

Market Feasibility Analysis

Talus Apartments
Northeast Corner of East Jones Avenue and Ann Street
Pickens, Pickens County, South Carolina 29671

Prepared For

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Effective Date

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Job Reference Number

18-160 CR



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

Development Name:	Talus Apartments	Total # Units:	64
Location:	NEC of East Jones Avenue and Ann Street (U.S. Hwy 178) Pickens, South Carolina (Pickens County)	# LIHTC Units:	64
PMA Boundary:	State Routes 11 and 288 to the north; State Routes 8 and 135, Prince Perry Road, Rock Spring Road, and State Road S-39-133 to the east; Sheriff Mill Road, Easley city limits, U.S. Highway 123, State Road S-39-27, Liberty city limits and State Road S-39-137 to the south; and State Route 133 and Little Eastatoee Road to the west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	10.6 miles

RENTAL HOUSING STOCK (found on page H-1 & 13 and Add. A-4 & 5)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	18	1,361	23	98.3%
Market-Rate Housing	5	662	23	96.5%
Assisted/Subsidized Housing not to include LIHTC	3	214	0	100.0%
LIHTC (All that are stabilized)*	10	485	0	100.0%
Stabilized Comps**	5	313	0	100.0%
Non-stabilized Comps	0	0	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
3	One-Br.	1.0	807	\$463	\$815	\$1.01	43.19%	\$1,046	\$1.31
3	One-Br.	1.0	807	\$580	\$815	\$1.01	28.83%	\$1,046	\$1.31
8	Two-Br.	2.0	1,054	\$539	\$1,015	\$0.96	46.90%	\$1,296	\$1.19
24	Two-Br.	2.0	1,054	\$679	\$1,015	\$0.96	33.10%	\$1,296	\$1.19
2	Three-Br.	2.0	1,200	\$597	\$1,145	\$0.95	47.86%	\$1,566	\$1.15
24	Three-Br.	2.0	1,200	\$745	\$1,145	\$0.95	34.93%	\$1,566	\$1.15
Gross Potential Rent Monthly*				\$42,811	\$67,140		36.24%		

*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		6,120	27.4%	6,211	27.5%
Income-Qualified Renter HHs (LIHTC)		1,979	32.3%	1,890	30.4%
Income-Qualified Renter HHs (MR)		N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-Rate	Other: __	Other: __	Overall
Renter Household Growth	-69	-67	-	-	-	-89
Existing Households (Overburd + Substand)	574	524	-	-	-	685
Homeowner conversion (Seniors)	N/A	N/A	-	-	-	N/A
Other:	-	-	-	-	-	-
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-qualified Renter HHs	505	457	-	-	-	596

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-Rate	Other: __	Other: __	Overall
Capture Rate	2.6%	11.2%	-	-	-	10.7%

ABSORPTION RATE (found on page G-8)

Absorption Period: 8 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	
3	1 BR	\$463	\$1,389	\$815	\$2,445	
3	1 BR	\$580	\$1,740	\$815	\$2,445	
	2 BR		\$0		\$0	
8	2 BR	\$539	\$4,312	\$1,015	\$8,120	
24	2 BR	\$679	\$16,296	\$1,015	\$24,360	
	3 BR		\$0		\$0	
2	3 BR	\$597	\$1,194	\$1,145	\$2,290	
24	3 BR	\$745	\$17,880	\$1,145	\$27,480	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$42,811		\$67,140	36.24%

B. Project Description

The subject project involves the new construction of the Talus Apartments, a 64-unit rental community to be located on an approximate 6.0-acre site at the northeast corner of East Jones Avenue and Ann Street in Pickens, South Carolina. The project will offer six (6) one-bedroom, 32 two-bedroom and 26 three-bedroom garden-style units within three (3), two-story, walk-up residential buildings together with a free-standing, 1,506 square-foot community building. Talus Apartments will be developed using Low-Income Housing Tax Credit (LIHTC) financing and will target lower-income family (general-occupancy) households earning up to 50% and 60% of Area Median Household Income (AMHI). The 50% AMHI units will also receive HOME Funds. Monthly collected Tax Credit rents will range from \$463 to \$745, depending on unit size and AMHI 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 of 2020. Additional details of the subject project are as follows:

- A. PROPERTY LOCATION:** Northeast Corner of East Jones Avenue and Ann Street (U.S. Highway 178)
Pickens, South Carolina 29671
(Pickens 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	
3	One-Br.	1.0	Garden	807	50%/LH	\$463	\$119	\$582	\$582
3	One-Br.	1.0	Garden	807	60%	\$580	\$119	\$699	\$699
8	Two-Br.	2.0	Garden	1,054	50%/LH	\$539	\$159	\$698	\$698
24	Two-Br.	2.0	Garden	1,054	60%	\$679	\$159	\$838	\$838
2	Three-Br.	2.0	Garden	1,200	50%/LH	\$597	\$210	\$807	\$807
24	Three-Br.	2.0	Garden	1,200	60%	\$745	\$210	\$955	\$969
64	Total								

Source: South Creek Ventures, LLC

AMHI – Area Median Household Income (Greenville-Mauldin-Easley, SC HUD Metro FMR Area; 2017)

LH – Low Home Funding

G. NUMBER OF STORIES/BUILDINGS: Garden-style units within three (3) two-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
- Picnic Area
- Fitness Center
- Computer/Business Center
- Playground

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 containing 125 spaces will be available at no additional cost to residents. This is equivalent to 2.0 spaces per unit, which is considered adequate for affordable family housing.

O. RENOVATIONS AND CURRENT OCCUPANCY:

Not Applicable; New Construction

P. UTILITY RESPONSIBILITY:

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

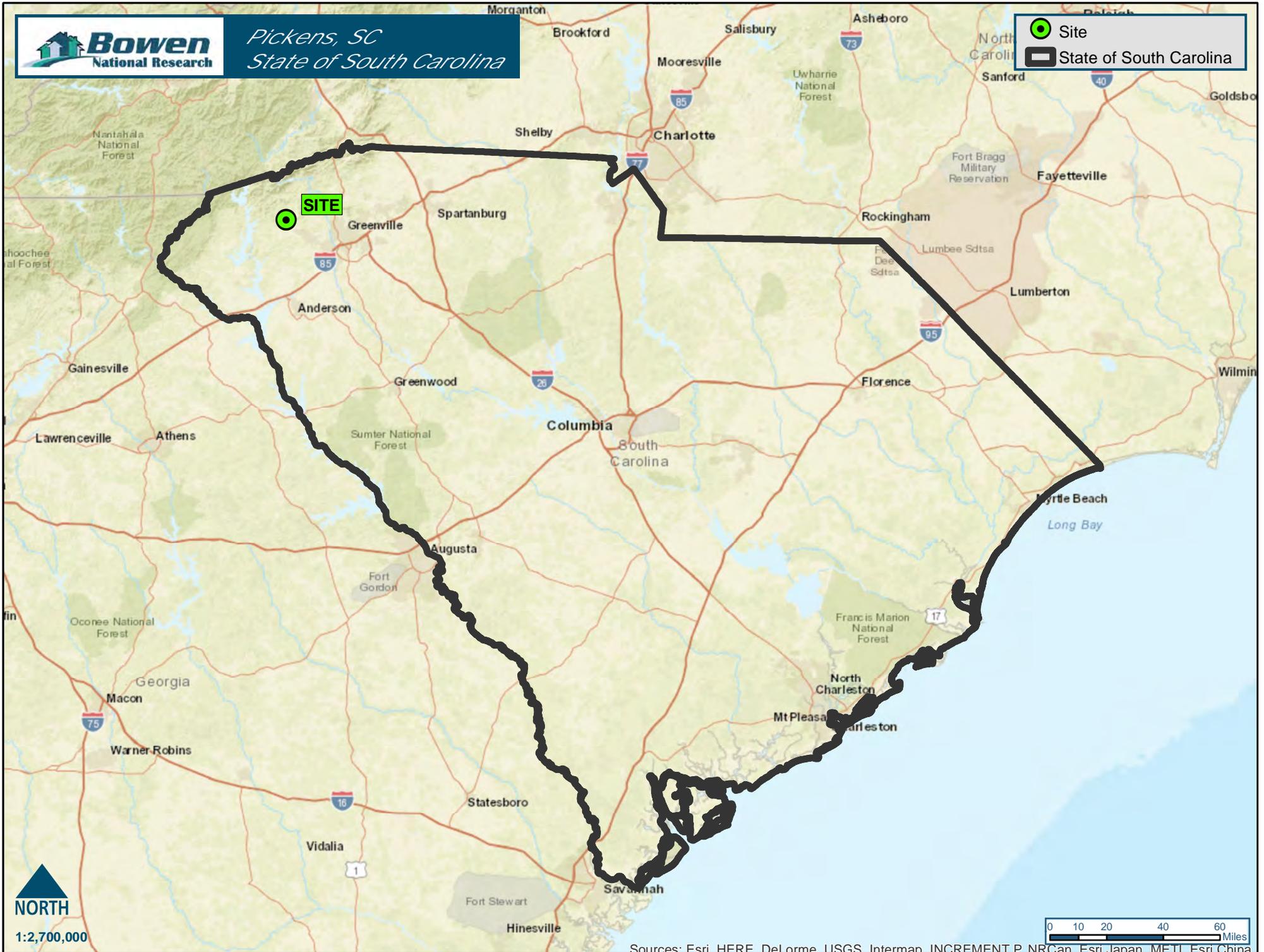
- Electric Cooking
- Electric Water Heat
- Water/Sewer
- Electric Heat
- General Electricity

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



Pickens, SC
State of South Carolina

● Site
▭ State of South Carolina



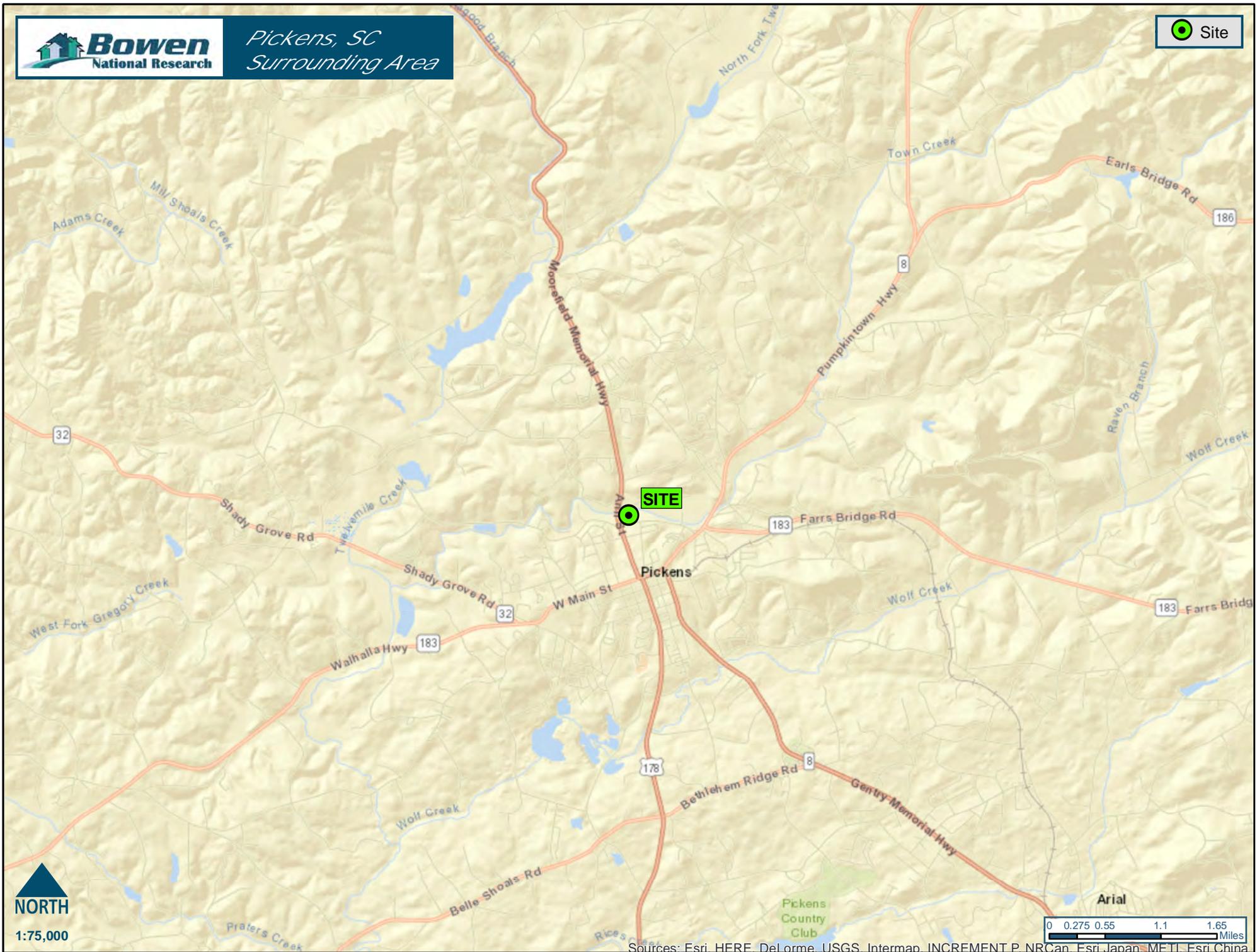

NORTH
1:2,700,000



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



Pickens, SC
Surrounding Area



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 proposed subject site consists of approximately 6.0 acres of vacant land and existing structures to be demolished during construction, located northeast of the East Jones Avenue and Ann Street intersection in Pickens, South Carolina. Located within Pickens County, the city of Pickens is approximately 19.0 miles south of the North Carolina state boundary and approximately 20.0 miles west of Greenville, South Carolina. Following is a description of surrounding land uses:

North -	The northern site boundary is defined by a light tree line and the Town Creek. Continuing north is the Town & Country Shopping Center with Ingles Market, Goody's Tri-County Ace Hardware and various other retailers. Extending beyond is Sparks Lane, a two-lane roadway with light traffic patterns, as well as Stop-A-Minit gas station and Dollar General.
East -	A light tree line defines the eastern site boundary. Continuing east is vacant and undeveloped land and the Ryobi Motor Parts facility. State Route 8 (Pumpkintown Highway) extends beyond.
South -	The southern site boundary is defined by a light tree line and East Jones Avenue, a two-lane roadway with light traffic patterns. Continuing south is a predominantly residential neighborhood comprised of single-family homes in satisfactory condition. Extending beyond is the Central Business District of the city of Pickens.
West -	Blue Flame Carwash borders the site to the southwest, followed by U.S. Highway 178 (Brevard Highway/Ann Street), a four-lane north/south arterial with light to moderate traffic patterns. An existing one-story building which appeared to be vacant and is expected to be demolished is also located directly west of the site along the east side of U.S. Highway 178. Continuing west is the Pickens County School District Operational Services Maintenance Facility. Jaycee Park, its athletic fields, wooded land and scattered manufactured homes which extend beyond to the Pickens Recreation Center and its athletic fields.

The proposed development is within very close proximity to various business and shopping centers which will contribute to the marketability of the site. The surrounding wooded and undeveloped land and creek will act as a natural buffer to the land uses to the north, east and south and will create a serene living environment. Overall, the subject project is expected to fit well with the surrounding land uses, which should contribute to the marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highway	U.S. Highway 178	Adjacent West
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Ryobi Motor Products AnMed Health Cannon Hospital Walmart Supercenter	0.4 East 1.3 South 1.7 Southeast
Convenience Store	Blue Ridge Mart Stop-A-Minit Spinx	0.1 South 0.4 north 0.6 East
Grocery	Ingle's Market Save-A-Lot Walmart Supercenter	0.2 North 1.2 Southeast 1.7 Southeast
Discount Department Store	Goody's Dollar General Walmart Supercenter	0.2 North 0.5 North 1.7 Southeast
Shopping Center/Mall	Town & Country Shopping Center	0.2 North
Schools:		
Elementary	Hagood Elementary School	0.6 Northeast
Middle/Junior High	Pickens Middle School	0.7 East
High	Pickens High School	1.1 North
Hospital	AnMed Health Cannon Hospital	1.2 South
Police	Pickens Police Department	0.7 South
Fire	Pickens Fire Department	0.7 Southeast
Post Office	U.S. Post Office	0.8 South
Bank	Wells Fargo Bank of America SunTrust Bank	0.1 Northwest 0.6 South 0.6 South
Recreational/Entertainment Facilities	Pickens Amphitheater Pickens Recreation Center	0.6 South 1.0 West
Gas Station	Blue Ridge Gas Safe Mart Gas Stop-A-Minit	0.1 South 0.1 North 0.4 North
Pharmacy	Ingle's Pharmacy Walgreen's CVS	0.2 North 0.8 South 0.9 South

N/A – Not Available

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Restaurant	Wendy's	0.2 North
	Heidi's Dog House	0.2 North
	Pizza Inn	0.2 North
	Burger King	0.3 North
Day Care	Pickens Presbyterian Church Daycare	0.8 South
	Carousel of Learning	1.6 Southwest
	Country Club Learning Center	4.2 South
Community Center	Hagood Community Center	0.8 Southeast
	Pickens Senior Center	0.8 Southeast
Library	Pickens Village Library	0.6 South
Church	Lakeview Baptist Church	0.4 West
	Pickens Presbyterian Church	0.8 South
	Northside Baptist Church	0.9 Northwest
Park	Jaycee Park	0.3 West
	Doodle Trail Head Railroad Park	0.7 Southeast

The proximity of the Town & Country Shopping Center, 0.2 miles north of the site and containing a Goody's and Ingle's Market and Pharmacy, contributes to the marketability of the site, as it provides grocery, pharmacy and other every day needs, as well as employment opportunities within close proximity of the site. Wells Fargo, Wendy's, Burger King and various other small retail/restaurant opportunities are also within walking distance of the site, which will contribute positively to the subject's marketability. Additionally, a Walmart Supercenter is approximately 1.7 miles southeast of the site, offering additional shopping and employment opportunities. The site is approximately 0.7 miles north of the Central Business District of Pickens, which provides specialty shops, a post office, library, amphitheater, restaurants and various other downtown services. The nearest major mall is located in Easley, approximately 8.0 southeast of Pickens.

The Pickens County School District serves the subject site with all applicable attendance schools being located within 1.1 mile. School bus transportation is provided. AnMed Health Cannon Hospital is the nearest hospital, located approximately 1.2 miles south of the site, offering emergency care. Pickens Police and Fire departments are the responding emergency service providers and are located within 0.7 miles of the site.

4. SITE PHOTOGRAPHS

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

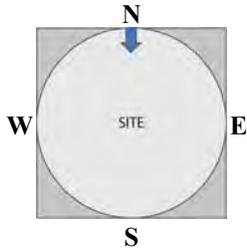
SITE PHOTOGRAPHS



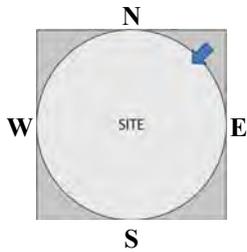
Site Sign



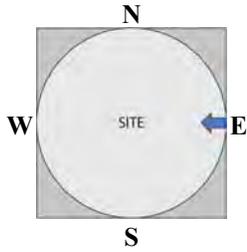
Site Entryway (From U.S. Highway 178)



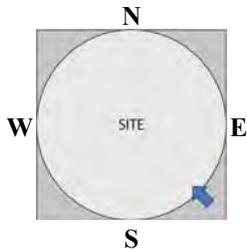
View of site from the north



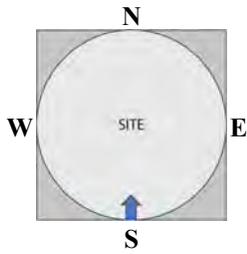
View of site from the northeast



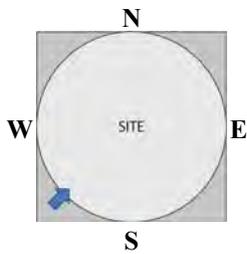
View of site from the east



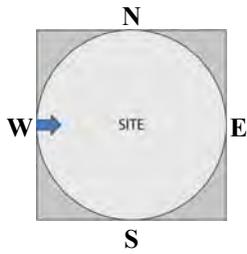
View of site from the southeast



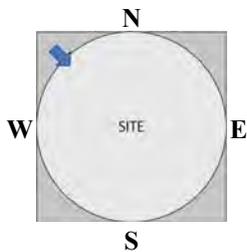
View of site from the south



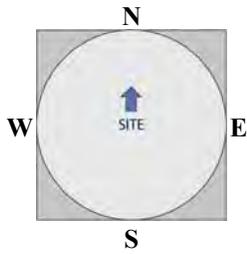
View of site from the southwest



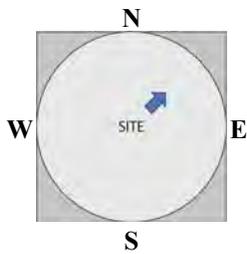
View of site from the west



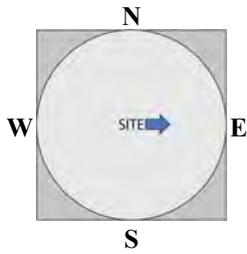
View of site from the northwest



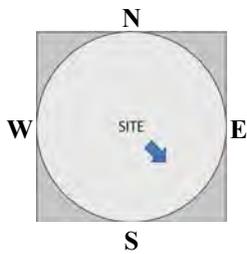
North view from site



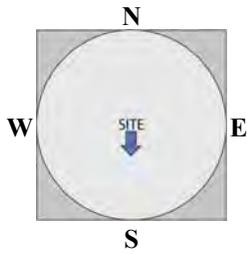
Northeast view from site



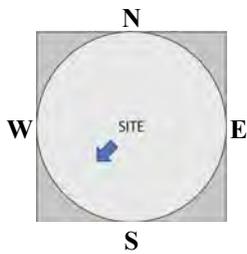
East view from site



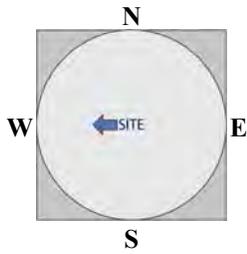
Southeast view from site



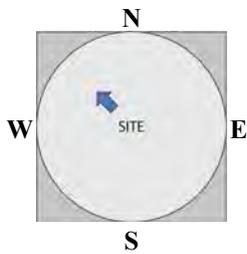
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: North view of U.S. Highway 178 (Ann Street)

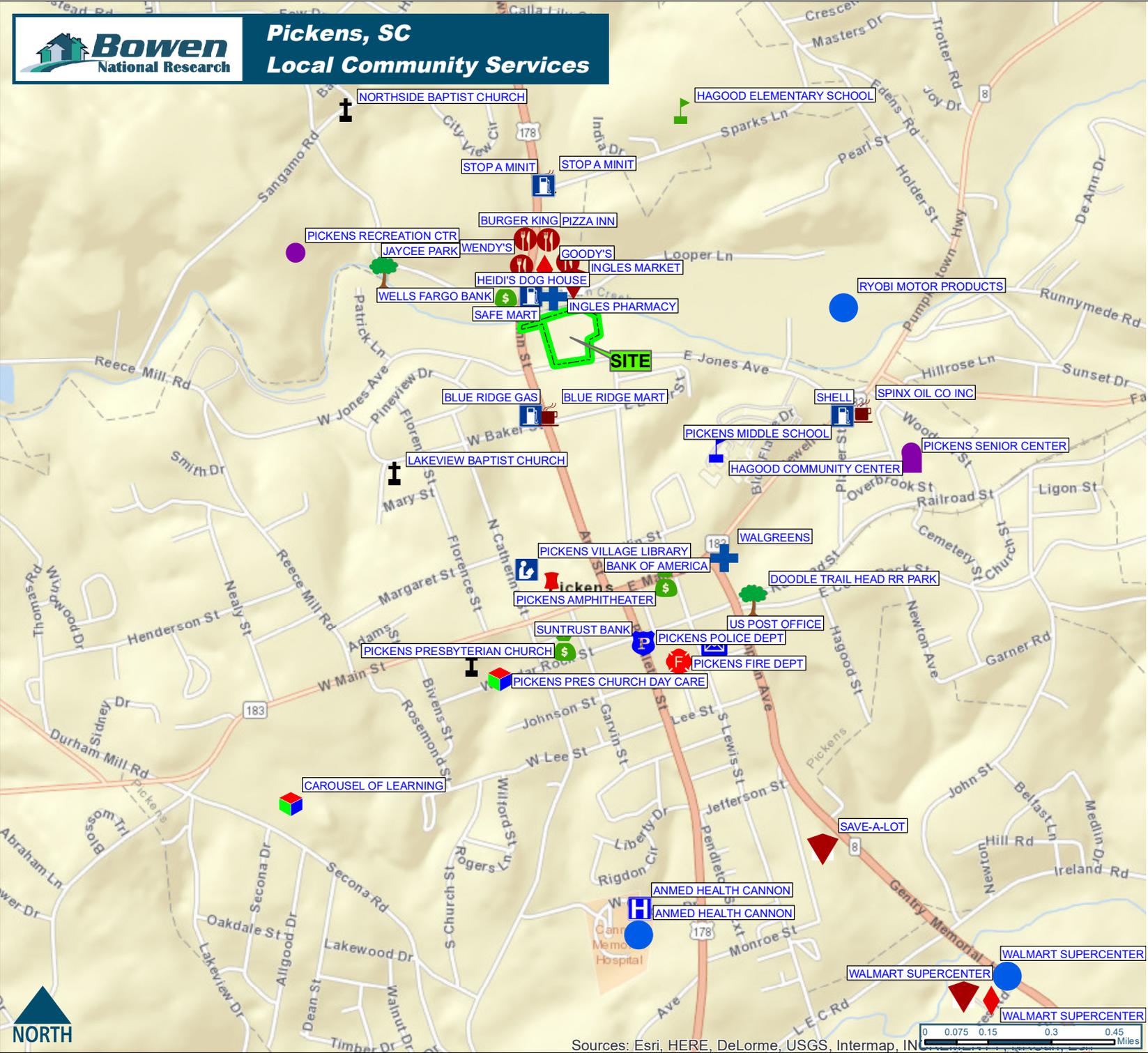


Streetscape: South view of U.S. Highway 178 (Ann Street)

5. SITE AND COMMUNITY SERVICES MAPS

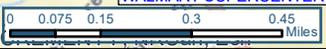
Maps of the subject site and relevant community services follow.

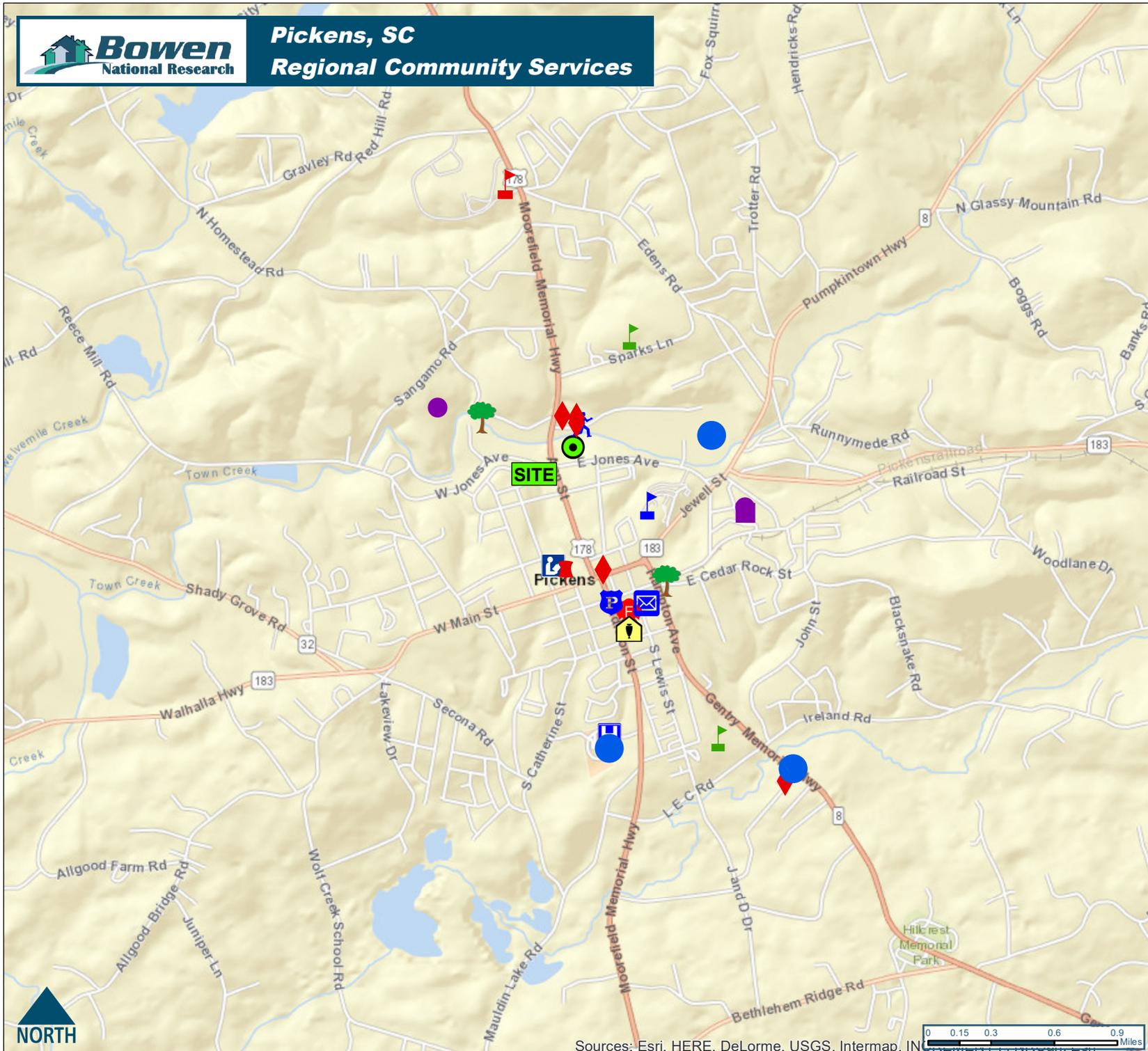




Legend

- Site area
- Entertainment
- Bank
- Child Care
- Church
- Convenience Store
- Elementary School
- Fire
- Gas
- Grocery
- Hospital
- Library
- Middle School
- Park
- Pharmacy
- Police
- Post Office
- Recreation Center
- Restaurant
- Senior Services
- Shopping
- Employer 1000-5000





Legend

-  Site
-  Entertainment
-  Elementary School
-  Fire
-  Fitness Center
-  High School
-  Hospital
-  Library
-  Middle School
-  Museum
-  Park
-  Police
-  Post Office
-  Recreation Center
-  Senior Services
-  Shopping
-  Employer 1000-5000



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 Zip Code is 66, with an overall personal crime index of 56 and a property crime index of 68. Total crime risk for Pickens County is 104, with indexes for personal and property crime of 68 and 109, respectively.

	Crime Risk Index	
	Site Zip Code	Pickens County
Total Crime	66	104
Personal Crime	56	68
Murder	73	79
Rape	100	80
Robbery	9	23
Assault	71	86
Property Crime	68	109
Burglary	65	96
Larceny	72	116
Motor Vehicle Theft	43	85

Source: Applied Geographic Solutions

The crime risk index for the Site Zip Code (66) is well below that reported for Pickens County (104) as a whole, and is also well below the national average of 100. This low crime index is a good indication that the perception of crime within the site area is likely low, which will contribute to the marketability of the subject development.

A map illustrating crime risk is on the following page.



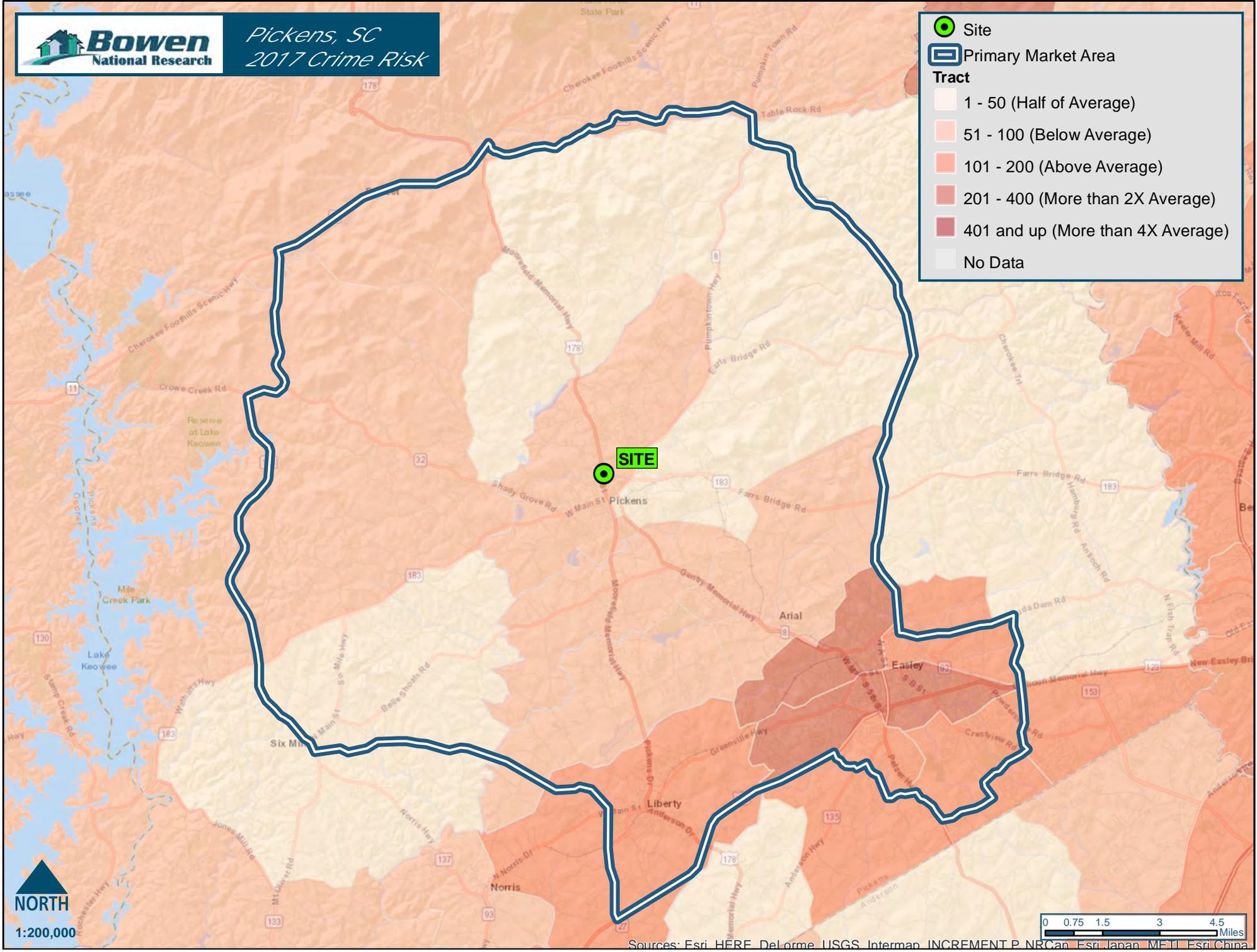
Pickens, SC
2017 Crime Risk

● 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
1:200,000



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

7. ACCESS AND VISIBILITY

Site plans provided at the time of this analysis indicate that the subject project will derive vehicular access from the northwest, via U.S. Highway 178, a light to moderately traveled four-lane roadway. Ingress and egress to and from the site via this roadway is considered easy for motorists traveling northbound. Due to the moderate traffic patterns, motorist traveling southbound may experience slight delays upon ingress and egress. However, the center turn lane provided along this roadway is expected to help mitigate any potential traffic delays. U.S. Highway 178 also provides direct access to the downtown Pickens area, and other arterial roadways such as State Route 8. Proximity to these arterial roadways enhances accessibility of the site, as these roadways provide access throughout the Pickens area and into Easley and Liberty.

Currently, visibility of the subject site is mostly obstructed from U.S. Highway 178 by the existing structures located directly west of the subject site. These structures are, however, expected to be demolished prior to completion of the subject development. Following the demolition of these structures, visibility of the proposed subject site is expected to be very good, as the property will be clearly visible to motorists, and pedestrians, along U.S. Highway 178. The subject development will also be visible from East Jones Avenue, south of the subject site. The subject building's two-story design will also contribute to its visibility within the immediate site neighborhood.

8. VISIBLE OR ENVIRONMENTAL ISSUES

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

9. OVERALL SITE CONCLUSIONS

The subject site is situated within an established mixed-use portion of Pickens and is expected to fit well with the existing surrounding land uses. The subject site is also surrounded by wooded/undeveloped land to the north and east, which will provide a natural buffer to other surrounding land uses. Access and visibility of the subject site are both considered good, as the site will derive vehicular access and be clearly visible from U.S. Highway 178, west of the subject site. U.S. Highway 178 provides a center turn lane which will mitigate any potential traffic delays upon ingress and egress, and serves as a commercial corridor within the Pickens and immediate site area. Notably, the Town & Country Shopping Center is located directly north of the subject site along U.S. Highway 178 and provides a Goody's and Ingle's Market & Pharmacy. The close proximity and easy accessibility of these services from the subject site is expected to have a positive impact on the overall marketability of the subject development. Overall, the subject site is considered conducive to affordable multifamily rental housing.

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 Pickens Site PMA was determined through interviews with area leasing and real estate agents, government officials, economic development representatives 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 Pickens Site PMA includes the entire towns of Pickens and Liberty and portions of Easley, as well as outlying portions of Pickens County. The boundaries of the Site PMA consist of State Routes 11 and 288 to the north; State Routes 8 and 135, Prince Perry Road, Rock Spring Road, and State Road S-39-133 to the east; Sheriff Mill Road, Easley city limits, U.S. Highway 123, State Road S-39-27, Liberty city limits and State Road S-39-137 to the south; and State Route 133 and Little Eastatoee Road to the west.

All areas of the Site PMA are generally within approximately 10.6 miles from the site. The Site PMA includes all of, or portions of, the following Census Tracts within Pickens County:

101	102	103	104.01
104.02*	104.03	105.01	105.02
107	108.01	108.02	108.03
108.04	109.01	109.02	110.01
110.02			

*Subject site location

Carmen Rhodes, Community Manager of Peachtree Senior Village (Map ID 3), a senior-restricted LIHTC community located in Liberty, confirmed the Site PMA, stating that the majority of her residents are from Liberty and Pickens. Ms. Rhodes, further noted that applicants from the Liberty area would be likely to relocate to Pickens for affordable housing, if it were available. Thus, confirming the Site PMA

Suzie Gaillard, Site Manager at Pope Field Terrace Apartments (Map ID 14), a general-occupancy LIHTC community located in the Site PMA in Easley, confirmed the Site PMA. Ms. Gaillard stated that due to Easley's proximity to Pickens, a new affordable community in Pickens would likely draw support from the areas on the west side of Easley and from the Liberty area. Thus, confirming the Site PMA.

Amy Perry, Community Manager at Cedar Brook Townhomes (Map ID 18), a general-occupancy LIHTC community located in the Site PMA, in Easley, stated that the majority of her current residents are from the surrounding neighborhoods and work nearby. Ms. Perry further noted that a new affordable rental property in Pickens would likely draw support from the surrounding areas of Easley and Pickens, thus confirming the boundaries of the Site PMA.

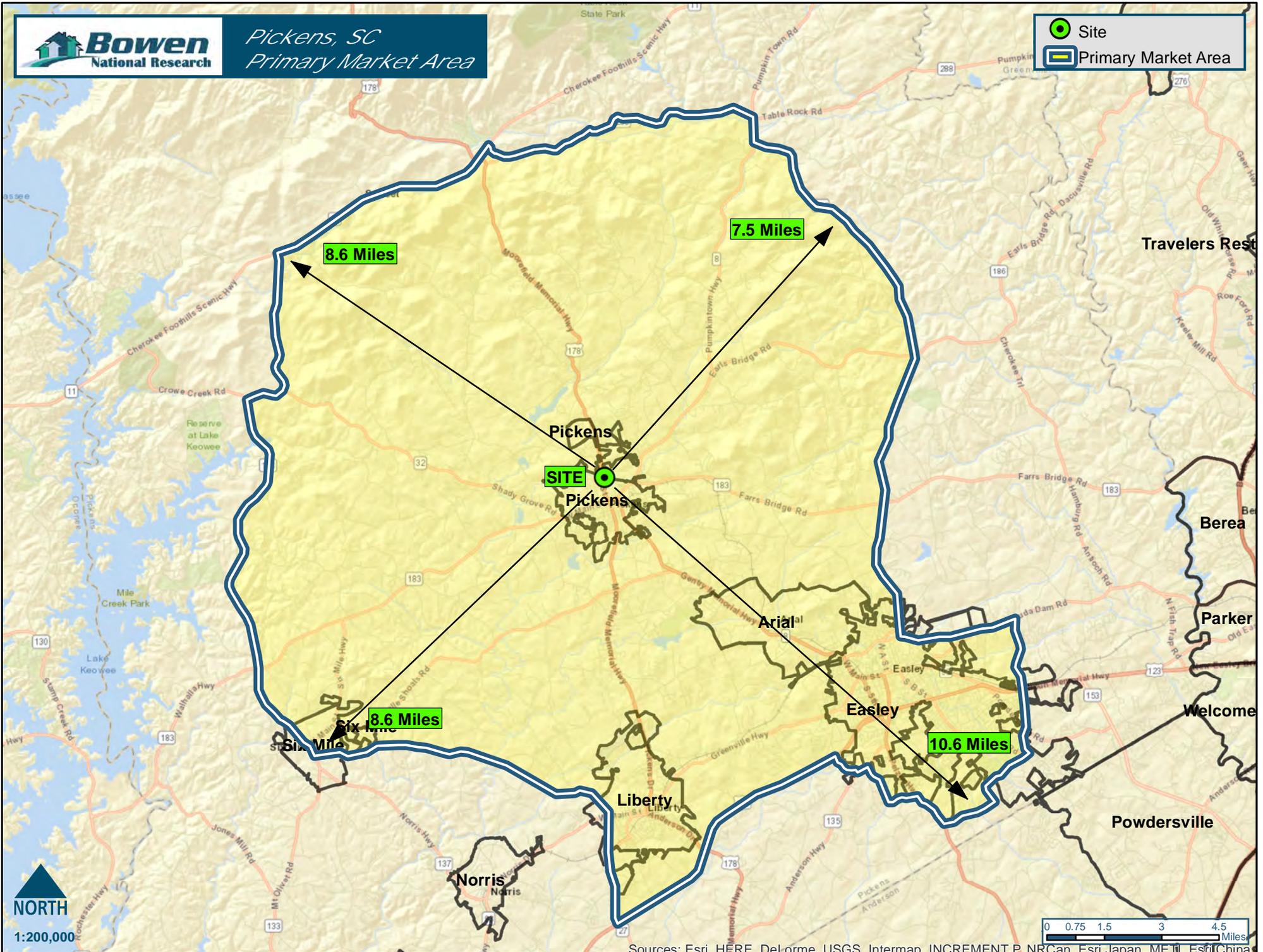
We recognize that the subject project will likely receive some support from areas outside the Site PMA. However, this support base is expected to be minimal, given the distance of these areas to the subject site, as well as the location of other larger areas such as Greenville and Clemson to the east and southwest of the Site PMA. Residents of these areas are expected to first seek housing within their immediate areas, before considering relocating to Pickens. Existing comparable LIHTC product is located in the city of Easley. All existing comparable properties are 100.0% occupied with extensive waiting lists of up to 336 households. Due to the lack of availability within the Easley area, we expect residents of Easley would willingly relocate to Pickens if affordable family-oriented LIHTC product was to come available. This was confirmed by area property managers and leasing agents, as previously discussed. Based on the preceding factors, we have not considered any secondary market area in this report.

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

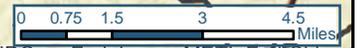


Pickens, SC
Primary Market Area

● Site
▭ Primary Market Area



NORTH
1:200,000



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

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

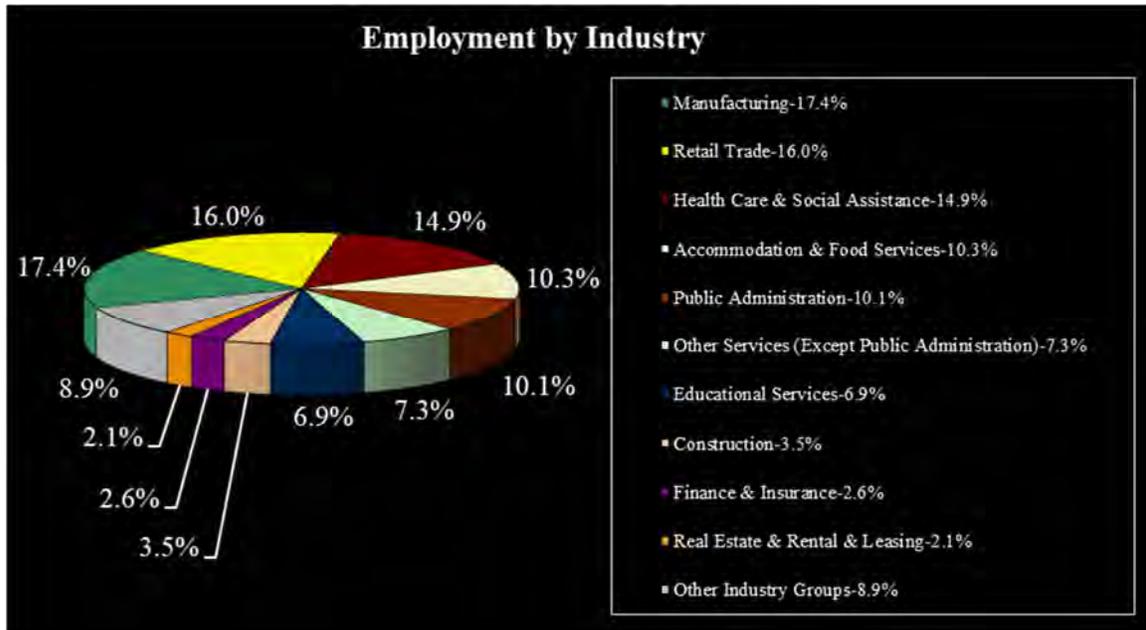
The labor force within the Pickens Site PMA is based primarily in five sectors. Manufacturing (which comprises 17.4%), Retail Trade, Health Care & Social Assistance, Accommodation & Food Services and Public Administration comprise nearly 69% of the Site PMA labor force. Employment in the Pickens Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.1%	5	0.0%	2.5
Mining	3	0.2%	21	0.1%	7.0
Utilities	6	0.4%	184	0.9%	30.7
Construction	107	6.3%	687	3.5%	6.4
Manufacturing	74	4.3%	3,435	17.4%	46.4
Wholesale Trade	54	3.2%	323	1.6%	6.0
Retail Trade	302	17.7%	3,145	16.0%	10.4
Transportation & Warehousing	19	1.1%	152	0.8%	8.0
Information	19	1.1%	217	1.1%	11.4
Finance & Insurance	109	6.4%	521	2.6%	4.8
Real Estate & Rental & Leasing	108	6.3%	420	2.1%	3.9
Professional, Scientific & Technical Services	92	5.4%	390	2.0%	4.2
Management of Companies & Enterprises	1	0.1%	24	0.1%	24.0
Administrative, Support, Waste Management & Remediation Services	34	2.0%	211	1.1%	6.2
Educational Services	35	2.1%	1,356	6.9%	38.7
Health Care & Social Assistance	164	9.6%	2,938	14.9%	17.9
Arts, Entertainment & Recreation	20	1.2%	225	1.1%	11.3
Accommodation & Food Services	136	8.0%	2,025	10.3%	14.9
Other Services (Except Public Administration)	282	16.5%	1,441	7.3%	5.1
Public Administration	111	6.5%	1,989	10.1%	17.9
Nonclassifiable	27	1.6%	3	0.0%	0.1
Total	1,705	100.0%	19,712	100.0%	11.6

*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 Greenville-Anderson-Mauldin Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Greenville-Anderson-Mauldin MSA	South Carolina
Management Occupations	\$98,360	\$97,100
Business and Financial Occupations	\$62,000	\$60,870
Computer and Mathematical Occupations	\$72,620	\$71,730
Architecture and Engineering Occupations	\$78,660	\$75,400
Community and Social Service Occupations	\$41,130	\$40,890
Art, Design, Entertainment and Sports Medicine Occupations	\$51,500	\$45,220
Healthcare Practitioners and Technical Occupations	\$79,950	\$73,440
Healthcare Support Occupations	\$28,020	\$27,260
Protective Service Occupations	\$35,910	\$37,080
Food Preparation and Serving Related Occupations	\$20,650	\$20,930
Building and Grounds Cleaning and Maintenance Occupations	\$22,840	\$23,550
Personal Care and Service Occupations	\$22,630	\$23,030
Sales and Related Occupations	\$34,320	\$32,820
Office and Administrative Support Occupations	\$33,960	\$33,530
Construction and Extraction Occupations	\$39,010	\$38,950
Installation, Maintenance and Repair Occupations	\$43,080	\$42,510
Production Occupations	\$35,280	\$37,070
Transportation and Moving Occupations	\$30,740	\$32,000

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

Most annual blue-collar salaries range from \$20,650 to \$51,500 within the Greenville-Anderson-Mauldin MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$78,318. It is important to note that most occupational types within the Greenville-Anderson-Mauldin MSA have typical wages which are similar to the state of South Carolina's typical wages. The proposed project will generally target households with incomes between \$20,000 and \$40,000. As such, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA’S LARGEST EMPLOYERS

The ten largest employers within the Pickens County area comprise a total of 15,114 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
State of South Carolina	Government	4,881
Clemson University	Higher Education	3,529
School District of Pickens County	Education	1,893
Contract Environmental Services (CES)	Landfill	1,200
Aramark Services	Services	800
Palmetto Baptist Easley (Baptist Easley Hospital)	Healthcare	656
YH America, South Carolina	Manufacturing	619
Pickens County	Government	592
Walmart	Retail	544
Milliken & Co. (Pendleton Finishing Plant)	Manufacturing	400
	Total	15,114

Source: Alliance Pickens, June 2017

According to a representative with Alliance Pickens, the Pickens area economy’s strength is successfully recruiting international manufacturing. The industrial park that opened in Pickens 13 years ago will be filled completely this year representing over \$350 million in private investments. The following are summaries of some recent and notable economic development announcements within the Pickens County area:

- In December 2017 PG Aerospace announced it will move to the Pickens County Commerce Park, specifically to a renovated 15,000 square-foot facility. PG Aerospace manufactures precision parts for the automotive and aerospace industries. This relocation is projected to create 22 new jobs immediately and the company plans to look to the Pickens County Career and Technology Center for future employees.

- In June 2017 the German-based company Era-Contact opened a new facility in the Pickens County Commerce Park, moving into a 38,000-square foot existing building with plans to expand to 90,000 square feet. Era-Contact is an international company manufacturing railway couplings and other products used by the rail and automotive industries. In Pickens County the company has initially hired 15 employees and plans to expand to 45 employees by 2019. This relocation to Pickens County will involve an investment of nearly \$4 million. The company relocated because of proximity to the Greenville-Spartanburg International Airport and the Pickens County Career and Technology Center.
- Currently under construction is a new 30,000-square-foot facility for the Safeplast Company, a manufacturer of hydraulic hose protectors and binding products. This new facility, also located in the Pickens County Commerce Park, will create 30 new jobs and will bring a \$4.3 million investment to the area. Hiring is to begin in the first quarter of 2018.

There are no plans for expanded infrastructure projects, however, Alliance Pickens has proposed acquiring land for an additional industrial park which would require upgrading current infrastructure.

WARN (layoff notices):

According to the South Carolina Works Department, there have been two WARN notices of large-scale layoffs/closures reported for Pickens County since August of 2016, though the oldest notice has an effective date of January of 2018. Below is a table summarizing these notices.

WARN Notices			
Company	Location	Jobs	Effective Date
Kongsberg Automotive	Easley	61	3/17/2018
Kongsberg Automotive	Easley	97	1/1/2018

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.

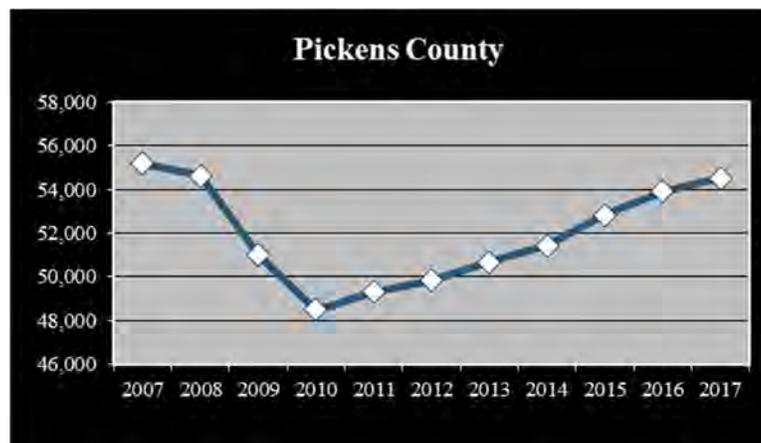
Excluding 2017, the employment base has increased by 8.2% over the past five years in Pickens County, less than the South Carolina state increase of 10.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Pickens County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	55,185	-	2,005,686	-	146,388,400	-
2008	54,637	-1.0%	1,996,409	-0.5%	146,047,748	-0.2%
2009	51,007	-6.6%	1,910,670	-4.3%	140,696,560	-3.7%
2010	48,509	-4.9%	1,915,045	0.2%	140,469,139	-0.2%
2011	49,326	1.7%	1,945,900	1.6%	141,791,255	0.9%
2012	49,844	1.1%	1,985,618	2.0%	143,621,634	1.3%
2013	50,689	1.7%	2,026,666	2.1%	144,996,474	1.0%
2014	51,446	1.5%	2,081,511	2.7%	147,403,607	1.7%
2015	52,847	2.7%	2,134,637	2.6%	149,648,686	1.5%
2016	53,917	2.0%	2,186,740	2.4%	152,001,644	1.6%
2017*	54,518	1.1%	2,225,498	1.8%	154,212,518	1.5%

Source: Department of Labor; Bureau of Labor Statistics

*Through November



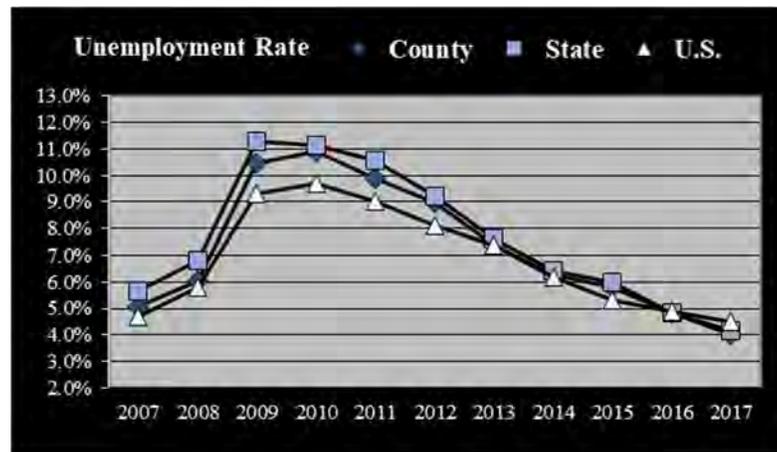
As the preceding illustrates, the Pickens County employment base has experienced a steady increase of at least 1.1% each of the past seven years. In total, the employment base has increased by 6,009 jobs, or 12.4%, since 2010 (through November of 2017).

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

Year	Total Unemployment					
	Pickens County		South Carolina		United States	
	Total Number	Unemployment Rate	Total Number	Unemployment Rate	Total Number	Unemployment Rate
2007	2,945	5.1%	120,205	5.7%	7,190,052	4.7%
2008	3,518	6.1%	145,823	6.8%	9,059,270	5.8%
2009	5,979	10.5%	242,075	11.3%	14,430,158	9.3%
2010	5,925	10.9%	240,623	11.2%	15,070,017	9.7%
2011	5,404	9.9%	229,623	10.6%	14,035,049	9.0%
2012	4,910	9.0%	201,260	9.2%	12,691,553	8.1%
2013	4,049	7.4%	167,647	7.6%	11,631,863	7.4%
2014	3,462	6.3%	143,151	6.4%	9,783,040	6.2%
2015	3,249	5.8%	135,746	6.0%	8,427,196	5.3%
2016	2,738	4.8%	111,067	4.8%	7,861,185	4.9%
2017*	2,293	4.0%	96,283	4.2%	7,243,649	4.5%

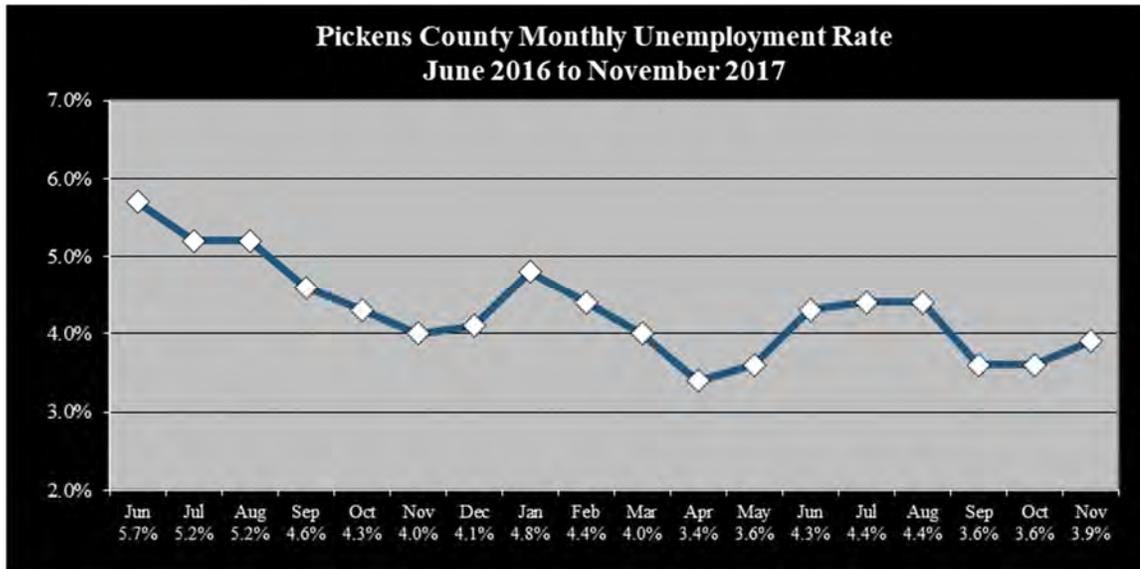
Source: Department of Labor; Bureau of Labor Statistics

*Through November



The unemployment rate in Pickens County has declined by nearly seven full percentage points since 2010, to a rate of just 4.0% through November of 2017. The unemployment rate within the county has also generally been below the state average over the past ten-year period and the current unemployment rate is well below pre-recession levels for the county.

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



The monthly unemployment rate within the county has generally trended downward over the past 18-month period, despite some fluctuations.

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 Pickens County.

In-Place Employment Pickens County			
Year	Employment	Change	Percent Change
2007	37,283	-	-
2008	37,181	-102	-0.3%
2009	34,430	-2,751	-7.4%
2010	33,782	-648	-1.9%
2011	34,209	427	1.3%
2012	33,201	-1,008	-2.9%
2013	33,610	409	1.2%
2014	34,005	395	1.2%
2015	33,857	-148	-0.4%
2016	34,373	516	1.5%
2017*	34,995	622	1.8%

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 Pickens County to be 63.8% of the total Pickens County employment. This means that Pickens County has more employed persons leaving the county for daytime employment than those who work in the county. This is not uncommon, however, of more rural areas which are located within proximity of a larger metropolitan area, such as Pickens County's proximity to the Greenville area. In-place employment trends are not expected to have any

adverse impact on marketability of the subject project, as most potential tenants of the property are expected to originate from within the Pickens County area and will already be familiar with in-place employment/commuting trends within the area.

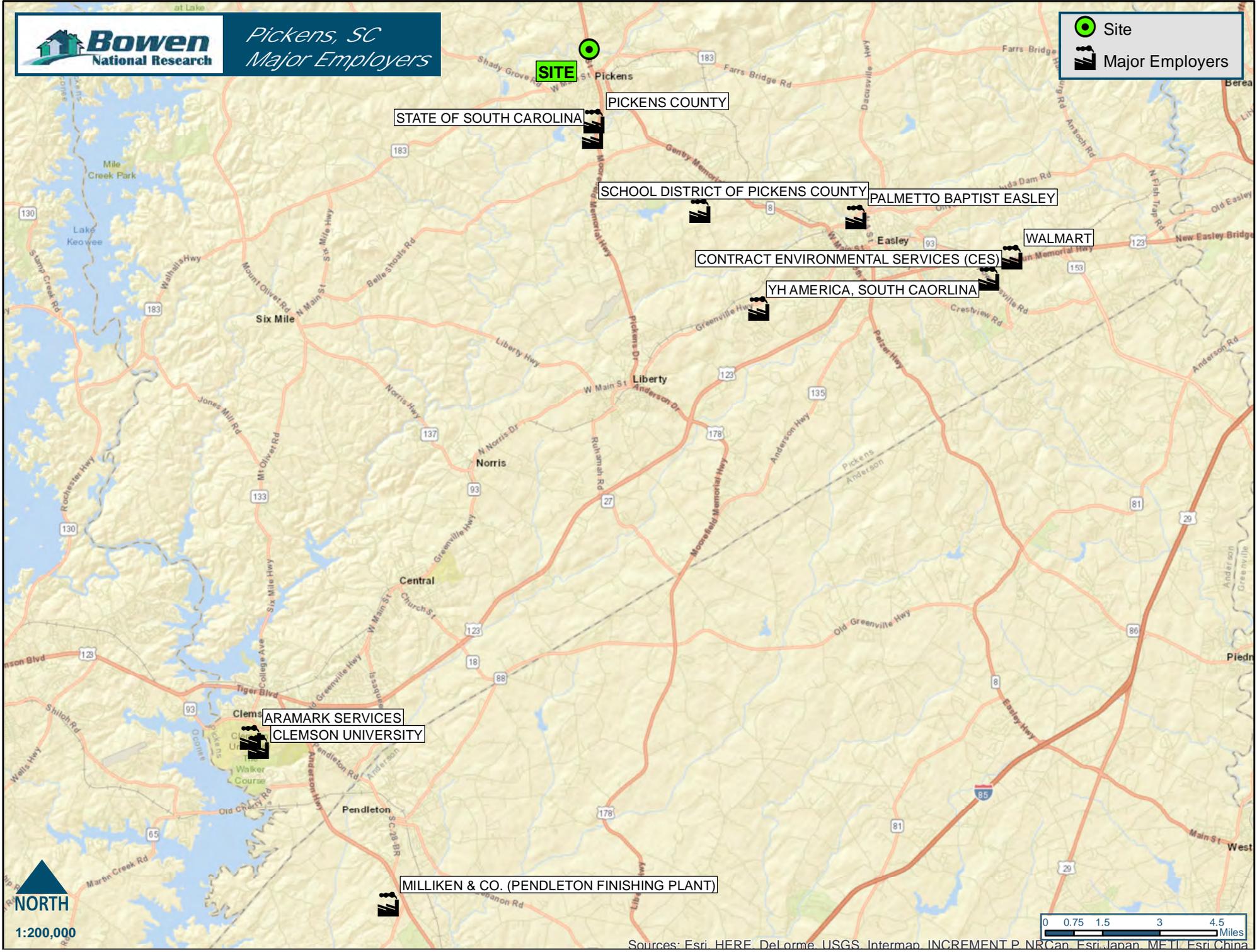
5. **EMPLOYMENT CENTERS MAP**

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



Pickens, 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	20,513	89.5%
Carpooled	1,611	7.0%
Public Transit	55	0.2%
Walked	195	0.9%
Other Means	168	0.7%
Worked at Home	383	1.7%
Total	22,925	100.0%

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

Nearly 89% of all workers drove alone, 7.0% carpooled and only 0.2% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	5,739	25.0%
15 to 29 Minutes	7,580	33.1%
30 to 44 Minutes	5,670	24.7%
45 to 59 Minutes	2,254	9.8%
60 or More Minutes	1,299	5.7%
Worked at Home	383	1.7%
Total	22,925	100.0%

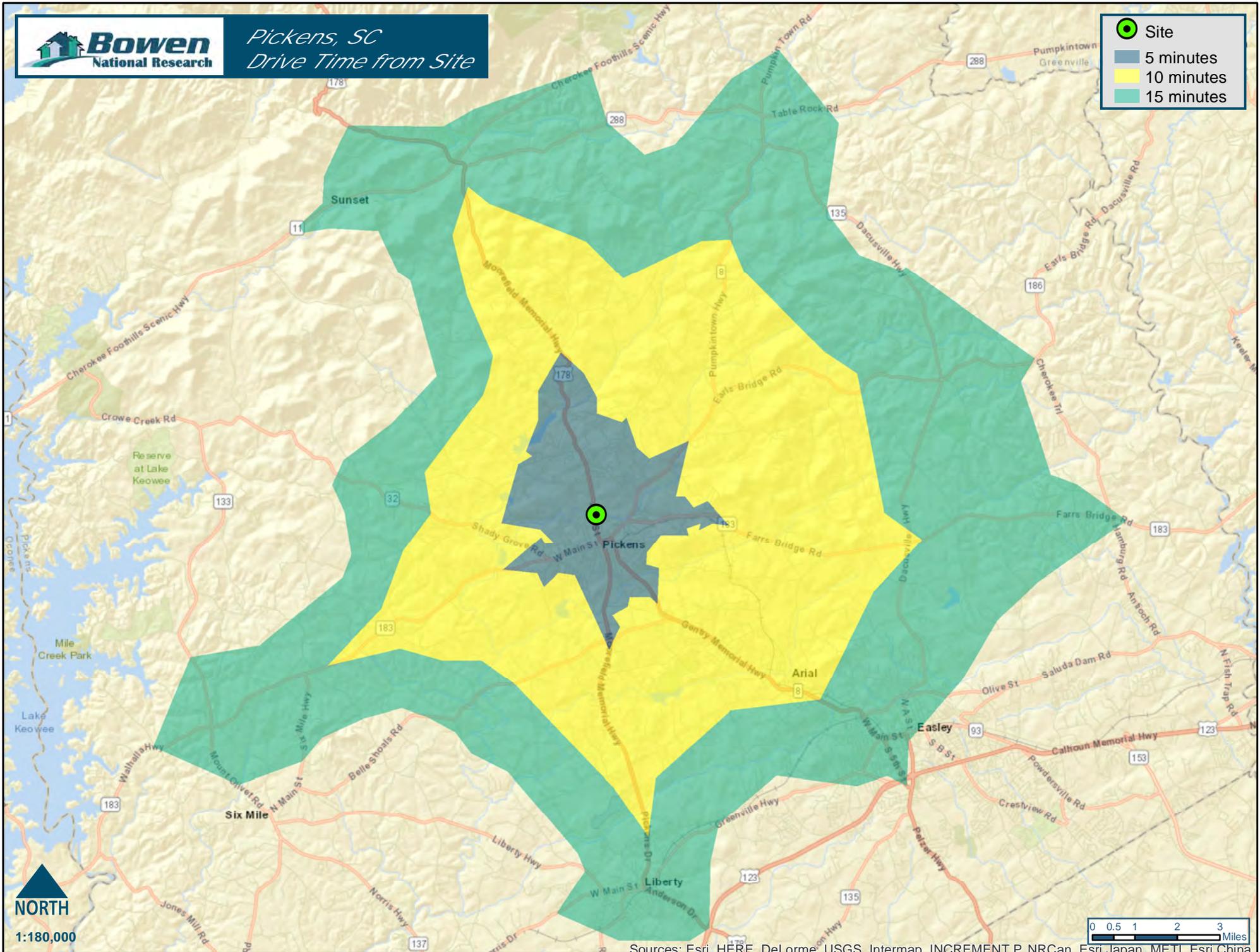
Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

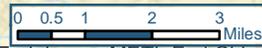


Pickens, SC
Drive Time from Site

● Site
■ 5 minutes
■ 10 minutes
■ 15 minutes



NORTH
1:180,000



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

7. ECONOMIC FORECAST AND HOUSING IMPACT

The labor force within the Pickens Site PMA is relatively well-balanced, as no single industry segment represents more than 22.7% of the total labor force. However, nearly half (48.8%) of the Site PMA labor force is comprised within the Manufacturing, Public Administration, and Retail Trade industries. Typically, these industry segments offer lower-wage paying positions, conducive to affordable housing such as that proposed at the subject site. The Pickens County economy is considered strong and has experienced significant improvement over the past seven-year period. Notably, the employment base has increased by at least 1.1% each of the past seven years and by a total of more than 6,000 jobs during this time period. The unemployment rate has also experienced significant improvement, as it has declined by nearly seven full percentage points since 2010 (through November of 2017), to a rate of 4.0%. The unemployment rate within the county has also been very consistent with, if not below, the state average over the past ten-year period. Based on the preceding factors, and considering the recent announcements of several new business openings, we anticipate the Pickens County economy will remain strong and continue to improve for the foreseeable future. However, we also expect demand for affordable rental housing to remain strong, considering the relatively large share of jobs comprised within typically lower-wage paying industries within the Pickens Site PMA.

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	52,473	54,417	56,110	57,022
Population Change	-	1,944	1,693	912
Percent Change	-	3.7%	3.1%	1.6%

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

The Pickens Site PMA population base increased by 1,944 between 2000 and 2010. This represents a 3.7% increase over the 2000 population, or an annual rate of 0.4%. Between 2010 and 2017, the population increased by 1,693, or 3.1%. It is projected that the population will increase by 912, or 1.6%, between 2017 and 2020.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.0% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	542	1.0%
Population not in Group Quarters	53,875	99.0%
Total Population	54,417	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	13,915	25.6%	13,085	23.3%	13,293	23.3%	208	1.6%
20 to 24	3,157	5.8%	3,059	5.5%	2,874	5.0%	-185	-6.1%
25 to 34	6,670	12.3%	7,305	13.0%	7,023	12.3%	-282	-3.9%
35 to 44	7,197	13.2%	7,018	12.5%	7,237	12.7%	219	3.1%
45 to 54	8,061	14.8%	7,648	13.6%	7,462	13.1%	-186	-2.4%
55 to 64	6,879	12.6%	7,808	13.9%	7,983	14.0%	175	2.2%
65 to 74	4,829	8.9%	6,037	10.8%	6,510	11.4%	473	7.8%
75 & Over	3,711	6.8%	4,150	7.4%	4,640	8.1%	490	11.8%
Total	54,419	100.0%	56,110	100.0%	57,022	100.0%	912	1.6%

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

As the preceding table illustrates, over 53% of the population was estimated 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

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. 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%	10.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	8.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.2%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.5%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.7%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site is not located within a Census Tract that is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2020 (Projected)
Households	20,782	21,823	22,307	22,615
Household Change	-	1,041	484	308
Percent Change	-	5.0%	2.2%	1.4%
Household Size	2.52	2.49	2.49	2.50

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

Within the Pickens Site PMA, households increased by 1,041 (5.0%) between 2000 and 2010. Between 2010 and 2017, households increased by 484 or 2.2%. By 2020, there will be 22,615 households, an increase of 308 households, or 1.4% over 2017 levels. This is an increase of approximately 103 households annually over the next three years.

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	15,908	72.9%	16,187	72.6%	16,404	72.5%
Renter-Occupied	5,915	27.1%	6,120	27.4%	6,211	27.5%
Total	21,823	100.0%	22,307	100.0%	22,615	100.0%

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

In 2017, homeowners occupied 72.6% of all occupied housing units, while the remaining 27.4% were occupied by renters. This is a relatively typical share of renter households for a market similar to the Pickens Site PMA and demonstrates a good base of potential support for the subject project. Also note that the number of renter households is projected to increase by 91, or 1.5%, between 2017 and 2020.

c. Households by Income

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

Household Income	2010 (Census)		2017 (Estimated)		2020 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	4,022	18.4%	3,119	14.0%	3,298	14.6%
\$15,000 to \$24,999	3,071	14.1%	2,812	12.6%	2,931	13.0%
\$25,000 to \$34,999	3,516	16.1%	2,938	13.2%	2,987	13.2%
\$35,000 to \$49,999	3,149	14.4%	3,479	15.6%	3,449	15.3%
\$50,000 to \$74,999	4,223	19.4%	4,451	20.0%	4,425	19.6%
\$75,000 to \$99,999	1,868	8.6%	2,702	12.1%	2,703	12.0%
\$100,000 to \$149,999	1,489	6.8%	1,853	8.3%	1,872	8.3%
\$150,000 to \$199,999	263	1.2%	477	2.1%	478	2.1%
\$200,000 & Over	222	1.0%	476	2.1%	472	2.1%
Total	21,823	100.0%	22,307	100.0%	22,615	100.0%
Median Income	\$36,441		\$44,850		\$44,095	

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

In 2010, the median household income was \$36,441. This increased by 23.1% to \$44,850 in 2017. By 2020, it is projected that the median household income will be \$44,095, a decline of 1.7% over 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 Pickens Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	592	584	353	269	160	1,958
\$15,000 to \$24,999	281	289	175	133	79	956
\$25,000 to \$34,999	306	326	197	150	89	1,068
\$35,000 to \$49,999	246	284	172	130	78	910
\$50,000 to \$74,999	207	256	154	117	70	804
\$75,000 to \$99,999	38	49	30	23	13	153
\$100,000 to \$149,999	16	19	12	9	5	60
\$150,000 to \$199,999	1	1	1	0	0	3
\$200,000 & Over	1	1	0	0	0	2
Total	1,687	1,809	1,094	831	494	5,915

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	625	440	265	172	115	1,617
\$15,000 to \$24,999	369	264	159	103	69	963
\$25,000 to \$34,999	395	312	188	122	81	1,098
\$35,000 to \$49,999	370	337	203	131	88	1,128
\$50,000 to \$74,999	257	262	158	102	68	847
\$75,000 to \$99,999	70	73	44	29	19	235
\$100,000 to \$149,999	68	69	42	27	18	224
\$150,000 to \$199,999	1	1	1	1	0	4
\$200,000 & Over	1	1	1	1	0	4
Total	2,156	1,760	1,059	686	459	6,120

Source: ESRI; Urban Decision Group

Renter Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	641	434	262	172	116	1,624
\$15,000 to \$24,999	357	242	146	96	65	906
\$25,000 to \$34,999	386	293	177	116	78	1,050
\$35,000 to \$49,999	364	321	194	127	86	1,091
\$50,000 to \$74,999	262	258	156	102	69	847
\$75,000 to \$99,999	59	59	36	23	16	193
\$100,000 to \$149,999	162	144	87	57	39	490
\$150,000 to \$199,999	2	2	1	1	0	5
\$200,000 & Over	2	2	1	1	0	5
Total	2,234	1,754	1,060	694	469	6,211

Source: ESRI; Urban Decision Group

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

Owner Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	619	746	278	287	134	2,064
\$15,000 to \$24,999	641	762	283	293	136	2,115
\$25,000 to \$34,999	664	922	343	355	165	2,448
\$35,000 to \$49,999	504	896	333	345	160	2,239
\$50,000 to \$74,999	697	1,406	523	541	252	3,419
\$75,000 to \$99,999	335	713	265	274	128	1,715
\$100,000 to \$149,999	278	594	221	229	106	1,429
\$150,000 to \$199,999	50	108	40	42	19	260
\$200,000 & Over	46	90	33	34	16	220
Total	3,835	6,238	2,319	2,399	1,117	15,908

Source: ESRI; Urban Decision Group

Owner Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	447	562	208	186	100	1,502
\$15,000 to \$24,999	564	684	253	226	122	1,849
\$25,000 to \$34,999	517	704	260	233	126	1,840
\$35,000 to \$49,999	577	945	349	312	169	2,351
\$50,000 to \$74,999	779	1,504	556	497	269	3,604
\$75,000 to \$99,999	513	1,040	384	344	186	2,467
\$100,000 to \$149,999	339	687	254	227	123	1,629
\$150,000 to \$199,999	90	204	75	67	36	473
\$200,000 & Over	97	200	74	66	36	472
Total	3,924	6,530	2,412	2,156	1,165	16,187

Source: ESRI; Urban Decision Group

Owner Households	2020 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	483	640	231	206	114	1,675
\$15,000 to \$24,999	596	768	277	247	136	2,025
\$25,000 to \$34,999	525	759	275	245	135	1,937
\$35,000 to \$49,999	565	963	348	310	171	2,358
\$50,000 to \$74,999	772	1,507	545	486	267	3,578
\$75,000 to \$99,999	533	1,062	384	343	188	2,510
\$100,000 to \$149,999	304	578	210	187	103	1,382
\$150,000 to \$199,999	93	204	74	66	36	472
\$200,000 & Over	99	198	72	64	35	467
Total	3,970	6,679	2,417	2,154	1,185	16,404

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

The Pickens Site PMA is projected to experience both population and household growth between 2017 and 2020, a trend which has been consistent since 2000. Nearly 30.0% of the projected household growth for the market will occur among renter households, as 91 such households will be added to the market between 2017 and 2020. Renter households comprise more than 27.0% of the total household base in the Site PMA, a trend which will continue through 2020. Notably, more than 6,200 renter households will exist in the market in 2020 and more than 75.0% of these renter households will earn less than \$50,000. Based on the preceding factors a relatively large base of lower-income renter households will continue to exist in the market through 2020, which is conducive to affordable rental housing alternatives such as that proposed for the subject site.

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 Greenville-Mauldin-Easley, SC HUD Metro FMR Area, which has a four-person median household income of \$62,100 for 2017. The subject property will be restricted to households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$21,750	\$26,100
Two-Person	\$24,850	\$29,820
Three-Person	\$27,950	\$33,540
Four-Person	\$31,050	\$37,260
Five-Person	\$33,550	\$40,260

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 **\$40,260**.

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 \$582 (one-bedroom at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,984. 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 **\$19,954**.

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)	\$19,954	\$33,550
Tax Credit (Limited To 60% Of AMHI)	\$23,966	\$40,260
Overall Project	\$19,954	\$40,260

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 15.4% to 34.4% (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, 5.9% 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 reached stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2017 to current). 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 (\$19,954-\$33,550)	60% AMHI (\$23,966-\$40,260)	Overall (\$19,954-\$40,260)
Demand from New Renter Households (Age- And Income-Appropriate)	1,355 - 1,424 = -69	1,526 - 1,593 = -67	1,890 - 1,979 = -89
+			
Demand from Existing Households (Rent Overburdened)	1,424 X 34.4% = 490	1,593 X 27.0% = 430	1,979 X 28.7% = 568
+			
Demand from Existing Households (Renters in Substandard Housing)	1,424 X 5.9% = 84	1,593 X 5.9% = 94	1,979 X 5.9% = 117
+			
Demand from Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	505	457	596
-			
Supply (Directly Comparable Units Built and/or Funded Since 2017)	0	0	0
=			
Net Demand	505	457	596
Proposed Units	13	51	64
Proposed Units/ Net Demand	13 / 505	51 / 457	64 / 596
Capture Rate	= 2.6%	= 11.2%	= 10.7%

N/A – Not Applicable

Typically, under this methodology capture rates below 30.0% are acceptable, while capture rates under 20.0% are considered ideal. As such, the subject’s overall capture rate of 10.7% is considered low and demonstrates a deep base of support for the subject project. This is especially true when considering the 100.0% occupancy rates and waiting lists maintained among the comparable LIHTC projects surveyed in the market. Likewise, the subject’s capture rates of 2.6% and 11.2% for the units set at 50% and 60% of AMHI, respectively, are also achievable within the Pickens Site PMA.

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	30.0%
Two-Bedroom	45.0%
Three-Bedroom+	25.0%
Total	100.0%

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

Units Targeting 50% Of AMHI (505 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 (30%)	152	0	152	3	2.0%
Two-Bedroom (45%)	227	0	227	8	3.5%
Three-Bedroom (25%)	126	0	126	2	1.6%

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

Units Targeting 60% Of AMHI (457 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 (30%)	137	0	137	3	2.2%
Two-Bedroom (45%)	206	0	206	24	11.7%
Three-Bedroom (25%)	114	0	114	24	21.1%

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

The subject's capture rates by bedroom type and AMHI level range from 1.6% to 21.1%, depending upon unit type. These are all considered acceptable capture rates and demonstrate a sufficient base of support for the subject units within the Pickens Site PMA, especially when considering the lack of availability among existing comparable LIHTC projects in the market.

Considering that the subject project will offer 26 three-bedroom units, which comprise 40.6% of the subject units proposed, the analysis on the following page has been conducted to consider only large-households (three-person+) and the subject's three-bedroom units.

Demand Component	Percent of Median Household Income – <i>Three-Bedroom Units</i>		
	50% AMHI (\$27,669-\$33,550)	60% AMHI (\$32,743-\$40,260)	Overall (\$27,669-\$40,260)
Demand from New Larger Renter Households (Age- And Income-Appropriate)	218 – 230 = -12	227 – 236 = -9	415 – 435 = -20
+			
Demand from Existing Households (Rent Overburdened)	230 X 34.3% = 79	236 X 15.4% = 36	435 X 24.4% = 106
+			
Demand from Existing Households (Renters in Substandard Housing)	230 X 5.9% = 14	236 X 5.9% = 14	435 X 5.9% = 26
=			
Total Large Household Demand	81	41	112
-			
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2017)	0	0	0
=			
Net Large Household Demand	81	41	112
Proposed (Three-Br.+) Units	2	24	26
Proposed (Three-Br.+) Units/ Net Large Household Demand	2 / 81	24 / 41	26 / 112
Large-Household Capture Rate	= 2.5%	= 58.5%	= 23.2%

The capture rates for the subject’s three-bedroom units targeting households at 50% and 60% of AMHI range from 2.5% to 58.5%, when considering larger (three-person+) household sizes. The overall capture rate for the subject project’s three-bedroom units is 23.2%. While the 58.5% capture rate could be construed as being high, the subject development will be the only LIHTC development to offer three-bedroom units within the immediate Pickens area. Additionally, all three-bedroom units offered among the existing comparable LIHTC projects in the market are 100.0% occupied and the existing properties maintain waiting lists of up to 336-households for their next available units. Based on the preceding factors, the subject project is expected to be able to capture a larger share of the size and income qualified renter households in the market. Overall, the subject’s *large-unit* capture rates are considered achievable. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs slightly from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers only 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 64 LIHTC units at the subject site will experience an average initial absorption rate of approximately six to seven units per month and reach a stabilized occupancy of 93.0% within approximately nine months. These absorption projections also consider the subject's location in Pickens, as well as the proposed gross Tax Credit rents. Specifically, the subject's rents are the highest, yet still competitive, with those reported among the comparable Tax Credit properties, which are located in the more populated Easley area.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

The proposed subject project will offer one- through three-bedroom units targeting general-occupancy (family) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed a total of ten LIHTC properties, five of which are comparable to, and will be competitive with, the proposed subject project in terms of target population and unit types offered.

The five comparable LIHTC projects, along with the subject development, are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Talus Apartments	2020	64	-	-	-	Families; 50% & 60% AMHI
5	Aberdeen Chase	2015	27	100.0%	8.5 Miles	10 H.H.	Families; 50% & 60% AMHI
13	Creekside Apts.	1995	132	100.0%	9.5 Miles	5 H.H.	Families; 60% AMHI
14	Pope Field Terrace	2013	55	100.0%	9.3 Miles	100 H.H.	Families; 50% & 60% AMHI
15	Park West Apts.	2003	60	100.0%	8.3 Miles	25 H.H.	Families; 50% & 60% AMHI
18	Cedar Brook Townhomes	2013	39	100.0%	8.6 Miles	336 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households

The five LIHTC projects have a combined occupancy rate of 100.0% and all five properties maintain waiting lists, which range from five (5)- to 336-households. This is a clear indication of strong and pent-up demand for family-oriented LIHTC product in the Site PMA. The subject project will help alleviate a portion of this pent-up demand. It is also important to note that all five of the existing properties, although in the Site PMA, are located in the city of Easley, approximately 8.0 to 9.0 miles from the subject site. Thus, the subject project will effectively provide an affordable non-subsidized rental alternative which is not currently available within the immediate Pickens area. This is expected to create a competitive advantage and contribute to the subject's ability to command premium rents within the Pickens area.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
5	Aberdeen Chase	27	2	7.4%
13	Creekside Apts.	132*	N/A	-
14	Pope Field Terrace	55	10	18.2%
15	Park West Apts.	60	16	26.7%
18	Cedar Brook Townhomes	39	0	0.0%
Total		181	28	15.5%

*Units not included in total
N/A – Number not available

As the preceding table illustrates, there are a total of approximately 28 Voucher holders residing at the comparable properties for which this information was available within the market. This comprises 15.5% of the 181 total non-subsidized LIHTC units offered among these projects. This is considered a low share of Voucher support and is a good indication that the comparable properties do not rely heavily on support from Voucher holders. Considering that more than 84.0% of the units offered among these projects are currently occupied by non-Voucher holders, it can also be concluded that the gross rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject project.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Talus Apartments	\$582/50% (3)* \$699/60% (3)	\$698/50% (8)* \$838/60% (24)	\$807/50% (2)* \$955/60% (24)	-	-
5	Aberdeen Chase	-	\$742/50% (11/0) \$797/60% (5/0)	\$801/50% (6/0) \$876/60% (5/0)	-	None
13	Creekside Apts.	-	\$862/60% (66/0)	\$981/60% (66/0)	-	None
14	Pope Field Terrace	\$572/50% (10/0) \$622/60% (10/0)	\$667/50% (10/0) \$707/60% (10/0)	\$746/50% (5/0) \$796/60% (10/0)	-	None
15	Park West Apts.	-	\$777/50% (22/0) \$952/60% (22/0)	\$906/50% (8/0) \$940/60% (8/0)	-	None
18	Cedar Brook Townhomes	-	\$674/50% (4/0)	\$747/50% (6/0) \$772/60% (25/0)	\$859/60% (4/0)	None

*Low HOME units

The subject's proposed gross Tax Credit rents are within the range of those reported among the comparable LIHTC projects surveyed in the Site PMA. When considering the high occupancy rates and extensive waiting lists maintained among the comparable LIHTC projects, it is likely that these properties could achieve even higher rents, without adversely impacting occupancy. Considering the preceding factors, the depth of support (capture rate) for the subject project, and the subject's overall competitive position (design), the subject's proposed rents are considered acceptable for this market. However, when considering that the subject rents will be some of the highest in the market and the fact that the subject project will be located in Pickens as compared to the existing properties in the more populated Easley area, the subject project will likely experience a slower than anticipated absorption. This has been considered in our absorption projections.

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

5

Aberdeen Chase

8.5 miles to site



Address	100 S. Pendleton St. Easley, SC 29640		
Phone	(864) 529-9902	Contact	Pam
Total Units	27	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2015	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	10 households		
Quality Rating	A-	Neighborhood Rating	B+
Remarks	50% & 60% AMHI; HCV (2 units); Garden units are handicap accessible & have E-call buttons; Opened 12/2015; Unit mix 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, Ceiling Fan, Blinds, E-Call Button, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Fitness Center, Playground, Computer Lab, CCTV

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	6	0	1013	\$0.56	\$565	50%
2	2.5	T	5	0	1048	\$0.59	\$620	60%
2	2.5	T	5	0	1048	\$0.54	\$565	50%
3	2	G	1	0	1154	\$0.52	\$595	50%
3	2.5	T	5	0	1213	\$0.55	\$670	60%
3	2.5	T	5	0	1213	\$0.49	\$595	50%

13 Creekside Apts.

9.5 miles to site



Address	100 Pebble Brook Ct. Easley, SC 29642		
Phone	(864) 306-9127	Contact	Alexis
Total Units	132	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1995	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	5 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	60% AMHI; Accepts HCV		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Picnic Area

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	66	0	900	\$0.76	\$685	60%
3	2	G	66	0	1100	\$0.70	\$775	60%

14 Pope Field Terrace

9.3 miles to site



Address	110 Pearson Terrace Dr. Easley, SC 29640		
Phone	(704) 885-5397	Contact	Suzie
Total Units	55	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2013	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	100 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (10 units)		



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, Club House, Fitness Center, Playground, Computer Lab, CCTV; Walking Trail

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	852	\$0.56	\$480	60%
1	1	G	10	0	852	\$0.50	\$430	50%
2	2	G	10	0	1103	\$0.48	\$530	60%
2	2	G	10	0	1103	\$0.44	\$490	50%
3	2	G	10	0	1254	\$0.47	\$590	60%
3	2	G	5	0	1254	\$0.43	\$540	50%

15 Park West Apts.

8.3 miles to site



Address	300 Duvall St. Easley, SC 29640		
Phone	(864) 859-3353	Contact	LaShawn
Total Units	60	Vacancies	1
		Percent Occupied	98.3%
Project Type	Tax Credit		
Year Open	2003	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	25 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (16 units)		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
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, Club House, Playground, Computer Lab, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1.5	G	22	0	886	\$0.87	\$775	60%
2	1.5	G	22	0	886	\$0.68	\$600	50%
3	2	G	8	1	1193	\$0.62	\$734	60%
3	2	G	8	0	1193	\$0.59	\$700	50%

18 Cedar Brook Townhomes

8.6 miles to site



Address	120 Beverly Dr. Easley, SC 29640		
Phone	(864) 859-1144	Contact	Amy
Total Units	39	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2013	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	336 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Accepts HCV		



Features and Utilities

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

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	4	0	900	\$0.47	\$425	50%
3	2.5	T	25	0	1200	\$0.40	\$485	60%
3	2.5	T	6	0	1200	\$0.38	\$460	50%
4	3	T	4	0	1450	\$0.36	\$525	60%

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Talus Apartments	807	1,054	1,200	-
5	Aberdeen Chase	-	1,013 - 1,048	1,154 - 1,213	-
13	Creekside Apts.	-	900	1,100	-
14	Pope Field Terrace	852	1,103	1,254	-
15	Park West Apts.	-	886	1,193	-
18	Cedar Brook Townhomes	-	900	1,200	1,450

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Talus Apartments	1.0	2.0	2.0	-
5	Aberdeen Chase	-	2.0 - 2.5	2.0 - 2.5	-
13	Creekside Apts.	-	2.0	2.0	-
14	Pope Field Terrace	1.0	2.0	2.0	-
15	Park West Apts.	-	1.5	2.0	-
18	Cedar Brook Townhomes	-	2.0	2.5	3.0

The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered.

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

COMPARABLE PROPERTIES AMENITIES - PICKENS, SOUTH CAROLINA

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

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		
5		X	X			X		X						X						CCTV
13	X	X	X	X		X		X								X				
14		X	X	X		X		X					X							CCTV; Walking Trail
15		X	X	X				X					X			X				
18		X	X		X	X		X					X			X				CCTV

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

The amenity package proposed for the subject site is very competitive with those offered among the comparable LIHTC projects, as detailed in the preceding tables. Notably, the subject project will offer key features not limited to dishwashers, microwaves, washer/dryer hookups, on-site management, a clubhouse/community space, fitness center, and computer center. These features will ensure the subject's competitive position and enhance its marketability within the Pickens Site PMA. The subject project does not appear to lack any key amenities that would adversely impact its marketability.

Comparable/Competitive Tax Credit Summary

Within the Pickens Site PMA, we identified and surveyed five existing LIHTC projects which we consider comparable to and competitive with the subject project. These properties are all 100.0% occupied and maintain waiting lists of up to 336-households, demonstrating significant pent-up demand for family-oriented LIHTC product in this market. It is also of note that the five comparable properties, although in the Site PMA, are all located in the city of Easley, approximately 8.0 to 9.0 miles southeast of Pickens. Thus, the subject project will effectively offer the only non-subsidized family-oriented LIHTC product in the immediate Pickens area. This will create a competitive advantage for the subject project and contribute to its ability to achieve premium rents within the Pickens market. The subject's proposed gross Tax Credit rents are within the range of those reported among similar unit types at the comparable LIHTC projects surveyed in the market. The subject project is considered competitive in terms of overall design (i.e. square feet, number of bathrooms, and amenities offered). Based on the preceding factors, the subject project is considered marketable as proposed.

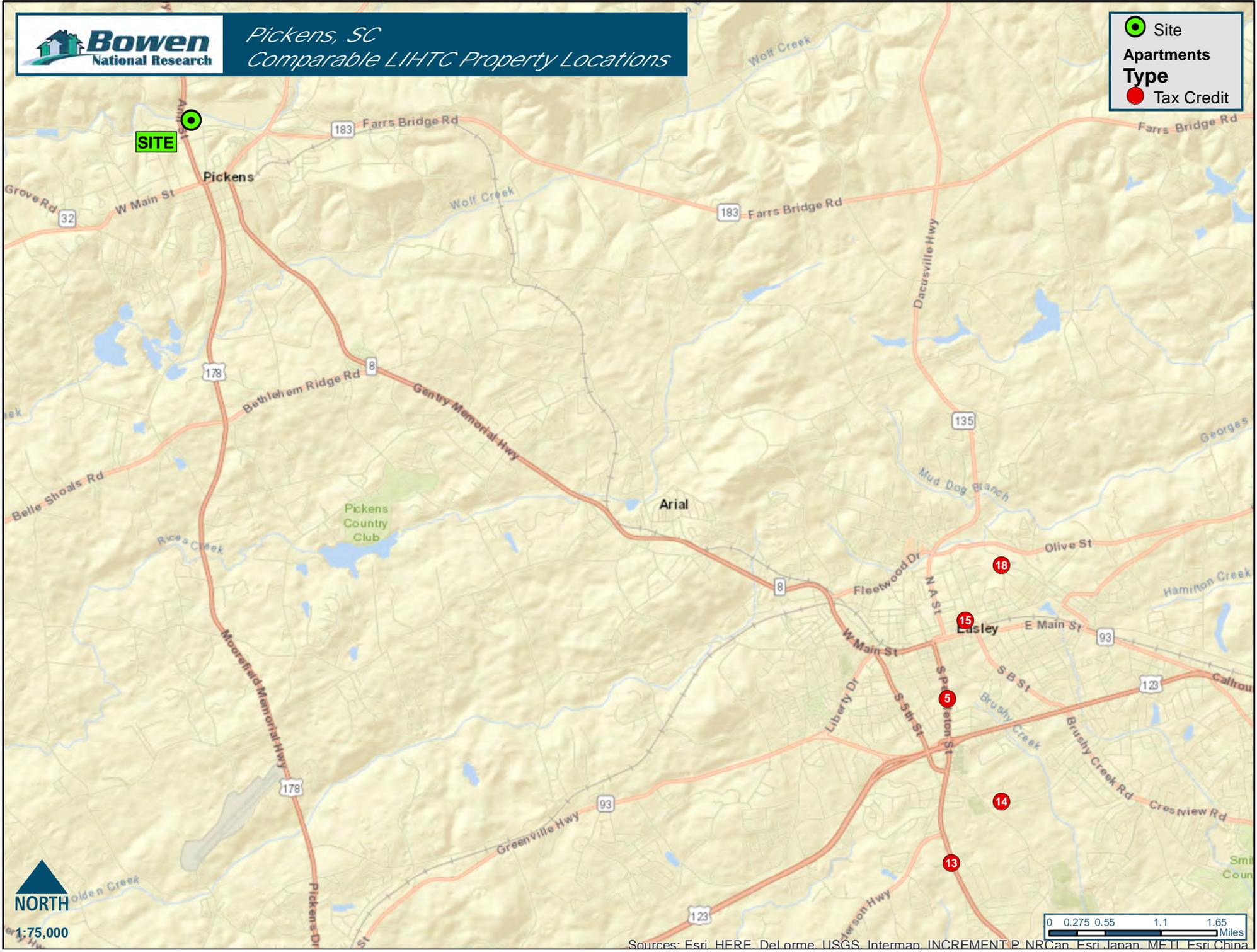
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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

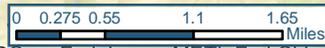


Pickens, SC Comparable LIHTC Property Locations

- Site
- Apartments**
- Type**
- Tax Credit



NORTH
1:75,000



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 Pickens 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	21,823	88.8%	22,307	89.1%
Owner-Occupied	15,908	72.9%	16,187	72.6%
Renter-Occupied	5,915	27.1%	6,120	27.4%
Vacant	2,748	11.2%	2,729	10.9%
Total	24,571	100.0%	25,036	100.0%

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

Based on a 2017 update of the 2010 Census, of the 25,036 total housing units in the market, 10.9% were vacant. Notably, both the number and share of vacant housing units has decreased within the Site PMA between 2010 and 2017. This is a good indication of a well-performing and improving overall housing market. Nonetheless, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Pickens Site PMA.

Conventional Rentals

We identified and personally surveyed 18 conventional rental housing projects containing a total of 1,361 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 98.3%, a strong rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	5	662	23	96.5%
Tax Credit	7	393	0	100.0%
Tax Credit/Government-Subsidized	3	92	0	100.0%
Government-Subsidized	3	214	0	100.0%
Total	18	1,361	23	98.3%

A variety of rental product is offered within the Site PMA, all of which is performing well, as each segment surveyed reports an occupancy rate of 96.5% or higher. All affordable (i.e. Tax Credit and/or Government-Subsidized) rental properties are 100.0% occupied.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	184	27.8%	10	5.4%	\$880
Two-Bedroom	1.0	51	7.7%	5	9.8%	\$777
Two-Bedroom	2.0	294	44.4%	5	1.7%	\$1,024
Three-Bedroom	2.0	133	20.1%	3	2.3%	\$1,162
Total Market-Rate		662	100.0%	23	3.5%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	48	12.2%	0	0.0%	\$642
Two-Bedroom	1.5	44	11.2%	0	0.0%	\$777
Two-Bedroom	2.0	148	37.7%	0	0.0%	\$754
Two-Bedroom	2.5	10	2.5%	0	0.0%	\$742
Three-Bedroom	2.0	98	24.9%	0	0.0%	\$981
Three-Bedroom	2.5	41	10.4%	0	0.0%	\$772
Four-Bedroom	3.0	4	1.0%	0	0.0%	\$859
Total Tax Credit		393	100.0%	0	0.0%	-

The market-rate units are 96.5% occupied and the non-subsidized Tax Credit units are 100.0% occupied. A variety of bedroom types are offered among the non-subsidized Tax Credit properties surveyed, all of which are clearly in high demand, when considering the 100.0% occupancy rates reported among the surveyed properties. Also note the lower median gross rents reported among the Tax Credit units surveyed in the market, relative to those reported for similar market-rate unit types. These lower rents, along with the 100.0% occupancy rate, are good indications that non-subsidized Tax Credit product represents a significant value within the Site PMA.

The following is a distribution of units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	80	17.5%
1980 to 1989	0	0	0.0%
1990 to 1999	4	520	1.7%
2000 to 2005	1	60	0.0%
2006 to 2010	2	234	0.0%
2011	0	0	0.0%
2012	0	0	0.0%
2013	2	94	0.0%
2014	0	0	0.0%
2015	1	27	0.0%
2016	0	0	0.0%
2017	1	40	0.0%
2018*	0	0	0.0%

*As of February

Less than 10.0% of all apartments surveyed were built prior to 1980. However, it is also of note that these older apartments have a vacancy rate of 17.5%, higher than the overall market. Non-subsidized properties which were built since 2000 are all 100.0% occupied, demonstrating strong demand for modern rental product within the Site PMA. Most properties surveyed are located in the cities of Easley and Liberty. Notably, the newest property surveyed in the city of Pickens, Valleybrook (Map ID 8), is a market-rate property built in 1998. The newness of the subject project is expected to create a competitive advantage for the property and is considered beneficial to the Pickens rental market.

The newest property surveyed is Peachtree Senior Village (Map ID 3), an age-restricted Tax Credit property located in Liberty, South Carolina. This property contains 40 units and opened in August of 2017, reaching 100.0% occupancy in September of 2017. This is reflective of an average monthly absorption rate of approximately 20 units per month. This is considered a rapid absorption rate for age-restricted Tax Credit product.

The Pickens apartment market offers a moderate range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
One-Bedroom	\$582-50%	\$850	\$567 - \$905	202 (87.1%)
	\$699-60%			144 (62.1%)
Two-Bedroom	\$698-50%	\$902	\$667 - \$1,064	533 (97.4%)
	\$838-60%			382 (69.8%)
Three-Bedroom	\$807-50%	\$981	\$746 - \$1,192	220 (80.9%)
	\$955-60%			198 (72.8%)

Most of the rents of existing non-subsidized rentals in the market are above the proposed rents at the subject site. This is a good indication that the subject rents will represent a value in the market. Nonetheless, the appropriateness of the proposed rents is evaluated in detail earlier in this section of the report, and in the Achievable Market Rent Analysis section of this report.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	248	0.0%
B	3	334	2.7%
C+	1	80	17.5%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	5	221	0.0%
B-	2	172	0.0%

The non-subsidized Tax Credit properties surveyed are generally of good to very good quality, as the lowest quality rating assigned by our analyst is a “B-”. The subject project is expected to have an excellent quality finish and attractive aesthetic appeal upon completion. This will contribute to the subject’s marketability, as well as its ability to achieve premium rents within the Pickens market.

A complete list of all properties surveyed 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 Pickens Site PMA is on the following page.

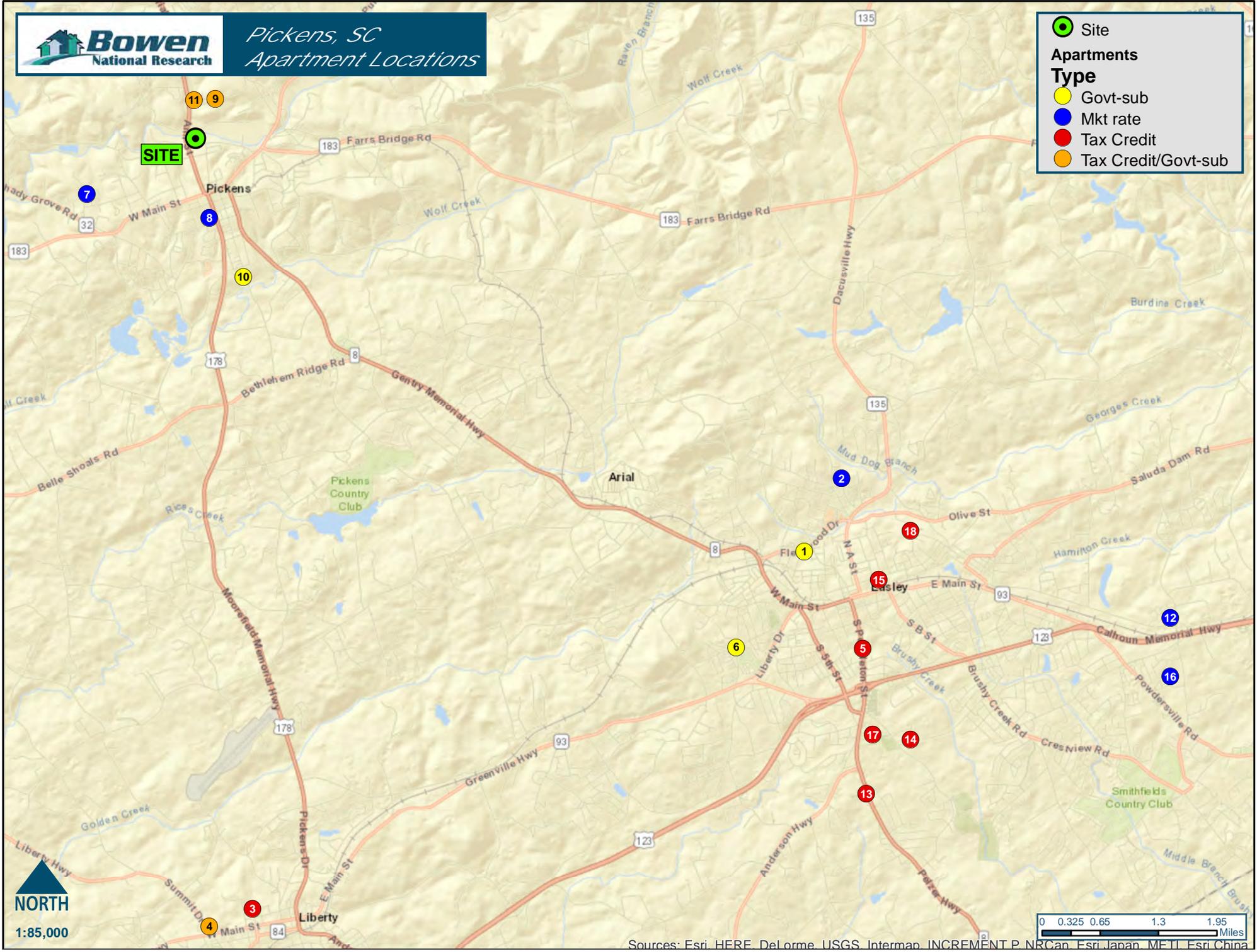


Pickens, SC Apartment Locations

Site
 Site

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
 1:85,000



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 and building representatives, it was determined that there is one rental housing project planned in the PMA. This planned development is summarized as follows:

- A 200-unit multifamily project is planned for the Easley Town Center project at the intersection of Prince Perry Road and Rolling Hills Circle in Easley. While detailed information pertaining to this project was unavailable at the time of this report, it is of note that this project is not listed on the state Tax Credit allocation list and thus is expected to operate as unrestricted market-rate. Therefore, this project is not expected to be directly competitive with the subject project.

7. MARKET RENT ADVANTAGE

As detailed within this report, and by our Field Survey of Conventional Rentals, a very limited supply of market-rate product is offered within the Pickens Site PMA, particularly modern market-rate product which is comparable to the subject project. As such, we identified and surveyed additional modern market-rate product outside the Site PMA, but within the region in the cities of Central and Greenville, South Carolina. These properties were built between 2002 and 2017 and thus provide a good representation of modern market-rate product within the region. Although these properties are located outside the Site PMA, the Central and Greenville areas are considered similar to the subject market in terms of median household income, based on American Community Survey (ACS) data. These properties are also located within the Greenville-Mauldin-Easley, SC HUD Metro FMR Area, similar to the subject site. It is also of note that the comparable properties located in Greenville are located in more suburban type areas, rather than downtown Greenville, an area which is believed to be able to command premium rents. Considering the preceding factors, out of market adjustments were not warranted for these properties. 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 six selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Talus Apartments	2020	64	-	6 (-)	32 (-)	26 (-)
12	Auston Woods Apts.	2007	194	100.0%	88 (100.0%)	58 (100.0%)	48 (100.0%)
16	Shadowbrook Apts.	1996	248	100.0%	56 (100.0%)	156 (100.0%)	36 (100.0%)
902	Rosewood at Clemson	2007	48	95.8%	-	-	48 (95.8%)
903	Mosby Poinsett	2017	288	48.3%	100 (13.0%)	130 (68.5%)	58 (63.8%)
904	Enclave at Paris Mountain	2012	232	90.9%	139 (90.6%)	70 (91.4%)	23 (91.3%)
905	Vinings at Duncan Chapel	2002	196	100.0%	70 (100.0%)	98 (100.0%)	28 (100.0%)

900 Series Map IDs are located outside the Site PMA

Occ. – Occupancy

*Units under construction

The six selected market-rate projects have a combined total of 1,206 units with an overall occupancy rate of 85.7%. Note that while Mosby Poinsett (Map ID 903) is currently operating at 48.3% occupancy, this property just recently opened in June of 2017, with preleasing beginning in April of 2017. Considering the current occupancy rate and the opening date, this property has experienced an average monthly absorption rate of approximately 15 to 16 units per month. This is considered a good absorption rate and demonstrates that this property has been well-received within the region and will serve as an accurate benchmark with which to compare the subject project.

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	
Talus Apartments		Auston Woods Apts.		Shadowbrook Apts.		Mosby Pointsett		Enclave at Paris Mountain		Vining at Duncan Chapel	
NE corner of East Jones Avenue & Ann Street		107 Auston Woods Cir.		219 Andrea Cir.		6001 Hampden Dr.		101 Enclave Paris Dr.		421 Duncan Chapel Rd.	
Pickens, SC		Easley, SC		Easley, SC		Greenville, SC		Greenville, SC		Greenville, SC	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$645		\$688		\$1,046		\$940		\$780	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		18%		91%		100%	
5	Effective Rent & Rent/ sq. ft	\$645	0.93	\$688	0.74	\$1,046	1.31	\$940	1.24	\$780	0.97
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2		WU/2,3,3,5		WU/2,3		WU/3.5	
7	Yr. Built/Yr. Renovated	2020	\$13	1996	\$24	2017	\$3	2012	\$8	2002	\$18
8	Condition/Street Appeal	E	\$25	G	\$25	E		E		E	
9	Neighborhood	G		G		G		G		E	(\$10)
10	Same Market?	Yes		Yes		No		No		No	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	807	\$29	930	(\$32)	799	\$2	756	\$13	801	\$2
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C		C		W		W		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y		Y/N		Y/Y	(\$5)	N/N	\$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		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y		Y	\$5	Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/MT	(\$10)	P/F/S	(\$13)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y	\$6	N	\$6	Y	\$3	Y	\$3	Y	\$3
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y	\$5	N	\$5	N	\$5	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	N/N		N/N		Y/Y	(\$63)	Y/Y	(\$63)	Y/Y	(\$63)
39	Trash/Recycling	Y/N	\$13	Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	2	6	3	4	3	3	5	5	3
41	Sum Adjustments B to D	\$83	(\$18)	\$70	(\$47)	\$13	(\$43)	\$24	(\$50)	\$33	(\$45)
42	Sum Utility Adjustments	\$13					(\$63)		(\$63)		(\$63)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$78	\$114	\$23	\$117	(\$93)	\$119	(\$89)	\$137	(\$75)	\$141
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$723		\$711		\$953		\$851		\$705	
45	Adj Rent/Last rent		112%		103%		91%		91%		90%
46	Estimated Market Rent	\$815		\$1.01		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Talus Apartments		Auston Woods Apts.		Shadowbrook Apts.		Mosby Poinsett		Enclave at Paris Mountain		Vinings at Duncan Chapel	
NE corner of East Jones Avenue & Ann Street		107 Auston Woods Cir.		219 Andrea Cir.		6001 Hampden Dr.		101 Enclave Paris Dr.		421 Duncan Chapel Rd.	
Pickens, SC		Easley, SC		Easley, SC		Greenville, SC		Greenville, SC		Greenville, SC	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$745		\$788		\$1,296		\$1,155		\$928	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		72%		91%		100%	
5	Effective Rent & Rent/ sq. ft	\$745	0.82	\$788	0.66	\$1,296	1.19	\$1,155	1.05	\$928	0.86
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2		WU/2,3,3,5		WU/2,3		WU/3.5	
7	Yr. Built/Yr. Renovated	2020	\$13	1996	\$24	2017	\$3	2012	\$8	2002	\$18
8	Condition/Street Appeal	E	\$25	G	\$25	E		E		E	
9	Neighborhood	G		G		G		G		E	(\$10)
10	Same Market?	Yes		Yes		No		No		No	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1054	\$34	1200	(\$33)	1086	(\$7)	1096	(\$10)	1075	(\$5)
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C		C		W		W		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y		Y/N		Y/Y	(\$5)	N/N	\$5
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y		Y	\$5	Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/MT	(\$10)	P/F/S	(\$13)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y	\$6	N	\$6	Y	\$3	Y	\$3	Y	\$3
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y	\$5	N	\$5	N	\$5	Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		Y/Y	(\$72)	Y/Y	(\$72)	Y/Y	(\$72)
39	Trash/Recycling	Y/N	\$13	Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	2	6	3	3	4	2	6	4	4
41	Sum Adjustments B to D	\$88	(\$18)	\$70	(\$48)	\$11	(\$50)	\$11	(\$60)	\$31	(\$50)
42	Sum Utility Adjustments	\$13					(\$72)		(\$72)		(\$72)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$83	\$119	\$22	\$118	(\$111)	\$133	(\$121)	\$143	(\$91)	\$153
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$828		\$810		\$1,185		\$1,034		\$837	
45	Adj Rent/Last rent		111%		103%		91%		90%		90%
46	Estimated Market Rent	\$1,015		\$0.96		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Talus Apartments		Auston Woods Apts.		Rosewood at Clemson		Mosby Poinsett		Enclave at Paris Mountain		Vinings at Duncan Chapel	
NE corner of East Jones Avenue & Ann Street		107 Auston Woods Cir.		201 Tiliwa Ct.		6001 Hampden Dr.		101 Enclave Paris Dr.		421 Duncan Chapel Rd.	
Pickens, SC		Easley, SC		Central, SC		Greenville, SC		Greenville, SC		Greenville, SC	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$895		\$1,155		\$1,566		\$1,435		\$1,108	
2	Date Surveyed	Feb-18		Feb-18		Feb-18		Feb-18		Feb-18	
3	Rent Concessions	None		Yes	(\$25)	None		None		None	
4	Occupancy for Unit Type	100%		96%		64%		91%		100%	
5	Effective Rent & Rent/ sq. ft	\$895	0.62	\$1,130	1.04	\$1,566	1.15	\$1,435	1.08	\$1,108	0.87
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/3		WU/2,3,3,5		WU/2,3		WU/3.5	
7	Yr. Built/Yr. Renovated	2020	\$13	2007	\$13	2017	\$3	2012	\$8	2002	\$18
8	Condition/Street Appeal	E	\$25	G		E		E		E	
9	Neighborhood	G		G		G		G		E	(\$10)
10	Same Market?	Yes		No		No		No		No	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1200	(\$59)	1451	\$26	1357	(\$37)	1328	(\$30)	1270	(\$17)
14	Balcony/Patio	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C		C		W		W		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fans/Storage	Y/N		N/Y	(\$5)	Y/N		Y/Y	(\$5)	N/N	\$5
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/MT	(\$5)	P	(\$13)	P/F/S	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y	\$6	N	\$6	Y	\$3	Y	\$3	Y	\$3
30	Picnic Area	Y		Y		Y		Y		Y	
31	Playground	Y	\$5	N		N	\$5	Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N	(\$81)	Y/Y	(\$81)	Y/Y	(\$81)	Y/Y	(\$81)
39	Trash/Recycling	Y/N	\$13	N/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	3	3	3	3	4	2	6	4	4
41	Sum Adjustments B to D	\$54	(\$77)	\$45	(\$15)	\$11	(\$80)	\$11	(\$80)	\$31	(\$62)
42	Sum Utility Adjustments	\$13			(\$81)		(\$81)		(\$81)		(\$81)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$10)	\$144	(\$51)	\$141	(\$150)	\$172	(\$150)	\$172	(\$112)	\$174
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$885		\$1,079		\$1,416		\$1,285		\$996	
45	Adj Rent/Last rent		99%		95%		90%		90%		90%
46	Estimated Market Rent	\$1,145	\$0.95 ←	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 rent for units similar to the subject development are \$815 for a one-bedroom unit, \$1,015 for a two-bedroom unit and \$1,145 for a three-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units.

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	50%	\$463	\$815	43.19%
One-Br.	60%	\$580	\$815	28.83%
Two-Br.	50%	\$539	\$1,015	46.90%
Two-Br.	60%	\$679	\$1,015	33.10%
Three-Br.	50%	\$597	\$1,145	47.86%
Three-Br.	60%	\$745	\$1,145	34.93%
Weighted Average				36.24%

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 Pickens Site PMA, as they represent market rent advantages ranging from 28.83% to 47.86%, depending upon bedroom type and targeted income level. The weighted average market rent advantage for the subject property is 36.24%

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. When multiple rent levels were offered, we included an average rent.

3. One of the selected properties, Rosewood at Clemson, is currently offering a rent concession of \$300 off the first month's rent. The value of this concession has been prorated over a 12-month period and applied as a negative adjustment in Line 3 and is reflected in the effective rent (Line 5) for this property.



7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1996 and 2017. 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 finish and attractive aesthetic appeal. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. One of the selected properties is located in a neighborhood which is considered slightly more desirable than the subject project, in terms of overall quality, access and visibility, and/or proximity to area services. This property has been negatively adjusted by \$10 to reflect its neighborhood desirability.
10. As detailed earlier in this report, the Pickens market offers a very limited supply of market-rate product, particularly modern market-rate product. Thus, we surveyed several properties located outside the Site PMA in the surrounding areas of Central and Greenville, South Carolina. These areas are considered similar to the subject market in terms of median household income, based on ACS data. Thus, adjustments for out of market differences have not been applied to these 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 similar to 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 the subject property does not offer.
- 24.-32. The project amenities package proposed for the subject project is slightly inferior to those offered among the comparable market-rate projects. We have made monetary adjustments to reflect the difference between the subject 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
5	Aberdeen Chase	100.0%	95.0%+
13	Creekside Apts.	100.0%	95.0%+
14	Pope Field Terrace	100.0%	95.0%+
15	Park West Apts.	100.0%	95.0%+
18	Cedar Brook Townhomes	100.0%	95.0%+

As discussed throughout this report, and illustrated in the preceding table, all five comparable LIHTC projects surveyed in the Site PMA are 100.0% occupied. Additionally, these properties maintain waiting lists of up to 336-households. It is also of note that while these properties are located in the Site PMA, they are all located in the city of Easley, whereas the subject project will be located in the city of Pickens. Thus, the subject project will effectively offer the only LIHTC product in the city of Pickens. Based on the preceding factors, we do not expect the development of the subject project to have any adverse impact on future occupancy rates among the existing comparable LIHTC projects in the Site PMA. In fact, we expect the subject project will help alleviate a portion of the pent-up demand in this market.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$126,672. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$126,672 home is \$762, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$126,672
Mortgaged Value = 95% of Median Home Price	\$120,338
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$610
Estimated Taxes and Insurance*	\$152
Estimated Monthly Mortgage Payment	\$762

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$463 to \$745 per month, depending upon unit type. While it is possible that some potential tenants of the subject units set at 60% of AMHI may be able to afford the cost of a typical mortgage in this market, the number that could also afford the down payment, routine maintenance costs, and/or utility costs associated with such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. **HOUSING VOIDS**

The subject project will offer one- through three-bedroom units targeting households earning up to 50% and 60% of AMHI. A total of five comparable LIHTC projects were surveyed within the Site PMA, all of which are 100.0% occupied. These properties also maintain waiting lists of up to 336-households for their next available units. This demonstrates significant pent-up demand for additional family-oriented LIHTC product, such as that proposed for the subject site. In addition, it should be reiterated that while five comparable properties were surveyed within the Site PMA, all five are located in the city of Easley, as compared to the subject project which will be located in the city of Pickens. Thus, the subject project will effectively introduce a new, modern, affordable rental product to the immediate Pickens market. Based on the preceding factors, the subject project will help fill a void within the Pickens Site PMA.

I. Interviews

The following are summaries of interviews conducted with various local stakeholders regarding the need for affordable rental product in the Pickens Site PMA:

- According to Becky Horace, Director of Planning and Zoning for the city of Pickens, there is a need for affordable housing in the area because Pickens is a “pocket community” of Greenville and the city of Greenville is expanding towards Pickens. Pickens is a small, rural town and most people living in Pickens commute to work outside of town. As Greenville expands there will be need for more family housing in Pickens, according to Ms. Horace. *Phone: 864-898-8147.*
- Carmen Rhodes, Community Manager at Peachtree Senior Village, a senior-restricted LIHTC community located in Liberty, South Carolina, stated that there is a need for affordable housing, specifically for senior citizens, in Liberty and Pickens. Ms. Rhodes noted that her community is newly opened and was 100.0% occupied with a waiting list upon opening. While Ms. Rhodes feels the need is greatest for affordable age-restricted LIHTC product, the one- and two-bedroom garden-style units to be offered at the subject project will likely appeal to some senior renters in the Site PMA. *Phone: 864-520-5559*
- Amy Perry, Community Manager at Cedar Brook Townhomes, a general-occupancy LIHTC community located in Easley, noted that there is a need for affordable housing in Pickens. Ms. Perry further stated that she is unaware of any non-subsidized general-occupancy LIHTC communities in Pickens and that new community would be well received in the Pickens area. *Phone: 864-859-1144*

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 64 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.

A total of five existing comparable LIHTC projects were surveyed within the Site PMA, all of which are 100.0% occupied. Additionally, these properties maintain waiting lists of up to 336-households. This is a clear indication of significant pent-up demand for additional family-oriented LIHTC product in this market. It is also of note that all five existing comparable properties are located in the city of Easley, whereas the subject project will be located in the city of Pickens. Thus, the subject project will effectively offer the only non-subsidized general-occupancy LIHTC product in the immediate Pickens area, which will create a competitive advantage for the property and help fill a void in the Pickens rental market. 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 a significant value in the marketplace. This is demonstrated in Section IV.

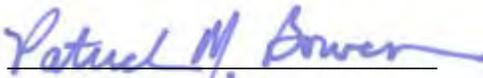
In addition to the subject's competitive position, it will also be well supported demographically, as indicated by the subject's capture rates included in Section G. Specifically, the overall capture rate for the subject project is 10.7%, while capture rates by AMHI level range from 2.6% to 11.2%. These are all considered low and easily achievable within the Pickens Site PMA, particularly when considering the lack of availability among the comparable LIHTC properties in this market.

Overall, the subject project is considered marketable as proposed and is expected to help fill a void in the local rental market. The development of the subject project is not expected to have any adverse impact on continued occupancy rates among the existing comparable LIHTC product 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.

Certified:



Patrick M. Bowen
President/Market Analyst
Bowen National Research
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(614) 833-9300
patrickb@bowennational.com
Date: March 1, 2018



Lisa Goff
Market Analyst
lisag@bowennational.com
Date: March 1, 2018



Craig Rupert
Market Analyst
craigr@bowennational.com
Date: March 1, 2018

L. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

PICKENS, 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.

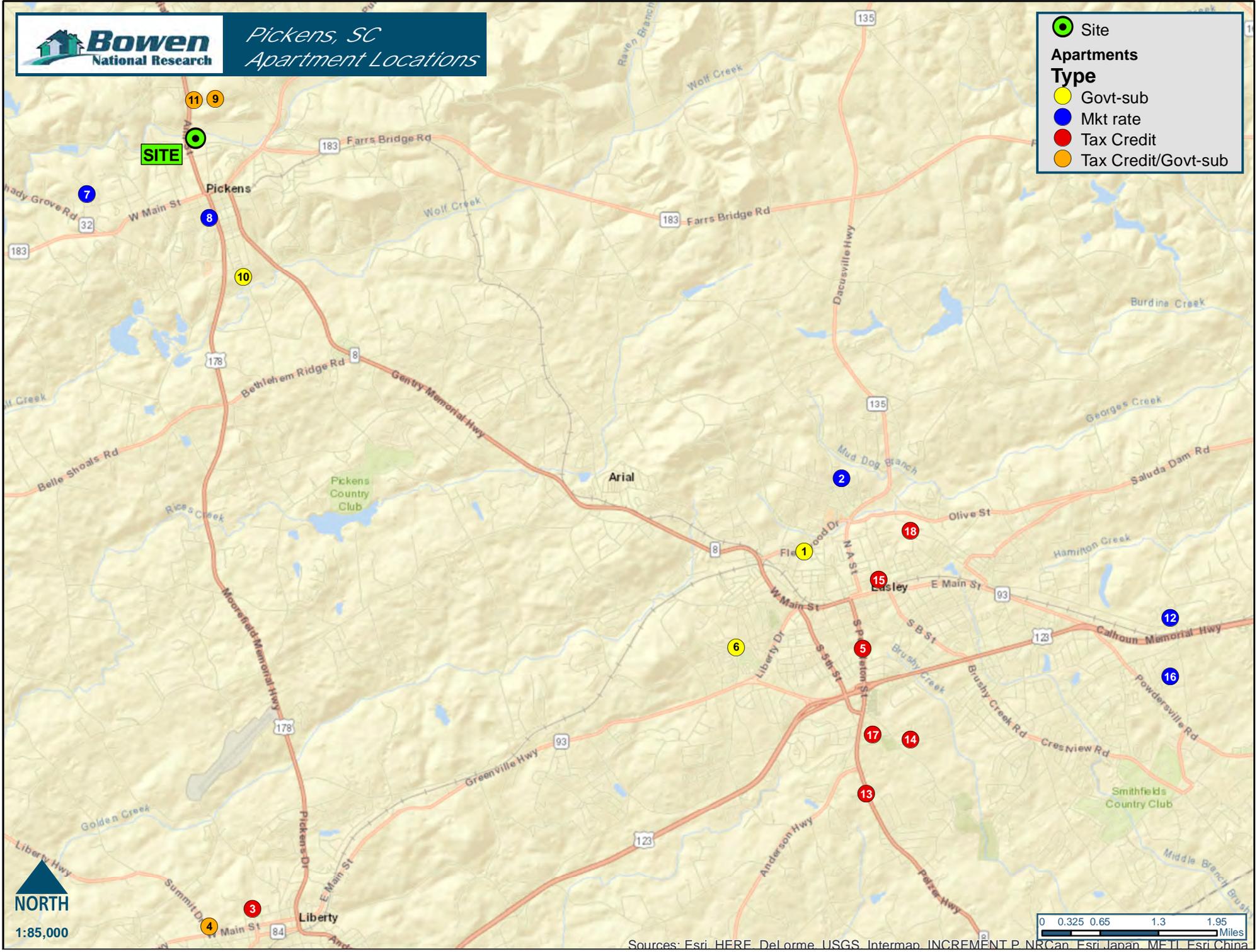


Pickens, SC Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:85,000

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

MAP IDENTIFICATION LIST - PICKENS, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Jay's Place	GSS	B	2008	38	0	100.0%	7.4
2	Waterford Apts.	MRR	B	1997	128	8	93.8%	8.2
◆ 3	Peachtree Senior Village	TAX	A-	2017	40	0	100.0%	7.8
4	Forest View Apts.	TGS	B	1989	44	0	100.0%	8.2
5	Aberdeen Chase	TAX	A-	2015	27	0	100.0%	8.4
6	Easley H. A. Westgate Apts.	GSS	D+	1973	99	0	100.0%	7.8
7	Windwood Gardens	MRR	C+	1974	80	14	82.5%	1.6
8	Valleybrook	MRR	B	1998	12	1	91.7%	0.8
9	Ridgeview Apts.	TGS	B-	1987	24	0	100.0%	0.7
10	Pickens Gardens	GSS	C	1976	77	0	100.0%	1.4
11	Pickens Apts.	TGS	B	1984	24	0	100.0%	0.6
12	Auston Woods Apts.	MRR	B	2007	194	0	100.0%	11.1
13	Creekside Apts.	TAX	B-	1995	132	0	100.0%	9.4
14	Pope Field Terrace	TAX	A-	2013	55	0	100.0%	9.3
15	Park West Apts.	TAX	A-	2003	60	0	100.0%	8.3
16	Shadowbrook Apts.	MRR	B+	1996	248	0	100.0%	11.4
◆ 17	Companion at Horton Farms	TAX	B-	2008	40	0	100.0%	9.0
18	Cedar Brook Townhomes	TAX	A-	2013	39	0	100.0%	8.6

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	5	662	23	96.5%	4
TAX	7	393	0	100.0%	0
TGS	3	92	0	100.0%	0
GSS	3	214	0	100.0%	0

Total units does not include units under construction.

◆	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

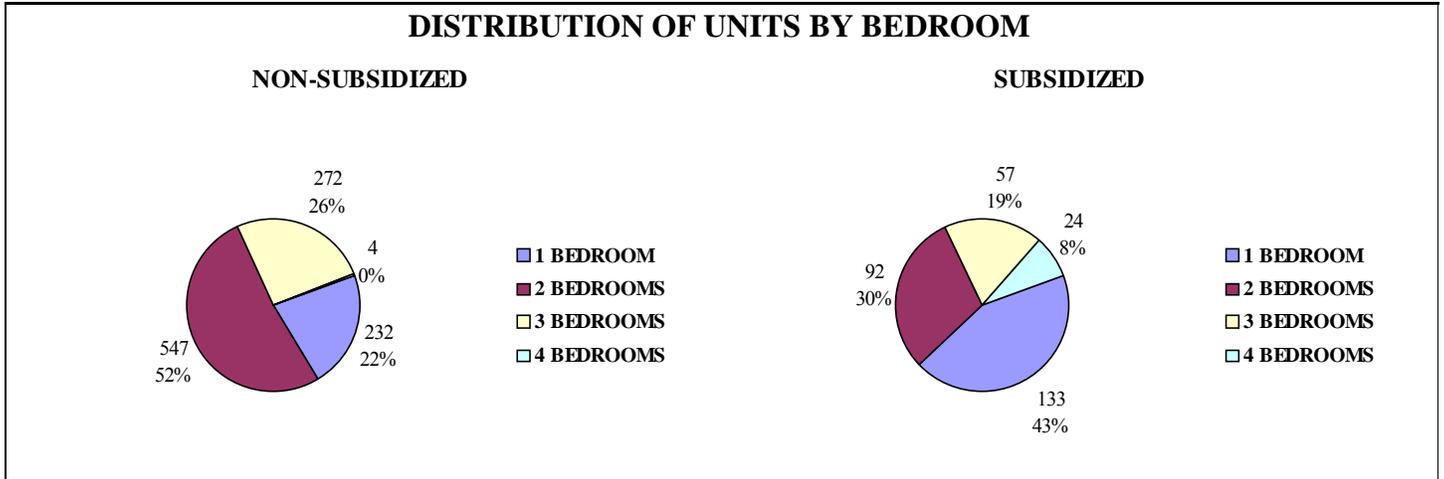
* - Drive Distance (Miles)

Survey Date: February 2018

DISTRIBUTION OF UNITS - PICKENS, SOUTH CAROLINA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	184	27.8%	10	5.4%	\$880
2	1	51	7.7%	5	9.8%	\$777
2	2	294	44.4%	5	1.7%	\$1,024
3	2	133	20.1%	3	2.3%	\$1,162
TOTAL		662	100.0%	23	3.5%	
4 UNITS UNDER CONSTRUCTION						
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	48	12.2%	0	0.0%	\$642
2	1.5	44	11.2%	0	0.0%	\$777
2	2	148	37.7%	0	0.0%	\$754
2	2.5	10	2.5%	0	0.0%	\$742
3	2	98	24.9%	0	0.0%	\$981
3	2.5	41	10.4%	0	0.0%	\$772
4	3	4	1.0%	0	0.0%	\$859
TOTAL		393	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	33	35.9%	0	0.0%	N.A.
2	1	40	43.5%	0	0.0%	N.A.
2	1.5	7	7.6%	0	0.0%	N.A.
3	1.5	12	13.0%	0	0.0%	N.A.
TOTAL		92	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	100	46.7%	0	0.0%	N.A.
2	1	45	21.0%	0	0.0%	N.A.
3	1	33	15.4%	0	0.0%	N.A.
3	1.5	12	5.6%	0	0.0%	N.A.
4	1.5	16	7.5%	0	0.0%	N.A.
4	2	8	3.7%	0	0.0%	N.A.
TOTAL		214	100.0%	0	0.0%	
GRAND TOTAL		1,361	-	23	1.7%	

DISTRIBUTION OF UNITS - PICKENS, SOUTH CAROLINA



SURVEY OF PROPERTIES - PICKENS, SOUTH CAROLINA

1 Jay's Place			
	Address 119 Louns Dr. Easley, SC 29640	Phone (864) 859-6881 (Contact in person)	Total Units 38
	Year Built 2008 Comments HUD Section 8 & HUD Section 202	Contact Donte	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 30 households
2 Waterford Apts.			
	Address 122 Riverstone Ct. Easley, SC 29640	Phone (864) 855-4711 (Contact in person)	Total Units 128
	Year Built 1997 Comments Does not accept HCV; Uses electric heat pump; Unit mix estimated	Contact Pam	Vacancies 8 Occupied 93.8% Floors 2 Quality Rating B Waiting List None
3 Peachtree Senior Village			
	Address 120 N. Peachtree St. Liberty, SC 29657	Phone (864) 510-5559 (Contact in person)	Total Units 40
	Year Built 2017 Comments 50% & 60% AMHI; HCV (2 units); Opened 8/2017, 100% occupied 9/2017; Handicap units have E-call buttons; 2-br unit mix estimated by AMHI	Contact Carmen	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A- Senior Restricted (55+) Waiting List 3 households
4 Forest View Apts.			
	Address 311 Summit Dr. Liberty, SC 29657	Phone (864) 843-9755 (Contact in person)	Total Units 44
	Year Built 1989 Renovated 2007 Comments 60% AMHI; RD 515, has RA (20 units); HCV (4 units)	Contact Judy	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating B Waiting List 7 households
5 Aberdeen Chase			
	Address 100 S. Pendleton St. Easley, SC 29640	Phone (864) 529-9902 (Contact in person)	Total Units 27
	Year Built 2015 Comments 50% & 60% AMHI; HCV (2 units); Garden units are handicap accessible & have E-call buttons; Opened 12/2015; Unit mix estimated	Contact Pam	Vacancies 0 Occupied 100.0% Floors 1,2 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 - PICKENS, SOUTH CAROLINA

6 Easley H. A. Westgate Apts.			
	Address 103 Wallace Dr. Easley, SC 29640	Phone (864) 855-0629 (Contact in person)	Total Units 99
	Year Built 1973 Comments Public Housing; One 4-br community office unit not included in total; Square footage estimated	Contact Frank	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating D+ Single-Family Homes Waiting List 100 households
7 Windwood Gardens			
	Address 208 Winwood Dr. Pickens, SC 29671	Phone (864) 398-0260 (Contact in person)	Total Units 80
	Year Built 1974 Renovated 2011 Comments HCV (2 units); Four 2-br units under construction, unknown completion date; Vacancies due to lack of qualified applicants; Square footage estimated	Contact Dena	Vacancies 14 Occupied 82.5% Floors 1, 2 Quality Rating C+ Waiting List None
8 Valleybrook			
	Address 401 & 403 Garvin St. Pickens, SC 29671	Phone (864) 907-8157 (Contact in person)	Total Units 12
	Year Built 1998 Comments HCV (1 unit); Higher rent for remodeled units; Square footage estimated	Contact Mark	Vacancies 1 Occupied 91.7% Floors 2 Quality Rating B Waiting List None
9 Ridgeview Apts.			
	Address 117 Ridgeview Dr. Pickens, SC 29671	Phone (864) 878-2459 (Contact in person)	Total Units 24
	Year Built 1987 Renovated 2009 Comments 60% AMHI; RD 515, has RA (5 units); HCV (3 units); Tax Credit Bond	Contact Courtney	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None
10 Pickens Gardens			
	Address 105 Garden Dr. Pickens, SC 29671	Phone (864) 878-2344 (Contact in person)	Total Units 77
	Year Built 1976 Comments HUD Section 8; 4-br units are single-family homes; Eight 1-br units do not have washer/dryer hookups	Contact Brenda	Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating C Waiting List 80 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 - PICKENS, SOUTH CAROLINA

11 Pickens Apts.			
	Address 105, 201, & 209 India Dr. Pickens, SC 29671	Phone (864) 878-2459 (Contact in person)	Total Units 24
	Year Built 1984 Renovated 2009	Contact Courtney	Vacancies 0
	Comments 60% AMHI; RD 515, has RA (5 units); HCV (1 unit); Square footage estimated		Occupied 100.0%
			Floors 1,2
			Quality Rating B
			Waiting List None
12 Auston Woods Apts.			
	Address 107 Auston Woods Cir. Easley, SC 29640	Phone (864) 859-3050 (Contact in person)	Total Units 194
	Year Built 2007	Contact Jessica	Vacancies 0
	Comments Does not accept HCV		Occupied 100.0%
			Floors 3
			Quality Rating B
			Waiting List None
13 Creekside Apts.			
	Address 100 Pebble Brook Ct. Easley, SC 29642	Phone (864) 306-9127 (Contact in person)	Total Units 132
	Year Built 1995	Contact Alexis	Vacancies 0
	Comments 60% AMHI; Accepts HCV		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Waiting List 5 households
14 Pope Field Terrace			
	Address 110 Pearson Terrace Dr. Easley, SC 29640	Phone (704) 885-5397 (Contact in person)	Total Units 55
	Year Built 2013	Contact Suzie	Vacancies 0
	Comments 50% & 60% AMHI; HCV (10 units)		Occupied 100.0%
			Floors 2
			Quality Rating A-
			Waiting List 100 households
15 Park West Apts.			
	Address 300 Duvall St. Easley, SC 29640	Phone (864) 859-3353 (Contact in person)	Total Units 60
	Year Built 2003	Contact LaShawn	Vacancies 0
	Comments 50% & 60% AMHI; HCV (16 units)		Occupied 100.0%
			Floors 3
			Quality Rating A-
			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

SURVEY OF PROPERTIES - PICKENS, SOUTH CAROLINA

16 Shadowbrook Apts.			
	Address 219 Andrea Cir. Easley, SC 29642 Year Built 1996 Comments Does not accept HCV	Phone (864) 855-0780 (Contact in person) Contact Tracie	Total Units 248 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Waiting List None
17 Companion at Horton Farms			
	Address 201 Walnut Hill Dr. Easley, SC 29640 Year Built 2008 Comments 50% & 60% AMHI; HCV (6 units); 2 handicap units have E-call pull cords	Phone (843) 855-0070 (Contact in person) Contact Sally	Total Units 40 Vacancies 0 Occupied 100.0% Floors 4 Quality Rating B- Senior Restricted (55+) Waiting List 4 households
18 Cedar Brook Townhomes			
	Address 120 Beverly Dr. Easley, SC 29640 Year Built 2013 Comments 50% & 60% AMHI; Accepts HCV	Phone (864) 859-1144 (Contact in person) Contact Amy	Total Units 39 Vacancies 0 Occupied 100.0% Floors 1,2 Quality Rating A- Waiting List 336 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 - PICKENS, 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			\$725	\$800					
3		\$428 to \$475	\$504 to \$505						
5			\$565	\$595			\$565 to \$620	\$595 to \$670	
7		\$425 to \$550	\$600	\$625					
8			\$525 to \$575						
12		\$645 to \$700	\$745 to \$815	\$885 to \$905					
13			\$685	\$775					
14		\$430 to \$480	\$490 to \$530	\$540 to \$590					
15			\$600 to \$775	\$700 to \$734					
16		\$675 to \$700	\$775 to \$800	\$875 to \$900					
17		\$500 to \$525	\$550 to \$600						
18			\$425					\$460 to \$485	\$525

◆	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 - PICKENS, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
7	Windwood Gardens	1	500 to 685	\$567 to \$692	\$1.01 to \$1.13
12	Auston Woods Apts.	1	696 to 821	\$863 to \$918	\$1.12 to \$1.24
16	Shadowbrook Apts.	1	930	\$880 to \$905	\$0.95 to \$0.97
3	Peachtree Senior Village	1	750	\$633 to \$680	\$0.84 to \$0.91
14	Pope Field Terrace	1	852	\$572 to \$622	\$0.67 to \$0.73
17	Companion at Horton Farms	1	750	\$642 to \$667	\$0.86 to \$0.89
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Waterford Apts.	2	1000	\$902	\$0.90
7	Windwood Gardens	1	780	\$777	\$1.00
8	Valleybrook	1	800	\$787 to \$837	\$0.98 to \$1.05
12	Auston Woods Apts.	2	904 to 1029	\$1007 to \$1077	\$1.05 to \$1.11
16	Shadowbrook Apts.	2	1200	\$1024 to \$1049	\$0.85 to \$0.87
3	Peachtree Senior Village	2	950	\$753 to \$754	\$0.79 to \$0.79
5	Aberdeen Chase	2	1013	\$742	\$0.73
		2.5	1048	\$742 to \$797	\$0.71 to \$0.76
13	Creekside Apts.	2	900	\$862	\$0.96
14	Pope Field Terrace	2	1103	\$667 to \$707	\$0.60 to \$0.64
15	Park West Apts.	1.5	886	\$777 to \$952	\$0.88 to \$1.07
17	Companion at Horton Farms	2	950	\$727 to \$777	\$0.77 to \$0.82
18	Cedar Brook Townhomes	2	900	\$674	\$0.75
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Waterford Apts.	2	1200	\$1006	\$0.84
7	Windwood Gardens	2	930	\$831	\$0.89
12	Auston Woods Apts.	2	1451	\$1185 to \$1205	\$0.82 to \$0.83
16	Shadowbrook Apts.	2	1475	\$1162 to \$1187	\$0.79 to \$0.80
5	Aberdeen Chase	2	1154	\$801	\$0.69
		2.5	1213	\$801 to \$876	\$0.66 to \$0.72
13	Creekside Apts.	2	1100	\$981	\$0.89
14	Pope Field Terrace	2	1254	\$746 to \$796	\$0.59 to \$0.63
15	Park West Apts.	2	1193	\$906 to \$940	\$0.76 to \$0.79
18	Cedar Brook Townhomes	2.5	1200	\$747 to \$772	\$0.62 to \$0.64
FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.

◆	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 - PICKENS, SOUTH CAROLINA

FOUR+ BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
18	Cedar Brook Townhomes	3	1450	\$859	\$0.59

◆	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 - PICKENS, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.09	\$0.93	\$0.82
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.80	\$0.87	\$0.83
TOWNHOUSE	\$0.00	\$0.73	\$0.65

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.03	\$0.91	\$0.83
TOWNHOUSE	\$0.00	\$0.73	\$0.65

TAX CREDIT UNITS - PICKENS, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
4	Forest View Apts.	12	644	1	60%	\$399 - \$460
11	Pickens Apts.	5	620	1	60%	\$415 - \$489
◆ 3	Peachtree Senior Village	1	750	1	50%	\$428
14	Pope Field Terrace	10	852	1	50%	\$430
9	Ridgeview Apts.	16	684	1	60%	\$460 - \$513
◆ 3	Peachtree Senior Village	3	750	1	60%	\$475
14	Pope Field Terrace	10	852	1	60%	\$480
◆ 17	Companion at Horton Farms	12	750	1	50%	\$500
◆ 17	Companion at Horton Farms	12	750	1	60%	\$525
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
18	Cedar Brook Townhomes	4	900	2	50%	\$425
4	Forest View Apts.	32	849	1	60%	\$444 - \$849
11	Pickens Apts.	7	800	1.5	60%	\$450 - \$524
9	Ridgeview Apts.	8	823	1	60%	\$485 - \$538
14	Pope Field Terrace	10	1103	2	50%	\$490
◆ 3	Peachtree Senior Village	16	950	2	50%	\$504
◆ 3	Peachtree Senior Village	20	950	2	60%	\$505
14	Pope Field Terrace	10	1103	2	60%	\$530
◆ 17	Companion at Horton Farms	8	950	2	50%	\$550
5	Aberdeen Chase	6	1013	2	50%	\$565
5	Aberdeen Chase	5	1048	2.5	50%	\$565
15	Park West Apts.	22	886	1.5	50%	\$600
◆ 17	Companion at Horton Farms	8	950	2	60%	\$600
5	Aberdeen Chase	5	1048	2.5	60%	\$620
13	Creekside Apts.	66	900	2	60%	\$685
15	Park West Apts.	22	886	1.5	60%	\$775

◆ - Senior Restricted

TAX CREDIT UNITS - PICKENS, SOUTH CAROLINA

THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
18	Cedar Brook Townhomes	6	1200	2.5	50%	\$460
11	Pickens Apts.	12	910	1.5	60%	\$480 - \$554
18	Cedar Brook Townhomes	25	1200	2.5	60%	\$485
14	Pope Field Terrace	5	1254	2	50%	\$540
14	Pope Field Terrace	10	1254	2	60%	\$590
5	Aberdeen Chase	1	1154	2	50%	\$595
5	Aberdeen Chase	5	1213	2.5	50%	\$595
5	Aberdeen Chase	5	1213	2.5	60%	\$670
15	Park West Apts.	8	1193	2	50%	\$700
15	Park West Apts.	8	1193	2	60%	\$734
13	Creekside Apts.	66	1100	2	60%	\$775
FOUR-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
18	Cedar Brook Townhomes	4	1450	3	60%	\$525

◆ - Senior Restricted

QUALITY RATING - PICKENS, SOUTH CAROLINA

MARKET-RATE PROJECTS AND UNITS

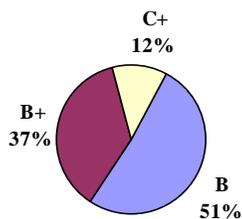
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	248	0.0%		\$880	\$1,024	\$1,162	
B	3	334	2.7%		\$863	\$902	\$1,006	
C+	1	80	17.5%		\$567	\$777	\$831	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

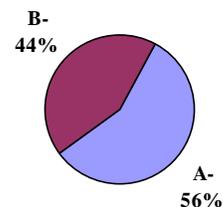
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A-	5	221	0.0%		\$622	\$754	\$796	\$859
B-	2	172	0.0%		\$642	\$862	\$981	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - PICKENS, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	1	80	14	17.5%	80	7.6%
1980 to 1989	0	0	0	0.0%	80	0.0%
1990 to 1999	4	520	9	1.7%	600	49.3%
2000 to 2005	1	60	0	0.0%	660	5.7%
2006 to 2010	2	234	0	0.0%	894	22.2%
2011	0	0	0	0.0%	894	0.0%
2012	0	0	0	0.0%	894	0.0%
2013	2	94	0	0.0%	988	8.9%
2014	0	0	0	0.0%	988	0.0%
2015	1	27	0	0.0%	1015	2.6%
2016	0	0	0	0.0%	1015	0.0%
2017	1	40	0	0.0%	1055	3.8%
2018**	0	0	0	0.0%	1055	0.0%
TOTAL	12	1055	23	2.2%	1055	100.0 %

YEAR RENOVATED - PICKENS, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006 to 2010	0	0	0	0.0%	0	0.0%
2011	1	80	14	17.5%	80	100.0%
2012	0	0	0	0.0%	80	0.0%
2013	0	0	0	0.0%	80	0.0%
2014	0	0	0	0.0%	80	0.0%
2015	0	0	0	0.0%	80	0.0%
2016	0	0	0	0.0%	80	0.0%
2017	0	0	0	0.0%	80	0.0%
2018**	0	0	0	0.0%	80	0.0%
TOTAL	1	80	14	17.5%	80	100.0 %

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

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

** As of February 2018

APPLIANCES AND UNIT AMENITIES - PICKENS, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	12	100.0%	1,055
REFRIGERATOR	12	100.0%	1,055
ICEMAKER	8	66.7%	583
DISHWASHER	11	91.7%	975
DISPOSAL	9	75.0%	924
MICROWAVE	7	58.3%	389
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	12	100.0%	1,055
AC - WINDOW	1	8.3%	80
FLOOR COVERING	12	100.0%	1,055
WASHER/DRYER	1	8.3%	40
WASHER/DRYER HOOK-UP	11	91.7%	975
PATIO/DECK/BALCONY	5	41.7%	664
CEILING FAN	7	58.3%	389
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	12	100.0%	1,055
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	3	25.0%	107

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

PROJECT AMENITIES - PICKENS, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	4	33.3%	702
ON-SITE MANAGEMENT	11	91.7%	1,043
LAUNDRY	10	83.3%	915
CLUB HOUSE	3	25.0%	247
MEETING ROOM	4	33.3%	313
FITNESS CENTER	7	58.3%	735
JACUZZI/SAUNA	1	8.3%	40
PLAYGROUND	5	41.7%	313
COMPUTER LAB	6	50.0%	261
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	2	16.7%	80
SECURITY GATE	0	0.0%	
BUSINESS CENTER	1	8.3%	40
CAR WASH AREA	2	16.7%	274
PICNIC AREA	7	58.3%	753
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	8.3%	40

DISTRIBUTION OF UTILITIES - PICKENS, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
GAS	1	99	7.3%
TENANT			
ELECTRIC	17	1,262	92.7%
			100.0%
COOKING FUEL			
LANDLORD			
GAS	1	99	7.3%
TENANT			
ELECTRIC	17	1,262	92.7%
			100.0%
HOT WATER			
LANDLORD			
GAS	1	99	7.3%
TENANT			
ELECTRIC	17	1,262	92.7%
			100.0%
ELECTRIC			
TENANT	18	1,361	100.0%
			100.0%
WATER			
LANDLORD	9	698	51.3%
TENANT	9	663	48.7%
			100.0%
SEWER			
LANDLORD	9	698	51.3%
TENANT	9	663	48.7%
TRASH PICK-UP			
LANDLORD	13	1,063	78.1%
TENANT	5	298	21.9%
			100.0%

UTILITY ALLOWANCE - PICKENS, SOUTH CAROLINA

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

SC-Region 1 (1/2018)

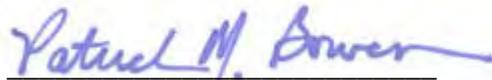
Survey Date: February 2018

Addendum B – Member Certification & Checklist

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

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

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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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