

Tab 19

Market Study

Full Report Submitted Electronically



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

A MARKET FEASIBILITY STUDY OF:
HAVENWOOD
CAMELLIA

A MARKET FEASIBILITY STUDY OF:

HAVENWOOD CAMELLIA

**East side of Knox Avenue (just north of Walker Avenue)
North Augusta, Aiken County, SC 29841**

**Effective Date: February 8, 2019
Report Date: February 25, 2019**

**Prepared for:
Mr. Max Elbe
Principal
Lowcountry Housing Communities
1831 Village Crossing Drive
Daniel Island, SC 29492**

**Prepared by:
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February 25, 2019

Mr. Max Elbe
Principal
Lowcountry Housing Communities
1831 Village Crossing Drive
Daniel Island, SC 29492

Re: Market Study for Havenwood Camellia, located in North Augusta, Aiken County, South Carolina

Dear Mr. Elbe:

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

The purpose of this market study is to assess the viability of Havenwood Camellia, a proposed 40-unit senior (55+) LIHTC project. The property will be a newly constructed affordable senior (55+) LIHTC project, with 50 revenue generating units restricted to senior (55+) households earning 50 and 60 percent of the Area Median Income (AMI) or less. Of these, nine units will operate with HOME subsidy. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the requirements of the South Carolina State Housing Finance and Development Agency (SCSHFDA), including the following:

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

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

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

Respectfully submitted,
Novogradac & Company LLP



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EXECUTIVE SUMMARY

Property Summary of Subject

Subject Property Overview:

Havenwood Camellia, the Subject, is a proposed 40-unit apartment community restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. Of these, nine units will operate with HOME subsidy. The Subject will be located along the east side of Knox Avenue just north of Walker Avenue. All 40 units will be contained in a four-story, elevator-serviced lowrise design.

Targeted Tenancy:

Elderly (55+).

Proposed Rents, Unit Mix and Utility Allowance:

The following table details the Subject’s proposed rents, utility allowances, unit mix, and unit sizes. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents. Low HOME rents are set at the lower of the two maximum allowable rents; thus, the Low HOME rents at the Subject are set at the LIHTC maximum allowable levels.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2018 HOME Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>@50% (Low HOME)</i>								
1BR / 1BA	750	6	\$445	\$140	\$585	\$585	\$585	\$697
2BR / 2BA	950	2	\$513	\$188	\$701	\$701	\$701	\$836
<i>@60% (High HOME)</i>								
1BR / 1BA	750	1	\$496	\$140	\$636	\$702	\$636	-
<i>@60%</i>								
1BR / 1BA	750	23	\$550	\$140	\$690	\$702	\$702	\$697
2BR / 2BA	950	8	\$600	\$188	\$788	\$841	\$841	\$836
		40						

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

Market Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aiken Grand Apartments	LIHTC	Senior	72	1	1.4%
The Edgewater	LIHTC	Senior	48	0	0.0%
Villages At Horse Creek	LIHTC	Senior	36	1	2.8%
Vintage Gardens At Sweetwater	LIHTC	Senior	72	2	2.8%
Breckenridge Villas	Market	Family	120	1	0.8%
Breckenridge Villas II	Market	Family	111	3	2.7%
Brighton Place	Market	Family	86	1	1.2%
Plaza Place	Market	Family	119	5	4.2%
Savannah Oaks	Market	Family	132	3	2.3%
Overall Total			796	17	2.1%
Overall Total in PMA			724	16	2.2%

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aiken Grand Apartments	LIHTC	Senior	72	1	1.4%
The Edgewater	LIHTC	Senior	48	0	0.0%
Villages At Horse Creek	LIHTC	Senior	36	1	2.8%
Vintage Gardens At Sweetwater	LIHTC	Senior	72	2	2.8%
Total LIHTC			228	4	1.8%
Total LIHTC in PMA			156	3	1.9%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Breckenridge Villas	Market	Family	120	1	0.8%
Breckenridge Villas II	Market	Family	111	3	2.7%
Brighton Place	Market	Family	86	1	1.2%
Plaza Place	Market	Family	119	5	4.2%
Savannah Oaks	Market	Family	132	3	2.3%
Total Market Rate			568	13	2.3%
Total Market Rate in PMA			568	13	2.3%

Overall vacancy among the nine comparables is very low at 2.2 percent. All of the comparable LIHTC properties are located inside the PMA. The LIHTC comparables demonstrate an overall weighted vacancy of 1.9 percent, and all of these properties maintain waiting lists, indicating strong demand for affordable senior housing in the area.

Among the market rate properties, vacancy is also very low at 2.3 percent, indicating strong support for conventional apartments. All of the market-rate comparable properties reported vacancy rates at or below 4.2 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists, we expect that after completion of absorption, the Subject will operate with a waiting list.

Capture Rates

The following table illustrates the capture rates for the Subject.

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @50%	92	0	92	6	6.5%
1BR @60%	90	0	90	24	26.7%
1BR Overall	120	0	120	30	25.1%
2BR @50%	28	0	28	2	7.0%
2BR @60%	28	0	28	8	28.9%
2BR Overall	37	0	37	10	27.1%
@50% Overall	120	0	120	8	6.7%
@60% Overall	118	0	118	32	27.2%
Overall	157	0	157	40	25.6%

As the analysis illustrates, the Subject’s capture rates vary from 6.5 to 28.9 percent with an overall capture rate of 25.6 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Projected Absorption Period

One of the surveyed comparable properties, The Edgewater, was able to provide absorption data. In addition, another recently completed senior LIHTC property located nearby in Aiken, approximately 15 miles from the Subject and outside of the PMA. Absorption at these properties is detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Edgewater	LIHTC	Senior	2017	48	24
Longleaf Senior Village	LIHTC	Senior	2015	50	50
Average					37

On average, these properties reported an absorption rate of 37 units per month. The most similar comparable, The Edgewater, a comparable located 0.7 miles from the Subject that opened in 2017, reported absorption of 24 units per month (or two months total). With the stable demographic base of low to moderate income seniors in the PMA and the general limited supply of affordable senior multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the most similar comparable, The Edgewater. The LIHTC comparables report few vacancies and all maintain waiting lists, indicating strong demand for additional affordable senior housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject's senior tenancy, we believe that the Subject could absorb approximately 24 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

Market Conclusions

Overall vacancy in the local market is performing well with a 2.1 percent vacancy rate among all surveyed comparable projects. The senior LIHTC properties reported four total vacancies and all of these properties maintain waiting lists, suggesting significant latent demand for senior affordable housing. Market rate comparables are also performing well, with an overall vacancy rate of 2.3 percent among all of the market-rate comparables.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 33 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 25.6 percent, which is within acceptable demand thresholds as established by SCHFA. Individual capture rates by bedroom type range from 6.5 to 40.4 percent, which are all considered achievable in the PMA, where moderate-income senior renter households are stable. In addition, the most recently completed senior LIHTC development in the market, The Edgewater, opened in 2017 and rapidly absorbed within two months. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.1 percent annually in the PMA. The Subject site is located within 1.0 mile of most community services and facilities that tenants would utilize on a consistent basis.

There are only four vacancies among LIHTC comparables, and all maintain waiting lists. The developer's LIHTC rents represent greater than a 33 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

Long Term Impact on Existing LIHTC Properties in the PMA

There are four total comparable vacant LIHTC units surveyed, and all of the LIHTC comparables maintain waiting lists. We surveyed four LIHTC properties in the PMA, all of which are age-restricted. With a limited supply of affordable housing options for seniors in the market and a stable base of low to moderate-income seniors, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.1 percent annually in the PMA. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

2019 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:	
Development Name: Havenwood Camellia	Total # Units: 40
Location: East side of Knox Avenue	# LIHTC Units: 40
PMA Boundary: South: South Carolina border/Aiken County line and Highway 28; East: Highway 278, Highway 302, and Highway 118; North: Highway 105, Bettis Academy Road, and Woodlawn Road; West: South Carolina border/Aiken County line	
Development Type: <input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 10 miles

RENTAL HOUSING STOCK (found on pages 60 & 64)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	17	1,354	11	99.2%
Market-Rate Housing	5	578	4	99.3%
Assisted/Subsidized Housing not to include LIHTC	6	438	3	99.3%
LIHTC (All that are stabilized)*	6	338	4	98.8%
Stabilized Comps**	17	1,354	11	99.2%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* 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
6	1	1	750	\$445	\$775	\$1.03	42.6%	\$675	\$0.90
1	1	1	750	\$496	\$775	\$1.03	36.0%	\$675	\$0.90
23	1	1	750	\$550	\$775	\$1.03	29.0%	\$675	\$0.90
2	2	2	950	\$513	\$925	\$0.97	44.5%	\$895	\$0.94
8	2	2	950	\$600	\$925	\$0.97	35.1%	\$895	\$0.94
Gross Potential Rent Monthly*				\$21,642	\$32,500		33.4%		

*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 42)

	2010		2018		2021	
Renter Households	1,148	12.9%	2,453	16.4%	2,591	16.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	287	11.7%	291	11.2%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 57)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall Affordable
Renter Household Growth	-2	7				2
Existing Households (Overburd + Substand)	120	108				159
Homeowner conversion (Seniors)	26	26				26
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	144	141				188

CAPTURE RATES (found on page 58)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	6.7%	27.2%				25.6%

ABSORPTION RATE (found on page 58)

Absorption Period 1 - 2 months

SUBJECT COMPARISON TO MARKET RENTS

# of Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Achievable Market Rent	Tax Credit Gross Rent Advantage
6	1BR	\$445	\$2,670	\$775	\$4,650	\$775	42.6%
1	1BR	\$496	\$496	\$775	\$775	\$775	36.0%
23	1BR	\$550	\$12,650	\$775	\$17,825	\$775	29.0%
2	2BR	\$513	\$1,026	\$925	\$1,850	\$925	44.5%
8	<u>2BR</u>	\$600	<u>\$4,800</u>	\$925	<u>\$7,400</u>	\$925	<u>35.1%</u>
Totals	40		\$21,642		\$32,500		33.4%

Source: SCSHFDA, Novogradac & Company LLP, February 2019

A. PROJECT DESCRIPTION

PROPERTY DESCRIPTION

- Development Location:** The Subject will be located along the east side of Knox Avenue, just north of Walker Avenue, in North Augusta, Aiken County, South Carolina.
- Construction Type:** The new construction Subject will be constructed in one, four-story, elevator-serviced residential building.
- Occupancy Type:** Elderly (55+).
- Target Income Group:** The Subject will be restricted to senior (55+) households earning 50 and 60 percent of the AMI or less. The minimum allowable household income for the Subject is \$17,550 based on affordability for the Subject’s least expensive rent (one-bedroom unit at 50 percent AMI) and the maximum allowable household income will be \$29,940 (the 60 percent AMI income for a two-person household).
- Special Population Target:** None.
- Number of Units by Unit Type:** The Subject will include 30, one and 10 two-bedroom units.
- Number of Buildings and Stories:** The Subject will be constructed in one, four-story, elevator-serviced residential building.
- Unit Mix:** One-bedroom units will be 750 square feet and two-bedroom units will be 950 square feet. The following table summarizes the Subject’s proposed unit sizes.

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	30	750	22,500
2BR / 2BA	10	950	9,500
TOTAL	40		32,000

- Structure Type/Design:** The Subject will offer one, four-story, elevator-serviced residential building.
- Proposed Rents and Utility Allowance:** The following table details the Subject’s proposed rents and utility allowances. The utility description is located in the property profile. It should be noted that the Subject’s low HOME max rents are equal to the 50 percent LIHTC maximum allowable rents. Low HOME rents are set at the lower of the two maximum allowable rents; thus, the Low HOME rents at the Subject are set at the LIHTC maximum allowable levels.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2018 LIHTC Maximum Allowable Gross Rent	2018 HOME Maximum Allowable Gross Rent	HUD Fair Market Rents
<i>@50% (Low HOME)</i>								
1BR / 1BA	750	6	\$445	\$140	\$585	\$585	\$585	\$697
2BR / 2BA	950	2	\$513	\$188	\$701	\$701	\$701	\$836
<i>@60% (High HOME)</i>								
1BR / 1BA	750	1	\$496	\$140	\$636	\$702	\$636	-
<i>@60%</i>								
1BR / 1BA	750	23	\$550	\$140	\$690	\$702	\$702	\$697
2BR / 2BA	950	8	\$600	\$188	\$788	\$841	\$841	\$836
40								

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

- Utility Structure/Allowance:** The landlord will pay for trash expenses, while the tenant will be responsible for all electric expenses including heating, cooling, water heating, cooking, and general electric usage, as well as water and sewer expenses. The developer-provided estimated utility allowances for the Subject are \$140 and \$188 for the one and two-bedroom units, respectively.
- Existing or Proposed Project-Based Rental Assistance:** The Subject is proposed and will not operate with project-based rental assistance subsidy.
- Community Amenities** See following Subject Profile sheet.
- Unit Amenities** See following Subject Profile sheet.
- Current Occupancy/Rent Levels:** The Subject will be proposed new construction.
- Scope of Renovations:** The Subject will be proposed new construction.

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

Havenwood Camellia

Location East Side of Knox Ave
North Augusta, SC 29841
Aiken County

Units 40

Type Lowrise (age-restricted)

Year Built / Renovated 2021 / n/a



Market

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

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Lowrise (4 stories)	6	750	\$445	\$0	@50% (HOME)	n/a	N/A	N/A	yes
1	1	Lowrise (4 stories)	1	750	\$496	\$0	@60% (HOME)	n/a	N/A	N/A	yes
1	1	Lowrise (4 stories)	23	750	\$550	\$0	@60%	n/a	N/A	N/A	no
2	2	Lowrise (4 stories)	2	950	\$513	\$0	@50% (HOME)	n/a	N/A	N/A	yes
2	2	Lowrise (4 stories)	8	950	\$600	\$0	@60%	n/a	N/A	N/A	no

Amenities

In-Unit	Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Grab Bars Hand Rails Microwave Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Intercom (Buzzer) Limited Access
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management	Premium	none
Services	none	Other	Craft room, library

Comments

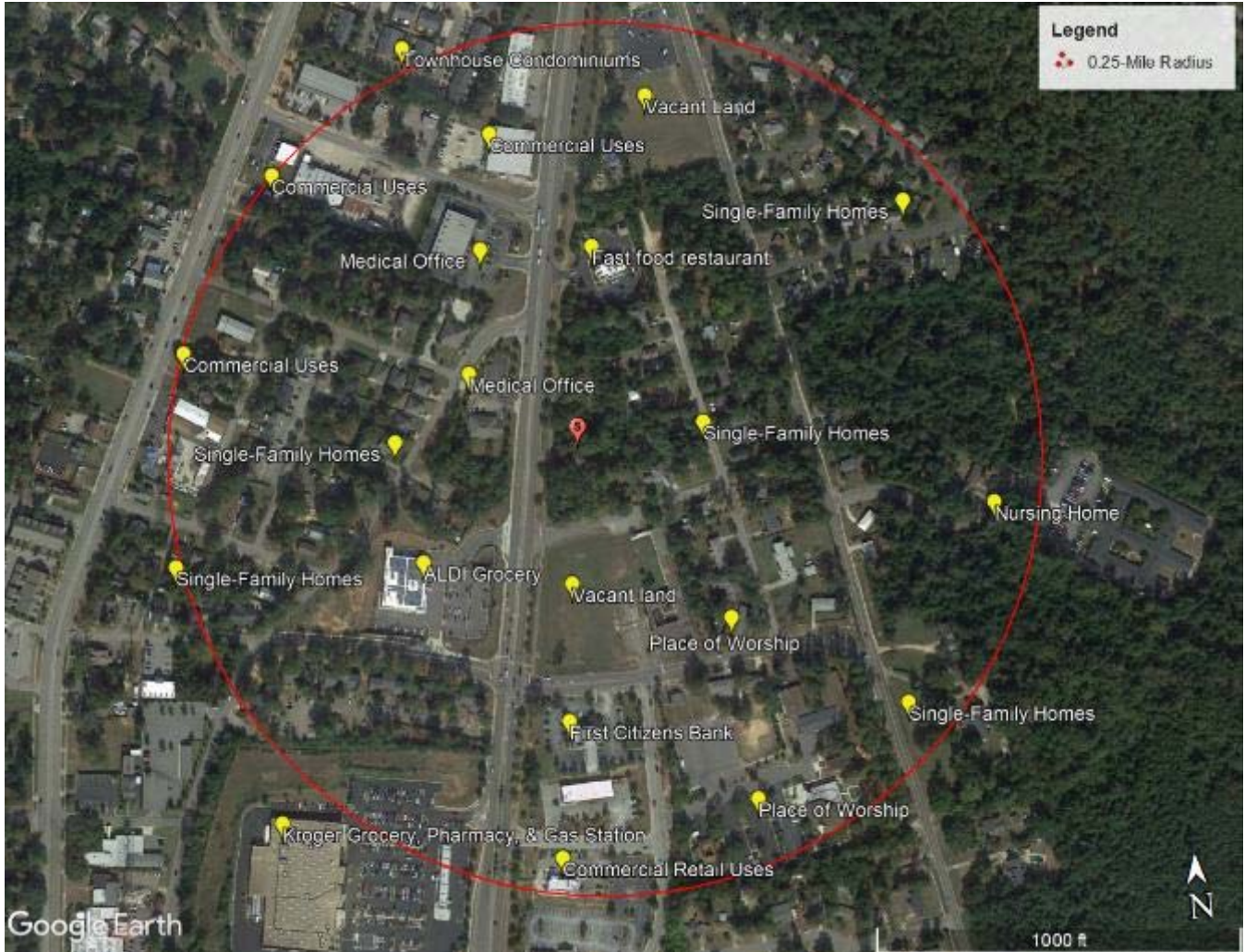
Construction is proposed for March 2020 to March 2021. The Subject will consist of one, four-story elevator-serviced residential building. The proposed utility allowances are \$140 and \$188 for the one and two-bedroom units, respectively. It should be noted that in the two-bedroom two-bathroom units one of the bathrooms will have a shower but no tub.

B. SITE DESCRIPTION

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

Date of Site Visit: February 8, 2019.

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



Source: Google Earth, January 2019

Physical Features of Site: The Subject site is located in North Augusta, South Carolina and is undeveloped forested land.

Location/Surrounding Uses: The Subject site is located in a mixed-use neighborhood consisting of forested land, single family residential, and retail/commercial developments. Immediately north of the Subject site is a fast food restaurant (Zaxby's) and retail/commercial uses that exhibit average to good condition. Further north is vacant land, retail/commercial uses in average condition, a place of worship in good condition, and townhome condominium residential uses in

good condition. East of the Subject site are single-family homes that exhibit average to good condition. Further east is vacant land and a nursing home in good condition. Immediately south of the Subject site is vacant land, places of worship, and retail/commercial uses in average to good average condition. Further south are more retail/commercial uses in good condition and single-family homes in average to good condition. Immediately west of the Subject site is a medical office use, an Aldi grocery store, and single-family homes in average condition. Further west are more retail/commercial uses in average condition and single-family homes in average to good. Overall, the Subject site is considered a desirable site for rental housing.

Photographs of Subject Site and Surrounding Uses



View of Subject site



View of Subject site



View south along Knox Avenue



View north along Knox Avenue



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Commercial use in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

Visibility/Views:

Views from the Subject site include retail/commercial uses in average to good condition to the north and west, vacant land to the south, and single-family homes in average to good condition to the east. Views from the site are considered average. The Subject will have good visibility from Knox Avenue. Overall, the Subject site is located within a mixed-use neighborhood with good access and visibility.

Detrimental Influence:

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

Proximity to Local Services:

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

Map I

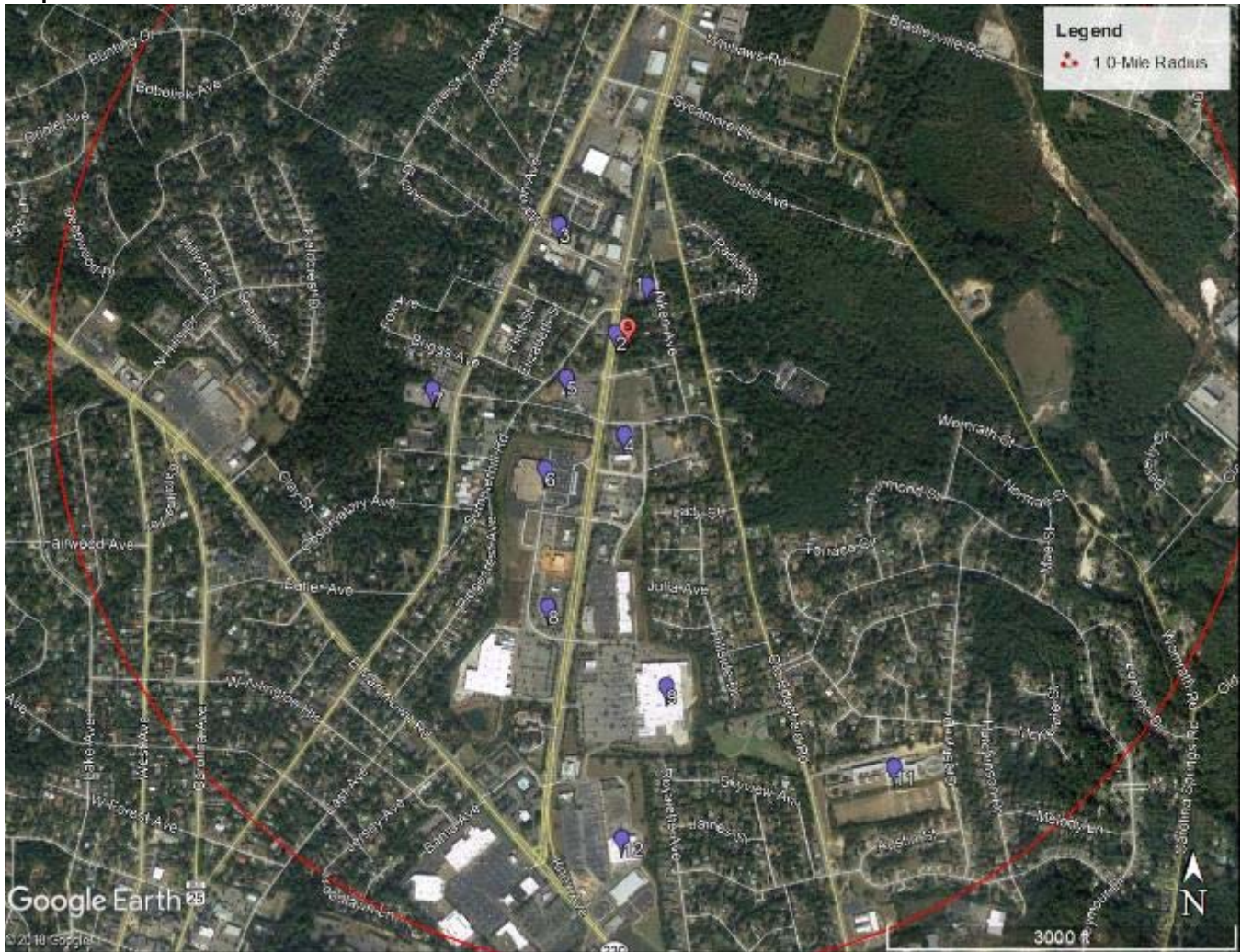


Source: Google Earth, January 2019

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Zaxby's Chicken Restaurant	Adjacent
2	Bus Stop	Adjacent
3	Bunting Community Park	0.1 miles
4	First Citizens Bank	0.1 miles
5	Aldi Grocery	0.1 miles
6	Kroger Grocery, Pharmacy, & Gas Station	0.2 miles
7	US Post Office	0.3 miles
8	Walgreen's Pharmacy	0.4 miles
9	Walmart	0.5 miles
10	Fire Station	0.8 miles
11	North Augusta Middle School	0.8 miles
12	Dollar General	0.8 miles
13	North Augusta Elementary School	1.2 miles
14	Police Station	1.4 miles
15	North Augusta High School	1.9 miles
16	Augusta University Medical Center	3.3 miles

Map II



Source: Google Earth, January 2019

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject
1	Zaxby's Chicken Restaurant	Adjacent
2	Bus Stop	Adjacent
3	Bunting Community Park	0.1 miles
4	First Citizens Bank	0.1 miles
5	Aldi Grocery	0.1 miles
6	Kroger Grocery, Pharmacy, & Gas Station	0.2 miles
7	US Post Office	0.3 miles
8	Walgreen's Pharmacy	0.4 miles
9	Walmart	0.5 miles
10	Fire Station	0.8 miles
11	North Augusta Middle School	0.8 miles
12	Dollar General	0.8 miles
13	North Augusta Elementary School	1.2 miles
14	Police Station	1.4 miles
15	North Augusta High School	1.9 miles
16	Augusta University Medical Center	3.3 miles

Availability of Public Transportation: Public transportation in Aiken County is provided by Best Friend Express, which provides bus service in the area. The Subject is located along the Blue bus route, which is able to stop anywhere along Knox Avenue immediately adjacent to the Subject site. According to the Best Friend Express website, “One of the best customer benefits for a line as small as Aiken County’s is the ability to flag down the bus anywhere along the route, not necessarily at bus stop signs. Passengers can also disembark anywhere along the route that the driver deems safe to stop.” The blue route provides access from Augusta, GA to the south through North Augusta, SC and terminating in downtown Aiken to the north. One-way fares for riding the bus are \$2.00 per trip, \$1.50 for students, and \$1.00 for seniors and persons with disabilities.

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

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

2018 CRIME INDICES

	PMA	Augusta-Richmond County, GA-SC Metropolitan
Total Crime*	112	126
Personal Crime*	106	113
Murder	146	143
Rape	109	96
Robbery	80	114
Assault	117	113
Property Crime*	113	127
Burglary	146	163
Larceny	103	115
Motor Vehicle Theft	107	130

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

*Unweighted aggregations

The total crime risk index in the PMA and MSA are slightly above the nation. Like the Subject, the majority of the senior LIHTC comparable properties offer limited access as a security feature. The majority of the comparables do not offer security features and report low vacancy. Thus, a lack of security features does not appear to impact the marketability of multifamily properties in the area. We believe the Subject will be competitive as proposed.

Access and Traffic Flow: The Subject site will have access along Knox Avenue. Knox Avenue is a moderately trafficked arterial route that traverses north/south and provides access to Interstates 20 and 529 approximately 4.0 miles north of the Subject site. Interstates 20 and 520 provide access throughout the metro area. Interstate 20 provides access to

Augusta, GA to the southwest, and Columbia, SC to the northeast. Overall, access and traffic flow are considered average.

Positive/Negative Attributes:

The Subject will have overall good access to area retail and community services in North Augusta, most of which are within less than 1.0 mile of the Subject site. We did not observe any negative attributes pertaining to the Subject site during our site inspection.

C. MARKET AREA

PRIMARY MARKET AREA

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

The Subject is a proposed 40-unit senior development to be constructed in North Augusta, South Carolina. The PMA is defined as the South Carolina border/Aiken County line and Highway 28 to the south, Highway 278, Highway 302, and Highway 118 to the east, Highway 105, Bettis Academy Road, and Woodlawn Road to the north, and the South Carolina border/Aiken County line to the west. Based on interviews with area senior LIHTC managers, we believe the Subject will be able to draw from approximately a 15 to 20-minute drive time of the site. Of note, we limited the PMA boundary on the northwestern portion of the site due to limited development along the Savannah River. Based on interviews with local property managers, most of the tenants will originate from North Augusta and immediately surrounding communities in Aiken County and southern Edgefield County, specifically Belvedere, Murphy Village, Graniteville, Langley, and Clearwater, as well as some of the smaller communities in surrounding counties. Therefore, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. Approximate distances to the farthest boundaries of the PMA in each direction are as follows:

- North: 9 miles
- East: 10 miles
- South: 10 miles
- West: 2 miles

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

Census Tracts			
45003020801	45003020500	45003020802	45003021102
45037970502	45003020601	45003020902	45003021201
45003020301	45003020602	45003021001	45003022002
45003020302	45003020701	45003021002	45037970400
45003020400	45003020702	45003021101	45037970501

The primary market area has been identified based upon conversations with management at market rate and LIHTC properties in the area as well as other market participants in addition to demographic characteristics of census tracts within the area. Although we believe that neighborhood characteristics and geographic/infrastructure barriers are typically the best indicators of PMA boundaries, we have also examined demographic characteristics of census tracts in and around the North Augusta area in an effort to better identify the Subject’s PMA. It is important to note however that we do not base our PMA determinations on census tract information alone as these boundaries are rarely known to the average person.

As per SCSHFDA guidelines, we have provided a table that illustrates the racial characteristics of the PMA, as well as data for the MSA.

2010 POPULATION BY RACE

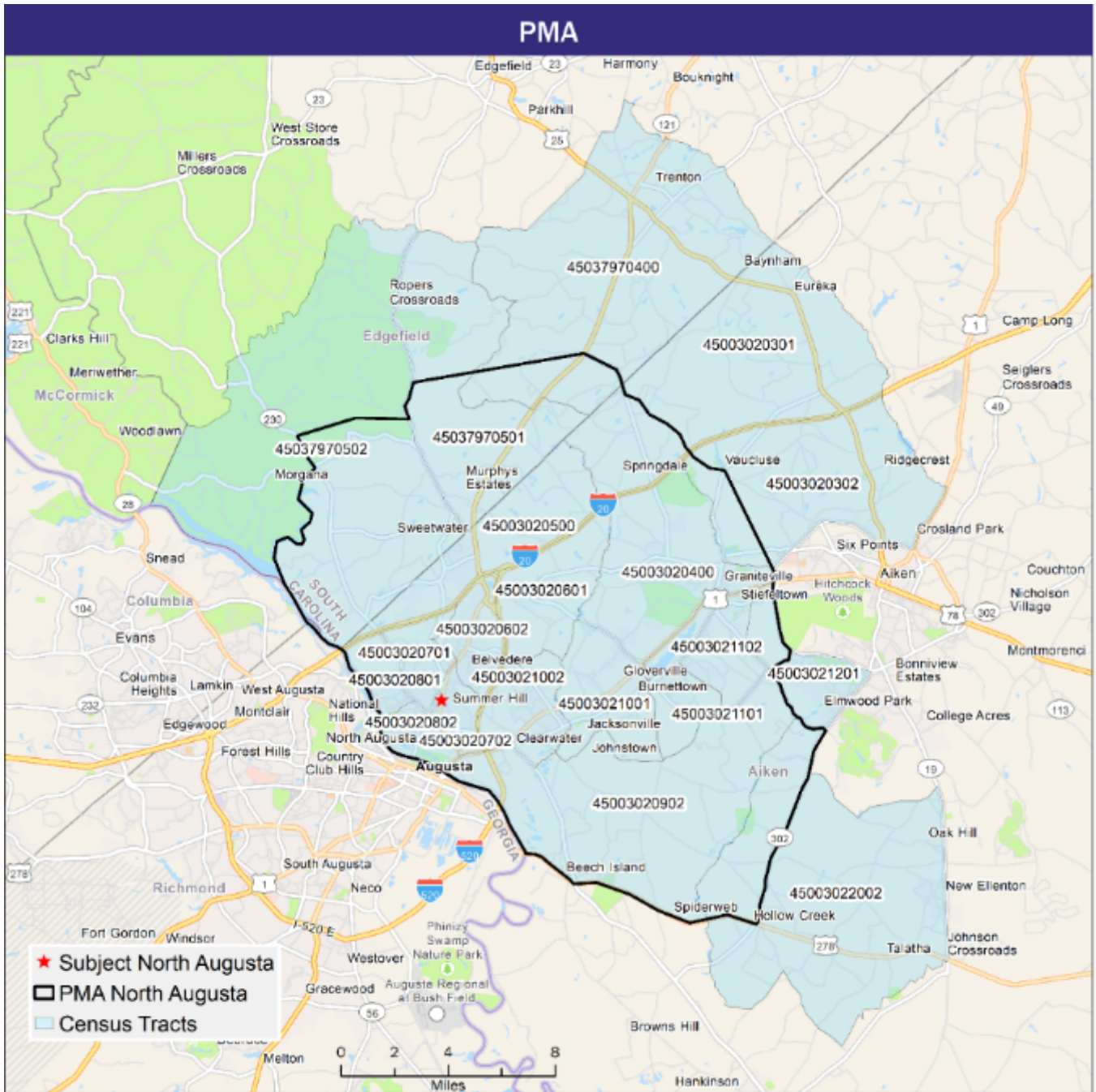
	PMA		SMA		USA	
Total	75,459	-	564,873	-	308,745,538	-
White	54,154	71.8%	330,618	58.5%	223,553,265	72.4%
Black	16,423	21.8%	199,265	35.3%	38,929,319	12.6%
American Indian	282	0.4%	1,969	0.3%	2,932,248	0.9%
Asian	476	0.6%	9,701	1.7%	14,674,252	4.8%
Pacific	26	0.0%	709	0.1%	540,013	0.2%
Other	2,571	3.4%	9,763	1.7%	19,107,368	6.2%
Two or More Races	1,527	2.0%	12,848	2.3%	9,009,073	2.9%
Total Hispanic	4,254	-	24,810	-	50,477,594	-
Hispanic: White	1,289	30.3%	10,748	43.3%	26,735,713	53.0%
Hispanic: Black	137	3.2%	2,130	8.6%	1,243,471	2.5%
Hispanic: American Indian	40	0.9%	268	1.1%	685,150	1.4%
Hispanic: Asian	4	0.1%	111	0.4%	209,128	0.4%
Hispanic: Pacific	3	0.1%	51	0.2%	58,437	0.1%
Hispanic: Other	2,472	58.1%	8,978	36.2%	18,503,103	36.7%
Hispanic: Two or More Races	309	7.3%	2,524	10.2%	3,042,592	6.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

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

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

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

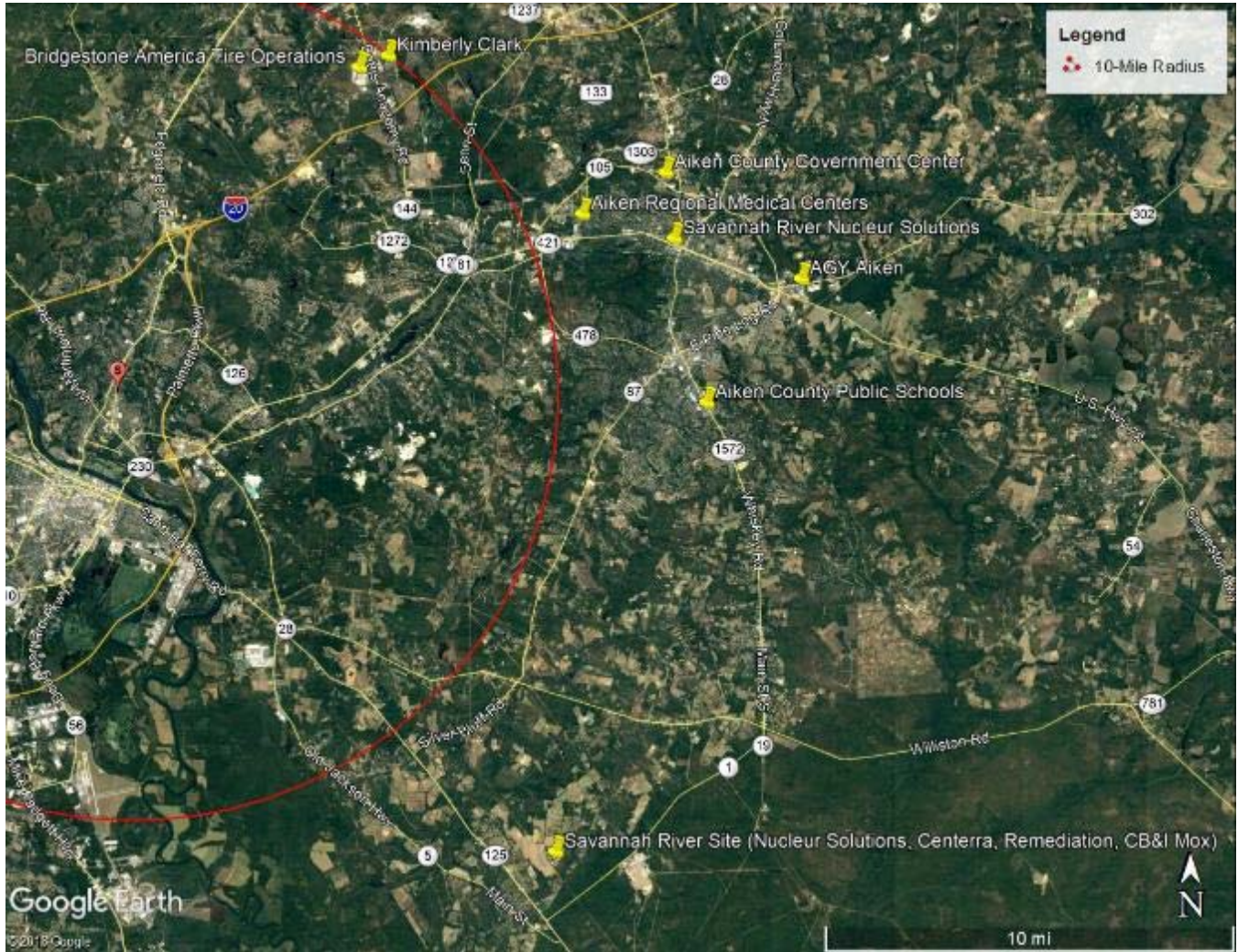


D. MARKET AREA ECONOMY

REGIONAL AND LOCAL ECONOMIC OVERVIEW

Map of Employment Centers

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



Source: Google Earth, January 2019

Employment by Industry

The following table illustrates employment by industry for the PMA as of 2018.

2018 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,525	14.7%	15,694,985	9.9%
Healthcare/Social Assistance	5,261	14.0%	22,154,439	14.0%
Retail Trade	4,638	12.4%	17,381,607	11.0%
Educational Services	3,238	8.6%	14,568,337	9.2%
Construction	3,080	8.2%	10,333,928	6.5%
Admin/Support/Waste Mgmt Svcs	2,175	5.8%	6,943,459	4.4%
Other Services	2,103	5.6%	7,758,801	4.9%
Prof/Scientific/Tech Services	2,010	5.4%	11,673,939	7.4%
Accommodation/Food Services	2,009	5.4%	11,958,374	7.6%
Public Administration	1,764	4.7%	7,345,537	4.7%
Transportation/Warehousing	1,371	3.7%	6,660,099	4.2%
Finance/Insurance	1,046	2.8%	7,284,572	4.6%
Utilities	983	2.6%	1,433,069	0.9%
Information	615	1.6%	2,881,691	1.8%
Wholesale Trade	564	1.5%	4,028,405	2.6%
Arts/Entertainment/Recreation	483	1.3%	3,672,444	2.3%
Real Estate/Rental/Leasing	381	1.0%	3,165,171	2.0%
Agric/Forestry/Fishing/Hunting	197	0.5%	2,273,158	1.4%
Mining	17	0.0%	591,596	0.4%
Mgmt of Companies/Enterprises	0	0.0%	87,511	0.1%
Total Employment	37,460	100.0%	157,891,122	100.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

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

The following table illustrates the changes in employment by industry from 2000 to 2018, in the Subject's PMA.

2000-2018 CHANGE IN EMPLOYMENT - PMA

Industry	2000		2018		2000-2018	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	5,311	17.6%	5,525	14.7%	214	0.2%
Healthcare/Social Assistance	3,917	13.0%	5,261	14.0%	1,344	1.9%
Retail Trade	3,542	11.7%	4,638	12.4%	1,096	1.7%
Educational Services	2,234	7.4%	3,238	8.6%	1,004	2.5%
Construction	2,606	8.6%	3,080	8.2%	474	1.0%
Admin/Support/Waste Mgmt Svcs	1,351	4.5%	2,175	5.8%	824	3.4%
Other Services	1,403	4.6%	2,103	5.6%	700	2.8%
Prof/Scientific/Tech Services	839	2.8%	2,010	5.4%	1,171	7.8%
Accommodation/Food Services	1,643	5.4%	2,009	5.4%	366	1.2%
Public Administration	1,063	3.5%	1,764	4.7%	701	3.7%
Transportation/Warehousing	1,084	3.6%	1,371	3.7%	287	1.5%
Finance/Insurance	807	2.7%	1,046	2.8%	239	1.6%
Utilities	2,238	7.4%	983	2.6%	-1,255	-3.1%
Information	352	1.2%	615	1.6%	263	4.2%
Wholesale Trade	837	2.8%	564	1.5%	-273	-1.8%
Arts/Entertainment/Recreation	353	1.2%	483	1.3%	130	2.0%
Real Estate/Rental/Leasing	305	1.0%	381	1.0%	76	1.4%
Agric/Forestry/Fishing/Hunting	218	0.7%	197	0.5%	-21	-0.5%
Mining	106	0.4%	17	0.0%	-89	-4.7%
Mgmt of Companies/Enterprises	3	0.0%	0	0.0%	-3	-5.6%
Total Employment	30,212	100.0%	37,460	100.0%	7,248	1.3%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

*Industry data current as of 2010. Other projections current as of 2018.

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

As illustrated, five of the industries in the table above experienced a decrease in employment from 2000 to 2018. The largest decreases were among the utilities and wholesale trade industries, followed by mining. The smallest decreases were in the agriculture/forestry/fishing/hunting and management of companies/enterprises industries. Despite job losses in these sectors, the PMA has experienced strong growth in healthcare/social assistance, retail trade, educational services, other services, admin/support/waste management services, and professional/scientific/technology services. The healthcare/social assistance sector added the greatest number of employees in the last 18 years, adding 1,344 new employees to its workforce. Total employment in the MSA has increased each year since 2010, surpassing its pre-recession peak in 2016.

Manufacturing

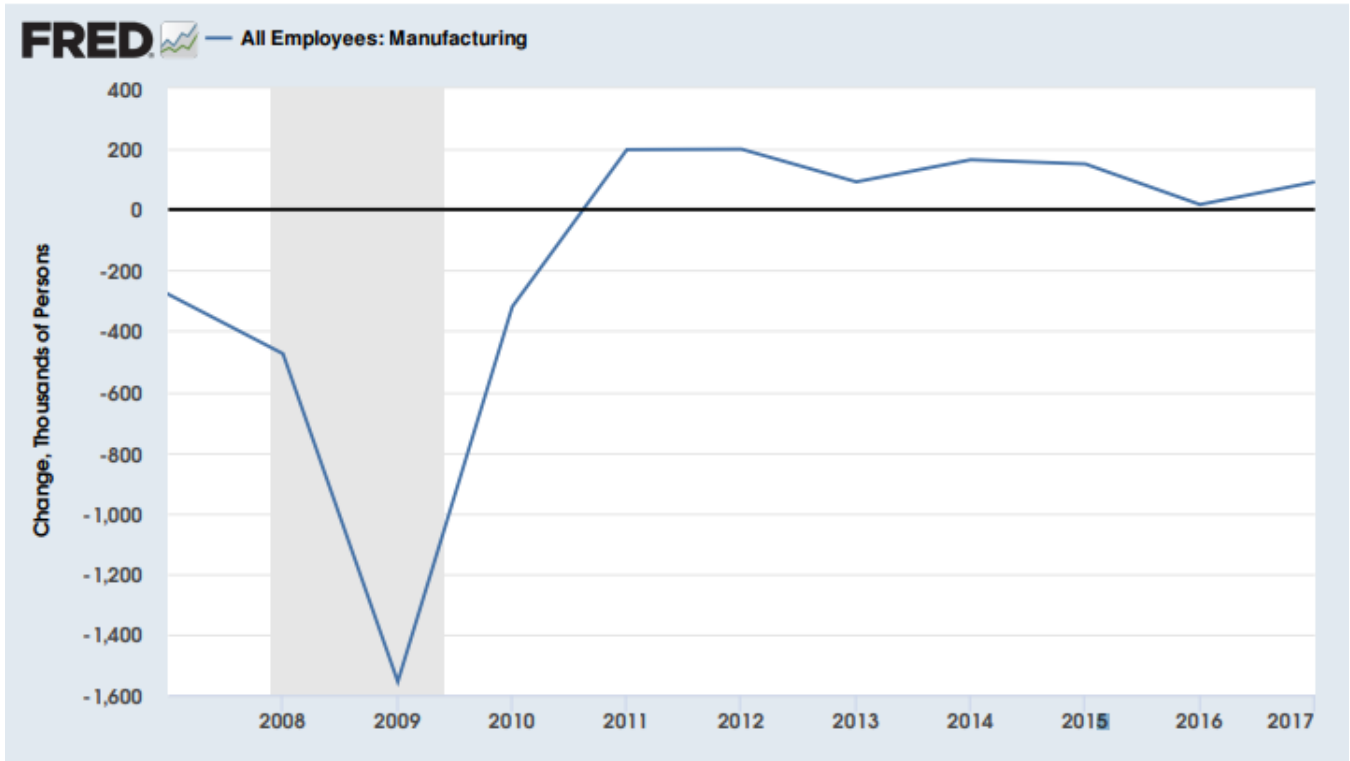
The manufacturing sector in the MSA has yet to fully recover from the most recent recession. However, in recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2018. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their November 2017 publication, U.S. manufacturing is expected to grow at an average of 1.5 percent through 2021. Additionally, despite concerns over the variance in the value of the U.S. dollar, the worldwide economic recovery is linked with a modest rebound in U.S. manufacturing growth after years of stagnation.

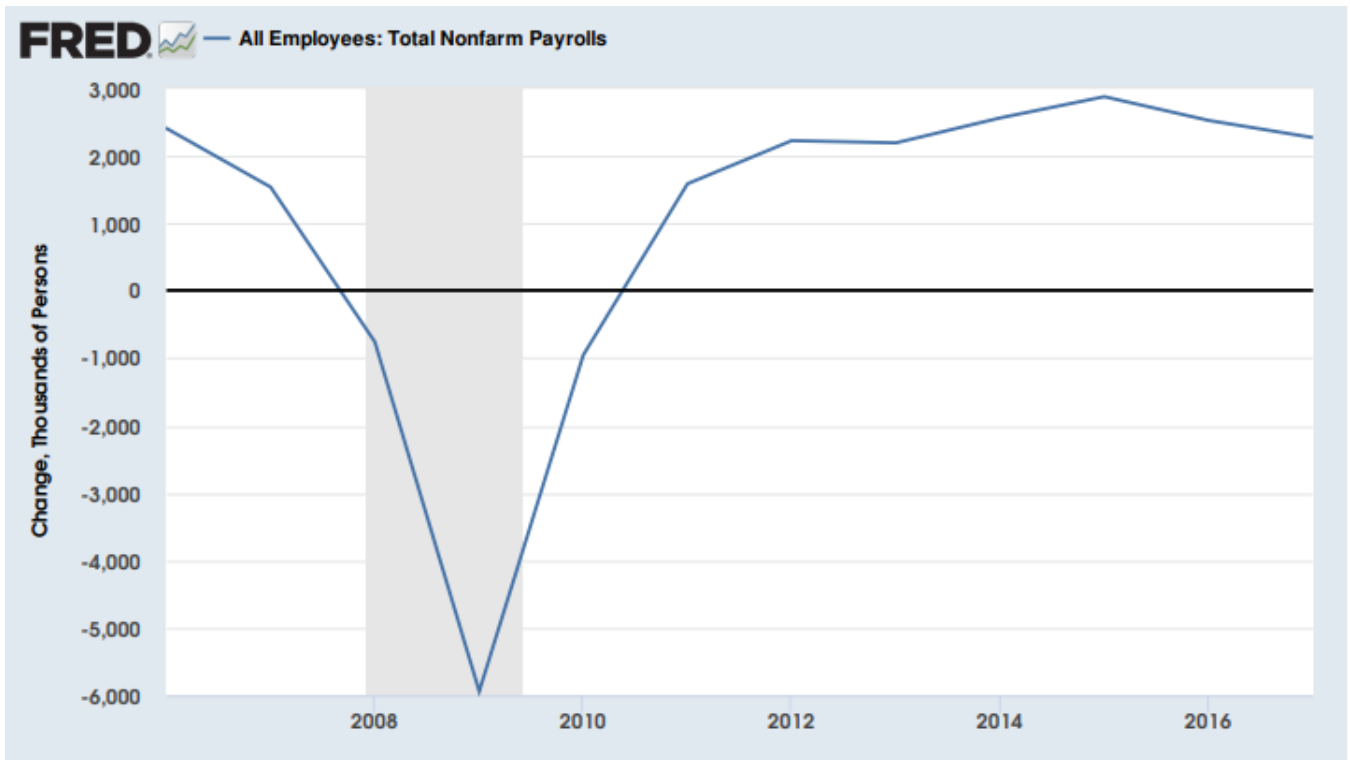
According to Federal Reserve Economic Data (FRED), the manufacturing sector added 285,000 jobs since June of 2017. This follows a 13-year high in expansions of U.S. factories during the month of September, according to a separate report from Bloomberg for November 2017. The Bloomberg report also stated that growth in manufacturing has been steady for approximately two years, fueled mostly by consumer spending and business investment. Continued manufacturing expansions in December 2017 and positive projections for 2018 have the manufacturing sector primed to outpace growth in the overall U.S. economy for 2018.

Although recent employment growth in the U.S. manufacturing sector bodes well for the Oklahoma City MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 12 percent of the U.S. economy- and as a major source of employment for the Oklahoma City MSA- manufacturing employment should continue to be monitored closely.

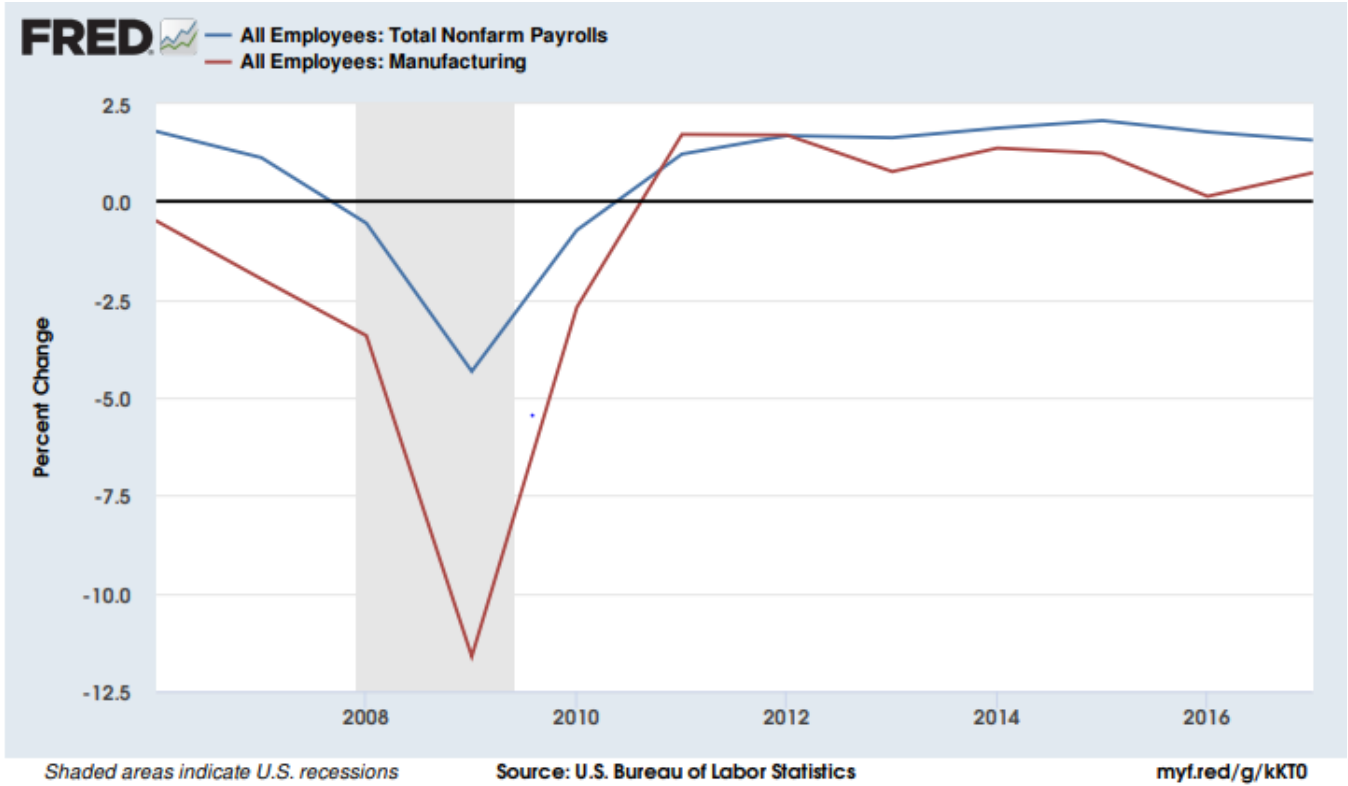
The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2007.



Source: Federal Reserve Bank of St. Louis, 8/2018.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



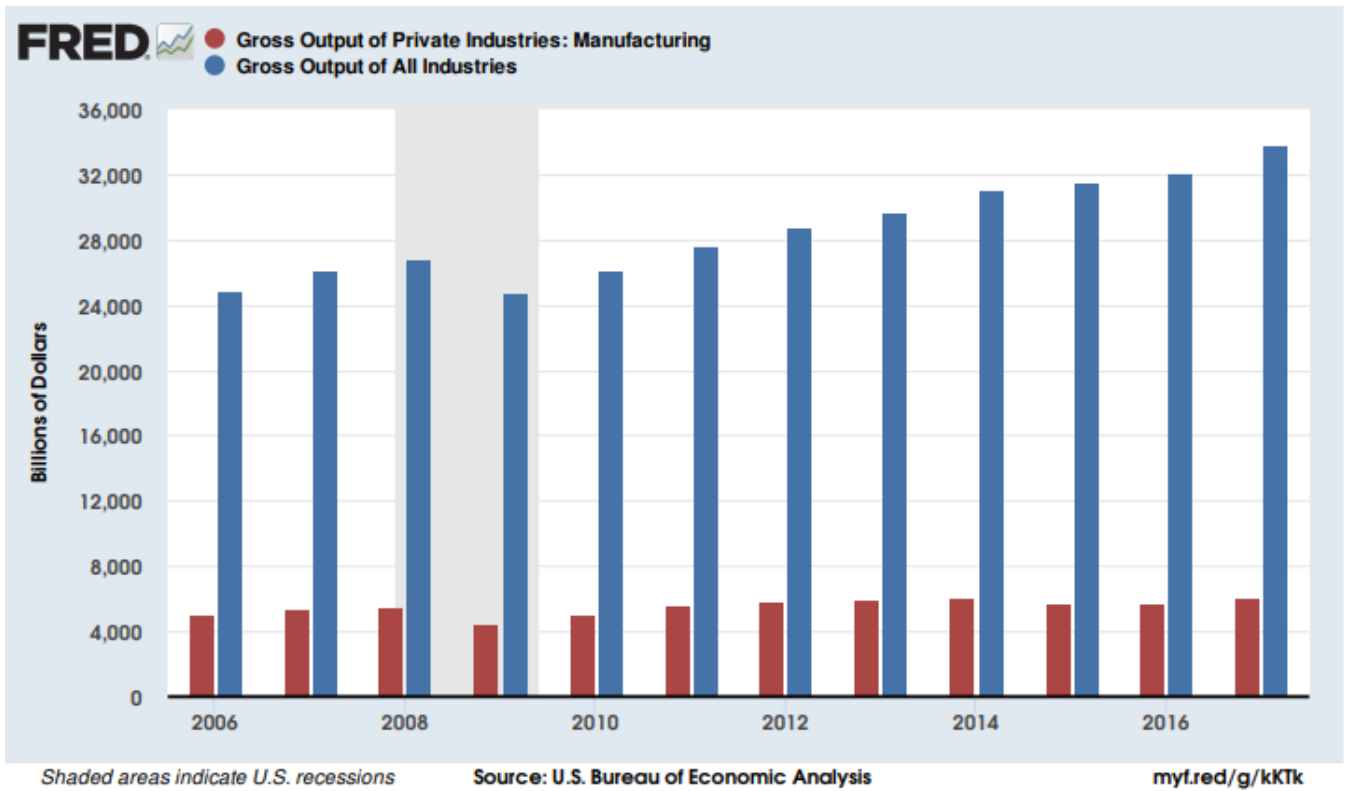
Source: Federal Reserve Bank of St. Louis, 8/2018.



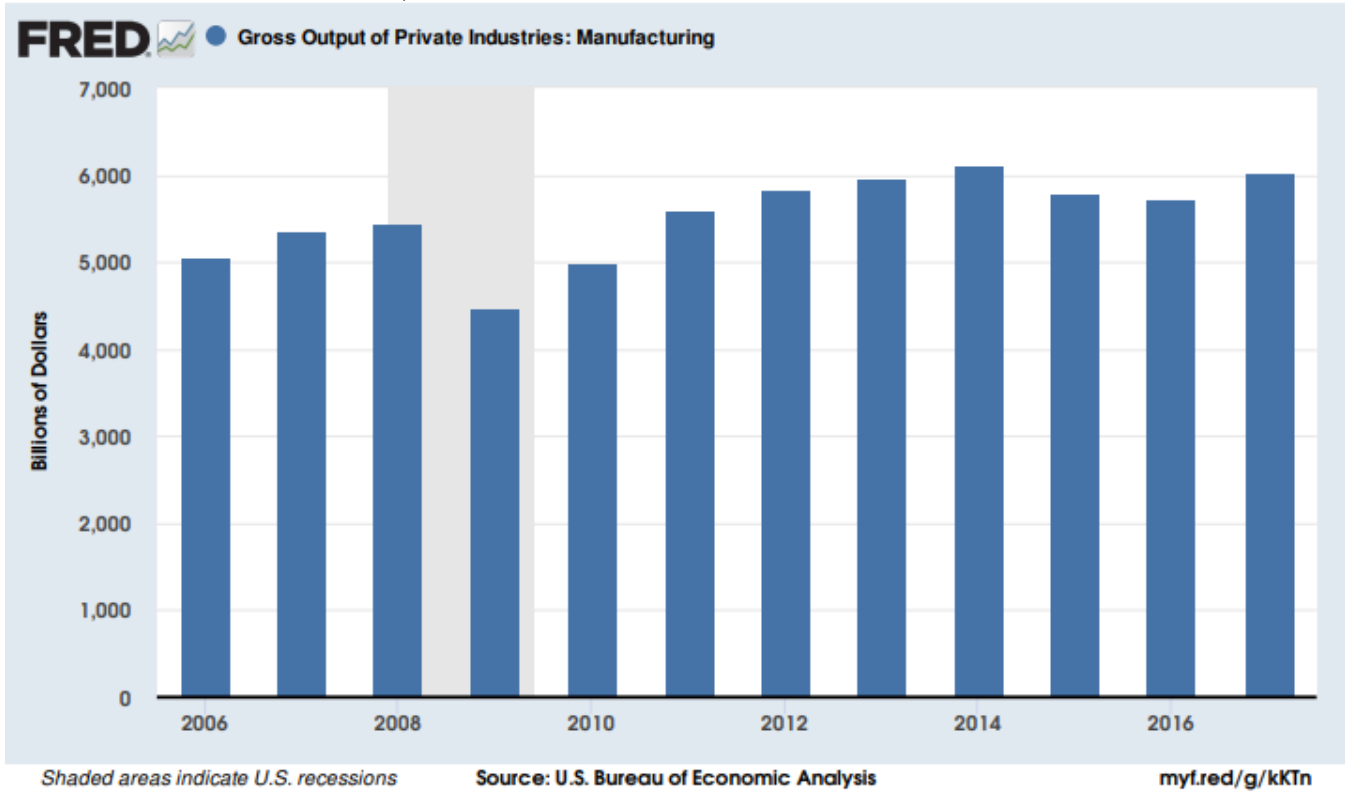
Source: Federal Reserve Bank of St. Louis, 8/2018.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steadily increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries from 2007 through 2016.



Source: Federal Reserve Bank of St. Louis, 8/2018.



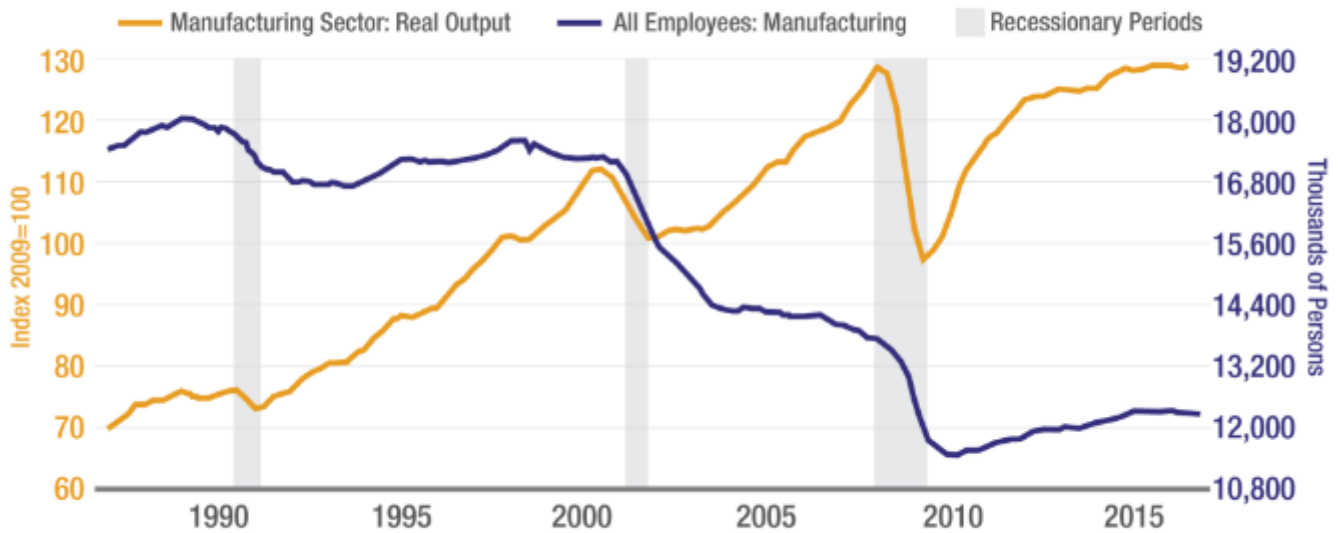
Source: Federal Reserve Bank of St. Louis, 8/2018.

Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased.

How Employment and Output Have Changed in the Manufacturing Sector



Source: Federal Reserve; Novogradac & Company LLP



Overall, we believe it is reasonable to assume that the Lancaster area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment. The concentration of manufacturing employment in the PMA is expected to decline, a trend already visible in the employment trends from 2010 to 2018.

Major Employers

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

MAJOR EMPLOYERS AIKEN COUNTY

Employer Name	Industry	# Of Employees
Savannah River Nuclear Solutions, LLC	Manufacturing	5,429
Aiken County Public Schools	Education	3,350
CB& I AREVA MOX Services	Manufacturing	2,156
Savannah River Remediation	Utilities	2,079
Bridgestone America's Tire Operations, LLC	Manufacturing	1,884
Kimberly Clark Corporation	Manufacturing	1,200
Aiken Regional Medical Centers	Healthcare/Social Assistance	1,070
Aiken County	Public Administration	975
Centerra (WSI)	Manufacturing	665
AGY	Manufacturing	660

Source: Aiken Chamber of Commerce, July 2017

The largest employers in Aiken County are concentrated in a variety of sectors including manufacturing, education, utilities, healthcare/social assistance, and public administration. Although manufacturing is historically more volatile during periods of economic downturn, the education, healthcare/social assistance, and public administration sectors are traditionally more stable, which bodes well for the local economy.

Expansions/Contractions

The following table illustrates the contractions to the economy of the PMA provided by the South Carolina Department of Employment and Workforce between 2015 and February 2019. Jobs affected represent job losses.

WARN LISTINGS AIKEN COUNTY, SC - 2014 THROUGH FEBRUARY 2019

Company	Industry	Employees Affected	Layoff Date
Orano Federal Services	Manufacturing (Government Contracting)	51	4/1/2019
CB&I Project Services Group	Manufacturing (Government Contracting)	474	4/1/2019
Orano Federal Services	Manufacturing (Government Contracting)	70	2/4/2019
CB&I Project Services Group	Manufacturing (Government Contracting)	372	2/4/2019
Orano Federal Services	Manufacturing (Government Contracting)	114	1/7/2019
CB&I Project Services Group	Manufacturing (Government Contracting)	502	1/7/2019
Dillard's Inc.	Retail Trade	73	3/20/2016
Aiken/Barnwell Counties Community Action Agency	Other Services (Non-Profit)	82	6/30/2015
Total		1738	

Source: SC Works, retrieved 2/2019

As illustrated in the above table, there have been a significant level of recent layoffs in Aiken County following a long stretch of minimal layoffs (from 2014 through 2018). In November 2018, CB&I Project Services Group and Orano Federal Services being announcing mass layoff waves that were to begin in January 2019 and continue through April 2019. These companies are both government contractors that were working under a contract with the National Nuclear Security Administration (of the U.S. Department of Energy) at the Savannah River Site in a Mixed Oxide Fuel Fabrication Facility to turn weapons-grade plutonium into nuclear fuel. On October 10, 2018, the NNSA terminated the contract effective immediately

and in full. The NNSA recommended repurposing the facility in the near future, though at this time there is no known regarding the future use or workforce related to this component of the Savannah River Site facilities (which is operated by the U.S. Department of Energy.)

Finally, despite the job losses that have been reported, there has been some recent growth occurring in the area.

- Zeus Industrial Products is expanding its existing operations in Aiken County, according to a press release issued in February 2018 by South Carolina Governor Henry McMaster's office. The expansion will bring a 15.7-million-dollar investment and create 51 new jobs to Aiken County. The manufacturing plant is located in Aiken.
- According to an article written by the Aiken Standard on May 2, 2017, military component manufacturer BAE Systems Inc. will be expanding its operations in Aiken County. Approximately 100 employees currently work at BAE Systems Inc.'s Aiken facility, located at 15 Windham Blvd., 5.1 miles north of the Subject site. The company is slated to bring \$8.4 million of new investment to the area and create more than 120 jobs. According to the company, the expansion is completed and there is additional hiring due to the recent award of a \$198 million contract for construction of military amphibious vehicles, which was announced in June 2018.
- According to an article written by the Aiken Standard on February 7, 2017, ASCO, a manufacturer of fluid automation products, planned to expand its operations in Aiken County. The expansion totaled \$8 million of capital investment and created 86 new jobs. The plant is located in Aiken.

In total, the layoffs related to this terminated government contact will total 1,583 employees, which is significant though notably well below the total employment growth in 2018 for the MSA of 7,239 employees. We expect the layoffs in early 2019 to have a negative effect on the local economy, though based on other indications, including the recent expansion announcements and recent employment growth throughout the MSA, the regional economy appears to be healthy and growing.

Furthermore, it should be noted that employment contractions in the area are not anticipated to impact prospective tenants for the Subject as it targets seniors age 55 and older. Thus, many prospective tenants will be retirement age and are likely to remain in place even during economic downturns. We do not anticipate fluctuations in the area's employment will impact the Subject's target tenancy.

Employment and Unemployment Trends

According to the BLS, the Subject is located in the Augusta-Richmond County, GA-SC MSA. As such, the following table details employment and unemployment trends for the Augusta-Richmond County, GA-SC MSA from 2002 to 2018 (through December).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Augusta-Richmond County, GA-SC Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	228,426	-	5.1%	-	136,485,000	-	5.8%	-
2003	234,215	2.5%	5.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	239,841	2.4%	5.4%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	240,686	0.4%	6.1%	0.7%	141,730,000	1.8%	5.1%	-0.5%
2006	242,357	0.7%	5.9%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	246,618	1.8%	5.5%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	247,126	0.2%	6.3%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	240,106	-2.8%	9.3%	3.0%	139,878,000	-3.8%	9.3%	3.5%
2010	230,828	-3.9%	9.7%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	233,616	1.2%	9.8%	0.1%	139,869,000	0.6%	9.0%	-0.7%
2012	235,384	0.8%	9.2%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	235,857	0.2%	8.4%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2014	237,200	0.6%	7.3%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	242,412	2.2%	6.4%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	247,428	2.1%	5.7%	-0.7%	151,436,000	1.7%	4.9%	-0.4%
2017	253,345	2.4%	5.0%	-0.7%	153,337,000	1.3%	4.4%	-0.5%
2018 YTD Average*	260,594	2.9%	4.1%	-0.9%	155,761,000	1.6%	3.9%	-0.4%
Dec-2017	258,283	-	4.6%	-	153,602,000	-	3.9%	-
Dec-2018	259,978	0.7%	3.9%	-0.7%	156,481,000	1.9%	3.7%	-0.2%

Source: U.S. Bureau of Labor Statistics February 2019

*2018 data is through Dec

Between 2002 and 2008, total employment in the Augusta-Richmond County, GA-SC MSA exhibited positive growth, reaching a peak in 2008. However, the MSA began experiencing the effects of the most recent national recession with declines in employment in 2009 and 2010. Total employment in the MSA has increased in each year since 2010 and total employment in the 12-month period prior to December 2018 has indicated growth in employment of 2.9 percent, nearly double the growth rate of the nation over the same time period. Total employment surpassed the pre-recession peak in 2016.

In terms of unemployment rates, the rate in the MSA has historically been above that of the nation. While the national unemployment rate increased sharply in 2009 from 5.8 percent to 9.3 percent in 2010, the MSA saw unemployment rise from 2008 through 2011, reaching a peak unemployment rate of 9.8 percent in 2011. The unemployment rate in the MSA has subsequently decreased through 2018 year-to-date. Although the unemployment rate has trended downward over the past several years, it remains slightly above the national average. The decrease in unemployment rate in the MSA in the 12-month period prior to December 2018 is approximately 0.2 percentage points above that of the nation. Overall, the MSA appears to have been moderately affected by the most recent national recession, and there have notably been a significant number of layoffs announced in recent months due to a government contractor losing a large contract. However, the increase in total employment and steadily decreasing unemployment rates indicates the economy is currently in an expansionary phase.

Housing and Economy

There are 10 LIHTC and six subsidized properties in the PMA. Given the very low vacancy rates and presence of waiting lists among the LIHTC comparables, the availability of housing for low to very low-income renters is considered modest. The state of the economy has affected both the multifamily rental and the single-family home market in the PMA.

The most recent national recession impacted North Augusta’s single-family housing market. According to RealtyTrac’s December 2018 estimates, the city of North Augusta experienced a low foreclosure rate of one in every 1,127 housing units. Aiken County experienced a slightly lower foreclosure rate compared to the North Augusta, with one in every 1,271 housing units in December 2018. The state of South Carolina had a foreclosure rate of one in every 1,601 housing units, a rate lower than North Augusta and Aiken County.

COMMUTING PATTERNS

The following table details travel time to work for residents within the PMA as of 2018. The average travel time is 23 minutes. Approximately 60.2 percent of households within the PMA have commute times of less than 25 minutes.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	545	1.6%
Travel Time 5-9 min	2,211	6.6%
Travel Time 10-14 min	4,273	12.8%
Travel Time 15-19 min	6,198	18.5%
Travel Time 20-24 min	6,929	20.7%
Travel Time 25-29 min	2,918	8.7%
Travel Time 30-34 min	4,922	14.7%
Travel Time 35-39 min	881	2.6%
Travel Time 40-44 min	882	2.6%
Travel Time 45-59 min	1,915	5.7%
Travel Time 60-89 min	1,395	4.2%
Travel Time 90+ min	421	1.3%
Weighted Average	23 minutes	

Source: US Census 2018, Novogradac & Company, LLP February 2019

CONCLUSION

Total employment in the MSA has increased in each year since 2010 and total employment in the 12-month period prior to December 2018 has indicated growth in employment of 2.9 percent, nearly double the growth rate of the nation over the same time period. Total employment surpassed the pre-recession peak in 2016. While the national unemployment rate increased sharply in 2009 from 5.8 percent to 9.3 percent in 2010, the MSA saw unemployment rise from 2008 through 2011, reaching a peak unemployment rate of 9.8 percent in 2011. The unemployment rate in the MSA has subsequently decreased through 2018 year-to-date. Overall, the MSA appears to have been moderately affected by the most recent national recession, and there have notably been a significant number of layoffs announced in recent months due to a government contractor losing a large contract. However, the increase in total employment and steadily decreasing unemployment rates indicates the economy is currently in an expansionary phase.

E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Augusta-Richmond County, GA-SC MSA, which serves as the Secondary Market Area, are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA, MSA, and nation.

Population Trends

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

POPULATION

Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	66,765	-	508,032	-	281,038,168	-
2010	75,460	1.3%	564,873	1.1%	308,745,538	1.0%
2018	82,561	1.1%	615,322	1.1%	330,088,686	0.8%
Projected Mkt Entry March 2021	84,863	1.0%	632,979	1.1%	337,483,884	0.8%
2023	86,877	1.0%	648,429	1.1%	343,954,683	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

SENIOR POPULATION, 55+

Year	PMA		MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	13,978	-	99,498	-	59,204,560	-
2010	19,487	3.9%	140,284	4.1%	76,750,713	3.0%
2018	24,955	3.4%	179,925	3.4%	95,707,633	3.0%
Projected Mkt Entry March 2021	26,541	2.4%	190,546	2.2%	100,538,914	1.9%
2023	27,928	2.4%	199,840	2.2%	104,766,284	1.9%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

POPULATION BY AGE GROUP

Age Cohort	PMA				Projected Mkt Entry March 2021	2023
	2000	2010	2018			
0-4	4,766	5,167	5,151		5,195	5,234
5-9	5,088	5,098	5,428		5,479	5,523
10-14	5,013	5,056	5,397		5,618	5,811
15-19	4,751	5,204	4,720		5,021	5,285
20-24	4,053	4,555	4,491		4,340	4,207
25-29	4,227	5,073	5,579		5,102	4,684
30-34	4,771	4,771	5,657		5,726	5,787
35-39	5,503	4,686	5,582		5,803	5,997
40-44	5,447	5,015	4,986		5,466	5,886
45-49	4,888	5,715	5,107		5,133	5,156
50-54	4,280	5,633	5,506		5,438	5,379
55-59	3,519	5,007	5,868		5,725	5,599
60-64	2,651	4,339	5,536		5,797	6,026
65-69	2,386	3,398	4,823		5,157	5,449
70-74	2,125	2,394	3,511		3,977	4,384
75-79	1,616	1,882	2,335		2,731	3,078
80-84	958	1,405	1,463		1,674	1,858
85+	723	1,062	1,419		1,480	1,534
Total	66,765	75,460	82,559		84,862	86,877

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

The total population in the PMA increased at an annual rate of 1.1 percent from 2010 to 2018, a rate similar to the MSA and above the nation. The population in the PMA is expected to continue to increase through the projected market entry date and 2023 at 1.0 percent per annum, a rate that will be slightly below the MSA but outpace the nation. The total senior population in the PMA increased at an annual rate of 3.4 percent from 2010 to 2018, a rate similar to the MSA and above the nation. The total senior population in the PMA is expected to continue to increase through projected market entry date and 2023 at 2.4 percent per annum, a rate above the MSA and the nation.

The population in the PMA in 2018 was concentrated heavily in the age groups of 55 to 59 and 60 to 64, combined these age groups represent 13.8 percent of the total population in the PMA. Through market entry these age groups will be among the highest representation in the PMA. Growth in these age cohorts bodes well for the Subject.

HOUSEHOLD TRENDS

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

HOUSEHOLDS

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	25,944	-	188,041	-	105,403,008	-
2010	29,549	1.4%	215,524	1.5%	116,716,296	1.1%
2018	32,174	1.1%	234,850	1.1%	124,110,017	0.8%
Projected Mkt Entry March 2021	32,996	1.0%	241,303	1.0%	126,641,171	0.8%
2023	33,715	1.0%	246,949	1.0%	128,855,931	0.8%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	8,871	-	62,048	-	36,433,877	-
2010	12,138	3.7%	84,672	3.6%	45,892,723	2.6%
2018	14,920	2.8%	105,646	3.0%	55,492,459	2.5%
Projected Mkt Entry March 2021	15,766	2.1%	112,044	2.3%	58,608,139	2.1%
2023	16,507	2.1%	117,642	2.3%	61,334,359	2.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

AVERAGE HOUSEHOLD SIZE

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.61	-	2.59	-
2010	2.53	-0.1%	2.54	-0.3%	2.58	-0.1%
2018	2.55	0.1%	2.55	0.0%	2.59	0.1%
Projected Mkt Entry March 2021	2.56	0.1%	2.55	0.1%	2.60	0.1%
2023	2.56	0.1%	2.56	0.1%	2.61	0.1%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

POPULATION IN GROUP QUARTERS

Year	PMA		MSA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	562	-	16,952	-	7,596,362	-
2010	569	0.1%	17,650	0.4%	8,043,577	0.6%
2018	418	-3.2%	17,308	-0.2%	8,082,433	0.1%
Projected Mkt Entry March 2021	418	0.0%	17,308	0.0%	8,082,433	0.0%
2023	418	0.0%	17,308	0.0%	8,082,433	0.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

The total number of households in the PMA increased at 1.1 percent per annum between 2010 and 2018, a similar rate compared to the MSA and a slightly higher rate compared to the nation over the same time period. Through market entry date and 2023, the total number of households in the PMA is expected to increase by 1.0 percent annually, which will remain similar to the MSA and exceed the nation. The senior households age 55 and older increased by 2.8 percent annually in the PMA between 2010 and 2018, and the growth in the PMA is expected to be 2.1 percent annually over the next five years. The average household sizes are expected to remain relatively stable for all areas of analysis. The number of persons in group quarters decreased in the PMA between 2000 and 2018. Note that forecasted data for the population in group quarters is not available as growth in this population is more often a result of changes to local facilities than macro demographic trends.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2023.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	19,451	75.0%	6,493	25.0%
2018	23,563	73.2%	8,611	26.8%
Projected Mkt Entry March 2021	24,302	73.7%	8,694	26.3%
2023	24,948	74.0%	8,767	26.0%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

PMA TENURE PATTERNS OF SENIORS 55+				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	7,723	87.1%	1,148	12.9%
2018	12,467	83.6%	2,453	16.4%
Projected Mkt Entry March 2021	13,176	83.6%	2,591	16.4%
2023	13,796	83.6%	2,711	16.4%

Source: Esri Demographics 2018, Novogradac & Company LLP, February 2019

The PMA is dominated by owner-occupied housing units. In 2018, there were approximately 8,611 renter-occupied households in the PMA, equaling 26.8 percent of households in the PMA. In 2018 approximately 83.6 percent of senior households were owner-occupied, while 16.4 percent were renter-occupied. Through market entry and 2023, the percentage of renter households is expected to remain stable among seniors and decrease for households of all ages.

Household Income Distribution

The following table depicts senior (55+) household income in the PMA from 2018 to 2023.

HOUSEHOLD INCOME PMA 55+

Income Cohort	2018		PMA 2023		Annual Change 2018 to 2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	899	6.0%	888	5.4%	-2	-0.2%
\$10,000-19,999	2,111	14.1%	2,020	12.2%	-18	-0.9%
\$20,000-29,999	1,776	11.9%	1,839	11.1%	13	0.7%
\$30,000-39,999	1,781	11.9%	1,837	11.1%	11	0.6%
\$40,000-49,999	1,451	9.7%	1,589	9.6%	28	1.9%
\$50,000-59,999	1,235	8.3%	1,364	8.3%	26	2.1%
\$60,000-74,999	1,472	9.9%	1,627	9.9%	31	2.1%
\$75,000-99,999	1,755	11.8%	2,025	12.3%	54	3.1%
\$100,000-124,999	1,018	6.8%	1,222	7.4%	41	4.0%
\$125,000-149,999	580	3.9%	782	4.7%	40	7.0%
\$150,000-199,999	441	3.0%	646	3.9%	41	9.3%
\$200,000+	401	2.7%	668	4.0%	53	13.3%
Total	14,920	100.0%	16,507	100.0%		

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, February 2019

The Subject will target senior (55+) households earning between \$17,550 and \$29,940. As the table above depicts, approximately 11.9 percent of households in the PMA earned between \$20,000 and \$29,999 in 2018. Nearly all of the households within this income cohort will provide support for the Subject.

Renter Household Income Distribution

The following tables depict renter household incomes in the PMA in 2018, market entry, and 2023.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA, 55+

Income Cohort	2018		Projected Mkt Entry March 2021		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	305	12.4%	302	11.6%	299	11.0%
\$10,000-19,999	604	24.6%	575	22.2%	550	20.3%
\$20,000-29,999	140	5.7%	150	5.8%	158	5.8%
\$30,000-39,999	358	14.6%	363	14.0%	367	13.5%
\$40,000-49,999	166	6.8%	184	7.1%	200	7.4%
\$50,000-59,999	157	6.4%	167	6.5%	176	6.5%
\$60,000-74,999	177	7.2%	190	7.3%	202	7.5%
\$75,000-99,999	260	10.6%	293	11.3%	321	11.8%
\$100,000-124,999	91	3.7%	114	4.4%	135	5.0%
\$125,000-149,999	67	2.7%	85	3.3%	100	3.7%
\$150,000-199,999	67	2.7%	80	3.1%	92	3.4%
\$200,000+	61	2.5%	88	3.4%	111	4.1%
Total	2,453	100.0%	2,591	100.0%	2,711	100.0%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, February 2019

Senior renter households with incomes between \$10,000 and \$39,999 represent 44.9 percent of the senior renter households in the PMA in 2018, and this share is expected to decline slightly through market entry.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS IN THE HOUSEHOLD

The following table illustrates household size for renter households in the PMA.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2018		Projected Mkt Entry March 2021		2023	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	3,354	39.0%	3,404	39.2%	3,448	39.3%
2 Persons	2,039	23.7%	2,027	23.3%	2,016	23.0%
3 Persons	1,461	17.0%	1,467	16.9%	1,473	16.8%
4 Persons	964	11.2%	991	11.4%	1,014	11.6%
5+ Persons	793	9.2%	805	9.3%	816	9.3%
Total Households	8,611	100%	8,694	100%	8,767	100%

Source: HISTA Data / Ribbon Demographics 2018, Novogradac & Company LLP, February 2019

Approximately 62.6 percent of renter households resided in a one to two-person household in the PMA in 2018. Over the next five years, this percentage is projected to remain stable.

CONCLUSION

The senior (55+) population in the PMA increased at an annual rate of 3.4 percent from 2010 to 2018 and is expected to continue increasing at 2.4 percent annually through 2023, a greater rate than the MSA and the nation. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.1 percent annually in the PMA. Senior renter households with incomes between \$10,000 and \$39,999 represent 44.9 percent of the senior renter households in the PMA in 2018, and this share is expected to decline slightly through market entry. Many of these households would income-qualify at the Subject.

F. PROJECT-SPECIFIC DEMAND ANALYSIS

PROJECT SPECIFIC DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by SCSHFDA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (AMI), adjusted for household size and utilities. South Carolina State Housing Finance and Development Agency (SCSHFDA) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum gross rent a family household will pay is 35 percent of its household income at the appropriate AMI level and the maximum gross rent a senior household will pay is 40 percent of its household income at the appropriate AMI level.

According to SCSHFDA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, for one-bedroom units we assume the average income limits of a one- and two-person household and for three-bedroom units we assume the average income limits for a four- and five-person household. This applies to family projects. For elderly projects, we have used a maximum income based on two-person households.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Business Information Solutions to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from Novogradac & Company’s website.

2. Affordability

As discussed above, the maximum income for LIHTC units is set by SCSHFDA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. SCSHFDA guidelines utilize 35 for families and 40 percent for senior households, which we will use to set the minimum income levels for the demand analysis.

3. Minimum and Maximum Income Levels

The following tables illustrate the minimum and maximum allowable income levels for the Subject’s units.

55+ INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50%		@60%	
1BR	\$17,550	\$24,950	\$19,080	\$29,940
2BR	\$21,030	\$24,950	\$23,640	\$29,940

4. Demand

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

4a. Demand from New Renter Households

The number of new households entering the market is the first level of demand calculated. SCSHFDA has requested that we utilize 2018 as the base year for the analysis, with demographic projections to 2021. This is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure.

4b. Demand from Existing Households

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

4c. Additions to Supply

SCSHFDA guidelines indicate that units in all competing projects that were allocated, under construction, placed in service, or funded in 2018 as well as those units at properties that have not reached a stabilized occupancy of 93 percent should be removed from the demand analysis. There are no such properties in the PMA.

5. Method – Capture Rates

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

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$17,550		Maximum Income Limit		\$24,950	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2018 to Prj Mrkt Entry	March 2021			Households	within Bracket	
\$0-9,999	-3	-2.3%	\$0	0.0%	0		
\$10,000-19,999	-29	-20.9%	\$2,449	24.5%	-7		
\$20,000-29,999	10	7.0%	\$4,950	49.5%	5		
\$30,000-39,999	5	3.5%	\$0	0.0%	0		
\$40,000-49,999	18	13.2%	\$0	0.0%	0		
\$50,000-59,999	10	7.4%	\$0	0.0%	0		
\$60,000-74,999	13	9.7%	\$0	0.0%	0		
\$75,000-99,999	33	23.6%	\$0	0.0%	0		
\$100,000-124,999	23	17.1%	\$0	0.0%	0		
\$125,000-149,999	18	12.8%	\$0	0.0%	0		
\$150,000-199,999	13	9.7%	\$0	0.0%	0		
\$200,000+	27	19.4%	\$0	0.0%	0		
Total	138	100.0%		-1.7%	-2		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$17,550		Maximum Income Limit		\$24,950	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	305	12.4%	\$0	0.0%	0		
\$10,000-19,999	604	24.6%	\$2,449	24.5%	148		
\$20,000-29,999	140	5.7%	\$4,950	49.5%	69		
\$30,000-39,999	358	14.6%	\$0	0.0%	0		
\$40,000-49,999	166	6.8%	\$0	0.0%	0		
\$50,000-59,999	157	6.4%	\$0	0.0%	0		
\$60,000-74,999	177	7.2%	\$0	0.0%	0		
\$75,000-99,999	260	10.6%	\$0	0.0%	0		
\$100,000-124,999	91	3.7%	\$0	0.0%	0		
\$125,000-149,999	67	2.7%	\$0	0.0%	0		
\$150,000-199,999	67	2.7%	\$0	0.0%	0		
\$200,000+	61	2.5%	\$0	0.0%	0		
Total	2,453	100.0%		8.9%	217		

OK

ASSUMPTIONS - @50%

Tenancy		55+		% of Income towards Housing		40%	
Rural/Urban		Urban		Maximum # of Occupants		2	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	50%	50%	0%	0%		
3	0%	0%	0%	100%	0%		
4	0%	0%	0%	70%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2018 to March 2021

Income Target Population	@50%
New Renter Households PMA	138
Percent Income Qualified	-1.7%
New Renter Income Qualified Households	-2

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	2,453
Income Qualified	8.9%
Income Qualified Renter Households	217
Percent Rent Overburdened Prj Mrkt Entry March 2021	54.2%
Rent Overburdened Households	118

Demand from Living in Substandard Housing

Income Qualified Renter Households	217
Percent Living in Substandard Housing	1.1%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	13,176
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	26

Total Demand

Total Demand from Existing Households	147
Total New Demand	-2
Total Demand (New Plus Existing Households)	144

Demand from Seniors Who Convert from Homeownership	26
Percent of Total Demand From Homeownership Conversion	18.3%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.0%	79
Two Persons	28.3%	41
Three Persons	8.2%	12
Four Persons	2.5%	4
Five Persons	6.0%	9
Total	100.0%	144

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	71
Of two-person households in 1BR units	50%	20
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	8
Of two-person households in 2BR units	50%	20
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	100%	12
Of four-person households in 3BR units	70%	2
Of five-person households in 3BR units	50%	4
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	1
Of five-person households in 4BR units	50%	4
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		144

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	92	-	0	=	92
2 BR	28	-	0	=	28
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	120		0		120

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	6	/	92	=	6.5%
2 BR	2	/	28	=	7.0%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	8		120		6.7%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$19,080		Maximum Income Limit		\$29,940	
Income Category	New Renter Households - Total Change in Households PMA 2018 to Prj Mrkt Entry March 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-3	-2.3%	\$0	0.0%	0		
\$10,000-19,999	-29	-20.9%	\$919	9.2%	-3		
\$20,000-29,999	10	7.0%	\$9,940	99.4%	10		
\$30,000-39,999	5	3.5%	\$0	0.0%	0		
\$40,000-49,999	18	13.2%	\$0	0.0%	0		
\$50,000-59,999	10	7.4%	\$0	0.0%	0		
\$60,000-74,999	13	9.7%	\$0	0.0%	0		
\$75,000-99,999	33	23.6%	\$0	0.0%	0		
\$100,000-124,999	23	17.1%	\$0	0.0%	0		
\$125,000-149,999	18	12.8%	\$0	0.0%	0		
\$150,000-199,999	13	9.7%	\$0	0.0%	0		
\$200,000+	27	19.4%	\$0	0.0%	0		
Total	138	100.0%		5.0%	7		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$19,080		Maximum Income Limit		\$29,940	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	305	12.4%	\$0	0.0%	0		
\$10,000-19,999	604	24.6%	\$919	9.2%	56		
\$20,000-29,999	140	5.7%	\$9,940	99.4%	139		
\$30,000-39,999	358	14.6%	\$0	0.0%	0		
\$40,000-49,999	166	6.8%	\$0	0.0%	0		
\$50,000-59,999	157	6.4%	\$0	0.0%	0		
\$60,000-74,999	177	7.2%	\$0	0.0%	0		
\$75,000-99,999	260	10.6%	\$0	0.0%	0		
\$100,000-124,999	91	3.7%	\$0	0.0%	0		
\$125,000-149,999	67	2.7%	\$0	0.0%	0		
\$150,000-199,999	67	2.7%	\$0	0.0%	0		
\$200,000+	61	2.5%	\$0	0.0%	0		
Total	2,453	100.0%		7.9%	195		

Check

OK

ASSUMPTIONS - @60%

Tenancy	55+		% of Income towards Housing		40%
Rural/Urban	Urban		Maximum # of Occupants		2
Persons in Household	0BR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	50%	50%	0%	0%
3	0%	0%	0%	100%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2018 to March 2021

Income Target Population	@60%
New Renter Households PMA	138
Percent Income Qualified	5.0%
New Renter Income Qualified Households	7

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	2,453
Income Qualified	7.9%
Income Qualified Renter Households	195
Percent Rent Overburdened Prj Mrkt Entry March 2021	54.2%
Rent Overburdened Households	106

Demand from Living in Substandard Housing

Income Qualified Renter Households	195
Percent Living in Substandard Housing	1.1%
Households Living in Substandard Housing	2

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	13,176
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	26

Total Demand

Total Demand from Existing Households	134
Total New Demand	7
Total Demand (New Plus Existing Households)	141

Demand from Seniors Who Convert from Homeownership	26
Percent of Total Demand From Homeownership Conversion	18.7%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.0%	78
Two Persons	28.3%	40
Three Persons	8.2%	12
Four Persons	2.5%	3
Five Persons	6.0%	8
Total	100.0%	141

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	70
Of two-person households in 1BR units	50%	20
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	8
Of two-person households in 2BR units	50%	20
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	100%	12
Of four-person households in 3BR units	70%	2
Of five-person households in 3BR units	50%	4
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	1
Of five-person households in 4BR units	50%	4
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		141

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	90	-	0	=	90
2 BR	28	-	0	=	28
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	118		0		118

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	24	/	90	=	26.7%
2 BR	8	/	28	=	28.9%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	32		118		27.2%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$17,550		Maximum Income Limit		\$29,940	
Income Category	New Renter Households - Total Change in		Income Brackets	Percent within Cohort	Renter		
	Households PMA 2018 to Prj Mrkt Entry	March 2021			Households	within Bracket	
\$0-9,999	-3	-2.3%	\$0	0.0%	0		
\$10,000-19,999	-29	-20.9%	\$2,449	24.5%	-7		
\$20,000-29,999	10	7.0%	\$9,940	99.4%	10		
\$30,000-39,999	5	3.5%	\$0	0.0%	0		
\$40,000-49,999	18	13.2%	\$0	0.0%	0		
\$50,000-59,999	10	7.4%	\$0	0.0%	0		
\$60,000-74,999	13	9.7%	\$0	0.0%	0		
\$75,000-99,999	33	23.6%	\$0	0.0%	0		
\$100,000-124,999	23	17.1%	\$0	0.0%	0		
\$125,000-149,999	18	12.8%	\$0	0.0%	0		
\$150,000-199,999	13	9.7%	\$0	0.0%	0		
\$200,000+	27	19.4%	\$0	0.0%	0		
Total	138	100.0%		1.8%	2		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$17,550		Maximum Income Limit		\$29,940	
Income Category	Total Renter Households PMA 2018		Income Brackets	Percent within Cohort	Households		
	Households	%			within Bracket		
\$0-9,999	305	12.4%	\$0	0.0%	0		
\$10,000-19,999	604	24.6%	\$2,449	24.5%	148		
\$20,000-29,999	140	5.7%	\$9,940	99.4%	139		
\$30,000-39,999	358	14.6%	\$0	0.0%	0		
\$40,000-49,999	166	6.8%	\$0	0.0%	0		
\$50,000-59,999	157	6.4%	\$0	0.0%	0		
\$60,000-74,999	177	7.2%	\$0	0.0%	0		
\$75,000-99,999	260	10.6%	\$0	0.0%	0		
\$100,000-124,999	91	3.7%	\$0	0.0%	0		
\$125,000-149,999	67	2.7%	\$0	0.0%	0		
\$150,000-199,999	67	2.7%	\$0	0.0%	0		
\$200,000+	61	2.5%	\$0	0.0%	0		
Total	2,453	100.0%		11.7%	287		

ASSUMPTIONS - Overall

Tenancy	55+	% of Income towards Housing			40%
Rural/Urban	Urban	Maximum # of Occupants			2
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	50%	50%	0%	0%
3	0%	0%	0%	100%	0%
4	0%	0%	0%	70%	30%
5+	0%	0%	0%	50%	50%

Demand from New Renter Households 2018 to March 2021

Income Target Population	Overall
New Renter Households PMA	138
Percent Income Qualified	1.8%
New Renter Income Qualified Households	2

Demand from Existing Households 2018

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	2,453
Income Qualified	11.7%
Income Qualified Renter Households	287
Percent Rent Overburdened Prj Mrkt Entry March 2021	54.2%
Rent Overburdened Households	156

Demand from Living in Substandard Housing

Income Qualified Renter Households	287
Percent Living in Substandard Housing	1.1%
Households Living in Substandard Housing	3

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	13,176
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	26

Total Demand

Total Demand from Existing Households	185
Total New Demand	2
Total Demand (New Plus Existing Households)	188

Demand from Seniors Who Convert from Homeownership	26
Percent of Total Demand From Homeownership Conversion	14.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	55.0%	103
Two Persons	28.3%	53
Three Persons	8.2%	15
Four Persons	2.5%	5
Five Persons	6.0%	11
Total	100.0%	188

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	93
Of two-person households in 1BR units	50%	27
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	10
Of two-person households in 2BR units	50%	27
Of three-person households in 2BR units	0%	0
Of four-person households in 2BR units	0%	0
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	100%	15
Of four-person households in 3BR units	70%	3
Of five-person households in 3BR units	50%	6
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	1
Of five-person households in 4BR units	50%	6
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		188

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	120	-	0	=	120
2 BR	37	-	0	=	37
3 BR	-	-	0	=	-
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	157		0		157

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	30	/	120	=	25.1%
2 BR	10	/	37	=	27.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		157		25.6%

Conclusions

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

- The number of senior (55+) households in the PMA is expected to increase 2.1 percent annually percent between 2018 and projected market entry 2021.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DEMAND AND NET DEMAND

	HH at @50% AMI (\$17,550 to \$24,950)	HH at @60% AMI (\$19,080 to \$29,940)	Overall Demand
Demand from New Households (age and income appropriate)	-2	7	2
PLUS	+	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	118	106	156
PLUS	+	+	+
Demand from Existing Renter Households - Substandard Housing	2	2	3
=	=	=	=
Sub Total	118	115	161
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	26	26	26
Equals Total Demand	144	141	188
Less	-	-	-
New Supply	0	0	0
Equals Net Demand	144	141	188

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

CAPTURE RATE ANALYSIS CHART

Bedrooms/AMI Level	Total Demand	Supply	Net Demand	Units Proposed	Capture Rate
1BR @50%	92	0	92	6	6.5%
1BR @60%	90	0	90	24	26.7%
1BR Overall	120	0	120	30	25.1%
2BR @50%	28	0	28	2	7.0%
2BR @60%	28	0	28	8	28.9%
2BR Overall	37	0	37	10	27.1%
@50% Overall	120	0	120	8	6.7%
@60% Overall	118	0	118	32	27.2%
Overall	157	0	157	40	25.6%

As the analysis illustrates, the Subject’s capture rates vary from 6.5 to 28.9 percent with an overall capture rate of 25.6 percent. The Subject’s overall capture rates are within SCSHFDA guidelines and we believe that there is ample demand for the Subject’s units.

Absorption Rate

One of the surveyed comparable properties, The Edgewater, was able to provide absorption data. In addition, another recently completed senior LIHTC property located nearby in Aiken, approximately 15 miles from the Subject and outside of the PMA. Absorption at these properties is detailed in the table below.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Edgewater	LIHTC	Senior	2017	48	24
Longleaf Senior Village	LIHTC	Senior	2015	50	50
Average					37

On average, these properties reported an absorption rate of 37 units per month. The most similar comparable, The Edgewater, a comparable located 0.7 miles from the Subject that was completed in 2017, reported absorption of 24 units per month (or two months total). With the stable demographic base of low to moderate income seniors in the PMA and the general limited supply of affordable senior multifamily housing, we believe the Subject should be able to experience an absorption rate similar to the most similar comparable, The Edgewater. The LIHTC comparables report few vacancies and all maintain waiting lists, indicating strong demand for additional affordable senior housing in the area. Therefore, based upon the demand calculations presented within this report, which indicate capture rates within SCSHFDA guidelines, an ample number of income-qualified households, and the Subject’s senior tenancy, we believe that the Subject could absorb approximately 24 units per month upon opening. This equals an absorption period of one to two months. We expect the Subject to reach stabilized occupancy of 93 percent within two months.

G. SUPPLY ANALYSIS

SURVEY OF COMPARABLE PROJECTS

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

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

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

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

EXCLUDED LIST

Property Name	Rent Structure	Tenancy	Reason for Exclusion	# of Units	2019 Vacancy Rate
Wellington Estates	LIHTC	Family	Differing tenancy	48	0.0%
Valley Homes	LIHTC	Family	Differing tenancy	34	n/a
Cameron Cove	LIHTC	Family	Differing tenancy	48	0.0%
Ridgeview Manor	LIHTC	Family	Differing tenancy	88	n/a
Rivers Edge	LIHTC	Family	Differing tenancy	72	6.0%
Brookstone	LIHTC	Family	Differing tenancy	48	0.0%
Clearwater Village	Section 8	Family	Subsidized rents	104	0.0%
Kalmia Apartments	Section 8	Family	Subsidized rents	96	n/a
The Ledges Apartments	Section 8	Senior	Subsidized rents	84	1.0%
North Augusta Gardens	Section 8	Family	Subsidized rents	101	0.0%
Vincent Village	Section 8	Senior	Subsidized rents	41	5.0%
Walton Crossing	Section 8	Family	Subsidized rents	12	0.0%
Crossroads Market	Market	Family	More comparable properties available	74	3.0%
Georgetown Villas	Market	Family	More comparable properties available	150	n/a
Pine Crest	Market	Family	More comparable properties available	120	2.0%
The Ironwood	Market	Family	Unable to attain interview; superior amenities/locations	180	n/a
Riverside Village	Market	Family	Unable to attain interview; superior amenities/locations	64	n/a
Total LIHTC Only				338	1.2%
Total Assisted				438	0.7%
Total All Affordable				776	0.9%

LIHTC Competition

We spoke to Ms. Libby Hodges (803-635-6005), Director of Planning and Development with the City of North Augusta. Ms. Hodges indicated that there are currently no multifamily properties currently proposed in the area. We also consulted a CoStar new construction report and South Carolina LIHTC allocation lists for information about recently allocated LIHTC properties in the area. Our research uncovered no new LIHTC or market rate properties in the area.

Pipeline Construction

As detailed above, we spoke to Libby Hodges (803-635-6005), Director of Planning and Development with the City of North Augusta and uncovered no multifamily developments currently planned or proposed in the Subject's PMA. However, there are two luxury market rate development that are under construction or recently completed and in the absorption phase. The Ironwood is a multi-phase 180-unit luxury market rate development located along the Savannah River and part of a multi-use development that includes a minor league baseball stadium and other commercial uses. Riverside Village is a multi-phase 64-unit luxury market rate development that is located in the same neighborhood as The Ironwood and is actually conjoined with the new minor league baseball stadium and offering stadium views. According to Ms. Hodges, these developments are being completed in phases, and the initial units were completed in late 2018 with construction continuing into 2019.

We contacted management at these developments, both of whom provided asking rents for the initial units but would not provide detailed absorption and vacancy. Both properties feature luxury finishes such as granite countertops, stainless steel appliances, designer light fixtures and cabinetry, among other high-end finishes. The Ironwood features a mix of studio, one, two, and three-bedroom units with unit sizes ranging from 612 to 1,394 square feet and asking rents ranging from \$999 up to \$1,999 per month. Riverside Village offers all two-bedroom, two-bathroom units that average 1,151 square feet with asking rents that range from \$1,800 to \$1,950 per month. Due to the limited interviews provided by management, in addition to the fact that these are luxury properties with far superior amenities and unit sizes as compared to the proposed Subject, we have not included these properties as comparables in this report.

Comparable Properties

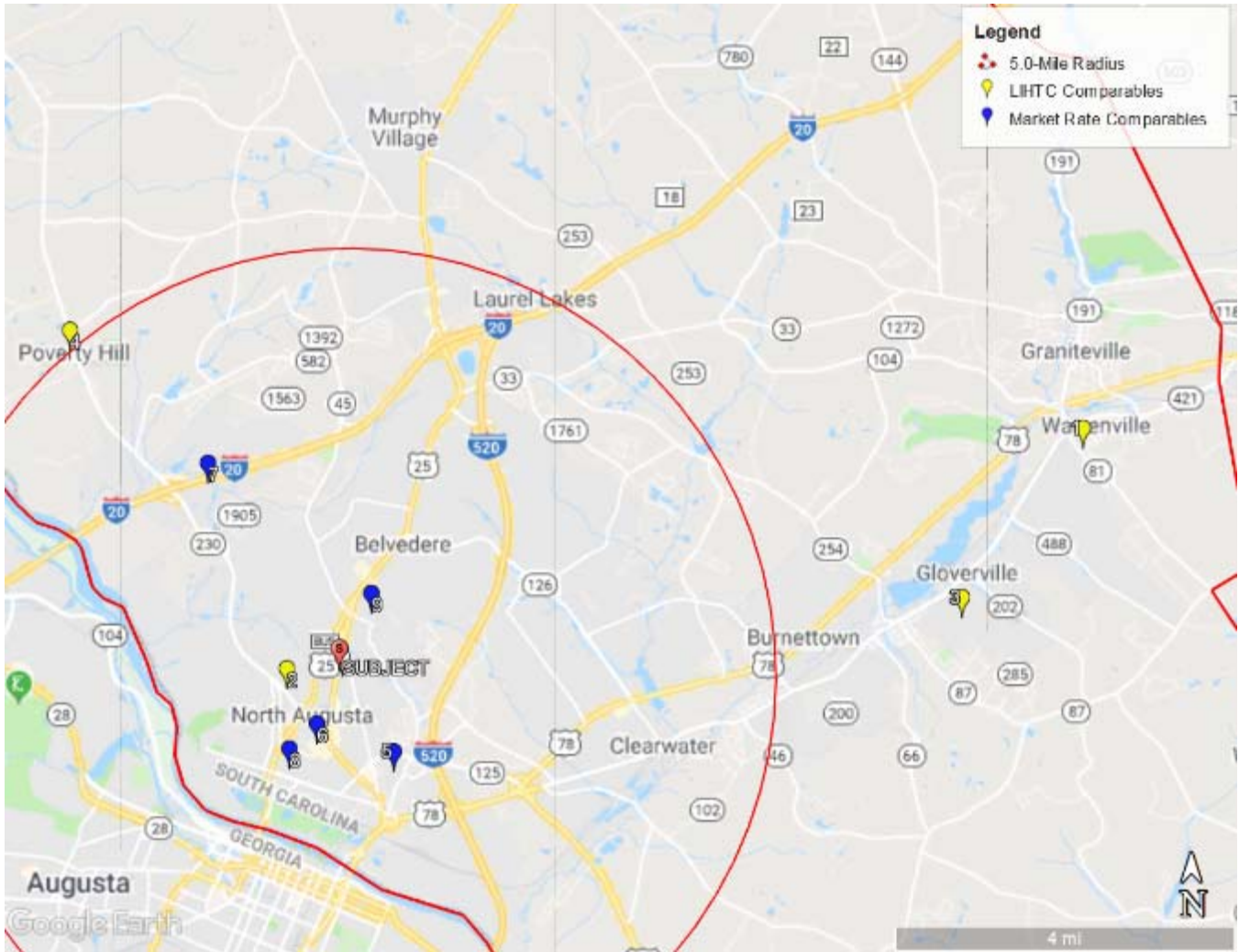
Property managers and realtors were interviewed for information on unit mix, size, absorption, unit features and project amenities, tenant profiles, and market trends in general. Our competitive survey includes nine "true" comparable properties containing 796 units.

The availability of LIHTC data is considered good. All of the LIHTC comparables are located within the PMA between 0.7 and 9.1 miles of the Subject. All of the comparable LIHTC properties target seniors, similar to the Subject. Other LIHTC properties within the PMA have been excluded because they target family tenancy.

The availability of market-rate data is considered good. The Subject is located in North Augusta, and there are many market-rate properties in the immediate area. We included five conventional properties in our analysis of the competitive market, all of which are located in the PMA. Overall, we believe the market-rate properties we used in our analysis are the most comparable. Other market-rate properties were excluded based on proximity and unit types.

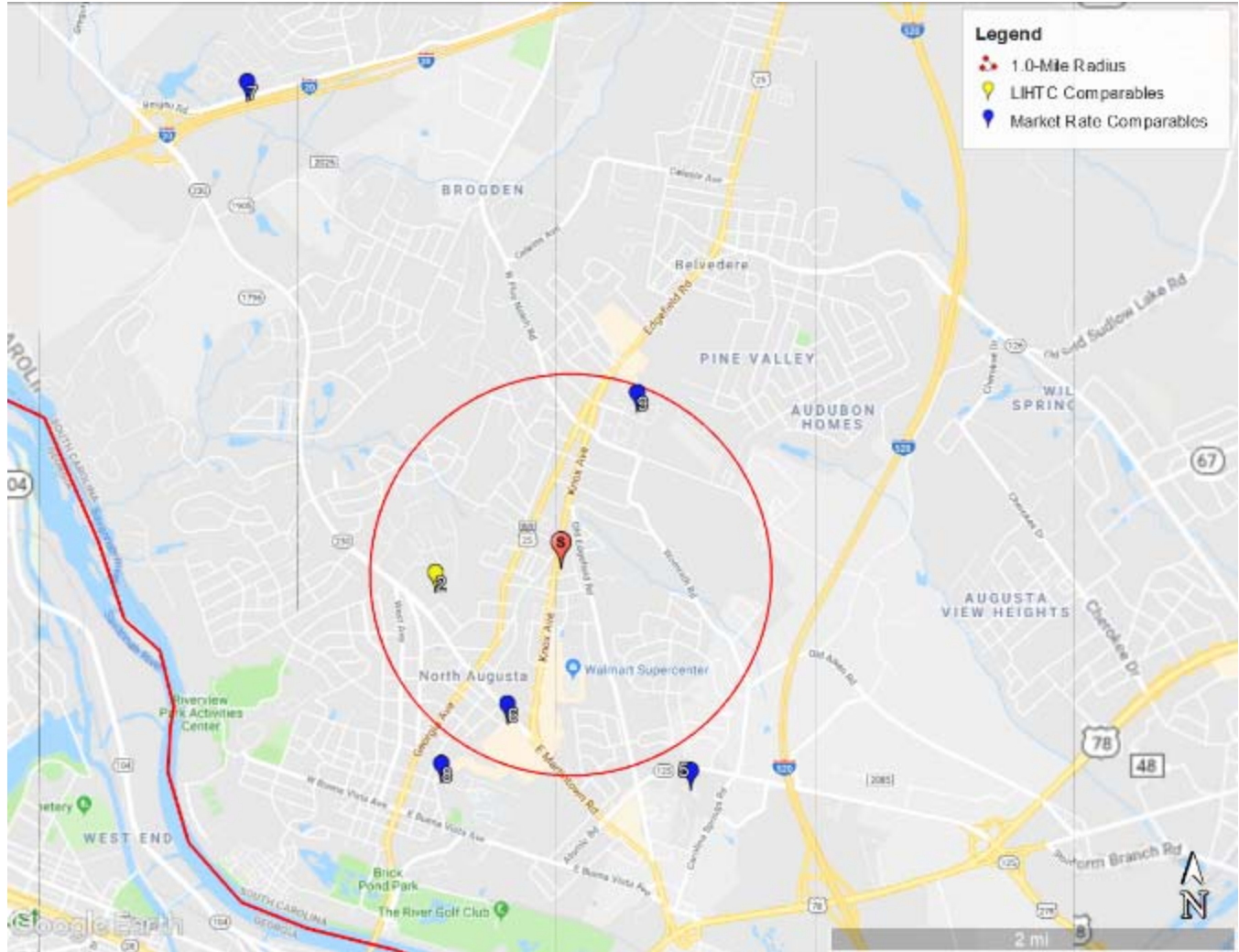
A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A Comparable Properties Map, illustrating the location of the Subject in relation to comparable properties is also provided on the following page. The properties are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

COMPARABLE RENTAL PROPERTY MAP - GENERAL



Source: Google Earth, January 2019.

COMPARABLE RENTAL PROPERTY MAP – DETAILED



Source: Google Earth, January 2019.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Havenwood Camellia	North Augusta	@50% (HOME), @60%	Senior	-
1	Aiken Grand Apartments	Warrenville	@50%, @60%	Senior	9.1 miles
2	The Edgewater	North Augusta	@50%, @60%	Senior	0.7 miles
3	Villages At Horse Creek	Gloverville	@50%	Senior	7.3 miles
4	Vintage Gardens At Sweetwater	North Augusta	@50%	Senior	5.0 miles
5	Breckenridge Villas	North Augusta	Market	Family	1.3 miles
6	Breckenridge Villas II	North Augusta	Market	Family	0.8 miles
7	Brighton Place	North Augusta	Market	Family	2.7 miles
8	Plaza Place	North Augusta	Market	Family	1.2 miles
9	Savannah Oaks	North Augusta	Market	Family	0.8 miles

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

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Havenwood Camellia	-	Lowrise	@50% (HOME), @60%	1BR / 1BA	6	15.0%	750	@50%	\$445	Yes	N/A	N/A	N/A
	1671 Knox Ave		4-stories		1BR / 1BA	23	57.5%	750	@60%	\$550	No	N/A	N/A	N/A
	North Augusta, SC 29841		2021 / n/a		1BR / 1BA	1	2.5%	750	@60%	\$496	Yes	N/A	N/A	N/A
	Aiken County		Senior		2BR / 2BA	2	5.0%	950	@50%	\$513	Yes	N/A	N/A	N/A
					2BR / 2BA	8	20.0%	950	@60%	\$600	No	N/A	N/A	N/A
					40	100.0%							N/A	N/A
1	Aiken Grand Apartments	9.1 miles	Various	@50%, @60%	1BR / 1BA	24	33.3%	628	@50%	\$436	Yes	Yes	0	0.0%
	115 Timmerman Street		3-stories		2BR / 1BA	27	37.5%	738	@50%	\$502	Yes	Yes	1	3.7%
	Warrenville, SC 29851		2000 / n/a		2BR / 1BA	4	5.6%	738	@50%	\$502	Yes	Yes	0	0.0%
	Aiken County		Senior		2BR / 1BA	13	18.1%	738	@60%	\$642	Yes	Yes	0	0.0%
					2BR / 1BA	4	5.6%	738	@60%	\$642	Yes	Yes	0	0.0%
					72	100.0%						1	1.4%	
2	The Edgewater	0.7 miles	Lowrise	@50%, @60%	2BR / 2BA	10	20.8%	965	@50%	\$530	Yes	Yes	0	0.0%
	175 Assurance Lane		3-stories		2BR / 2BA	38	79.2%	965	@60%	\$590	No	Yes	0	0.0%
	North Augusta, SC 29841		2017 / n/a											
	Aiken County		Senior			48	100.0%						0	0.0%
3	Villages At Horse Creek	7.3 miles	Garden	@50%	1BR / 1BA	36	100.0%	700	@50%	\$424	No	Yes	1	2.8%
	456 Lawana Drive		2-stories											
	Gloverville, SC 29828		2008 / n/a											
	Aiken County		Senior			36	100.0%						1	2.8%
4	Vintage Gardens At Sweetwater	5.0 miles	One-story	@50%	1BR / 1BA	48	66.7%	590	@50%	\$421	Yes	Yes	1	2.1%
	3 Murrah Road Extension		1-stories		2BR / 1BA	24	33.3%	780	@50%	\$487	Yes	Yes	1	4.2%
	North Augusta, SC 29860		1998 / n/a											
	Edgefield County		Senior			72	100.0%						2	2.8%
5	Breckenridge Villas	1.3 miles	Garden	Market	1BR / 1BA	40	33.3%	645	Market	\$661	N/A	No	1	2.5%
	160 Breckinridge Dr		2-stories		2BR / 2BA	80	66.7%	952	Market	\$797	N/A	No	0	0.0%
	North Augusta, SC 29841		1986 / n/a											
	Aiken County		Family			120	100.0%						1	0.8%
6	Breckenridge Villas II	0.8 miles	Various	Market	1BR / 1BA	36	32.4%	850	Market	\$581	N/A	No	1	2.8%
	309 East Martintown Road		2-stories		2BR / 1BA	36	32.4%	950	Market	\$627	N/A	No	2	5.6%
	North Augusta, SC 29841		1972 / n/a		2BR / 1.5BA	25	22.5%	1,200	Market	\$647	N/A	No	0	0.0%
	Aiken County		Family		2BR / 1.5BA	8	7.2%	1,200	Market	\$677	N/A	No	0	0.0%
					3BR / 1.5BA	6	5.4%	1,400	Market	\$730	N/A	No	0	0.0%
					111	100.0%						3	2.7%	
7	Brighton Place	2.7 miles	Various	Market	1BR / 1BA	N/A	N/A	665	Market	\$675	N/A	No	0	N/A
	750 Bergen Road		2-stories		2BR / 1.5BA	N/A	N/A	1,064	Market	\$815	N/A	No	0	N/A
	North Augusta, SC 29860		2009 / n/a		2BR / 2BA	N/A	N/A	985	Market	\$785	N/A	No	1	N/A
	Aiken County		Family		2BR / 2BA	N/A	N/A	1,216	Market	\$895	N/A	No	0	N/A
					86	N/A						1	1.2%	
8	Plaza Place	1.2 miles	Garden	Market	1BR / 1BA	40	33.6%	600	Market	\$581	N/A	No	1	2.5%
	1300 Plaza Place		2-stories		2BR / 1BA	67	56.3%	834	Market	\$667	N/A	No	3	4.5%
	North Augusta, SC 29841		1979 / n/a		3BR / 1BA	6	5.0%	1,043	Market	\$710	N/A	No	1	16.7%
	Aiken County		Family		3BR / 1.5BA	3	2.5%	1,043	Market	\$725	N/A	No	0	0.0%
					3BR / 2BA	3	2.5%	1,043	Market	\$740	N/A	No	0	0.0%
					119	100.0%						5	4.2%	
9	Savannah Oaks	0.8 miles	Garden	Market	1BR / 1BA	N/A	N/A	644	Market	\$636	N/A	No	2	N/A
	1402 Groves Blvd		2-stories		2BR / 1.5BA	N/A	N/A	937	Market	\$682	N/A	No	0	N/A
	North Augusta, SC 29841		1977 / n/a		3BR / 2BA	N/A	N/A	1,164	Market	\$780	N/A	No	1	N/A
	Aiken County		Family			132	N/A					3	2.3%	

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.					
	Units Surveyed:	796	Weighted Occupancy:	97.9%	
	Market Rate	568	Market Rate	97.7%	
	Tax Credit	228	Tax Credit	98.2%	
		One-Bedroom One Bath		Two-Bedroom Two Bath	
	Property	Average		Property	Average
RENT	Brighton Place (Market)	\$675		Brighton Place (Market)	\$895
	Breckenridge Villas (Market)	\$661		Brighton Place (Market)(1.5BA)	\$815
	Savannah Oaks (Market)	\$636		Breckenridge Villas (Market)	\$797
	Plaza Place (Market)	\$581		Brighton Place (Market)	\$785
	Breckenridge Villas II (FKA Plaza Terrace) (Market)	\$581		Savannah Oaks (Market)(1.5BA)	\$682
	Havenwood Camellia (@60%)	\$550		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	\$677
	Havenwood Camellia (@60%)	\$496		Plaza Place (Market)(1BA)	\$667
	Havenwood Camellia (@50%)	\$445		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	\$647
	Aiken Grand Apartments (@50%)	\$436		Aiken Grand Apartments (@60%)(1BA)	\$642
	Villages At Horse Creek (@50%)	\$424		Aiken Grand Apartments (@60%)(1BA)	\$642
	Vintage Gardens At Sweetwater (@50%)	\$421		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1BA)	\$627
				Havenwood Camellia (@60%)	\$600
				The Edgewater (@60%)	\$590
				The Edgewater (@50%)	\$530
				Havenwood Camellia (@50%)	\$513
			Aiken Grand Apartments (@50%)(1BA)	\$502	
			Aiken Grand Apartments (@50%)(1BA)	\$502	
			Vintage Gardens At Sweetwater (@50%)(1BA)	\$487	
SQUARE FOOTAGE	Breckenridge Villas II (FKA Plaza Terrace) (Market)	850		Brighton Place (Market)	1,216
	Havenwood Camellia (@50%)	750		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	1,200
	Havenwood Camellia (@60%)	750		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	1,200
	Havenwood Camellia (@60%)	750		Brighton Place (Market)(1.5BA)	1,064
	Villages At Horse Creek (@50%)	700		Brighton Place (Market)	985
	Brighton Place (Market)	665		The Edgewater (@60%)	965
	Breckenridge Villas (Market)	645		The Edgewater (@50%)	965
	Savannah Oaks (Market)	644		Breckenridge Villas (Market)	952
	Aiken Grand Apartments (@50%)	628		Havenwood Camellia (@60%)	950
	Plaza Place (Market)	600		Havenwood Camellia (@50%)	950
	Vintage Gardens At Sweetwater (@50%)	590		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1BA)	950
				Savannah Oaks (Market)(1.5BA)	937
				Plaza Place (Market)(1BA)	834
				Vintage Gardens At Sweetwater (@50%)(1BA)	780
				Aiken Grand Apartments (@50%)(1BA)	738
			Aiken Grand Apartments (@60%)(1BA)	738	
			Aiken Grand Apartments (@60%)(1BA)	738	
			Aiken Grand Apartments (@50%)(1BA)	738	
RENT PER SQUARE FOOT	Breckenridge Villas (Market)	\$1.02		Aiken Grand Apartments (@60%)(1BA)	\$0.87
	Brighton Place (Market)	\$1.02		Aiken Grand Apartments (@60%)(1BA)	\$0.87
	Savannah Oaks (Market)	\$0.99		Breckenridge Villas (Market)	\$0.84
	Plaza Place (Market)	\$0.97		Plaza Place (Market)(1BA)	\$0.80
	Havenwood Camellia (@60%)	\$0.73		Brighton Place (Market)	\$0.80
	Vintage Gardens At Sweetwater (@50%)	\$0.71		Brighton Place (Market)(1.5BA)	\$0.77
	Aiken Grand Apartments (@50%)	\$0.69		Brighton Place (Market)	\$0.74
	Breckenridge Villas II (FKA Plaza Terrace) (Market)	\$0.68		Savannah Oaks (Market)(1.5BA)	\$0.73
	Havenwood Camellia (@60%)	\$0.66		Aiken Grand Apartments (@50%)(1BA)	\$0.68
	Villages At Horse Creek (@50%)	\$0.61		Aiken Grand Apartments (@50%)(1BA)	\$0.68
	Havenwood Camellia (@50%)	\$0.59		Breckenridge Villas II (FKA Plaza Terrace) (Market)(1BA)	\$0.66
				Havenwood Camellia (@60%)	\$0.63
				Vintage Gardens At Sweetwater (@50%)(1BA)	\$0.62
				The Edgewater (@60%)	\$0.61
				Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	\$0.56
			The Edgewater (@50%)	\$0.55	
			Havenwood Camellia (@50%)	\$0.54	
			Breckenridge Villas II (FKA Plaza Terrace) (Market)(1.5BA)	\$0.54	

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

AMENITY MATRIX

Subject	Aiken Grand Apartments	The Edgewater	Villages At Horse Creek	Vintage Gardens At Sweetwater	Breckenridge Villas	Breckenridge Villas II	Brighton Place	Plaza Place	Savannah Oaks	
Rent Structure	LIHTC/HOME	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Senior	Senior	Senior	Senior	Family	Family	Family	Family	Family
Building										
Property Type	Lowrise	Various	Lowrise	Garden	One-story	Garden	Various	Various	Garden	Garden
# of Stories	4-stories	3-stories	3-stories	2-stories	1-stories	2-stories	2-stories	2-stories	2-stories	2-stories
Year Built	2021	2000	2017	2008	1998	1986	1972	2009	1979	1977
Year Renovated	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elevators	yes	yes	yes	yes	no	no	no	no	no	no
Utility Structure										
Cooking	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	no	yes	no	no	no	no	no	no
Water	no	yes	no	yes	yes	yes	yes	no	yes	yes
Sewer	no	yes	no	yes	yes	yes	yes	no	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility										
Grab Bars	yes	no	no	no	no	no	no	no	no	no
Hand Rails	yes	yes	yes	yes	yes	no	no	no	no	no
Pull Cords	no	yes	yes	yes	no	no	no	no	no	no
Unit Amenities										
Balcony/Patio	no	no	no	no	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	no	yes	yes
Exterior Storage	no	no	no	no	no	yes	no	yes	no	no
Walk-In Closet	yes	yes	no	no	no	yes	no	yes	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	yes	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community										
Business Center	yes	no	yes	yes	yes	no	no	no	no	no
Community Room	yes	yes	yes	no	yes	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation										
Basketball Court	no	no	no	no	no	no	yes	no	yes	no
Exercise Facility	yes	yes	no	yes	no	no	no	no	no	no
Playground	no	no	no	no	no	yes	no	no	yes	yes
Swimming Pool	no	no	no	no	no	yes	yes	no	yes	yes
Picnic Area	no	no	no	no	no	no	no	no	no	yes
Security										
Intercom (Buzzer)	yes	yes	yes	no	no	no	no	no	no	no
Limited Access	yes	yes	yes	yes	no	no	no	no	no	no
Perimeter Fencing	no	yes	no	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	yes	no	no	no	no	no	no
Parking										
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

PROPERTY PROFILE REPORT

Aiken Grand Apartments

Effective Rent Date	2/08/2019
Location	115 Timmerman Street Warrenville, SC 29851 Aiken County
Distance	9.1 miles
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Various (age-restricted) (3 stories)
Year Built/Renovated	2000 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	HUD properties, Longleaf Village
Tenant Characteristics	Seniors age 55 and older from the area and neighboring states
Contact Name	Lynn
Phone	803-663-0392



Market Information

Program	@50%, @60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes (5 HHs)

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	24	628	\$495	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	27	738	\$585	\$0	@50%	Yes	1	3.7%	yes	None
2	1	Lowrise (3 stories)	13	738	\$725	\$0	@60%	Yes	0	0.0%	yes	None
2	1	One-story	4	738	\$585	\$0	@50%	Yes	0	0.0%	yes	None
2	1	One-story	4	738	\$725	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	-\$59	\$436	2BR / 1BA	\$725	\$0	\$725	-\$83	\$642
2BR / 1BA	\$585	\$0	\$585	-\$83	\$502						

Aiken Grand Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan	Perimeter Fencing	
Garbage Disposal	Hand Rails		
Microwave	Oven		
Pull Cords	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		

Comments

The contact reported that maximum allowable rents are achievable in the area. The current waiting list for this property is five households. The average age of tenants at this property is 70 years old. The vacant unit is leased. Management noted that there are two buildings that feature single-story two-bedroom units and these rent for the same rents as the units in the primary lowrise building.

Photos



PROPERTY PROFILE REPORT

The Edgewater

Effective Rent Date	2/08/2019
Location	175 Assurance Lane North Augusta, SC 29841 Aiken County
Distance	0.7 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Vintage Gardens, Village Senior, and Horse Creek
Tenant Characteristics	Seniors 55+
Contact Name	Leasing Agent
Phone	803-426-8261



Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	24
HCV Tenants	N/A
Leasing Pace	Prelease to 2 weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Lowrise (3 stories)	10	965	\$530	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Lowrise (3 stories)	38	965	\$590	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$530	\$0	\$530	\$0	\$530	2BR / 2BA	\$590	\$0	\$590	\$0	\$590

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Garbage Disposal	Hand Rails		
Microwave	Oven		
Pull Cords	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Elevators	Central Laundry		
Off-Street Parking(\$0.00)	On-Site Management		

Comments

Management stated that the property was fully occupied within approximately two months of opening, and that there is currently a waiting list (though the length was not provided.) Management stated that rents have not been increased in the past year, but that a near-term rent increase is expected. In particular, the 50 percent AMI units were previously at maximum allowable rents before the slight AMI increase in 2018, and the manager believes maximum allowable rents are achievable for these units. Management stated demand for senior housing is strong.

Photos



PROPERTY PROFILE REPORT

Villages At Horse Creek

Effective Rent Date	2/08/2019
Location	456 Lawana Drive Gloverville, SC 29828 Aiken County
Distance	7.3 miles
Units	36
Vacant Units	1
Vacancy Rate	2.8%
Type	Garden (age-restricted) (2 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors from Warrentville, neighboring states
Contact Name	Juvelle
Phone	803-594-0588



Market Information

Program	@50%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	36	700	\$554	\$0	@50%	Yes	1	2.8%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$554	\$0	\$554	-\$130	\$424

Amenities

In-Unit	Security	Services
Blinds	Limited Access	None
Central A/C	Perimeter Fencing	
Ceiling Fan	Video Surveillance	
Hand Rails		
Pull Cords		
Washer/Dryer hookup		
Property	Premium	Other
Business Center/Computer Lab	None	None
Exercise Facility		
Off-Street Parking(\$0.00)		

Comments

The contact reported a short waiting list. The current vacant unit is leased. The contact reported that demand for senior housing in the area is strong. The contact stated that the rent was not increased in 2018, but that maximum rent is achievable.

Photos



PROPERTY PROFILE REPORT

Vintage Gardens At Sweetwater

Effective Rent Date	2/08/2019
Location	3 Murrah Road Extension North Augusta, SC 29860 Edgefield County
Distance	5 miles
Units	72
Vacant Units	2
Vacancy Rate	2.8%
Type	One-story (age-restricted)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Augustus Springs, The Legends, and Country Manor
Tenant Characteristics	Seniors 55+, Most are from local area; avg age is 70; about 80% were previous homeowners
Contact Name	Melody
Phone	803.819.3139



Market Information

Program	@50%
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	45%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased to max
Concession	None
Waiting List	Yes (1-3 months)

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	48	590	\$480	\$0	@50%	Yes	1	2.1%	yes	None
2	1	One-story	24	780	\$570	\$0	@50%	Yes	1	4.2%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$480	\$0	\$480	-\$59	\$421
2BR / 1BA	\$570	\$0	\$570	-\$83	\$487

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Hand Rails	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking(\$0.00)		
On-Site Management			

Comments

The contact reported a short waiting list with an estimated wait time of 1-3 months. The contact stated the wait list is purged every month to keep it short with contacts who are actually able to move if units become available. Management reported that demand for senior housing in the area is strong.

PROPERTY PROFILE REPORT

Breckenridge Villas

Effective Rent Date 2/08/2019
Location 160 Breckinridge Dr
 North Augusta, SC 29841
 Aiken County
Distance 1.3 miles
Units 120
Vacant Units 1
Vacancy Rate 0.8%
Type Garden (2 stories)
Year Built/Renovated 1986 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Plaza Place
Tenant Characteristics Many different areas
Contact Name Nicole
Phone 803.278.0591



Market Information

Program Market
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 1 week
Annual Chg. in Rent Increased; % not provided
Concession None
Waiting List None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	645	\$720	\$0	Market	No	1	2.5%	N/A	None
2	2	Garden (2 stories)	80	952	\$880	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$720	\$0	\$720	-\$59	\$661
2BR / 2BA	\$880	\$0	\$880	-\$83	\$797

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking(\$0.00)	None	None
On-Site Management	Playground		
Swimming Pool			

Comments

The contact stated that current performance is typical for the property, and the rental market in the area is strong.

PROPERTY PROFILE REPORT

Breckenridge Villas II (FKA Plaza Terrace)

Effective Rent Date	2/08/2019
Location	309 East Martintown Road North Augusta, SC 29841 Aiken County
Distance	0.8 miles
Units	111
Vacant Units	3
Vacancy Rate	2.7%
Type	Various (2 stories)
Year Built/Renovated	1972 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Plaza Place
Tenant Characteristics	Good number of retired tenants aged 50+; many tenants are working class families; many are from northern states
Contact Name	Tanya
Phone	803.278.3704



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	Increased
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	36	850	\$640	\$0	Market	No	1	2.8%	N/A	None
2	1	Garden	36	950	\$710	\$0	Market	No	2	5.6%	N/A	None
2	1.5	Townhouse (2 stories)	25	1,200	\$730	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	8	1,200	\$760	\$0	Market	No	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	6	1,400	\$845	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$640	\$0	\$640	-\$59	\$581
2BR / 1BA	\$710	\$0	\$710	-\$83	\$627
2BR / 1.5BA	\$730 - \$760	\$0	\$730 - \$760	-\$83	\$647 - \$677
3BR / 1.5BA	\$845	\$0	\$845	-\$115	\$730

Breckenridge Villas II (FKA Plaza Terrace), continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Swimming Pool			

Comments

Management had no further comments.

PROPERTY PROFILE REPORT

Brighton Place

Effective Rent Date	2/08/2019
Location	750 Bergen Road North Augusta, SC 29860 Aiken County
Distance	2.7 miles
Units	86
Vacant Units	1
Vacancy Rate	1.2%
Type	Various (2 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Kathy
Phone	762-728-8171



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Prelease to 3 weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	665	\$675	\$0	Market	No	0	N/A	N/A	None
2	1.5	Townhouse (2 stories)	N/A	1,064	\$815	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	985	\$785	\$0	Market	No	1	N/A	N/A	None
2	2	Townhouse (2 stories)	N/A	1,216	\$895	\$0	Market	No	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$675	\$0	\$675	\$0	\$675
2BR / 1.5BA	\$815	\$0	\$815	\$0	\$815
2BR / 2BA	\$785 - \$895	\$0	\$785 - \$895	\$0	\$785 - \$895

Brighton Place, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Off-Street Parking(\$0.00)	On-Site Management	None	None

Comments

Management stated that rents have fluctuated but been generally stable over the past year.

Photos



PROPERTY PROFILE REPORT

Plaza Place

Effective Rent Date	2/08/2019
Location	1300 Plaza Place North Augusta, SC 29841 Aiken County
Distance	1.2 miles
Units	119
Vacant Units	5
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1979 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Plaza Terrace, Breckinridge Villas, Crossroads Mar
Tenant Characteristics	N/A
Contact Name	David
Phone	803.279.2953



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	1-3 weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	600	\$640	\$0	Market	No	1	2.5%	N/A	None
2	1	Garden (2 stories)	67	834	\$750	\$0	Market	No	3	4.5%	N/A	None
3	1	Garden (2 stories)	6	1,043	\$825	\$0	Market	No	1	16.7%	N/A	None
3	1.5	Garden (2 stories)	3	1,043	\$840	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	3	1,043	\$855	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$640	\$0	\$640	-\$59	\$581
2BR / 1BA	\$750	\$0	\$750	-\$83	\$667
3BR / 1BA	\$825	\$0	\$825	-\$115	\$710
3BR / 1.5BA	\$840	\$0	\$840	-\$115	\$725
3BR / 2BA	\$855	\$0	\$855	-\$115	\$740

Plaza Place, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking(\$0.00)	On-Site Management		
Playground	Swimming Pool		

Comments

Management stated that the rental market is strong.

PROPERTY PROFILE REPORT

Savannah Oaks

Effective Rent Date	2/08/2019
Location	1402 Groves Blvd North Augusta, SC 29841 Aiken County
Distance	0.8 miles
Units	132
Vacant Units	3
Vacancy Rate	2.3%
Type	Garden (2 stories)
Year Built/Renovated	1977 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Leasing Agent
Phone	844-760-2039



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Prelease to 3 weeks
Annual Chg. in Rent	Increased
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	644	\$695	\$0	Market	No	2	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	937	\$765	\$0	Market	No	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,164	\$895	\$0	Market	No	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$695	\$0	\$695	-\$59	\$636
2BR / 1.5BA	\$765	\$0	\$765	-\$83	\$682
3BR / 2BA	\$895	\$0	\$895	-\$115	\$780

Savannah Oaks, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking(\$0.00)	On-Site Management	None	None
Picnic Area	Playground		
Swimming Pool			

Comments

Management stated that rents have increased significantly over the past year but could not provide further detail.

Photos



Comparable Property Analysis

Vacancy

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

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aiken Grand Apartments	LIHTC	Senior	72	1	1.4%
The Edgewater	LIHTC	Senior	48	0	0.0%
Villages At Horse Creek	LIHTC	Senior	36	1	2.8%
Vintage Gardens At Sweetwater	LIHTC	Senior	72	2	2.8%
Breckenridge Villas	Market	Family	120	1	0.8%
Breckenridge Villas II	Market	Family	111	3	2.7%
Brighton Place	Market	Family	86	1	1.2%
Plaza Place	Market	Family	119	5	4.2%
Savannah Oaks	Market	Family	132	3	2.3%
Overall Total			796	17	2.1%
Overall Total in PMA			724	16	2.2%

LIHTC VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aiken Grand Apartments	LIHTC	Senior	72	1	1.4%
The Edgewater	LIHTC	Senior	48	0	0.0%
Villages At Horse Creek	LIHTC	Senior	36	1	2.8%
Vintage Gardens At Sweetwater	LIHTC	Senior	72	2	2.8%
Total LIHTC			228	4	1.8%
Total LIHTC in PMA			156	3	1.9%

MARKET RATE VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Breckenridge Villas	Market	Family	120	1	0.8%
Breckenridge Villas II	Market	Family	111	3	2.7%
Brighton Place	Market	Family	86	1	1.2%
Plaza Place	Market	Family	119	5	4.2%
Savannah Oaks	Market	Family	132	3	2.3%
Total Market Rate			568	13	2.3%
Total Market Rate in PMA			568	13	2.3%

Overall vacancy among the nine comparables is very low at 2.2 percent. All of the comparable LIHTC properties are located inside the PMA. The LIHTC comparables demonstrate an overall weighted vacancy of 1.9 percent, and all of these properties maintain waiting lists, indicating strong demand for affordable senior housing in the area.

Among the market rate properties, vacancy is also very low at 2.3 percent, indicating strong support for conventional apartments. All of the market-rate comparable properties reported vacancy rates at or below 4.2 percent. Overall, the local rental market appears to be healthy, and we believe that the Subject will be able to maintain a stabilized vacancy rate of seven percent or less following stabilization per state guideline standards. In fact, based upon the low vacancy at the majority of the LIHTC properties and the presence of waiting lists, we expect that after completion of absorption, the Subject will operate with a waiting list.

LIHTC Vacancy – All LIHTC Properties in PMA

There are 156 total senior LIHTC units in the PMA that we included in this comparable analysis. There are three vacancies among these units and all of the properties maintain waiting lists. This indicates strong demand for affordable senior rental housing in the PMA.

REASONABILITY OF RENTS

This report is written to SCSHFDA guidelines. Therefore, the conclusions contained herein may not be replicated by a more stringent analysis. We recommend that the sponsor understand the guidelines of all those underwriting the Subject development to ensure the proposed rents are acceptable to all.

Rents provided by property managers at some properties may include all utilities while others may require tenants to pay all utilities. To make a fair comparison of the Subject rent levels to comparable properties, rents at comparable properties are typically adjusted to be consistent with the Subject. Adjustments are made using the SCSHFDA utility allowance for the Midlands Region, effective January 1, 2019, the most recent available. The rent analysis is based on net rents at the Subject as well as surveyed properties.

The following table summarizes the Subject’s proposed 50 and 60 percent AMI net rents compared to the maximum allowable 50 and 60 percent AMI rents in the MSA where comparables are located, the net rents at the comparables, and the averages of these comparable net rents.

LIHTC RENT COMPARISON @50%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Havenwood Camellia	Senior	\$445	\$513	Yes
LIHTC Maximum Rent (Net)		\$445	\$513	
Aiken Grand Apartments	Senior	\$436	\$502	Yes
The Edgewater	Senior	-	\$530	Yes
Villages At Horse Creek	Senior	\$424	-	Yes
Vintage Gardens At Sweetwater	Senior	\$421	\$487	Yes
Average		\$427	\$506	
Achievable LIHTC Rent		\$445	\$513	

LIHTC RENT COMPARISON @60%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Havenwood Camellia	Senior	\$496 - \$550	\$600	No
LIHTC Maximum Rent (Net)		\$562	\$653	
Aiken Grand Apartments	Senior	-	\$642	Yes
The Edgewater	Senior	-	\$590	No
Average		-	\$616	
Achievable LIHTC Rent		\$496 - \$550	\$600	

The Subject’s proposed 50 percent AMI HOME rents are set at the 2018 maximum allowable levels, and the 50 HOME rent and LIHTC maximum allowable rent is equal. The Subject’s proposed 60 percent AMI rents are set below the maximum allowable rent at this AMI level, except for the lone 60 percent AMI unit with additional High HOME restriction which is set at the maximum allowable level. Average rents in the market are slightly below the Subject’s proposed rents at 50 percent AMI and slightly above for the 60 percent AMI units. The average rents for 50 percent units are similar to maximum allowable levels, whereas the average rents for 60 percent units are slightly below maximum allowable levels. All of the comparables report achieving maximum allowable levels at the 50 percent AMI level, or that rents were expected to be increased to maximum allowable levels in the near future. One of the comparables reported achieving maximum allowable levels at 60 percent AMI. Of note, several properties have rents slightly below or above the maximum allowable levels. This is most likely due to differences in these properties’ utility structures and allowances from the Subject’s proposed utility structure. The Subject is considered most similar to The Edgewater and Aiken Grand Apartments as a LIHTC property.

The Edgewater is a senior development located in North Augusta, 0.7 miles from the Subject site, in a similar location. This property was constructed in 2017 and exhibits excellent condition, which is considered generally similar to the anticipated excellent condition of the Subject upon completion. The Edgewater offers similar in-unit and slightly inferior common area amenities to the proposed Subject, as it does not offer an exercise facility which the Subject will offer. This property offers similar unit sizes to the proposed Subject. Overall, The Edgewater is considered slightly inferior to the proposed Subject. This property reports achieving 50 percent AMI rents at the maximum allowable levels and 60 percent AMI rents moderately below the maximum levels. The Edgewater reports full occupancy and maintains a waiting list. Given the Subject’s anticipated slight superiority to The Edgewater, we believe the Subject’s proposed rents at 50 and 60 percent AMI are achievable.

Aiken Grand Apartments is a senior development located in Warrentonville, 9.1 miles from the Subject site, in a generally similar location. This property was constructed in 2000, and exhibits good condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Aiken Grand Apartments offers similar in-unit amenities and slightly inferior common area amenities to the proposed Subject, as it does not offer a business center which the Subject will offer. This property offers inferior unit sizes to the proposed Subject. Overall, Aiken Grand Apartments is considered slightly inferior to the proposed Subject. Aiken Grand Apartments reports 98.6 occupancy and maintains a waiting list. Given the Subject’s anticipated superiority to Aiken Grand Apartments, we believe the Subject’s proposed rents at 50 and 60 percent AMI are achievable.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@50% (HOME)	\$445	\$581	\$675	\$627	\$775	42.6%
1BR / 1BA	@60%	\$550	\$581	\$675	\$627	\$775	29.0%
1BR / 1BA	@60% (HOME)	\$496	\$581	\$675	\$627	\$775	36.0%
2BR / 2BA	@50% (HOME)	\$513	\$627	\$895	\$732	\$925	44.5%
2BR / 2BA	@60%	\$600	\$627	\$895	\$732	\$925	35.1%

All of the market rate properties were built between 1972 and 2009, and are located in North Augusta within 2.7 miles of the Subject in generally similar locations. The market rate comparables are considered inferior to the proposed Subject with respect to age and condition.

Brighton Place was constructed in 2009 and is in good condition overall, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Brighton Place offers slightly inferior in-unit amenities, as it lacks a ceiling fan, microwave, and coat closet, which slightly outweighs the Subject lacking a balcony/patio and exterior storage. In terms of common area amenities, Brighton Place will be inferior as it lacks a community room, business center, central laundry, and exercise facility which the Subject will offer. Brighton Place offers unit sizes that range from inferior (1BR) to similar (2BR) compared to those of the proposed Subject. Overall, Brighton Place is considered inferior to the Subject.

Breckenridge Villas was constructed in 1986 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Breckenridge Villas offers similar in-unit amenities overall as it lacks a microwave though it does offer a balcony/patio and exterior storage. In terms of common area amenities, Breckenridge Villas will be slightly superior to the proposed Subject as it offers a playground and swimming pool which outweighs the Subject offering business center, community room, and exercise facility. However, it is notable that the Subject's amenities are targeted for senior preferences while Breckenridge Villas is targeted for family tenancy. Breckenridge Villas offers unit sizes that range from inferior (1BR) to similar (2BR) compared to those of the proposed Subject. Overall, Breckenridge Villas is considered inferior to the Subject.

The Subject property is considered superior to Brighton Place and superior to Breckenridge Villas, as the Subject will be the newest construction development with a competitive amenity package and unit sizes that are similar to superior to the comparables. We concluded to achievable market rents of **\$775** and **\$925** for the Subject's one and two-bedroom units, respectively. The Subject's proposed LIHTC rents will have advantages of 29 to 45 percent over our estimated achievable market rents.

It is important to reiterate that although the Subject's achievable market rents are above the range of unadjusted comparable rents, the Subject will be superior to all of the comparables. Of note, there are two developments currently under construction that have had units come online but were not able to be included as formal comparables – The Ironwood and Riverside Village – as discussed previously in the new supply analysis. These new construction developments are located along the Savannah River and feature extensive amenities and large unit sizes, and their asking rents range from \$999 up to \$1,950 per month. We believe the advertised rents for these new construction developments provides further support for the Subject's achievable market rents.

Impact of Subject on Other Affordable Units in Market

There are four total comparable vacant LIHTC units surveyed, and all of the LIHTC comparables maintain waiting lists. We surveyed four LIHTC properties in the PMA, all of which are age-restricted. With a limited supply of affordable housing options for seniors in the market and a stable base of low to moderate-income seniors, we believe the Subject's opening and lease-up will have no long-term impact on the existing area LIHTC apartments. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.1 percent annually in the PMA. Since the Subject will not operate with a subsidy, we do not expect any impact on the existing low-income rental assisted housing in the market.

Availability of Affordable Housing Options

There are three senior LIHTC units without subsidies in the PMA. These three age-restricted properties have an average weighted vacancy of 1.9 percent and maintain waiting lists. Therefore, the availability of senior LIHTC housing targeting low to moderate incomes is considered modest given the demographic stability of

the PMA. The Subject would bring better balance to the supply of affordable senior rental housing in the PMA.

SUMMARY EVALUATION OF THE PROPOSED PROJECT

Overall vacancy in the local market is performing well with a 2.1 percent vacancy rate among all surveyed comparable projects. The senior LIHTC properties reported four total vacancies and all of these properties maintain waiting lists, suggesting significant latent demand for senior affordable housing. Market rate comparables are also performing well, with an overall vacancy rate of 2.3 percent among all of the market-rate comparables.

When compared to the current 50 and 60 percent rents at the LIHTC properties, the Subject's proposed 50 and 60 percent AMI rents appear reasonable, and overall they are more than 33 percent below our estimated achievable market rents. Overall, we believe that the Subject will be successful in the local market as proposed.

H. INTERVIEWS

INTERVIEWS

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

Planning

As detailed above, we spoke to Libby Hodges (803-635-6005), Director of Planning and Development with the City of North Augusta and uncovered no multifamily developments currently planned or proposed in the Subject's PMA. However, there are two luxury market rate development that are under construction or recently completed and in the absorption phase. The Ironwood is a multi-phase 180-unit luxury market rate development located along the Savannah River and part of a multi-use development that includes a minor league baseball stadium and other commercial uses. Riverside Village is a multi-phase 64-unit luxury market rate development that is located in the same neighborhood as The Ironwood and is actually conjoined with the new minor league baseball stadium and offering stadium views. According to Ms. Hodges, these developments are being completed in phases, and the initial units were completed in late 2018 with construction continuing into 2019.

We contacted management at these developments, both of whom provided asking rents for the initial units but would not provide detailed absorption and vacancy. Both properties feature luxury finishes such as granite countertops, stainless steel appliances, designer light fixtures and cabinetry, among other high-end finishes. The Ironwood features a mix of studio, one, two, and three-bedroom units with unit sizes ranging from 612 to 1,394 square feet and asking rents ranging from \$999 up to \$1,999 per month. Riverside Village offers all two-bedroom, two-bathroom units that average 1,151 square feet with asking rents that range from \$1,800 to \$1,950 per month. Due to the limited interviews provided by management, in addition to the fact that these are luxury properties with far superior amenities and unit sizes as compared to the proposed Subject, we have not included these properties as comparables in this report.

Section 8/Public Housing

We interviewed Ms. Beth Overton, Deputy Director with the South Carolina Regional Housing Authority No. 3 (803-259-3588), for information regarding the local voucher program. Ms. Overton indicated that the Housing Authority is authorized to distribute over 1,300 tenant-based Housing Choice Vouchers in the region that includes Aiken, Allendale, Bamberg, Barnwell, Berkeley, Calhoun, Hampton, Jasper, and Orangeburg Counties. All available vouchers are currently in use. According to Ms. Overton, the waiting list is currently closed, and the length of the waiting list was not provided. The current payment standards are \$636 and \$771 for one and two-bedroom units in Aiken County, respectively. The Subject's proposed rents are below the current payment standards, which indicates that voucher tenants would be able to reside at the Subject without paying out of pocket.

Property Managers

The results from our interviews with property managers are included in the comments section of the property profile reports.

I. RECOMMENDATIONS

Recommendations

We believe there is ample demand for the Subject in the PMA and the market supports the Subject development as proposed. The Subject's overall capture rate is 25.6 percent, which is within acceptable demand thresholds as established by SCHFA. Individual capture rates by bedroom type range from 6.5 to 40.4 percent, which are all considered achievable in the PMA, where moderate-income senior renter households are stable. In addition, the most recently completed senior LIHTC development in the market, The Edgewater, opened in 2017 and rapidly absorbed within two months. Between 2018 and market entry, the total number of senior (55+) households is expected to increase at a rate of 2.1 percent annually in the PMA. The Subject site is located within 1.0 mile of most community services and facilities that tenants would utilize on a consistent basis.

There are only four vacancies among LIHTC comparables, and all maintain waiting lists. The developer's LIHTC rents represent greater than a 33 percent overall advantage below achievable market rents. The proposed rents will also compete well with the LIHTC rents at the most similar LIHTC comparables we surveyed.

J. SIGNED STATEMENT REQUIREMENTS

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

Respectfully submitted,
Novogradac & Company LLP

February 25, 2019

Date



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Blair.Kincer@novoco.com



Brian Neukam
Manager
Brian.Neukam@novoco.com



Ethan Houts
Analyst

ADDENDA

ADDENDUM A
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

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

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

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

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

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

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

REAL ESTATE ASSIGNMENTS

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
ETHAN C. HOUTS**

I. Education

Taylor University, Upland, IN
Bachelor of Science, Finance (*Magna Cum Laude*)

II. State Certification and Professional Affiliation

State of Ohio Certified General Real Estate Appraiser No. 2017002055
Practicing Affiliate, Appraisal Institute
Housing Credit Certified Professional (HCCP) (*Inactive*)

III. Professional Experience

Principal / Analyst, 27ONE Consulting LLC
Manager, Novogradac & Company LLP
Analyst, Wallick Communities
Analyst, Novogradac & Company LLP

IV. Professional Training

Basic Appraisal Procedures, January 2012
Basic Appraisal Principles, January 2012
National Uniform Standards of Professional Appraisal Practice, February 2012
Real Estate Finance, Statistics, & Valuation Modeling, January 2013
General Appraiser Sales Comparison Approach, January 2014
Business Practices & Ethics, January 2014
National USPAP 7-Hour Update, February 2014
General Appraiser Income Approach Part I, June 2014
General Appraiser Income Approach Part II, July 2014
General Appraiser Market Analysis and Highest and Best Use, October 2014
General Appraiser Report Writing and Case Studies, January 2015
Advanced Market Analysis and Highest & Best Use, October 2015
General Appraiser Site Valuation and Cost Approach, January 2016

V. Real Estate Assignments

A representative sample of Market Research, Due Diligence, and Valuation Engagements includes the following:

- Conducted numerous market and feasibility studies for affordable housing projects on a national basis. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: physical inspection of the site and market, unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Conducted numerous rent comparability studies of proposed new construction and existing subsidized properties in accordance with HUD guidelines.

- Conducted numerous appraisals of proposed new construction and existing subsidized properties in accordance with HUD guidelines.
- Conducted numerous appraisals of proposed new construction and existing LIHTC properties. Analysis typically includes physical inspection of the property and market, concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination, operating expense analysis to determine cost estimates, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Conducted numerous appraisals of retail, office, and commercial land properties.

Tab 19

Exhibit S-2 Primary Market Study Analysis Summary

HAVENWOOD CAMELLIA – NORTH AUGUSTA, SC – APPLICATION MARKET STUDY

2019 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name: Havenwood Camellia	Total # Units: 40
Location: East side of Knox Avenue	# LIHTC Units: 40
PMA Boundary: South: South Carolina border/Aiken County line and Highway 28; East: Highway 278, Highway 302, and Highway 118; North: Highway 105, Bettis Academy Road, and Woodlawn Road; West: South Carolina border/Aiken County line	
Development Type: <input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 10 miles

RENTAL HOUSING STOCK (found on pages 60 & 64)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	17	1,354	11	99.2%
Market-Rate Housing	5	578	4	99.3%
Assisted/Subsidized Housing not to include LIHTC	6	438	3	99.3%
LIHTC (All that are stabilized)*	6	338	4	98.8%
Stabilized Comps**	17	1,354	11	99.2%
Non-stabilized Comps	0	N/Ap	N/Ap	N/Ap

* 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
6	1	1	750	\$445	\$775	\$1.03	42.6%	\$675	\$0.90
1	1	1	750	\$496	\$775	\$1.03	36.0%	\$675	\$0.90
23	1	1	750	\$550	\$775	\$1.03	29.0%	\$675	\$0.90
2	2	2	950	\$513	\$925	\$0.97	44.5%	\$895	\$0.94
8	2	2	950	\$600	\$925	\$0.97	35.1%	\$895	\$0.94
Gross Potential Rent Monthly*				\$21,642	\$32,500		33.4%		

*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 42)

	2010		2018		2021	
Renter Households	1,148	12.9%	2,453	16.4%	2,591	16.4%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	287	11.7%	291	11.2%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 57)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall Affordable
Renter Household Growth	-2	7				2
Existing Households (Overburd + Substand)	120	108				159
Homeowner conversion (Seniors)	26	26				26
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	144	141				188

CAPTURE RATES (found on page 58)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	6.7%	27.2%				25.6%

ABSORPTION RATE (found on page 58)

Absorption Period 1 - 2 months

Tab 19

Exhibit S-2 Rent Calculation Worksheet

SUBJECT COMPARISON TO MARKET RENTS

# of Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Achievable Market Rent	Tax Credit Gross Rent Advantage
6	1BR	\$445	\$2,670	\$775	\$4,650	\$775	42.6%
1	1BR	\$496	\$496	\$775	\$775	\$775	36.0%
23	1BR	\$550	\$12,650	\$775	\$17,825	\$775	29.0%
2	2BR	\$513	\$1,026	\$925	\$1,850	\$925	44.5%
8	<u>2BR</u>	\$600	<u>\$4,800</u>	\$925	<u>\$7,400</u>	\$925	<u>35.1%</u>
Totals	40		\$21,642		\$32,500		33.4%

Source: SCSHFDA, Novogradac & Company LLP, February 2019