

Market Feasibility Analysis

The Reserve at West Greenwood
Southeast Corner of West Greenwood Street & Langley Street
Abbeville, Abbeville County, South Carolina 29620

Prepared For

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Effective Date

March 1, 2018

Job Reference Number

18-162 JW



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

Development Name: The Reserve at West Greenwood Total # Units: 50
 Location: SE corner of W. Greenwood St. & Langley St. Abbeville, SC 29620 # LIHTC Units: 50
State Route 201, Milford Dairy Road, Central Shiloh Road, Gilgal Church Road and State Route 185 to the north; the Abbeville County boundaries to the east and south; and the Little River and Park Creek to the west
 PMA Boundary:
 Development Type: X Family Older Persons Farthest Boundary Distance to Subject: 9.3 miles

RENTAL HOUSING STOCK (found on page H-12)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	302	3	99.0%
Market-Rate Housing	0	-	-	-
Assisted/Subsidized Housing not to include LIHTC	4	232	0	100.0%
LIHTC (All that are stabilized)*	1	49	0	100.0%
Stabilized Comps**	0	-	-	-
Non-stabilized Comps	1	21	3	85.7%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
8	Two	2.0	1,054	\$456	\$835	\$0.79	45.39%	\$1,026	\$0.93
16	Two	2.0	1,054	\$552	\$835	\$0.79	33.89%	\$1,026	\$0.93
2	Three	2.0	1,200	\$523	\$965	\$0.80	45.80%	\$1,234	\$0.85
24	Three	2.0	1,200	\$630	\$965	\$0.80	34.72%	\$1,234	\$0.85
Gross Potential Rent Monthly*				\$28,646	\$45,130		36.53%		

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

DEMOGRAPHIC DATA (found on page F-3 & G-5)

	2000	2017		2020	
Renter Households		1,261	26.7%	1,253	26.6%
Income-Qualified Renter HHs (LIHTC)		257	20.4%	345	27.5%
Income-Qualified Renter HHs (MR)		-	-	-	-

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	21	110				88
Existing Households (Overburd + Substand)	85	24				87
Homeowner conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	106	134				175

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	9.4%	29.9%				28.6%

ABSORPTION RATE (found on page G-8)

Absorption Period: 7 months

2018 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
8	2 BR	\$456	\$3,648	\$835	\$6,680	
16	2 BR	\$552	\$8,832	\$835	\$13,360	
	3 BR		\$0		\$0	
2	3 BR	\$523	\$1,046	\$965	\$1,930	
24	3 BR	\$630	\$15,120	\$965	\$23,160	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	50		\$28,646		\$45,130	36.53%

B. Project Description

The subject project involves the new construction of The Reserve at West Greenwood, a 50-unit rental community to be located on an approximate 6.0-acre site at the southeast corner of West Greenwood Street and Langley Street in Abbeville, South Carolina. The project will offer 24 two-bedroom and 26 three-bedroom garden-style units within three (3) two- and three-story, walk-up residential buildings together with an attached, 2,108 square-foot community building. The Reserve at West Greenwood will be developed utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program and will target lower-income family households earning up to 50% and 60% of Area Median Household Income (AMHI). Additionally, the 50% of AMHI units will receive HOME funds. Monthly collected Tax Credit rents will range from \$456 to \$630, depending on unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by May 2020. Additional details of the subject project are as follows:

- A. PROPERTY LOCATION:** Southeast corner of West Greenwood Street & Langley Street
Abbeville, South Carolina 29620
(Abbeville County)
- B. CONSTRUCTION TYPE:** New Construction
- C. OCCUPANCY TYPE:** General-Occupancy
- D. TARGET INCOME GROUP:** 50% and 60% AMHI
- E. SPECIAL NEEDS POPULATION:** None
- F. AND H. TO J. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable Program Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
8	Two-Br.	2.0	Garden	1,054	50%/LH	\$456	\$74	\$530	\$556
16	Two-Br.	2.0	Garden	1,054	60%	\$552	\$74	\$626	\$745
2	Three-Br.	2.0	Garden	1,200	50%/LH	\$523	\$89	\$612	\$642
24	Three-Br.	2.0	Garden	1,200	60%	\$630	\$89	\$719	\$861
50	Total								

Source: Cadence Development, LLC

AMHI – Area Median Household Income (Abbeville County, SC; 2017)

LH – Low Home Funding

- G. NUMBER OF STORIES/BUILDINGS:** Garden-style units within three (3) two- and three-story, walk-up residential buildings together with an attached community building.

K. PROJECT-BASED RENTAL ASSISTANCE (EXISTING OR PROPOSED):

None

L. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Clubhouse/Community Room
- Laundry Center
- Gazebo
- Business/Computer Center
- Playground
- Fitness Center

M. UNIT AMENITIES:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Garbage Disposal
- Microwave
- Carpet
- Window Blinds
- Ceiling Fan
- Washer/Dryer Hookups
- Central Air Conditioning

N. PARKING:

An unassigned surface parking lot with 100 spaces will be available at no additional cost to residents. This is equivalent to 2.0 spaces per unit, which is considered adequate for family housing.

O. RENOVATIONS AND CURRENT OCCUPANCY:

Not Applicable; New Construction

P. UTILITY RESPONSIBILITY:

The costs of cold water, sewer and trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

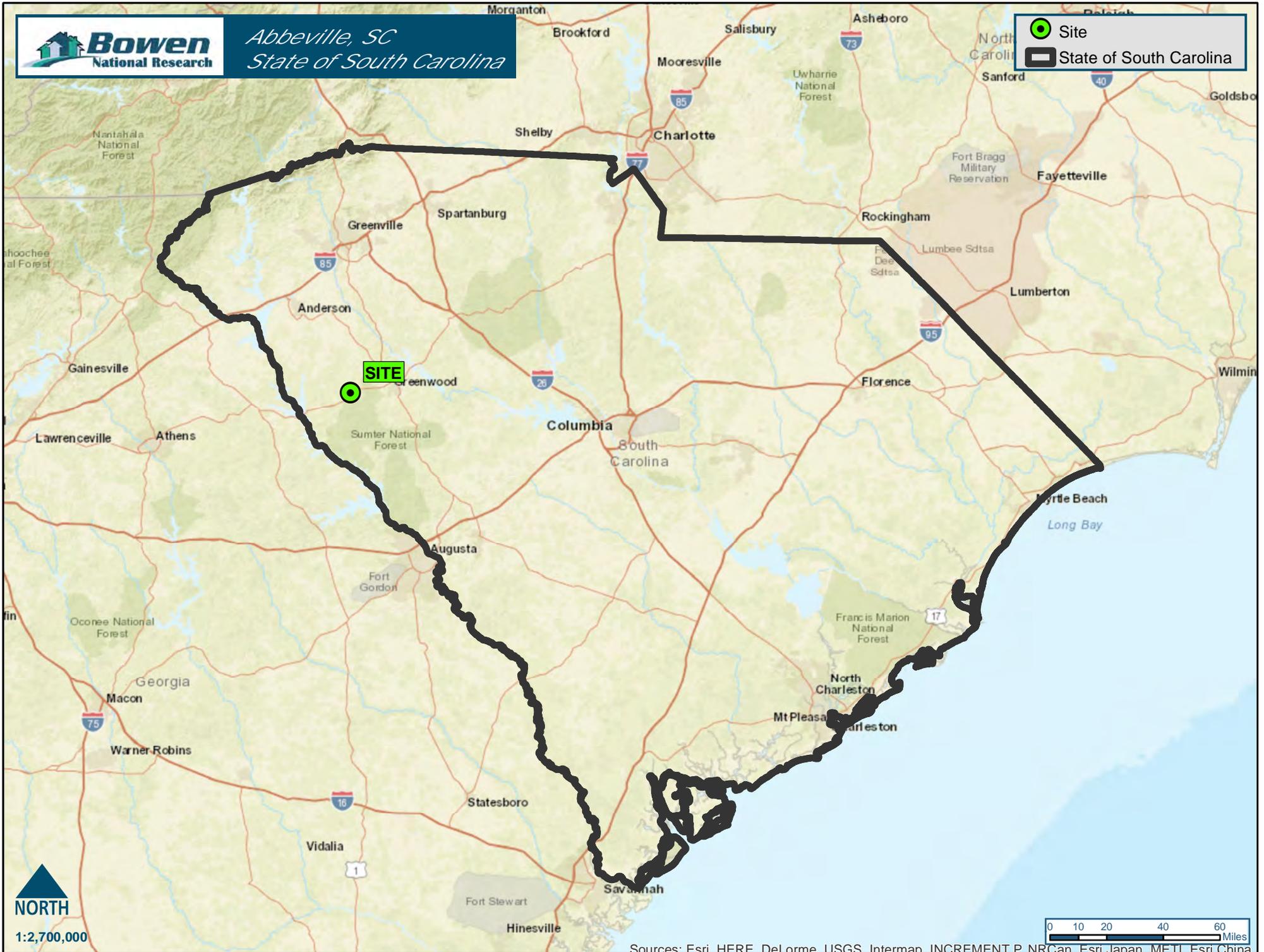
- Electric Cooking
- Electric Water Heat
- Electric Heat
- General Electricity

A state map and an area map are on the following pages.



Abbeville, SC
State of South Carolina

● Site
▭ State of South Carolina



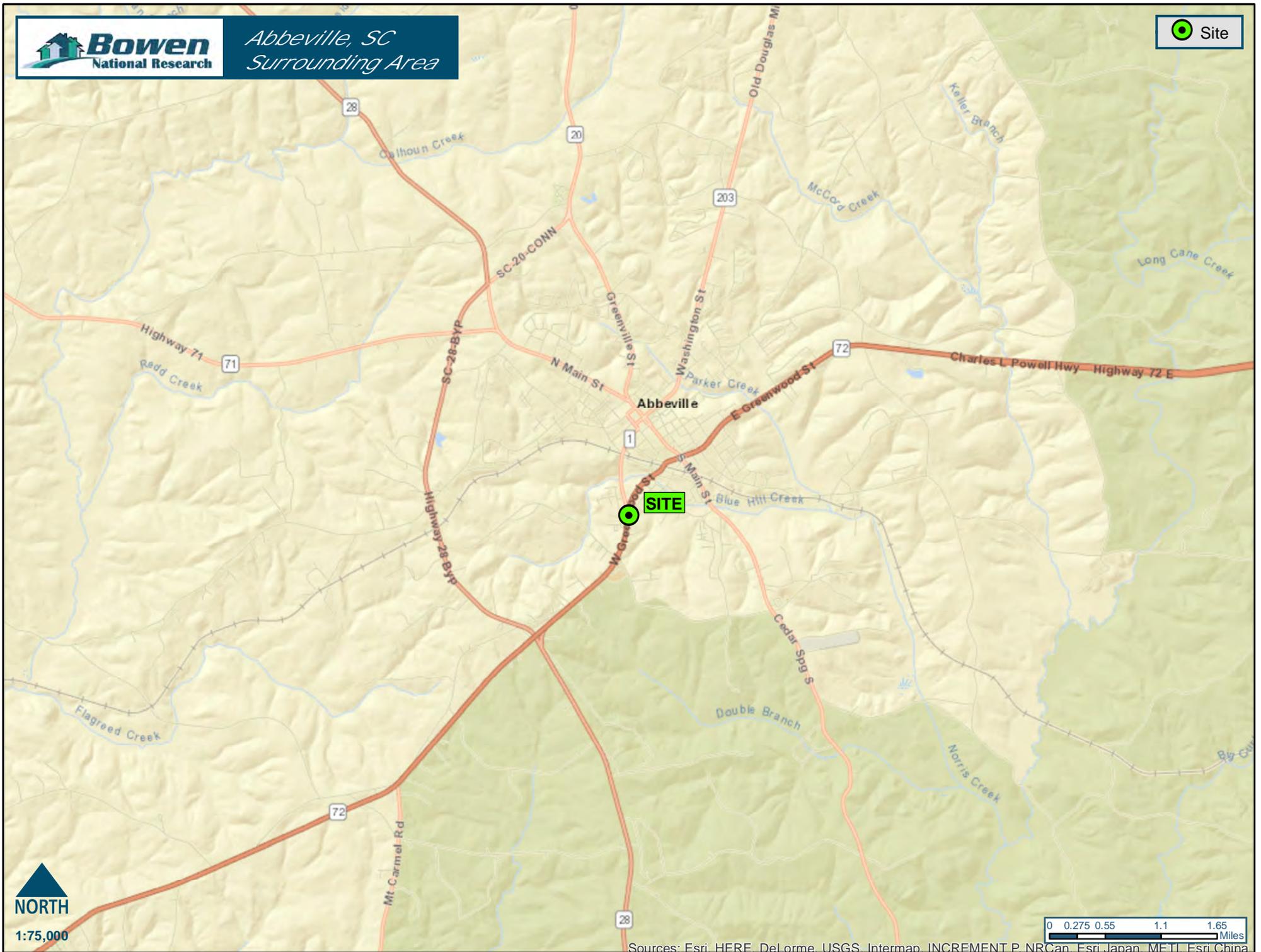
NORTH
1:2,700,000

0 10 20 40 60 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China



Abbeville, SC
Surrounding Area



NORTH
1:75,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 12, 2018. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of approximately 6.0 acres of wooded land located southeast of the intersection of West Greenwood Street and Langley Street in Abbeville. Located within Abbeville County, Abbeville is approximately 56.0 miles south of Greenville, South Carolina and approximately 100.0 miles northwest of Columbia, South Carolina. Following is a description of surrounding land uses:

North -	Langley Street, a residential roadway with light vehicular traffic, and single-family homes generally in fair condition border the site to the north. Note that some of these homes are considered to be in poor condition and are unoccupied. Downtown Abbeville is approximately 1.0 mile north of the site. Downtown Abbeville features several local restaurants and retailers, Abbeville County Courthouse, and The Opera House, a performing arts venue.
East -	Wooded land and a single-family house in fair condition border the site to the east. Mobile homes located on the north side of Morse Avenue also border the site to the east. These mobile homes are in fair condition. Sage Automotive Interiors, a major employer in Abbeville, is located 0.5 miles northeast of the site on Brooks Street.
South -	A wooded parcel borders the site to the south, immediately followed by O'Reilly Auto Parts, a retail store in good condition. Several retail and commercial businesses are located near the site along Greenwood Street, including BI-LO grocery store, McDonald's, Pizza Hut, and Burger King. Abbeville Area Medical Center is located 0.4 miles southeast of the site.
West -	West Greenwood Street, a four-lane street with a center turn lane, borders the site to the west. West Greenwood Street, also known as State Route 72, typically experiences moderate vehicular traffic and light pedestrian traffic. Several businesses are located on the west side of Greenwood Street, including Lynn's Café, O'Neil's Garage, and Advance Auto Parts.

The proposed development is near several restaurants and retailers along West Greenwood Street. This proximity to community services is expected to be a positive marketing attribute for the site project. The site is adjacent to wooded land, single-family houses, and mobile homes. Residential structures in the immediate area of the site are generally in fair condition. The site project is expected to be in excellent condition once completed and opened for occupancy. As the site has frontage along West Greenwood Street, the condition of existing residential structures in the immediate area is not anticipated to have an adverse impact on the site's marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highway	West Greenwood Street (State Route 72)	0.1 West
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Abbeville Area Medical Center SAGE Automotive Interiors Abbeville County School District Prysmian Power Cables & Systems	0.4 Southeast 0.5 Northeast 1.5 South 2.1 West
Convenience Store	Stop-A-Minit Shell Food Mart 7-Eleven	0.1 Southwest 0.2 South 0.7 Northeast
Grocery	BI-LO Ingles Market	0.2 South 2.0 Northwest
Discount Department Store	Dollar Tree Dollar General Family Dollar	0.2 Southwest 0.9 Northeast 2.0 Northwest
Schools: Elementary	Long Cane Primary (PK-2) Westwood Elementary (3-5)	2.3 Northeast 1.4 Southwest
Middle/Junior High High	Wright Middle (6-8) Abbeville High (9-12)	2.3 Northwest 1.8 Northeast
Medical Services	Abbeville County Health Department Abbeville Area Medical Center	0.4 Southwest 0.6 South
Police	Abbeville Police Department	0.9 North
Fire	Abbeville Fire Department	0.9 North
Post Office	U.S. Post Office	2.0 Northwest
Bank	Park Sterling Bank United Community Bank Abbeville First Bank	0.2 North 0.6 Northeast 0.9 Northeast
Recreational Facilities	Abbeville Opera House Court Square Market (Park) Pete Smith Complex	0.9 North 1.0 North 2.3 Southwest
Gas Station	Stop-A-Minit Shell 7-Eleven	0.1 Southwest 0.2 South 0.7 Northeast

N/A – Not Available

(Continued)

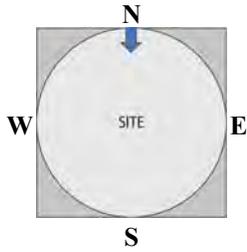
Community Services	Name	Driving Distance From Site (Miles)
Pharmacy	CVS Pharmacy	0.4 South
	Fred's Pharmacy	2.3 West
Restaurant	Lynn's on 72	0.1 West
	McDonald's	0.2 South
	Pizza Hut	0.2 South
	Burger King	0.4 South
Day Care	Abbeville Head Start	0.7 East
	Kids Unlimited	1.2 North
Community Center	Abbeville Civic Center	1.4 North
Library	Abbeville County Library	0.9 Northeast
Park	First St. Park	0.2 West

Greenwood Street is the main commercial artery in Abbeville, providing access to several community services. The nearest restaurants, gas station/convenience stores, grocery store, and pharmacy are all located along West Greenwood Street, within 0.5 miles of the site. Abbeville Area Medical Center is 0.6 miles south of the site, while the nearest police station and fire station are within 1.0 mile north. However, it should be noted that the Abbeville County Health Department is within 0.4 miles. Downtown Abbeville, which features several local retailers and restaurants, is 0.9 miles north of the site. Downtown Abbeville is also the location for the Abbeville County Courthouse and the Abbeville Opera House. Several major employers and all four public schools assigned to the site are within 2.5 miles. Additional shopping and dining opportunities are in the city of Greenwood, approximately 13.0 miles east of the site.

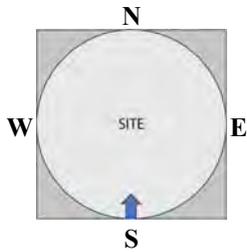
4. SITE PHOTOGRAPHS

Photographs of the subject site and surrounding land uses are on the following pages.

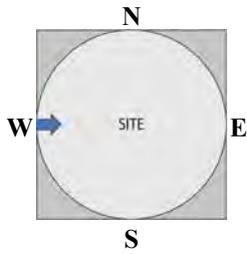
SITE PHOTOGRAPHS



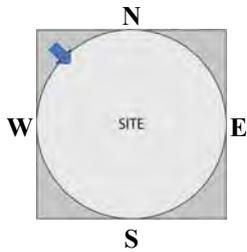
View of site from the north



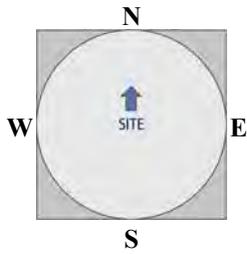
View of site from the south



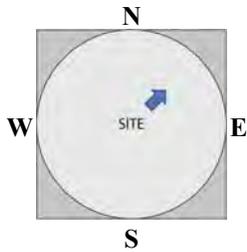
View of site from the west



View of site from the northwest



North view from site



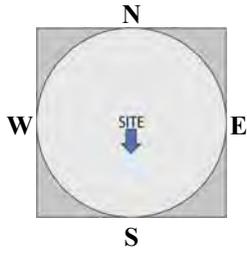
Northeast view from site



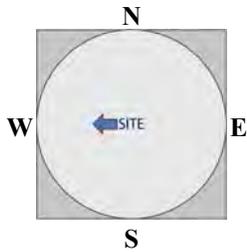
East of Site (House)



East of Site (Wooded Land)



South view from site



West view from site



Streetscape - North view along West Greenwood Street



Streetscape - South view along West Greenwood Street

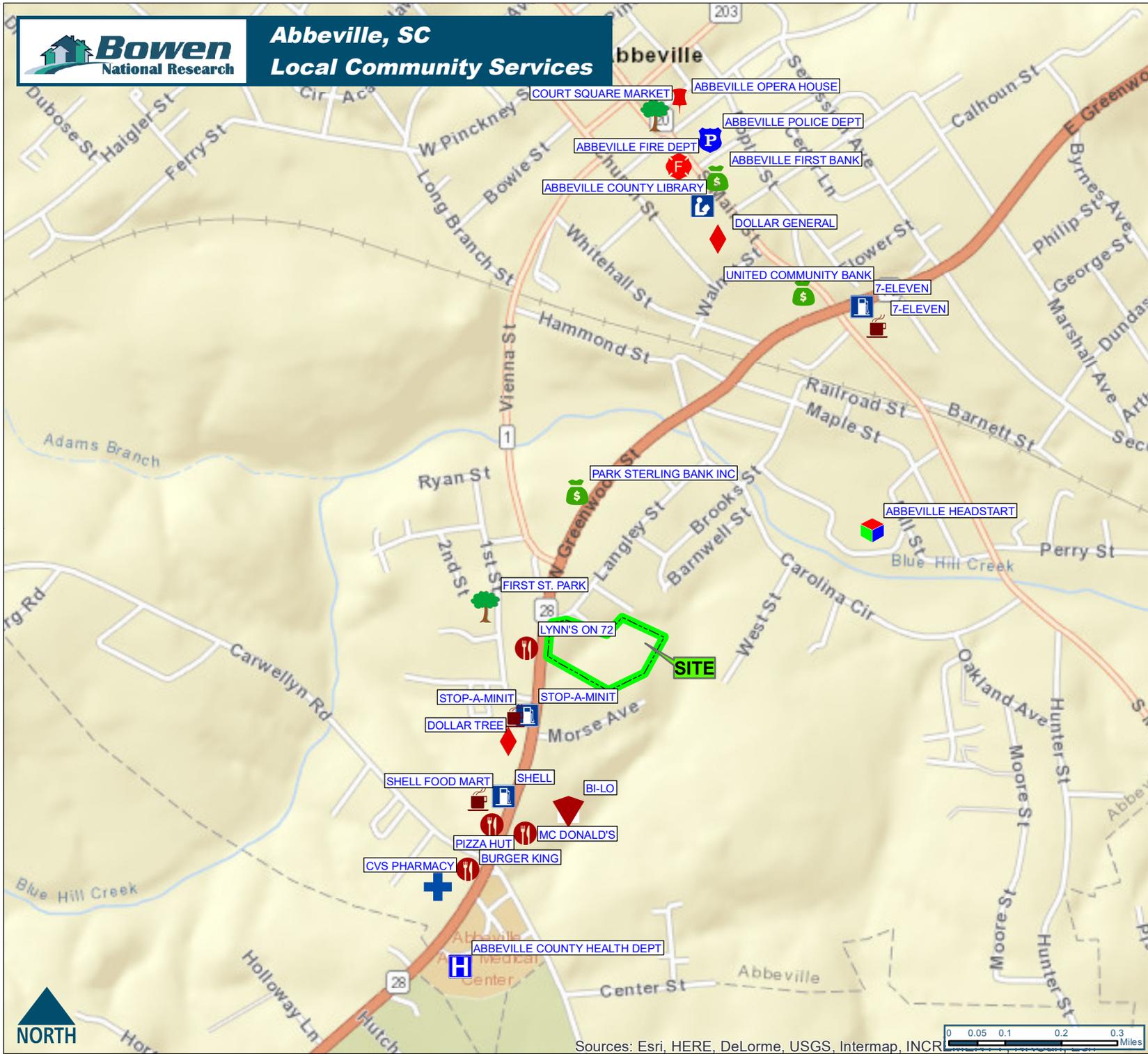


Streetscape - Northeast view along Langley Street

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.





- ### Legend
- Site area
 - Entertainment
 - Bank
 - Child Care
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Hospital
 - Library
 - Park
 - Pharmacy
 - Police
 - Restaurant
 - Shopping



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the site's Zip code is 107, with an overall personal crime index of 160 and a property crime index of 100. Total crime risk for Abbeville County is 82, with indexes for personal and property crime of 116 and 77, respectively.

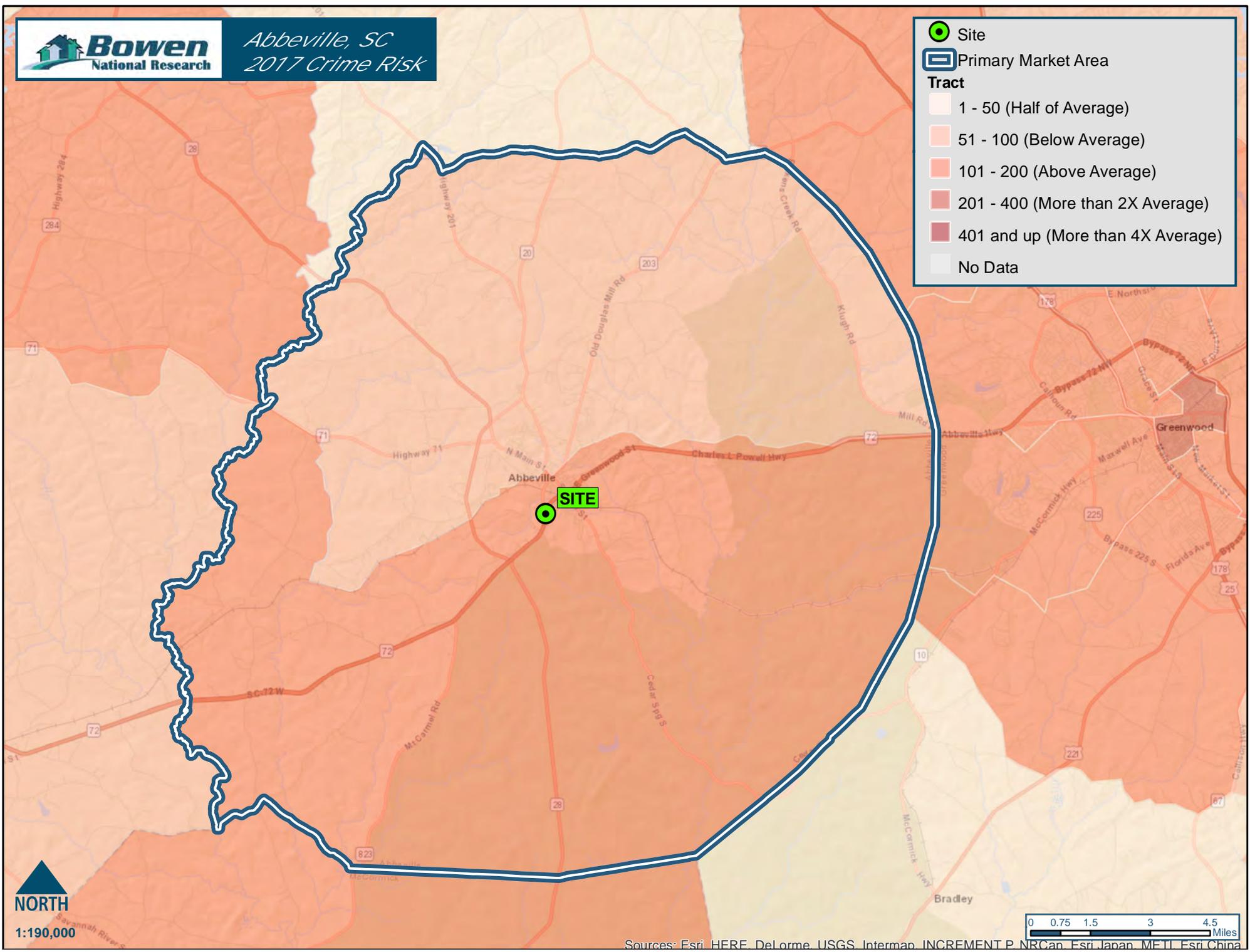
	Crime Risk Index	
	Site Zip Code	Abbeville County
Total Crime	107	82
Personal Crime	160	116
Murder	160	124
Rape	111	81
Robbery	45	42
Assault	220	155
Property Crime	100	77
Burglary	133	108
Larceny	91	67
Motor Vehicle Theft	91	83

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk indices for both the site's Zip code (107) and Abbeville County (82) are generally similar with the national average (100). As such, the perception of crime does not likely play a significant role in the marketability of the overall Abbeville rental housing market. This is further illustrated by the 100.0% occupancy rates and waitlists maintained at nearly all rental properties surveyed within the market, as illustrated in Section H – *Rental Housing Supply Analysis* of this report.

A map illustrating crime risk is on the following page.

-  Site
-  Primary Market Area
- Tract**
-  1 - 50 (Half of Average)
-  51 - 100 (Below Average)
-  101 - 200 (Above Average)
-  201 - 400 (More than 2X Average)
-  401 and up (More than 4X Average)
-  No Data




NORTH
1:190,000

0 0.75 1.5 3 4.5
Miles

7. ACCESS AND VISIBILITY

The site has significant frontage along West Greenwood Street, the main commercial artery in Abbeville. Access to the site is expected to be excellent. Note that West Greenwood Street includes a center turn lane, which should aid southbound vehicles that need to make a left turn to access the site. Visibility of the site is also excellent from West Greenwood Street. Future signage along Greenwood Street should be easily visible for passing motorists in both directions.

8. VISIBLE OR ENVIRONMENTAL ISSUES

No visible or environmental issues were observed during our site inspection.

9. OVERALL SITE CONCLUSIONS

The subject property is located on the east side of West Greenwood Drive, the main commercial artery in the city of Abbeville. Adjacent land uses include single-family houses, mobile homes, wooded land, retail buildings, and restaurants. Visibility and access are both considered to be excellent. The site is within 2.5 miles of most shopping, dining, employment, recreation, and education opportunities. Social services and public safety services are all within 1.5 miles. Additional shopping and dining establishments are in the city of Greenwood, approximately 13.0 miles east of the site. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Abbeville Site PMA was determined through interviews with area leasing agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Abbeville Site PMA includes the city of Abbeville and the surrounding unincorporated areas of Abbeville County. Specifically, the boundaries of the Site PMA consist of State Route 201, Milford Dairy Road, Central Shiloh Road, Gilgal Church Road and State Route 185 to the north; the Abbeville County boundaries to the east and south; and the Little River and Park Creek to the west. All areas of the Site PMA are generally within approximately 9.0 miles from the site. The Site PMA comprises Census Tract numbers 9504 and 9505 (site location).

Sharlla Burton, Property Manager of Ferguson Williams Apartments (Map ID 3), a Tax Credit property in Abbeville, stated that most tenants at her property have originated from Abbeville. Ms. Burton also noted that she receives some inquiries from those residing in Greenwood and McCormick; however, this support component is not significant.

As noted, a modest portion of support may originate from some of the outlying areas of the Site PMA, such as Greenwood and McCormick; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



Abbeville, SC
Primary Market Area

● Site
▭ Primary Market Area

Lake Secession

Hodges

Cokesbury

6.9 Miles

8.7 Miles

SITE

Abbeville

Greenwood

Promised Land

Calhoun Falls

9.3 Miles

7.4 Miles

NORTH
1:190,000

Bradley



E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

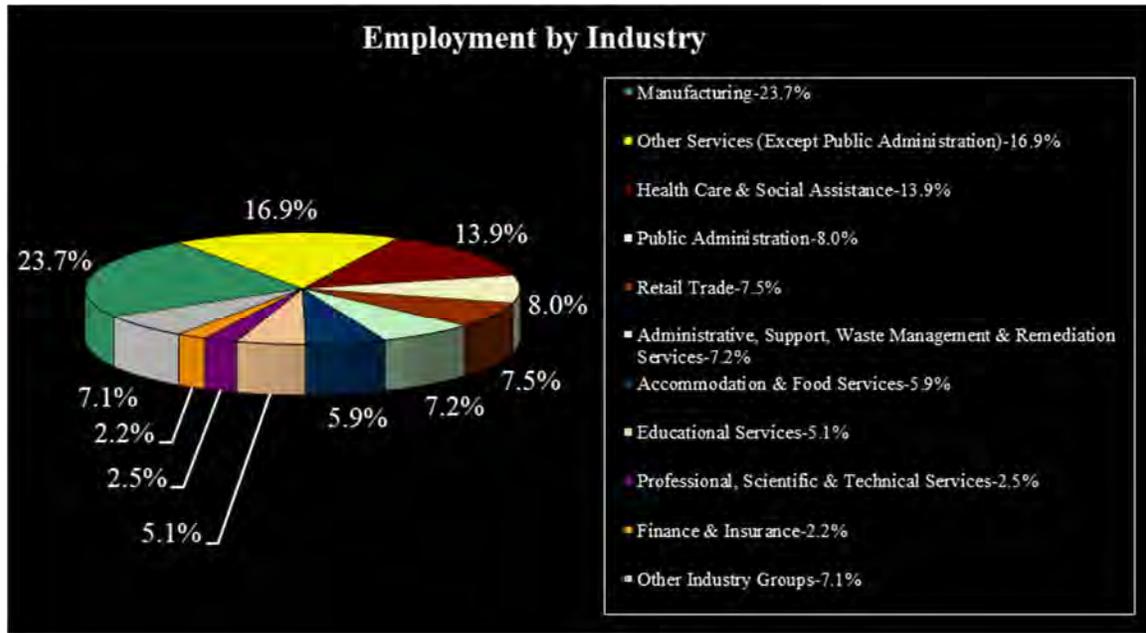
The labor force within the Abbeville Site PMA is based primarily in three sectors. Manufacturing (which comprises 23.7%), Other Services (Except Public Administration) and Health Care & Social Assistance comprise nearly 54% of the Site PMA labor force. Employment in the Abbeville Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.4%	5	0.1%	2.5
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.2%	45	0.8%	45.0
Construction	14	3.1%	43	0.8%	3.1
Manufacturing	25	5.5%	1,281	23.7%	51.2
Wholesale Trade	13	2.8%	75	1.4%	5.8
Retail Trade	64	14.0%	407	7.5%	6.4
Transportation & Warehousing	7	1.5%	45	0.8%	6.4
Information	9	2.0%	82	1.5%	9.1
Finance & Insurance	28	6.1%	120	2.2%	4.3
Real Estate & Rental & Leasing	23	5.0%	41	0.8%	1.8
Professional, Scientific & Technical Services	22	4.8%	135	2.5%	6.1
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	15	3.3%	390	7.2%	26.0
Educational Services	13	2.8%	277	5.1%	21.3
Health Care & Social Assistance	30	6.6%	755	13.9%	25.2
Arts, Entertainment & Recreation	8	1.8%	47	0.9%	5.9
Accommodation & Food Services	29	6.3%	321	5.9%	11.1
Other Services (Except Public Administration)	82	17.9%	915	16.9%	11.2
Public Administration	62	13.6%	431	8.0%	7.0
Nonclassifiable	10	2.2%	0	0.0%	0.0
Total	457	100.0%	5,415	100.0%	11.8

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Upper Savannah South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Upper Savannah South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$83,450	\$97,100
Business and Financial Occupations	\$56,460	\$60,870
Computer and Mathematical Occupations	\$66,180	\$71,730
Architecture and Engineering Occupations	\$71,980	\$75,400
Community and Social Service Occupations	\$40,020	\$40,890
Art, Design, Entertainment and Sports Medicine Occupations	\$34,280	\$45,220
Healthcare Practitioners and Technical Occupations	\$74,210	\$73,440
Healthcare Support Occupations	\$24,580	\$27,260
Protective Service Occupations	\$32,700	\$37,080
Food Preparation and Serving Related Occupations	\$22,840	\$20,930
Building and Grounds Cleaning and Maintenance Occupations	\$22,800	\$23,550
Personal Care and Service Occupations	\$23,020	\$23,030
Sales and Related Occupations	\$27,820	\$32,820
Office and Administrative Support Occupations	\$30,590	\$33,530
Construction and Extraction Occupations	\$37,040	\$38,950
Installation, Maintenance and Repair Occupations	\$43,300	\$42,510
Production Occupations	\$34,050	\$37,070
Transportation and Moving Occupations	\$29,770	\$32,000

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$22,800 to \$43,300 within the Upper Savannah South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$70,456. It is important to note that most occupational types within the Upper Savannah South Carolina Nonmetropolitan Area have lower typical wages than the State of South Carolina's typical wages. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Abbeville area comprise a total of 2,423 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Abbeville County School District	Education	450
Abbeville Area Medical Center	Health Care	376
Sage	Automotive Bodycloth and Headliners	372
Prysmian	Energy and Telecom Cables	335
Flexible Technologies	Engineering, Manufacturing for Floorcare Industry	310
Burnstein von Seelen	Permanent Mold Casting	200
Pro Towels	Promotional Towel Supplier	160
ThermaFlex	Manufacturer of HVAC Supplies	95
Global Refrigeration	Manufacturer of Refrigeration Products	75
Stoll Fireplace	Manufacturer of Fireplace Products	50
Total		2,423

Source: Abbeville County Development Board and Upstate Alliance (October 2017)

According to a representative with the Abbeville County Economic Development Partnership, the local economy continues to improve. Abbeville County has purchased property in Honea Path to the north of the county to develop a new industrial park. In the last 12 months, the Piedmont Technical College began offering a Mechatronics program that prepares students for work in a modern, automated workplace, such as the manufacturing companies in the area. The Abbeville Promise, announced in 2017, is raising funds for a scholarship that will provide any student graduating from Abbeville High School a scholarship for a two-year education at the Piedmont Technical College.

In September 2015, Pro Towels, also a local major employer, announced a \$1.7 million expansion. The company has up-fitted their facility and purchased new machinery to increase production after their purchase of Kanata Blanket Company located in Vancouver. Pro Towel relocated a portion of the Kanata operations to their Abbeville plant. The expansion is expected to create a total of 50 new jobs and, as of February 2018, 35 new positions have been added. The expansion is to be completed by the end of 2020.

The Prysmian Group completed an \$8.2 million expansion in 2015 at its Abbeville facility. The company is a major employer and manufactures cables for the energy and telecom industries. The expansion created 20 new jobs. In 2016, the company announced an additional \$1.9 million expansion creating five jobs. In 2017, Prysmian Group announced an additional expansion of \$14 million of capital investment and creation of 10 new jobs in their Abbeville facility. The facility will be expanded, and additional equipment purchased.

The county has discussed expanding city water to the entire county. This would make water available to the residents who currently rely on well water and would also allow for more development outside of the city limits. Most of the existing industry in the county is located near State Route 72, which has large traffic counts, though there are no plans at this time to alleviate the traffic congestion.

WG Plastics Technology Corporation had plans to relocate their plastics and injection molding manufacturing facility in Abbeville, an estimated \$2.7 million investment anticipated to create 50 new jobs by 2020. However, this expansion is currently on hold indefinitely.

WARN (layoff notices):

According to SC Works, there have been no WARN notices (large-scale layoffs/closures) reported for Abbeville County since August 2016.

4. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

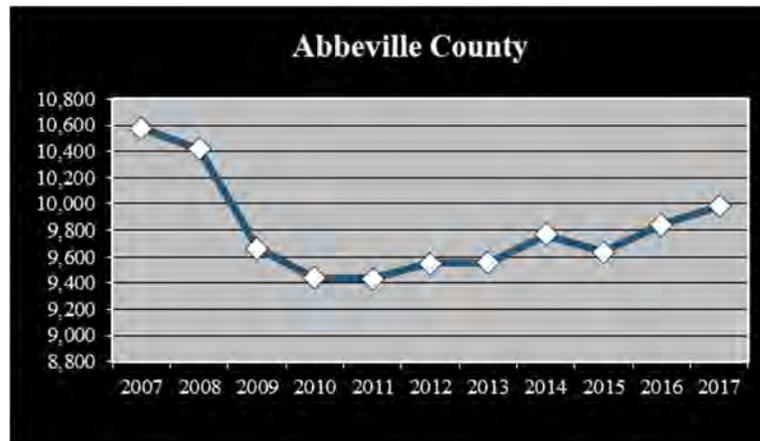
Excluding 2017, the employment base has increased by 3.1% over the past five years in Abbeville County, less than the South Carolina state increase of 10.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Abbeville County, South Carolina and the United States.

Year	Total Employment					
	Abbeville County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	10,580	-	2,005,686	-	146,388,400	-
2008	10,419	-1.5%	1,996,409	-0.5%	146,047,748	-0.2%
2009	9,665	-7.2%	1,910,670	-4.3%	140,696,560	-3.7%
2010	9,439	-2.3%	1,915,045	0.2%	140,469,139	-0.2%
2011	9,437	0.0%	1,945,900	1.6%	141,791,255	0.9%
2012	9,549	1.2%	1,985,618	2.0%	143,621,634	1.3%
2013	9,554	0.1%	2,026,666	2.1%	144,996,474	1.0%
2014	9,770	2.3%	2,081,511	2.7%	147,403,607	1.7%
2015	9,639	-1.3%	2,134,637	2.6%	149,648,686	1.5%
2016	9,844	2.1%	2,186,740	2.4%	152,001,644	1.6%
2017*	9,985	1.4%	2,225,498	1.8%	154,212,518	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through November



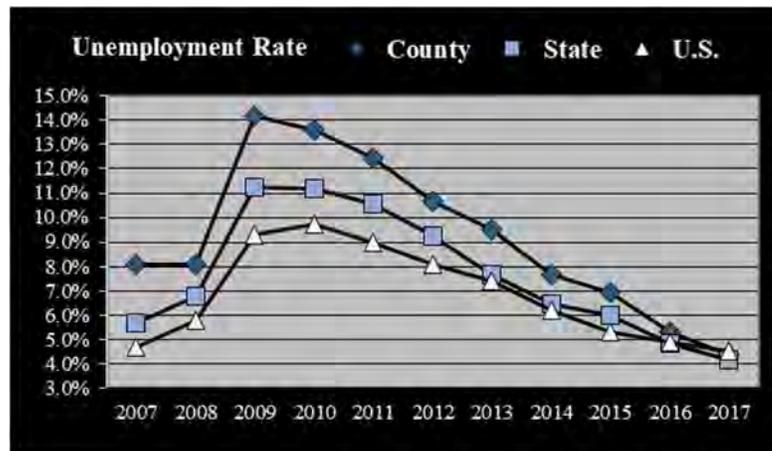
As the preceding illustrates, the Abbeville County employment base was adversely impacted by the national recession when it lost 1,141 (10.8%) of its jobs between 2007 and 2010. The county's employment base has expanded by over 500 jobs since 2010, recovering a portion of the jobs lost during the recession.

Unemployment rates for Abbeville County, South Carolina and the United States are illustrated as follows:

Year	Total Unemployment					
	Abbeville County		South Carolina		United States	
	Total Number	Unemployment Rate	Total Number	Unemployment Rate	Total Number	Unemployment Rate
2007	931	8.1%	120,205	5.7%	7,190,052	4.7%
2008	916	8.1%	145,823	6.8%	9,059,270	5.8%
2009	1,595	14.2%	242,075	11.3%	14,430,158	9.3%
2010	1,486	13.6%	240,623	11.2%	15,070,017	9.7%
2011	1,343	12.5%	229,623	10.6%	14,035,049	9.0%
2012	1,135	10.6%	201,260	9.2%	12,691,553	8.1%
2013	1,005	9.5%	167,647	7.6%	11,631,863	7.4%
2014	814	7.7%	143,151	6.4%	9,783,040	6.2%
2015	715	6.9%	135,746	6.0%	8,427,196	5.3%
2016	552	5.3%	111,067	4.8%	7,861,185	4.9%
2017*	456	4.4%	96,283	4.2%	7,243,649	4.5%

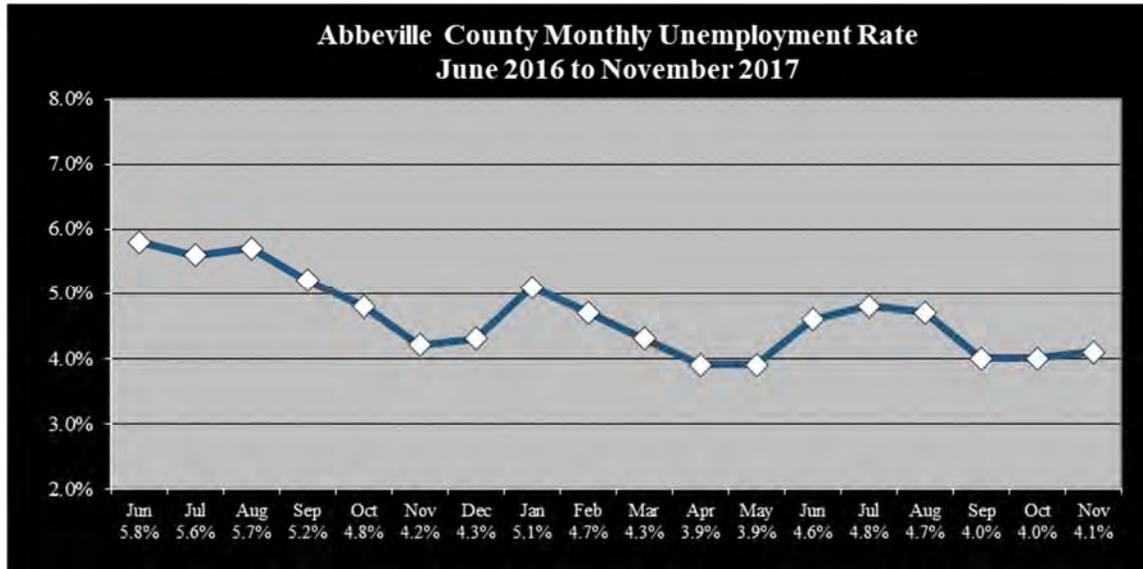
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Abbeville County has ranged between 4.4% and 14.2%, generally above both the state and national averages since 2007. After reaching a peak of 14.2% in 2009, the county's unemployment rate has consistently declined in the past eight years. The unemployment rate reported in 2017 of 4.4% (through November 2017) represents a ten-year low.

The following table illustrates the monthly unemployment rate in Abbeville County for the most recent 18-month period for which data is currently available.



The county's monthly unemployment rate has generally trended downward over the past 18 months and has experienced some of its lowest unemployment rates during the past few months.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Abbeville County.

In-Place Employment Abbeville County			
Year	Employment	Change	Percent Change
2007	6,369	-	-
2008	6,227	-142	-2.2%
2009	5,540	-687	-11.0%
2010	5,445	-95	-1.7%
2011	5,403	-42	-0.8%
2012	5,526	123	2.3%
2013	5,361	-165	-3.0%
2014	5,383	22	0.4%
2015	5,442	59	1.1%
2016	5,503	61	1.1%
2017*	5,466	-37	-0.7%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Abbeville County to be 55.9% of the total Abbeville County employment. This means that Abbeville County has a high share of employed persons leaving the county for daytime employment. However, it should be noted that the largest concentration of jobs within the area are located in Greenwood (Greenwood County), which is less than a 20-minute drive from the site to the east. As such, it is likely that many of the potential residents at the subject will have minimal commute times to their place of employment, which will have a positive impact on its marketability.

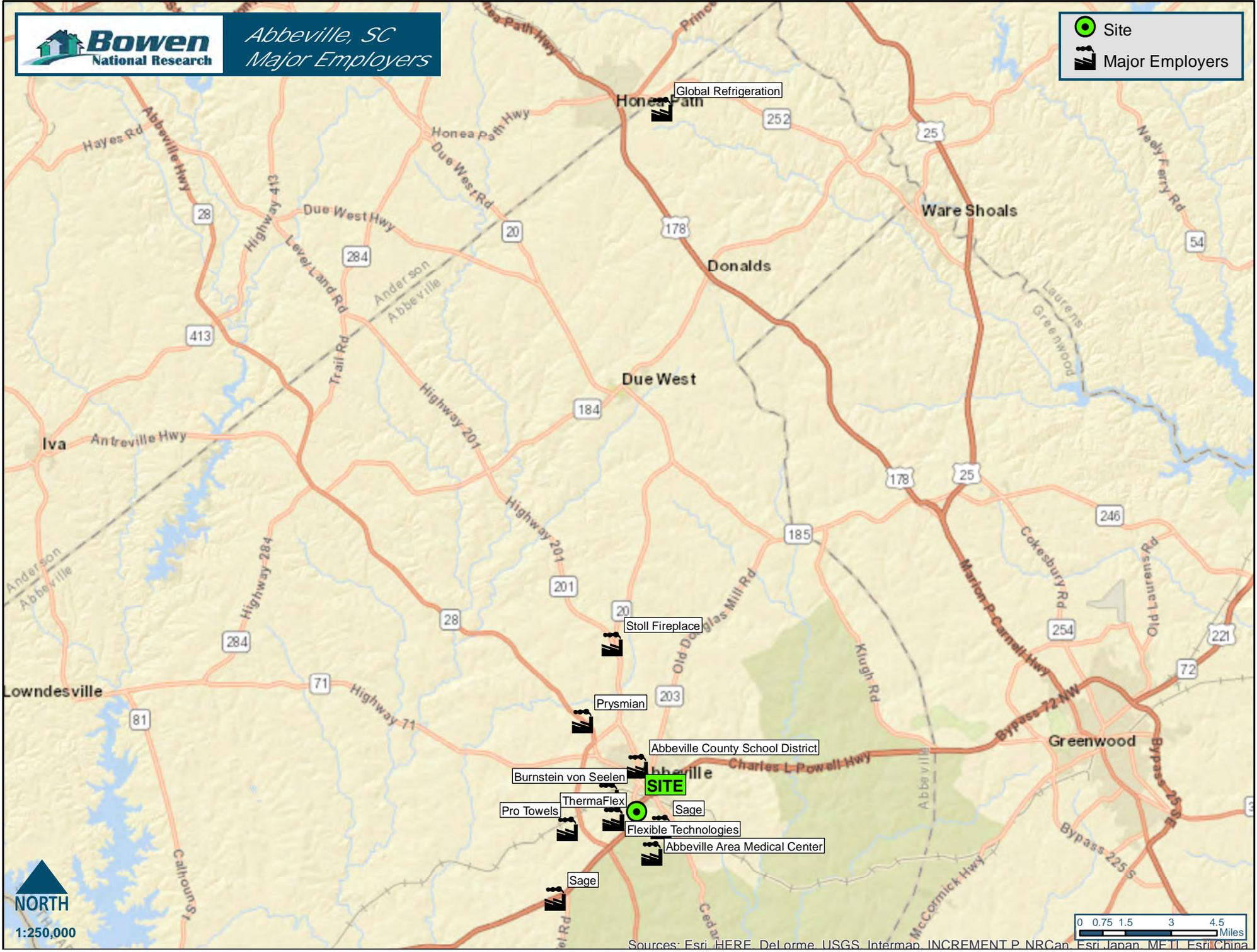
5. EMPLOYMENT CENTERS MAP

A map illustrating the location of the area's largest employers is included on the following page.



Abbeville, SC Major Employers

 Site
 Major Employers



NORTH
1:250,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

6. COMMUTING PATTERNS

Based on the American Community Survey (2011-2015), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	3,312	84.0%
Carpooled	395	10.0%
Public Transit	0	0.0%
Walked	44	1.1%
Other Means	24	0.6%
Worked at Home	169	4.3%
Total	3,944	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Approximately 84% of all workers drove alone, 10.0% carpooled and no one used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,505	38.2%
15 to 29 Minutes	877	22.2%
30 to 44 Minutes	887	22.5%
45 to 59 Minutes	184	4.7%
60 or More Minutes	322	8.2%
Worked at Home	169	4.3%
Total	3,944	100.0%

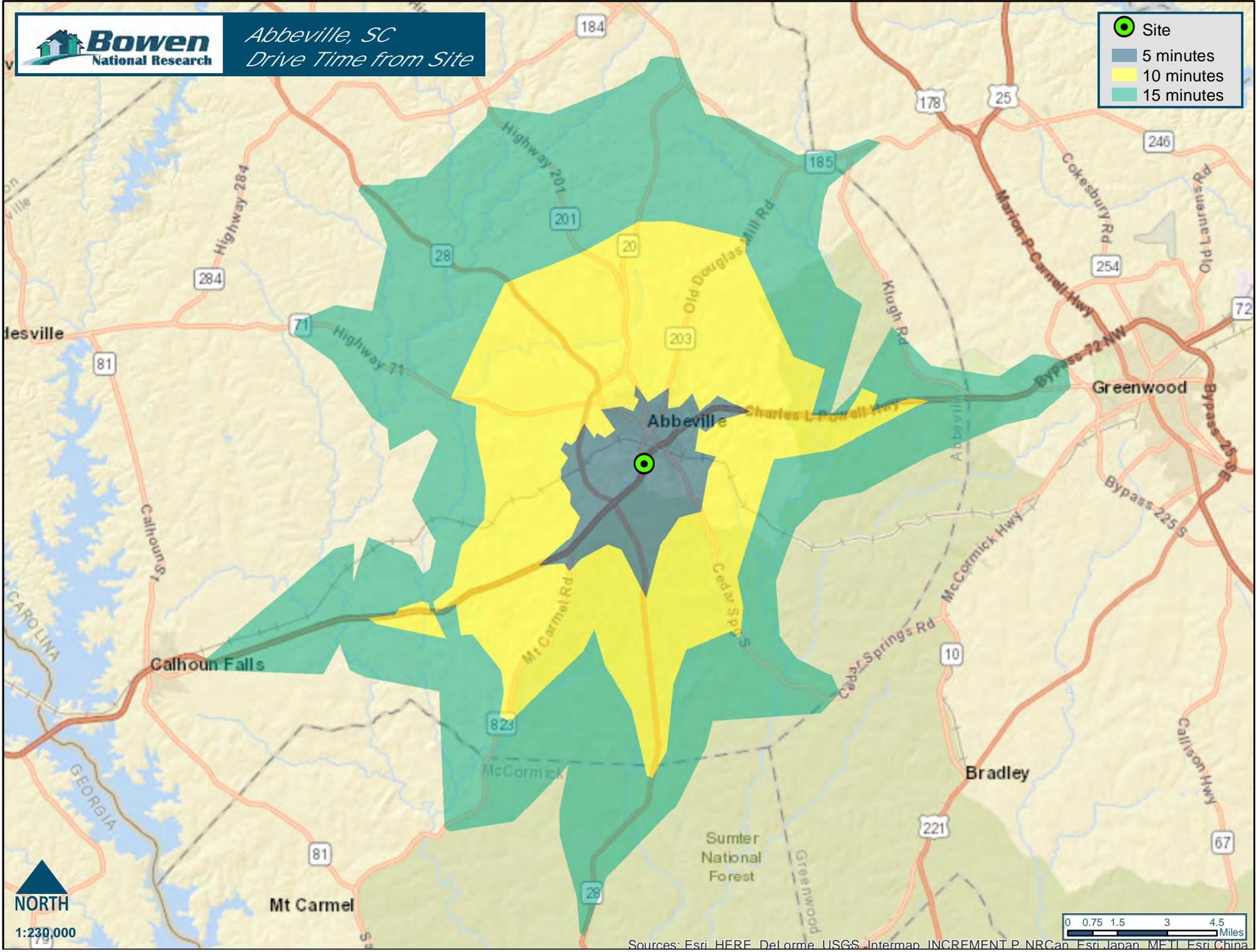
Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 20-minute drive to most of the area's largest employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.



Abbeville, SC
Drive Time from Site

- Site
- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:230,000

0 0.75 1.5 3 4.5 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

7. ECONOMIC FORECAST AND HOUSING IMPACT

The Site PMA's employment base has a relatively large share of jobs within the Manufacturing job sector, representing nearly a quarter of the jobs in the PMA. This makes the Site PMA somewhat vulnerable to economic downturns associated with this job sector. The Site PMA was adversely impacted in the years around the recession, when more than 1,100 jobs were lost between 2007 and 2010. This represented an overall decline of 10.8% in the Abbeville County employment base. During this time, the unemployment rate increased from 8.1% (2007) to 14.2% (2009). However, since 2009, the county's unemployment rate has consistently declined and the current unemployment rate of 4.4% (through November 2017) represents a ten-year low. With several recent announcements of new business relocations and expansions, the local economy is expected to experience slow and steady job growth for the foreseeable future. We believe this expected economic growth will add to the stability of the local housing market and that the job growth will increase the demand for area housing.

F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2020 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2020 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2020 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Population	12,138	11,774	11,738	11,704
Population Change	-	-364	-36	-34
Percent Change	-	-3.0%	-0.3%	-0.3%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the market's population base has been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.8% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	210	1.8%
Population not in Group Quarters	11,564	98.2%
Total Population	11,774	100.0%

Source: 2010 Census

b. Population by Age Group

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2017 (Estimated)		2020 (Projected)		Change 2017-2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	3,127	26.6%	2,831	24.1%	2,820	24.1%	-11	-0.4%
20 to 24	585	5.0%	637	5.4%	585	5.0%	-52	-8.2%
25 to 34	1,227	10.4%	1,288	11.0%	1,216	10.4%	-72	-5.6%
35 to 44	1,542	13.1%	1,407	12.0%	1,394	11.9%	-13	-0.9%
45 to 54	1,650	14.0%	1,552	13.2%	1,505	12.9%	-47	-3.0%
55 to 64	1,758	14.9%	1,709	14.6%	1,680	14.4%	-29	-1.7%
65 to 74	1,056	9.0%	1,431	12.2%	1,522	13.0%	91	6.3%
75 & Over	829	7.0%	883	7.5%	983	8.4%	100	11.3%
Total	11,774	100.0%	11,738	100.0%	11,704	100.0%	-34	-0.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA’s senior and non-senior population.

d. Special Needs Population

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

e. Minority Concentrations

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	47.0%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	46.1%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.2%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.3%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.4%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site Census Tract is not primarily comprised of minorities.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Abbeville Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Households	4,737	4,716	4,717	4,707
Household Change	-	-21	1	-10
Percent Change	-	-0.4%	0.0%	-0.2%
Household Size	2.56	2.50	2.44	2.44

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Similar to the population base, the market’s households have been generally stable since 2000. These trends are projected to remain relatively stable through 2020.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,476	73.7%	3,456	73.3%	3,454	73.4%
Renter-Occupied	1,240	26.3%	1,261	26.7%	1,253	26.6%
Total	4,716	100.0%	4,717	100.0%	4,707	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2017, homeowners occupied 73.3% of all occupied housing units, while the remaining 26.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Abbeville Site PMA, and the 1,261 renter households estimated in 2017 represent a sufficient base of potential support in the market for the subject development.

c. Households by Income

The distribution of households by income within the Abbeville Site PMA is summarized as follows:

Household Income	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	1,381	29.3%	1,026	21.8%	1,015	21.5%
\$15,000 to \$24,999	778	16.5%	763	16.2%	742	15.8%
\$25,000 to \$34,999	389	8.2%	551	11.7%	547	11.6%
\$35,000 to \$49,999	508	10.8%	758	16.1%	747	15.9%
\$50,000 to \$74,999	798	16.9%	747	15.8%	779	16.6%
\$75,000 to \$99,999	514	10.9%	500	10.6%	517	11.0%
\$100,000 to \$149,999	279	5.9%	278	5.9%	272	5.8%
\$150,000 to \$199,999	25	0.5%	61	1.3%	59	1.3%
\$200,000 & Over	44	0.9%	33	0.7%	31	0.6%
Total	4,716	100.0%	4,717	100.0%	4,709	100.0%
Median Income	\$30,116		\$35,366		\$36,021	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$30,116. This increased by 17.4% to \$35,366 in 2017. By 2020, it is projected that the median household income will be \$36,021, an increase of 1.9% from 2017.

d. Average Household Size

Information regarding average household size is considered in 2. a. *Total Households* of this section.

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2017 and 2020 for the Abbeville Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	402	97	167	125	34	826
\$15,000 to \$24,999	73	26	45	34	9	187
\$25,000 to \$34,999	24	9	15	11	3	62
\$35,000 to \$49,999	8	3	5	4	1	20
\$50,000 to \$74,999	35	13	22	16	4	90
\$75,000 to \$99,999	11	4	7	5	1	29
\$100,000 to \$149,999	3	1	2	1	0	7
\$150,000 to \$199,999	3	1	2	1	0	7
\$200,000 & Over	5	2	3	2	1	13
Total	563	155	267	200	55	1,240

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	285	129	130	40	30	615
\$15,000 to \$24,999	113	60	60	18	14	266
\$25,000 to \$34,999	25	17	17	5	4	68
\$35,000 to \$49,999	50	33	33	10	8	134
\$50,000 to \$74,999	26	19	20	6	5	76
\$75,000 to \$99,999	30	21	21	6	5	84
\$100,000 to \$149,999	7	5	5	1	1	18
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	536	284	287	87	66	1,261

Source: ESRI; Urban Decision Group

Renter Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	224	108	117	31	21	501
\$15,000 to \$24,999	86	47	51	14	9	206
\$25,000 to \$34,999	79	46	52	13	7	196
\$35,000 to \$49,999	61	35	39	10	6	152
\$50,000 to \$74,999	18	12	13	4	2	49
\$75,000 to \$99,999	50	28	31	8	5	121
\$100,000 to \$149,999	11	6	7	2	1	27
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	529	281	309	81	52	1,253

Source: ESRI; Urban Decision Group

Demographic Summary

Over one-fourth of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain stable through 2020. Regardless, the 1,261 renter households estimated in 2017 represent a sufficient base of potential support in the market for the subject development. As discussed later in Section H of this report, nearly all affordable rental communities surveyed in the market are 100.0% occupied with waiting lists. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. Project-Specific Demand Analysis

1. INCOME RESTRICTIONS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Abbeville County, South Carolina, which has a four-person median household income of \$47,100 for 2017. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$55,200 in 2017. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$19,300	\$23,160
Two-Person	\$22,100	\$26,520
Three-Person	\$24,850	\$29,820
Four-Person	\$27,600	\$33,120
Five-Person	\$29,800	\$35,760

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$29,800 for the units at 50% of AMHI and \$35,760 for the units at 60% of AMHI.

2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to SCSHFDA market study guidelines, the maximum rent-to-income ratio permitted for a family project is 35% and for a senior project is 40%.

The proposed LIHTC units will have a lowest gross rent of \$530 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,360. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$18,171.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 50% and 60% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$18,171	\$29,800
Tax Credit (Limited To 60% Of AMHI)	\$21,806	\$35,760
Overall Project	\$18,171	\$35,760

3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2017 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2020) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5-year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 13.2% to 38.0% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2015 ACS 5-Year Estimates Table B25016, 1.7% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*

The subject project is not age-restricted; thus, we have not considered elderly homeowner conversion in our demand estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

Please note that the Authority's stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2017 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2017 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2017 to current). While the one non-subsidized LIHTC project in the market, Ferguson Williams Apartments (Map ID 3), is currently operating below a stabilized occupancy level of 93.0%, based on historical data obtained by Bowen National Research, this property was 100.0% occupied with a waiting list in December 2012. As such, no units were included in the demand estimates on the following pages.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$18,171-\$29,800)	60% AMHI (\$21,806-\$35,760)	Overall (\$18,171-\$35,760)
Demand From New Renter Households (Age- And Income-Appropriate)	235 - 214 = 21	270 - 160 = 110	345 - 257 = 88
+			
Demand From Existing Households (Rent Overburdened)	214 X 38.0% = 81	160 X 13.2% = 21	257 X 32.3% = 83
+			
Demand From Existing Households (Renters In Substandard Housing)	214 X 1.7% = 4	160 X 1.7% = 3	257 X 1.7% = 4
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	106	134	175
-			
Supply (Directly Comparable Units Built and/or Funded Since 2017)	0	0	0
=			
Net Demand	106	134	175
Proposed Units	10	40	50
Proposed Units / Net Demand	10 / 106	40 / 134	50 / 175
Capture Rate	= 9.4%	= 29.9%	= 28.6%

N/A – Not Applicable

The capture rates for units targeting households at 50% and 60% of AMHI, ranging from 9.4% to 29.9%, are considered achievable. The overall capture rate for the subject project is also considered achievable at 28.6%, demonstrating that there is a sufficient base of income-qualified renter households that will be able to support the subject project.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	25.0%
Two-Bedroom	40.0%
Three-Bedroom	35.0%
Total	100.0%

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables:

Units Targeting 50% Of AMHI (106 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	27	-	27	-	-
Two-Bedroom (40%)	42	0	42	8	19.0%
Three-Bedroom (35%)	37	0	37	2	5.4%

*Directly comparable units built and/or funded in the project market over the projection period.

Units Targeting 60% Of AMHI (134 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	33	-	33	-	-
Two-Bedroom (40%)	54	0	54	16	29.6%
Three-Bedroom (35%)	47	0	47	24	51.1%

*Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type and targeted income level range from 13.3% to 51.1%. While the capture rate of 51.1% for the subject's three-bedroom units is considered relatively high, the subject project will be the only LIHTC development within the market to offer this larger unit type. This will enable it to capture a larger share of demographic support within the Abbeville Site PMA and is considered achievable.

Considering that the subject project will include 26 three-bedroom units, which comprise 52.0% of all subject units offered, the analysis on the following page has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$20,982-\$29,800)	60% AMHI (\$25,200-\$35,760)	Overall (\$20,982-\$35,760)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	64 - 50 = 14	74 - 28 = 46	104 - 66 = 38
+			
Demand From Existing Households (Rent Overburdened)	50 X 13.9% = 7	28 X 13.0% = 4	66 X 13.3% = 9
+			
Demand From Existing Households (Renters In Substandard Housing)	50 X 1.7% = 1	28 X 1.7% = 1	66 X 1.7% = 1
=			
Total Large Household Demand	22	51	48
-			
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2017)	0	0	0
=			
Net Large Household Demand	22	51	48
Proposed (Three-Br.+) Units	2	24	26
Proposed (Three-Br.+) Units/ Net Large Household Demand	2 / 22	24 / 51	26 / 48
Large-Household Capture Rate	= 9.1%	= 47.1%	= 54.2%

The capture rates for the subject's three-bedroom units targeting households at 50% and 60% of AMHI range from 9.1% to 47.1%, when considering larger (three-person+) household sizes. The overall capture rate for the subject project's three-bedroom units is 54.2%. While the 47.1% and 54.2% capture rates are considered relatively high, as noted throughout this analysis, the subject development will be the only LIHTC development to offer three-bedroom units within the Abbeville Site PMA. This will enable it to capture a larger share of demographic support. Overall, these capture rates are considered achievable. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs slightly from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow agency guidelines that assume a 2020 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2020. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 50 LIHTC units at the subject site will experience an average initial absorption rate of approximately seven units per month and reach a stabilized occupancy of 93.0% within approximately seven months.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer two- and three-bedroom garden-style units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI). We identified and surveyed two conventional rental housing property that operate under the Low-Income Housing Tax Credit (LIHTC) program within the Site PMA. **These LIHTC properties contain 70 units and have an overall occupancy rate of 95.7% (4.3% vacancy rate).** Of these two LIHTC properties, one is non-subsidized, targeting households earning up to 50% of AMHI and, therefore, is considered competitive.

Due to the limited availability of non-subsidized LIHTC product within the Site PMA, it was necessary to identify and survey additional non-subsidized LIHTC product outside of the Site PMA but within the region. We identified three additional non-subsidized, general-occupancy LIHTC properties outside of the Site PMA in the nearby town of Greenwood. These three properties each offer two- and three-bedroom garden-style units targeting general-occupancy households earning up to 50% and 60% of AMHI similar to the subject project and should, therefore, offer an accurate base of comparability for the subject project. Note that since these three properties are located outside of the Site PMA, they are not considered directly competitive with the subject project and have been included for comparability purposes only.

The four comparable LIHTC properties and the proposed subject development are summarized below:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	The Reserve at West Greenwood	2020	50	-	-	-	Families; 50% & 60% AMHI
3	Ferguson Williams Apts.	1960 / 1995	21	85.7%	1.0 Miles	None	Families; 50% AMHI
901	Cardinal Glen Apts.	2003	64	100.0%	15.3 Miles	None	Families; 50% & 60% AMHI
902	Gardens at Parkway	2003	48	100.0%	15.4 Miles	25 H.H.	Families; 50% & 60% AMHI
903	Oakmont Place	2014	55	100.0%	15.2 Miles	4 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside of Site PMA

The four LIHTC projects have a combined occupancy rate of 98.4%, a very strong rate for rental housing. While the three LIHTC projects outside of the Site PMA are 100.0% occupied, the one comparable LIHTC project within the *market*, Ferguson Williams Apartments (Map ID 3), is operating at a relatively low occupancy rate of 85.7%. However, this is result of only three vacant units. Note that one vacant unit at smaller rental communities can have an abnormal

impact on their occupancy level. Nonetheless, according to management at this property, vacancies are attributed to evictions and those buying homes. It was also noted that management has had difficulties locating income-qualified applicants, as most have incomes slightly over the income restrictions. Notably, this property only offers one- and two-bedroom units set aside at 50% of AMHI, which limits its ability to attract a larger share of demographic support. Lastly, this project is older, offering small unit sizes and a limited amenities package characteristic of government-subsidized product, which may also be a contributing factor to this property's performance. Given that all other affordable rental properties surveyed in the Abbeville Site PMA are 100.0% occupied with waiting lists, although government-subsidized, it is also likely that the vacancies at Ferguson Williams Apartments are due to product and/or management deficiencies, and not reflective of the performance of the overall Abbeville rental housing market. The subject project will provide a brand new affordable rental housing alternative that is currently lacking within the Site PMA, which will bode well for the demand of the subject units.

The gross rents for the competing/comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	The Reserve at West Greenwood	-	\$530/50% (8*) \$626/60% (16)	\$612/50% (2*) \$719/60% (24)	-	-
3	Ferguson Williams Apts.	\$488/50% (7/0)	\$588/50% (14/3)	-	-	None
901	Cardinal Glen Apts.	\$597/50% (8/0) \$705/60% (8/0)	\$724/50% (16/0) \$847/60% (16/0)	\$840/50% (8/0) \$906/60% (8/0)	-	None
902	Gardens at Parkway	-	\$724/50% (4/0) \$787/60% (28/0)	\$848/50% (5/0) \$891/60% (11/0)	-	None
903	Oakmont Place	\$582/50% (3/0) \$672/60% (5/0)	\$698/50% (5/0) \$782/60% (15/0)	\$810/50% (5/0) \$886/60% (14/0)	\$941/60% (8/0)	None

*Low HOME units

900 series Map IDs are located outside of Site PMA

The proposed gross rents, ranging from \$530 to \$719, will be the lowest LIHTC rents targeting similar income levels within the market and region. This will position the subject project at a competitive advantage.

It is also important to note that the subject project will be the only LIHTC project within the *market* to offer units set aside at 60% of AMHI, as well as three-bedroom apartments. This will also position the subject project at a market advantage, as it will provide an affordable rental housing alternative to low-income renters that are currently underserved within the Abbeville Site PMA. This will bode well for the demand of the subject units.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
3	Ferguson Williams Apts.	21	4	19.0%
901	Cardinal Glen Apts.	64	34	53.1%
902	Gardens at Parkway	48	30	62.5%
903	Oakmont Place	55	30	54.5%
Total		188	98	52.1%

900 series Map IDs are located outside of Site PMA

As the preceding table illustrates, there are a total of approximately 98 Voucher holders residing at the comparable LIHTC properties within the market and region. This comprises 52.1% of the 188 total non-subsidized LIHTC units offered among these properties. This is considered a high share of Voucher support, demonstrating that many residents within the non-subsidized units offered at these properties are actually paying subsidized rents under the Voucher program. This high share of Voucher support is a good indication that the units at the subject project will likely receive some support from Voucher holders within the market. This has been considered in our absorption estimates.

One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.



3 Ferguson Williams Apts.

1.0 miles to site



Address	200 Ellis St. Abbeville, SC 29620		
Phone	(864) 366-9170	Contact	Sharlla
Total Units	21	Vacancies	3
		Percent Occupied	85.7%
Project Type	Tax Credit		
Year Open	1960	Renovated	1995
		Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% AMHI; HCV (4 units); 2-br have washer/dryer hookups; Vacancies due to evictions & home buying; Year built estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	600	\$0.58	\$346	50%
2	1	G	14	3	800	\$0.51	\$411	50%

901 Cardinal Glen Apts.

15.3 miles to site



Address	1524 Parkway Rd. Greenwood, SC 29648		
Phone	(864) 943-8883	Contact	Cheryl
Total Units	64	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2003	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (34 units)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	8	0	730	\$0.77	\$563	60%
1	1	G	8	0	730	\$0.62	\$455	50%
2	1	G	16	0	935	\$0.72	\$670	60%
2	1	G	16	0	935	\$0.59	\$547	50%
3	2	G	8	0	1150	\$0.61	\$700	60%
3	2	G	8	0	1150	\$0.55	\$634	50%

902 Gardens at Parkway

15.4 miles to site



Address	1508 Parkway Rd. Greenwood, SC 29646		
Phone	(864) 223-6837	Contact	Joyce
Total Units	48	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2003	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	25 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (30 units)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Meeting Room, Playground

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	28	0	924	\$0.66	\$610	60%
2	2	G	4	0	924	\$0.59	\$547	50%
3	2	G	11	0	1035	\$0.66	\$685	60%
3	2	G	5	0	1035	\$0.62	\$642	50%

903 Oakmont Place

15.2 miles to site



Address	104 Pampas Dr. Greenwood, SC 29649		
Phone	(864) 223-1319	Contact	Sandra
Total Units	55	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2014	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	4 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (30 units); One 3-br manager unit not included in total		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Gazebo

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	5	0	850	\$0.62	\$530	60%
1	1	G	3	0	850	\$0.52	\$440	50%
2	1	G	15	0	1100	\$0.55	\$605	60%
2	1	G	5	0	1100	\$0.47	\$521	50%
3	1.5 to 2	G	14	0	1250	\$0.54	\$680	60%
3	1.5 to 2	G	5	0	1250	\$0.48	\$604	50%
4	1.5 to 2	G	8	0	1400	\$0.50	\$705	60%

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	The Reserve at West Greenwood	-	1,054	1,200	-
3	Ferguson Williams Apts.	600	800	-	-
901	Cardinal Glen Apts.	730	935	1,150	-
902	Gardens at Parkway	-	924	1,035	-
903	Oakmont Place	850	1,100	1,250	1,400

900 series Map IDs are located outside of Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	The Reserve at West Greenwood	-	2.0	2.0	-
3	Ferguson Williams Apts.	1.0	1.0	-	-
901	Cardinal Glen Apts.	1.0	1.0	2.0	-
902	Gardens at Parkway	-	2.0	2.0	-
903	Oakmont Place	1.0	1.0	1.5 - 2.0	1.5 - 2.0

900 series Map IDs are located outside of Site PMA

The proposed development will offer some of the largest LIHTC unit sizes (square feet) within the market and region. This will position the subject project at a competitive advantage. The two full bathrooms to be offered within each subject unit will be appealing to the targeted demographic.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market and region.

COMPARABLE PROPERTIES AMENITIES - ABBEVILLE, SOUTH CAROLINA

MAP ID	APPLIANCES						UNIT AMENITIES												
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X		X	X	X	X		C			X				B		S	
3	X	X					X		C		S		X			B		S	
901	X	X	X	X	X		X		C		X	X	X			B		S	Exterior Storage
902	X	X		X	X		X		C		X	X	X			B		S	Exterior Storage
903	X	X	X	X		X	X		C		X		X			B		S	

MAP ID	PROJECT AMENITIES															OTHER			
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X	X	X	X		X						X				X	Gazebo
3		X	X																
901		X	X		X			X											
902		X			A			X											
903		X	X		X	X		X					X						Gazebo

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units	
S - Some Units	
O - Optional	
Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

Parking	
A - Attached	C - Carport
D - Detached	O - On Street
S - Surface	G - Parking Garage
(o) - Optional	(s) - Some

Sports Courts	
B - Basketball	D - Baseball Diamonds
P - Putting Green	T - Tennis
V - Volleyball	X - Multiple

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

Community Space	
A - Activity Room	L - Lounge/Gathering Room
T - Training Room	

The subject's amenities package is considered superior to those offered at the comparable LIHTC projects within the market and region. Specifically, when compared to the one LIHTC project within the *market*, the subject project will be the only LIHTC development to offer a dishwasher, garbage disposal and microwave within each unit, and will offer community amenities such as a community room, fitness center, playground and a computer/business center, all of which are also lacking at the comparable LIHTC project within the market. This will position the subject project at a significant competitive advantage.

Comparable Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will be very marketable. While the one LIHTC project in the market is operating at a below than stable occupancy rate, it is believed that its design limits its marketing potential, as it only offers one- and two-bedroom units set aside at 50% AMHI, is much older, offers small unit sizes and a limited amenities package characteristic of government-subsidized product. When considering the product type to be offered at the subject site, we believe it will be well-received within the market, as it will be the newest non-subsidized rental community, offering the lowest LIHTC rents targeting similar income levels, larger unit sizes, a superior amenities package, units set aside at 60% of AMHI and three-bedroom apartments. Therefore, the subject project will provide an affordable rental housing alternative that is currently lacking within the Abbeville Site PMA. This has been considered in our absorption estimates.

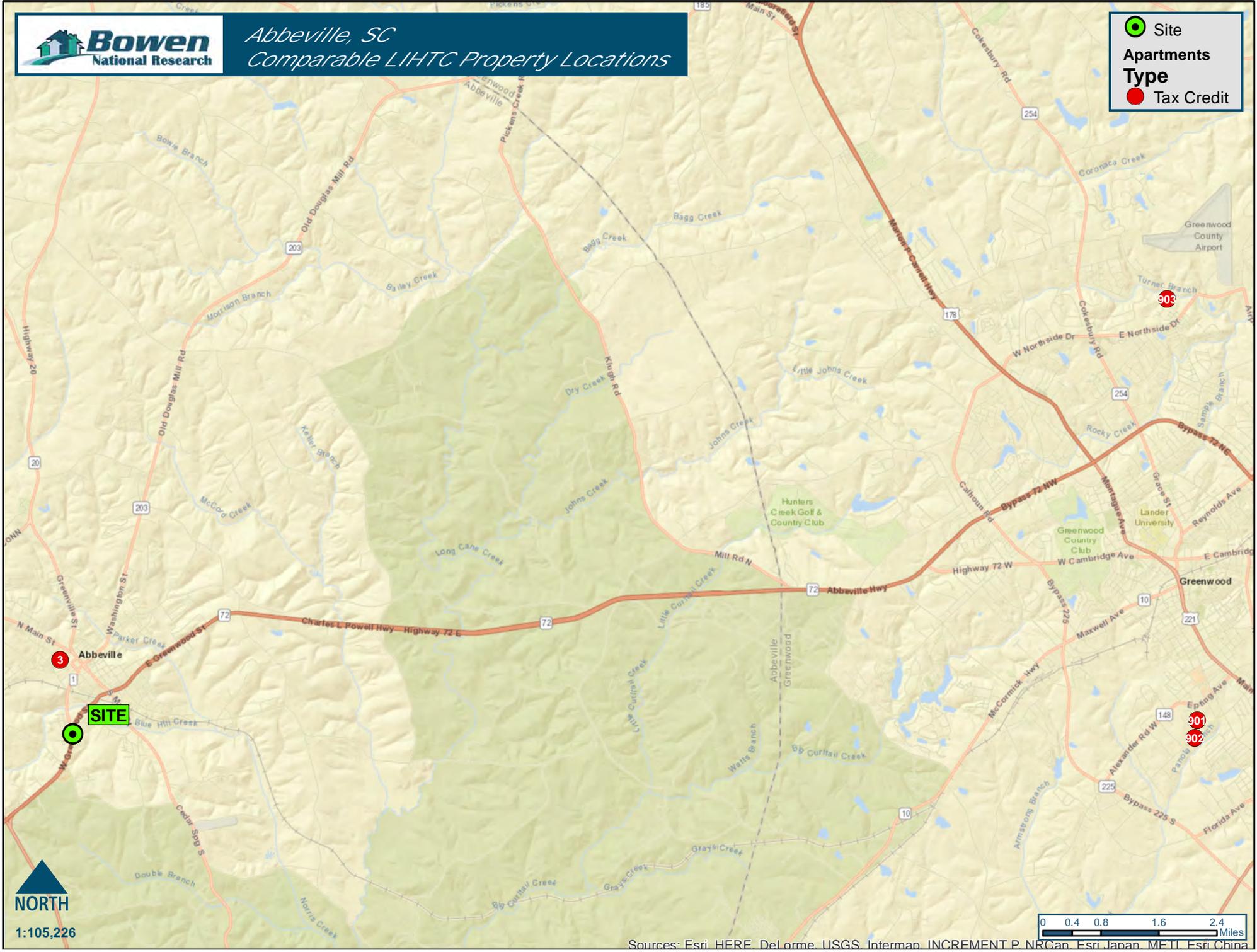
2. COMPARABLE TAX CREDIT PROPERTIES MAP

A map illustrating the location of the comparable properties we surveyed is on the following page.



Abbeville, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



NORTH
1:105,226



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Abbeville Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2017 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	4,716	87.7%	4,717	87.7%
Owner-Occupied	3,476	73.7%	3,456	73.3%
Renter-Occupied	1,240	26.3%	1,261	26.7%
Vacant	662	12.3%	664	12.3%
Total	5,378	100.0%	5,381	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2017 update of the 2010 Census, of the 5,381 total housing units in the market, 12.3% were vacant. In 2017, it was estimated that homeowners occupied 73.3% of all occupied housing units, while the remaining 26.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Abbeville Site PMA, and the 1,261 renter households estimated in 2017 represent a sufficient base of potential support for the subject development.

We identified and personally surveyed six conventional housing projects, all of which are affordable rental communities, containing a total of 302 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.0% (a result of only three vacant units), a very strong rate for rental housing. **The two LIHTC projects within the market contain 70 units and have a combined occupancy rate of 95.7% (4.3% vacancy rate).** The surveyed rental housing developments in the market broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	1	21	3	85.7%
Tax Credit/Government-Subsidized	1	49	0	100.0%
Government-Subsidized	4	232	0	100.0%
Total	6	302	3	99.0%

As the preceding table illustrates, all but one of the rental projects surveyed in the market are 100.0% occupied. This illustrates that pent-up demand likely exists for additional affordable rental housing within the market. While the one non-subsidized Tax Credit development within the market is operating at a below than stable occupancy rate of 85.7%, as noted earlier in this section, it is believed to be a result of product and/or management deficiencies and not reflective of the overall performance of the Abbeville rental housing market.

A complete list of all properties surveyed in the market is included in Addendum A - *Field Survey of Conventional Rentals*.

4. RENTAL HOUSING INVENTORY MAP

A map identifying the location of all properties surveyed within the Abbeville Site PMA is on the following page.

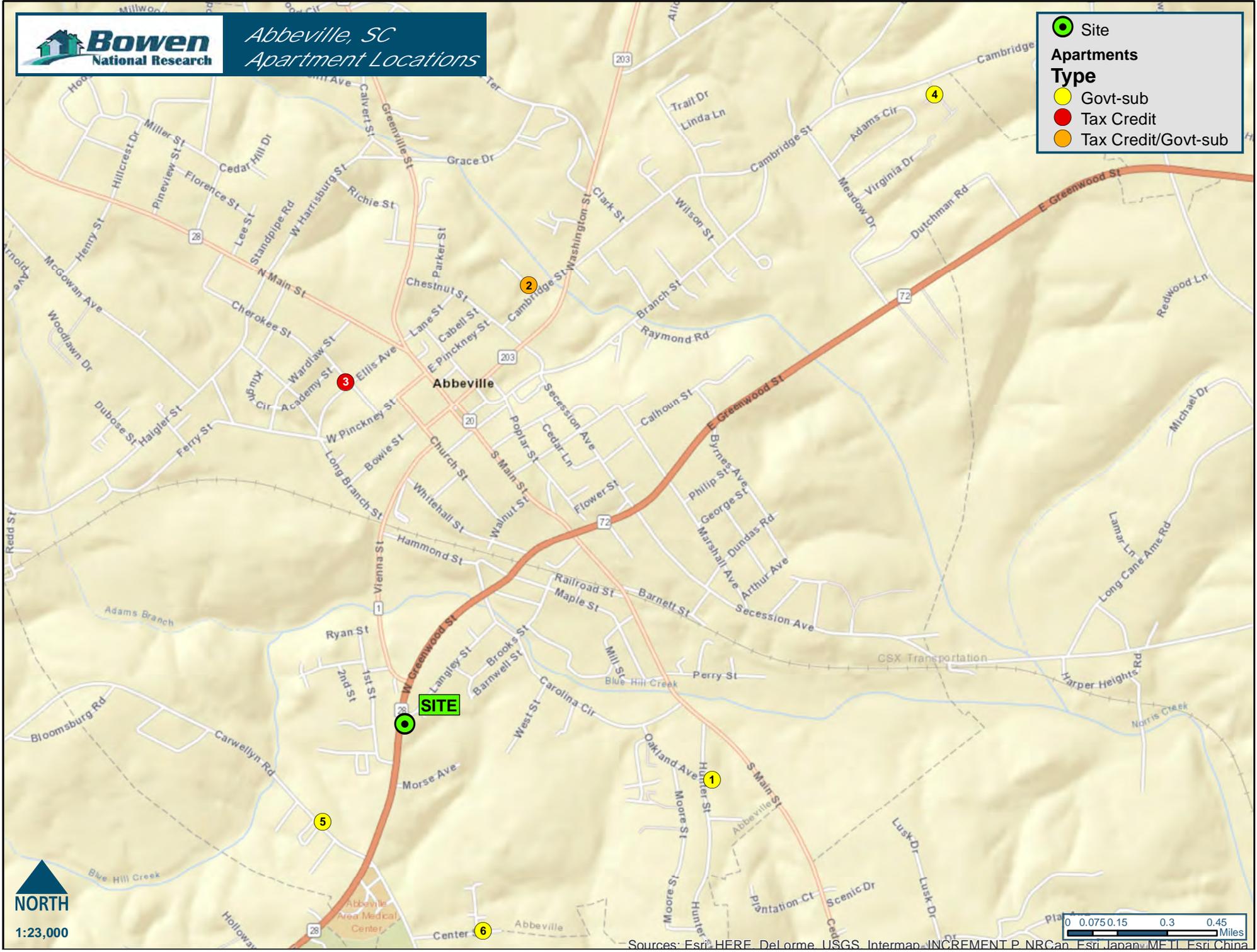


Abbeville, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:23,000

0 0.075 0.15 0.3 0.45 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there is one rental community within the development pipeline in the market. This project, McGowan Place, is within the preliminary planning stages of development to be located near McGowan Avenue in Abbeville. If approved, the community will consist of 11 units, all of which will have HOME funds. Nehemiah Community Revitalization Corporation is the developer, and they plan to build five units in phase I and six units in phase II. While this project may have some competitive overlap with the subject development, it has yet to receive funding and it is unknown if it will come to fruition. As such, no units were considered in our demand analysis illustrated earlier in this report.

7. MARKET RENT ADVANTAGE

As noted, we did not identify any market-rate developments within the Abbeville Site PMA. Due to the lack of market-rate product in the market, we identified and surveyed five market-rate properties located outside of the Site PMA, but within the region in the cities of Greenwood and Anderson that we consider comparable to the subject development based on their modern design and age. Note, adjustments have been applied to these selected properties to account for market differences between the Greenwood, Anderson and Abbeville markets. These selected properties are used to derive market rents for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer and dryer and a

selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and the prior experience of Bowen National Research in markets nationwide.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	The Reserve at West Greenwood	2020	50	-	-	24 (-)	26 (-)
904	Winter Ridge	2007	252	94.4%	64 (100.0%)	132 (94.7%)	56 (87.5%)
908	Park Place	1998	165	100.0%	63 (100.0%)	78 (100.0%)	24 (100.0%)
911	Regency Park	2001	132	100.0%	18 (100.0%)	66 (100.0%)	48 (100.0%)
912	Tanglewood	1980	168	98.8%	40 (100.0%)	112 (98.2%)	16 (100.0%)
913	Ashton Park	2006	216	95.4%	54 (92.6%)	108 (97.2%)	54 (94.4%)

Occ. – Occupancy

900 series Map IDs are located outside of Site PMA

The five selected market-rate projects have a combined total of 933 units with an overall occupancy rate of 97.2%, a strong rate for rental housing. This illustrates that these comparable market-rate projects have been well received within the region and will serve as accurate benchmarks with which to compare to the subject development.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type →

TWO BEDROOM

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
The Reserve at West Greenwood		Winter Ridge		Park Place		Regency Park		Tanglewood		Ashton Park	
SE corner of West Greenwood Street & Langley Street		102 Winter Way		153 Civic Center Blvd.		120 Edinborough Cir.		2418 Marchbanks Ave.		50 Braeburn Dr.	
Abbeville, SC		Greenwood, SC		Anderson, SC		Greenwood, SC		Anderson, SC		Anderson, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$775		\$705		\$937		\$778		\$1,026	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		Yes	(\$42)
4	Occupancy for Unit Type	95%		100%		100%		98%		98%	
5	Effective Rent & Rent/ sq. ft	\$775	0.79	\$705	0.82	\$937	0.94	\$778	0.84	\$984	0.89
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/3		WU/3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2020	\$13	1998	\$22	2001	\$19	1980	\$40	2006	\$14
8	Condition/Street Appeal	E	\$15	G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		E	(\$10)	G		G		E	(\$10)
10	Same Market?	No	(\$116)	No	(\$106)	No	(\$141)	No	(\$117)	No	(\$148)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		1.5	\$15	2	
13	Unit Interior Sq. Ft.	1054	\$15	864	\$41	1000	\$12	925	\$28	1100	(\$10)
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$5	HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C		C		W		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fans/Storage	Y/N	\$5	Y/N		Y/Y	(\$5)	Y/Y	(\$5)	Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	Y	\$5	Y		Y		Y		Y	
28	Pool/Recreation Areas	F	\$5	P/F/S/WT	(\$16)	P/F/S	(\$13)	P/S	(\$8)	P/F/S/MT	(\$16)
29	Computer/Business Center	Y	\$3	N	\$3	Y		N	\$3	Y	
30	Picnic Area	N		Y	(\$3)	Y	(\$3)	N		Y	(\$3)
31	Playground	Y	\$3	N	\$3	Y		N	\$3	Y	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$72	N/N	\$72	N/N	\$72	N/N	\$72	N/N	\$72
39	Trash/Recycling	Y/N		N/N	\$13	Y/N		N/N	\$13	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	3	7	5	3	5	7	4	1	5
41	Sum Adjustments B to D	\$69	(\$124)	\$94	(\$140)	\$46	(\$167)	\$109	(\$135)	\$14	(\$187)
42	Sum Utility Adjustments	\$72		\$85		\$72		\$85		\$72	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$17	\$265	\$39	\$319	(\$49)	\$285	\$59	\$329	(\$101)	\$273
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$792		\$744		\$888		\$837		\$883	
45	Adj Rent/Last rent		102%		106%		95%		108%		90%
46	Estimated Market Rent	\$835	\$0.79 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Reserve at West Greenwood		Winter Ridge		Park Place		Regency Park		Tanglewood		Ashton Park	
SE corner of West Greenwood Street & Langley Street		102 Winter Way		153 Civic Center Blvd.		120 Edinborough Cir.		2418 Marchbanks Ave.		50 Braeburn Dr.	
Abbeville, SC		Greenwood, SC		Anderson, SC		Greenwood, SC		Anderson, SC		Anderson, SC	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$950		\$825		\$1,021		\$1,013		\$1,234	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		Yes	(\$42)
4	Occupancy for Unit Type	88%		100%		100%		100%		94%	
5	Effective Rent & Rent/ sq. ft	\$950	0.81	\$825	0.76	\$1,021	0.89	\$1,013	0.88	\$1,192	0.82
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/3		WU/3		WU/2		WU/3	
7	Yr. Built/Yr. Renovated	2020	\$13	1998	\$22	2001	\$19	1980	\$40	2006	\$14
8	Condition/Street Appeal	E	\$15	G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		E	(\$10)	G		G		E	(\$10)
10	Same Market?	No	(\$143)	No	(\$124)	No	(\$153)	No	(\$152)	No	(\$179)
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1200	\$4	1080	\$25	1150	\$10	1150	\$10	1450	(\$52)
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	Y/Y		N/Y	\$5	Y/Y	
18	Washer/Dryer	HU/L	\$5	HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C		C		W		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fans/Storage	Y/N	\$5	Y/N		Y/Y	(\$5)	Y/Y	(\$5)	Y/N	
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	Y	\$5	Y		Y		Y		Y	
28	Pool/Recreation Areas	F	\$5	P/F/S/WT	(\$16)	P/F/S	(\$13)	P/S	(\$8)	P/F/S/MT	(\$16)
29	Computer/Business Center	Y	\$3	N	\$3	Y		N	\$3	Y	
30	Picnic Area	N		Y	(\$3)	Y	(\$3)	N		Y	(\$3)
31	Playground	Y	\$3	N	\$3	Y		N	\$3	Y	
32	Social Services	N		N		N		N		N	
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y	\$81	N/N	\$81	N/N	\$81	N/N	\$81	N/N	\$81
39	Trash/Recycling	Y/N		N/N	\$13	Y/N		N/N	\$13	Y/N	
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D	9	3	7	5	3	5	6	4	1	5
41	Sum Adjustments B to D	\$58	(\$151)	\$78	(\$158)	\$44	(\$179)	\$76	(\$170)	\$14	(\$260)
42	Sum Utility Adjustments	\$81		\$94		\$81		\$94		\$81	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$12)	\$290	\$14	\$330	(\$54)	\$304	\$0	\$340	(\$165)	\$355
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	
44	Adjusted Rent (5+ 43)	\$938		\$839		\$967		\$1,013		\$1,027	
45	Adj Rent/Last rent		99%		102%		95%		100%		86%
46	Estimated Market Rent	\$965	\$0.80	← Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rents for units similar to the subject development are \$835 for a two-bedroom unit and \$965 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rents for selected units:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Br.	50%	\$456	\$835	45.39%
Two-Br.	60%	\$552	\$835	33.89%
Three-Br.	50%	\$523	\$965	45.80%
Three-Br.	60%	\$630	\$965	34.72%
Weighted Average				36.53%

Typically, Tax Credit rents should represent market rent advantages around 10.0% in order to be considered a value in most markets. Therefore, the proposed subject rents will likely be perceived as substantial values within the Abbeville Site PMA, as they represent market rent advantages ranging from 33.89% to 45.80%, depending upon bedroom type and targeted income level.

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.

3. One of the comparable market-rate projects, Ashton Park (Comp #5) is offering a rent special of \$500 off first month's rent. This concession has been prorated and applied to this project's quoted rents, yielding its effective rents (line 5).

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1980 and 2007. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.



8. It is anticipated that the subject project will have an excellent quality finished look and an attractive aesthetic appeal upon completion. We have made adjustments for those properties that we consider to be of inferior quality to the subject development.
9. Two of the five selected properties were determined to be located in more desirable neighborhoods as compared to the subject project. As such, we have adjusted the rents at these properties to account for the neighborhood difference.
10. As previously stated, all of the selected properties are located outside of the Abbeville Site PMA in Greenwood and Anderson. The Greenwood and Anderson markets are much larger than Abbeville in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Greenwood and Anderson will not directly translate to the Abbeville market. Therefore, we have adjusted each collected rent at these comparable projects by approximately 15.0% to account for these market differences.
12. The number of bathrooms offered at the selected properties varies. We have made adjustments of \$15 per half bath to reflect the difference in the number of bathrooms offered at the site and the number offered by the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The subject project will offer a unit amenity package that is generally similar to those offered among the selected properties. We have, however, made adjustments for features lacking at the selected properties and, in some cases, we have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project will offer a generally inferior project amenities package as compared to those offered among the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rate of the existing comparable Tax Credit development located within the Site PMA following stabilization of the subject property is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2020
3	Ferguson Williams Apts.	85.7%	85.0%+

As stated throughout this report, the one comparable LIHTC property located in the Site PMA is 85.7% occupied as a result of only three vacant units. While management indicated that vacancies are attributed to evictions and those buying homes, it is also believed that vacancies are likely as a result of its inferior design. This property is older, offering small unit sizes and an inferior amenities package, in addition to the fact that it only offers one- and two-bedroom units set aside at 50% of AMHI, all of which limits its marketing potential. It is also important to note that, given the differences in unit types and targeted income levels between the aforementioned project and the subject development, the two-bedroom units set aside at 50% of AMHI will be the only units that will directly compete with one another. Therefore, it is not anticipated that the development of the subject community will have a significant adverse impact on the performance of this existing LIHTC project within the market. This is especially true, considering that sufficient demographic support exists for both Ferguson Williams Apartments and the subject site within the Site PMA. While not indicated earlier in this report, the penetration rate for both projects is 18.9%, which is simply the total number of LIHTC units existing and proposed within the market divided by the total number of income-qualified renter households projected in 2020 ($71 / 375 = 18.9\%$), and is considered low and achievable.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$119,811. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$119,811 home is \$721, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$119,811
Mortgaged Value = 95% of Median Home Price	\$113,820
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$577
Estimated Taxes and Insurance*	\$144
Estimated Monthly Mortgage Payment	\$721

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit three-bedroom rent for the subject project ranges from \$456 to \$630 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$81 to \$265 greater than the cost of renting at the subject project's Tax Credit units, depending on unit size and targeted income level. Therefore, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. As such, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As previously noted, all rental housing communities surveyed within the market, all of which are affordable, have a combined occupancy rate of 99.0%, as a result of only three vacant units. In fact, all but one of these developments is 100.0% occupied and maintains a waiting list. Therefore, pent-up demand likely exists for additional affordable rental housing within the Site PMA. The subject project will be able to accommodate a portion of this unmet demand. While the only non-subsidized LIHTC project within the market is operating at a relatively low occupancy rate of 85.7%, we believe this is attributed to its design deficiencies, as it is older, offering small unit sizes and an inferior amenities package, and only offers one- and two-bedroom units set aside at 50% of AMHI, which likely limits its marketing potential. The subject project will consist of the new construction of 50 two- and three-bedroom apartments targeting households earning up to 50% and 60% of AMHI. Considering that the project will be the only non-subsidized LIHTC development within the market to offer units set aside at 60% of AMHI and three-bedroom apartments, it will help fill a need in the Abbeville Site PMA that is currently being unmet.

I. Interviews

The following are summaries of interviews conducted with various government and private sector individuals:

- Brian Griswell, Executive Director of the South Carolina Regional Housing Authority No. 1, stated that there is absolutely a need in Abbeville for more affordable rental housing for families. There have been no new developments in Abbeville for many years. The existing apartment complexes have been there since he was a child and he is 47 years old. Mr. Griswell feels that newer, more modern apartment complexes are needed. *(864) 984-0578 ext. 276*
- Jane Hannah, Project Manager with the Abbeville County Economic Development Partnership, stated that there are not enough nice and affordable apartments or rental options for families or seniors in the county. With the economy continuing to improve and companies wanting to hire employees who live locally, the area would benefit from an additional affordable rental development. *(864) 366-2181*
- Sharlla Burton, Property Manager of Ferguson Williams Apartments (Map ID 3), a 21-unit Tax Credit property in Abbeville, stated that there is a need for additional apartment units in Abbeville, as available apartments are difficult for tenants to find. This is especially true for those tenants seeking a conventional (market-rate) apartment, as there are no market-rate apartment complexes in Abbeville. Ms. Burton also stated that the rents at Ferguson Williams Apartments are limited to those who earn 50% of AMHI, meaning that individuals at major employers typically earn slightly above the maximum income to reside at her property. The area could benefit from an affordable development targeting households earning up to 60% of AMHI. *(864) 366-9170*

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 50 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

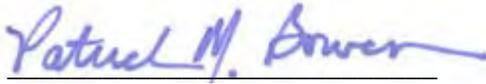
The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. In fact, the proposed rents will be the lowest LIHTC rents targeting similar income levels compared to those offered at the comparable LIHTC projects in the market and region, providing the subject project with a competitive advantage. This is demonstrated in Section IV.

While the one non-subsidized LIHTC development within the Site PMA, Ferguson Williams Apartments (Map ID 3), is operating at a relatively low occupancy rate of 85.7%, it is believed that this is a result of the project's inferior design. This rental community is older, offering small unit sizes and an inferior amenities package, in addition to the fact that it only offers one- and two-bedroom units set aside at 50% of AMHI, which likely limits its marketing potential. As noted, the subject development will offer two- and three-bedroom units targeting households earning up to 50% and 60% of AMHI, which will enable it to attract a larger base of demographic support. The subject project will provide an affordable rental housing alternative to low-income renter households that are currently underserved within the Site PMA. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 28.6% (SC Housing threshold is 30%) of income-qualified renter households in the market, there is sufficient support for the subject development. Therefore, it is our opinion that the subject project will have no significant impact on the existing Tax Credit development in the Site PMA, especially considering that only the two-bedroom units set aside at 50% of AMHI at the subject development will be directly competitive with the one existing non-subsidized LIHTC project in Abbeville.

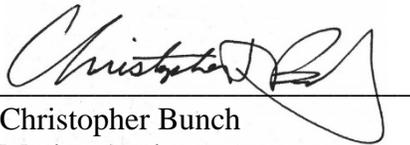
K. Signed Statement Requirement

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 LIHTC units. I understand that any misrepresentation of this statement may result in the 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.

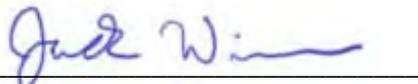
Certified:



Patrick M. Bowen
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patrickb@bowennational.com
Date: March 1, 2018



Christopher Bunch
Market Analyst
christopherb@bowennational.com
Date: March 1, 2018



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: March 1, 2018

L. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Chris Leahy, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Leahy has a Bachelor of Science degree in Financial Management and Business Administration from Franklin University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
 - A drive-time analysis for the site
 - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SCSHFDA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

Please note that non-numbered items in this report are not required by SCSHFDA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

2. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

3. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- South Carolina State Housing Finance and Development Authority

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

ABBEVILLE, SOUTH CAROLINA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

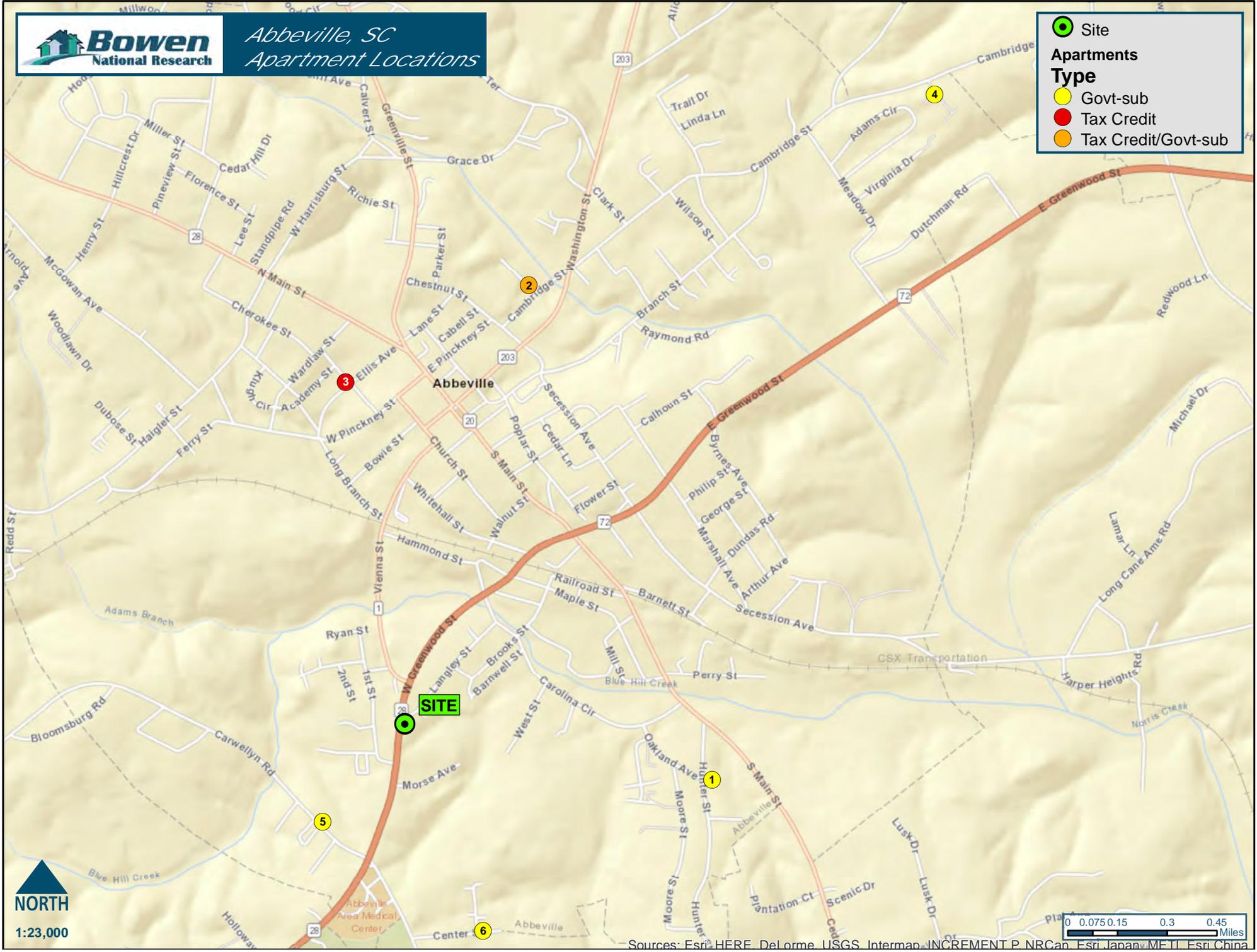


Abbeville, SC Apartment Locations

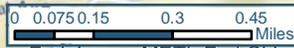
Site
● Site

Apartments Type

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:23,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

MAP IDENTIFICATION LIST - ABBEVILLE, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Abbeville Arms	GSS	B-	1980	72	0	100.0%	1.0
2	Coleman Street Apts.	TGS	B-	1996	49	0	100.0%	1.4
3	Ferguson Williams Apts.	TAX	B	1960	21	3	85.7%	1.0
4	Hickory Heights	GSS	C+	1974	80	0	100.0%	2.4
5	Pecan Grove	GSS	B	1983	40	0	100.0%	0.5
◆ 6	Woodview Apts.	GSS	C+	1980	40	0	100.0%	0.8

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TAX	1	21	3	85.7%	0
TGS	1	49	0	100.0%	0
GSS	4	232	0	100.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

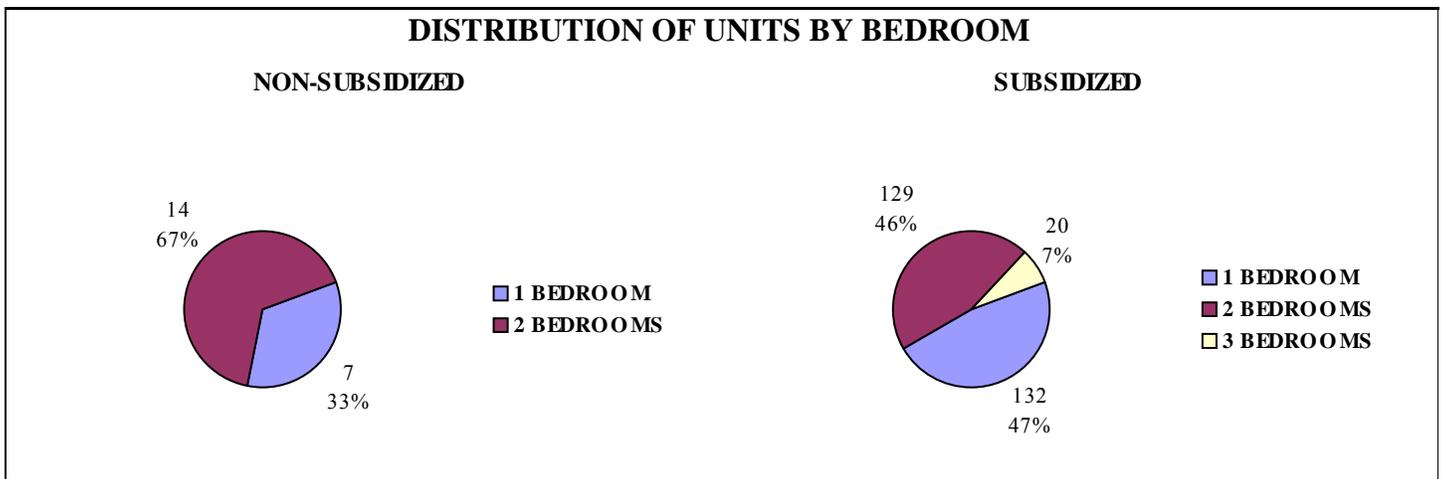
Survey Date: February 2018

DISTRIBUTION OF UNITS - ABBEVILLE, SOUTH CAROLINA

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	7	33.3%	0	0.0%	\$488
2	1	14	66.7%	3	21.4%	\$588
TOTAL		21	100.0%	3	14.3%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	24	49.0%	0	0.0%	N.A.
2	1	25	51.0%	0	0.0%	N.A.
TOTAL		49	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	108	46.6%	0	0.0%	N.A.
2	1	104	44.8%	0	0.0%	N.A.
3	1.5	12	5.2%	0	0.0%	N.A.
3	2	8	3.4%	0	0.0%	N.A.
TOTAL		232	100.0%	0	0.0%	
GRAND TOTAL		302	-	3	1.0%	



SURVEY OF PROPERTIES - ABBEVILLE, SOUTH CAROLINA

1 Abbeville Arms			
	Address 104 Oakland Ave. Abbeville, SC 29620	Phone (864) 366-9258 (Contact in person)	Total Units 72
	Year Built 1980 Comments HUD Section 8; 24 1-br designated senior	Contact Elise	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 6 months
2 Coleman Street Apts.			
	Address 200 Coleman St. Abbeville, SC 29620	Phone (864) 459-8358 (Contact in person)	Total Units 49
	Year Built 1996 Comments 60% AMHI; RD 515, has RA (48 units); Accepts HCV (0 currently); Square footage estimated	Contact Kim	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List 10 households
3 Ferguson Williams Apts.			
	Address 200 Ellis St. Abbeville, SC 29620	Phone (864) 366-9170 (Contact in person)	Total Units 21
	Year Built 1960 Renovated 1995 Comments 50% AMHI; HCV (4 units); 2-br have washer/dryer hookups; Vacancies due to evictions & home buying; Year built estimated	Contact Sharlla	Vacancies 3 Occupied 85.7% Floors 3 Quality Rating B Waiting List None
4 Hickory Heights			
	Address 1108 Canebridge St. Abbeville, SC 29620	Phone (864) 366-2986 (Contact in person)	Total Units 80
	Year Built 1974 Comments HUD Section 8; 40 units have carpet, remaining units have wood laminate flooring; Square footage estimated	Contact Elizabeth	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C+ Waiting List 24 households
5 Pecan Grove			
	Address 71 Carwellyn Rd. Abbeville, SC 29620	Phone (864) 366-9441 (Contact in person)	Total Units 40
	Year Built 1983 Comments RD 515, no RA; HCV (10 units)	Contact Allison	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B Waiting List 2 households

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: February 2018

SURVEY OF PROPERTIES - ABBEVILLE, SOUTH CAROLINA

6 Woodview Apts.			
	Address 1 Woodview Ln. Abbeville, SC 29620 Year Built 1980 Comments HUD Section 202 & HUD Section 8; Square footage estimated	Phone (864) 459-4409 (Contact in person) Contact Jim	Total Units 40 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C+ Senior Restricted (62+) Waiting List 8 households

Project Type

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Survey Date: February 2018

COLLECTED RENTS - ABBEVILLE, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
3		\$346	\$411						

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

PRICE PER SQUARE FOOT - ABBEVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Ferguson Williams Apts.	1	600	\$488	\$0.81
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Ferguson Williams Apts.	1	800	\$588	\$0.74

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: February 2018

AVERAGE GROSS RENT PER SQUARE FOOT - ABBEVILLE, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.81	\$0.74	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.81	\$0.74	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - ABBEVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Ferguson Williams Apts.	7	600	1	50%	\$346
2	Coleman Street Apts.	24	600	1	60%	\$437 - \$478
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Ferguson Williams Apts.	14	800	1	50%	\$411
2	Coleman Street Apts.	25	800	1	60%	\$479 - \$520

QUALITY RATING - ABBEVILLE, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR

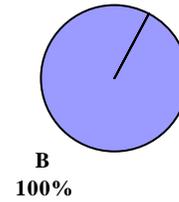
TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	1	21	14.3%		\$488	\$588		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



YEAR BUILT - ABBEVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	21	3	14.3%	21	100.0%
1970 to 1979	0	0	0	0.0%	21	0.0%
1980 to 1989	0	0	0	0.0%	21	0.0%
1990 to 1999	0	0	0	0.0%	21	0.0%
2000 to 2005	0	0	0	0.0%	21	0.0%
2006 to 2010	0	0	0	0.0%	21	0.0%
2011	0	0	0	0.0%	21	0.0%
2012	0	0	0	0.0%	21	0.0%
2013	0	0	0	0.0%	21	0.0%
2014	0	0	0	0.0%	21	0.0%
2015	0	0	0	0.0%	21	0.0%
2016	0	0	0	0.0%	21	0.0%
2017	0	0	0	0.0%	21	0.0%
2018**	0	0	0	0.0%	21	0.0%
TOTAL	1	21	3	14.3%	21	100.0 %

YEAR RENOVATED - ABBEVILLE, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	21	3	14.3%	21	100.0%
2000 to 2005	0	0	0	0.0%	21	0.0%
2006 to 2010	0	0	0	0.0%	21	0.0%
2011	0	0	0	0.0%	21	0.0%
2012	0	0	0	0.0%	21	0.0%
2013	0	0	0	0.0%	21	0.0%
2014	0	0	0	0.0%	21	0.0%
2015	0	0	0	0.0%	21	0.0%
2016	0	0	0	0.0%	21	0.0%
2017	0	0	0	0.0%	21	0.0%
2018**	0	0	0	0.0%	21	0.0%
TOTAL	1	21	3	14.3%	21	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of February 2018

APPLIANCES AND UNIT AMENITIES - ABBEVILLE, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	1	100.0%	21
REFRIGERATOR	1	100.0%	21
ICEMAKER	0	0.0%	
DISHWASHER	0	0.0%	
DISPOSAL	0	0.0%	
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	1	100.0%	21
AC - WINDOW	0	0.0%	
FLOOR COVERING	1	100.0%	21
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	1	100.0%	21
PATIO/DECK/BALCONY	0	0.0%	
CEILING FAN	1	100.0%	21
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	1	100.0%	21
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - ABBEVILLE, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	1	100.0%	21
LAUNDRY	1	100.0%	21
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - ABBEVILLE, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	5	230	76.2%
GAS	1	72	23.8%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	6	302	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	5	230	76.2%
GAS	1	72	23.8%
			100.0%
ELECTRIC			
TENANT			
			100.0%
WATER			
LANDLORD	3	173	57.3%
TENANT	3	129	42.7%
			100.0%
SEWER			
LANDLORD	4	222	73.5%
TENANT	2	80	26.5%
TRASH PICK-UP			
LANDLORD	5	262	86.8%
TENANT	1	40	13.2%
			100.0%

UTILITY ALLOWANCE - ABBEVILLE, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$23	\$48		\$29	\$14	\$23	\$8	\$7	\$64	\$30	\$33	\$13	\$20
1	GARDEN	\$23	\$48		\$29	\$14	\$23	\$8	\$7	\$64	\$30	\$33	\$13	\$20
1	TOWNHOUSE	\$23	\$48		\$29	\$14	\$23	\$8	\$7	\$64	\$30	\$33	\$13	\$20
2	GARDEN	\$29	\$64		\$39	\$17	\$28	\$9	\$8	\$77	\$34	\$38	\$13	\$20
2	TOWNHOUSE	\$29	\$64		\$39	\$17	\$28	\$9	\$8	\$77	\$34	\$38	\$13	\$20
3	GARDEN	\$31	\$71		\$43	\$20	\$34	\$10	\$9	\$92	\$38	\$43	\$13	\$20
3	TOWNHOUSE	\$31	\$71		\$43	\$20	\$34	\$10	\$9	\$92	\$38	\$43	\$13	\$20
4	GARDEN	\$34	\$79		\$48	\$23	\$44	\$10	\$10	\$103	\$46	\$52	\$13	\$20
4	TOWNHOUSE	\$34	\$79		\$48	\$23	\$44	\$10	\$10	\$103	\$46	\$52	\$13	\$20

SC-Region 1 (1/2018)

Survey Date: February 2018

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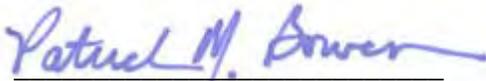


Addendum B – Member Certification & Checklist

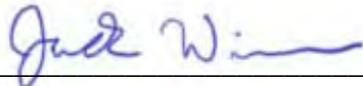
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
EMPLOYMENT AND ECONOMY		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
ANALYSIS/CONCLUSIONS		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I

CHECKLIST (Continued)

OTHER REQUIREMENTS		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	L
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A