

Market Feasibility Analysis

May River Village Phase III
5736 Patriot Lane
Bluffton, Beaufort County, South Carolina 29910

Prepared For

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

Development Name:	May River Village III	Total # Units: 24
Location:	5736 Patriot Lane, Bluffton, SC, 29910 (Bluffton County)	# LIHTC Units: 24
PMA Boundary:	The boundaries of the Site PMA generally include Hazzard Creek to the north; Chechessee River and Cooper River to the east; and the Cooper River and the Jasper County Line to the south and west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 12.6 miles

RENTAL HOUSING STOCK (found on page H-1 & H-24)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	2,719	74	97.3%
Market-Rate Housing	10	2,435	70	97.1%
Assisted/Subsidized Housing not to include LIHTC	0	-	-	-
LIHTC (All that are stabilized)*	4	284	4	98.6%
Stabilized Comps**	4	284	4	98.6%
Non-stabilized Comps	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
4	Studio	1.0	533-601	\$777	\$864	\$1.44- \$1.62	10.07%	\$1,350	\$1.60
2	One-Br.	1.0	762	\$381	\$899	\$1.18	57.62%	\$1,198	\$1.60
1	One-Br.	1.0	808	\$381	\$899	\$1.11	57.62%	\$1,198	\$1.60
9	One-Br.	1.0	808-919	\$809	\$899	\$0.98- \$1.11	10.01%	\$1,198	\$1.60
1	Two-Br.	2.0	1,038	\$449	\$1,028	\$0.99	56.32%	\$1,665	\$1.30
1	Two-Br.	2.0	1,105	\$925	\$1,028	\$0.93	10.02%	\$1,665	\$1.30
1	Three-Br.	2.0	1,227	\$513	\$1,355	\$1.10	62.14%	\$1,865	\$1.35
5	Three-Br.	2.0	1,227- 1,297	\$1,139	\$1,355	\$1.10- \$0.88	15.94%	\$1,865	\$1.35
Gross Potential Rent Monthly*				\$19,114	\$24,430		21.76%		

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

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

	2010	2019		2022	
Renter Households		5,536	20.0%	5,976	20.2%
Income-Qualified Renter HHs (LIHTC)		2,546	46.0%	2,656	44.4%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	30%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	10	100	-	-	-	110
Existing Households (Overburd + Substand)	645	1,214	-	-	-	1,859
Homeowner conversion (Seniors)	0	0	-	-	-	0
Other:	0	0	-	-	-	0
Less Comparable/Competitive Supply	0	0	-	-	-	0
Net Income-qualified Renter HHs	655	1,314	-	-	-	1,969

CAPTURE RATES (found on page G-5)

Targeted Population	30%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	0.8%	1.4%	-	-	-	1.2%

ABSORPTION RATE (found on page G-11)

Absorption Period 2 months

2/2020

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
4	0 BR	\$777	\$3,108	\$864	\$3,456	
2	1 BR	\$381	\$762	\$899	\$1,798	
1	1 BR	\$381	\$381	\$899	\$899	
9	1 BR	\$809	\$7,281	\$899	\$8,091	
1	2 BR	\$449	\$449	\$1,028	\$1,028	
1	2 BR	\$925	\$925	\$1,028	\$1,028	
1	3 BR	\$513	\$513	\$1,355	\$1,355	
5	3 BR	\$1,139	\$5,695	\$1,355	\$6,775	
Totals	24		\$19,114		\$24,430	21.76%

B. Project Description

Project Name:	May River Village Phase III
Location:	5736 Patriot Lane, Bluffton, South Carolina 29910 (Beaufort County)
Census Tract:	21.07
Target Market:	Family
Construction Type:	New Construction
Funding Source:	Scenario 1: 9% LIHTC Scenario 2: Small Rental Development Program

The subject project involves the new construction of the 24-unit May River Village Phase III rental community to be located near the existing phases at 5736 Patriot Lane in Bluffton, South Carolina. The project is proposed under two different scenarios, both of which would target general-occupancy (family) households. Scenario One would operate under the Low-Income Housing Tax Credit (LIHTC) program and would target households earning up to 30% and 60% of Area Median Household Income (AMHI), with two (2) units receiving Low HOME Funding. Scenario Two would be developed under the Small Rental Development Program (SRDP) and offer units targeting households earning up to 30%, 60% and 80%, as well as six (6) units operating as unrestricted market-rate. The proposed project is expected to be complete by April 2022. Additional details of each proposed scenario are summarized as follows and analyzed throughout this report.

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
Scenario 1: 9% LIHTC									
4	Studio	1.0	Garden	533-601	60%	\$777	\$67	\$844	\$856
2	One-Br.	1.0	Garden	762	30%	\$381	\$77	\$458	\$458
1	One-Br.	1.0	Garden	808	30%/LH	\$381	\$77	\$458	\$458
9	One-Br.	1.0	Garden	808-919	60%	\$809	\$77	\$886	\$917
1	Two-Br.	2.0	Garden	1,038	30%	\$449	\$101	\$550	\$550
1	Two-Br.	2.0	Garden	1,105	60%	\$925	\$101	\$1,026	\$1,101
1	Three-Br.	2.0	Garden	1,227	30%/LH	\$513	\$123	\$636	\$636
5	Three-Br.	2.0	Garden	1,227-1,297	60%	\$1,139	\$123	\$1,262	\$1,272
24	Total								

Source: Bennett & Reindl Companies

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

LH - Low HOME

Proposed Unit Configuration

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
Scenario 2: Small Rental Development Program (SRDP)									
1	Studio	1.0	Garden	564	30%	\$361	\$67	\$428	\$428
1	Studio	1.0	Garden	564	60%	\$777	\$67	\$844	\$856
1	Studio	1.0	Garden	601	80%	\$900	\$67	\$967	\$1,142
1	Studio	1.0	Garden	601	MR	\$950	\$67	\$1,017	-
2	One-Br.	1.0	Garden	762	30%	\$381	\$77	\$458	\$458
1	One-Br.	1.0	Garden	808	30%	\$381	\$77	\$458	\$458
3	One-Br.	1.0	Garden	808-919	60%	\$830	\$77	\$907	\$917
3	One-Br.	1.0	Garden	837	80%	\$995	\$77	\$1,072	\$1,223
1	One-Br.	1.0	Garden	919	MR	\$1,100	\$77	\$1,127	-
2	One-Br.	1.0	Garden	820	MR	\$1,100	\$77	\$1,127	-
1	Two-Br.	2.0	Garden	1,038	30%	\$439	\$101	\$540	\$550
1	Two-Br.	2.0	Garden	1,105	MR	\$1,225	\$101	\$1,326	-
1	Three-Br.	2.0	Garden	1,227	30%	\$513	\$123	\$636	\$636
1	Three-Br.	2.0	Garden	1,232	60%	\$1,139	\$123	\$1,262	\$1,272
3	Three-Br.	2.0	Garden	1,227-1,292	80%	\$1,225	\$123	\$1,348	\$1,696
1	Three-Br.	2.0	Garden	1,297	MR	\$1,450	\$123	\$1,573	-
24	Total								

Source: Bennett & Reindl Companies

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

LH - Low HOME

Building/Site Information	
Residential Buildings:	Two (2) 2.5-story buildings
Building Style:	Walk-up
Community Space:	Integrated throughout
Acres:	0.7

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

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

Community Amenities		
• Bike Racks/Storage	• Computer Center	• Copy/Print/Fax
• On-Site Management	• Courtyard	• Clubhouse
• Gazebo	• TV Lounge	• Picnic Area with Grills
• Playground	• CCTV/Cameras	• Classes
• Health Screenings	• Parties/Picnics	• Surface Parking Lot (137 Spaces)

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

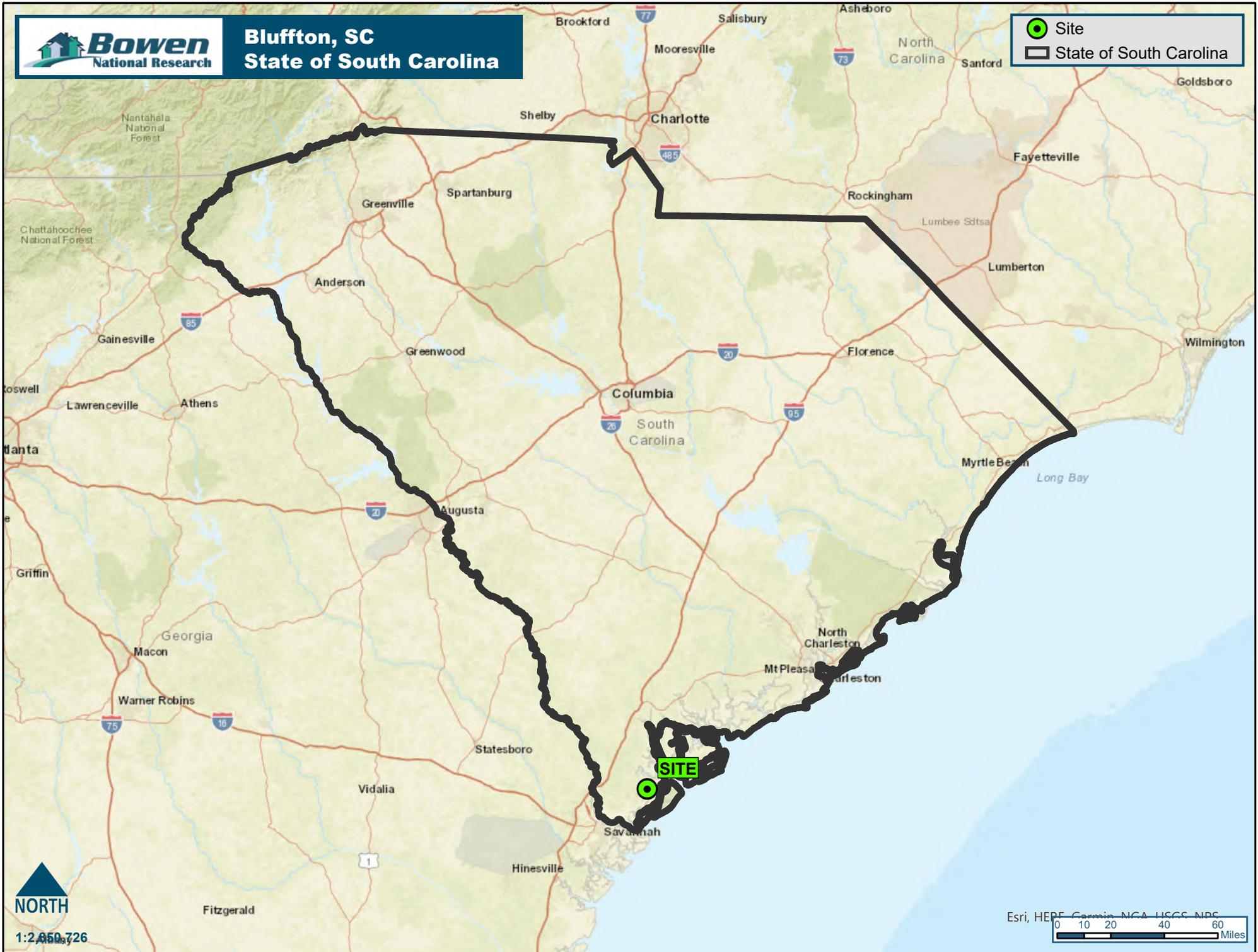
A state map and an area map are on the following pages.





Bluffton, SC State of South Carolina

- Site
- ▭ State of South Carolina



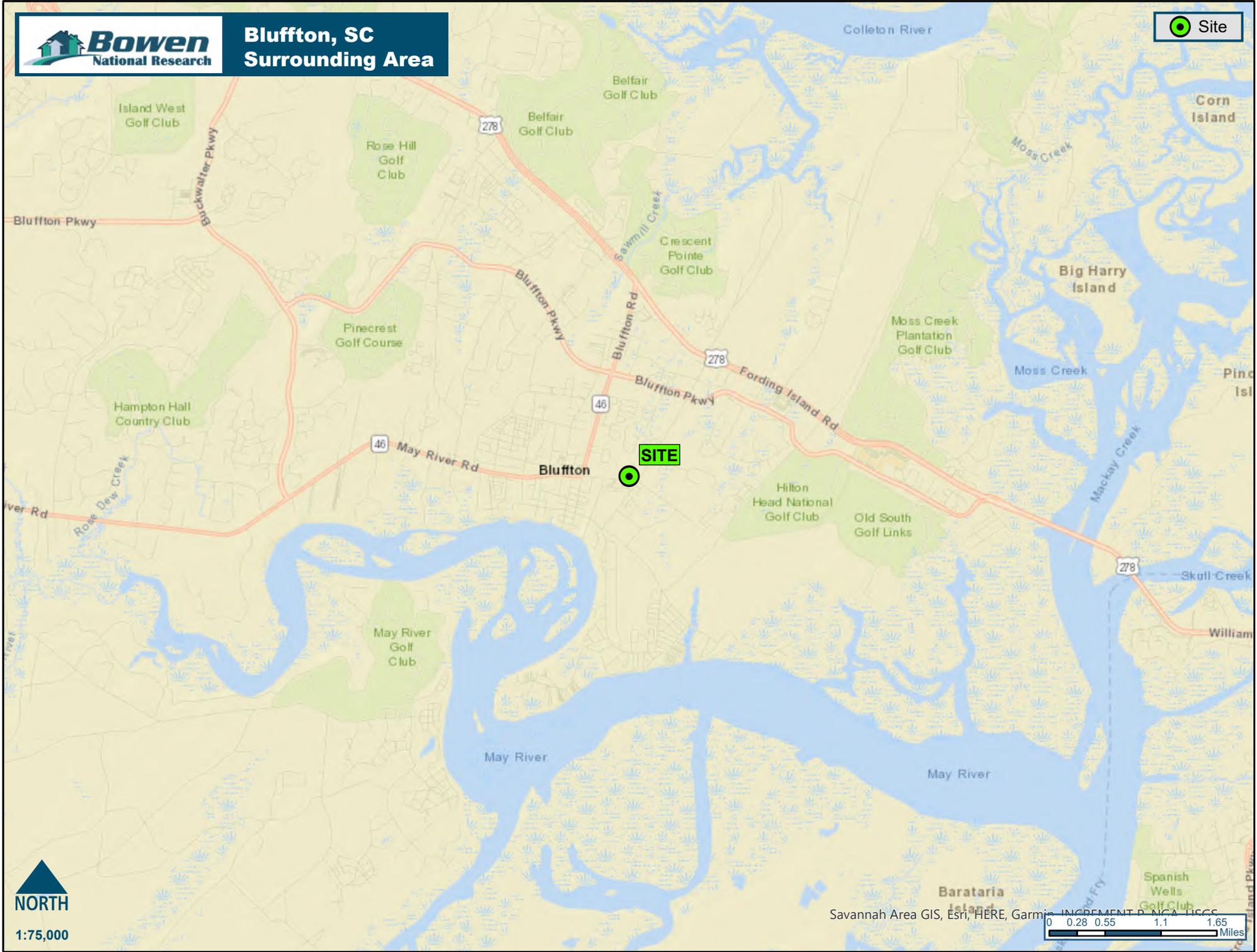
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Esri, HERE, Garmin, NGA, USGS, NPS
0 10 20 40 60 Miles



Bluffton, SC Surrounding Area

Site



NORTH
1:75,000

Savannah Area GIS, Esri, HERE, Garmin, INCREMENT P, NCA, 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 April 6, 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 consists of 0.8 acres of wooded land located at 55 Bruin Road in the eastern portion of Bluffton, South Carolina. Located within Beaufort County, the site is approximately 7.0 miles west of Hilton Head Island, South Carolina and approximately 30.0 miles southwest of Beaufort, South Carolina. Following is a description of surrounding land uses:

North -	May River Village I & II (Map ID 1 and Phase I & II of site), a Tax Credit property, borders the site to the north. This property was constructed in 2012 and features two-story residential buildings in good condition. Lake Linden single-family residential development is located north of May River Village. Single-family homes and retail businesses extend farther northeast of the site along Burnt Church Road, a moderately traveled roadway.
East -	A commercial/retail business owned by Burnt Church Park Incorporated borders the site to the east. This business features a one-story storage warehouse in satisfactory condition. A small retail plaza featuring a restaurant and bakery is located at the intersection of Bruin Road and Burnt Church Road. The Walk at Bluffton Square, a single-family subdivision by Pulte Homes, is under development on the east side of Burnt Church Road.
South -	Bruin Road, a two-lane roadway featuring light vehicular and pedestrian traffic, borders the site to the south. A two-story single-family home in excellent condition is located on the south side of Bruin Road. Wooded land platted for single-family development is also on the south side of Bruin Road. A combination of single-family lots, single-family homes and condominium buildings extend farther south of the site along Pearl Street and Wild Spartina Street.

West -	May River Village I & II also borders the site to the west. Note that the entrance to May River Village I & II is adjacent to the site, and this entrance will also be used to access the subject site. A self-storage facility (Downtown Bluffton Self Storage) is located west of May River Village I & II. Single-family homes, retail businesses, and wooded land extend farther west of the site to Bluffton Road. Downtown Bluffton is approximately 0.4 miles west of the site, featuring several restaurants and specialty retailers.
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The proposed development is in a mixed-use neighborhood of Bluffton that is near downtown. The site’s proximity to downtown will contribute to the marketability of the site. The site is also adjacent to the existing May River Village I & II Tax Credit property, which is 100.0% occupied with a waiting list. The adjacent commercial property owned by Burnt Church Park Incorporated is not expected to adversely impact marketability. At the time of our site inspection, we did not detect any activity or noise originating from this property that would adversely impact the marketability of the subject site. Overall, the subject property is expected to fit well with the surrounding land uses, which should contribute to the marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 46 U.S. Highway 278 Interstate 95	0.4 West 1.3 Northeast 15.5 Northwest
Public Bus Stop	Palmetto Breeze	0.7 South
Major Employers/ Employment Centers	Walmart Lowe Kroger Publix EviCore Healthcare	2.1 North 2.2 Northeast 2.8 North 4.4 Northwest 6.2 Northwest
Convenience Store	Nickelpumpers Parker’s (Jennifer Court) Parker’s (Gateway Village Road)	0.4 West 1.5 West 1.8 Northeast
Grocery	Food Lion Walmart Supercenter Kroger Publix	2.0 North 2.1 North 2.9 North 4.4 Northwest
Discount Department Store	Dollar General Dollar Tree	1.0 West 2.2 North

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Shopping Center/Mall	Walmart Supercenter Target Commercial Center Tanger Outlets Hilton Head	2.1 North 2.2 North 2.2 North 2.9 Northeast
Schools: Elementary Middle/Junior High High	M.C. Riley Elementary Bluffton Middle Bluffton High	0.7 Southwest 2.9 Northwest 4.5 Northwest
Hospital/Medical Center	Affordable Healthcare Bluffton Doctors Care - Bluffton Bluffton Medical Campus Hilton Head Hospital	0.9 Northwest 1.7 North 4.3 Northwest 10.7 East
Police	Bluffton Police Department Beaufort County Sheriff	6.5 Northwest 12.9 Southeast
Fire	Bluffton Township Fire District Station 30	0.5 South
Post Office	U.S. Post Office	1.0 Northwest
Bank	Palmetto State Bank Coastal States Bank Wells Fargo Bank	0.6 West 1.1 Northwest 1.9 North
Recreational Facilities	Bluffton Pool Flow Space Fitness Move Fitness Planet Fitness	0.4 Southwest 0.8 Northwest 1.0 Northwest 1.3 Northeast
Gas Station	Nickelpumpers Parker's (Jennifer Court) Parker's (Gateway Village Road)	0.4 West 1.5 West 1.8 Northeast
Pharmacy	Bluffton Pharmacy Ulmer Family Pharmacy Walmart Pharmacy CVS Pharmacy	0.8 Northwest 1.6 North 2.1 North 2.2 North
Restaurant	Cheap Seats Tavern 2 Choo Choo BBQ Xpress Fat Patties Corner Perk Captain Woody's Seafood Bar	0.1 East 0.3 Northeast 0.5 West 0.5 West 0.6 West
Day Care	Kids College Lowcountry Day Christian Preschool Amazing Creations Early Childhood Center	1.7 North 2.1 Northwest 2.5 Northwest
Community Center	Bluffton Recreation Center	1.0 South
Library	Bluffton Community Library	1.1 Northwest
Park	DuBois Park M.C. Riley Sports Complex Wright Family Park	0.5 West 0.8 Northwest 0.9 Southwest

The site is within 2.5 miles of most community services in the town of Bluffton. Downtown Bluffton, located 0.4 miles west of the site, features several of the nearest restaurants to the site, as well as the nearest gas station, convenience store, bank, pharmacy and medical office. The remaining community services are primarily located along U.S. Highway 278, which is accessed 1.3 miles northeast of the site. Retailers located along or near U.S. Highway 278 include Walmart Supercenter, Target, and Kroger. Major employers in the Bluffton area are generally within 7.0 miles of the site. Several major employers in Beaufort County are also at military installations in the Beaufort area as well as resorts on Hilton Head Island.

The site is located within the Beaufort County School District. All three public schools assigned to the site are within 4.5 miles. The elementary school assigned to the site (M.C. Riley Elementary) is located 0.7 miles southwest of the site. The proximity of the nearest elementary school is expected to be a draw for family households at the proposed site project. Childcare facilities are also located within 2.5 miles of the site.

Palmetto Breeze is the public transit service that serves the Bluffton area. Several bus routes provide access to community services in Bluffton as well as employment facilities on Hilton Head Island. The Palmetto Breeze Annex, 0.7 miles south of the site, provides access to several bus routes within this system.

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 east



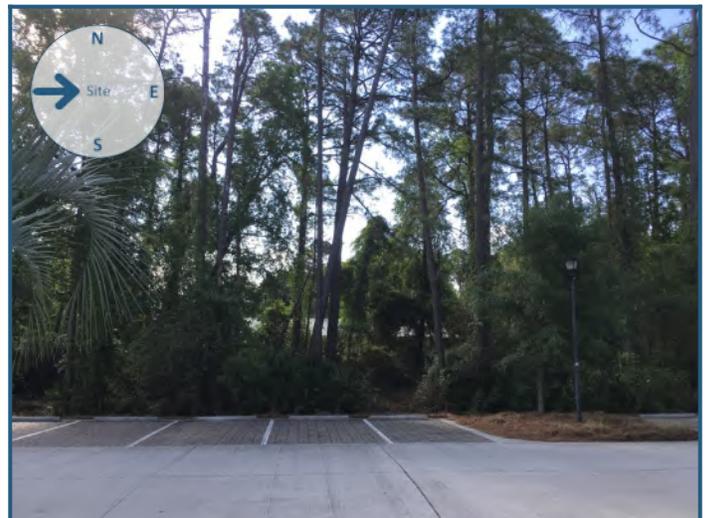
View of site from the southeast



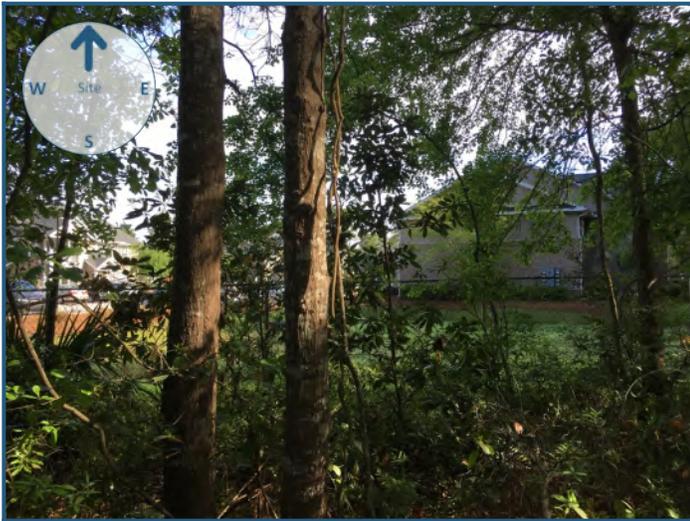
View of site from the south



View of site from the southwest



View of site from the west



North view from site



East view from site



South view from site



Southwest of site



West view from site



Streetscape: East view of Bruin Road



Streetscape: West view of Bruin Road

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



Bluffton, SC Site Neighborhood

Legend
Site Area



Drayson Cir

Lake Linden Ln

Hawkes Rd



Burnt Church Rd

Bruin Rd

Shell Rate St

Blue Crab St

Mudd Bar Ln

Wild Spartina St

Stroup Ln

Tabby Shell Rd

Baiters Walk

Pearl St

Fiddler Ln

Tabby Shell Rd

Tabby Shell Rd

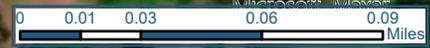
Pluff Mud Ln

Lostfallow Ln

Graves Tlpk

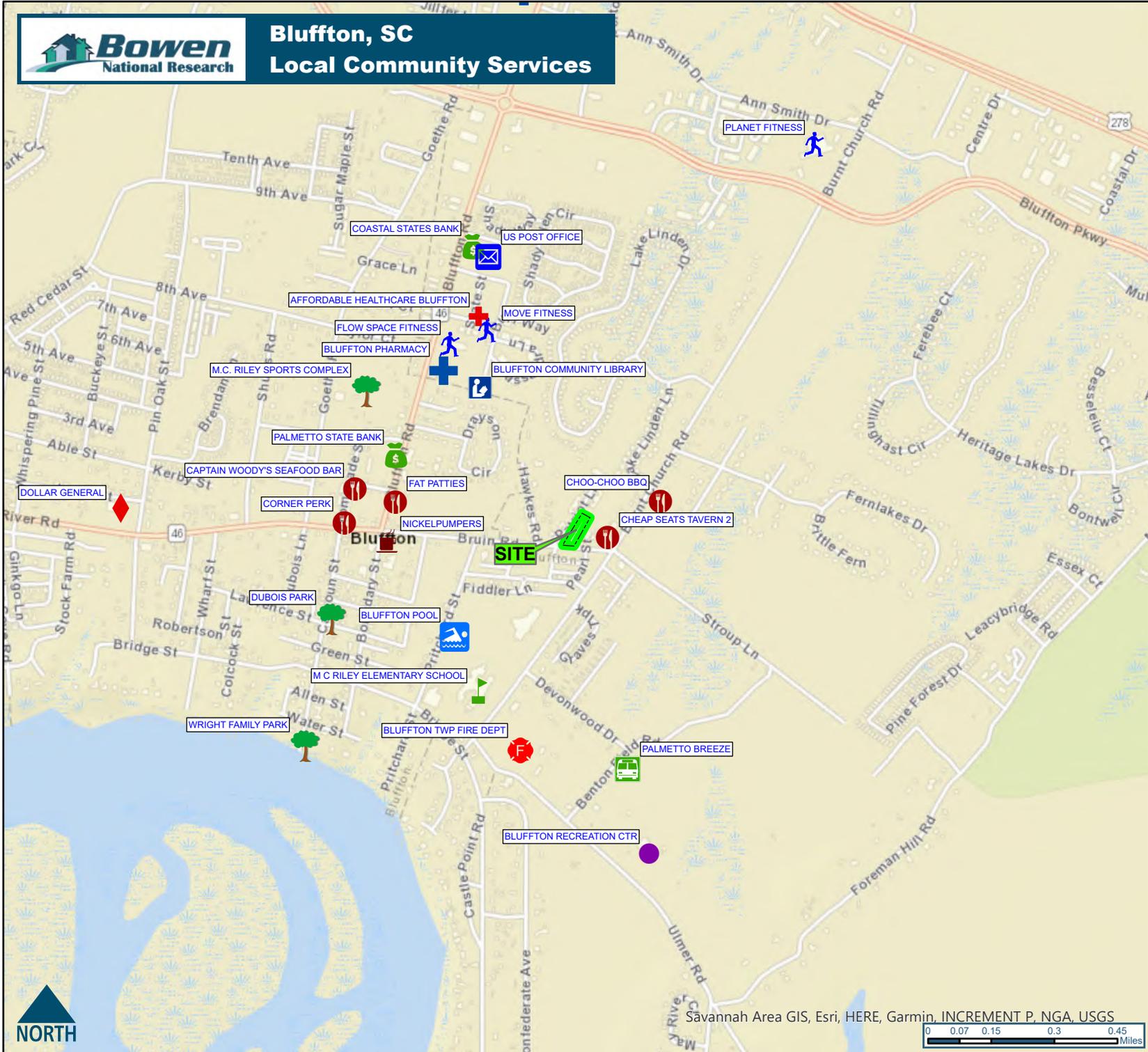


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Bluffton, SC Local Community Services

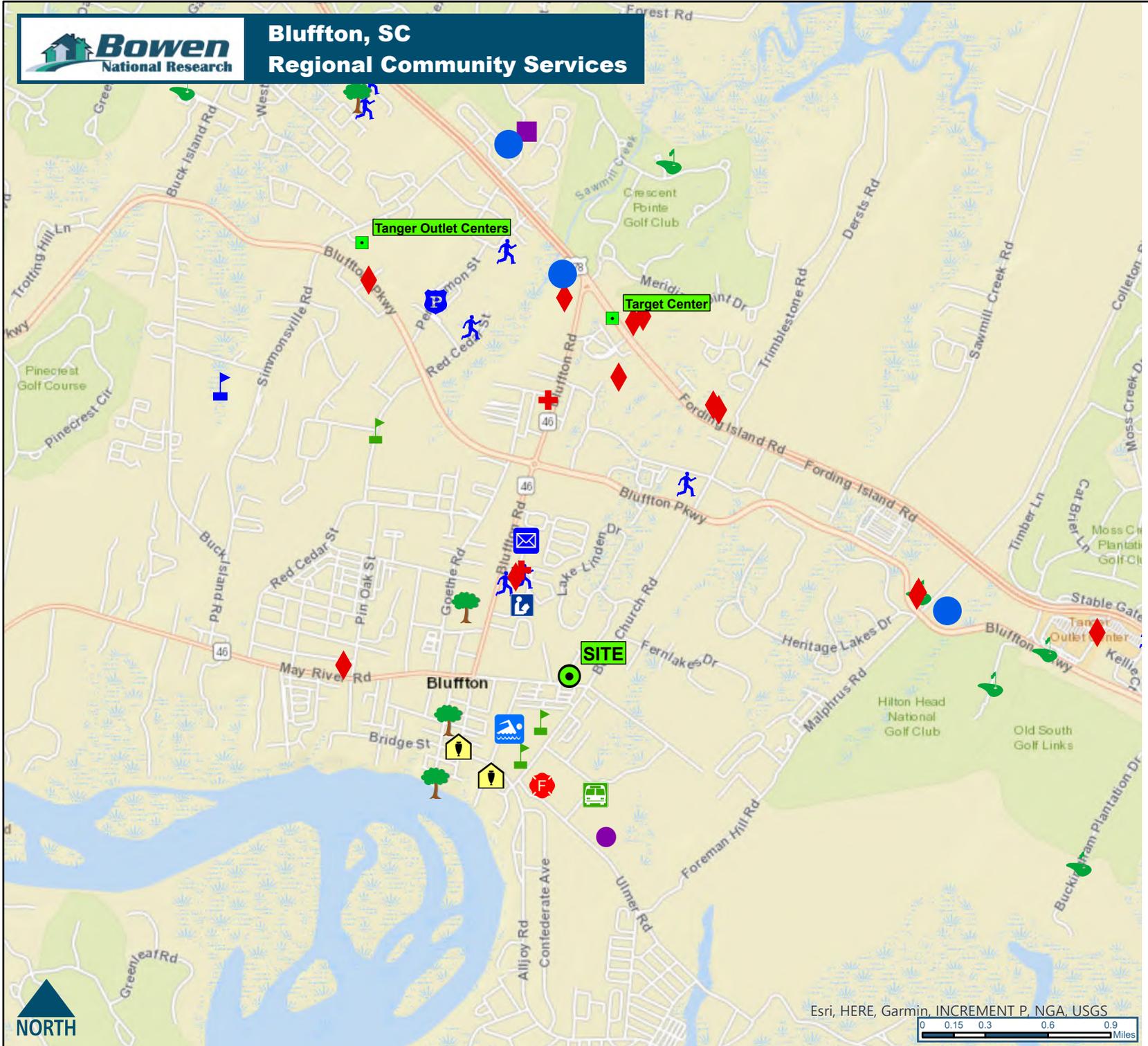


- Legend**
- Site Area
 - Bank
 - Convenience Store
 - Elementary School
 - Fire
 - Fitness Center
 - Library
 - Medical Center
 - Park
 - Pharmacy
 - Post Office
 - Recreation Center
 - Restaurant
 - Shopping
 - Swimming
 - Transit

Savannah Area GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:20,000



- Legend**
- Site
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Senior Services
 - Shopping
 - Swimming
 - Transit
 - Employer 1000-5000
- Shopping Center
Gross Leasable Area**
- < 500,000 sq. ft.



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



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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 (164) for the Site ZIP Code is above the national average with an overall personal crime index of 130 and a property crime index of 169. Total crime risk (155) for Beaufort County is above the national average with indexes for personal and property crime of 145 and 157, respectively.

	Crime Risk Index	
	Site ZIP Code	Beaufort County
Total Crime	164	155
Personal Crime	130	145
Murder	96	142
Rape	147	170
Robbery	86	76
Assault	147	171
Property Crime	169	157
Burglary	146	157
Larceny	174	162
Motor Vehicle Theft	183	113

Source: Applied Geographic Solutions

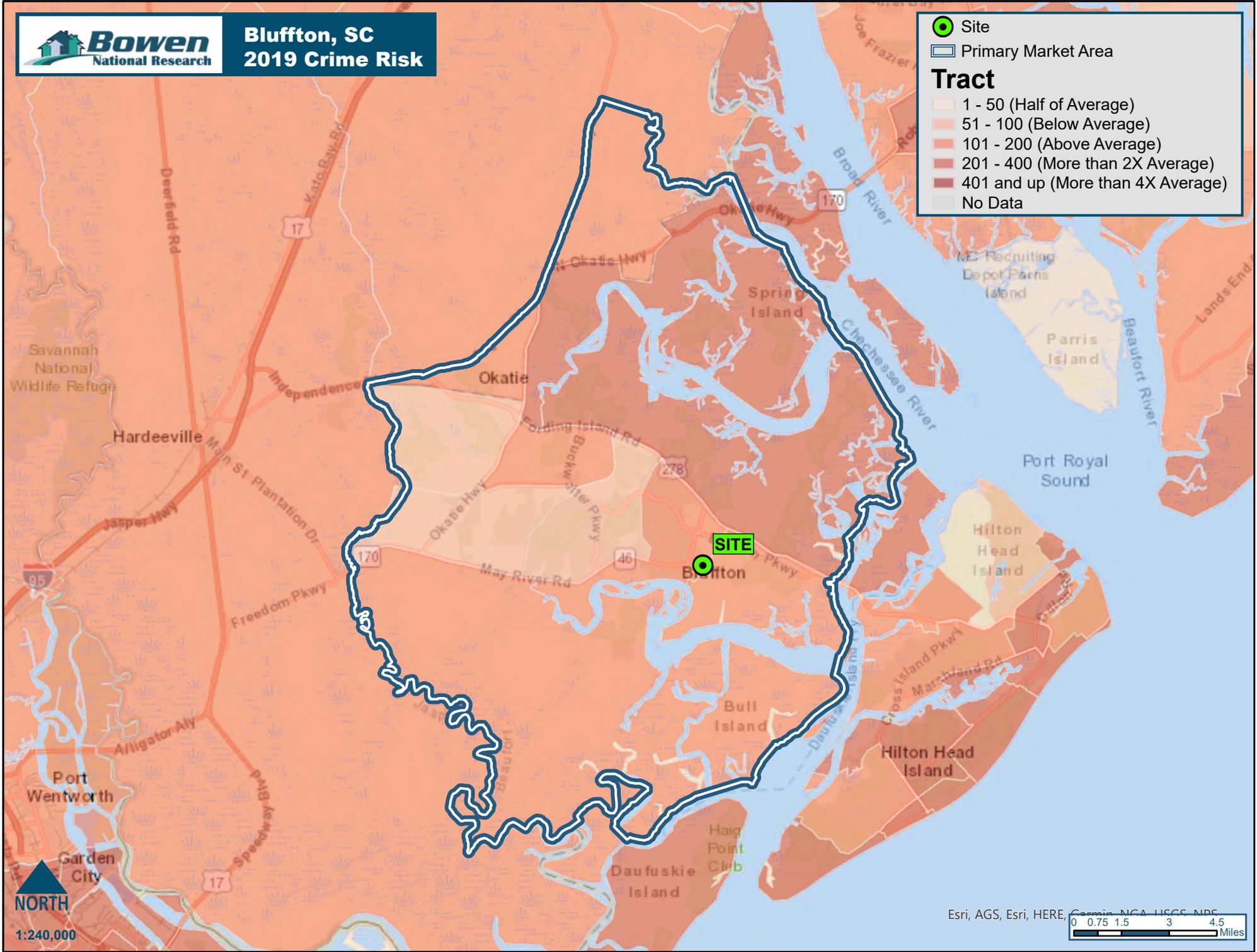
The crime risk indices within the Site ZIP Code (164) and Beaufort County as a whole (155) are both above the national average (100). Regardless, all rental communities identified and surveyed within the market (including Phase I & II of the site) are maintaining high occupancy rates, indicating that these projects have not been impacted by any perception of crime. In addition, the subject project will include an on-site management office and security cameras, features which typically deter crime. Therefore, it is unlikely that the perception of crime will have any tangible impact on the marketability of the subject development. A map illustrating crime risk is on the following page.

 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



7. ACCESS AND VISIBILITY

The site is located on the north side of Bruin Road, approximately 0.4 miles east of Downtown Bluffton. Bruin Road is a two-lane roadway with light vehicular and pedestrian traffic. This aforementioned roadway includes sidewalks, which allow for easy pedestrian access to downtown. Visibility of the site is good from Bruin Road, as the subject site maintains frontage along this roadway. Access to the site will be from the existing entrance to May River Village I & II, which is located immediately west of the site. The existing entrance includes a monument sign that is clearly visible to motorists and pedestrians along Bruin Road, allowing for good visibility of the subject project.

A site plan provided by the developer shows that two residential buildings will be constructed on the site parcel. One building (Building 10) will have direct frontage along Bruin Road and will be clearly visible from this roadway. The second building (Building 9) will be located directly east of Building 10 and is not expected to be clearly visible from Bruin Road. However, both buildings are proposed as Phase III of the existing May River Village I & II apartment property. The site plan also indicates that the two proposed residential buildings will utilize existing parking spaces on the May River Village I & II property. Note that several parking spaces were available at May River Village I & II during the time of our site inspection, especially among spaces that are adjacent to the site. Based on the preceding analysis, access is considered good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environment issues observed during our site visit. This is further evident by the 100.0% occupancy rate and waiting list maintained at May River Village I & II, which borders the site.

9. OVERALL SITE CONCLUSIONS

The site is a 0.8-acre wooded parcel located at 55 Bruin Road in the eastern portion of Bluffton, South Carolina (Beaufort County). The site project is the proposed Phase III of May River Village I & II, an existing 100.0% occupied Tax Credit property located immediately north and west of the site. Surrounding land uses also include single-family homes, multifamily homes, wooded land, and a commercial property containing storage warehouse buildings. The site is within a good quality and developing area of Bluffton, located 0.4 miles east of downtown. Structures in the immediate site neighborhood are primarily in satisfactory to good condition, with several newer residential properties in excellent condition. Most community services are conveniently accessed within 2.5 miles of the site. Downtown Bluffton, located 0.4 miles west of the site, features several of the nearest community services. Visibility and access are

considered to be good, as the site will utilize the existing access to the adjacent May River Village I & II property. In addition, the site has convenient access to major highways and is clearly visible to passerby traffic along adjacent roadways. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

D. Primary Market Area Delineation

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

The Bluffton Site PMA includes the town of Bluffton, the far eastern portion of Hardeeville, and unincorporated areas of Beaufort County and Jasper County. The boundaries of the Site PMA generally include Hazzard Creek to the north; Chechessee River and Cooper River to the east; and the Cooper River and the Jasper County Line to the south and west. The subject site is approximately 12.6 miles from the northern boundary of the Site PMA, 6.2 miles from its eastern boundary, 9.9 miles from its southern boundary and 9.5 miles from its western boundary. The Site PMA includes all of, or portions of, the following Census Tracts:

21.02	21.03	21.04	21.05
21.06	21.07*	21.08	22.01
22.02			

*Subject site location

Angela Wade, Leasing Agent at May River Village I & II (Map ID 1 and Phase I & II of site), confirmed the boundaries of the Site PMA. Ms. Wade stated that most tenants at this property originated from within the boundaries of the Site PMA, specifically Bluffton. Ms. Wade also noted that tenants generally do not originate from other areas of Beaufort County (i.e. Ridgeland, Hilton Head Island).

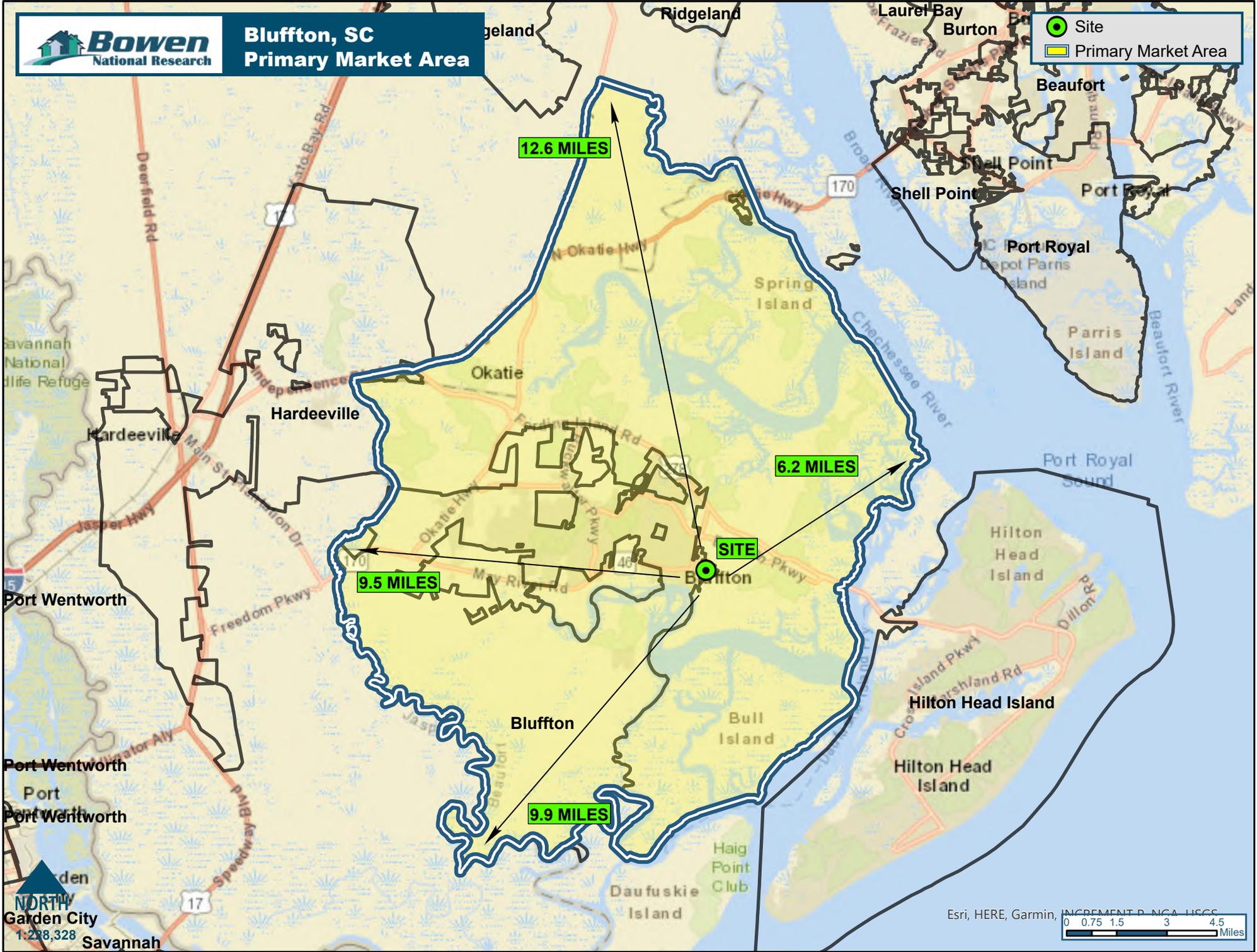
A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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



Bluffton, SC Primary Market Area

● Site
■ Primary Market Area



North
Garden City
1:278,328
Savannah

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

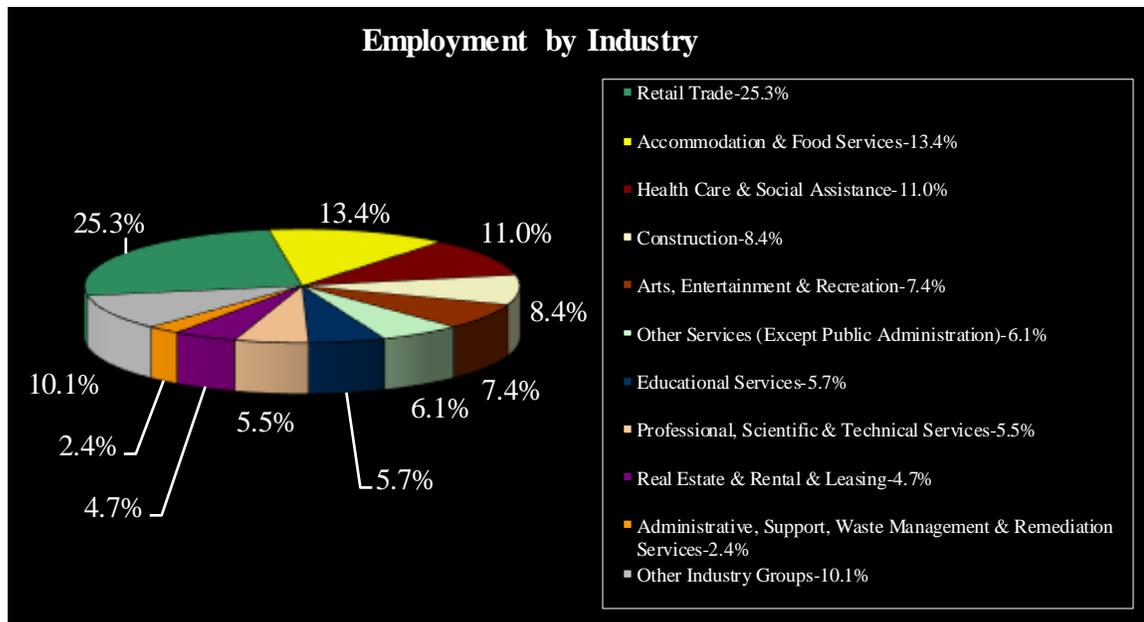
The labor force within the Bluffton Site PMA is based primarily in three sectors. Retail Trade (which comprises 25.3%), Accommodation & Food Services and Health Care & Social Assistance comprise nearly 50% of the Site PMA labor force. Employment in the Bluffton Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	6	0.2%	44	0.2%	7.3
Mining	1	0.0%	4	0.0%	4.0
Utilities	1	0.0%	50	0.2%	50.0
Construction	288	11.8%	2,091	8.4%	7.3
Manufacturing	53	2.2%	456	1.8%	8.6
Wholesale Trade	55	2.3%	364	1.5%	6.6
Retail Trade	463	19.0%	6,268	25.3%	13.5
Transportation & Warehousing	25	1.0%	223	0.9%	8.9
Information	36	1.5%	308	1.2%	8.6
Finance & Insurance	115	4.7%	581	2.3%	5.1
Real Estate & Rental & Leasing	160	6.6%	1,165	4.7%	7.3
Professional, Scientific & Technical Services	188	7.7%	1,357	5.5%	7.2
Management of Companies & Enterprises	3	0.1%	25	0.1%	8.3
Administrative, Support, Waste Management & Remediation Services	95	3.9%	605	2.4%	6.4
Educational Services	49	2.0%	1,408	5.7%	28.7
Health Care & Social Assistance	253	10.4%	2,720	11.0%	10.8
Arts, Entertainment & Recreation	65	2.7%	1,835	7.4%	28.2
Accommodation & Food Services	172	7.1%	3,317	13.4%	19.3
Other Services (Except Public Administration)	239	9.8%	1,498	6.1%	6.3
Public Administration	22	0.9%	411	1.7%	18.7
Nonclassifiable	145	6.0%	24	0.1%	0.2
Total	2,434	100.0%	24,754	100.0%	10.2

*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 Hilton Head Island-Bluffton-Beaufort Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Hilton Head Island-Bluffton-Beaufort MSA	South Carolina
Management Occupations	\$103,880	\$105,040
Business and Financial Occupations	\$64,950	\$66,740
Computer and Mathematical Occupations	\$81,920	\$76,040
Architecture and Engineering Occupations	\$64,070	\$80,210
Community and Social Service Occupations	\$47,510	\$43,500
Art, Design, Entertainment and Sports Medicine Occupations	\$47,330	\$50,200
Healthcare Practitioners and Technical Occupations	\$77,860	\$73,000
Healthcare Support Occupations	\$28,770	\$28,060
Protective Service Occupations	\$41,200	\$39,030
Food Preparation and Serving Related Occupations	\$23,810	\$22,610
Building and Grounds Cleaning and Maintenance Occupations	\$33,030	\$26,190
Personal Care and Service Occupations	\$29,420	\$26,760
Sales and Related Occupations	\$39,110	\$36,110
Office and Administrative Support Occupations	\$35,830	\$36,750
Construction and Extraction Occupations	\$42,420	\$43,550
Installation, Maintenance and Repair Occupations	\$42,530	\$45,540
Production Occupations	\$35,320	\$39,570
Transportation and Moving Occupations	\$32,370	\$33,080

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

Most annual blue-collar salaries range from \$23,810 to \$47,510 within the Hilton Head Island-Bluffton-Beaufort MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$78,536. It is important to note that most occupational types within the Hilton Head Island-Bluffton-Beaufort MSA have similar typical wages than the state of South Carolina's typical wages. Regardless, the area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

3. AREA’S LARGEST EMPLOYERS

The ten largest employers within the Beaufort County area comprise a total of 21,787 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Department of Defense	Government	12,826
Beaufort County School District	Government	2,300
Beaufort Memorial Hospital	Medical	1,404
County of Beaufort	Government	1,324
SERG Restaurant Group	Service	764
Marine Corp Community Services	Government	750
Wal-Mart Associates Inc	Food Stores	750
Sea Pines Resort	Resort	622
Hilton Head Medical Center and Clinics	Medical	547
Marriot Vacation Club	Service	500
Total		21,787

Source: Beaufort County Regional Chamber of Commerce 2016 (most current available)

According to a representative with the Bluffton Chamber of Commerce, prior to the COVID-19 pandemic, the Bluffton economy was improving. Much growth was happening in the area and it is projected to continue for years to come. Many new businesses and residents are coming into the area. The town is working on plans to increase infrastructure to handle all the anticipated growth.

Many new families are moving into the area and the Bluffton population continues to increase. People nation-wide are hearing about Bluffton and are beginning to view it as a destination and tourist attraction. Before, Hilton Head was the place everyone wanted to visit. However, now people are looking for a quaint, charming town to visit that is close to the beach, but not so expensive as to be right on the ocean, so they come to Bluffton, which is just a 20-minute drive to the beach. With many new businesses coming into town, many younger families are moving to the area which boosts the local employment base. Many seniors also relocate to the area to retire.

The following are summaries of some additional notable/recent economic development activity/announcements within the county:

- A local craft beer brewer, Salt Marsh Brewing, located on 11th Street in Port Royal, is expanding with a \$4.5 million investment and plans to create 43 new jobs by November 2020.
- Parker's, a fuel and convenience store chain in the southeast, opened two new locations in spring of 2019, one in Port Royal and one on Lady's Island.
- Glass WRX SC, a company that works on renewable energy and advanced recycling technologies, announced in November 2019 that they are expanding and moving to the Beaufort Commerce Park. The expectation is to have the new site operational in the summer of 2020. They are investing more than \$15 million and will create 60 new jobs.
- Blue Sky Processing opened in Beaufort County in May of 2019. The company is a processor of hemp for multiple applications and invested over \$3 million and created 16 new jobs.
- A SpringHill Suites hotel is under construction at 2227 Boundary Street in Beaufort. The hotel will have 111 rooms and is expected to open in spring of 2020. Tru by Hilton with 92 rooms is also under construction and planned to open in mid-February 2020. Additionally, Home2 Suites with 107 rooms opened in early 2019.
- Geismar, a manufacturer and distributor of railway maintenance equipment, held its grand opening at 134 Parker Drive in Beaufort in October 2017. The company opened a new operations facility which created 50 new jobs by March 2019.
- In October 2017, Dust Solutions, a manufacturer of air purification systems for the industrial sector announced they will be building a facility in Commerce Park. They built a 12,000 to 15,000 square-foot manufacturing facility and hired over 20 employees in 2019.
- An existing manufacturer, Harris Pillow Supply, relocated in 2017 and expanded its pillow manufacturing business in Beaufort, which will create 22 new jobs by 2021. The expansion is a \$2.1 million investment.

- Washington Square is a planned residential and retail community at Buckwalter Place in Bluffton. The vision for the area is to create an urban community that will serve as a new town center and will be adding two health care facilities with an emergency room and offices, a culinary school, residential apartments, a senior facility and a Kroger grocery store. The following are summaries of some of the proposed projects at Washington Square:
 - South of the Broad Healthcare is a 65,000-square-foot facility near the intersection of Bluffton Parkway, Innovation Drive, and Buckwalter Parkway. The facility would bring about 125 jobs to the area. The facility would include an orthopedic center, cardiology care, labs, imaging, general surgery, a 15-bed emergency room, ambulatory care, outpatient surgery, and a helipad.
 - St. Joseph's/Candler is a 40,000-square-foot facility that is expected to open in 2020. The facility includes primary care, physical therapy, imaging, radiation and oncology treatment.
 - The Don Ryan Center for Innovation is a new 3,000-square-foot facility that will be located next to Kroger.
 - Kroger grocery store opened in May 2019. The 113,000-square-foot facility includes a beer and wine bar, and a Starbucks. The fuel center opened in November 2019.
 - One Hot Mama's is a 4,300-square-foot facility that opened in June 2019.
 - Frankie Bones Restaurant and Lounge is scheduled to open a 5,400-square-foot facility in 2020.
 - Corner Perk Café is a 2,500-square-foot coffee house with seating for 80 to 100 guests.
 - St. Andrew By-The-Sea United Methodist Church, will develop a new campus across the street from the Kroger Fuel Center.
 - A senior assisted living community located at 25 Cassidy Road opened in the fall of 2019.
 - Lowcountry Fresh Local Market is a planned facility inside the square. The 8,136-square-foot facility is expected to create 25 new jobs.

- Watercrest Senior Living is a planned facility with 75 assisted living and 32 memory care units. The facility will offer an amenity center, pool, salon, and bills itself as a resort-style facility.

Infrastructure:

- There is new construction located along the Bluffton parkway, Buckwalter Parkway, and Okatie Highway 170, which connects residents from Savannah, Hardeville, and Okatie/Beaufort area.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on April 22, 2020, and according to South Carolina Works there has been one WARN notice reported for Bluffton over the past 18 months. Below is a table summarizing this notice:

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Spectrum Pharmaceuticals	Bluffton	1	4/12/2019	4/12/2019

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.

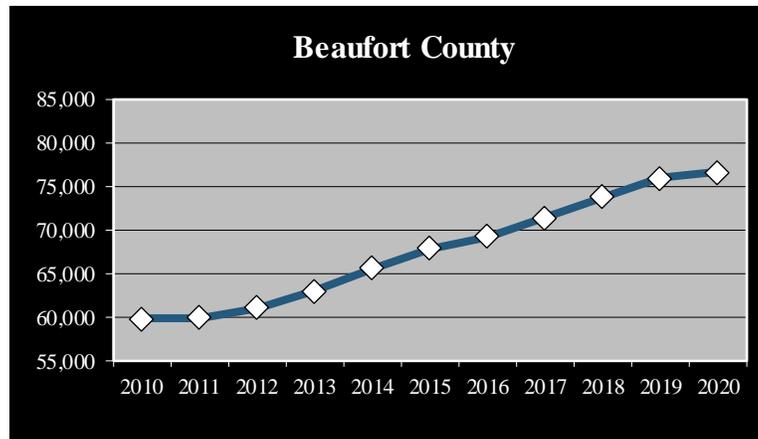
Excluding 2020, the employment base has increased by 11.7% over the past five years in Beaufort County, more than the South Carolina state increase of 8.0%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Beaufort County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	59,684	-	1,915,045	-	140,469,139	-
2011	59,777	0.2%	1,945,900	1.6%	141,791,255	0.9%
2012	60,939	1.9%	1,985,618	2.0%	143,621,634	1.3%
2013	62,946	3.3%	2,023,642	1.9%	145,017,562	1.0%
2014	65,463	4.0%	2,078,592	2.7%	147,313,048	1.6%
2015	67,841	3.6%	2,137,158	2.8%	149,500,941	1.5%
2016	69,147	1.9%	2,181,587	2.1%	151,887,366	1.6%
2017	71,349	3.2%	2,212,845	1.4%	154,160,937	1.5%
2018	73,726	3.3%	2,259,057	2.1%	156,081,212	1.2%
2019	75,797	2.8%	2,308,362	2.2%	158,102,439	1.3%
2020*	76,478	0.9%	2,322,656	0.6%	157,927,470	-0.1%

Source: Department of Labor; Bureau of Labor Statistics

*Through February

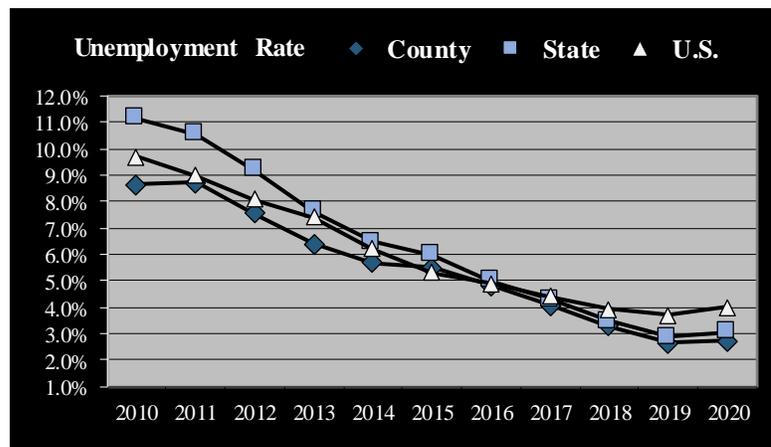


As the preceding illustrates, the Beaufort County employment base has steadily increased over the past ten-year period. Notably, the employment base has increased by approximately 3.0% each of the past three years, and by 0.9% through February of 2020. In total, 7,331 jobs have been added to the county employment base since 2016, an increase of 10.7% during this time period. Employment growth within the county has outpaced that reported for the state of South Carolina each of the past three years. Despite this recent growth, the employment base will likely experience declines due to the ongoing COVID-19 pandemic.

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

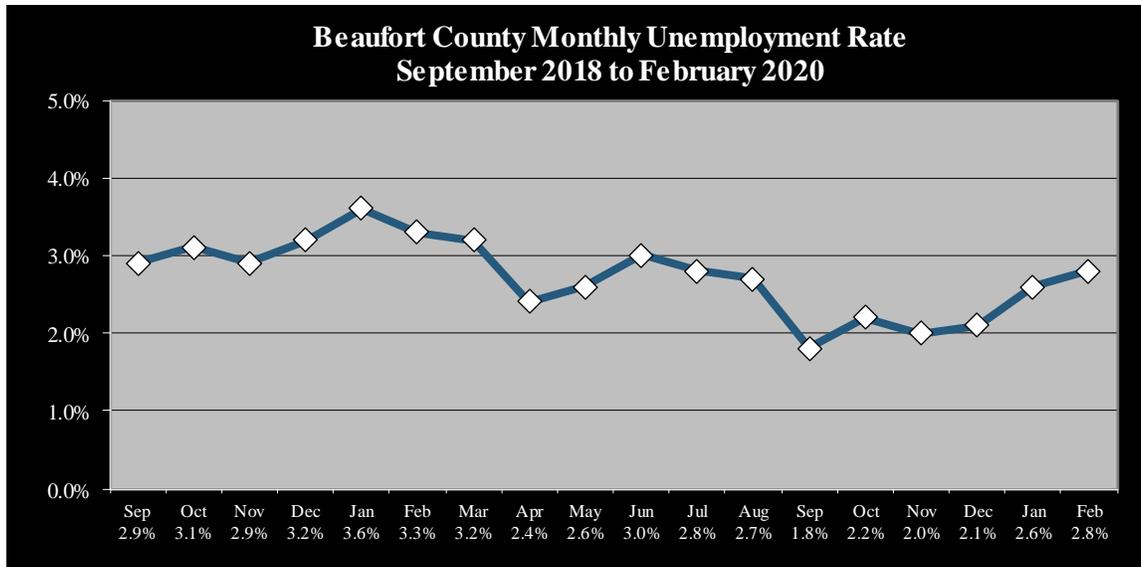
Year	Unemployment					
	Beaufort County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	5,652	8.7%	240,623	11.2%	15,070,017	9.7%
2011	5,692	8.7%	229,623	10.6%	14,035,049	9.0%
2012	4,980	7.6%	201,260	9.2%	12,691,553	8.1%
2013	4,293	6.4%	167,326	7.6%	11,634,201	7.4%
2014	3,949	5.7%	143,753	6.5%	9,776,089	6.2%
2015	3,931	5.5%	135,838	6.0%	8,417,793	5.3%
2016	3,483	4.8%	115,213	5.0%	7,854,801	4.9%
2017	3,033	4.1%	98,921	4.3%	7,093,912	4.4%
2018	2,480	3.3%	80,882	3.5%	6,385,787	3.9%
2019	2,061	2.6%	67,707	2.9%	6,073,924	3.7%
2020*	2,136	2.7%	71,695	3.0%	6,602,253	4.0%

Source: Department of Labor; Bureau of Labor Statistics
 *Through February



The unemployment rate in Beaufort County has declined each year since 2011 and by a total of six full percentage points between 2011 and February of 2020. It is also of note that the Beaufort County unemployment rate has been consistently below statewide averages over the past ten-year period. The most recent unemployment rate of 2.7% is considered very low and indicative of a strong overall economy. However, as previously stated, the COVID-19 pandemic will likely continue to cause the unemployment rate to rise in the foreseeable future due to numerous business closures.

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



The monthly unemployment rate within the county has generally trended downward over the past 18-month period and reported at less than 3.0% between July of 2019 and February of 2020.

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 Beaufort County.

In-Place Employment Beaufort County			
Year	Employment	Change	Percent Change
2009	58,272	-	-
2010	56,511	-1,761	-3.0%
2011	56,453	-58	-0.1%
2012	57,581	1,128	2.0%
2013	58,183	602	1.0%
2014	60,345	2,162	3.7%
2015	62,352	2,007	3.3%
2016	63,198	846	1.4%
2017	65,016	1,818	2.9%
2018	67,390	2,374	3.7%
2019*	68,854	1,464	2.2%

Source: Department of Labor, Bureau of Labor Statistics
*Through September

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Beaufort County to be 91.4% of the total Beaufort County employment. This means that Beaufort County has more employed persons leaving the county for daytime employment than those who work in the county.

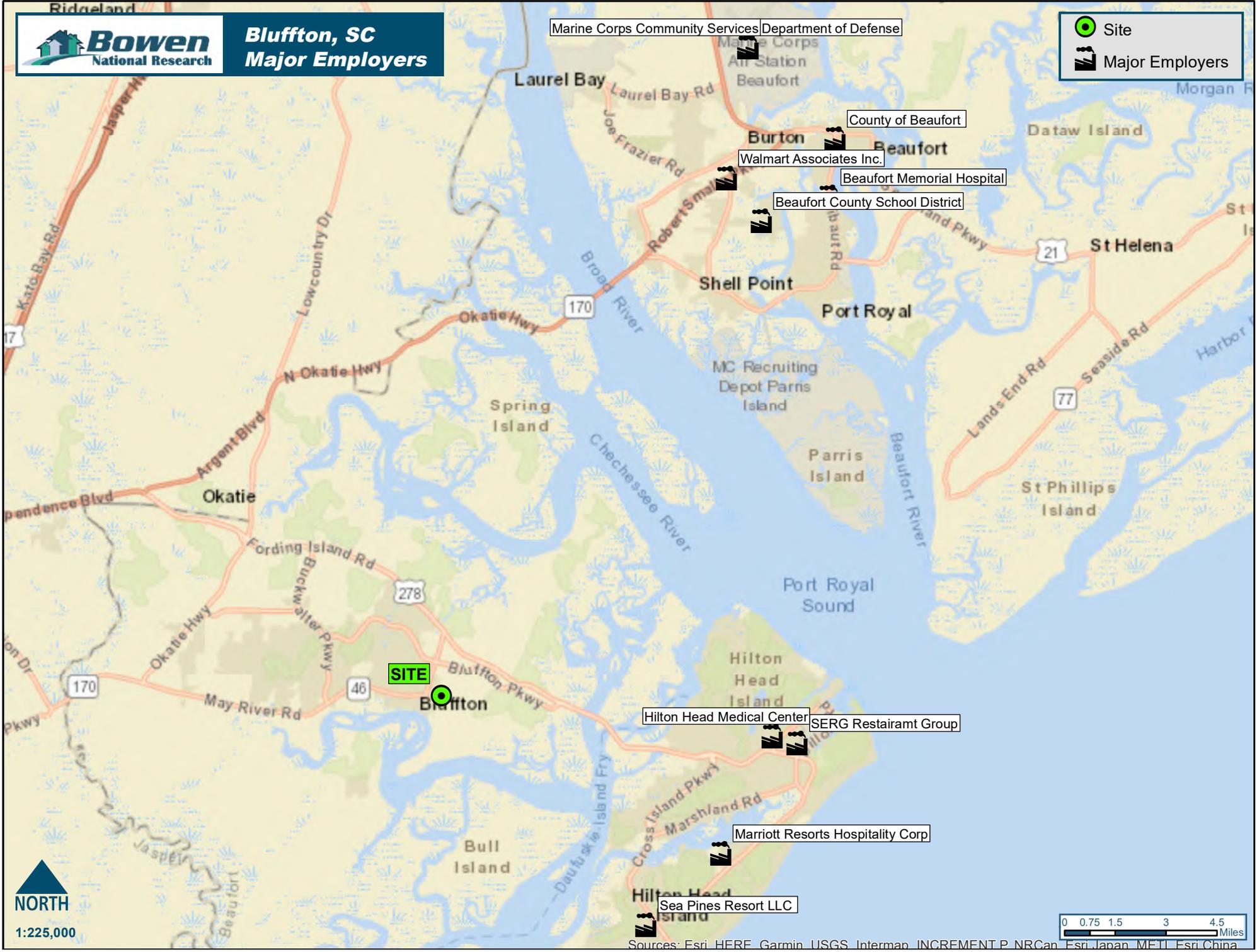
5. **EMPLOYMENT CENTERS MAP**

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



Bluffton, SC Major Employers

 Site
 Major Employers




 NORTH
 1:225,000



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

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	20,650	79.6%
Carpooled	3,084	11.9%
Public Transit	2	0.0%
Walked	89	0.3%
Other Means	384	1.5%
Worked at Home	1,739	6.7%
Total	25,948	100.0%

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

Nearly 80% of all workers drove alone, 11.9% carpooled and only 0.0% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	5,132	19.8%
15 to 29 Minutes	9,409	36.3%
30 to 44 Minutes	6,572	25.3%
45 to 59 Minutes	2,169	8.4%
60 or More Minutes	927	3.6%
Worked at Home	1,739	6.7%
Total	25,948	100.0%

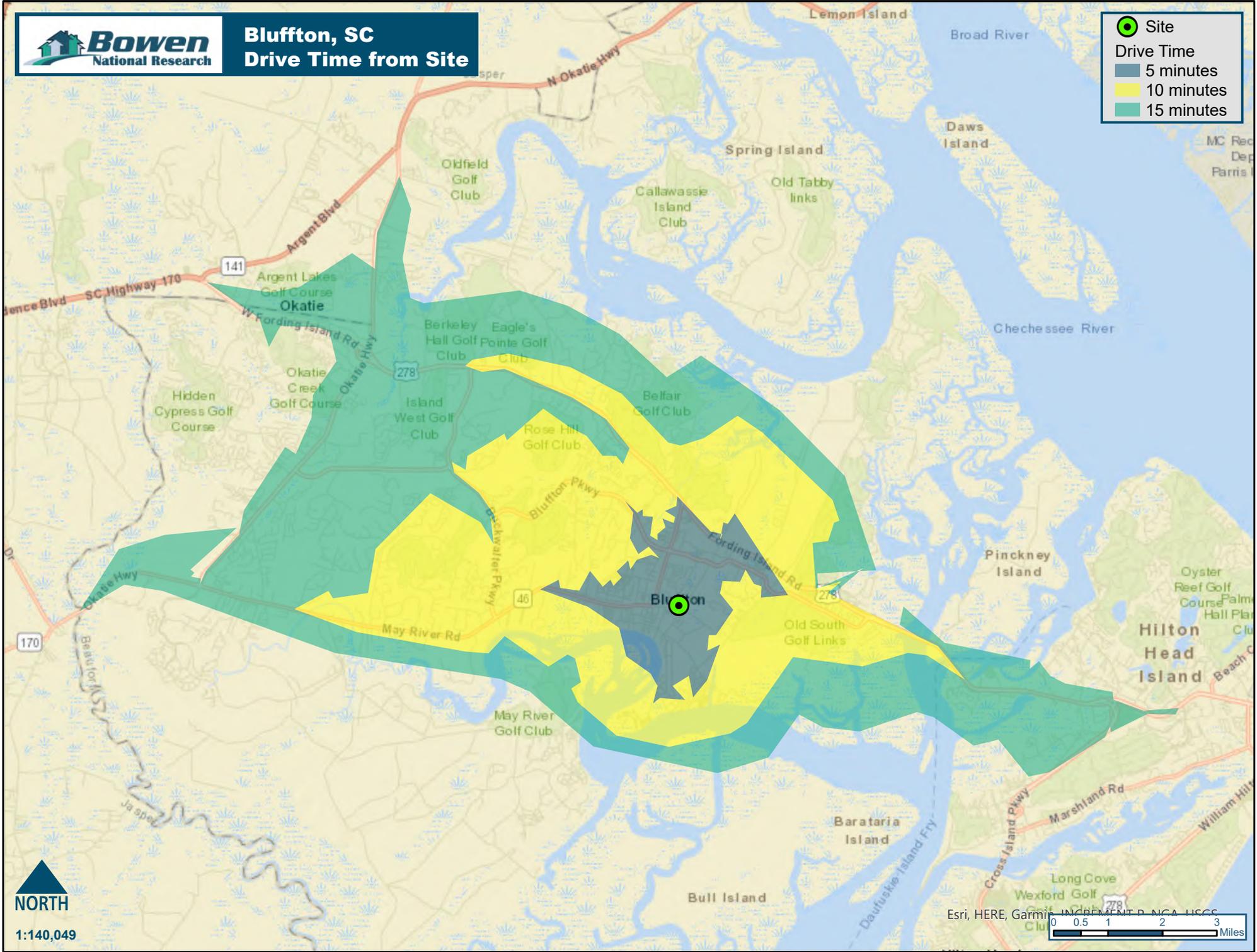
Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-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.



Bluffton, SC Drive Time from Site

● Site
Drive Time
■ 5 minutes
■ 10 minutes
■ 15 minutes



NORTH
1:140,049

Esri, HERE, Garmin, UNIVERSITY MICROFILMS INTERNATIONAL, NCA, USGS
0 0.5 1 2 3 Miles

7. ECONOMIC FORECAST AND HOUSING IMPACT

The labor force within the Bluffton Site PMA is relatively well-balanced as no single industry segment represents more than 25.3% of the total labor force. In fact, it is important to point out that more than one-third (38.7%) of the labor force within the Site PMA is comprised within the Retail and Accommodation & Food Services industries. Typically, such industry segments offer lower-wage positions conducive to affordable housing alternatives such as that proposed for the subject site.

The Beaufort County economy is performing well and has experienced improvement in terms of both total employment and unemployment rate trends over much of the past ten-year period. Notably, the employment base has increased by 7,331 jobs, or 10.7%, since 2016 (through February of 2020). The unemployment rate has declined by six full percentage points since 2011, to a rate of just 2.7% through February of 2020. The unemployment rate within the county has been consistently below the statewide average over the past ten-year period. Based on the preceding factors, we expect the Beaufort County economy will remain strong and continue to expand in terms of total employment for the foreseeable future. However, it is important to reiterate that the COVID-19 pandemic impacting the nation will likely continue to cause an increase in unemployment and a decline in the overall employment base.

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	19,169	53,067	68,746	73,738
Population Change	-	33,898	15,679	4,992
Percent Change	-	176.8%	29.5%	7.3%

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

The Bluffton Site PMA population base increased by 33,898 between 2000 and 2010. This represents a 176.8% increase over the 2000 population, or an annual rate of 10.7%. Between 2010 and 2019, the population increased by 15,679, or 29.5%. It is projected that the population will increase by 4,992, or 7.3%, between 2019 and 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.5% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	284	0.5%
Population not in Group Quarters	52,783	99.5%
Total Population	53,067	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	11,712	22.1%	15,426	22.4%	16,934	23.0%	1,508	9.8%
20 to 24	2,494	4.7%	2,950	4.3%	3,225	4.4%	275	9.3%
25 to 34	6,705	12.6%	7,861	11.4%	8,618	11.7%	757	9.6%
35 to 44	6,290	11.9%	8,133	11.8%	8,681	11.8%	548	6.7%
45 to 54	5,330	10.0%	7,078	10.3%	7,305	9.9%	227	3.2%
55 to 64	7,582	14.3%	7,902	11.5%	7,670	10.4%	-232	-2.9%
65 to 74	8,738	16.5%	12,374	18.0%	12,019	16.3%	-355	-2.9%
75 & Over	4,216	7.9%	7,022	10.2%	9,286	12.6%	2,264	32.2%
Total	53,067	100.0%	68,746	100.0%	73,738	100.0%	4,992	7.3%

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

As the preceding table illustrates, over 45% of the population is expected 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%	31.5%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	27.1%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.5%
Asian	1.3%	1.3% + 20.0% = 21.3%	1.8%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	5.8%

Source: U.S. Census Bureau, 2010 Census

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 Bluffton Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	7,948	21,628	27,686	29,637
Household Change	-	13,680	6,058	1,951
Percent Change	-	172.1%	28.0%	7.0%
Household Size	2.41	2.45	2.47	2.48

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

Within the Bluffton Site PMA, households increased by 13,680 (172.1%) between 2000 and 2010. Between 2010 and 2019, households increased by 6,058 or 28.0%. By 2022, there will be 29,637 households, an increase of 1,951 households, or 7.0% over 2019 levels. This is an increase of approximately 650 households annually over the next three years.

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

Households by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	665	3.1%	781	2.8%	881	3.0%	100	12.8%
25 to 34	2,970	13.7%	3,376	12.2%	3,741	12.6%	365	10.8%
35 to 44	3,273	15.1%	4,112	14.9%	4,441	15.0%	329	8.0%
45 to 54	2,926	13.5%	3,837	13.9%	3,997	13.5%	160	4.2%
55 to 64	3,903	18.0%	4,084	14.8%	4,012	13.5%	-72	-1.8%
65 to 74	5,070	23.4%	7,009	25.3%	6,749	22.8%	-260	-3.7%
75 to 84	2,309	10.7%	3,597	13.0%	4,662	15.7%	1,065	29.6%
85 & Over	512	2.4%	890	3.2%	1,154	3.9%	264	29.7%
Total	21,628	100.0%	27,686	100.0%	29,637	100.0%	1,951	7.0%

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

Household growth is projected for most age cohorts within the Bluffton Site PMA between 2019 and 2022. The primary age group of potential support (25 to 64) for the subject project is projected to comprise more than half (54.6%) of the overall household base in 2022.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	16,813	77.7%	22,150	80.0%	23,662	79.8%
Renter-Occupied	4,815	22.3%	5,536	20.0%	5,976	20.2%
Total	21,628	100.0%	27,686	100.0%	29,638	100.0%

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

In 2019, homeowners occupied 80.0% of all occupied housing units, while the remaining 20.0% were occupied by renters. The share of renters is relatively low, however, renters are projected to increase by 440, or 7.9%, between 2019 and 2022. This projected growth among renter households will increase the need for rental housing within the Bluffton market.

c. Households by Income

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

Household Income	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	923	4.3%	849	3.1%	878	3.0%
\$10,000 to \$19,999	1,554	7.2%	1,642	5.9%	1,681	5.7%
\$20,000 to \$29,999	2,348	10.9%	2,340	8.5%	2,424	8.2%
\$30,000 to \$39,999	2,264	10.5%	2,739	9.9%	2,884	9.7%
\$40,000 to \$49,999	2,035	9.4%	2,512	9.1%	2,600	8.8%
\$50,000 to \$59,999	2,270	10.5%	2,282	8.2%	2,284	7.7%
\$60,000 to \$74,999	2,904	13.4%	3,316	12.0%	3,537	11.9%
\$75,000 to \$99,999	2,809	13.0%	4,322	15.6%	4,636	15.6%
\$100,000 to \$124,999	1,655	7.7%	2,581	9.3%	2,946	9.9%
\$125,000 to \$149,999	989	4.6%	1,387	5.0%	1,528	5.2%
\$150,000 to \$199,999	671	3.1%	1,783	6.4%	2,064	7.0%
\$200,000 & Over	1,206	5.6%	1,934	7.0%	2,175	7.3%
Total	21,628	100.0%	27,687	100.0%	29,639	100.0%
Median Income	\$57,445		\$66,693		\$68,767	

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

In 2010, the median household income was \$57,445. This increased by 16.1% to \$66,693 in 2019. By 2022, it is projected that the median household income will be \$68,767, an increase of 3.1% 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 Bluffton Site PMA:

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	105	104	55	45	42	351
\$10,000 to \$19,999	173	166	88	73	67	567
\$20,000 to \$29,999	244	228	120	100	92	784
\$30,000 to \$39,999	206	201	106	88	81	682
\$40,000 to \$49,999	165	168	89	74	68	563
\$50,000 to \$59,999	135	155	82	68	63	502
\$60,000 to \$74,999	183	194	102	85	78	642
\$75,000 to \$99,999	155	154	81	67	62	519
\$100,000 to \$124,999	25	27	15	12	11	90
\$125,000 to \$149,999	16	16	8	7	6	54
\$150,000 to \$199,999	6	7	3	3	3	22
\$200,000 & Over	12	11	6	5	5	39
Total	1,425	1,431	755	625	579	4,815

Source: ESRI; Urban Decision Group

Renter Households	2019 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	110	81	51	37	28	308
\$10,000 to \$19,999	217	142	89	64	49	561
\$20,000 to \$29,999	240	193	122	88	67	710
\$30,000 to \$39,999	268	232	146	105	80	832
\$40,000 to \$49,999	269	223	140	101	77	812
\$50,000 to \$59,999	153	125	79	57	43	457
\$60,000 to \$74,999	210	187	118	85	65	665
\$75,000 to \$99,999	189	164	103	74	57	587
\$100,000 to \$124,999	84	76	48	34	26	268
\$125,000 to \$149,999	47	40	25	18	14	144
\$150,000 to \$199,999	29	26	16	12	9	92
\$200,000 & Over	33	28	17	13	10	100
Total	1,850	1,517	954	689	526	5,536

Source: ESRI; Urban Decision Group

Renter Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	118	85	54	38	29	323
\$10,000 to \$19,999	226	143	91	64	49	573
\$20,000 to \$29,999	247	197	125	89	67	726
\$30,000 to \$39,999	298	249	158	112	85	901
\$40,000 to \$49,999	312	245	156	110	84	906
\$50,000 to \$59,999	157	124	79	56	42	458
\$60,000 to \$74,999	227	199	127	89	68	709
\$75,000 to \$99,999	193	164	104	74	56	590
\$100,000 to \$124,999	119	105	67	47	36	373
\$125,000 to \$149,999	65	53	34	24	18	193
\$150,000 to \$199,999	34	31	19	14	10	108
\$200,000 & Over	38	31	20	14	11	114
Total	2,034	1,623	1,035	730	554	5,976

Source: ESRI; Urban Decision Group

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

Owner Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	145	278	69	49	32	572
\$10,000 to \$19,999	265	470	117	82	53	987
\$20,000 to \$29,999	423	742	184	130	84	1,564
\$30,000 to \$39,999	426	752	187	132	85	1,582
\$40,000 to \$49,999	378	711	177	125	81	1,472
\$50,000 to \$59,999	428	872	217	153	99	1,768
\$60,000 to \$74,999	562	1,106	275	194	126	2,262
\$75,000 to \$99,999	563	1,123	279	197	128	2,290
\$100,000 to \$124,999	377	773	192	135	88	1,565
\$125,000 to \$149,999	230	458	114	80	52	935
\$150,000 to \$199,999	150	325	81	57	37	649
\$200,000 & Over	279	578	144	101	66	1,167
Total	4,225	8,188	2,036	1,434	930	16,813

Source: ESRI; Urban Decision Group

Owner Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	144	270	63	40	25	541
\$10,000 to \$19,999	298	532	123	79	48	1,081
\$20,000 to \$29,999	432	815	189	120	74	1,630
\$30,000 to \$39,999	486	966	224	143	88	1,907
\$40,000 to \$49,999	444	854	198	126	78	1,700
\$50,000 to \$59,999	448	936	217	138	85	1,825
\$60,000 to \$74,999	632	1,373	319	203	125	2,651
\$75,000 to \$99,999	863	1,952	453	289	178	3,735
\$100,000 to \$124,999	537	1,207	280	178	110	2,313
\$125,000 to \$149,999	296	644	149	95	59	1,243
\$150,000 to \$199,999	376	894	207	132	81	1,691
\$200,000 & Over	417	963	224	142	88	1,834
Total	5,372	11,408	2,647	1,686	1,039	22,151

Source: ESRI; Urban Decision Group

Owner Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	151	276	64	40	25	555
\$10,000 to \$19,999	313	542	126	79	48	1,108
\$20,000 to \$29,999	457	847	197	123	75	1,698
\$30,000 to \$39,999	514	1,002	233	145	89	1,983
\$40,000 to \$49,999	458	843	196	122	75	1,694
\$50,000 to \$59,999	443	943	219	137	84	1,826
\$60,000 to \$74,999	671	1,472	341	213	131	2,828
\$75,000 to \$99,999	925	2,129	494	308	190	4,045
\$100,000 to \$124,999	594	1,350	313	195	120	2,573
\$125,000 to \$149,999	321	692	161	100	62	1,335
\$150,000 to \$199,999	425	1,045	242	151	93	1,956
\$200,000 & Over	458	1,094	254	158	97	2,061
Total	5,728	12,237	2,838	1,770	1,090	23,664

Source: ESRI; Urban Decision Group

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

All Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	250	382	124	94	74	923
\$10,000 to \$19,999	438	636	204	155	121	1,554
\$20,000 to \$29,999	667	970	305	230	177	2,348
\$30,000 to \$39,999	632	953	293	220	167	2,264
\$40,000 to \$49,999	543	880	266	198	149	2,035
\$50,000 to \$59,999	562	1,027	299	220	162	2,270
\$60,000 to \$74,999	745	1,300	377	278	204	2,904
\$75,000 to \$99,999	718	1,277	360	264	190	2,809
\$100,000 to \$124,999	402	800	207	147	99	1,655
\$125,000 to \$149,999	246	474	122	87	59	989
\$150,000 to \$199,999	156	332	84	60	40	671
\$200,000 & Over	291	589	150	106	70	1,206
Total	5,650	9,618	2,791	2,060	1,509	21,628

Source: ESRI; Urban Decision Group

All Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	254	352	114	77	53	849
\$10,000 to \$19,999	515	674	213	143	98	1,642
\$20,000 to \$29,999	672	1,008	311	208	141	2,340
\$30,000 to \$39,999	755	1,198	370	248	168	2,739
\$40,000 to \$49,999	713	1,077	339	228	155	2,512
\$50,000 to \$59,999	600	1,062	296	195	129	2,282
\$60,000 to \$74,999	841	1,560	436	288	190	3,316
\$75,000 to \$99,999	1,052	2,116	556	363	235	4,322
\$100,000 to \$124,999	621	1,283	328	213	136	2,581
\$125,000 to \$149,999	343	684	174	113	72	1,387
\$150,000 to \$199,999	405	920	224	144	90	1,783
\$200,000 & Over	450	991	241	155	97	1,934
Total	7,221	12,925	3,601	2,375	1,565	27,687

Source: ESRI; Urban Decision Group

All Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	268	361	118	78	54	878
\$10,000 to \$19,999	539	685	217	143	97	1,681
\$20,000 to \$29,999	704	1,044	322	211	143	2,424
\$30,000 to \$39,999	811	1,251	391	257	174	2,884
\$40,000 to \$49,999	770	1,088	352	232	159	2,600
\$50,000 to \$59,999	600	1,068	298	192	126	2,284
\$60,000 to \$74,999	898	1,670	468	302	199	3,537
\$75,000 to \$99,999	1,118	2,293	598	382	245	4,636
\$100,000 to \$124,999	713	1,455	380	242	156	2,946
\$125,000 to \$149,999	385	745	194	124	80	1,528
\$150,000 to \$199,999	459	1,076	262	165	103	2,064
\$200,000 & Over	496	1,125	274	172	108	2,175
Total	7,762	13,861	3,873	2,500	1,644	29,639

Source: ESRI; Urban Decision Group

Demographic Summary

The Bluffton Site PMA is projected to experience rapid population and household growth between 2019 and 2022, a trend which has been ongoing since 2000. Household growth is projected to occur among most age cohorts and among both owner and renter households during this time period. Renter household growth will account for approximately one-quarter (22.6%) of the overall household growth projected during this time period and renter households are projected to increase by 440, or 7.9%, between 2019 and 2022. Nearly one-third (30.2%) of all renter households projected for the market through 2022 will earn between \$30,000 and \$50,000. Based on the preceding factors, a good base of potential renter support for affordable rental product such as that proposed will continue to exist within the Bluffton Site PMA 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 Beaufort County, SC HUD Metro FMR Area, which has a four-person median household income of \$81,500 for 2020. The subject property will be restricted to households with incomes of up to 30% and 60% of AMHI under scenario one and 30%, 60% and 80% of AMHI, as well as market-rate units under scenario two. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

Household Size	Maximum Allowable Income		
	30%	60%	80%
One-Person	\$17,130	\$34,260	\$45,680
Two-Person	\$19,560	\$39,120	\$52,160
Three-Person	\$22,020	\$44,040	\$58,720
Four-Person	\$24,450	\$48,900	\$65,200
Five-Person	\$26,430	\$52,860	\$70,480

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 for the Tax Credit units under scenario one at the subject site is **\$52,860** and **\$70,480** under scenario two.

As stated throughout this report, scenario two will also include market-rate units without a maximum income restriction.

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%.

Scenario One:

The proposed LIHTC units will have a lowest gross rent of \$458. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,496. 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 **\$15,703**.

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project are illustrated in the following table.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit Only (Limited To 30% AMHI)	\$15,703	\$26,430
Tax Credit Only (Limited To 60% AMHI)	\$28,937	\$52,860
Tax Credit Only Overall*	\$15,703	\$52,860

*Excludes those earning between \$26,431 and \$28,936 due to gap in affordability levels

Scenario Two:

The proposed units will have a lowest gross rent of \$428. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,136. 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 **\$14,674**.

Utilizing the same methodology but considering a lower rent-to-income ratio of 30%, the subject's market-rate units would require a minimum annual household expenditure **\$40,680**.

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project are illustrated in the following table.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit Only (Limited To 30% AMHI)	\$14,674	\$26,430
Tax Credit Only (Limited To 60% AMHI)	\$28,937	\$52,860
Tax Credit Only (Limited To 80% AMHI)	\$33,154	\$70,480
Tax Credit Only Overall*	\$14,674	\$70,480
Market-Rate	\$40,680	None

*Excludes those earning between \$26,431 and \$28,936 due to gap in affordability 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 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

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

Based on Table B25074 of the American Community Survey (ACS) 2014-2018 5-year estimates, approximately 12.7% to 88.9% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2018 ACS 5-Year Estimates Table B25016, 3.7% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

The subject project is not age-restricted; thus, we have not considered elderly homeowner conversion in our demand estimates.

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

4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 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

We did not identify any LIHTC projects funded or built during the projection period and all comparable Tax Credit properties are operating at high occupancy levels. Therefore, there are no additional units to include in our demand estimates.

The following is a summary of our demand calculations:

Scenario One:

Demand Component	Percent Of Median Household Income		
	30% AMHI (\$15,703 - \$26,430)	60% AMHI (\$28,937 - \$52,860)	Overall* (\$15,703 - \$52,860)
Demand From New Renter Households (Age- And Income-Appropriate)	707 - 697 = 10	1,949 - 1,849 = 100	2,656 - 2,546 = 110
+			
Demand From Existing Households (Rent Overburdened)	697 X 88.8% = 619	1,849 X 62.0% = 1,146	2,546 X 69.3% = 1,765
+			
Demand From Existing Households (Renters In Substandard Housing)	697 X 3.7% = 26	1,849 X 3.7% = 68	2,546 X 3.7% = 94
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	655	1,314	1,969
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2019)	0	0	0
=			
Net Demand	655	1,314	1,969
-			
Proposed Units	5	19	24
-			
Proposed Units/ Net Demand	5 / 655	19 / 1,314	24 / 1,969
-			
Capture Rate	0.8%	1.4%	1.2%

*Excludes those earning between \$26,431 and \$28,936 due to gap in affordability levels

Scenario Two:

Demand Component	Percent Of Median Household Income				
	30% AMHI (\$14,674 - \$26,430)	60% AMHI (\$28,937 - \$52,860)	80% AMHI (\$33,154 - \$70,480)	Overall* (\$14,674 - \$70,480)	Market-Rate (\$40,680+)
Demand From New Renter Households (Age- And Income-Appropriate)	765 - 755 = 10	1,949 - 1,849 = 100	2,407 - 2,302 = 105	3,524 - 3,395 = 129	3,154 - 2,971 = 183
+					
Demand From Existing Households (Rent Overburdened)	755 X 88.9% = 671	1,849 X 62.0% = 1,146	2,302 X 39.9% = 919	3,395 X 54.9% = 1,867	2,971 X 12.7% = 377
+					
Demand From Existing Households (Renters In Substandard Housing)	755 X 3.7% = 28	1,849 X 3.7% = 68	2,302 X 3.7% = 85	3,395 X 3.7% = 126	2,971 X 3.7% = 110
+					
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A	N/A	N/A
=					
Total Demand	709	1,314	1,109	2,122	670
-					
Supply (Directly Comparable Units Built And/Or Funded Since 2019)	0	0	0	0	0
=					
Net Demand	709	1,314	1,109	2,122	670
Proposed Units	6	5	7	18	6
Proposed Units/ Net Demand	6 / 709	5 / 1,314	7 / 1,109	18 / 2,122	6 / 670
Capture Rate	0.8%	0.4%	0.6%	0.8%	0.9%

*Excludes those earning between \$26,431 and \$28,936 due to gap in affordability levels

Typically under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As such, the overall LIHTC capture rates of 1.2% and 0.8%, under scenario one and scenario two, respectively, are considered very low and easily achievable. The subject's market-rate capture rate of 0.9% under scenario two is also considered very low and easily achievable. This illustrates that sufficient demographic support exists for the subject project under either scenario.

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
Studio	10.0%
One-Bedroom	20.0%
Two-Bedroom	45.0%
Three-Bedroom	25.0%
Total	100.0%

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

Scenario One:

Units Limited to 30% Of AMHI (655 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	65	0	65	0	-
One-Bedroom (20%)	131	0	131	3	2.3%
Two-Bedroom (45%)	295	0	295	1	0.3%
Three-Bedroom (25%)	164	0	164	1	0.6%

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

Units Limited to 60% Of AMHI (1,314 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	132	0	132	4	3.0%
One-Bedroom (20%)	263	0	263	9	3.4%
Two-Bedroom (45%)	591	0	591	1	0.2%
Three-Bedroom (25%)	328	0	328	5	1.5%

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

Scenario Two:

Units Limited to 30% Of AMHI (709 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	71	0	71	1	1.4%
One-Bedroom (20%)	142	0	142	3	2.1%
Two-Bedroom (45%)	319	0	319	1	0.3%
Three-Bedroom (25%)	177	0	177	1	0.6%

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

Units Limited to 60% Of AMHI (1,314 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	132	0	132	1	0.8%
One-Bedroom (20%)	263	0	263	3	1.1%
Two-Bedroom (45%)	591	0	591	0	-
Three-Bedroom (25%)	328	0	328	1	0.3%

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

Units Limited to 80% Of AMHI (1,109 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	111	0	111	0	-
One-Bedroom (20%)	222	0	222	3	1.4%
Two-Bedroom (45%)	499	0	499	1	0.2%
Three-Bedroom (25%)	277	0	277	1	0.4%

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

Market-Rate (670 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (10%)	67	0	67	1	1.5%
One-Bedroom (20%)	134	0	134	3	2.2%
Two-Bedroom (45%)	301	0	301	1	0.3%
Three-Bedroom (25%)	168	0	168	1	0.6%

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

Under scenario one, the subject's capture rates by bedroom type are very low and easily achievable, ranging from 0.2% to 3.4%. Under scenario two, the subject's capture rates by bedroom type are also very low, ranging from 0.2% to 2.1% for the subject's Tax Credit units and 0.3% to 2.2% for the market-rate units.

Considering that the subject project offers six three-bedroom units, which comprise 25.0% of all subject units offered, the following analysis has been conducted to consider only large-households (three-person+) and the subject's three-bedroom units.

Scenario One:

Demand Component	Percent Of Median Household Income		
	30% AMHI (\$21,806 - \$26,430)	60% AMHI (\$43,269 - \$52,860)	Overall* (\$21,806 - \$52,860)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	130 - 128 = 2	287 - 266 = 21	417 - 394 = 23
+			
Demand From Existing Households (Rent Overburdened)	128 X 88.1% = 113	266 X 48.7% = 130	394 X 61.7% = 243
+			
Demand From Existing Households (Renters In Substandard Housing)	128 X 3.7% = 5	266 X 3.7% = 10	394 X 3.7% = 15
=			
Total Large Household Demand	120	161	281
-			
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2019)	0	0	0
=			
Net Large Household Demand	120	161	281
Proposed (Three-Br.+) Units	1	5	6
Proposed (Three-Br.+) Units/ Net Large Household Demand	1 / 120	5 / 161	6 / 281
Large-Household Capture Rate	0.8%	3.1%	2.1%

*Excludes those earning between \$26,431 and \$43,268 due to gap in affordability levels

Scenario Two:

Demand Component	Percent Of Median Household Income				
	30% AMHI (\$21,806 - \$26,430)	60% AMHI (\$43,269 - \$52,860)	80% AMHI (\$46,217 - \$70,480)	Overall* (\$21,806 - \$70,480)	Market-Rate (\$62,920+)
Demand From New Larger Renter Households (Age- And Income-Appropriate)	130 - 128 = 2	287 - 266 = 21	508 - 487 = 21	742 - 709 = 33	777 - 691 = 86
+					
Demand From Existing Households (Rent Overburdened)	128 X 88.1% = 113	266 X 48.7% = 130	487 X 22.9% = 112	709 X 38.3% = 272	691 X 3.4% = 23
+					
Demand From Existing Households (Renters In Substandard Housing)	128 X 3.7% = 5	266 X 3.7% = 10	487 X 3.7% = 18	709 X 3.7% = 26	691 X 3.7% = 26
=					
Total Large Household Demand	120	161	151	331	135
-					
Supply (Directly Comparable (Three-Br.+) Units Built And/Or Funded Since 2018)	0	0	0	0	0
=					
Net Large Household Demand	120	161	151	331	135
Proposed (Three-Br.+) Units	1	1	3	5	1
Proposed (Three-Br.+) Units/ Net Large Household Demand	1 / 120	1 / 161	3 / 151	5 / 331	1 / 135
Large-Household Capture Rate	0.8%	0.6%	2.0%	1.5%	0.7%

*Accounts for gaps in affordability levels

The capture rates for the subject's three-bedroom units under scenario one range from 0.8% to 3.1% and from 0.6% to 2.0% under scenario two. These capture rates are considered low and easily achievable when considering larger (three-person+) household sizes. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs from the net demand by bedroom type from the calculations earlier in this section. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow agency guidelines that assume a 2022 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2022.

It is our opinion that the proposed 24 LIHTC units at the subject site will reach a stabilized occupancy rate of 93.0% within two months of opening (under either scenario). This is reflective of an average absorption rate of approximately 11 to 12 units per month. These absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

Tax Credit Units

The proposed subject project will offer studio through three-bedroom units targeting households (general occupancy) earning up to 60% or 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Within the Bluffton Site PMA, we identified and surveyed a total of four LIHTC properties, all of which are non-subsidized and considered comparable to/competitive with the subject project in terms of unit types offered and income (AMHI) levels targeted.

These four 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 *Field Survey of Conventional Rentals*. As stated throughout this report, the subject project will be developed based on two different scenarios, both of which are illustrated throughout this section.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	May River Village Phase III (1)	2022	24	-	-	-	Families; 30%, 60% & 80% AMHI
Site	May River Village Phase III (2)	2022	18*	-	-	-	Families; 30% & 60% AMHI
1	May River Village I & II	2012	108	100.0%	Adjacent	12 Months	Families; 50% & 60% AMHI
7	Hallmark Malphrus	2008	32	100.0%	2.2 Miles	12 HH	Families; 50% & 60% AMHI
8	Hallmark White Oak	2007	72	94.4%	2.3 Miles	None	Families; 50% & 60% AMHI
14	Vista View Apts.	1998	72	100.0%	2.0 Miles	15 HH	Families; 60% AMHI

OCC. – Occupancy
 HH – Households
 *Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 98.6% and three of the four LIHTC properties are 100.0% occupied with a waiting list. This is a clear indication of high and likely pent-up demand for additional family-oriented LIHTC product. The development of the subject project will alleviate a portion of this demand.

It is also important to note that although Hallmark White Oak (Map ID 8) currently operates under the guidelines of the Tax Credit program, according to management, this property will be transitioning to unrestricted market-rate.

Regardless, at the time of this analysis, this project operates as a Tax Credit property and has been included in our comparable analysis. The transition from Tax Credit to market-rate at this property will only increase the demand for affordable rental product in the market, such as that proposed at the subject site.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	May River Village I & II	108	17	15.7%
7	Hallmark Malphrus	32	5	15.6%
8	Hallmark White Oak	72	11	15.3%
14	Vista View Apts.	72	3	4.2%
Total		284	36	12.7%

As the preceding table illustrates, there are a total of approximately 36 voucher holders residing at the comparable properties in the market. This comprises 12.7% of the 284 total non-subsidized LIHTC units offered among these properties. This is considered a low share of voucher support and indicates the gross rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject property, considering that approximately 87.0% of the units offered among these properties 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
		Studio	One-Br.	Two-Br.	Three-Br.	
Site	May River Village Phase III (1)	\$844/60% (4)	\$458/30% (2) \$458/30% (1)* \$886/60% (9)	\$550/30% (1) \$1,026/60% (1)	\$636/30% (1)* \$1,262/60% (5)	-
Site	May River Village Phase III (2)	\$428/30% (1) \$844/60% (1) \$967/80% (1)	\$458/30% (3) \$907/60% (3) \$1,072/80% (3)	\$540/30% (1)	\$636/30% (1)** \$1,262/60% (1) \$1,348/80% (3)	-
1	May River Village I & II	-	\$756/50% (9/0) \$905/60% (25/0)	\$899/50% (11/0) \$1,078/60% (33/0)	\$1,042/50% (7/0) \$1,249/60% (23/0)	None
7	Hallmark Malphrus	-	-	\$847/50% (9/0) \$1,014/60% (7/0)	\$966/50% (10/0) \$1,159/60% (6/0)	None
8	Hallmark White Oak	-	-	\$946/50% (20/0) \$1,137/60% (32/3)	\$1,089/50% (20/1)	None
14	Vista View Apts.	-	-	-	\$1,227/60% (72/0)	None

*Low HOME units

**Maximum allowable LIHTC rent, proposed rent exceeds maximum allowable

The subject's proposed rents are competitive with those reported among similar unit types at the comparable LIHTC properties when considering either scenario. Although the comparable properties do not offer studio units, the subject's studio rents appear to be appropriately positioned in relation to the rents reported among existing one-bedroom units offered at May River Village I and II (Map ID 1). Although the subject's 80% rents will be the highest in this market, this is to be expected given the higher income targeting level. In addition, the subject's 80% rents are only slightly higher than the 60% rents currently being achieved at the comparable properties. As such, the subject project's rents appear to be appropriate under either scenario.

It is also worth noting that the subject project will be the only comparable property offering studios, and one of two to offer one-bedroom units. Offering some smaller bedroom types will likely create a competitive advantage for the subject property over the comparable LIHTC properties.

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

1 May River Village I & II Adjacent



Address: 5736 Patriot Ln, Bluffton, SC 29910
 Phone: (843) 837-9400 Contact: Ericka (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 108 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 12 mos;
 Rent Special:

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

Notes: Tax Credit; HCV (17 units); Phase II opened 12/2015



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Concierge Services (Package Receiving); Cafe / Coffee Bar; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	9	0	714 - 726	\$0.92 - \$0.90	\$657	50%
1	1	G	25	0	714 - 726	\$1.13 - \$1.11	\$806	60%
2	2	G	11	0	983 - 1,069	\$0.79 - \$0.73	\$780	50%
2	2	G	33	0	983 - 1,069	\$0.98 - \$0.90	\$959	60%
3	2	G	7	0	1,207 - 1,284	\$0.74 - \$0.70	\$897	50%
3	2	G	23	0	1,207 - 1,284	\$0.91 - \$0.86	\$1,104	60%

* Adaptive Reuse

7 Hallmark Malphrus 2.2 miles to site



Address: 120 Malphrus Rd., Bluffton, SC 29910
 Phone: (843) 836-2505 Contact: Bonnie (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 32 Year Built: 2008
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 12 HH;
 Rent Special:

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

Notes: Tax Credit; HCV (5 units)

Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Activity-Craft Room, Community Room; Concierge Services (Package Receiving); Pavilion; Laundry Room; On-Site Management; Recreation Areas (Picnic Table / Area, Playground); Water Feature

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	9	0	1,150	\$0.63	\$728	50%
2	2	G	7	0	1,150	\$0.78	\$895	60%
3	2	G	10	0	1,250	\$0.66	\$821	50%
3	2	G	6	0	1,250	\$0.81	\$1,014	60%

* Adaptive Reuse

8 Hallmark White Oak 2.3 miles to site



Address: 102 Haigler Blvd, Bluffton, SC 29910
 Phone: (843) 757-6350 Contact: Keysha (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 72 Year Built: 2007
 Vacant Units: 4 *AR Year:
 Occupancy: 94.4% Yr Renovated:
 Turnover: Stories: 2
 Waitlist:
 Rent Special:

Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility: A/A

Notes: Tax Credit; HCV (11 units)



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Clubhouse; Concierge Services (Package Receiving); Cafe / Coffee Bar; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	20	0	1,008	\$0.82	\$827	50%
2	2	G	32	3	1,008	\$1.01	\$1,018	60%
3	2	G	20	1	1,204	\$0.78	\$944	50%

* Adaptive Reuse

14 Vista View Apts. 2.0 miles to site



Address: 39 Haigler Blvd., Bluffton, SC 29910
 Phone: (843) 706-3560 Contact: Bonnie (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 72 Year Built: 1998
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 15 HH;
 Rent Special:

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

Notes: Tax Credit; HCV (3 units)



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
3	2	G	72	0	1,205	\$0.83	\$1,000	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			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	May River Village Phase III (1)	533 - 601	762 - 919	1,038 - 1,105	1,227 - 1,297
Site	May River Village Phase III (2)	564 - 601	762 - 919	1,038	1,227 - 1,292
1	May River Village I & II	-	714 - 726	983 - 1,069	1,207 - 1,284
7	Hallmark Malphrus	-	-	1,150	1,250
8	Hallmark White Oak	-	-	1,008	1,204
14	Vista View Apts.	-	-	-	1,205

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	May River Village Phase III (1)	1.0	1.0	2.0	2.0
Site	May River Village Phase III (2)	1.0	1.0	2.0	2.0
1	May River Village I & II	-	1.0	2.0	2.0
7	Hallmark Malphrus	-	-	2.0	2.0
8	Hallmark White Oak	-	-	2.0	2.0
14	Vista View Apts.	-	-	-	2.0

The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage). In fact, the subject project will offer some of the largest one-, two-, and three-bedroom units among the comparable properties. This will enhance marketability of the property.

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

Tax Credit Unit Amenities by Map ID					
	Site**	1	7	8	14
Appliances	Dishwasher	X	X	X	X
	Disposal	X	X	X	X
	Icemaker	X	X		
	Microwave	X	X	X	X
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony	X	S		S
	Deck / Patio	X	S		S
	Basement				
	Ceiling Fan	X	X	X	X
	Controlled Access				
	E-Call System				
	Fireplace				
	Furnished				
	Security System				
	Sunroom		S		
	W/D Hookup	X	X	X	X
	W/D				
	Walk-In Closet				
Window Treatments	X	X	X	X	
Flooring	Carpet	X		X	X
	Ceramic Tile				
	Composite (VCT)(LVT)	X			
	Hardwood		X		
	Finished Concrete				
	Vinyl		X	X	X
Upgraded	Wood Laminate / Plank				X
	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High Ceilings				
	Vaulted Ceilings				
	Crown Molding				
Oversized Windows					
Parking	Attached Garage				
	Detached Garage				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	Podium Parking				
No Provided Parking					

** Proposed Site(s): May River Village Phase III

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

* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

	Site**	1	7	8	14	
Bike Racks / Storage	X					
Business Center *	X	X				
Car Care *						
Common Patio						
Community Garden						
Community Space	Activity / Craft Room		X			
	Chapel					
	Clubhouse	X	X		X	
	Conference Room					
	Community Kitchen					
	Community Room			X		
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge	X				
	Concierge Service *		X	X	X	
	Convenience Amenities *		X		X	
Courtyard	X					
Covered Outdoor Area *	X		X		X	
Elevator						
Laundry Room		X	X	X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care *						
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center					
	Grill	X	X		X	
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library					
	Media Room / Theater					
	Picnic Table / Area	X	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	S			X
	Water Feature			X		
	WiFi					

** Proposed Site(s): May River Village Phase III

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

* Details in Comparable Property Profile Report

The subject property will offer a comprehensive unit and community amenity package which will be very competitive with those offered among the comparable LIHTC properties, as detailed in the preceding tables. Most notably, the subject property will feature a full kitchen appliance package, washer/dryer hookups, patio/balcony areas, bike racks/storage, a business center, clubhouse/community space, a courtyard, picnic area with grill and a covered outdoor area. These aforementioned features are expected to enhance marketability of the subject property and contribute to the subject's ability to command premium rents in the Bluffton market. The subject property does not appear to lack any key amenities that would adversely impact its marketability within the Bluffton Site PMA.

Comparable/Competitive Tax Credit Summary

The four LIHTC projects have a combined occupancy rate of 98.6% and three of the four LIHTC properties are 100.0% occupied with a waiting list. This is a clear indication of high and likely pent-up demand for additional family-oriented LIHTC product. The subject property will be competitive in terms of price point (gross rent), particularly when considering the newness and anticipated quality of the subject property. The subject property will also be very competitive in terms of unit size (square feet) and amenities offered. Overall, the proposed development is expected to compete well and represent a good value to lower-income households within the Bluffton Site PMA.

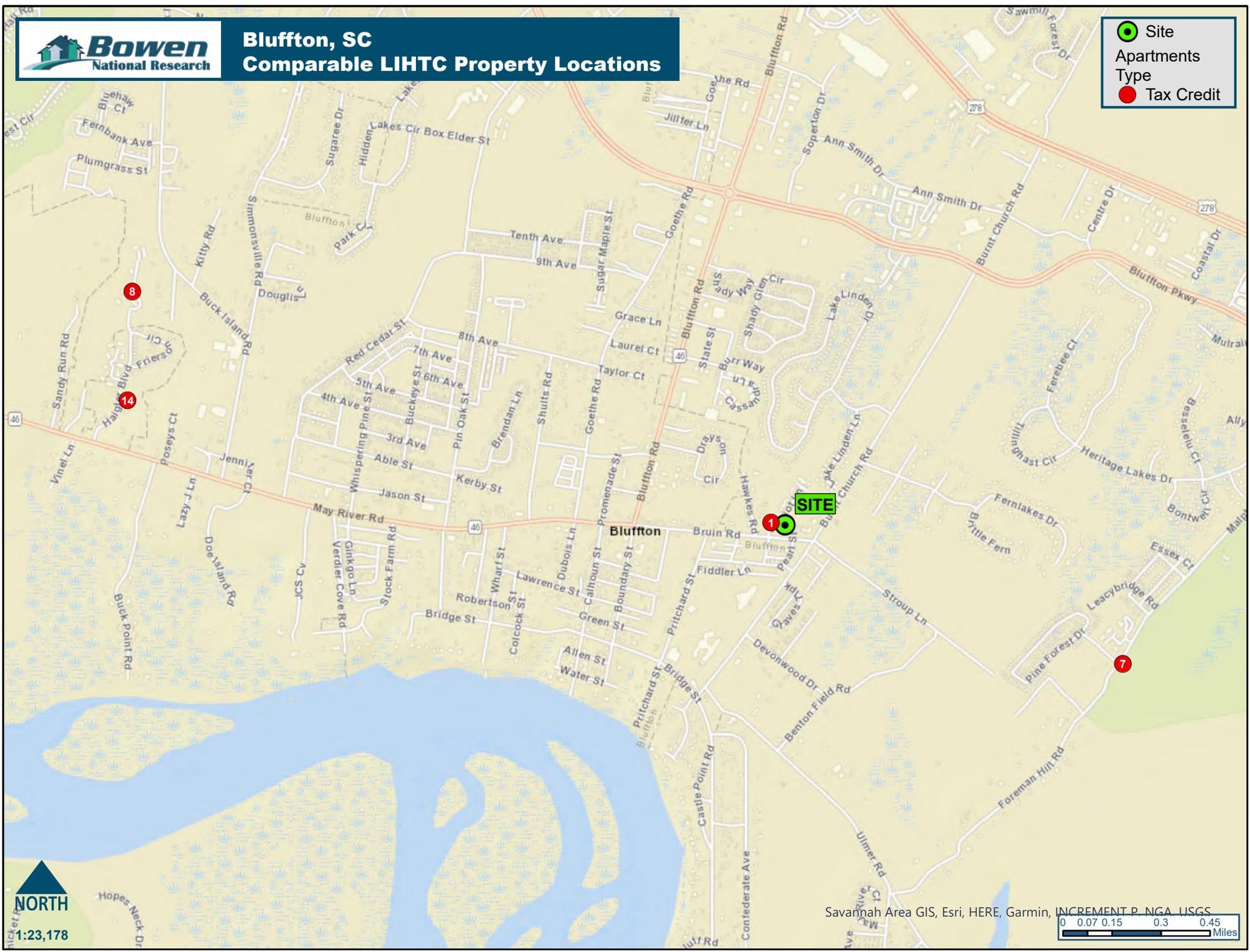
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Bluffton, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Tax Credit



Market-Rate Units

Considering scenario two will include six market-rate units, we have also included a comparable market-rate analysis. We identified five comparable market-rate properties within the Site PMA. These five comparable market-rate properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built	Units	Occupancy Rate	Distance to Site	Rent Special
Site	May River Village Phase III (2)	2022	6*	-	-	-
2	29 Edgewater	1996	300	96.7%	3.3 Miles	None
5	Crowne at Old Carolina	2010	199	96.0%	3.9 Miles	None
9	Oldfield Mews	2009	348	98.3%	13.4 Miles	None
10	One Hampton Lake	2017	306	94.4%	7.2 Miles	None
12	Plantation Point	1997	414	99.3%	2.7 Miles	None

*Market-rate units only

The five selected market-rate projects have a combined total of 1,567 units with an overall occupancy rate of 97.2%, a very good occupancy rate for market-rate rental housing.

The gross rents for the comparable market-rate 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 (Number of Units/Vacancies)			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	May River Village Phase III (2)	\$1,017 (1)	\$1,127 (3)	\$1,326 (1)	\$1,573 (1)
2	29 Edgewater	-	\$1,239-\$1,354 (84/4)	\$1,372-\$1,836 (160/3)	\$1,777 (56/3)
5	Crowne at Old Carolina	-	\$1,209-\$1,294 (56/5)	\$1,517-\$1,632 (111/1)	\$2,002-\$2,022 (32/2)
9	Oldfield Mews	-	\$1,194-\$1,264 (28/1)	\$1,347-\$1,432 (256/2)	\$1,482-\$1,762 (64/3)
10	One Hampton Lake	-	\$1,494-\$1,789 (140/6)	\$1,842-\$1,847 (142/11)	\$2,092 (24/0)
12	Plantation Point	-	\$1,044-\$1,119 (124/1)	\$1,327-\$1,427 (248/2)	\$1,502-\$1,627 (42/0)

The proposed subject market-rate rents are among the lowest of the comparable units. This will enable the proposed subject units to be very competitive in the market. When the age of construction is also considered, the proposed subject units at the site will be perceived as a value in the market.

One-page summary sheets, including property photographs, of each comparable market-rate property are on the following pages.

2 29 Edgewater 3.3 miles to site



Address: 29 Edgewater Cir., Bluffton, SC 29910
 Phone: (843) 837-7700 Contact: Victoria (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 300 Year Built: 1996 Ratings
 Vacant Units: 10 *AR Year: Quality: B
 Occupancy: 96.7% Yr Renovated: Neighborhood: B
 Turnover: Stories: 2, 3 Access/Visibility: B/B-
 Waitlist:
 Rent Special:



Notes: Does not accept HCV; Rents change daily; 2-br rent range based on view

Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Clubhouse; Concierge Services (Package Receiving); Cafe / Coffee Bar; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	84	4	750	\$1.52 - \$1.67	\$1,140 - \$1,255	0%
2	2	G	160	3	1,000 - 1,145	\$1.25 - \$1.50	\$1,253 - \$1,717	0%
3	2.5	T	56	3	1,428	\$1.14	\$1,632	0%

* Adaptive Reuse

5 Crowne at Old Carolina 3.9 miles to site



Address: 66 Buck Island, Bluffton, SC 29910
 Phone: (843) 706-2169 Contact: Sue (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 199 Year Built: 2010
 Vacant Units: 8 *AR Year:
 Occupancy: 96.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist:
 Rent Special:

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

Notes: Does not accept HCV; Rent range based on floorplan & unit amenities; Rents change daily

Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Business Center (Computer); Car Care (Car Wash); On-Site Management; Recreation Areas (Fitness Center, Picnic Table / Area, Outdoor Swimming Pool); Extra Storage

Parking Type: Attached Garage; Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	56	5	838 - 928	\$1.27 - \$1.24	\$1,065 - \$1,150	0%
2	2	G	111	1	1,134 - 1,271	\$1.18 - \$1.14	\$1,340 - \$1,455	0%
3	2	G	32	2	1,417 - 1,441	\$1.25	\$1,775 - \$1,795	0%

* Adaptive Reuse

9 Oldfield Mews 13.4 miles to site



Address: 116 Old Towne Rd., Bluffton, SC 29910
 Phone: (843) 645-3700 Contact: Erin (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 348 Year Built: 2009
 Vacant Units: 6 *AR Year:
 Occupancy: 98.3% Yr Renovated:
 Turnover: Stories: 2
 Waitlist:
 Rent Special:

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

Notes: Does not accept HCV; Rent range based on floorplan & floor level



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Vinyl, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool); Water Feature

Parking Type: Attached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	28	1	790 - 911	\$1.33 - \$1.23	\$1,050 - \$1,120	0%
2	2	G	22	1	1,084 - 1,192	\$1.08 - \$1.05	\$1,170 - \$1,255	0%
2	2.5	T	234	1	1,154 - 1,424	\$1.05 - \$0.86	\$1,215 - \$1,225	0%
3	2	G	22	1	1,234 - 1,471	\$1.02 - \$0.90	\$1,255 - \$1,325	0%
3	2.5	T	42	2	1,491 - 1,726	\$0.96 - \$0.89	\$1,425 - \$1,535	0%

* Adaptive Reuse

10 One Hampton Lake 7.2 miles to site



Address: 11 Parklands Dr., Bluffton, SC 29910
 Phone: (843) 547-3518 Contact: Jeanie (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 306 Year Built: 2017 Ratings
 Vacant Units: 17 *AR Year: Quality: A
 Occupancy: 94.4% Yr Renovated: Neighborhood: A
 Turnover: Stories: 2,3 Access/Visibility: B/B
 Waitlist:
 Rent Special: up to \$2,000 off one months rent

Notes: Does not accept HCV; Preleasing 8/2017, 1st units opened 10/2017, remaining units opened 12/2018, still in lease-up; 24 additional units UC, expect completion July 2020



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood, Vinyl, Wood Laminate / Plank)

Property Amenities: Clubhouse; Concierge Services (Package Receiving); Cafe / Coffee Bar; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Outdoor Swimming Pool); Gated Community; Water Feature

Parking Type: Attached Garage; Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	128	6	799 - 937	\$1.69 - \$1.71	\$1,350 - \$1,605	0%
1	1.5	G	12	0	1,049	\$1.57	\$1,645	0%
2	2	G	142	11	1,149 - 1,214	\$1.45 - \$1.38	\$1,665 - \$1,670	0%
3	2	G	24	0	1,378	\$1.35	\$1,865	0%

* Adaptive Reuse

12 Plantation Point 2.7 miles to site



Address: 897 Fording Island Rd., Bluffton, SC 29910
 Phone: (843) 815-8002 Contact: Sonya (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 414 Year Built: 1997
 Vacant Units: 3 *AR Year:
 Occupancy: 99.3% Yr Renovated:
 Turnover: Stories: 1,2
 Waitlist:
 Rent Special:

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



Notes: Does not accept HCV; Rent range due to upgrades & all units have different owners; Condominium community

Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Clubhouse; On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); Gated Community

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	124	1	780 - 850	\$1.15	\$900 - \$975	0%
2	2	G	248	2	1,060 - 1,125	\$1.08 - \$1.11	\$1,150 - \$1,250	0%
3	2	G	42	0	1,255 - 1,285	\$1.02 - \$1.09	\$1,275 - \$1,400	0%

* Adaptive Reuse

Market-Rate Unit Amenities by Map ID						
	Site**	2	5	9	10	12
Appliances	Dishwasher	X	X	X	X	X
	Disposal	X	X	X	X	X
	Icemaker	X	X	X	X	X
	Microwave	X		X	X	S
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony	X	X	X	X	S
	Deck / Patio	X	X	X	X	X
	Basement					
	Ceiling Fan	X	X	X	X	S
	Controlled Access					
	E-Call System					
	Fireplace			S		
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	X	X		
	W/D		X	X	X	X
	Walk-In Closet				X	X
	Window Treatments	X	X	X	X	X
Flooring	Carpet	X	X		X	X
	Ceramic Tile					
	Composite (VCT)(LVT)	X				
	Hardwood			X		X
	Finished Concrete					
	Vinyl		X		X	X
Upgraded	Wood Laminate / Plank			X	X	
	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
Oversized Windows						
Parking	Attached Garage			S	S	S
	Detached Garage		O	O	O	O
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
	No Provided Parking					

** Proposed Site(s): May River Village Phase III

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

* Details in Comparable Property Profile Report

Market-Rate Property Amenities by Map ID							
	Site**	2	5	9	10	12	
Bike Racks / Storage	X						
Business Center *	X		X	X			
Car Care *			X				
Common Patio							
Community Garden							
Community Space	Activity / Craft Room						
	Chapel						
	Clubhouse	X	X		X	X	X
	Conference Room						
	Community Kitchen						
	Community Room						
	Dining Room - Private						
	Dining Room - Public						
	Rooftop Lounge						
	Study Lounge						
	TV Lounge	X					
	Concierge Service *		X			X	
	Convenience Amenities *		X			X	
Courtyard	X						
Covered Outdoor Area *	X						
Elevator							
Laundry Room							
Meals							
On-Site Management	X	X	X	X	X	X	
Pet Care *		X		X	X		
Recreation	Basketball						
	Bocce Ball						
	Firepit						
	Fitness Center		X	X	X	X	X
	Grill	X	X		X	X	
	Game Room - Billiards						
	Hiking - Walking Trail						
	Hot Tub						
	Library						
	Media Room / Theater						
	Picnic Table / Area	X	X	X	X	X	
	Playground	X	X		X		X
	Putting Green						
	Racquetball						
	Shuffleboard						
	Sports Court						
	Swimming Pool - Indoor						
	Swimming Pool - Outdoor		X	X	X	X	X
	Tennis						
	Volleyball						
Security	CCTV	X					
	Courtesy Officer						
	Gated Community				X	X	
	Gated Parking						
	Police Substation						
	Social Services *	X					
	Storage - Extra	X	O	S			
	Water Feature				X	X	
WiFi							

** Proposed Site(s): May River Village Phase III

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

* Details in Comparable Property Profile Report

The amenity packages included at the subject development will be very competitive with the competing market-rate projects. The subject development does not appear to lack any amenities that would impact the marketability of the six market-rate units.

Comparable/Competitive Market-Rate Summary

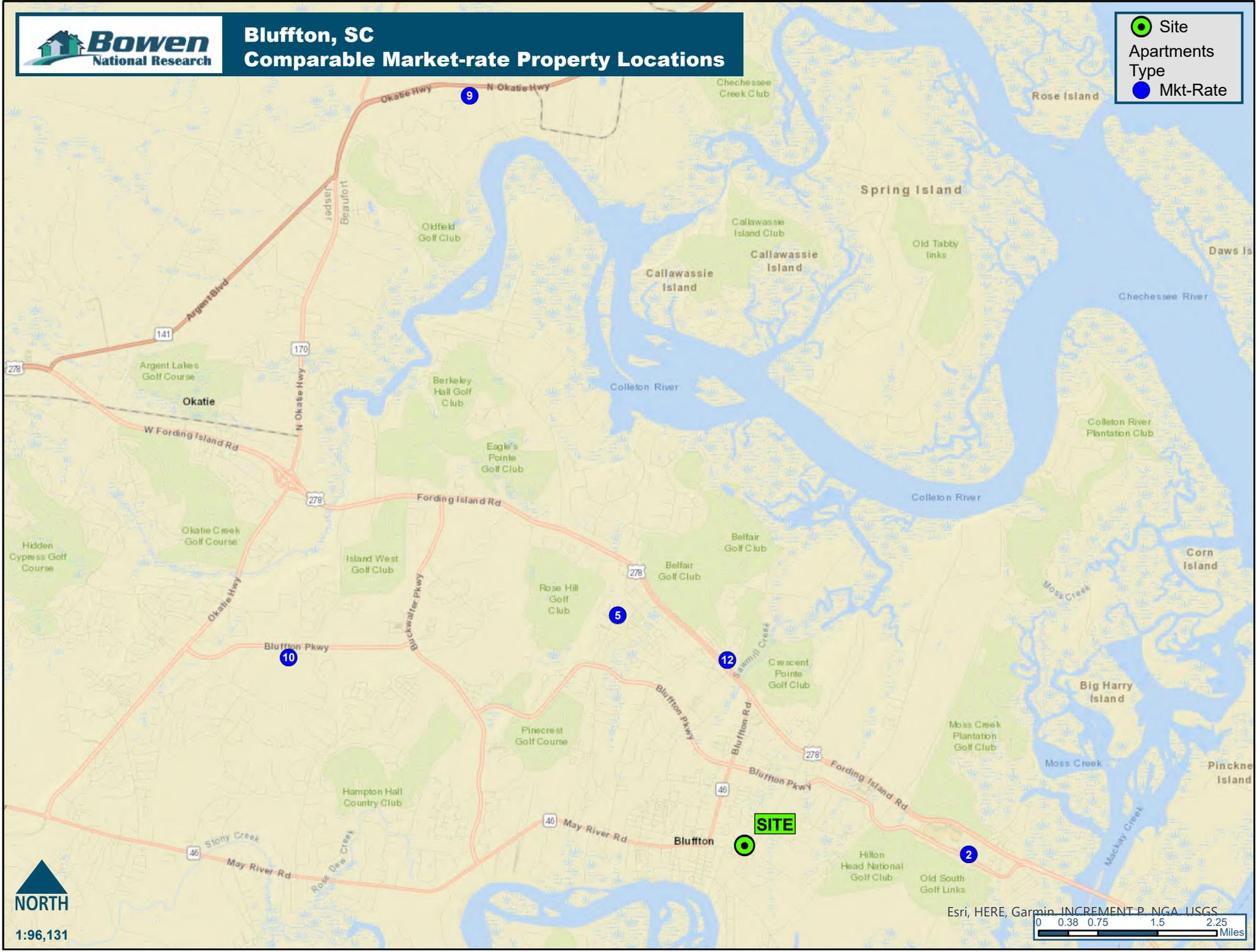
Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the comparable market-rate properties in the market, it is our opinion that the subject development will be competitive among market-rate product. This is especially true considering the subject's market-rate rents are among the lowest in the market.

A map illustrating the location of the comparable market-rate properties we surveyed is on the following page.



Bluffton, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



1:96,131

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.38 0.75 1.5 2.25 Miles

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Bluffton 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	21,628	82.7%	27,686	85.0%
Owner-Occupied	16,813	77.7%	22,150	80.0%
Renter-Occupied	4,815	22.3%	5,536	20.0%
Vacant	4,513	17.3%	4,881	15.0%
Total	26,141	100.0%	32,567	100.0%

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

Based on a 2019 update of the 2010 Census, of the 32,567 total housing units in the market, 15.0% were vacant. In 2019, it was estimated that homeowners occupied 80.0% of all occupied housing units, while the remaining 20.0% were occupied by renters.

Conventional Non-subsidized Apartments

We identified and personally surveyed 14 conventional housing projects containing a total of 2,719 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 97.3%, a very 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	10	2,435	70	97.1%
Tax Credit	4	284	4	98.6%
Total	14	2,719	74	97.3%

All rental product surveyed is comprised of non-subsidized Tax Credit product and market-rate product, all of which is performing well, as all segments are operating at an occupancy level of 97.1% or higher.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	485	19.9%	24	4.9%	\$1,264
One-Bedroom	1.5	12	0.5%	0	0.0%	\$1,789
Two-Bedroom	1.0	16	0.7%	0	0.0%	\$1,407
Two-Bedroom	2.0	1,118	45.9%	33	3.0%	\$1,457
Two-Bedroom	2.5	234	9.6%	1	0.4%	\$1,397
Three-Bedroom	2.0	412	16.9%	3	0.7%	\$1,696
Three-Bedroom	2.5	98	4.0%	5	5.1%	\$1,777
Three-Bedroom	3.0	60	2.5%	4	6.7%	\$1,857
Total Market-rate		2,435	100.0%	70	2.9%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	34	12.0%	0	0.0%	\$905
Two-Bedroom	2.0	112	39.4%	3	2.7%	\$1,078
Three-Bedroom	2.0	138	48.6%	1	0.7%	\$1,227
Total Tax Credit		284	100.0%	4	1.4%	-

The market-rate units are 97.1% occupied and the Tax Credit units are 98.6% occupied. The majority of non-subsidized Tax Credit product offered and surveyed in the market is comprised of two- and three-bedroom units. Thus, the studio and one-bedroom units proposed for the subject property are expected to help fill a void in the Tax Credit market within the Bluffton Site PMA. Also note the median gross Tax Credit rents in the preceding table, as they are positioned significantly lower than the median gross rents reported for similar unrestricted market-rate units. These lower median gross rents, along with the high occupancy rate, are clear indications of the value non-subsidized Tax Credit product represents within the Bluffton Site PMA.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	0	0	0.0%
1980 to 1989	0	0	0.0%
1990 to 1999	6	1,254	1.3%
2000 to 2009	5	852	3.9%
2010 to 2014	2	307	2.6%
2015	0	0	0.0%
2016	0	0	0.0%
2017	1	306	5.6%
2018	0	0	0.0%
2019	0	0	0.0%
2020*	0	0	0.0%

*As of April

All non-subsidized rental product is performing well, regardless of age. The new construction subject project is expected to be very marketable upon completion.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	505	5.0%
A-	2	640	3.0%
B+	4	902	1.8%
B	2	388	2.6%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	2	180	2.2%
B	1	32	0.0%
B-	1	72	0.0%

Non-subsidized Tax Credit product surveyed ranges in quality, as detailed by the quality ratings assigned by our analyst and illustrated in the preceding table. Nonetheless, Tax Credit product surveyed is performing well regardless of quality. The subject property is expected to have a very good overall quality upon completion, which will contribute to its marketability within the Bluffton Site PMA.

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

4. RENTAL HOUSING INVENTORY MAP

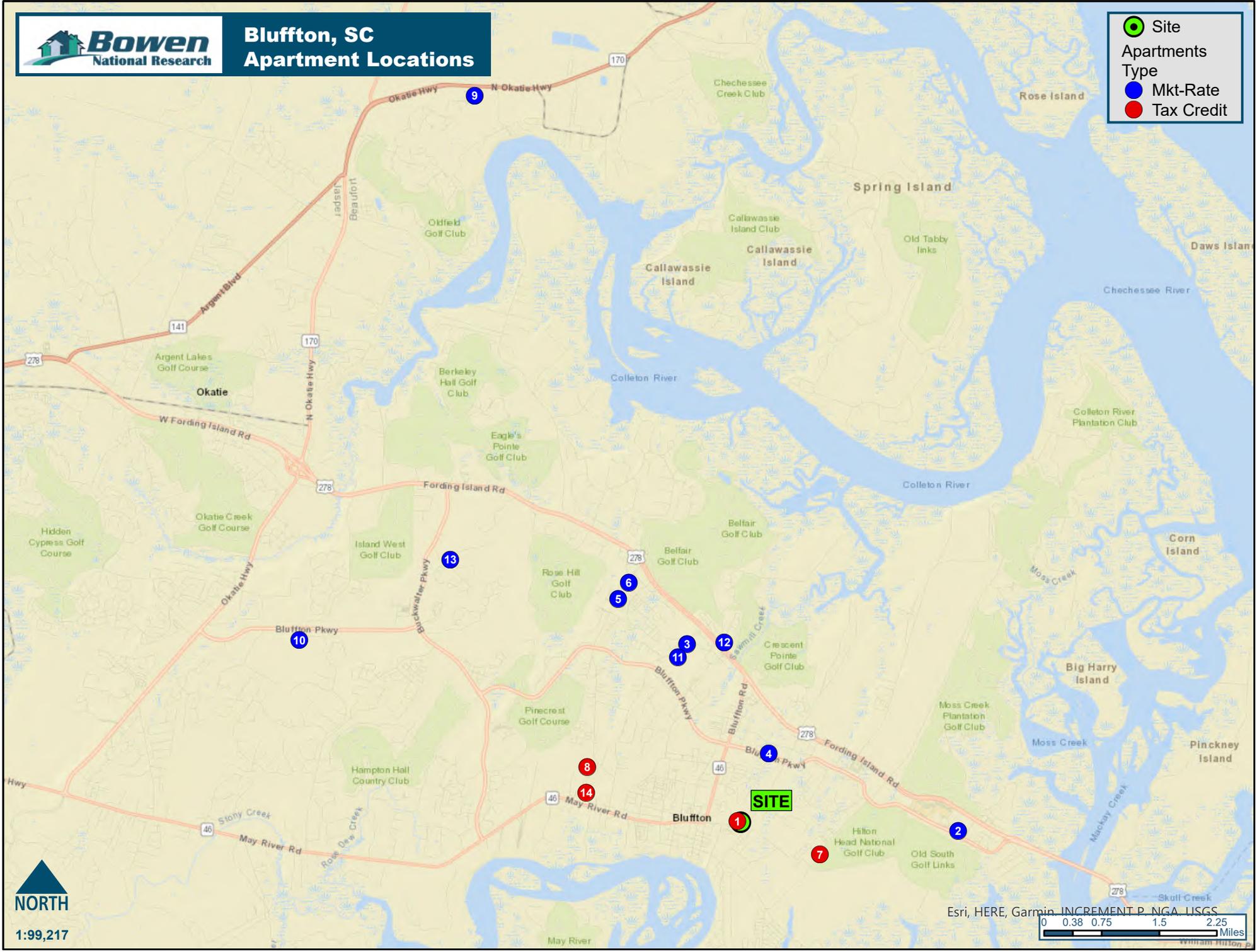
A map identifying the location of all properties surveyed within the Bluffton Site PMA is on the following page.





Bluffton, SC Apartment Locations

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



1:99,217

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.38 0.75 1.5 2.25 Miles

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there are five rental housing projects in the development pipeline, which are summarized as follows:

- One Hampton Lakes, located at 11 Parklands Drive in Bluffton, is an existing 306-unit market-rate property that is adding 24 additional one-bedroom units with attached garages. All the new units will be 937 square feet and rent for \$1,605 per month and some apartments with a water view will be 862 square feet and rent for \$1,695 per month. The units are expected to be online in June 2020 and six of the units are released.
- Buckwalter Place, to be located at U.S. Highway 278 and Hampton Parkway in Bluffton, is a proposed market-rate project with 392 units. The project is being developed by Southeastern Development. The project will be a mixed-use facility with restaurants and small retail shops on the ground floor. The multifamily complex will include apartments and townhomes and some units will be available for assisted living units. The complex will have walking trails and lagoons. No timeline has been established and there is no construction activity as of April 2020.
- Washington Square Development, to be located on Buckwalter Parkway in Bluffton, is a 40-unit market-rate rental property that is currently under construction. Speyside Partners is developing the mixed-use complex that will include retail space and the ability for additional apartments or townhomes at the back of the development. The complex will include an 80-room boutique hotel. Infrastructure, including water and sewer lines, utilities, and paving are currently being installed and the entire project is expected to be completed in 2023.
- Watercrest Senior Living, to be located on Buckwalter Parkway in Bluffton, is a proposed senior living complex that is in the initial planning stages. The project was announced in February 2020 but not timeline has been established as of April 2020.
- The Enclave at Bluffton Park Apartments, located at 12 Wilkinson Way in Bluffton, is a 110-unit market-rate rental property that is currently under construction. JMG Management will operate the one-, two-, and three-bedroom townhomes. The amenities are expected to include plank flooring, high ceilings, granite countertops, tile floors in the bathroom and kitchen, upgraded appliances, balconies and/or patios, attached and detached garages, a swimming pool, pavilion, clubhouse, fitness center, grills, tv lounge, and bicycle storage. The project is expected to be completed in June 2020.

As the preceding illustrates, none of the projects in the development pipeline will be funded with Tax Credits. As such, none of these projects in the development pipeline will be directly competitive with the subject development.

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%**. Note that this requirement is only for scenario one (9% LIHTC) and we have separately evaluated achievable market rents for both scenarios in *Addendum C*.

The current HUD FMRs within the Beaufort County, SC HUD Metro FMR Area are \$864 for a studio unit, \$899 for a one-bedroom unit, \$1,028 for a two-bedroom unit and \$1,355 for a three-bedroom unit. The market advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

Scenario One:

Bedroom Type	% AMHI	Proposed Collected Rent	Fair Market Rent	Market Advantage
Studio	60%	\$777	\$864	10.07%
One-Br.	30%	\$381	\$899	57.62%
One-Br.	60%	\$809	\$899	10.01%
Two-Br.	30%	\$449	\$1,028	56.32%
Two-Br.	60%	\$925	\$1,028	10.02%
Three-Br.	30%	\$513	\$1,355	62.14%
Three-Br.	60%	\$1,139	\$1,355	15.94%
Weighted Average				21.76%

The proposed collected Tax Credit rents represent market advantages between 10.01% and 62.14% and represent a weighted average market advantage of 21.76%. Typically, Tax Credit rents targeting up to 60% of AMHI should represent market advantages around 10.0% in order to be considered a value in most markets. Therefore, it is likely that the subject's Tax Credit units will be viewed as good values within the Site PMA.

As previously stated, achievable market rent determinations and market rent advantage calculations for both scenarios are included in *Addendum C*.



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.

Scenario One:

Bedroom Type	% AMHI	Proposed Collected Rent	Programmatic Rent*	Achievable Tax Credit Rent
Studio	60%	\$777	\$789	\$789
One-Br.	30%	\$381	\$381	\$381
One-Br.	60%	\$809	\$840	\$840
Two-Br.	30%	\$449	\$449	\$449
Two-Br.	60%	\$925	\$1,000	\$1,000
Three-Br.	30%	\$513	\$513	\$513
Three-Br.	60%	\$1,139	\$1,149	\$1,149

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

Scenario Two:

Bedroom Type	% AMHI	Proposed Collected Rent	Programmatic Rent*	Achievable Tax Credit Rent
Studio	30%	\$361	\$361	\$361
Studio	60%	\$777	\$789	\$789
Studio	80%	\$900	\$1,075	\$950
One-Br.	30%	\$381	\$381	\$381
One-Br.	60%	\$830	\$840	\$840
One-Br.	80%	\$995	\$1,146	\$1,060
Two-Br.	30%	\$439	\$449	\$449
Three-Br.	30%	\$513	\$513	\$513
Three-Br.	60%	\$1,139	\$1,149	\$1,149
Three-Br.	80%	\$1,225	\$1,573	\$1,295

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

As illustrated in the preceding tables, all of the proposed subject rents are positioned equal to or below 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, we identified and surveyed a total of four existing LIHTC properties within the Bluffton Site PMA that we expect to be directly competitive with the subject development. The anticipated occupancy rates of these properties during the first year of occupancy at the subject project follow:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2022
1	May River Village I & II	100.0%	95.0% +
7	Hallmark Malphrus	100.0%	95.0% +
8	Hallmark White Oak	94.4%	93.0% +
14	Vista View Apts.	100.0%	95.0% +

The four LIHTC projects have a combined occupancy rate of 98.6% and three of the four LIHTC properties are 100.0% occupied with a waiting list. This is a clear indication of high and likely pent-up demand for additional family-oriented LIHTC product. It is also important to note that in addition to two- and three-bedroom units similar to those primarily offered among the existing comparable properties, the subject project will also offer studio and one-bedroom units. This will limit the subject's competitive overlap with the existing properties and help fill a void in the local rental market. Based on the preceding factors, we do not anticipate the subject project having any adverse impact on existing comparable/competitive product within the Bluffton Site PMA.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$322,648. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$322,648 home is \$1,941, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$322,648
Mortgaged Value = 95% of Median Home Price	\$306,516
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,553
Estimated Taxes and Insurance*	\$388
Estimated Monthly Mortgage Payment	\$1,941

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$361 to \$1,225 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$716 more than the cost of renting at the subject property. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As detailed throughout this report, the subject property will be comprised of studio through three-bedroom units targeting households earning up to 60% or 80% of AMHI. Within the Site PMA we identified four existing LIHTC properties which operate similar to the subject project, in terms of target population. The four LIHTC projects have a combined occupancy rate of 98.6% and three of the four LIHTC properties are 100.0% occupied with a waiting list. These are clear indications that the current supply of LIHTC product similar to that proposed for the subject property is not meeting the needs of the Bluffton market. The subject property is expected to help meet a portion of this unmet demand.

In fact, the existing comparable/competitive LIHTC properties in the market are primarily comprised of two- and three-bedroom units. While the subject property will also offer these unit types, studio and one-bedroom units are also proposed for the subject property. Offering these smaller bedroom types is expected to help fill a void in the Bluffton Site PMA and contribute to the subject's overall marketability. This is particularly true when considering that nearly one-third (33.4%) of all renter households in the Site PMA are one-person households.

I. Interviews

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

- Jessica Kitzmiller, Interim Executive Director at the Bluffton Chamber of Commerce, stated that there is a definite need for additional affordable housing in the area. Ms. Kitzmiller stated the cost of living in the area is high, as business license fees, taxes for local business, and Housing Association fees are all very high. Local goods and services are very expensive because of the high business license fees and taxes and property taxes are too high. The town largely consists of two groups, retired seniors and young families who have come to this safe area with much anticipated growth. Those making up the employment pool in the area are younger to middle age families who cannot afford the luxurious up-scale housing because these families are made up of teachers, policemen, firefighters, etc. Affordable housing is very much needed in the area. This has been an initiative that the town of Bluffton has been working diligently on for years.
- Hillary Austin, Zoning and Development Administrator at Beaufort County, stated there is a need for additional affordable housing in the area. Ms. Austin stated there is a critical need for housing for area low-income residents. Most of the housing in the area is out of reach financially for several residents including those in the workforce. The housing in Beaufort County is very expensive, including for-sale homes, which makes it difficult for families to better themselves.
- Angela Childers, the Executive Director of the Beaufort Housing Authority stated that there is a high demand for affordable housing in the City of Beaufort, and also throughout the county. There is need for workforce housing and senior housing for those making below \$50,000 annually. There is also a high demand for housing for single people within this demographic. One-bedroom units are most in demand according to Ms. Childers. Also, the area's Fair Market Rent (FMR) did not decrease but HUD decreased the current payment standards for the Housing Choice Voucher program according to Ms. Childers. The wait time for a voucher is currently one to three years. In the meantime, those waiting for housing and assistance double-up and live with other families or couch-hop from friend-to-friend or from one family member to another. Such households would likely benefit from additional affordable housing in the area.

There are so many lower-income service workers in the county, workers that the area is sustained by, that their housing needs can't be ignored. If they must travel a considerable distance for a low-wage job they will soon take a low-wage job close to home with a small pay cut, rather than traveling 30 minutes or more to get to work. Ms. Childers believes that additional affordable rental product would be well-received within the area due to the preceding factors.

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 24 units proposed at the subject site (under either scenario), assuming it is developed as detailed in this report. Changes in the project's site, floor plans, rents, amenities or opening date may alter these findings.

The proposed subject site is situated within a good quality neighborhood and is easily accessible given its location along Bruin Road and adjacent to Phase I and Phase II of the site. The property will fit well with existing surrounding structures, particularly with nearby multifamily product. No known nuisances/deterrents were observed at/near the subject site.

The proposed property is marketable and competitive with existing comparable product as proposed and will alleviate a portion of the unmet demand for family-oriented LIHTC product such as that proposed. In fact, the subject development is expected to help fill a void in the local rental market, given the proposed studio and one-bedroom units for the property. This is due to the fact that the four existing comparable properties are primarily comprised of two- and three-bedroom units. The existing LIHTC properties are 98.6% occupied and three of the four maintain waiting lists, further illustrating the pent-up demand for product similar to that proposed for development at the subject site.

In terms of price point, the subject property will be competitive with existing comparable LIHTC product, particularly when considering the newness and anticipated quality of the subject property. The subject rents will also represent significant market rent advantages, as the property has a weighted average market rent advantage of 21.76% under scenario one. Regardless, this calculation is representative of a comparison of the proposed rents to Fair Market Rents. When comparing the subject's proposed rents to achievable market rents determined in *Addendum C*, the subject's market rent advantages are much higher and the subject's rents are expected to represent a good value to area renters under either scenario.

A deep base of demographic support also exists for the subject project, as evident by the subject's capture rates of 1.2% and 0.8%, under scenario one and scenario two, respectively. These are considered low and achievable capture rates and are below the SCSHFDA threshold of 30.0%.

For reasons detailed above and throughout this report, we have no recommendations to the proposed subject development at this time and expect the subject property will be met with positive demand within the Bluffton Site PMA.

K. Signed Statement Requirement

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

Certified:

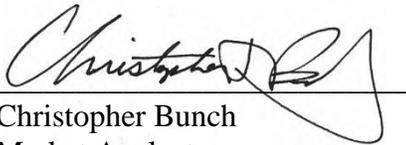


Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: May 1, 2020



Christopher Bunch

Market Analyst

christopherb@bowennational.com

Date: May 1, 2020



Patrick M. Bowen

President/Market Analyst

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Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: May 1, 2020

L. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

M. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

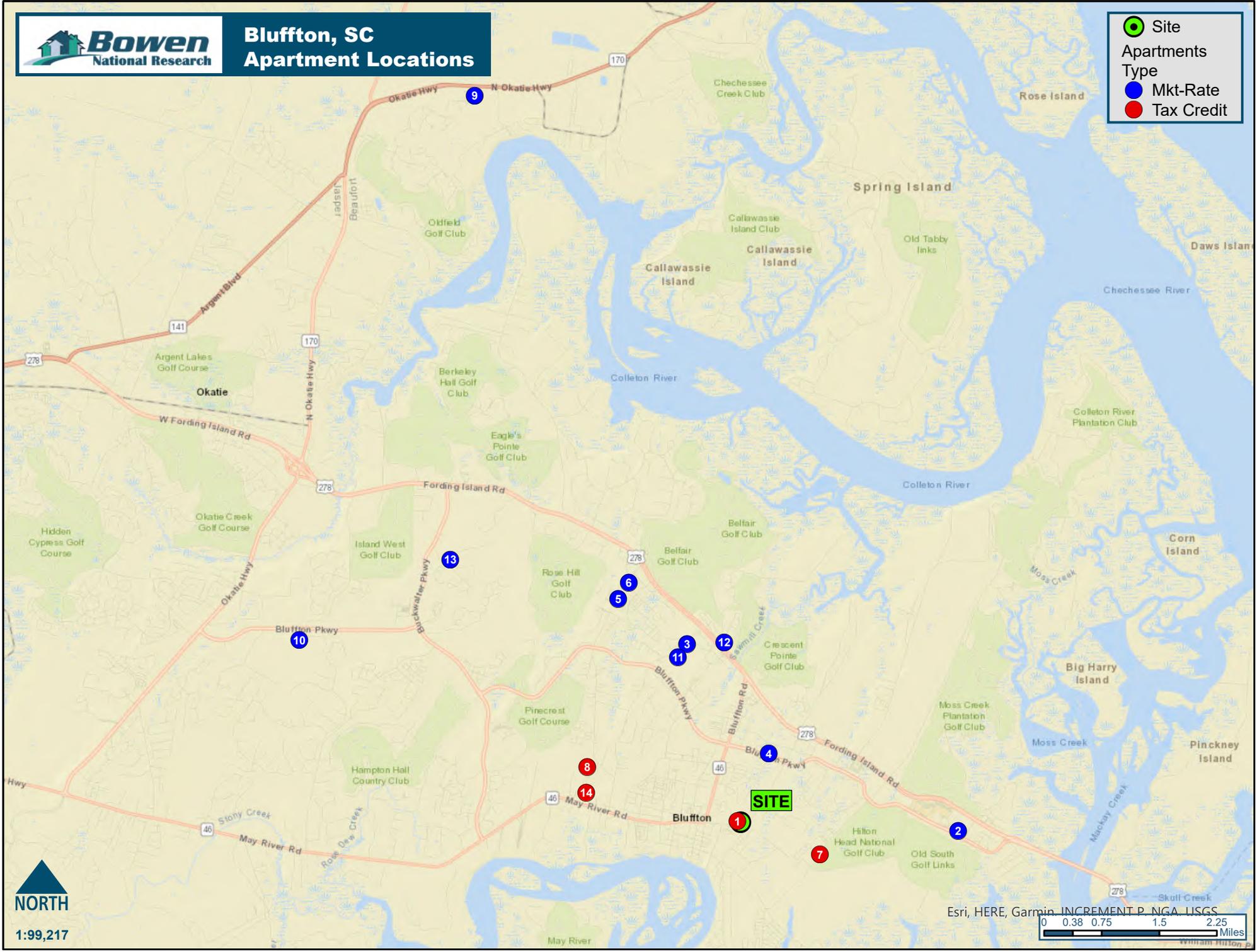
ADDENDUM A:

PHONE SURVEY OF CONVENTIONAL RENTALS



Bluffton, SC Apartment Locations

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



1:99,217

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.38 0.75 1.5 2.25 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	May River Village I & II	TAX	A	2012	108	0	100.0%	Adjacent
✓ 2	29 Edgewater	MRR	B	1996	300	10	96.7%	3.3
3	Avalon Shores	MRR	A-	1997	280	0	100.0%	3.1
4	Bluestone Apts.	MRR	A-	2006	360	19	94.7%	1.3
✓ 5	Crowne at Old Carolina	MRR	A	2010	199	8	96.0%	3.9
6	Estate at Westbury	MRR	B+	1998	100	3	97.0%	4.1
✓ 7	Hallmark Malphrus	TAX	B	2008	32	0	100.0%	2.2
✓ 8	Hallmark White Oak	TAX	A	2007	72	4	94.4%	2.3
✓ 9	Oldfield Mews	MRR	B+	2009	348	6	98.3%	13.4
✓ 10	One Hampton Lake	MRR	A	2017	306	17	94.4%	7.2
11	Onyx Luxury Apartment Living	MRR	B	1998	88	0	100.0%	2.9
✓ 12	Plantation Point	MRR	B+	1997	414	3	99.3%	2.7
13	Reserve of Woodbridge Condo's	MRR	B+	2002	40	4	90.0%	6.9
✓ 14	Vista View Apts.	TAX	B-	1998	72	0	100.0%	2.0

*Drive distance in miles

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



1	May River Village I & II 5736 Patriot Ln, Bluffton, SC 29910	Contact: Ericka Phone: (843) 837-9400	(By Phone)
		Total Units: 108 UC: 0 Occupancy: 100.0% Stories: 2,3 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 mos; Target Population: Family Rent Special: Notes: Tax Credit; HCV (17 units); Phase II opened 12/2015	Year Built: 2012 AR Year: Yr Renovated:



2	29 Edgewater 29 Edgewater Cir., Bluffton, SC 29910	Contact: Victoria Phone: (843) 837-7700	(By Phone)
		Total Units: 300 UC: 0 Occupancy: 96.7% Stories: 2, 3 BR: 1, 2, 3 Vacant Units: 10 Waitlist: Target Population: Family Rent Special: Notes: Does not accept HCV; Rents change daily; 2-br rent range based on view	Year Built: 1996 AR Year: Yr Renovated:

3	Avalon Shores 20 Simmonsville Rd., Bluffton, SC 29910	Contact: Missy Phone: (843) 627-4105	(By Phone)
		Total Units: 280 UC: 0 Occupancy: 100.0% Stories: 2 BR: 2, 3 Vacant Units: 0 Waitlist: Target Population: Family Rent Special: Notes: Accepts HCV (0 currently)	Year Built: 1997 AR Year: Yr Renovated: 2017

4	Bluestone Apts. 4921 Bluffton Parkway, Bluffton, SC 29910	Contact: Natalie Phone: (843) 757-1700	(By Phone)
		Total Units: 360 UC: 0 Occupancy: 94.7% Stories: 3 BR: 1, 2, 3 Vacant Units: 19 Waitlist: Target Population: Family Rent Special: \$200 off 1st months rent Notes: Does not accept HCV; Rent range due to upgrades, unit location & floor level; Rents change daily	Year Built: 2006 AR Year: Yr Renovated:



5	Crowne at Old Carolina 66 Buck Island, Bluffton, SC 29910	Contact: Sue Phone: (843) 706-2169	(By Phone)
		Total Units: 199 UC: 0 Occupancy: 96.0% Stories: 2 BR: 1, 2, 3 Vacant Units: 8 Waitlist: Target Population: Family Rent Special: Notes: Does not accept HCV; Rent range based on floorplan & unit amenities; Rents change daily	Year Built: 2010 AR Year: Yr Renovated:

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	(TGS) Tax Credit & Govt Subsidized	(INR) Income Restricted (not LIHTC)
(MRT) Market-Rate & Tax Credit	(TIN) Tax Credit & Income Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Govt Subsidized	(ING) Income Restricted (not LIHTC) & Govt Subsidized
(MRG) Market-Rate & Govt Subsidized	(ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted		(GSS) Govt Subsidized
(MIN) Market-Rate & Income Restricted (not LIHTC)			

6	Estate at Westbury 100 Kensington Blvd., Bluffton, SC 29910	Contact: Jeanette (By Phone) Phone: (843) 706-4763
	Total Units: 100 UC: 0 Occupancy: 97.0% Stories: 2,3 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 3 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Condominium community; Rent range due to floor level & view	
7	Hallmark Malphrus 120 Malphrus Rd., Bluffton, SC 29910	Contact: Bonnie (By Phone) Phone: (843) 836-2505
	Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2008 BR: 2, 3 Vacant Units: 0 Waitlist: 12 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (5 units)	
8	Hallmark White Oak 102 Haigler Blvd, Bluffton, SC 29910	Contact: Keysha (By Phone) Phone: (843) 757-6350
	Total Units: 72 UC: 0 Occupancy: 94.4% Stories: 2 Year Built: 2007 BR: 2, 3 Vacant Units: 4 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (11 units)	
9	Oldfield Mews 116 Old Towne Rd., Bluffton, SC 29910	Contact: Erin (By Phone) Phone: (843) 645-3700
	Total Units: 348 UC: 0 Occupancy: 98.3% Stories: 2 Year Built: 2009 BR: 1, 2, 3 Vacant Units: 6 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range based on floorplan & floor level	
10	One Hampton Lake 11 Parklands Dr., Bluffton, SC 29910	Contact: Jeanie (By Phone) Phone: (843) 547-3518
	Total Units: 306 UC: 0 Occupancy: 94.4% Stories: 2,3 Year Built: 2017 BR: 1, 2, 3 Vacant Units: 17 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: up to \$2,000 off one months rent Notes: Does not accept HCV; Preleasing 8/2017, 1st units opened 10/2017, remaining units opened 12/2018, still in lease-up; 24 additional units UC, expect completion July 2020	

 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)	 (ING) Income Restricted (not LIHTC) & Govt Subsidized
 (MRT) Market-Rate & Tax Credit	 (TGS) Tax Credit & Govt Subsidized	 (GSS) Govt Subsidized	 (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted
 (MRG) Market-Rate & Govt Subsidized	 (TIN) Tax Credit & Income Restricted (not LIHTC)		
 (MIN) Market-Rate & Income Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Govt Subsidized		

11	Onyx Luxury Apartment Living 57 Simmonsville Rd., Bluffton, SC 29910	Contact: Ashley (By Phone) Phone: (843) 627-4105
	Total Units: 88 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1998 BR: 3 Vacant Units: 0 Waitlist: 6 HH; AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: Notes: Does not accept HCV; Former Tax Credit property	
12	Plantation Point 897 Fording Island Rd., Bluffton, SC 29910	Contact: Sonya (By Phone) Phone: (843) 815-8002
	Total Units: 414 UC: 0 Occupancy: 99.3% Stories: 1,2 Year Built: 1997 BR: 1, 2, 3 Vacant Units: 3 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range due to upgrades & all units have different owners; Condominium community	
13	Reserve of Woodbridge Condo's 50 Pebble Beach Cove, Bluffton, SC 29910	Contact: Brandy (By Phone) Phone: (843) 815-2838
	Total Units: 40 UC: 0 Occupancy: 90.0% Stories: 1,2 Year Built: 2002 BR: 1, 2 Vacant Units: 4 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Accepts HCV	
14	Vista View Apts. 39 Haigler Blvd., Bluffton, SC 29910	Contact: Bonnie (By Phone) Phone: (843) 706-3560
	Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1998 BR: 3 Vacant Units: 0 Waitlist: 15 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (3 units)	

✓	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: Beaufort Housing Authority
Effective: 04/2020

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	19	22	27	12	14	16	19	22	27
	+Base Charge	11	11	11	11	11	11	11	11	11	11	11	11
	Bottled Gas	35	41	49	58	67	83	35	41	49	58	67	83
	Electric	12	16	20	25	30	39	12	16	20	25	30	39
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
Cooking	Natural Gas	6	6	8	8	9	9	6	6	8	8	9	9
	Bottled Gas	18	18	22	23	26	26	18	18	22	23	26	26
	Electric	9	9	11	11	12	13	9	9	11	11	12	13
Other Electric	40	42	46	51	55	64	40	42	46	51	55	64	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	15	15	18	21	24	26	15	15	18	21	24	26	
Water Heating	Natural Gas	10	14	17	24	31	39	10	14	17	24	31	39
	Bottled Gas	28	37	46	65	84	105	28	37	46	65	84	105
	Electric	11	17	24	37	51	65	11	17	24	37	51	65
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	13	17	22	30	39	48	13	17	22	30	39	48	
Sewer	20	28	36	52	55	55	20	28	36	52	55	55	
Trash Collection	30	30	30	30	30	30	30	30	30	30	30	30	
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 1, 2020



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

CHECKLIST (Continued)

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

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

Addendum C – Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Bluffton Site PMA that we consider comparable in terms of unit and project amenities to the proposed subject development. 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	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	May River Village Phase III	2022	24	-	4 (-)	12 (-)	2 (-)	6 (-)
2	29 Edgewater	1996	300	96.7%	-	84 (95.2%)	160 (98.1%)	56 (94.6%)
5	Crowne at Old Carolina	2010	199	96.0%	-	56 (91.1%)	111 (99.1%)	32 (93.8%)
9	Oldfield Mews	2009	348	98.3%	-	28 (96.4%)	256 (99.2%)	64 (95.3%)
10	One Hampton Lake	2017	306	94.4%	-	140 (95.7%)	142 (92.3%)	24 (100.0%)
12	Plantation Point	1997	414	99.3%	-	124 (99.2%)	248 (99.2%)	42 (100.0%)

Occ. – Occupancy

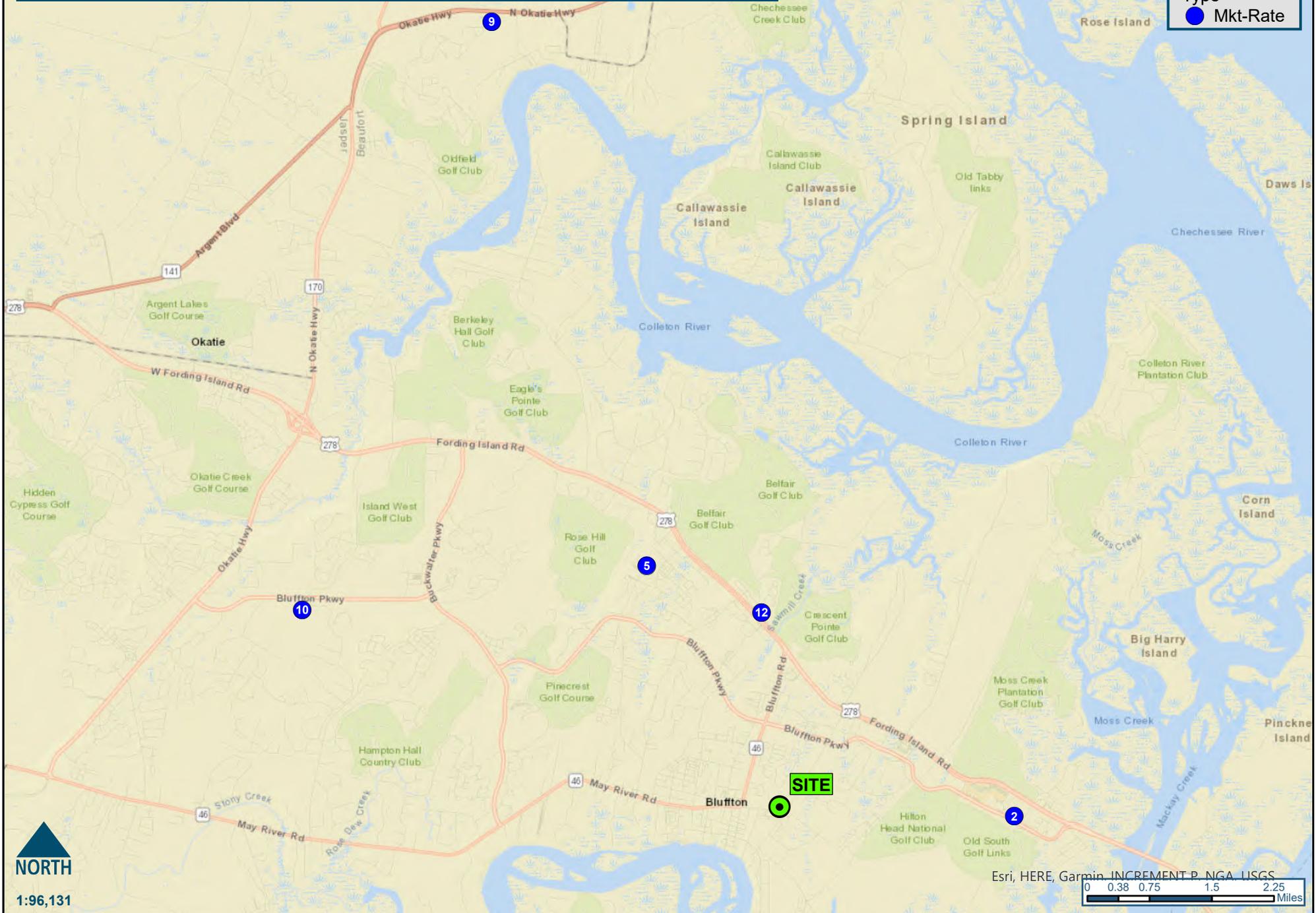
The five selected market-rate projects have a combined total of 1,567 units with an overall occupancy rate of 97.2%. These high occupancy rates reported among the selected properties indicate that these properties are well-received and will serve as accurate benchmarks with which to compare the subject property.

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



Bluffton, SC Comparable Market-rate Property Locations

● Site
● Apartments
● Type
● Mkt-Rate



Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.38 0.75 1.5 2.25 Miles

Rent Comparability Grid

Unit Type →

STUDIO

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
May River Village Phase III		29 Edgewater		Crowne at Old Carolina		Oldfield Mews		One Hampton Lake		Plantation Point	
5736 Patriot Lane		29 Edgewater Cir.		66 Buck Island		116 Old Towne Rd.		11 Parklands Dr.		897 Fording Island Rd.	
Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC	
A. Rents Charged	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,198		\$1,065		\$1,050		\$1,350		\$900	
2	Date Surveyed	Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3	Rent Concessions	None		None		None		Yes	(\$167)	None	
4	Occupancy for Unit Type	95%		91%		96%		95%		99%	
5	Effective Rent & Rent/ sq. ft	\$1,198	1.60	\$1,065	1.27	\$1,050	1.33	\$1,183	1.48	\$900	1.15
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/2		WU/2		WU/2,3		WU/1,2	
7	Yr. Built/Yr. Renovated	2022	\$26	2010	\$12	2009	\$13	2017	\$5	1997	\$25
8	Condition/Street Appeal	E	\$15	E		G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	STUDIO	(\$50)	1	(\$50)	1	(\$50)	1	(\$50)	1	(\$50)
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	575	(\$62)	838	(\$92)	790	(\$76)	799	(\$79)	780	(\$72)
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	\$5	Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/V		W		C/V/L		W/V/L		C/W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/Y	\$5	Y/Y		Y/N	\$5	Y/N	\$5	Y/N	\$5
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	P/F/L	(\$18)	P/F/L	(\$18)	P/F	(\$15)
29	Computer/Business Center	Y	\$3	Y		Y		N	\$3	N	\$3
30	Picnic Area/Grills	Y		Y		Y		Y		N	\$3
31	Playground	Y		N	\$3	Y		N	\$3	Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$33	N/N	\$33	N/N	\$33	N/N	\$33
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	4	5	4	5	4	5	5	6	4
41	Sum Adjustments B to D	\$69	(\$152)	\$35	(\$182)	\$48	(\$169)	\$26	(\$182)	\$61	(\$162)
42	Sum Utility Adjustments			\$33		\$33		\$33		\$33	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$83)	\$221	(\$114)	\$250	(\$88)	\$250	(\$123)	\$241	(\$68)	\$256
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,115		\$951		\$962		\$1,060		\$832	
45	Adj Rent/Last rent		93%		89%		92%		90%		92%
46	Estimated Market Rent	\$980		\$1.70 ←		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
May River Village Phase III		29 Edgewater		Crowne at Old Carolina		Oldfield Mews		One Hampton Lake		Plantation Point	
5736 Patriot Lane		29 Edgewater Cir.		66 Buck Island		116 Old Towne Rd.		11 Parklands Dr.		897 Fording Island Rd.	
Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,198		\$1,065		\$1,050		\$1,350		\$975	
2	Date Surveyed	Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3	Rent Concessions	None		None		None		Yes	(\$167)	None	
4	Occupancy for Unit Type	95%		91%		96%		95%		99%	
5	Effective Rent & Rent/ sq. ft	\$1,198	1.60	\$1,065	1.27	\$1,050	1.33	\$1,183	1.48	\$975	1.15
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2.5		WU/2		WU/2		WU/2,3		WU/1,2	
7	Yr. Built/Yr. Renovated	2022		2010	\$12	2009	\$13	2017	\$5	1997	\$25
8	Condition/Street Appeal	E		E		G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	837	\$30	838	(\$0)	790	\$16	799	\$13	850	(\$5)
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	\$5	Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/V		W		C/V/L		W/V/L		C/W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/Y	\$5	Y/Y		Y/N	\$5	Y/N	\$5	Y/N	\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	P/F/L	(\$18)	P/F/L	(\$18)	P/F	(\$15)
29	Computer/Business Center	Y	\$3	Y		Y		N	\$3	N	\$3
30	Picnic Area/Grills	Y		Y		Y		Y		N	\$3
31	Playground	Y		N	\$3	Y		N	\$3	Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$45	N/N	\$45	N/N	\$45	N/N	\$45
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	2	5	3	6	2	6	3	6	3
41	Sum Adjustments B to D	\$99	(\$40)	\$35	(\$40)	\$64	(\$43)	\$39	(\$53)	\$61	(\$45)
42	Sum Utility Adjustments			\$45		\$45		\$45		\$45	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$59	\$139	\$40	\$120	\$66	\$152	\$31	\$137	\$61	\$151
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,257		\$1,105		\$1,116		\$1,214		\$1,036	
45	Adj Rent/Last rent		105%		104%		106%		103%		106%
46	Estimated Market Rent	\$1,135		\$1.36 ←		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

TWO-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
May River Village Phase III		29 Edgewater		Crowne at Old Carolina		Oldfield Mews		One Hampton Lake		Plantation Point	
5736 Patriot Lane		29 Edgewater Cir.		66 Buck Island		116 Old Towne Rd.		11 Parklands Dr.		897 Fording Island Rd.	
Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,253		\$1,340		\$1,170		\$1,665		\$1,150	
2	Date Surveyed	Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3	Rent Concessions	None		None		None		Yes (\$167)		None	
4	Occupancy for Unit Type	98%		99%		95%		92%		99%	
5	Effective Rent & Rent/ sq. ft	\$1,253	1.25	\$1,340	1.18	\$1,170	1.08	\$1,498	1.30	\$1,150	1.08
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		WU/2		WU/2		WU/2,3		WU/1,2	
7	Yr. Built/Yr. Renovated	2022	\$26	2010	\$12	2009	\$13	2017	\$5	1997	\$25
8	Condition/Street Appeal	E	\$15	E		G	\$15	E		G	\$15
9	Neighborhood	G		G		G		E	(\$10)	G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1072	\$22	1134	(\$19)	1084	(\$4)	1149	(\$23)	1060	\$4
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	\$5	Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/V		W		C/V/L		W/V/L		C/W	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/Y		Y/Y		Y/N	\$5	Y/N	\$5	Y/N	\$5
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		A-GAR	(\$50)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y		N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	P/F/L	(\$18)	P/F/L	(\$18)	P/F	(\$15)
29	Computer/Business Center	Y	\$3	Y		Y		N	\$3	N	\$3
30	Picnic Area/Grills	Y		Y		Y		Y		N	\$3
31	Playground	Y		Y	\$3	Y		N	\$3	Y	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$58	N/N	\$58	N/N	\$58	N/N	\$58
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos
40	# Adjustments B to D	7	2	5	4	5	3	5	4	7	2
41	Sum Adjustments B to D	\$86	(\$40)	\$35	(\$109)	\$48	(\$47)	\$26	(\$76)	\$65	(\$40)
42	Sum Utility Adjustments			\$58		\$58		\$58		\$58	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$46	\$126	(\$16)	\$202	\$59	\$153	\$8	\$160	\$83	\$163
G. Adjusted & Market Rents	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent
44	Adjusted Rent (5+ 43)	\$1,299		\$1,324		\$1,229		\$1,506		\$1,233	
45	Adj Rent/Last rent		104%		99%		105%		101%		107%
46	Estimated Market Rent	\$1,295	\$1.21 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
May River Village Phase III		29 Edgewater		Crowne at Old Carolina		Oldfield Mews		One Hampton Lake		Plantation Point	
5736 Patriot Lane		29 Edgewater Cir.		66 Buck Island		116 Old Towne Rd.		11 Parklands Dr.		897 Fording Island Rd.	
Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC		Bluffton, SC	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,632		\$1,775		\$1,255		\$1,865		\$1,275	
2	Date Surveyed	Mar-20		Mar-20		Mar-20		Mar-20		Mar-20	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	95%		94%		95%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,632	1.14	\$1,775	1.25	\$1,255	1.02	\$1,865	1.35	\$1,275	1.02
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2.5		TH/2,3		WU/2		WU/2,3		WU/1,2	
7	Yr. Built/Yr. Renovated	2022		1996	\$26	2010	\$12	2009	\$13	2017	\$5
8	Condition/Street Appeal	E		G	\$15	E		G	\$15	E	
9	Neighborhood	G		G		G		E	(\$10)	G	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2.5	(\$15)	2		2		2	
13	Unit Interior Sq. Ft.	1262		1428	(\$48)	1417	(\$45)	1234	\$8	1378	(\$34)
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		N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/V		C/V		W		C/V/L		W/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/Y		Y/N	\$5	Y/Y		Y/N	\$5	Y/N	\$5
D. Site Equipment/ Amenities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y		N	\$5	N	\$5	N	\$5	Y	
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	N		P/F	(\$15)	P/F	(\$15)	P/F/L	(\$18)	P/F/L	(\$18)
29	Computer/Business Center	Y		N	\$3	Y		N	\$3	N	\$3
30	Picnic Area/Grills	Y		Y		Y		Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		N	\$3
32	Social Services	Y		N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		Y/Y		N/N	\$82	N/N	\$82	N/N	\$82
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap	Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	4	5	3	6	2	5	4	7	2
41	Sum Adjustments B to D	\$69	(\$103)	\$35	(\$85)	\$56	(\$43)	\$26	(\$87)	\$63	(\$40)
42	Sum Utility Adjustments			\$82		\$82		\$82		\$82	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$34)	\$172	\$32	\$202	\$95	\$181	\$21	\$195	\$105	\$185
G. Adjusted & Market Rents	Adj. Rent			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,598		\$1,807		\$1,350		\$1,886		\$1,380	
45	Adj Rent/Last rent		98%		102%		108%		101%		108%
46	Estimated Market Rent	\$1,595	\$1.26 ←	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 summarized as follows:

Scenario One:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Studio	60%	\$777	\$980	20.7%
One-Br.	30%	\$381	\$1,135	66.4%
One-Br.	60%	\$809	\$1,135	28.7%
Two-Br.	30%	\$449	\$1,295	65.3%
Two-Br.	60%	\$925	\$1,295	28.6%
Three-Br.	30%/LH	\$513	\$1,595	67.8%
Three-Br.	60%	\$1,139	\$1,595	28.6%

Scenario Two:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Studio	30%	\$361	\$980	63.2%
Studio	60%	\$777	\$980	20.7%
Studio	80%	\$900	\$980	8.2%
Studio	MR	\$950	\$980	3.1%
One-Br.	30%	\$381	\$1,135	66.4%
One-Br.	60%	\$830	\$1,135	26.9%
One-Br.	80%	\$995	\$1,135	12.3%
One-Br.	MR	\$1,100	\$1,135	3.1%
Two-Br.	30%	\$439	\$1,295	66.1%
Two-Br.	MR	\$1,225	\$1,295	5.4%
Three-Br.	30%	\$513	\$1,595	67.8%
Three-Br.	60%	\$1,139	\$1,595	28.6%
Three-Br.	80%	\$1,225	\$1,595	23.2%
Three-Br.	MR	\$1,450	\$1,595	9.1%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI should represent at least a 10.0% market rent advantage to be considered a value. The proposed collected Tax Credit rents represent market-rent advantages ranging from 20.7% to 67.8%, under scenario one and ranging from 20.7% to 67.8% under scenario two, indicating that these units will likely represent a good value to area renters. The subject's 80% of AMHI units are also expected to represent a good value. Market-rate rents should typically represent a market rent advantage of approximately +/-5.0%. As such, the subject's market-rate rents are expected to be considered a value as well, as they represent a market rent advantage of at least 3.1%.

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. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
3. One of the selected properties is currently offering a rent concession to assist in filling vacant units. The value of this concession has been prorated over a 12-month period and applied as a negative adjustment in Line 3. These rent concessions are reflected in the effective rent for each property as needed, in Line 5.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1996 and 2017. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties as compared to the subject project.
8. It is anticipated that the subject project will have an excellent quality and attractive aesthetic appeal upon completion. We have made adjustments for those properties that we consider to be inferior to the subject property in terms of overall quality/condition.
9. One of the selected properties are located in a more desirable neighborhood than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.

- 14.-23. The subject project will offer a unit amenity package which is generally similar to those offered among the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' unit amenities.
- 24.-32. The subject project offers a comprehensive project amenities package which is also generally competitive with the comparable market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility, as needed. The utility adjustments were based on the local housing authority's utility cost estimates.