

# Market Feasibility Analysis

Seagrove Village Apartments  
184 Liberty Avenue South  
Estill, Hampton County, South Carolina 29918

*Prepared For*

Mr. Joe Wilczewski  
Boyd Management, Incorporated  
7700 Trenholm Road Ext.  
Columbia, South Carolina 29223

*Effective Date*

February 24, 2020

*Job Reference Number*

20-120 JW



155 E. Columbus Street, Suite 220  
Pickerington, Ohio 43147  
Phone: (614) 833-9300  
Bowennational.com

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## 2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

Development Name:	Seagrove Village Apartments	Total # Units: 25
Location:	184 Liberty Avenue South, Estill, SC 29918	# LIHTC Units: 25
PMA Boundary:	Hampton/Allendale County boundary, U.S. Highway 321, the Fairfax town limits, U.S. Highway 278 and the town limits of Brunson, Hampton and Varnville to the north; U.S. Highway 278 to the east; the Hampton/Jasper County boundary to the south; and the Savannah River to the west.	
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 15.2 miles

### RENTAL HOUSING STOCK (found on page H-15)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	455	1	99.8%
Market-Rate Housing	2	47	1	97.9%
Assisted/Subsidized Housing not to include LIHTC	6	287	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>5</b>	<b>121</b>	<b>0</b>	<b>100.0%</b>
Stabilized Comps**	0	-	-	-
Non-stabilized Comps	-	-	-	-

\* 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					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
25	One	1.0	618-622	\$158	\$520	\$0.84	69.62%	\$807	\$1.18
<b>Gross Potential Rent Monthly*</b>				<b>\$3,950</b>	<b>\$13,000</b>		<b>69.62%</b>		

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

### DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2010	2019		2022	
Renter Households 62+		311	13.6%	318	13.1%
Income-Qualified Renter HHs (LIHTC)		258	83.0%	260	81.8%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60% w/RA	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		3				3
Existing Households (Overburd + Substand)		87				87
Homeowner conversion (Seniors)		22				22
Other:		0				0
Less Comparable/Competitive Supply		0				0
<b>Net Income-qualified Renter HHs</b>		<b>112</b>				<b>112</b>

### CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate		22.3%				22.3%

### ABSORPTION RATE (found on page G-7)

Absorption Period: 3 months

2020 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Current Tenant Paid Rent	Gross Tenant Rent by Bedroom	Fair Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
25	1 BR	\$158	\$3,950	\$520	\$13,000	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	25		\$3,950		\$13,000	69.62%

**2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):**

Development Name:	Seagrove Village Apartments	Total # Units:	25
Location:	184 Liberty Avenue South, Estill, SC 29918	# LIHTC Units:	25
PMA Boundary:	Hampton/Allendale County boundary, U.S. Highway 321, the Fairfax town limits, U.S. Highway 278 and the town limits of Brunson, Hampton and Varnville to the north; U.S. Highway 278 to the east; the Hampton/Jasper County boundary to the south; and the Savannah River to the west.		
Development Type:	Family	<input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 15.2 miles

**RENTAL HOUSING STOCK (found on page H-15)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	455	1	99.8%
Market-Rate Housing	2	47	1	97.9%
Assisted/Subsidized Housing not to include LIHTC	6	287	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>5</b>	<b>121</b>	<b>0</b>	<b>100.0%</b>
Stabilized Comps**	0	-	-	-
Non-stabilized Comps	-	-	-	-

\* 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					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
25	One	1.0	618-622	\$580	\$520	\$0.84	-11.54%	\$807	\$1.18
<b>Gross Potential Rent Monthly*</b>				<b>\$14,500</b>	<b>\$13,000</b>		<b>-11.54%</b>		

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

**DEMOGRAPHIC DATA (found on page F-4 & G-5)**

	2010	2019		2022	
Renter Households 55+		487	15.1%	487	14.6%
Income-Qualified Renter HHs (LIHTC)		84	17.2%	83	17.0%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		-2				-2
Existing Households (Overburd + Substand)		12				12
Homeowner conversion (Seniors)		2				2
Other:		0				0
Less Comparable/Competitive Supply		0				0
<b>Net Income-qualified Renter HHs</b>		<b>12</b>				<b>12</b>

**CAPTURE RATES (found on page G-5)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate		> 100.0%				> 100.0%

**ABSORPTION RATE (found on page G-7)**

Absorption Period: > 12 months

2020 S-2 RENT CALCULATION WORKSHEET (LIHTC-ONLY)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Fair Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
25	1 BR	\$580	\$14,500	\$520	\$13,000	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	25		\$14,500		\$13,000	-11.54%

## B. Project Description

Project Name:	<b>Seagrove Village Apartments</b>
Location:	184 Liberty Avenue South, Estill, South Carolina 29918 (Hampton County)
Census Tract:	9204.00
Target Market:	Senior Age 62+
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The subject project involves the renovation of the 25-unit Seagrove Village Apartments at 184 Liberty Avenue South in Estill, South Carolina. Built in 1996, the project operates under the Rural Development Section 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs, with all units receiving Rental Assistance (RA). The RA requires tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a five-household waiting list.

The project will be renovated utilizing funding from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target senior households with incomes of up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all 25 units of RA are expected to be retained. All renovations are expected to be complete by August 2021. Additional details of the subject project are as follows:

### Proposed Unit Configuration

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Basic/Note Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
4	One-Br.	1.0	Garden	618	60%	\$563/\$788	\$580	\$80	\$660	\$700
21	One-Br.	1.0	Garden	622	60%	\$563/\$788	\$580	\$80	\$660	\$700
25	Total									

Source: Boyd Management

AMHI – Area Median Household Income (2020 National Non-Metropolitan Median Income)

### Building/Site Information

Residential Buildings:	Four (4) one-story buildings
Building Style:	Single-story
Community Space:	Integrated throughout
Acres:	2.0

### Construction Timeline

Original Year Built:	1996
Renovation Start:	April 2021
Begin Preleasing:	In-Place Renovation
Renovation End:	August 2021

### Unit Amenities

<ul style="list-style-type: none"> <li>Electric Range</li> <li>Refrigerator (with Icemaker*)</li> <li>Microwave*</li> <li>Ceiling Fan*</li> </ul>	<ul style="list-style-type: none"> <li>Washer/Dryer Hookups</li> <li>Central Air Conditioning</li> <li>Patio with Storage Closet</li> </ul>	<ul style="list-style-type: none"> <li>Carpet &amp; Composite Flooring</li> <li>Window Blinds</li> <li>Emergency Call System</li> </ul>
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\*To be added post-renovation

Community Amenities		
• On-Site Management	• Community Room with Kitchen	• Picnic Area with Grills
• Laundry Room	• Parties/Picnics	• Surface Parking Lot (32 Spaces)
• CCTV/Cameras*		

\*To be added post-renovation

Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
<b>Paid By</b>	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
<b>Source</b>	Electric	Electric	Electric				

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
25	0	100.0%	5 Households

### PLANNED RENOVATION & CURRENT OCCUPANCY:

A detailed scope of work was not provided at the time this report was issued. However, the subject project is anticipated to include the following renovations:

- Replace all flooring
- Install new kitchen appliances, cabinets and countertops
- Paint the interior of all the units
- New bathroom fixtures, tubs and tub surrounds
- Install new HVACs
- Install new mini-blinds at all windows
- Update exterior with siding/paint
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace all windows and doors

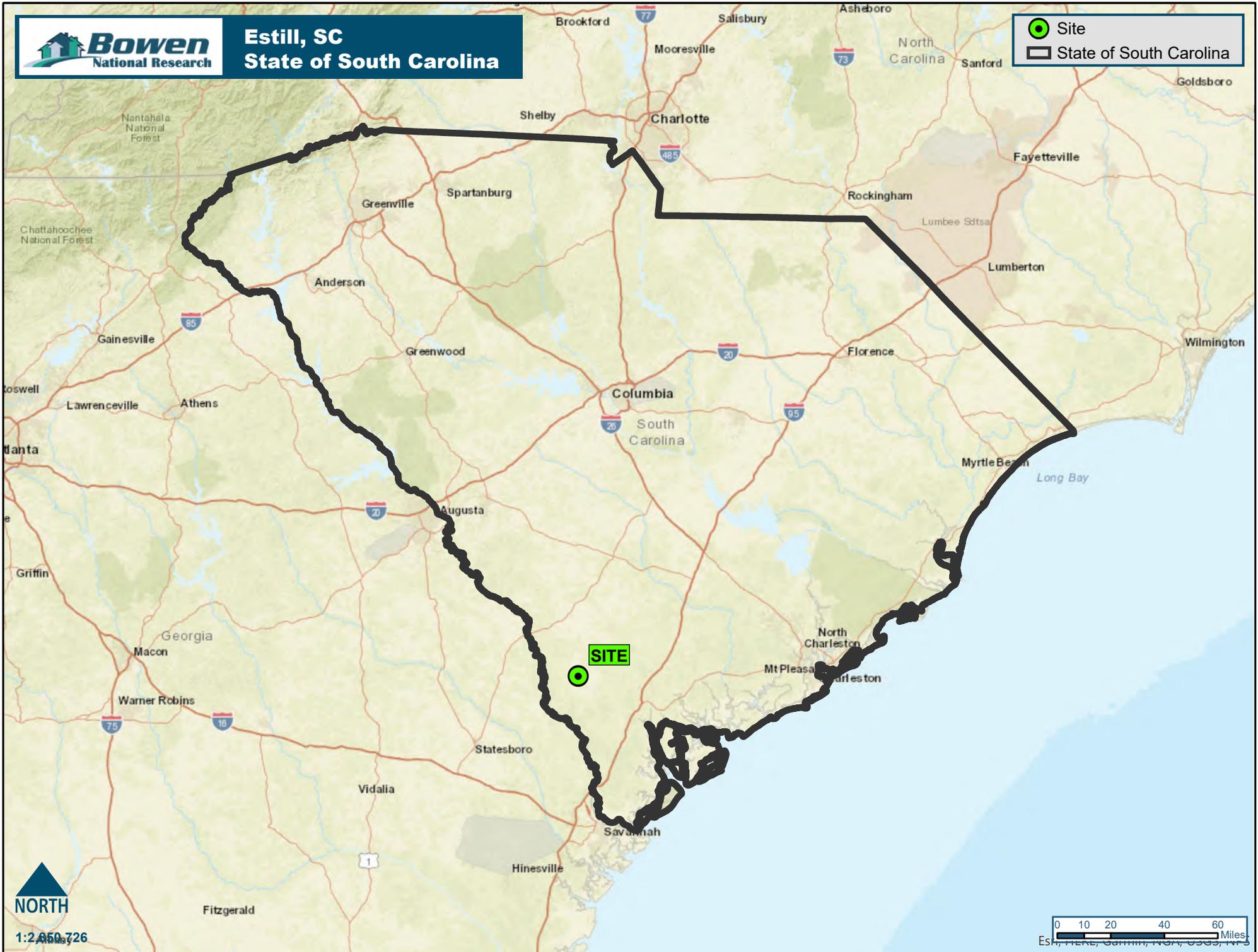
The subject project consists of 25 one-bedroom units that are 100.0% occupied and maintain a waiting list of up to five households for the next available unit. The subject project currently operates under the RD 515 program, with RA available to all units, requiring tenants of the project to pay up to 30% of their income towards rent. Due to the subsidy that is available on all of the subject units, the average tenant-paid rent is \$158 for a one-bedroom unit, based on the subject project's current rent roll, as illustrated in *Addendum C*. Following Tax Credit renovations, the RA will be retained on all 25 units. It is anticipated that most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project.

A state map, an area map and a site neighborhood map are on the following pages.



# Estill, SC State of South Carolina

- Site
- State of South Carolina



NORTH

1:2,850,726

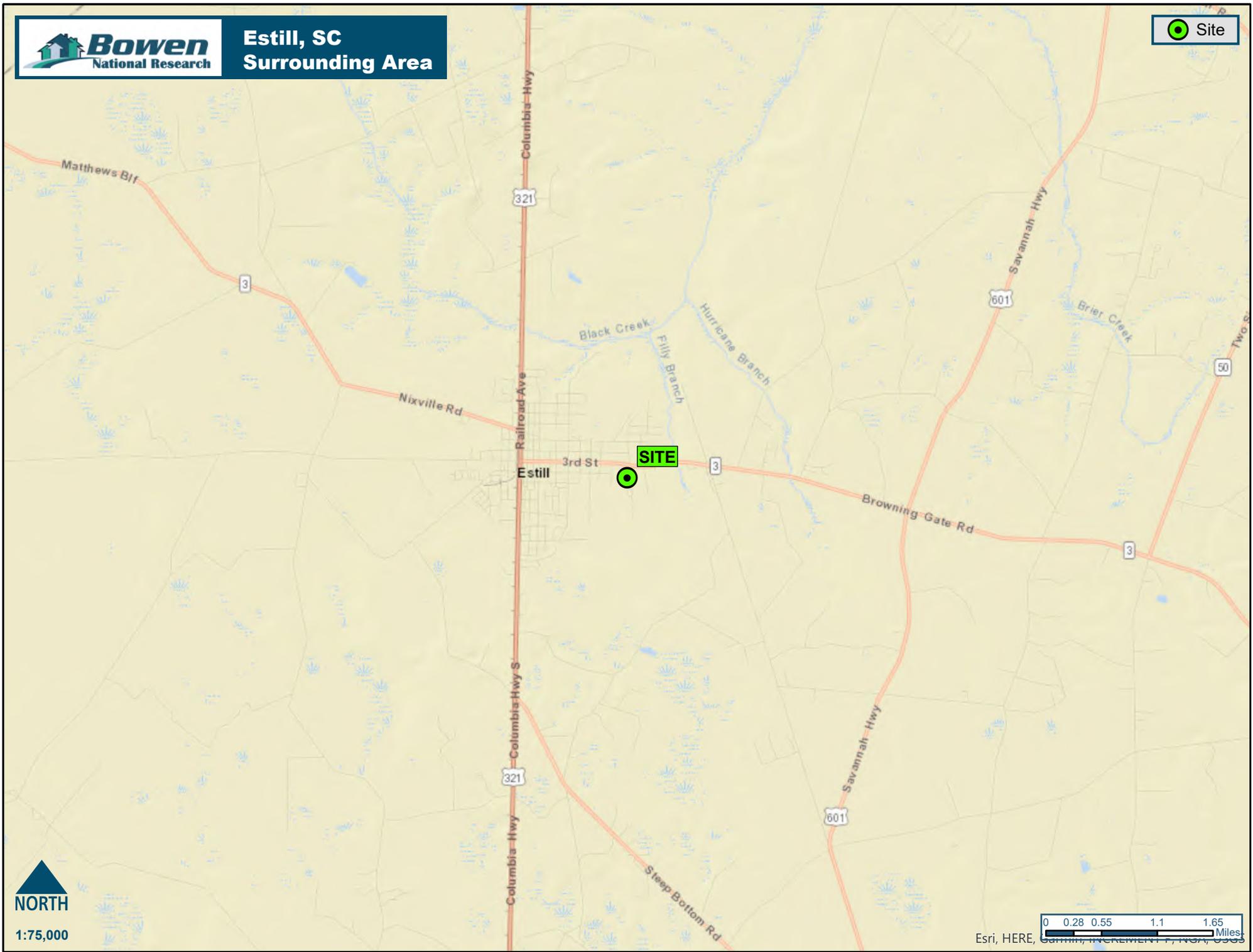
0 10 20 40 60 Miles

ESRI, HERE, Garmin, NAVI, USGS, FWS



# Estill, SC Surrounding Area

Site



1:75,000



Esri, HERE, Garmin, INCREMENT P, NOAA, USGS

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of February 3, 2020. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site, Seagrove Village Apartments, consists of 25 units for seniors located at 184 Liberty Avenue South in Estill, South Carolina. Located within the southern portion of Hampton County, Estill is approximately 52.0 miles north of Savannah, Georgia and approximately 64.0 miles northwest of Hilton Head Island, South Carolina. Following is a description of surrounding land uses:

<b>North -</b>	The northern boundary is defined by wooded land. Continuing north are a single-family home in fair condition and an abandoned building, followed by State Route 3, a two-lane road with light traffic. Single-family homes and wooded land continue and extend farther north for a considerable distance.
<b>East -</b>	The eastern boundary is defined by Liberty Avenue, a two-lane roadway with light traffic. Across from Liberty Avenue are single-family homes in fair condition and undeveloped land. Undeveloped land extends farther east for a considerable distance.
<b>South -</b>	Directly south is wooded land, followed by Pruitt Health - Estill, a skilled nursing and rehabilitation center in good condition. Wooded land continues and extends farther south for a considerable distance.
<b>West -</b>	Wooded land borders the site to the west. Continuing west are scattered single-family homes in fair to good condition and undeveloped land. Farther west are Estill Fire Rescue, Estill Medical Center and additional single-family homes.

The site is primarily surrounded by wooded land, which creates a tranquil atmosphere typically considered appealing to the targeted senior population. Additionally, the surrounding single-family homes are in fair to good condition and the Pruitt Health – Estill senior facility to the south is consistent with the targeted population at the subject development. Overall, the site fits in well with the surrounding land uses and they should continue to contribute to its marketability.

### 3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 3	0.1 North
	U.S. Highway 321	1.0 West
	U.S. Highway 601	2.5 East
Public Bus Stop	Palmetto Breeze	On-Demand
Major Employers/ Employment Centers	World Energy	1.3 West
	CMT	1.6 Southwest
	Oakwood Products	2.8 Northwest
	Elliot Sawmilling Company	3.0 Southwest
Convenience Store	Nickle Pumpers	1.0 West
	Estill Shell Gas Station	1.2 West
Grocery	Tuten's Food Mart IGA	1.1 West
	Galaxy Food	1.8 Northwest
Discount Department Store	Family Dollar	1.8 Northwest
	Dollar General	1.9 Northwest
Hospital/Medical Center	Estill Medical Center	0.5 West
	Hampton Regional Medical Center	13.6 Northeast
Police	Estill Police Department	1.2 West
Fire	Estill Fire Rescue	0.5 West
Post Office	U.S. Post Office	1.3 Northwest
Bank	Palmetto State Bank	0.9 West
Gas Station	Nickle Pumpers	1.0 West
	Estill Shell Gas Station	1.2 West
Pharmacy	Health Mart Pharmacy	1.1 West
Restaurant	China Town Buffet	1.0 West
	Elizabeth's Ice Cream & Deli	1.1 West
	El Zarape	1.2 West
	Bobop's Famous Chicken	1.3 Northwest
Senior Center	Estill Senior Center	0.8 Northwest
Library	Estill Library	0.8 West
Church	The House of God	< 0.1 Northeast
	Sweet Rose Baptist Church	0.4 North
	Mt. Olive Pentecostal Church	0.7 North
	New Life Christian Ministries	0.9 West

While there are a limited number of extensive shopping opportunities within the immediate area, the subject site is located in a quiet neighborhood of Estill, which is considered appealing to the targeted senior population. The subject site is within 2.0 miles of basic community services, including grocery stores, gas stations/convenience stores, discount stores, restaurants and a pharmacy. Many of the services in the above table are located along U.S. Highway 321 and 3<sup>rd</sup> Street/State Route 3. Area services are also accessible via the Palmetto Breeze on-call, on-site public transportation system.

The Estill Police Department is approximately 1.2 miles west of site along U.S. Highway 321 in the downtown portion of the city. The Estill Fire Rescue is approximately 0.5 miles west of site. While the nearest full-service hospital, Hampton Regional Medical Center, is located 13.6 miles northeast of the site in Varnville, the Estill Medical Center is within 0.5 miles.

Overall, the site's proximity to basic community services is expected to contribute to its continued marketability.

#### **4. SITE PHOTOGRAPHS**

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



Entryway Signage



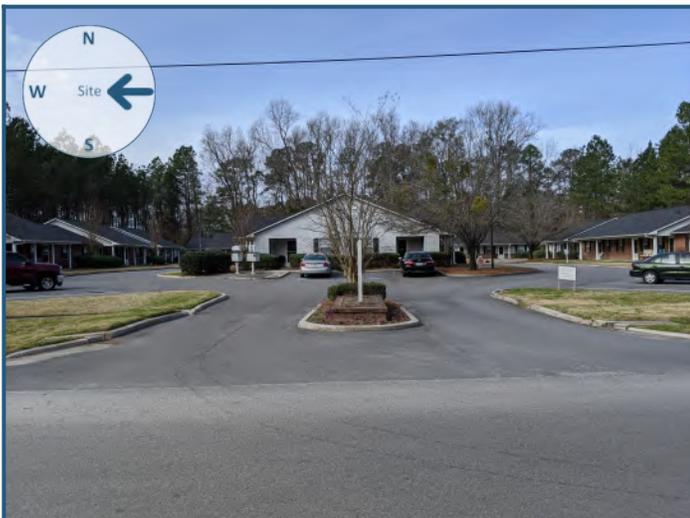
Typical exterior of building



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



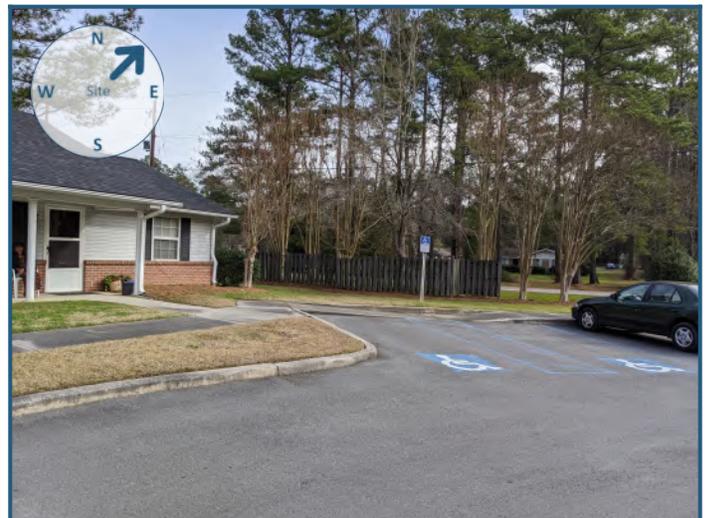
View of site from the west



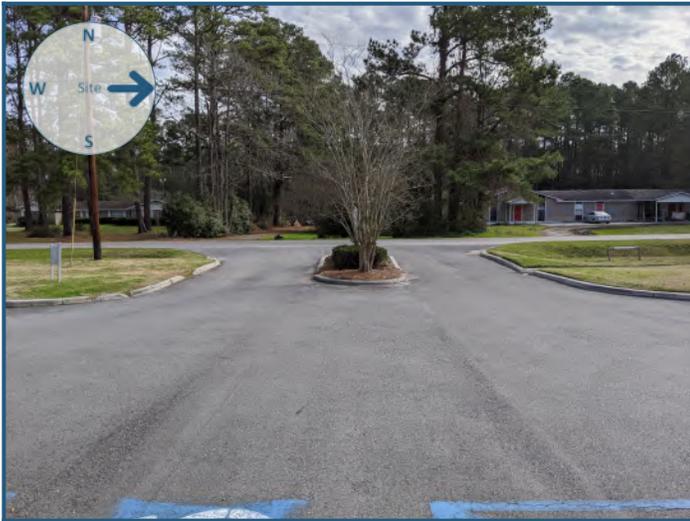
View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: North view of Liberty Avenue



Streetscape: South view of Liberty Avenue



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bathroom)



One-Bedroom (Washer-Dryer Hook Up)

**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.

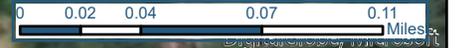


# Estill, SC Site Neighborhood

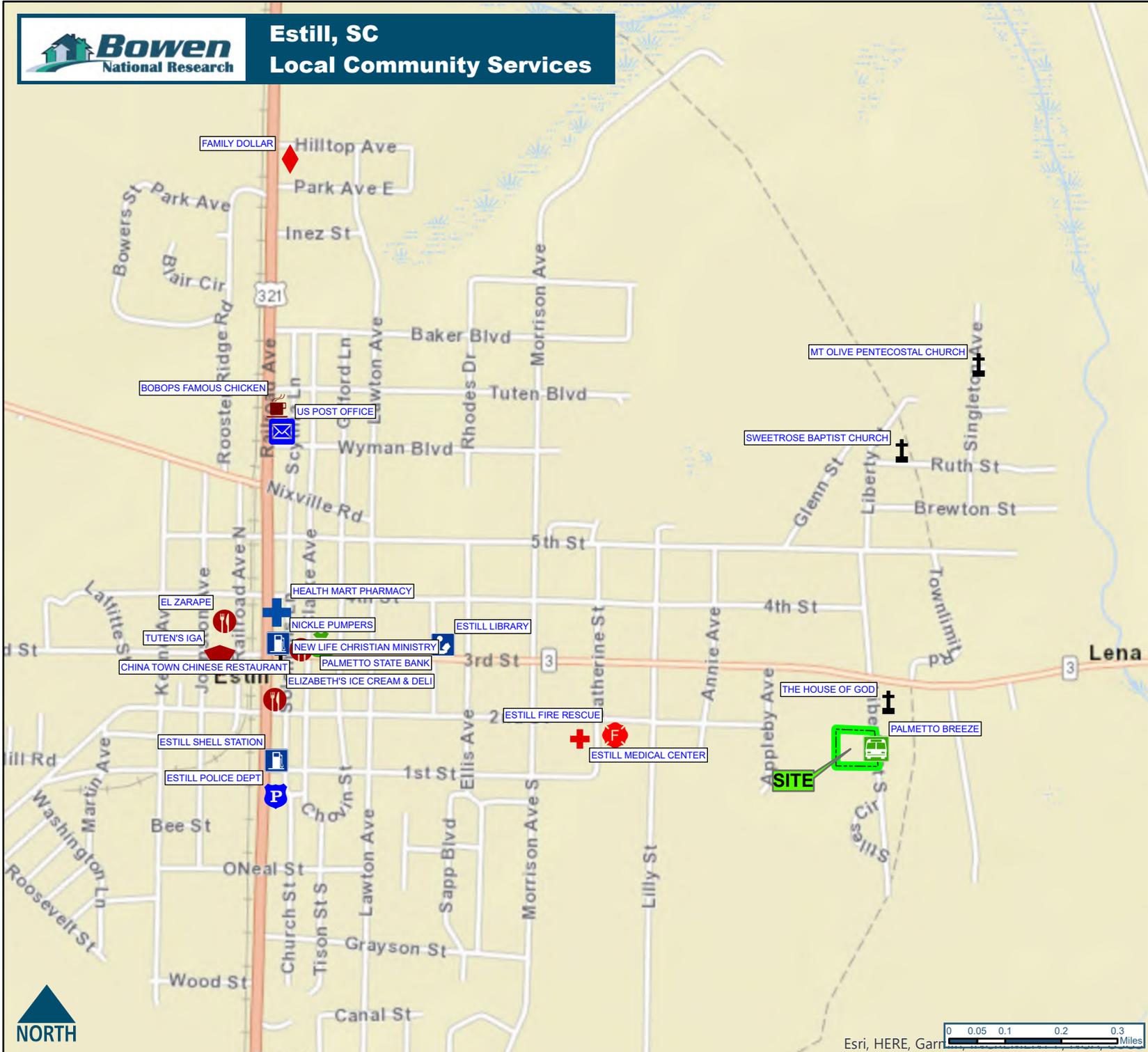
Legend  
Site Area



1:3,500

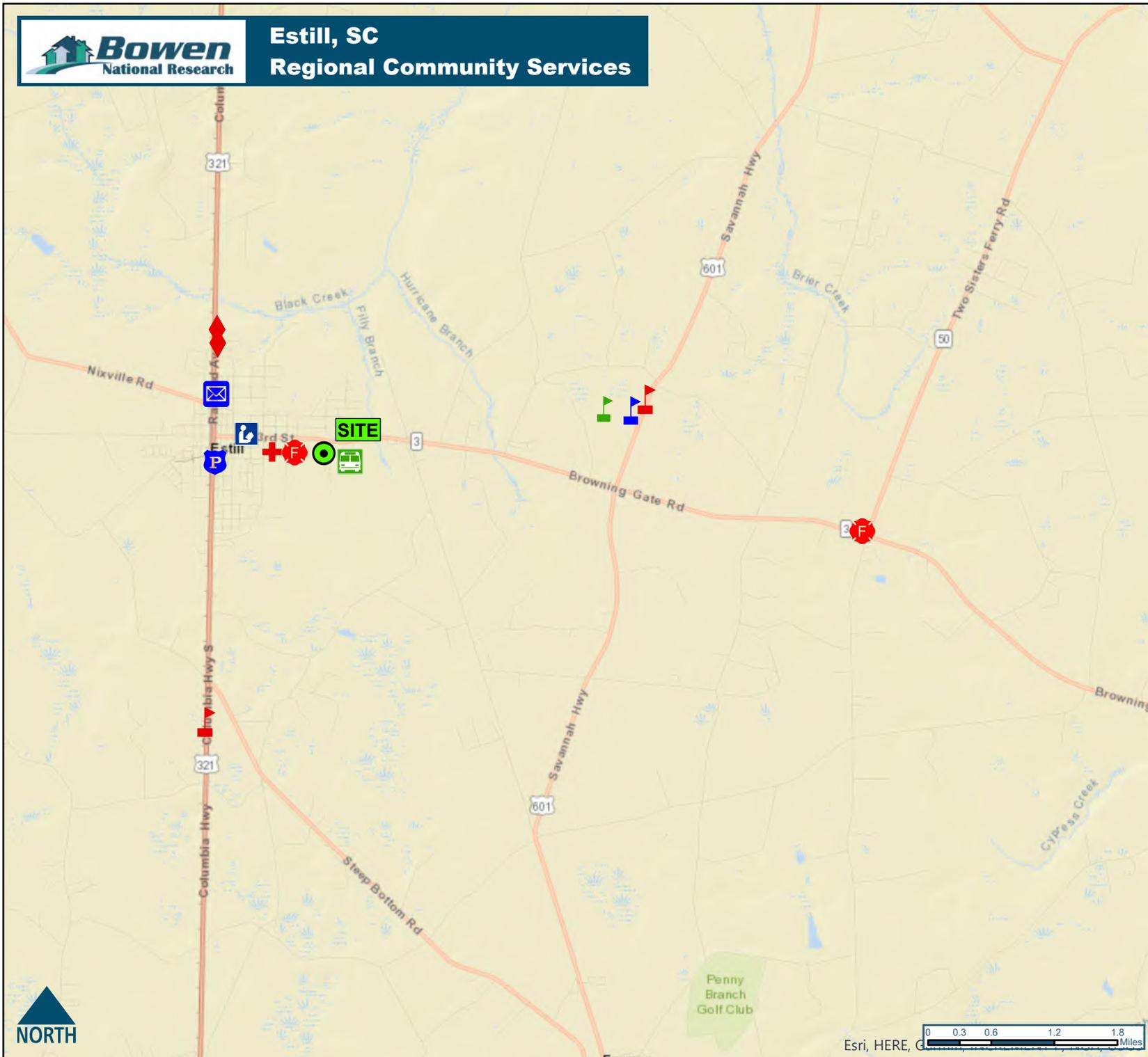


- Legend**
-  Site Area
  -  Bank
  -  Church
  -  Convenience Store
  -  Fire
  -  Gas
  -  Grocery
  -  Library
  -  Medical Center
  -  Pharmacy
  -  Police
  -  Post Office
  -  Restaurant
  -  Shopping
  -  Transit



Legend

-  Site
-  Elementary School
-  Fire
-  High School
-  Library
-  Medical Center
-  Middle School
-  Police
-  Post Office
-  Shopping
-  Transit



## 6. CRIME ISSUES

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

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

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

Total crime risk for the site's ZIP Code is 128, with an overall personal crime index of 302 and a property crime index of 102. Total crime risk for Hampton County is 119, with indexes for personal and property crime of 211 and 105, respectively.

	Crime Risk Index	
	Site ZIP Code	Hampton County
<b>Total Crime</b>	<b>128</b>	<b>119</b>
<b>Personal Crime</b>	<b>302</b>	<b>211</b>
Murder	557	267
Rape	143	94
Robbery	109	97
Assault	406	279
<b>Property Crime</b>	<b>102</b>	<b>105</b>
Burglary	182	171
Larceny	85	92
Motor Vehicle Theft	50	62

Source: Applied Geographic Solutions

The crime risk index within the site's ZIP Code (128) is slightly above both those of Hampton County (119) and the nation (100). Nonetheless, the perception of crime within the area has not had an adverse impact on the overall marketability of the Estill rental housing market, as evidenced by the strong occupancy levels maintained at all properties surveyed in the market, including the subject site. A map illustrating crime risk is on the following page.



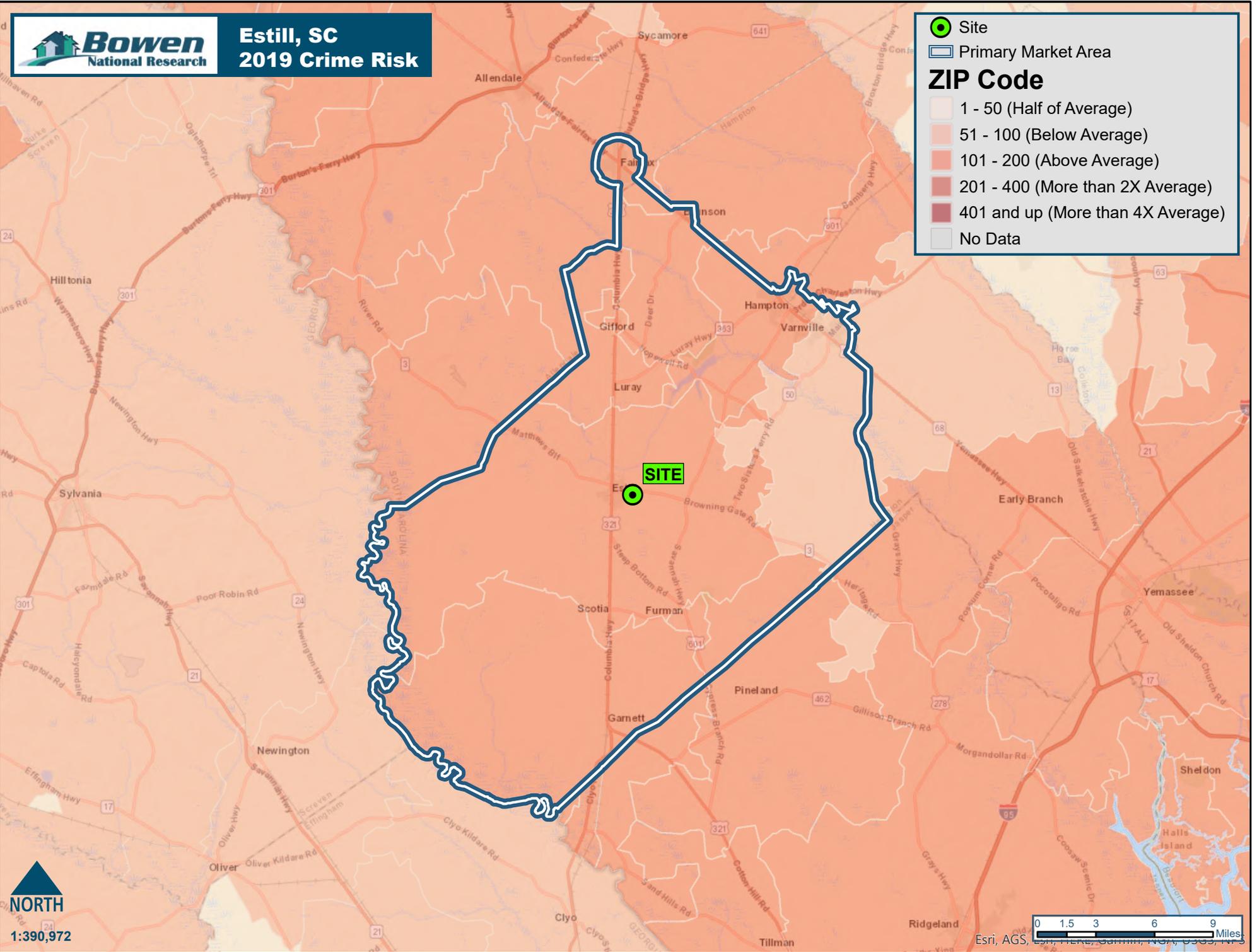
# Estill, SC 2019 Crime Risk

Site

Primary Market Area

### ZIP Code

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



NORTH  
1:390,972

Esri, AGS, Esri, HERE, Garmin, NAV, OSGS, NPS

## **7. ACCESS AND VISIBILITY**

Seagrove Village Apartments maintains visibility along Liberty Avenue, a two-lane road that borders the site to the east. However, this roadway consists of light traffic patterns, which terminates 0.3 miles south of the site and is primarily utilized by residents and visitors of the area. The site is not visible from arterial roadways. Nonetheless, the lack of visibility has not had an adverse impact on the subject's marketability, as evidenced by its 100.0% occupancy rate and waiting list.

Access to and from the site also derives from Liberty Avenue, which is ultimately accessed from 3<sup>rd</sup> Street/State Route 3. 3<sup>rd</sup> Street/State Route 3 is a two-lane road with steady traffic, which will contribute to convenient ingress and egress. The site is also within 2.5 miles of U.S. Highways 321 and 601. Additionally, on-call, on-site pickup transportation services are provided by Palmetto Breeze. Overall, access to and from the site is considered good.

## **8. VISIBLE OR ENVIRONMENTAL ISSUES**

There were no visible or environmental issues observed during our site visit.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is located in a quiet neighborhood in the eastern portion of Estill. Surrounding land uses include wooded land, single-family homes and a rehabilitation center in fair to good condition. The site is consistent with the residential nature of the immediate neighborhood, which will continue to contribute to its marketability. The site is within 2.0 miles of most basic shopping, health care needs and public safety services. While the site is not visible from arterial roadways, the lack of visibility has not had an adverse impact on the subject's marketability. Access to and from the site is considered good, as it is within 2.5 miles of State Route 3 and U.S. Highways 321 and 601. Additionally, on-call, on-site pickup transportation services are provided by Palmetto Breeze. Overall, we consider the site's location and proximity to community services to have a positive impact on its continued marketability.

## D. Primary Market Area Delineation

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

The Estill Site PMA includes Estill, Luray, Gifford, Fairfax, Brunson, Hampton, Varnville, Furrman and Scotia, as well as the surrounding unincorporated areas of Hampton County. Specifically, the boundaries of the Site PMA include the Hampton/Allendale County boundary, U.S. Highway 321, the Fairfax town limits, U.S. Highway 278 and the town limits of Brunson, Hampton and Varnville to the north; U.S. Highway 278 to the east; the Hampton/Jasper County boundary to the south; and the Savannah River to the west. All boundaries of the Site PMA are generally within 15.2 miles from the site. The Site PMA includes all, or portions of the following Census Tracts:

9201.00	9202.00	9204.00*
9205.00	9704.00	

\*Subject site location

Donneil Akins, Property Manager of Seagrove Village Apartments (subject site), stated that the senior residents from other counties and surrounding areas would relocate to Estill for the option of living in a newly renovated property that offers quality living conditions with amenities that accommodate their needs. Ms. Akins confirmed the Site PMA.

Eugene Jenkins Jr., President of the Varnville Area Housing Corporation and Administrative Property Manager for Varnville Village I & II (Map ID 13), a government-subsidized property in Varnville, confirmed the Site PMA. Mr. Jenkins noted that, due to the lack of available affordable housing within the region, his property generates support from Estill and anticipates that the site generates support from Varnville and the surrounding smaller towns of Hampton County for the same reason.

Pamala Harris, Property Manager of Fairfax Apartments (Map ID 5), a government-subsidized property in Fairfax, stated that her property's tenants are local; however, confirmed the Site PMA, as she believes residents in the Fairfax area would consider relocating to Estill for good quality affordable rental housing.

Donesha Brunson, Community Property Manager at Parish Greene Apartments (Map ID 12), a Tax Credit property in Estill, stated that her property's tenants are local to the area. However, Ms. Brunson did confirm the Site PMA, as she believes that residents in the surrounding smaller towns of the county would relocate to the Estill for affordable rental housing.

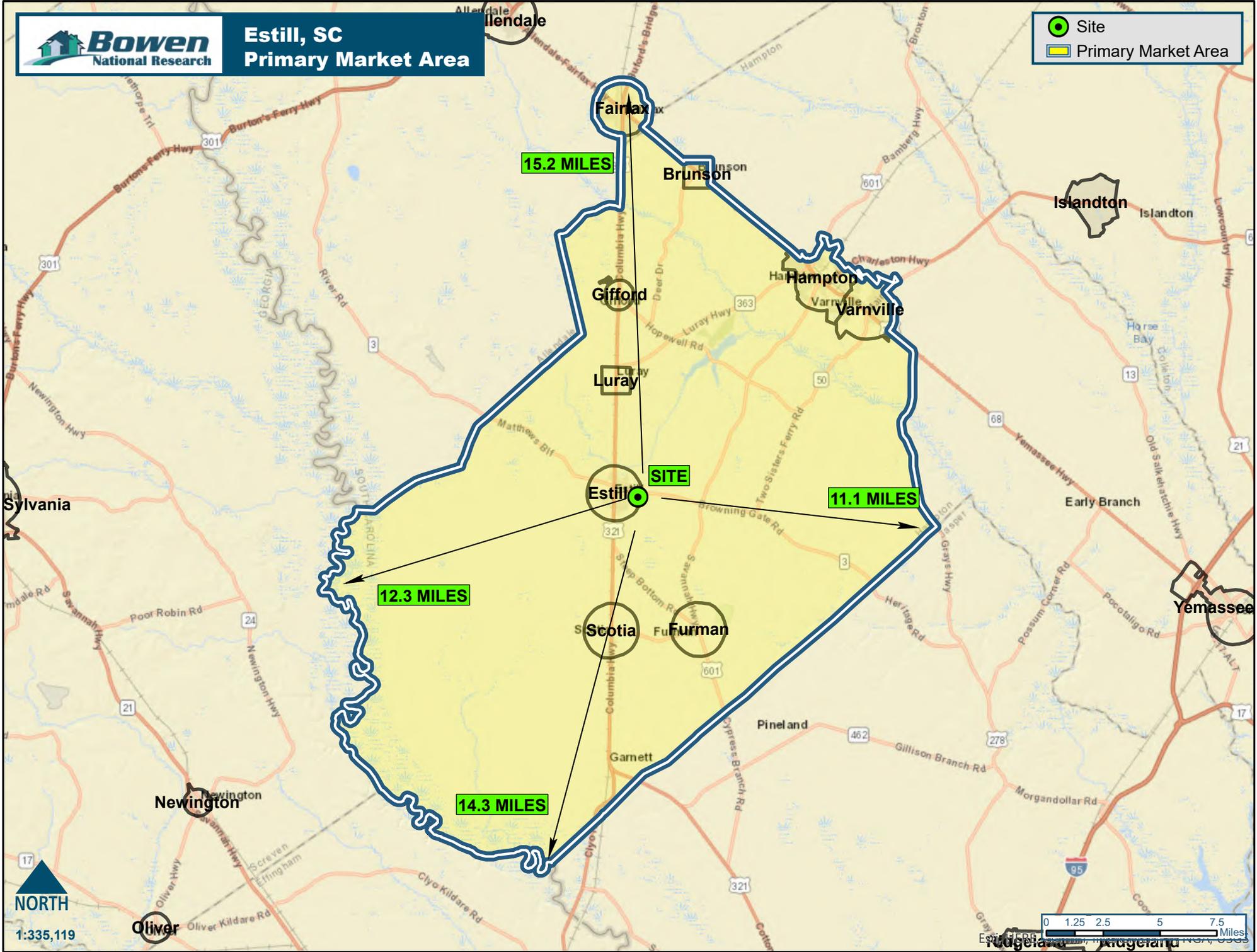
A modest portion of support may originate from some of the outlying areas of the market; we have not, however, considered any secondary market area in this report.

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



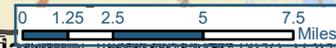
# Estill, SC Primary Market Area

- Site
- Primary Market Area



NORTH

1:335,119



Esstail, SC Primary Market Area

## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

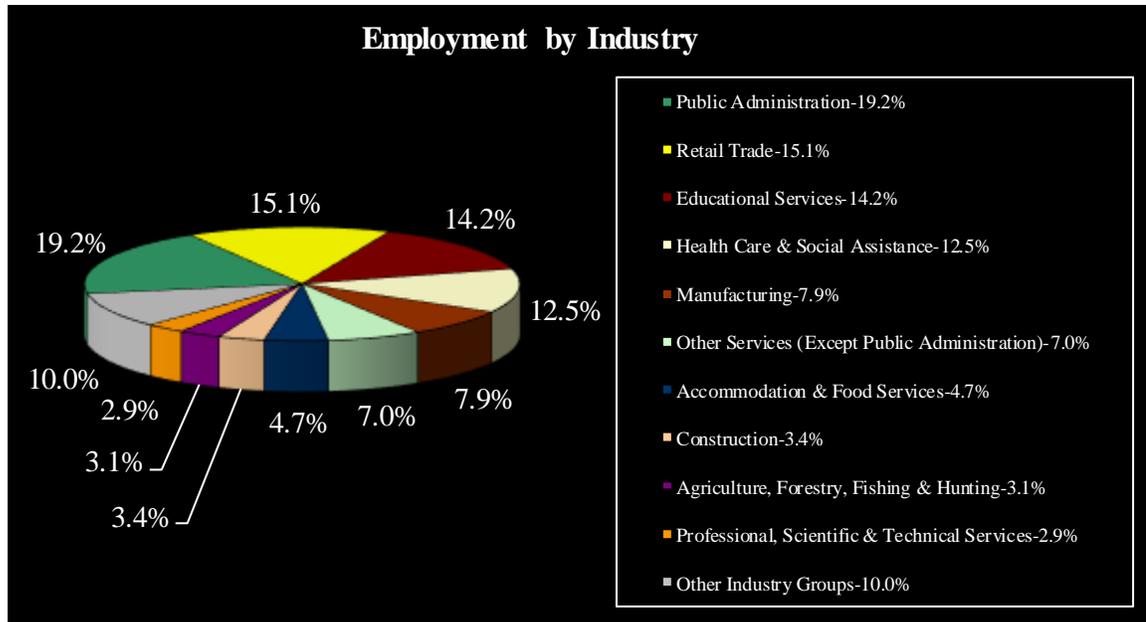
The labor force within the Estill Site PMA is based primarily in four sectors. Public Administration (which comprises 19.2%), Retail Trade, Educational Services and Health Care & Social Assistance comprise approximately 61% of the Site PMA labor force. Employment in the Estill Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	19	2.8%	189	3.1%	9.9
Mining	1	0.1%	2	0.0%	2.0
Utilities	1	0.1%	12	0.2%	12.0
Construction	27	4.0%	208	3.4%	7.7
Manufacturing	19	2.8%	476	7.9%	25.1
Wholesale Trade	19	2.8%	103	1.7%	5.4
Retail Trade	121	17.8%	915	15.1%	7.6
Transportation & Warehousing	13	1.9%	95	1.6%	7.3
Information	14	2.1%	50	0.8%	3.6
Finance & Insurance	36	5.3%	148	2.4%	4.1
Real Estate & Rental & Leasing	25	3.7%	86	1.4%	3.4
Professional, Scientific & Technical Services	36	5.3%	175	2.9%	4.9
Management of Companies & Enterprises	1	0.1%	30	0.5%	30.0
Administrative, Support, Waste Management & Remediation Services	13	1.9%	36	0.6%	2.8
Educational Services	26	3.8%	860	14.2%	33.1
Health Care & Social Assistance	51	7.5%	756	12.5%	14.8
Arts, Entertainment & Recreation	11	1.6%	37	0.6%	3.4
Accommodation & Food Services	32	4.7%	285	4.7%	8.9
Other Services (Except Public Administration)	132	19.4%	423	7.0%	3.2
Public Administration	68	10.0%	1,163	19.2%	17.1
Nonclassifiable	15	2.2%	6	0.1%	0.4
<b>Total</b>	<b>680</b>	<b>100.0%</b>	<b>6,055</b>	<b>100.0%</b>	<b>8.9</b>

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

E.P.E. - Average Employees Per Establishment

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



## 2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Northeast South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$86,310	\$103,100
Business and Financial Occupations	\$58,270	\$64,640
Computer and Mathematical Occupations	\$60,630	\$74,030
Architecture and Engineering Occupations	\$66,660	\$79,960
Community and Social Service Occupations	\$47,980	\$43,170
Art, Design, Entertainment and Sports Medicine Occupations	\$36,510	\$48,550
Healthcare Practitioners and Technical Occupations	\$71,470	\$73,040
Healthcare Support Occupations	\$27,820	\$29,070
Protective Service Occupations	\$39,340	\$38,670
Food Preparation and Serving Related Occupations	\$22,190	\$21,910
Building and Grounds Cleaning and Maintenance Occupations	\$24,430	\$25,170
Personal Care and Service Occupations	\$22,770	\$24,210
Sales and Related Occupations	\$26,560	\$34,590
Office and Administrative Support Occupations	\$32,050	\$34,970
Construction and Extraction Occupations	\$38,910	\$41,220
Installation, Maintenance and Repair Occupations	\$40,540	\$44,730
Production Occupations	\$34,850	\$39,000
Transportation and Moving Occupations	\$31,910	\$33,870

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

Most annual blue-collar salaries range from \$22,190 to \$47,980 within the Northeast South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$68,668. It is important to note that most occupational types within the Northeast South Carolina Nonmetropolitan Area have lower typical wages than the State of South Carolina's typical wages. Therefore, the area employment base has a sufficient number of income-appropriate occupations from which the subject project will continue to draw support from those senior households still within the workforce.

### 3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Hampton County comprise a total of 727 employees and are summarized as follows. Note that year established and salary range were not readily available for these top employers. However, these employers are well-established within the county and likely offer salaries/wages typical of those reported for the Northeast South Carolina Nonmetropolitan Area and reflected in the *Typical Wage by Occupation Type* table on the preceding page.

Employer Name	Business Type	Total Employed
Le Creuset of America	Distribution	202
Canfor Sawmilling co.	Lumber Mill	186
Love's Travel Stop	Truck Service	60
Oakwood Products	Chemical Plant	57
R&L Carriers	Transportation	55
CMT	Fiberglass Manufacturing	41
Nupi Americas	Distribution & Fabrication	37
Specified Fittings	Pipe Fittings	36
World Energy	Biofuels	30
Spencer Industries	Plastic Fabrication	23
Total		727

Source: Southern Carolina Regional Development Alliance

Despite multiple attempts to contact economic representatives regarding the health of the local employment base, a response was not received at the time this report was issued. The following was obtained via extensive online research:

- In April 2019, World Energy announced plans to invest \$5.4 million in Hampton County. The biodiesel supplier will create up to 30 new jobs over the next five years, while opening a plant in Estill on the site of a former biodiesel production plant.

- In October 2019, Hampton County Council approved an inducement resolution for an un-named company to move to the former Panasonic/Carsonite building, currently owned by the county in Varnville. The project, named “Project Flash”, would grant infrastructure credits and Payment-In-Lieu of Taxes for 30 years to the company and is expected to be an approximately \$1.6 million investment in the county.

Infrastructure

In December 2019, Hampton County Council approved an ordinance for a bond to defray costs of hangars at the Hampton County Airport.

WARN (layoff notices):

WARN Notices were reviewed in February 2020 and according to South Carolina Works, there have been no WARN notices reported for Hampton County over the past 18 months.

**4. EMPLOYMENT TRENDS**

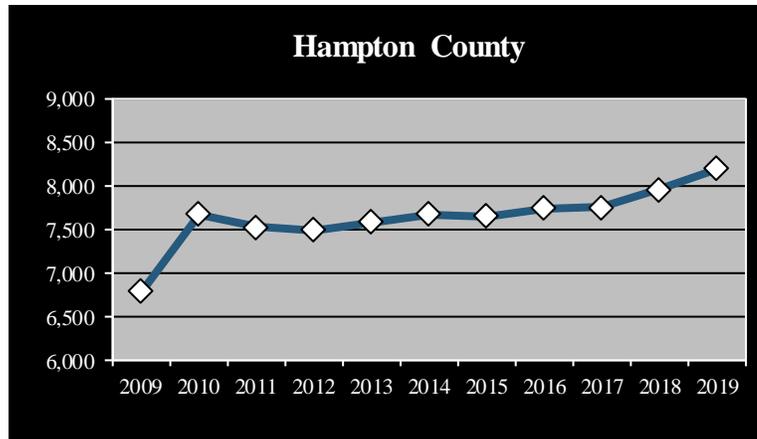
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2019, the employment base has increased by 3.6% over the past five years in Hampton County, less than the South Carolina state increase of 7.9%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Hampton County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	6,779	-	1,910,670	-	140,696,560	-
2010	7,659	13.0%	1,915,045	0.2%	140,469,139	-0.2%
2011	7,516	-1.9%	1,945,900	1.6%	141,791,255	0.9%
2012	7,480	-0.5%	1,985,618	2.0%	143,621,634	1.3%
2013	7,571	1.2%	2,023,642	1.9%	145,017,562	1.0%
2014	7,669	1.3%	2,078,592	2.7%	147,313,048	1.6%
2015	7,640	-0.4%	2,132,099	2.6%	149,564,649	1.5%
2016	7,738	1.3%	2,175,584	2.0%	151,965,225	1.6%
2017	7,740	0.0%	2,207,404	1.5%	154,271,036	1.5%
2018	7,945	2.7%	2,243,656	1.6%	156,328,502	1.3%
2019	8,190	3.1%	2,307,129	2.8%	158,521,046	1.4%

Source: Department of Labor; Bureau of Labor Statistics

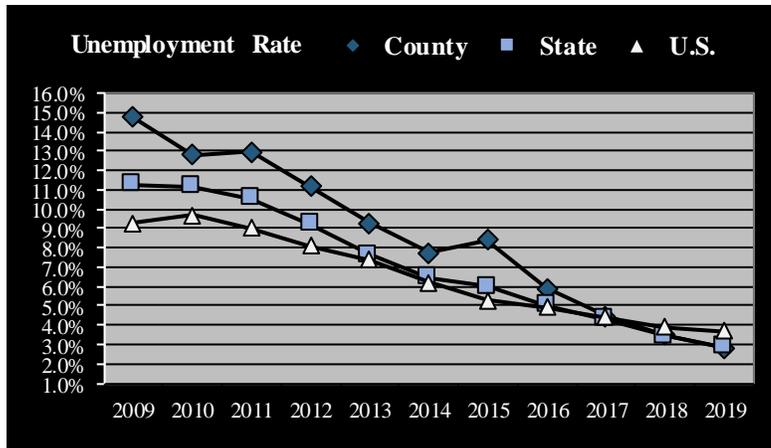


Since 2009, the employment base in Hampton County increased by 1,411 jobs, or 20.8%, through the end of 2019.

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

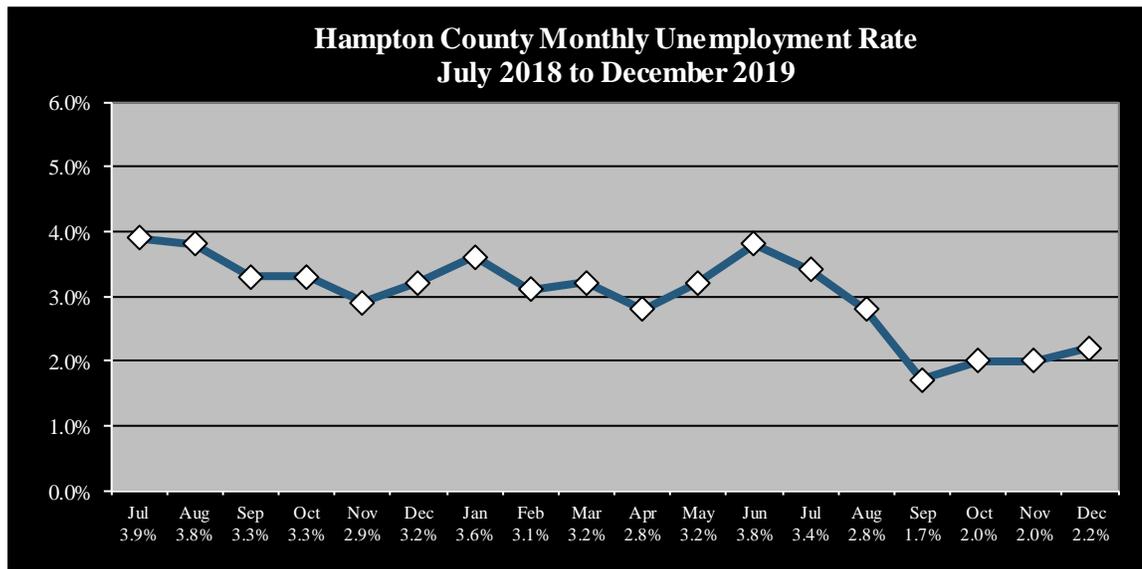
Year	Unemployment					
	Hampton County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	1,176	14.8%	242,075	11.3%	14,430,158	9.3%
2010	1,126	12.8%	240,623	11.2%	15,070,017	9.7%
2011	1,118	13.0%	229,623	10.6%	14,035,049	9.0%
2012	941	11.2%	201,260	9.2%	12,691,553	8.1%
2013	775	9.3%	167,326	7.6%	11,634,201	7.4%
2014	643	7.7%	143,753	6.5%	9,776,089	6.2%
2015	701	8.4%	135,450	6.0%	8,421,481	5.3%
2016	482	5.9%	114,978	5.0%	7,858,728	4.9%
2017	360	4.4%	98,617	4.3%	7,098,786	4.4%
2018	289	3.5%	79,553	3.4%	6,395,831	3.9%
2019	238	2.8%	68,710	2.9%	6,089,163	3.7%

Source: Department of Labor; Bureau of Labor Statistics



Within the preceding ten-year period, after reaching a high of 14.8% in 2009, the county’s unemployment rate has generally declined since. Notably, the current unemployment rate of 2.8% within Hampton County is the lowest rate since 2009, below both those of the state (2.9%) and nation (3.7%).

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



During the previous 18-month period, the unemployment rate has generally trended downward from a high of 3.9% reported in July 2018 to 2.2% reported in December 2019.

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

In-Place Employment Hampton County			
Year	Employment	Change	Percent Change
2009	4,902	-	-
2010	4,888	-14	-0.3%
2011	4,692	-196	-4.0%
2012	4,656	-36	-0.8%
2013	4,692	36	0.8%
2014	4,647	-45	-1.0%
2015	4,548	-99	-2.1%
2016	4,649	101	2.2%
2017	4,607	-42	-0.9%
2018	4,684	77	1.7%
2019*	4,691	7	0.1%

Source: Department of Labor, Bureau of Labor Statistics

\*Through June

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Hampton County to be 59.0% of the total Hampton County employment. This means that Hampton County has more employed persons staying in the county for daytime employment than those who work outside the county. This will continue to have a positive impact on the site's marketability, as it is likely that many of its residents still within the workforce have minimal commute times to their place of employment.

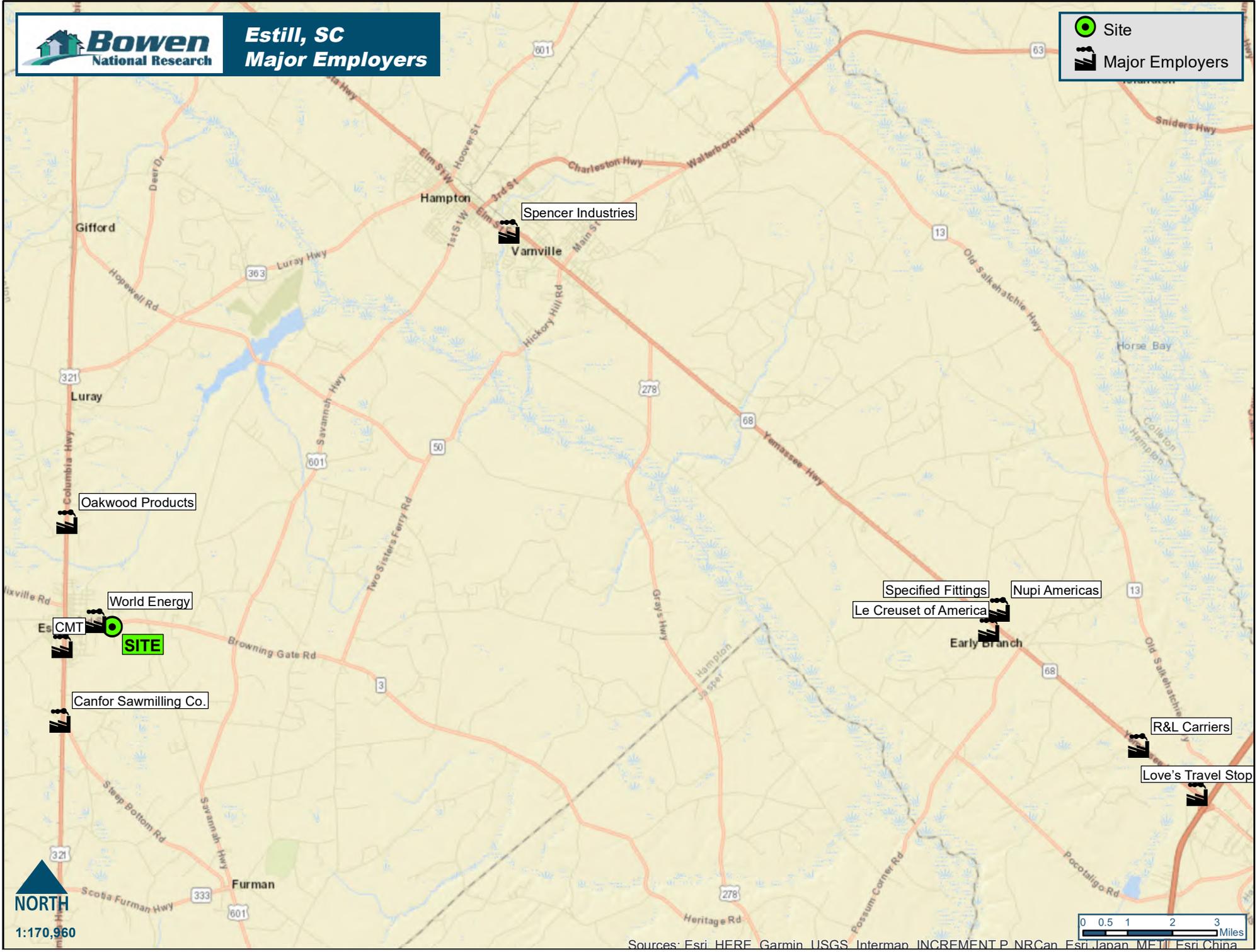
## 5. EMPLOYMENT CENTERS MAP

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



# Estill, SC Major Employers

- Site
- Major Employers



**NORTH**  
1:170,960



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

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	4,639	81.4%
Carpooled	794	13.9%
Public Transit	94	1.6%
Walked	51	0.9%
Other Means	71	1.2%
Worked at Home	48	0.8%
Total	5,697	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Over 81% of all workers drove alone, 13.9% carpoled and only 1.6% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,373	24.1%
15 to 29 Minutes	1,395	24.5%
30 to 44 Minutes	1,195	21.0%
45 to 59 Minutes	449	7.9%
60 or More Minutes	1,239	21.7%
Worked at Home	48	0.8%
Total	5,699	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-minute drive to most of the area's largest employers, which should continue to contribute to its marketability from those seniors still within the workforce. A drive-time map for the subject site is on the following page.

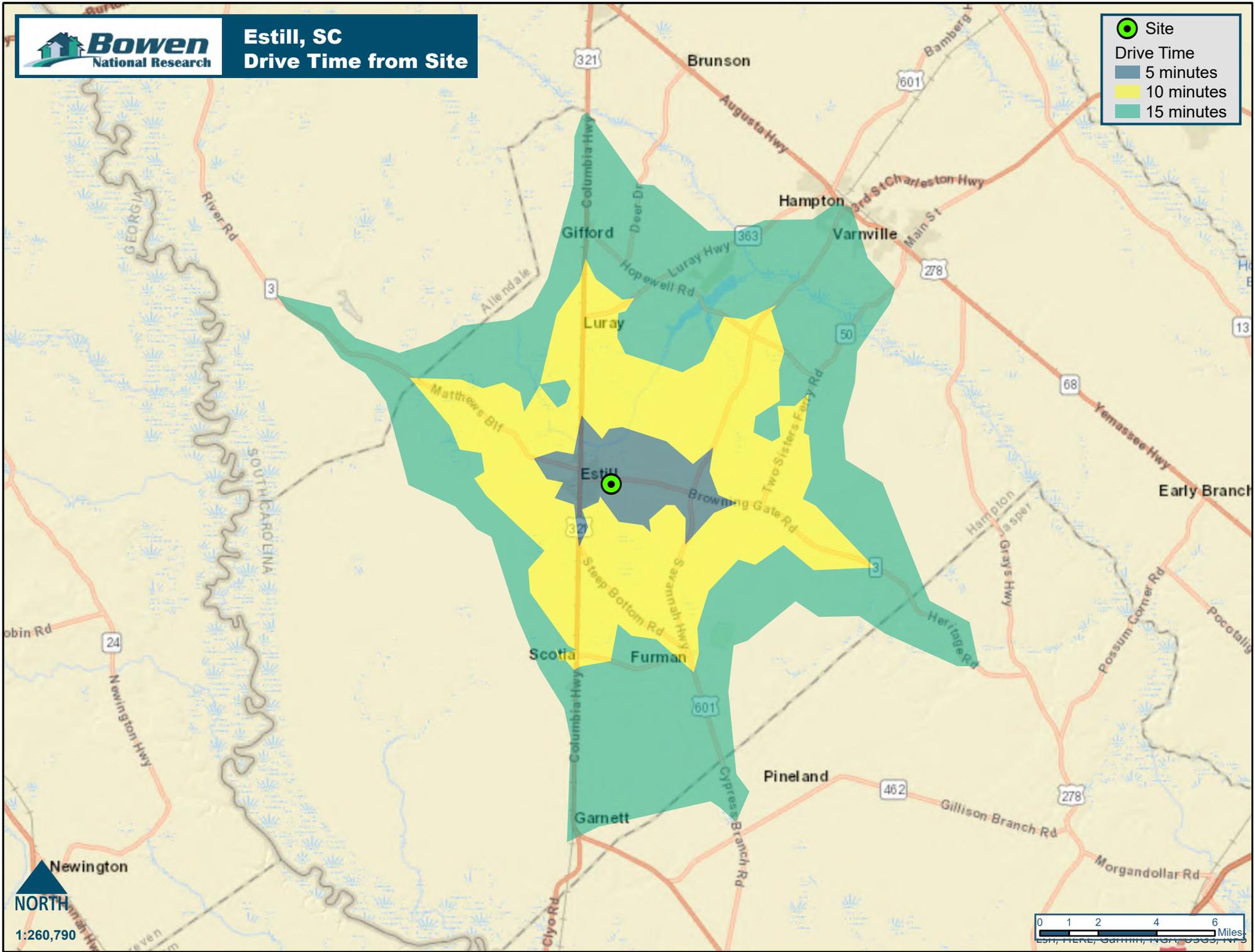


# Estill, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



**NORTH**  
1:260,790



## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

Based on online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Hampton County economy continues to experience growth. Since 2009, the number of jobs within the county has increased by over 1,400, or 20.8%, through the end of 2019. Conversely, the county's unemployment rate declined by 12 percentage points during the same timeframe, from a high of 14.8% to 2.8%. Notably the county's unemployment is the lowest it has been within the past decade, below both the state and national average of 2.9% and 3.7%, respectively. Based on these trends, it is expected that the local economy will continue to experience growth within the foreseeable future. In turn, this will continue to create a stable environment for housing.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2022 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2022 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2022 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Population	18,351	16,853	17,350	17,317
Population Change	-	-1,498	497	-33
Percent Change	-	-8.2%	2.9%	-0.2%

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

The Estill Site PMA population base declined by 1,498 between 2000 and 2010. This represents an 8.2% decline from the 2000 population, or an annual rate of 0.8%. Between 2010 and 2019, the population increased by 497, or 2.9%. It is projected that the population will be generally stable through 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 8.3% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	1,393	8.3%
Population not in Group Quarters	15,460	91.7%
Total Population	16,853	100.0%

Source: 2010 Census

**b. Population by Age Group**

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

Population by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	4,461	26.5%	4,008	23.1%	4,022	23.2%	14	0.3%
20 to 24	1,009	6.0%	991	5.7%	915	5.3%	-76	-7.6%
25 to 34	2,153	12.8%	2,550	14.7%	2,373	13.7%	-177	-6.9%
35 to 44	2,403	14.3%	2,239	12.9%	2,304	13.3%	65	2.9%
45 to 54	2,418	14.3%	2,214	12.8%	2,135	12.3%	-79	-3.6%
55 to 64	2,159	12.8%	2,370	13.7%	2,312	13.3%	-58	-2.5%
65 to 74	1,296	7.7%	1,873	10.8%	1,979	11.4%	106	5.6%
75 & Over	954	5.7%	1,105	6.4%	1,278	7.4%	173	15.6%
Total	16,853	100.0%	17,350	100.0%	17,317	100.0%	-33	-0.2%

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

As the preceding table illustrates, over 25% of the population is expected to be 65 or older in 2019. This age group is the primary group of current and potential support for the subject site and likely represents a significant number of the tenants.

**c. Elderly and Non-Elderly Population**

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2019 (Estimated)	2022 (Projected)
Elderly (Age 62+)	2,866	3,693	3,966
Non-Elderly	13,987	13,657	13,351
Total	16,853	17,350	17,317

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

The elderly population is projected to increase by 273, or 7.4%, between 2019 and 2022. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

**d. Special Needs Population**

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

e. **Minority Concentrations**

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	61.0%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	55.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.6%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.2%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	3.1%

Source: U.S. Census Bureau, 2010 Census

Based on the preceding table, the site Census Tract does contain a high share of minorities.

2. **HOUSEHOLD TRENDS**

a. **Total Households**

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

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	6,000	5,993	6,249	6,237
Household Change	-	-7	256	-12
Percent Change	-	-0.1%	4.3%	-0.2%
Household Size	3.06	2.81	2.55	2.55

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

Within the Estill Site PMA, households declined by 7 (0.1%) between 2000 and 2010. Between 2010 and 2019, households increased by 256 or 4.3%. Similar to population trends, household growth within the market is projected to be relatively stable through 2022.

b. **Households by Tenure**

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,313	72.0%	4,436	71.0%	4,430	71.0%
Renter-Occupied	1,680	28.0%	1,813	29.0%	1,807	29.0%
Total	5,993	100.0%	6,249	100.0%	6,237	100.0%

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

In 2019, homeowners occupied 71.0% of all occupied housing units, while the remaining 29.0% were occupied by renters.

Households by tenure for those age 55 and older in 2010, 2019 (estimated) and 2022 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	2,342	83.5%	2,744	84.9%	2,846	85.4%
Renter-Occupied	464	16.5%	487	15.1%	487	14.6%
Total	2,806	100.0%	3,231	100.0%	3,332	100.0%

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

A total of 487 (15.1%) of all households age 55 and older within the Site PMA were renters in 2019.

Households by tenure for those age 62 and older in 2010, 2019 (estimated) and 2022 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,598	84.8%	1,974	86.4%	2,103	86.9%
Renter-Occupied	286	15.2%	311	13.6%	318	13.1%
Total	1,884	100.0%	2,285	100.0%	2,421	100.0%

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

A total of 311 (13.6%) of all households age 62 and older within the Site PMA were renters in 2019.

The following tables demonstrate the share of substandard housing found in the Site PMA, based on the presence or absence of kitchen and bathroom facilities:

	Kitchen Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Kitchen	4,154	100.0%	1,454	98.2%
Lacking Complete Kitchen	0	0.0%	27	1.8%
Total	4,154	100.0%	1,481	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

	Bathroom Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Plumbing	4,150	99.9%	1,454	98.2%
Lacking Complete Plumbing	4	0.1%	27	1.8%
Total	4,154	100.0%	1,481	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Based on the 2013-2017 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 0.0% and 1.8%, respectively, while owner- and renter-occupied housing with incomplete plumbing facilities was 0.1% and 1.8%, respectively.

Owner and renter cost as a percent of income is illustrated in the following table:

Percentage of Income	Owner		Renter	
	Number	Percent	Number	Percent
Less Than 20%	2,730	65.7%	235	15.9%
20% to 29%	611	14.7%	378	25.6%
30% or More	803	19.3%	433	29.3%
Not Computed	10	0.2%	433	29.3%
Total	4,154	100.0%	1,479	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, 29.3% of renter households in the market pay more than 30% of their income towards rent. This is lower than the national average of 46.8%.

**c. Households by Income**

The distribution of households by income age 62 and older within the Estill Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	300	15.9%	224	9.8%	223	9.2%
\$10,000 to \$19,999	463	24.6%	579	25.3%	610	25.2%
\$20,000 to \$29,999	348	18.5%	497	21.8%	499	20.6%
\$30,000 to \$39,999	209	11.1%	314	13.7%	339	14.0%
\$40,000 to \$49,999	135	7.2%	173	7.6%	193	8.0%
\$50,000 to \$59,999	124	6.6%	128	5.6%	145	6.0%
\$60,000 to \$74,999	131	7.0%	115	5.0%	122	5.0%
\$75,000 to \$99,999	86	4.6%	94	4.1%	102	4.2%
\$100,000 to \$124,999	45	2.4%	90	3.9%	107	4.4%
\$125,000 to \$149,999	21	1.1%	43	1.9%	50	2.1%
\$150,000 to \$199,999	17	0.9%	13	0.6%	14	0.6%
\$200,000 & Over	5	0.3%	15	0.7%	16	0.7%
Total	1,884	100.0%	2,285	100.0%	2,421	100.0%
Median Income	\$25,144		\$26,831		\$27,561	

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

In 2010, the median household income for households age 62 and older was \$25,144. This increased by 6.7% to \$26,831 in 2019. By 2022, it is projected that the median household income will be \$27,561, an increase of 2.7% from 2019.

**d. Average Household Size**

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

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2019 and 2022 for the Estill Site PMA:

Renter Age 62+ Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	47	14	8	6	4	79
\$10,000 to \$19,999	67	18	10	8	6	110
\$20,000 to \$29,999	29	8	4	4	2	47
\$30,000 to \$39,999	12	3	2	2	1	21
\$40,000 to \$49,999	7	2	1	1	0	10
\$50,000 to \$59,999	5	2	0	0	0	7
\$60,000 to \$74,999	5	2	0	0	0	7
\$75,000 to \$99,999	2	0	0	0	0	3
\$100,000 to \$124,999	0	0	0	0	0	1
\$125,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	174	49	25	21	15	286

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2019 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	35	7	5	3	3	53
\$10,000 to \$19,999	103	18	13	10	7	151
\$20,000 to \$29,999	40	7	5	4	3	59
\$30,000 to \$39,999	16	3	2	2	1	25
\$40,000 to \$49,999	10	2	1	1	1	14
\$50,000 to \$59,999	3	0	0	0	0	4
\$60,000 to \$74,999	2	0	0	0	0	3
\$75,000 to \$99,999	1	0	0	0	0	1
\$100,000 to \$124,999	0	0	0	0	0	1
\$125,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	212	38	26	20	15	311

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	34	6	5	3	3	51
\$10,000 to \$19,999	112	18	12	10	8	160
\$20,000 to \$29,999	39	7	4	4	3	57
\$30,000 to \$39,999	17	3	2	2	1	25
\$40,000 to \$49,999	12	2	1	1	1	17
\$50,000 to \$59,999	3	0	0	0	0	4
\$60,000 to \$74,999	3	0	0	0	0	3
\$75,000 to \$99,999	1	0	0	0	0	1
\$100,000 to \$124,999	1	0	0	0	0	1
\$125,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	221	37	25	20	15	318

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2019 and 2022 for the Estill Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	88	67	30	21	15	221
\$10,000 to \$19,999	144	106	47	33	24	353
\$20,000 to \$29,999	120	91	40	29	20	301
\$30,000 to \$39,999	71	59	27	18	13	188
\$40,000 to \$49,999	46	41	18	12	7	125
\$50,000 to \$59,999	43	37	17	12	8	117
\$60,000 to \$74,999	46	39	17	12	9	124
\$75,000 to \$99,999	31	27	12	9	5	83
\$100,000 to \$124,999	15	15	7	5	3	44
\$125,000 to \$149,999	7	7	3	2	1	21
\$150,000 to \$199,999	6	6	3	1	1	17
\$200,000 & Over	2	2	1	0	0	5
Total	617	498	222	154	107	1,598

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	74	54	21	13	9	171
\$10,000 to \$19,999	191	133	51	32	21	428
\$20,000 to \$29,999	187	140	54	35	23	438
\$30,000 to \$39,999	119	95	37	23	16	289
\$40,000 to \$49,999	65	53	20	13	8	159
\$50,000 to \$59,999	47	43	17	11	7	124
\$60,000 to \$74,999	41	39	15	10	7	112
\$75,000 to \$99,999	37	31	13	7	5	93
\$100,000 to \$124,999	35	31	11	7	5	89
\$125,000 to \$149,999	17	15	6	3	2	43
\$150,000 to \$199,999	5	5	2	1	0	13
\$200,000 & Over	6	5	2	2	0	15
Total	823	641	249	158	102	1,974

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	75	54	21	13	9	172
\$10,000 to \$19,999	204	139	53	33	22	451
\$20,000 to \$29,999	190	142	54	35	23	443
\$30,000 to \$39,999	131	103	39	25	17	314
\$40,000 to \$49,999	73	58	22	14	9	176
\$50,000 to \$59,999	54	49	19	12	7	141
\$60,000 to \$74,999	44	42	16	10	7	119
\$75,000 to \$99,999	41	34	13	8	5	101
\$100,000 to \$124,999	43	37	13	9	5	107
\$125,000 to \$149,999	20	18	7	4	2	50
\$150,000 to \$199,999	6	5	2	1	0	14
\$200,000 & Over	6	6	2	2	0	16
Total	885	687	261	165	106	2,103

Source: ESRI; Urban Decision Group

The following tables illustrate all household income by household size for age 62 and older for 2010, 2019 and 2022 for the Estill Site PMA:

All Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	135	81	38	27	19	300
\$10,000 to \$19,999	211	124	57	41	30	463
\$20,000 to \$29,999	149	100	45	33	22	348
\$30,000 to \$39,999	83	63	29	21	14	209
\$40,000 to \$49,999	52	43	19	13	8	135
\$50,000 to \$59,999	48	38	17	12	9	124
\$60,000 to \$74,999	50	41	18	12	10	131
\$75,000 to \$99,999	33	27	12	9	5	86
\$100,000 to \$124,999	15	15	7	5	3	45
\$125,000 to \$149,999	7	7	3	2	1	21
\$150,000 to \$199,999	6	6	3	1	1	17
\$200,000 & Over	2	2	1	0	0	5
Total	792	547	247	176	122	1,884

Source: ESRI; Urban Decision Group

All Age 62+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	109	61	26	17	12	224
\$10,000 to \$19,999	294	151	63	42	29	579
\$20,000 to \$29,999	226	147	59	39	26	497
\$30,000 to \$39,999	135	98	39	25	17	314
\$40,000 to \$49,999	75	55	21	14	8	173
\$50,000 to \$59,999	50	43	17	11	7	128
\$60,000 to \$74,999	44	39	15	10	7	115
\$75,000 to \$99,999	38	31	13	8	5	94
\$100,000 to \$124,999	36	31	11	7	5	90
\$125,000 to \$149,999	17	15	6	3	2	43
\$150,000 to \$199,999	5	5	2	1	0	13
\$200,000 & Over	6	5	2	2	0	15
Total	1,035	680	275	178	117	2,285

Source: ESRI; Urban Decision Group

All Age 62+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	109	60	26	16	11	223
\$10,000 to \$19,999	316	157	65	43	30	610
\$20,000 to \$29,999	228	149	58	38	26	499
\$30,000 to \$39,999	148	106	41	26	17	339
\$40,000 to \$49,999	85	61	23	15	9	193
\$50,000 to \$59,999	57	49	19	12	7	145
\$60,000 to \$74,999	47	42	16	11	7	122
\$75,000 to \$99,999	42	34	13	8	5	102
\$100,000 to \$124,999	43	37	14	9	5	107
\$125,000 to \$149,999	20	18	7	4	2	50
\$150,000 to \$199,999	6	5	2	1	0	14
\$200,000 & Over	6	6	2	2	1	16
Total	1,106	723	286	185	121	2,421

Source: ESRI; Urban Decision Group

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

### Demographic Summary

Over one-fourth of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2010 and are projected to remain relatively stable through 2022. Regardless, the 2,285 senior households estimated in 2019 represent a sufficient base of continued support in the market for the subject development. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied. This indicates that pent-up demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

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

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

The subject site is in Hampton County, a nonmetropolitan statistical area, which has a four-person median household income of \$46,900 for 2020. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$62,300 in 2020. The subject property will be restricted to households with incomes up to 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income
	60%
One-Person	\$26,160
Two-Person	\$29,880

The subject project consists entirely of one-bedroom units that are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$29,880**.

### 2. AFFORDABILITY

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

The lowest gross LIHTC rent for a one-bedroom unit at the site is \$660. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,920. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$19,800**.

Considering that the subject project will continue to offer Rental Assistance (RA) on all 25 units post LIHTC renovations, it will continue to serve senior households with little or no income. As such, we have also conducted a capture rate analysis that considers the project to continue to operate with RA.

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 program and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/LIHTC with RA	\$0	\$29,880
LIHTC Only without RA	\$19,800	\$29,880

### 3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2019 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2022) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, approximately 9.8% to 29.6% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2017 ACS 5-Year Estimates Table B25016, 3.4% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

The subject project is located in a rural area of South Carolina. As a result, we anticipate that 5.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 5.0% homeowner conversion rate in our capture rate estimates.

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

#### 4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2019 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

#### 5. **DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2019 to current). In addition, all existing affordable rental units surveyed within the market are occupied. Therefore, we did not utilize any existing units in the demand analysis illustrated on the following page.

*Note that under the RD 515 program, the subject project is restricted to seniors age 62 and older. In the unlikely event the subsidy was lost and the project was to operate exclusively under the LIHTC guidelines, it would then be open to seniors age 55 and older. The following demand estimates consider these aforementioned age restrictions for each of these scenarios.*

Demand Component	Percent of Median Household Income	
	As Proposed w/RA Age 62+ (\$0-\$29,880)	Tax Credit Only Age 55+ (\$19,800-\$29,880)
Demand from New Renter Households (Age- & Income-Appropriate)	265 - 262 = 3	89 - 91 = -2
+		
Demand from Existing Households (Rent Overburdened)	262 X 29.6% = 78	91 X 9.8% = 9
+		
Demand from Existing Households (Renters in Substandard Housing)	262 X 3.4% = 9	91 X 3.4% = 3
+		
Demand from Existing Households (Senior Homeowner Conversion)	998 X 5.0% = 22*	559 X 5.0% = 2*
=		
Total Demand	112	12
-		
Supply (Directly Comparable Units Built and/or Funded Since 2019)	0	0
=		
Net Demand	112	12
Subject Units	25	25
Subject Units / Net Demand	25 / 112	25 / 12
Capture Rate	= 22.3%	> 100.0%

\*Demand from homeowners is limited to no more than 20% of overall demand.

Typically, under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As proposed, the subject project will maintain RA on all units and will require an overall capture rate of 22.3%. Based on the current occupancy of the project and the overall market, the 22.3% capture rate is considered low and achievable. Further, the subject project is 100.0% occupied and all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is **0.0%**.

In the unlikely event the subject project was to lose RA on all units and operated exclusively under the LIHTC program, there will be a very limited base of support at its proposed rent level. In this unlikely scenario, the subject's rent will need to be lowered to its achievable LIHTC rent (as illustrated in Section H of this report) in order for the project to stabilize within a reasonable time frame.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	70%
Two-Bedroom	30%
Total	100.0%

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

As Proposed with Subsidy

Units Targeting 60% Of AMHI with RA (112 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (70%)	78	0	78	25	32.1%
Two-Bedroom (30%)	34	0	34	-	-

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

LIHTC-Only

Units Targeting 60% Of AMHI Tax Credit Only (12 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (70%)	8	0	8	25	> 100.0%
Two-Bedroom (30%)	4	0	4	-	-

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

As proposed with the RA on all units, the subject’s capture rate by bedroom type is 32.1%. This capture rate is considered achievable, which is further evidenced by the subject’s 100.0% occupancy rate and waiting list.

In the unlikely event the subject project did not offer RA, its rent will need to be lowered in order to receive a sufficient amount of demographic support within the Estill Site PMA.

**6. ABSORPTION PROJECTIONS**

All 25 of the subject units are occupied with the project maintaining a waiting list of up to five households for the next available unit. It is important to note that the renovations at the subject site will not necessitate the displacement of current residents. As a result, it is anticipated that none, or very few, of the current tenants will move from the project during or following renovations. Therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 25 subject units will be vacated and that all units will have to be re-rented under the Rural Development Section 515 (RD 515) program. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy and that initial renovated units at the site will be available for rent in August 2021, though the actual completion time may be earlier.

It is our opinion that the 25 units at the subject site will reach a stabilized occupancy of 93.0% within approximately three months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately eight units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that the subsidy will be maintained.

Should RA not be secured, and the project had to operate exclusively under the LIHTC program, the 25 LIHTC units at the subject site would likely experience difficulties reaching and/or maintaining a stabilized occupancy level if all units were vacated simultaneously. Note that if the subject project were to operate exclusively under the limitations of the Tax Credit program, we do not expect all existing tenants to remain at the site, as all existing residents would likely not be able or willing to pay the rent increase based on the current project's rent roll provided by management. In this unlikely scenario, the LIHTC rent at the site will likely need to be lowered to a level similar to its achievable LIHTC rent to better compete within the market. If the achievable LIHTC rent is implemented, the absorption period for the site will likely be less than five months, based on an absorption rate of approximately five units per month.

In reality, the absorption period for this project will be less than one month, as most tenants are expected to remain at the project and continue to pay up to 30% of their adjusted gross income towards housing costs.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

Note that there are no non-subsidized age-restricted Low-Income Housing Tax Credit (LIHTC) projects within the Estill Site PMA, nor are there any non-subsidized one-bedroom LIHTC units offered in the market. As such, we have selected one age-restricted LIHTC project and three general-occupancy LIHTC projects that offer one-bedroom units located outside of the Site PMA, but within the region in Barnwell, Walterboro and Ridgeland. Note that these four LIHTC projects are not considered competitive with the subject project, as they derive demographic support from a different geographical region. These properties were selected for comparison purposes only and are summarized in the following table, along with the subject development:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Seagrove Village Apartments</b>	<b>1996 / 2021</b>	<b>25</b>	<b>100.0%</b>	<b>-</b>	<b>5 HH</b>	<b>Seniors 62+; 60% AMHI &amp; RD 515</b>
901	Colony West	1970 / 2004	58	96.6%	38.2 Miles	None	Families; 50% & 60% AMHI
902	Companion at Cambridge Pointe	2004	40	100.0%	41.2 Miles	70 HH	Seniors 55+; 50% & 60% AMHI
903	Edisto Terrace Apts.	2007	48	100.0%	38.7 Miles	28 HH	Families; 50% & 60% AMHI
905	Heron Crossing Apts.	2007	32*	100.0%	26.9 Miles	12 Months	Families; 50% & 60% AMHI

900 series Map IDs are located outside the Site PMA

OCC. – Occupancy

HH - Households

\*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 98.9% (a result of only two vacant units), a very strong rate for affordable rental housing. In fact, three of these projects are 100.0% occupied and maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the region. The subject project will continue to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	<b>Seagrove Village Apartments</b>	<b>\$660/60% (25)</b>	-	-	-
901	Colony West	\$721/50% (3/0) \$766/60% (4/0)	\$860/50% (15/0) \$895/60% (15/0)	\$970/50% (7/0) \$1,010/60% (8/2)	\$1,017/60% (6/0)
902	Companion at Cambridge Pointe	\$657/50% (15/0) \$657/60% (1/0)	\$777/50% (21/0) \$777/60% (3/0)	-	-
903	Edisto Terrace Apts.	\$579/50% (3/0) \$679/60% (1/0)	\$767/50% (6/0) \$824/60% (26/0)	\$887/50% (8/0) \$921/60% (4/0)	-
905	Heron Crossing Apts.	\$526-\$657/50% (4/0) \$686-\$817/60% (4/0)	\$634-\$796/50% (12/0) \$821-\$983/60% (4/0)	\$808-\$1,002/50% (6/0) \$936-\$1,130/60% (2/0)	-

900 series Map IDs are located outside the Site PMA

While the proposed subject gross one-bedroom rent of \$660 is among the lowest LIHTC one-bedroom rent set aside at 60% of Area Median Household Income (AMHI) within the region, Barnwell, Walterboro and Ridgeland are socioeconomically different than Estill in terms of median household income, median gross rent and median home value. Due to these differences, the proposed LIHTC rent at the site will likely need to be further discounted from those offered at the comparable properties in order to represent a value to low-income seniors in the Estill market. This is also true, considering that a very limited base of demographic support will exist for the subject project if it lost Rental Assistance (RA) on all units and exclusively operated under the LIHTC program (as illustrated earlier in this report in Section G). Nonetheless, the subject project will continue to offer RA on all units post renovations, requiring residents to pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will continue to represent a substantial value to low-income seniors within the market.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
901	Colony West	58	10	17.2%
902	Companion at Cambridge Pointe	40	6	15.0%
903	Edisto Terrace Apts.	48	5	10.4%
905	Heron Crossing Apts.	32*	0	0.0%
Total		178	21	11.8%

\*Tax Credit units only

900 series Map IDs are located outside the Site PMA

As the preceding table illustrates, there are a total of 21 units that are occupied by Voucher holders among the four comparable LIHTC projects in the region. The 21 units occupied by Voucher holders comprise only 11.8% of these comparable units. This illustrates that over 88% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the comparable LIHTC project are achievable.

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

**901 Colony West** 38.2 miles to site



Address: 29 Colony West St., Barnwell, SC 29812  
 Phone: (803) 259-2830 Contact: Susan (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 58 Year Built: 1970  
 Vacant Units: 2 \*AR Year:  
 Occupancy: 96.6% Yr Renovated: 2004  
 Turnover: Stories: 2  
 Waitlist: Yes  
 Rent Special:

Ratings  
 Quality: B-  
 Neighborhood: B  
 Access/Visibility:

Notes: Tax Credit; HCV (10 units); HOME Funds (6 unit)



**Features And Utilities**

Utility Schedule Provided by: South Carolina Regional Housing Authority #3  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Deck / Patio; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	750	\$0.75	\$565	50%
1	1	G	4	0	750	\$0.81	\$610	60%
2	2	T	15	0	1,130	\$0.59	\$665	50%
2	2	T	15	0	1,130	\$0.62	\$700	60%
3	2	T	7	0	1,224	\$0.60	\$735	50%
3	2	T	8	2	1,224	\$0.63	\$775	60%
4	3	T	6	0	1,420	\$0.51	\$725	60%

\* Adaptive Reuse

**902 Companion at Cambridge Pointe** 41.2 miles to site



Address: 116 Neyle St., Walterboro, SC 29488  
 Phone: (843) 549-6440      Contact: Phyliss (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+, Other  
 Total Units: 40      Year Built: 2004  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 4 (w/Elev)  
 Waitlist: 70 HH;  
 Rent Special:

Ratings  
 Quality: B+  
 Neighborhood: B  
 Access/Visibility:

Notes: Tax Credit; HCV (6 units)



**Features And Utilities**

Utility Schedule Provided by: South Carolina Regional Housing Authority #3  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Picnic Table / Area); Courtesy Officer

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	15	0	600	\$0.67	\$404	50%
1	1	G	1	0	600	\$0.67	\$404	60%
2	2	G	21	0	800	\$0.61	\$485	50%
2	2	G	3	0	800	\$0.61	\$485	60%

\* Adaptive Reuse

**903** Edisto Terrace Apts. 38.7 miles to site



Address: 180 Mable T. Willis Blvd., Walterboro, SC 29488  
 Phone: (843) 538-5657      Contact: Claudette (In Person)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 48      Year Built: 2007  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 2  
 Waitlist: 28 HH;  
 Rent Special:

Ratings  
 Quality: A  
 Neighborhood: B  
 Access/Visibility:



Notes: Tax Credit; HOME Funds (10 units); HCV (5 units)

**Features And Utilities**

Utility Schedule Provided by: South Carolina Regional Housing Authority #3

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	3	0	705	\$0.46	\$326	50%
1	1	G	1	0	705	\$0.60	\$426	60%
2	2	G	6	0	912	\$0.52	\$475	50%
2	2	G	26	0	912	\$0.58	\$532	60%
3	2	G	8	0	1,057	\$0.53	\$555	50%
3	2	G	4	0	1,057	\$0.56	\$589	60%

\* Adaptive Reuse

**905** Heron Crossing Apts. 26.9 miles to site



Address: 72 Heron Crossing St., Ridgeland, SC 29936  
 Phone: (843) 726-9005      Contact: Toniqua (In Person)  
 Property Type: Market Rate, Tax Credit  
 Target Population: Family  
 Total Units: 40      Year Built: 2007      Ratings  
 Vacant Units: 0      \*AR Year:      Quality: B+  
 Occupancy: 100.0%      Yr Renovated:      Neighborhood: B  
 Turnover:      Stories: 2      Access/Visibility: B/B  
 Waitlist: 12 mos;  
 Rent Special:

Notes: Market-rate (8 units); Tax Credit (32 units); Does not accept HCV; HOME Funds (8 units at 50% AMHI)

**Features And Utilities**

Utility Schedule Provided by: South Carolina Regional Housing Authority #3  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: Business Center (Computer); Clubhouse; Gazebo; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground); Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	750	\$0.49 - \$0.67	\$370 - \$501	50%
1	1	G	4	0	750	\$0.71 - \$0.88	\$530 - \$661	60%
2	2	G	4	0	932	\$0.75	\$700	0%
2	2	G	12	0	932	\$0.47 - \$0.64	\$439 - \$601	50%
2	2	G	4	0	932	\$0.67 - \$0.85	\$626 - \$788	60%
3	2	G	4	0	1,120	\$0.68	\$765	0%
3	2	G	6	0	1,120	\$0.51 - \$0.68	\$573 - \$767	50%
3	2	G	2	0	1,120	\$0.63 - \$0.80	\$701 - \$895	60%

\* Adaptive Reuse

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Seagrove Village Apartments</b>	<b>618 - 622</b>	-	-	-
901	Colony West	750	1,130	1,224	1,420
902	Companion at Cambridge Pointe	600	800	-	-
903	Edisto Terrace Apts.	705	912	1,057	-
905	Heron Crossing Apts.	750	932	1,120	-

900 series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Seagrove Village Apartments</b>	<b>1.0</b>	-	-	-
901	Colony West	1.0	2.0	2.0	3.0
902	Companion at Cambridge Pointe	1.0	2.0	-	-
903	Edisto Terrace Apts.	1.0	2.0	2.0	-
905	Heron Crossing Apts.	1.0	2.0	2.0	-

900 series Map IDs are located outside the Site PMA

The subject project will continue to offer some of the smallest LIHTC one-bedroom unit sizes (square feet) within the region, although they are comparable to the one-bedroom unit size for the one age-restricted LIHTC project, Companion at Cambridge Pointe (Map ID 902). Regardless, the subject's one-bedroom unit sizes are considered appropriate for the target population, as evidenced by its 100.0% occupancy rate and waiting list.

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

Tax Credit Unit Amenities by Map ID						
	Site**	901	902	903	905	
Appliances	Dishwasher	X	X	X	X	
	Disposal	X	X	X	X	
	Icemaker	X		X		X
	Microwave	X		X	X	X
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony			X	X	X
	Deck / Patio	X	S	X	X	X
	Basement					
	Ceiling Fan	X		X	X	X
	Controlled Access					
	E-Call System	X				
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	S	X	X	X
	W/D					
	Walk-In Closet					
	Window Treatments	X	X	X	X	X
Flooring	Carpet	X	X	X	X	X
	Ceramic Tile					
	Composite (VCT)(LVT)	X				
	Hardwood					
	Finished Concrete					
	Vinyl		X	X	X	
Upgraded	Wood Laminate / Plank					
	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage					
	Detached Garage					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
No Provided Parking						

\*\* Proposed Site(s): Seagrove Village Apts.

X = All Units, S = Some Units, O = Optional with Fee

\* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

	Site**	901	902	903	905	
Bike Racks / Storage						
Business Center *					X	
Car Care *						
Common Patio						
Community Garden						
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse			X	X	
	Conference Room					
	Community Kitchen	X				
	Community Room	X		X		
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge					
	Concierge Service *					
	Convenience Amenities *					
Courtyard						
Covered Outdoor Area *				X		
Elevator			X			
Laundry Room	X	X	X	X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care *						
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center					
	Grill	X	X		X	X
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library					
	Media Room / Theater					
	Picnic Table / Area	X	X	X	X	X
	Playground		X		X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					
	Tennis					
Volleyball						
Security	CCTV	X				
	Courtesy Officer		X			
	Gated Community					
	Gated Parking					
	Police Substation					
	Social Services *	X				
	Storage - Extra	X			X	
	Water Feature					
WiFi						

\*\* Proposed Site(s): Seagrove Village Apts.

X = All Units, S = Some Units, O = Optional with Fee

\* Details in Comparable Property Profile Report

Once renovations are complete and additions are made, the subject's amenities package will be generally similar with those offered at the comparable LIHTC projects within the region. While the subject project will be the only LIHTC development within the region to not offer a dishwasher or garbage disposal, it will be the only LIHTC project to include an emergency call system within the units. Regarding project amenities, the subject project will be the only LIHTC project to offer a social services package. The inclusion of the aforementioned amenities will enhance the subject's marketability within the Estill Site PMA.

#### Comparable Tax Credit Summary

Based on our analysis of the unit sizes, amenities, location, quality and occupancy rates of the existing low-income properties within the region, it is our opinion that the subject development will continue to be very marketable, as long as RA is maintained. As the subject project will continue to operate with RA on all units, it will remain a substantial value to low-income seniors within the Estill Site PMA. However, in the unlikely event RA was lost, the subject's rent will need to be reduced in order for the project to receive a sufficient flow of tenants and stabilize within a reasonable time frame. These factors have been considered in our absorption estimates.

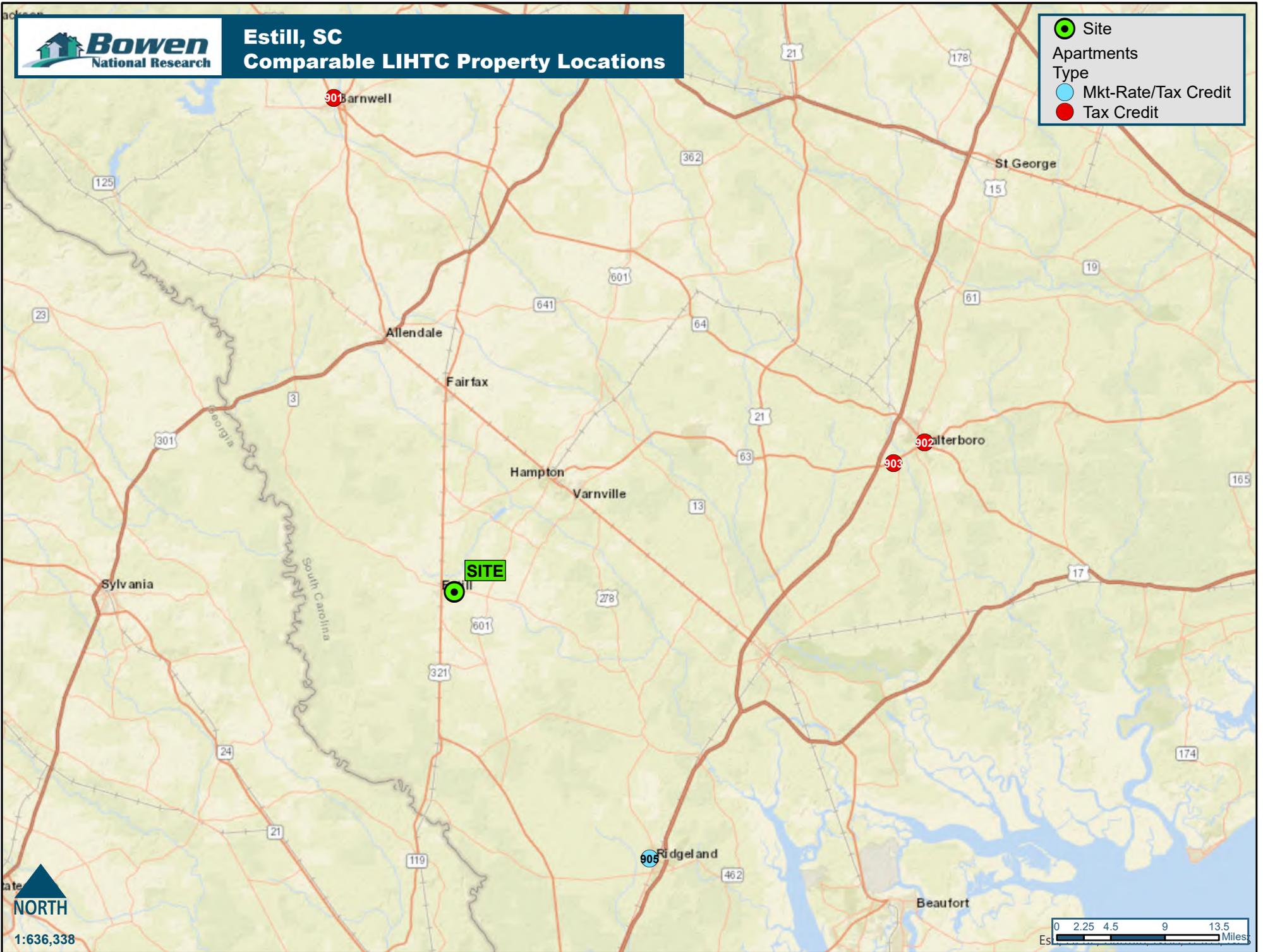
## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

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



# Estill, SC Comparable LIHTC Property Locations

● Site  
● Apartments  
● Type  
● Mkt-Rate/Tax Credit  
● Tax Credit



NORTH  
1:636,338

0 2.25 4.5 9 13.5 Miles

### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Estill Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	5,993	83.2%	6,249	80.8%
Owner-Occupied	4,313	72.0%	4,436	71.0%
Renter-Occupied	1,680	28.0%	1,813	29.0%
Vacant	1,206	16.8%	1,487	19.2%
Total	7,199	100.0%	7,736	100.0%

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

Based on a 2019 update of the 2010 Census, of the 7,736 total housing units in the market, 19.2% were vacant. This is an increase from the 16.8% vacancy rate reported in 2010 and could indicate a softening housing market. However, the vacancy status of the 1,487 housing units is estimated in the following table and illustrates that most vacant units are not long-term rentals

Vacancy Status	Percent of Vacant Units
For Rent	10.6%
For-Sale Only	4.0%
Renter/Sold, Not Occ.	4.8%
Seasonal or Recreational	27.5%
Other Vacant	53.1%

Source: American Community Survey 5-year Estimates (2013-2017); ESRI; Urban Decision Group; Bowen National Research

As reported in the 2013-2017 American Community Survey (ACS), only 10.6% of the vacant housing units within the market are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as “Other Vacant”, which encompasses foreclosed, dilapidated and abandoned housing. The second largest share is classified as “Seasonal or Recreational”. Regardless, in order to determine if the overall vacancy rate is a reflection of the long-term rental housing market, we conducted a field survey of area apartments.

In addition, while we acknowledge that there are 1,813 renter-occupied units in the market, we believe that most of these rentals are located in non-conventional rental housing units including single-family/mobile home rentals, duplex, etc.

The estimated distribution of occupied housing by units in a structure and tenure is detailed in the following table:

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	2,932	66.1%	751	41.4%
1, Attached	0	0.0%	31	1.7%
2 to 4	35	0.8%	127	7.0%
5 to 9	0	0.0%	127	7.0%
10 or more	13	0.3%	112	6.2%
Mobile Homes	1,456	32.8%	665	36.7%
Total	4,436	100.0%	1,813	100.0%

Source: American Community Survey 5-year Estimates (2013-2017); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 87% of renter-occupied housing consists of single-family/mobile home and two to four-unit rentals, whereas only 6.2% consist of structures with 10 or more units. As such, this demonstrates that there is a limited amount of conventional rental housing units in the market. Therefore, the subject project will continue to provide a rental housing alternative that is currently lacking in the Site PMA.

The following table illustrates single-family and multifamily building permits issued within Hampton County for the past ten years:

Housing Unit Building Permits for Hampton County:										
Permits	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Multifamily Permits	0	0	0	0	0	4	0	28	0	0
Single-Family Permits	28	14	10	7	12	5	5	6	9	6
Total Units	28	14	10	7	12	9	5	34	9	6

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

According to the SOCDS Building Permits Database, there has been limited multifamily building permit activity within Hampton County since 2009. Given that the combined occupancy rate of all rental projects identified and surveyed in the market is 99.8% and based on the minimal number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

### Conventional Apartments

We identified and personally surveyed 13 conventional housing projects (including the subject site) containing a total of 455 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.8% (a result of only one vacant unit), a very strong rate for rental housing. The surveyed rental projects broken out by project type are summarized in the table on the following page.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	47	1	97.9%
Tax Credit	1	28	0	100.0%
Tax Credit/Government-Subsidized	4	93	0	100.0%
Government-Subsidized	6	287	0	100.0%
Total	13	455	1	99.8%

Nearly all rental housing segments surveyed in the market are operating at full occupancy, illustrating that pent-up demand exists for all types of rental housing within the Estill Site PMA.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	9	19.1%	0	0.0%	\$778
Two-Bedroom	1.0	34	72.3%	1	2.9%	\$917
Two-Bedroom	2.0	4	8.5%	0	0.0%	\$904
<b>Total Market-Rate</b>		<b>47</b>	<b>100.0%</b>	<b>1</b>	<b>2.1%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	2	7.1%	0	0.0%	\$785
Two-Bedroom	2.0	19	67.9%	0	0.0%	\$785
Three-Bedroom	2.0	7	25.0%	0	0.0%	\$850
<b>Total Tax Credit</b>		<b>28</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the median gross market-rate rents. As such, Tax Credit product likely represents a substantial value to low-income renters within the Estill Site PMA. This is further evidenced by the 0.0% vacancy rate among all Tax Credit units within the market.

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

Year Built	Projects	Units	Vacancy Rate
1970 to 1979	1	41	2.4%
1980 to 1999	0	0	0.0%
2000 to 2009	1	6	0.0%
2010 to 2016	0	0	0.0%
2017	1	28	0.0%
2018 to 2020*	0	0	0.0%

\*As of February

Vacancies are low regardless of year built, indicating that age has not had a significant impact on the overall Estill rental housing market.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	6	0.0%
B	1	41	2.4%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B	1	28	0.0%

Vacancies are low regardless of quality, indicating that appearance has not had a significant impact on the overall Estill rental housing market.

#### Government-Subsidized

The government-subsidized units (both with and without Tax Credits) surveyed in the Site PMA, including the subject site, are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	57	61.3%	0	0.0%
Two-Bedroom	1.0	36	38.7%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>93</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	21	7.3%	0	0.0%
One-Bedroom	1.0	80	27.9%	0	0.0%
Two-Bedroom	1.0	83	28.9%	0	0.0%
Two-Bedroom	1.5	20	7.0%	0	0.0%
Three-Bedroom	1.0	14	4.9%	0	0.0%
Three-Bedroom	1.5	20	7.0%	0	0.0%
Three-Bedroom	2.0	18	6.3%	0	0.0%
Three-Bedroom	2.5	8	2.8%	0	0.0%
Four-Bedroom	1.0	6	2.1%	0	0.0%
Four-Bedroom	2.0	6	2.1%	0	0.0%
Four-Bedroom	2.5	11	3.8%	0	0.0%
<b>Total Subsidized</b>		<b>287</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units (both with and without Tax Credits) surveyed are fully occupied, nearly all of which maintain a waiting list for the next available unit. This illustrates that significant pent-up demand exists for very low-income housing in the market.

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

**4. RENTAL HOUSING INVENTORY MAP**

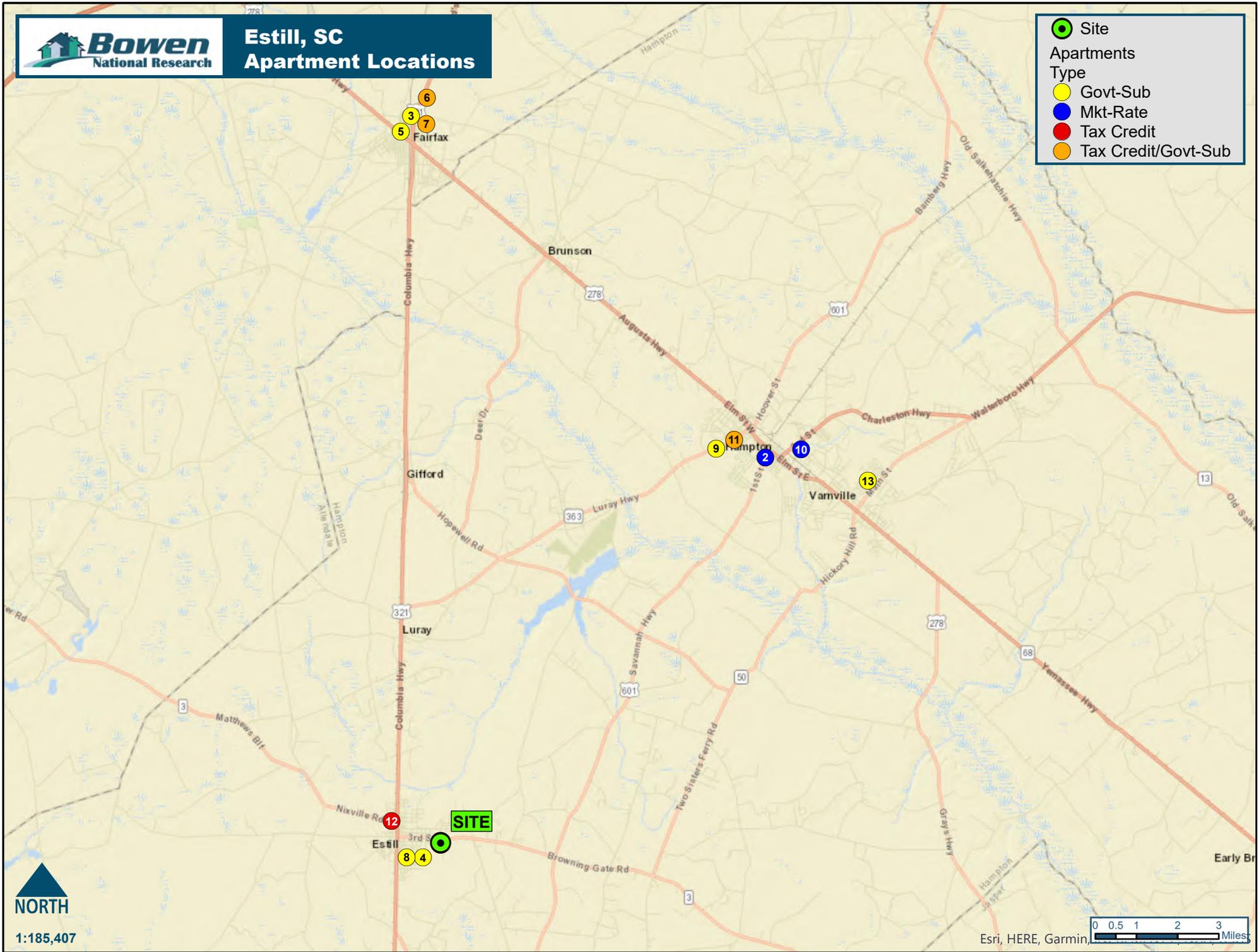
A map identifying the location of all properties surveyed within the Estill Site PMA is on the following page.



# Estill, SC Apartment Locations

**Site**  
Apartment  
Type

- Govt-Sub
- Mkt-Rate
- Tax Credit
- Tax Credit/Govt-Sub



## 5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there are no rental housing projects planned within the Site PMA.

## 7. MARKET ADVANTAGE

Per the direction of the South Carolina State Housing Finance and Development Authority (SCSHFDA), the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located. All developments must have an overall minimum market advantage of **10%**.

The current HUD FMR for a one-bedroom unit in Hampton County, South Carolina is \$520. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the FMR with the *average current tenant-paid rent*, assuming that the subsidy is retained on all units as proposed and all current tenants continue to reside at the project post LIHTC renovations. The second analysis compares the FMR with the proposed Tax Credit rent in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

### Market Advantage – Current Rents

Per SCSHFDA methodology, for existing projects that offer a project-based subsidy, the subject's market advantage should be calculated utilizing current tenant-paid rents to represent the "true" value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project's current rent roll, as illustrated in *Addendum C* of this report, the average tenant rent paid within the subsidized units is \$158 for a one-bedroom unit. The following table illustrates the subject project's market advantage with the retention of the subsidy on all units:

Bedroom Type	Current Collected Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$158	\$520	69.62%

As the preceding illustrates, the subject's market advantage is 69.62% as proposed with the subsidy retained on all units, which is well above the SCSHFDA threshold of 10.0%. This demonstrates that the subject project will continue to represent a significant value within the Estill market, which is further evident by its 100.0% occupancy rate and waiting list.

### Market Advantage - Proposed/Programmatic Tax Credit Rents

As previously discussed, the proposed LIHTC rent evaluated throughout this report is only effective in the unlikely event the project-based subsidy was lost. Regardless, the market advantage for the proposed LIHTC rent evaluated throughout this report is illustrated in the following table:

Bedroom Type	Proposed Collected Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$580	\$520	-11.54%

As the preceding table illustrates, if RA was lost and the subject project had to operate exclusively under the LIHTC program, the proposed one-bedroom rent will not represent a market advantage when compared to the FMR for a one-bedroom unit. In this unlikely scenario, the proposed LIHTC subject rent will need to be lowered in order to meet this specific SCSHFDA requirement.

### Achievable Tax Credit Rent Conclusions

Although not required by SCSHFDA, we have derived achievable Tax Credit rents for the subject project, assuming the project is renovated as outlined in this report. The achievable Tax Credit rents are the highest rent an income-eligible renter would be expected (or willing) to pay. These rents are determined by considering the achievable market rents (as shown in Addendum D), the rents, occupancy rates and quality levels of competing/comparable LIHTC properties (as detailed earlier in this section), the performance of other affordable projects, the status and occupancy rates of other rental choices and the depth of support (capture rate) from income-eligible renters within the Site PMA.

Bedroom Type	Programmatic Rent*	Proposed Collected LIHTC Rent	Achievable LIHTC Rent
One-Bedroom	\$601	\$580	\$468

\*Maximum allowable rents less the value of tenant-paid utilities

As illustrated in the preceding table, the proposed subject rent is positioned above the achievable LIHTC rent level. Therefore, the proposed collected LIHTC rent at the subject project will need to be lowered in the unlikely event RA was lost.

## 8. AFFORDABLE HOUSING IMPACT

As noted, there are no non-subsidized age-restricted LIHTC projects within the Site PMA. Additionally, all existing subsidized senior properties surveyed are 100.0% occupied and maintain a waiting list, including the subject site. As such, we do not believe the renovation of the subject project will have a tangible impact on the occupancy rates of the existing affordable properties within the Estill Site PMA.

## 9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$83,225. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$83,225 home is \$501, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$83,225
Mortgaged Value = 95% of Median Home Price	\$79,064
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$401
Estimated Taxes and Insurance*	\$100
Estimated Monthly Mortgage Payment	\$501

\*Estimated at 25% of principal and interest

In comparison, the proposed collected rents for the subject property are all subsidized where residents pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## 10. HOUSING VOIDS

As previously noted, there are no non-subsidized age-restricted LIHTC projects within the Site PMA. Additionally, all government-subsidized senior rental communities surveyed are fully occupied with waiting lists, indicating that significant pent-up demand exists for additional low-income housing. Therefore, the subject development will continue to fill a rental housing void within the Site PMA.

Additionally, it is our opinion that the renovations at the subject site will add much needed modern affordable rental units to a market that is generally aging and in need of updating. The subject site currently is and will continue to accommodate a portion of the housing void that exists in the market, as the project is currently 100.0% occupied with a wait list of up to five households for the next available unit.

## I. Interviews

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

- Donneil Akins, Property Manager of Seagrove Village Apartments (subject site), believes there is a need for more affordable housing for the senior population of Estill. Ms. Akins also stated that there are too many older properties in the surrounding area that need updated. (803) 625-4385
- Janie Robinson, Director of the Housing Choice Voucher Program for the South Carolina Regional Housing Authority #3, stated that there is always a need for affordable housing in Hampton County. The need is particularly great for families. Funding has changed and remains a challenge for the Voucher Program. The waiting list was open in January 2020 but is not expected to reopen for years. (803) 259-4622
- Eugene Jenkins Jr., President of Varnville Area Housing Corporation, stated that his properties' tenants are low-income or on disability. Mr. Jenkins further commented that the lack of job opportunities and livable wages are the reason why his apartment communities are 100% occupied with a year-long waiting list. Mr. Jenkins also commented on the need for more affordable housing in the surrounding area. (803) 943-2959
- Marcia Boyles, owner and manager of several rental properties in Hampton County, stated that there is a very great need for income-based rentals in the area. She has been in business nearly 40 years and knows the rental housing market well. Ms. Boyles explained that she knows of only one senior complex in the area that is income-based, and she hopes more will be built because, while there is a need for all types of rentals, senior properties are in the greatest need. (803) 943-5419
- Donesha Brunson is the Community Property Manager of Parish Greene Apartments (Map ID 12), a Tax Credit community in Estill. Ms. Brunson commented on the need for similar properties like Parrish Greene Apartments and believes the reason her property is 100% occupied because it is a newer property with amenities that cater to the needs of the tenants. (803) 398-7455

## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist following renovations at the 25-unit Seagrove Village Apartments, assuming it is renovated as detailed in this report and retains the project-based subsidy as proposed. Note that changes in the project's scope of renovations or renovation completion date may alter these findings.

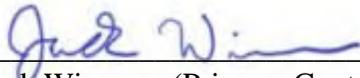
The subject site is currently 100.0% occupied with a waiting list of up to five households for the next available unit. As all 25 units are anticipated to continue to offer a subsidy, we expect all tenants to remain at the subject project. As such, the "effective" capture rate for the subject development is **0.0%**. However, it should be noted that in the unlikely event the subject project lost its subsidy, it is likely that the subject's LIHTC rent will need to be set at a level similar to its achievable LIHTC rent in order to better compete within the market and stabilize within a reasonable time frame. This conclusion is based on the fact that a very limited base of demographic support will exist for the subject project in this unlikely scenario.

However, the subject project is considered competitive with the affordable housing options within the market and will represent a significant value within the Estill Site PMA, as long as the subsidy is offered. So long as the subsidy remains in place, we have no recommendations or suggested modifications for the subject project at this time.

## K. Signed Statement Requirement

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

Certified:



Jack Wiseman (Primary Contact)

Market Analyst

[jackw@bowennational.com](mailto:jackw@bowennational.com)

Date: February 24, 2020

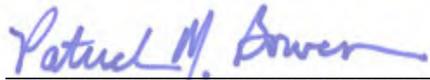


Sidney McCrary

Market Analyst

[sidneym@bowennational.com](mailto:sidneym@bowennational.com)

Date: February 24, 2020



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: February 24, 2020

## L. Qualifications

### The Company

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

### Company Leadership

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

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

### Market Analysts

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

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

**Ambrose Lester**, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

**Sidney McCrary**, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

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

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

**Ron Pompey**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

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

**Nathan Stelts**, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

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

### **Research Staff**

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

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

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

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

## M. Methodologies, Disclaimers & Sources

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

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

## **2. REPORT LIMITATIONS**

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

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

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

## **3. SOURCES**

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

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

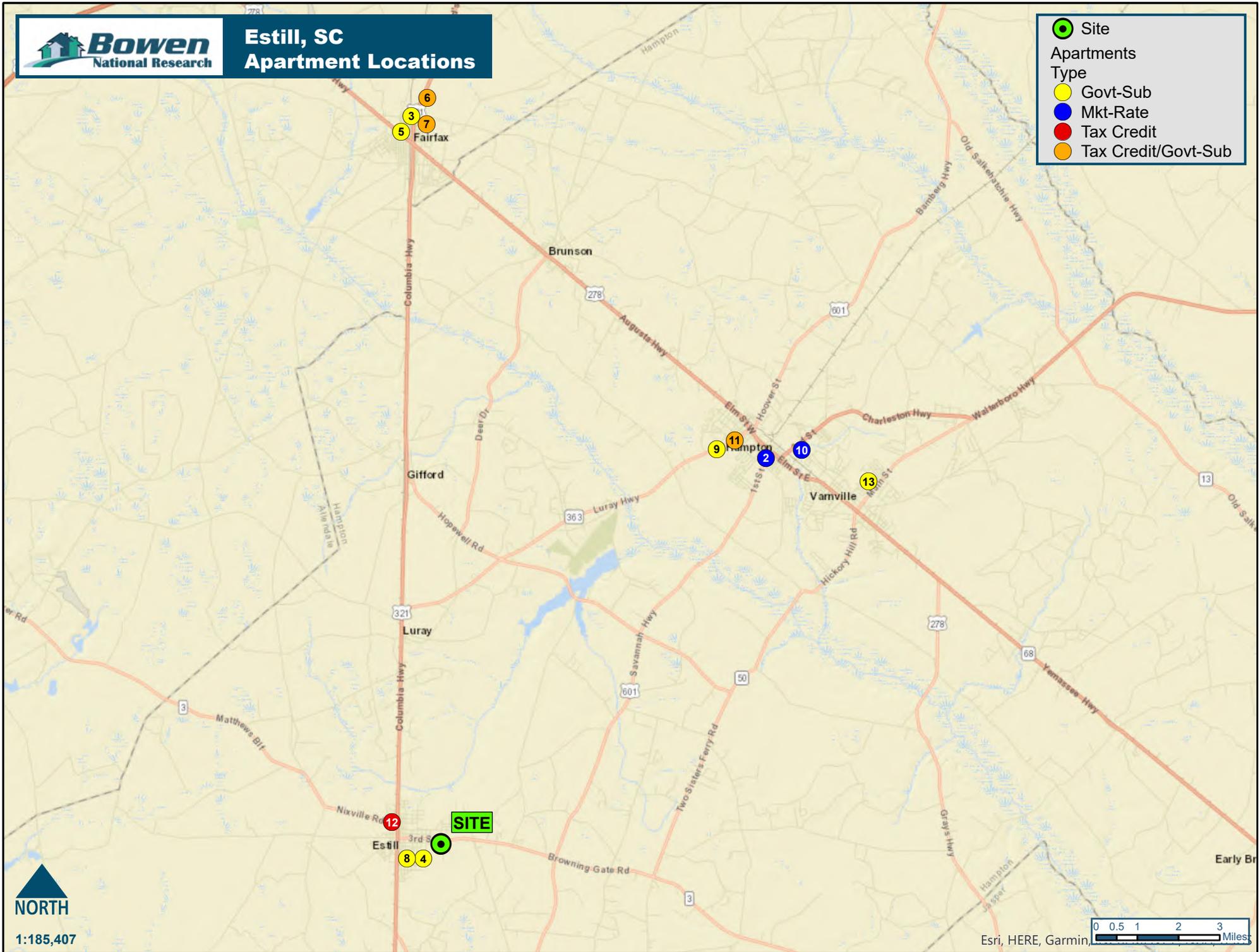
ADDENDUM A:

FIELD SURVEY OF  
CONVENTIONAL RENTALS



# Estill, SC Apartment Locations

● Site  
● Apartments Type  
● Govt-Sub  
● Mkt-Rate  
● Tax Credit  
● Tax Credit/Govt-Sub



1:185,407

Esri, HERE, Garmin, 0 0.5 1 2 3 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Seagrove Village Apts.	TGS	B	1996	25	0	100.0%	-
2	105,107,109,111,113,115 Locust St. W	MRR	A	2001	6	0	100.0%	12.1
3	Boundary Apts.	GSS	C-	1978	24	0	100.0%	15.5
4	Estill Village	GSS	C	1985	35	0	100.0%	1.3
5	Fairfax Apts.	GSS	B	1971	42	0	100.0%	15.2
6	Fairfax Garden I	TGS	B	1982	24	0	100.0%	16.0
7	Fairfax Garden II	TGS	B-	1988	20	0	100.0%	15.5
8	Fairwood Apts.	GSS	B-	1971	56	0	100.0%	1.4
9	Hampton Gardens	GSS	B-	1977	50	0	100.0%	12.7
10	Hampton Place Apts.	MRR	B	1970	41	1	97.6%	12.9
11	Holly Ridge of Hampton	TGS	B	1991	24	0	100.0%	12.7
12	Parish Greene Apts.	TAX	B	2017	28	0	100.0%	1.1
13	Varnville Village I & II	GSS	C	1976	80	0	100.0%	15.2
901	Colony West	TAX	B-	1970	58	2	96.6%	38.2
902	Companion at Cambridge Pointe	TAX	B+	2004	40	0	100.0%	41.2
903	Edisto Terrace Apts.	TAX	A	2007	48	0	100.0%	38.7
904	Forest Pointe Apts.	MRR	B	2002	120	2	98.3%	46.3
905	Heron Crossing Apts.	MRT	B+	2007	40	0	100.0%	26.9
907	Plantation Oaks	MRR	B	1974	72	0	100.0%	37.7

\*Drive distance in miles

 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

1	<b>Seagrove Village Apts.</b> 184 Liberty Avenue South, Estill, SC 29918	Contact: Donnell (In Person) Phone: (803) 625-4385
	Total Units: 25 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1996 BR: 1 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Senior 62+ Yr Renovated: 2015 Rent Special: Notes: Tax Credit; RD 515, has RA (25 units)	
2	<b>105,107,109,111,113,115 Locust St. W</b> 105,107,109,111,113,115 Locust St. W, Hampton, SC 29924	Contact: Marcia (In Person) Phone: (803) 943-5419
	Total Units: 6 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2001 BR: 2 Vacant Units: 0 Waitlist: no list but the property gets calls AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
3	<b>Boundary Apts.</b> 825 Boundary St, Fairfax, SC 29827	Contact: Beth (In Person) Phone: (803) 259-4607
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1978 BR: 0, 1 Vacant Units: 0 Waitlist: 91 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
4	<b>Estill Village</b> 210 Grayson St. E, Estill, SC 29918	Contact: Beth (In Person) Phone: (803) 259-4607
	Total Units: 35 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1985 BR: 0, 1, 2, 3, 4 Vacant Units: 0 Waitlist: 55 HH; AR Year: Target Population: Family, Senior Yr Renovated: Rent Special: Notes: HUD Section 8; 1-br rent range set by HUD; Higher rent is for senior units	
5	<b>Fairfax Apts.</b> 401 N. Union Ave., Fairfax, SC 29827	Contact: Pamela (In Person) Phone: (803) 259-4613
	Total Units: 42 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1971 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 12 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Public Housing	

 Comparable Property	 Senior Restricted	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 (MRR) Market-Rate	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)	
 (MRT) Market-Rate & Tax Credit	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized	
 (MRG) Market-Rate & Govt Subsidized	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized	
 (MIN) Market-Rate & Income Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted	

6	<b>Fairfax Garden I</b> 1914 N Charleston Ave, Fairfax, SC 29827	Contact: Donneil (In Person) Phone: (803) 632-1530
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1982 BR: 2 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Family Yr Renovated: 2008 Rent Special: Notes: Tax Credit; RD 515, has RA (All units)	
7	<b>Fairfax Garden II</b> 772 Saluda Ave., Fairfax, SC 29827	Contact: Donneil (In Person) Phone: (803) 632-1530
	Total Units: 20 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1988 BR: 1, 2 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Family Yr Renovated: 2006 Rent Special: Notes: Tax Credit; RD 515, has RA (all units)	
8	<b>Fairwood Apts.</b> 137 Grayston St. E, Estill, SC 29918	Contact: Tracey (In Person) Phone: (803) 625-2461
	Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1971 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
9	<b>Hampton Gardens</b> 911 W. Holly St., Hampton, SC 29924	Contact: Beth (In Person) Phone: (803) 259-4607
	Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1977 BR: 0, 1, 2, 3, 4 Vacant Units: 0 Waitlist: 168 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
10	<b>Hampton Place Apts.</b> 425 Wade Hampton Rd., Hampton, SC 29924	Contact: Tammy (In Person) Phone: (803) 943-3551
	Total Units: 41 UC: 0 Occupancy: 97.6% Stories: 2 Year Built: 1970 BR: 1, 2 Vacant Units: 1 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Accepts HCV (0 currently)	

 Comparable Property	 (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	 (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Govt Subsidized	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TIN) Tax Credit & Income Restricted (not LIHTC)	 (GSS) Govt Subsidized
 (MRG) Market-Rate & Govt Subsidized	 (TMG) Tax Credit, Market-Rate & Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MIN) Market-Rate & Income Restricted (not LIHTC)		

<p>11</p> 	<p><b>Holly Ridge of Hampton</b> 801 W. Holly St., Hampton, SC 29924</p> <p>Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1991 BR: 1, 2 Vacant Units: 0 Waitlist: 12 HH; AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: Tax Credit; RD 515, has RA (all units)</p>	<p>Contact: Nancy (In Person) Phone: (803) 943-9047</p>
<p>12</p> 	<p><b>Parish Greene Apts.</b> 278 Nixville Rd, Estill, SC 29918</p> <p>Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2017 BR: 2, 3 Vacant Units: 0 Waitlist: 12 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (8 units)</p>	<p>Contact: Name not given (In Person) Phone: (803) 398-7455</p>
<p>13</p> 	<p><b>Varnville Village I &amp; II</b> 516 Ginn St., Varnville, SC 29944</p> <p>Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1976 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 12 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8</p>	<p>Contact: Eugene (In Person) Phone: (803) 943-2959</p>
<p>901</p> 	<p><b>Colony West</b> 29 Colony West St., Barnwell, SC 29812</p> <p>Total Units: 58 UC: 0 Occupancy: 96.6% Stories: 2 Year Built: 1970 BR: 1, 2, 3, 4 Vacant Units: 2 Waitlist: AR Year: Target Population: Family Yr Renovated: 2004 Rent Special: Notes: Tax Credit; HCV (10 units); HOME Funds (6 unit)</p>	<p>Contact: Susan (In Person) Phone: (803) 259-2830</p>
<p>902</p> 	<p><b>Companion at Cambridge Pointe</b> 116 Neyle St., Walterboro, SC 29488</p> <p>Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2004 BR: 1, 2 Vacant Units: 0 Waitlist: 70 HH; AR Year: Target Population: Senior 55+, Other Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units)</p>	<p>Contact: Phylliss (In Person) Phone: (843) 549-6440</p>

<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate &amp; Tax Credit</p> <p>■ (MRG) Market-Rate &amp; Govt Subsidized</p> <p>■ (MIN) Market-Rate &amp; Income Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income Restricted (not LIHTC) &amp; Govt Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit &amp; Govt Subsidized</p> <p>■ (TIN) Tax Credit &amp; Income Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate &amp; Govt Subsidized</p>	<p>■ (TIG) Tax Credit, Income Restricted (not LIHTC) &amp; Govt Subsidized</p> <p>■ (INR) Income Restricted (not LIHTC)</p> <p>■ (ING) Income Restricted (not LIHTC) &amp; Govt Subsidized</p> <p>■ (GSS) Govt Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt Subsidized &amp; Income Restricted</p>
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<b>903</b>	<b>Edisto Terrace Apts.</b> 180 Mable T. Willis Blvd., Walterboro, SC 29488	Contact: Claudette Phone: (843) 538-5657	(In Person)
		Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 28 HH; Target Population: Family Rent Special: Notes: Tax Credit; HOME Funds (10 units); HCV (5 units)	Year Built: 2007 AR Year: Yr Renovated:



<b>904</b>	<b>Forest Pointe Apts.</b> 504 Forest Cir, Walterboro, SC 29488	Contact: Allie Phone: (843) 549-1910	(In Person)
		Total Units: 120 UC: 0 Occupancy: 98.3% Stories: 1,2,3 BR: 1, 2, 3 Vacant Units: 2 Waitlist: Target Population: Family Rent Special: Notes: Does not accept HCV; Rent range based on floor level & view of pool	Year Built: 2002 AR Year: Yr Renovated:

<b>905</b>	<b>Heron Crossing Apts.</b> 72 Heron Crossing St., Ridgeland, SC 29936	Contact: Toniqua Phone: (843) 726-9005	(In Person)
		Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 mos; Target Population: Family Rent Special: Notes: Market-rate (8 units); Tax Credit (32 units); Does not accept HCV; HOME Funds (8 units at 50% AMHI)	Year Built: 2007 AR Year: Yr Renovated:

<b>907</b>	<b>Plantation Oaks</b> 831 Sniders Hwy., Walterboro, SC 29488	Contact: Colleen Phone: (843) 538-7900	(In Person)
		Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 3-6 mos; Target Population: Family Rent Special: Notes: Does not accept HCV	Year Built: 1974 AR Year: Yr Renovated: 2004

Comparable Property	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(GSS) Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
(MIN) Market-Rate & Income Restricted (not LIHTC)		

Source: South Carolina Regional Housing Authority #3  
 Effective: 02/2019

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	13	19	24	29	37	43	13	19	24	29	37	43
	+Base Charge	9	9	9	9	9	9	9	9	9	9	9	9
	Bottled Gas	42	59	76	93	118	135	42	59	76	93	118	135
	Electric	34	48	62	76	96	110	34	48	62	76	96	110
	Heat Pump	16	22	29	35	45	51	16	22	29	35	45	51
	Oil	26	37	47	58	73	84	26	37	47	58	73	84
Cooking	Natural Gas	4	6	8	10	12	14	4	6	8	10	12	14
	Bottled Gas	14	14	25	30	39	44	14	14	25	30	39	44
	Electric	7	9	12	15	18	21	7	9	12	15	18	21
Other Electric		20	27	35	43	55	62	20	27	35	43	55	62
	+Base Charge	19	19	19	19	19	19	19	19	19	19	19	19
Air Conditioning		17	24	30	37	47	54	17	24	30	37	47	54
Water Heating	Natural Gas	11	16	21	25	32	37	11	16	21	25	32	37
	Bottled Gas	31	43	56	68	86	99	31	43	56	68	86	99
	Electric	20	29	37	45	57	65	20	29	37	45	57	65
	Oil	25	35	45	54	69	79	25	35	45	54	69	79
Water		39	39	39	39	39	39	39	39	39	39	39	39
Sewer		58	58	58	58	58	58	58	58	58	58	58	58
Trash Collection		12	12	12	12	12	12	12	12	12	12	12	12
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

\* Estimated- not from source

## Addendum B – Member Certification & Checklist

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

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

Certified:

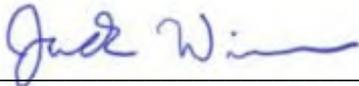


Patrick M. Bowen

President

[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: February 24, 2020



Jack Wiseman

Market Analyst

[jackw@bowennational.com](mailto:jackw@bowennational.com)

Date: February 24, 2020

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

## ADDENDUM-MARKET STUDY INDEX

### **A. INTRODUCTION**

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

### **B. DESCRIPTION AND PROCEDURE FOR COMPLETING**

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

### **C. CHECKLIST**

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

**CHECKLIST (Continued)**

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

**CHECKLIST (Continued)**

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

ADDENDUM C:  
RENT ROLL





## Addendum D – Achievable Market Rent Analysis

### A. INTRODUCTION

We identified five market-rate properties within and near the Estill Site PMA that we consider comparable in terms of unit and project amenities to the subject development. These selected properties are used to derive market rent, or *Conventional Rents for Comparable Units (CRCU)*, for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Seagrove Village</b>	<b>1996 / 2021</b>	<b>25</b>	<b>100.0%</b>	<b>25 (100.0%)</b>	<b>-</b>	<b>-</b>
2	105,107,109,111,113,115 Locust St. W	2001	6	100.0%	-	6 (100.0%)	-
10	Hampton Place Apts.	1970	41	97.6%	9 (100.0%)	32 (96.9%)	-
904	Forest Pointe Apts.	2002	120	98.3%	24 (95.8%)	60 (98.3%)	36 (100.0%)
905	Heron Crossing Apts.	2007	8*	100.0%	-	4 (100.0%)	4 (100.0%)
907	Plantation Oaks	1974 / 2004	72	100.0%	24 (100.0%)	40 (100.0%)	8 (100.0%)

Occ. – Occupancy

900 series Map IDs are located outside Site PMA

\*Market-rate units only

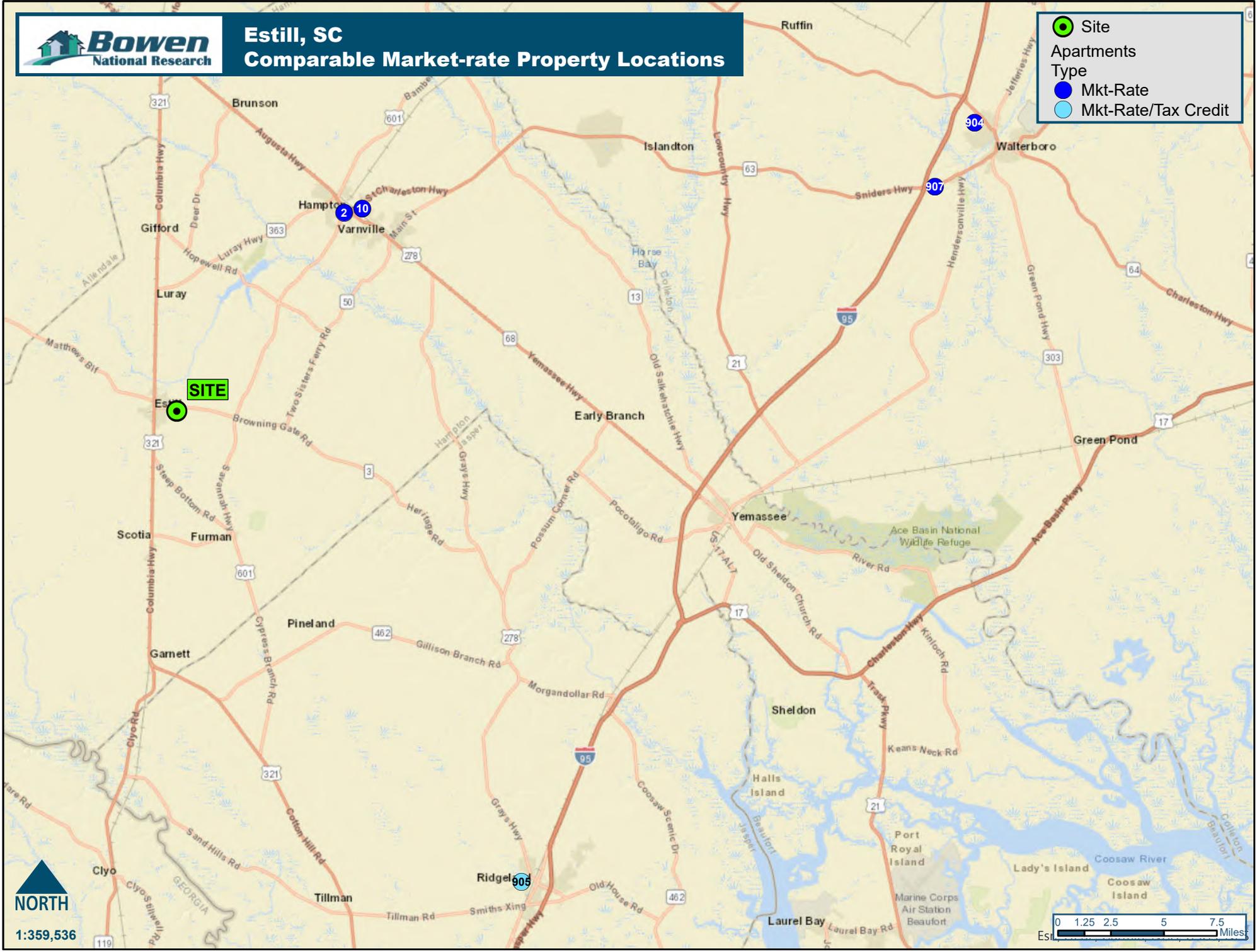
The five selected market-rate projects have a combined total of 247 units with an overall occupancy rate of 98.8%, a very strong rate for rental housing. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject development.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development. Preceding the Rent Comparability Grid is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



# Estill, SC Comparable Market-rate Property Locations

Site  
 Apartments  
 Mkt-Rate  
 Mkt-Rate/Tax Credit



NORTH  
1:359,536



**Rent Comparability Grid**

Unit Type → **ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Seagrove Village		105,107,109,111,113,15 Locust St. W		Hampton Place Apts.		Forest Pointe Apts.		Heron Crossing Apts.		Plantation Oaks	
184 Liberty Avenue South		105,107,109,111,113,15 Locust St. W		425 Wade Hampton Rd.		504 Forest Cir		72 Heron Crossing St.		831 Sniders Hwy.	
Estill, SC		Hampton, SC		Hampton, SC		Walterboro, SC		Ridgeland, SC		Walterboro, SC	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$600		\$525		\$807		\$700		\$700	
2	Date Surveyed	Jan-20		Jan-20		Jan-20		Feb-20		Feb-20	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		96%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$600	0.60	\$525	0.66	\$807	1.18	\$700	0.75	\$700	1.23
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	R/1		WU/2		WU/1,2,3		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1996/2021		2001	\$8	1970	\$39	2002	\$7	2007	\$2
8	Condition/Street Appeal	G		E	(\$15)	G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No	(\$121)	No	(\$105)	No	(\$105)
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1	(\$50)	1		1		2	(\$50)	1	
12	# Baths	1		1		1		2	(\$30)	1	
13	Unit Interior Sq. Ft.	622	(\$79)	1000	(\$79)	800	(\$37)	682	(\$13)	932	(\$65)
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/N	\$5	N/Y	(\$5)	Y/Y	(\$10)
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	HU/L		HU/L		HU/L	
19	Floor Coverings	C/V		C/V		C/V		C		W/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
23	Ceiling Fan/E-Call System	Y/Y		Y/N	\$5	N/N	\$10	Y/N	\$5	Y/N	\$5
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	N	\$5	Y		Y	
26	Security Features	Y		N	\$5	N	\$5	N	\$5	N	\$5
27	Community Space	Y		N	\$5	N	\$5	Y		Y	
28	Pool/Recreation Areas	N		N		N		P/F	(\$15)	N	
29	Computer/Business Center	N		N		N		Y	(\$3)	Y	(\$3)
30	Picnic Area/Storage	Y/Y		N/Y	\$3	N/N	\$8	Y/N	\$5	Y/Y	
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$97	N/N	\$97	N/N	\$97	Y/Y	
39	Trash/Recycling	Y/N		N/N	\$12	Y/N		Y/N		Y/N	
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	6	6	7	1	4	6	3	7	5	3
41	Sum Adjustments B to D	\$31	(\$179)	\$77	(\$37)	\$22	(\$162)	\$12	(\$268)	\$51	(\$129)
42	Sum Utility Adjustments	\$109		\$97		\$97					
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$39)	\$319	\$137	\$211	(\$43)	\$281	(\$256)	\$280	(\$78)	\$180
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$561		\$662		\$764		\$444		\$622	
45	Adj Rent/Last rent		93%		126%		95%		63%		89%
46	Estimated Market Rent	\$610	\$0.98	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent for units similar to the subject development is \$610 for a one-bedroom unit, which is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$580	\$610	4.9%

Typically, Tax Credit rents must represent at least a 10.0% market rent advantage in order to be viewed as a value within a market area. Tax Credit rents that represent a value can help to ensure a steady flow of tenants that will allow the project to operate at a stabilized occupancy rate. Given that the subject’s proposed rent represents a limited market rent advantage of 4.9%, it is likely that it will need to be lowered if the project operated exclusively as a Tax Credit development. Regardless, all 25 units at the subject project will continue to operate with a subsidy, requiring residents to pay up to 30% of their adjusted gross incomes towards housing costs. Thus, the subject project will continue to represent a substantial value to low-income seniors within the Site PMA.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
  
7. Upon completion of renovations, the subject project will have an effective age of a project built in 2009. The selected properties were built between 1970 and 2007; one of which was extensively renovated in 2004. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
  
8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made a negative adjustment for the one property that we consider to be of superior quality compared to the subject development.

10. A total of three of the selected properties are located outside of the Estill Site PMA in Walterboro and Ridgeland. The Walterboro and Ridgeland markets are larger than Estill in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Walterboro and Ridgeland will not directly translate to the Estill market. Therefore, we have adjusted each collected rent at the three comparable projects located in Walterboro and Ridgeland by approximately 15.0% to account for these market differences.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer one-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. One of the comparable properties, Heron Crossing Apartments (Comp #4), offers two full bathrooms within the comparable unit type utilized for this analysis. We have made an adjustment of \$30 per full bathroom to reflect the difference in the number of bathrooms offered at the site as compared with this comparable property.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally superior to those offered at the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project will offer a generally superior project amenities package. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.