



Shaw Research & Consulting

Real Estate Analysis & Market Feasibility Services

**A RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
SPARTANBURG, SOUTH CAROLINA
(Spartanburg County)**

Saranac Apartments

*2751 East Main Street
Spartanburg, South Carolina 29307*

February 25, 2019

Prepared for:

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CERTIFICATE OF ACCURACY AND RELIABILITY

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.



Steven R. Shaw
SHAW RESEARCH & CONSULTING, LLC

Date: February 25, 2019

INTRODUCTION

Shaw Research & Consulting, LLC has prepared the following rental housing study to examine and analyze the Spartanburg area as it pertains to the market feasibility of Saranac Apartments, a proposed 46-unit affordable rental housing development targeting low-income family households. The subject proposal is to be located in the extreme eastern portion of the city of Spartanburg along the south side of East Main Street (U.S. 29), midway between Webber Road and Zion Hill Road. Further, the site is situated approximately three miles south of I-85 and 3½ miles east of downtown Spartanburg.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Spartanburg market area. All fieldwork and community data collection was conducted on January 10, 2019 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Saranac Apartments will feature a total of 46 units restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal, as described in the following project description, within the Spartanburg market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal is a 46-unit open rental development targeting low-income family households. The facility will consist of a mix of two- and three-bedroom units restricted to households with incomes at or below 50 percent and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Spartanburg PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are clearly reflective of the continued need for affordable rental housing locally.
- 3) Occupancy rates for rental housing are extremely strong throughout the market area at the current time. As such, an overall occupancy rate of 97.2 percent was calculated from a January 2019 survey of 22 rental developments identified and contacted within the PMA.
- 4) Only limited LIHTC rental options are available within the market area at the current time. According to survey results, there was only one family-oriented tax credit property within the defined PMA – Draymont Ridge was reported to be 100 percent occupied with more than 50 persons on a waiting list.
- 5) Considering only the four family-oriented tax credit developments participating in the survey, a combined occupancy rate of 99.3 percent was determined along with each property reporting to be maintaining a waiting list, most of which were quite extensive – providing a clear indication of the demand and need for affordable rental options throughout the Spartanburg area.
- 6) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Spartanburg area have been generally positive since 2000. As such, the overall population within the PMA is estimated to have increased by seven percent between 2010 and 2018, representing a gain of approximately 2,850 residents during this time. Furthermore, future projections indicate these gains will continue, with an additional increase of five percent (more than 2,100 persons) anticipated between 2018 and 2023.
- 7) The location of the subject property can also be considered a positive factor, with generally convenient access to most retail, education, and employment centers throughout the area.

- 8) The proposal represents a modern product with numerous amenities and features at an affordable rent level. As such, the proposed rental rates within the subject are extremely competitive in relation to other local LIHTC properties, and can be considered achievable and appropriate for the Spartanburg market area.

- 9) Considering the subject's proposed unit mix, income targeting, affordable rental rates, and competitive unit sizes and development features, the introduction of Saranac Apartments should prove successful. Based on positive demographic patterns and exceptionally strong occupancy levels throughout the local rental stock (especially within tax credit properties), additional affordable units should be readily absorbed within the Spartanburg rental market. As such, evidence presented within the market study suggests a normal absorption period (conservatively estimated at five to six months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property or those under development – either affordable or market rate.

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

Development Name:	<u>SARANAC APARTMENTS</u>	Total # Units:	<u>46</u>
Location:	<u>2751 E. Main Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>46</u>
PMA Boundary:	<u>North = 3 miles; South = 4 miles; East = 2.25 miles; West = 4 miles</u>		
Development Type:	<u>XX</u> Family	<u> </u> Older Persons	Farthest Boundary Distance to Subject: <u>4 miles</u>

RENTAL HOUSING STOCK (found on page 47)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	3,330	93	97.2%
Market-Rate Housing	16	2,796	87	96.9%
Assisted/Subsidized Housing not to include LIHTC	2	134	3	97.8%
LIHTC (All that are stabilized)*	4	400	3	99.3%
Stabilized Comps**	4	400	3	99.3%
Non-stabilized Comps	0	0	0	NA

*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
7	2 BR	2.0	967	\$500	\$939	\$1.01	46.7%	\$1,337	\$1.46
27	2 BR	2.0	967	\$620	\$939	\$1.01	34.0%	\$1,337	\$1.46
3	3 BR	2.0	1,122	\$575	\$1,075	\$0.89	46.5%	\$1,645	\$1.46
9	3 BR	2.0	1,122	\$695	\$1,075	\$0.89	35.4%	\$1,645	\$1.46
Gross Potential Rent Monthly*				\$28,220	\$44,820		37.04%		

*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 32)

	2010		2018		2021	
Renter Households	7,744	42.2%	8,517	43.7%	8,758	43.8%
Income-Qualified Renter HHs (LIHTC)	2,111	27.3%	2,322	27.3%	2,387	27.3%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 42)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Renter Household Growth	13	13	--			19
Existing Households (Overburd + Substand)	175	175	--			251
Homeowner Conversion (Seniors)	--	--	--			--
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	--	--			--
Net Income-Qualified Renter HHs	188	188	--	--	--	270

CAPTURE RATES (found on page 46)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	5.3%	19.2%	--			17.0%

ABSORPTION RATE (found on page 46)

Absorption Period: 5 to 6 months

2019 S-2 RENT CALCULATION WORKSHEET							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
40%	--	0 BR	--	--	--	--	
50%	--	0 BR	--	--	--	--	
60%	--	0 BR	--	--	--	--	
40%	--	1 BR	--	--	--	--	
50%	--	1 BR	--	--	--	--	
60%	--	1 BR	--	--	--	--	
40%	--	2 BR	--	--	--	--	
50%	7	2 BR	\$500	\$3,500	\$939	\$6,571	
60%	27	2 BR	\$620	\$16,740	\$939	\$25,346	
40%	--	3 BR	--	--	--	--	
50%	3	3 BR	\$575	\$1,725	\$1,075	\$3,226	
60%	9	3 BR	\$695	\$6,255	\$1,075	\$9,677	
40%	--	4 BR	--	--	--	--	
50%	--	4 BR	--	--	--	--	
60%	--	4 BR	--	--	--	--	
	Totals	46		\$28,220		\$44,820	37.04%

A. PROJECT DESCRIPTION

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions:

Project Name:	SARANAC APARTMENTS								
Project Address:	2751 E. Main Street								
Project City:	Spartanburg, South Carolina								
County:	Spartanburg County								
Total Units:	46								
Occupancy Type:	Family								
Construction Type:	New Construction								
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
Two-Bedroom Units	34								
50% of Area Median Income	7	Apt	2.0	967	\$500	\$82	\$582	\$661	No
60% of Area Median Income	27	Apt	2.0	967	\$620	\$82	\$702	\$793	No
Three-Bedroom Units	12								
50% of Area Median Income	3	Apt	2.0	1,122	\$575	\$103	\$678	\$763	No
60% of Area Median Income	9	Apt	2.0	1,122	\$695	\$103	\$798	\$915	No

***Maximum LIHTC Rents and Income Limits** are based on 2018 *Income & Rent Limits* (effective 4/1/2018) obtained from SCSHFDA website (www.schousing.com).

Project Description:

Development Location.....	Spartanburg, South Carolina
Construction Type.....	New construction
Occupancy Type	Family
Target Income Group.....	100% LIHTC (50% and 60% AMI)
Special Population Group	N/A
Number of Units by Unit Type	See previous page
Unit Sizes	See previous page
Rents and Utility Information	See previous page
Proposed Rental Assistance (PBRA)	None

Project Size:

Total Development Size.....	46 units
Number of Affordable Units.....	46 units
Number of Market Rate Units.....	0 units
Number of PBRA Units	0 units
Number of Employee Units	0 units

Development Characteristics:

Number of Total Units	46 units
Number of Garden Apartments.....	46 units
Number of Townhouses.....	0 units
Number of Residential Buildings.....	2 (<i>maximum three story</i>)
Number of Community Buildings	1

Unit Amenities:

- | | |
|--|--------------------------------|
| ➤ Frost Free Refrigerator w/ Ice maker | ➤ Washer/Dryer Hook-Up |
| ➤ Oven/Range | ➤ Mini-Blinds/Vertical Blinds |
| ➤ Dishwasher | ➤ Central Air Conditioning |
| ➤ Microwave over Oven | ➤ Walk-In Closet |
| ➤ Garbage Disposal | ➤ Patio/Sunroom |
| ➤ Ceiling Fans | ➤ Range Queen Fire Suppression |

Development Amenities:

- | | |
|-------------------------------------|-----------------------------|
| ➤ Community Building | ➤ On-Site Laundry Facility |
| ➤ Multi-Purpose Room w/ Kitchenette | ➤ Playground |
| ➤ Equipped Computer Center | ➤ On-Site Management Office |
| ➤ Gazebo | ➤ Security Cameras |

Additional Assumptions:

- Water, sewer, and trash removal will be included in the rent. Electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant; and
- Market entry is scheduled for early 2021.

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on January 10, 2019 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the extreme eastern portion of Spartanburg along the south side of East Main Street (U.S. 29), just west of Webber Road and approximately 3½ miles east of the city's main downtown business district. Overall characteristics of the immediate neighborhood are a combination of residential and commercial usages. As such, single-family homes can be found adjacent to the east and west of the site, while an assisted living facility and townhome development are located just north of the site along East Main Street. In addition, a Family Dollar (along with Daisy-A-Day Florist) and vacant undeveloped property can also be found adjacent to the north of the subject property. Additionally, commercial properties are situated just beyond the single-family homes in both directions, including Foster's Garden Center to the west and an Ingle's Market grocery to the east. In general terms, areas further to the west along East Main Street are primarily retail and commercial-oriented, while areas to the east are not as densely populated. Overall, most properties near the site are in fair to good condition.

The subject property consists of approximately 3.76 acres, consisting of a partially wooded parcel with a single-family home which will be razed/removed to make room for the subject development. Situated within Census Tract 213.03 of Spartanburg County, the property is currently zoned as B-1 (Neighborhood Shopping District) – which allows for the development of residential multi-family units. Based on current usages, zoning throughout the immediate area should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** East Main Street/Commercial/Assisted living
- South:** Vacant, undeveloped/Single-family residential
- West:** Single-family home
- East:** Single-family home

Access to the site will be from East Main Street to the north, representing a moderately-traveled five-lane roadway providing access to popular commercial/retail areas, as well as downtown Spartanburg. As such, the subject's location will provide favorable visibility from a well-traveled roadway with a generally positive curb appeal, with several retail opportunities and other services within a short distance and most nearby structures (commercial, residential, or otherwise) in fair to good condition. Furthermore, the site's proximity and relatively convenient access to much of the area's retail, medical, recreational, and educational locales should be viewed as a positive factor, and suitable for multi-family housing.

3. Nearby Retail

While a small number of retail opportunities are available within walking distance of the site, several retail areas can be found just a short drive away. In addition to Dollar General adjacent to the north of the site, Ingle's Market grocery and a Speedway convenience store are situated at the intersection of East Main Street and Zion Hill Road/Plainview Drive (less than one-tenth mile away). Several additional retail concentrations can also be found west of the subject along East Main Street, including a Walmart Supercenter, Dollar Tree, and Goodwill Store all located approximately ½ mile away. Further, Lidle grocery and the Hillcrest Shopping Center (consisting of a Publix grocery, Office Depot, Hibbett Sports, Stein Mart, Ross Dress for Less, and more) are situated within 1¼ miles from the site along East Main Street.

4. Medical Offices and Hospitals

Several medical services and physician offices are situated throughout the immediate area, as well. The nearest hospital is the Spartanburg Medical Center-Mary Black Campus, located approximately two miles west of the subject property. In addition to several medical buildings and offices surrounding the hospital, numerous medical clinics can be found within two miles of the site – including Doctor's Care and a CVS MinuteClinic.

5. Other PMA Services

Additional services of note within the market area include a library and several parks and recreation centers. While the Spartanburg Public Library and YMCA of Greater Spartanburg are situated in the downtown area (approximately four miles from the site), Eastway Park and Hillbrook Pool are both located roughly one mile away. Additionally, fixed-route bus/transit

services are offered locally through the Spartanburg Area Regional Transit Agency (SPARTA), providing public bus service to all areas of the city and select areas outside of the city's limits. Although a bus route does not pass the subject property, the nearest bus route can be found just west of the subject which runs along East Main Street and turns at Webber Road.

The following identifies pertinent locations and features within the Spartanburg market area, and can be found on the following map by the number next to the corresponding description. Please note that this list is not all-inclusive and only represents those locations closest to the subject property.

Retail

1. Ingle's Market grocery.....0.1 mile east
2. Walmart Supercenter w/ pharmacy.....0.6 miles west
3. Dollar General.....adjacent to north
4. Speedway convenience store0.1 mile east
5. Lidl grocery.....0.8 miles west
6. Dollar Tree/Goodwill.....0.4 miles west
7. Hillcrest Shopping Center.....1.3 miles southwest
(with Publix grocery/pharmacy, Ross Dress for Less, Stein Mart, Office Depot, Hibbett Sports, and more)
8. Webber Square shopping center0.1 miles west

Medical

9. Spartanburg Medical Center – Mary Black Campus2.1 miles west
10. Doctor's Care – Hillcrest Clinic1.8 miles southwest
11. CVS MinuteClinic1.8 miles southwest
12. MGC – Immediate Care Center-Eastside2.2 miles southwest

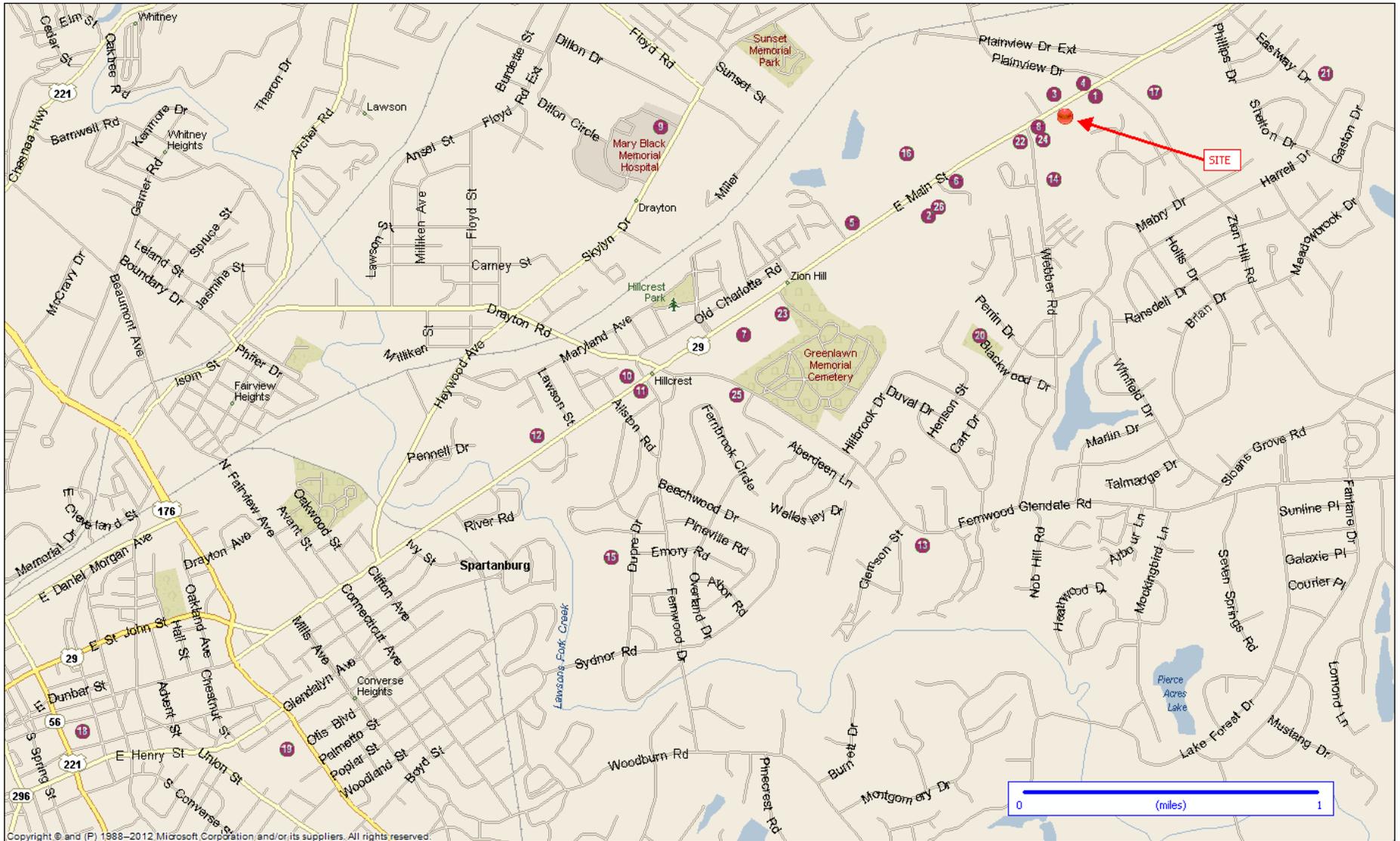
Education

13. Jesse Boyd Elementary School1.9 miles southwest
14. McCracken Middle School0.3 miles south
15. Spartanburg Senior High School2.5 miles southwest
16. New Spartanburg High School (opening Fall 2019)0.5 miles west
17. Daniel Morgan Technology Center0.3 miles east

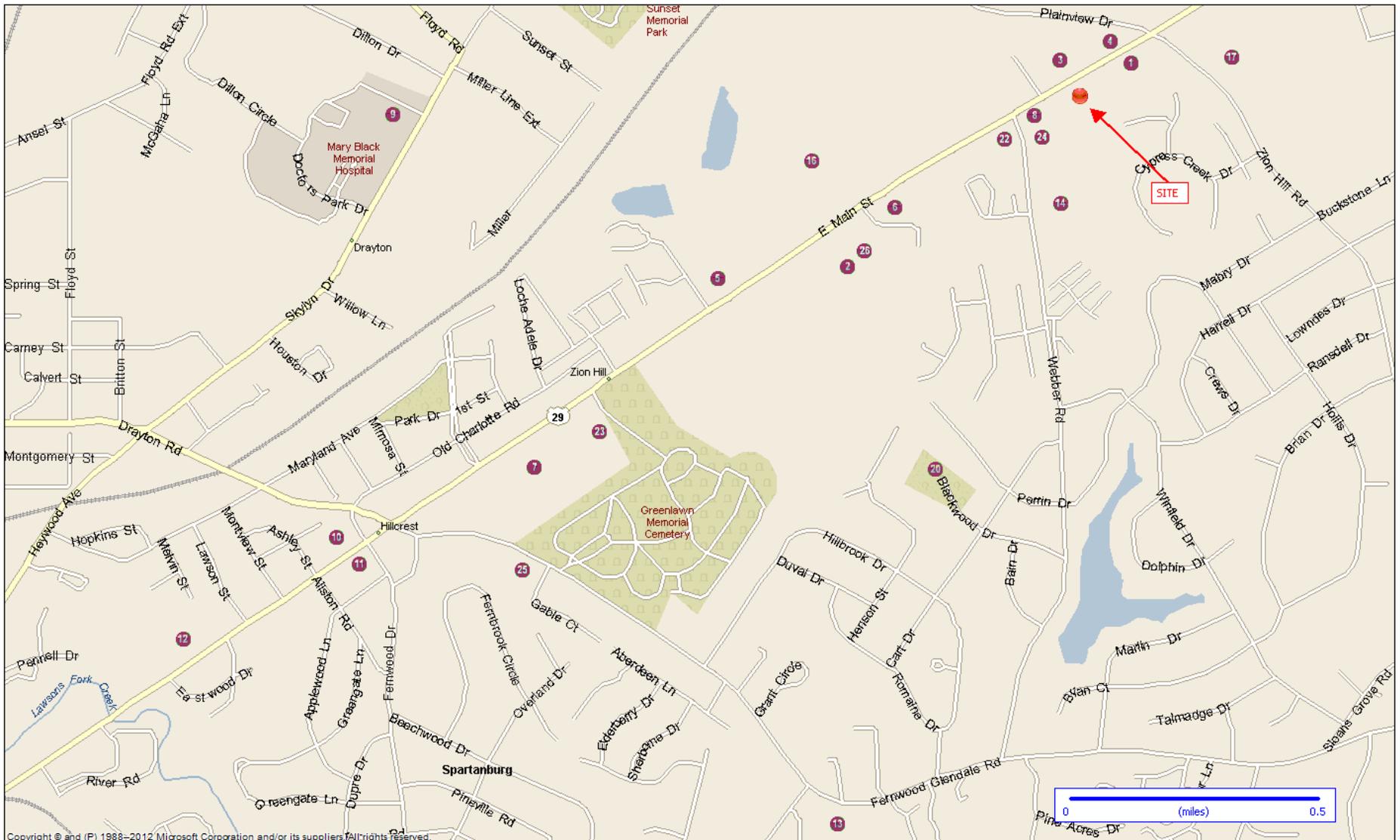
Recreation/Other

18. Spartanburg Public Library.....4.2 miles southwest
19. YMCA of Greater Spartanburg.....3.8 miles southwest
20. Hillbrook Park/Pool1.1 miles south
21. Eastway Park.....1.1 miles east
22. Star Lanes Bowling.....0.2 miles west
23. NCG Spartanburg Cinema1.2 miles west
24. Mon Amie Morning Café.....0.1 mile west
25. Spartanburg Fire Station2.0 miles southwest
26. Woodforest Bank (in Walmart)0.6 miles west

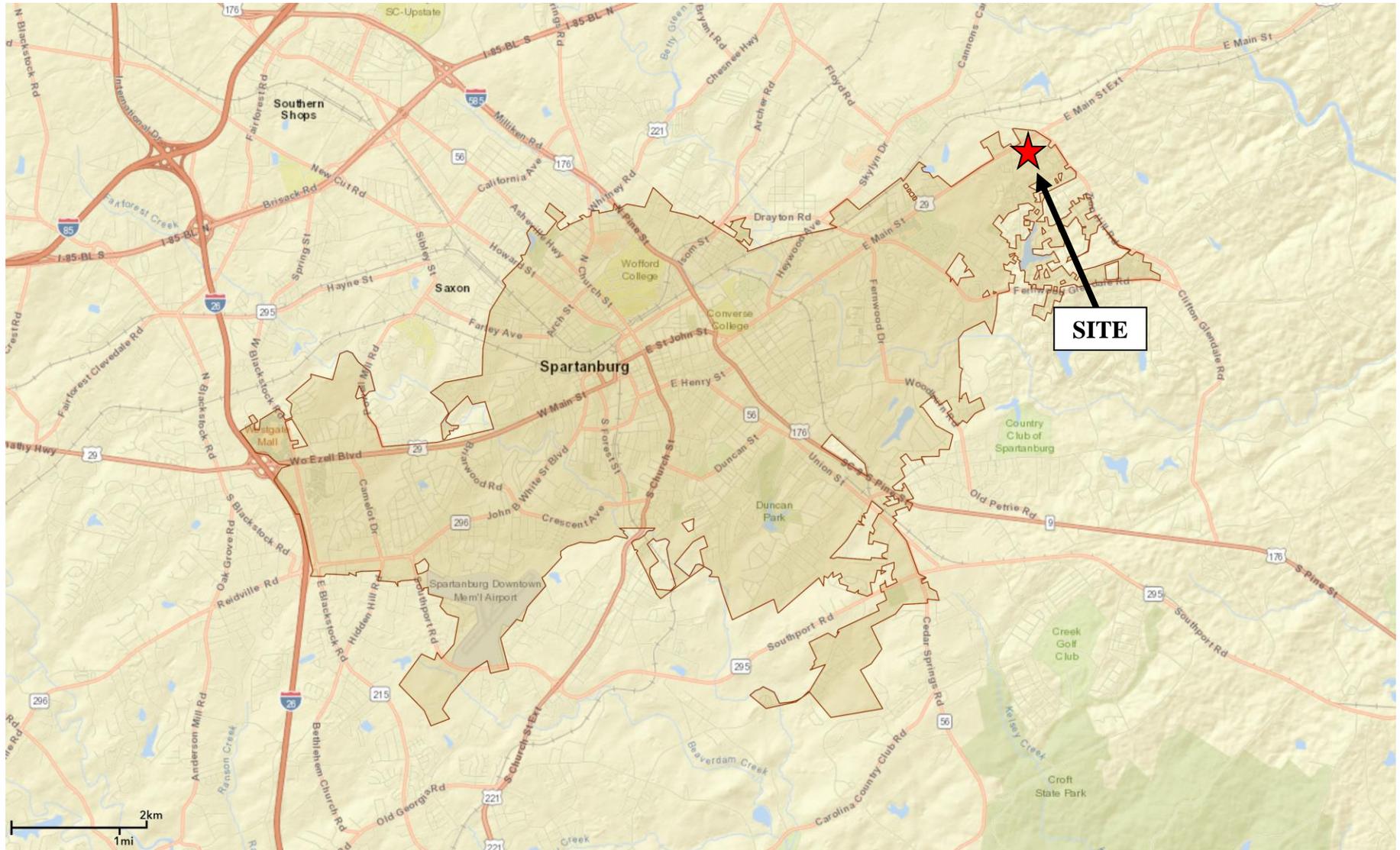
Map 1: Local Features/Amenities – Spartanburg Area



Map 2: Local Features/Amenities – Close View



Map 3: Site Location – City of Spartanburg

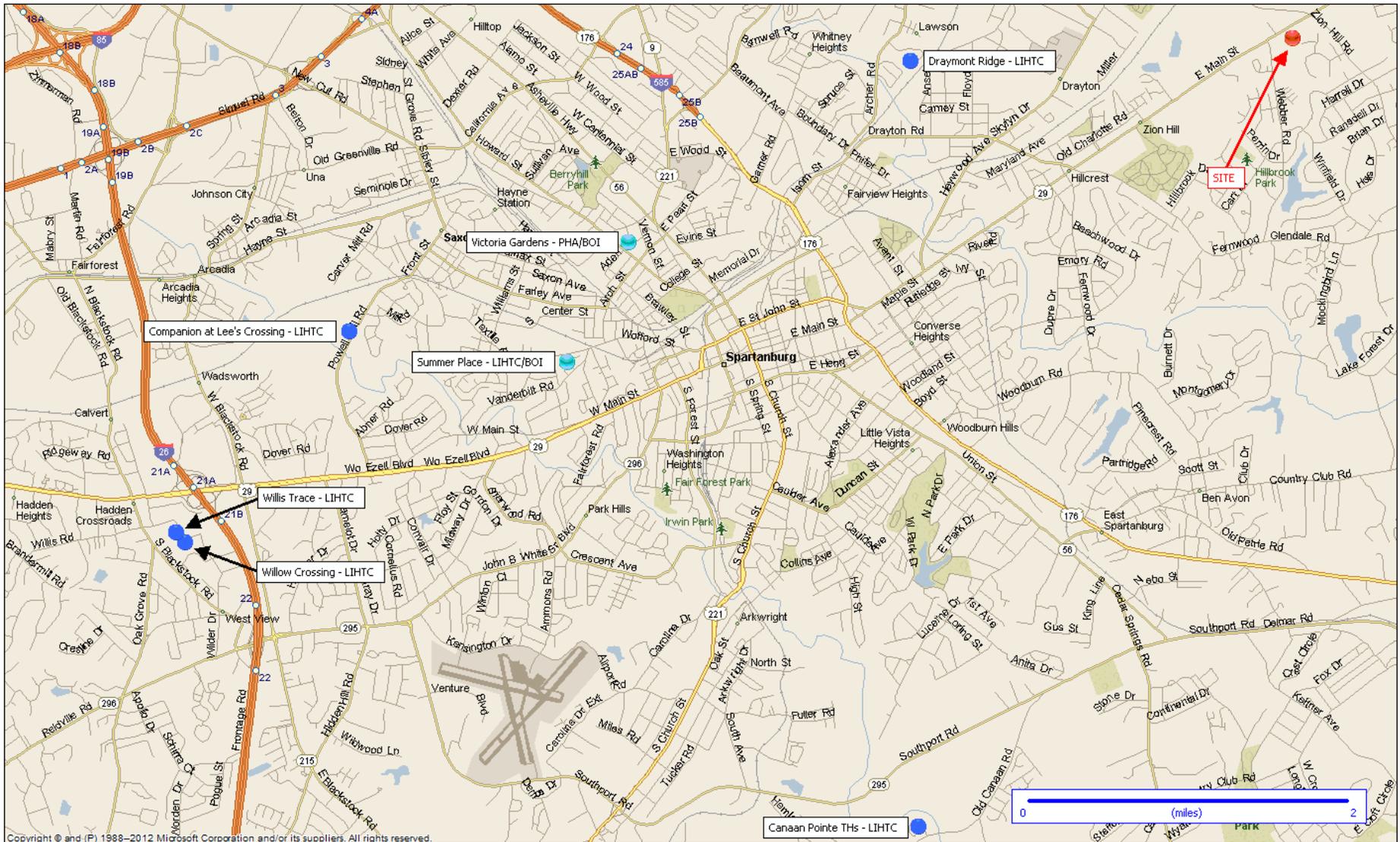


NOTE: Shaded area is city of Spartanburg

Map 5: Site Location - Aerial Photo



Map 6: Affordable Rental Housing – Spartanburg Area



Note: Only Draymont Ridge and Victoria Gardens are located within the PMA.

Site/Neighborhood Photos



**SITE – Saranac Apartments
East Main Street, Spartanburg, SC
Facing south from Family Dollar/East Main Street**

**SITE – Saranac Apartments
East Main Street, Spartanburg, SC
Facing south from Family Dollar/East Main Street**



**NORTH – Commercial adjacent to north of site
Facing north from East Main Street**



**NORTH – Assisted Living adjacent to north of site
Facing north from East Main Street
Family Dollar is to left of assisted living facility**



**WEST – Single-family homes adjacent to west of site
Facing south from East Main Street
Site is to left of homes**



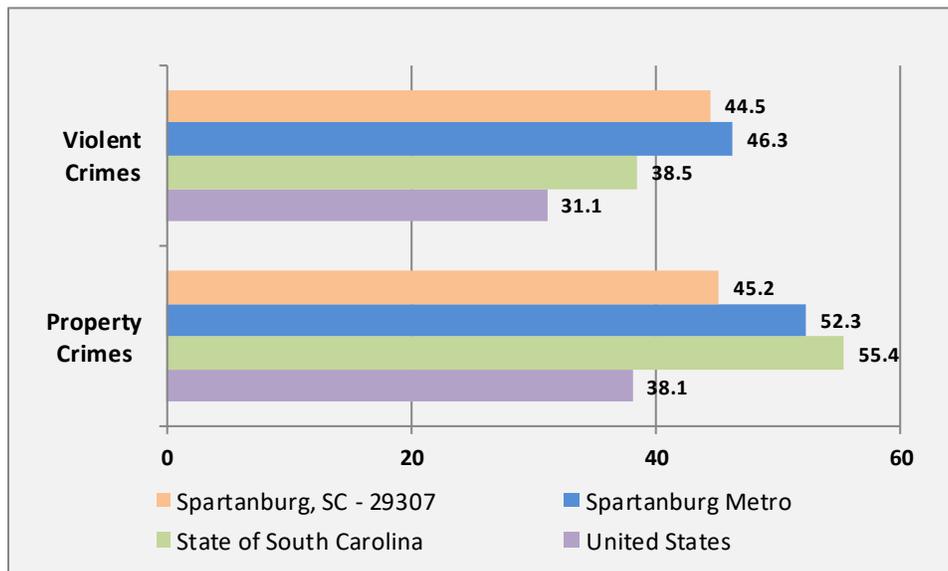
**EAST – Single-family home adjacent to east of site
Facing south from East Main Street
Site is to right of home**

6. Crime Assessment

Based on crime information by zip code, crime rates for the Spartanburg area are somewhat above national levels, although property-specific crime rates are below state norms. As such, on a scale from one (indicating low crime) to 100 (high crime), the area in which the subject property is situated (zip code 29307) had a violent crime (murder, non-negligent manslaughter, rape, robbery, and aggravated assault) score of 44.5, while the property crime (burglary, larceny-theft, motor vehicle theft, and arson) score was 45.2. As can be seen, violent crime scores are above state and national averages, while property crimes are lower than state norms (albeit higher than national levels).

Although first hand observations from a recent site visit did not indicate a significant crime risk at the subject property or surrounding neighborhood, the somewhat elevated crime statistics for the immediate area need to be taken into consideration. As such, extra security precautions should be deemed as a necessary measure to provide a safe environment for potential residents of the subject property (such as extra lighting and/or surveillance cameras). Considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site.

Table 1: Crime Risk Index



7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the local market area, no significant road work and/or infrastructure improvements were observed near the site that would have any impact (positive or negative) on the marketability or absorption of the subject proposal.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with a grocery, pharmacy, medical, schools, and other various services all located within the immediate area (many of which are less than one mile away). Furthermore, the site is situated along East Main Street, representing the area's foremost commercial corridor and also providing direct and convenient access to downtown Spartanburg. It should also be noted that the new Spartanburg High School is presently under construction approximately ½ mile west of the site (across from Walmart along East Main Street), further enhancing the area. Based on a site visit conducted January 10, 2019, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. The subject property has a generally positive curb appeal (including ingress/egress), with most nearby properties (residential, commercial, or otherwise) in fair to good condition.

C. PRIMARY MARKET AREA DELINEATION

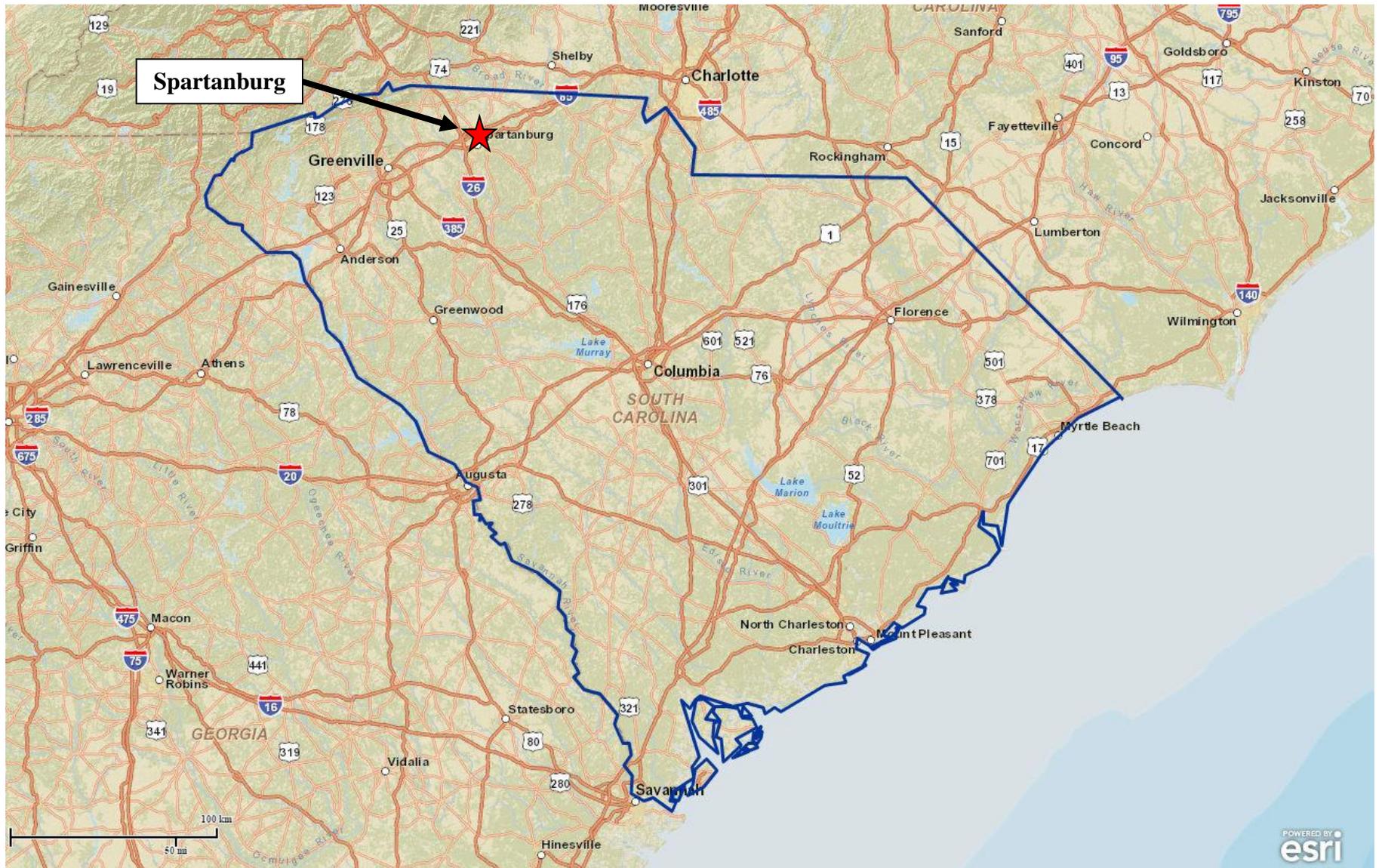
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the PMA consists of the eastern portion of the city of Spartanburg and the immediate surrounding area. More specifically, the PMA is comprised of 14 census tracts and reaches approximately four miles to the west and south of the site, three miles to the north, and 2¼ miles to the east. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on a site location in the eastern portion of Spartanburg along East Main Street, providing relatively convenient transportation throughout the greater Spartanburg region.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, physical boundaries, the proposals targeting (open), and personal experience were also utilized when defining the primary market area. As such, the PMA is comprised of the following census tracts (*all are in Spartanburg County*):

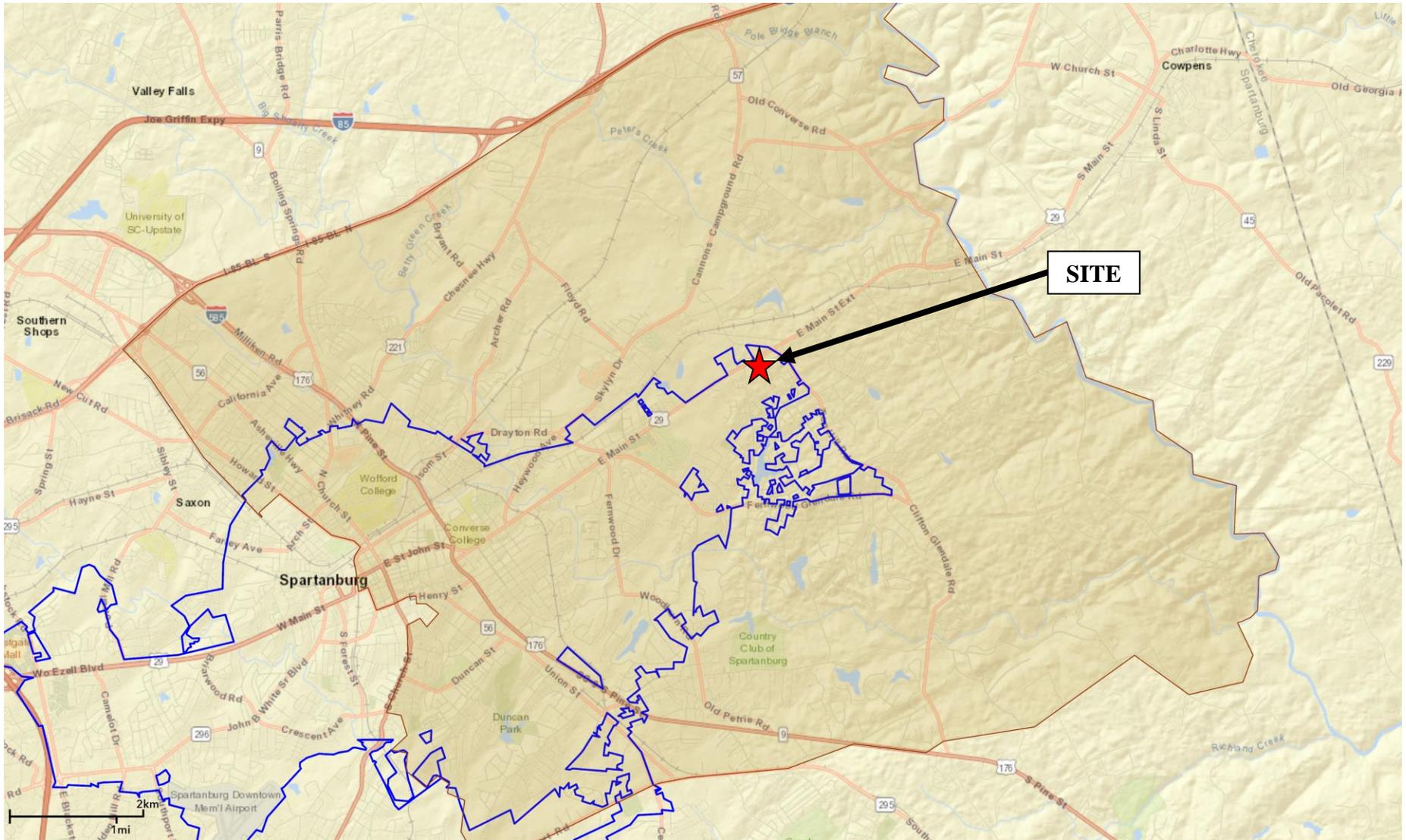
- Tract 203.01
- Tract 210.01
- Tract 211.00
- Tract 212.00
- Tract 213.01
- Tract 213.02
- Tract 213.03*
- Tract 214.01
- Tract 214.03
- Tract 215.00
- Tract 216.00
- Tract 221.01
- Tract 221.02
- Tract 222.01

* Site is located in Census Tract 213.03

Map 7: State of South Carolina



Map 8: Primary Market Area – Spartanburg, SC



NOTE: Shaded area is PMA; Blue outline is city of Spartanburg

Map 9: Primary Market Area – Census Tracts

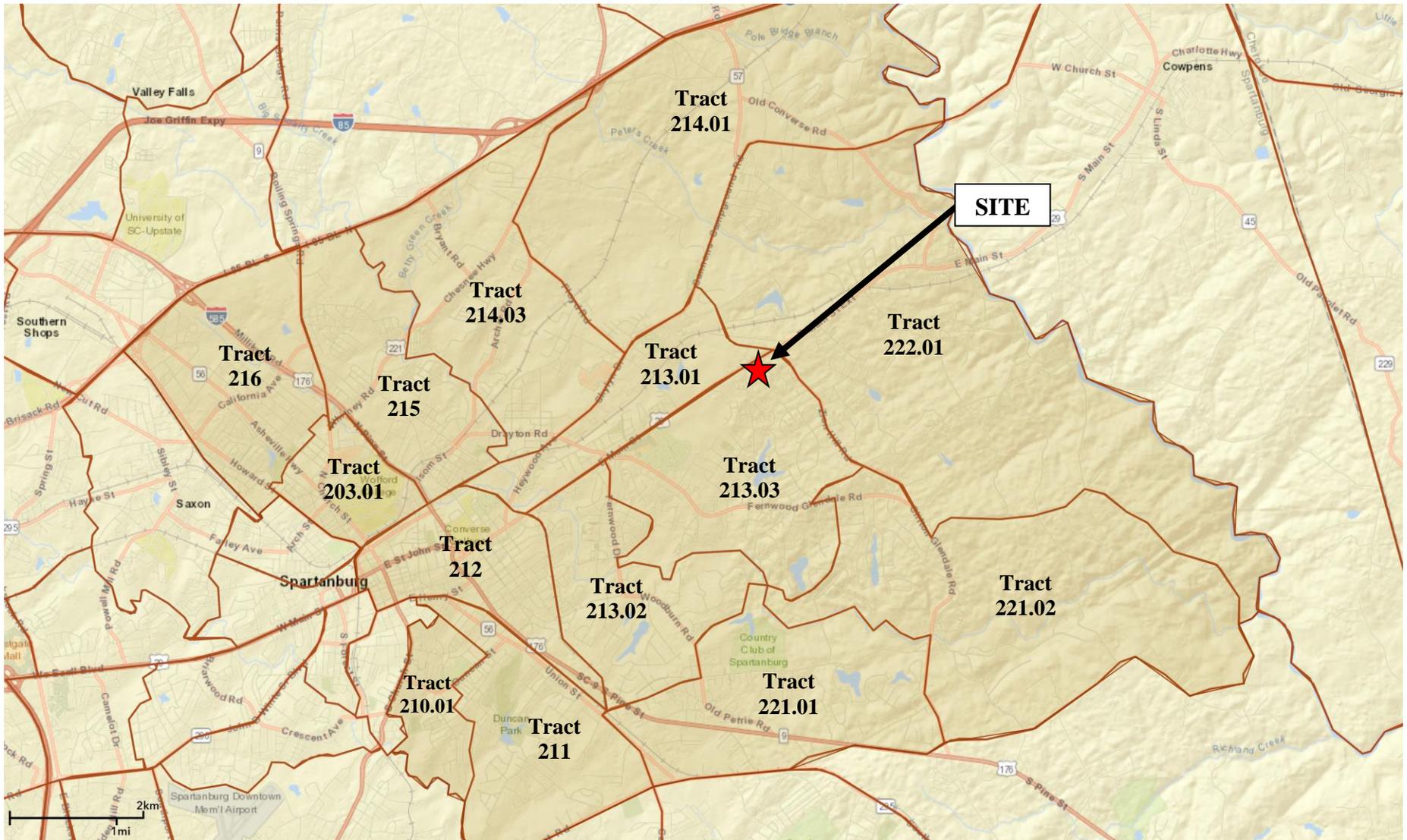


Table 2: Race Distribution (2010)

Census Tract 213.03 - Spartanburg County, SC		
	<u>Number</u>	<u>Percent</u>
Total Population (all races)	5,073	100.0%
White*	4,107	81.0%
Black or African American*	860	17.0%
American Indian/Alaska Native*	19	0.4%
Asian*	88	1.7%
Native Hawaiian/Pacific Islander*	10	0.2%
Other Race*	43	0.8%

*NOTE: Race figures are "alone or in combination" - which allows persons to report their racial makeup as more than one race. As such, the sum of individual races may add up to more than the total population.

SOURCE: U.S. Census - 2010 - Table QT-P6

D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within Spartanburg County in 2017 was manufacturing (at approximately 21 percent of all jobs), followed by persons employed in health care/social assistance (13 percent), and retail trade (11 percent). Based on a comparison of employment by industry from 2012, nearly every industry experienced a net gain over the past five years. Manufacturing and administrative/waste services had the largest growth (with 3,929 and 3,548 new jobs, respectively), followed by health care/social assistance, transportation/warehousing, and retail trade (each increasing by more than 2,450 jobs). In contrast, only two industries experienced minor declines between 2012 and 2017 (both decreasing by fewer than 200 jobs).

Table 3: Employment by Industry – Spartanburg County (2012-2017)

<u>Industry</u>	<u>Annual 2017</u>		<u>Annual 2012</u>		<u>Change (2012-2017)</u>	
	<u>Number Employed</u>	<u>Percent</u>	<u>Number Employed</u>	<u>Percent</u>	<u>Number Employed</u>	<u>Percent</u>
Total, All Industries	137,220	100.0%	114,608	100.0%	22,612	20%
Agriculture, forestry, fishing and hunting	159	0.1%	157	0.1%	2	1%
Mining	145	0.1%	124	0.1%	21	17%
Utilities	553	0.4%	522	0.5%	31	6%
Construction	6,546	4.8%	5,213	4.5%	1,333	26%
Manufacturing	29,024	21.2%	25,095	21.9%	3,929	16%
Wholesale trade	6,808	5.0%	6,071	5.3%	737	12%
Retail trade	15,685	11.4%	13,230	11.5%	2,455	19%
Transportation and warehousing	7,566	5.5%	4,824	4.2%	2,742	57%
Information	1,024	0.7%	946	0.8%	78	8%
Finance and insurance	3,029	2.2%	3,189	2.8%	(160)	(5%)
Real estate and rental and leasing	1,356	1.0%	914	0.8%	442	48%
Professional and technical services	4,824	3.5%	3,759	3.3%	1,065	28%
Management of companies and enterprises	1,931	1.4%	1,531	1.3%	400	26%
Administrative and waste services	10,790	7.9%	7,242	6.3%	3,548	49%
Educational services	10,687	7.8%	9,492	8.3%	1,195	13%
Health care and social assistance	17,601	12.8%	14,660	12.8%	2,941	20%
Arts, entertainment, and recreation	1,126	0.8%	931	0.8%	195	21%
Accommodation and food services	11,630	8.5%	10,397	9.1%	1,233	12%
Other services, exc. public administration	3,167	2.3%	2,566	2.2%	601	23%
Public administration	3,570	2.6%	3,747	3.3%	(177)	(5%)

* - Data Not Available

Source: South Carolina Department of Employment & Workforce - Spartanburg County

2. Commuting Patterns

Based on place of employment (using 2017 American Community Survey data), 87 percent of PMA residents are employed within Spartanburg County, while 13 percent work outside of the county – the overwhelming majority of which commute to neighboring Greenville County for employment.

An overwhelming majority of workers throughout Spartanburg County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to ACS data, approximately 84 percent of workers within the PMA drove alone to their place of employment, while eight percent carpooled in some manner. A relatively small number (five percent) utilized public transportation, walked, or some other means to work.

Table 4: Place of Work/ Means of Transportation (2017)

EMPLOYMENT BY PLACE OF WORK						
	City of Spartanburg		Primary Market Area		Spartanburg County	
Total	15,791	100.0%	18,664	100.0%	132,407	100.0%
Worked in State of Residence	15,680	99.3%	18,357	98.4%	129,508	97.8%
Worked in County of Residence	13,739	87.0%	16,275	87.2%	103,397	78.1%
Worked Outside County of Residence	1,941	12.3%	2,082	11.2%	26,111	19.7%
Worked Outside State of Residence	111	0.7%	307	1.6%	2,899	2.2%
MEANS OF TRANSPORTATION TO WORK						
	City of Spartanburg		Primary Market Area		Spartanburg County	
Total	15,791	100.0%	18,664	100.0%	130,042	100.0%
Drove Alone - Car, Truck, or Van	12,477	79.0%	15,617	83.7%	109,343	84.1%
Carpooled - Car, Truck, or Van	1,691	10.7%	1,407	7.5%	13,842	10.6%
Public Transportation	228	1.4%	124	0.7%	615	0.5%
Walked	613	3.9%	635	3.4%	1,823	1.4%
Other Means	176	1.1%	258	1.4%	1,136	0.9%
Worked at Home	606	3.8%	623	3.3%	3,283	2.5%
Source: U.S. Census Bureau; American Community Survey						

Table 5: Employment Commuting Patterns (2010)

Top Places Residents Are Commuting FROM:		Top Places Residents Are Commuting TO:	
Commuters Living In:	<u>Number</u>	Commuters Working In :	<u>Number</u>
Greenville County, SC	14,910	Greenville County, SC	15,920
Cherokee County, SC	3,940	Cherokee County, SC	2,325
Union County, SC	2,947	Union County, SC	768
Polk County, NC	1,728	Laurens County, SC	556
Anderson County, SC	1,622	Polk County, NC	478
Laurens County, SC	1,619	Rutherford County, NC	334
Pickens County, SC	797	Mecklenburg County, NC	316

Source: U.S. Census Bureau - 2010

3. Largest Employers

Below is a table with the 15 largest employers within Spartanburg County, according to information obtained through Spartanburg Economic Futures Group and Upstate Alliance. BMW is the largest employer within the county, as the largest employers involve manufacturing, healthcare, and education.

Employer	Product/Service	Number of Employees
BMW	Manufacturing	10,000
Spartanburg Regional Healthcare System	Healthcare	7,500
Spartanburg School District	Education	5,287
Spartanburg Regional Medical Center	Healthcare	4,127
Milliken & Company	Manufacturing	3,650
Adidas America, Inc.	Manufacturing	2,600
Mary Black Health System, LLC	Healthcare	1,400
Michelin North America	Manufacturing	1,100
DAA Draexlmaier Automotive of America LLC	Manufacturing	1,075
Benore Logistic Systems	Business Services	800
Lear Corp.	Manufacturing	800
Sitel Corp.	Business Services	770
AFL Telecommunications LLC	Communications	768
American Credit Acceptance	Financial	627
DISH Network	Communications	566

4. Employment and Unemployment Trends

The overall economy throughout Spartanburg County has seemingly improved over the past several years, with strong employment increases in each of the last seven years. As such, Spartanburg County recorded an increase of nearly 26,600 jobs since 2010, representing an increase of 22 percent (an annual increase of 2.8 percent). In addition, the average annual unemployment rate for 2017 was calculated at 4.0 percent, which was an improvement from 4.6 percent in 2016 and representing the county’s lowest rate since at least 2005. More recently, the county’s November 2018 unemployment rate was 2.8 percent (an improvement from 3.7 percent in November 2017), remaining slightly below both the state and national averages (at 3.1 percent and 3.5 percent, respectively).

Table 6: Historical Employment Trends

Year	Spartanburg County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Spartanburg County	South Carolina	United States	Spartanburg County	South Carolina	United States
2005	131,691	121,861	--	--	--	--	--	7.5%	6.7%	5.1%
2006	133,837	124,936	3,075	2.5%	2.5%	2.3%	1.9%	6.7%	6.4%	4.6%
2007	134,253	126,674	1,738	1.4%	1.4%	1.6%	1.1%	5.6%	5.7%	4.6%
2008	135,710	126,430	(244)	-0.2%	-0.2%	-0.5%	-0.5%	6.8%	6.8%	5.8%
2009	135,629	119,499	(6,931)	-5.5%	-5.5%	-4.3%	-3.8%	11.9%	11.2%	9.3%
2010	131,818	116,205	(3,294)	-2.8%	-2.8%	0.2%	-0.6%	11.8%	11.2%	9.6%
2011	133,260	118,717	2,512	2.2%	2.2%	1.6%	0.6%	10.9%	10.6%	8.9%
2012	134,781	122,074	3,357	2.8%	2.8%	2.0%	1.9%	9.4%	9.2%	8.1%
2013	135,761	125,267	3,193	2.6%	2.6%	2.1%	1.0%	7.7%	7.6%	7.4%
2014	137,001	128,326	3,059	2.4%	2.4%	2.7%	1.7%	6.3%	6.4%	6.2%
2015	139,941	131,924	3,598	2.8%	2.8%	2.6%	1.7%	5.7%	6.0%	5.3%
2016	142,477	135,953	4,029	3.1%	3.1%	2.4%	1.7%	4.6%	4.8%	4.9%
2017	146,296	140,420	4,467	3.3%	3.3%	1.2%	1.3%	4.0%	4.3%	4.4%
Nov 2017*	146,591	141,221	---	---	---	---	---	3.7%	4.0%	3.9%
Nov 2018*	145,878	141,783	562	0.4%	0.4%	1.1%	1.9%	2.8%	3.1%	3.5%

Spartanburg County				South Carolina		
	Number	Percent	Ann. Avg.		Percent	Ann. Avg.
Change (2005-Present):	19,922	16.3%	1.3%	Change (2005-Present):	15.9%	1.2%
Change (2010-Present):	25,578	22.0%	2.8%	Change (2010-Present):	16.8%	2.1%
Change (2015-Present):	9,859	7.5%	2.5%	Change (2015-Present):	4.7%	1.6%
Change (2005-2010):	(5,656)	-4.6%	-0.9%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2015):	15,719	13.5%	2.7%	Change (2010-2015):	11.5%	2.3%

*Monthly data not seasonally adjusted

Figure 1: Employment Growth

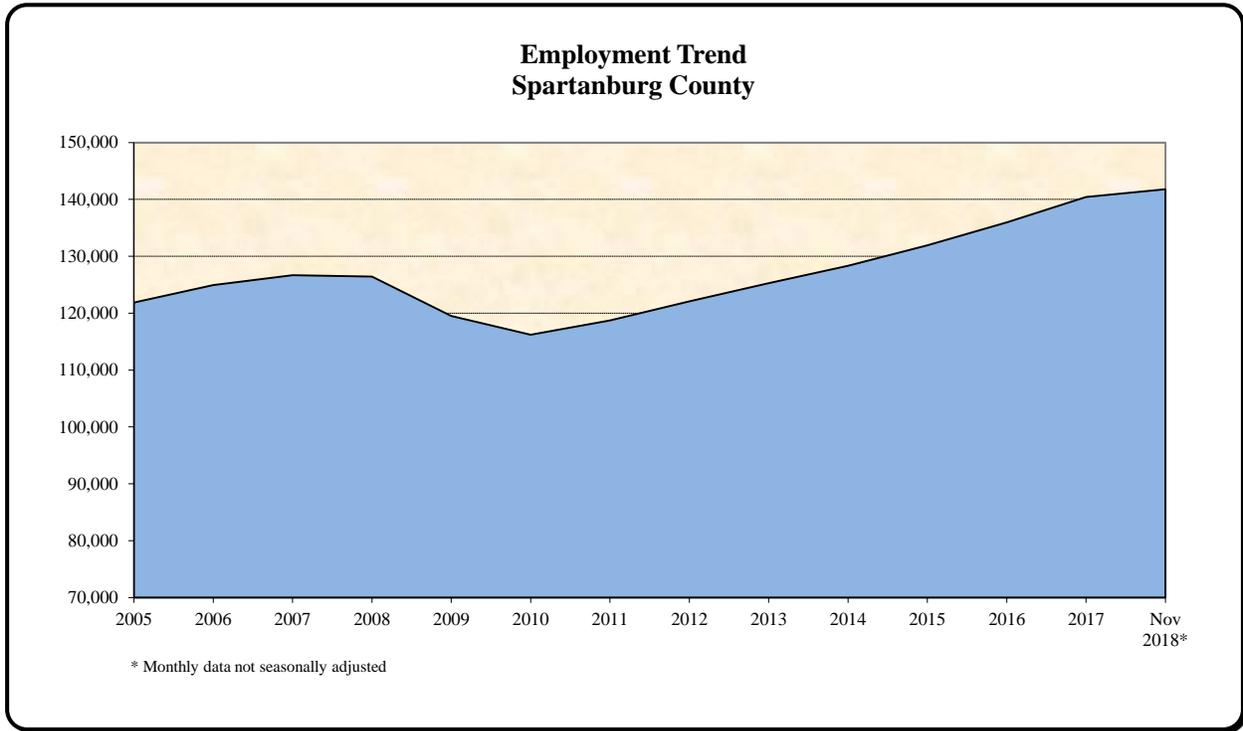
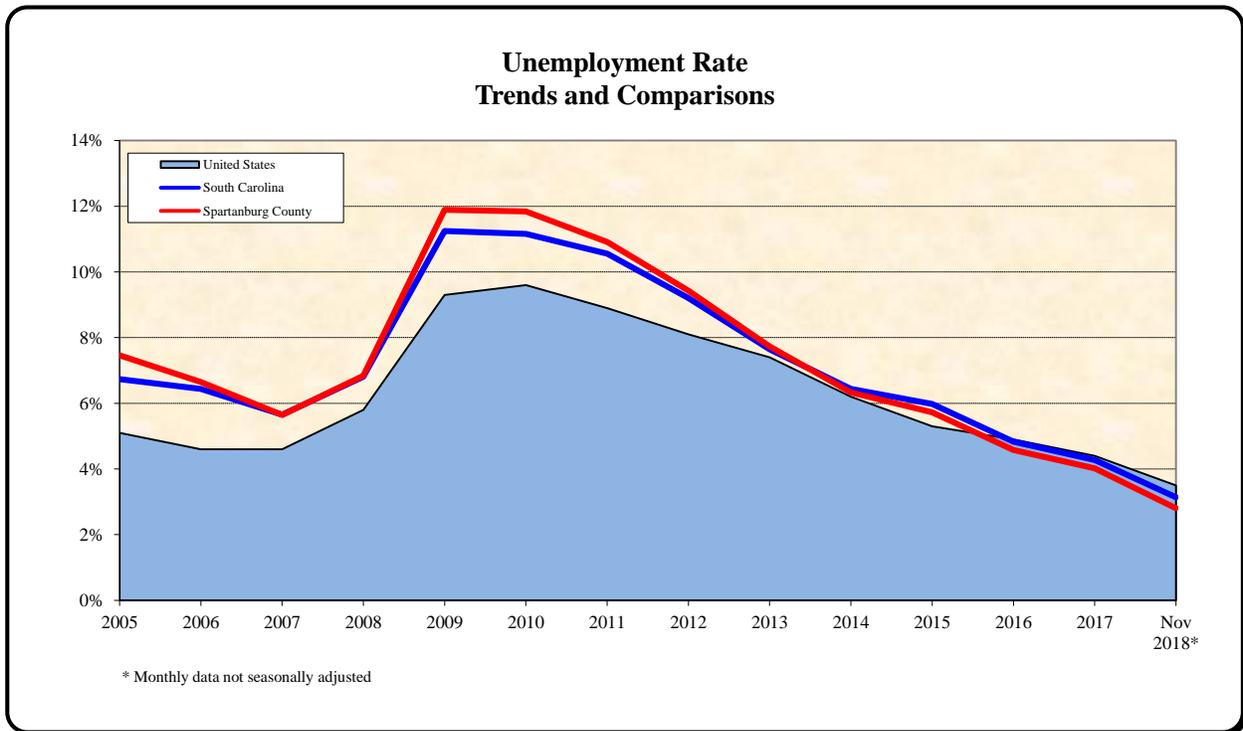
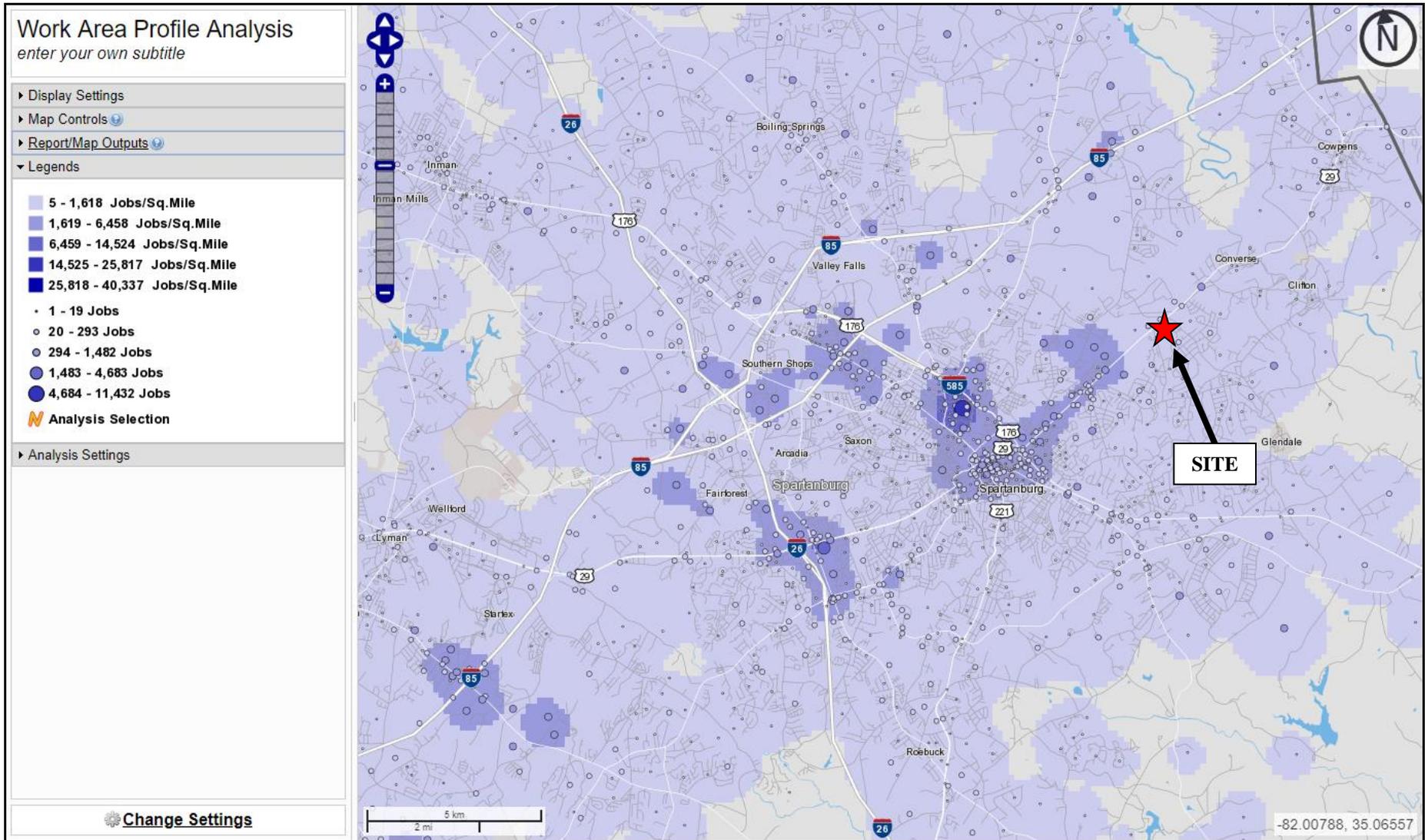


Figure 2: Historical Unemployment Rate



Map 10: Largest Employment Concentrations – Spartanburg Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Spartanburg County has experienced generally positive demographic gains since 2000, including Spartanburg and the market area. Overall, the PMA had an estimated population of 47,041 persons in 2018, representing an increase of seven percent from 2010 (a gain of approximately 2,850 persons). Additionally, Spartanburg proper increased by five percent during this time, while Spartanburg County increased by a somewhat stronger ten percent between 2010 and 2018.

Future projections indicate continued steady growth, with an estimated increase of five percent anticipated within the PMA between 2018 and 2023 (more than 2,100 additional persons), and a similar four percent gain for Spartanburg. In comparison, the overall population within Spartanburg County as a whole is expected to increase by six percent during this time frame.

Table 7: Population Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	40,145	37,013	39,018	40,018	40,685
Primary Market Area	46,501	44,184	47,041	48,305	49,148
Spartanburg County	253,791	284,307	311,771	322,917	330,347
		<u>2000-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.8%	5.4%	2.6%	4.3%
Primary Market Area		-5.0%	6.5%	2.7%	4.5%
Spartanburg County		12.0%	9.7%	3.6%	6.0%
		<u>2000-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		-0.8%	0.7%	0.8%	0.8%
Primary Market Area		-0.5%	0.8%	0.9%	0.9%
Spartanburg County		1.1%	1.2%	1.2%	1.2%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 32 percent of all persons. In comparison, this age group also represented the largest cohort within Spartanburg and Spartanburg County. Persons under the age of 20 years also accounted for a relatively large portion of the population in each area. As such, 25 percent of the total population in the PMA was within this age cohort in 2010, while representing similar proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2023, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 45 has consistently declined slightly since 2000, and is expected to decrease further through 2023. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons 55 years and over, which represented 27 percent of the population in 2000, is expected to increase to account for 35 percent of all persons by 2023 – clearly demonstrating the aging of the baby boom generation.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Spartanburg and the PMA (at 58 percent and 53 percent of all persons in 2023, respectively) signifies positive trends for the subject proposal by continuing to provide a solid base of potential family tenants for the subject development.

Table 8: Age Distribution (2000 to 2023)

	City of Spartanburg				Primary Market Area				Spartanburg County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>
Under 20 years	10,335	29.1%	27.9%	25.7%	10,804	25.5%	24.5%	22.5%	78,388	27.6%	27.6%	25.2%
20 to 24 years	3,516	8.3%	9.5%	8.2%	3,696	7.3%	8.4%	7.5%	18,886	6.4%	6.6%	5.7%
25 to 34 years	4,447	13.0%	12.0%	12.5%	4,999	13.0%	11.3%	12.0%	33,863	14.3%	11.9%	12.3%
35 to 44 years	4,184	13.6%	11.3%	11.1%	5,325	14.0%	12.1%	11.4%	38,810	15.6%	13.7%	12.7%
45 to 54 years	4,824	12.5%	13.0%	10.6%	6,055	13.5%	13.7%	11.3%	40,946	14.0%	14.4%	12.3%
55 to 64 years	4,296	8.0%	11.6%	12.3%	5,539	9.2%	12.5%	13.0%	35,187	9.5%	12.4%	13.1%
65 to 74 years	2,658	7.1%	7.2%	10.6%	3,606	8.1%	8.2%	11.6%	22,066	6.7%	7.8%	10.9%
75 to 84 years	1,800	6.1%	4.9%	6.2%	2,744	6.7%	6.2%	7.1%	11,736	4.3%	4.1%	5.9%
85 years and older	953	2.3%	2.6%	2.8%	1,416	2.8%	3.2%	3.6%	4,425	1.4%	1.6%	1.9%
Under 20 years	10,335	29.1%	27.9%	25.7%	10,804	25.5%	24.5%	22.5%	78,388	27.6%	27.6%	25.2%
20 to 44 years	12,147	34.9%	32.8%	31.8%	14,020	34.3%	31.7%	30.9%	91,559	36.3%	32.2%	30.7%
45 to 64 years	9,120	20.6%	24.6%	22.9%	11,594	22.7%	26.2%	24.3%	76,133	23.6%	26.8%	25.4%
65 years and older	5,411	15.4%	14.6%	19.6%	7,766	17.6%	17.6%	22.3%	38,227	12.5%	13.4%	18.7%
55 years and older	9,707	23.5%	26.2%	31.9%	13,305	26.8%	30.1%	35.3%	73,414	22.0%	25.8%	31.8%
75 years and older	2,753	8.4%	7.4%	9.0%	4,160	9.4%	9.4%	10.7%	16,161	5.8%	5.7%	7.8%
Non-Elderly (<65)	31,602	84.6%	85.4%	80.4%	36,418	82.4%	82.4%	77.7%	246,080	87.5%	86.6%	81.3%
Elderly (65+)	5,411	15.4%	14.6%	19.6%	7,766	17.6%	17.6%	22.3%	38,227	12.5%	13.4%	18.7%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

2. Household Trends

Similar to population patterns, much of the Spartanburg area has experienced positive household creation since 2000. As such, occupied households within the PMA numbered 19,470 units in 2018, representing an increase of six percent from 2000 (a gain of over 1,100 households). ESRI forecasts for 2023 indicate this number will continue to increase, with a forecasted growth rate of five percent (nearly 900 additional households) anticipated between 2018 and 2023. In comparison, the number of households also grew at a steady rate within both Spartanburg and Spartanburg County as a whole between 2010 and 2018, demonstrating relatively positive demographic patterns throughout the region.

Table 9: Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	16,367	15,184	15,928	16,355	16,640
Primary Market Area	19,011	18,368	19,470	20,003	20,358
Spartanburg County	97,735	109,246	119,046	123,180	125,936
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.2%	4.9%	2.7%	4.5%
Primary Market Area		-3.4%	6.0%	2.7%	4.6%
Spartanburg County		11.8%	9.0%	3.5%	5.8%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Table 10: Average Household Size (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	2.30	2.27	2.27	2.27	2.28
Primary Market Area	2.29	2.22	2.24	2.24	2.24
Spartanburg County	2.52	2.53	2.55	2.55	2.56
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.3%	-0.1%	0.1%	0.1%
Primary Market Area		-2.8%	0.7%	0.2%	0.3%
Spartanburg County		0.3%	0.8%	0.2%	0.3%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Renter-occupied households throughout the Spartanburg market area have also exhibited notable gains over the past decade, increasing at a slightly faster rate than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 8,517 renter-occupied households are estimated within the PMA for 2018, representing an increase of ten percent from 2010 figures (a gain of roughly 775 additional rental units).

Overall, a relatively large ratio of renter households exists throughout the Spartanburg market area. For the PMA, the renter household percentage was calculated at 44 percent in 2018, slightly smaller than the city ratio (50 percent), but notably larger than the county’s renter representation (31 percent). Furthermore, it should also be noted that overall renter propensities have continued to increase throughout the PMA, increasing by four percentage points since 2000.

Table 11: Renter Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	7,874	7,728	8,027	8,227	8,360
Primary Market Area	7,518	7,744	8,517	8,758	8,918
Spartanburg County	27,396	32,986	36,885	37,864	38,517
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.9%	3.9%	2.5%	4.1%
Primary Market Area		3.0%	10.0%	2.8%	4.7%
Spartanburg County		20.4%	11.8%	2.7%	4.4%
	% Renter	% Renter	% Renter	% Renter	% Renter
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	48.1%	50.9%	50.4%	50.3%	50.2%
Primary Market Area	39.5%	42.2%	43.7%	43.8%	43.8%
Spartanburg County	28.0%	30.2%	31.0%	30.7%	30.6%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

Similar to overall households, renter sizes for the PMA were generally smaller than those reported for Spartanburg itself, on average. As such, average renter sizes decreased somewhat within the PMA over the past decade – from 2.12 persons per unit in 2000 to 2.10 persons per unit in 2010. Considering the relatively small median sizes, the majority of units locally contained just one or two persons (71 percent), with three persons occupying 14 percent of units, and 15 percent of units consisting of four or more persons.

Table 12: Rental Units by Size (2010)

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	<u>Median Persons Per Rental Unit</u>	
						<u>2000</u>	<u>2010</u>
City of Spartanburg	3,171	1,983	1,199	728	647	2.26	2.24
Primary Market Area	3,596	1,917	1,096	644	491	2.12	2.10
Spartanburg County	11,553	8,478	5,529	3,984	3,442	2.38	2.44
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	<u>Median Change</u>	
City of Spartanburg	41.0%	25.7%	15.5%	9.4%	8.4%	-0.9%	
Primary Market Area	46.4%	24.8%	14.2%	8.3%	6.3%	-0.9%	
Spartanburg County	35.0%	25.7%	16.8%	12.1%	10.4%	2.5%	
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC							

3. Household Income Trends

Income levels throughout the Spartanburg area have experienced somewhat sluggish gains over the past decade, with most areas within Spartanburg County experiencing median income increases of less than two percent annually between 2010 and 2018. Overall, the median household income for the PMA was estimated at \$44,973 for 2018, which was roughly 20 percent higher than that estimated for Spartanburg proper (\$37,542), but eight percent below that recorded for Spartanburg County as a whole (\$49,047). Furthermore, the PMA figure represents an annual increase of just 1.1 percent from 2010.

According to ESRI data, however, income appreciation is forecast to improve somewhat for the PMA through 2023. As such, it is projected that the median income will increase by 2.6 percent annually over the next five years, similar to both the city and county (at 2.7 percent and 2.4 percent annually, respectively).

Table 13: Median Household Incomes (1999 to 2023)

	<u>1999</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	\$28,836	\$33,276	\$37,542	\$40,532	\$42,526
Primary Market Area	\$35,804	\$41,366	\$44,973	\$48,539	\$50,916
Spartanburg County	\$37,332	\$42,680	\$49,047	\$52,531	\$54,853
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		15.4%	12.8%	8.0%	13.3%
Primary Market Area		15.5%	8.7%	7.9%	13.2%
Spartanburg County		14.3%	14.9%	7.1%	11.8%
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		1.4%	1.6%	2.7%	2.7%
Primary Market Area		1.4%	1.1%	2.6%	2.6%
Spartanburg County		1.3%	1.9%	2.4%	2.4%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 42 percent of all households within the PMA had an annual income of less than \$35,000 in 2017 – the portion of the population with the greatest need for affordable housing options. In comparison, a somewhat larger 46 percent of households within Spartanburg proper had incomes within this range. With nearly one-half of all households within the immediate Spartanburg area earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 14: Overall Household Income Distribution (2017)

Income Range	City of Spartanburg		Primary Market Area		Spartanburg County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	1,836	11.9%	1,662	9.2%	8,726	7.7%
\$10,000 to \$14,999	1,263	8.2%	1,306	7.2%	6,508	5.7%
\$15,000 to \$19,999	1,091	7.1%	1,042	5.7%	6,630	5.9%
\$20,000 to \$24,999	1,125	7.3%	1,456	8.0%	7,742	6.8%
\$25,000 to \$29,999	953	6.2%	873	4.8%	6,218	5.5%
\$30,000 to \$34,999	837	5.4%	1,214	6.7%	6,621	5.8%
\$35,000 to \$39,999	1,188	7.7%	1,225	6.7%	6,340	5.6%
\$40,000 to \$44,999	854	5.6%	905	5.0%	5,179	4.6%
\$45,000 to \$49,999	735	4.8%	819	4.5%	4,925	4.4%
\$50,000 to \$59,999	1,101	7.2%	1,345	7.4%	9,759	8.6%
\$60,000 to \$74,999	1,305	8.5%	1,683	9.3%	12,506	11.0%
\$75,000 to \$99,999	1,278	8.3%	1,875	10.3%	13,393	11.8%
\$100,000 to \$124,999	510	3.3%	837	4.6%	7,622	6.7%
\$125,000 to \$149,999	385	2.5%	532	2.9%	4,499	4.0%
\$150,000 to \$199,999	402	2.6%	567	3.1%	3,569	3.2%
\$200,000 and Over	<u>505</u>	<u>3.3%</u>	<u>813</u>	<u>4.5%</u>	<u>2,954</u>	<u>2.6%</u>
TOTAL	15,368	100.0%	18,154	100.0%	113,191	100.0%
Less than \$34,999	7,105	46.2%	7,553	41.6%	42,445	37.5%
\$35,000 to \$49,999	2,777	18.1%	2,949	16.2%	16,444	14.5%
\$50,000 to \$74,999	2,406	15.7%	3,028	16.7%	22,265	19.7%
\$75,000 to \$99,999	1,278	8.3%	1,875	10.3%	13,393	11.8%
\$100,000 and Over	1,802	11.7%	2,749	15.1%	18,644	16.5%

Source: American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$19,954 to \$38,040 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a moderate number of low-income households throughout the area. As such, roughly 20 percent of the PMA's owner-occupied household number, and 27 percent of the renter-occupied household figure are within the income-qualified range. Considering the relative density of the PMA, this equates to roughly 4,585 potential income-qualified households for the proposed development, including almost 2,400 income-qualified renter households.

Table 15: Household Income by Tenure – PMA (2021)

Income Range	Number of 2021 Households			Percent of 2021 Households		
	Total	Owner	Renter	Total	Owner	Renter
Less than \$5,000	792	297	494	3.9%	2.6%	5.6%
\$5,001 - \$9,999	1,058	204	854	5.2%	1.8%	9.7%
\$10,000 - \$14,999	1,450	483	967	7.2%	4.3%	11.0%
\$15,000 - \$19,999	1,154	476	678	5.7%	4.2%	7.7%
\$20,000 - \$24,999	1,610	725	885	8.0%	6.4%	10.1%
\$25,000 - \$34,999	2,304	1,154	1,150	11.5%	10.3%	13.1%
\$35,000 - \$49,999	3,259	1,553	1,706	16.2%	13.8%	19.5%
\$50,000 - \$74,999	3,327	2,138	1,189	16.7%	19.0%	13.6%
\$75,000 or More	<u>5,048</u>	<u>4,215</u>	<u>833</u>	<u>25.5%</u>	<u>37.5%</u>	<u>9.5%</u>
Total	20,003	11,245	8,758	100.0%	100.0%	100.0%

Source: U.S. Census of Population and Housing; BLS CPI Calculator; Shaw Research & Consulting

The 2017 American Community Survey shows that approximately 36 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 16: Renter Overburdened Households (2017)

Gross Rent as a % of Household Income	City of Spartanburg		Primary Market Area		Spartanburg County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	8,314	100.0%	7,797	100.0%	35,088	100.0%
Less than 10.0 Percent	236	3.1%	253	3.5%	1,129	3.6%
10.0 to 14.9 Percent	615	8.1%	760	10.5%	3,029	9.8%
15.0 to 19.9 Percent	1,154	15.2%	942	13.0%	4,432	14.3%
20.0 to 24.9 Percent	782	10.3%	945	13.1%	3,891	12.6%
25.0 to 29.9 Percent	1,006	13.2%	909	12.6%	3,587	11.6%
30.0 to 34.9 Percent	792	10.4%	808	11.2%	2,650	8.6%
35.0 to 39.9 Percent	580	7.6%	556	7.7%	2,085	6.7%
40.0 to 49.9 Percent	556	7.3%	498	6.9%	2,911	9.4%
50 Percent or More	1,886	24.8%	1,549	21.5%	7,227	23.4%
Not Computed	707	--	577	--	4,147	--
35 Percent or More	3,022	39.7%	2,603	36.1%	12,223	39.5%
40 Percent or More	2,442	32.1%	2,047	28.4%	10,138	32.8%
Source: U.S. Census Bureau; American Community Survey						

F. DEMAND ANALYSIS

1. Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of \$38,040 (the 5-person income limit at 60 percent AMI for Spartanburg County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
50 percent of AMI	\$19,954	\$31,700
60 percent of AMI	\$24,069	\$38,040
Overall	\$19,954	\$38,040

By applying the income-qualified range and 2021 household forecasts to the current-year household income distribution by tenure (adjusted from 2010 data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 27 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 19 percent of all renter households are income-qualified for units at 50 percent of AMI, while an identical 19 percent of renters are income-eligible for units restricted at 60 percent of AMI. In addition, it should also be noted that only larger renter households (those with three persons or more) were utilized within the demand calculations.

Based on U.S. Census data and projections from ESRI, approximately 241 additional renter households are anticipated within the PMA between 2018 and 2021. By applying the income-qualified percentage to the overall eligible figure, a demand for 19 tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately five percent of all renter households within the PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 32 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the American Housing Survey, the percentage of renter households within this overburdened range is reported at approximately 36 percent. Applying this rate to the number of renter households yields a total demand of 219 additional units as a result of rent overburden.

There have been no comparable LIHTC properties within the PMA that have been allocated credits or placed in service since 2018, or are currently under construction. As such, no units need to be deducted from the sources of demand listed previously. Combining all above factors results in an overall senior demand of 270 LIHTC units for 2021.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, an additional rental housing option for low-income households should receive a positive response due to the positive demographic growth and demand forecasts for the Spartanburg area, as well as strong occupancy levels within existing local affordable rental developments.

Table 17: Demand Calculation – by Income Targeting

2010 Total Occupied Households	18,368		
2010 Owner-Occupied Households	10,624		
2010 Renter-Occupied Households	7,744		
		Income Targeting	
		50%	60%
		AMI	AMI
			Total
QUALIFIED-INCOME RANGE			LIHTC
Minimum Annual Income		\$19,954	\$24,069
Maximum Annual Income		\$31,700	\$38,040
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2018-2021	241	241	241
Percent Income Qualified Renter Households	19.0%	19.0%	27.3%
Percentage of large renter households (3+ persons)	28.8%	28.8%	28.8%
Total Demand From New Households	13	13	19
DEMAND FROM EXISTING HOUSEHOLDS			
Percent of Renters in Substandard Housing	5.2%	5.2%	5.2%
Percent Income Qualified Renter Households	19.0%	19.0%	27.3%
Percentage of large renter households (3+ persons)	28.8%	28.8%	28.8%
Total Demand From Substandard Renter HHs	22	22	32
Percent of Renters Rent-Overburdened	36.1%	36.1%	36.1%
Percent Income Qualified Renter Households	19.0%	19.0%	27.3%
Percentage of large renter households (3+ persons)	28.8%	28.8%	28.8%
Total Demand From Overburdened Renter HHs	153	153	219
Total Demand From Existing Households	175	175	251
TOTAL DEMAND	188	188	270
LESS: Total Comparable Activity Since 2018	0	0	0
TOTAL NET DEMAND	188	188	270
PROPOSED NUMBER OF UNITS	10	36	46
CAPTURE RATE	5.3%	19.2%	17.0%
Note: Totals may not sum due to rounding			

Table 18: Demand Calculation – by Bedroom Size

2010 Total Occupied Households	18,368					
2010 Owner-Occupied Households	10,624					
2010 Renter-Occupied Households	7,744					
	Two-Bedroom Units			Three-Bedroom Units		
	50%	60%	Total	50%	60%	Total
	AMI	AMI	LIHTC	AMI	AMI	LIHTC
QUALIFIED-INCOME RANGE						
Minimum Annual Income	\$19,954	\$24,069	\$19,954	\$23,246	\$27,360	\$23,246
Maximum Annual Income	\$26,450	\$31,740	\$31,740	\$31,700	\$38,040	\$38,040
DEMAND FROM NEW HOUSEHOLD GROWTH						
Renter Household Growth, 2018-2021	241	241	241	241	241	241
Percent Income Qualified Renter Households	12%	11%	19%	12%	14%	21%
Percentage of large renter households (3+ persons)	29%	29%	29%	29%	29%	29%
Total Demand From New Households	8	7	13	9	10	14
DEMAND FROM EXISTING HOUSEHOLDS						
Percent of Renters in Substandard Housing	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Percent Income Qualified Renter Households	12%	11%	19%	12%	14%	21%
Percentage of large renter households (3+ persons)	29%	29%	29%	29%	29%	29%
Total Demand From Substandard Renter HHs	14	12	22	14	16	24
Percent of Renters Rent-Overburdened	36.1%	36.1%	36.1%	36.1%	36.1%	36.1%
Percent Income Qualified Renter Households	12%	11%	19%	12%	14%	21%
Percentage of large renter households (3+ persons)	29%	29%	29%	29%	29%	29%
Total Demand From Overburdened Renter HHs	97	86	153	99	112	166
Total Demand From Existing Households	111	99	175	114	129	190
TOTAL DEMAND	120	106	188	122	138	204
LESS: Total Comparable Activity Since 2018	0	0	0	0	0	0
TOTAL NET DEMAND	120	106	188	122	138	204
PROPOSED NUMBER OF UNITS	7	27	34	3	9	12
CAPTURE RATE	5.9%	25.4%	18.1%	2.5%	6.5%	5.9%
Note: Totals may not sum due to rounding						

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 17.0 percent was determined based on the demand calculation (including renter household growth, substandard and/or overburdened units among existing renter households, utilizing larger renter households, and excluding any comparable activity since 2018), providing an indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 5.3 percent, while the 60 percent AMI capture rate was at 19.2 percent. As such, these capture rates clearly provide a positive indication of the need for affordable rental options locally, and are well within acceptable industry thresholds and should be considered a positive factor.

Taking into consideration the overall occupancy rates for the PMA, especially the strength of the affordable rental market and waiting lists at most existing LIHTC developments, and coupled with the general lack of similar affordable tax credit options throughout the eastern part of Spartanburg, the overall absorption period to reach 93 percent occupancy is conservatively estimated at five to six months. This determination also takes into consideration a market entry in late 2020/early 2021; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Spartanburg PMA Rental Market Characteristics

As part of the rental analysis for the Spartanburg area, a survey of existing rental projects within the Spartanburg primary market area was completed by Shaw Research & Consulting in January 2019. It should be noted that due to the limited number of LIHTC developments within the defined PMA, several tax credit properties situated outside of the market area are also included in the survey to provide an indication of overall market conditions throughout the Spartanburg area. As such, a total of 22 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 3,330 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 25 percent of all units had one bedroom, 44 percent had two bedrooms, and 27 percent of units contained three bedrooms. There were only limited studio/efficiency and four-bedroom units reported in the survey. The average age of the rental properties was 19 years old (an average build/rehab date of 2000), with nine properties built or rehabbed since 2010 – including two tax credit developments. In addition, a total of six facilities reported to have some sort of income eligibility requirements – with four tax credit developments and two subsidized projects.

Overall conditions for the Spartanburg rental market appear to be quite positive at the current time. Among the 22 properties included in the survey, the overall occupancy rate was calculated at 97.2 percent. When breaking down occupancy rates by financing type, the 16 market rate developments averaged 96.9 percent occupancy, the four tax credit properties were a combined 99.3 percent occupied, and the two subsidized projects were 97.8 percent occupied – demonstrating the positive conditions for all types of rental options, affordable and market rate.

2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits, Shaw Research has identified four tax credit facilities within or near the PMA as being most comparable. It should be noted that only one of these LIHTC properties (Draymont Ridge) is located within the defined market area. As such, according to survey results, the combined occupancy rate for the four LIHTC developments was calculated at 99.3 percent, with two at 100 percent occupancy and all at 98 percent or better. Furthermore, each LIHTC property surveyed reported a waiting list, most of which was quite extensive – again providing clear evidence of the ongoing need for affordable housing locally. It should be noted that one additional family LIHTC property (Willis Trace Townhomes – also situated outside of the PMA) would not return repeated phone calls, and is therefore not included in survey results.

Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$548 per month with an average size of 661 square feet – the resulting average rent per square foot ratio is \$0.83. Further, the average tax credit rent for a two-bedroom unit was \$578 with an average size of 1,044 square feet (an average rent per square foot ratio of \$0.55), while three-bedroom units averaged \$760 and 1,225 square feet (\$0.62 per square foot).

In comparison to tax credit averages (at 60 percent AMI), the subject proposal's rental rates are extremely competitive. Further considering rent-per-square foot averages, the proposal is quite competitive when compared to other tax credit options. Furthermore, the proposed rents can be considered as quite affordable in relation to market rate averages, and are appropriate for the Spartanburg rental market.

From a market standpoint, it is evident that sufficient demand is present for the development of additional affordable tax credit units targeting low-income family households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate and achievable for the local rental market, and should be considered a positive factor.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, there are no comparable LIHTC rental developments proposed or under construction within the Spartanburg PMA at the current time.

4. Impact on Existing Tax Credit Properties

Based on the strong occupancy rates among rental properties located throughout the area (at 97.2 percent overall, and 99.3 percent among LIHTC developments), and also taking into account the clear lack of adequate affordable rental options locally, the construction of the proposal will not have any adverse impact on existing rental properties or those presently under construction – either affordable or market rate. Considering future demographic growth anticipated for the PMA, affordable housing will undoubtedly continue to be in demand locally.

5. Competitive Environment

According to Realtor.com, price points are relatively affordable within the immediate area as compared to previous years. However, considering current economic conditions throughout the state and region, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who have generally lower incomes and a greater likelihood of having credit issues and/or require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 19: Rental Housing Survey - Overall

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Arbor Glen Apts	1974	146	0	NA	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Canaan Pointe THs	1993	120	0	0	0	60	60	No	Yes	No	98%	Open	Spartanburg
City View Apts	2015	36	0	NA	NA	0	0	No	Yes	No	97%	Open	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Country Club Apts	1996	358	0	104	205	49	0	No	No	No	95%	Open	Spartanburg
Crown Point	2007	241	0	NA	NA	NA	0	No	No	No	96%	Open	Spartanburg
Draymont Ridge	2004	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Drayton Mills Lofts	2017	289	0	NA	NA	NA	0	No	No	No	99%	Open	Spartanburg
East Ridge Apts	2013	144	0	NA	NA	NA	0	No	Yes	No	93%	Open	Spartanburg
Hidden Park Apts	1974	100	0	24	60	16	0	No	Yes	No	97%	Open	Spartanburg
Liberty Square THs	1990	40	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Meadow Green Apts	2011	116	0	NA	NA	NA	0	No	Yes	No	94%	Open	Spartanburg
Prosper Apts	2012	176	NA	NA	NA	0	0	No	No	No	96%	Open	Spartanburg
Reserve at Hillcrest Apts	2005	200	0	NA	NA	NA	0	No	Yes	No	95%	Open	Spartanburg
Riverwind Apts	1983	227	0	84	98	45	0	No	No	No	95%	Open	Spartanburg
Southern Pines Apts	1974	352	0	112	128	112	0	Yes	Yes	No	100%	Open	Spartanburg
Summer Place Apts	2006	53	0	0	0	53	0	No	No	No	100%	Open	Spartanburg
The Brick Lofts	2018	43	NA	NA	NA	0	0	No	Yes	No	100%	Open	Spartanburg
Victoria Gardens	2006	81	6	9	26	32	8	Yes	Yes	Yes	96%	Open	Spartanburg
Willow Crossing	2011	48	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Willows At North End	2018	204	0	48	120	36	0	No	Yes	No	98%	Open	Spartanburg
Woodside Apts	1973	124	0	NA	NA	NA	0	No	Yes	No	98%	Open	Spartanburg
Totals and Averages	2000	3,330	6	427	756	470	68				97.2%		
<i>Unit Distribution</i>			0%	25%	44%	27%	4%						
SUBJECT PROJECT													
SARANAC APARTMENTS	2021	46	0	0	34	12	0	No	Yes	No		Open	Spartanburg

Note: Shaded Properties are LIHTC

Table 20: Rental Housing Summary - Overall

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Totals and Averages <i>Unit Distribution</i>	2000	3,330	6 0%	427 25%	756 44%	470 27%	68 4%				97.2%		
SUBJECT PROJECT													
SARANAC APARTMENTS	2021	46	0	0	34	12	0	No	Yes	No		Open	Spartanburg
SUMMARY													
	Number of Dev.	Year Built/Rehab	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.				
Total Developments	22	2000	3,330	6	427	756	470	68	97.2%				
Market Rate Only	16	1999	2,796	0	372	611	258	0	96.9%				
LIHTC Only	4	2005	400	0	46	119	127	60	99.3%				
Subsidized Only	2	2006	134	6	9	26	85	8	97.8%				

Table 21: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Arbor Glen Apts	Market	0	\$600		653		\$0.92	\$0.92	\$650	\$675	909		\$0.72	\$0.74
Canaan Pointe THs	LIHTC/Mrkt	0												
City View Apts	Market	0	\$650	\$800	600		\$1.08	\$1.33	\$775	\$800	900		\$0.86	\$0.89
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Country Club Apts	Market	0	\$670	\$795	618		\$1.08	\$1.29	\$725	\$875	824		\$0.88	\$1.06
Crown Point	Market	0	\$695		756		\$0.92	\$0.92	\$775		1,014		\$0.76	\$0.76
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Drayton Mills Lofts	Market	0	\$1,025		744		\$1.38	\$1.38	\$1,220		1,267		\$0.96	\$0.96
East Ridge Apts	Market	0	\$767		714		\$1.07	\$1.07	\$872		850		\$1.03	\$1.03
Hidden Park Apts	Market	0	\$600		670		\$0.90	\$0.90	\$700		864		\$0.81	\$0.81
Liberty Square THs	Market	0							\$650					
Meadow Green Apts	Market	0	\$665	\$715	841		\$0.79	\$0.85	\$700	\$800	1,029		\$0.68	\$0.78
Prosper Apts	Market	0	\$870		636		\$1.37	\$1.37	\$980		851		\$1.15	\$1.15
Reserve at Hillcrest Apts	Market	0	\$695		696		\$1.00	\$1.00	\$835		841		\$0.99	\$0.99
Riverwind Apts	Market	0	\$845	\$995	671	702	\$1.20	\$1.48	\$1,000	\$1,045	988		\$1.01	\$1.06
Southern Pines Apts	Market	0	\$690		610		\$1.13	\$1.13	\$790	\$830	892		\$0.89	\$0.93
Summer Place Apts	LIHTC/BOI	53												
The Brick Lofts	Market	0	\$795	\$975	449	835	\$0.95	\$2.17	\$895	\$990	789	937	\$0.96	\$1.25
Victoria Gardens	BOI-PHA	80			630						800			
Willow Crossing	LIHTC	0							\$495	\$550	1,200		\$0.41	\$0.46
Willows At North End	Market	0	\$855	\$1,220	675	816	\$1.05	\$1.81	\$845	\$1,337	916	1,075	\$0.79	\$1.46
Woodside Apts	Market	0	\$615		714		\$0.86	\$0.86	\$665		900		\$0.74	\$0.74
Totals and Averages		133		\$767		683		\$1.12		\$804		942		\$0.85
SUBJECT PROPERTY														
SARANAC APARTMENTS	LIHTC	0		NA		NA		NA	\$500	\$620	967	967	\$0.52	\$0.64
SUMMARY														
Overall				\$767		683		\$1.12		\$804		942		\$0.85
Market Rate Only				\$787		689		\$1.14		\$851		932		\$0.91
LIHTC Only				\$548		661		\$0.83		\$578		1,044		\$0.55
Subsidized Only				NA		630		NA		NA		800		NA

Note: Shaded Properties are LIHTC

Table 22: Rent Range for 3 & 4 Bedrooms - Overall

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Arbor Glen Apts	Market	\$775	\$800	1,014		\$0.76	\$0.79						
Canaan Pointe THs	LIHTC/Mrkt	\$781	\$1,200	1,109	1,309	\$0.60	\$1.08	\$875	\$1,200	1,216	1,358	\$0.64	\$0.99
City View Apts	Market												
Companion At Lees Crossing	LIHTC	\$801		1,107		\$0.72	\$0.72						
Country Club Apts	Market	\$925	\$1,050	1,306		\$0.71	\$0.80						
Crown Point	Market	\$875		1,198		\$0.73	\$0.73						
Draymont Ridge	LIHTC	\$620	\$700	1,348		\$0.46	\$0.52						
Drayton Mills Lofts	Market	\$1,760		1,552		\$1.13	\$1.13						
East Ridge Apts	Market	\$1,007		1,081		\$0.93	\$0.93						
Hidden Park Apts	Market	\$790		991		\$0.80	\$0.80						
Liberty Square THs	Market	\$750											
Meadow Green Apts	Market	\$850		1,368		\$0.62	\$0.62						
Prosper Apts	Market												
Reserve at Hillcrest Apts	Market	\$980		1,023		\$0.96	\$0.96						
Riverwind Apts	Market	\$1,205		1,252		\$0.96	\$0.96						
Southern Pines Apts	Market	\$890	\$930	1,060		\$0.84	\$0.88						
Summer Place Apts	LIHTC/BOI			1,274									
The Brick Lofts	Market												
Victoria Gardens	BOI-PHA			1,033						1,137			
Willow Crossing	LIHTC	\$565	\$650	1,250		\$0.45	\$0.52						
Willows At North End	Market	\$1,015	\$1,645	1,130	1,292	\$0.79	\$1.46						
Woodside Apts	Market	\$745		1,300		\$0.57	\$0.57						
Totals and Averages			\$930		1,200		\$0.77		\$1,038		1,237		\$0.84
SUBJECT PROPERTY													
SARANAC APARTMENTS	LIHTC	\$575	\$695	1,122	1,122	\$0.51	\$0.62	NA	NA	NA	NA	NA	NA
SUMMARY													
Overall			\$930		1,200		\$0.77		\$1,038		1,237		\$0.84
Market Rate Only			\$1,009		1,205		\$0.84		NA		NA		NA
LIHTC Only			\$686		1,204		\$0.57		\$875		1,216		\$0.72
Subsidized Only			NA		1,154		NA		NA		1,137		NA

Note: Shaded Properties are LIHTC

Table 23a: Project Amenities - Overall

Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Arbor Glen Apts	ELE	Yes	No	Some	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Canaan Pointe THs	ELE	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No
City View Apts	H2O	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No	No
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Country Club Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No
Crown Point	ELE	No	Yes	Yes	Yes	No	Some	Some	Yes	Yes	Yes	No	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Drayton Mills Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
East Ridge Apts	ELE	Yes	No	Yes	Yes	Yes	Some	Yes	Yes	Yes	No	No	No
Hidden Park Apts	ELE	Yes	No	Yes	Yes	No	No	No	Yes	No	No	No	No
Liberty Square THs	Gas	Yes	No	Yes	Yes	No	Some	No	Yes	Yes	No	No	No
Meadow Green Apts	ELE	Yes	No	Some	Yes	Some	yes	Yes	Yes	Yes	No	No	No
Prosper Apts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Reserve at Hillcrest Apts	ELE	Yes	No	Yes	Yes	No	Yes	No	Yes	No	No	No	No
Riverwind Apts	Gas	Yes	No	Yes	Yes	Some	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Southern Pines Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes
Summer Place Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No
The Brick Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
Victoria Gardens	Gas	Yes	No	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Willow Crossing	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Willows At North End	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Woodside Apts	ELE	Yes	No	Some	Yes	No	Some	No	No	No	Yes	No	No
Totals and Averages	--	95%	5%	86%	95%	41%	86%	73%	91%	68%	55%	27%	36%
SUBJECT PROJECT													
SARANAC APARTMENTS	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
SUMMARY													
Overall	--	95%	5%	86%	95%	41%	86%	73%	91%	68%	55%	27%	36%
Market Rate Only	--	94%	6%	94%	100%	44%	88%	75%	94%	69%	50%	13%	38%
LIHTC Only	--	100%	0%	75%	100%	50%	75%	75%	100%	75%	50%	50%	50%
Subsidized Only	--	100%	0%	50%	50%	0%	100%	50%	50%	50%	100%	100%	0%

Table 23b: Project Amenities - Overall

Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Arbor Glen Apts	Yes	Yes	No	No	No	Yes	No	No	Yes	Some	No	No	No
Canaan Pointe THs	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	No	No
City View Apts	No	No	No	No	No	Yes	No	Yes	Yes	No	No	No	No
Companion At Lees Crossing	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Country Club Apts	Yes	Yes	No	No	No	Yes	NO	No	Yes	Some	Some	No	No
Crown Point	Yes	Yes	No	No	No	Yes	No	Yes	Yes	2 & 3BR	No	No	No
Draymont Ridge	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No
Drayton Mills Lofts	Yes	No	No	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No
East Ridge Apts	Yes	No	No	No	N	Yes	No	No	No	Yes	No	No	No
Hidden Park Apts	No	Yes	Yes	No	No	Yes	No	No	Yes	No	No	No	No
Liberty Square THs	No	No	No	No	No	Yes	No	No	No	Yes	No	No	Yes
Meadow Green Apts	Yes	Yes	No	Yes	No	Yes	No	No	Yes	Some	No	No	No
Prosper Apts	Yes	Yes	NO	No	No	Yes	No	No	Yes	Some	Some	No	No
Reserve at Hillcrest Apts	Yes	No	No	No	No	Yes	No	No	Yes	Some	No	No	No
Riverwind Apts	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No	Yes	No	No
Southern Pines Apts	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Some	No	No	No
Summer Place Apts	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
The Brick Lofts	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No	No	No
Victoria Gardens	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Willow Crossing	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Willows At North End	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No
Woodside Apts	No	No	No	No	No	Yes	No	No	No	Some	Some	No	No
Totals and Averages	59%	68%	14%	27%	23%	100%	14%	32%	68%	77%	23%	0%	9%
SUBJECT PROJECT													
SARANAC APARTMENTS	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
SUMMARY													
Overall	59%	68%	14%	27%	23%	100%	14%	32%	68%	77%	23%	0%	9%
Market Rate Only	69%	56%	13%	19%	25%	100%	19%	31%	69%	69%	31%	0%	6%
LIHTC Only	50%	100%	25%	75%	25%	100%	0%	50%	50%	100%	0%	0%	25%
Subsidized Only	0%	100%	0%	0%	0%	100%	0%	0%	100%	100%	0%	0%	0%

Table 24: Other Information - Overall

Project Name	Address	City	Telephone Number	Contact	On-Site Mgt	Waiting List	Concessions/Other	Survey Date
Arbor Glen Apts	1514 Fernwood Glendale Rd	Spartanburg	(864) 583-7987	Lauren	Yes	No	None	4-Feb-19
Canaan Pointe THs	200 Canaan Poine Circle	Spartanburg	(864) 577-9922	Carrie	Yes	Small	None	11-Jan-19
City View Apts	144 W. Henry St.	Spartanburg	(864) 582-0022	Amanda	Yes	No	None	14-Jan-19
Companion At Lees Crossing	100 Lees Crossing Dr	Spartanburg	(864) 574-8494	Jackie	Yes	2 Months	None	2-Jan-19
Country Club Apts	2479 Country Club Rd	Spartanburg	(864) 585-9288	Lisa	Yes	2 Names	1/2 off 1st month	4-Feb-19
Crown Point	201 Powell Mill Rd	Spartanburg	(864) 576-7670	Amber	Yes	No	None	26-Dec-18
Draymont Ridge	3900 Taggart Drive	Spartanburg	(864) 585-6116	Jeanine	Yes	50+ Names	1BR for mentally disabled	11-Jan-19
Drayton Mills Lofts	1800 Drayton Rd	Spartanburg	(864) 573-0092	Marissa	Yes	Yes	None	3-Jan-19
East Ridge Apts	300 Regency Rd	Spartanburg	(864) 582-4931	Erica	Yes	No	None	7-Jan-19
Hidden Park Apts	320 Spruce St	Spartanburg	(864) 585-0863	Amanda	Yes	No	None	11-Jan-19
Liberty Square THs	200 S. Liberty Street	Spartanburg	(864) 585-4976	Georgia	Yes	No	None	11-Jan-19
Meadow Green Apts	1504 Fernwood Glendale Rd	Spartanburg	(864) 582-7656	Rebecca	Yes	No	None	4-Feb-19
Prosper Apts	151 Fernwood Dr	Spartanburg	(864) 583-5478	Kevin	Yes	3 Names	1 month free	4-Feb-19
Reserve at Hillcrest Apts	2096 E. Main Street	Spartanburg	(864) 542-2300	Mary Ann	Yes	No	\$350 off 1st month	8-Jan-19
Riverwind Apts	200 Heywood Ave	Spartanburg	(864) 585-9463	Katie	Yes	No	None	4-Jan-19
Southern Pines Apts	350 Bryant Rd	Spartanburg	(864) 573-7582	Cindy	Yes	Small	3BR=\$50 off/month	4-Feb-19
Summer Place Apts	480 Alma Byrd Lane	Spartanburg	(864) 598-6045	Melissa	Yes	10+ Names	None	4-Jan-19
The Brick Lofts	600 Magnolia Street	Spartanburg	(864) 308-1659	Todd	Yes	No	None	11-Jan-19
Victoria Gardens	695 Howard St.	Spartanburg	(864) 598-6090	Jill	Yes	500+ Names	None	23-Jan-19
Willow Crossing	101 Willow Lane	Spartanburg	(864) 699-9965	Martha	Yes	400+ Names	None	4-Jan-19
Willows At North End	425 Willowdale Dr	Spartanburg	(864) 598-9999	Hannah	Yes	No	None	2-Jan-19
Woodside Apts	1631 Fernwood Glendale Rd	Spartanburg	(864) 579-2311	Taylor	Yes	No	No app fee	9-Jan-19

Note: Shaded Properties are LIHTC

Table 24: Rental Housing Survey – Comparable/LIHTC

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Canaan Pointe THs	1993	120	0	0	0	60	60	No	Yes	No	98%	Open	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Draymont Ridge	2004	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Willow Crossing	2011	48	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Totals and Averages <i>Unit Distribution</i>	2005	400	0 0%	46 13%	119 34%	127 36%	60 17%				99.3%		
SUBJECT PROJECT													
SARANAC APARTMENTS	2021	46	0	0	34	12	0	No	Yes	No		Open	Spartanburg

Table 25: Rent Range for 1 & 2 Bedrooms – Comparable/LIHTC

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Canaan Pointe THs	LIHTC/Mrkt	0												
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Willow Crossing	LIHTC	0							\$495	\$550	1,200		\$0.41	\$0.46
Totals and Averages		0		\$548		661		\$0.83		\$578		1,044		\$0.55
SUBJECT PROPERTY														
SARANAC APARTMENTS	LIHTC	0		NA		NA		NA	\$500	\$620	967	967	\$0.52	\$0.64

Table 26: Rent Range for 3 & 4 Bedrooms – Comparable/LIHTC

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Canaan Pointe THs	LIHTC/Mrkt	\$781		1,109	1,309	\$0.60	\$0.70	\$875		1,216	1,358	\$0.64	\$0.72
Companion At Lees Crossing	LIHTC	\$801		1,107		\$0.72	\$0.72						
Draymont Ridge	LIHTC	\$620	\$700	1,348		\$0.46	\$0.52						
Willow Crossing	LIHTC	\$565	\$650	1,250		\$0.45	\$0.52						
Totals and Averages			\$686		1,225		\$0.56		\$875		1,287		\$0.68
SUBJECT PROPERTY													
SARANAC APARTMENTS	LIHTC	\$575	\$695	1,122	1,122	\$0.51	\$0.62		NA		NA		NA

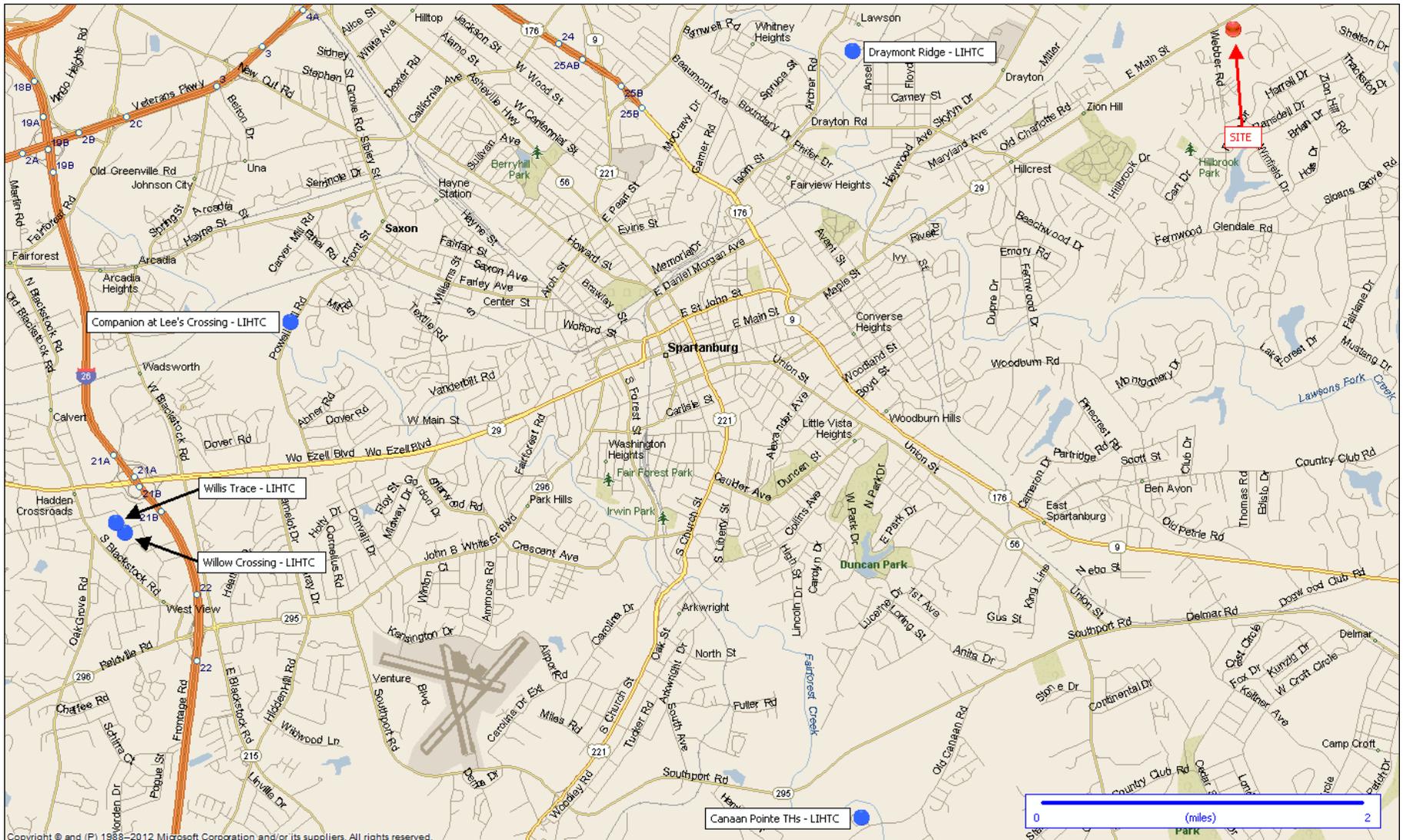
Table 27a: Project Amenities – Comparable/LIHTC

Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Canaan Pointe THs	ELE	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Willow Crossing	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Totals and Averages	--	100%	0%	75%	100%	50%	75%	75%	100%	75%	50%	50%	50%
SUBJECT PROJECT													
SARANAC APARTMENTS	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Table 27b: Project Amenities – Comparable/LIHTC

Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Canaan Pointe THs	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	No	No
Companion At Lees Crossing	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	Yes
Draymont Ridge	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No
Willow Crossing	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Totals and Averages	50%	100%	25%	75%	25%	100%	0%	50%	50%	100%	0%	0%	25%
SUBJECT PROJECT													
SARANAC APARTMENTS	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No

Map 11: Family LIHTC Rental Developments – Spartanburg, SC



Note: Only Draymont Ridge is located within PMA.

COMPARABLE PROJECT INFORMATION																
Project Name: Companion At Lees Crossing Address: 100 Lees Crossing Dr City: Spartanburg State: SC Zip Code: 29301 Phone Number: (864) 574-8494 Contact Name: Jackie Contact Date: 01/02/19 Current Occup: 99.5%																
DEVELOPMENT CHARACTERISTICS																
Total Units:		192		Year Built:		2010		Project Type:		Open		Floors:		4		
Program:		LIHTC		Accept Vouchers:		Yes		PBRA Units*:		0		Voucher #:		NA		
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy																
UNIT CONFIGURATION/RENTAL RATES																
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List					
					Low	High	Low	High								
TOTAL 1-BEDROOM UNITS				34					0	100.0%						
1	1.0	60	Apt	34	687		\$581		0	100.0%	Yes					
TOTAL 2-BEDROOM UNITS				102					1	99.0%						
2	2.0	60	Apt	102	932		\$696		1	99.0%	Yes					
TOTAL 3-BEDROOM UNITS				56					0	100.0%						
3	2.0	60	Apt	56	1,107		\$801		0	100.0%	Yes					
TOTAL DEVELOPMENT				192					1	99.5%	2 Months					
AMENITIES																
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>								
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>\$0</td></tr></table> <input type="checkbox"/> - Garage (att) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>\$0</td></tr></table> <input checked="" type="checkbox"/> - Garage (det) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>\$60</td></tr></table> <u>Utilities Included</u> <input type="checkbox"/> - Heat <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>ELE</td></tr></table> <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer					\$0	\$0	\$60	ELE
\$0																
\$0																
\$60																
ELE																

COMPARABLE PROJECT INFORMATION												
Project Name: Draymont Ridge Address: 3900 Taggart Drive City: Spartanburg State: SC Zip Code: 29303 Phone Number: (864) 585-6116 Contact Name: Jeanine Contact Date: 01/11/19 Current Occup: 100.0%												
DEVELOPMENT CHARACTERISTICS												
Total Units:		40		Year Built:		2003-04						
Project Type:		Open/SN		Floors:		1						
Program:		LIHTC		Accept Vouchers:		Yes						
PBRA Units*:		0		Voucher #:		10						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 1-BEDROOM UNITS				12					0	100.0%		
1	1.0	60	Apt	12	635		\$515		0	100.0%	Yes	
TOTAL 2-BEDROOM UNITS				17					0	100.0%		
2	1.5	50	Apt	3	1,000		\$550		0	100.0%	Yes	
2	1.5	60	Apt	14	1,000		\$600		0	100.0%	Yes	
TOTAL 3-BEDROOM UNITS				11					0	100.0%		
3	2.0	50	Apt	3	1,348		\$620		0	100.0%	Yes	
3	2.0	60	Apt	8	1,348		\$700		0	100.0%	Yes	
TOTAL DEVELOPMENT				40					0	100.0%	50+ Names	
AMENITIES												
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer				

COMPARABLE PROJECT INFORMATION																				
Project Name: Willow Crossing Address: 101 Willow Lane City: Spartanburg State: SC Zip Code: 29301 Phone Number: (864) 699-9965 Contact Name: Martha Contact Date: 01/04/19 Current Occup: 100.0%																				
DEVELOPMENT CHARACTERISTICS																				
Total Units:		48		Year Built:		2011														
Project Type:		Open		Floors:		2														
Program:		LIHTC		Accept Vouchers:		Yes														
PBRA Units*:		0		Voucher #:		Enter														
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy																				
UNIT CONFIGURATION/RENTAL RATES																				
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List									
					Low	High	Low	High												
TOTAL 2-BEDROOM UNITS				NA				0		100.0%										
2	2.0	50	Apt	NA	1,200		\$495		0	100.0%	Yes									
2	2.0	60	Apt	NA	1,200		\$550		0	100.0%	Yes									
TOTAL 3-BEDROOM UNITS				NA				0		100.0%										
3	2.0	50	Apt	NA	1,250		\$565		0	100.0%	Yes									
3	2.0	60	Apt	NA	1,250		\$650		0	100.0%	Yes									
TOTAL DEVELOPMENT				48				0		100.0%		400+ Names								
AMENITIES																				
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input checked="" type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport <input type="checkbox"/> - Garage (att) <input type="checkbox"/> - Garage (det)			<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">\$0</td> </tr> <tr> <td style="text-align: right;">- Garage (att)</td> <td style="text-align: center;">\$0</td> </tr> <tr> <td style="text-align: right;">- Garage (det)</td> <td style="text-align: center;">\$0</td> </tr> </table> <u>Utilities Included</u> <input type="checkbox"/> - Heat <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer					\$0	- Garage (att)	\$0	- Garage (det)	\$0
	\$0																			
- Garage (att)	\$0																			
- Garage (det)	\$0																			

6. Market Rent Calculations

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, target market, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

A total of five market-rate properties were selected to determine the estimated market rate, based largely on the availability of bedroom types, location, and building type. Furthermore, single-family home rentals from on-line sources were utilized for four and five-bedroom calculations. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property’s corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
Two-Bedroom Units			
50% AMI	\$500	\$939	47%
60% AMI	\$620	\$939	34%
Three-Bedroom Units			
50% AMI	\$575	\$1,075	47%
60% AMI	\$695	\$1,075	35%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		East Ridge Apts		Prosper Apts		Riverwind Apts		Reserve at Hillcrest Apts		Southern Pines Apts	
Project City	Subject Data	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed		1/7/19		2/4/19		1/4/19		1/8/19		2/4/19	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apt										
Yr. Built/Yr. Renovated	2021	2013	\$6	2012	\$7	1983	\$29	2018	\$2	2018	\$2
Neighborhood											
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
Microwave	Yes	Yes		Yes		Yes		No	\$5	No	\$5
Walk-In Closet	Yes	Yes		Yes		Yes		No	\$3	Yes	
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	Yes	Yes		Yes		Yes		No	\$5	Yes	
Basement	No	No		No		No		No		No	
Fireplace	No	No		No		Yes	(\$10)	No		Yes	(\$10)
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
Community Room	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
Computer Center	Yes	No	\$3	No	\$3	Yes		No	\$3	No	\$3
Exercise Room	Yes	No	\$5	Yes		Yes		No	\$5	Yes	
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Playground	Yes	No	\$3	Yes		Yes		No	\$3	Yes	
Sports Courts	No	N		No		Yes	(\$3)	No		Yes	(\$3)
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		No		Yes	(\$5)	No		No	
Security - Intercom	No	No		No		No		No		Yes	(\$3)
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	No	\$5	Yes		No	\$5	Yes		Yes	
In-Unit Hook-Up	Yes	Yes		Yes		No	\$10	Some		Some	
In-Unit Washer/Dryer	No	No		Yes	(\$20)	Yes	(\$20)	No		No	
Carpport	No	No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No	
Garage (detached)	No	No		No		No		No		No	
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No		Yes	XX
Electric	No	No		No		No		No		No	
Trash Removal	Yes	Yes		Yes		Yes		Yes		Yes	
Water/Sewer	Yes	Yes		Yes		No	XX	Yes		Yes	
Heat Type	Gas	ELE		ELE		Gas		ELE		ELE	
Utility Adjustments											
Two-Bedroom Units							\$80				(\$13)
Three-Bedroom Units							\$116				(\$15)

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Project Name		East Ridge Apts		Prosper Apts		Riverwind Apts		Reserve at Hillcrest Apts		Southern Pines Apts	
Project City	Subject Data	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed		1/7/2019		2/4/2019		1/4/2019		1/8/2019		2/4/2019	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Two-Bedroom Units	967	850	\$18	851	\$17	988	(\$3)	841	\$19	892	\$11
Three-Bedroom Units	1,122	1,081	\$6			1,252	(\$20)	1,023	\$15	1,060	\$9
G. Number of Bathrooms		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Two-Bedroom Units	2.0	1.0	\$30	2.0	\$0	2.0	\$0	1.5	\$15	2.0	\$0
Three-Bedroom Units	2.0	2.0	\$0			2.0	\$0	1.5	\$15	2.0	\$0
G. Total Adjustments Recap											
Two-Bedroom Units			\$75		\$2		\$77		\$65		(\$3)
Three-Bedroom Units			\$33				\$97		\$61		(\$6)

		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Project Name		East Ridge Apts		Prosper Apts		Riverwind Apts		Reserve at Hillcrest Apts		Southern Pines Apts	
Project City	Subject Data	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed		1/7/2019		2/4/2019		1/4/2019		1/8/2019		2/4/2019	
H. Rent/Adjustment Summary		Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent
Market Rate Units											
Two-Bedroom Units	\$939	\$872	\$947	\$980	\$982	\$1,000	\$1,077	\$835	\$900	\$790	\$788
Three-Bedroom Units	\$1,075	\$1,007	\$1,040			\$1,205	\$1,302	\$980	\$1,041	\$890	\$884

H. INTERVIEWS

Throughout the course of performing this analysis of the Spartanburg rental market, many individuals were contacted. Based on discussions with local government officials, there is no directly comparable LIHTC multi-family activity (either proposed or under construction) within the market area at the current time. While a number of additional multi-family developments were reported in various stages of progress, all are market-rate and cannot be considered as comparable to the subject proposal. As such, none of the known multi-family activity will have an adverse effect on the marketability or absorption of the subject. The following planning departments were contacted:

Location: City of Spartanburg
Contact: Natalia Rosario, Planner
Phone: (864) 596-2068
Date: 2/25/2019

Location: Spartanburg County
Contact: Josh Henderson, Senior Planner
Phone: (864) 596-3689
Date: 2/25/2019

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Spartanburg rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject property, as proposed, within the Spartanburg PMA. Factors supporting the introduction of a newly constructed rental alternative targeted for low-income households include the following:

1. Demographic patterns have been generally positive throughout the PMA since 2000 – the overall population is estimated to have increased by seven percent between 2010 and 2018, representing approximately 2,850 additional persons. Furthermore, the population is anticipated to increase another five percent through 2023 (more than 2,100 persons);
2. Overall strong occupancy levels throughout the area, with an overall occupancy rate of 97.2 percent calculated among 22 properties surveyed;
3. Only limited affordable rental options currently exist within the market area. According to survey results, only one family-oriented LIHTC development was identified within the PMA. As such, pent-up demand for affordable housing within the PMA is likely;
4. Including LIHTC properties outside of the PMA, extremely positive occupancy rates were reported. Of the four tax credit developments included within the survey, a combined occupancy rate of 99.3 percent was calculated – each development was 98 percent occupied or better and also had a waiting list, most of which were quite extensive;
5. The location of the subject property can also be considered a positive factor, with generally convenient access to a variety of retail, education, and employment centers throughout the area;
6. The proposal represents a modern product with numerous amenities and features at an affordable rental level. As such, the rental rates within the subject are extremely competitive in relation to other local LIHTC properties, and can be considered achievable and appropriate for the local market area;
7. Demand calculations are also quite positive, with capture rates well-within acceptable industry thresholds and providing an indication of the need for affordable rental options locally. In addition, the absorption period for the subject proposal is conservatively estimated at approximately five to six months.

As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and that information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & 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.



Steven R. Shaw
SHAW RESEARCH AND CONSULTING, LLC

Date: February 25, 2019

K. SOURCES

2000 U.S. Census of Population and Housing - U.S. Census Bureau

2010 U.S. Census of Population and Housing – U.S. Census Bureau

2012-2017 American Community Survey – 5-Year Estimates – U.S. Census Bureau

2018/2023 Demographic Forecasts, ESRI Business Analyst Online

Apartment Listings – www.socialserve.com

Apartment Listings – YellowPages – www.yellowpages.com

Community Profile – Spartanburg County – SC Department of Employment & Workforce

CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor

Crime Data – Sperling’s Best Places – www.bestplaces.net/crime/

ESRI Business Analyst Online

Income & Rent Limits 2017 – South Carolina State Housing Finance & Development Authority

Interviews with community planning officials

Interviews with managers and leasing specialists at local rental developments

South Carolina Industry Data – SC Works Online Services

South Carolina Labor Market Information – SC Works Online Services

South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority

Microsoft Streets and Trips 2013

Single-Family Home Sales – www.realtor.com

L. RESUME**STEVEN R. SHAW
SHAW RESEARCH & CONSULTING, LLC**

Mr. Shaw is a principal at Shaw Research and Consulting, LLC. With over twenty-eight years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.