

# Market Feasibility Analysis

Westview Terrace  
2062 Old Reidville Road  
Spartanburg, Spartanburg County, South Carolina 29301

*Prepared For*

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*Effective Date*

May 29, 2020

*Job Reference Number*

20-283 CR



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**2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:**

Development Name:	Westview Terrace	Total # Units:	48
Location:	2062 Old Reidville Road, Spartanburg, South Carolina 29301	# LIHTC Units:	48
PMA Boundary:	Interstate 85, U.S. Highway 176, and Interstate 585/U.S. Highway 176 (North Pine Street) to the north; U.S. Highway 176/State Route 9 (South Pine Street), East Henry Street, Union Street, Cedar Springs Road, Carolina Country Club Road and Stone Station Road to the east; U.S. Highway 221, State Route 290 (Moore Duncan Highway) to the south; and State Route 290 (East Main Street) and Interstate 85 to the west.		
Development Type:	<input checked="" type="checkbox"/> Family	<input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 8.2 miles

**RENTAL HOUSING STOCK (found on page H-14 and Add. A-3)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	26	3,867	187	95.2%
Market-Rate Housing	15	2,901	187	93.6%
Assisted/Subsidized Housing not to include LIHTC	2	172	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	9	794	0	100.0%
Stabilized Comps**	5	405	0	100.0%
Non-stabilized Comps	0	0	-	-

\* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	2	2.0	1,099	\$356 (30%/LH)	\$795	\$0.72	55.22%	\$1,220	\$1.17
2	2	2.0	1,099	\$617 (50%/LH)	\$795	\$0.72	22.39%	\$1,220	\$1.17
4	2	2.0	1,099	\$647 (50%)	\$795	\$0.72	18.62%	\$1,220	\$1.17
15	2	2.0	1,099	\$793 (60%)	\$795	\$0.72	0.25%	\$1,220	\$1.17
2	3	2.0	1,239	\$406 (30%/LH)	\$1,057	\$0.85	61.59%	\$1,349	\$0.99
3	3	2.0	1,239	\$709 (50%/LH)	\$1,057	\$0.85	32.92%	\$1,349	\$0.99
1	3	2.0	1,239	\$743 (50%)	\$1,057	\$0.85	29.71%	\$1,349	\$0.99
18	3	2.0	1,239	\$911 (60%)	\$1,057	\$0.85	13.81%	\$1,349	\$0.99
<b>Gross Potential Rent Monthly*</b>					<b>\$36,865</b>	<b>\$44,448</b>	<b>17.06%</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)**

	2012	2019		2022	
Renter Households		13,369	43.7%	13,752	43.6%
Income-Qualified Renter HHs (LIHTC)		4,907	36.7%	4,902	35.6%
Income-Qualified Renter HHs (MR)		N/A	N/A	N/A	N/A

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

Type of Demand	50%	60%	Market-rate	Other: 30%	Other: __	Overall
Renter Household Growth	14	39	-	-46	-	-5
Existing Households (Overburd + Substand)	1,108	583	-	1,197	-	2,455
Homeowner conversion (Seniors)	N/A	N/A	-	N/A	-	N/A
Other:	N/A	N/A	-	N/A	-	N/A
Less Comparable/Competitive Supply	8	74	-	0	-	82
<b>Net Income-qualified Renter HHs</b>	<b>1,114</b>	<b>548</b>	<b>-</b>	<b>1,151</b>	<b>-</b>	<b>2,368</b>

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

<b>Targeted Population</b>	<b>50%</b>	<b>60%</b>	<b>Market-rate</b>	<b>Other: 30%</b>	<b>Other: __</b>	<b>Overall</b>
Capture Rate	0.9%	6.0%	-	0.4%	-	2.0%

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

Absorption Period: 4 months

2020 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Fair Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
3	2 BR	\$356	\$1,068	\$795	\$2,385	
2	2 BR	\$617	\$1,234	\$795	\$1,590	
4	2 BR	\$647	\$2,588	\$795	\$3,180	
15	2 BR	\$793	\$11,895	\$795	\$11,925	
2	3 BR	\$406	\$812	\$1,057	\$2,114	
3	3 BR	\$709	\$2,127	\$1,057	\$3,171	
1	3 BR	\$743	\$743	\$1,057	\$1,057	
18	3 BR	\$911	\$16,398	\$1,057	\$19,026	
	4 BR		\$0		\$0	
Totals	48		\$36,865		\$44,448	17.06%

## B. Project Description

Project Name:	<b>Westview Terrace</b>
Location:	2062 Old Reidville Road, Spartanburg, South Carolina 29301 (Spartanburg County)
Census Tract:	219.02
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 48-unit Westview Terrace rental community at 2062 Old Reidville Road in Spartanburg, South Carolina. The project will target general-occupancy (family) households earning up to 30%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program, with ten units also being funded under the HOME program. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by April of 2022. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable Gross Rent
3	Two-Br.	2.0	Garden	1,099	30%/LH	\$356	\$81	\$437	\$437*
2	Two-Br.	2.0	Garden	1,099	50%/LH	\$617	\$81	\$698	\$698**
4	Two-Br.	2.0	Garden	1,099	50%	\$647	\$81	\$728	\$728
15	Two-Br.	2.0	Garden	1,099	60%	\$793	\$81	\$874	\$874
2	Three-Br.	2.0	Garden	1,239	30%/LH	\$406	\$98	\$504	\$504*
3	Three-Br.	2.0	Garden	1,239	50%/LH	\$709	\$98	\$807	\$807**
1	Three-Br.	2.0	Garden	1,239	50%	\$743	\$98	\$841	\$841
18	Three-Br.	2.0	Garden	1,239	60%	\$911	\$98	\$1,009	\$1,009
48	Total								

Source: South Creek Development, LLC

AMHI – Area Median Household Income (Spartanburg, SC HUD Metro FMR Area; 2020)

\*Lesser of 2020 maximum allowable LIHTC rent limit and 2019 NHTF rent limit

\*\*Based on 2019 HOME limits as 2020 limits not published at the time of this report

LH – Low HOME

Building/Site Information	
Residential Buildings:	Two (2) three-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building
Acres:	6.03

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	March 2021
Begin Preleasing:	January 2022
Construction End:	April 2022

Unit Amenities		
• Electric Range	• Microwave	• Carpet/Ceramic Tile/Composite Floors
• Refrigerator w/Icemaker	• In-Unit Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Patio/Balcony
• Dishwasher	• Walk-In Closet	• Ceiling Fans

**Community Amenities**

- |                      |                       |                  |
|----------------------|-----------------------|------------------|
| • Computer Center    | • Copy/Print/Fax      | • Laundry Room   |
| • On-Site Management | • Common Patio        | • Courtyard      |
| • Clubhouse          | • Gazebo              | • Community Room |
| • Fitness Center     | • Picnic Area         | • Playground     |
| • Classes            | • Surface Parking Lot |                  |

**Utility Responsibility**

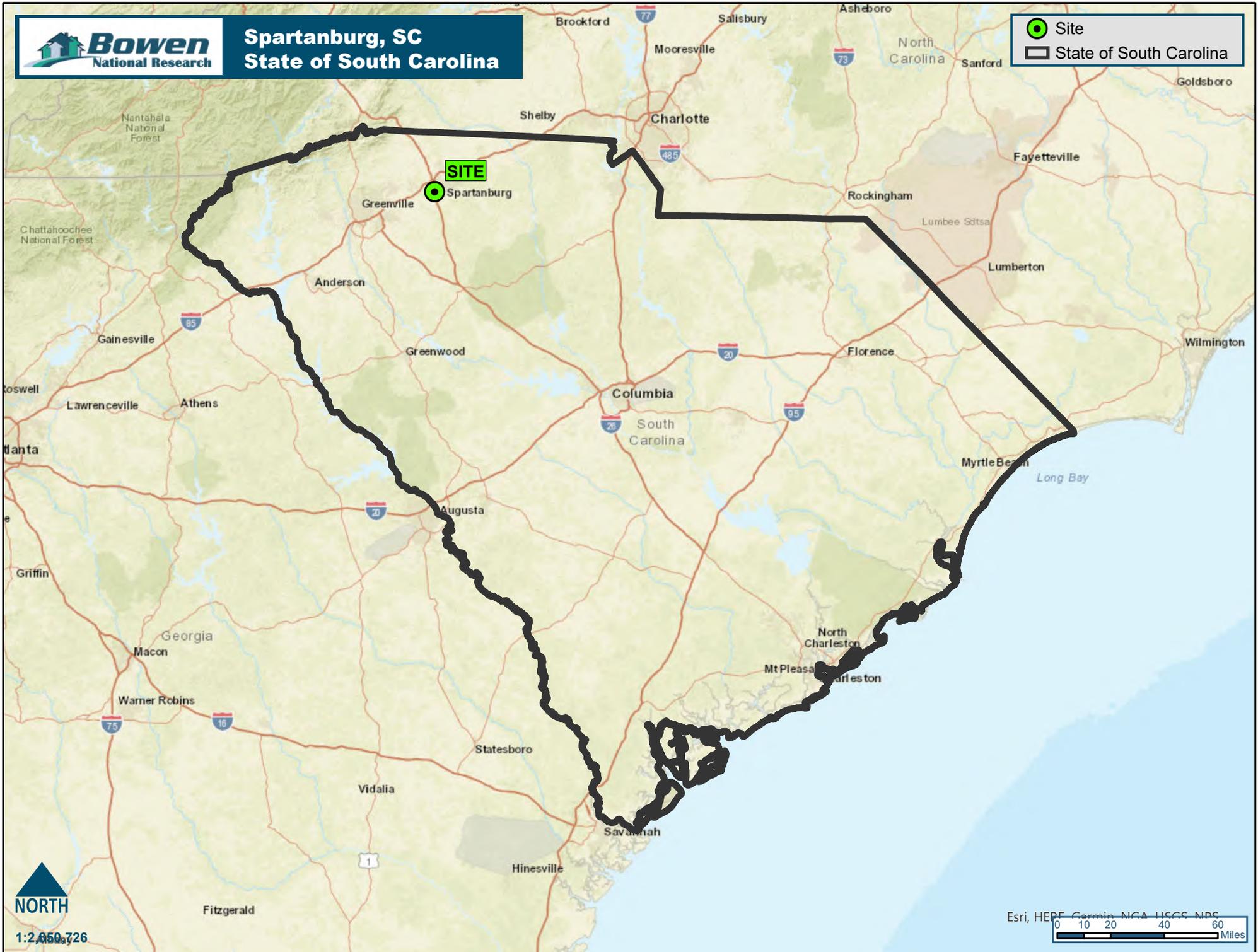
	<b>Heat</b>	<b>Hot Water</b>	<b>Cooking</b>	<b>General Electric</b>	<b>Cold Water</b>	<b>Sewer</b>	<b>Trash</b>
<b>Paid By</b>	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
<b>Source</b>	Electric	Electric	Electric				

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



# Spartanburg, SC State of South Carolina

● Site  
▭ State of South Carolina



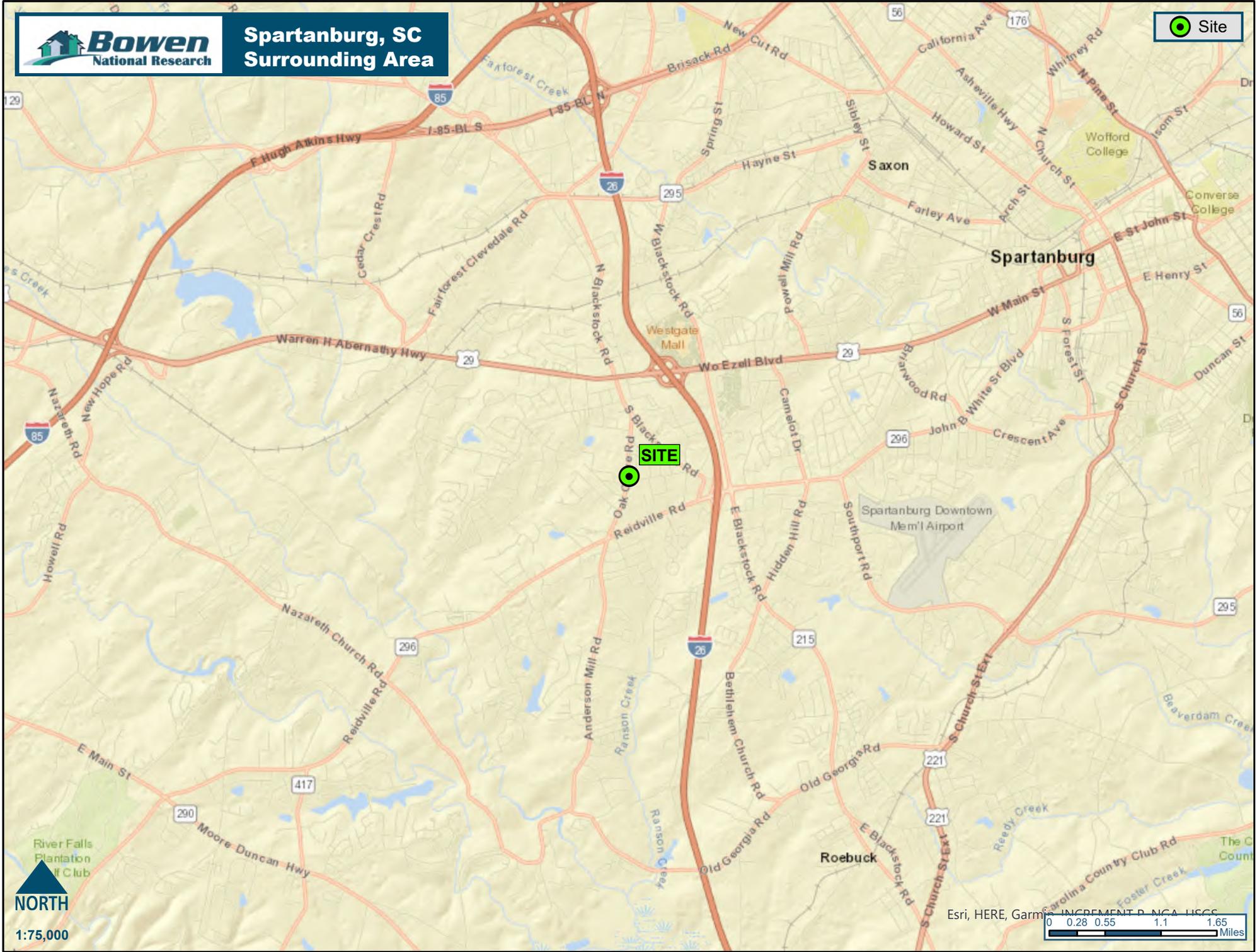
1:2,850,726

Esri, HERE, Garmin, NGA, USGS, NPS  
0 10 20 40 60 Miles



# Spartanburg, SC Surrounding Area

Site



River Falls  
Plantation  
Golf Club

**NORTH**  
1:75,000

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

0 0.28 0.55 1.1 1.65  
Miles

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of May 11, 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 is comprised of two-single family homes and undeveloped land located on a 6.03-acre parcel at 2062 Old Reidville Road, in the western portion of Spartanburg, South Carolina. Located within Spartanburg County, the subject site is approximately 5.0 miles west of downtown Spartanburg. Following is a description of surrounding land uses:

<b>North -</b>	The northern boundary is defined by Appliance Drive, a single-lane residential roadway with light traffic. Continuing north are single-family homes and an elementary school in good condition. Extending farther north are additional single-family homes and commercial buildings, also in good condition, and undeveloped wooded land.
<b>East -</b>	The eastern boundary is defined by wooded land and a single-family home in good condition. Old Reidville Road, a two-lane residential roadway with light to moderate traffic, is also east of the site. Continuing east are single-family homes and commercial buildings in good condition.
<b>South -</b>	The southern boundary is defined by the intersection of Old Reidville Road and Oak Grove Road, a two-lane arterial roadway with moderate to heavy traffic. Continuing south are single-family homes and churches, all in good condition. Extending farther south are additional single-family homes, a library, a golf range and various commercial buildings, all in good condition.
<b>West -</b>	The western boundary is defined by Oak Grove Road. Continuing west is a church, single-family homes and commercial buildings, all in good condition. Extending farther west are additional single-family homes, also in good condition.

The subject development is located within an established area, primarily surrounded by single-family homes, select community services and wooded land. Most of the single-family homes and commercial buildings in the immediate area were observed to be in good condition. One area of note is the site's proximity to various businesses and services along Reidville Road (State Route 296), a

commercial corridor south of the site, which will contribute to the marketability of the property. Overall, the subject property is expected to fit well with the surrounding land uses which are generally well-maintained and in good condition. This will contribute to the subject's marketability within the Spartanburg market.

**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 296 (Reidville Road)	0.5 South
	Interstate 26	1.0 Southeast
	U.S. Highway 29	1.0 North
Public Bus Stop	Spartanburg Area Regional Transit Agency (SPARTA)	0.9 East
Major Employers/ Employment Centers	Walmart	2.0 Northeast
	Adidas	4.0 Northwest
	Spartanburg Regional Medical Center	9.0 Northeast
Convenience Store	7-Eleven	0.6 South
	Quik Trip	0.7 East
	Shell/Food Mart	0.8 North
Grocery	Bi-Lo	0.8 Southeast
	Ingles Market	1.2 North
	Lidl	1.3 Northwest
Discount Department Store	Dollar Tree	0.7 Southwest
	Dollar General	0.8 South
	Dollar Tree	1.5 Northwest
Shopping Center/Mall	Country Corners Shopping Center	0.2 West
	Oak Grove Plaza	0.5 South
	Westgate Mall	2.3 Northeast
Schools: Elementary Middle/Junior High High	Westview Elementary	0.3 West
	Dawkins Middle	2.8 Southeast
	Dorman High	7.1 Southeast
Hospital	Spartanburg Regional Health Care System	0.8 Southwest
	Immediate Care Center-Westside	1.1 Northeast
	Spartanburg Regional Medical Center	9.0 Northeast
Police	Spartanburg Police Department	5.0 Northeast
Fire	Westview Fairforest Fire Department	1.1 North
Post Office	U.S. Post Office	2.2 North
Bank	First Horizon	0.5 South
	Synovus	0.5 South
	First Citizens Bank & Trust	0.7 Southwest
Recreational Facilities	10 Star Fitness	0.5 South
	Anytime Fitness	1.5 Northwest
Gas Station	7-Eleven	0.6 South
	Quik Trip	0.7 East
	Shell/Food Mart	0.8 North

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Pharmacy	Walgreens	0.7 East
	CVS	0.7 East
	Bi-Lo Pharmacy	0.8 Southeast
Restaurant	Franks for the Memories	0.2 West
	Smokey Blues BBQ	0.2 West
	Panda Garden	0.6 East
Day Care	Bo Peep Child Care	0.1 East
	Sunshine House of Spartanburg	1.1 Southwest
	Early Learning Center	1.6 Southeast
Community Center	Pineview Hills Neighborhood	4.0 Northeast
	Northwest Recreation Center	4.6 Northeast
Library	Westside Library	0.2 Southwest
Church	Trinity Presbyterian Church	0.1 Southwest
	Westview Christian Church	0.5 Southwest

The subject site is located within 1.0 mile of several shopping, dining, and employment opportunities, as well as education, recreational facilities, public safety services and the nearest medical facility. Spartanburg Area Regional Transportation Authority (SPARTA) is the local public transportation service with fixed scheduled stops throughout the area. The nearest public bus stop is located 0.9 miles from the site. The subject site is also located within 1.0 mile of several arterial roadways, including Reidville Road, U.S. Highway 29 and Interstate 26. The subject's proximity to these roadways, particularly Reidville Road which serves as a commercial corridor, will enhance accessibility to many area services.

Public safety services are provided by the Spartanburg Police Department and Westview Fairfield Fire Department, which are located within 5.0 miles and 1.1 mile, respectively, from the site. The Spartanburg Regional Medical Center is within 9.0 miles of the site and offers emergency, urgent and cancer care among its many services. Various other smaller-scale medical facilities are also located within approximately 1.0 mile of the site. All applicable attendance schools are also located within 7.0 miles though the area elementary is just 0.3 mile from the site.

#### 4. SITE PHOTOGRAPHS

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



View of site from the north



View of site from the northeast



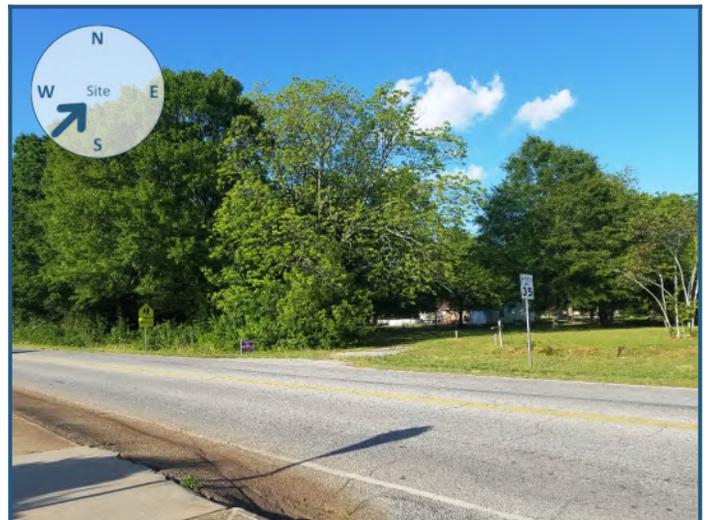
View of site from the east



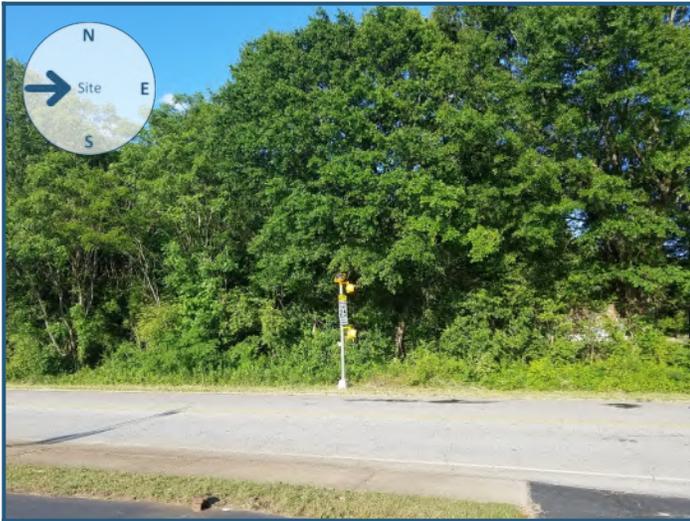
View of site from the southeast



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



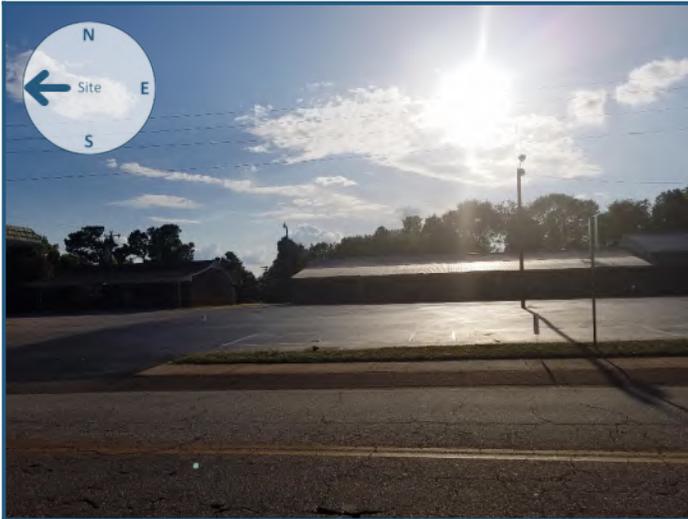
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Northeast view of Old Reidville Road



Streetscape: Southwest view of Old Reidville Road



Streetscape: North view of Oak Grove Road



Streetscape: South view of Oak Grove Road



Streetscape: East view of Appliance Drive



Streetscape: West view of Appliance Drive



Streetscape: Northeast view of Oak Grove/Old Reidville Road



Streetscape: Southeast view of Oak Grove/Old Reidville Road



Streetscape: Southwest view of Oak Grove/Old Reidville Road

**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.



# Spartanburg, SC Site Neighborhood

Legend  
Site Area

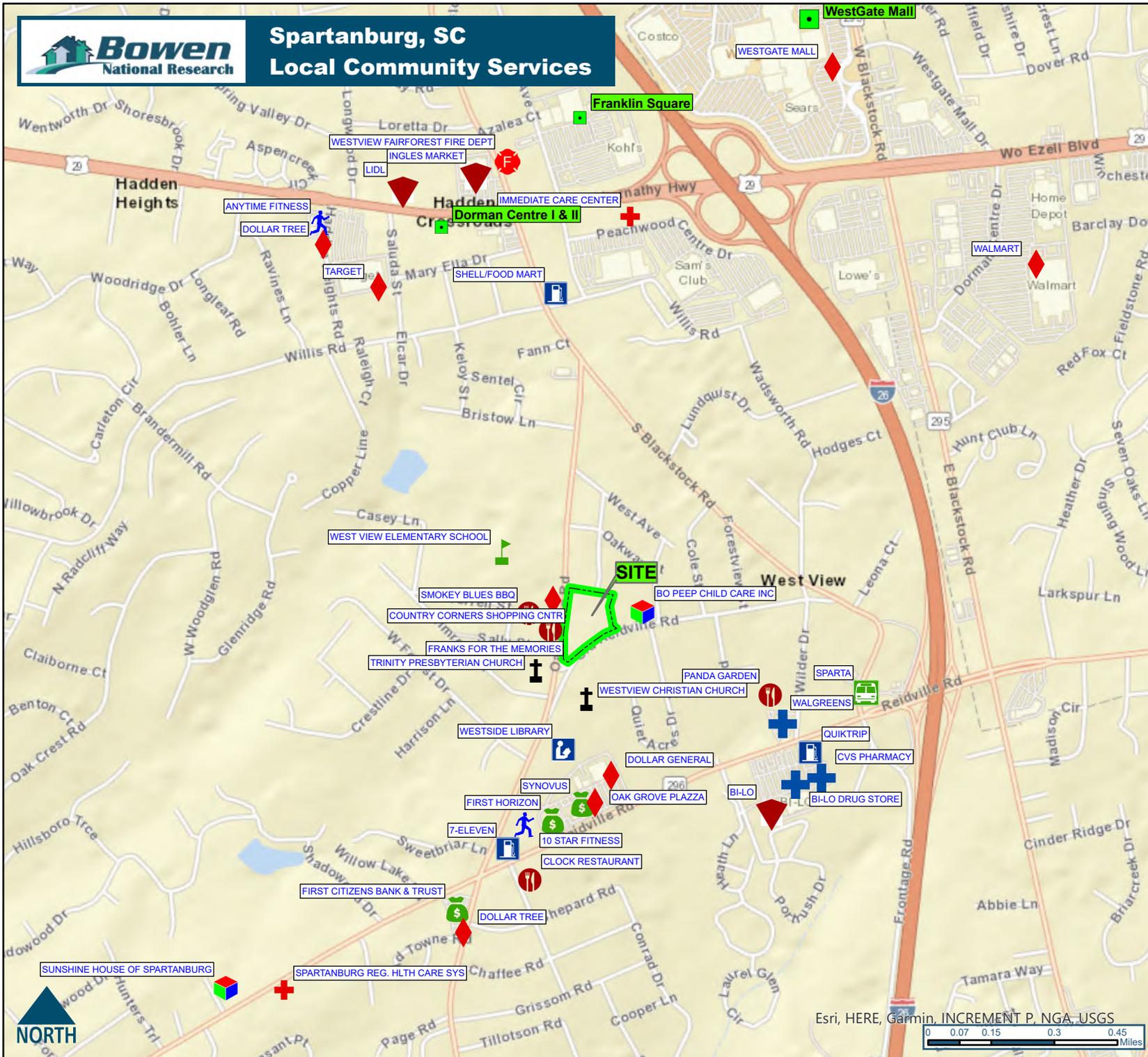


NORTH  
1:4,065

0 0.02 0.04 0.08 0.12 Miles



# Spartanburg, SC Local Community Services



**Legend**

- Site Area
- Bank
- Child Care
- Church
- Elementary School
- Fire
- Fitness Center
- Gas
- Grocery
- Library
- Medical Center
- Pharmacy
- Restaurant
- Shopping
- Transit

**Shopping Center  
Gross Leasable Area**

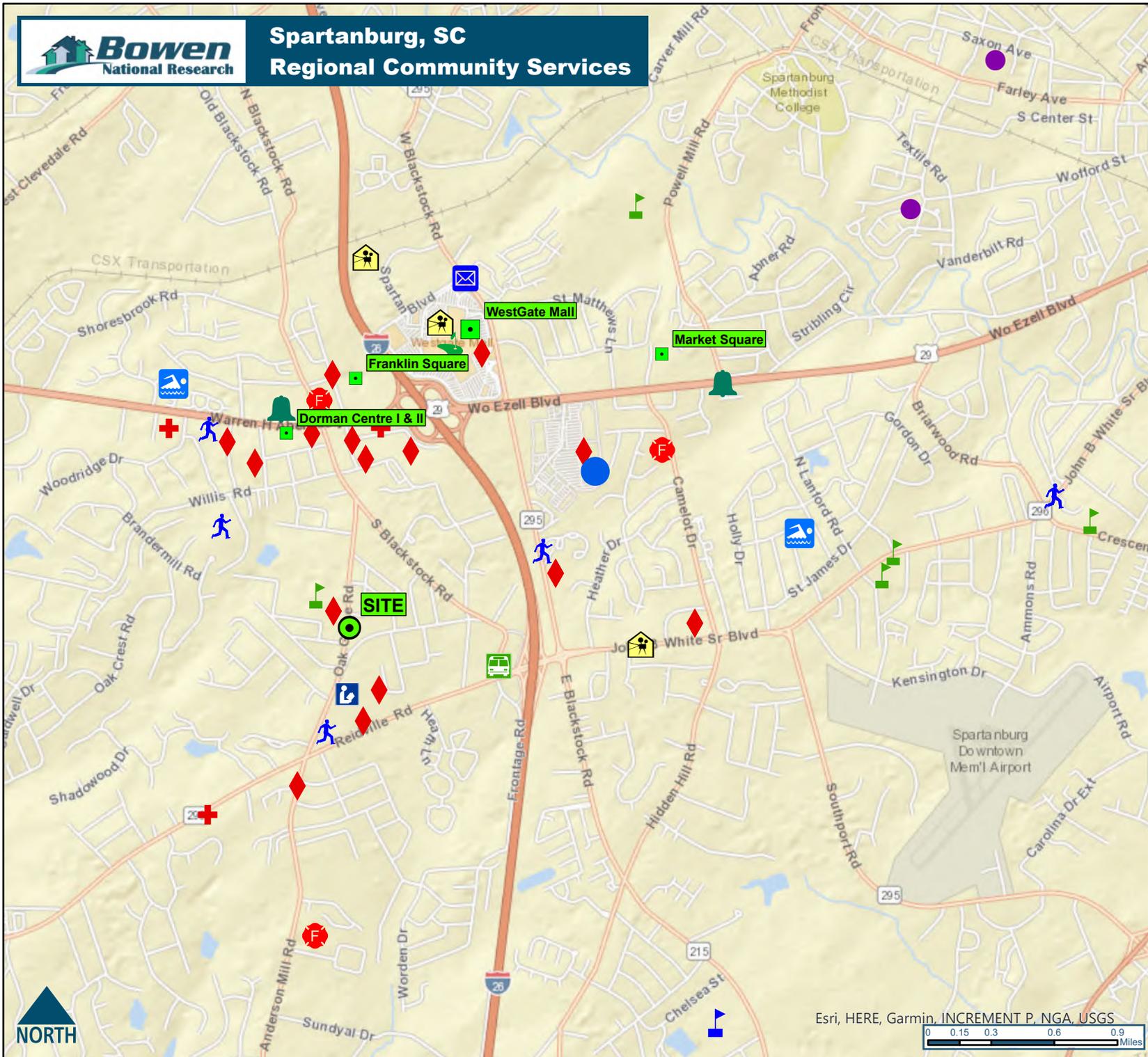
- < 500,000 sq. ft.
- < 1,000,000 sq. ft.



Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:20,000

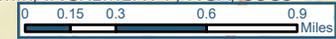


- Legend**
- Site
  - Cinema
  - Elementary School
  - Fire
  - Fitness Center
  - Golf
  - Library
  - Medical Center
  - Middle School
  - Post Office
  - Recreation Center
  - Shopping
  - Swimming
  - Transit
  - University
  - Employer 1000-5000

- Shopping Center  
Gross Leasable Area**
- < 500,000 sq. ft.
  - < 1,000,000 sq. ft.



Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:40,000

## 6. CRIME ISSUES

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

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

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

Total crime risk for the Site ZIP Code is 193, with an overall personal crime index of 211 and a property crime index of 190. Total crime risk for Spartanburg County is 132, with indexes for personal and property crime of 133 and 132, respectively.

	Crime Risk Index	
	Site Zip Code	Spartanburg County
<b>Total Crime</b>	<b>193</b>	<b>132</b>
<b>Personal Crime</b>	<b>211</b>	<b>133</b>
Murder	219	122
Rape	199	147
Robbery	108	72
Assault	257	158
<b>Property Crime</b>	<b>190</b>	<b>132</b>
Burglary	208	146
Larceny	186	129
Motor Vehicle Theft	180	120

Source: Applied Geographic Solutions

The crime index for the Site ZIP Code (193) is higher than that reported for the county (132) and both are above the national average of 100. However, higher crime indices such as that reported for the site area are not uncommon of established and more densely populated markets such as the subject site area. The subject property will feature on-site management which will further enhance the sense of security within the subject property. Additionally, several existing area rental properties are located within proximity of the subject property and report strong occupancy rates, a good indication there is likely a low perception of crime within the site area and that crime will not impact the overall marketability of the subject site. A map illustrating crime risk is on the following page.



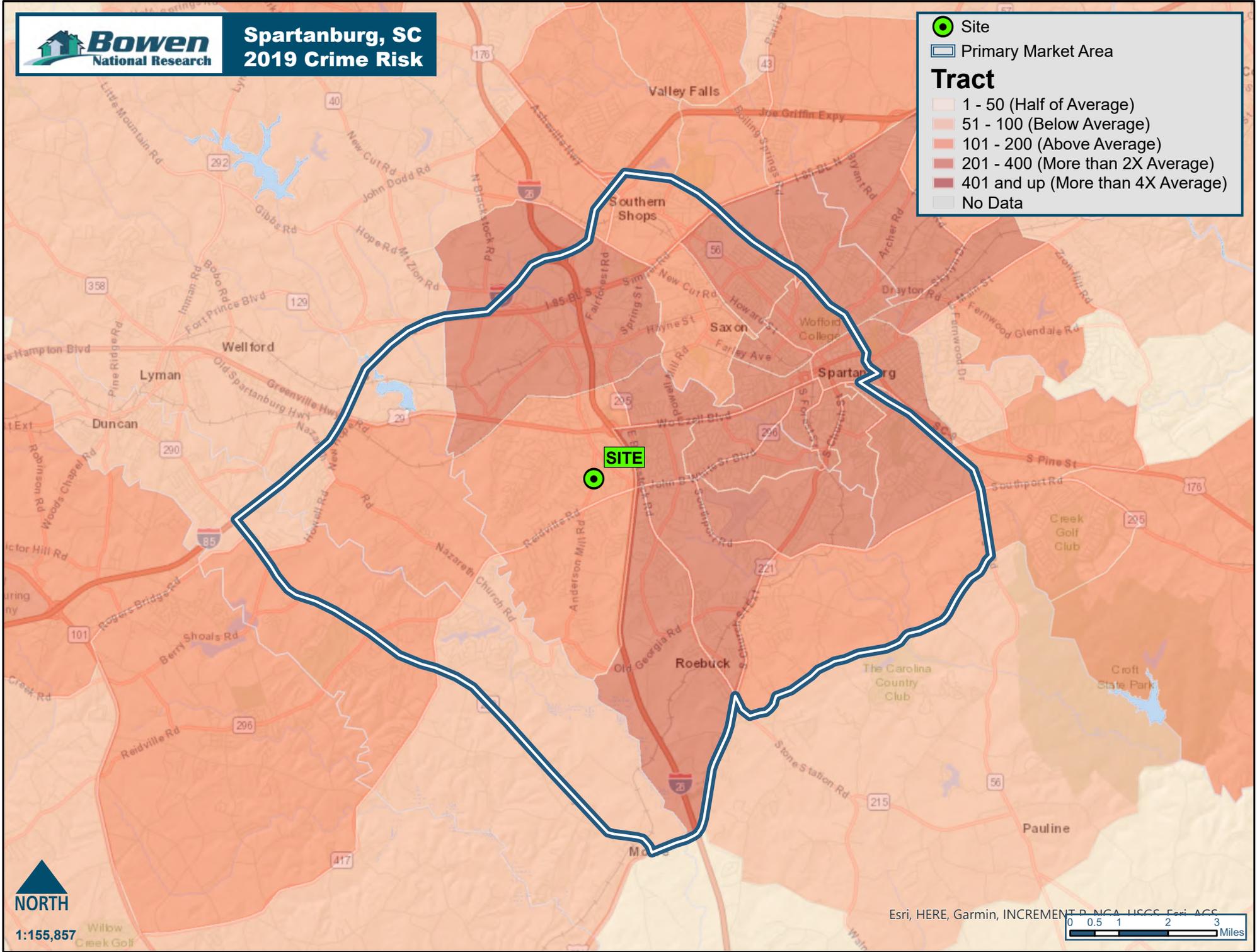
# Spartanburg, SC 2019 Crime Risk

Site

Primary Market Area

### Tract

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



1:155,857

## **7. ACCESS AND VISIBILITY**

Site plans provided at the time of this analysis indicate the subject property will derive vehicular access from Oak Grove Road, a moderately traveled two-lane roadway bordering the site to the west. This roadway provides direct access to and from both Old Reidville Road directly south/southeast of the site, as well as Reidville Road (State Route 296), a commercial corridor farther south of the site. It is also of note that various other major thoroughfares are located within 1.0 mile of the site including Interstate 26 and U.S. Highway 29. Additionally, Spartanburg Area Regional Transportation Authority (SPARTA) provides fixed-route bus transportation throughout the Spartanburg area, with the nearest stop located approximately 0.9 miles from the site. Based on the preceding analysis, accessibility of the subject site and site neighborhood is considered good and should have a positive impact on the subject's overall marketability.

The site maintains frontage along both Old Reidville Road and Oak Grove Road which border the site to the south/southeast and west, respectively. These roadways will provide sufficient passerby traffic to the subject property. The subject's three-story design is also expected to enhance visibility/awareness of the property as the subject buildings will be some of the tallest structures in the immediate site area. We also anticipate the subject property will provide proper site signage at/near the subject's entrance and/or visible to motorists along the aforementioned bordering roadways. Overall, visibility is considered good and is expected to have a positive impact on the subject's overall marketability.

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

No visible or environmental concerns were observed at/near the proposed subject site.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is situated within an established and primarily residential portion of Spartanburg. Surrounding structures were observed to be well-maintained and in good condition. The property is clearly visible from Old Reidville Road and Oak Grove Road which border the site to the south/southeast and west, respectively. Access to the subject property is also considered good as the property will derive access from Oak Grove Road which provides direct access to various other arterial roadways in the area but most notably Reidville Road (State Route 296) south of the site. This roadway serves as a commercial corridor within the immediate area and provides convenient access to several area services, many of which are located within 1.0 mile of the site. Overall, the subject site location is considered conducive to affordable multifamily rental product such as that proposed.

## D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Spartanburg Site PMA was determined through interviews with area leasing agents and property managers 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 Spartanburg Site PMA includes the incorporated areas of Spartanburg, Saxon, Roebuck, Arcadia, and Fairforest, as well as portions of Southern Shops and other unincorporated portions of Spartanburg County. Specifically, the boundaries of the Site PMA include Interstate 85, U.S. Highway 176, and Interstate 585/U.S. Highway 176 (North Pine Street) to the north; U.S. Highway 176/State Route 9 (South Pine Street), East Henry Street, Union Street, Cedar Springs Road, Carolina Country Club Road and Stone Station Road to the east; U.S. Highway 221, State Route 290 (Moore Duncan Highway) to the south; and State Route 290 (East Main Street) and Interstate 85 to the west. The boundaries of the subject site are within approximately 8.2 miles from the subject site, as evidenced by the map included later in this section.

The Site PMA includes all, or portions, of the following Census Tracts:

203.01	204.00	205.00	206.01
206.02	206.03	207.01	207.02
208.00	209.00	210.01	211.00
212.00	215.00	216.00	217.00
218.02	218.04	219.01	219.02*
220.03	220.05	220.06	220.07
230.02	231.01	331.02	234.01
234.02	234.03		

\*Subject site location

The following are summaries of interviews which helped to establish and confirm the Spartanburg Site PMA:

- Kelly Pruitt is the Property Manager of the Companion at Lee's Crossing I, a Tax Credit property within the Site PMA. Ms. Pruitt confirmed the Site PMA, stating most of the tenants that reside at her property are from Spartanburg and the immediately surrounding communities.
- Loretta Singletary is the Property Manager of Crescent Hill Apartments, a Tax Credit and government-subsidized property within the Site PMA. Ms. Singletary also confirmed the Site PMA and explained that the majority of her tenants come from Spartanburg.

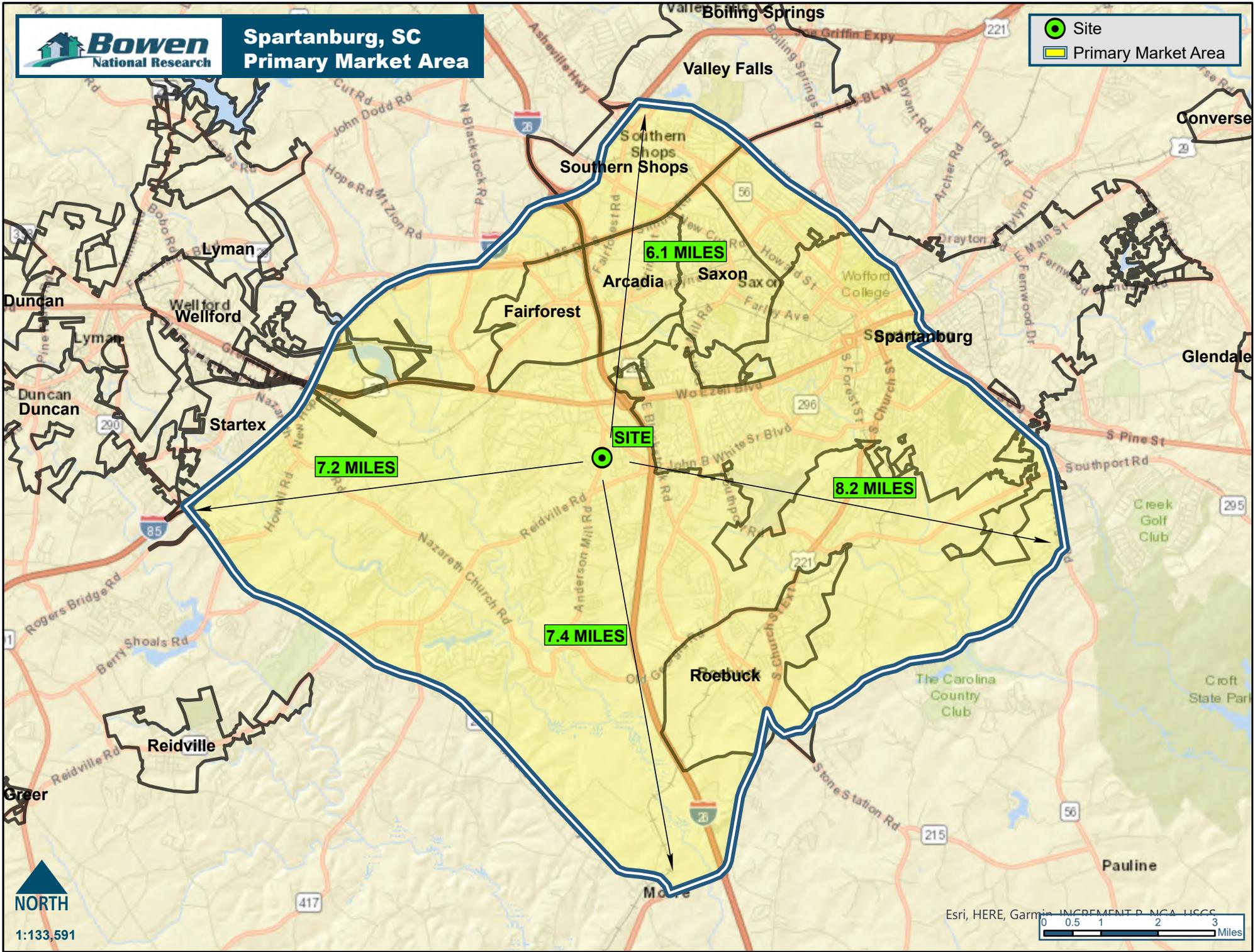
We recognize the subject property will undoubtedly receive some support from areas outside the Site PMA. However, when considering the distance of the surrounding areas from the subject site, the demographic composition of these surrounding areas, the strong demand for affordable rental product within the Site PMA and the fact that most surrounding areas are considered self-sufficient in terms of housing alternatives and area services, we expect support from outside the Site PMA will be minimal. Thus, we have not considered any secondary market area in this report.

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



# Spartanburg, SC Primary Market Area

● Site  
■ Primary Market Area



**NORTH**  
1:133,591

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS  
0 0.5 1 2 3 Miles

## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

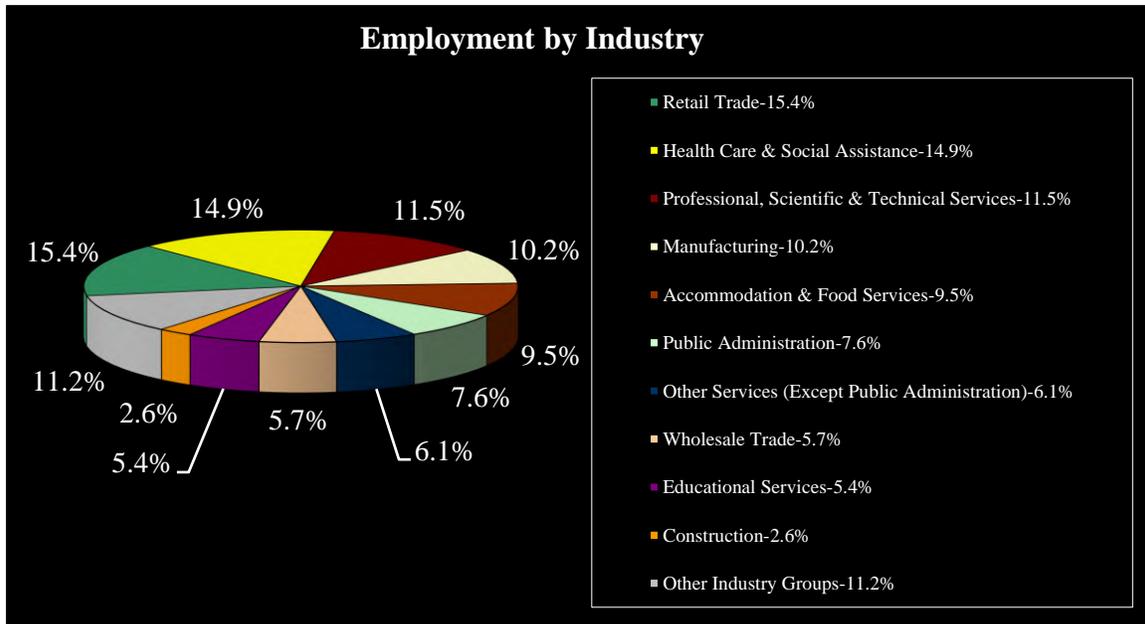
The labor force within the Spartanburg Site PMA is based primarily in four sectors. Retail Trade (which comprises 15.4%), Health Care & Social Assistance, Professional, Scientific & Technical Services and Manufacturing comprise nearly 52% of the Site PMA labor force. Employment in the Spartanburg Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	7	0.2%	41	0.1%	5.9
Mining	2	0.1%	6	0.0%	3.0
Utilities	4	0.1%	365	0.6%	91.3
Construction	165	4.7%	1,560	2.6%	9.5
Manufacturing	165	4.7%	6,216	10.2%	37.7
Wholesale Trade	132	3.8%	3,470	5.7%	26.3
Retail Trade	591	16.8%	9,339	15.4%	15.8
Transportation & Warehousing	59	1.7%	606	1.0%	10.3
Information	68	1.9%	1,314	2.2%	19.3
Finance & Insurance	244	6.9%	1,527	2.5%	6.3
Real Estate & Rental & Leasing	174	5.0%	780	1.3%	4.5
Professional, Scientific & Technical Services	276	7.9%	6,961	11.5%	25.2
Management of Companies & Enterprises	3	0.1%	27	0.0%	9.0
Administrative, Support, Waste Management & Remediation Services	106	3.0%	1,088	1.8%	10.3
Educational Services	75	2.1%	3,290	5.4%	43.9
Health Care & Social Assistance	295	8.4%	9,056	14.9%	30.7
Arts, Entertainment & Recreation	59	1.7%	519	0.9%	8.8
Accommodation & Food Services	252	7.2%	5,795	9.5%	23.0
Other Services (Except Public Administration)	488	13.9%	3,694	6.1%	7.6
Public Administration	153	4.4%	4,613	7.6%	30.2
Nonclassifiable	194	5.5%	512	0.8%	2.6
<b>Total</b>	<b>3,512</b>	<b>100.0%</b>	<b>60,779</b>	<b>100.0%</b>	<b>17.3</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 Spartanburg Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Spartanburg MSA	South Carolina
Management Occupations	\$106,020	\$105,040
Business and Financial Occupations	\$72,830	\$66,740
Computer and Mathematical Occupations	\$71,340	\$76,040
Architecture and Engineering Occupations	\$79,220	\$80,210
Community and Social Service Occupations	\$41,310	\$43,500
Art, Design, Entertainment and Sports Medicine Occupations	\$48,280	\$50,200
Healthcare Practitioners and Technical Occupations	\$74,450	\$73,000
Healthcare Support Occupations	\$27,220	\$28,060
Protective Service Occupations	\$37,130	\$39,030
Food Preparation and Serving Related Occupations	\$22,910	\$22,610
Building and Grounds Cleaning and Maintenance Occupations	\$25,980	\$26,190
Personal Care and Service Occupations	\$24,920	\$26,760
Sales and Related Occupations	\$34,780	\$36,110
Office and Administrative Support Occupations	\$36,970	\$36,750
Construction and Extraction Occupations	\$43,660	\$43,550
Installation, Maintenance and Repair Occupations	\$46,040	\$45,540
Production Occupations	\$41,400	\$39,570
Transportation and Moving Occupations	\$35,990	\$33,080

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

Most annual blue-collar salaries range from \$22,910 to \$48,280 within the Spartanburg MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$80,772. It is important to note that most occupational types within the Spartanburg MSA have typical wages similar to the state of South Carolina's typical wages. The proposed project will target households with incomes generally between \$15,000 and \$42,000. Thus, the area employment base appears to have a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

### 3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Spartanburg area comprise a total of 34,752 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Spartanburg Regional Healthcare System/ Regional Medical Center	Health Care	11,627
BMW	Automotive Manufacturing	10,000
Spartanburg School Districts	Public Education	5,287
Adidas America	Clothing Manufacturer	2600
Mary Black Health Systems	Health Care	1400
DAA Draexlmaier Automotive of America	Automotive Manufacturing	1075
Benore Logisitcs Systems	Logistics	800
Sitel Corp.	Customer Service Solutions	770
American Credit Acceptance	Financing Agency	627
DISH Network	Cable Communications	566
Total		34,752

Source: Spartanburg Economic Futures Group, January 2020

According to a representative with the Spartanburg Economic Futures Group, the Spartanburg economy is growing at a good pace. According to this representative, the ongoing COVID-19 pandemic, while causing the local restaurant and hospitality industries to struggle, has caused a spike in investment opportunities through industrial development inquiries. The representative stated that they have gotten more inquiries for moving and expanding businesses into their industrial park than in 1<sup>st</sup> quarter of 2019, which was one of their best quarters recently. The representative stated that the pandemic has highlighted the benefits they have locally that large companies would like, such as their location close to major cities, and excellent supply chain service in the area.

The following summarize notable and recent economic development activity/announcements within the Spartanburg area:

- Global Transplant Solutions, an organ preservation and transplant company that develops technology which aids in organ donation, have leased 11,300 square feet of industrial space in the Corporate Center Business Park. Operations began on April 1, 2020 in this new space, though it is unknown how many jobs were created through this opening.
- Tindall Corporation, a manufacturer of premade structural systems, announced in April 2020 plans to expand their operations in Spartanburg. This expansion comes with a \$27.9 million investment and created 20 jobs in the area.
- AIRSYS Cooling Technologies, an IT cooling system provider, announced in December of 2019 their \$5 million expansion plan to establish an operation within Spartanburg. This new facility created 116 new jobs for the area when it began operation in February 2020.
- Polydeck Screen Corporation announced in September of 2019 plans to expand their Spartanburg operations with a \$8.7 million investment that will create 45 new jobs for the area.
- R&E Automated Systems, an automation, engineering, and prototype building company expanded their Spartanburg facility with a \$12 million investment, which was completed in the fourth quarter of 2019. This expansion added 176 new jobs to the area.
- Due to rising numbers in air travel prior to the COVID-19 pandemic, the Spartanburg Downtown Memorial Airport started construction on a \$40 million expansion. The addition of a new runway and expanded hangar space allow for larger planes to travel to and from this airport, allowing more freight and passenger travel. However, due to the COVID-19 pandemic slowing air travel, some parts of this expansion project such as a new parking deck are being put on hold. However, all portions of the project that have begun construction are expected to be completed on time.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on May 27, 2020 and according to South Carolina Works there have been six WARN notices reported for Spartanburg over the past 18 months. It is of note, however, that according to local economic development officials, none of these notices are due to the impact of the COVID-19 pandemic. Below is a table summarizing these notices.

WARN Notices			
Company	Location	Jobs	Effective Date
Rite Aid Distribution Center	Spartanburg	224	3/19/2020
Grace Management Group	Spartanburg	72	3/26/2020
John Manville	Spartanburg	6	4/10/2020
TC Transcontinental Packaging	Spartanburg	106	7/31/2020
TFE Logistics Cedar Crest Rd	Spartanburg	812	10/30/2019
TFE Logistics Falling Creek Rd	Spartanburg	663	10/30/2019

#### 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.

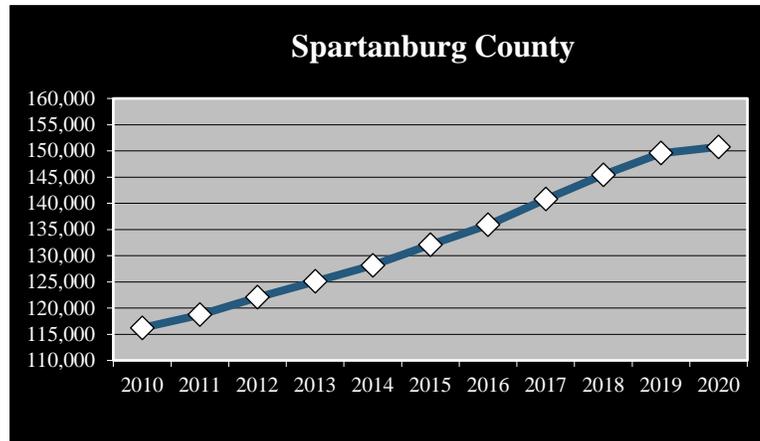
Excluding 2020, the employment base has increased by 13.2% over the past five years in Spartanburg County, more than the South Carolina state increase of 8.0%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	116,205	-	1,915,045	-	140,469,139	-
2011	118,717	2.2%	1,945,900	1.6%	141,791,255	0.9%
2012	122,074	2.8%	1,985,618	2.0%	143,621,634	1.3%
2013	125,081	2.5%	2,023,642	1.9%	145,017,562	1.0%
2014	128,147	2.5%	2,078,592	2.7%	147,313,048	1.6%
2015	132,080	3.1%	2,137,158	2.8%	149,500,941	1.5%
2016	135,864	2.9%	2,181,587	2.1%	151,887,366	1.6%
2017	140,787	3.6%	2,212,845	1.4%	154,160,937	1.5%
2018	145,417	3.3%	2,259,057	2.1%	156,081,212	1.2%
2019	149,576	2.9%	2,308,362	2.2%	158,102,439	1.3%
2020*	150,747	0.8%	2,322,656	0.6%	157,927,470	-0.1%

Source: Department of Labor; Bureau of Labor Statistics

\*Through March



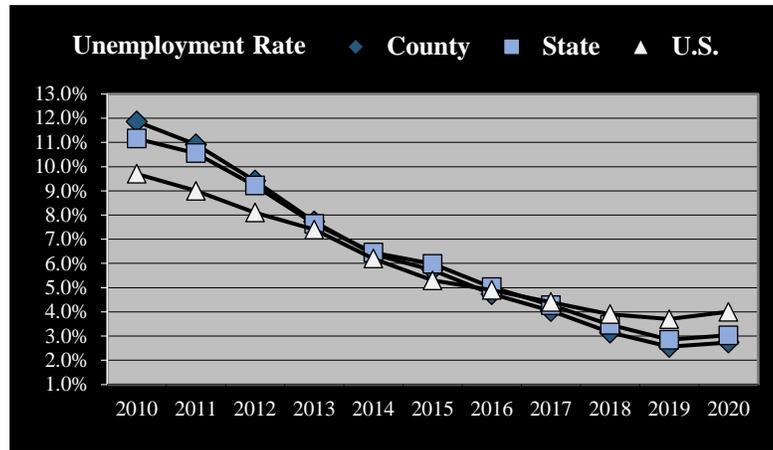
As the preceding illustrates, the Spartanburg County employment base has increased by more than 2.0% each of the past nine years. Employment growth within the county has generally outpaced employment growth rates throughout the state of South Carolina over the past decade. The employment base has continued to increase thus far in 2020, though at a slower rate of 0.8% through March of 2020. While this is only reflective of the first three months of 2020, it is likely that employment growth will remain lower than past years and/or stagnant for the foreseeable future due to the impact of the COVID-19 pandemic.

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

Year	Unemployment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	15,613	11.9%	240,623	11.2%	15,070,017	9.7%
2011	14,543	10.9%	229,623	10.6%	14,035,049	9.0%
2012	12,707	9.4%	201,260	9.2%	12,691,553	8.1%
2013	10,472	7.7%	167,326	7.6%	11,634,201	7.4%
2014	8,715	6.4%	143,753	6.5%	9,776,089	6.2%
2015	8,026	5.7%	135,838	6.0%	8,417,793	5.3%
2016	6,757	4.7%	115,213	5.0%	7,854,801	4.9%
2017	5,908	4.0%	98,921	4.3%	7,093,912	4.4%
2018	4,717	3.2%	80,882	3.5%	6,385,787	3.9%
2019	3,920	2.6%	67,707	2.9%	6,073,924	3.7%
2020*	4,203	2.7%	71,695	3.0%	6,602,253	4.0%

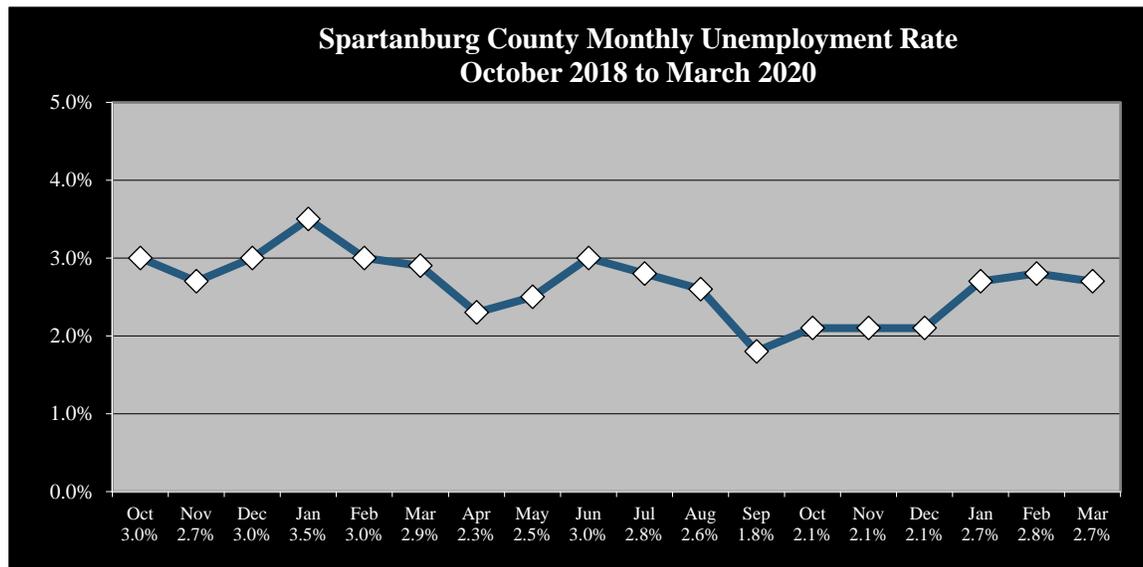
Source: Department of Labor; Bureau of Labor Statistics

\*Through March



The unemployment rate in Spartanburg County declined each year between 2010 and 2019 and remains stable at 2.7% through March of 2020. The 2.7% unemployment rate reported through March of 2020 is low and more than nine full percentage points lower than that reported in 2010. The unemployment rate within the county has also been consistently below the state average since 2014. However, while unemployment rates have continually declined over the past decade, it is likely that Spartanburg County will experience elevated unemployment rates for the foreseeable future due to the impact of the COVID-19 pandemic.

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



The monthly unemployment rate within the county has fluctuated between 1.8% and 3.5% over the past 18-month period. Since July of 2019, however, the unemployment rate has remained below 3.0%.

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 Spartanburg County.

<b>In-Place Employment Spartanburg County</b>			
<b>Year</b>	<b>Employment</b>	<b>Change</b>	<b>Percent Change</b>
2009	111,150	-	-
2010	109,848	-1,302	-1.2%
2011	111,288	1,440	1.3%
2012	114,561	3,273	2.9%
2013	119,385	4,824	4.2%
2014	123,466	4,081	3.4%
2015	127,009	3,543	2.9%
2016	131,655	4,646	3.7%
2017	137,148	5,493	4.2%
2018	141,952	4,804	3.5%
2019*	146,087	4,135	2.9%

Source: Department of Labor, Bureau of Labor Statistics

\*Through December

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Spartanburg County to be 97.6% of the total Spartanburg County employment. This means that Spartanburg County has a relatively equal share of employed persons which both live and work within the county, as well as those which leave the county for daytime employment.

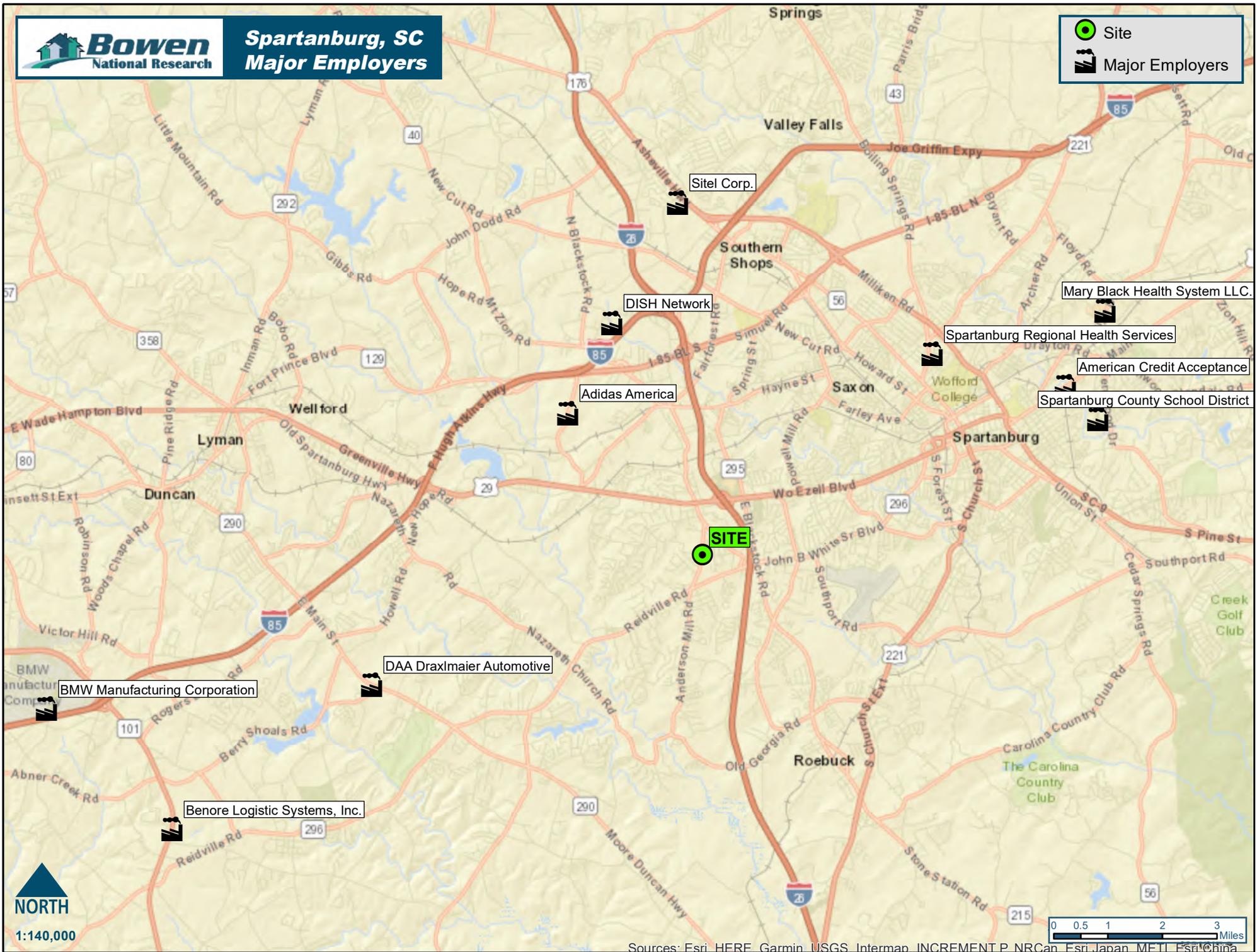
## **5. EMPLOYMENT CENTERS MAP**

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



# Spartanburg, SC Major Employers

● Site  
■ Major Employers



NORTH  
1:140,000

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2014-2018), 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	28,763	83.1%
Carpooled	3,977	11.5%
Public Transit	224	0.6%
Walked	594	1.7%
Other Means	105	0.3%
Worked at Home	954	2.8%
Total	34,617	100.0%

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

Over 83% of all workers drove alone, 11.5% carpooled and only 0.6% 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	10,873	31.4%
15 to 29 Minutes	15,061	43.5%
30 to 44 Minutes	5,247	15.2%
45 to 59 Minutes	1,376	4.0%
60 or More Minutes	1,109	3.2%
Worked at Home	954	2.8%
Total	34,620	100.0%

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

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

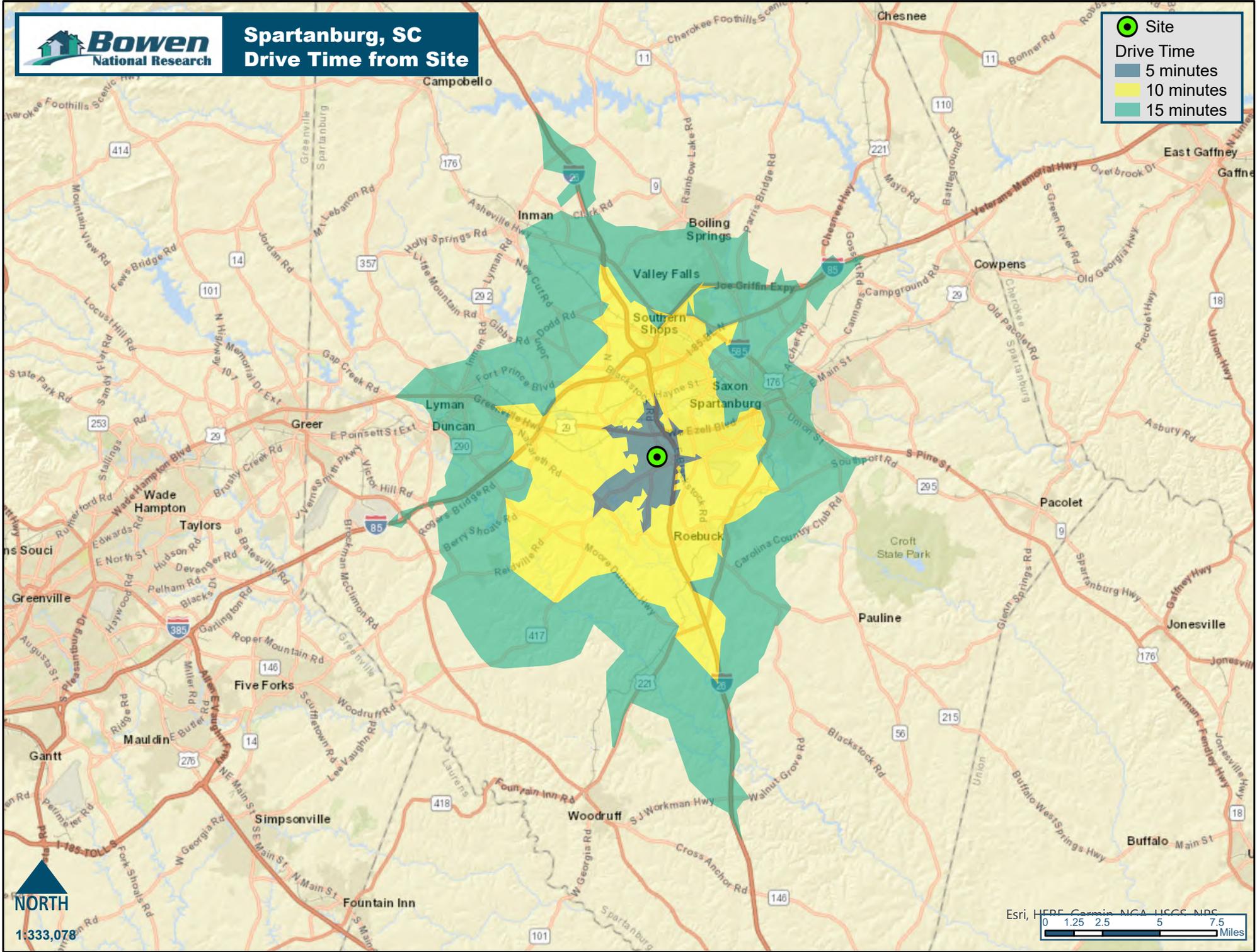


# Spartanburg, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



**NORTH**  
1:333,078

Esri, HERE, Garmin, NGA, USGS, NPS  
0 1.25 2.5 5 7.5 Miles

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

The labor force within the Spartanburg Site PMA is relatively well-balanced as no single industry segment represents more than 18.4% of the total labor force. While the Health Care & Social Assistance industry represents the largest portion of the local labor force, it is also important to note that more than one-third (33.9%) of the overall labor force is comprised within the Retail, Accommodation & Food Services, and Manufacturing segments. Typically, these industry segments offer lower-wage positions conducive to affordable housing alternatives. Nonetheless, the relatively well-balanced labor force is expected to have a positive impact on the continued performance of the local economy.

The Spartanburg County economy steadily improved over much of the past decade, both in terms of total employment and unemployment rate trends. Notably, more than 34,500 jobs were added to the county employment base since 2010 and the unemployment rate declined by more than nine full percentage points between 2011 and 2019. While these are good indications of a strong and well-performing economy, economic growth is likely to slow for the foreseeable future throughout much of the country, including the Spartanburg area, due to the impact of the COVID-19 pandemic. However, it is also important to point out that local economic development officials indicated that the local Spartanburg economy has continued to experience growth despite the impact of the COVID-19 pandemic on the local restaurant and hospitality industries.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 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	70,942	73,964	81,675	84,173
Population Change	-	3,022	7,711	2,498
Percent Change	-	4.3%	10.4%	3.1%

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

The Spartanburg Site PMA population base increased by 3,022 between 2000 and 2010. This represents a 4.3% increase over the 2000 population, or an annual rate of 0.4%. Between 2010 and 2019, the population increased by 7,711, or 10.4%. It is projected that the population will increase by 2,498, or 3.1%, between 2019 and 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 5.4% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	4,017	5.4%
Population not in Group Quarters	69,947	94.6%
Total Population	73,964	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	21,458	29.0%	21,672	26.5%	22,388	26.6%	716	3.3%
20 to 24	5,956	8.1%	5,801	7.1%	5,712	6.8%	-89	-1.5%
25 to 34	9,229	12.5%	11,402	14.0%	11,155	13.3%	-247	-2.2%
35 to 44	9,495	12.8%	9,659	11.8%	10,477	12.4%	818	8.5%
45 to 54	10,221	13.8%	10,075	12.3%	9,944	11.8%	-131	-1.3%
55 to 64	8,687	11.7%	10,249	12.5%	10,335	12.3%	86	0.8%
65 to 74	5,130	6.9%	7,838	9.6%	8,404	10.0%	566	7.2%
75 & Over	3,788	5.1%	4,979	6.1%	5,759	6.8%	780	15.7%
Total	73,964	100.0%	81,675	100.0%	84,173	100.0%	2,498	3.1%

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

As the preceding table illustrates, nearly 51% of the population was estimated to be between 25 and 64 years old in 2019. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

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

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA’s senior and non-senior population.

**d. Special Needs Population**

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

**e. Minority Concentrations**

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

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	30.0%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	18.5%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.4%
Asian	1.3%	1.3% + 20.0% = 21.3%	5.1%*
Native Hawaiian and Other Pacific Islander	0.1%	0.1%+20.0% = 20.1%	
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	3.7%

Source: U.S. Census Bureau, 2010 Census, 2019 FFIEC Census Report

\*Asian and Native Hawaiian and Other Pacific Islander segments combined together in 2019 FFIEC Census Report

Based on the data in the preceding table, the site Census Tract is not primarily comprised of minorities.

## 2. HOUSEHOLD TRENDS

### a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	26,902	27,752	30,600	31,562
Household Change	-	850	2,848	962
Percent Change	-	3.2%	10.3%	3.1%
Household Size	2.64	2.67	2.54	2.54

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

Within the Spartanburg Site PMA, households increased by 850 (3.2%) between 2000 and 2010. Between 2010 and 2019, households increased by 2,848 or 10.3%. By 2022, there will be 31,562 households, an increase of 962 households, or 3.1% over 2019 levels. This is an increase of approximately 321 households annually over the next three years.

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

Households by Age	2010 (Estimated)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	1,831	6.6%	1,370	4.5%	1,385	4.4%	15	1.1%
25 to 34	4,154	15.0%	5,031	16.4%	4,901	15.5%	-130	-2.6%
35 to 44	4,954	17.9%	4,828	15.8%	5,213	16.5%	385	8.0%
45 to 54	5,557	20.0%	5,262	17.2%	5,161	16.4%	-101	-1.9%
55 to 64	5,239	18.9%	5,942	19.4%	5,946	18.8%	4	0.1%
65 to 74	3,342	12.0%	4,845	15.8%	5,152	16.3%	307	6.3%
75 to 84	1,988	7.2%	2,594	8.5%	2,971	9.4%	377	14.5%
85 & Over	687	2.5%	728	2.4%	834	2.6%	106	14.6%
Total	27,752	100.0%	30,600	100.0%	31,562	100.0%	962	3.1%

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

Although the majority of household growth is projected to be concentrated among seniors age 65 and older between 2019 and 2022, the 35 to 44 age cohort is projected to experience the greatest household growth of all age cohorts during this time period. Further, households between the ages of 25 and 64 are projected to comprise more than two-thirds (67.2%) of all households in 2022. These are good indications of ongoing demand for both family- and senior-oriented housing alternatives within the Spartanburg Site PMA.

**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	16,271	58.6%	17,231	56.3%	17,811	56.4%
Renter-Occupied	11,481	41.4%	13,369	43.7%	13,752	43.6%
Total	27,752	100.0%	30,600	100.0%	31,562	100.0%

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

In 2019, homeowners occupied 56.3% of all occupied housing units, while the remaining 43.7% were occupied by renters. This is considered a good share of renter support within the Spartanburg Site PMA. It is also of note that while the share of renter households will remain relatively unchanged, the number of renter households is projected to increase by 383, or 2.9%, between 2019 and 2022.

**c. Households by Income**

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

Household Income	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	3,434	12.4%	2,852	9.3%	2,718	8.6%
\$10,000 to \$19,999	4,895	17.6%	4,048	13.2%	3,924	12.4%
\$20,000 to \$29,999	3,448	12.4%	4,175	13.6%	4,156	13.2%
\$30,000 to \$39,999	3,243	11.7%	3,365	11.0%	3,344	10.6%
\$40,000 to \$49,999	2,322	8.4%	2,441	8.0%	2,527	8.0%
\$50,000 to \$59,999	2,299	8.3%	2,765	9.0%	2,952	9.4%
\$60,000 to \$74,999	2,519	9.1%	3,123	10.2%	3,345	10.6%
\$75,000 to \$99,999	2,094	7.5%	3,264	10.7%	3,535	11.2%
\$100,000 to \$124,999	1,484	5.3%	1,755	5.7%	1,924	6.1%
\$125,000 to \$149,999	719	2.6%	945	3.1%	1,048	3.3%
\$150,000 to \$199,999	768	2.8%	986	3.2%	1,113	3.5%
\$200,000 & Over	527	1.9%	881	2.9%	978	3.1%
Total	27,752	100.0%	30,600	100.0%	31,562	100.0%
Median Income	\$36,472		\$43,523		\$46,488	

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

In 2010, the median household income was \$36,472. This increased by 19.3% to \$43,523 in 2019. By 2022, it is projected that the median household income will be \$46,488, an increase of 6.8% over 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 2010, 2019 and 2022 for the Spartanburg Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	796	688	423	257	179	2,344
\$10,000 to \$19,999	1,165	827	508	309	215	3,024
\$20,000 to \$29,999	600	501	308	187	130	1,727
\$30,000 to \$39,999	434	435	267	163	113	1,412
\$40,000 to \$49,999	301	296	182	111	77	968
\$50,000 to \$59,999	182	198	121	74	51	626
\$60,000 to \$74,999	203	215	132	80	56	686
\$75,000 to \$99,999	106	117	72	44	30	368
\$100,000 to \$124,999	43	47	29	17	12	148
\$125,000 to \$149,999	22	22	14	8	6	72
\$150,000 to \$199,999	19	20	12	7	5	63
\$200,000 & Over	13	14	8	5	4	44
Total	3,884	3,380	2,077	1,263	877	11,481

Source: ESRI; Urban Decision Group

Renter Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	812	551	335	197	149	2,044
\$10,000 to \$19,999	1,249	658	401	235	178	2,721
\$20,000 to \$29,999	921	646	393	230	175	2,365
\$30,000 to \$39,999	631	456	277	163	123	1,650
\$40,000 to \$49,999	440	328	200	117	89	1,174
\$50,000 to \$59,999	338	275	167	98	74	953
\$60,000 to \$74,999	394	306	186	109	83	1,077
\$75,000 to \$99,999	305	247	151	88	67	857
\$100,000 to \$124,999	83	71	43	25	19	241
\$125,000 to \$149,999	45	38	23	13	10	130
\$150,000 to \$199,999	29	24	15	9	7	83
\$200,000 & Over	26	21	13	8	6	74
Total	5,273	3,620	2,205	1,291	980	13,369

Source: ESRI; Urban Decision Group

Renter Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	773	512	313	180	146	1,923
\$10,000 to \$19,999	1,218	627	383	220	179	2,628
\$20,000 to \$29,999	934	639	390	224	182	2,370
\$30,000 to \$39,999	654	453	277	159	129	1,672
\$40,000 to \$49,999	485	344	211	121	98	1,259
\$50,000 to \$59,999	379	295	180	103	84	1,042
\$60,000 to \$74,999	444	328	200	115	94	1,181
\$75,000 to \$99,999	383	295	180	103	85	1,046
\$100,000 to \$124,999	106	86	52	30	25	299
\$125,000 to \$149,999	59	46	28	16	13	163
\$150,000 to \$199,999	32	26	16	9	7	90
\$200,000 & Over	28	22	14	8	6	79
Total	5,496	3,673	2,245	1,288	1,049	13,752

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for 2010, 2019 and 2022 for the Spartanburg Site PMA:

Owner Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	317	408	162	125	78	1,090
\$10,000 to \$19,999	606	668	266	204	128	1,871
\$20,000 to \$29,999	522	633	252	193	121	1,721
\$30,000 to \$39,999	482	713	283	217	136	1,831
\$40,000 to \$49,999	355	528	210	161	101	1,354
\$50,000 to \$59,999	397	674	268	205	129	1,673
\$60,000 to \$74,999	434	739	293	225	141	1,833
\$75,000 to \$99,999	385	708	281	216	135	1,726
\$100,000 to \$124,999	295	550	218	168	105	1,336
\$125,000 to \$149,999	143	266	106	81	51	647
\$150,000 to \$199,999	157	289	115	88	55	705
\$200,000 & Over	107	199	79	61	38	483
Total	4,200	6,375	2,533	1,944	1,219	16,271

Source: ESRI; Urban Decision Group

Owner Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	256	283	115	83	70	808
\$10,000 to \$19,999	481	435	176	127	108	1,327
\$20,000 to \$29,999	585	630	255	184	156	1,810
\$30,000 to \$39,999	508	621	251	182	154	1,715
\$40,000 to \$49,999	355	469	190	137	116	1,267
\$50,000 to \$59,999	460	695	281	203	172	1,812
\$60,000 to \$74,999	529	780	315	228	193	2,046
\$75,000 to \$99,999	587	936	378	274	232	2,407
\$100,000 to \$124,999	343	602	243	176	149	1,514
\$125,000 to \$149,999	190	322	130	94	80	815
\$150,000 to \$199,999	204	360	145	105	89	903
\$200,000 & Over	184	320	130	94	79	807
Total	4,683	6,453	2,609	1,887	1,599	17,231

Source: ESRI; Urban Decision Group

Owner Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	251	279	113	81	72	795
\$10,000 to \$19,999	470	423	171	122	109	1,296
\$20,000 to \$29,999	572	622	252	180	160	1,787
\$30,000 to \$39,999	494	604	244	175	155	1,672
\$40,000 to \$49,999	365	462	187	134	119	1,267
\$50,000 to \$59,999	489	728	295	210	187	1,909
\$60,000 to \$74,999	571	816	330	236	210	2,164
\$75,000 to \$99,999	615	960	389	278	247	2,488
\$100,000 to \$124,999	369	644	261	186	166	1,625
\$125,000 to \$149,999	208	347	140	100	89	885
\$150,000 to \$199,999	231	406	164	117	105	1,023
\$200,000 & Over	204	356	144	103	92	899
Total	4,840	6,646	2,692	1,922	1,711	17,811

Source: ESRI; Urban Decision Group

The following tables illustrate all household income by household size for 2010, 2019 and 2022 for the Spartanburg Site PMA:

All Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	1,113	1,097	585	382	257	3,434
\$10,000 to \$19,999	1,771	1,495	774	513	342	4,895
\$20,000 to \$29,999	1,122	1,135	560	380	251	3,448
\$30,000 to \$39,999	916	1,148	551	380	249	3,243
\$40,000 to \$49,999	656	824	392	272	178	2,322
\$50,000 to \$59,999	579	871	389	279	180	2,299
\$60,000 to \$74,999	637	953	426	306	197	2,519
\$75,000 to \$99,999	490	825	353	260	166	2,094
\$100,000 to \$124,999	338	596	247	185	117	1,484
\$125,000 to \$149,999	165	289	120	90	57	719
\$150,000 to \$199,999	176	309	127	96	60	768
\$200,000 & Over	120	212	87	66	42	527
Total	8,084	9,755	4,610	3,207	2,096	27,752

Source: ESRI; Urban Decision Group

All Households	2019 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	1,069	834	450	279	219	2,852
\$10,000 to \$19,999	1,729	1,094	577	362	286	4,048
\$20,000 to \$29,999	1,506	1,276	648	415	331	4,175
\$30,000 to \$39,999	1,139	1,077	528	344	277	3,365
\$40,000 to \$49,999	795	797	389	254	205	2,441
\$50,000 to \$59,999	799	970	448	301	247	2,765
\$60,000 to \$74,999	923	1,086	501	337	276	3,123
\$75,000 to \$99,999	892	1,183	529	362	299	3,264
\$100,000 to \$124,999	426	673	286	201	168	1,755
\$125,000 to \$149,999	235	359	153	108	90	945
\$150,000 to \$199,999	233	384	160	114	96	986
\$200,000 & Over	210	342	143	101	85	881
Total	9,956	10,073	4,813	3,178	2,579	30,600

Source: ESRI; Urban Decision Group

All Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,024	790	426	260	217	2,718
\$10,000 to \$19,999	1,689	1,050	555	343	288	3,924
\$20,000 to \$29,999	1,507	1,261	642	404	342	4,156
\$30,000 to \$39,999	1,148	1,057	521	334	285	3,344
\$40,000 to \$49,999	850	807	398	254	217	2,527
\$50,000 to \$59,999	868	1,023	475	314	272	2,952
\$60,000 to \$74,999	1,016	1,144	531	351	304	3,345
\$75,000 to \$99,999	997	1,255	569	381	332	3,535
\$100,000 to \$124,999	475	729	313	216	191	1,924
\$125,000 to \$149,999	267	393	169	116	103	1,048
\$150,000 to \$199,999	263	432	180	126	112	1,113
\$200,000 & Over	232	379	158	111	98	978
Total	10,336	10,319	4,937	3,210	2,760	31,562

Source: ESRI; Urban Decision Group

### Demographic Summary

Demographic trends within the Spartanburg Site PMA are projected to be positive between 2019 and 2022, both in terms of total population and households. This is a trend which has been ongoing since 2000. Although household growth will primarily be concentrated among seniors, the 35 to 44 age cohort is projected to experience the greatest household growth among all age segments within the market between 2019 and 2022. Household growth is also projected to occur among both owner- and renter-occupied households, with renter growth projected to represent nearly 40.0% of all household growth during this time period. Specifically, renter households will increase by 383 (2.9%) between 2019 and 2022 and will continue to comprise nearly 44.0% of all households through 2022. Additionally, more than 62.0% of all renter households are projected to earn less than \$40,000 in 2022. Based on the preceding factors, a relatively large and expanding base of renter support exists within the Site PMA and demand for affordable rental product such as that proposed for the subject site is expected to continue for the foreseeable future.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

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

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

The subject site is within the Spartanburg, SC HUD Metro FMR Area, which has a four-person median household income of \$64,700 for 2020. The subject property will be restricted to households with incomes of up to 30%, 50%, and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Maximum Allowable Income		
	30%	50%	60%
One-Person	\$13,590	\$22,650	\$27,180
Two-Person	\$15,540	\$25,900	\$31,080
Three-Person	\$17,490	\$29,150	\$34,980
Four-Person	\$19,410	\$32,350	\$38,820
Five-Person	\$20,970	\$34,950	\$41,940

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$41,940**.

### 2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$437 (one-bedroom at 30% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,244. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$14,983**.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 30%, 50% and 60% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% Of AMHI)	\$14,983	\$20,970
Tax Credit (Limited to 50% Of AMHI)	\$23,931	\$34,950
Tax Credit (Limited to 60% Of AMHI)	\$29,966	\$41,940
Overall Project*	\$14,983	\$41,940

\*Excludes the \$20,971 to \$23,930 income band due to the gap in affordability between the 30% and 50% AMHI levels

### 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 2010 Census data or the most current American Community Survey (ACS) data and projected from:*

- 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) 2014-2018 5-year estimates, approximately 26.3% to 70.5% (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 Table B25016 of the ACS 2014-2018 5-Year Estimates, 4.6% 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.*

Not applicable; subject property is general-occupancy.

- 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 Spartanburg Site PMA, we identified and surveyed a total of five existing comparable LIHTC properties. As detailed in *Section H*, all five of these existing properties are 100.0% occupied. However, one of these existing properties, Regency at Blackstock, was just recently added to the market in 2019. Thus, this property has been considered in our demand estimates.

There is one additional non-subsidized general-occupancy property, Northside Apartments, currently in the development pipeline within the Spartanburg Site PMA. This project was allocated Tax Credits in 2018 and is planned to include a total of 90 units comprised of 45 one-bedroom and 45 two-bedroom units targeting households earning up to 60% of AMHI. As this project will have some competitive overlap with the subject project and has yet to be placed in service, it has also been considered in our demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income			
	30% AMHI (\$14,983-\$20,970)	50% AMHI (\$23,931-\$34,950)	60% AMHI (\$29,966-\$41,940)	Overall (\$14,983-\$41,940)*
Demand from New Renter Households (Age- and Income-Appropriate)	1,548 - 1,594 = -46	2,266 - 2,252 = 14	1,924 - 1,885 = 39	4,902 - 4,907 = -5
+				
Demand from Existing Households (Rent Overburdened)	1,594 X 70.5% = 1,124	2,252 X 44.6% = 1,004	1,885 X 26.3% = 496	4,907 X 45.4% = 2,229
+				
Demand from Existing Households (Renters in Substandard Housing)	1,594 X 4.6% = 73	2,252 X 4.6% = 104	1,885 X 4.6% = 87	4,907 X 4.6% = 226
+				
Demand from Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A	N/A
=				
Total Demand	1,151	1,122	622	2,450
-				
Supply (Directly Comparable Units Built and/or Funded Since 2019)	0	8	74	82
=				
Net Demand	1,151	1,114	548	2,368
Proposed Units	5	10	33	48
Proposed Units/ Net Demand	5 / 1,151	10 / 1,114	33 / 548	48 / 2,368
Capture Rate	0.4%	0.9%	6.0%	2.0%

\*Excludes households earning between \$20,971 and \$23,930 due to the gap in affordability between the 30% and 50% AMHI levels.

N/A – Not Applicable

The capture rates by AMHI level range from 0.4% at the 30% AMHI level to 6.0% at the 60% AMHI level. The overall capture rate for the subject project is 2.0%. Typically, capture rates up to 30.0% are considered acceptable utilizing the methodology. Thus, the subject's capture rates, both by AMHI level and overall, are considered low and demonstrate a deep base of potential support for the subject project within the Spartanburg Site PMA. This is particularly true when considering that all existing comparable LIHTC product surveyed in the market is 100.0% occupied and most maintain extensive waiting lists for their next available units.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	40.0%
Two-Bedroom	40.0%
Three-Bedroom+	20.0%
Total	100.0%

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

Units Targeting 30% Of AMHI (1,151 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Two-Bedroom (40%)	460	0	460	3	0.7%
Three-Bedroom (20%)	230	0	230	2	0.9%
Units Targeting 50% Of AMHI (1,122 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Two-Bedroom (40%)	449	3	446	6	1.3%
Three-Bedroom (20%)	224	5	219	4	1.8%
Units Targeting 60% Of AMHI (622 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Two-Bedroom (40%)	249	55	194	15	7.7%
Three-Bedroom (20%)	124	19	105	18	17.1%

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

The capture rates by bedroom type and AMHI level range from 0.7% to 17.1% and therefore are considered low and easily achievable within the Spartanburg Site PMA.

Considering that the subject project will include 24 three-bedroom units, which comprise 50.0% of all subject units offered, the following analysis has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Demand Component	Percent Of Median Household Income			
	30% AMHI (\$17,280-\$20,970)	50% AMHI (\$27,669-\$34,950)	60% AMHI (\$34,594-\$41,940)	Overall (\$17,280-\$41,940)*
Demand from New Larger Renter Households (Age- And Income-Appropriate)	290 – 299 = -9	466 – 465 = 1	389 – 384 = 5	1,124 – 1,127 = -3
+				
Demand from Existing Households (Rent Overburdened)	299 X 67.9% = 203	465 X 44.6% = 207	384 X 9.3% = 36	1,127 X 39.9% = 450
+				
Demand from Existing Households (Renters in Substandard Housing)	299 X 4.6% = 14	465 X 4.6% = 21	384 X 4.6% = 18	1,127 X 4.6% = 52
=				
Total Large Household Demand	208	229	59	499
-				
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2019)	0	5	19	24
=				
Net Large Household Demand	208	224	40	475
Proposed (Three-Br.+) Units	2	4	18	24
Proposed (Three-Br.+) Units/ Net Large Household Demand	2 / 208	4 / 224	18 / 40	24 / 475
Large-Household Capture Rate	1.0%	1.8%	45.0%	5.1%

\*Excludes households earning between \$20,971 and \$27,668 due to the gap in affordability between the 30% and 50% AMHI levels.

The subject's large-household capture rates range from 1.0% at the 30% AMHI level to 45.0% at the 60% AMHI and the overall capture rate is 5.1%. Although the subject's large-household capture rate for the three-bedroom units at 60% of AMHI is higher than typically acceptable capture rate levels, it is important to consider that all 19 of the directly comparable/competitive supply units considered in this calculation are located at the existing Regency at Blackstock property. As detailed throughout *Section H*, this property is currently 100.0% occupied. When you omit these currently occupied units from the preceding demand estimates, the subject's large-household capture rate for the units at the 60% AMHI level declines to 30.5%. Based on the preceding factors and considering that all existing comparable LIHTC product is fully occupied and most properties maintain waiting lists, the subject's large-household capture rates are considered achievable.

## 6. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed development. It is our opinion that the 48 units proposed for the subject site will reach a stabilized occupancy of at least 93.0% within four months of opening. This absorption period is based on an average monthly absorption rate of approximately 11 to 12 units per month.

These absorption projections assume an April 2022 opening date. A different opening may impact (positively or negatively) the absorption potential for the subject project. Further, these absorption projections assume the project will be built and operated as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

The preceding absorption projections and findings/conclusions detailed throughout this report also assume market conditions remain constant and/or favorable to the continued development of affordable housing product. Should market conditions change, primarily/specifically due to the ongoing COVID-19 pandemic, the findings of this market study could vary.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

Upon completion, the subject project will offer two- and three-bedroom units targeting general-occupancy (family) households earning up to 30%, 50%, and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we surveyed a total of nine properties which operate under the LIHTC program. Five of these nine properties offer non-subsidized general-occupancy LIHTC units similar to those proposed for the subject project in terms of unit type and targeted income (AMHI) level. These properties are considered most comparable to and competitive with the proposed subject development and therefore have been selected for our comparable/competitive analysis.

The five comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Phone Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Westview Terrace</b>	<b>2022</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 50% &amp; 60% AMHI</b>
6	Companion at Lee's Crossing I	2010	192	100.0%	3.9 Miles	2 HH	Families; 60% AMHI
7	Country Garden Estates I & II	2002	100	100.0%	2.6 Miles	20 HH	Families; 50% & 60% AMHI & Public Housing
17	Regency at Blackstock	2019	37	100.0%	1.2 Miles	None	Families; 50% & 60% AMHI
24	Willow Crossing	2012	48	100.0%	1.1 Miles	350 HH	Families; 50% & 60% AMHI
25	Willow Trace Townhomes	2015	28	100.0%	1.1 Miles	2-3 Years	Families; 50% & 60% AMHI

Occ. – Occupancy  
HH - Households

The five LIHTC projects have a combined occupancy rate of 100.0% and four of the five maintain waiting lists of up to 350 households or three years in duration. These are clear indications of strong and pent-up demand for general-occupancy LIHTC product such as that proposed for the subject site.

It is of note that one of the comparable properties, Regency at Blackstock, opened in March of 2019. According to management, this property began preleasing units in February of 2019 and reached 100.0% occupancy in April of 2019. This is reflective of an average monthly absorption rate of approximately 12 to 13 units per month during this property's initial lease-up period (three months) from the beginning of preleasing. This is considered a good absorption rate and further demonstrates strong demand for modern LIHTC product such as that proposed for the subject project.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
6	Companion at Lee's Crossing I	192	115	59.9%
7	Country Garden Estates I & II	100	50	50.0%
17	Regency at Blackstock	37	N/A	-
24	Willow Crossing	48	12	25.0%
25	Willow Trace Townhomes	28	6	21.4%
Total		368	183	49.7%

N/A – Number not available (units not included in total)

There is a total of approximately 183 voucher holders residing at the comparable properties for which this information was available. This comprises 49.7% of the 368 total non-subsidized LIHTC units offered among these properties. This is considered a relatively high share of voucher support but also indicates that the gross rents reported among these properties are achievable within the market as approximately half of the units offered are occupied by non-voucher holders.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
<b>Site</b>	<b>Westview Terrace</b>	-	\$437/30% (3)* \$698/50% (2)* \$728/50% (4) \$874/60% (15)	\$504/30% (2)* \$807/50% (3)* \$841/50% (1) \$1,009/60% (18)	-	-
6	Companion at Lee's Crossing I	\$662/60% (36/0)	\$795/60% (98/0)	\$919/60% (58/0)	-	None
7	Country Garden Estates I & II	\$566/50% (2/0)^ \$566/50% (4/0) \$685/60% (4/0)	\$702/50% (6/0)^ \$702/50% (12/0) \$844/60% (12/0)	\$785/50% (2/0)^ \$785/50% (4/0) \$992/60% (1/0) \$992/60% (53/0)	-	None
17	Regency at Blackstock	-	\$635/60% (10/0) \$560/50% (3/0)	\$654/50% (5/0) \$704/60% (19/0)	-	None
24	Willow Crossing	-	\$560/50% (8/0) \$635/60% (8/0)	\$684/50% (4/0) \$754/60% (28/0)	-	None
25	Willow Trace Townhomes	-	\$815/50% (3/0) \$815/60% (5/0)	\$1,084/50% (4/0) \$1,084/60% (16/0)	-	None

^Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

\*Low HOME units

The subject's proposed Tax Credit rents are competitive with those reported among the comparable LIHTC projects, as detailed in the preceding table. This is particularly true when considering the newness and anticipated quality of the subject project, as well as the subject's competitive unit sizes (square feet), and number of bathrooms and the comprehensive amenity package proposed for the property. The strong and pent-up demand for additional general-occupancy LIHTC product will also enhance the subject's rent potential within this market.

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

**6 Companion at Lee's Crossing I** 3.9 miles to site



Address: 100 Lees Crossing Dr., Spartanburg, SC 29301  
 Phone: (864) 481-1422      Contact: Kelly  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 192      Year Built: 2010  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3,4  
 Waitlist: 2 HH;  
 Rent Special:

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

Notes: Tax Credit; Tax Credit Bond; HCV (115 units)



**Features And Utilities**

Utility Schedule Provided by: SC State Housing Finance and Development Agency  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Car Care (Car Wash); Community Room; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool)

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	0	730	\$0.82	\$595	60%
2	2	G	98	0	1,057	\$0.67	\$710	60%
3	2	G	58	0	1,248	\$0.65	\$815	60%

\* Adaptive Reuse

**7** Country Garden Estates I & II 2.6 miles to site



Address: 346 N. Sunflower Way, Moore, SC 29369  
 Phone: (864) 574-0072 Contact: Carolyn  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 100 Year Built: 2002  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 1,2  
 Waitlist: 20 HH;  
 Rent Special:

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



Notes: Tax Credit (90 units); Public Housing & Tax Credit (10 units); HCV (50 units); HOPE VI; 3-br garden unit is single-family home

**Features And Utilities**

Utility Schedule Provided by: SC State Housing Finance and Development Agency

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	907	\$0.48	\$436	50%
1	1	G	4	0	907	\$0.48	\$436	50%
1	1	G	4	0	907	\$0.61	\$555	60%
2	1.5 - 2	T	6	0	1,184	\$0.45	\$535	50%
2	1.5 - 2	T	12	0	1,184	\$0.45	\$535	50%
2	1.5 - 2	T	12	0	1,184	\$0.57	\$677	60%
3	2.5	G	1	0	1,272	\$0.61	\$772	60%
3	2.5	T	2	0	1,272	\$0.44	\$565	50%
3	2.5	T	4	0	1,272	\$0.44	\$565	50%
3	2.5	T	53	0	1,272	\$0.61	\$772	60%

\* Adaptive Reuse

**17** Regency at Blackstock 1.2 miles to site



Address: 320 Rosson Ln, Spartanburg, SC 29301  
 Phone: (864) 586-1837      Contact: Kelsey  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 37      Year Built: 2019  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 2  
 Waitlist:  
 Rent Special:

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

Notes: Tax Credit; Accepts HCV



**Features And Utilities**

Utility Schedule Provided by: SC State Housing Finance and Development Agency  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

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

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	10	0	1,000	\$0.55	\$550	60%
2	2	G	3	0	1,000	\$0.48	\$475	50%
3	2	G	5	0	1,250	\$0.44	\$550	50%
3	2	G	19	0	1,250	\$0.48	\$600	60%

\* Adaptive Reuse

**24 Willow Crossing** 1.1 miles to site



Address: 101 Willow Crossing Ln., Spartanburg, SC 29301  
 Phone: (864) 699-9965 Contact: Chelsea  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 48 Year Built: 2012  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2  
 Waitlist: 350 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (12 units)



**Features And Utilities**

Utility Schedule Provided by: SC State Housing Finance and Development Agency  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

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

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	8	0	1,100	\$0.43	\$475	50%
2	2	G	8	0	1,100	\$0.50	\$550	60%
3	2	G	4	0	1,200	\$0.48	\$580	50%
3	2	G	28	0	1,200	\$0.54	\$650	60%

\* Adaptive Reuse

**25 Willow Trace Townhomes** 1.1 miles to site



Address: 300 Willow Crossing Ln., Spartanburg, SC 29301  
 Phone: (864) 327-8496      Contact: Amanda  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 28      Year Built: 2015  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 2  
 Waitlist: 24-36 mos;  
 Rent Special:

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

Notes: Tax Credit; HCV (6 units)

**Features And Utilities**

Utility Schedule Provided by: SC State Housing Finance and Development Agency  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

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

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	T	3	0	1,100	\$0.66	\$730	50%
2	2	T	5	0	1,100	\$0.66	\$730	60%
3	2	T	4	0	1,250	\$0.78	\$980	50%
3	2	T	16	0	1,250	\$0.78	\$980	60%

\* Adaptive Reuse

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Westview Terrace</b>	-	<b>1,009</b>	<b>1,239</b>	-
6	Companion at Lee's Crossing I	730	1,057	1,248	-
7	Country Garden Estates I & II	907	1,184	1,272	-
17	Regency at Blackstock	-	1,000	1,250	-
24	Willow Crossing	-	1,100	1,200	-
25	Willow Trace Townhomes	-	1,100	1,250	-

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
<b>Site</b>	<b>Westview Terrace</b>	-	<b>2.0</b>	<b>2.0</b>	-
6	Companion at Lee's Crossing I	1.0	2.0	2.0	-
7	Country Garden Estates I & II	1.0	1.5 - 2.0	2.5	-
17	Regency at Blackstock	-	2.0	2.0	-
24	Willow Crossing	-	2.0	2.0	-
25	Willow Trace Townhomes	-	2.0	2.0	-

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

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

All Unit Amenities by Map ID							
	Site**	6	7	17	24	25	
Appliances	Dishwasher	X	X	X	X	X	X
	Disposal	X	X	X			
	Icemaker	X				X	X
	Microwave	X			X	X	X
	Range	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X
	No Appliances						
Unit Amenities	AC-Central	X	X	X	X	X	X
	AC-Other						
	Balcony	X	X		X	X	
	Deck / Patio	X	X	S	X	X	X
	Basement						
	Ceiling Fan	X	X	X	X	X	X
	Controlled Access						
	E-Call System						
	Fireplace						
	Furnished						
	Security System						
	Sunroom						
	W/D Hookup	X	X	X	X	X	X
	W/D						
	Walk-In Closet	X					
	Window Treatments	X	X	X	X	X	X
Flooring	Carpet	X	X	X	X		X
	Ceramic Tile	X					
	Composite (VCT)(LVT)	X				X	
	Hardwood					X	
	Finished Concrete						
	Vinyl		X	X			
	Wood Laminate / Plank						
Upgraded	Premium Appliances						
	Premium Countertops						
	Premium Cabinetry						
	Premium Fixtures						
	High Ceilings						
	Vaulted Ceilings						
	Crown Molding						
	Oversized Windows						
Parking	Attached Garage						
	Detached Garage		O	S			
	Surface Lot	X	X	X	X	X	X
	Carport						
	Property Parking Garage						
	Podium Parking						
	No Provided Parking						

\*\* Proposed Site(s): Westview Terrace

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

\* Details in Comparable Property Profile Report

All Property Amenities by Map ID							
	Site**	6	7	17	24	25	
Bike Racks / Storage							
Business Center *	X			X	X	X	
Car Care *		X					
Common Patio	X						
Community Garden							
Community Space	Activity / Craft Room						
	Chapel						
	Clubhouse			X	X	X	
	Conference Room						
	Community Kitchen						
	Community Room	X	X		X	X	
	Dining Room - Private						
	Dining Room - Public						
	Rooftop Lounge						
	Study Lounge						
	TV Lounge						
	Concierge Service *						
	Convenience Amenities *						
	Courtyard	X					
Covered Outdoor Area *	X				X		
Elevator							
Laundry Room	X	X		X	X	X	
Meals							
On-Site Management	X	X	X	X	X	X	
Pet Care *							
Recreation	Basketball						
	Bocce Ball						
	Firepit						
	Fitness Center	X	X		X	X	X
	Grill						
	Game Room - Billiards						
	Hiking - Walking Trail						
	Hot Tub						
	Library						
	Media Room / Theater						
	Picnic Table / Area	X			X	X	X
	Playground	X	X		X	X	X
	Putting Green						
	Racquetball						
	Shuffleboard						
	Sports Court						
	Swimming Pool - Indoor						
	Swimming Pool - Outdoor		X				
	Tennis						
	Volleyball						
Security	CCTV					X	
	Courtesy Officer						
	Gated Community						
	Gated Parking						
	Police Substation						
	Social Services *	X					
	Storage - Extra				X	X	X
	Water Feature						
WiFi							

\*\* Proposed Site(s): Westview Terrace

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

\* Details in Comparable Property Profile Report

The subject project will offer a comprehensive amenity package which will be very competitive with those offered among the comparable properties, both in terms of unit and project amenities. The proposed project does not appear to lack any key amenities that would adversely impact its marketability within the Spartanburg Site PMA.

#### Comparable/Competitive Tax Credit Summary

The five comparable LIHTC properties surveyed at the time of this analysis are all 100.0% occupied and four maintain waiting lists of up to 350-households or three years for their next available unit. The subject project will help to alleviate a portion of this pent-up demand within the Spartanburg Site PMA. The subject's proposed gross Tax Credit rents are competitive with the rents reported among the comparable properties and are considered marketable, particularly when considering the overall design of the property and the strong demand for LIHTC product in this market. The subject property will compete well in terms of both unit design (square feet and number of bathrooms) and amenities offered. Overall, the subject is considered marketable within the Spartanburg Site PMA.

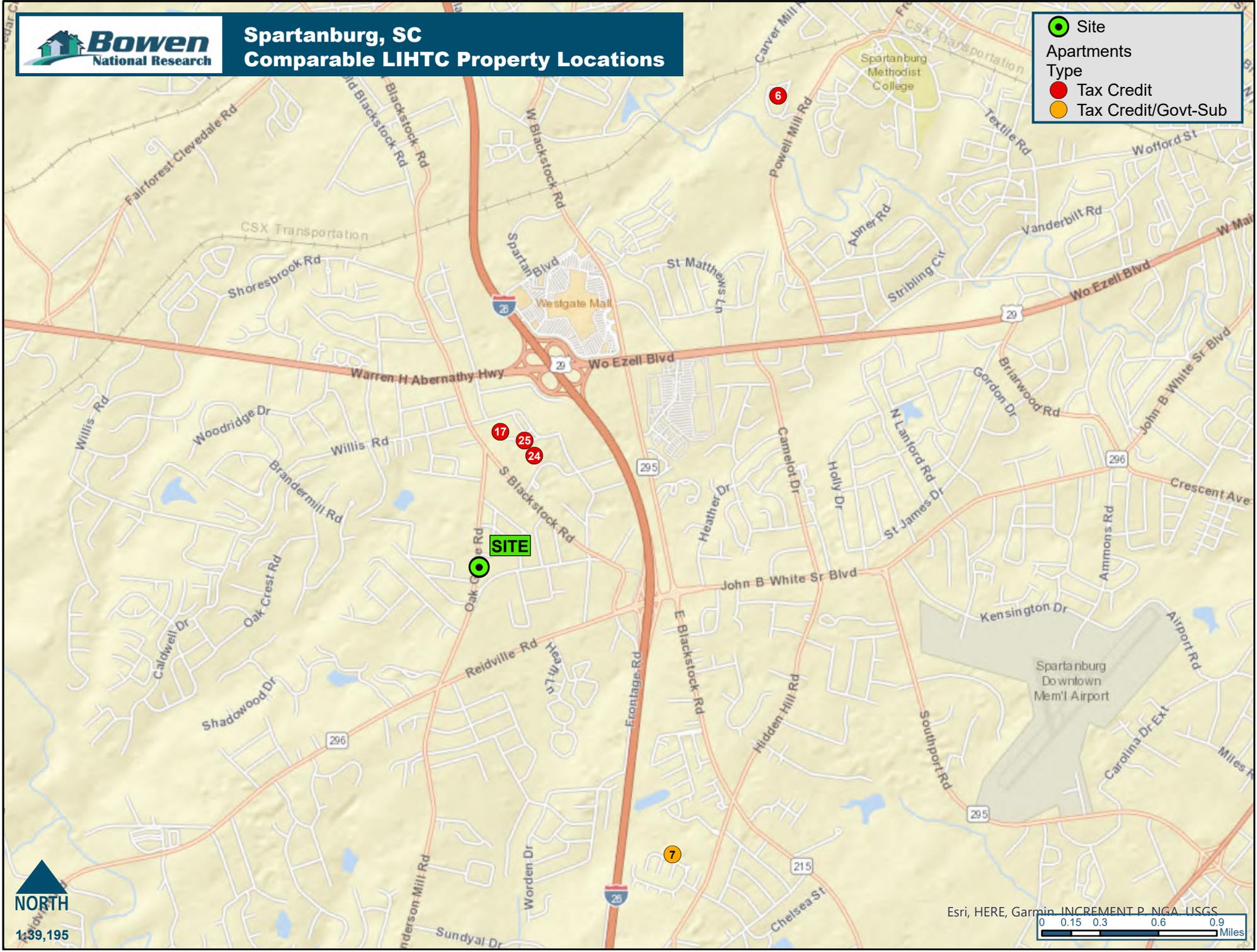
## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

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



# Spartanburg, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit
- Tax Credit/Govt-Sub



NORTH  
1:39,195

Esri, HERE, Garmin, INCREMENT P, NGA, USGS  
0 0.15 0.3 0.6 0.9  
Miles

### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Spartanburg 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	27,752	87.3%	30,600	87.9%
Owner-Occupied	16,271	58.6%	17,231	56.3%
Renter-Occupied	11,481	41.4%	13,369	43.7%
Vacant	4,030	12.7%	4,223	12.1%
Total	31,782	100.0%	34,823	100.0%

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

Based on a 2019 update of the 2010 Census, of the 34,823 total housing units in the market, 12.1% were vacant. In 2019, it was estimated that homeowners occupied 56.3% of all occupied housing units, while the remaining 43.7% were occupied by renters.

#### Conventional Apartments

We identified and surveyed 26 conventional rental housing projects containing a total of 3,867 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 95.2%, a good rate for rental housing. Each rental housing segment surveyed is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	15	2,901	187	93.6%
Tax Credit	4	305	0	100.0%
Tax Credit/Government-Subsidized	5	489	0	100.0%
Government-Subsidized	2	172	0	100.0%
Total	26	3,867	187	95.2%

Each rental housing segment surveyed is performing at a high level, as indicated by the overall occupancy rates of 93.6% or higher. Notably, all affordable (i.e. Tax Credit and/or government-subsidized) product surveyed is 100.0% occupied. This is a clear indication of strong and pent-up demand for product similar to that proposed for the subject site.

**Tax Credit Property Disclosure:** In addition to the nine Tax Credit properties surveyed, we are also aware of three additional existing properties which were awarded allocations and/or operate under the Tax Credit program within the Spartanburg Site PMA. Despite multiple attempts, we were unable to survey these properties at the time of this analysis. The known details of these properties based on prior surveys of the Spartanburg market and our research at the time of this analysis are summarized in the following table:

Project Name	Address	Year Built/ Allocation Year	Total Units	Tax Credit Units	Target Population
Cedar Springs Place	200 Serenity Springs	2008	48	28	Senior (50% AMHI)
Highland Crossing Apts.	230 Highland Ave.	2016	72	72	Family (60% AMHI & PBV/PBRA)
West Winfield Acres	518 Lavendula St.	1999	40	32	Family (50% & 60% AMHI)

AMHI – Area Median Household Income  
 PBV – Project-Based Voucher  
 PBRA – Project-Based Rental Assistance

As the preceding illustrates, two of the three properties unable to be surveyed are general-occupancy (family) properties and thus would likely have some competitive overlap with the subject project. Regardless, as these properties were unable to be surveyed at the time of this analysis, they have been excluded from our survey.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	49	1.7%	3	6.1%	\$815
One-Bedroom	1.0	894	30.8%	53	5.9%	\$1,046
One-Bedroom	1.5	26	0.9%	2	7.7%	\$962
Two-Bedroom	1.0	54	1.9%	4	7.4%	\$886
Two-Bedroom	1.5	44	1.5%	2	4.5%	\$1,032
Two-Bedroom	2.0	1,298	44.7%	89	6.9%	\$1,201
Three-Bedroom	1.5	6	0.2%	0	0.0%	\$1,069
Three-Bedroom	2.0	454	15.6%	31	6.8%	\$1,336
Three-Bedroom	2.5	16	0.6%	0	0.0%	\$1,262
Four-Bedroom	2.0	60	2.1%	3	5.0%	\$1,149
<b>Total Market-Rate</b>		<b>2,901</b>	<b>100.0%</b>	<b>187</b>	<b>6.4%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	44	11.1%	0	0.0%	\$662
Two-Bedroom	1.5	12	3.0%	0	0.0%	\$773
Two-Bedroom	2.0	147	37.2%	0	0.0%	\$795
Three-Bedroom	2.0	134	33.9%	0	0.0%	\$919
Three-Bedroom	2.5	58	14.7%	0	0.0%	\$992
<b>Total Tax Credit</b>		<b>395</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

The market-rate units are 93.6% occupied and the Tax Credit units are 100.0% occupied. A variety of unit types is offered among the Tax Credit properties surveyed, all of which are clearly well-received within the market given the 100.0% occupancy rate reported. This is a clear indication of strong demand for Tax Credit product among households of all sizes.

It is also important to point out the median gross Tax Credit rents in the preceding table as they are well below those reported for similar unrestricted market-rate product in this market. This is a good indication, along with the 100.0% occupancy rate, of the value non-subsidized Tax Credit product represents in this market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	3	216	1.4%
1970 to 1979	0	0	0.0%
1980 to 1989	4	708	4.4%
1990 to 1999	4	1,035	7.2%
2000 to 2009	3	730	7.0%
2010 to 2014	3	512	5.3%
2015	1	28	0.0%
2016	0	0	0.0%
2017	0	0	0.0%
2018	0	0	0.0%
2019	2	67	0.0%
2020*	0	0	0.0%

\*As of May

The majority of non-subsidized product surveyed was built prior to 2000. However, there have been more than 600 units added to the market since 2010, 11.0% (67 units) of which were built in 2019. Notably, product surveyed and built within the past five years is 100.0% occupied. This is a clear indication of strong demand for modern rental product within the Spartanburg area.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	3	912	8.6%
A-	2	711	8.9%
B+	5	627	4.3%
B	5	651	2.9%



Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	3	277	0.0%
B	2	118	0.0%

Non-subsidized Tax Credit product surveyed is generally of good overall quality as indicated by the quality ratings assigned by our analyst and detailed in the preceding table. The subject project is expected to have a very good overall quality which will contribute to its marketability within the Spartanburg Site PMA.

#### Government-Subsidized

The unit distribution of the government-subsidized properties (both with and without Tax Credits) surveyed is summarized in the following table.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	26	6.5%	0	0.0%
Two-Bedroom	1.0	65	16.3%	0	0.0%
Two-Bedroom	1.5	3	0.8%	0	0.0%
Two-Bedroom	2.0	3	0.8%	0	0.0%
Two-Bedroom	2.5	24	6.0%	0	0.0%
Three-Bedroom	1.0	117	29.3%	0	0.0%
Three-Bedroom	2.5	125	31.3%	0	0.0%
Four-Bedroom	1.0	36	9.0%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>399</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	18	10.5%	0	0.0%
Two-Bedroom	1.0	20	11.6%	0	0.0%
Two-Bedroom	1.5	77	44.8%	0	0.0%
Three-Bedroom	1.0	16	9.3%	0	0.0%
Three-Bedroom	2.0	41	23.8%	0	0.0%
<b>Total Subsidized</b>		<b>172</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The subsidized units, both with and without Tax Credits, are 100.0% occupied. This is further indication of strong demand for affordable rental product within the Spartanburg Site PMA. Although the subject property will not operate with any type of project-based subsidy, some units will be offered at low 30% and 50% AMHI levels. Thus, the subject property will be able to accommodate very low-income households within the market.

A complete survey of all conventional apartments we surveyed, as well as an apartment location map, is included in *Addendum A, Phone Survey of Conventional Rentals*.

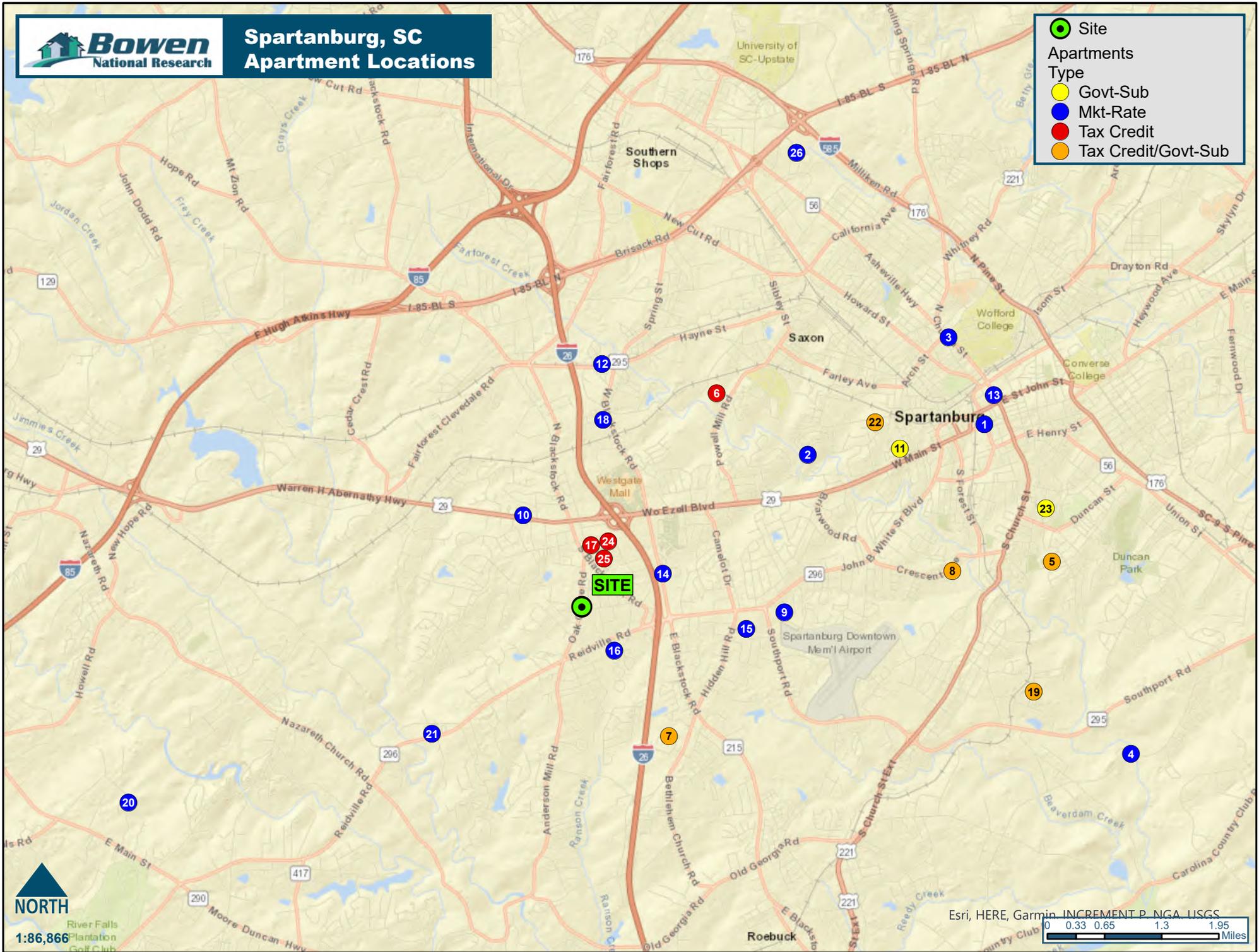
**4. RENTAL HOUSING INVENTORY MAP**

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



# Spartanburg, SC Apartment Locations

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



1:86,866

River Falls  
Plantation  
Golf Club

Esri, HERE, Garmin, INCREMENT P, NGA, USGS



## **5. & 6. PLANNED AND PROPOSED DEVELOPMENTS**

Despite multiple attempts to contact local planning and building officials, we were unable to receive a response. However, from extensive online research and the observations of our analyst, it was determined there are multiple rental housing projects currently in the development pipeline within the Site PMA. The known details of these projects are summarized as follows:

- Northside Apartments located at 400 Howard Street in Spartanburg, is a planned 90-unit Tax Credit property. This project is expected to break ground in June 2020 and will be completed in May of 2021. Upon completion, the property will offer one- and two-bedroom units targeted general-occupancy (family) households earning up to 60% of AMHI. This project was allocated Tax Credits in 2018.
- The Ellington to be located at 548 Magnolia Street in Spartanburg, is an under construction 50-unit senior designated Tax Credit property which was allocated Tax Credits in 2019. Upon completion, the property will offer one- and two-bedroom units targeting seniors age 55 and older earning up to 50% and 60% of AMHI. The development timeline for this project was not available as of the time of this report.
- Victoria Garden Apartments located at 695 Howard Street in Spartanburg was allocated Tax Credits in 2019 to renovate the 80 units currently offered at this existing property. Currently, this property offers one- through five-bedroom units which operate under the Public Housing program.

As detailed above, two of the three projects currently in the development pipeline will target family households and operate under the LIHTC guidelines. However, one property, Victoria Garden Apartments, involves the renovation of an existing property which also operates with a project-based subsidy. Thus, it is anticipated that only the Northside Apartments will be directly competitive with the subject project. This property has been considered in our demand estimates in *Section G*.

## **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 market advantages for the proposed LIHTC rents evaluated throughout this report as compared to area Fair Market Rents are illustrated in the following table:

Bedroom Type	Proposed Collected Rent (AMHI)	Fair Market Rent	Market Advantage
Two-Bedroom	\$356 (30%/LH)	\$795	55.22%
	\$617 (50%/LH)		22.39%
	\$647 (50%)		18.62%
	\$793 (60%)		0.25%
Three-Bedroom	\$406 (30%/LH)	\$1,057	61.59%
	\$709 (50%/LH)		32.92%
	\$743 (50%)		29.71%
	\$911 (60%)		13.81%
<b>Weighted Average</b>			<b>17.06%</b>

LH – Low HOME

As detailed in the preceding table, the subject project has a weighted average market advantage of 17.06%, which meets the SCSHFDA threshold of 10.0% and is a good indication the subject project will represent a good value within the Spartanburg market.

#### 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 developed 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 C*), 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	% AMHI	Proposed Collected LIHTC Rent	Programmatic Rent*	Achievable LIHTC Rent
Two-Bedroom	30%/LH	\$356	\$356	\$356
Two-Bedroom	50%/LH	\$617	\$617	\$617
Two-Bedroom	50%	\$647	\$647	\$647
Two-Bedroom	60%	\$793	\$793	\$793
Three-Bedroom	30%/LH	\$406	\$406	\$406
Three-Bedroom	50%/LH	\$709	\$709	\$709
Three-Bedroom	50%	\$743	\$743	\$743
Three-Bedroom	60%	\$911	\$911	\$911

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

LH – Low HOME

As illustrated in the preceding table, the proposed subject rents are positioned equal to the achievable LIHTC rent levels. Therefore, the proposed collected LIHTC rents at the subject project are considered appropriate for the market.

**8. AFFORDABLE HOUSING IMPACT**

As previously noted, a total of five existing LIHTC projects were identified as comparable/competitive with the subject project within the Spartanburg Site PMA. These properties were selected for our comparable/competitive Tax Credit analysis earlier in this section. The anticipated occupancy rates of the existing comparable/competitive non-subsidized Tax Credit developments during the first year of occupancy at the subject project are summarized as follows:

Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2022
Companion at Lee's Crossing I	100.0%	95.0% +
Country Garden Estates I & II	100.0%	95.0% +
Regency at Blackstock	100.0%	95.0% +
Willow Crossing	100.0%	95.0% +
Willow Trace Townhomes	100.0%	95.0% +

As detailed throughout this report and again detailed in the preceding table, the existing comparable/competitive LIHTC projects are all 100.0% occupied. It is also of note that four of these five properties maintain waiting lists of up to 350-households or three years in duration. These are clear indications of significant pent-up demand for additional general-occupancy LIHTC product in this market. Thus, we do not anticipate the subject project will have any adverse impact on future occupancy rates among these existing properties. In fact, we expect the subject project will help alleviate a portion of the pent-up demand for additional LIHTC product in this market.

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

According to ESRI, the median home value within the Site PMA was \$139,702. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$139,702 home is \$841, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$139,702
Mortgaged Value = 95% of Median Home Price	\$132,717
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$672
Estimated Taxes and Insurance*	\$168
Estimated Monthly Mortgage Payment	\$841

\*Estimated at 25% of principal and interest



In comparison, the collected Tax Credit rents for the subject property range from \$356 to \$911 per month. While some tenants of the subject project may be capable of affording the cost of a typical home in the area, it is important to understand that the preceding table is reflective of a “median-priced” home in this market (\$139,702). It is likely that a home of this price point is in need of some repair and/or updating. Comparatively, the subject project will offer new construction units. In addition, the subject property will offer a full amenity package and some utility costs in the monthly rent. These are features which are not typically included with for-sale product and should be considered when determining the value of the subject project as compared to for-sale product in this market. Additionally, while some potential tenants may be able to afford the cost of a typical mortgage in the area, the number that could also afford the down payment, routine maintenance costs, and/or utility expenses associated with owning a home is likely minimal. When considering the preceding factors, we do not anticipate any competitive impact on or from the homebuyer market.

#### **10. HOUSING VOIDS**

The proposed subject project will offer two- and three-bedroom units targeting general-occupancy (family) households earning up to 30%, 50%, and 60% of AMHI. As detailed throughout this report, there are several existing properties within the Site PMA which will be directly competitive with the subject project. However, it is important to understand that these existing properties are not capable of meeting market demand for product such as that proposed for the subject site. This is evident by the fact that all five of the comparable properties surveyed are 100.0% occupied and four of the five maintain waiting lists of up to 350-households or three years in duration. These are clear indications the proposed subject development will provide an affordable housing alternative that is clearly in high demand within the Spartanburg Site PMA.

## I. Interviews

The following are summaries of interviews conducted with various government and private sector individuals regarding the need for affordable housing alternatives within the Spartanburg area:

- Katherine O’Neill, Chief Economic Development Officer of the Spartanburg Economic Futures Group, stated that there is a need for more affordable housing within Spartanburg. Ms. O’Neill explained that “mixed-rate” housing communities, such as a combination of market-rate, workforce, and affordable housing would benefit the area the most, as it would address multiple areas of housing. *Phone Number: (864) 415-9469.*
- Kelly Pruitt, Property Manager at Companion at Lee’s Crossing I, stated that there is a need for additional affordable housing in Spartanburg. Ms. Pruitt explained that she regularly receives calls about her property but must refer prospective tenants to her long waiting list as her property is typically fully occupied. *Phone Number: (864) 481-1422.*
- Loretta Singletary is the Property Manager at Crescent Hill Apartments, a Tax Credit and government-subsidized property. Ms. Singletary stated that there is a need for additional affordable housing in Spartanburg and further explained that most of the affordable housing inventory in Spartanburg is occupied. However, there is still a large demand for these types of units, as indicated by the waiting lists maintained among many properties in the area. *Phone Number: (864) 582-7877.*

## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 48 units proposed for the subject site, assuming it is developed and operated as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings. This also assumes market conditions remain stable/favorable for continued affordable housing development amid and following the COVID-19 pandemic. Should market conditions change due to the ongoing pandemic and/or other circumstances, the findings of this report may vary.

The proposed subject site is situated within an established and good overall quality portion of Spartanburg. The frontage maintained along both Old Reidville Road and Oak Grove Road allows for clear visibility and convenient access to the subject property. Most basic area services are also within a reasonable distance and easily accessible from the subject site.

Existing comparable/competitive LIHTC product surveyed in the market is performing very well as all five properties surveyed are 100.0% occupied and most maintain waiting lists. The subject project will be competitive with these existing properties, both in terms of price point (gross rent) and overall design.

Demographic trends are projected to be positive within the Spartanburg Site PMA both in terms of population and household growth between 2019 and 2022. Nearly 44.0% of all households will continue to be renters through 2022. The subject's low capture rate of 2.0% is further indication of the deep base of potential renter support within the market for the subject project.

Overall, the subject property is considered marketable as proposed and is expected to help alleviate a portion of the pent-up demand for additional LIHTC product within the Spartanburg Site PMA. The subject project is not anticipated to have any adverse impact on future occupancy rates among the comparable properties. We have no recommendations to 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:

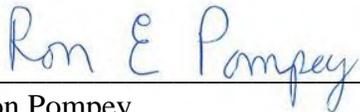


Craig Rupert (Primary Contact)

Market Analyst

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

Date: May 29, 2020

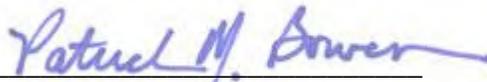


Ron Pompey

Market Analyst

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

Date: May 29, 2020



Patrick M. Bowen

President/Market Analyst

Bowen National Research

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(614) 833-9300

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

Date: May 29, 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 phone survey of modern apartment developments is conducted. The intent of the phone survey is twofold. First, the phone 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 phone 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 phone 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:

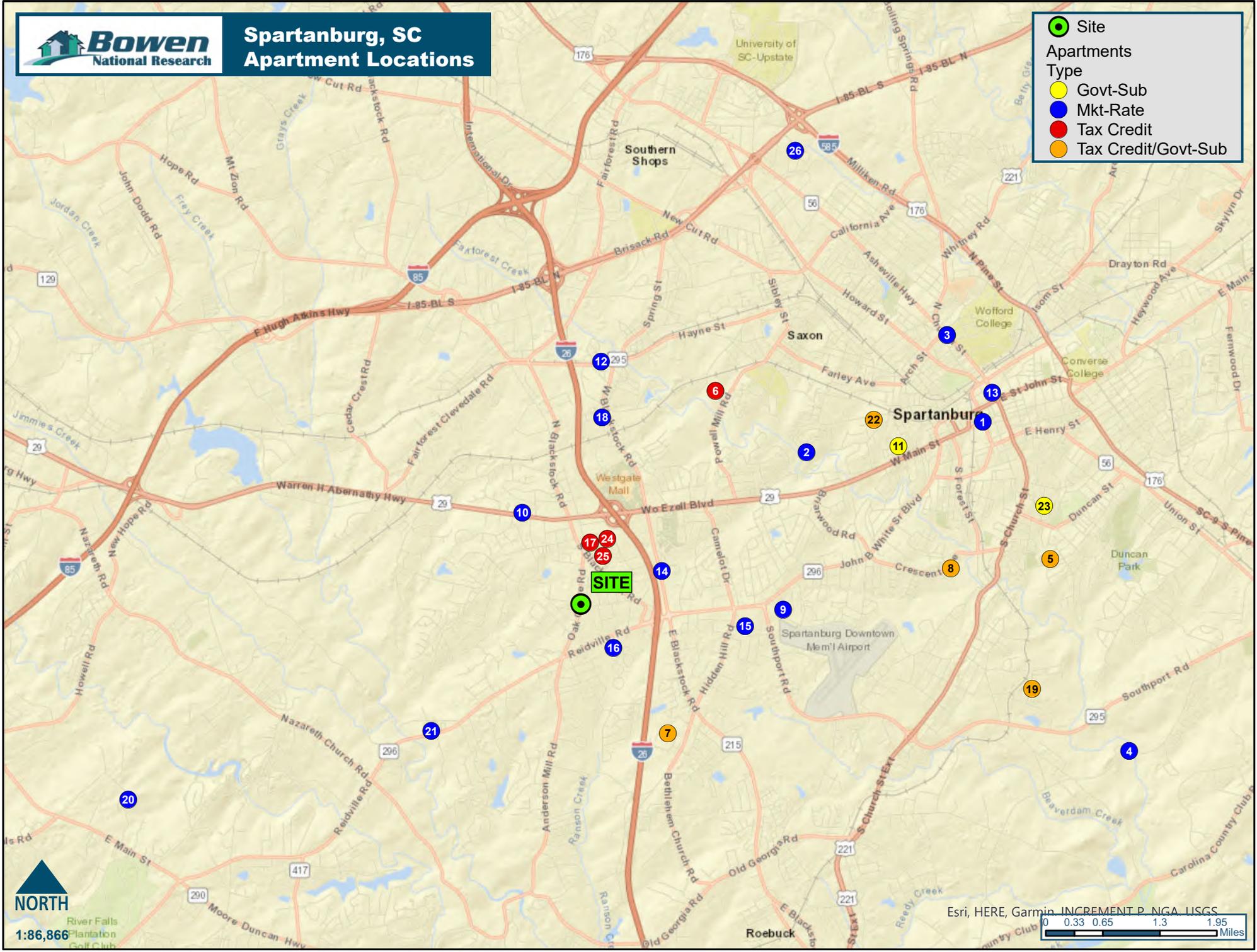
## PHONE SURVEY OF CONVENTIONAL RENTALS



# Spartanburg, SC Apartment Locations

**Site**  
**Apartments Type**

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



**NORTH**  
1:86,866

Esri, HERE, Garmin, INCREMENT P, NGA, USGS  
0 0.33 0.65 1.3 1.95 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	198 Main & Morgan	MRR	B+	2019	30	0	100.0%	5.0
2	Bluffs Apts.	MRR	B	1982	144	3	97.9%	3.6
3	Brick Lofts	MRR	B	1915	46	0	100.0%	6.1
4	Canaan Pointe	MRR	B+	1998	120	6	95.0%	6.6
5	Collins Park & Cottage Grove	TGS	B	2007	108	0	100.0%	5.0
✓ 6	Companion at Lee's Crossing I	TAX	B+	2010	192	0	100.0%	3.9
✓ 7	Country Garden Estates I & II	TGS	B	2002	100	0	100.0%	2.6
8	Crescent Hill Apts.	TGS	C	1971	150	0	100.0%	3.9
9	Georgetown Timberlane Apts.	MRR	B+	1989	166	13	92.2%	2.2
✓ 10	Grove	MRR	A-	1998	215	20	90.7%	1.6
11	J. Curtis Anderson Town Houses	GSS	A-	2007	54	0	100.0%	4.3
12	Mayfair Lofts	MRR	B+	1922	107	2	98.1%	3.4
13	Montgomery Building	MRR	B	1920	63	1	98.4%	5.7
14	Park at Vietti	MRR	B	1986	214	4	98.1%	1.5
15	Park Place	MRR	B	1986	184	11	94.0%	2.4
✓ 16	Parkside at Laurel West	MRR	B+	1996	496	43	91.3%	1.0
✓ 17	Regency at Blackstock	TAX	B+	2019	37	0	100.0%	1.2
18	Reserve at Park West I & II	MRR	A	2008	408	41	90.0%	2.9
19	Ridge at Southport	TGS	A	2009	78	0	100.0%	5.8
✓ 20	River Falls	MRR	A	2008	232	10	95.7%	6.2
✓ 21	River Run	MRR	A	2010	272	27	90.1%	2.0
22	Summer Place	TGS	A-	2008	53	0	100.0%	4.3
23	Tobias B. Hartwell Campus	GSS	B+	2001	118	0	100.0%	5.2
✓ 24	Willow Crossing	TAX	B+	2012	48	0	100.0%	1.1
✓ 25	Willow Trace Townhomes	TAX	B	2015	28	0	100.0%	1.1
✓ 26	Willows at North End	MRR	B+	1996	204	6	97.1%	6.9

\*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)		

<b>1</b>	<b>198 Main &amp; Morgan</b> 198 W. Main Ave., Spartanburg, SC 29306	Contact: Darlene Phone: (864) 990-3081
	Total Units: 30    UC: 0    Occupancy: 100.0%    Stories: 5    Year Built: 2019 BR: 1, 2    Vacant Units: 0    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV    Yr Renovated:	
<b>2</b>	<b>Bluffs Apts.</b> 100 Vanderbilt Ln., Spartanburg, SC 29303	Contact: Gabby Phone: (864) 574-4877
	Total Units: 144    UC: 0    Occupancy: 97.9%    Stories: 2    Year Built: 1982 BR: 1, 2, 3    Vacant Units: 3    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV    Yr Renovated:	
<b>3</b>	<b>Brick Lofts</b> 600 Magnolia St., Spartanburg, SC 29303	Contact: Todd Phone: (864) 308-1659
	Total Units: 46    UC: 0    Occupancy: 100.0%    Stories: 2.5    Year Built: 1915 BR: 0, 1, 2    Vacant Units: 0    Waitlist: 5 HH; Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV    Yr Renovated: 2017	
<b>4</b>	<b>Canaan Pointe</b> 200 Canaan Point Dr., Spartanburg, SC 29306	Contact: Carrie Phone: (864) 577-9922
	Total Units: 120    UC: 0    Occupancy: 95.0%    Stories: 2    Year Built: 1998 BR: 3, 4    Vacant Units: 6    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: HCV (60 units)    Yr Renovated:	
<b>5</b>	<b>Collins Park &amp; Cottage Grove</b> 106 Rev. Booker T. Sears St., Spartanburg, SC 29306	Contact: Emily Phone: (864) 598-6256
	Total Units: 108    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2007 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 170 HH; Target Population: Family    AR Year: Rent Special: Notes: Tax Credit & Public Housing (60 units); HUD Section 8 & Tax Credit (48 units); HOPE VI    Yr Renovated:	

 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)		



6	<b>Companion at Lee's Crossing I</b> 100 Lees Crossing Dr., Spartanburg, SC 29301	Contact: Kelly Phone: (864) 481-1422
	Total Units: 192 UC: 0 Occupancy: 100.0% Stories: 3,4 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Tax Credit Bond; HCV (115 units)	



7	<b>Country Garden Estates I &amp; II</b> 346 N. Sunflower Way, Moore, SC 29369	Contact: Carolyn Phone: (864) 574-0072
	Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2002 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 20 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit (90 units); Public Housing & Tax Credit (10 units); HCV (50 units); HOPE VI; 3-br garden unit is single-family home	

8	<b>Crescent Hill Apts.</b> 108 Pineneedle Dr., Spartanburg, SC 29306	Contact: Katera Phone: (864) 582-7877
	Total Units: 150 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 2, 3, 4 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: 2001 Rent Special: Notes: Tax Credit; HUD Section 8	

9	<b>Georgetown Timberlane Apts.</b> 106 Kensington Dr., Spartanburg, SC 29306	Contact: Jennifer Phone: (864) 641-6423
	Total Units: 166 UC: 0 Occupancy: 92.2% Stories: 2,3 Year Built: 1989 BR: 1, 2, 3 Vacant Units: 13 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range based on renovated units	



10	<b>Grove</b> 315 Birchrun Dr., Spartanburg, SC 29301	Contact: Megan Phone: (864) 595-6216
	Total Units: 215 UC: 0 Occupancy: 90.7% Stories: 3 Year Built: 1998 BR: 0, 1, 2, 3 Vacant Units: 20 Waitlist: AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: One month rent free Notes: Accepts HCV (0 currently)	

Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Govt Subsidized (MIN) Market-Rate & Income Restricted (not LIHTC)	(MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized (TAX) Tax Credit (TGS) Tax Credit & Govt Subsidized (TIN) Tax Credit & Income Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Govt Subsidized	(TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized (INR) Income Restricted (not LIHTC) (ING) Income Restricted (not LIHTC) & Govt Subsidized (GSS) Govt Subsidized (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
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11	<b>J. Curtis Anderson Town Houses</b> 770 Baltimore St., Spartanburg, SC 29301	Contact: Angel Phone: (864) 598-6060
	Total Units: 54    UC: 0    Occupancy: 100.0%    Stories: 1,2    Year Built: 2007 BR: 1, 2, 3    Vacant Units: 0    Waitlist:    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Public Housing; Part of HOPE VI	
12	<b>Mayfair Lofts</b> 100 W. Cleveland St., Spartanburg, SC 29301	Contact: Ashley Phone: (864) 576-1073
	Total Units: 107    UC: 0    Occupancy: 98.1%    Stories: 4    w/Elevator    Year Built: 1922 BR: 1, 2    Vacant Units: 2    Waitlist:    AR Year: 2007 Target Population: Family    Yr Renovated: Rent Special: Notes: Does not accept HCV; Higher rent for 2-br remodeled units	
13	<b>Montgomery Building</b> 187 N. Church St., Spartanburg, SC 29306	Contact: Kayla Phone: (864) 520-5591
	Total Units: 63    UC: 0    Occupancy: 98.4%    Stories: 10    w/Elevator    Year Built: 1920 BR: 0, 1, 2    Vacant Units: 1    Waitlist:    AR Year: 2018 Target Population: Family    Yr Renovated: Rent Special: Notes: Does not accept HCV	
14	<b>Park at Vietti</b> 1000 Hunt Club Ln., Spartanburg, SC 29301	Contact: Ron Phone: (864) 576-0928
	Total Units: 214    UC: 0    Occupancy: 98.1%    Stories: 2    Year Built: 1986 BR: 1, 2    Vacant Units: 4    Waitlist:    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily; Rents range based on floor level & upgrades	
15	<b>Park Place</b> 110 Southport Rd., Spartanburg, SC 29306	Contact: Carol Phone: (864) 576-4319
	Total Units: 184    UC: 0    Occupancy: 94.0%    Stories: 2    Year Built: 1986 BR: 1, 2, 3    Vacant Units: 11    Waitlist:    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily; Rent range based on amenities & unit location	

 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)		



<b>16</b>	<b>Parkside at Laurel West</b> 3400 Portrush Dr., Spartanburg, SC 29301	Contact: Cornelous Phone: (864) 587-0101
	Total Units: 496    UC: 0    Occupancy: 91.3%    Stories: 2,3    Year Built: 1996 BR: 1, 2, 3    Vacant Units: 43    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Does not accept HCV; Rent range based on phase & unit amenities; Rents change daily; Ph II 1998, ph III 2003	



<b>17</b>	<b>Regency at Blackstock</b> 320 Rosson Ln, Spartanburg, SC 29301	Contact: Kelsey Phone: (864) 586-1837
	Total Units: 37    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2019 BR: 2, 3    Vacant Units: 0    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Tax Credit; Accepts HCV	

<b>18</b>	<b>Reserve at Park West I &amp; II</b> 100 Keats Dr., Spartanburg, SC 29301	Contact: Patrice Phone: (864) 208-0900
	Total Units: 408    UC: 0    Occupancy: 90.0%    Stories: 3    Year Built: 2008 BR: 1, 2, 3    Vacant Units: 41    Waitlist: Target Population: Family    AR Year: Rent Special: \$150 off months rent    Yr Renovated: Notes: Does not accept HCV; Rents change daily; Phase II (144 units); Rent range based on phase	

<b>19</b>	<b>Ridge at Southport</b> 305 Grand Central Ave., Spartanburg, SC 29306	Contact: Deanne Phone: (864) 598-6190
	Total Units: 78    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2009 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 12 mos;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit & Public Housing (50 units); HUD Section 8 & Tax Credit (28 units); HOPE VI	



<b>20</b>	<b>River Falls</b> 105 Churchill Falls Dr, Duncan, SC 29334	Contact: Ashley Phone: (864) 486-1119
	Total Units: 232    UC: 0    Occupancy: 95.7%    Stories: 3,4    Year Built: 2008 BR: 1, 2, 3    Vacant Units: 10    Waitlist: Target Population: Family    AR Year: Rent Special: \$500 off 1st months rent    Yr Renovated: Notes: Does not accept HCV; Rents change daily	

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)		



21	<b>River Run</b> 901 Meridian River Run, Spartanburg, SC 29301	Contact: Crystal Phone: (864) 595-7474
	Total Units: 272    UC: 0    Occupancy: 90.1%    Stories: 3,4    Year Built: 2010 BR: 1, 2, 3    Vacant Units: 27    Waitlist: Target Population: Family    AR Year: Rent Special: One month rent free    Yr Renovated: Notes: Does not accept HCV; Rent range based on floor level & view; Vacancies due to tenants purchasing homes	

22	<b>Summer Place</b> 700 Vanderbilt Rd., Spartanburg, SC 29301	Contact: Joy Phone: (864) 598-6045
	Total Units: 53    UC: 0    Occupancy: 100.0%    Stories: 1,2    Year Built: 2008 BR: 3    Vacant Units: 0    Waitlist: 2 HH;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit; HUD Section 8; Part of HOPE VI	

23	<b>Tobias B. Hartwell Campus</b> 154 Geo. Washington Carver Dr., Spartanburg, SC 29306	Contact: Monica Phone: (864) 598-6060
	Total Units: 118    UC: 0    Occupancy: 100.0%    Stories: 1,2    Year Built: 2001 BR: 2, 3    Vacant Units: 0    Waitlist: Target Population: Family    AR Year: Rent Special: Notes: Public Housing	



24	<b>Willow Crossing</b> 101 Willow Crossing Ln., Spartanburg, SC 29301	Contact: Chelsea Phone: (864) 699-9965
	Total Units: 48    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2012 BR: 2, 3    Vacant Units: 0    Waitlist: 350 HH;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit; HCV (12 units)	



25	<b>Willow Trace Townhomes</b> 300 Willow Crossing Ln., Spartanburg, SC 29301	Contact: Amanda Phone: (864) 327-8496
	Total Units: 28    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2015 BR: 2, 3    Vacant Units: 0    Waitlist: 24-36 mos;    AR Year: Target Population: Family    Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units)	

✔	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



26	<b>Willows at North End</b> 425 Willowdale Dr., Spartanburg, SC 29303		Contact: Lisa Phone: (864) 707-9537	
			Total Units: 204    UC: 0    Occupancy: 97.1%    Stories: 3    Year Built: 1996 BR: 1, 2, 3    Vacant Units: 6    Waitlist: Target Population: Family    AR Year: Rent Special:    Yr Renovated: Notes: Does not accept HCV; Rent range based on unit upgrades	

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: SC State Housing Finance and Development Agency  
 Effective: 01/2020

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	12	14	16	18	20	22	12	14	16	18	20	22
	+Base Charge	9	9	9	9	9	9	9	9	9	9	9	9
	Bottled Gas	40	47	54	60	66	73	40	47	54	60	66	73
	Electric	11	13	17	21	25	29	11	13	17	21	25	29
	Heat Pump	10	11	13	15	17	19	10	11	13	15	17	19
	Oil	33	39	44	50	55	60	33	39	44	50	55	60
Cooking	Natural Gas	2	2	3	4	5	6	2	2	3	4	5	6
	Bottled Gas	7	8	11	15	18	22	7	8	11	15	18	22
	Electric	4	5	7	9	11	13	4	5	7	9	11	13
Other Electric	15	18	25	32	39	46	15	18	25	32	39	46	
+Base Charge	12	12	12	12	12	12	12	12	12	12	12	12	
Air Conditioning	6	8	10	13	16	19	6	8	10	13	16	19	
Water Heating	Natural Gas	4	5	7	10	12	14	4	5	7	10	12	14
	Bottled Gas	15	18	25	33	41	49	15	18	25	33	41	49
	Electric	10	11	14	17	21	24	10	11	14	17	21	24
	Oil	12	15	21	27	34	40	12	15	21	27	34	40
Water	20	21	28	41	55	68	20	21	28	41	55	68	
Sewer	36	38	53	76	99	112	36	38	53	76	99	112	
Trash Collection	16	16	16	16	16	16	16	16	16	16	16	16	
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	

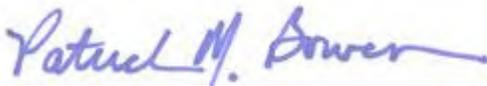
\* Estimated- not from source

## 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:

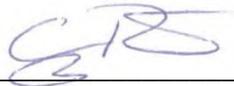


Patrick M. Bowen

President

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Date: May 29, 2020



Craig Rupert (Primary Contact)

Market Analyst

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Date: May 29, 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 E
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 – Achievable Market Rent Analysis

### A. INTRODUCTION

We identified five market-rate properties within the Spartanburg Site PMA that we consider most comparable to the subject project in terms of age, location, design, unit type, and/or amenities offered. These selected properties are used to derive market rent for a project with characteristics similar to the proposed 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 proposed subject units without maximum income and rent restrictions.

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

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, 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 proposed 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 proposed 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 proposed 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)			
					Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Westview Terrace</b>	<b>2022</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 (-)</b>	<b>24 (-)</b>
10	Grove	1998 / 2014	215	90.7%	21 (90.5%)	43 (90.7%)	129 (89.9%)	22 (95.5%)
16	Parkside at Laurel West	1996	496	91.3%	-	163 (91.4%)	253 (91.3%)	80 (91.3%)
20	River Falls	2008	232	95.7%	-	102 (95.1%)	104 (95.2%)	26 (100.0%)
21	River Run	2010	272	90.1%	-	68 (89.7%)	120 (90.0%)	84 (90.5%)
26	Willows at North End	1996	204	97.1%	-	48 (97.9%)	120 (95.8%)	36 (100.0%)

Occ. – Occupancy

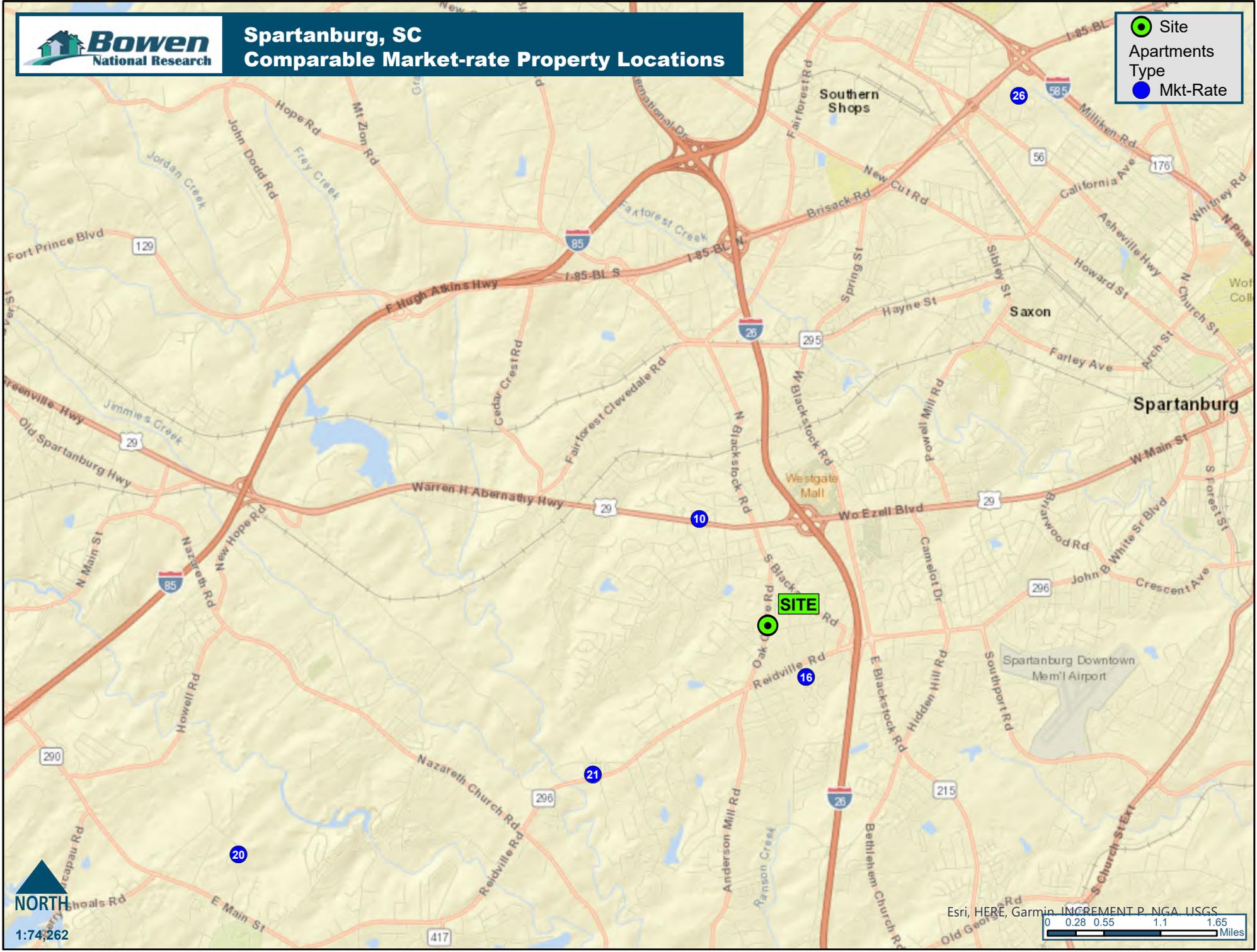
The five selected market-rate projects have a combined total of 1,419 units with an overall occupancy rate of 92.5%. None of the comparable properties has an occupancy rate below 90.1%, a good indication the selected properties are well-received and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. Preceding the Rent Comparability Grids is a map of the comparable market-rate properties in relation to the location of the subject project.



# Spartanburg, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Mkt-Rate



NORTH  
1:74,262

Esri, HERE, Garmin, INCREMENT P, NGA, USGS  
0 0.28 0.55 1.1 1.65  
Miles

**Rent Comparability Grid**

Unit Type → **TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Westview Terrace		Grove		Parkside at Laurel West		River Falls		River Run		Willows at North End	
2062 Old Reidville Road		315 Birchrun Dr.		3400 Portrush Dr.		105 Churchill Falls Dr		901 Meridian River Run		425 Willowdale Dr.	
Spartanburg, SC		Spartanburg, SC		Spartanburg, SC		Duncan, SC		Spartanburg, SC		Spartanburg, SC	
<b>A. 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?	\$850		\$1,220		\$1,042		\$1,098		\$1,165	
2	Date Surveyed	Apr-20		Apr-20		Apr-20		Apr-20		Apr-20	
3	Rent Concessions	Yes (\$71)		None		Yes (\$42)		Yes (\$91)		None	
4	Occupancy for Unit Type	90%		91%		95%		90%		96%	
5	Effective Rent & Rent/ sq. ft	\$779	0.90	\$1,220	1.17	\$1,000	0.88	\$1,007	0.93	\$1,165	1.08
<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	WU/3		WU/2,3		WU/3,4		WU/3,4		WU/3	
7	Yr. Built/Yr. Renovated	2022	1998/2014 \$16	1996	\$26	2008	\$14	2010	\$12	1996	\$26
8	Condition/Street Appeal	E		G	\$15	E		E		G	\$15
9	Neighborhood	G		E	(\$10)	E	(\$10)	E	(\$10)	G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. 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	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1099	\$60	1040	\$15	1133	(\$9)	1086	\$3	1075	\$6
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/Y		Y/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C/T/V		C/L		C		C		C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		Y	(\$3)	N	
22	Garbage Disposal	Y	\$5	Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/Y	(\$5)	Y/Y	(\$5)	Y/N	
<b>D. 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		Y		Y		Y		Y	
26	Security Features	N		N		Y	(\$5)	N		N	
27	Community Space	Y		Y		Y		Y		N	\$5
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F/WT	(\$13)
29	Computer/Business Center	Y		Y		Y		Y		Y	
30	Picnic Area/Grills	Y		Y		Y		Y		Y	
31	Playground	Y		Y		Y		Y		Y	
32	Cable Service Included	N		N		N		Y	(\$35)	N	
<b>E. 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	\$81	N/N	\$81	N/N	\$81	Y/Y		N/N	\$81
39	Trash/Recycling	Y/N	\$16	Y/N		N/N	\$16	Y/N		N/N	\$16
<b>F. 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	3	1	3	2	1	5	2	5	5	1
41	Sum Adjustments B to D	\$81	(\$10)	\$56	(\$20)	\$14	(\$39)	\$15	(\$63)	\$57	(\$13)
42	Sum Utility Adjustments	\$97		\$81		\$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	\$168	\$188	\$117	\$157	\$72	\$150	(\$48)	\$78	\$141	\$167
<b>G. 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)	\$947		\$1,337		\$1,072		\$959		\$1,306	
45	Adj Rent/Last rent		122%		110%		107%		95%		112%
46	Estimated Market Rent	\$1,105		\$1.01		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **THREE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Westview Terrace		Grove		Parkside at Laurel West		River Falls		River Run		Willows at North End	
2062 Old Reidville Road		315 Birchrun Dr.		3400 Portrush Dr.		105 Churchill Falls Dr		901 Meridian River Run		425 Willowdale Dr.	
Spartanburg, SC		Spartanburg, SC		Spartanburg, SC		Duncan, SC		Spartanburg, SC		Spartanburg, SC	
<b>A. 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?	\$1,008		\$1,115		\$1,137		\$1,349		\$1,190	
2	Date Surveyed	Apr-20		Apr-20		Apr-20		Apr-20		Apr-20	
3	Rent Concessions	Yes (\$84)		None		Yes (\$42)		Yes (\$112)		None	
4	Occupancy for Unit Type	95%		91%		100%		90%		100%	
5	Effective Rent & Rent/ sq. ft	\$924	0.85	\$1,115	0.99	\$1,095	0.83	\$1,237	0.97	\$1,190	0.92
<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	WU/3		WU/2,3		WU/3,4		WU/3,4		WU/3	
7	Yr. Built/Yr. Renovated	2022	1998/2014 \$16	1996	\$26	2008	\$14	2010	\$12	1996	\$26
8	Condition/Street Appeal	E		G	\$15	E		E		G	\$15
9	Neighborhood	G		E	(\$10)	E	(\$10)	E	(\$10)	G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. 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	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1239	1082 \$37	1130	\$26	1316	(\$18)	1280	(\$10)	1292	(\$13)
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/Y		Y/Y		Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU/L		HU/L		HU/L		HU/L	
19	Floor Coverings	C/T/V		C/L		C		C		C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		Y	(\$3)	N	
22	Garbage Disposal	Y	\$5	Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/Y	(\$5)	Y/Y	(\$5)	Y/N	
<b>D. 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		Y		Y		Y		Y	
26	Security Features	N		N		Y	(\$5)	N		N	
27	Community Space	Y		Y		Y		Y		Y	\$5
28	Pool/Recreation Areas	F	P/F (\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F/WT	(\$13)
29	Computer/Business Center	Y		Y		Y		Y		Y	
30	Picnic Area/Grills	Y		Y		Y		Y		Y	
31	Playground	Y		Y		Y		Y		Y	
32	Cable Service Included	N		N		N		Y	(\$35)	N	
<b>E. 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 \$117	N/N	\$117	N/N	\$117	Y/Y		N/N	\$117
39	Trash/Recycling	Y/N	N/N \$16	Y/N		N/N	\$16	Y/N		N/N	\$16
<b>F. 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	3	1	3	2	1	5	1	6	4	2
41	Sum Adjustments B to D	\$58	(\$10)	\$67	(\$20)	\$14	(\$48)	\$12	(\$73)	\$51	(\$26)
42	Sum Utility Adjustments	\$133		\$117		\$133				\$133	
		<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	\$181	\$201	\$164	\$204	\$99	\$195	(\$61)	\$85	\$158	\$210
<b>G. 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)	\$1,105		\$1,279		\$1,194		\$1,176		\$1,348	
45	Adj Rent/Last rent		120%		115%		109%		95%		113%
46	Estimated Market Rent	\$1,215	\$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 for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,105 for a two-bedroom unit and \$1,215 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	30%/LH	\$356	\$1,105	67.8%
Two-Bedroom	50%/LH	\$617	\$1,105	44.2%
Two-Bedroom	50%	\$647	\$1,105	41.4%
Two-Bedroom	60%	\$793	\$1,105	28.2%
Three-Bedroom	30%/LH	\$406	\$1,215	66.6%
Three-Bedroom	50%/LH	\$709	\$1,215	41.6%
Three-Bedroom	50%	\$743	\$1,215	38.8%
Three-Bedroom	60%	\$911	\$1,215	25.0%

LH – Low HOME

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject project is expected to be perceived as a significant value within the Spartanburg Site PMA as the proposed rents represent market rent advantages ranging from 25.0% to 67.8%.

**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. When multiple rent levels were offered, we included an average rent.
  
3. Three of the selected market-rate properties are currently offering rent concessions on their available units. The value of these concessions has been prorated over a 12-month period and applied as a negative adjustment. These concessions are reflected in the effective rent for these properties, as shown in Line 5 of the preceding Rent Comparability Grids

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1996 and 2010. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent quality finish/appearance upon completion. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. The subject site neighborhood was assigned a rating of Good “G” by our analyst. Some of the selected properties are considered to be located in slightly more desirable areas as compared to the subject project in terms of overall quality, access/visibility, surrounding land uses/neighborhood composition, and/or proximity to area services. These properties have been negatively adjusted by \$10.
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 proposed subject project will offer a unit amenity package similar to the selected properties. We have made, however, 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.-31. The proposed project offers comprehensive project amenities package. We have made, however, monetary adjustments to reflect the difference between the proposed project’s and the selected properties’ project amenities.
32. One of the selected properties includes the cost of basic cable in the monthly rent. Thus, this property has been negatively adjusted by \$35 to account for the inclusion of this service in the monthly rent as compared to the subject project. The value of this adjustment is based on quotes provided by area service providers.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property as needed. The utility adjustments were based on the local housing authority’s utility cost estimates.