

Market Feasibility Analysis

Helios Apartments
South Fifth Street
Hartsville, Darlington County, South Carolina 29550

Prepared For

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Effective Date

February 28, 2018

Job Reference Number

18-161 JW



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

Development Name:	Helios Apartments	Total # Units:	40
Location:	S. Fifth St., Hartsville, SC 29550	# LIHTC Units:	40
PMA Boundary:	Darlington County line to the north; Bethlehem Road, Leavenworth Branch River, Black Creek and Center Road to the east; Indian Branch Road, Wesley Chapel Road and Cross Swamp Road to the south; and the Darlington County line to the west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	12.6 miles

RENTAL HOUSING STOCK (found on page H-1 & 13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	607	3	99.5%
Market-Rate Housing	1	48	3	93.8%
Assisted/Subsidized Housing not to include LIHTC	6	326	0	100.0%
LIHTC (All that are stabilized)*	4	233	0	100.0%
Stabilized Comps**	2	112	0	100.0%
Non-stabilized Comps	0	-	-	-

* 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
2	One	1.0	750	\$419	\$840	\$1.12	50.11%	\$895	\$1.14
2	One	1.0	750	\$523	\$840	\$1.12	37.74%	\$895	\$1.14
3	Two	2.0	950	\$502	\$925	\$0.97	45.73%	\$1,125	\$1.00
21	Two	2.0	950	\$626	\$925	\$0.97	32.32%	\$1,125	\$1.00
3	Three	2.0	1,162	\$577	\$1,045	\$0.90	44.78%	\$1,395	\$1.09
9	Three	2.0	1,162	\$721	\$1,045	\$0.90	31.00%	\$1,395	\$1.09
Gross Potential Rent Monthly*				\$24,756	\$38,100		35.02%		

*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		3,405	28.7%	3,395	28.8%
Income-Qualified Renter HHs (LIHTC)		834	24.5%	779	22.9%
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	-9	-70				-55
Existing Households (Overburd + Substand)	245	160				294
Homeowner conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	236	90				239

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	3.4%	35.6%				16.7%

ABSORPTION RATE (found on page G-8)

Absorption Period: 4 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	
2	1 BR	\$419	\$838	\$840	\$1,680	
2	1 BR	\$523	\$1,046	\$840	\$1,680	
	2 BR		\$0		\$0	
3	2 BR	\$502	\$1,506	\$925	\$2,775	
21	2 BR	\$626	\$13,146	\$925	\$19,425	
	3 BR		\$0		\$0	
3	3 BR	\$577	\$1,731	\$1,045	\$3,135	
9	3 BR	\$721	\$6,489	\$1,045	\$9,405	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$24,756		\$38,100	35.02%

B. Project Description

The subject project involves the new construction of Helios Apartments, a 40-unit rental community to be located on an approximate 2.0-acre site on South Fifth Street in Hartsville, South Carolina. The project will offer four (4) one-bedroom, 24 two-bedroom and 12 three-bedroom garden-style units within two (2) three-story, walk-up residential buildings together with a free-standing, 1,519 square-foot community building. Helios Apartments 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). Monthly collected Tax Credit rents will range from \$419 to \$721, 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:** South Fifth Street
Hartsville, South Carolina 29550
(Darlington 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 LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
2	One-Br.	1.0	Garden	750	50%	\$419	\$76	\$495	\$517
2	One-Br.	1.0	Garden	750	60%	\$523	\$76	\$599	\$621
3	Two-Br.	2.0	Garden	950	50%	\$502	\$97	\$599	\$621
21	Two-Br.	2.0	Garden	950	60%	\$626	\$97	\$723	\$745
3	Three-Br.	2.0	Garden	1,162	50%	\$577	\$118	\$695	\$717
9	Three-Br.	2.0	Garden	1,162	60%	\$721	\$118	\$839	\$861
40	Total								

Source: Cadence Development, LLC

AMHI – Area Median Household Income (Darlington County, SC HUD Metro FMR Area; 2017)

- G. NUMBER OF STORIES/BUILDINGS:** Garden-style units within two (2) three-story, walk-up residential buildings together with a free-standing 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
- Covered Picnic Area
- Business/Computer Center
- Fitness Center
- Playground
- Sitting Areas w/Benches

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 60 spaces will be available at no additional cost to residents. This is equivalent to 1.5 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:

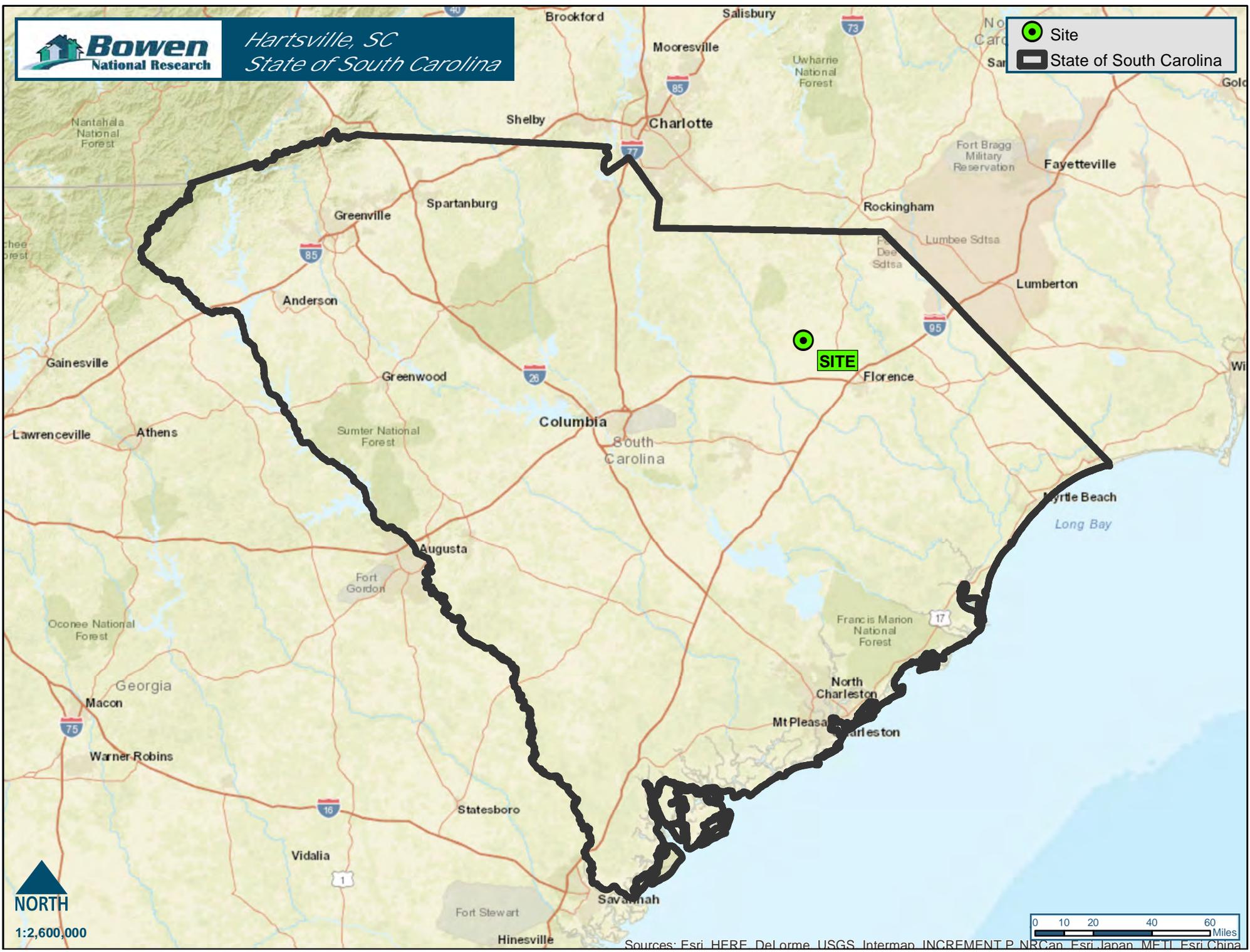
- Electric Cooking
- Electric Water Heat
- Electric Heat
- General Electricity

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



Hartsville, SC
State of South Carolina

● Site
▭ State of South Carolina



NORTH
1:2,600,000

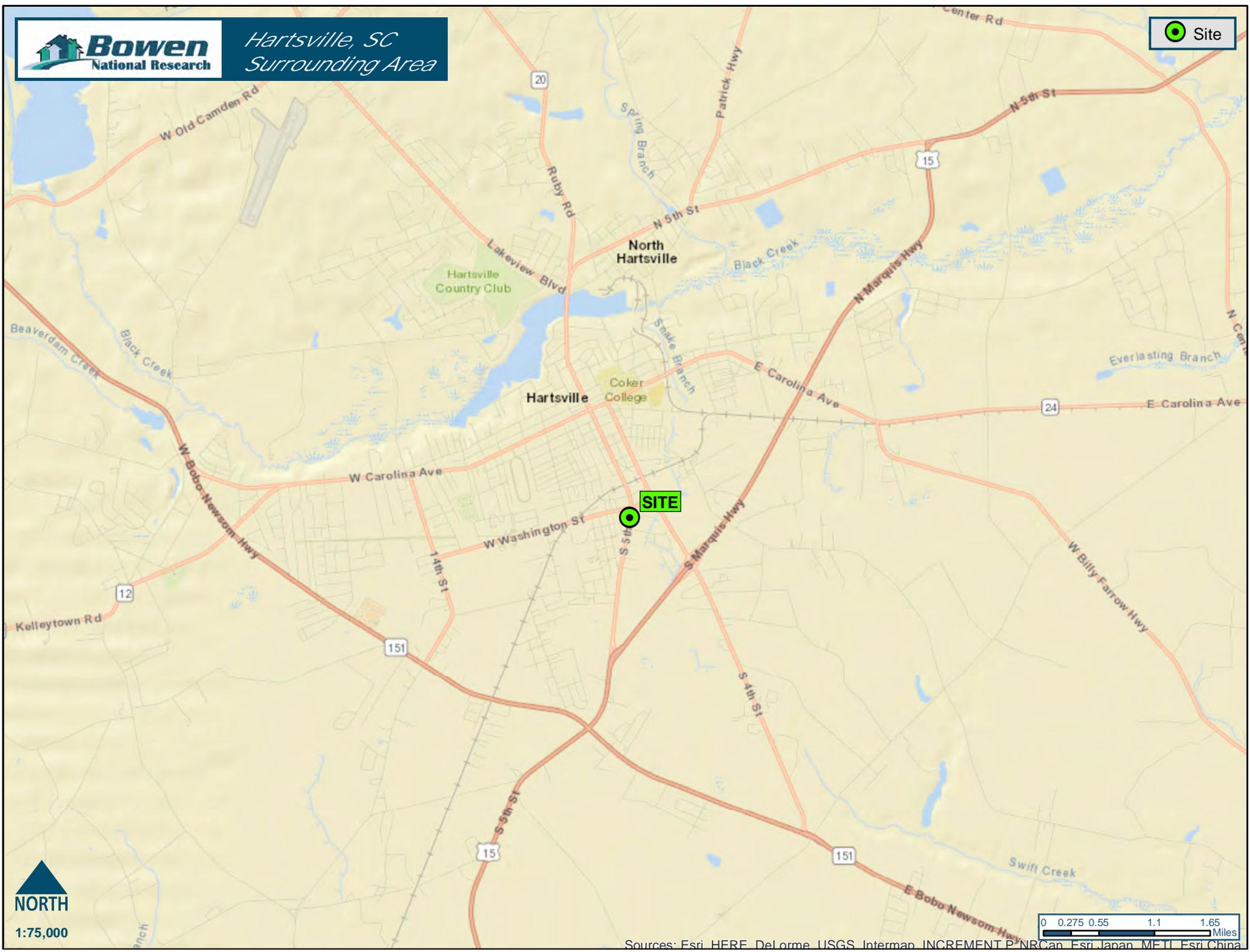
0 10 20 40 60 Miles

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



Hartsville, SC
Surrounding Area

Site



NORTH
1:75,000

0 0.275 0.55 1.1 1.65 Miles

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 19, 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 2.0 acres of undeveloped land located on the westside of South 5th Street (U.S. Highway 15 Business), less than 0.1 mile south of West Washington Street in Hartsville, South Carolina. Located within Darlington County, Hartsville is approximately 12.0 miles northwest of Darlington, South Carolina and approximately 23.0 miles northwest of Florence, South Carolina. Following is a description of surrounding land uses:

North -	Directly north of the site are Huddle House and a light tree line. Continuing north are Fuji Express, the now vacant Prime Time Sports Bar and West Washington Street, a two-lane residential road with light traffic patterns. Rite Aid, Habitat for Humanity and Piggly Wiggly extend beyond.
East -	U.S. Highway 15 Business (South 5 th Street), a four-lane roadway with a center turn lane and moderate traffic patterns, defines the eastern site boundary. Continuing east are Taco Bell, Shoney's, Walgreens and various other businesses along Westfield Street, a connector roadway to State Route 151. Big Lots, Ace Hardware, Goodwill and Dollar General extend beyond.
South -	Directly south of the site are Valvoline Express Care, a chiropractor office and a light tree line. Continuing south are Lotto Land Gas and convenience store, as well as NAPA Auto Parts. A vacant school building and the Hartsville Boys & Girls Club extend beyond.
West -	Tuskegee Street, a residential roadway with light traffic patterns, defines the western site boundary. Continuing west is a predominantly residential neighborhood comprised of single-family dwellings considered to be in fair condition. Washington Street Elementary extends beyond.

The proposed development is within very close proximity to various business and shopping centers, which will contribute to its marketability. Overall, the subject property fits well with the surrounding land uses.

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 Highways	U.S. Highway 15 Business State Route 151 U.S. Highway 15	Adjacent East 0.3 East 0.9 Southeast
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Hartsville Mall Walmart Supercenter Carolina Pines Regional Medical Center	0.2 North 0.4 Southeast 3.0 Southwest
Convenience Store	Lotto Land Markette Sunoco	0.1 South 0.4 North 0.4 Northeast
Grocery	Piggly Wiggly Walmart Supercenter	0.2 North 0.4 Southeast
Discount Department Store	Goody's Roses Belk Dollar General Walmart Supercenter Dollar Tree	0.2 North 0.2 North 0.2 North 0.3 East 0.4 Southeast 0.4 Southeast
Shopping Center/Mall	Hartsville Mall Hartsville Crossing Shopping Center	0.2 North 0.4 Southeast
Schools: Elementary Middle/Junior High High	Washington Street Elementary (K-3 rd) West Hartsville Elementary (4 th -6 th) Hartsville Middle (7 th -8 th) Hartsville High (9 th -12 th)	0.4 West 5.0 West 2.5 Southwest 1.7 West
Hospital/Medical Center	McLeod Health Medical Center Carolina Pines Medical Center	1.0 Southeast 3.0 Southwest
Police	Hartsville Police Department	1.0 North
Fire	Hartsville Fire Department	1.1 Northwest
Library	Hartsville Memorial Library	1.0 North
Post Office	U.S. Post Office	0.4 Northeast
Bank	South State Bank First Citizens Bank Wells Fargo	0.2 North 0.9 North 0.9 North
Recreational Facilities/Entertainment	Fitness World YMCA of Upper Pee Dee AMC Classic Hartsville Cinema	0.2 North 0.9 North 0.9 North
Gas Station	Lotto Land Gas Shell Sunoco	0.1 South 0.4 North 0.4 Northeast
Pharmacy	Walgreens Rite Aid SupRX Pharmacy Walmart Supercenter Pharmacy	0.1 East 0.1 North 0.2 North 0.4 Southeast

N/A – Not Available

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Restaurant	Huddle House Shoney's Fiji Express	Adjacent North Adjacent East 0.1 North
Day Care	Kidz Place II St. Joseph Head Start Center Thompson's Children Learning Center	0.3 East 0.4 West 0.6 North
Community Center	Coker Farms National Landmark Byerly Park	0.8 Southeast 1.5 Southwest
Church	Second Baptist Church St. John United Methodist Church Centenary United Methodist Church	0.3 West 0.3 Southwest 0.3 North

The proximity of the Hartsville Mall, 0.2 miles north of the site, with Belk, Goody's, Fitness World and CitiTrends, as well as a Piggly Wiggly grocery store across the street, contributes to the marketability of the site, as it provides grocery, pharmacy and other every day needs, as well as employment opportunities. Huddle House, Shoney's, Walgreens and various other small retail opportunities are within walking distance of the site, which will contribute positively to its marketability. Additionally, the Hartsville Crossing Shopping Center with CATO, It's Fashion Metro, Dollar Tree, Hibbett Sports and Walmart Supercenter, 0.4 mile southeast of the site offers a variety of shopping and employment opportunities. The site is approximately 1.0 mile south of the central business district of Hartsville, which provides specialty shops, a post office, library, restaurants and various downtown services. The nearest major mall is located in Florence, approximately 17.0 miles southeast of Hartsville.

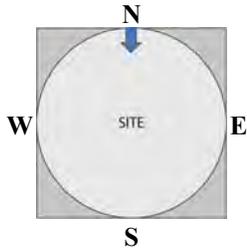
The Darlington County School District serves the subject site, with all applicable schools within 5.0 miles. Coker College is located within Hartsville, 1.4 miles northwest of the site. The Carolina Pines Medical Center is the nearest hospital, located approximately 3.0 miles west of the site. Hartsville Police and Fire departments are the responding emergency service providers and are located within 1.1 miles.

Overall, the site's proximity to community services will have a positive effect on its marketability.

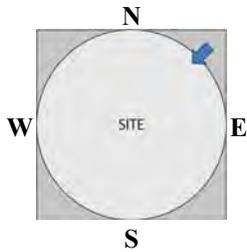
4. SITE PHOTOGRAPHS

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

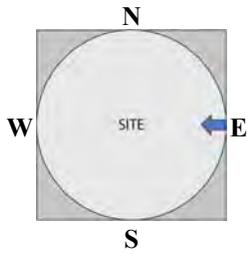
SITE PHOTOGRAPHS



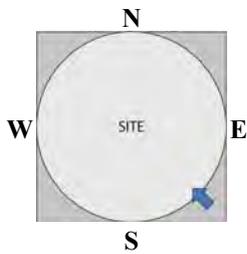
View of site from the north



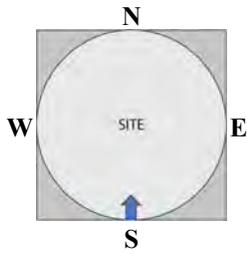
View of site from the northeast



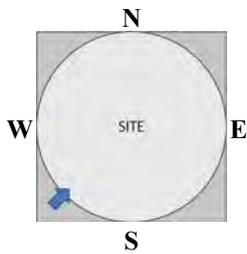
View of site from the east



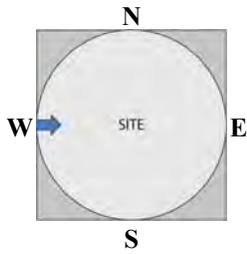
View of site from the southeast



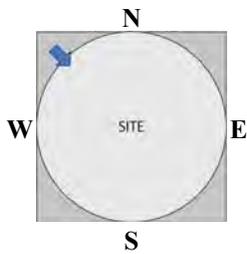
View of site from the south



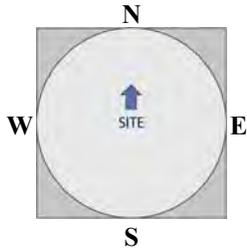
View of site from the southwest



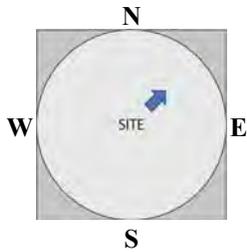
View of site from the west



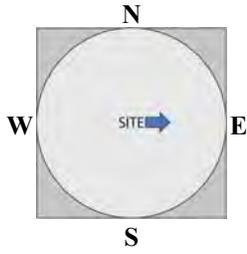
View of site from the northwest



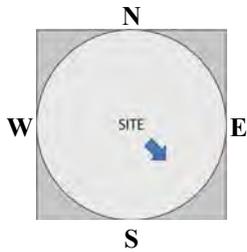
North view from site



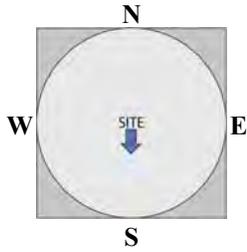
Northeast view from site



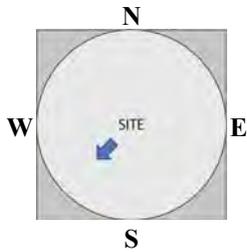
East view from site



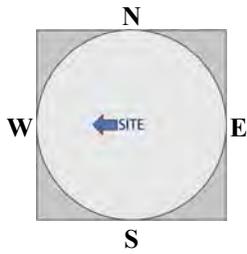
Southeast view from site



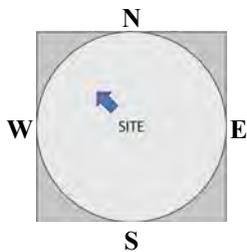
South view from site



Southwest view from site



West view from site



Northwest view from site



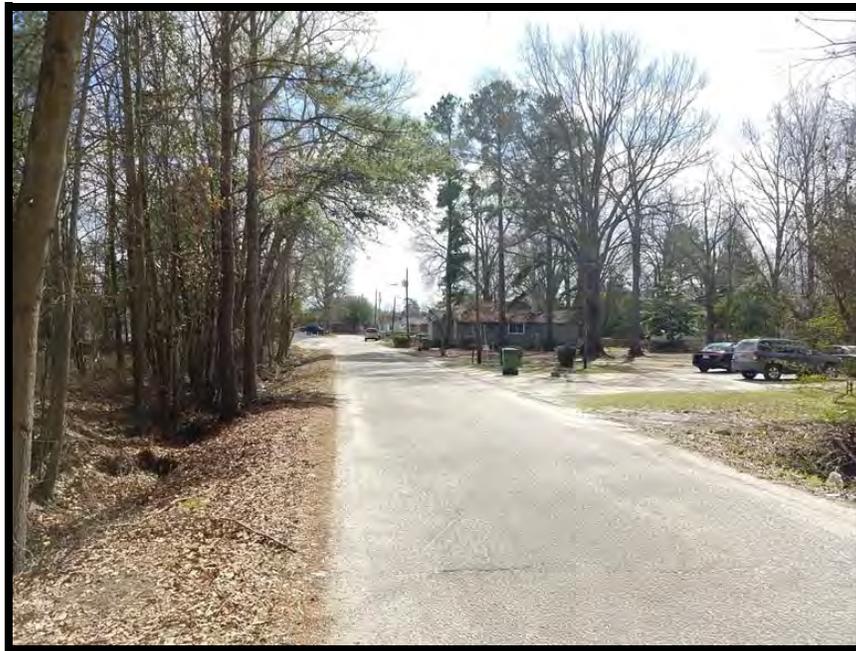
Streetscape: North view of South 5th Street



Streetscape: South view of South 5th Street



Streetscape: North view of Tuskegee Street



Streetscape: South view of Tuskegee Street

5. SITE AND COMMUNITY SERVICES MAPS

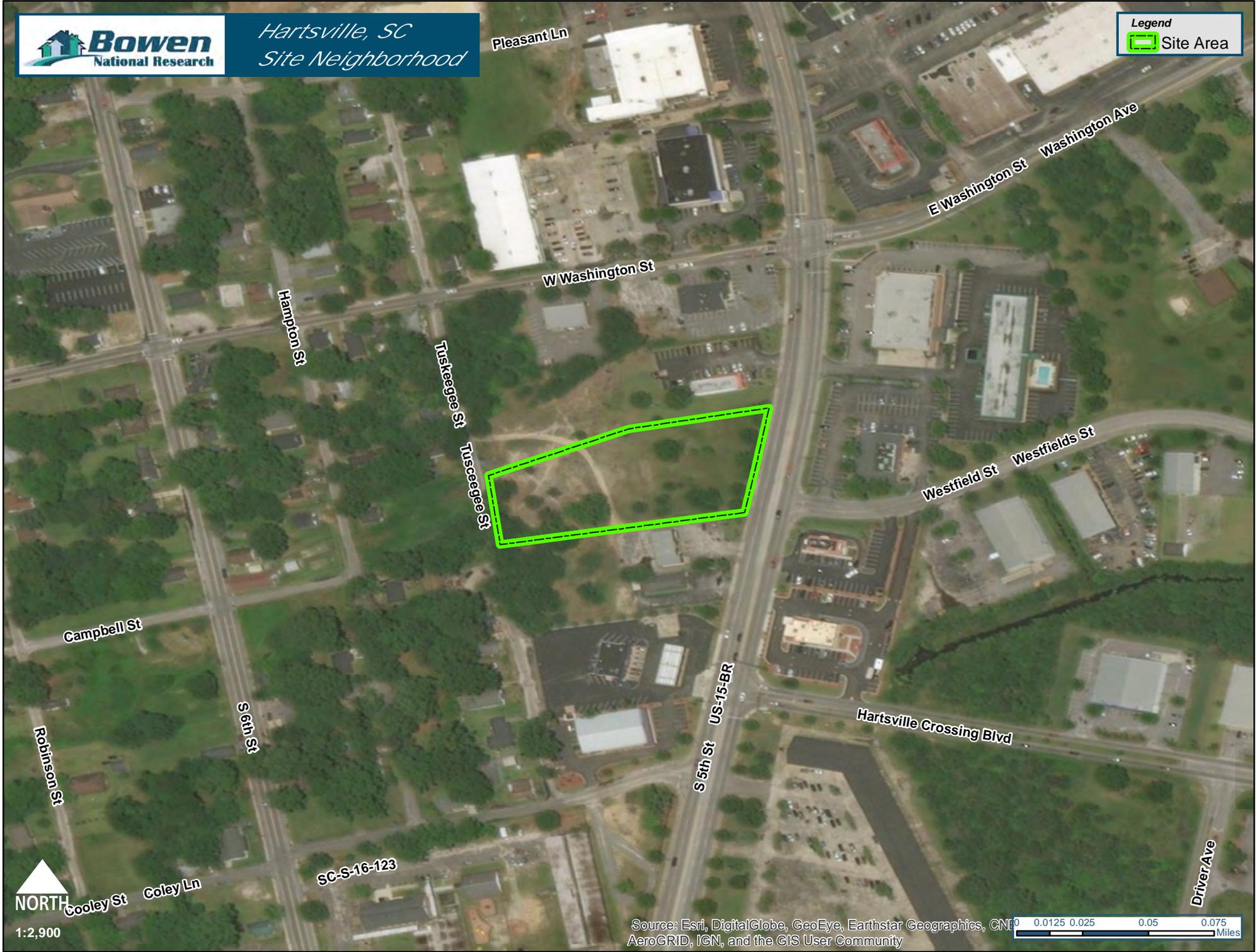
Maps of the subject site and relevant community services follow.





Hartsville, SC
Site Neighborhood

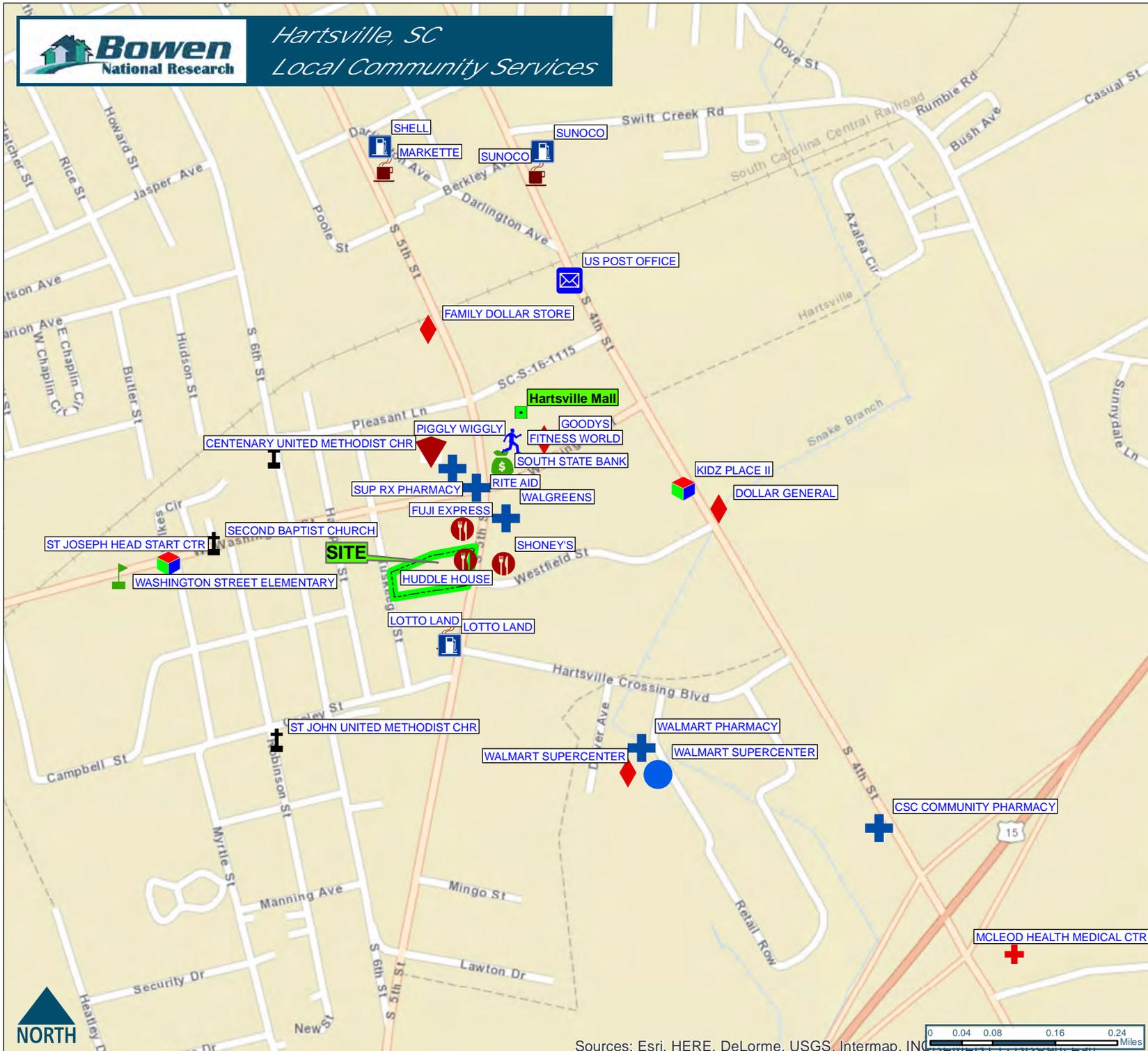
Legend
Site Area



1:2,900

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNR, AeroGRID, IGN, and the GIS User Community





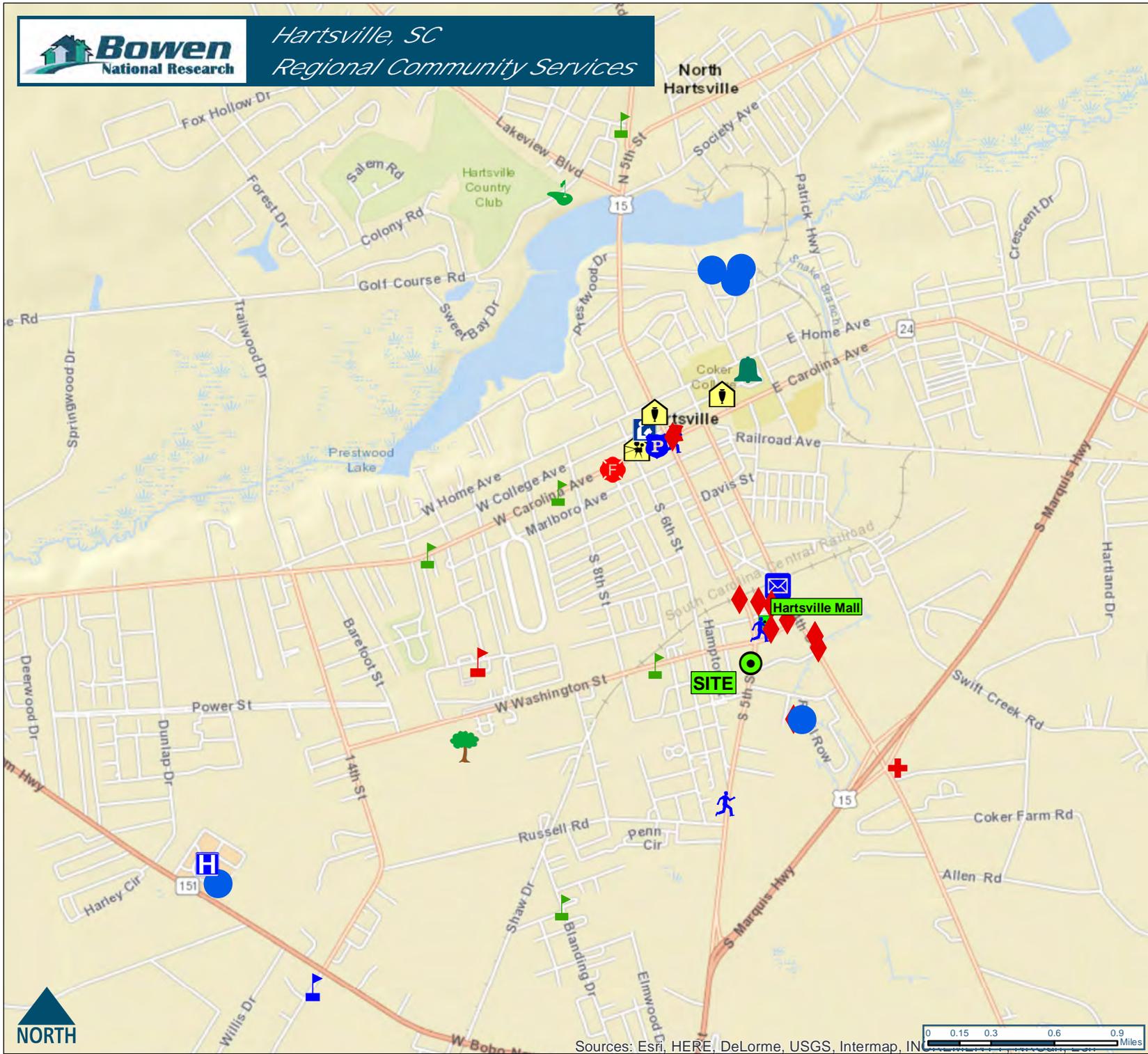
Legend

- Site area
- Bank
- Child Care
- Church
- Convenience Store
- Elementary School
- Fitness Center
- Gas
- Grocery
- Medical Center
- Pharmacy
- Post Office
- Restaurant
- Shopping
- Employer 1000-5000

**Shopping Center
Gross Leasable Area**

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.





Legend

- Site
- Entertainment
- Cinema
- Elementary School
- Fire
- Fitness Center
- Golf
- High School
- Hospital
- Library
- Medical Center
- Middle School
- Museum
- Park
- Police
- Post Office
- Shopping
- University
- Employer 1000-5000

**Shopping Center
Gross Leasable Area**

- < 500,000 sq. ft.
- < 1,000,000 sq. ft.
- < 3,200,000 sq. ft.



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 126, with an overall personal crime index of 135 and a property crime index of 125. Total crime risk for Darlington County is 128, with indexes for personal and property crime of 153 and 124, respectively.

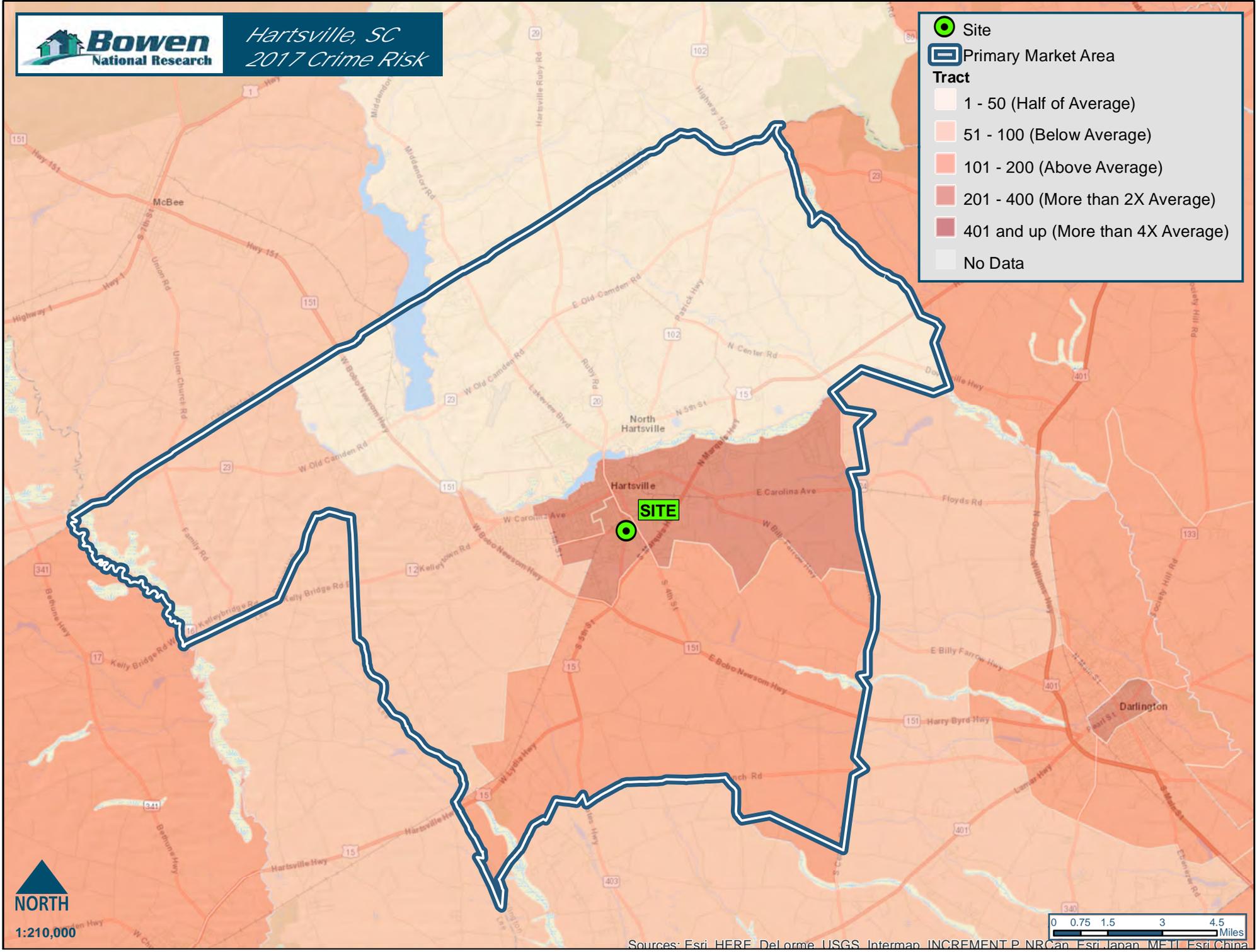
	Crime Risk Index	
	Site Zip Code	Darlington County
Total Crime	126	128
Personal Crime	135	153
Murder	170	178
Rape	97	96
Robbery	74	76
Assault	169	197
Property Crime	125	124
Burglary	147	158
Larceny	126	119
Motor Vehicle Theft	60	76

Source: Applied Geographic Solutions

As the preceding illustrates, the crime index for the site's Zip code (126) is nearly identical to that reported for Darlington County as a whole (128), though both are above the national average (100). Regardless, crime has not had an adverse on occupancy levels within the area, as nearly all rental projects surveyed within the market are 100.0% occupied. As such, the relatively high crime risk index within the area is not anticipated to have an adverse impact on the subject's marketability.

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
1:210,000

0 0.75 1.5 3 4.5
Miles

7. ACCESS AND VISIBILITY

The subject site is located just south of the Huddle House Restaurant on U.S. Highway 15 Business (South 5th Street) and Tuskegee Street. According to plans provided by the developer, the site will be accessed from both U.S. Highway 15 Business and Tuskegee Street. U.S. Highway 15 Business is a primary artery providing access to downtown Hartsville. U.S. Highway 15 Business has moderate traffic patterns, increasing during peak work commuting hours. Accessing the subject site from U.S. Highway 15 Business will be convenient for motorists traveling southbound. Northbound motorists can utilize the center turn lane, which will mitigate any delays due to the moderate traffic patterns. Additionally, ingress and egress from Tuskegee Street, is considered convenient due to light traffic. The site has excellent access to U.S. Highway 15 (South Marquis Highway), which is just 0.9 miles southeast of the site. Overall, access to the site is considered good.

The site maintains frontage along and will have good visibility from South 5th Street, with a slight obstruction from the commercial businesses that border the site to the north. Overall, visibility of the site is considered good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There are no known visible or environmental issues within proximity of the proposed development.

9. OVERALL SITE CONCLUSIONS

The single-family homes within the site area are in generally satisfactory condition and will have a positive effect on the marketability of the site. The proximity of the Hartsville Mall, north of the site and Hartsville Crossing Shopping Center, southeast of the site with Walmart, several restaurants, various retail businesses and employment opportunities, will also contribute to the site's marketability. Additionally, the site is within 2.0 miles of additional shopping, employment, recreation, entertainment and education opportunities. Visibility and access are considered good. Social services and public safety services are all within 1.1 miles, and the site has convenient access to U.S. Highway 15 (South Marquis Highway), located 0.9 miles southeast of the site, with direct access to Interstate 20. 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 Hartsville Site PMA was determined through interviews with area leasing and real estate 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 Hartsville Site PMA includes the entire city of Hartsville and outlying areas of Darlington County. Specifically, the boundaries of the Site PMA generally consist of the Darlington County line to the north; Bethlehem Road, Leavenworth Branch River, Black Creek and Center Road to the east; Indian Branch Road, Wesley Chapel Road and Cross Swamp Road to the south; and the Darlington County line to the west. All areas of the Site PMA are generally within approximately 11.0 miles from the site. The Site PMA comprises Census Tract numbers: 102, 103, 104, 105, 106, 107 (site location), 108 and 109.

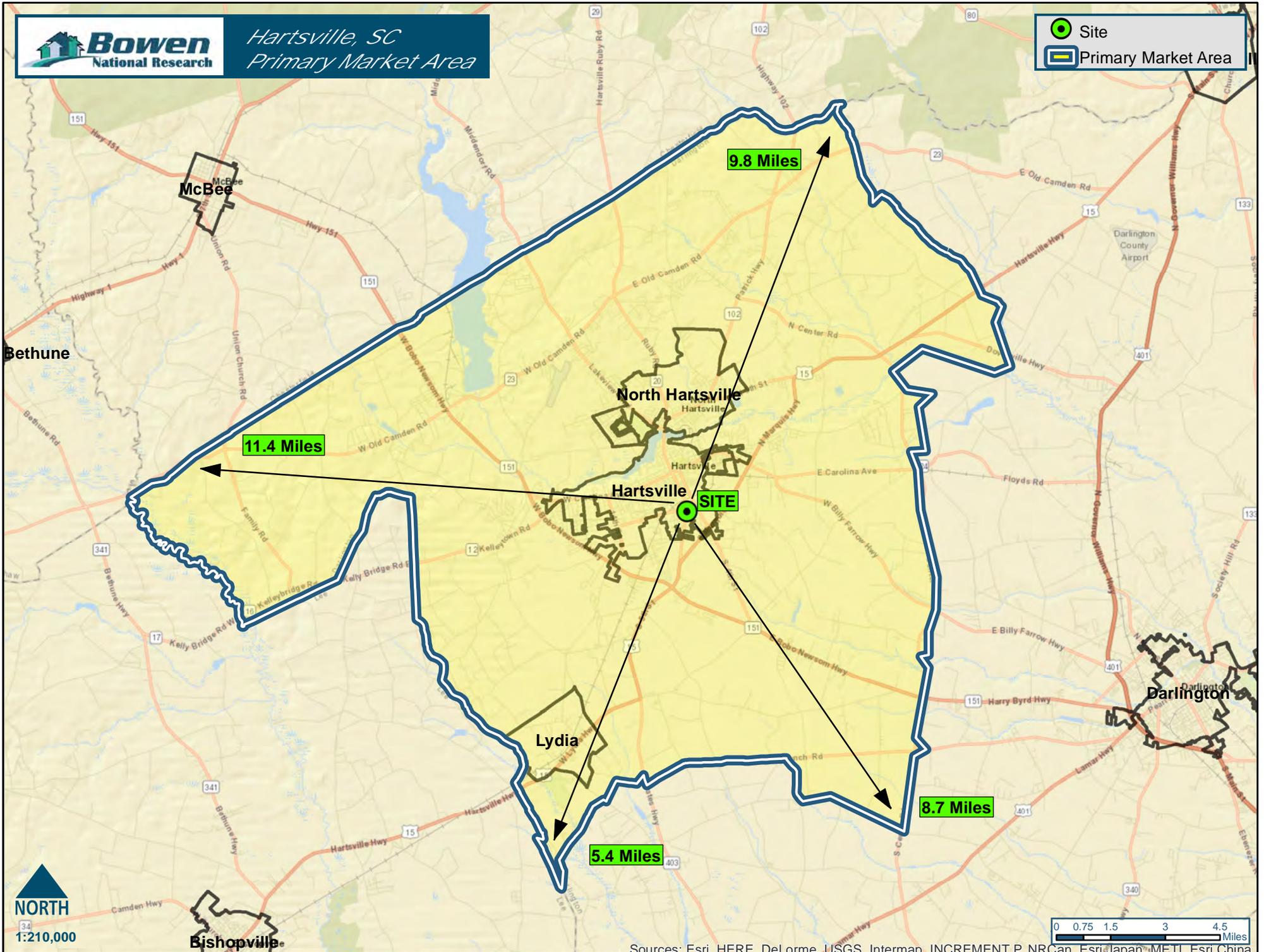
Ron Briggs, Property Manager of Hartsville Garden Apartments (Map ID 10), a Tax Credit community in Hartsville, stated that a majority of the residents (approximately 90%) that live in his community originated from within Hartsville, with the remaining 10% of the residents relocating from other areas of South Carolina or outside of the state. Mr. Briggs went on to say that the property does not receive many applications from households in the Darlington area, which is considered more of a bedroom community to Florence.

April Forrester, Property Manager at Hartwood Village Apartments and Pinebridge Apartments (Map IDs 3 and 7, respectively), both government-subsidized communities in Hartsville, stated that the majority of her property's residents (approximately 98%) are from the immediate Hartsville area and have lived in the surrounding neighborhoods their entire lives. Ms. Forrester noted that many of her property's residents work nearby and their children go to the local community schools, thus confirming the Site PMA.

Tamika Berry, Public Housing Occupancy Specialist at Hartsville Housing Authority, stated that approximately 98.0% of the current residents at their properties are from the immediate Hartsville area, with the remaining 2.0% being from within Darlington County.

A modest portion of support may originate from some of the outlying smaller communities in the area; 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.



E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

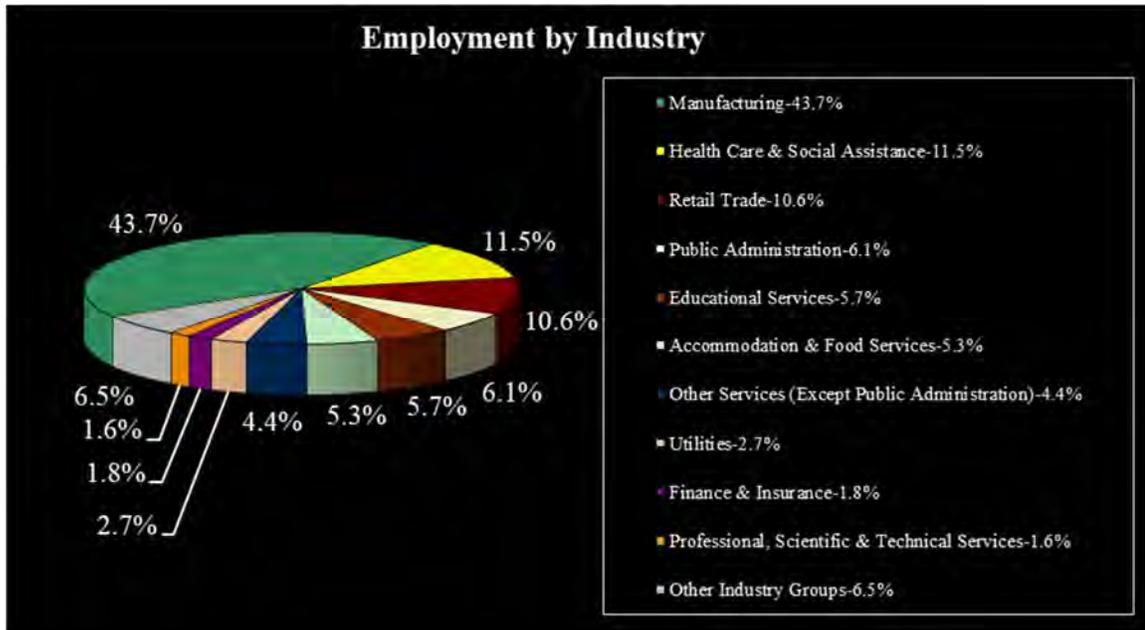
The labor force within the Hartsville Site PMA is based primarily in three sectors. Manufacturing (which comprises 43.7%), Health Care & Social Assistance and Retail Trade comprise nearly 66% of the Site PMA labor force. Employment in the Hartsville Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	9	0.9%	60	0.3%	6.7
Mining	3	0.3%	10	0.1%	3.3
Utilities	5	0.5%	485	2.7%	97.0
Construction	47	4.9%	271	1.5%	5.8
Manufacturing	33	3.4%	7,712	43.7%	233.7
Wholesale Trade	22	2.3%	124	0.7%	5.6
Retail Trade	198	20.6%	1,875	10.6%	9.5
Transportation & Warehousing	19	2.0%	124	0.7%	6.5
Information	13	1.3%	81	0.5%	6.2
Finance & Insurance	67	7.0%	320	1.8%	4.8
Real Estate & Rental & Leasing	49	5.1%	161	0.9%	3.3
Professional, Scientific & Technical Services	42	4.4%	280	1.6%	6.7
Management of Companies & Enterprises	1	0.1%	18	0.1%	18.0
Administrative, Support, Waste Management & Remediation Services	18	1.9%	188	1.1%	10.4
Educational Services	26	2.7%	1,012	5.7%	38.9
Health Care & Social Assistance	94	9.8%	2,031	11.5%	21.6
Arts, Entertainment & Recreation	16	1.7%	106	0.6%	6.6
Accommodation & Food Services	65	6.7%	941	5.3%	14.5
Other Services (Except Public Administration)	174	18.1%	785	4.4%	4.5
Public Administration	50	5.2%	1,078	6.1%	21.6
Nonclassifiable	12	1.2%	0	0.0%	0.0
Total	963	100.0%	17,662	100.0%	18.3

*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 Florence Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Florence MSA	South Carolina
Management Occupations	\$99,200	\$97,100
Business and Financial Occupations	\$54,800	\$60,870
Computer and Mathematical Occupations	\$63,560	\$71,730
Architecture and Engineering Occupations	\$75,830	\$75,400
Community and Social Service Occupations	\$34,750	\$40,890
Art, Design, Entertainment and Sports Medicine Occupations	\$46,350	\$45,220
Healthcare Practitioners and Technical Occupations	\$71,810	\$73,440
Healthcare Support Occupations	\$25,120	\$27,260
Protective Service Occupations	\$34,640	\$37,080
Food Preparation and Serving Related Occupations	\$19,160	\$20,930
Building and Grounds Cleaning and Maintenance Occupations	\$21,570	\$23,550
Personal Care and Service Occupations	\$21,550	\$23,030
Sales and Related Occupations	\$33,680	\$32,820
Office and Administrative Support Occupations	\$33,540	\$33,530
Construction and Extraction Occupations	\$36,490	\$38,950
Installation, Maintenance and Repair Occupations	\$42,770	\$42,510
Production Occupations	\$39,280	\$37,070
Transportation and Moving Occupations	\$30,550	\$32,000

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

Most annual blue-collar salaries range from \$19,160 to \$46,350 within the Florence MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$73,040. It is important to note that most occupational types within the MSA have slightly 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 subject project will continue to draw renter support.

3. **AREA'S LARGEST EMPLOYERS**

The ten largest employers within Darlington County comprise a total of 7,823 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Darlington County School District	Education	1,948
Sonoco Products Company	Packing Products Manufacturer	1,578
HB Robinson Nuclear Plant	Power Plant	830
Carolina Pines Regional Medical Center	Health Care	638
Dixie/Georgia Pacific	Paper Products Manufacturer	535
Coker College	Education	525
Nucor	Steel Bar Manufacturer	510
Galey & Lord	Textile Mill	499
Darlington County	Local Government	460
Walmart Supercenter	Retail	300
	Total	7,823

Source: Darlington County Economic Development Partnership (2016)

According to a representative with the Darlington County Economic Development Partnership, the Darlington economy is growing. The following are summaries of key economic factors impacting the local employment base:

- Fibers Industries announced in August of 2017 that the company will purchase and renovate an old textile plant in Darlington County, a \$30 million investment. This project will create approximately 135 jobs.
- Manheim, an auto auction company, expanded to Darlington in late 2016. The expansion created 75 new jobs.
- In early 2016, a new Walmart Supercenter opened in Darlington. This location employs 300 people, making it one of the largest employers in the county.

WARN (layoff notices):

According to the South Carolina Department of Employment and Workforce, there have been no WARN notices of large-scale layoffs/closures reported for Darlington County since June 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.

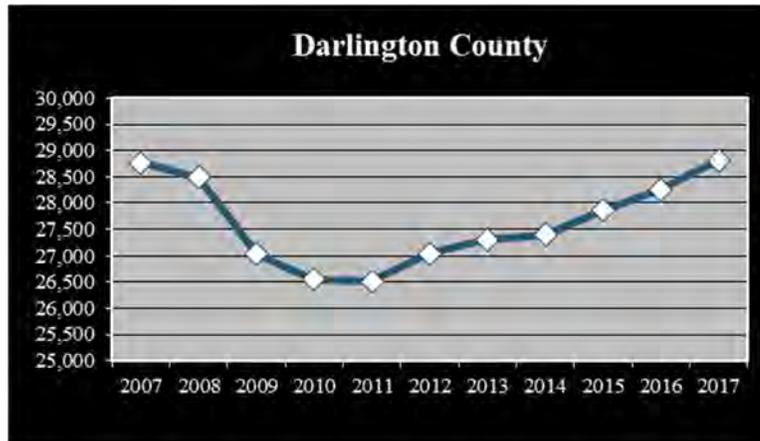
Excluding 2017, the employment base has increased by 4.5% over the past five years in Darlington County, less than the South Carolina state increase of 10.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Darlington County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	28,762	-	2,005,686	-	146,388,400	-
2008	28,493	-0.9%	1,996,409	-0.5%	146,047,748	-0.2%
2009	27,033	-5.1%	1,910,670	-4.3%	140,696,560	-3.7%
2010	26,555	-1.8%	1,915,045	0.2%	140,469,139	-0.2%
2011	26,517	-0.1%	1,945,900	1.6%	141,791,255	0.9%
2012	27,048	2.0%	1,985,618	2.0%	143,621,634	1.3%
2013	27,316	1.0%	2,026,666	2.1%	144,996,474	1.0%
2014	27,402	0.3%	2,081,511	2.7%	147,403,607	1.7%
2015	27,856	1.7%	2,134,637	2.6%	149,648,686	1.5%
2016	28,260	1.5%	2,186,740	2.4%	152,001,644	1.6%
2017*	28,817	2.0%	2,225,498	1.8%	154,212,518	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through November



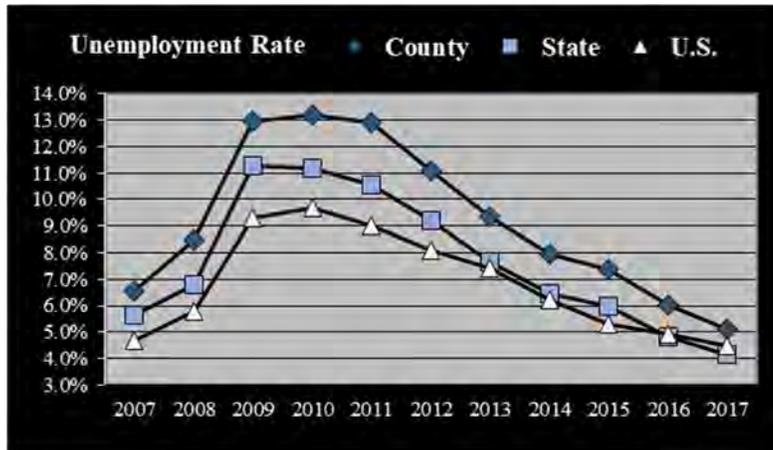
As the preceding illustrates, the Darlington County employment base experienced a significant decline between 2007 and 2010, similar to trends experienced by much of the country during the national recession. Since 2010, the employment base within the county has generally been experiencing growth, increasing by 2,262 jobs, or 8.5%, through November 2017.

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

Year	Total Unemployment					
	Darlington County		South Carolina		United States	
	Total Number	Unemployment Rate	Total Number	Unemployment Rate	Total Number	Unemployment Rate
2007	2,008	6.5%	120,205	5.7%	7,190,052	4.7%
2008	2,650	8.5%	145,823	6.8%	9,059,270	5.8%
2009	4,035	13.0%	242,075	11.3%	14,430,158	9.3%
2010	4,035	13.2%	240,623	11.2%	15,070,017	9.7%
2011	3,933	12.9%	229,623	10.6%	14,035,049	9.0%
2012	3,364	11.1%	201,260	9.2%	12,691,553	8.1%
2013	2,814	9.3%	167,647	7.6%	11,631,863	7.4%
2014	2,370	8.0%	143,151	6.4%	9,783,040	6.2%
2015	2,226	7.4%	135,746	6.0%	8,427,196	5.3%
2016	1,819	6.0%	111,067	4.8%	7,861,185	4.9%
2017*	1,553	5.1%	96,283	4.2%	7,243,649	4.5%

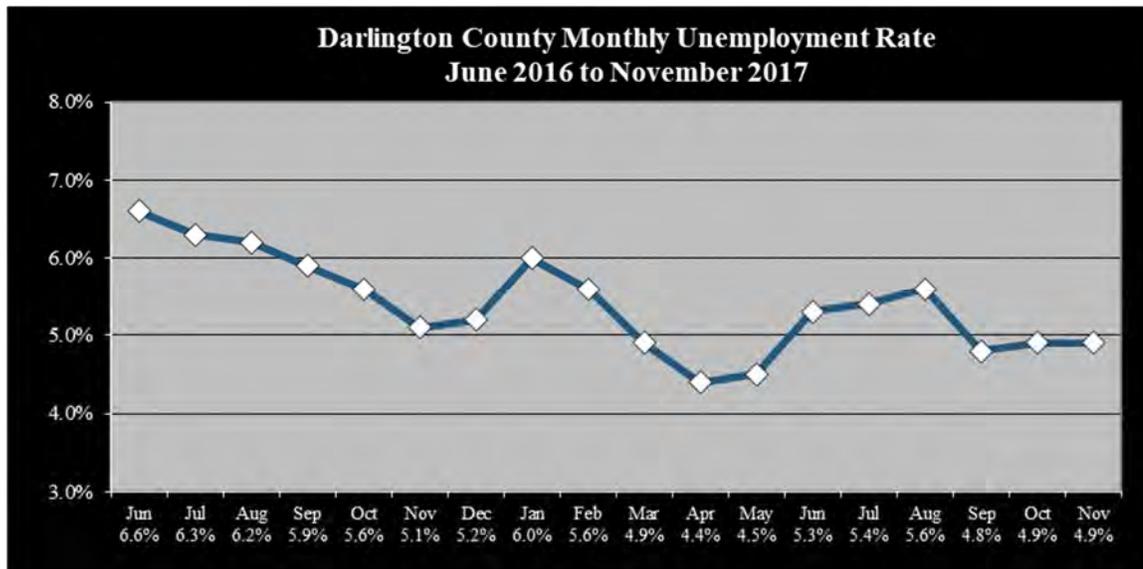
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Darlington County has ranged between 5.1% and 13.2%, above both the state and national averages since 2007. Between 2007 and 2010, the unemployment rate increased by nearly seven percentage points as a result of the national recession. On a positive note, the unemployment rate is at its lowest point (5.1%) within the past decade.

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



As the preceding table illustrates, the unemployment rate within Darlington County has generally trended downward during the preceding 18-month period.

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 Darlington County.

In-Place Employment Darlington County			
Year	Employment	Change	Percent Change
2007	20,675	-	-
2008	20,342	-333	-1.6%
2009	18,406	-1,936	-9.5%
2010	18,168	-238	-1.3%
2011	18,382	214	1.2%
2012	18,621	239	1.3%
2013	19,479	858	4.6%
2014	19,528	49	0.3%
2015	19,808	280	1.4%
2016	19,993	185	0.9%
2017*	20,268	275	1.4%

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 Darlington County to be 70.7% of the total Darlington County employment. This means that Darlington County has more employed persons staying in the county for daytime employment than those who work outside of the county. This will have a positive impact on the subject site's marketability, as it is likely that many of its potential residents will have minimal commute times to their place of employment.

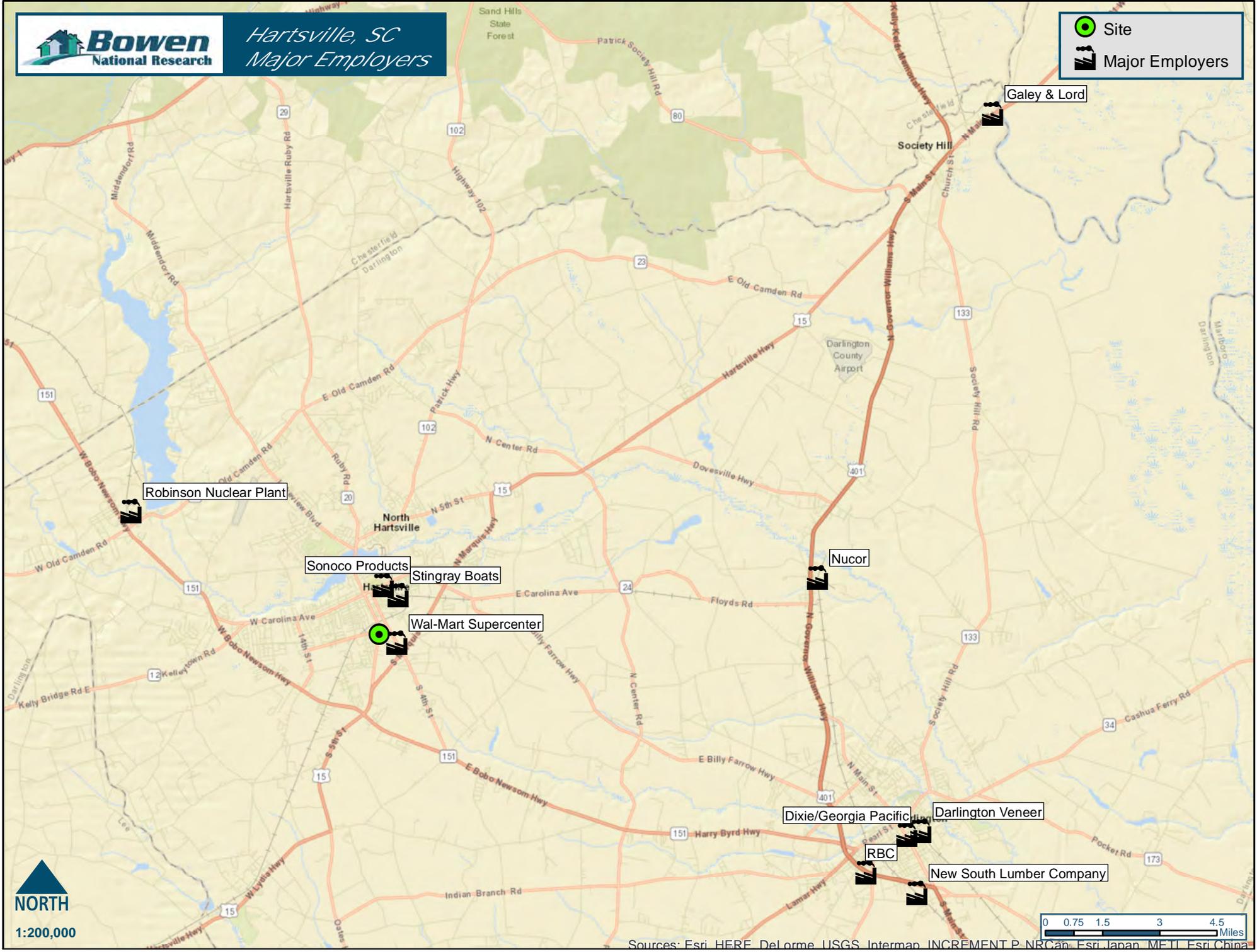
5. EMPLOYMENT CENTERS MAP

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



Hartsville, SC Major Employers

 Site
 Major Employers




NORTH
1:200,000



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	9,423	85.3%
Carpooled	954	8.6%
Public Transit	0	0.0%
Walked	152	1.4%
Other Means	131	1.2%
Worked at Home	388	3.5%
Total	11,048	100.0%

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

Nearly 85% of all workers drove alone and 8.4% carpooled.

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	4,281	38.7%
15 to 29 Minutes	3,096	28.0%
30 to 44 Minutes	1,857	16.8%
45 to 59 Minutes	665	6.0%
60 or More Minutes	761	6.9%
Worked at Home	388	3.5%
Total	11,048	100.0%

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

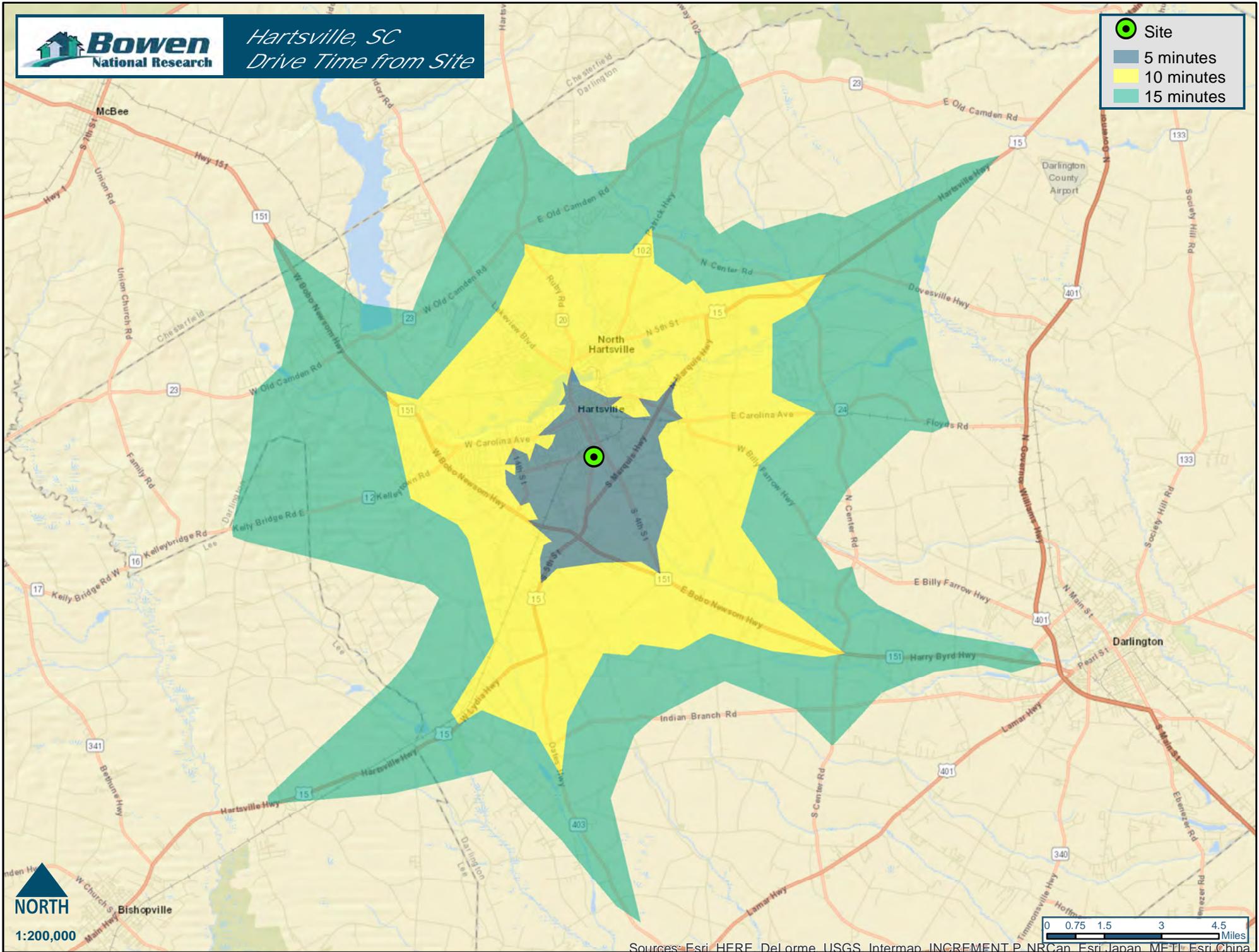
The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 20-minute drive to most of the area's largest employers, which should contribute its marketability. A drive-time map for the subject site is on the following page.



Hartsville, SC

Drive Time from Site

- Site
- 5 minutes
- 10 minutes
- 15 minutes



7. ECONOMIC FORECAST AND HOUSING IMPACT

According to a representative with the Darlington County Economic Development Partnership and based on data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Darlington County economy has been consistently improving since the impact of the national recession between 2007 and 2010. During this time period, the county's employment base declined by 2,207, or 7.7%, and the unemployment rate increased by nearly seven percentage points. On a positive note, since 2010, the employment base within the county has generally been experiencing growth, increasing by 2,262 jobs, or 8.5%, through November 2017. Similarly, the unemployment rate has consistently declined during the preceding seven-year period and is at its lowest point (5.1%) within the past decade. Considering the recent investment announcements within the county, it is anticipated that the local economy will continue to improve for the foreseeable future. This will provide a positive economic environment for the subject project and the overall housing market.

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	29,749	30,399	30,110	29,862
Population Change	-	650	-289	-248
Percent Change	-	2.2%	-1.0%	-0.8%

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 2.5% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	766	2.5%
Population not in Group Quarters	29,633	97.5%
Total Population	30,399	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	8,352	27.5%	7,430	24.7%	7,333	24.6%	-97	-1.3%
20 to 24	1,868	6.1%	1,911	6.3%	1,759	5.9%	-152	-7.9%
25 to 34	3,179	10.5%	3,567	11.8%	3,447	11.5%	-120	-3.4%
35 to 44	3,960	13.0%	3,513	11.7%	3,475	11.6%	-38	-1.1%
45 to 54	4,440	14.6%	4,026	13.4%	3,875	13.0%	-151	-3.7%
55 to 64	4,217	13.9%	4,208	14.0%	4,120	13.8%	-88	-2.1%
65 to 74	2,561	8.4%	3,438	11.4%	3,547	11.9%	109	3.2%
75 & Over	1,823	6.0%	2,017	6.7%	2,306	7.7%	289	14.3%
Total	30,400	100.0%	30,110	100.0%	29,862	100.0%	-248	-0.8%

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%	98.2%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	97.4%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.2%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.0%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	< 0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.7%

Source: U.S. Census Bureau, 2010 Census



Based on the data in the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2012-2016 5-year estimates, over 47% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable developments within the market are 100.0% occupied and maintain a waiting list, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The subject project will be able to accommodate a portion of this unmet demand.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Households	11,533	11,843	11,863	11,795
Household Change	-	310	20	-68
Percent Change	-	2.7%	0.2%	-0.6%
Household Size	2.58	2.57	2.47	2.46

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

Similar to population trends, households within the market have been generally stable since 2000. These trends are projected to remain 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	8,521	71.9%	8,458	71.3%	8,400	71.2%
Renter-Occupied	3,322	28.1%	3,405	28.7%	3,395	28.8%
Total	11,843	100.0%	11,863	100.0%	11,795	100.0%

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

In 2017, homeowners occupied 71.3% of all occupied housing units, while the remaining 28.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Hartsville Site PMA, and the 3,405 renter households in 2017 represent a good base of potential support in the market for the subject development.

c. Households by Income

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

Household Income	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	2,801	23.6%	1,984	16.7%	2,012	17.0%
\$15,000 to \$24,999	1,297	10.9%	1,338	11.3%	1,345	11.4%
\$25,000 to \$34,999	1,430	12.1%	1,310	11.0%	1,273	10.8%
\$35,000 to \$49,999	2,066	17.4%	1,593	13.4%	1,529	13.0%
\$50,000 to \$74,999	1,951	16.5%	2,198	18.5%	2,183	18.5%
\$75,000 to \$99,999	1,160	9.8%	1,515	12.8%	1,524	12.9%
\$100,000 to \$149,999	691	5.8%	1,055	8.9%	1,059	9.0%
\$150,000 to \$199,999	306	2.6%	550	4.6%	548	4.6%
\$200,000 & Over	145	1.2%	327	2.8%	328	2.8%
Total	11,847	100.0%	11,870	100.0%	11,802	100.0%
Median Income	\$37,871		\$47,269		\$47,462	

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

In 2010, the median household income was \$37,871. This increased by 24.8% to \$47,269 in 2017. By 2020, it is projected that the median household income will be \$47,462, an increase of 0.4% 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 Hartsville Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	567	464	287	84	70	1,473
\$15,000 to \$24,999	110	110	68	20	17	325
\$25,000 to \$34,999	143	134	83	24	20	403
\$35,000 to \$49,999	180	195	121	35	29	560
\$50,000 to \$74,999	134	160	99	29	24	446
\$75,000 to \$99,999	15	19	12	3	3	52
\$100,000 to \$149,999	17	21	13	4	3	58
\$150,000 to \$199,999	1	1	1	0	0	3
\$200,000 & Over	0	1	0	0	0	2
Total	1,169	1,105	683	199	166	3,322

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	502	328	212	88	93	1,223
\$15,000 to \$24,999	244	174	113	47	49	627
\$25,000 to \$34,999	116	110	71	30	31	358
\$35,000 to \$49,999	113	123	79	33	35	382
\$50,000 to \$74,999	102	125	81	34	36	377
\$75,000 to \$99,999	80	97	63	26	27	293
\$100,000 to \$149,999	28	35	23	10	10	106
\$150,000 to \$199,999	6	8	5	2	2	25
\$200,000 & Over	4	5	3	1	1	15
Total	1,195	1,005	652	269	285	3,406

Source: ESRI; Urban Decision Group

Renter Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	486	316	209	86	129	1,226
\$15,000 to \$24,999	255	176	117	48	73	669
\$25,000 to \$34,999	81	84	56	23	33	277
\$35,000 to \$49,999	82	96	63	26	37	304
\$50,000 to \$74,999	67	89	59	24	34	273
\$75,000 to \$99,999	93	110	73	30	47	353
\$100,000 to \$149,999	55	65	43	18	29	211
\$150,000 to \$199,999	13	17	11	5	8	52
\$200,000 & Over	8	9	6	3	4	31
Total	1,139	963	637	263	393	3,395

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 relatively stable through 2020. Regardless, the 3,406 renter households estimated in 2017 represent a good base of potential support in the market for the subject development. As discussed later in Section H of this report, 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 the Darlington County, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$47,200 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 \$517 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,204. 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 \$17,726.

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)	\$17,726	\$29,800
Tax Credit (Limited To 60% Of AMHI)	\$21,291	\$35,760
Overall Project	\$17,726	\$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 21.2% to 33.9% (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, 5.1% 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 family (general-occupancy) housing projects that were funded and/or built during the projection period (2017 to current). We did not identify any projects that were placed in service prior to 2017 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$17,726-\$29,800)	60% AMHI (\$21,291-\$35,760)	Overall (\$17,726-\$35,760)
Demand From New Renter Households (Age- And Income-Appropriate)	619 - 628 = -9	540 - 610 = -70	779 - 834 = -55
+			
Demand From Existing Households (Rent Overburdened)	628 X 33.9% = 213	610 X 21.2% = 129	834 X 30.1% = 251
+			
Demand From Existing Households (Renters In Substandard Housing)	628 X 5.1% = 32	610 X 5.1% = 31	834 X 5.1% = 43
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	236	90	239
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2017)	0	0	0
=			
Net Demand	236	90	239
Proposed Units	8	32	40
Proposed Units/ Net Demand	8 / 236	32 / 90	40 / 239
Capture Rate	= 3.4%	= 35.6%	= 16.7%

N/A – Not Applicable

The capture rates for units targeting households at 50% and 60% of AMHI, ranging from 3.4% to 35.6%, are considered achievable. The overall capture rate for the subject project is also considered achievable at 16.7%, demonstrating that there is a good base of income-qualified renter households that will be able to support the subject project. This is especially true, considering that all affordable rental developments surveyed within the market are 100.0% occupied and maintain a waiting list.

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	15%
Two-Bedroom	60%
Three-Bedroom	25%
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 (236 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 (15%)	35	0	35	2	5.7%
Two-Bedroom (60%)	142	0	142	3	2.1%
Three-Bedroom (25%)	59	0	59	3	5.1%

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

Units Targeting 60% Of AMHI (90 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 (15%)	13	0	13	2	15.4%
Two-Bedroom (60%)	54	0	54	21	38.9%
Three-Bedroom (25%)	23	0	23	9	39.1%

*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 2.1% to 39.1%. These capture rates are considered low to moderate, yet achievable.

Considering that the subject project will include 12 three-bedroom units, which comprise 30.0% 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 (\$24,583-\$29,800)	60% AMHI (\$29,520-\$35,760)	Overall (\$24,583-\$35,760)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	64 - 73 = -9	68 - 78 = -10	128 - 147 = -19
+			
Demand From Existing Households (Rent Overburdened)	$_{73} \times 21.8\% = 16$	$_{78} \times 21.2\% = 17$	$_{147} \times 21.6\% = 32$
+			
Demand From Existing Households (Renters In Substandard Housing)	$_{73} \times 5.1\% = 4$	$_{78} \times 5.1\% = 4$	$147 \times 5.1\% = 7$
=			
Total Large Household Demand	11	11	20
-			
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2017)	0	0	0
=			
Net Large Household Demand	11	11	20
Proposed (Three-Br.+) Units	3	9	12
Proposed (Three-Br.+) Units/ Net Large Household Demand	3 / 11	9 / 11	12 / 20
Large-Household Capture Rate	= 27.3%	= 81.8%	= 60.0%

The capture rates for the subject's three-bedroom units targeting households at 50% and 60% of AMHI range from 27.3% to 81.8%, when considering larger (three-person+) household sizes. The overall capture rate for the subject project's three-bedroom units is 60.0%. While the 60.0% and 81.8% capture rates are considered relatively high, as noted throughout this analysis, all LIHTC three-bedroom units within the market are occupied. Combined with the fact that the subject project will offer the lowest three-bedroom LIHTC rents targeting similar income levels within the *market*, 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 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 40 LIHTC units at the subject site will experience an average initial absorption rate of approximately nine units per month and reach a stabilized occupancy of 93.0% within approximately four months.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer one-, 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 non-subsidized, general-occupancy Low-Income Housing Tax Credit (LIHTC) developments within the Site PMA. These properties target households earning up to 50% and 60% of AMHI and, therefore, are considered competitive properties.

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 Darlington. These three properties offer one-, two- and/or 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 five comparable LIHTC properties and the proposed subject development are summarized below:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Helios Apartments	2020	40	-	-	-	Families; 50% & 60% AMHI
4	Middletown Apts.	1997	40	100.0%	1.2 Miles	5 H.H.	Families; 50% & 60% AMHI
10	Hartsville Garden Apts. I	2011	72	100.0%	1.1 Miles	10 H.H.	Families; 50% & 60% AMHI
901	Autumn Run	2004	40	100.0%	13.6 Miles	4 H.H.	Families; 50% & 60% AMHI
902	Darlington Lofts	2007	28	100.0%	13.6 Miles	2 H.H.	Families; 50% & 60% AMHI
903	Pecan Grove	2007	32	100.0%	14.6 Miles	10 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs are located outside of Site PMA

Each of the competitive/comparable LIHTC projects are 100.0% occupied with a waiting lists. This illustrates that pent-up demand exists for additional affordable rental housing within both the market and region. The subject development will be able to accommodate a portion of this unmet demand.

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.	
Site	Helios Apartments	\$495/50% (2) \$599/60% (2)	\$599/50% (3) \$723/60% (21)	\$695/50% (3) \$839/60% (9)	-
4	Middletown Apts.	-	\$611/50% (18/0) \$693/60% (6/0)	\$719/50% (10/0) \$852/60% (6/0)	None
10	Hartsville Garden Apts. I	\$511-\$560/50% (4/0) \$664/60% (12/0)	\$610-\$669/50% (9/0) \$767/60% (27/0)	\$696-\$763/50% (5/0) \$849/60% (15/0)	None
901	Autumn Run	-	\$597-\$656/50% (18/0) \$780/60% (10/0)	\$702/50% (6/0) \$913/60% (6/0)	None
902	Darlington Lofts	\$484/50% (9/0) \$578/60% (6/0)	\$643/50% (8/0) \$671/60% (4/0)	\$753/60% (1/0)	None
903	Pecan Grove	\$484-\$533/50% (6/0) \$602/60% (6/0)	\$584-\$643/50% (8/0) \$677/60% (7/0)	\$673-\$740/50% (2/0) \$769/60% (3/0)	None

900 series Map IDs are located outside of Site PMA

The proposed subject gross rents, ranging from \$495 to \$839, will be within the range of LIHTC rents targeting similar income levels offered at the comparable projects. In fact, the proposed subject rents will be among the lowest LIHTC rents within the *market*. Combined with the fact that the subject development will be at least nine years newer than the competitive LIHTC developments, will position the subject project at a significant competitive advantage.

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
4	Middletown Apts.	40	11	27.5%
10	Hartsville Garden Apts. I	72	8	11.1%
901	Autumn Run	40	10	25.0%
902	Darlington Lofts	28	5	17.9%
903	Pecan Grove	32	9	28.1%
Total		212	43	20.3%

900 series Map IDs are located outside of Site PMA

As the preceding table illustrates, there are a total of approximately 43 Voucher holders residing at the comparable properties within the market and region. This comprises 20.3% of the 212 total non-subsidized LIHTC units offered among these properties. Given that nearly 80% of all units offered among the comparable properties are currently occupied by non-Voucher holders, it can be concluded that the gross rents at these properties are achievable, as evidenced by the overall 100.0% occupancy rate.

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

4

Middletown Apts.

1.2 miles to site



Address 601 W. Washington St.
Hartsville, SC 29550

Phone (843) 332-6863 **Contact** Tiffanie

Total Units 40 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 1997 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking

Waiting List 5 households

Quality Rating C- **Neighborhood Rating** B

Remarks 50% & 60% AMHI; HCV (11 units); In extended use period; Square footage estimated



Features and Utilities

Utilities Landlord pays 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, Laundry Facility, Meeting Room, Playground, Picnic Area

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	6	0	800	\$0.64	\$510	60%
2	1	G	18	0	800	\$0.54	\$428	50%
3	1.5	G	6	0	970	\$0.63	\$613	60%
3	1.5	G	10	0	970	\$0.49	\$480	50%



10 Hartsville Garden Apts. I

1.1 miles to site



Address	780 Tailwind Ln. Hartsville, SC 29550		
Phone	(843) 917-0257	Contact	Ron
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	1,2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (8 units); HOME Funds (15 units at 50% AMHI)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Sports Court, Computer Lab, Gazebo; Dog Park

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	740	\$0.76	\$561	60%
1	1	G	1	0	740	\$0.55	\$408	50%
1	1	G	3	0	740	\$0.62	\$457	50%
2	2	G	27	0	888	\$0.72	\$640	60%
2	2	G	1	0	888	\$0.61	\$542	50%
2	2	G	8	0	888	\$0.54	\$483	50%
3	2	G	15	0	1069	\$0.65	\$695	60%
3	2	G	1	0	1069	\$0.57	\$609	50%
3	2	G	4	0	1069	\$0.51	\$542	50%

901 Autumn Run

13.6 miles to site



Address	405 Wells St. Darlington, SC 29532		
Phone	(843) 398-1981	Contact	Tracy
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2004	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	4 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (10 units); HOME Funds (20 units)		



Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, CCTV

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	10	0	850	\$0.68	\$577	60%
2	1	G	4	0	850	\$0.53	\$453	50%
2	1	G	14	0	850	\$0.46	\$394	50%
3	2	G	6	0	1000	\$0.65	\$654	60%
3	2	G	6	0	1000	\$0.44	\$443	50%

902 Darlington Lofts

13.6 miles to site



Address	107 Orange St. Darlington, SC 29532		
Phone	(843) 409-9094	Contact	Helen
Total Units	28	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	2 households		
Quality Rating	B+	Neighborhood Rating	A
Remarks	50% & 60% AMHI; HCV (5 units); HOME Funds (Nine 1-br units); Adaptive reuse of historic building, built in 1900; Square footage estimated		



Features and Utilities

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

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	600	\$0.79	\$475	60%
1	1	G	9	0	600	\$0.64	\$381	50%
2	2	G	4	0	820	\$0.66	\$544	60%
2	2	G	8	0	820	\$0.63	\$516	50%
3	2	G	1	0	1100	\$0.54	\$599	60%



Address	1218 S. Main St. Darlington, SC 29532		
Phone	(843) 393-3009	Contact	Helen
Total Units	32	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10 households		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (9 units); HOME Funds (7 units); Square footage estimated by mgmt.		

Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	570	\$0.67	\$381	50%
1	1	G	6	0	570	\$0.88	\$499	60%
1	1	G	4	0	570	\$0.75	\$430	50%
2	2	G	4	0	700	\$0.65	\$457	50%
2	2	G	7	0	700	\$0.79	\$550	60%
2	2	G	4	0	700	\$0.74	\$516	50%
3	2	G	1	0	837	\$0.62	\$519	50%
3	2	G	3	0	837	\$0.73	\$615	60%
3	2	G	1	0	837	\$0.70	\$586	50%

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 tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Helios Apartments	750	950	1,162
4	Middletown Apts.	-	800	970
10	Hartsville Garden Apts. I	740	888	1,069
901	Autumn Run	-	850	1,000
902	Darlington Lofts	600	820	1,100
903	Pecan Grove	570	700	837

900 series Map IDs are located outside of Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Helios Apartments	1.0	2.0	2.0
4	Middletown Apts.	-	1.0	1.5
10	Hartsville Garden Apts. I	1.0	2.0	2.0
901	Autumn Run	-	1.0	2.0
902	Darlington Lofts	1.0	2.0	2.0
903	Pecan Grove	1.0	2.0	2.0

900 series Map IDs are located outside of Site PMA

The subject project will offer the largest LIHTC unit sizes (square feet) when compared to those offered at the comparable affordable developments within the market and region. This will position the subject project at a market advantage. The two full bathrooms to be provided in the subject’s two- and three-bedroom units 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 - HARTSVILLE, SOUTH CAROLINA

MAP ID	APPLIANCES							UNIT AMENITIES										OTHER		
	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		X				B		S	
4	X	X		X	X		X		C		X	X	X				B		S	Exterior Storage
10	X	X	X	X	X	X	X		C		X	X	X				B		S	Exterior Storage
901	X	X	X	X	X	X	X		C		X		X				B		S	
902	X	X	X	X	X	X	X		C		X	S	X				B		S	
903	X	X	X	X	X	X	X		C		X	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		X	Sitting Area w/Benches
4		X	X		A			X								X			
10		X	X		X	X		X		B			X						Gazebo; Dog Park
901		X	X		X			X											CCTV
902		X	X		X								X						
903		X	X		A	X		X								X			

◆ 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

As the preceding tables illustrate, the amenities package to be included at the subject development will be very similar to those offered at the comparable LIHTC projects within the market and region. The subject development will not lack any amenity that will have an adverse impact on its marketability.

Comparable/Competitive 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, it is our opinion that the subject development will be very marketable. The fact that the subject development will be the newest LIHTC project within the market, offering some of the lowest LIHTC rents and some of the largest unit sizes (square feet), will position it at a significant competitive advantage. This has been considered in our absorption estimates.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

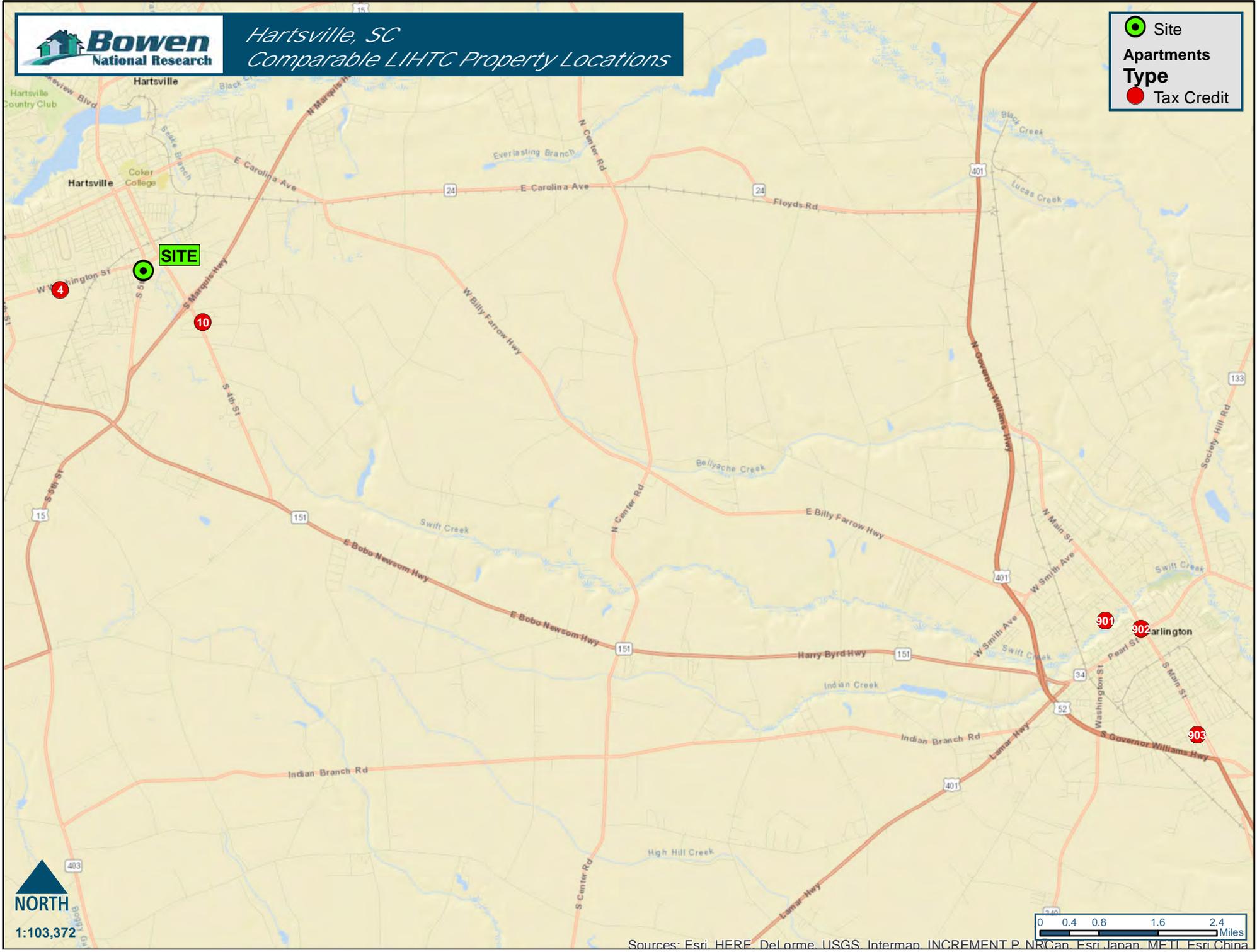
A map illustrating the location of the comparable properties we surveyed is on the following page.



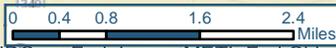
Hartsville, SC

Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Tax Credit



NORTH
1:103,372



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 Hartsville 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	11,843	87.1%	11,863	86.3%
Owner-Occupied	8,521	71.9%	8,458	71.3%
Renter-Occupied	3,322	28.1%	3,405	28.7%
Vacant	1,761	12.9%	1,883	13.7%
Total	13,604	100.0%	13,746	100.0%

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

Based on a 2017 update of the 2010 Census, of the 13,746 total housing units in the market, 13.7% were vacant. In 2017, it was estimated that homeowners occupied 71.3% of all occupied housing units, while the remaining 28.7% were occupied by renters. The share of renters is considered typical for a rural market, such as the Hartsville Site PMA, and the 3,405 renter households estimated in 2017 represent a good base of potential support for the subject development.

We identified and personally surveyed 11 conventional housing projects containing a total of 607 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 99.5% (a result of only three vacant units), a very strong rate for rental housing. The following table summarizes the surveyed rental developments within the Site PMA broken out by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	48	3	93.8%
Tax Credit	3	144	0	100.0%
Tax Credit/Government-Subsidized	1	89	0	100.0%
Government-Subsidized	6	326	0	100.0%
Total	11	607	3	99.5%

As the preceding illustrates, all rental housing segments surveyed are maintaining good occupancy levels, as none are below 93.8%. In fact, all affordable rental developments surveyed within the market are 100.0% occupied and maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the Site PMA. The subject development will be able to accommodate a portion of this unmet demand.

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

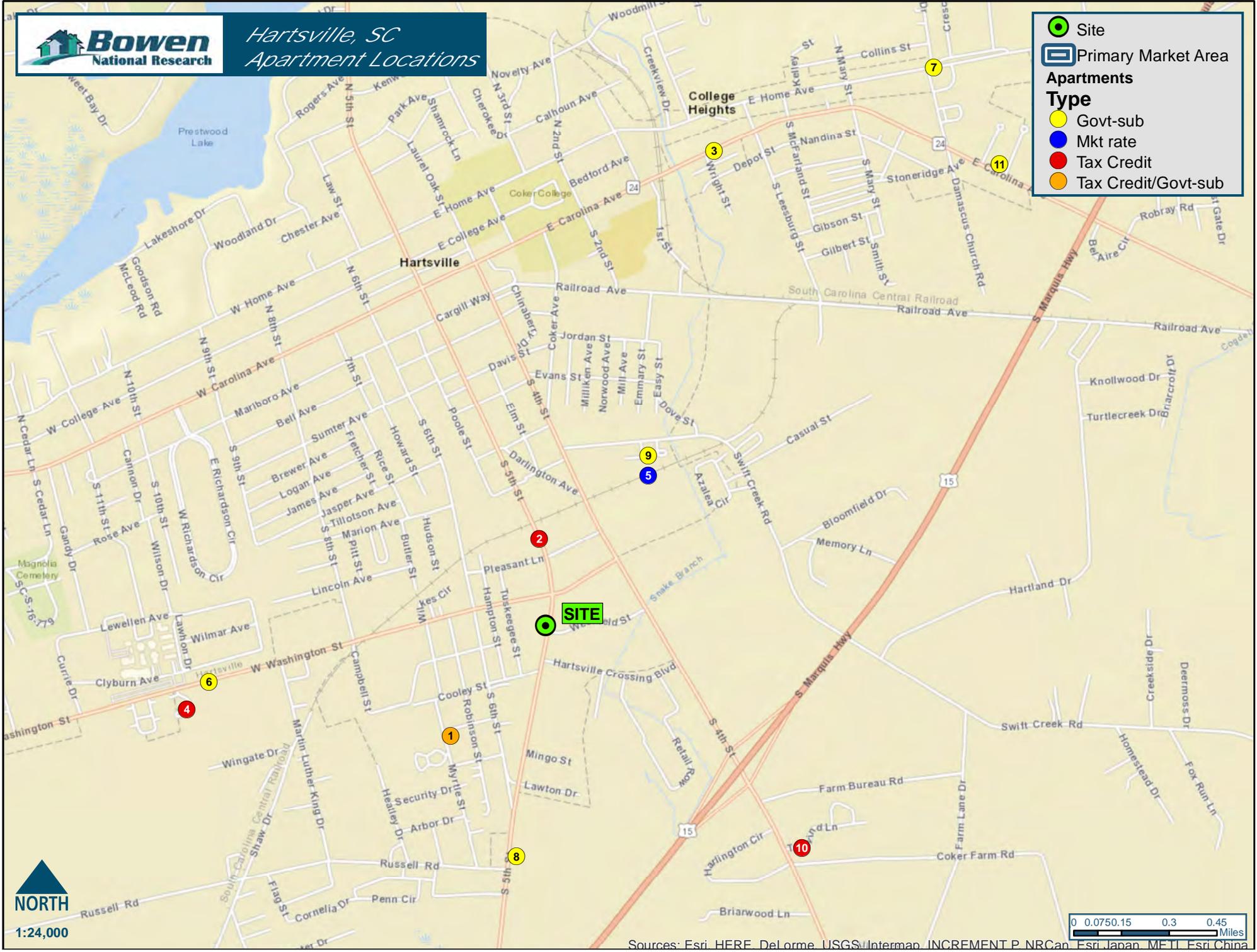
4. RENTAL HOUSING INVENTORY MAP

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

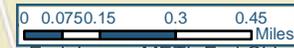


Hartsville, SC Apartment Locations

- Site
- ▭ Primary Market Area
- Apartment Type**
- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:24,000



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 planning representatives, it was determined that there are no rental housing projects planned within the Site PMA.

7. MARKET RENT ADVANTAGE

We identified one market-rate property within the Hartsville Site PMA, which has been selected for this comparability analysis. Due to the lack of market-rate product in the Site PMA, we identified and surveyed four additional market-rate properties located outside of the Site PMA, but within the region in the cities of Cheraw and Florence that we consider comparable to the subject development based on their modern design and age. Note, adjustments have been applied to the selected properties located in Florence to account for market differences between the Florence and Hartsville markets. However, the Cheraw market is considered similar to the Hartsville market, thus no adjustments were warranted for the selected property located in Cheraw. These selected properties are used to derive market rent 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	Helios Apartments	2020	40	-	4 (-)	24 (-)	12 (-)
5	Oakview Apts.	1989	48	93.8%	16 (100.0%)	32 (90.6%)	-
904	Basin Duplexes	1991	16	100.0%	-	16 (100.0%)	-
905	Charles Pointe Apts.	2001	168	98.8%	42 (100.0%)	114 (98.2%)	12 (100.0%)
906	Reserve at Mill Creek	2008	268	95.5%	122 (100.0%)	122 (90.2%)	24 (100.0%)
910	Bentree Apt. Homes	1982	132	99.2%	36 (100.0%)	72 (98.6%)	24 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside of Site PMA

The five selected market-rate projects have a combined total of 632 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 market and 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 →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Helios Apartments		Oakview Apts.		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek		Bentree Apt. Homes	
South Fifth Street		236 Swift Creek Rd.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.		200 Bentree Ln.	
Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC		Florence, SC	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$480		\$650		\$780		\$895		\$650	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Jan-18	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$480	0.69	\$650	0.72	\$780	1.11	\$895	1.14	\$650	1.00
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/3		WU/1,2		R/1		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	2020		1989	\$31	1991	\$29	2001	\$19	2008	\$12
8	Condition/Street Appeal	E		G	\$15	G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?			Yes		No		No	(\$59)	No	(\$67)
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	1		1		2	(\$50)	1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	750		700	\$12	900	(\$35)	700	\$12	783	(\$8)
14	Balcony/Patio	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
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/N	\$15	N/Y	\$5	Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU	\$5	HU	\$5	HU	\$5	HU/L	\$10
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y		N	\$5	N	\$5	N	\$5	Y	
28	Pool/Recreation Areas	F		N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y		N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y		Y		N	\$3	Y		Y	
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
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		N/N	\$41	N/N	\$41	N/N	\$41	N/N	\$41
39	Trash/Recycling	Y/N		Y/N		N/N	\$20	Y/N		N/N	\$20
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	9	1	10	4	6	5	1	7	7	3
41	Sum Adjustments B to D	\$96	(\$5)	\$78	(\$95)	\$59	(\$89)	\$12	(\$110)	\$97	(\$59)
42	Sum Utility Adjustments	\$41		\$61		\$41		\$61		\$41	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$132	\$142	\$44	\$234	\$11	\$189	(\$37)	\$183	\$79	\$197
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$612		\$694		\$791		\$858		\$729	
45	Adj Rent/Last rent		127%		107%		101%		96%		112%
46	Estimated Market Rent	\$840		\$1.12		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Helios Apartments		Oakview Apts.		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek		Bentree Apt. Homes	
South Fifth Street		236 Swift Creek Rd.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.		200 Bentree Ln.	
Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC		Florence, SC	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$615		\$650		\$885		\$1,125		\$765	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Jan-18	
3	Rent Concessions	None		None		None		Yes	(\$130)	None	
4	Occupancy for Unit Type	91%		100%		98%		90%		99%	
5	Effective Rent & Rent/ sq. ft	\$615	0.66	\$650	0.72	\$885	0.89	\$995	0.88	\$765	0.90
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		TH/2		R/1		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	2020		1989	\$31	1991	\$29	2001	\$19	2008	\$12
8	Condition/Street Appeal	E		G	\$15	G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?			Yes		No		No	(\$66)	No	(\$75)
11	Yes			No		Yes		No	(\$66)	No	(\$75)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2	\$15	1.5	\$15	1	\$30	2		2	\$15
13	Unit Interior Sq. Ft.	950	\$5	925	\$5	900	\$11	1000	(\$11)	1130	(\$38)
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
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	\$15	N/N	\$15	N/Y	\$5	Y/Y		Y/Y	\$5
18	Washer/Dryer	HU/L	\$5	HU	\$5	HU	\$5	HU	\$5	HU/L	\$10
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y	\$5	N	\$5	Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
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		N	\$5	Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y	\$5	N	\$5	N	\$5	Y		Y	
28	Pool/Recreation Areas	F	\$5	N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	Y		N	\$3
30	Picnic Area	Y		Y		N	\$3	Y		Y	
31	Playground	Y		Y		N	\$3	Y		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	\$56	N/N	\$56	N/N	\$56	N/N	\$56	N/N	\$56
39	Trash/Recycling	Y/N		Y/N		N/N	\$20	Y/N		N/N	\$20
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	10	1	12	2	5	6	1	7	8	3
41	Sum Adjustments B to D	\$104	(\$5)	\$119	(\$10)	\$47	(\$107)	\$12	(\$148)	\$110	(\$67)
42	Sum Utility Adjustments	\$56		\$76		\$56		\$76		\$56	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$155	\$165	\$185	\$205	(\$4)	\$210	(\$60)	\$236	\$99	\$233
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$770		\$835		\$881		\$935		\$864	
45	Adj Rent/Last rent		125%		128%		100%		94%		113%
46	Estimated Market Rent	\$925		\$0.97		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Helios Apartments		Oakview Apts.		Basin Duplexes		Charles Pointe Apts.		Reserve at Mill Creek		Bentree Apt. Homes	
South Fifth Street		236 Swift Creek Rd.		112 Basin Dr.		201 Millstone Rd.		2350 Freedom Blvd.		200 Bentree Ln.	
Hartsville, SC		Hartsville, SC		Cheraw, SC		Florence, SC		Florence, SC		Florence, SC	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$615		\$650		\$1,050		\$1,395		\$865	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Jan-18	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	91%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$615	0.66	\$650	0.72	\$1,050	0.85	\$1,395	1.09	\$865	0.79
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		TH/2		R/1		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	2020		1989	\$31	1991	\$29	2001	\$19	2008	\$12
8	Condition/Street Appeal	E		G	\$15	G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	E	(\$10)
10	Same Market?			Yes		No		No	(\$79)	No	(\$105)
11	Garage										
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		2	\$50	2	\$50	3		3	
12	# Baths	2		1.5	\$15	1	\$30	2		2	
13	Unit Interior Sq. Ft.	1162		925	\$50	900	\$55	1230	(\$14)	1285	(\$26)
14	Balcony/Patio	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
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/N	\$15	N/Y	\$5	Y/Y		Y/Y	\$5
18	Washer/Dryer	HU/L		HU	\$5	HU	\$5	HU	\$5	HU/L	
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
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		N	\$5	Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y		N	\$5	N	\$5	N	\$5	Y	
28	Pool/Recreation Areas	F		N	\$5	N	\$5	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y		N	\$3	N	\$3	N	\$3	Y	
30	Picnic Area	Y		Y		N	\$3	Y		Y	
31	Playground	Y		Y		N	\$3	Y		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		N/N	\$85	N/N	\$85	N/N	\$85	N/N	\$85
39	Trash/Recycling	Y/N		Y/N		N/N	\$20	Y/N		N/N	\$20
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	11	1	13	2	5	6	1	7	6	3
41	Sum Adjustments B to D	\$199	(\$5)	\$213	(\$10)	\$47	(\$123)	\$12	(\$166)	\$77	(\$75)
42	Sum Utility Adjustments	\$85		\$105		\$85		\$105		\$85	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$279	\$289	\$308	\$328	\$9	\$255	(\$49)	\$283	\$87	\$237
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$894		\$958		\$1,059		\$1,346		\$952	
45	Adj Rent/Last rent	145%		147%		101%		96%		110%	
46	Estimated Market Rent	\$1,045		\$0.90 ←		← 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 \$840 for a one-bedroom unit, \$925 for a two-bedroom unit and \$1,045 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
One-Br.	50%	\$419	\$840	50.11%
One-Br.	60%	\$523	\$840	37.74%
Two-Br.	50%	\$502	\$925	45.73%
Two-Br.	60%	\$626	\$925	32.32%
Three-Br.	50%	\$577	\$1,045	44.78%
Three-Br.	60%	\$721	\$1,045	31.00%
Weighted Average				35.02%

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 Hartsville Site PMA, as they represent market rent advantages ranging from 31.00% to 50.11%, 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, Reserve at Mill Creek (Comp #4), is offering a rent special of reduced two-bedroom rent. This concession has been applied to this project's quoted two-bedroom rent, 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 1982 and 2008. 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, four of the selected properties are located outside of the Hartsville Site PMA in Cheraw and Florence. While the Cheraw market is considered socioeconomically similar to Hartsville, the Florence market is larger than Hartsville in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Florence will not directly translate to the Hartsville market. Therefore, we have adjusted each collected rent at the comparable projects located in Florence by approximately 7.5% 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 rates of the existing comparable Tax Credit developments located within the Site PMA following stabilization of the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2020
4	Middletown Apts.	100.0%	95.0%+
10	Hartsville Garden Apts. I	100.0%	95.0%+

As stated throughout this report, the two comparable LIHTC properties located in the Site PMA are both 100.0% occupied with waitlists. As such, the subject project is not expected to have any adverse impact on future occupancy rates at these existing properties. In fact, the subject project is expected to help alleviate some of the pent-up demand for family-oriented LIHTC product in the market, which is evident by the waitlists maintained at the two comparable LIHTC properties in the Site PMA.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$116,723. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$116,723 home is \$702, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$116,723
Mortgaged Value = 95% of Median Home Price	\$110,887
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$562
Estimated Taxes and Insurance*	\$140
Estimated Monthly Mortgage Payment	\$702

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$419 to \$721 per month, depending upon unit type and targeted income level. While it is possible that some potential tenants of the subject project could afford the cost of a monthly mortgage for a typical home in the area, the number that could also afford the down payment, utility costs and routine maintenance costs associated with such a home is considered minimal. It is

also important to note that the subject project will include the cost of water, sewer and trash expenses in the cost of rent, expenses which are not typically included in the cost of a monthly mortgage for a home. Based on the preceding factors, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As previously noted, there are two competitive Tax Credit projects located within the Hartsville Site PMA. These projects have an overall occupancy rate of 100.0%, indicating a strong demand for affordable rental housing in the market. The proposed subject project will include a total of 40 general-occupancy units targeting households up to 50% and 60% of AMHI. Therefore, it is expected that the subject project will help fill part of the housing void that exists in the market.

As outlined previously in this section of the report, there is a general lack of modern, non-subsidized rental product within the Hartsville Site PMA. Aside from the three non-subsidized Tax Credit properties, all surveyed product was constructed in or before 1991. It is our opinion that the development of the subject project will add much needed modern units to a market that is generally aging and in need of updating. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the market that is currently being unmet and that is expected to increase over the foreseeable future.

I. Interviews

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

- According to Jaime Steen, Executive Director with the Housing Authority of the City of Darlington (which administers Vouchers throughout the county), there are approximately 101 Housing Choice Voucher holders within the housing authority's jurisdiction, and 28 households currently on the waiting list for additional Vouchers. The waiting list is closed and is expected to reopen sometime 2018. Annual turnover is estimated at less than 12 households. This reflects the continuing need for Housing Choice Voucher assistance. (843) 393-0436
- Brenda Kelley, Development Project Manager for the Town of Hartsville, stated that there is a need for more affordable housing in Hartsville due to the large number of people who commute into town to work, but cannot find housing within Hartsville. Ms. Kelley explained that there are also a lot of homes being demolished, but there are no plans to rebuild any of them. Ms. Kelley identified the Historic Butler District of Hartsville as being an area of town where affordable multifamily housing would be best utilized. (843) 383-3009
- Ron Briggs, Community Manger at Hartville Garden Apartments (Map ID 10), a Tax Credit community located in Hartsville, stated that there is a need for two- and three- bedroom unit sizes in Hartsville. Mr. Briggs further stated that of the ten households on his waitlist, nine of them are waiting for those unit sizes. Additionally, Mr. Briggs noted that the majority of inquiries at the property are for the two- and three-bedroom apartments. (843) 917-0257
- April Forrester, Property Manager at Hartwood Village Apartments and Pinebridge Apartments (Map IDs 3 and 7, respectively), both government-subsidized communities located in Hartsville, stated that there is a need for additional affordable housing in Hartsville. Ms. Forrester noted that both of her communities are 100.0% occupied with a wait list of 25 households at Pinebridge and 18 households at Hartwood Village. (843) 332-1269

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 40 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.

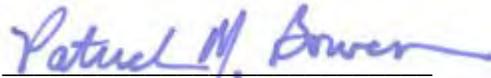
The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. In fact, the proposed rents will be some of the lowest relative to those offered at the comparable LIHTC projects in the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

Given the 100% occupancy rate and wait lists of affordable developments within the Site PMA, the subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 16.7% (SC Housing threshold is 30%) of income-qualified households in the market, there is a good base of support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the Tax Credit developments in the Site PMA.

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.

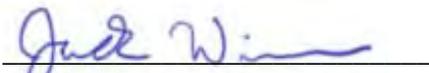
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L. Qualifications

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

HARTSVILLE, 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.

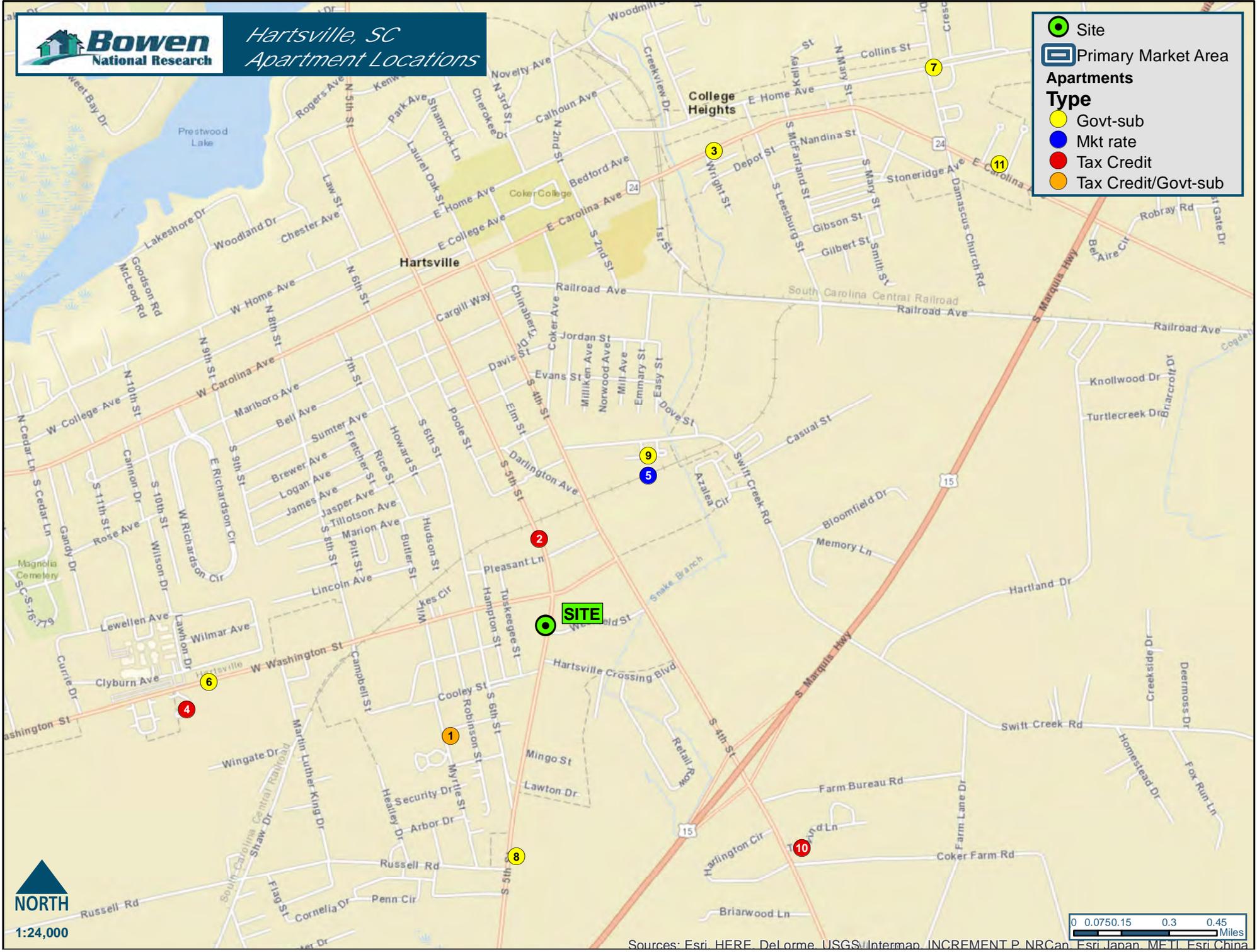
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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.

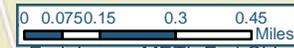


Hartsville, SC Apartment Locations

- Site
- ▭ Primary Market Area
- Apartment Type**
- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:24,000



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

MAP IDENTIFICATION LIST - HARTSVILLE, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Forest Ridge Apts. I & II	TGS	B+	1971	89	0	100.0%	0.5
2	Magnolia Senior Village	TAX	B+	2017	32	0	100.0%	0.2
3	Hartwood Village Apts. (Family & Senior)	GSS	C+	1981	68	0	100.0%	1.6
4	Middletown Apts.	TAX	C-	1997	40	0	100.0%	1.2
5	Oakview Apts.	MRR	B-	1989	48	3	93.8%	0.8
6	Palmetto Apts.	GSS	B+	1981	43	0	100.0%	1.0
7	Pinebridge Apts.	GSS	C+	1985	43	0	100.0%	2.3
8	Southpark Apts.	GSS	C-	1981	50	0	100.0%	0.6
9	Swift Creek Apts.	GSS	B-	1980	72	0	100.0%	0.8
10	Hartsville Garden Apts. I	TAX	A	2011	72	0	100.0%	1.1
11	Eastpark Apts.	GSS	C-	1991	50	0	100.0%	2.4

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	1	48	3	93.8%	0
TAX	3	144	0	100.0%	0
TGS	1	89	0	100.0%	0
GSS	6	326	0	100.0%	0

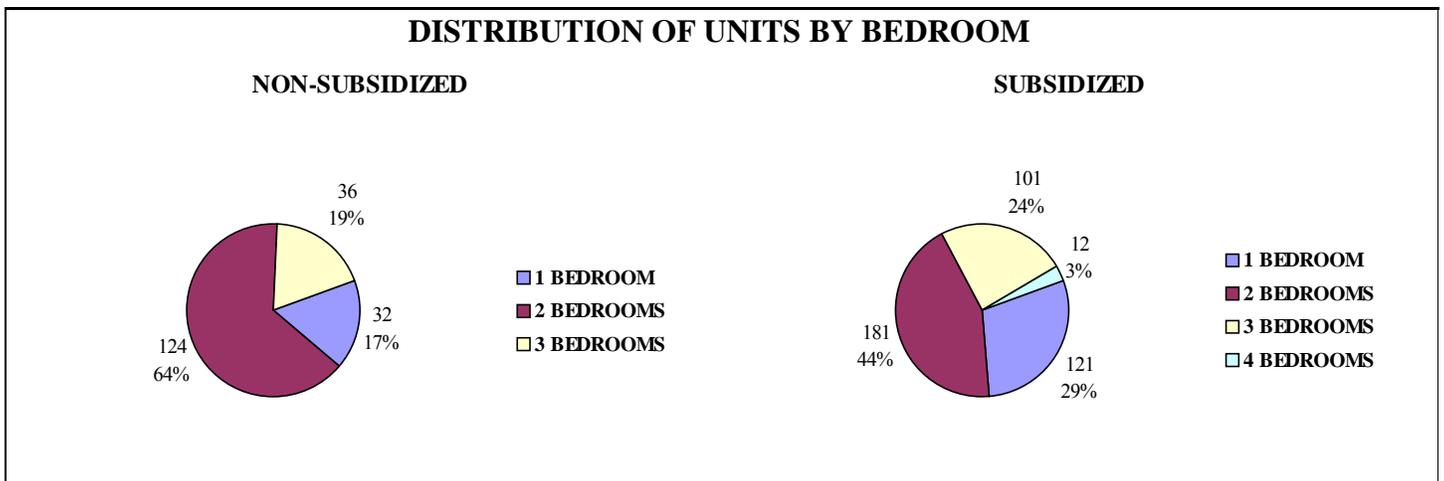
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: February 2018

DISTRIBUTION OF UNITS - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	33.3%	0	0.0%	\$624
2	1.5	32	66.7%	3	9.4%	\$738
TOTAL		48	100.0%	3	6.3%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	16	11.1%	0	0.0%	\$664
2	1	24	16.7%	0	0.0%	\$611
2	2	68	47.2%	0	0.0%	\$693
3	1.5	16	11.1%	0	0.0%	\$719
3	2	20	13.9%	0	0.0%	\$849
TOTAL		144	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	17	19.1%	0	0.0%	N.A.
2	1	40	44.9%	0	0.0%	N.A.
3	1	28	31.5%	0	0.0%	N.A.
4	1	4	4.5%	0	0.0%	N.A.
TOTAL		89	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	104	31.9%	0	0.0%	N.A.
2	1	141	43.3%	0	0.0%	N.A.
3	1	73	22.4%	0	0.0%	N.A.
4	1.5	8	2.5%	0	0.0%	N.A.
TOTAL		326	100.0%	0	0.0%	
GRAND TOTAL		607	-	3	0.5%	



SURVEY OF PROPERTIES - HARTSVILLE, SOUTH CAROLINA

1 Forest Ridge Apts. I & II			
	Address 1212 Myrtle St. Hartsville, SC 29550	Phone (843) 332-2162 (Contact in person)	Total Units 89
	Year Built 1971 Renovated 2011 Contact Asian	Comments 50% & 60% AMHI; HUD Section 8; E-call system in 3 units only	Vacancies 0
			Floors 1,2
			Quality Rating B+
			Waiting List 9 households
2 Magnolia Senior Village			
	Address 131 Sojourner Way Hartsville, SC 29550	Phone (843) 639-5037 (Contact in person)	Total Units 32
	Year Built 2017 Contact Crystal	Comments 50% & 60% AMHI; HCV (6 units); Opened 12/2017, 100% occupied 2/2018, began preleasing 9/2017; HOME Funds (11 units); Two handicap units have E-call buttons	Vacancies 0
			Occupied 100.0%
			Floors 1
			Quality Rating B+
			Senior Restricted (55+) Waiting List 11 households
3 Hartwood Village Apts. (Family & Senior)			
	Address 725 E. Carolina Ave. Hartsville, SC 29550	Phone (843) 383-4121 (Contact in person)	Total Units 68
	Year Built 1981 Contact April	Comments RD 515, has RA (49 units); HCV (5 units); 36 1-br are senior designated; 1-story buildings have exterior storage	Vacancies 0
			Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Senior Restricted (62+) Waiting List 18 households
4 Middletown Apts.			
	Address 601 W. Washington St. Hartsville, SC 29550	Phone (843) 332-6863 (Contact in person)	Total Units 40
	Year Built 1997 Contact Tiffanie	Comments 50% & 60% AMHI; HCV (11 units); In extended use period; Square footage estimated	Vacancies 0
			Occupied 100.0%
			Floors 2
			Quality Rating C-
			Waiting List 5 households
5 Oakview Apts.			
	Address 236 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 332-0424 (Contact in person)	Total Units 48
	Year Built 1989 Contact Iesha	Comments HCV (4 units); Higher rent for updated units; Former RD 515 property; Vacancies attributed to lack of qualified applicants; Square footage estimated	Vacancies 3
			Occupied 93.8%
			Floors 1,2
			Quality Rating B-
			Waiting List None

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 - HARTSVILLE, SOUTH CAROLINA

6 Palmetto Apts.			
	Address 655 Washington St. Hartsville, SC 29550	Phone (843) 332-1991 (Contact in person)	Total Units 43
	Year Built 1981 Renovated 2012	Contact Beverly	Vacancies 0
	Comments RD 515, has RA (43 units); One 1-br office unit not included in total		Occupied 100.0%
			Floors 1
			Quality Rating B+
			Waiting List 25 households
7 Pinebridge Apts.			
	Address 1101 E. Home Ave. Hartsville, SC 29550	Phone (843) 332-1269 (Contact in person)	Total Units 43
	Year Built 1985	Contact April	Vacancies 0
	Comments RD 515, has RA (43 units); One 1-br manager unit not included in total; 1-story buildings have front porch/patio; 2-br have exterior storage; Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating C+
			Waiting List 25 households
8 Southpark Apts.			
	Address 1301 S. 5th Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1981	Contact Tamika	Vacancies 0
	Comments Public Housing; Waitlist shared with Eastpark Apts.; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 25 households
9 Swift Creek Apts.			
	Address 405 Swift Creek Rd. Hartsville, SC 29550	Phone (843) 383-5785 (Contact in person)	Total Units 72
	Year Built 1980	Contact Mary	Vacancies 0
	Comments HUD Section 8		Occupied 100.0%
			Floors 1,2
			Quality Rating B-
			Waiting List 14 households
10 Hartsville Garden Apts. I			
	Address 780 Tailwind Ln. Hartsville, SC 29550	Phone (843) 917-0257 (Contact in person)	Total Units 72
	Year Built 2011	Contact Ron	Vacancies 0
	Comments 50% & 60% AMHI; HCV (8 units); HOME Funds (15 units at 50% AMHI)		Occupied 100.0%
			Floors 1,2,3
			Quality Rating A
			Waiting List 10 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 - HARTSVILLE, SOUTH CAROLINA

11 Eastpark Apts.			
	Address 1101 E. Carolina Ave. Hartsville, SC 29550	Phone (843) 332-1583 (Contact in person)	Total Units 50
	Year Built 1991	Contact Tamika	Vacancies 0
	Comments Public Housing; Waitlist shared with Southpark Apts.; Square footage estimated		Occupied 100.0%
			Floors 1
			Quality Rating C-
			Waiting List 25 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 - HARTSVILLE, 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
2			\$378 to \$510						
4			\$428 to \$510	\$480 to \$613					
5		\$480					\$555 to \$615		
10		\$408 to \$561	\$483 to \$640	\$542 to \$695					

◆	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 - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Oakview Apts.	1	700	\$624	\$0.89
10	Hartsville Garden Apts. I	1	740	\$511 to \$664	\$0.69 to \$0.90
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Oakview Apts.	1.5	925	\$738 to \$798	\$0.80 to \$0.86
2	Magnolia Senior Village	2	790	\$561 to \$693	\$0.71 to \$0.88
4	Middletown Apts.	1	800	\$611 to \$693	\$0.76 to \$0.87
10	Hartsville Garden Apts. I	2	888	\$610 to \$767	\$0.69 to \$0.86
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	Middletown Apts.	1.5	970	\$719 to \$852	\$0.74 to \$0.88
10	Hartsville Garden Apts. I	2	1069	\$696 to \$849	\$0.65 to \$0.79

◆	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 - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.89	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.83	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.86	\$0.82	\$0.78
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.87	\$0.82	\$0.78
TOWNHOUSE	\$0.00	\$0.83	\$0.00

TAX CREDIT UNITS - HARTSVILLE, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
10	Hartsville Garden Apts. I	1	740	1	50%	\$408
10	Hartsville Garden Apts. I	3	740	1	50%	\$457
10	Hartsville Garden Apts. I	12	740	1	60%	\$561
1	Forest Ridge Apts. I & II	9	700	1	50%	\$637
1	Forest Ridge Apts. I & II	8	700	1	60%	\$637
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 2	Magnolia Senior Village	7	790	2	50%	\$378
4	Middletown Apts.	18	800	1	50%	\$428
◆ 2	Magnolia Senior Village	4	790	2	60%	\$429
10	Hartsville Garden Apts. I	8	888	2	50%	\$483
◆ 2	Magnolia Senior Village	21	790	2	60%	\$510
4	Middletown Apts.	6	800	1	60%	\$510
10	Hartsville Garden Apts. I	1	888	2	50%	\$542
10	Hartsville Garden Apts. I	27	888	2	60%	\$640
1	Forest Ridge Apts. I & II	20	819	1	60%	\$695
1	Forest Ridge Apts. I & II	20	819	1	50%	\$695
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Middletown Apts.	10	970	1.5	50%	\$480
10	Hartsville Garden Apts. I	4	1069	2	50%	\$542
10	Hartsville Garden Apts. I	1	1069	2	50%	\$609
4	Middletown Apts.	6	970	1.5	60%	\$613
10	Hartsville Garden Apts. I	15	1069	2	60%	\$695
1	Forest Ridge Apts. I & II	14	1035	1	60%	\$777
1	Forest Ridge Apts. I & II	14	1035	1	50%	\$777
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Forest Ridge Apts. I & II	2	1070	1	60%	\$816
1	Forest Ridge Apts. I & II	2	1070	1	50%	\$816

◆ - Senior Restricted

QUALITY RATING - HARTSVILLE, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

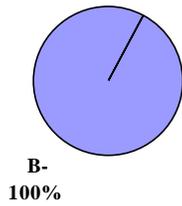
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B-	1	48	6.3%		\$624	\$738		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

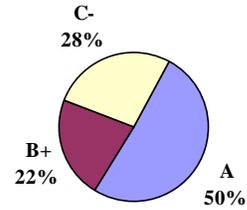
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	72	0.0%		\$664	\$767	\$849	
B+	1	32	0.0%			\$693		
C-	1	40	0.0%			\$611	\$719	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - HARTSVILLE, 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	1	48	3	6.3%	48	25.0%
1990 to 1999	1	40	0	0.0%	88	20.8%
2000 to 2005	0	0	0	0.0%	88	0.0%
2006 to 2010	0	0	0	0.0%	88	0.0%
2011	1	72	0	0.0%	160	37.5%
2012	0	0	0	0.0%	160	0.0%
2013	0	0	0	0.0%	160	0.0%
2014	0	0	0	0.0%	160	0.0%
2015	0	0	0	0.0%	160	0.0%
2016	0	0	0	0.0%	160	0.0%
2017	1	32	0	0.0%	192	16.7%
2018**	0	0	0	0.0%	192	0.0%
TOTAL	4	192	3	1.6%	192	100.0 %

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

** As of February 2018

Survey Date: February 2018

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APPLIANCES AND UNIT AMENITIES - HARTSVILLE, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	4	100.0%	192
REFRIGERATOR	4	100.0%	192
ICEMAKER	2	50.0%	104
DISHWASHER	3	75.0%	144
DISPOSAL	3	75.0%	144
MICROWAVE	2	50.0%	104
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	4	100.0%	192
AC - WINDOW	0	0.0%	
FLOOR COVERING	4	100.0%	192
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	4	100.0%	192
PATIO/DECK/BALCONY	3	75.0%	160
CEILING FAN	3	75.0%	144
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	100.0%	192
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	25.0%	32

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

PROJECT AMENITIES - HARTSVILLE, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	4	100.0%	192
LAUNDRY	3	75.0%	144
CLUB HOUSE	0	0.0%	
MEETING ROOM	3	75.0%	144
FITNESS CENTER	2	50.0%	104
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	3	75.0%	160
COMPUTER LAB	2	50.0%	104
SPORTS COURT	1	25.0%	72
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	2	50.0%	88
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	25.0%	32

DISTRIBUTION OF UTILITIES - HARTSVILLE, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	8	439	72.3%
GAS	3	168	27.7%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	9	507	83.5%
GAS	2	100	16.5%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	8	439	72.3%
GAS	3	168	27.7%
			100.0%
ELECTRIC			
TENANT	11	607	100.0%
			100.0%
WATER			
LANDLORD	4	301	49.6%
TENANT	7	306	50.4%
			100.0%
SEWER			
LANDLORD	4	301	49.6%
TENANT	7	306	50.4%
TRASH PICK-UP			
LANDLORD	8	464	76.4%
TENANT	3	143	23.6%
			100.0%

UTILITY ALLOWANCE - HARTSVILLE, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$26	\$18		\$33	\$11	\$12	\$4	\$6	\$48	\$13	\$16	\$20	\$20
1	GARDEN	\$29	\$23		\$40	\$14	\$19	\$5	\$7	\$54	\$16	\$25	\$20	\$20
1	TOWNHOUSE	\$29	\$23		\$40	\$14	\$19	\$5	\$7	\$54	\$16	\$25	\$20	\$20
2	GARDEN	\$32	\$30		\$48	\$18	\$26	\$6	\$9	\$62	\$22	\$34	\$20	\$20
2	TOWNHOUSE	\$32	\$30		\$48	\$18	\$26	\$6	\$9	\$62	\$22	\$34	\$20	\$20
3	GARDEN	\$36	\$35		\$56	\$25	\$39	\$7	\$10	\$70	\$34	\$51	\$20	\$20
3	TOWNHOUSE	\$36	\$35		\$56	\$25	\$39	\$7	\$10	\$70	\$34	\$51	\$20	\$20
4	GARDEN	\$40	\$43		\$65	\$32	\$54	\$8	\$11	\$78	\$46	\$69	\$20	\$20
4	TOWNHOUSE	\$40	\$43		\$65	\$32	\$54	\$8	\$11	\$78	\$46	\$69	\$20	\$20

SC-Darlington County (6/2017) Fees

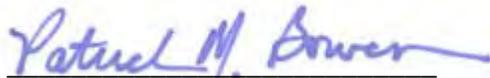
Survey Date: February 2018

Addendum B – Member Certification & Checklist

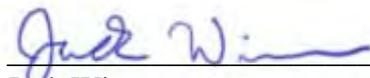
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard 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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Date: February 28, 2018



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Date: February 28, 2018

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

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