



**NOVOGRADAC  
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CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET FEASIBILITY STUDY OF:**  
**ARCHIBALD  
TOWER  
(ARCHIBALD  
RUTLEDGE  
APARTMENTS)**

**A MARKET FEASIBILITY STUDY OF:**

# **ARCHIBALD TOWER**

# **(ARCHIBALD RUTLEDGE**

# **APARTMENTS)**

764 N. Church Street  
Spartanburg, SC 29303

Effective Date: January 10, 2018  
Report Date: May 10, 2018

Prepared for:  
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Assistant Vice President  
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Assignment Code: NHP601V.002

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May 10, 2018

Mr. Mansur Abdul-Malik  
Assistant Vice President  
The NHP Foundation  
1090 Vermont Avenue NW  
Suite 400  
Washington, DC 20005

Re: Market Study for Archibald Tower (Archibald Rutledge Apartments), located in Spartanburg, South Carolina

Dear Mr. Abdul-Malik:

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

The purpose of this market study is to assess the viability of Archibald Tower (Archibald Rutledge Apartments), an existing subsidized property proposed for renovation with LIHTCs. The property will be a newly renovated project, with 86 units restricted to households earning 60 percent of the Area Median Income (AMI) or less. All units will be subsidized with project-based rental assistance (PBRA) post-renovation. The Subject will target families. 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.

THE NHP FOUNDATION  
ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS)  
MAY 10, 2018  
PAGE 2

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

Respectfully submitted,  
Novogradac & Company LLP



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# **EXECUTIVE SUMMARY**

**Property Summary of Subject**

**Subject Property Overview:** Archibald Tower (Archibald Rutledge Apartments), the Subject, is an existing subsidized property proposed for renovation with LIHTCs. As proposed, the Subject will be an 86-unit apartment community restricted to households 60 percent of the AMI, or less. The Subject will be located at 764 N. Church Street and will offer studio, one, and two-bedroom units. The Subject will consist of the fifth through twelfth floors of one, 12-story, elevator-serviced high-rise building.

**Targeted Tenancy:** Families.

**Proposed Rents, Unit Mix and Utility Allowance:** The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes. Note that the Subject’s asking rents will be its contract rents as determined by the Spartanburg Housing Authority.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Achievable Net LIHTC Rent (1)	Proposed Contract Rent (2)	Utility Allowance (3)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>@60% (Project Based Rental Assistance - PBRA)</i>								
OBR / 1BA	410	35	\$497	\$599	\$56	\$655	\$553	\$449
OBR / 1BA	517	6	\$497	\$599	\$56	\$655	\$553	\$449
1BR / 1BA	611	24	\$529	\$619	\$64	\$683	\$593	\$575
1BR / 1BA	750	15	\$529	\$619	\$64	\$683	\$593	\$575
2BR / 1.5BA	950	<u>6</u>	\$627	\$712	\$85	\$797	\$712	\$697
		<b>86</b>						

Notes (1) These achievable LIHTC rents are determined in the Supply section of this report; (2) the Subject's proposed asking rents are its contract rents as provided by the Spartanburg Housing Authority; (3) Source of Utility Allowance provided by the Spartanburg Housing Authority via the Developer.

## Market Vacancy

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

### VACANCY - ALL COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge*	LIHTC	152	2	1.3%
Companion At Lee's Crossing	LIHTC	192	1	0.5%
Country Garden Estates I & II	LIHTC	100	1	1.0%
Pelham Village*	LIHTC	60	0	0.0%
White Oak Aparments*	LIHTC	50	1	2.0%
Church Street Lofts	Market	88	4	4.5%
Crown Pointe Apartments	Market	241	5	2.1%
Drayton Mills Lofts	Market	289	6	2.1%
The Brick Lofts	Market	46	2	4.3%
The Corners Apartments	Market	<u>176</u>	<u>8</u>	<u>4.5%</u>
<b>Overall Total in PMA</b>		<b>1,132</b>	<b>27</b>	<b>2.4%</b>
<b>Overall Total</b>		<b>1,394</b>	<b>30</b>	<b>2.2%</b>

\*This property is located outside of the PMA.

### VACANCY - LIHTC COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge*	LIHTC	152	2	1.3%
Companion At Lee's Crossing	LIHTC	192	1	0.5%
Country Garden Estates I & II	LIHTC	100	1	1.0%
Pelham Village*	LIHTC	60	0	0.0%
White Oak Aparments*	LIHTC	<u>50</u>	<u>1</u>	<u>2.0%</u>
<b>Total LIHTC in PMA</b>		<b>292</b>	<b>2</b>	<b>0.7%</b>
<b>Total LIHTC</b>		<b>554</b>	<b>5</b>	<b>0.9%</b>

\*This property is located outside of the PMA.

### VACANCY - MARKET RATE COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Church Street Lofts	Market	88	4	4.5%
Crown Pointe Apartments	Market	241	5	2.1%
Drayton Mills Lofts	Market	289	6	2.1%
The Brick Lofts	Market	46	2	4.3%
The Corners Apartments	Market	<u>176</u>	<u>8</u>	<u>4.5%</u>
<b>Total Market Rate in PMA</b>		<b>840</b>	<b>25</b>	<b>3.0%</b>
<b>Total Market Rate</b>		<b>840</b>	<b>25</b>	<b>3.0%</b>

\*This property is located outside of the PMA.

Overall vacancy within the PMA is low at 2.4 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 0.7 percent vacancy rate, and one maintains a waiting list, indicating very high demand for affordable housing. The LIHTC property reporting the highest vacancy, Bridle Ridge, reported a vacancy rate of 1.3 percent. This property is maintaining a waiting list of 10 households, which includes five households waiting for one-bedroom units. Waiting lists for one-bedroom units suggest unmet demand for these units in the market.

Among the market rate properties, vacancy is also low at 3.0 percent, indicating very strong support for conventional apartments. None of the market comparable properties reported a vacancy rate greater than 4.5 percent. Overall, market rate properties in the area are performing well.

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

	HH at @60% AMI (\$18,960 to \$28,500)	HH at @60% AMI (PBRA, \$0, to \$28,500)
Demand from New Households (age and income appropriate)	13	-6
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Rent Overburdened Households	1,127	4,040
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Substandard Housing	62	224
<b>=</b>	<b>=</b>	<b>=</b>
<b>Sub Total</b>	<b>1,201</b>	<b>4,257</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
<b>Equals Total Demand</b>	<b>1,201</b>	<b>4,257</b>
<b>Less</b>	<b>-</b>	<b>-</b>
New Supply	13	13
<b>Equals Net Demand</b>	<b>1,188</b>	<b>4,244</b>

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
Studio @60%	201	0	201	41	20.4%
Studio @60% (PBRA)	712	0	712	41	5.8%
1BR @60%	310	0	310	39	12.6%
1BR @60% (PBRA)	1,099	0	1,099	39	3.5%
2BR @60%	391	13	378	6	1.6%
2BR @60% (PBRA)	1,386	13	1,373	6	0.4%
@60% Overall	902	13	889	86	9.7%
@60% (PBRA) Overall	3,198	13	3,185	86	2.7%

As the analysis illustrates, the Subject’s capture rates vary from 0.4 to 20.4 percent with an overall capture rate of 2.7 percent in the subsidized scenario and 9.7 percent in the unsubsidized scenario. 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 comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Greenville, 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
LINK Apartments West End	Market	Family	2017	215	2
Main and Stone	Market	Family	2016	292	15
South Ridge	Market	Family	2015	347	18
The Village at Mills Gap	Market	Family	2014	208	17
Parkside at Verdae	LIHTC	Family	2012	56	30
				<b>Average</b>	<b>16</b>

On average, these properties reported an absorption rate of 16 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 three 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 will experience an absorption rate above the average and similar to the most recently constructed family LIHTC property, Parkside at Verdae. Thus, we believe the Subject will experience an absorption rate of 25 units per month, which equals an absorption period of three to four months. We expect the Subject to reach stabilized occupancy of 93 percent within four months.

## Market Conclusions

Overall vacancy in the local market is performing well with a 2.2 percent vacancy rate among all 10 surveyed comparable projects. Vacancy rates among the LIHTC comparables within the PMA are low, with an overall vacancy rate of 0.7 percent. Additionally, four of the LIHTC comparables maintain waiting lists, suggesting latent demand for affordable housing. The LIHTC comparable reporting the highest vacancy rate, White Oak Apartments, reports a vacancy rate of only two percent. Market rate properties also performing well, suggesting the strength of demand for multifamily housing than for multifamily rental housing within the market. The market-rate comparables reporting the highest vacancy rates, Church Street Lofts and The Corners Apartments, report vacancy rates of 4.5 percent each. Our concluded achievable LIHTC rents - the 60 percent AMI rents the Subject could achieve were it to operate without subsidy - represent a 34 to 40 percent overall advantage compared to achievable market rents. However, this analysis is somewhat moot as the Subject will maintain its subsidy post-renovation and tenants will continue to pay 30 percent of their income toward rent. Overall, we believe there is ample demand for the Subject in the PMA and the market supports the Subject development 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 9.7 percent in the unsubsidized scenario and 2.7 percent in the subsidized scenario, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.6 to 20.4 percent in the unsubsidized scenario and 0.4 to 5.8 percent in the subsidized scenario, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Spartanburg) that has few affordable multifamily housing alternatives. The Subject site is located within 1.3 mile of most community services and facilities that families would utilize on a consistent basis.

There are only two vacancies among LIHTC comparables within the PMA, yielding a vacancy rate of 0.7 percent. The LIHTC property reporting the highest vacancy rate, White Oak Apartments, reports a vacancy rate of only two percent. Market rate properties also performing well, suggesting the strength of demand for multifamily housing than for multifamily rental housing within the market. The market-rate comparables reporting the highest vacancy rates, Church Street Lofts and The Corners Apartments, report vacancy rates of 4.5 percent each. Our concluded achievable LIHTC rents - the 60 percent AMI rents the Subject could achieve were it to operate without subsidy - represent a 34 to 40 percent overall advantage compared to achievable market rents. However, this analysis is somewhat moot as the Subject will maintain its subsidy post-renovation and tenants will continue to pay 30 percent of their income toward rent. Overall, we believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed.

## Long Term Impact on Existing LIHTC Properties in the PMA

Vacancy rates at the surveyed LIHTC properties are low, with an overall vacancy rate of 0.9 percent. Vacancy rates among the LIHTC comparables within the PMA are also low, with an overall vacancy rate of 0.7 percent. Additionally, four of the LIHTC comparables maintain waiting lists. The LIHTC comparable reporting the highest vacancy rate, White Oak Apartments, reports maintaining a waiting list of four households for all unit types. 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. Furthermore, all subsidized properties within the PMA are operating with stabilized occupancy and maintain waiting lists. Thus, we do not expect any impact on the existing low-income rental assisted housing in the market.

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

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

Development Name: Archibald Tower (Archibald Rutledge Apartments) Total # Units: 86  
 Location: 764 N. Church Street, Spartanburg, SC # LIHTC Units: 86  
 Development Type:   X\_Family   Older Persons Farthest Boundary Distance to Subject: 11.6 miles

**RENTAL HOUSING STOCK (found on page 58)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	48	2,417	38	98.4%
Market-Rate Housing	31	957	14	98.5%
Assisted/Subsidized Housing not to include LIHTC	12	1,000	20	98.0%
<b>LIHTC (All that are stabilized)*</b>	8	460	15	96.7%
Stabilized Comps**	48	2,417	38	98.4%
Non-stabilized Comps	0	N/A	N/A	N/A

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

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

Subject Development				Adjusted Market Rent			Highest Unadjusted Comp		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent**	Per Unit	Per SF	Advantage	Per Unit	Per SF
35	Studio	1	410	\$497	\$750	\$1.83	34%	\$956	\$2.33
6	Studio	1	517	\$497	\$775	\$1.50	36%	\$957	\$1.85
24	1	1	611	\$529	\$825	\$1.35	36%	\$1,082	\$1.77
15	1	1	750	\$529	\$875	\$1.17	40%	\$1,082	\$1.44
6	2	1.5	950	\$627	\$975	\$1.03	36%	\$1,438	\$1.51
<b>Gross Potential Rent Monthly*</b>				<b>\$44,770</b>	<b>\$69,675</b>		<b>36%</b>		

\*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.

\*\* As the Subject will be fully-subsidized, these are the Subject's achievable LIHTC rents as determined in the supply section of this study.

**DEMOGRAPHIC DATA (found on page 35)**

	2010		2017		2020	
Renter Households	18,588	40.5%	19,723	41.0%	20,205	41.1%
Income-Qualified Renter HHS (LIHTC)	N/A	N/A	4,123	20.9%	4,164	20.6%
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	60% (Subsidized)	60% (Unsubsidized)	Other: __	Overall (Subsidized)	Overall (Unsubsidized)
Renter Household Growth	-6	25		-6	25
Existing Households (Overburd + Substand)	4,264	558		4,264	558
Homeowner conversion (Seniors)	0	0		0	0
Other:					
Less Comparable/Competitive Supply	13	13		13	13
Net Income-qualified Renter HHS	4,244	571		4,244	571

**CAPTURE RATES (found on page 61)**

Targeted Population	60% (Subsidized)	60% (Unsubsidized)	Other: __	Overall (Subsidized)	Overall (Unsubsidized)
Capture Rate	2.7%	20.2%		2.7%	20.2%

**ABSORPTION RATE (found on page 62)**

Absorption Period: 3 - 4 months

ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY

# Units	Bedroom Type	Proposed Tenant Paid Rent*	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
35	Studio	\$497	\$17,395	\$750	\$26,250	
6	Studio	\$497	\$2,982	\$775	\$4,650	
24	1 BR	\$529	\$12,696	\$825	\$19,800	
15	1 BR	\$529	\$7,935	\$875	\$13,125	
6	2 BR	\$627	\$3,762	\$975	\$5,850	
<b>Totals</b>	<b>86</b>		<b>\$44,770</b>		<b>\$69,675</b>	

Source: SCSHFDA, Novogradac & Company LLP, March 2018

\*These are the Subject's achievable LIHTC rents as determined in the Supply section of this study.

The Subject property currently benefits from a project-based subsidy in which the tenants pay 30 percent of their income towards rent. Thus, the rent advantage will be far in excess of the theoretical LIHTC rents.

# **A. PROJECT DESCRIPTION**

**PROPERTY DESCRIPTION**

**Development Location:** The Subject is located at 764 N. Church Street in Spartanburg, South Carolina.

**Construction Type:** The renovated Subject will consist of the fifth through twelfth floors of one, 12-story, elevator-serviced high-rise building.

**Occupancy Type:** Families.

**Target Income Group:** The Subject will be restricted to households 60 percent of the AMI, or less. The Subject will maintain its subsidy post-renovation and all units will continue to operate with PBRA. The maximum allowable household income will be \$28,500 (the maximum 60 percent AMI income for three-person households).

**Special Population Target:** None.

**Number of Units by Unit Type:** The Subject will include 41 studio units, 39 one-bedroom units, and six, two-bedroom units.

**Number of Buildings and Stories:** The Subject will be constructed in the fifth through twelfth floors of one, 12-story, elevator-serviced high-rise building.

**Unit Mix:** Studio units will be 410 and 517 square feet, one-bedroom units will be 611 and 750 square feet, and two-bedroom units will be 950 square feet. The following table summarizes the Subject’s proposed unit sizes.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Gross Area
OBR / 1BA	35	410	14,350
OBR / 1BA	6	517	3,102
1BR / 1BA	24	611	14,664
1BR / 1BA	15	750	11,250
2BR / 1.5BA	6	950	5,700
<b>TOTAL</b>	<b>86</b>		<b>49,066</b>

**Structure Type/Design:** The Subject will offer one, 12-story, elevator-serviced, highrise building. The Subject’s units will be contained in the fifth through twelfth floors of this building.

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

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Achievable Net LIHTC Rent (1)	Proposed Contract Rent (2)	Utility Allowance (3)	Gross Rent	2017 LIHTC Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>@60% (Project Based Rental Assistance - PBRA)</i>								
OBR / 1BA	410	35	\$497	\$599	\$56	\$655	\$553	\$449
OBR / 1BA	517	6	\$497	\$599	\$56	\$655	\$553	\$449
1BR / 1BA	611	24	\$529	\$619	\$64	\$683	\$593	\$575
1BR / 1BA	750	15	\$529	\$619	\$64	\$683	\$593	\$575
2BR / 1.5BA	950	<u>6</u>	\$627	\$712	\$85	\$797	\$712	\$697
		<b>86</b>						

Notes (1) These achievable LIHTC rents are determined in the Supply section of this report; (2) the Subject's proposed asking rents are its contract rents as provided by the Spartanburg Housing Authority; (3) Source of Utility Allowance provided by the Spartanburg Housing Authority via the Developer.

**Utility Structure/Allowance:**

The landlord will pay for gas water heat, water, sewer, and trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, cooking, and general electric usage. The developer-provided estimated utility allowances for the Subject are \$56, \$64, and \$85 for studio, one, and two-bedroom units, respectively.

**Existing or Proposed Project-Based Rental Assistance:**

The Subject currently operates with project-based rental assistance subsidy. This subsidy will remain in place post-renovation.

**Community Amenities**

See following Subject Profile sheet.

**Unit Amenities**

See following Subject Profile sheet.

**Current Rents and Unit Mix:**

The Subject is an existing subsidized property containing studio units and one-bedroom units. The highest current tenant paid rents are lower than the proposed contract rents, which will also benefit from subsidy as previously noted. The following table summarizes current tenant-paid rents at the Subject property. Note this only includes the units currently on floors five through 12 as they are the Subject of this analysis. Post renovation, there will be 86 units on these floors as reflected in the proposed rents table. According to the property owner, the Subject floors are currently fully-occupied with a waiting list of 280 households.

**CURRENT RENTS**

Unit Type	Number of Units	Minimum Tenant-Paid Rent	Maximum Tenant-Paid Rent	Average Tenant-Paid Rent
OBR/1BA	66	\$50	\$381	\$223
1BR/1BA	<u>42</u>	\$50	\$451	\$245
<b>Total</b>	<b>108</b>			

Rent roll dated 2/1/2018

**Scope of Renovation.**

The scope of renovation will include the total demolition of the

building's interior. All new interior walls, insulation, HVAC systems, water heating systems, appliances, hardware, and fixtures. Upon renovation, the Subject will include common area spaces for a computer lab/business center, adult education courses and after school programs. The total hard cost of renovations is expected to be approximately \$77,500 per unit.

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**Archibald Tower (Archibald Rutledge Apartments)**

**Location** 764 N Church Street  
Spartanburg, SC 29303  
Spartanburg County  
Intersection: W Centennial Street  
(verified)

**Units** 86

**Type** Highrise (age-restricted)

**Year Built / Renovated** 1972 / Proposed 2020

**Tenant Characteristics** Families

**Contact Name** Mansur Abdul-Malik

**Phone** 202-312-2504



**Market**

<b>Program</b>	@60% (PBRA)	<b>Leasing Pace</b>	n/a
<b>Annual Turnover Rate</b>	N/A	<b>Change in Rent (Past)</b>	n/a
<b>Units/Month Absorbed</b>	n/a	<b>Concession</b>	
<b>Section 8 Tenants</b>	N/A		

**Utilities**

<b>A/C</b>	not included – wall	<b>Other Electric</b>	not included
<b>Cooking</b>	not included – electric	<b>Water</b>	included
<b>Water Heat</b>	included – gas	<b>Sewer</b>	included
<b>Heat</b>	not included – electric	<b>Trash Collection</b>	included

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
0	1	Highrise (12 stories)	35	410	\$599	\$0	@60% (PBRA)	N/A	N/A	N/A	yes
0	1	Highrise (12 stories)	6	517	\$599	\$0	@60% (PBRA)	N/A	N/A	N/A	yes
1	1	Highrise (12 stories)	24	611	\$619	\$0	@60% (PBRA)	N/A	N/A	N/A	yes
1	1	Highrise (12 stories)	15	750	\$619	\$0	@60% (PBRA)	N/A	N/A	N/A	yes
2	1.5	Highrise (12 stories)	6	950	\$712	\$0	@60% (PBRA)	N/A	N/A	N/A	yes

**Amenities**

<b>In-Unit</b>	Blinds	<b>Security</b>	Intercom (Phone)
	Carpeting		Video Surveillance
	Coat Closet		
	Garbage Disposal		
	Oven		
	Pull Cords		
<b>Property</b>	Refrigerator	<b>Premium</b>	none
	Wall A/C		
	Business Center/Computer Lab		
	Elevators		
	Central Laundry		
<b>Services</b>	Off-Street Parking	<b>Other</b>	Gazebo
	On-Site Management		
	Play Area		
	Adult Education		
	Afterschool Program		
	Tutoring		

**Comments**

This property is currently operated by the Spartanburg Housing Authority and is proposed for renovation with LIHTCs in 2020. Utility allowances are \$56, \$64, and \$85 for studio, one, and two-bedroom units, respectively. The building has PTAC units for heating and cooling units. Some units will have handrails, but not all. Note that the Subject's rents are contract rents. All units have tile floors. Central laundry facilities will be on every floor post-renovation. As the developer has not yet determined the contract rents, we have utilized the maximum allowable LIHTC rents as the Subject's rents in this profile. Note that the units in this profile are on floors five through 12 of the same building as Archibald Landing.

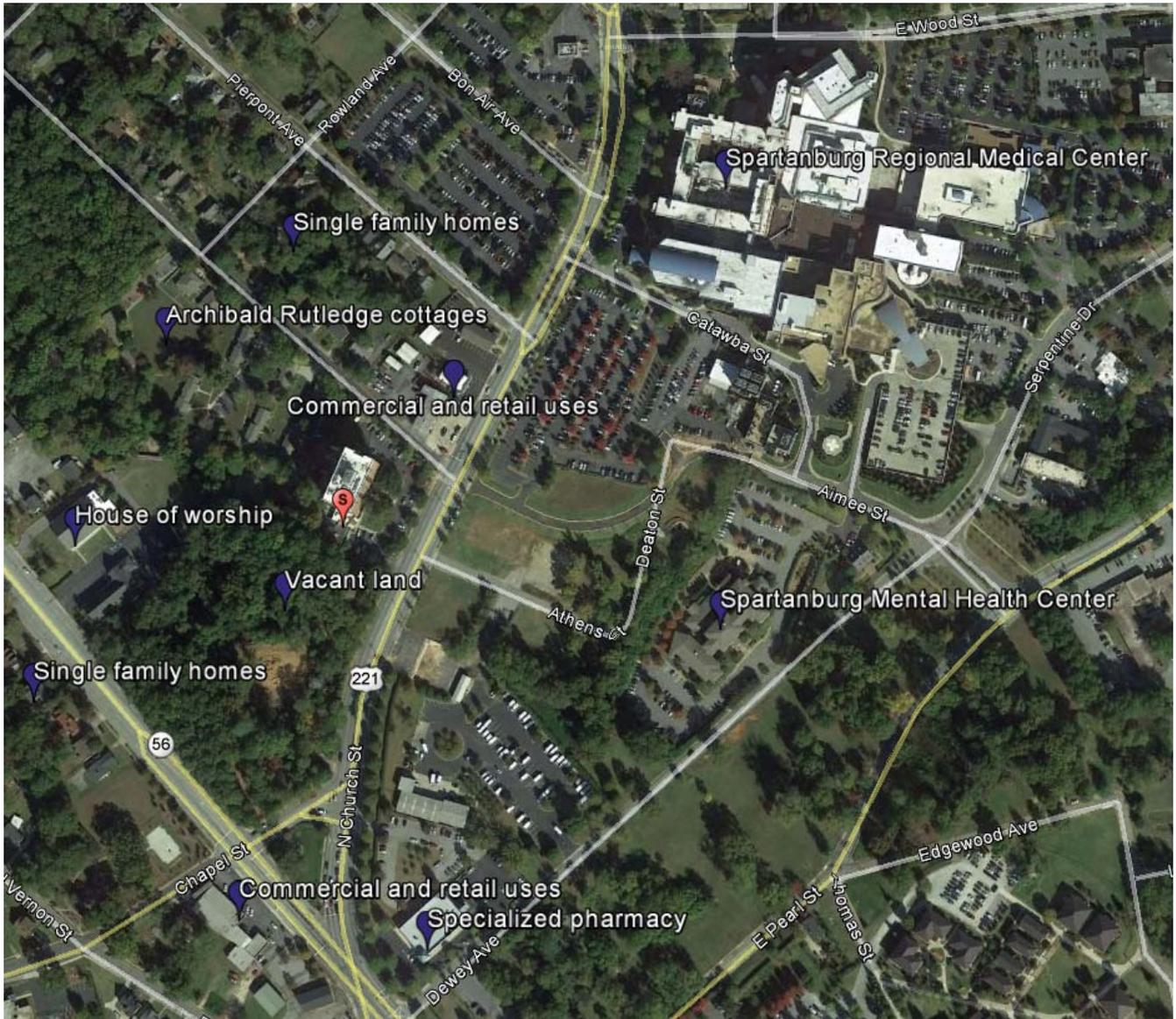
## **B. SITE DESCRIPTION**

ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY

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 10, 2018.

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



**Physical Features of Site:** The Subject is located in Spartanburg, South Carolina at the corner of N. Church Street and W. Centennial Street. The Subject is an existing seven-story high-rise building originally constructed in 1972. It currently exhibits average condition.

**Location/Surrounding Uses:**

The Subject site is located in a mixed use neighborhood consisting of vacant land, single family residential, healthcare, and retail/commercial developments. Immediately northwest of the Subject's high-rise building are subsidized one-story cottages. Beyond these are single-family homes in average condition. Immediately northeast of the Subject are commercial and retail uses. Vacant land is adjacent to the southwest, beyond which are single-family homes in average condition. West of the Subject is a house of worship. Spartanburg Regional Medical Center is located northeast of the Subject, and Spartanburg Mental Health Center is located east of the Subject. A specialized pharmacy, Palmetto Long Term Care Pharmacy, is further south of the Subject on North Church Street. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



Exterior view of Subject



Exterior view of Subject



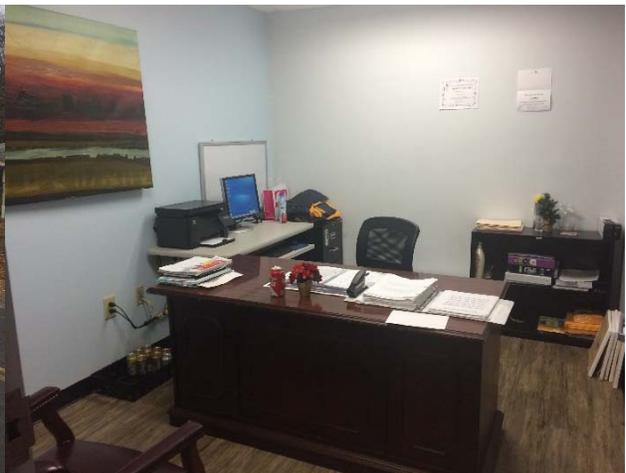
Parking lot at the Subject



View southeast on West Centennial Street



View northwest on West Centennial Street



Management office at Subject



Computer lab at Subject



Elevators at Subject



Community room at Subject



Laundry facility at Subject



Mailboxes at Subject



Community room at Subject



Typical bedroom at Subject



Typical bedroom at Subject



Typical kitchen at Subject



Typical kitchen at Subject



Typical bathroom at Subject



Typical bathroom at Subject



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Medical center in Subject's neighborhood



Fast food restaurant in Subject's neighborhood



Grocery store in Subject's neighborhood



Gas station and convenience store in Subject's neighborhood

**Visibility/Views:**

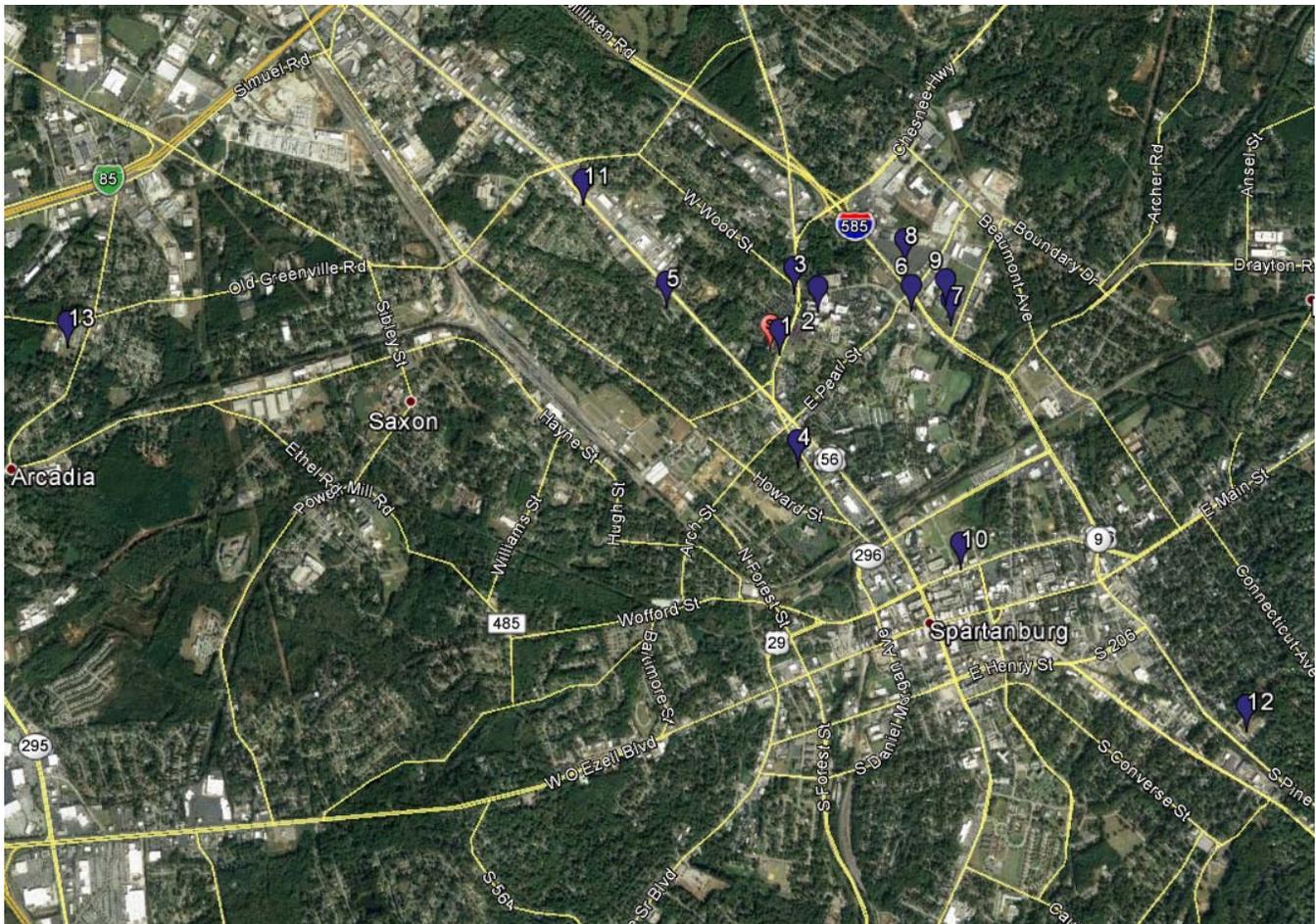
Views from the Subject site include retail and commercial uses to the north, Spartanburg Regional Medical Center to the northeast, vacant land to the southwest, and the Subject's adjacent one-story cottages to the northwest. Views from the site are considered average. The Subject will have good visibility from North Church Street from the northeast and southwest, and good visibility from West Centennial Street to the north and northwest. Overall visibility is considered good. The Subject site is within a mixed-use neighborhood with good access and visibility.

**Detrimental Influence:**

We did not observe any detrimental influences to the Subject during our site inspection.

**Proximity to Local Services:**

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



Source: Google Earth, March 2018.

**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject (miles)
1	Bus stop	<0.1
2	Spartanburg Regional Medical Center (hospital)	0.2
3	Church's Chicken (fast food restaurant)	0.2
4	Spartanburg Fire Department Station 3	0.5
5	Cleveland Park (public park)	0.6
6	Citgo gas station and convenience store	0.7
7	CVS Pharmacy	1.0
8	Pinewood Shopping Center	1.0
9	Food Lion (grocery store)	1.1
10	Spartanburg Regional Museum of History	1.3
11	Wells Fargo Bank	1.3
12	Pine Street Elementary School	3.2
13	Arcadia Elementary School	3.2

**Availability of Public Transportation:** Public transportation in the Spartanburg area is provided by the city's SPARTA bus system. The Subject is located on SPARTA's Route 3: North Church Street, which provides access to Wofford College, Spartanburg Regional Medical Center, Spartanburg

Memorial Auditorium, the Spartanburg County Administration building, the downtown Marriott, and Pinewood Shopping Center. Buses are available along this route 10 times each weekday between 6:30 am and 5:55 pm, as well as eight times on Saturdays and Sundays between 10:30 am and 5:55 pm. Single-ride fares are \$1.25 for adults, \$0.75 for students and elderly and disabled persons, and free for children under three feet tall. The nearest bus stop to the Subject is located just across North Church Street

**Road/Infrastructure Proposed Improvements:**

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

**Crime Rates:**

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

**2017 CRIME INDICES**

	PMA	Spartanburg, SC
<b>Total Crime*</b>	<b>217</b>	<b>158</b>
<b>Personal Crime*</b>	<b>304</b>	<b>212</b>
Murder	176	131
Rape	181	152
Robbery	198	120
Assault	371	266
<b>Property Crime*</b>	<b>205</b>	<b>150</b>
Burglary	206	157
Larceny	209	152
Motor Vehicle Theft	168	119

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

\*Unweighted aggregations

The total crime risk index in the PMA and MSA are above the nation, whose index is 100 in all categories. Personal crime in the PMA is above the MSA and triple the national average. Property crime risks in the PMA are above those in the MSA and double the national averages. The Subject will offer an intercom and video surveillance as security features post-renovation. These are considered competitive with the security features offered at the comparable properties.

**Access and Traffic Flow:**

The Subject site will have access along North Church Street and West Centennial Street. North Church Street is a north-south arterial route through Spartanburg which provides access to Interstate 585 and Interstate 85 to the north and to downtown Spartanburg to the south. West Centennial Street is a lightly-trafficked two-lane neighborhood roadway that connects North Church Street to California Avenue/SC 96 to the north. Overall, access and traffic flow to the Subject are considered good.

**Positive/Negative Attributes:**

The Subject will have overall good access to area retail and

community services in Spartanburg, most of which are within less than 1.3 miles of the Subject. 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 the proposed renovation of a multifamily development in Spartanburg, South Carolina. The PMA is defined as John Dodd Road, Highway 176, and Interstate 85 to the north, the Spartanburg County line, and North Highway 150 to the east; Highway 176, Southport Road, Highway 56, Stone Station Road, and Anderson Mill Road to the south; and North Tyger River and John Dodd Road to the west. The Subject will be one of few affordable properties in the Spartanburg area of Spartanburg County, and as such will be able to draw from approximately a 10 to 15-minute drive time of the site. Based on interviews with local property managers, most of the tenants will originate from Spartanburg and several other communities in Spartanburg 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: 9.0 miles
- East: 11.6 miles
- South: 11.0 miles
- West: 7.7 miles

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

CENSUS TRACTS		
450830218.03	450830204.00	450830212.00
450830218.04	450830205.00	450830213.01
450830219.01	450830206.01	450830213.02
450830219.02	450830206.02	450830213.03
450830220.05	450830206.03	450830214.01
450830228.01	450830207.01	450830214.02
450830228.02	450830207.02	450830214.03
450830230.02	450830208.00	450830215.00
450830231.02	450830209.00	450830216.00
450830234.01	450830210.01	450830217.00
450830234.02	450830211.00	450830218.02
450830203.01	450830220.03	450830220.04
450830220.06	450830220.07	450830221.01
450830221.02	450830222.01	450830222.02
450830223.02	450830238.01	450830239.00

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

examined demographic characteristics of census tracts in and around the Spartanburg 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**

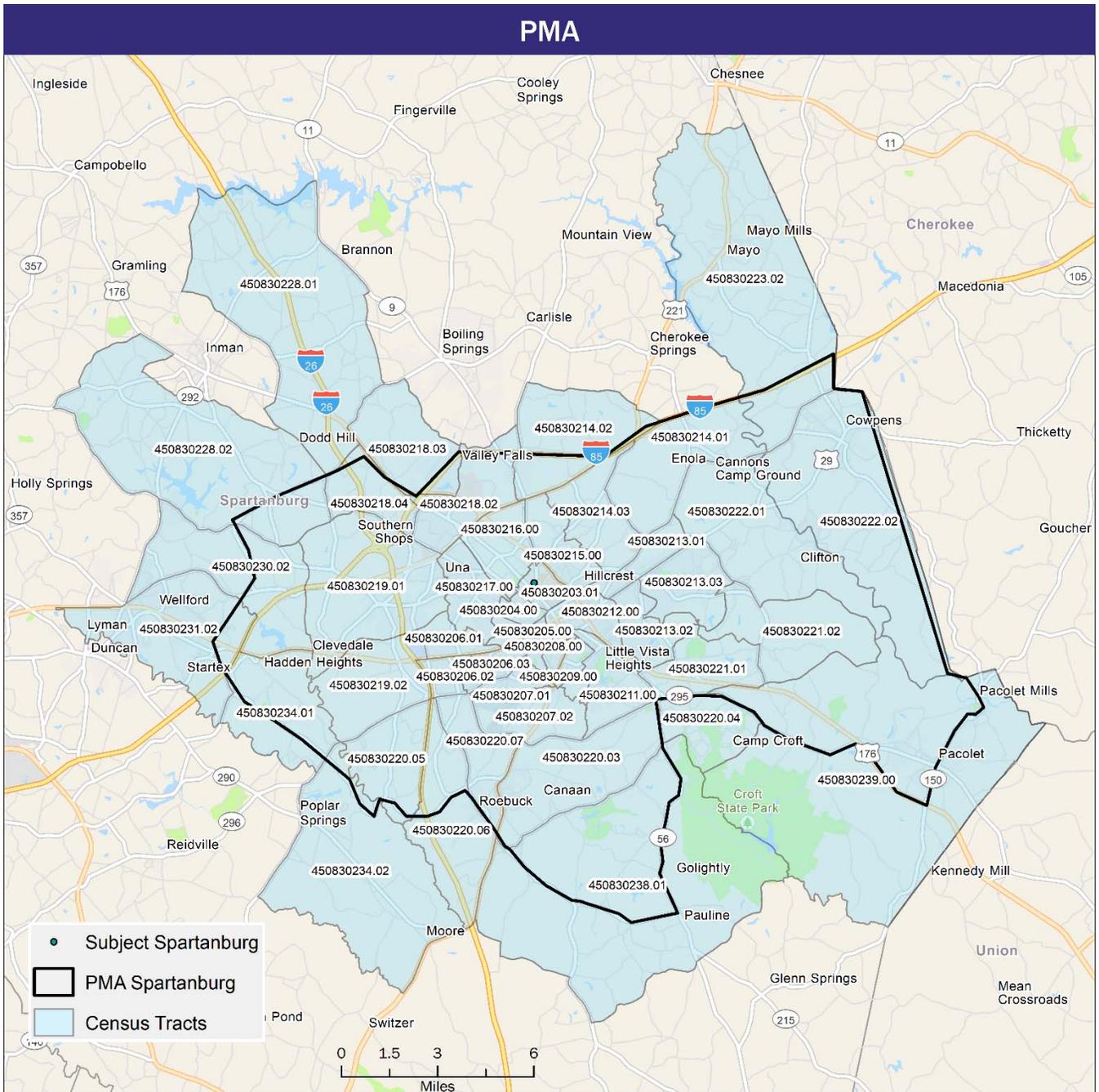
	PMA		SMA		USA	
<b>Total</b>	<b>116,090</b>	-	<b>313,268</b>	-	<b>308,745,538</b>	-
White	69,985	60.3%	224,966	71.8%	223,553,265	72.4%
Black	36,711	31.6%	67,631	21.6%	38,929,319	12.6%
American Indian	358	0.3%	831	0.3%	2,932,248	0.9%
Asian	2,577	2.2%	5,825	1.9%	14,674,252	4.8%
Pacific	38	0.0%	97	0.0%	540,013	0.2%
Other	4,375	3.8%	8,806	2.8%	19,107,368	6.2%
Two or More Races	2,046	1.8%	5,112	1.6%	9,009,073	2.9%
<b>Total Hispanic</b>	<b>8,502</b>	-	<b>16,940</b>	-	<b>50,477,594</b>	-
Hispanic: White	3,298	38.8%	6,636	39.2%	26,735,713	53.0%
Hispanic: Black	249	2.9%	494	2.9%	1,243,471	2.5%
Hispanic: American Indian	121	1.4%	206	1.2%	685,150	1.4%
Hispanic: Asian	43	0.5%	66	0.4%	209,128	0.4%
Hispanic: Pacific	10	0.1%	17	0.1%	58,437	0.1%
Hispanic: Other	4,248	50.0%	8,462	50.0%	18,503,103	36.7%
Hispanic: Two or More Races	533	6.3%	1,059	6.3%	3,042,592	6.0%

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

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

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

ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY

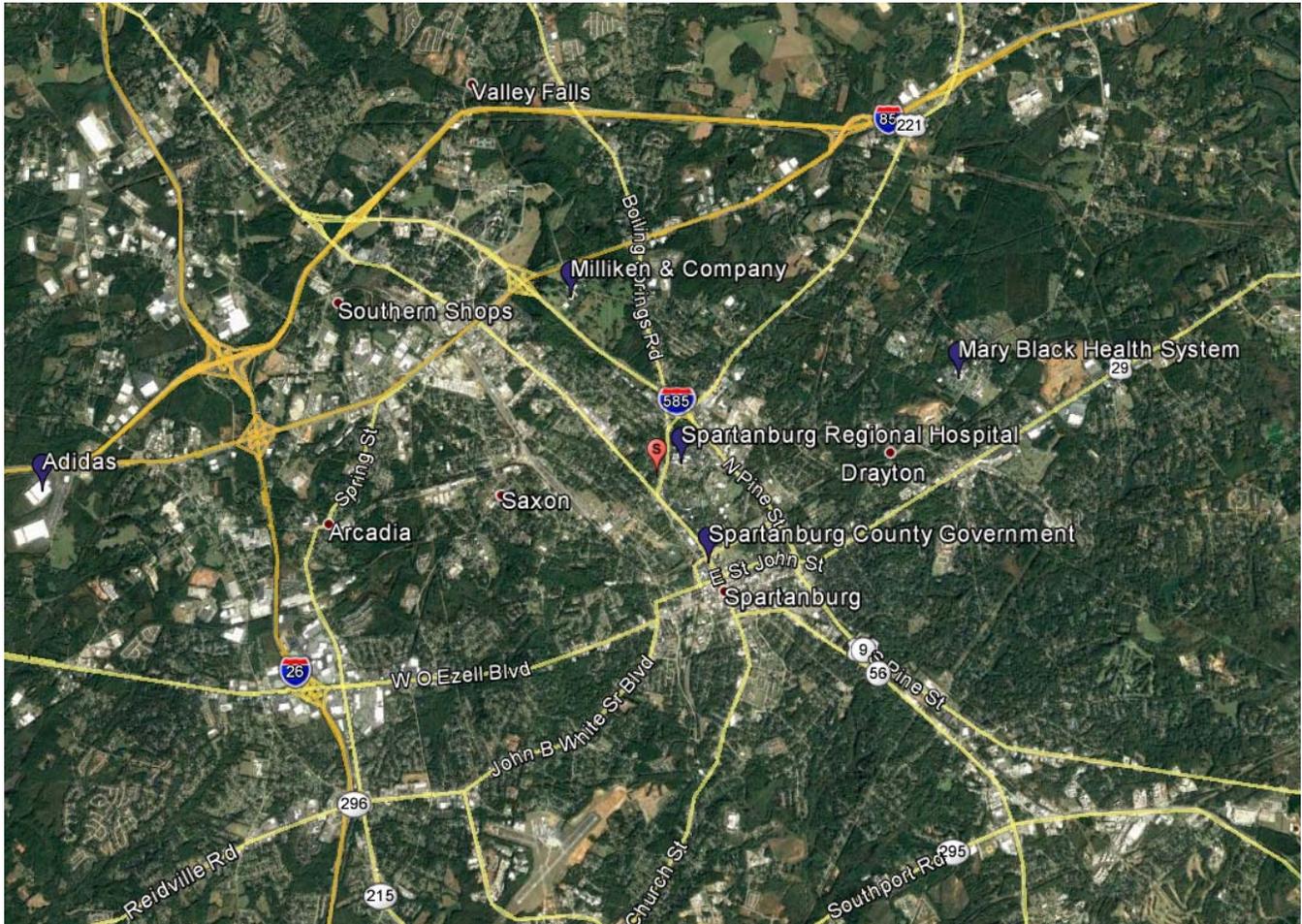


## **D. MARKET AREA ECONOMY**

## 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	10,636	19.6%	15,589,157	10.1%
Healthcare/Social Assistance	7,285	13.4%	21,941,435	14.2%
Retail Trade	5,945	11.0%	17,038,977	11.0%
Educational Services	5,726	10.6%	14,390,707	9.3%
Accommodation/Food Services	5,465	10.1%	12,036,513	7.8%
Other Services (excl Publ Adm)	3,053	5.6%	7,493,272	4.8%
Admin/Support/Waste Mgmt Svcs	2,943	5.4%	6,968,170	4.5%
Construction	2,502	4.6%	9,872,629	6.4%
Prof/Scientific/Tech Services	1,854	3.4%	11,068,132	7.1%
Finance/Insurance	1,720	3.2%	7,200,593	4.6%
Wholesale Trade	1,661	3.1%	4,064,621	2.6%
Transportation/Warehousing	1,361	2.5%	6,498,777	4.2%
Public Administration	935	1.7%	6,982,075	4.5%
Real Estate/Rental/Leasing	863	1.6%	3,130,712	2.0%
Information	823	1.5%	2,741,630	1.8%
Arts/Entertainment/Recreation	744	1.4%	3,448,696	2.2%
Utilities	311	0.6%	1,401,281	0.9%
Agric/Forestry/Fishing/Hunting	254	0.5%	2,288,795	1.5%
Mgmt of Companies/Enterprises	109	0.2%	86,740	0.1%
Mining	13	0.0%	609,828	0.4%
<b>Total Employment</b>	<b>54,203</b>	<b>100.0%</b>	<b>154,852,740</b>	<b>100.0%</b>

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

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. Other industries overrepresented in the PMA include educational services, accommodation/food services, and administration/support/waste management services. The educational services sector is likely overrepresented in the PMA because Spartanburg is home to several institutions of higher education, including the University of South Carolina's Upstate campus, Spartanburg Community College, and Wofford College. Industries underrepresented in the PMA include construction, professional/scientific/technology services, finance/insurance, and public administration.

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

2000-2017 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2017		2000-2017	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent Change
Manufacturing	12,872	24.8%	10,636	19.6%	-2,236	-1.0%
Healthcare/Social Assistance	5,608	10.8%	7,285	13.4%	1,677	1.8%
Retail Trade	6,027	11.6%	5,945	11.0%	-82	-0.1%
Educational Services	4,531	8.7%	5,726	10.6%	1,195	1.6%
Accommodation/Food Services	3,944	7.6%	5,465	10.1%	1,521	2.3%
Other Services (excl Publ Adm)	2,468	4.8%	3,053	5.6%	585	1.4%
Admin/Support/Waste Mgmt Svcs	1,536	3.0%	2,943	5.4%	1,407	5.4%
Construction	3,435	6.6%	2,502	4.6%	-933	-1.6%
Prof/Scientific/Tech Services	1,730	3.3%	1,854	3.4%	124	0.4%
Finance/Insurance	1,378	2.7%	1,720	3.2%	342	1.5%
Wholesale Trade	2,161	4.2%	1,661	3.1%	-500	-1.4%
Transportation/Warehousing	1,538	3.0%	1,361	2.5%	-177	-0.7%
Public Administration	1,286	2.5%	935	1.7%	-351	-1.6%
Real Estate/Rental/Leasing	824	1.6%	863	1.6%	39	0.3%
Information	1,286	2.5%	823	1.5%	-463	-2.1%
Arts/Entertainment/Recreation	526	1.0%	744	1.4%	218	2.4%
Utilities	443	0.9%	311	0.6%	-132	-1.8%
Agric/Forestry/Fishing/Hunting	208	0.4%	254	0.5%	46	1.3%
Mgmt of Companies/Enterprises	48	0.1%	109	0.2%	61	7.5%
Mining	16	0.0%	13	0.0%	-3	-1.1%
<b>Total Employment</b>	<b>51,865</b>	<b>100.0%</b>	<b>54,203</b>	<b>100.0%</b>	<b>2,338</b>	<b>0.3%</b>

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

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

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

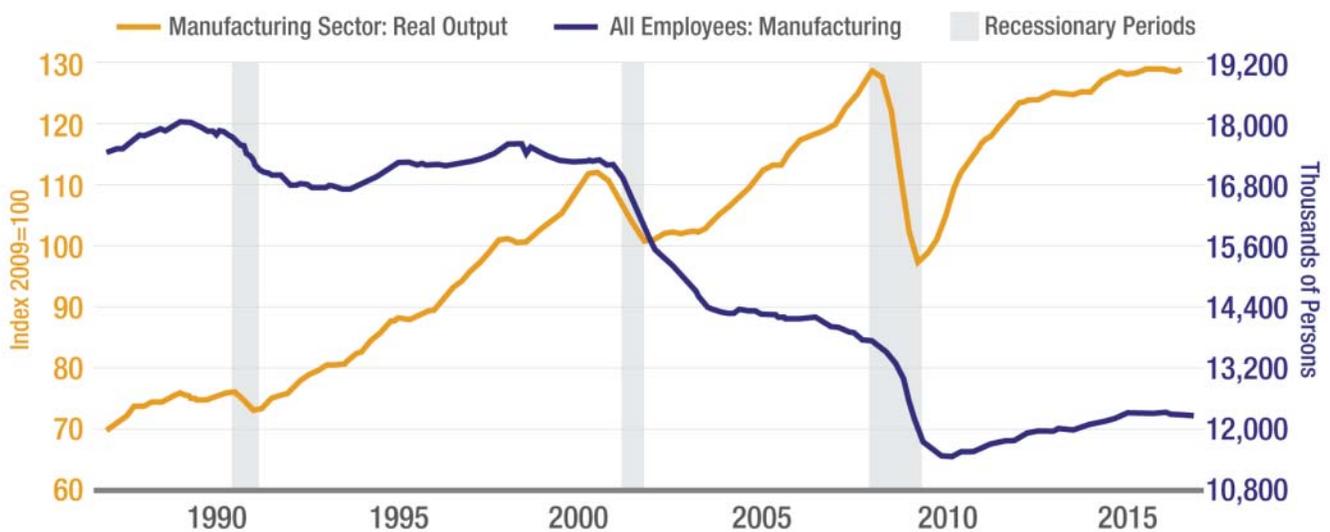
As illustrated, nine of the industries in the table above experienced a decrease in employment from 2000 to 2017. The largest decreases were in the manufacturing, construction, wholesale trade, information, and public administration sectors. Job losses in these sectors are discussed below. The health care/social assistance sector added the greatest number of employees in the last 17 years, adding 1,677 new employees to its workforce. The educational services, accommodation/food services, and administration/support/waste management services sectors also added significant numbers of employees in the same period.

## 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 Subject’s PMA, though it has experienced job loss at an annualized rate of approximately 1.0 percent in the PMA and the MSA. Though manufacturing companies such as BMW and Milliken & Company 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 2018, three manufacturing companies filed WARN notices eliminating approximately 212 jobs in the industry. Recent expansions in the manufacturing sector, detailed below, help to offset these losses.

## Major Employers

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

SPARTANBURG COUNTY			
Rank	Company	Industry	# Of Employees
1	BMW Manufacturing Corporation	Manufacturing	7,000
2	Spartanburg Regional Hospital	Healthcare	5,000
3	Milliken & Company	Manufacturing	3,700
4	Sealed Air Corp.	Manufacturing	2,200
5	Spartanburg County Government	Government	1,409
6	Spartanburg County School District 6	Education	1,300
7	Spartanburg County School District 7	Education	1,210
8	Adidas America, Inc.	Transportation/Warehousing	1,200
9	USLC Inc.	Manufacturing	1,200
10	Mary Black Health System	Healthcare	1,074
11	Spartanburg County School District 2	Education	1,060
12	Dish Network Corp.	Telecommunications	1,000
13	OmniSource Southeast	Recycling	980
14	Spartanburg County School District 5	Education	850
15	Benore Logistics Systems	Logistics	775

Source: Upstate SC Alliance, July 2017

The major employers in Spartanburg County are in sectors including manufacturing, healthcare, education, and government. Some of these sectors, such as healthcare, education, and government, are less susceptible to economic cycles. Together, these employers comprise approximately 25.7 percent of the employment in the county. While the manufacturing sector as a whole experienced job loss of approximately 1.0 percent in both the PMA and the MSA in the past 17 years, this sector continues to provide several of the area's largest employers.

### Expansions/Contractions

An important factor underlying the depth of demand for new rental units of all types is the rate of employment expansion and contraction in a region. We attempted to contact Doug Gregory, Director of Administration and Research with the Spartanburg Area Chamber of Commerce, to obtain information about future developments within the Spartanburg area; to date, we have not heard back from him. However, secondary research for information on new and expanding businesses in the Spartanburg area revealed the following business expansions:

- In June 2017, BMW announced plans to invest \$1 billion in to its Spartanburg, South Carolina factory. The investment will carry from 2018 to 2021 and will add 1,000 jobs to the local economy.
- LeMans Karting, a go-kart center with indoor and outdoor tracks offering walk-in racing, private parties, and leagues, announced its plans to upgrade an 80,000 square foot building at 961 Berry Shoals Road approximately 13 miles east of the Subject.
- In September 2017, the announcement to open Stoner's Pizza Joint was made. The restaurant will be located at 256 North Church Street, approximately two miles north of the Subject, and will bring an estimated 20 jobs to the Spartanburg area.

- Italy-based Trelleborg Wheel Systems unveiled a \$50 million, 150,000 square foot production plant in Spartanburg County in January 2016. The new production plant is expected to add 150 workers by 2018.

We researched Worker Adjustment and Retraining Notification (WARN) filings for Spartanburg County, South Carolina from 2013 through year-to-date 2018. According to WARN notice listings provided SC Works, three companies announced the layoffs and permanent closure of their facilities in the Spartanburg County resulting in the 212 jobs losses. ResMed, Faurecia, and Spartanburg Steel Products all announced layoffs and/or permanent closure that resulted in 49, 99, 75, and 64 job losses respectively.

**WARN LISTINGS  
SPARTANBURG COUNTY, SC - 2014 - 2018**

Company	Employees Affected	Notice Date
ResMed	49	1/30/2015
Feurecia	99	12/5/2014
Spartanburg Steel Products	64	7/1/2013
<b>Total</b>	<b>212</b>	

As illustrated in the above table, there have been 212 employees in the area impacted by layoffs or closures since 2014. The recent business expansions detailed above help to offset the 212 job losses at these three companies.

**Employment and Unemployment Trends**

The following table details employment and unemployment trends for the Spartanburg, SC MSA from 2002 to October 2017.

**EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Year	Spartanburg, SC				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	131,714	-	6.8%	-	136,485,000	-	5.8%	-
2003	131,996	0.2%	7.8%	1.0%	137,736,000	0.9%	6.0%	0.2%
2004	132,928	0.7%	8.0%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	133,164	0.2%	7.8%	-0.2%	141,730,000	1.8%	5.1%	-0.5%
2006	135,882	2.0%	7.0%	-0.7%	144,427,000	1.9%	4.6%	-0.5%
2007	137,285	1.0%	5.9%	-1.1%	146,047,000	1.1%	4.6%	0.0%
2008	136,861	-0.3%	7.2%	1.2%	145,363,000	-0.5%	5.8%	1.2%
2009	129,261	-5.6%	12.5%	5.3%	139,878,000	-3.8%	9.3%	3.5%
2010	126,407	-2.2%	12.4%	-0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	128,988	2.0%	11.3%	-1.0%	139,869,000	0.6%	9.0%	-0.7%
2012	132,406	2.6%	9.8%	-1.6%	142,469,000	1.9%	8.1%	-0.9%
2013	135,689	2.5%	8.0%	-1.8%	143,929,000	1.0%	7.4%	-0.7%
2014	138,850	2.3%	6.5%	-1.5%	146,305,000	1.7%	6.2%	-1.2%
2015	142,570	2.7%	5.9%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	146,925	3.1%	4.7%	-1.2%	151,436,000	1.7%	4.9%	-0.4%
2017 YTD Average*	150,634	2.5%	4.1%	-0.6%	153,175,600	1.1%	4.5%	-0.4%
Oct-2016	149,124	-	4.2%	-	152,335,000	-	4.7%	-
Oct-2017	150,607	1.0%	3.7%	-0.5%	153,861,000	1.0%	4.1%	-0.6%

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

\*2017 data is through Jan

Total employment in the MSA has increased at least 2.0 percent in each of the past seven years, after decreasing from 2008 to 2010 during the most recent national recession. The MSA experience its most

significant annual employment decline in 2009, when total employment decreased by 5.6 percent. However, total employment has been above pre-recession levels since 2014. Between October 2016 and October 2017, total employment in the MSA increased 1.0 percent, which is similar to the national employment growth of 1.0 percent over the same time period.

The unemployment rate in the MSA increased significantly between 2008 and 2009 as a result of the national recession, peaking at 12.5 percent, which was above the nation’s peak of 9.6 percent in 2010. However, the unemployment rate in the MSA began to decrease in 2011 and has continued to decrease through October 2017. It should be noted that the current unemployment rate in the MSA as of October 2017 is 3.7 percent, which is 0.4 percent below the national unemployment rate. Overall, the local economy has recovered from the national recession and is currently in an expansionary phase.

**Housing and Economy**

There are 17 LIHTC and subsidized properties in Spartanburg. 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 Spartanburg’s single-family housing market. According to RealtyTrac’s November 2017 estimates, the city experienced a low foreclosure rate of one in every 1,627 housing units. Spartanburg County experienced a higher foreclosure rate compared to the city, and experienced a foreclosure rate of one in every 1,203 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 the city of Spartanburg but lower than Spartanburg County.

**COMMUTING PATTERNS**

The following table details travel time to work for residents within the PMA as of 2000. The average travel time is between 15 and 19 minutes. Approximately 57 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	1,745	3.6%
Travel Time 5-9 min	6,276	12.9%
Travel Time 10-14 min	9,416	19.4%
Travel Time 15-19 min	10,282	21.1%
Travel Time 20-24 min	8,005	16.5%
Travel Time 25-29 min	2,758	5.7%
Travel Time 30-34 min	4,891	10.1%
Travel Time 35-39 min	920	1.9%
Travel Time 40-44 min	993	2.0%
Travel Time 45-59 min	1,715	3.5%
Travel Time 60-89 min	791	1.6%
Travel Time 90+ min	862	1.8%

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

## CONCLUSION

Overall, it appears the area was impacted moderately by the national recession. However, the impact was short-lived and the Spartanburg MSA is currently in an expansionary phase. Between October 2016 and October 2017, total employment in the MSA increased by approximately 1.0 percent, while unemployment declined by 0.5 percent in the same period. The MSA's year-to-date unemployment rate is 0.4 percentage points below the nation's unemployment rate. However, with its reliance on the manufacturing sector, 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 Spartanburg, SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, SMA, and nation.

### Population Trends

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

#### POPULATION

Year	PMA		Spartanburg, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	114,078	-	283,634	-	281,038,168	-
2010	116,089	0.2%	313,268	1.0%	308,745,538	1.0%
2017	122,364	0.3%	334,133	0.4%	327,514,334	0.4%
Projected Mkt Entry July 2020	125,296	0.8%	343,099	0.9%	335,799,890	0.8%
2022	127,251	0.8%	349,077	0.9%	341,323,594	0.8%

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

#### POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2017	Projected Mkt Entry July 2020	2022
0-4	7,176	7,820	7,587	7,637	7,671
5-9	7,930	7,247	7,616	7,684	7,729
10-14	8,021	7,308	7,267	7,619	7,853
15-19	8,281	9,248	8,541	8,782	8,943
20-24	8,286	9,673	9,696	9,380	9,170
25-29	7,753	7,275	8,315	7,995	7,781
30-34	7,757	6,566	7,780	8,066	8,257
35-39	8,349	7,091	7,084	7,551	7,862
40-44	8,425	7,499	6,855	7,118	7,293
45-49	8,380	7,906	7,477	7,232	7,069
50-54	7,317	7,883	7,934	7,809	7,725
55-59	5,820	7,598	8,062	8,031	8,011
60-64	4,660	6,496	7,569	7,832	8,008
65-69	4,173	5,025	6,763	7,109	7,340
70-74	3,892	3,730	5,097	5,795	6,261
75-79	3,438	3,053	3,535	4,150	4,560
80-84	2,348	2,363	2,433	2,677	2,839
85+	2,068	2,308	2,751	2,828	2,879
<b>Total</b>	<b>114,074</b>	<b>116,089</b>	<b>122,362</b>	<b>125,295</b>	<b>127,251</b>

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

The total population in the PMA increased at an annual rate of 0.3 percent from 2010 to 2017. In comparison, the SMA and nation experienced growth of 0.4 percent in total population during the same period of time. The population in the PMA is expected to continue to increase through market entry 2020 and 2022 at a rate of 0.8 percent per annum, a rate similar to both the SMA and the nation.

The population in the PMA in 2017 was concentrated most heavily in the age cohorts between 15 and 29; combined these age groups represent 21.7 percent of the total population in the PMA. Through market entry these age groups will continue to have the highest representation in the PMA.

## HOUSEHOLD TRENDS

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

#### HOUSEHOLDS

Year	PMA		Spartanburg, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	44,986	-	109,799	-	105,403,008	-
2010	45,936	0.2%	121,172	1.0%	116,716,293	1.1%
2017	48,117	0.3%	128,177	0.3%	123,158,898	0.3%
Projected Mkt Entry July 2020	49,168	0.7%	131,255	0.8%	125,752,338	0.7%
2022	49,869	0.7%	133,307	0.8%	127,481,298	0.7%

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

#### AVERAGE HOUSEHOLD SIZE

Year	PMA		Spartanburg, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.43	-	2.51	-	2.59	-
2010	2.41	-0.1%	2.52	0.0%	2.58	-0.1%
2017	2.43	0.0%	2.54	0.1%	2.59	0.0%
Projected Mkt Entry July 2020	2.43	0.1%	2.55	0.1%	2.61	0.2%
2022	2.44	0.1%	2.55	0.1%	2.61	0.2%

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

#### POPULATION IN GROUP QUARTERS

Year	PMA		Spartanburg, SC		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	4,911	-	7,865	-	7,596,362	-
2010	5,215	0.6%	8,311	0.6%	8,043,577	0.6%
2017	5,653	0.5%	8,710	0.3%	8,081,594	0.0%
Projected Mkt Entry July 2020	5,653	0.0%	8,710	0.0%	8,081,594	0.0%
2022	5,653	0.0%	8,710	0.0%	8,081,594	0.0%

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

The total number of households in the PMA increased at 0.3 percent per annum between 2010 and 2017, a lower rate than the MSA and the nation over the same time period. Through market entry date and 2022, the total number of households in the PMA is expected to increase at a rate of 0.7 percent, which is similar to 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 increase by 0.5 percent in the PMA between 2000 and 2017, by 0.3 percent in the MSA, and remained stable in the nation over the same period. No growth is expected in these categories from 2017 through market entry and 2022. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

## Households by Tenure

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

TENURE PATTERNS - TOTAL POPULATION								
Year	PMA				Spartanburg, SC			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	28,438	63.2%	16,548	36.8%	79,614	72.5%	30,185	27.5%
2010	27,348	59.5%	18,588	40.5%	84,858	70.0%	36,314	30.0%
2017	28,394	59.0%	19,723	41.0%	89,157	69.6%	39,020	30.4%
Projected Mkt Entry July 2020	28,963	58.9%	20,205	41.1%	91,351	70.1%	39,020	29.9%
2022	29,342	58.8%	20,527	41.2%	92,813	70.4%	39,020	29.6%

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

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

## Household Income Distribution

The following table depicts renter household income in the PMA from 2010 to 2022.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2017		Projected Mkt Entry July 2020		2022	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,548	18.0%	3,561	17.6%	3,570	17.4%
\$10,000-19,999	4,381	22.2%	4,345	21.5%	4,321	21.1%
\$20,000-29,999	3,127	15.9%	3,148	15.6%	3,162	15.4%
\$30,000-39,999	2,618	13.3%	2,668	13.2%	2,702	13.2%
\$40,000-49,999	1,619	8.2%	1,688	8.4%	1,734	8.4%
\$50,000-59,999	1,428	7.2%	1,495	7.4%	1,539	7.5%
\$60,000-74,999	1,291	6.5%	1,328	6.6%	1,353	6.6%
\$75,000-99,999	734	3.7%	793	3.9%	832	4.1%
\$100,000-124,999	378	1.9%	446	2.2%	492	2.4%
\$125,000-149,999	255	1.3%	312	1.5%	350	1.7%
\$150,000-199,999	163	0.8%	201	1.0%	227	1.1%
\$200,000+	181	0.9%	219	1.1%	245	1.2%
<b>Total</b>	<b>19,723</b>	<b>100.0%</b>	<b>20,205</b>	<b>100.0%</b>	<b>20,527</b>	<b>100.0%</b>

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

Renter households with incomes between \$10,000 and \$29,999 represent 38.1 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	Projected Mkt Entry July					
	2017		2020		2022	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	8,238	42%	8,450	42%	8,592	42%
2 Persons	4,889	25%	4,955	25%	4,999	24%
3 Persons	2,879	15%	2,950	15%	2,998	15%
4 Persons	1,892	10%	1,966	10%	2,016	10%
5+ Persons	1,825	9%	1,883	9%	1,922	9%
<b>Total Households</b>	<b>19,723</b>	<b>100%</b>	<b>20,205</b>	<b>100%</b>	<b>20,527</b>	<b>100%</b>

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

The Subject will offer units for households of up to five persons. Approximately 91.0 percent of renter households resided in a one to five-person household in the PMA in 2017. Over the next five years, this percentage is projected to remain generally stable.

## CONCLUSION

The total population in the PMA increased at an annual rate of 0.3 percent from 2010 to 2017 and is expected to increase at 0.8 percent annually through 2022, a rate that will be similar to 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 \$29,999 represent 38.1 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 – rounded up to the nearest whole person for those that end in 0.5 - for LIHTC rent calculation purposes. For example, for one-bedroom units we assume the two-person household maximum income and for three-bedroom units we assume the five-person household maximum income. 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 - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	<i>@60% (PBRA)</i>	
OBR	\$0	\$22,140
1BR	\$0	\$23,730
2BR	\$0	\$28,500

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
OBR	\$18,960	\$22,140
1BR	\$20,331	\$23,730
2BR	\$24,446	\$28,500

**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 urban but 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. The following table details such properties within the Subject’s PMA.

**PLANNED DEVELOPMENT IN THE PMA**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
215 E Daniel Morgan Ave	Market	Family	200	0	Proposed	1.0 miles
198 Main and Morgan	Market	Family	30	0	Under Construction	1.2 miles
Creativity Mill	Market	Family	70	0	Proposed	2.8 miles
Montgomery Building	Market	Family	72	0	Under Construction	1.1 miles
Parkside at Drayton	LIHTC	Senior	41	0	Proposed	2.7 miles
The Regency at Blackstock	LIHTC	Family	37	13	Proposed	3.9 miles
<b>Totals</b>			<b>450</b>	<b>13</b>		

Source: CoStar, March 2018

The Regency at Blackstock is the only family LIHTC property recently allocated in the PMA and thus the only competitive development coming online in the next few years. Upon completion, this property will offer 13 two-bedroom units and 24 three-bedroom units to families earning 60 percent of AMI or less. Because this property will offer only two and three-bedroom units, only the 13 two-bedroom units have been deducted in our demand analysis.

## **5. Method – Capture Rates**

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

**60% AMI (with subsidy)**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60% (PBRA)**

Minimum Income Limit		\$0		Maximum Income Limit		\$28,500	
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	13	2.7%	\$9,999	100.0%	13		
\$10,000-19,999	-36	-7.5%	\$9,999	100.0%	-36		
\$20,000-29,999	21	4.4%	\$7,784	77.8%	16		
\$30,000-39,999	50	10.4%	\$0	0.0%	0		
\$40,000-49,999	69	14.3%	\$0	0.0%	0		
\$50,000-59,999	67	13.8%	\$0	0.0%	0		
\$60,000-74,999	37	7.7%	\$0	0.0%	0		
\$75,000-99,999	59	12.2%	\$0	0.0%	0		
\$100,000-124,999	68	14.2%	\$0	0.0%	0		
\$125,000-149,999	57	11.8%	\$0	0.0%	0		
\$150,000-199,999	38	8.0%	\$0	0.0%	0		
\$200,000+	38	8.0%	\$0	0.0%	0		
<b>Total</b>	<b>482</b>	<b>100.0%</b>		<b>-1.3%</b>	<b>-6</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60% (PBRA)**

Minimum Income Limit		\$0		Maximum Income Limit		\$28,500	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3,548	18.0%	\$9,999	100.0%	3,548		
\$10,000-19,999	4,381	22.2%	\$9,999	100.0%	4,381		
\$20,000-29,999	3,127	15.9%	\$7,784	77.8%	2,434		
\$30,000-39,999	2,618	13.3%	\$0	0.0%	0		
\$40,000-49,999	1,619	8.2%	\$0	0.0%	0		
\$50,000-59,999	1,428	7.2%	\$0	0.0%	0		
\$60,000-74,999	1,291	6.5%	\$0	0.0%	0		
\$75,000-99,999	734	3.7%	\$0	0.0%	0		
\$100,000-124,999	378	1.9%	\$0	0.0%	0		
\$125,000-149,999	255	1.3%	\$0	0.0%	0		
\$150,000-199,999	163	0.8%	\$0	0.0%	0		
\$200,000+	181	0.9%	\$0	0.0%	0		
<b>Total</b>	<b>19,723</b>	<b>100.0%</b>		<b>52.5%</b>	<b>10,363</b>		

**ASSUMPTIONS - @60% (PBRA)**

Tenancy	Family	% of Income towards Housing		35%	
Rural/Urban	Urban	Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	40%	50%	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%

ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY

**Demand from New Renter Households 2017 to July 2020**

Income Target Population	@60% (PBRA)
New Renter Households PMA	482
Percent Income Qualified	-1.3%
<b>New Renter Income Qualified Households</b>	<b>-6</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@60% (PBRA)
Total Existing Demand	19,723
Income Qualified	52.5%
Income Qualified Renter Households	10,363
Percent Rent Overburdened Prj Mrkt Entry July 2020	39.0%
<b>Rent Overburdened Households</b>	<b>4,040</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	10,363
Percent Living in Substandard Housing	2.2%
<b>Households Living in Substandard Housing</b>	<b>224</b>

**Senior Households Converting from Homeownership**

Income Target Population	@60% (PBRA)
Total Senior Homeowners	0
Rural Versus Urban	2.0%
<b>Senior Demand Converting from Homeownership</b>	<b>0</b>

**Total Demand**

Total Demand from Existing Households	4,264
Total New Demand	-6
<b>Total Demand (New Plus Existing Households)</b>	<b>4,257</b>

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	41.8%	1,781
Two Persons	24.5%	1,044
Three Persons	14.6%	622
Four Persons	9.7%	414
Five Persons	9.3%	397
<b>Total</b>	<b>100.0%</b>	<b>4,257</b>

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**To place Person Demand into Bedroom Type Units**

Of one-person households in studio units	40%	712
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	50%	890
Of two-person households in 1BR units	20%	209
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%	178
Of two-person households in 2BR units	80%	835
Of three-person households in 2BR units	60%	373
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%	249
Of four-person households in 3BR units	70%	290
Of five-person households in 3BR units	50%	198
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%	124
Of five-person households in 4BR units	50%	198
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
<b>Total Demand</b>		<b>4,257</b>

Total Demand (Subject Unit Types)			Additions to Supply		Net Demand
0 BR	712	-	0	=	712
1 BR	1,099	-	0	=	1,099
2 BR	1,386	-	13	=	1,373
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
<b>Total</b>	<b>3,198</b>		<b>13</b>		<b>3,185</b>

Developer's Unit Mix			Net Demand		Capture Rate
0 BR	41	/	712	=	5.8%
1 BR	39	/	1,099	=	3.5%
2 BR	6	/	1,373	=	0.4%
3 BR		/	-	=	-
4 BR		/	-	=	-
5 BR		/	-	=	-
<b>Total</b>	<b>86</b>		<b>3,185</b>		<b>2.7%</b>

**60% AMI (without subsidy)**

**NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$18,960		Maximum Income Limit		\$28,500	
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	13	2.7%	\$0	0.0%	0		
\$10,000-19,999	-36	-7.5%	\$1,039	10.4%	-4		
\$20,000-29,999	21	4.4%	\$7,784	77.8%	16		
\$30,000-39,999	50	10.4%	\$0	0.0%	0		
\$40,000-49,999	69	14.3%	\$0	0.0%	0		
\$50,000-59,999	67	13.8%	\$0	0.0%	0		
\$60,000-74,999	37	7.7%	\$0	0.0%	0		
\$75,000-99,999	59	12.2%	\$0	0.0%	0		
\$100,000-124,999	68	14.2%	\$0	0.0%	0		
\$125,000-149,999	57	11.8%	\$0	0.0%	0		
\$150,000-199,999	38	8.0%	\$0	0.0%	0		
\$200,000+	38	8.0%	\$0	0.0%	0		
<b>Total</b>	<b>482</b>	<b>100.0%</b>		<b>2.6%</b>	<b>13</b>		

**POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%**

Minimum Income Limit		\$18,960		Maximum Income Limit		\$28,500	
Income Category	Total Renter Households PMA 2017		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	3,548	18.0%	\$0	0.0%	0		
\$10,000-19,999	4,381	22.2%	\$1,039	10.4%	455		
\$20,000-29,999	3,127	15.9%	\$7,784	77.8%	2,434		
\$30,000-39,999	2,618	13.3%	\$0	0.0%	0		
\$40,000-49,999	1,619	8.2%	\$0	0.0%	0		
\$50,000-59,999	1,428	7.2%	\$0	0.0%	0		
\$60,000-74,999	1,291	6.5%	\$0	0.0%	0		
\$75,000-99,999	734	3.7%	\$0	0.0%	0		
\$100,000-124,999	378	1.9%	\$0	0.0%	0		
\$125,000-149,999	255	1.3%	\$0	0.0%	0		
\$150,000-199,999	163	0.8%	\$0	0.0%	0		
\$200,000+	181	0.9%	\$0	0.0%	0		
<b>Total</b>	<b>19,723</b>	<b>100.0%</b>		<b>14.7%</b>	<b>2,890</b>		

**ASSUMPTIONS - @60%**

Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Urban	Maximum # of Occupants				2
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	40%	50%	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%	

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**Demand from New Renter Households 2017 to July 2020**

Income Target Population	@60%
New Renter Households PMA	482
Percent Income Qualified	2.6%
<b>New Renter Income Qualified Households</b>	<b>13</b>

**Demand from Existing Households 2017**

**Demand from Rent Overburdened Households**

Income Target Population	@60%
Total Existing Demand	19,723
Income Qualified	14.7%
Income Qualified Renter Households	2,890
Percent Rent Overburdened Prj Mrkt Entry July 2020	39.0%
<b>Rent Overburdened Households</b>	<b>1,127</b>

**Demand from Living in Substandard Housing**

Income Qualified Renter Households	2,890
Percent Living in Substandard Housing	2.2%
<b>Households Living in Substandard Housing</b>	<b>62</b>

**Senior Households Converting from Homeownership**

Income Target Population	@60%
<b>Total Senior Homeowners</b>	<b>0</b>
Rural Versus Urban	2.0%
<b>Senior Demand Converting from Homeownership</b>	<b>0</b>

**Total Demand**

Total Demand from Existing Households	1,189
Total New Demand	13
<b>Total Demand (New Plus Existing Households)</b>	<b>1,201</b>

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	41.8%	502
Two Persons	24.5%	295
Three Persons	14.6%	175
Four Persons	9.7%	117
Five Persons	9.3%	112
<b>Total</b>	<b>100.0%</b>	<b>1,201</b>

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**To place Person Demand into Bedroom Type Units**

Of one-person households in studio units	40%	201
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	50%	251
Of two-person households in 1BR units	20%	59
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%	50
Of two-person households in 2BR units	80%	236
Of three-person households in 2BR units	60%	105
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%	70
Of four-person households in 3BR units	70%	82
Of five-person households in 3BR units	50%	56
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%	35
Of five-person households in 4BR units	50%	56
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
<b>Total Demand</b>		<b>1,201</b>

	Total Demand (Subject Unit Types)			Additions to Supply			Net Demand		
0 BR	201	-	-	0	=	201			
1 BR	310	-	-	0	=	310			
2 BR	391	-	-	13	=	378			
3 BR	-	-	-	-	=	-			
4 BR	-	-	-	-	=	-			
5 BR	-	-	-	-	=	-			
<b>Total</b>	<b>902</b>			<b>13</b>		<b>889</b>			

	Developer's Unit Mix			Net Demand			Capture Rate		
0 BR	41	/	/	201	=	20.4%			
1 BR	39	/	/	310	=	12.6%			
2 BR	6	/	/	378	=	1.6%			
3 BR		/	/	-	=	-			
4 BR		/	/	-	=	-			
5 BR		/	/	-	=	-			
<b>Total</b>	<b>86</b>			<b>889</b>		<b>9.7%</b>			

**Conclusions**

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 LIHTC developments in Spartanburg indicated that approximately 85 to 90 percent of residents are from the Spartanburg area. The remaining 10 to 15 percent of the residents have relocated to Spartanburg from other parts of the county. Therefore, we estimate that approximately 10 percent of the Subject’s residents will originate from areas outside of the PMA. Because the demand analysis does not account for tenants moving from outside the PMA, it is somewhat conservative.

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

**DEMAND AND NET DEMAND**

	HH at @60% AMI (\$18,960 to \$28,500)	HH at @60% AMI (PBRA, \$0, to \$28,500)
Demand from New Households (age and income appropriate)	13	-6
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Housholds - Rent Overburdened Households	1,127	4,040
<b>PLUS</b>	<b>+</b>	<b>+</b>
Demand from Existing Renter Households - Substandard Housing	62	224
<b>=</b>	<b>=</b>	<b>=</b>
<b>Sub Total</b>	<b>1,201</b>	<b>4,257</b>
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
<b>Equals Total Demand</b>	<b>1,201</b>	<b>4,257</b>
<b>Less</b>	<b>-</b>	<b>-</b>
New Supply	13	13
<b>Equals Net Demand</b>	<b>1,188</b>	<b>4,244</b>

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
Studio @60%	201	0	201	41	20.4%
Studio @60% (PBRA)	712	0	712	41	5.8%
1BR @60%	310	0	310	39	12.6%
1BR @60% (PBRA)	1,099	0	1,099	39	3.5%
2BR @60%	391	13	378	6	1.6%
2BR @60% (PBRA)	1,386	13	1,373	6	0.4%
@60% Overall	902	13	889	86	9.7%
@60% (PBRA) Overall	3,198	13	3,185	86	2.7%

As the analysis illustrates, the Subject’s capture rates vary from 0.4 to 20.4 percent with an overall capture rate of 2.7 percent in the subsidized scenario and 9.7 percent in the unsubsidized scenario. 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 comparable properties surveyed were able to provide absorption data. We have thus considered absorption data from two recently-constructed LIHTC properties located in Greenville, 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
LINK Apartments West End	Market	Family	2017	215	2
Main and Stone	Market	Family	2016	292	15
South Ridge	Market	Family	2015	347	18
The Village at Mills Gap	Market	Family	2014	208	17
Parkside at Verdae	LIHTC	Family	2012	56	30
				<b>Average</b>	<b>16</b>

On average, these properties reported an absorption rate of 16 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 three 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 will experience an absorption rate above the average and similar to the most recently constructed family LIHTC property, Parkside at Verdae. Thus, we believe the Subject will experience an absorption rate of 25 units per month, which equals an absorption period of three to four months. We expect the Subject to reach stabilized occupancy of 93 percent within four 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 in condition, unit mix, 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. It should also be noted that because so few unsubsidized LIHTC properties are located in the PMA, we included one property, White Oak Apartments, which receives Rural Development (RD) assistance. We have used this property’s average tenant-paid rents in our analysis.

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

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**EXCLUDED LIST**

Property Name	Rent Structure	Tenancy	Reason for Exclusion	No. of Units	2018 Vacancy Rate
Canaan Pointe	LIHTC/ Market	Family	Dissimilar unit mix	120	0.0%
Crescent Hill	LIHTC	Family	Subsidized	150	0.0%
Summer Place	LIHTC	Family	Subsidized	53	0.0%
West Winfield Acres	LIHTC/ Market	Family	Dissimilar unit mix	40	0.0%
Willow Crossing	LIHTC	Family	Dissimilar unit mix	48	0.0%
Benchmark Homes	Section 8	Family	Subsidized	26	0.0%
Campus Edge	Market	Family	Student tenancy	288	0.0%
Campus Evolution Villages	Market	Family	Student tenancy	156	0.0%
Campus Suites	Market	Family	Student tenancy	Not available	Not available
Chartwell At North End (fka Haven At North Town)	Market	Family	Closer comparables	204	0.0%
Chartwell Oak Forest (fka Haven At Oak Forest)	Market	Family	Closer comparables	496	4.0%
Cic Supported Living, Inc.	Section 8	Family	Subsidized	12	0.0%
College Pointe	Market	Family	Student tenancy	72	4.2%
Country Club	Market	Family	Closer comparables	358	3.9%
Creekridge	Market	Family	Closer comparables	138	10.9%
East Ridge Apartments	Market	Family	Closer comparables	119	Not available
Georgetown Village	Market	Family	Closer comparables	74	9.2%
Heritage Court Associates, Alp	Section 8	Family	Subsidized	149	0.0%
Hidden Park Apartments	Market	Family	Closer comparables	100	2.0%
Hunt Club Apartments	Market	Family	Closer comparables	204	4.9%
Jc Bull Apartments	Section 8	Family	Subsidized	100	Not available
Kensington Manor	Section 8	Family	Subsidized	124	0.0%
Mayfair Lofts	Market	Family	Closer comparables	107	0.0%
Newport Inc.	Section 8	Family	Subsidized	20	0.0%
Norris Ridge Apartments	Section 8	Family	Subsidized	190	Not available
Park Place Apartments	Market	Family	Closer comparables	184	6.0%
Quail Pointe Apartments	Market	Family	Closer comparables	100	1.0%
Riverwind Apartments	Market	Family	Closer comparables	194	2.1%
Spartanburg Arp Manor Apartments	Section 8	Senior	Senior tenancy	56	0.0%
The Bluffs Apartments	Market	Family	Closer comparables	144	0.7%
Timberlane Apartments	Market	Family	Closer comparables	92	17.4%
Valley Creek Apartments	Market	Family	Closer comparables	102	4.9%
Veridian Apartment Homes (fka Timbers)	Market	Family	Closer comparables	183	2.7%
Westgate Apartments	Section 8	Family	Subsidized	122	0.0%
Whispering Pines	Market	Family	Closer comparables	312	3.2%
Windsor House Assited Living	Market	Senior	Senior tenancy	60	5.0%
Woodland Apartments	Section 8/ Market	Family	Subsidized	100	6.0%
<b>Total LIHTC Only</b>				<b>411</b>	<b>0.0%</b>
<b>Total Assisted</b>				<b>899</b>	<b>0.8%</b>
<b>Total All Affordable*</b>				<b>1,310</b>	<b>0.5%</b>

**LIHTC Competition**

According to the SCSHFDA allocation list, one family project was awarded tax credits in the PMA since 2014. The family LIHTC property The Regency at Blackstock was allocated tax credits in 2017 and is currently in the planning phases. Upon completion, it will offer 13 two-bedroom units and 24 three-bedroom units to families. No additional details about this property were available at the time of our report. Because this property will offer only two and three-bedroom units, we have deducted only its 13 two-bedroom units from our demand analysis.

## Pipeline Construction

The following table details properties proposed, planned, or under construction in the Subject’s PMA.

### PLANNED DEVELOPMENT IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
215 E Daniel Morgan Ave	Market	Family	200	0	Proposed	1.0 miles
198 Main and Morgan	Market	Family	30	0	Under Construction	1.2 miles
Creativity Mill	Market	Family	70	0	Proposed	2.8 miles
Montgomery Building	Market	Family	72	0	Under Construction	1.1 miles
Parkside at Drayton	LIHTC	Senior	41	0	Proposed	2.7 miles
The Regency at Blackstock	LIHTC	Family	<u>37</u>	<u>13</u>	Proposed	3.9 miles
<b>Totals</b>			<b>450</b>	<b>13</b>		

Source: CoStar, March 2018

As detailed in the table above, there are 13 competitive units currently proposed or under construction in the Subject’s PMA. We have deducted the 13 two-bedroom units at The Regency at Blackstock in our demand analysis.

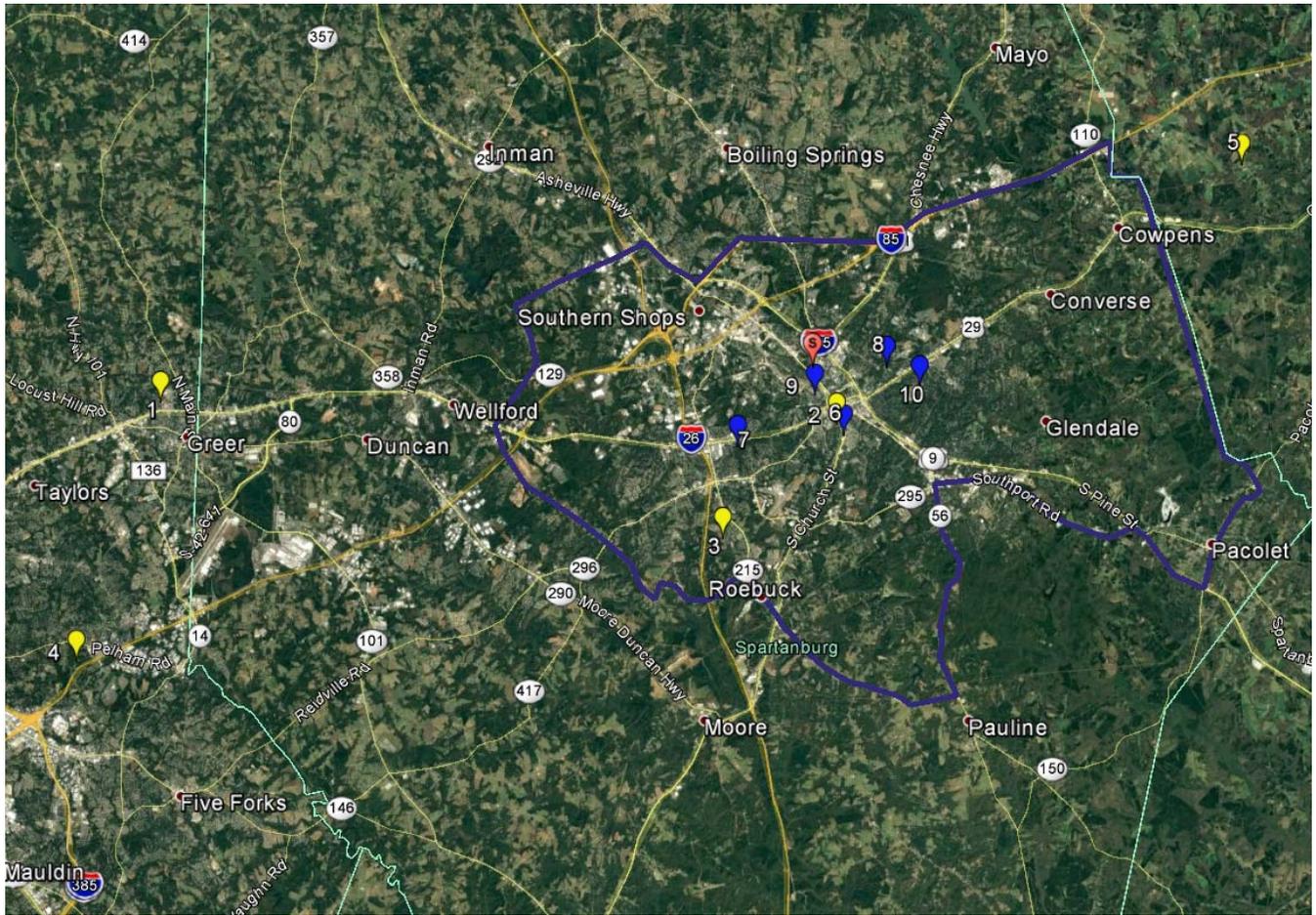
## Comparable Properties

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 10 “true” comparable properties containing 1,394 units.

The availability of LIHTC multifamily data in the PMA was limited and, therefore, we extended our search for comparable properties into nearby Gaffney, South Carolina. Of the five LIHTC comparables, two are in Spartanburg, one is 16.7 miles west in Greer, one is 20.2 miles west in Greenville, and the remaining comparable is 12.4 miles east in Gaffney. The property in Gaffney receives Rural Development assistance; therefore, we have used the average tenant-paid rents in our analysis. Market data available for market rate apartments in the PMA is considered average. We were able to identify five market rate properties in Spartanburg as comparables.

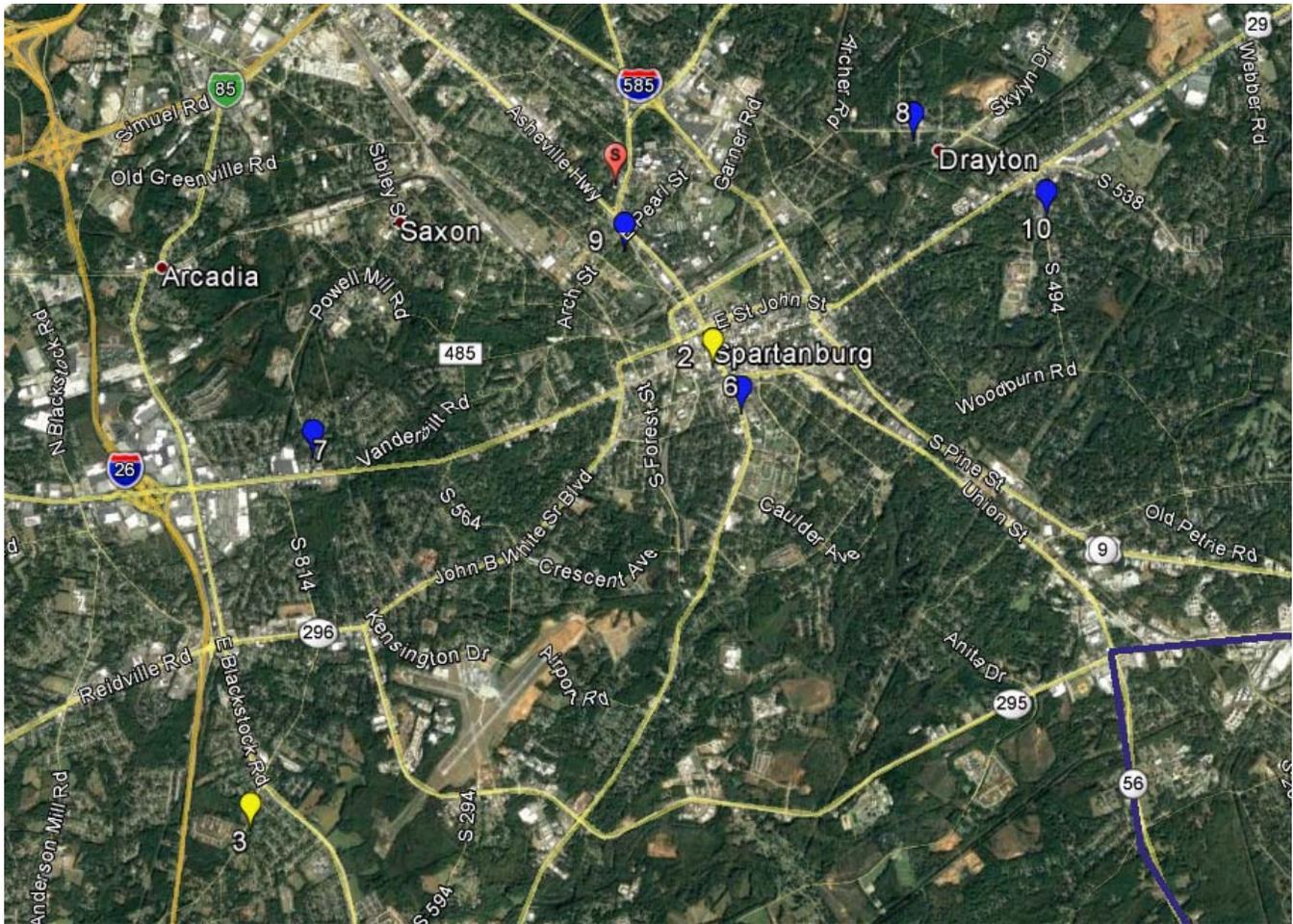
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are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

**COMPARABLE RENTAL PROPERTY MAP - DETAILED**



Source: Google Earth, March 2018.

**COMPARABLE PROPERTIES**

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Archibald Tower (Archibald Rutledge Apartments)	Spartanburg	LIHTC	-
1	Bridle Ridge*	Greer	LIHTC	16.7 miles
2	Companion At Lee's Crossing	Spartanburg	LIHTC	1.3 miles
3	Country Garden Estates I & II	Spartanburg	LIHTC	4.6 miles
4	Pelham Village*	Greenville	LIHTC	20.2 miles
5	White Oak Apartments*	Gaffney	LIHTC	12.4 miles
6	Church Street Lofts	Spartanburg	Market	1.6 miles
7	Crown Pointe Apartments	Spartanburg	Market	2.5 miles
8	Drayton Mills Lofts	Spartanburg	Market	2.0 miles
9	The Brick Lofts	Spartanburg	Market	0.3 miles
10	The Corners Apartments	Spartanburg	Market	2.8 miles

\*This property is located outside of the PMA.

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

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, 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	Archibald Tower (archibald Rutledge Apartments) 764 N Church Street Spartanburg, SC 29303 Spartanburg County	-	Highrise  (12 stories) 1972 / Proposed 2020 Senior	@60% (PBRA)	OBR / 1BA	35	40.7%	410	@60% (PBRA)	\$599	Yes	N/A	N/A	N/A
					OBR / 1BA	6	7.0%	517	@60% (PBRA)	\$599	Yes	N/A	N/A	N/A
					1BR / 1BA	24	27.9%	611	@60% (PBRA)	\$619	Yes	N/A	N/A	N/A
					1BR / 1BA	15	17.4%	750	@60% (PBRA)	\$619	Yes	N/A	N/A	N/A
					2BR / 1.5BA	6	7.0%	950	@60% (PBRA)	\$712	Yes	N/A	N/A	N/A
					<b>86</b>	<b>100.0%</b>						<b>N/A</b>	<b>N/A</b>	
1	Bridle Ridge 310 Chandler Road Greer, SC 29651 Greenville County	16.7 miles	Garden (2 stories) 1998 / 2008 Family	@60%	1BR / 1BA	28	18.4%	873	@60%	\$639	Yes	Yes	0	0.0%
					2BR / 2BA	96	63.2%	1,101	@60%	\$763	Yes	Yes	1	1.0%
					3BR / 2BA	28	18.4%	1,340	@60%	\$872	Yes	Yes	1	3.6%
						<b>152</b>	<b>100.0%</b>						<b>2</b>	<b>1.3%</b>
2	Companion At Lee's Crossing 100 Lee's Crossing Drive Spartanburg, SC 29301 Spartanburg County	1.3 miles	Garden (4 stories) 2010 / n/a Family	@60%	1BR / 1BA	34	17.7%	687	@60%	\$570	Yes	Yes	0	0.0%
					2BR / 2BA	102	53.1%	932	@60%	\$684	Yes	Yes	0	0.0%
					3BR / 2BA	56	29.2%	1,107	@60%	\$788	Yes	Yes	1	1.8%
						<b>192</b>	<b>100.0%</b>						<b>1</b>	<b>0.5%</b>
3	Country Garden Estates I & II 1124 Old Anderson Mill Road Spartanburg, SC 29369 Spartanburg County	4.6 miles	Various (2 stories) 2002/2004 / n/a Family	@50%, @60%	1BR / 1BA	5	5.0%	907	@50%	\$469	Yes	No	0	0.0%
					2BR / 2.5BA	15	15.0%	1,158	@50%	\$593	Yes	No	0	0.0%
					3BR / 2.5BA	10	10.0%	1,274	@50%	\$609	Yes	No	0	0.0%
					1BR / 1BA	5	5.0%	907	@60%	\$584	Yes	No	0	0.0%
					2BR / 2.5BA	15	15.0%	1,158	@60%	\$723	Yes	No	1	6.7%
	<b>50</b>	<b>50.0%</b>	<b>1,274</b>	<b>@60%</b>	<b>\$817</b>	<b>Yes</b>	<b>No</b>	<b>1</b>	<b>1.0%</b>					
4	Pelham Village 1001 Toscano Ct Greenville, SC 29615 Greenville County	20.2 miles	Garden (3 stories) 2012 / n/a Family	@50%, @60%	1BR / 1BA	5	8.3%	862	@50%	\$508	No	Yes	0	0.0%
					2BR / 2BA	5	8.3%	1,128	@50%	\$609	No	Yes	0	0.0%
					3BR / 2BA	5	8.3%	1,261	@50%	\$681	No	Yes	0	0.0%
					1BR / 1BA	7	11.7%	862	@60%	\$625	No	Yes	0	0.0%
					2BR / 2BA	19	31.7%	1,128	@60%	\$749	No	Yes	0	0.0%
					3BR / 2BA	19	31.7%	1,261	@60%	\$823	No	Yes	0	0.0%
	<b>60</b>	<b>100.0%</b>						<b>0</b>	<b>0.0%</b>					
5	White Oak Apartments 100 White Oak Apartments Gaffney, SC 29341 Cherokee County	12.4 miles	Various (2 stories) 1980 / n/a Family	@30%, @60% (RD)	1BR / 1BA	N/A	N/A	625	@30%	\$495	Yes	Yes	0	N/A
					2BR / 1.5BA	N/A	N/A	872	@30%	\$518	Yes	Yes	0	N/A
					1BR / 1BA	N/A	N/A	625	@60%	\$556	Yes	Yes	0	N/A
					2BR / 1.5BA	N/A	N/A	872	@60%	\$619	Yes	Yes	1	N/A
						<b>50</b>	<b>N/A</b>						<b>1</b>	<b>2.0%</b>
6	Church Street Lofts 275 South Church Street Spartanburg, SC 29306 Spartanburg County	1.6 miles	Highrise (13 stories) 1950 / 2015 Family	Market	OBR / 1BA	N/A	N/A	566	Market	\$857	N/A	No	N/A	N/A
					OBR / 1BA	N/A	N/A	702	Market	\$957	N/A	No	N/A	N/A
					OBR / 1BA	44	50.0%	566	Market	\$782	N/A	No	2	4.5%
					OBR / 1BA	22	25.0%	702	Market	\$882	N/A	No	1	4.5%
					1BR / 1BA	N/A	N/A	827	Market	\$1,082	N/A	No	N/A	N/A
					1BR / 1BA	22	25.0%	827	Market	\$1,007	N/A	No	1	4.5%
	<b>88</b>	<b>100.0%</b>						<b>4</b>	<b>4.5%</b>					
7	Crown Pointe Apartments 201 Powell Mill Road Spartanburg, SC 29301 Spartanburg County	2.5 miles	Garden (3 stories) 1978 / n/a Family	Market	1BR / 1BA	N/A	N/A	756	Market	\$728	N/A	No	N/A	N/A
					2BR / 1BA	N/A	N/A	915	Market	\$817	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,014	Market	\$837	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,198	Market	\$847	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,198	Market	\$906	N/A	Yes	N/A	N/A
	<b>241</b>	<b>N/A</b>	<b>2,396</b>	<b>Market</b>	<b>\$996</b>	<b>N/A</b>	<b>Yes</b>	<b>N/A</b>	<b>N/A</b>					
8	Drayton Mills Lofts 1800 Drayton Road Spartanburg, SC 29307 Spartanburg County	2.0 miles	Conversion (3 stories) 1902 / 2016 Family	Market	1BR / 1BA	84	29.1%	875	Market	\$1,060	N/A	No	5	6.0%
					2BR / 2BA	173	59.9%	1,248	Market	\$1,438	N/A	No	1	0.6%
					3BR / 2BA	32	11.1%	1,852	Market	\$1,897	N/A	No	0	0.0%
						<b>289</b>	<b>100.0%</b>						<b>6</b>	<b>2.1%</b>
9	The Brick Lofts 600 Magnolia Street Spartanburg, SC 29303 Spartanburg County	0.3 miles	Conversion (2 stories) 1930 / 2002/2018 Family	Market	OBR / 1BA	10	21.7%	449	Market	\$757	N/A	No	N/A	N/A
					OBR / 1BA	N/A	N/A	779	Market	\$882	N/A	No	N/A	N/A
					1BR / 1BA	22	47.8%	500	Market	\$702	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	789	Market	\$972	N/A	No	N/A	N/A
					2BR / 1BA	14	30.4%	787	Market	\$906	N/A	No	N/A	N/A
	<b>46</b>	<b>100.0%</b>	<b>937</b>	<b>Market</b>	<b>\$976</b>	<b>No</b>	<b>No</b>	<b>N/A</b>	<b>N/A</b>					
10	The Corners Apartments 151 Fernwood Drive Spartanburg, SC 29307 Spartanburg County	2.8 miles	Garden (2 stories) 1976 / 2000/Ongoing Family	Market	OBR / 1BA	20	11.4%	451	Market	\$672	N/A	No	1	5.0%
					1BR / 1BA	104	59.1%	626	Market	\$772	N/A	No	6	5.8%
					2BR / 1BA	52	29.5%	851	Market	\$916	N/A	No	4	7.7%
	<b>176</b>	<b>100.0%</b>						<b>8</b>	<b>4.5%</b>					

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	1,394	Weighted Occupancy:	97.8%		
	Market Rate	840	Market Rate	97.0%		
	Tax Credit	554	Tax Credit	99.1%		
Studio One Bath		One-Bedroom One Bath		Two-Bedroom One and a Half Bath		
RENT	Property	Average	Property	Average	Property	Average
	Church Street Lofts (Market)(1BA)	\$957	Church Street Lofts (Market)	\$1,082	Drayton Mills Lofts (Market)	\$1,438
	The Brick Lofts (Market)(1BA)	\$882	Drayton Mills Lofts (Market)	\$1,060	The Brick Lofts (Market)(1BA)	\$976
	Church Street Lofts (Market)(1BA)	\$882	Church Street Lofts (Market)	\$1,007	The Corners Apartments (Market)(1BA)	\$916
	Church Street Lofts (Market)(1BA)	\$857	The Brick Lofts (Market)	\$972	The Brick Lofts (Market)(1BA)	\$906
	Church Street Lofts (Market)(1BA)	\$782	The Corners Apartments (Market)	\$772	Crown Pointe Apartments (Market)	\$847
	The Brick Lofts (Market)(1BA)	\$757	Crown Pointe Apartments (Market)	\$728	Crown Pointe Apartments (Market)	\$837
	The Corners Apartments (Market)(1BA)	\$672	The Brick Lofts (Market)	\$702	Crown Pointe Apartments (Market)(1BA)	\$817
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>\$599</b>	Bridle Ridge (@60%)	\$639	Bridle Ridge (@60%)	\$763
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>\$599</b>	Pelham Village (@60%)	\$625	Pelham Village (@60%)	\$749
			<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>\$619</b>	Country Garden Estates I & II (@60%)(2.5BA)	\$723
			<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>\$619</b>	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1.5BA)</b>	<b>\$712</b>
			Country Garden Estates I & II (@60%)	\$584	Companion At Lee's Crossing (@60%)	\$684
			Companion At Lee's Crossing (@60%)	\$570	White Oak Apartments (@60%)(1.5BA)	\$619
			White Oak Apartments (@60%)	\$556	Pelham Village (@50%)	\$609
			Pelham Village (@50%)	\$508	Country Garden Estates I & II (@50%)(2.5BA)	\$593
			White Oak Apartments (@30%)	\$495	White Oak Apartments (@30%)(1.5BA)	\$518
			Country Garden Estates I & II (@50%)	\$469		
SQUARE FOOTAGE	Property	Average	Property	Average	Property	Average
	The Brick Lofts (Market)(1BA)	779	Country Garden Estates I & II (@50%)	907	Drayton Mills Lofts (Market)	1,248
	Church Street Lofts (Market)(1BA)	702	Country Garden Estates I & II (@60%)	907	Crown Pointe Apartments (Market)	1,198
	Church Street Lofts (Market)(1BA)	702	Drayton Mills Lofts (Market)	875	Country Garden Estates I & II (@50%)(2.5BA)	1,158
	Church Street Lofts (Market)(1BA)	566	Bridle Ridge (@60%)	873	Country Garden Estates I & II (@60%)(2.5BA)	1,158
	Church Street Lofts (Market)(1BA)	566	Pelham Village (@60%)	862	Pelham Village (@50%)	1,128
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>517</b>	Pelham Village (@50%)	862	Pelham Village (@60%)	1,128
	The Corners Apartments (Market)(1BA)	451	Church Street Lofts (Market)	827	Bridle Ridge (@60%)	1,101
	The Brick Lofts (Market)(1BA)	449	Church Street Lofts (Market)	827	Crown Pointe Apartments (Market)	1,014
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>410</b>	The Brick Lofts (Market)	789	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1.5BA)</b>	<b>950</b>
			Crown Pointe Apartments (Market)	756	The Brick Lofts (Market)(1BA)	937
			<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>750</b>	Companion At Lee's Crossing (@60%)	932
			Companion At Lee's Crossing (@60%)	687	Crown Pointe Apartments (Market)(1BA)	915
			The Corners Apartments (Market)	626	White Oak Apartments (@60%)(1.5BA)	872
			White Oak Apartments (@60%)	625	White Oak Apartments (@30%)(1.5BA)	872
			White Oak Apartments (@30%)	625	The Corners Apartments (Market)(1BA)	851
			<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>611</b>	The Brick Lofts (Market)(1BA)	787
			The Brick Lofts (Market)	500		
RENT PER SQUARE FOOT	Property	Average	Property	Average	Property	Average
	The Brick Lofts (Market)(1BA)	\$1.69	The Brick Lofts (Market)	\$1.40	Drayton Mills Lofts (Market)	\$1.15
	Church Street Lofts (Market)(1BA)	\$1.51	Church Street Lofts (Market)	\$1.31	The Brick Lofts (Market)(1BA)	\$1.15
	The Corners Apartments (Market)(1BA)	\$1.49	The Corners Apartments (Market)	\$1.23	The Corners Apartments (Market)(1BA)	\$1.08
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>\$1.46</b>	The Brick Lofts (Market)	\$1.23	The Brick Lofts (Market)(1BA)	\$1.04
	Church Street Lofts (Market)(1BA)	\$1.38	Church Street Lofts (Market)	\$1.22	Crown Pointe Apartments (Market)(1BA)	\$0.89
	Church Street Lofts (Market)(1BA)	\$1.36	Drayton Mills Lofts (Market)	\$1.21	Crown Pointe Apartments (Market)	\$0.83
	Church Street Lofts (Market)(1BA)	\$1.26	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>\$1.01</b>	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1.5BA)</b>	<b>\$0.75</b>
	<b>Archibald Tower (archibald Rutledge Apartments) (@60%)(1BA)</b>	<b>\$1.16</b>	Crown Pointe Apartments (Market)	\$0.96	Companion At Lee's Crossing (@60%)	\$0.73
	The Brick Lofts (Market)(1BA)	\$1.13	White Oak Apartments (@60%)	\$0.89	White Oak Apartments (@60%)(1.5BA)	\$0.71
			Companion At Lee's Crossing (@60%)	\$0.83	Crown Pointe Apartments (Market)	\$0.71
			<b>Archibald Tower (archibald Rutledge Apartments) (@60%)</b>	<b>\$0.83</b>	Bridle Ridge (@60%)	\$0.69
			White Oak Apartments (@30%)	\$0.79	Pelham Village (@60%)	\$0.66
			Bridle Ridge (@60%)	\$0.73	Country Garden Estates I & II (@60%)(2.5BA)	\$0.62
			Pelham Village (@60%)	\$0.73	White Oak Apartments (@30%)(1.5BA)	\$0.59
			Country Garden Estates I & II (@60%)	\$0.64	Pelham Village (@50%)	\$0.54
			Pelham Village (@50%)	\$0.59	Country Garden Estates I & II (@50%)(2.5BA)	\$0.51

**ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY**

**AMENITY MATRIX**

	Subject	Bridle Ridge	Companion At Lee's Crossing	Country Garden	Pelham Village	White Oak Apartments	Church Street Lofts	Crown Pointe Apartments	Drayton Mills Lofts	The Brick Lofts	The Corners Apartments
<b>Rent Structure</b>	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
<b>Building</b>											
<b>Property Type</b>	Highrise	Garden	Garden	Various	Garden	Various	Highrise	Garden	Conversion	Conversion	Garden
<b># of Stories</b>	12-stories	2-stories	4-stories	2-stories	3-stories	2-stories	13-stories	3-stories	3-stories	2-stories	2-stories
<b>Year Built</b>	1972	1998	2010	2002/2004	2012	1980	1950	1978	1902	1930	1976
<b>Year Renovated</b>	Proposed 2020	2008	n/a	n/a	n/a	n/a	2015	n/a	2016	2002/2018	2000/Ongoing
<b>Elevators</b>	yes	no	no	no	no	no	yes	no	yes	no	no
<b>Courtyard</b>	no	no	no	no	no	no	no	no	yes	no	no
<b>Utility Structure</b>											
<b>Cooking</b>	no	no	no	no	no	no	no	no	no	no	no
<b>Water Heat</b>	yes	no	no	no	no	no	no	no	no	no	no
<b>Heat</b>	no	no	no	no	no	no	no	no	no	no	no
<b>Other Electric</b>	no	no	no	no	no	no	no	no	no	no	no
<b>Water</b>	yes	no	yes	no	yes	yes	yes	no	no	yes	no
<b>Sewer</b>	yes	no	yes	no	yes	yes	yes	no	no	yes	no
<b>Trash</b>	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no
<b>Accessibility</b>											
<b>Unit Amenities</b>											
<b>Balcony/Patio</b>	no	yes	yes	yes	no	no	no	yes	yes	no	yes
<b>Blinds</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Carpeting</b>	no	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
<b>Hardwood</b>	no	no	no	no	no	no	no	no	yes	no	no
<b>Central A/C</b>	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Ceiling Fan</b>	no	yes	yes	yes	no	no	no	yes	no	yes	yes
<b>Coat Closet</b>	yes	yes	no	yes	yes	no	yes	yes	yes	yes	yes
<b>Exterior Storage</b>	no	yes	yes	yes	no	no	no	no	yes	no	no
<b>Vaulted Ceilings</b>	no	no	no	no	no	no	no	no	yes	no	no
<b>Walk-In Closet</b>	no	yes	yes	yes	no	no	yes	yes	no	no	yes
<b>Wall A/C</b>	yes	no	no	no	no	no	no	no	no	no	no
<b>Washer/Dryer</b>	no	no	no	no	no	no	yes	no	yes	no	yes
<b>W/D Hookup</b>	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
<b>Kitchen</b>											
<b>Dishwasher</b>	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Disposal</b>	yes	yes	yes	yes	yes	no	no	yes	no	yes	yes
<b>Microwave</b>	no	no	no	no	yes	no	yes	no	yes	yes	yes
<b>Oven</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Refrigerator</b>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>											
<b>Business Center</b>	yes	no	yes	no	yes	no	no	no	no	no	no
<b>Community Room</b>	no	yes	yes	no	yes	yes	yes	yes	yes	no	yes
<b>Central Laundry</b>	yes	yes	yes	no	yes	yes	no	yes	no	yes	yes
<b>On-Site Mgmt</b>	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Recreation</b>											
<b>Exercise Facility</b>	no	yes	yes	no	yes	no	yes	yes	yes	no	yes
<b>Playground</b>	no	yes	yes	no	yes	no	no	yes	no	yes	no
<b>Swimming Pool</b>	no	yes	yes	no	no	no	yes	yes	yes	no	yes
<b>Picnic Area</b>	yes	yes	no	no	no	no	yes	no	no	yes	yes
<b>Tennis Court</b>	no	no	no	no	no	no	no	yes	no	no	no
<b>Sauna</b>	no	no	no	no	no	no	no	yes	no	no	no
<b>Recreational Area</b>	no	no	no	no	no	no	no	no	yes	no	no
<b>Volleyball Court</b>	no	no	no	no	no	no	no	no	no	no	yes
<b>Adult Education</b>	yes	no	no	no	no	no	no	no	no	no	no
<b>Security</b>											
<b>Intercom (Buzzer)</b>	no	no	no	no	no	no	no	no	yes	no	no
<b>Intercom (Phone)</b>	yes	no	no	no	no	no	yes	no	no	no	no
<b>Limited Access</b>	no	no	yes	no	no	no	yes	no	yes	yes	yes
<b>Patrol</b>	no	no	yes	no	no	no	yes	yes	no	no	no
<b>Video Surveillance</b>	yes	no	no	no	no	yes	yes	no	no	yes	no
<b>Parking</b>											
<b>Garage</b>	no	yes	yes	no	no	no	no	no	no	no	no
<b>Garage Fee</b>	n/a	\$75	\$60	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Off-Street Parking</b>	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes

# PROPERTY PROFILE REPORT

## Bridle Ridge

Effective Rent Date	12/20/2017
Location	310 Chandler Road Greer, SC 29651 Greenville County
Distance	16.7 miles
Units	152
Vacant Units	2
Vacancy Rate	1.3%
Type	Garden (2 stories)
Year Built/Renovated	1998 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Regency, Westchase
Tenant Characteristics	Work at BMW and supporting companies, Verizon, Sprint
Contact Name	Amanda
Phone	(864) 762-4062



### Market Information

Program	@60%
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	10 households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	28	873	\$570	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (2 stories)	96	1,101	\$675	\$0	@60%	Yes	1	1.0%	yes	None
3	2	Garden (2 stories)	28	1,340	\$775	\$0	@60%	Yes	1	3.6%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$570	\$0	\$570	\$69	\$639
2BR / 2BA	\$675	\$0	\$675	\$88	\$763
3BR / 2BA	\$775	\$0	\$775	\$97	\$872

## Bridle Ridge, continued

### Amenities

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

### Comments

The contact reported a waiting list of 10 households. Five households are waiting for one-bedroom units, four households are waiting for two-bedroom units, and one household is waiting for a three-bedroom unit.

Photos



# PROPERTY PROFILE REPORT

## Companion At Lee's Crossing

Effective Rent Date	2/23/2018
Location	100 Lee's Crossing Drive Spartanburg, SC 29301 Spartanburg County
Distance	1.3 miles
Units	192
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (4 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Country Garden Estates
Tenant Characteristics	Mixed tenancy
Contact Name	Chris
Phone	864-574-8494



### Market Information

Program	@60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	45%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Six households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	34	687	\$563	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	102	932	\$673	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	56	1,107	\$775	\$0	@60%	Yes	1	1.8%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$563	\$0	\$563	\$7	\$570
2BR / 2BA	\$673	\$0	\$673	\$11	\$684
3BR / 2BA	\$775	\$0	\$775	\$13	\$788

## Companion At Lee's Crossing, continued

### Amenities

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

### Comments

The property offers exterior storage units for \$50 per month and garage parking for \$60 per month. The contact stated she was a new employee and could not comment on annual turnover rate or leasing pace at the property; this information is from a survey conducted in July 2016.

Photos



# PROPERTY PROFILE REPORT

## Country Garden Estates I & II

Effective Rent Date	12/20/2017
Location	1124 Old Anderson Mill Road Spartanburg, SC 29369 Spartanburg County
Distance	4.6 miles
Units	100
Vacant Units	1
Vacancy Rate	1.0%
Type	Various (2 stories)
Year Built/Renovated	2002/2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Local families
Contact Name	Carolyn
Phone	864-574-0072



### Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	35%
Leasing Pace	Less than two weeks
Annual Chg. in Rent	Kept at max. allowable
Concession	None
Waiting List	None maintained

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Single (2 stories)	5	907	\$400	\$0	@50%	No	0	0.0%	yes	None
1	1	Single (2 stories)	5	907	\$515	\$0	@60%	No	0	0.0%	yes	None
2	2.5	Garden (2 stories)	15	1,158	\$505	\$0	@50%	No	0	0.0%	yes	None
2	2.5	Single (2 stories)	15	1,158	\$635	\$0	@60%	No	1	6.7%	yes	None
3	2.5	Single (2 stories)	10	1,274	\$512	\$0	@50%	No	0	0.0%	yes	None
3	2.5	Townhouse (2 stories)	50	1,274	\$720	\$0	@60%	No	0	0.0%	yes	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$400	\$0	\$400	\$69	\$469	1BR / 1BA	\$515	\$0	\$515	\$69	\$584
2BR / 2.5BA	\$505	\$0	\$505	\$88	\$593	2BR / 2.5BA	\$635	\$0	\$635	\$88	\$723
3BR / 2.5BA	\$512	\$0	\$512	\$97	\$609	3BR / 2.5BA	\$720	\$0	\$720	\$97	\$817

## Country Garden Estates I & II, continued

### Amenities

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

### Comments

This development consists of two phases managed as one entity. According to the contact, current occupancy rates are typical over the past two years. The contact stated tenants rarely move out and mentioned her estimate of six percent annual turnover is conservative.

Photos



# PROPERTY PROFILE REPORT

## Pelham Village

Effective Rent Date	12/22/2017
Location	1001 Toscano Ct Greenville, SC 29615 Greenville County
Distance	20.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Tammy
Phone	864-289-7948



### Market Information

Program	@50%, @60%
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	N/A
Concession	None
Waiting List	400 households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	5	862	\$501	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	7	862	\$618	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	5	1,128	\$598	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	19	1,128	\$738	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	5	1,261	\$668	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	19	1,261	\$810	\$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	\$501	\$0	\$501	\$7	\$508	1BR / 1BA	\$618	\$0	\$618	\$7	\$625
2BR / 2BA	\$598	\$0	\$598	\$11	\$609	2BR / 2BA	\$738	\$0	\$738	\$11	\$749
3BR / 2BA	\$668	\$0	\$668	\$13	\$681	3BR / 2BA	\$810	\$0	\$810	\$13	\$823

## Pelham Village, continued

### Amenities

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

### Comments

The contact said there is currently a wait list of 400 households. The waiting list for the one and three-bedroom units is reported to be two years in length and the waiting list for the two-bedroom units is reported to be three years in length. The contact also stated that Greenville County is in need of additional affordable housing.

Photos



# PROPERTY PROFILE REPORT

## White Oak Apartments

Effective Rent Date	12/20/2017
Location	100 White Oak Apartments Gaffney, SC 29341 Cherokee County
Distance	12.4 miles
Units	50
Vacant Units	1
Vacancy Rate	2.0%
Type	Various (2 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Fairfiled Apartments
Tenant Characteristics	Young families from Gaffney, SC
Contact Name	Beth
Phone	864-487-5724



### Market Information

Program	@30%, @60% (RD)
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased two percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	N/A	625	\$488	\$0	@30%	Yes	0	N/A	yes	None
1	1	One-story	N/A	625	\$549	\$0	@60% (RD)	Yes	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	872	\$507	\$0	@30%	Yes	0	N/A	yes	None
2	1.5	Townhouse (2 stories)	N/A	872	\$608	\$0	@60% (RD)	Yes	1	N/A	yes	None

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$488	\$0	\$488	\$7	\$495	1BR / 1BA	\$549	\$0	\$549	\$7	\$556
2BR / 1.5BA	\$507	\$0	\$507	\$11	\$518	2BR / 1.5BA	\$608	\$0	\$608	\$11	\$619

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Video Surveillance	None
Central A/C	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None

Comments

Management confirmed that this is a LIHTC/Rural Development property that accepts Housing Choice Vouchers. 96 percent of units have rental assistance. The rents listed reflect the current rents (average tenant-paid rent) being paid at the property. Only one household on the property pays above basic rent. There is currently a waiting list of four households.

Photos



# PROPERTY PROFILE REPORT

## Church Street Lofts

Effective Rent Date 2/21/2018

Location 275 South Church Street  
Spartanburg, SC 29306  
Spartanburg County  
Intersection: E Lee Street

Distance 1.6 miles

Units 88

Vacant Units 4

Vacancy Rate 4.5%

Type Highrise (13 stories)

Year Built/Renovated 1950 / 2015

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors Brick Lofts

Tenant Characteristics Young professionals, couples from Spartanburg and surrounding areas of Spartanburg County

Contact Name Ken

Phone 864-580-4035



### Market Information

Program Market

Annual Turnover Rate N/A

Units/Month Absorbed N/A

HCV Tenants N/A

Leasing Pace N/A

Annual Chg. in Rent N/A

Concession N/A

Waiting List None

### Utilities

A/C not included -- 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
0	1	Highrise (13 stories)	N/A	566	\$850	\$0	Market	No	N/A	N/A	N/A	HIGH*
0	1	Highrise (13 stories)	N/A	702	\$950	\$0	Market	No	N/A	N/A	N/A	HIGH*
0	1	Highrise (13 stories)	44	566	\$775	\$0	Market	No	2	4.5%	N/A	LOW*
0	1	Highrise (13 stories)	22	702	\$875	\$0	Market	No	1	4.5%	N/A	LOW*
1	1	Highrise (13 stories)	N/A	827	\$1,075	\$0	Market	No	N/A	N/A	N/A	HIGH*
1	1	Highrise (13 stories)	22	827	\$1,000	\$0	Market	No	1	4.5%	N/A	LOW*

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$775 - \$950	\$0	\$775 - \$950	\$7	\$782 - \$957
1BR / 1BA	\$1,000 - \$1,075	\$0	\$1,000 - \$1,075	\$7	\$1,007 - \$1,082

## Church Street Lofts, continued

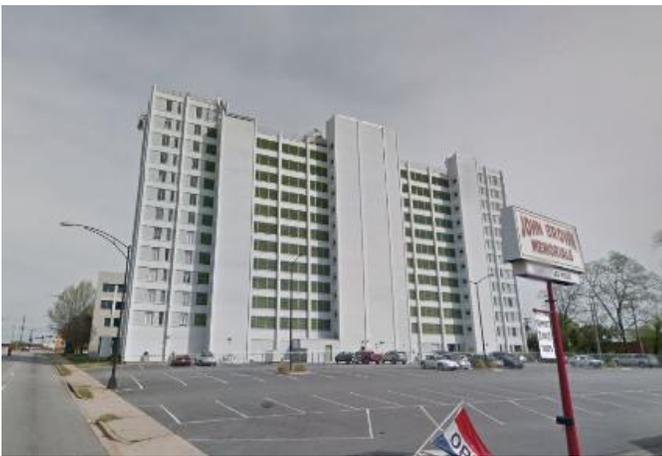
### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Phone)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Microwave	Patrol	
Oven	Refrigerator	Video Surveillance	
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

### Comments

This property is a newly-renovated historic building in downtown Spartanburg. This property offers stainless steel appliances, a 55" flatscreen TV in each unit, valet trash pickup, quartz countertops, stained concrete floors, and a rooftop sundeck by the pool. Parking is free and the contact estimated the number of parking spaces. Exterior storage units are located in the basement of the building and are offered at \$30 per month. The contact did not know how many total storage units are offered.

Photos



# PROPERTY PROFILE REPORT

## Crown Pointe Apartments

Effective Rent Date	12/20/2017
Location	201 Powell Mill Road Spartanburg, SC 29301 Spartanburg County
Distance	2.5 miles
Units	241
Vacant Units	5
Vacancy Rate	2.1%
Type	Garden (3 stories)
Year Built/Renovated	1978 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Whispering Pines, The Bluffs
Tenant Characteristics	Mix of singles and local area families
Contact Name	Michelle
Phone	864-576-7670



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1 week
Annual Chg. in Rent	Increased 3-8%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	756	\$659	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	N/A	915	\$729	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,014	\$749	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,198	\$759	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,198	\$809	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	2,396	\$899	\$0	Market	Yes	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$659	\$0	\$659	\$69	\$728
2BR / 1BA	\$729	\$0	\$729	\$88	\$817
2BR / 2BA	\$749 - \$759	\$0	\$749 - \$759	\$88	\$837 - \$847
3BR / 2BA	\$809 - \$899	\$0	\$809 - \$899	\$97	\$906 - \$996

## Crown Pointe Apartments, continued

### Amenities

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

### Comments

The contact could not estimate the annual turnover rate. However, the contact did state that occupancy rates are seasonal and often rely upon college students moving in and out of town. Three-bedroom units have a three-household waiting list.

Photos



# PROPERTY PROFILE REPORT

## Drayton Mills Lofts

Effective Rent Date 2/15/2018

Location 1800 Drayton Road  
Spartanburg, SC 29307  
Spartanburg County  
Intersection: Ansel Street

Distance 2 miles

Units 289

Vacant Units 6

Vacancy Rate 2.1%

Type Conversion (3 stories)

Year Built/Renovated 1902 / 2016

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Mixed

Contact Name Christy

Phone 864-573-0092



### Market Information

Program Market

Annual Turnover Rate N/A

Units/Month Absorbed 12

HCV Tenants 0%

Leasing Pace Within two weeks

Annual Chg. in Rent Increased one to two 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	Conversion (3 stories)	84	875	\$991	\$0	Market	No	5	6.0%	N/A	AVG*
1	1	Conversion (3 stories)	N/A	1,005	\$1,073	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Conversion (3 stories)	N/A	744	\$908	\$0	Market	No	N/A	N/A	N/A	LOW
2	2	Conversion (3 stories)	173	1,248	\$1,350	\$0	Market	No	1	0.6%	N/A	AVG*
2	2	Conversion (3 stories)	N/A	1,565	\$1,650	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Conversion (3 stories)	N/A	930	\$1,050	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Conversion (3 stories)	32	1,852	\$1,800	\$0	Market	No	0	0.0%	N/A	AVG*
3	2	Conversion (3 stories)	N/A	2,152	\$2,098	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Conversion (3 stories)	N/A	1,552	\$1,500	\$0	Market	No	N/A	N/A	N/A	LOW

## Drayton Mills Lofts, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$908 - \$1,073	\$0	\$908 - \$1,073	\$69	\$977 - \$1,142
2BR / 2BA	\$1,050 - \$1,650	\$0	\$1,050 - \$1,650	\$88	\$1,138 - \$1,738
3BR / 2BA	\$1,500 - \$2,098	\$0	\$1,500 - \$2,098	\$97	\$1,597 - \$2,195

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Recreation Areas	Swimming Pool		

### Comments

This property was originally built in 1902 but converted to a multifamily property in 2016. This property includes a saltwater lap pool, grill area, vaulted ceilings, glass stove tops, exposed brick walls, hardwood floors, a game room, and dry cleaning pickup service.

Photos



# PROPERTY PROFILE REPORT

## The Brick Lofts

Effective Rent Date	2/20/2018
Location	600 Magnolia Street Spartanburg, SC 29303 Spartanburg County
Distance	0.3 miles
Units	46
Vacant Units	2
Vacancy Rate	4.3%
Type	Conversion (2 stories)
Year Built/Renovated	1930 / 2002/2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None
Tenant Characteristics	Mixed Tenancy, majority individuals
Contact Name	Linda
Phone	864-308-1659



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Two weeks
Annual Chg. in Rent	None
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
0	1	Conversion (2 stories)	10	449	\$750	\$0	Market	No	N/A	N/A	N/A	None
0	1	Conversion (2 stories)	N/A	779	\$875	\$0	Market	N/A	N/A	N/A	N/A	None
1	1	Conversion (2 stories)	22	500	\$695	\$0	Market	N/A	N/A	N/A	N/A	None
1	1	Conversion (2 stories)	N/A	789	\$965	\$0	Market	No	N/A	N/A	N/A	None
2	1	Conversion (2 stories)	14	787	\$895	\$0	Market	N/A	N/A	N/A	N/A	None
2	1	Conversion (2 stories)	N/A	937	\$965	\$0	Market	No	N/A	N/A	no	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$750 - \$875	\$0	\$750 - \$875	\$7	\$757 - \$882
1BR / 1BA	\$695 - \$965	\$0	\$695 - \$965	\$7	\$702 - \$972
2BR / 1BA	\$895 - \$965	\$0	\$895 - \$965	\$11	\$906 - \$976

## The Brick Lofts, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Limited Access	None
Central A/C	Coat Closet	Video Surveillance	
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

### Comments

This was formerly a LIHTC property known as Fremont School Apartments.

Photos



# PROPERTY PROFILE REPORT

## The Corners Apartments

Effective Rent Date	2/19/2018
Location	151 Fernwood Drive Spartanburg, SC 29307 Spartanburg County
Distance	2.8 miles
Units	176
Vacant Units	8
Vacancy Rate	4.5%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2000/Ongoing
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed Tenancy
Contact Name	Contact
Phone	(864) 504-6952



### Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased slightly
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	20	451	\$603	\$0	Market	No	1	5.0%	N/A	AVG*
0	1	Garden (2 stories)	N/A	451	\$678	\$0	Market	No	N/A	N/A	N/A	HIGH
0	1	Garden (2 stories)	N/A	451	\$528	\$0	Market	No	N/A	N/A	N/A	LOW
1	1	Garden (2 stories)	104	626	\$703	\$0	Market	No	6	5.8%	N/A	AVG*
1	1	Garden (2 stories)	N/A	626	\$778	\$0	Market	No	N/A	N/A	N/A	HIGH
1	1	Garden (2 stories)	N/A	626	\$628	N/A	Market	No	N/A	N/A	N/A	LOW
2	1	Garden (2 stories)	52	851	\$828	\$0	Market	No	4	7.7%	N/A	AVG*
2	1	Garden (2 stories)	N/A	851	\$878	\$0	Market	No	N/A	N/A	N/A	HIGH
2	1	Garden (2 stories)	N/A	851	\$778	\$0	Market	No	N/A	N/A	N/A	LOW

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$528 - \$678	\$0	\$528 - \$678	\$70	\$598 - \$748
1BR / 1BA	\$628 - \$778	\$0	\$0 - \$778	\$69	\$0 - \$847
2BR / 1BA	\$778 - \$878	\$0	\$778 - \$878	\$88	\$866 - \$966

## The Corners Apartments, continued

### Amenities

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

### Comments

The property manager stated that the higher rents are for renovated units.

Photos



## Comparable Property Analysis

### Vacancy

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

#### VACANCY - ALL COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge*	LIHTC	152	2	1.3%
Companion At Lee's Crossing	LIHTC	192	1	0.5%
Country Garden Estates I & II	LIHTC	100	1	1.0%
Pelham Village*	LIHTC	60	0	0.0%
White Oak Aparments*	LIHTC	50	1	2.0%
Church Street Lofts	Market	88	4	4.5%
Crown Pointe Apartments	Market	241	5	2.1%
Drayton Mills Lofts	Market	289	6	2.1%
The Brick Lofts	Market	46	2	4.3%
The Corners Apartments	Market	<u>176</u>	<u>8</u>	<u>4.5%</u>
<b>Overall Total in PMA</b>		<b>1,132</b>	<b>27</b>	<b>2.4%</b>
<b>Overall Total</b>		<b>1,394</b>	<b>30</b>	<b>2.2%</b>

\*This property is located outside of the PMA.

#### VACANCY - LIHTC COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Bridle Ridge*	LIHTC	152	2	1.3%
Companion At Lee's Crossing	LIHTC	192	1	0.5%
Country Garden Estates I & II	LIHTC	100	1	1.0%
Pelham Village*	LIHTC	60	0	0.0%
White Oak Aparments*	LIHTC	<u>50</u>	<u>1</u>	<u>2.0%</u>
<b>Total LIHTC in PMA</b>		<b>292</b>	<b>2</b>	<b>0.7%</b>
<b>Total LIHTC</b>		<b>554</b>	<b>5</b>	<b>0.9%</b>

\*This property is located outside of the PMA.

#### VACANCY - MARKET RATE COMPARABLES

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Church Street Lofts	Market	88	4	4.5%
Crown Pointe Apartments	Market	241	5	2.1%
Drayton Mills Lofts	Market	289	6	2.1%
The Brick Lofts	Market	46	2	4.3%
The Corners Apartments	Market	<u>176</u>	<u>8</u>	<u>4.5%</u>
<b>Total Market Rate in PMA</b>		<b>840</b>	<b>25</b>	<b>3.0%</b>
<b>Total Market Rate</b>		<b>840</b>	<b>25</b>	<b>3.0%</b>

\*This property is located outside of the PMA.

Overall vacancy within the PMA is low at 2.4 percent. The two surveyed comparable LIHTC properties from inside the PMA have a 0.7 percent vacancy rate, and one maintains a waiting list, indicating very high demand for affordable housing. The LIHTC property reporting the highest vacancy, Bridle Ridge, reported a vacancy rate of 1.3 percent. This property is maintaining a waiting list of 10 households, which includes five households waiting for one-bedroom units. Waiting lists for one-bedroom units suggest unmet demand for these units in the market.

Among the market rate properties, vacancy is also low at 3.0 percent, indicating very strong support for conventional apartments. None of the market comparable properties reported a vacancy rate greater than 4.5 percent. Overall, market rate properties in the area are performing well.

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 five 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 292 total LIHTC units in the PMA that we included in this comparable analysis. There are two vacancies among these units and one property maintains a waiting list. 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 Spartanburg Housing Authority utility allowance, effective September 30, 2016, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 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. Note that the Subject’s rents are contract rents.

**LIHTC RENT COMPARISON @60%**

Property Name	OBR	1BR	2BR
Archibald Tower (Archibald Rutledge Apartments)	\$599	\$619	\$712
<b>LIHTC Maximum Rent (Net)</b>	<b>\$497</b>	<b>\$529</b>	<b>\$627</b>
LIHTC Maximum Rent (Net) (Cherokee County)	\$433	\$459	\$543
LIHTC Maximum Rent (Net) (Greenville County)	\$596	\$635	\$753
LIHTC Maximum Rent (Net) - Held Harmless	\$542	\$577	\$684
Companion At Lee's Crossing	-	\$570	\$684
Country Garden Estates I & II	-	\$584	\$723
Bridle Ridge	-	\$639	\$763
Pelham Village	-	\$625	\$749
White Oak Apartments	-	\$556	\$619
<b>Average (excluding Subject)</b>	<b>-</b>	<b>\$595</b>	<b>\$708</b>
<b>Achievable LIHTC Rent</b>	<b>\$497</b>	<b>\$529</b>	<b>\$627</b>

The Subject’s proposed rents are its contract rents and are set above the 2017 Spartanburg County LIHTC maximum allowable levels. Average 60 percent AMI rents in the market are above the 2017 Spartanburg

County LIHTC maximum allowable rents, owing to the inclusion of 60 percent AMI rents at properties in adjacent counties. Country Garden Estates were constructed prior to 2009 and is held harmless at higher levels than the Subject. White Oak Apartments is located in Gaffney in Cherokee County, while Bridle Ridge and Pelham Village are located in Greer and Greenville in Greenville County. These properties are held to differing maximum allowable rent levels. All but one of the LIHTC comparables, Pelham Village, reported achieving rents at the maximum allowable levels; discrepancies in the table above are likely due to differing utility allowances. Of note, none of the LIHTC comparables offer studio units. The Subject is considered most similar to Companion at Lee’s Crossing in terms of amenities, unit sizes, and location. However, Companion at Lee’s Crossing was constructed in 2010 and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Companion at Lee’s Crossing offers one-bedroom rents that are set at the 2017 maximum allowable levels for units at 60 percent AMI. Given that the Subject will be in a market with a demonstrated demand for affordable housing, and the Subject’s similarity to Companion at Lee’s Crossing, we believe it can achieve 60 percent AMI rents at the maximum allowable rents. We believe that the maximum allowable LIHTC rents of **\$497, \$529, and \$627** 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 Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
OBR / 1BA	@60% AMI (PBRA)	\$497	\$672	\$957	\$827	\$750	34%
OBR / 1BA	@60% AMI (PBRA)	\$497	\$672	\$957	\$827	\$775	36%
1BR / 1BA	@60% AMI (PBRA)	\$529	\$702	\$1,082	\$903	\$825	36%
1BR / 1BA	@60% AMI (PBRA)	\$529	\$702	\$1,082	\$903	\$875	40%
2BR / 1.5BA	@60% AMI (PBRA)	\$627	\$817	\$1,438	\$963	\$975	36%

All of the market rate properties were built or extensively renovated between 1978 and 2018, and are located in Spartanburg. The market rate comparables are considered slightly superior to superior to the Subject with respect to amenities, age, and condition. Thus, we believe the Subject will be able to achieve market rents slightly below those of the market rate comparables. The Brick Lofts and Church Street Lofts are considered the most similar market-rate comparables to the Subject. The Brick Lofts is a renovated historic building originally constructed in 1930 and extensively renovated in 2002 and 2018. This property exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. The Brick Lofts offers similar property amenities but superior in-unit amenities, as it offers carpeting, central air conditioning, ceiling fans, dishwashers, and microwaves, which the Subject will not offer. This property offer similar unit sizes. Overall, The Brick Lofts is considered slightly superior to the Subject. Net rents at this property are \$757 and \$972 for the most similarly sized studio and one-bedroom units. These rents are below and above the surveyed average for studio and one-bedroom units, respectively. The Brick Lofts offers unit sizes at 449 and 779 for studio units and 500 and 789 for one-bedroom units, respectively. Given the Subject’s similarity to The Brick Lofts, we expect the Subject can achieve market rents similar to those at this property.

Church Street Lofts was originally constructed in 1950 and extensively renovated in 2015, and exhibits good condition, which is considered slightly inferior to the anticipated excellent condition of the Subject upon completion. Church Street Lofts offers similar property amenities but superior unit amenities in comparison to those of the Subject as proposed. This property offers carpeting, central air conditioning, walk-in closets,

and in-unit washer/dryers, which the Subject will not offer. This property offers superior unit sizes. Overall, Church Street Lofts is considered slightly superior to the Subject. This property offers studio and one-bedroom units at \$857 and \$1,007 in its most similarly-sized studio and one-bedroom units, respectively. These studio rents are below the surveyed average but the one-bedroom rents are above the surveyed average. Church Street Lofts offers studio units at 566 and 702 square feet and one-bedroom units at 827 square feet. These are unit sizes are above the Subject's proposed unit sizes. Overall, Church Street Lofts is considered superior to the Subject. Given the Subject's inferiority to Church Street Lofts, we expect the Subject can achieve market rents lower than those at this property. Thus, we have concluded to achievable market rents of **\$750** and **\$775** for the Subject's smaller and larger studio units, respectively; **\$825** and **\$875** for the Subject's smaller and larger one-bedroom units, respectively; and **\$975** for the Subject's two-bedroom units. The Subject's achievable LIHTC rents will have advantages of 34 to 40 percent over what we have determined to be the achievable market rents.

### **Impact of Subject on Other Affordable Units in Market**

Vacancy rates at the surveyed LIHTC properties are low, with an overall vacancy rate of 0.9 percent. Vacancy rates among the LIHTC comparables within the PMA are also low, with an overall vacancy rate of 0.7 percent. Additionally, four of the LIHTC comparables maintain waiting lists. The LIHTC comparable reporting the highest vacancy rate, White Oak Apartments, reports maintaining a waiting list of four households for all unit types. 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. Furthermore, all subsidized properties within the PMA are operating with stabilized occupancy and maintain waiting lists. Thus, 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. Furthermore, none of the LIHTC properties offer studio units. The addition of the Subject to the market would fill an existing void of affordable studio units.

### **SUMMARY EVALUATION OF THE PROPOSED PROJECT**

Overall vacancy in the local market is performing well with a 2.2 percent vacancy rate among all 10 surveyed comparable projects. Vacancy rates among the LIHTC comparables within the PMA are low, with an overall vacancy rate of 0.7 percent. Additionally, four of the LIHTC comparables maintain waiting lists, suggesting latent demand for affordable housing. The LIHTC comparable reporting the highest vacancy rate, White Oak Apartments, reports maintaining a waiting list of four households. Additionally, none of the LIHTC properties offer studio units. Thus, the Subject will fill a void in the market. Market rate comparables are not performing as well as LIHTC comparables, with vacancy rates of 2.1 to 4.5 percent. When compared to the current 60 percent rents at the LIHTC properties, the Subject's achievable 60 percent AMI rents are 34 to 40 percent below what we have determined to be the achievable market rents. However, this analysis is somewhat moot as the Subject will maintain its subsidy post-renovation and tenants will continue to pay 30 percent of their income toward rent. 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 with Natalia Rosario of the City of Spartanburg Planning and Zoning Department regarding new and proposed multifamily development in the city of Spartanburg. According to Ms. Rosario, Highland Crossing Apartments was built in 2016 and is the most recently constructed affordable housing development in Spartanburg. Highland Crossing Apartments is a 72-unit LIHTC/Section 8 property located 1.4 miles north of the Subject. A senior LIHTC development known as Parkside at Drayton was allocated in 2017 and will be located at 110 Ferrywood Drive, approximately 2.7 miles east of the Subject. This property will offer 41 two and three-bedroom units to seniors. Because of its senior tenancy, this property is not considered directly competitive with the Subject. Additionally, there are approximately 200 market rate units in several projects under construction in downtown Spartanburg, which is located approximately 1.2 miles south of the Subject. These properties are not considered directly competitive with the Subject.

**Section 8/Public Housing**

According to Tiffany Askew, Housing Choice Administrator with the Spartanburg Housing Authority, the Housing Choice Voucher program is approved to administer 1,952 vouchers, 226 moderate rehabilitation units, and 338 rental demonstration units. The housing authority also has a tenant-based rental assistance program assisting up to 12 veterans. The waiting list consists of 289 households and is currently closed. Given that the Subject will operate with project-based rental assistance, none of the Subject’s tenants will utilize vouchers. The current payment standards are displayed in the following table.

**PAYMENT STANDARDS**

Unit Type	Standard
Studio	\$494
One-Bedroom	\$633
Two-Bedroom	\$697

Spartanburg Housing Authority

The Subject’s proposed rents are \$599, \$619, and \$712 for studio, one, and two-bedroom units, respectively. The studio and three-bedroom rents are above the current payment standards, while the two-bedroom rents are below the current payment standards. Were the Subject to operate without subsidy, tenants in studio and three-bedroom units would need to pay additional rent out of pocket, but tenants in two-bedroom units would not. However, the Subject will continue to operate with project-based rental assistance post-renovation. Thus, Housing Choice Vouchers will not be necessary for the Subject’s tenants.

**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 9.7 percent in the unsubsidized scenario and 2.7 percent in the subsidized scenario, which is within acceptable demand thresholds. Individual capture rates by bedroom type range from 1.6 to 20.4 percent in the unsubsidized scenario and 0.4 to 5.8 percent in the subsidized scenario, which are all considered achievable in the PMA, where moderate-income renter households are growing. In addition, the Subject is in a community (Spartanburg) that has few affordable multifamily housing alternatives. The Subject site is located within 1.3 mile of most community services and facilities that families would utilize on a consistent basis.

There are only two vacancies among LIHTC comparables within the PMA, yielding a vacancy rate of 0.7 percent. The LIHTC property reporting the highest vacancy rate, White Oak Apartments, reports a vacancy rate of only two percent. Market rate properties also performing well, suggesting the strength of demand for multifamily housing than for multifamily rental housing within the market. The market-rate comparables reporting the highest vacancy rates, Church Street Lofts and The Corners Apartments, report vacancy rates of 4.5 percent each. Our concluded achievable LIHTC rents - the 60 percent AMI rents the Subject could achieve were it to operate without subsidy - represent a 34 to 40 percent overall advantage compared to achievable market rents. However, this analysis is somewhat moot as the Subject will maintain its subsidy post-renovation and tenants will continue to pay 30 percent of their income toward rent. Overall, we believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed.

# **J. SIGNED STATEMENT REQUIREMENTS**

ARCHIBALD TOWER (ARCHIBALD RUTLEDGE APARTMENTS) – SPARTANBURG, SC – APPLICATION MARKET STUDY

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

Respectfully submitted,  
Novogradac & Company LLP

**May 10, 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  
KELLY MCNANY GORMAN**

**I. Education**

Virginia Tech, Blacksburg, VA  
Bachelor of Arts in Urban Affairs and Planning

**II. Professional Experience**

Manager, Novogradac & Company LLP  
Asset Manager, Housing Opportunities Commission of Montgomery County, MD  
Senior Real Estate Analyst, Novogradac & Company LLP  
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

**III. Certifications, Professional Training and Continuing Education**

**Licensed Certified General Appraiser, CT License #RCG.0001437**  
**Licensed Certified General Appraiser, MA License #103770**  
**Licensed Certified General Appraiser, NJ License #42RG00245500**  
**Licensed Certified General Appraiser, NY License #46000051239**

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

**IV. Real Estate Assignments – Examples**

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with

regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.

- Managed and assisted in the preparation of Rent Comparability Studies according to the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

### **NMTC Consulting Assignments**

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

**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.