		
\$30,000-39,999	892	12.0%	\$0	0.0%	0		
\$40,000-49,999	600	8.1%	\$0	0.0%	0		
\$50,000-59,999	384	5.2%	\$0	0.0%	0		
\$60,000-74,999	366	4.9%	\$0	0.0%	0		
\$75,000-99,999	213	2.9%	\$0	0.0%	0		
\$100,000-124,999	174	2.3%	\$0	0.0%	0		
\$125,000-149,999	141	1.9%	\$0	0.0%	0		
\$150,000-199,999	86	1.2%	\$0	0.0%	0		
\$200,000+	52	0.7%	\$0	0.0%	0		
Total	7,428	100.0%		16.6%	1,234		

ASSUMPTIONS - @50%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		5	
Persons in Household	0BR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	60%	40%	0%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2017 to July 2020

Income Target Population	@50%
New Renter Households PMA	-30
Percent Income Qualified	69.7%
New Renter Income Qualified Households	-21

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	7,428
Income Qualified	16.6%
Income Qualified Renter Households	1,234
Percent Rent Overburdened Prj Mrkt Entry July 2020	36.3%
Rent Overburdened Households	448

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,234
Percent Living in Substandard Housing	1.7%
Households Living in Substandard Housing	21

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	469
Total New Demand	-21
Total Demand (New Plus Existing Households)	448

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

By Bedroom Demand

One Person	37.9%	170
Two Persons	25.0%	112
Three Persons	16.3%	73
Four Persons	11.9%	53
Five Persons	9.0%	40
Total	100.0%	448

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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%	153
Of two-person households in 1BR units	20%	22
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%	17
Of two-person households in 2BR units	80%	89
Of three-person households in 2BR units	60%	44
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%	29
Of four-person households in 3BR units	70%	37
Of five-person households in 3BR units	50%	20
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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	0%	0
Of four-person households in 4BR units	30%	16
Of five-person households in 4BR units	50%	20
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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		448

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	175	-	0	=	175
2 BR	150	-	0	=	150
3 BR	86	-	0	=	86
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	412		0		412

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	2	/	175	=	1.1%
2 BR	4	/	150	=	2.7%
3 BR	2	/	86	=	2.3%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	8		412		1.9%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,291		Maximum Income Limit		\$34,440	
New Renter Households - Total							
Income Category	Change in Households PMA 2017 to Prj Mrkt Entry July 2020		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-61	204.0%	\$0	0.0%	0		
\$10,000-19,999	-53	178.0%	\$0	0.0%	0		
\$20,000-29,999	-11	36.0%	\$8,005	80.1%	-9		
\$30,000-39,999	-7	22.0%	\$4,440	44.4%	-3		
\$40,000-49,999	2	-6.0%	\$0	0.0%	0		
\$50,000-59,999	4	-12.0%	\$0	0.0%	0		
\$60,000-74,999	1	-4.0%	\$0	0.0%	0		
\$75,000-99,999	11	-36.0%	\$0	0.0%	0		
\$100,000-124,999	17	-58.0%	\$0	0.0%	0		
\$125,000-149,999	38	-128.0%	\$0	0.0%	0		
\$150,000-199,999	14	-48.0%	\$0	0.0%	0		
\$200,000+	14	-48.0%	\$0	0.0%	0		
Total	-30	100.0%		38.6%	-12		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,291		Maximum Income Limit		\$34,440	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,914	25.8%	\$0	0.0%	0		
\$10,000-19,999	1,506	20.3%	\$0	0.0%	0		
\$20,000-29,999	1,100	14.8%	\$8,005	80.1%	881		
\$30,000-39,999	892	12.0%	\$4,440	44.4%	396		
\$40,000-49,999	600	8.1%	\$0	0.0%	0		
\$50,000-59,999	384	5.2%	\$0	0.0%	0		
\$60,000-74,999	366	4.9%	\$0	0.0%	0		
\$75,000-99,999	213	2.9%	\$0	0.0%	0		
\$100,000-124,999	174	2.3%	\$0	0.0%	0		
\$125,000-149,999	141	1.9%	\$0	0.0%	0		
\$150,000-199,999	86	1.2%	\$0	0.0%	0		
\$200,000+	52	0.7%	\$0	0.0%	0		
Total	7,428	100.0%		17.2%	1,277		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%						
Tenancy		Family		% of Income towards Housing		
Rural/Urban		Rural		Maximum # of Occupants		
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	0%	70%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2017 to July 2020

Income Target Population	@60%
New Renter Households PMA	-30
Percent Income Qualified	38.6%
New Renter Income Qualified Households	-12

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	7,428
Income Qualified	17.2%
Income Qualified Renter Households	1,277
Percent Rent Overburdened Prj Mrkt Entry July 2020	36.3%
Rent Overburdened Households	463

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,277
Percent Living in Substandard Housing	1.7%
Households Living in Substandard Housing	21

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	485
Total New Demand	-12
Total Demand (New Plus Existing Households)	473

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

By Bedroom Demand

One Person	37.9%	179
Two Persons	25.0%	118
Three Persons	16.3%	77
Four Persons	11.9%	56
Five Persons	9.0%	42
Total	100.0%	473

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%	161
Of two-person households in 1BR units	20%	24
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%	18
Of two-person households in 2BR units	80%	94
Of three-person households in 2BR units	60%	46
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%	31
Of four-person households in 3BR units	70%	39
Of five-person households in 3BR units	50%	21
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	17
Of five-person households in 4BR units	50%	21
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		473

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	185	-	0	=	185
2 BR	159	-	0	=	159
3 BR	91	-	0	=	91
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	435		0		435

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	6	/	185	=	3.2%
2 BR	12	/	159	=	7.6%
3 BR	6	/	91	=	6.6%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	24		435		5.5%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$17,726		Maximum Income Limit		\$34,440	
Income Category	New Renter Households - Total		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	Change in Households PMA 2017 to Prj Mrkt Entry July 2020						
\$0-9,999	-61	204.0%	\$0	0.0%	0		
\$10,000-19,999	-53	178.0%	\$2,273	22.7%	-12		
\$20,000-29,999	-11	36.0%	\$9,999	100.0%	-11		
\$30,000-39,999	-7	22.0%	\$4,440	44.4%	-3		
\$40,000-49,999	2	-6.0%	\$0	0.0%	0		
\$50,000-59,999	4	-12.0%	\$0	0.0%	0		
\$60,000-74,999	1	-4.0%	\$0	0.0%	0		
\$75,000-99,999	11	-36.0%	\$0	0.0%	0		
\$100,000-124,999	17	-58.0%	\$0	0.0%	0		
\$125,000-149,999	38	-128.0%	\$0	0.0%	0		
\$150,000-199,999	14	-48.0%	\$0	0.0%	0		
\$200,000+	14	-48.0%	\$0	0.0%	0		
Total	-30	100.0%		86.2%	-26		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$17,726		Maximum Income Limit		\$34,440	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,914	25.8%	\$0	0.0%	0		
\$10,000-19,999	1,506	20.3%	\$2,273	22.7%	342		
\$20,000-29,999	1,100	14.8%	\$9,999	100.0%	1,100		
\$30,000-39,999	892	12.0%	\$4,440	44.4%	396		
\$40,000-49,999	600	8.1%	\$0	0.0%	0		
\$50,000-59,999	384	5.2%	\$0	0.0%	0		
\$60,000-74,999	366	4.9%	\$0	0.0%	0		
\$75,000-99,999	213	2.9%	\$0	0.0%	0		
\$100,000-124,999	174	2.3%	\$0	0.0%	0		
\$125,000-149,999	141	1.9%	\$0	0.0%	0		
\$150,000-199,999	86	1.2%	\$0	0.0%	0		
\$200,000+	52	0.7%	\$0	0.0%	0		
Total	7,428	100.0%		24.8%	1,838		

ASSUMPTIONS - Overall

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		5	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	60%	40%	0%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2017 to July 2020

Income Target Population	Overall
New Renter Households PMA	-30
Percent Income Qualified	86.2%
New Renter Income Qualified Households	-26

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	7,428
Income Qualified	24.8%
Income Qualified Renter Households	1,838
Percent Rent Overburdened Prj Mrkt Entry July 2020	36.3%
Rent Overburdened Households	667

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,838
Percent Living in Substandard Housing	1.7%
Households Living in Substandard Housing	31

Senior Households Converting from Homeownership

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

Total Demand

Total Demand from Existing Households	698
Total New Demand	-26
Total Demand (New Plus Existing Households)	672

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

By Bedroom Demand

One Person	37.9%	255
Two Persons	25.0%	168
Three Persons	16.3%	109
Four Persons	11.9%	80
Five Persons	9.0%	60
Total	100.0%	672

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

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%	229
Of two-person households in 1BR units	20%	34
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%	25
Of two-person households in 2BR units	80%	134
Of three-person households in 2BR units	60%	66
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%	44
Of four-person households in 3BR units	70%	56
Of five-person households in 3BR units	50%	30
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	24
Of five-person households in 4BR units	50%	30
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		672

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	263	-	0	=	263
2 BR	225	-	0	=	225
3 BR	130	-	0	=	130
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	618		0		618

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR		/	-	=	-
1 BR	8	/	263	=	3.0%
2 BR	16	/	225	=	7.1%
3 BR	8	/	130	=	6.2%
4 BR		/	-	=	-
5 BR		/	-	=	-
Total	32		618		5.2%

Conclusions

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

- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. Property managers at area apartments in the PMA indicated that approximately 20 percent of residents are from the areas of central South Carolina outside the PMA. Therefore, we conservatively estimated that approximately 10 percent of the Subject’s residents will originate from areas outside of the PMA. Since the demand analysis does not account for support from tenants moving from outside the PMA, it is somewhat conservative.

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

DEMAND AND NET DEMAND

	HH at @50% AMI (\$17,726 to \$28,700)	HH at @60% AMI (\$21,291 to \$34,440)	Overall (\$17,726 to \$34,440)
Demand from New Households (age and income appropriate)	-21	-12	-26
PLUS	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	448	463	667
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	21	21	31
=	=	=	=
Sub Total	448	473	672
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0	0
Equals Total Demand	448	473	672
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	448	473	672

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

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

	HH at @50% AMI (\$17,726 to \$28,700)	HH at @60% AMI (\$21,291 to \$34,440)	All Affordable Households (\$17,726 to \$34,440)
Demand from New 3-Person+ Large Households (age and income appropriate)	-8	-4	-10
PLUS	+	+	+
Demand from Existing 3-Person+ Large Renter Households - Rent Overburdened Households	166	172	248
PLUS	+	+	+
Demand from Existing 3+ Large Renter Households - Substandard Housing	8	8	11
=	=	=	=
Total 3-Person+ Large Household Demand	166	176	250
Less	-	-	-
New Supply (3-Bedroom Units)	0	0	0
=	=	=	=
Net 3-Person+ Large Household Demand	166	176	250
Proposed 3-Bedroom+ Subject Units	2	6	8
Proposed 3-Bedroom+ Subject Units Divided by Net 3-Person Large Household Demand	1.2%	3.4%	3.2%
Large-Household (3-Person+) Capture Rate by Income Level	1.2%	3.4%	3.2%

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @50%	175	0	175	2	1.1%
1BR @60%	185	0	185	6	3.2%
1BR Overall	263	0	263	8	3.0%
2BR @50%	150	0	150	4	2.7%
2BR @60%	159	0	159	12	7.6%
2BR Overall	225	0	225	16	7.1%
3BR @50%	86	0	86	2	2.3%
3BR @60%	91	0	91	6	6.6%
3BR Overall	130	0	130	8	6.2%
@50% Overall	412	0	412	8	1.9%
@60% Overall	435	0	435	24	5.5%
Overall Project	618	0	618	32	5.2%

As the analysis illustrates, the Subject’s capture rates vary from 1.1 to 7.6 percent with an overall capture rate of 5.2 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 Bennettsville, South Carolina just beyond the PMA. Absorption rates at these properties are detailed in the table below.

ABSORPTION					
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Palmetto Station Apartments	LIHTC	Family	2014	48	24
McGowan Apartments	LIHTC	Family	2012	36	12
Average					18

On average, these properties reported an absorption rate of 18 units per month. With the stable demographic base of moderate income families in the PMA and the general limited supply of affordable multifamily housing, we believe the Subject should be able to experience an absorption rate within 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 18 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

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

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

EXCLUDED LIST					
Property Name	Rent Structure	Tenancy	Reason for Exclusion	Number of Units	2018 Vacancy Rate
Forest Ridge Apartments	LIHTC	Senior	Senior tenancy	89	0.0%
Magnolia Senior Village	LIHTC	Senior	Senior tenancy	32	0.0%
Springfield Apartments	LIHTC	Disabled	Targets disabled persons	8	0.0%
Lakeshore Arms	Market	Families	Unit mix is not comparable	72	0.0%
Palmetto Villas	Market	Families	Inferior age and condition	44	2.3%
Palmetto Apartments	RDA	Families	Subsidized	72	N/A
South Park Apartments	Section 8	Families	Subsidized	N/A	N/A
Swift Creek Apartments	Section 8	Families	Subsidized	71	0.0%
Total LIHTC Only				97	0.0%
Total Assisted*				143	0.0%
Total All Affordable*				240	0.0%

*Vacancy rates calculated using only properties reporting vacancy information

N/A - Not available

LIHTC Competition

We spoke to Brenda Kelley (843-383-3009), Development Project Manager with the City of Hartsville’s Planning Department. Ms. Kelley indicated that there are no multifamily properties currently proposed, planned, or under construction in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property. This single-story property offers 32 one and two-bedroom units for seniors. Because of its senior tenancy, we do not consider Magnolia Senior Village to be competitive with the Subject. We also spoke with Julie Ritz (843-398-4610) in the Darlington County Planning Department, who indicated that no other multifamily properties are currently proposed, planned, or under construction in the broader Darlington County area.

Pipeline Construction

As detailed above, we spoke with officials in both the City of Hartsville’s Planning Department and the County of Darlington Planning Department. Both offices indicated that there is no multifamily development currently under construction, proposed, or planned in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property.

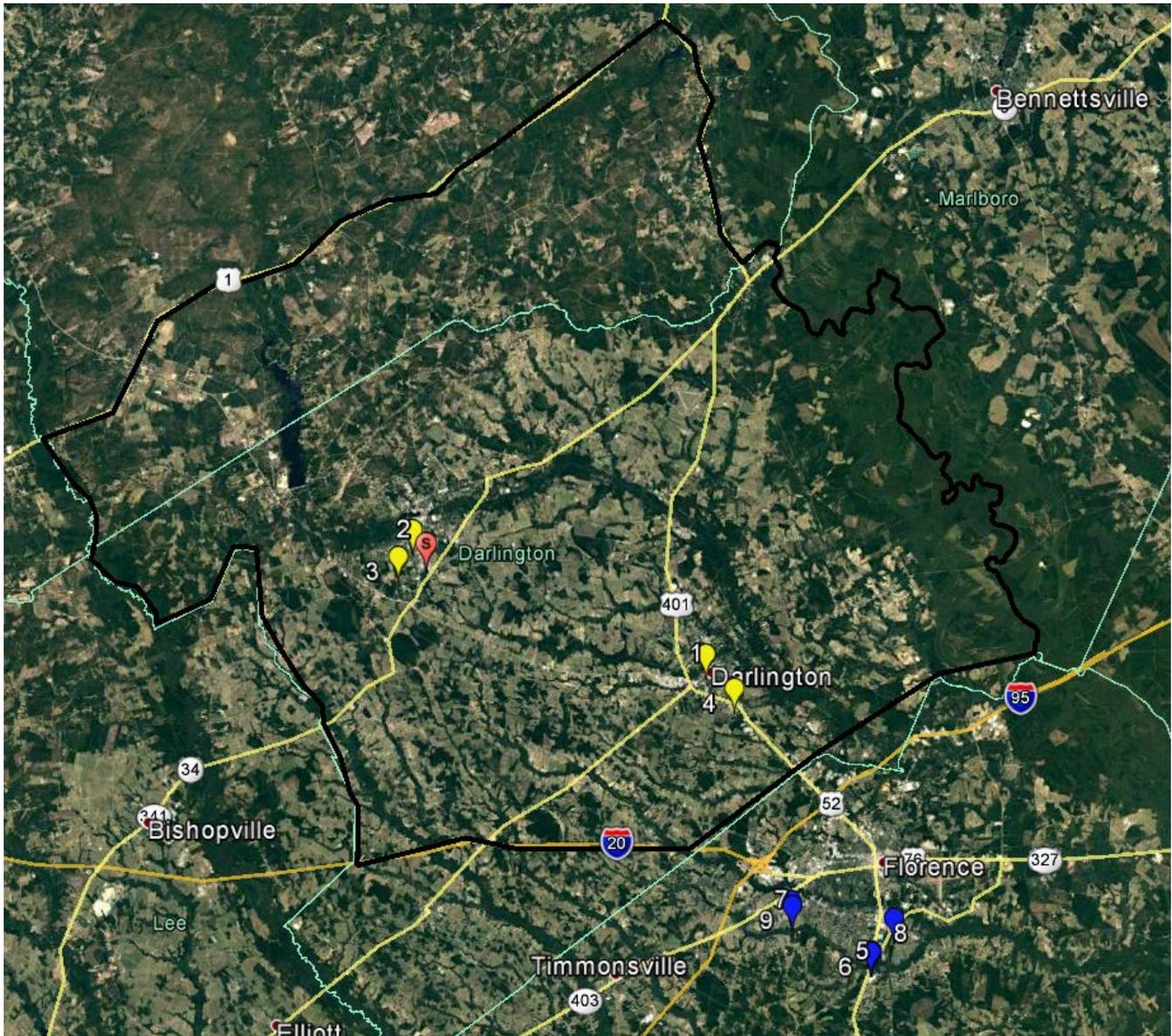
Comparable Properties

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 992 units.

The availability of multifamily data in the PMA and specifically in the Hartsville area was limited and, therefore, we extended our search for comparable properties into Darlington County. Of the four LIHTC comparables, two are in Hartsville and two are located within 12.5 miles of the Subject site in Darlington. Note that since the Subject will offer no rental assistance, we have excluded subsidized or Rural Development properties from the analysis of “true” comparables. Market data available for market rate apartments in the PMA is also considered poor, and we again extended our search to the Darlington County area more broadly. We were able to identify five market rate properties in Florence as comparables.

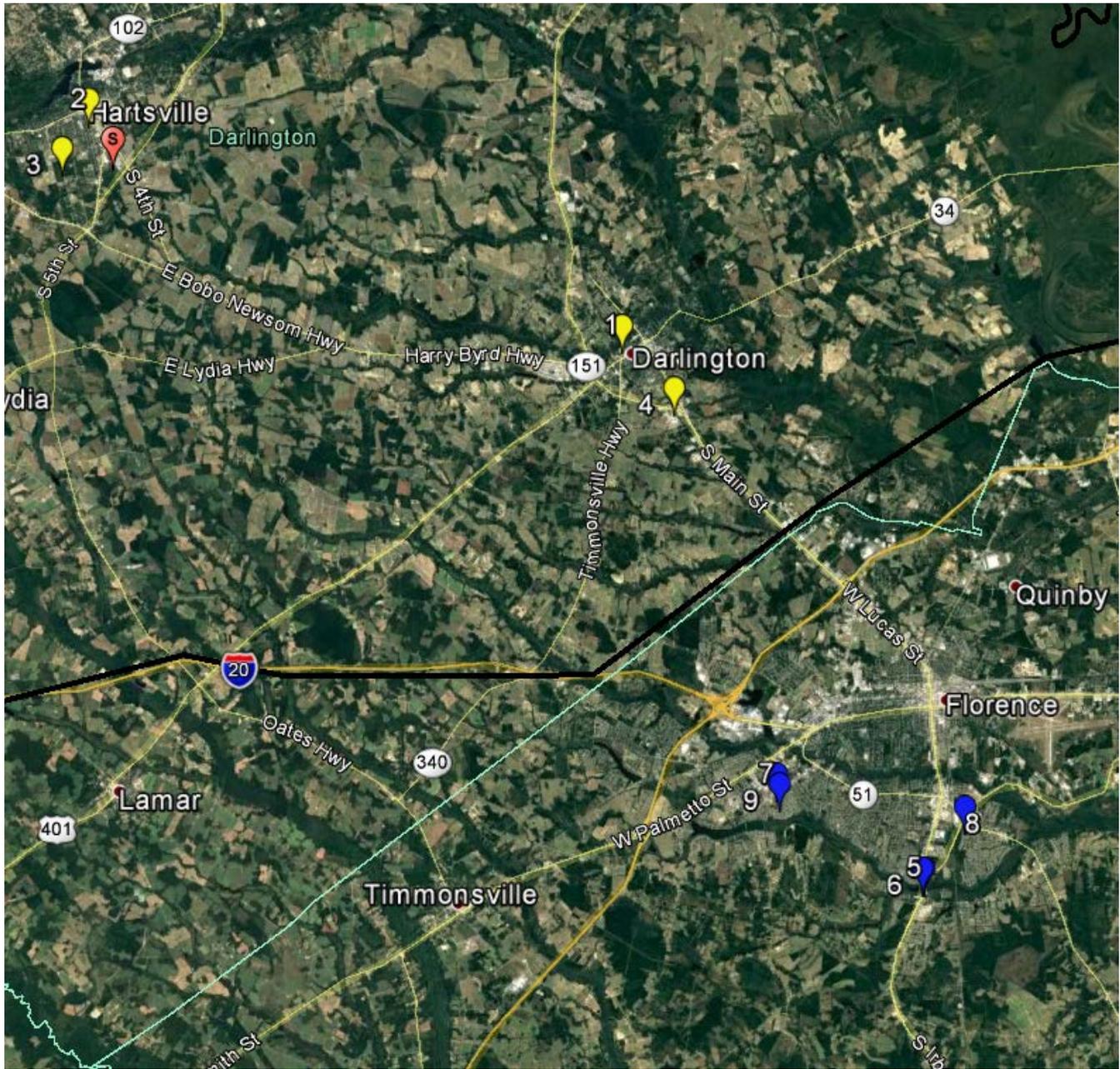
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are further profiled in the write-ups following. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available. Throughout the course of performing this analysis of the local rental market, many apartment managers, realtors, leasing agents, and owners were contacted in person, or through the telephone or email.

COMPARABLE RENTAL PROPERTY MAP - GENERAL



Source: Google Earth, January 2018.

COMPARABLE RENTAL PROPERTY MAP - DETAILED



Source: Google Earth, January 2018.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Hartsville Crossing Village	Hartsville	LIHTC	-
1	Autumn Run Apartments	Darlington	LIHTC	12.4 miles
2	Hartsville Garden Apartments	Hartsville	LIHTC	2.9 miles
3	Middletown Apartments	Hartsville	LIHTC	4.0 miles
4	Pecan Grove Apartments	Darlington	LIHTC	14.0 miles
5	Charles Pointe*	Florence	Market	24.7 miles
6	Columns at Millstone*	Florence	Market	24.7 miles
7	Somerset Acres*	Florence	Market	21.2 miles
8	The Reserve at Mill Creek*	Florence	Market	24.3 miles
9	Woodlake Apartments*	Florence	Market	21.4 miles

*These properties are 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.

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, 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	Hartsville Crossing Village Driver Avenue Hartsville, SC 29550 Darlington County	-	Garden (2 stories) Proposed 2020 Family	@50%, @60%	1BR / 1BA	2	6.3%	750	@50%	\$372	Yes		N/A	N/A
					1BR / 1BA	6	18.8%	750	@60%	\$476	Yes	N/A	N/A	
					2BR / 2BA	4	12.5%	950	@50%	\$426	Yes	N/A	N/A	
					2BR / 2BA	12	37.5%	950	@60%	\$550	Yes	N/A	N/A	
					3BR / 2BA	2	6.3%	1,100	@50%	\$464	Yes	N/A	N/A	
					3BR / 2BA	6	18.8%	1,100	@60%	\$604	No	N/A	N/A	
						32	100.0%							
1	Autumn Run Apartments 405 Wells Street Darlington, SC 29532 Darlington County	12.4 miles	Garden (2 stories) 2004 / n/a Family	@50%, @60%	2BR / 1BA	14	35.0%	850	@50%	\$338	No	Yes	0	0.0%
					2BR / 1BA	14	35.0%	850	@60%	\$460	No	Yes	0	0.0%
					3BR / 2BA	6	15.0%	1,000	@50%	\$364	No	Yes	0	0.0%
					3BR / 2BA	6	15.0%	1,000	@60%	\$499	No	Yes	0	0.0%
											40	100.0%		
2	Hartsville Garden Apartments 780 Tailwind Lane Hartsville, SC 29550 Darlington County	2.9 miles	Garden (3 stories) 2011 / n/a Family	@50%, @50%, (HOME), @60%	1BR / 1BA	6	8.3%	740	@50%	\$386	Yes	Yes	0	0.0%
					1BR / 1BA	2	2.8%	740	@50% (HOME)	\$347	No	Yes	0	0.0%
					1BR / 1BA	8	11.1%	740	@60%	\$488	No	Yes	0	0.0%
					2BR / 2BA	16	22.2%	888	@50%	\$456	Yes	Yes	0	0.0%
					2BR / 2BA	4	5.6%	888	@50% (HOME)	\$410	No	Yes	0	0.0%
					2BR / 2BA	20	27.8%	888	@60%	\$546	No	Yes	1	5.0%
					3BR / 2BA	6	8.3%	1,069	@50%	\$492	Yes	Yes	0	0.0%
					3BR / 2BA	2	2.8%	1,069	@50% (HOME)	\$439	No	Yes	0	0.0%
					3BR / 2BA	8	11.1%	1,069	@60%	\$572	Yes	Yes	0	0.0%
											72	100.0%		
3	Middletown Apartments 600 West Washington Street Hartsville, SC 29550 Darlington County	4.0 miles	Garden (2 stories) 1998 / n/a Family	@50%, @60%	2BR / 1BA	12	30.0%	685	@50%	\$380	No	Yes	0	0.0%
					2BR / 1BA	12	30.0%	685	@60%	\$460	No	Yes	0	0.0%
					3BR / 1.5BA	8	20.0%	1,100	@50%	\$520	No	Yes	0	0.0%
					3BR / 1.5BA	8	20.0%	1,100	@60%	\$590	No	Yes	0	0.0%
						40	100.0%							
4	Pecan Grove Apartments 105 Price Court Darlington, SC 29532 Darlington County	14.0 miles	Duplex (1 stories) 2007 / n/a Family	@50%, @50%, (HOME), @60%	1BR / 1BA	4	12.5%	570	@50%	\$370	No	Yes	0	0.0%
					1BR / 1BA	2	6.3%	570	@50% (HOME)	\$334	No	Yes	0	0.0%
					1BR / 1BA	6	18.8%	570	@60%	\$415	No	Yes	0	0.0%
					2BR / 2BA	4	12.5%	700	@50%	\$426	No	Yes	0	0.0%
					2BR / 2BA	2	6.3%	700	@50% (HOME)	\$367	No	Yes	0	0.0%
					2BR / 2BA	9	28.1%	700	@60%	\$447	No	Yes	0	0.0%
					3BR / 2BA	2	6.3%	837	@50%	\$449	No	Yes	0	0.0%
					3BR / 2BA	1	3.1%	837	@50% (HOME)	\$383	No	Yes	0	0.0%
					3BR / 2BA	2	6.3%	837	@60%	\$483	No	Yes	0	0.0%
											32	100.0%		
5	Charles Pointe 201 West Millstone Road Florence, SC 29505 Florence County	24.7 miles	Garden (3 stories) 2001 / n/a Family	Market	1BR / 1BA	42	25.0%	700	Market	\$790	N/A	No	1	2.4%
					2BR / 2BA	114	67.9%	1,010	Market	\$880	N/A	No	1	0.9%
					3BR / 2BA	12	7.1%	1,230	Market	\$1,050	N/A	No	1	8.3%
											168	100.0%		
6	Columns At Millstone 155 West Millstone Drive Florence, SC 29505 Florence County	24.7 miles	Garden (3 stories) 2007 / n/a Family	Market	2BR / 2BA	30	50.0%	1,040	Market	\$726	N/A	No	2	6.7%
					2BR / 2BA	30	50.0%	1,040	Market	\$701	N/A	No	0	0.0%
											60	100.0%		
7	Somerset Acres 2815 Kinloch Court Florence, SC 29501 Florence County	21.2 miles	Garden (3 stories) 2008 / n/a Family	Market	2BR / 2BA	192	100.0%	1,040	Market	\$776	N/A	No	N/A	N/A
					2BR / 2BA	0	0.0%	1,040	Market	\$801	N/A	No	N/A	N/A
					2BR / 2BA	0	0.0%	1,040	Market	\$751	N/A	No	N/A	N/A
											192	100.0%		
8	The Reserve At Mill Creek 2350 Freedom Blvd Florence, SC 29505 Florence County	24.3 miles	Garden (3 stories) 2008 / n/a Family	Market	1BR / 1BA	62	23.1%	783	Market	\$895	N/A	No	1	1.6%
					1.5BR / 1BA	60	22.4%	965	Market	\$995	N/A	No	1	1.7%
					2BR / 2BA	122	45.5%	1,130	Market	\$1,175	N/A	No	1	0.8%
					3BR / 2BA			1,285	Market	\$1,395	N/A	No	1	
											268	91.0%		
9	Woodlake Apartments 1347 Jefferson Drive Florence, SC 29501 Florence County	21.4 miles	Garden (3 stories) 2012 / n/a Family	Market	2BR / 2BA	N/A	N/A	1,040	Market	\$926	N/A	No	2	N/A
					2BR / 2BA	N/A	N/A	1,040	Market	\$826	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,222	Market	\$1,047	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,222	Market	\$947	N/A	No	0	N/A
						120	N/A							

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	992	Weighted Occupancy:	97.9%		
	Market Rate	808	Market Rate	97.5%		
	Tax Credit	184	Tax Credit	99.5%		
One-Bedroom One Bath		Two-Bedroom Two Bath		Three-Bedroom Two Bath		
RENT	Property	Average	Property	Average	Property	
	The Reserve At Mill Creek (Market)	\$895	The Reserve At Mill Creek (Market)	\$1,175	The Reserve At Mill Creek (Market)	\$1,395
	Charles Pointe (Market)	\$790	Woodlake Apartments (Market)	\$926	Charles Pointe (Market)	\$1,050
	Hartsville Garden Apartments (@60%)	\$488	Charles Pointe (Market)	\$880	Woodlake Apartments (Market)	\$1,047
	Hartsville Crossing Village (@60%)	\$476	Woodlake Apartments (Market)	\$826	Woodlake Apartments (Market)	\$947
	Pecan Grove Apartments (@60%)	\$415	Somerset Acres (Market)	\$801	Hartsville Crossing Village (@60%)	\$604
	Hartsville Garden Apartments (@50%)	\$386	Somerset Acres (Market)	\$776	Middletown Apartments (@60%) (1.5BA)	\$590
	Hartsville Crossing Village (@50%)	\$372	Somerset Acres (Market)	\$751	Hartsville Garden Apartments (@60%)	\$572
	Pecan Grove Apartments (@50%)	\$370	Columns At Millstone (Market)	\$726	Middletown Apartments (@50%) (1.5BA)	\$520
	Hartsville Garden Apartments (@50%)	\$347	Columns At Millstone (Market)	\$701	Autumn Run Apartments (@60%)	\$499
	Pecan Grove Apartments (@50%)	\$334	Hartsville Crossing Village (@60%)	\$550	Hartsville Garden Apartments (@50%)	\$492
			Hartsville Garden Apartments (@60%)	\$546	Pecan Grove Apartments (@60%)	\$483
			Middletown Apartments (@60%) (1BA)	\$460	Hartsville Crossing Village (@50%)	\$464
			Autumn Run Apartments (@60%) (1BA)	\$460	Pecan Grove Apartments (@50%)	\$449
			Hartsville Garden Apartments (@50%)	\$456	Hartsville Garden Apartments (@50%)	\$439
			Pecan Grove Apartments (@60%)	\$447	Pecan Grove Apartments (@50%)	\$383
			Hartsville Crossing Village (@50%)	\$426	Autumn Run Apartments (@50%)	\$364
			Pecan Grove Apartments (@50%)	\$426		
			Hartsville Garden Apartments (@50%)	\$410		
			Middletown Apartments (@50%) (1BA)	\$380		
			Pecan Grove Apartments (@50%)	\$367		
			Autumn Run Apartments (@50%) (1BA)	\$338		
SQUARE FOOTAGE						
	The Reserve At Mill Creek (Market)	783	The Reserve At Mill Creek (Market)	1,130	The Reserve At Mill Creek (Market)	1,285
	Hartsville Crossing Village (@50%)	750	Columns At Millstone (Market)	1,040	Charles Pointe (Market)	1,230
	Hartsville Crossing Village (@60%)	750	Columns At Millstone (Market)	1,040	Woodlake Apartments (Market)	1,222
	Hartsville Garden Apartments (@50%)	740	Somerset Acres (Market)	1,040	Woodlake Apartments (Market)	1,222
	Hartsville Garden Apartments (@50%)	740	Somerset Acres (Market)	1,040	Hartsville Crossing Village (@50%)	1,100
	Hartsville Garden Apartments (@60%)	740	Somerset Acres (Market)	1,040	Hartsville Crossing Village (@60%)	1,100
	Charles Pointe (Market)	700	Woodlake Apartments (Market)	1,040	Middletown Apartments (@50%) (1.5BA)	1,100
	Pecan Grove Apartments (@50%)	570	Woodlake Apartments (Market)	1,040	Middletown Apartments (@60%) (1.5BA)	1,100
	Pecan Grove Apartments (@50%)	570	Charles Pointe (Market)	1,010	Hartsville Garden Apartments (@50%)	1,069
	Pecan Grove Apartments (@60%)	570	Hartsville Crossing Village (@50%)	950	Hartsville Garden Apartments (@50%)	1,069
			Hartsville Crossing Village (@60%)	950	Hartsville Garden Apartments (@60%)	1,069
			Hartsville Garden Apartments (@50%)	888	Autumn Run Apartments (@50%)	1,000
			Hartsville Garden Apartments (@50%)	888	Autumn Run Apartments (@60%)	1,000
			Hartsville Garden Apartments (@60%)	888	Pecan Grove Apartments (@50%)	837
			Autumn Run Apartments (@50%) (1BA)	850	Pecan Grove Apartments (@50%)	837
			Autumn Run Apartments (@60%) (1BA)	850	Pecan Grove Apartments (@60%)	837
			Pecan Grove Apartments (@50%)	700		
			Pecan Grove Apartments (@50%)	700		
			Pecan Grove Apartments (@60%)	700		
			Middletown Apartments (@50%) (1BA)	685		
			Middletown Apartments (@60%) (1BA)	685		
RENT PER SQUARE FOOT						
	The Reserve At Mill Creek (Market)	\$1.14	The Reserve At Mill Creek (Market)	\$1.04	The Reserve At Mill Creek (Market)	\$1.09
	Charles Pointe (Market)	\$1.13	Woodlake Apartments (Market)	\$0.96	Woodlake Apartments (Market)	\$0.94
	Pecan Grove Apartments (@60%)	\$0.82	Charles Pointe (Market)	\$0.87	Woodlake Apartments (Market)	\$0.86
	Pecan Grove Apartments (@50%)	\$0.75	Woodlake Apartments (Market)	\$0.87	Charles Pointe (Market)	\$0.85
	Hartsville Garden Apartments (@60%)	\$0.73	Somerset Acres (Market)	\$0.84	Pecan Grove Apartments (@60%)	\$0.70
	Pecan Grove Apartments (@50%)	\$0.68	Somerset Acres (Market)	\$0.82	Pecan Grove Apartments (@50%)	\$0.66
	Hartsville Crossing Village (@60%)	\$0.63	Somerset Acres (Market)	\$0.79	Hartsville Garden Apartments (@60%)	\$0.63
	Hartsville Garden Apartments (@50%)	\$0.60	Columns At Millstone (Market)	\$0.77	Autumn Run Apartments (@60%)	\$0.60
	Hartsville Garden Apartments (@50%)	\$0.54	Columns At Millstone (Market)	\$0.75	Pecan Grove Apartments (@50%)	\$0.58
	Hartsville Crossing Village (@50%)	\$0.50	Pecan Grove Apartments (@60%)	\$0.74	Hartsville Garden Apartments (@50%)	\$0.56
			Pecan Grove Apartments (@50%)	\$0.71	Hartsville Crossing Village (@60%)	\$0.55
			Hartsville Garden Apartments (@60%)	\$0.70	Middletown Apartments (@60%) (1.5BA)	\$0.54
			Middletown Apartments (@60%) (1BA)	\$0.67	Hartsville Garden Apartments (@50%)	\$0.51
			Pecan Grove Apartments (@50%)	\$0.63	Middletown Apartments (@50%) (1.5BA)	\$0.47
			Autumn Run Apartments (@60%) (1BA)	\$0.63	Autumn Run Apartments (@50%)	\$0.47
			Hartsville Garden Apartments (@50%)	\$0.60	Hartsville Crossing Village (@50%)	\$0.42
			Hartsville Crossing Village (@60%)	\$0.58		
			Middletown Apartments (@50%) (1BA)	\$0.55		
			Hartsville Garden Apartments (@50%)	\$0.55		
			Autumn Run Apartments (@50%) (1BA)	\$0.48		
			Hartsville Crossing Village (@50%)	\$0.45		

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

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

PROPERTY PROFILE REPORT

Autumn Run Apartments

Effective Rent Date 1/02/2018

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

Distance 12.4 miles

Units 40

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2004 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors N/A

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

Contact Name Tracy

Phone (843) 398-1981



Market Information

Program @50%, @60%

Annual Turnover Rate 10%

Units/Month Absorbed N/A

HCV Tenants 25%

Leasing Pace Within one month

Annual Chg. in Rent N/A

Concession None

Waiting List Yes

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	14	850	\$412	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	14	850	\$534	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,000	\$467	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	6	1,000	\$602	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$412	\$0	\$412	-\$75	\$337	2BR / 1BA	\$534	\$0	\$534	-\$75	\$459
3BR / 2BA	\$467	\$0	\$467	-\$103	\$364	3BR / 2BA	\$602	\$0	\$602	-\$103	\$499

Autumn Run Apartments, continued

Amenities

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

Comments

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

PROPERTY PROFILE REPORT

Hartsville Garden Apartments

Effective Rent Date 1/03/2018
Location 780 Tailwind Lane
 Hartsville, SC 29550
 Darlington County
 Intersection: S 4th Street
Distance 2.9 miles
Units 72
Vacant Units 1
Vacancy Rate 1.4%
Type Garden (3 stories)
Year Built/Renovated 2011 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Middletown Apartments
Tenant Characteristics Majority families from Hartsville
Contact Name Ron
Phone 843-917-0257



Market Information

Program @50%, @50% (HOME), @60%
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased 2-4%
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)	6	740	\$441	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	2	740	\$402	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	8	740	\$543	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	16	888	\$530	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	4	888	\$484	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	20	888	\$620	\$0	@60%	Yes	1	5.0%	no	None
3	2	Garden (3 stories)	6	1,069	\$595	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	2	1,069	\$542	\$0	@50% (HOME)	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	8	1,069	\$675	\$0	@60%	Yes	0	0.0%	yes	None

Photos



PROPERTY PROFILE REPORT

Middletown Apartments

Effective Rent Date 2/12/2018

Location 600 West Washington Street
Hartsville, SC 29550
Darlington County
Intersection: Martin Luther King Drive

Distance 4 miles

Units 40

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 1998 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Hartsville Garden

Tenant Characteristics From the Hartsville area

Contact Name Tiffanie

Phone 803-459-6845



Market Information

Program @50%, @60%

Annual Turnover Rate 3%

Units/Month Absorbed N/A

HCV Tenants 20%

Leasing Pace 2-3 weeks

Annual Chg. in Rent See comments

Concession N/A

Waiting List See comments

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water not included

Sewer not included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	12	685	\$380	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	12	685	\$460	\$0	@60%	Yes	0	0.0%	no	None
3	1.5	Garden (2 stories)	8	1,100	\$520	\$0	@50%	Yes	0	0.0%	no	None
3	1.5	Garden (2 stories)	8	1,100	\$590	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$380	\$0	\$380	\$0	\$380	2BR / 1BA	\$460	\$0	\$460	\$0	\$460
3BR / 1.5BA	\$520	\$0	\$520	\$0	\$520	3BR / 1.5BA	\$590	\$0	\$590	\$0	\$590

Middletown Apartments, continued

Amenities

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

Comments

The contact stated there is strong demand for affordable housing in the Hartsville area and reported achieving rents at the LIHTC maximum allowable levels, although it appears the property is currently achieving rents below max. This property maintains a waiting list that consists of ten households and the contact reported a typical occupancy rate of 100 percent. Two-bedroom units at 50 percent AMI have remained stable since we last interviewed this property in January 2017, while the remaining units at this property have increased between seven and nine percent.

Photos



PROPERTY PROFILE REPORT

Pecan Grove Apartments

Effective Rent Date 1/05/2018

Location 105 Price Court
Darlington, SC 29532
Darlington County
Intersection: S Main Street

Distance 14 miles

Units 32

Vacant Units 0

Vacancy Rate 0.0%

Type Duplex

Year Built/Renovated 2007 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Majority families, approximately 15 percent seniors

Contact Name Helen Richardson

Phone (843) 409-9094



Market Information

Program @50%, @50% (HOME), @60%

Annual Turnover Rate 13%

Units/Month Absorbed N/A

HCV Tenants 22%

Leasing Pace Within one week

Annual Chg. in Rent Increased two percent

Concession None

Waiting List Yes

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- electric

Heat not included -- electric

Other Electric not included

Water included

Sewer included

Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Duplex	4	570	\$425	\$0	@50%	Yes	0	0.0%	no	None
1	1	Duplex	2	570	\$389	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	Duplex	6	570	\$470	\$0	@60%	Yes	0	0.0%	no	None
2	2	Duplex	4	700	\$500	\$0	@50%	Yes	0	0.0%	no	None
2	2	Duplex	2	700	\$441	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	2	Duplex	9	700	\$521	\$0	@60%	Yes	0	0.0%	no	None
3	2	Duplex	2	837	\$552	\$0	@50%	Yes	0	0.0%	no	None
3	2	Duplex	1	837	\$486	\$0	@50% (HOME)	Yes	0	0.0%	no	None
3	2	Duplex	2	837	\$586	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$389 - \$425	\$0	\$389 - \$425	-\$55	\$334 - \$370	1BR / 1BA	\$470	\$0	\$470	-\$55	\$415
2BR / 2BA	\$441 - \$500	\$0	\$441 - \$500	-\$75	\$366 - \$425	2BR / 2BA	\$521	\$0	\$521	-\$75	\$446
3BR / 2BA	\$486 - \$552	\$0	\$486 - \$552	-\$103	\$383 - \$449	3BR / 2BA	\$586	\$0	\$586	-\$103	\$483

Pecan Grove Apartments, continued

Amenities

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

Comments

The property maintains a waiting list that consists of approximately ten households. The contact indicated that there is strong demand for affordable housing in the market. The contact estimated approximately 15 percent of the tenants at this property are seniors.

Photos



PROPERTY PROFILE REPORT

Charles Pointe

Effective Rent Date	12/28/2017
Location	201 West Millstone Road Florence, SC 29505 Florence County Intersection: S Irby Street
Distance	24.7 miles
Units	168
Vacant Units	3
Vacancy Rate	1.8%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Reserve at Mill Creek
Tenant Characteristics	Most of the tenants are from Florence.
Contact Name	Leslie Tanner
Phone	843-536-4613



Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	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)	42	700	\$790	\$0	Market	No	1	2.4%	N/A	None
2	2	Garden (3 stories)	114	1,010	\$880	\$0	Market	No	1	0.9%	N/A	None
3	2	Garden (3 stories)	12	1,230	\$1,050	\$0	Market	No	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$790	\$0	\$790	\$0	\$790
2BR / 2BA	\$880	\$0	\$880	\$0	\$880
3BR / 2BA	\$1,050	\$0	\$1,050	\$0	\$1,050

Charles Pointe, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Car Wash	Exercise Facility	None	Dog Park
Garage	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. According to the contact, this property typically maintains a waiting list although there are currently no households on the list. Rents increased between two to three percent, depending on the unit type, throughout 2017 and have remained stable across all unit types since we last interviewed this property in August 2017.

Photos



Comments

The property is not offering any concessions currently. The contact indicated that Housing Choice Vouchers are not accepted.

Photos



PROPERTY PROFILE REPORT

Somerset Acres

Effective Rent Date	1/13/2018
Location	2815 Kinloch Court Florence, SC 29501 Florence County Intersection: Jefferson Drive
Distance	21.2 miles
Units	192
Vacant Units	9
Vacancy Rate	4.7%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Columns at Millstone; Woodlake
Tenant Characteristics	Mostly younger households; few seniors
Contact Name	Danielle
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	See comments
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	192	1,040	\$850	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	0	1,040	\$875	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Garden (3 stories)	0	1,040	\$825	\$0	Market	No	N/A	N/A	N/A	LOW

Unit Mix

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

Amenities

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

Comments

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

Photos



PROPERTY PROFILE REPORT

The Reserve At Mill Creek

Effective Rent Date 12/29/2017
Location 2350 Freedom Blvd
 Florence, SC 29505
 Florence County
 Intersection: S Irby Street
Distance 24.3 miles
Units 268
Vacant Units 4
Vacancy Rate 1.5%
Type Garden (3 stories)
Year Built/Renovated 2008 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Most of the tenants are from Hartsville.
Contact Name Joanie
Phone 843-665-5311



Market Information

Program Market
Annual Turnover Rate 25%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent Increased three percent
Concession None
Waiting List None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	62	783	\$895	\$0	Market	No	1	1.6%	N/A	None
1.5	1	Garden (3 stories)	60	965	\$995	\$0	Market	No	1	1.7%	N/A	None
2	2	Garden (3 stories)	122	1,130	\$1,175	\$0	Market	No	1	0.8%	N/A	None
3	2	Garden (3 stories)	24	1,285	\$1,395	\$0	Market	No	1	4.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$895	\$0	\$895	\$0	\$895
1.5BR / 1BA	\$995	\$0	\$995	\$0	\$995
2BR / 2BA	\$1,175	\$0	\$1,175	\$0	\$1,175
3BR / 2BA	\$1,395	\$0	\$1,395	\$0	\$1,395

The Reserve At Mill Creek, continued

Amenities

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

Comments

This property was formerly known as The Haven at Mill Creek. The property does not accept Housing Choice Vouchers. The contact stated detached garages are available for an additional monthly fee but could not provide the cost or utilization rate.

Photos



PROPERTY PROFILE REPORT

Woodlake Apartments

Effective Rent Date	12/28/2017
Location	1347 Jefferson Drive Florence, SC 29501 Florence County Intersection: Millbank Drive
Distance	21.4 miles
Units	120
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	9/01/2011
Leasing Began	1/01/2012
Last Unit Leased	8/31/2012
Major Competitors	None identified
Tenant Characteristics	Mostly younger tenants; few seniors
Contact Name	Danielle
Phone	843-667-4900



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	15
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	None reported
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	N/A	1,040	\$1,000	\$0	Market	No	2	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	1,040	\$900	\$0	Market	No	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,222	\$1,150	\$0	Market	No	0	N/A	N/A	HIGH
3	2	Garden (3 stories)	N/A	1,222	\$1,050	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

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

Woodlake Apartments, continued

Amenities

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

Comments

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

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	LIHTC	40	0	0.0%
Hartsville Garden Apartments	LIHTC	72	1	1.4%
Middletown Apartments	LIHTC	40	1	2.5%
Pecan Grove Apartments	LIHTC	32	0	0.0%
Charles Pointe*	Market	168	3	1.8%
Columns at Millstone*	Market	60	2	3.3%
Somersett Acres*	Market	192	9	4.7%
The Reserve at Mill Creek*	Market	268	4	1.5%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Overall Total		992	22	2.2%
Overall Total in PMA		184	2	1.1%

*These properties are located outside the PMA.

LIHTC VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Autumn Run Apartments	LIHTC	40	0	0.0%
Hartsville Garden Apartments	LIHTC	72	1	1.4%
Middletown Apartments	LIHTC	40	1	2.5%
Pecan Grove Apartments	LIHTC	<u>32</u>	<u>0</u>	<u>0.0%</u>
Total LIHTC		184	2	1.1%
Total LIHTC in PMA		184	2	1.1%

*These properties are located outside the PMA.

MARKET RATE VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Charles Pointe*	Market	168	3	1.8%
Columns at Millstone*	Market	60	2	3.3%
Somersett Acres*	Market	192	9	4.7%
The Reserve at Mill Creek*	Market	268	4	1.5%
Woodlake Apartments*	Market	<u>120</u>	<u>2</u>	<u>1.7%</u>
Total Market Rate		808	20	2.5%
Total Market Rate in PMA		0	0	0.0%

*These properties are located outside the PMA.

Overall vacancy among all nine comparables the vacancy rate is 2.2 percent, and overall vacancy within the PMA is 1.1 percent. The surveyed comparable LIHTC properties have a 1.1 percent vacancy rate, and all maintain waiting lists, indicating very high demand for affordable housing.

Among the market rate properties, vacancy is also very low at 2.5 percent, indicating very strong support for conventional apartments. Of note, none of the market rate properties are located within the PMA. None of the market comparable properties reported a vacancy rate greater than 4.7 percent.

Overall, the local rental market appears to be healthy and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, we would also expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 184 total LIHTC units in the PMA that we included in this comparable analysis. There are two 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 SCSHFDA utility allowance for the Midlands Region, effective January 1, 2017, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

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

LIHTC RENT COMPARISON @50%

Property Name	1BR	2BR	3BR
Hartsville Crossing Village	\$372	\$426	\$464
LIHTC Maximum Rent (Net)	\$372	\$426	\$464
Autumn Run Apartments (@50%)	-	\$338	\$364
Hartsville Garden Apartments (@50%)	\$386	\$456	\$492
Middletown Apartments (@50%)	-	\$380	\$520
Pecan Grove Apartments (@50%)	\$370	\$426	\$449
Average (excluding Subject)	\$378	\$400	\$457
Achievable LIHTC Rent	\$372	\$426	\$464

The Subject’s proposed 50 percent AMI rents are set at 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. Two of the four comparables reported rents at the maximum allowable levels, though Hartsville Garden Apartments appears to be achieving rents above the 2017 maximum allowable levels. Discrepancies between current rents and the LIHTC maximum allowable rents as presented in the table above are likely due to differing utility allowances. The Subject is considered most similar to Hartsville Garden. Hartsville Garden offers one, two, and three-bedroom units at the maximum allowable level for rents at 50 percent of AMI. Hartsville Garden is similar to the Subject in terms of location and amenities, but slightly inferior to the Subject with respect to age and condition. Even with rents set at maximum allowable levels, Hartsville Garden reports low vacancy and a waiting list. Because the Subject will be in a market with demonstrated demand for affordable housing, as well as the limited number of units proposed at 50 percent AMI, we believe the Subject’s proposed rents at this level are achievable.

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

LIHTC RENT COMPARISON @60%

Property Name	1BR	2BR	3BR
Hartsville Crossing Village	\$476	\$550	\$604
LIHTC Maximum Rent (Net)	\$476	\$550	\$608
Autumn Run Apartments (@60%)	-	\$460	\$499
Hartsville Garden Apartments (@60%)	\$488	\$546	\$572
Middletown Apartments (@60%)	-	\$460	\$590
Pecan Grove Apartments (@60%)	\$415	\$447	\$483
Average (excluding Subject)	\$451	\$478	\$536
Achievable LIHTC Rent	\$476	\$550	\$604

The Subject’s proposed 60 percent AMI rents for one and two-bedroom units are set at the maximum allowable rents at this AMI level, while the rent for the three-bedroom units are slightly below the maximum allowable rent. Average 60 percent AMI rents in the market are below the Subject’s proposed rents at this AMI level. The Subject is considered most similar to Hartsville Garden Apartments in terms of amenities, unit sizes, and location. This property reported achieving the 60 percent AMI maximum allowable rents for its one-bedroom units; discrepancies in the table above are likely due to differing utility allowances. Hartsville Garden Apartments is achieving two and three-bedroom rents slightly below the 60 percent AMI maximum allowable rents, however. Even with the highest LIHTC rents in the market and rents set at or near maximum allowable levels, Hartsville Garden maintains a waiting list. The Subject is considered slightly superior to Hartsville Garden with respect to age and condition. Given the fact the Subject will be in a market with a demonstrated demand for affordable housing, the strong performance of the property with the highest LIHTC rents, and the limited number of units proposed at 60 percent AMI, we believe the Subject’s proposed rents at this level are achievable.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@50%	\$372	\$790	\$895	\$843	\$880	58%
1BR / 1BA	@60%	\$476	\$790	\$895	\$843	\$880	46%
2BR / 2BA	@50%	\$426	\$701	\$1,175	\$840	\$900	53%
2BR / 2BA	@60%	\$550	\$701	\$1,175	\$840	\$900	39%
3BR / 2BA	@50%	\$464	\$947	\$1,395	\$1,110	\$1,000	54%
3BR / 2BA	@60%	\$604	\$947	\$1,395	\$1,110	\$1,000	40%

All of the market rate properties were built between 2001 and 2012, and are located in Florence, which is approximately 20 miles southeast of Hartsville. These comparables are the closest market rate

comparables in the general area. These comparables are superior with respect to location, as Florence has a higher median income and a higher median monthly rent than does Hartsville. However, the market rate comparables are considered slightly inferior to the Subject with respect to amenities, age, and condition. Thus, we believe the Subject will be able to achieve similar market rents to those of the market rate comparables located in Florence. The Reserve at Mill Creek was constructed in 2008 and has a similar unit mix, and is thus considered most similar to the Subject. Net rents at this property are \$895 for a one-bedroom unit, \$1,175 for a two-bedroom unit, and \$1,395 for a three-bedroom unit. These rents are above the surveyed average for all unit types. The Reserve at Mill Creek offers one-bedroom units at 783 square feet, two-bedroom units at 1,130 square feet, and three-bedroom units at 1,285 square feet. All of these unit sizes are slightly above the Subject’s proposed unit sizes. Given the Subject’s similarity to The Reserve at Mill Creek with respect to age and condition, and its inferiority with respect to location and unit size, we expect the Subject can achieve market rents slightly lower than those at The Reserve at Mill Creek. Thus, we have concluded to achievable market rents of **\$880, \$900, and \$1,000** for one-, two-, and three-bedroom units, respectively. The Subject’s proposed LIHTC rents will have advantages of 39 to 58 percent over what we have determined to be the achievable market rents.

Classified Listings

There is not an adequate supply of conventional market rate apartments in the immediate market area to support the Subject’s three-bedroom rents; therefore, we have obtained classified rental listings for single-family homes and manufactured homes in the immediate area. Most families seeking housing in an apartment community would be likely to consider moving into a single-family rental home or a mobile home. It should be noted that we made utility adjustments to the comparable data using the utility allowance provided by the developer’s utility allowance.

RENTAL CLASSIFIED LISTINGS

BR	BA	Address	City	Size (SF)	Rent	Comments
3	2	2580 New Market Road	Hartsville	1,400	\$1,500	Hardwood floors, carport parking, dishwasher
3	2	3801 Cravenhurst Court	Florence	1,260	\$1,100	Fireplace, hardwood floors
3	2	1315 Wenonah Drive	Florence	1,400	\$1,200	Carport parking
3	2	1455 W Palmetto Street	Florence	1,500	\$1,200	Hardwood flooring, carport parking, washer/dryer units
3BR Average					\$1,250	

Source: Zillow.com, January 2018.

The classifieds in the Subject market area are generally inferior with respect to property amenities. However, the classifieds are considered superior to the Subject with respect to unit size and in-unit amenities. Our achievable market rent of \$1,000 for a three-bedroom unit is thus generally supported by the classifieds presented.

Impact of Subject on Other Affordable Units in Market

There are two total comparable vacant LIHTC units surveyed, and all the LIHTC comparables maintain waiting lists. There are four LIHTC properties we surveyed in the PMA, none of which are age-restricted. With a limited supply of affordable housing options in the market and a stable base of moderate-income families, we believe the Subject’s opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There is limited supply of LIHTC units without subsidies in the PMA. Therefore, the availability of LIHTC housing targeting moderate incomes is considered inadequate given the demographic stability of the PMA. The Subject would bring better balance to the supply of affordable rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with a 1.1 percent vacancy rate in the PMA and a 2.2 percent vacancy rate among all nine surveyed comparable projects. The four properties with LIHTC units reported two total vacancies and all maintain waiting lists, suggesting significant latent demand for affordable housing. Market rate comparables are not performing as well, with vacancy rates of 1.5 to 4.7 percent. When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 40 percent below what we have determined to be the achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

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

Planning

We spoke to Brenda Kelley (843-383-3009), Senior Planner with the City of Hartsville’s Planning Department. Ms. Kelley indicated that there are no multifamily properties currently proposed, planned, or under construction in the Hartsville area. Magnolia Senior Village is Hartsville’s only recently completed multifamily property. This single-story property offers 32 one and two-bedroom units for seniors. Because of its senior tenancy, we do not consider Magnolia Senior Village to be competitive with the Subject. We also spoke with Julie Ritz (843-398-4610) in the County of Darlington Planning Department, who indicated that no other multifamily properties are currently proposed, planned, or under construction in the broader Darlington County area.

Section 8/Public Housing

We interviewed Ms. Kimberly Funderburk with the Hartsville Housing Authority (843-332-1583) for information regarding the local voucher program. Ms. Funderburk indicated that the authority is authorized to distribute 210 tenant-based Housing Choice Vouchers. 160 of these vouchers are currently in use. According to Ms. Austin, the waiting list is currently closed and was last open in 2014. The following table illustrates the current payment standards for the program as of January 1, 2018.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$558
Two-Bedroom	\$641
Three-Bedroom	\$843

Hartsville Housing Authority, effective January 2018

The Subject’s proposed rents are below the current payment standards. Tenants with vouchers will not have 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.

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 5.2 percent for the affordable units, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.1 to 7.6 percent, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Hartsville) that has few affordable multifamily housing alternatives. The Subject site is located within 1.0 mile of most community services and facilities that families would utilize on a consistent basis.

There are only two vacancies among LIHTC comparables, yielding a vacancy rate of 1.1 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 40 percent overall advantage compared to achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

March 9, 2018

Date



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ADDENDA

ADDENDUM A
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

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

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Meg Southern

I. Education

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

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

II. Professional Experience

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

III. Research Assignments

A representative sample of work on various types of projects:

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Travis Jorgenson

I. Education

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

II. Professional Experience

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

III. Research Assignments

A representative sample of work on various types of projects:

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

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

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

Development Name: Hartsville Crossing Village	Total # Units: 32
Location: Driver Avenue, south of Hartsville Crossing Boulevard	# LIHTC Units: 32
Development Type: <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: <u>23</u> miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	992	22	97.8%
Market-Rate Housing	5	808	20	97.5%
Assisted/Subsidized Housing not to include LIHTC	2	143	0	100.0%
LIHTC (All that are stabilized)*	4	184	2	98.9%
Stabilized Comps**	8	800	22	97.3%
Non-stabilized Comps	0	0	N/A	N/A

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	750	\$372	\$880	\$1.17	57.7%	\$895	\$1.51
4	2	2	950	\$426	\$900	\$0.95	52.7%	\$1,175	\$1.51
2	3	2	1100	\$464	\$1,000	\$0.91	53.6%	\$1,395	\$1.51
6	1	1	750	\$476	\$880	\$1.17	45.9%	\$895	\$1.26
12	2	2	950	\$550	\$900	\$0.95	38.9%	\$1,175	\$1.51
6	3	2	1100	\$604	\$1,000	\$0.91	39.6%	\$1,395	\$1.26
Gross Potential Rent Monthly*				\$16,456	\$29,440		44.1%		

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

DEMOGRAPHIC DATA (found on page 41)

	2000		2017		2020	
Renter Households	5,785	13.6%	7,428	14.6%	7,398	14.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	1,838	24.8%	1,812	24.8%
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 60)

Type of Demand	50%	60%	Market- rate	Other: __	Overall Affordable	Overall
Renter Household Growth	-21	-12			-26	
Existing Households (Overburd + Substand)	469	485			698	
Homeowner conversion (Seniors)	0	0			0	
Other:	0	0			0	
Less Comparable/Competitive Supply	0	0			0	
Net Income-qualified Renter HHs	448	473			672	

CAPTURE RATES (found on page 61)

Targeted Population	50%	60%	Market- rate	Other: __	Overall Affordable	Overall
Capture Rate	1.9%	5.5%			5.2%	

ABSORPTION RATE (found on page 62)

Absorption Period: 2 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

HARTSVILLE CROSSING VILLAGE – HARTSVILLE, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
2	1 BR	\$372	\$744	\$880	\$1,760	57.7%
6	1 BR	\$476	\$2,856	\$880	\$5,280	45.9%
4	2 BR	\$426	\$1,704	\$900	\$3,600	52.7%
12	2 BR	\$550	\$6,600	\$900	\$10,800	38.9%
2	3 BR	\$464	\$928	\$1,000	\$2,000	53.6%
6	3 BR	\$604	\$3,624	\$1,000	\$6,000	39.6%
Totals	32		\$16,456		\$29,440	44.1%

Source: SCSHFDA, Novogradac & Company LLP, January 2018