



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Lincoln Apartments
404 Witsell Street
Walterboro, Colleton County, South Carolina 29488

Prepared For

Mr. Chad Nelson
American Community Developers
20250 Harper Avenue
Detroit, Michigan 48225

Effective Date

April 30, 2021

Job Reference Number

21-258 JW

Table of Contents

- A. Primary Market Area Analysis Summary (Exhibit S-2)
- B. Project Description
- C. Site Description and Evaluation
- D. Primary Market Area Delineation
- E. Market Area Economy
- F. Community Demographic Data
- G. Project-Specific Demand Analysis
- H. Rental Housing Analysis (Supply)
 - I. Interviews
 - J. Recommendations
- K. Signed Statement Requirement
- L. Qualifications
- M. Methodologies, Disclaimers & Sources
 - Addendum A – Field Survey of Conventional Rentals
 - Addendum B – NCHMA Member Certification & Checklist
 - Addendum C – Scope of Renovations
 - Addendum D – Rent Roll
 - Addendum E – Achievable Market Rent

2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

Development Name:	Lincoln Apartments	Total # Units: 64
Location:	404 Witsell St., Walterboro, SC 29488	# LIHTC Units: 64
PMA Boundary:	Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.2 miles

RENTAL HOUSING STOCK (found on page H-1, 9 & 10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	715	9	98.7%
Market-Rate Housing	4	221	9	95.9%
Assisted/Subsidized Housing not to include LIHTC	5	306	0	100.0%
LIHTC (All that are stabilized)*	5	188	0	100.0%
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

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

** Comparables - 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)	Tenant-Paid Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
16	One	1.0	693	\$169	\$606	\$0.87	72.11%	\$931	\$1.33
24	Two	1.0	838	\$163	\$691	\$0.82	76.41%	\$1,053	\$1.05
16	Three	1.0	940	\$104	\$900	\$0.96	88.44%	\$1,342	\$1.12
8	Four	1.5	1,070	\$77	\$976	\$0.91	92.11%	\$1,342	\$1.12
Gross Potential Rent Monthly*				\$8,896	\$48,488		81.65%		

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

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

	2012	2020		2023	
Renter Households		3,420	25.3%	3,446	25.3%
Income-Qualified Renter HHs (LIHTC)		2,445	71.5%	2,422	70.3%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Renter Household Growth				-23		-23
Existing Households (Overburd + Substand)				832		832
Homeowner conversion (Seniors)				-		-
Other:				-		-
Less Comparable/Competitive Supply				0		0
Net Income-qualified Renter HHs				809		809

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Capture Rate				7.9%		7.9%

ABSORPTION RATE (found on page G-8)

Absorption Period: 5 months

2021 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Current Tenant Paid Rent	Net Tenant Paid Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
16	1 BR	\$169	\$2,704	\$606	\$9,696	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
24	2 BR	\$163	\$3,912	\$691	\$16,584	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
16	3 BR	\$104	\$1,664	\$900	\$14,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
8	4 BR	\$77	\$616	\$976	\$7,808	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$8,896		\$48,488	81.65%

2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):

Development Name:	Lincoln Apartments	Total # Units: 64
Location:	404 Witsell St., Walterboro, SC 29488	# LIHTC Units: 64
PMA Boundary:	Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.2 miles

RENTAL HOUSING STOCK (found on page H-1, 9 & 10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	715	9	98.7%
Market-Rate Housing	4	221	9	95.9%
Assisted/Subsidized Housing not to include LIHTC	5	306	0	100.0%
LIHTC (All that are stabilized)*	5	188	0	100.0%
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

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

** Comparables - 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
16	One	1.0	693	\$625	\$606	\$0.87	-3.14%	\$931	\$1.33
24	Two	1.0	838	\$742	\$691	\$0.82	-7.38%	\$1,053	\$1.05
16	Three	1.0	940	\$867	\$900	\$0.96	3.67%	\$1,342	\$1.12
8	Four	1.5	1,070	\$939	\$976	\$0.91	3.79%	\$1,342	\$1.12
Gross Potential Rent Monthly*				\$49,192	\$48,488		-1.45%		

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

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

	2012	2020		2023	
Renter Households		3,420	25.3%	3,446	25.3%
Income-Qualified Renter HHs (LIHTC)		980	28.7%	1,000	29.0%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		20				20
Existing Households (Overburd + Substand)		122				122
Homeowner conversion (Seniors)		-				-
Other:		-				-
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		142				142

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate		45.1%				45.1%

ABSORPTION RATE (found on page G-8)

Absorption Period: > 12 months

2021 S-2 RENT CALCULATION WORKSHEET (LIHTC Only)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Net Proposed Tenant Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
16	1 BR	\$625	\$10,000	\$606	\$9,696	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
24	2 BR	\$742	\$17,808	\$691	\$16,584	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
16	3 BR	\$867	\$13,872	\$900	\$14,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
8	4 BR	\$939	\$7,512	\$976	\$7,808	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$49,192		\$48,488	-1.45%

B. Project Description

Project Name:	Lincoln Apartments
Location:	404 Witsell Street, Walterboro, South Carolina 29488 (Colleton County)
Census Tract:	9705.00
Target Market:	Family
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC and Section 8

The project involves the renovation of the 64-unit Lincoln Apartments at 404 Witsell Street in Walterboro, South Carolina. Built in 1971, the project operates under the HUD Section 8 program, with all units receiving a direct subsidy. The subsidy requires tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a five-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households with incomes of up to 60% of Area Median Household Income (AMHI). Notably, all units will continue to operate under the HUD Section 8 program. All renovations are expected to be complete by December 2022. Additional details of the subject project are as follows:

Proposed Unit Configuration											
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent	
							Collected Rent	Utility Allowance	Gross Rent		
16	One-Br.	1.0	Garden	693	60%/S8	\$711	\$711	\$88	\$799	\$713	
24	Two-Br.	1.0	Garden	838	60%/S8	\$742	\$742	\$109	\$851	\$856	
16	Three-Br.	1.0	Townhome	940	60%/S8	\$935	\$935	\$122	\$1,057	\$989	
8	Four-Br.	1.5	Townhome	1,070	60%/S8	\$1,016	\$1,016	\$163	\$1,179	\$1,102	
64	Total										

Source: American Community Developers

AMHI – Area Median Household Income (2021 National Non-Metropolitan Limits)

S8 – Section 8

Note that tenants residing at the subject project effectively pay up to 30% of their adjusted gross household income towards gross rent. The maximum allowable LIHTC gross rents of between \$713 and \$1,102 are the programmatic limits for units targeting households earning up to 60% of AMHI. However, these limits would only apply in the unlikely scenario that the subject project ceased to operate with a project-based subsidy. In the instances where the proposed rents exceed the maximum allowable levels, we utilized the maximum LIHTC gross rents throughout the remainder of this report.

Building/Site Information	
Residential Buildings:	9 two-story buildings
Building Style:	Walk-up & townhomes
Community Space:	Stand-alone building
Acres:	5.5

Construction Timeline	
Original Year Built:	1971
Renovation Start:	January 2022
Begin Preleasing:	In-Place Renovation
Renovation End:	December 2022

Unit Amenities		
• Electric Range	• Microwave*	• Composite Flooring
• Refrigerator with Icemaker	• Washer/Dryer Appliances*	• Window Blinds
• Garbage Disposal*	• Central Air Conditioning*	• Ceiling Fan*

*To be added during renovations

Community Amenities		
• On-Site Management	• Computer Center	• Copy/Print/Fax
• Clubhouse*	• Community Room with Kitchen*	• Playground
• CCTV/Cameras	• Fitness Center*	• Surface Parking Lot

*To be added during renovations

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
64	0	100.0%	5 Households

PLANNED RENOVATION & CURRENT OCCUPANCY:

Based on information provided by the developer, the subject property will be substantially renovated (~\$67,240/unit) and will include, but not limited to the following renovations:

- Replace all flooring
- New kitchen appliances
- Paint the interior of all the units
- Replacement of all windows
- Addition of a community room
- Addition of a fitness center
- Install new entry doors
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary

Note that the complete scope of renovations proposed at the subject project is included in *Addendum C* of this report.

The subject project consists of 64 one-, two-, three- and four-bedroom units that are 100.0% occupied with a waiting list of up to five households for the next available unit. The subject project currently operates with a Section 8 subsidy available to all units, requiring tenants of the project to pay up to 30% of their income towards rent. Due to the subsidy that is available on all of the subject units, the average tenant-paid rents are \$169, \$163, \$104 and \$77 for a one-, two-, three- and four-bedroom unit, respectively, based on the subject project's current rent roll, as illustrated in *Addendum D*. Following Tax Credit renovations, the subsidy will be retained on all 64 units. It is anticipated that most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project.

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

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of April 12, 2021. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site is the existing Lincoln Apartments located at 404 Witsell Street in Walterboro, South Carolina. Located within Colleton County, Walterboro is approximately 48.0 miles northwest of Charleston, South Carolina and approximately 68.0 miles northeast of Savannah, Georgia. Following is a description of surrounding land uses:

North -	The northern boundary is defined by a scattered tree line and single-family homes in fair to good condition. Continuing north and extending farther north are wooded land and additional single-family homes.
East -	The eastern boundary is defined by a tree line and single-family homes in fair to good condition. Continuing east are wooded land and additional single-family homes. Extending farther east is wooded land, single-family homes and a park.
South -	The southern boundary is defined by wooded land. Continuing south are wooded land and single-family homes in fair to good condition. Extending farther south are wooded land, additional single-family homes and churches.
West -	The western boundary is defined by Witsell Street, a two-lane residential road with light traffic. Continuing west are wooded land, Pruitt Health-Walterboro, a nursing home in good condition, and a single-family home in good condition. Extending farther west is wooded land.

The subject site is situated within a primarily established area of Walterboro, comprised of single-family homes, commercial buildings, churches and a nursing home, all in fair to good condition. As such, renovated apartments are expected to fit well with the surrounding land uses and they should continue to contribute to its marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	North Jefferies Boulevard/U.S. Highway 15 Interstate 95	0.7 West 3.0 Northwest
Public Bus Stop	Palmetto Breeze Transit	On-Site
Major Employers/ Employment Centers	Colleton County School District Colleton Medical Center Walmart Supercenter	1.2 Southwest 1.9 Northwest 3.3 Northwest
Convenience Store	Valero Stop N Go Shell/SCV Food Mart	0.4 Southwest 0.8 Southwest 1.0 Southwest
Grocery	General Food Store (IGA) Walterboro Foodland BI-LO Grocery	0.5 Southwest 0.7 West 1.7 Northwest
Discount Department Store	Dollar General Citi-Trends Family Dollar	0.8 Southwest 1.4 Northwest 1.4 Southwest
Schools: Elementary Middle/Junior High High	Northside Elementary Colleton County Middle Colleton County High	4.4 Northeast 3.9 Northeast 4.6 North
Hospital	Colleton Medical Center	1.9 Northwest
Police	Walterboro Police Department	0.9 Southwest
Fire	Walterboro Fire Department	1.0 Southwest
Post Office	US Post Office	0.9 Southwest
Bank	Southstate Bank Bank of the Lowcountry Wells Fargo Bank	0.7 West 0.9 West 0.9 West
Gas Station	Valero Stop N Go Shell/SCV Food Mart	0.4 Southwest 0.8 Southwest 1.0 Southwest
Pharmacy	Hiott's Pharmacy CVS Walgreens	0.7 Southwest 1.7 Northwest 1.7 Northwest
Restaurant	Hardee's Castillo's Pizzeria	0.8 West 0.9 Southwest
Day Care	Forest Hills Pre-school	1.6 West
Library	Colleton County Memorial Library	0.6 South
Park	Sankey D. Maree Park Pickney Park	0.5 East 0.6 South
Museum	South Carolina Artisans Center	0.7 Southwest
Church	Bethel Presbyterian Church St. Jude's Church St. Peters AME Church	0.3 South 0.3 South 0.5 South
Higher Education	University of South Carolina Salkehatchie – East Campus	0.8 Southeast

As the preceding illustrates, most area services such as dining, entertainment, shopping and employment are located within approximately 2.0 miles of the subject site and are easily accessible given the site's proximity to North Jefferies Boulevard/U.S. Highway 15, which serves as a commercial corridor within the area, approximately 0.7 miles to the west. Notable services within approximately 1.0 mile of the subject site include, but are not limited to Southstate Bank, Stop N Go gas station/convenience store, General Food Store (IGA), Castillo's Pizzeria, Bethel Presbyterian Church and Dollar General.

Public safety services are provided by the Walterboro Police Department and Walterboro Fire Department, both of which are located within 0.9 miles southwest and 1.0 mile southwest of the site, respectively. The nearest full-service hospital is the Colleton Medical Center, located 1.9 miles northwest of the site. Pharmacies are all accessed within 1.7 miles. All applicable attendance schools are located within 4.6 miles. Sankey D. Maree Park and Pickney Park, including playgrounds, pavilion, benches and ball court, are within 0.6 miles.

4. SITE PHOTOGRAPHS

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

Lincoln Apartments



Site Entryway (North)



Site Entryway (South)



Entryway Signage



Typical exterior of building



View of site from the north



View of site from the northeast

Lincoln Apartments



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest

Lincoln Apartments



North view from site



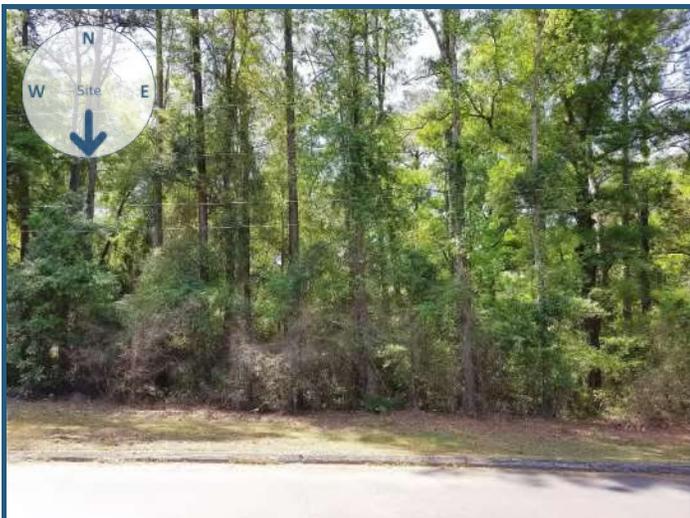
Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site

Lincoln Apartments



West view from site



Northwest view from site



Streetscape: North view Witsell Street



Streetscape: South view Witsell Street



Recreation Area: Playground



Picnic Area

Lincoln Apartments



Laundry Facility



Computer Center



One-Bedroom (Living Room)



One-Bedroom (Kitchen)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bedroom - View B)

Lincoln Apartments



One-Bedroom (Bathroom)



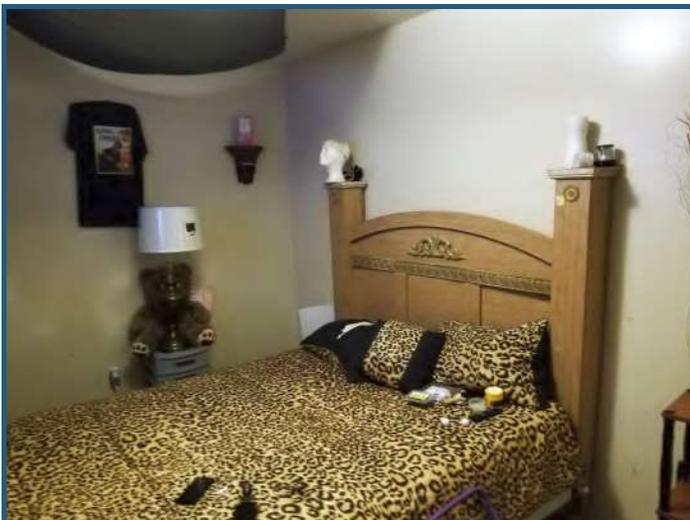
Two-Bedroom (Living Room)



Two-Bedroom (Kitchen)



Two-Bedroom (Master Bedroom - View A)



Two-Bedroom (Master Bedroom - View B)

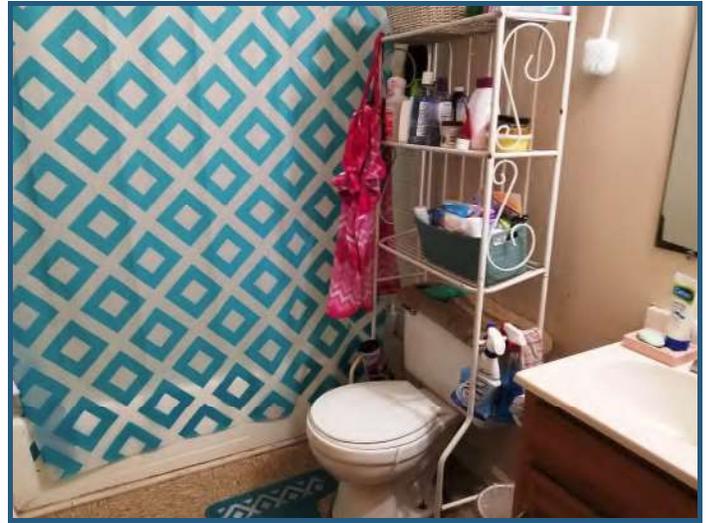


Two-Bedroom (Second Bedroom - View A)

Lincoln Apartments



Two-Bedroom (Second Bedroom - View B)



Two-Bedroom (Full Bathroom)



Three-Bedroom (Living Room)



Three-Bedroom (Kitchen)



Three-Bedroom (Master Bedroom - View A)



Three-Bedroom (Master Bedroom - View B)

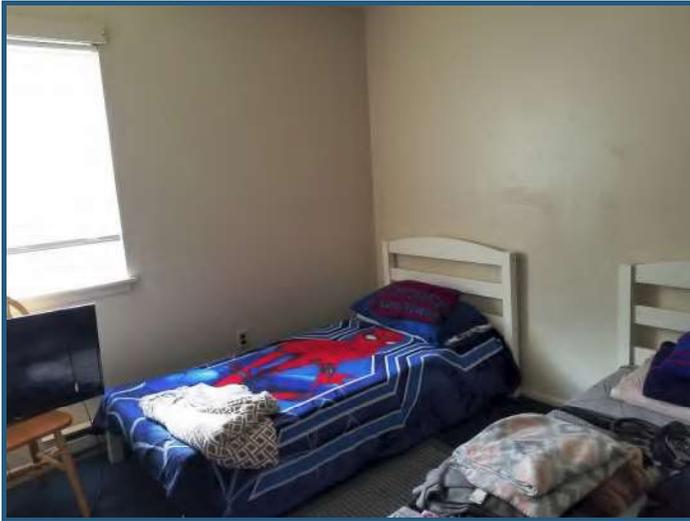
Lincoln Apartments



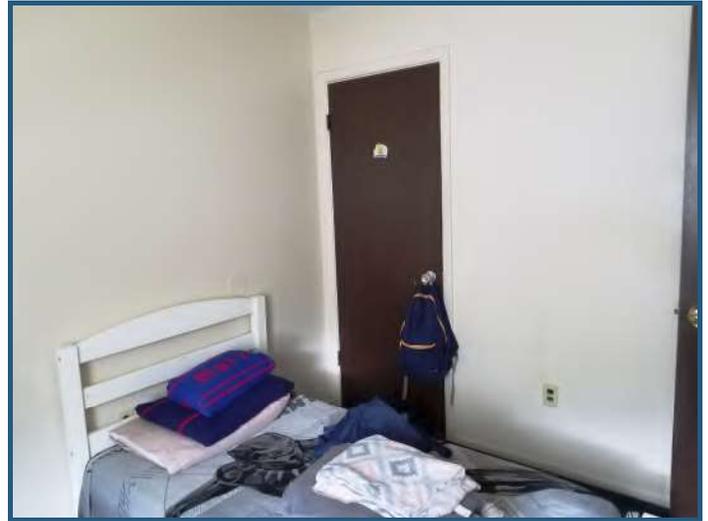
Three-Bedroom (Second Bedroom - View A)



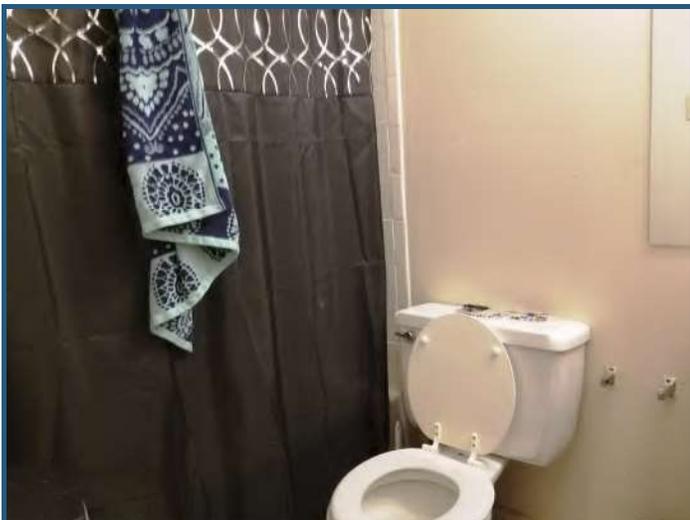
Three-Bedroom (Second Bedroom - View B)



Three-Bedroom (Third Bedroom - View A)



Three-Bedroom (Third Bedroom - View B)



Three-Bedroom (Full Bathroom)



Four-Bedroom (Living Room)

Lincoln Apartments



Four-Bedroom (Kitchen)



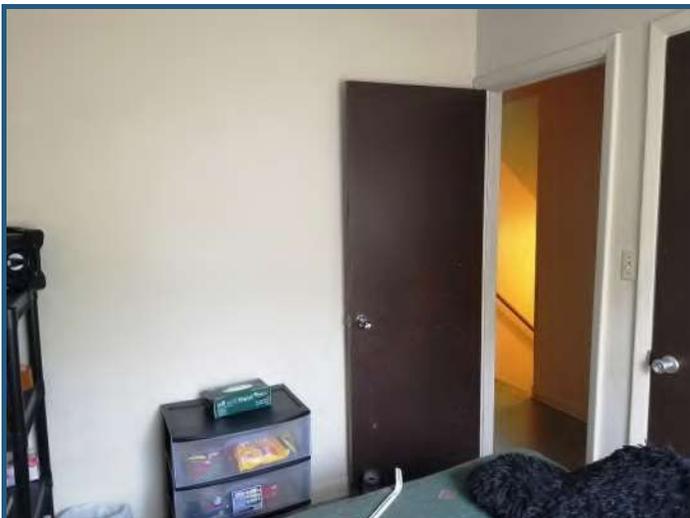
Four-Bedroom (Master Bedroom - View A)



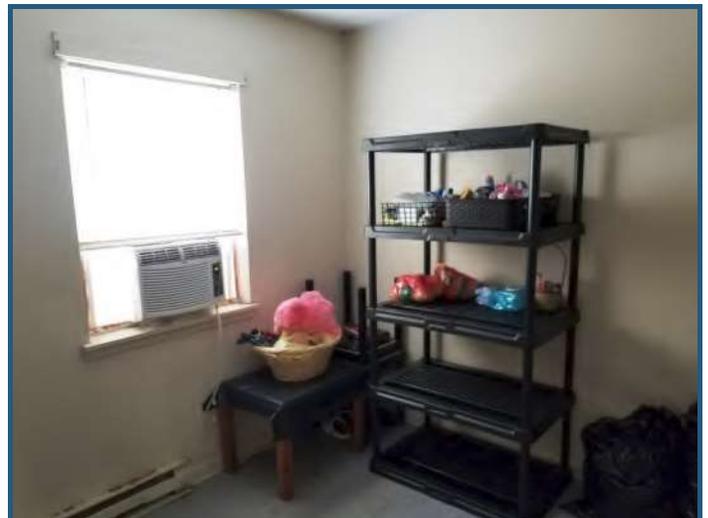
Four-Bedroom (Master Bedroom - View B)



Four-Bedroom (Second Bedroom - View A)



Four-Bedroom (Second Bedroom - View B)



Four-Bedroom (Third Bedroom - View A)

Lincoln Apartments



Four-Bedroom (Third Bedroom - View B)



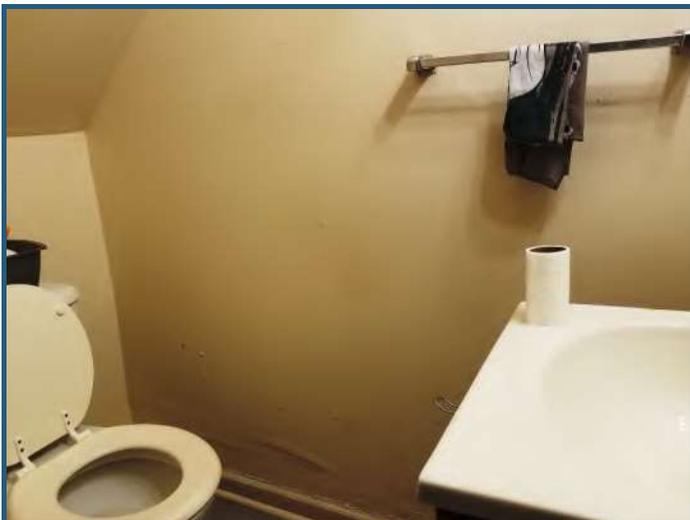
Four-Bedroom (Fourth Bedroom - View A)



Four-Bedroom (Fourth Bedroom - View B)



Four-Bedroom (Full Bathroom)



Four-Bedroom (Half-Bath)

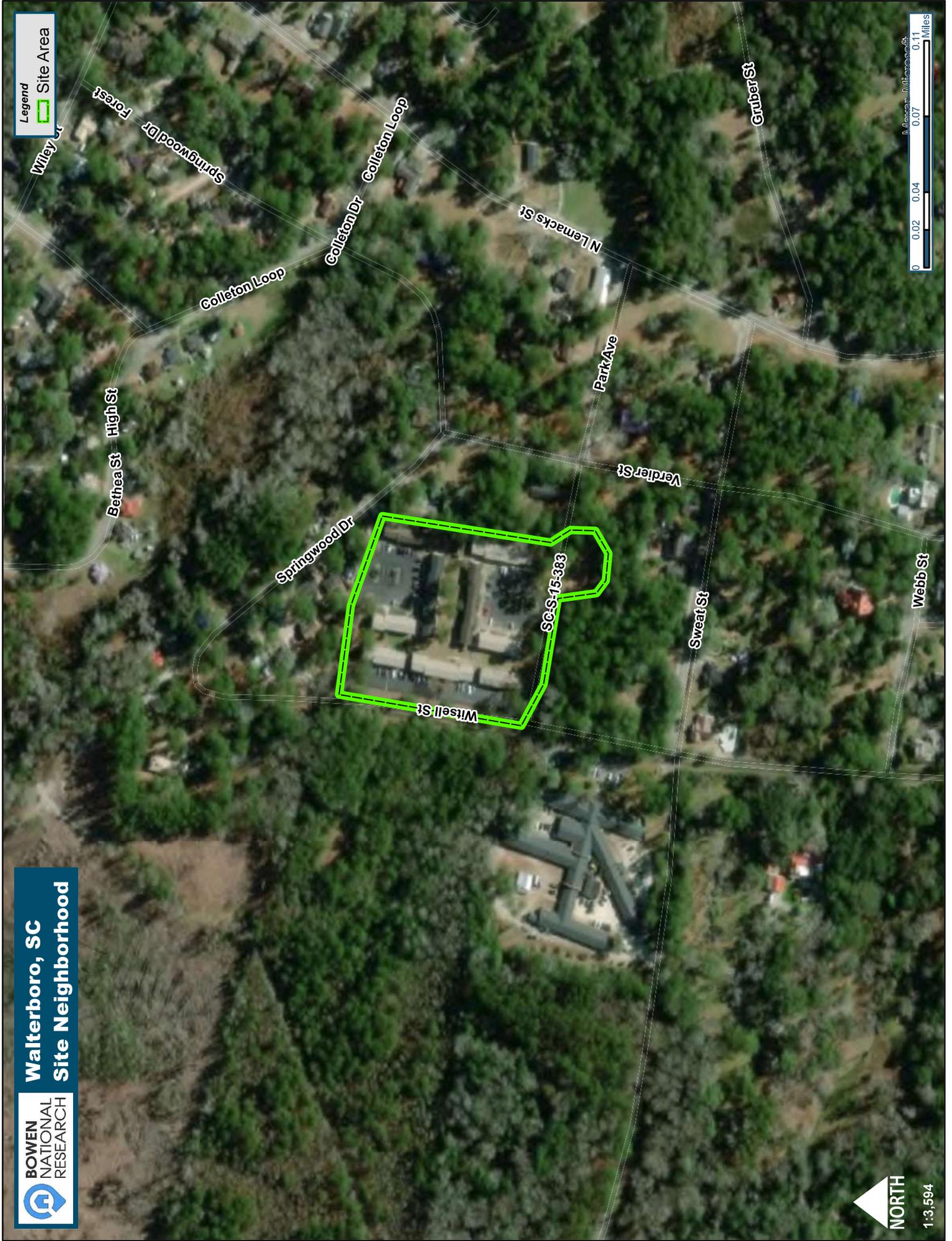
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



**Walterboro, SC
Site Neighborhood**

Legend
Site Area

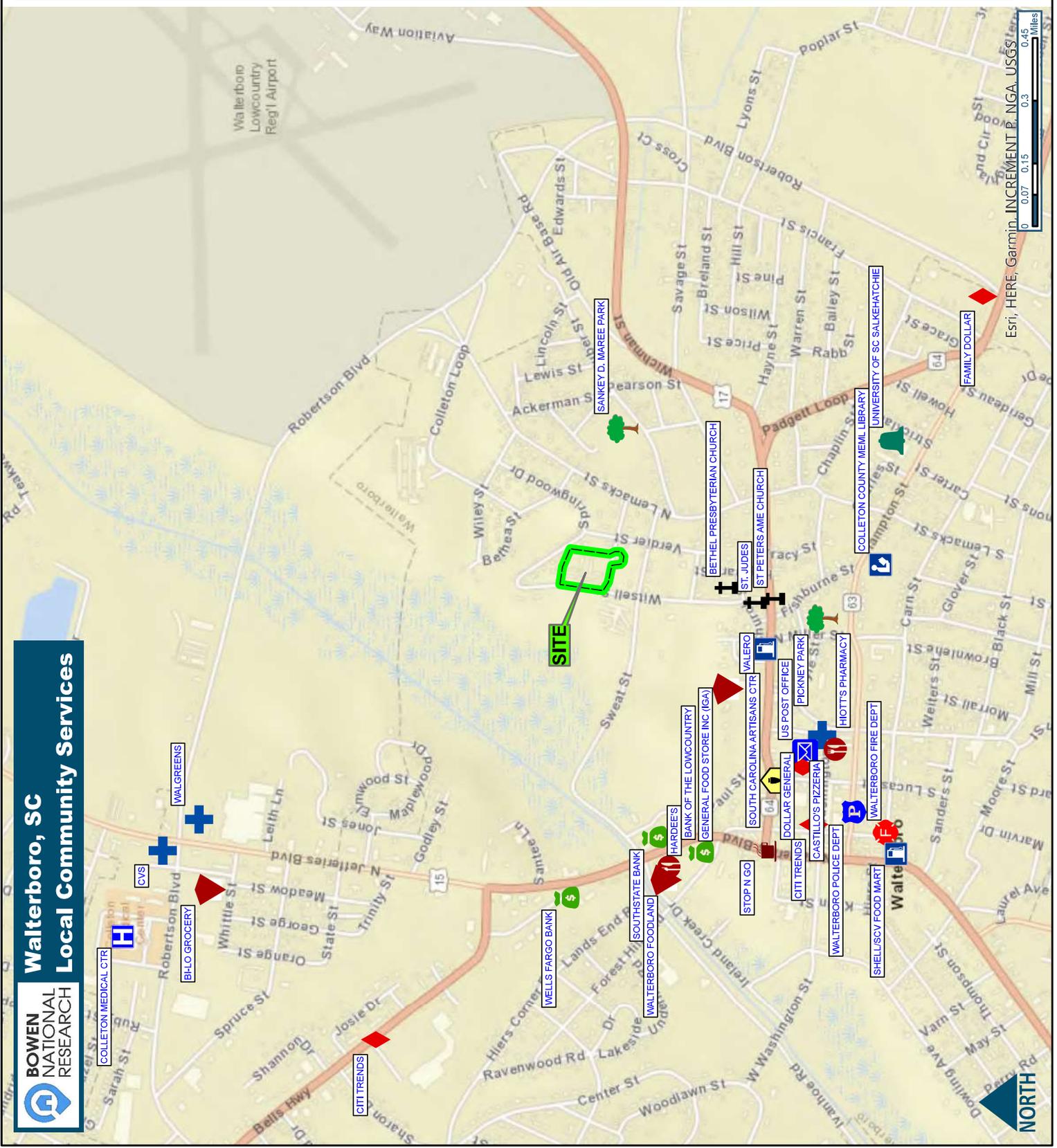


NORTH

1:3,594

BOWEN NATIONAL RESEARCH
Walterboro, SC
Local Community Services

- Legend**
- Site Area
 - Bank
 - Church
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Hospital
 - Library
 - Museum
 - Park
 - Pharmacy
 - Police
 - Post Office
 - Restaurant
 - Shopping
 - University



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



1:20,000

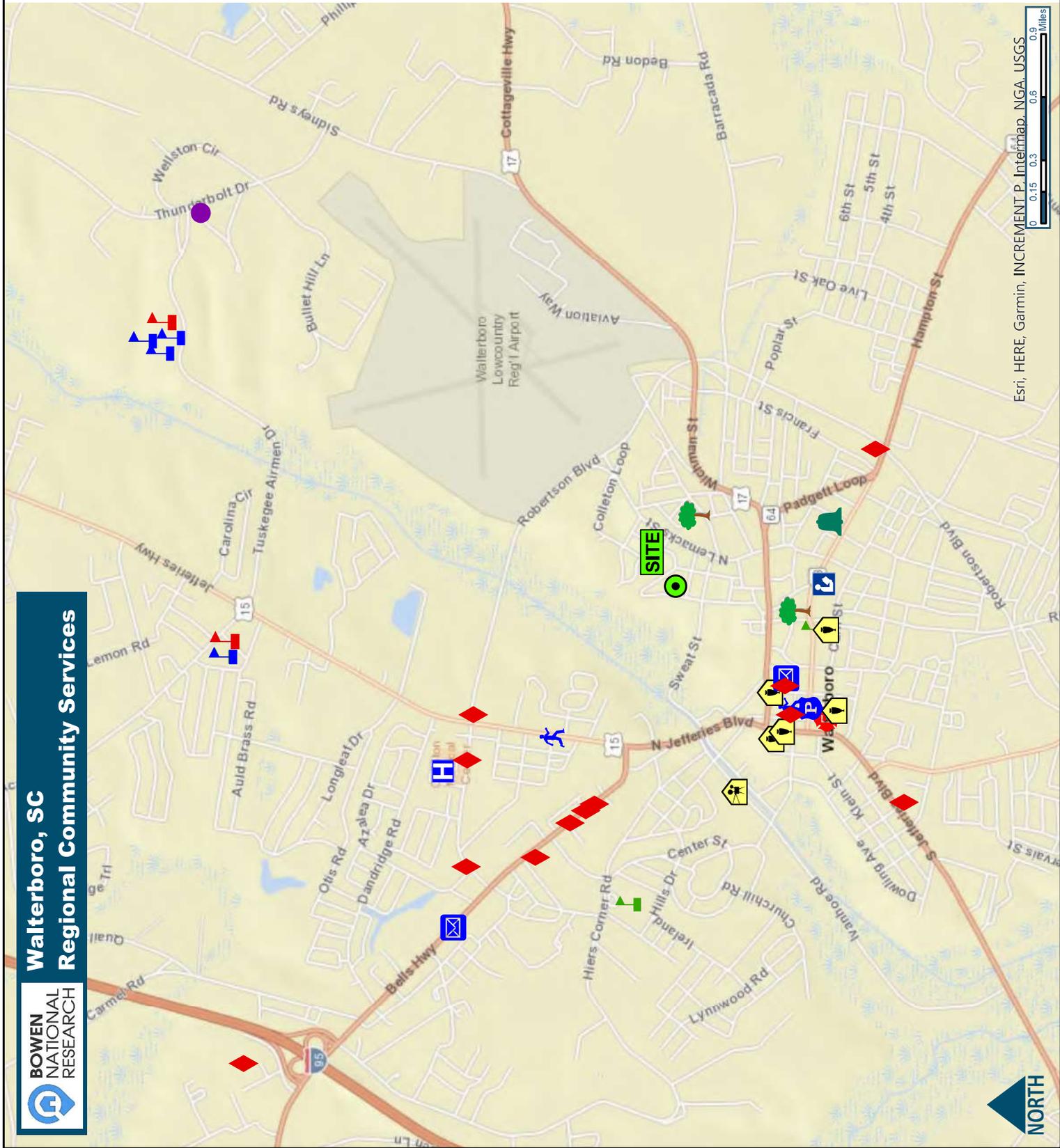




Walterboro, SC Regional Community Services

Legend

- Site
- Cinema
- Elementary School
- Fire
- Fitness Center
- High School
- Hospital
- Library
- Middle School
- Museum
- Park
- Police
- Post Office
- Recreation Center
- Shopping
- University



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the site's ZIP Code is 151, with an overall personal crime index of 174 and a property crime index of 148. Total crime risk for Colleton County is 127, with indexes for personal and property crime of 168 and 121, respectively.

	Crime Risk Index	
	Site ZIP Code	Colleton County
Total Crime	151	127
Personal Crime	174	168
Murder	179	181
Rape	96	77
Robbery	101	102
Assault	217	210
Property Crime	148	121
Burglary	172	159
Larceny	147	112
Motor Vehicle Theft	104	107

Source: Applied Geographic Solutions

The crime risk indices within both the site's ZIP Code (151) and Colleton County (127) are above the national average (100). However, these relatively high crime indices do not appear to have a negative impact on the overall marketability of the Walterboro rental housing market, as evidenced by the strong occupancy levels maintained at nearly all rental properties surveyed, including the subject site. As such, the perception of crime within the area is not anticipated to have an impact on the site's continued marketability. A map illustrating crime risk is on the following page.

7. ACCESS AND VISIBILITY

The subject property derives access from Witsell Street, a two-lane residential road that borders the site to the west. Traffic was observed to be light to moderate, which allows for convenient ingress and egress. This roadway also provides access to and from Wichman Street and North Jefferies Boulevard/U.S. Highway 15, approximately 0.4 and 0.7 miles from the site to south and west, respectively. Wichman Street is a three-lane, east-west arterial road with moderate to heavy traffic and North Jefferies Boulevard/U.S. Highway 15 is a five-lane, north-south commercial arterial road with moderate to heavy traffic. In addition, there are scheduled public transportation services, provided by the Palmetto Breeze Transit, available on site. Overall, access is considered good.

Visibility is considered limited due to the mostly obstructed views from the surrounding land uses, such as wooded land and houses bordering the site in all directions. However, the property is clearly visible upon ingress from Witsell Street and signage is present at the subject site entryways. Nonetheless, the limited visibility has not had an adverse impact on the site's marketability, as evidenced by its full occupancy and waiting list. Therefore, visibility of the site is considered adequate.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues observed while conducting the site visit.

9. OVERALL SITE CONCLUSIONS

The subject site is situated within a predominantly established area of Walterboro and fits well with the surrounding land uses. Visibility of the subject site is limited due to the mostly obstructed views from the surrounding land uses; however, the high occupancy rate demonstrates that the limited visibility has not adversely affected the property's marketability. Access to and from the site is considered good, due to the light traffic on Witsell Street, a two-lane residential road that borders the site to the west. Additionally, Palmetto Breeze Transit provides scheduled public transportation services within the area, with the nearest bus stop on-site. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social and public safety services are all within 2.0 miles. Proximity and ease of access to Wichman Street and North Jefferies Boulevard/U.S. Highway 15, as well as Interstate 95, enhances access and marketability. Overall, we consider the site's location and proximity to community services to have a positive effect on its continued marketability.

D. Primary Market Area Delineation

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

The Walterboro Site PMA includes all or portions of Walterboro, Cottageville, Jacksonboro and Smoaks, as well as outlying portions of unincorporated areas of Colleton County. Specifically, the boundaries of the Site PMA include the Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west. All boundaries of the Site PMA are generally within 20.2 miles from the site. The Site PMA includes all of, or portions of, the following Census Tracts:

9701.00	9703.00	9704.01	9704.02
9705.00*	9706.00	9707.00	9708.00

*Subject site location

Priscilla Myers is the Property Manager for Lincoln Apartments (subject site). Ms. Myers confirmed the boundaries of the Site PMA, stating that approximately 90.0% to 95.0% of her property's tenants are long-time residents of Walterboro and Colleton County. Ms. Myers explained that tenants tend to stay in the area due to the proximity of their families and the presence of several major thoroughfares (including Interstate 95) that provide access to other nearby communities. Walterboro is centrally located to several nearby large cities, with the communities of Charleston, Columbia and Beaufort, South Carolina accessible within an approximate drive time of 45 to 60 minutes.

Claudette Trippe is the Site Manager for Edisto Terrace Apartments (Map ID 6), a general-occupancy Tax Credit property in the central portion of the Site PMA. Ms. Trippe confirmed the boundaries of the Site PMA, estimating that approximately 80.0% to 90.0% of her property's tenants are long-time residents of Walterboro and Colleton County. Ms. Trippe stated that tenants tend to stay in the area due to the proximity of family members, noting that a tenant recently moved to the property from New Jersey to be closer to family.

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

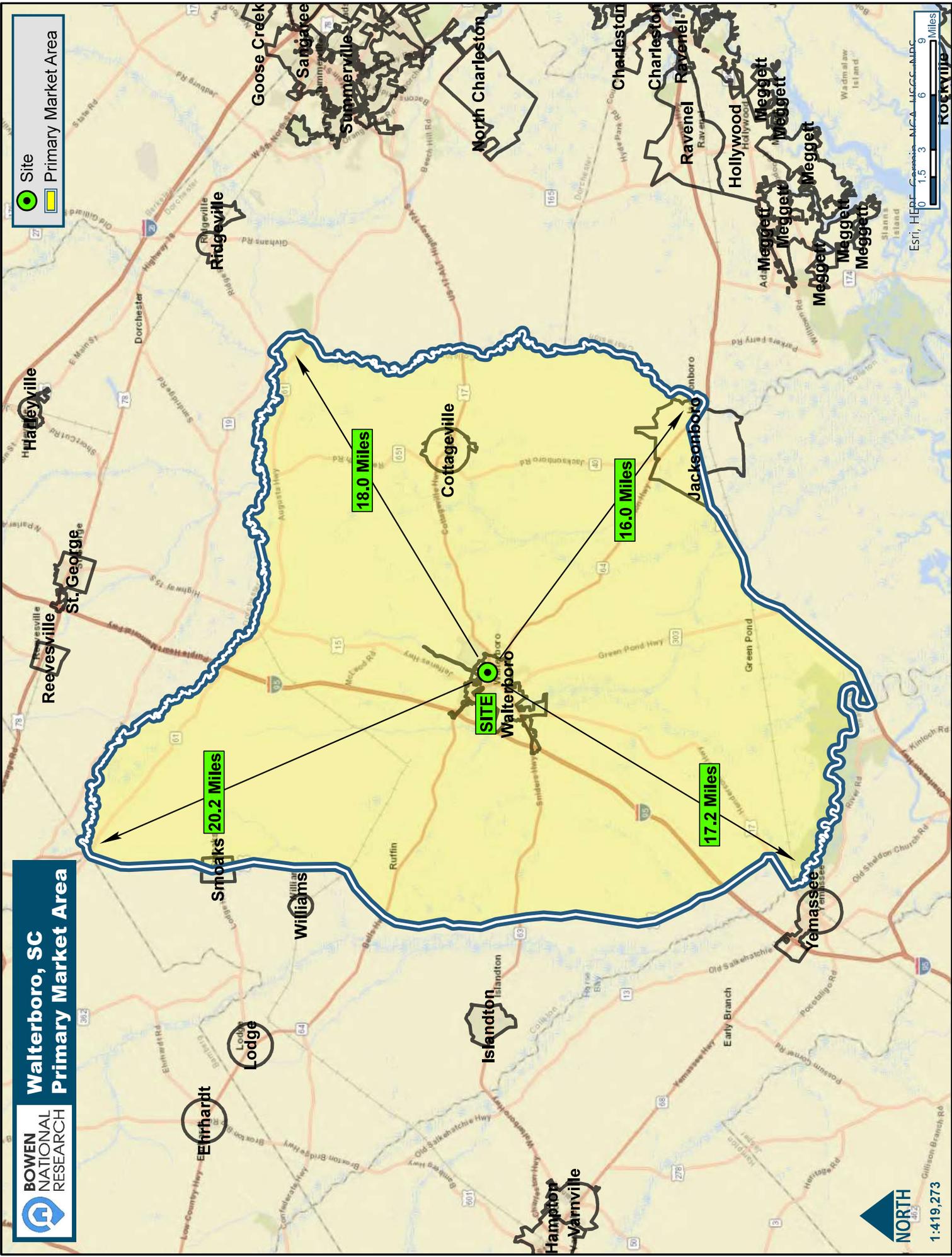
A map delineating the boundaries of the Site PMA is included on the following page.

Walterboro, SC Primary Market Area



Site

Primary Market Area



ESRI, HERE, Garmin, NGA, IGC, NDC

0 1.5 3 6 9 Miles

ROCKVILLE

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

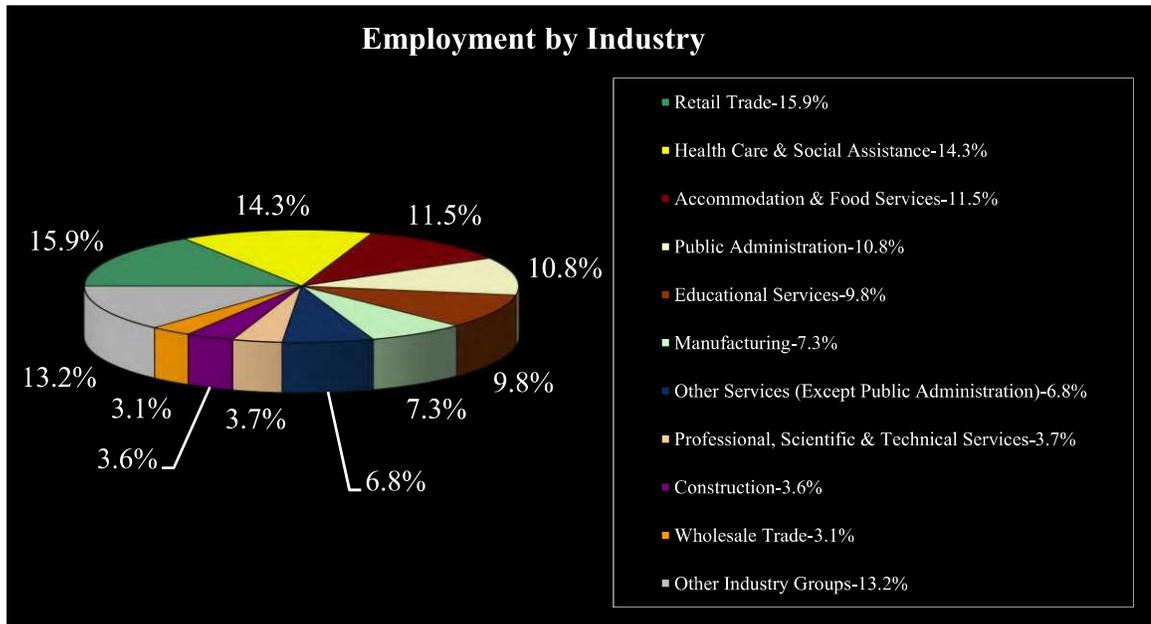
The labor force within the Walterboro Site PMA is based primarily in four sectors. Retail Trade (which comprises 15.9%), Health Care & Social Assistance, Accommodation & Food Services and Public Administration comprise nearly 53% of the Site PMA labor force. Employment in the Walterboro Site PMA, as of 2020, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	30	2.3%	173	1.6%	5.8
Mining	2	0.2%	13	0.1%	6.5
Utilities	2	0.2%	49	0.4%	24.5
Construction	88	6.9%	391	3.6%	4.4
Manufacturing	28	2.2%	794	7.3%	28.4
Wholesale Trade	54	4.2%	335	3.1%	6.2
Retail Trade	197	15.4%	1,737	15.9%	8.8
Transportation & Warehousing	18	1.4%	205	1.9%	11.4
Information	13	1.0%	142	1.3%	10.9
Finance & Insurance	64	5.0%	317	2.9%	5.0
Real Estate & Rental & Leasing	53	4.1%	227	2.1%	4.3
Professional, Scientific & Technical Services	78	6.1%	404	3.7%	5.2
Management of Companies & Enterprises	3	0.2%	36	0.3%	12.0
Administrative, Support, Waste Management & Remediation Services	31	2.4%	149	1.4%	4.8
Educational Services	35	2.7%	1,069	9.8%	30.5
Health Care & Social Assistance	95	7.4%	1,562	14.3%	16.4
Arts, Entertainment & Recreation	19	1.5%	110	1.0%	5.8
Accommodation & Food Services	91	7.1%	1,248	11.5%	13.7
Other Services (Except Public Administration)	243	19.0%	736	6.8%	3.0
Public Administration	89	7.0%	1,182	10.8%	13.3
Nonclassifiable	47	3.7%	19	0.2%	0.4
Total	1,280	100.0%	10,898	100.0%	8.5

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

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

Typical Wage by Occupation Type		
Occupation Type	Northeast South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$91,040	\$109,500
Business and Financial Occupations	\$63,960	\$70,470
Computer and Mathematical Occupations	\$62,690	\$77,080
Architecture and Engineering Occupations	\$67,980	\$80,470
Community and Social Service Occupations	\$44,720	\$44,530
Art, Design, Entertainment and Sports Medicine Occupations	\$46,280	\$50,930
Healthcare Practitioners and Technical Occupations	\$70,860	\$76,850
Healthcare Support Occupations	\$26,720	\$29,220
Protective Service Occupations	\$40,160	\$39,760
Food Preparation and Serving Related Occupations	\$23,560	\$23,250
Building and Grounds Cleaning and Maintenance Occupations	\$26,030	\$27,650
Personal Care and Service Occupations	\$29,370	\$28,850
Sales and Related Occupations	\$30,620	\$37,680
Office and Administrative Support Occupations	\$35,220	\$37,870
Construction and Extraction Occupations	\$40,110	\$44,550
Installation, Maintenance and Repair Occupations	\$45,030	\$46,990
Production Occupations	\$39,230	\$40,730
Transportation and Moving Occupations	\$32,970	\$34,010

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

Most annual blue-collar salaries range from \$23,560 to \$46,280 within the Northeast South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$71,306. It is important to note that most occupational types within the Northeast South Carolina Nonmetropolitan Area have lower typical wages than the State of South Carolina's typical wages.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Colleton County comprise a total of 2,712 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Colleton County Government	County Government	850
Colleton Medical Center	Regional Hospital	490
Colleton County School District	Education	400
Walmart	Retail	325
Veterans Victory House	Veteran Assisted Living	255
City of Walterboro	City Government	115
Carolina Composite (Pioneer Boats)	Watercraft Manufacturer	110
Carolina Visuals	Flag & Banner Manufacturer	68
Crescent Dairy & Beverage	Shelf-Stable Milk & Beverages	51
J&L Wire	Heavy Wire Mesh Decking	48
Total		2,712

Source: Colleton County Economic Alliance (2021)

According to a representative with the Colleton County Economic Alliance, the Colleton County economy is stable.

COVID-19 has halted the growth of the county. Before 2020, Colleton County was steadily growing. While the economy is not currently declining, COVID-19 has kept the county's growth on pause. Many major projects, including Project Stretch, an \$85 million project of undisclosed nature, were put on the shelf, causing multiple customers investing in these projects to file for bankruptcy.

Major infrastructure projects in planning and ongoing in Colleton County include the Walterboro Sewage Plant expansion, expanding treatment capacity three-fold, and the expansion of the Walterboro sewage and water line into a new industrial park in anticipation of the city's growth, partially due to the aforementioned industrial park that is currently under construction, with plans to be completed by January 2022. The design for the sewer line will be announced next month and will fill 1,481 acres of land purchased by the city.

Positive impacts within the county include the upcoming opening of the new Colleton County Industrial Park Mega-Site, to be located directly off of Exit 57 on Interstate 95, in which two companies have already made investments. Another notable positive impact is the 15,000 square-foot expansion of Carolina Textiles in Walterboro, as they celebrate 100 years of business. The expansion will create several new jobs in the area.

Additional infrastructure projects in the area include the \$17.3 million investment of the U.S. Department of Commerce in South Carolina to support business and disaster resiliency efforts in February 2021, which is expected to help create jobs in the area. Smaller projects include improvements to U.S. Highway 15 and State Route 61 and intersection improvements to U.S. Highway 15 at S-754, both in Colleton County.

WARN (layoff notices):

WARN Notices were reviewed in April 2021 and according to SC Works, there have been no WARN notices reported for Colleton County over the past 12 months.

4. EMPLOYMENT TRENDS

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

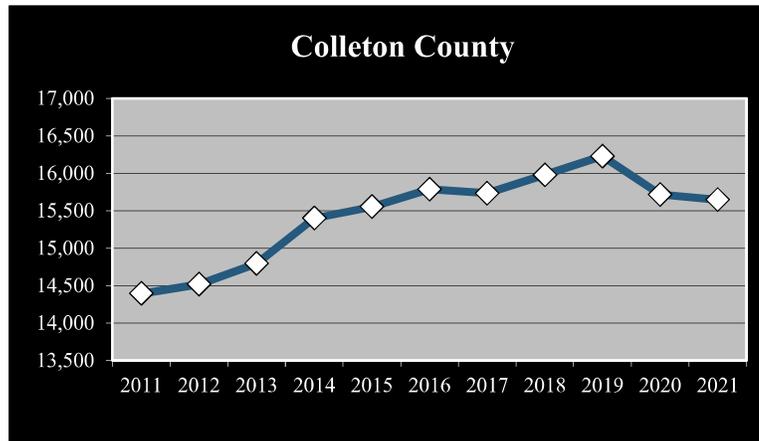
Excluding 2021, the employment base has declined by 0.5% over the past five years in Colleton County, while the state of South Carolina increased by 2.9%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Colleton County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	14,394	-	1,957,493	-	141,714,419	-
2012	14,519	0.9%	1,992,957	1.8%	143,548,588	1.3%
2013	14,795	1.9%	2,034,404	2.1%	144,904,568	0.9%
2014	15,401	4.1%	2,082,941	2.4%	147,293,817	1.6%
2015	15,554	1.0%	2,134,087	2.5%	149,540,791	1.5%
2016	15,788	1.5%	2,174,301	1.9%	151,934,228	1.6%
2017	15,733	-0.3%	2,200,602	1.2%	154,214,749	1.5%
2018	15,980	1.6%	2,242,438	1.9%	156,134,717	1.2%
2019	16,229	1.6%	2,302,573	2.7%	158,154,548	1.3%
2020	15,717	-3.2%	2,237,407	-2.8%	148,639,745	-6.0%
2021*	15,647	-0.4%	2,249,611	0.5%	150,431,608	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through March



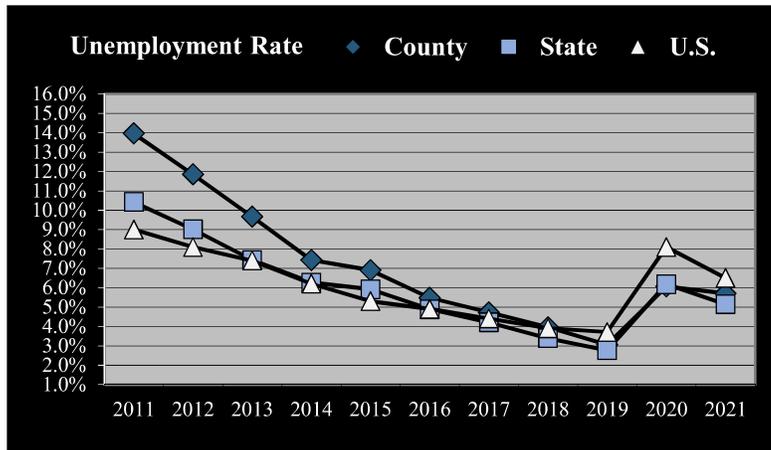
As the preceding illustrates, the Colleton County employment base generally experienced growth between 2011 and 2019. However, between 2019 and 2020, the county’s employment base declined by 3.2% as the result of the COVID-19 pandemic. On a positive note, the county’s employment base has been generally stable thus far in 2021, indicating that the local economy is beginning to improve.

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

Year	Unemployment					
	Colleton County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2011	2,333	14.0%	227,678	10.4%	14,026,497	9.0%
2012	1,951	11.8%	197,246	9.0%	12,683,816	8.1%
2013	1,587	9.7%	163,472	7.4%	11,624,030	7.4%
2014	1,237	7.4%	139,485	6.3%	9,774,435	6.2%
2015	1,153	6.9%	133,750	5.9%	8,419,872	5.3%
2016	915	5.5%	111,753	4.9%	7,857,015	4.9%
2017	779	4.7%	96,477	4.2%	7,096,170	4.4%
2018	657	4.0%	78,442	3.4%	6,388,109	3.9%
2019	512	3.1%	65,112	2.8%	6,076,609	3.7%
2020	1,015	6.1%	147,183	6.2%	13,027,601	8.1%
2021*	944	5.7%	121,461	5.1%	10,498,289	6.5%

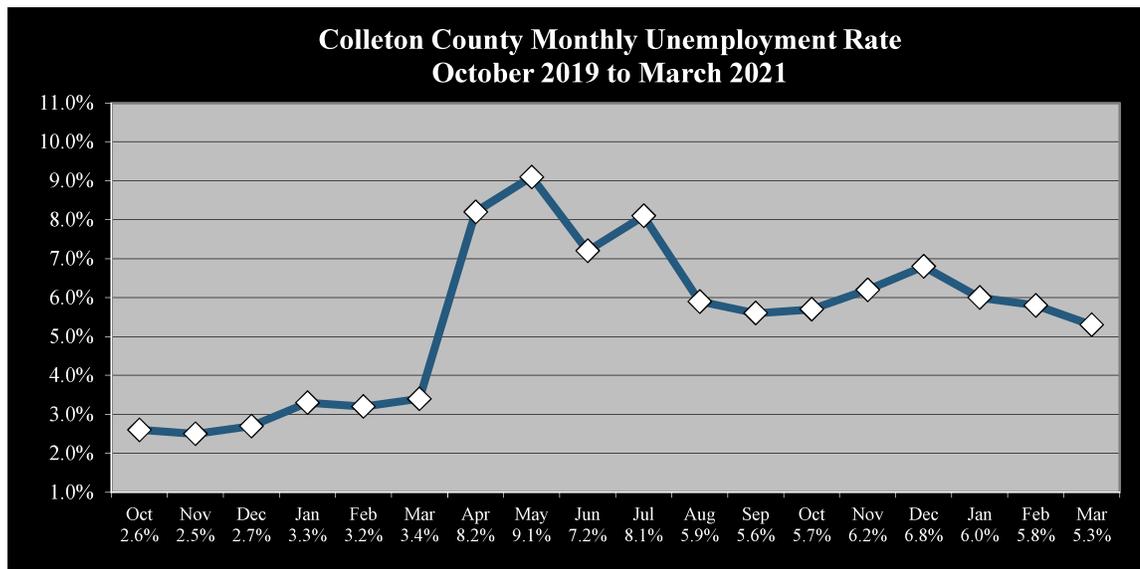
Source: Department of Labor; Bureau of Labor Statistics

*Through March



Between 2011 and 2019, the unemployment rate within Colleton County declined by nearly 11 percentage points, then increased by three percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the county has improved thus far in 2021, which has declined by 0.4 percentage points.

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



As the preceding table illustrates, the *monthly* unemployment rate for Colleton County spiked by nearly six percentage points between March and May 2020. On a positive note, the county’s monthly unemployment rate has generally decreased since.

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 Colleton County.

In-Place Employment Colleton County			
Year	Employment	Change	Percent Change
2010	10,173	-	-
2011	9,863	-310	-3.0%
2012	9,903	40	0.4%
2013	10,128	225	2.3%
2014	10,619	491	4.8%
2015	10,626	7	0.1%
2016	10,787	161	1.5%
2017	10,720	-67	-0.6%
2018	10,717	-3	0.0%
2019	10,669	-48	-0.4%
2020*	10,156	-513	-4.8%

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Colleton County to be 65.7% of the total Colleton County employment. This means that Colleton County has more employed persons staying in the county for daytime employment than those who work outside the county. This will continue to have a positive impact on the site's marketability, as it is likely that many of its residents have minimal commute times to their place of employment.

5. EMPLOYMENT CENTERS MAP

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

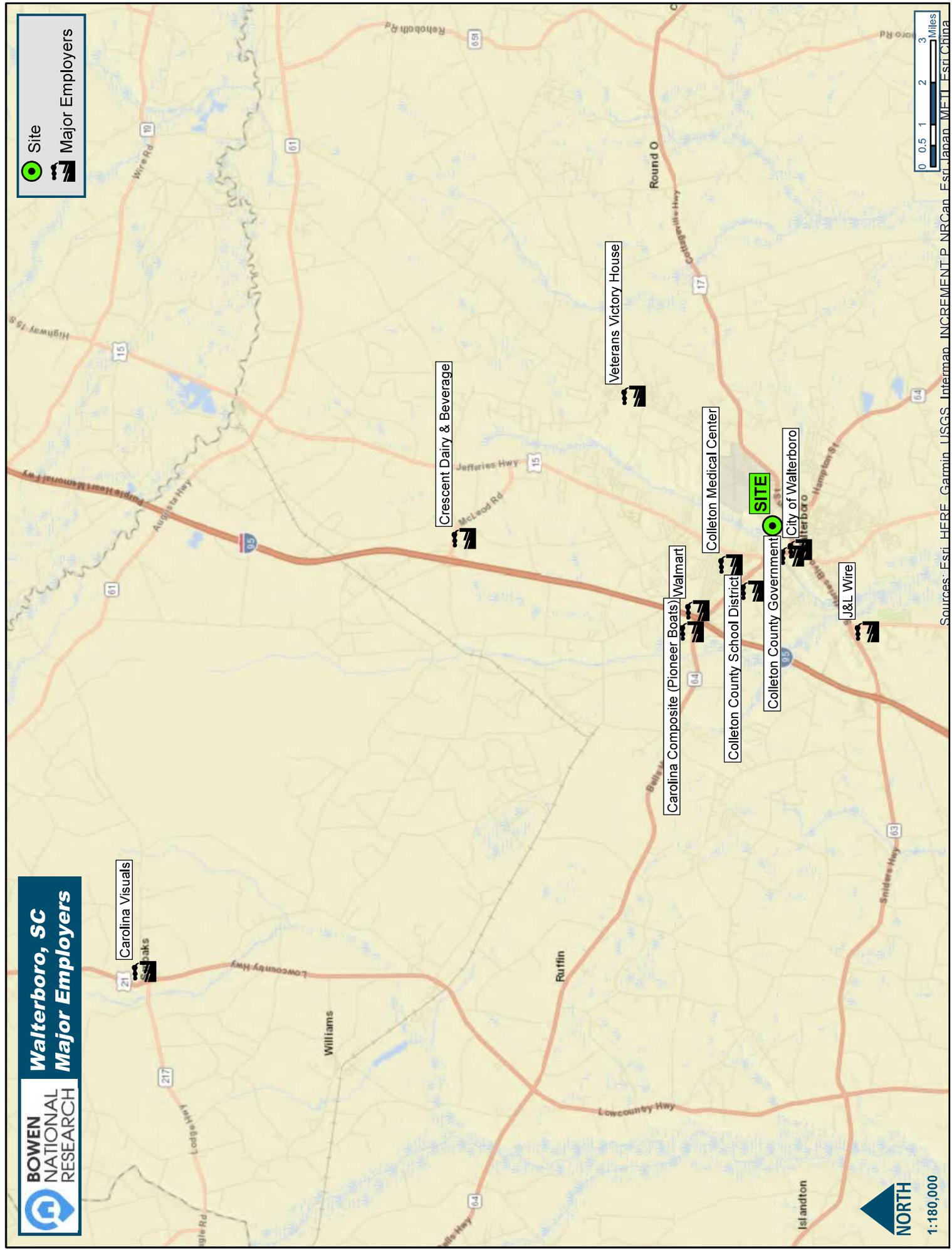


**BOWEN
NATIONAL
RESEARCH**

Walterboro, SC Major Employers

 Site

 Major Employers



1:180,000



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

6. COMMUTING PATTERNS

Based on the American Community Survey (2015-2019), 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	11,549	81.7%
Carpooled	2,099	14.9%
Public Transit	3	< 0.1%
Walked	88	0.6%
Other Means	183	1.3%
Worked at Home	207	1.5%
Total	14,129	100.0%

Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

Nearly 82% of all workers drove alone, 14.9% carpooled and less than 0.01% 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	2,504	17.7%
15 to 29 Minutes	4,058	28.7%
30 to 44 Minutes	3,116	22.1%
45 to 59 Minutes	2,280	16.1%
60 or More Minutes	1,965	13.9%
Worked at Home	207	1.5%
Total	14,130	100.0%

Source: American Community Survey (2015-2019); 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 15-minute drive to most of the area's largest employers, which should continue to contribute to its marketability. A drive-time map for the subject site is on the following page.

7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on data provided by the State of South Carolina of Labor and the U.S. Department of Labor, the local economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Colleton County employment base declined by over 510 jobs, or 3.2%, and its unemployment rate increased by three percentage points. Specifically, between March and May 2020, the unemployment rate within the county spiked by nearly six percentage points. On a positive note, the local economy appears to be stabilizing thus far in 2021. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for over 27% of the market's labor force and provide lower wage paying positions. The subject site will continue to provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2023 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2023 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2020 (estimated) and 2023 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Population	33,079	34,322	34,982	35,230
Population Change	-	1,243	660	248
Percent Change	-	3.8%	1.9%	0.7%

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

The Walterboro Site PMA population base increased by 1,243 between 2000 and 2010. This represents a 3.8% increase from the 2000 population base, or an annual rate of 0.4%. Between 2010 and 2020, the population increased by 660, or 1.9%. It is projected that the population will increase by 248, or 0.7%, between 2020 and 2023.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.1% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	388	1.1%
Population not in Group Quarters	33,934	98.9%
Total Population	34,322	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)		2020 (Estimated)		2023 (Projected)		Change 2020-2023	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	9,439	27.5%	8,529	24.4%	8,664	24.6%	135	1.6%
20 to 24	1,981	5.8%	1,910	5.5%	1,795	5.1%	-115	-6.0%
25 to 34	3,737	10.9%	4,488	12.8%	4,151	11.8%	-337	-7.5%
35 to 44	4,205	12.3%	3,939	11.3%	4,125	11.7%	186	4.7%
45 to 54	5,123	14.9%	4,347	12.4%	4,201	11.9%	-146	-3.4%
55 to 64	4,684	13.6%	4,971	14.2%	4,919	14.0%	-52	-1.0%
65 to 74	3,069	8.9%	4,186	12.0%	4,374	12.4%	188	4.5%
75 & Over	2,084	6.1%	2,612	7.5%	3,000	8.5%	388	14.9%
Total	34,322	100.0%	34,982	100.0%	35,230	100.0%	248	0.7%

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

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2020. This age group is the primary group of current and potential support for the subject site and likely represents a significant number of the tenants.

c. Elderly and Non-Elderly Population

The 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%	56.4%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	52.4%
American Indian	0.4%	0.4% + 20.0% = 20.4%	0.0%
Asian/Hawaiian/Pacific Islander	1.4%	1.4% + 20.0% = 21.4%	3.8%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.2%

Source: SC Housing and 2020 FFIEC Census Report

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Households	12,427	13,237	13,541	13,646
Household Change	-	810	304	105
Percent Change	-	6.5%	2.3%	0.8%
Household Size	2.66	2.59	2.55	2.55

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

Within the Walterboro Site PMA, households increased by 810 (6.5%) between 2000 and 2010. Between 2010 and 2020, households increased by 304, or 2.3%. By 2023, there will be 13,646 households, an increase of 105 households, or 0.8%, from 2020. This is an increase of approximately 35 households annually over the next three years.

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

Households by Age	2010 (Census)		2020 (Estimated)		2023 (Projected)		Change 2020-2023	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	430	3.2%	365	2.7%	367	2.7%	2	0.7%
25 to 34	1,560	11.8%	1,789	13.2%	1,650	12.1%	-139	-7.8%
35 to 44	2,203	16.6%	1,982	14.6%	2,052	15.0%	70	3.5%
45 to 54	2,862	21.6%	2,317	17.1%	2,218	16.3%	-99	-4.3%
55 to 64	2,809	21.2%	2,827	20.9%	2,766	20.3%	-61	-2.1%
65 to 74	2,009	15.2%	2,596	19.2%	2,686	19.7%	90	3.5%
75 to 84	1,015	7.7%	1,174	8.7%	1,344	9.8%	170	14.5%
85 & Over	349	2.6%	491	3.6%	562	4.1%	71	14.5%
Total	13,237	100.0%	13,541	100.0%	13,646	100.0%	105	0.8%

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

Between 2020 and 2023, the greatest growth among household age groups is projected to be among those ages 65 and older, increasing by 331, or 7.8%. This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market. However, over 66% of all households are projected to be under the age of 65 in 2023. This demonstrates that a larger number of age-appropriate households will continue to be present within the Site PMA to support the subject project.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	9,805	74.1%	10,121	74.7%	10,200	74.7%
Renter-Occupied	3,432	25.9%	3,420	25.3%	3,446	25.3%
Total	13,237	100.0%	13,541	100.0%	13,646	100.0%

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

In 2020, homeowners occupied 74.7% of all occupied housing units, while the remaining 25.3% were occupied by renters. The share of renters is considered typical for rural markets, such as the Walterboro Site PMA, and the 3,420 renter households estimated in 2020 represent a good base of continued support for the subject site.

c. Households by Income

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

Household Income	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,961	14.8%	1,370	10.1%	1,294	9.5%
\$10,000 to \$19,999	2,346	17.7%	2,059	15.2%	1,991	14.6%
\$20,000 to \$29,999	2,079	15.7%	2,189	16.2%	2,102	15.4%
\$30,000 to \$39,999	1,559	11.8%	1,923	14.2%	1,936	14.2%
\$40,000 to \$49,999	1,434	10.8%	1,270	9.4%	1,305	9.6%
\$50,000 to \$59,999	1,036	7.8%	970	7.2%	1,013	7.4%
\$60,000 to \$74,999	1,178	8.9%	1,051	7.8%	1,086	8.0%
\$75,000 to \$99,999	797	6.0%	1,162	8.6%	1,238	9.1%
\$100,000 to \$124,999	485	3.7%	690	5.1%	731	5.4%
\$125,000 to \$149,999	221	1.7%	339	2.5%	381	2.8%
\$150,000 to \$199,999	113	0.9%	226	1.7%	252	1.8%
\$200,000 & Over	28	0.2%	293	2.2%	319	2.3%
Total	13,237	100.0%	13,542	100.0%	13,646	100.0%
Median Income	\$31,491		\$35,996		\$37,423	

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

In 2010, the median household income was \$31,491. This increased by 14.3% to \$35,996 in 2020. By 2023, it is projected that the median household income will be \$37,423, an increase of 4.0% from 2020.

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, 2020 and 2023 for the Walterboro Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	321	243	131	109	94	898
\$10,000 to \$19,999	352	231	125	104	90	902
\$20,000 to \$29,999	197	153	82	68	59	560
\$30,000 to \$39,999	115	96	52	43	37	344
\$40,000 to \$49,999	93	85	46	38	33	296
\$50,000 to \$59,999	44	42	22	19	16	143
\$60,000 to \$74,999	49	48	26	21	18	163
\$75,000 to \$99,999	25	24	13	11	9	81
\$100,000 to \$124,999	7	8	4	4	3	26
\$125,000 to \$149,999	3	3	2	2	1	12
\$150,000 to \$199,999	2	2	1	1	1	6
\$200,000 & Over	0	0	0	0	0	2
Total	1,210	935	506	419	362	3,432

Source: ESRI; Urban Decision Group

Renter Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	276	156	89	64	58	643
\$10,000 to \$19,999	385	181	104	74	68	812
\$20,000 to \$29,999	276	162	93	67	61	658
\$30,000 to \$39,999	211	119	68	49	45	492
\$40,000 to \$49,999	125	75	43	31	28	301
\$50,000 to \$59,999	56	41	24	17	15	154
\$60,000 to \$74,999	62	44	25	18	17	167
\$75,000 to \$99,999	42	32	18	13	12	118
\$100,000 to \$124,999	13	11	6	4	4	38
\$125,000 to \$149,999	6	5	3	2	2	17
\$150,000 to \$199,999	3	3	2	1	1	10
\$200,000 & Over	4	3	2	1	1	12
Total	1,459	831	477	342	311	3,420

Source: ESRI; Urban Decision Group

Renter Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	268	148	84	60	56	616
\$10,000 to \$19,999	385	174	99	71	66	793
\$20,000 to \$29,999	276	159	90	65	60	649
\$30,000 to \$39,999	228	122	69	50	46	515
\$40,000 to \$49,999	144	80	46	33	30	333
\$50,000 to \$59,999	60	43	25	18	16	163
\$60,000 to \$74,999	66	46	26	19	17	175
\$75,000 to \$99,999	47	35	20	14	13	129
\$100,000 to \$124,999	13	11	6	4	4	38
\$125,000 to \$149,999	6	5	3	2	2	18
\$150,000 to \$199,999	3	2	1	1	1	8
\$200,000 & Over	3	3	2	1	1	10
Total	1,499	827	471	336	313	3,446

Source: ESRI; Urban Decision Group

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

Demographic Summary

Over one-fourth of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2010 and are projected to remain relatively stable through 2023. Regardless, the 3,420 renter households estimated in 2020 represent a good base of continued support in the market for the subject development. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied, including the subject site. This indicates that pent-up demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. Project-Specific Demand Analysis

1. INCOME RESTRICTIONS

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

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

The subject site is in Colleton County, a nonmetropolitan statistical area, which has a four-person median household income of \$45,500 for 2021. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$63,400 in 2021. The subject property will be restricted to households with incomes up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$22,200	\$26,640
Two-Person	\$25,350	\$30,420
Three-Person	\$28,550	\$34,260
Four-Person	\$31,700	\$38,040
Five-Person	\$34,250	\$41,100
Six-Person	\$36,750	\$44,100

The largest subject units (four-bedroom) at the subject site will continue to generally house up to six-person households. As such, the maximum allowable income at the subject site is **\$44,100**.

2. AFFORDABILITY

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

The lowest programmatic gross LIHTC rent at the site is \$713. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,556. 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 **\$24,446**.

Considering that the subject project will continue to offer a project-based subsidy on all 64 units post LIHTC renovations, it will continue to serve households with little or no income. Therefore, we used \$0 as the minimum income requirement for the subject's Section 8 units.

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate with a project-based subsidy as proposed, as well as in the unlikely event the subject project lost its subsidy and operated exclusively under the Tax Credit program.

Unit Type	Income Range	
	Minimum	Maximum
As Proposed with Subsidy		
Section 8 (Limited To 50% AMHI)	\$0	\$36,750
As Proposed without Subsidy		
Tax Credit (Limited to 60% AMHI)	\$24,446	\$44,100

3. DEMAND COMPONENTS

The following are the demand components as outlined by SC Housing :

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2020 Census data estimates and projecting forward to 2023, per state guidelines, 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) 2015-2019 5-year estimates, approximately 9.5% to 31.1% (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 2019 ACS 5-Year Estimates Table B25016, 3.0% 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 2020 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2020 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. **DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, there are no comparable affordable housing projects that were funded and/or built during the projection period (2020 to current). In addition, the one existing comparable LIHTC project within the market is fully occupied with a waiting list. Therefore, we did not utilize any existing units in the demand analysis illustrated on the following page.

Demand Component	Percent of Median Household Income	
	As Proposed w/Subsidy (\$0-\$36,750)	Tax Credit Only (\$24,446-\$44,100)
Demand from New Renter Households (Income-Appropriate)	2,422 - 2,445 = -23	1,000 - 980 = 20
+		
Demand from Existing Households (Rent Overburdened)	2,445 X 31.1% = 759	980 X 9.5% = 93
+		
Demand from Existing Households (Renters in Substandard Housing)	2,445 X 3.0% = 73	980 X 3.0% = 29
+		
Demand from Existing Households (Senior Homeowner Conversion)	N/A	
=		
Total Demand	809	142
-		
Supply (Directly Comparable Units Built and/or Funded Since 2020)	0	0
=		
Net Demand	809	142
Subject Units	64	64
Subject Units / Net Demand	64 / 809	64 / 142
Capture Rate	= 7.9%	= 45.1%

N/A - Not Applicable

Typically, under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As such, the capture rate of 7.9% for the subject project as proposed with the retention of a project-based subsidy is considered low and easily achievable. In the unlikely event that the subject project would ever lose its project-based subsidy and operated solely under the LIHTC program, the capture rate would increase to 45.1%. This capture rate is considered relatively high under this methodology, illustrating a limited base of demographic support for the project in the unlikely event it exclusively operated under the LIHTC program. In this unlikely scenario, rents would need to be lowered in order for the project to stabilize within a reasonable time frame. Regardless, the subject project will continue to operate with a subsidy and is 100.0% occupied. Therefore, the effective capture rate is **0.0%**.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	35.0%
Two-Bedroom	40.0%
Three-Bedroom	15.0%
Four-Bedroom	10.0%
Total	100.0%

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

As Proposed with Subsidy

Units Targeting up to 50% Of AMHI with Section 8 (809 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	283	0	283	16	5.7%
Two-Bedroom (40%)	324	0	324	24	7.4%
Three-Bedroom (15%)	121	0	121	16	13.2%
Four-Bedroom (10%)	81	0	81	8	9.9%

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

LIHTC-Only

Units Targeting 60% Of AMHI Tax Credit Only (142 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	50	0	50	16	32.0%
Two-Bedroom (40%)	57	0	57	24	42.1%
Three-Bedroom (15%)	21	0	21	16	76.2%
Four-Bedroom (10%)	14	0	14	8	57.1%

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

As proposed with the subsidy on all units, the subject's capture rates by bedroom type are low and easily achievable, ranging from 5.7% to 13.2%. Conversely, the subject's capture rates by bedroom type in the unlikely scenario it lost its subsidy range from 32.0% to 76.2% and are considered relatively high. This illustrates that limited demographic support will exist for the project in the unlikely event it solely operated under the LIHTC program, per state demand methodology. Regardless, as previously stated, the subject project is expected to retain its subsidy and is 100.0% occupied. Additionally, all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is **0.0%** for each bedroom type.

Considering that the subject project offers 24 three- and four-bedroom units, which comprise 37.5% of all subject units offered, the following analysis has been conducted to consider only large-households (three-person+) and the subject's three- and four-bedroom units.

Demand Component	As Proposed w/Subsidy (\$0-\$36,750)	Tax Credit Only (\$33,909-\$44,100)
Demand from New Larger Renter Households (Income-Appropriate)	761 - 787 = -26	146 - 141 = 5
+		
Demand from Existing Households (Rent Overburdened)	787 X 31.1% = 245	141 X 2.3% = 3
+		
Demand from Existing Households (Renters in Substandard Housing)	787 X 3.0% = 24	141 X 3.0% = 4
=		
Total Large Household Demand	243	
-		
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2020)	0	0
=		
Net Large Household Demand	243	12
Subject (Three-Br.+) Units	24	24
Subject (Three-Br.+) Units/ Net Large Household Demand	24 / 243	24 / 12
Large-Household Capture Rate	= 9.9%	> 100.0%

The capture rate for the subject's three- and four-bedroom units as proposed with the retention of the project-based subsidy of 9.9% is considered low and easily achievable when considering larger (three-person+) household sizes. This is further illustrated by the subject's 100.0% occupancy rate. The Tax Credit only overall larger household capture rate exceeds 100.0%. Regardless, the subject project is expected to retain its subsidy and all tenants are anticipated to income-qualify post renovations. Therefore, the effective capture rate is **0.0%**. It is important to note that the net demand for the subject's three- and four-bedroom units in the preceding table differs from the net demand by bedroom type on the preceding page. The analysis in the preceding table considers all larger household sizes that will income-qualify to reside at the subject's three- and four-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

All 64 of the subject units are occupied with the project maintaining a waiting list of up to five households for the next available unit. It is important to note that the renovations at the subject site will not necessitate the displacement of current residents. As a result, it is anticipated that none, or very few, of the current tenants will move from the project during or following renovations. Therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 64 subject units will be vacated and that all units will have to be re-rented under the Section 8 program. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial renovated units at the site will be available for rent sometime in 2023, though the actual completion time may be earlier.

It is our opinion that the 64 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 12 units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that the subsidy will be maintained.

Should the Section 8 subsidy not be secured, and the project had to operate exclusively under the LIHTC program, the 64 LIHTC units at the subject site would likely experience difficulties reaching and/or maintaining a stabilized occupancy level if all units were vacated simultaneously. Note that if the subject project were to operate exclusively under the limitations of the Tax Credit program, we do not expect all existing tenants to remain at the site, as all existing residents would likely not be able or willing to pay the rent increase based on the current project's rent roll provided by management. In this unlikely scenario, LIHTC rents at the site will likely need to be lowered in order to capture a larger share of demographic support within the market.

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

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

We identified one family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) development within the Site PMA. This project, Edisto Terrace Apartments (Map ID 6), targets households earning up to 50% and 60% of Area Median Household Income (AMHI) and is considered comparable to the subject development. Given the limited amount of non-subsidized general-occupancy LIHTC product within the market, we identified and surveyed three additional LIHTC properties located outside of the Walterboro Site PMA, but within the region in Summerville. Note that these three LIHTC projects located outside of the market are not considered competitive with the subject project, as they derive demographic support from a different geographical region. These properties were selected for comparison purposes only. The four comparable LIHTC properties and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Lincoln Apartments	1971 / 2022	64	100.0%	-	5 HH	Families; 60% AMHI & Section 8
6	Edisto Terrace Apts.	2007	48	100.0%	3.6 Miles	9 HH	Families; 50% & 60% AMHI
901	Azalea Park	2002	64	100.0%	28.4 Miles	6-12 Months	Families; 50% & 60% AMHI
902	Cedar Key	2003	48	100.0%	33.2 Miles	5 HH	Families; 50% & 60% AMHI
903	Planters Retreat	2005	192	96.9%	32.2 Miles	None	Families; 60% AMHI

OCC. – Occupancy

HH – Households

900 series Map IDs are located outside Site PMA

The four LIHTC projects have a combined occupancy rate of 98.3%, a strong rate for affordable rental housing. In fact, three of these developments are 100.0% occupied and maintain a waiting list, including the only non-subsidized general-occupancy LIHTC project located within the *market*. This illustrates that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will continue to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	Lincoln Apartments	\$713*/60% (16)	\$851/60% (24)	\$989*/60% (16)	\$1,102*/60% (8)	-
6	Edisto Terrace Apts.	\$500/50% (3/0) \$610/60% (1/0)	\$692/50% (6/0) \$759/60% (26/0)	\$827/50% (8/0) \$871/60% (4/0)	-	None
901	Azalea Park	-	\$721/50% (8/0) \$821/60% (24/0)	\$876/50% (8/0) \$976/60% (24/0)	-	None
902	Cedar Key	-	\$956/50% (16/0) \$1,164/60% (8/0)	\$1,129/50% (12/0) \$1,363/60% (12/0)	-	None
903	Planters Retreat	-	\$1,118/60% (96/3)	\$1,311/60% (96/3)	-	None

*2021 maximum allowable gross LIHTC rent
900 series Map IDs are located outside Site PMA

The proposed subject gross rents, ranging from \$713 to \$1,102, will be within the range of LIHTC rents offered at the comparable properties for similar unit types within the region; however, are well above the LIHTC rents offered at the one comparable project within the *market*. While the 100.0% occupancy rate and waiting list maintained at Edisto Terrace Apartments (Map ID 6) indicates that higher rents are likely attainable, considering that the subject project is much older than this development, lacking two full bathrooms within the larger unit types, it is likely that the proposed LIHTC rents at the subject site are not achievable. As such, in the unlikely event the subject project did not offer a subsidy and operated exclusively under the LIHTC program, rents will likely need to be lowered in order for the project to be well received as a non-subsidized LIHTC community and stabilize within a reasonable time frame. Regardless, the subject project will continue to offer a subsidy on all units, requiring residents to pay up to 30% of their gross adjusted income towards housing costs. As such, the subject units will continue to represent substantial values to low-income renters within the market.

The following table identifies the one comparable LIHTC property within the Site PMA that accepts 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
6	Edisto Terrace Apts.	48	5	10.4%

As the preceding table illustrates, there are a total of five units that are occupied by Voucher holders among the one comparable LIHTC project in the market. The five units occupied by Voucher holders comprise only 10.4% of these comparable units. This illustrates that nearly 90% of these comparable Tax Credit units in the market are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the comparable LIHTC project in the market are achievable.

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

6 Edisto Terrace Apts. 3.6 miles to site



Address: 180 Mable T. Willis Blvd., Walterboro, SC 29488
 Phone: (843) 538-5657 Contact: Claudette (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 48 Year Built: 2007
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 9 HH
 Rent Special: None

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

Notes: Tax Credit; HOME Funds (10 units)



Features And Utilities

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

Utility Type & Responsibility: Landlord pays Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$/ Sq Ft	Collected Rent	AMHI
1	1	G	3	0	705	\$0.53	\$371	50%
1	1	G	1	0	705	\$0.68	\$481	60%
2	2	G	6	0	912	\$0.57	\$520	50%
2	2	G	26	0	912	\$0.64	\$587	60%
3	2	G	8	0	1,057	\$0.57	\$600	50%
3	2	G	4	0	1,057	\$0.61	\$644	60%

*Adaptive Reuse

*DTS is based on drive time

901 Azalea Park **28.4 miles to site**



Address: 527 Orangeburg Rd, Summerville, SC 29483
 Phone: (843) 261-6262 Contact: Evonne
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 64 Year Built: 2002
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 6-12 mos
 Rent Special: None

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

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

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

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

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Playground); CCTV; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$/ Sq Ft	Collected Rent	AMHI
2	1	G	8	0	1,000	\$0.60	\$595	50%
2	1	G	24	0	1,000	\$0.70	\$695	60%
3	2	G	8	0	1,100	\$0.64	\$705	50%
3	2	G	24	0	1,100	\$0.73	\$805	60%

*Adaptive Reuse

*DTS is based on drive time

902 Cedar Key **33.2 miles to site**



Address: 246 Pidgeon Bay Dr, Summerville, SC 29483
 Phone: (843) 695-0250 Contact: Janine (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 48 Year Built: 2003
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 5 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

Utility Type & Responsibility: Landlord pays Sewer, Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$/ Sq Ft	Collected Rent	AMHI
2	2	G	16	0	915	\$0.88	\$809	50%
2	2	G	8	0	915	\$1.11	\$1,017	60%
3	2	G	12	0	1,100	\$0.85	\$933	50%
3	2	G	12	0	1,100	\$1.06	\$1,167	60%

*Adaptive Reuse

*DTS is based on drive time

903 Planters Retreat **32.2 miles to site**



Address: 4370 Ladson Rd, Summerville, SC 29485
 Phone: (843) 832-6111 Contact: Grace
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 192 Year Built: 2005
 Vacant Units: 6 *AR Year:
 Occupancy: 96.9% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: South Carolina State Housing Finance and Development Authority

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

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

Property Amenities: Bike Racks / Storage; Business Center (Computer, Copy, Fax); Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool); WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$/ Sq Ft	Collected Rent	AMHI
2	2	G	96	3	1,082	\$0.92	\$992	60%
3	2	G	96	3	1,322	\$0.86	\$1,140	60%

*Adaptive Reuse

*DTS is based on drive time

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Lincoln Apartments	693	838	940	1,070
6	Edisto Terrace Apts.	705	912	1,057	-
901	Azalea Park	-	1,000	1,100	-
902	Cedar Key	-	915	1,100	-
903	Planters Retreat	-	1,082	1,322	-

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Lincoln Apartments	1.0	1.0	1.0	1.5
6	Edisto Terrace Apts.	1.0	2.0	2.0	-
901	Azalea Park	-	1.0	2.0	-
902	Cedar Key	-	2.0	2.0	-
903	Planters Retreat	-	2.0	2.0	-

900 series Map IDs are located outside Site PMA

The subject project will continue to offer the smallest unit sizes (square feet) and lack an additional bathroom within its two- and three-bedroom units. However, these characteristics are considered typical of older subsidized rental product. In addition, the subject’s 100.0% occupancy rate and waiting list is a clear indication that the subject’s unit designs are appropriate for and marketable to the targeted tenant population. The small unit sizes will, however, limit the subject project’s rent potential if it operates without a subsidy.

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

Tax Credit Unit Amenities by Map ID						
	Site*	6	901	902	903	
Appliances	Dishwasher	X	X	X	X	
	Disposal	X	X		X	X
	Icemaker	X				X
	Microwave	X	X			X
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony		X		X	
	Deck / Patio		X		X	
	Basement					
	Ceiling Fan	X	X	X	X	X
	Controlled Access					
	E-Call System					
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	X	X	X	X
	W/D	X				
	Walk-In Closet		X			
Window Treatments	X	X	X	X	X	
Flooring	Carpet		X	X	X	X
	Ceramic Tile					
	Composite (VCT)(LVT)	X				X
	Hardwood					
	Finished Concrete					
	Vinyl		X	X	X	
Wood Laminate / Plank		X				
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
	Oversized Windows					
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	Podium Parking					
No Provided Parking						

◆ - Senior Property

* Proposed Site(s): Lincoln Apartments

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*	6	901	902	903
Bike Racks / Storage		X			X
Business Center **	X		X	X	X
Car Care **					
Common Patio					
Community Garden					
Activity / Craft Room					
Chapel					
Clubhouse	X	X	X	X	X
Conference Room					
Community Kitchen	X				
Community Room	X			X	
Dining Room - Private					
Dining Room - Public					
Rooftop Lounge					
Study Lounge					
TV Lounge					
Concierge Service **				X	
Convenience Amenities **					
Courtyard					
Covered Outdoor Area **		X		X	
Elevator					
Laundry Room		X	X	X	X
Meals					
On-Site Management	X	X	X	X	X
Pet Care **					
Basketball					
Bocce Ball					
Firepit					
Fitness Center	X				
Grill		X		X	X
Game Room - Billiards					
Hiking - Walking Trail					
Hot Tub					
Library					
Media Room / Theater					
Picnic Table / Area		X		X	X
Playground	X	X	X	X	X
Putting Green					
Racquetball					
Shuffleboard					
Sports Court					
Swimming Pool - Indoor					
Swimming Pool - Outdoor					X
Tennis					
Volleyball					
CCTV	X	X	X		
Courtesy Officer					
Gated Community					
Gated Parking					
Police Substation					
Social Services **					
Storage - Extra		S		X	
Water Feature					
WiFi			X		X

◆ - Senior Property

* Proposed Site(s): Lincoln Apartments

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

** Details in Comparable Property Profile Report

Once renovations are complete and additions are made, the subject's amenities package will be generally similar with those offered at the comparable LIHTC projects within the market and region. Specifically, when compared to the one comparable LIHTC within the Site PMA, the subject project will be the only LIHTC development to offer washer/dryer appliances and an icemaker in the refrigerator; however, it will be the only LIHTC development to not offer a dishwasher, walk-in closets or a patio/balcony within the units. The subject project will also be the only LIHTC project within the market to offer a computer center and fitness center as community amenities, while it will be the only LIHTC project to not offer a picnic area. Nonetheless, the inclusion of the additional amenities at the site post renovations will enhance its marketability.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes, amenities, location, quality and occupancy rates of the existing low-income properties within the market and region, it is our opinion that the subject development will continue to be very marketable, assuming the Section 8 subsidy is retained. Although the subject will continue to be much older than the comparable LIHTC properties, offering the smallest unit sizes (square feet) and lacking two full bathrooms within the larger unit types, these characteristics have not had an adverse impact on the subject site, as evidenced by its current occupancy rate and waiting list. However, the subject project would likely need to reduce its LIHTC rent levels to be competitive as a non-subsidized property. Regardless, the subject will continue to operate with a subsidy and the proposed renovations will significantly enhance the subject's overall quality and enable it to continue to compete well in this market.

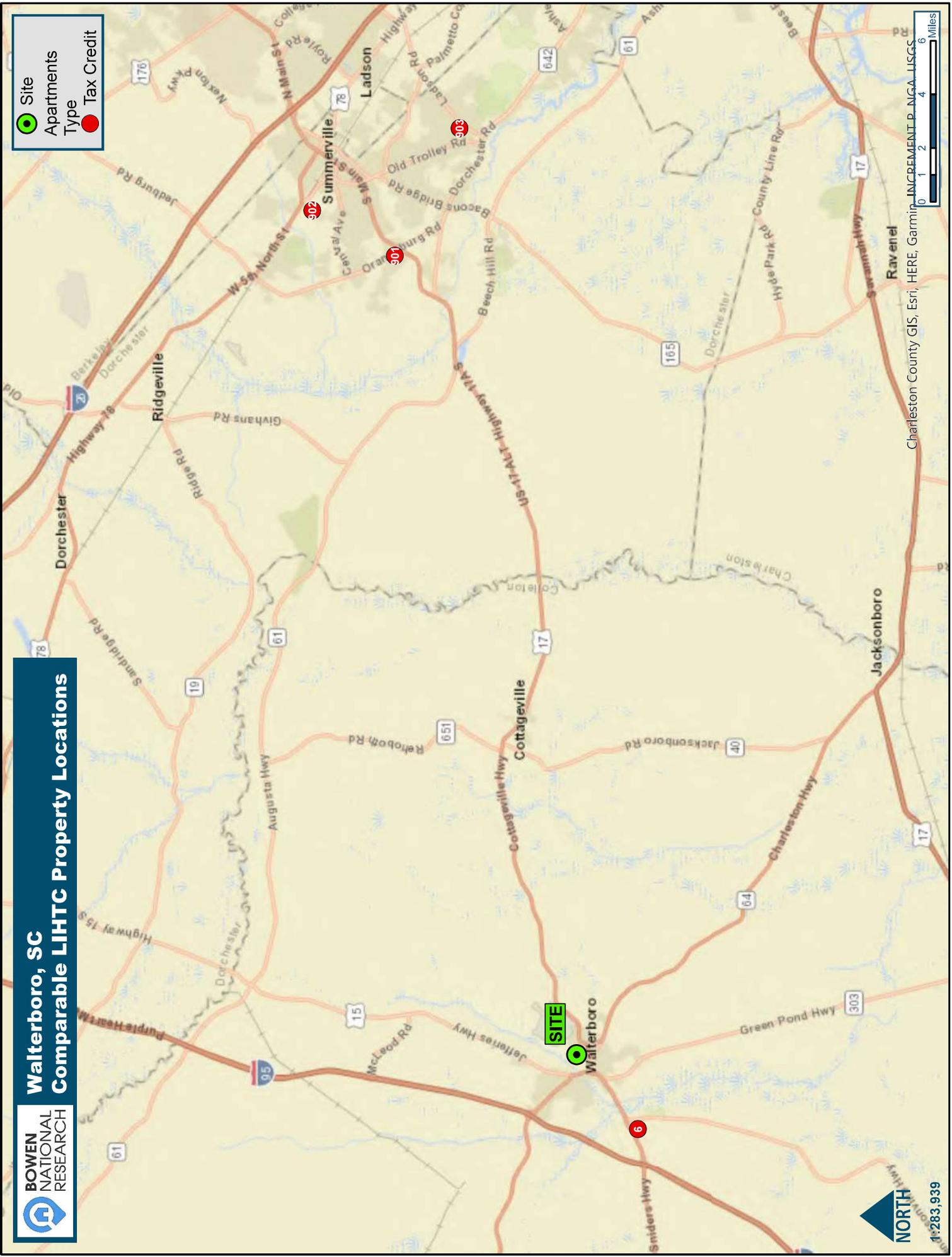
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Walterboro, SC Comparable LIHTC Property Locations

- Site
- Apartments Type
- Tax Credit



Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Walterboro Site PMA in 2010 and 2020 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2020 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	13,237	85.2%	13,541	84.7%
Owner-Occupied	9,805	74.1%	10,121	74.7%
Renter-Occupied	3,432	25.9%	3,420	25.3%
Vacant	2,300	14.8%	2,438	15.3%
Total	15,537	100.0%	15,979	100.0%

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

Based on a 2020 update of the 2010 Census, of the 15,979 total housing units in the market, 15.3% were vacant. In 2020, it was estimated that homeowners occupied 74.7% of all occupied housing units, while the remaining 25.3% were occupied by renters. The share of renters is considered typical for a rural market, such as the Walterboro Site PMA, and the 3,420 renter households estimated in 2020 represent a good base of continued and potential support in the market for the subject development.

Conventional Apartments

We identified and personally surveyed 14 conventional housing projects (including the subject site) containing a total of 715 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 98.7%, a very strong rate for rental housing. The surveyed rental projects broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	4	217	9	95.9%
Market-rate/Tax Credit	1	40	0	100.0%
Tax Credit	1	48	0	100.0%
Tax Credit/Government-Subsidized	3	104	0	100.0%
Government-Subsidized	5	306	0	100.0%
Total	14	715	9	98.7%

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

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	62	28.1%	1	1.6%	\$791
Two-Bedroom	1.0	52	23.5%	0	0.0%	\$926
Two-Bedroom	2.0	63	28.5%	6	9.5%	\$1,050
Three-Bedroom	1.5	8	3.6%	0	0.0%	\$1,071
Three-Bedroom	2.0	36	16.3%	2	5.6%	\$1,251
Total Market-rate		221	100.0%	9	4.1%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	19	22.6%	0	0.0%	\$524
Two-Bedroom	2.0	53	63.1%	0	0.0%	\$692
Three-Bedroom	2.0	12	14.3%	0	0.0%	\$827
Total Tax Credit		84	100.0%	0	0.0%	-

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

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	2	25	0.0%
1970 to 1979	1	72	0.0%
1980 to 1989	0	0	0.0%
1990 to 1999	0	0	0.0%
2000 to 2009	3	208	4.3%
2010 to 2021*	0	0	0.0%

*As of April

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

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties surveyed 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
B+	1	4	0.0%
B	3	204	4.4%
C	1	13	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	36	0.0%
B	1	48	0.0%

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

Government-Subsidized

We identified and surveyed eight government-subsidized projects within the Site PMA (including the subject site). Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	46	44.2%	0	0.0%
Two-Bedroom	1.0	16	15.4%	0	0.0%
Two-Bedroom	1.5	34	32.7%	0	0.0%
Three-Bedroom	1.0	8	7.7%	0	0.0%
Total Subsidized Tax Credit		104	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	82	26.8%	0	0.0%
Two-Bedroom	1.0	96	31.4%	0	0.0%
Two-Bedroom	1.5	54	17.6%	0	0.0%
Three-Bedroom	1.0	16	5.2%	0	0.0%
Three-Bedroom	1.5	32	10.5%	0	0.0%
Three-Bedroom	2.0	16	5.2%	0	0.0%
Four-Bedroom	1.5	10	3.3%	0	0.0%
Total Subsidized		306	100.0%	0	0.0%

All government-subsidized units (both with and without Tax Credits) surveyed are fully occupied and maintain waiting lists. This illustrates that significant pent-up demand exists for very low-income housing in the market. The subject project will continue to accommodate a portion of this unmet demand.

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

4. RENTAL HOUSING INVENTORY MAP

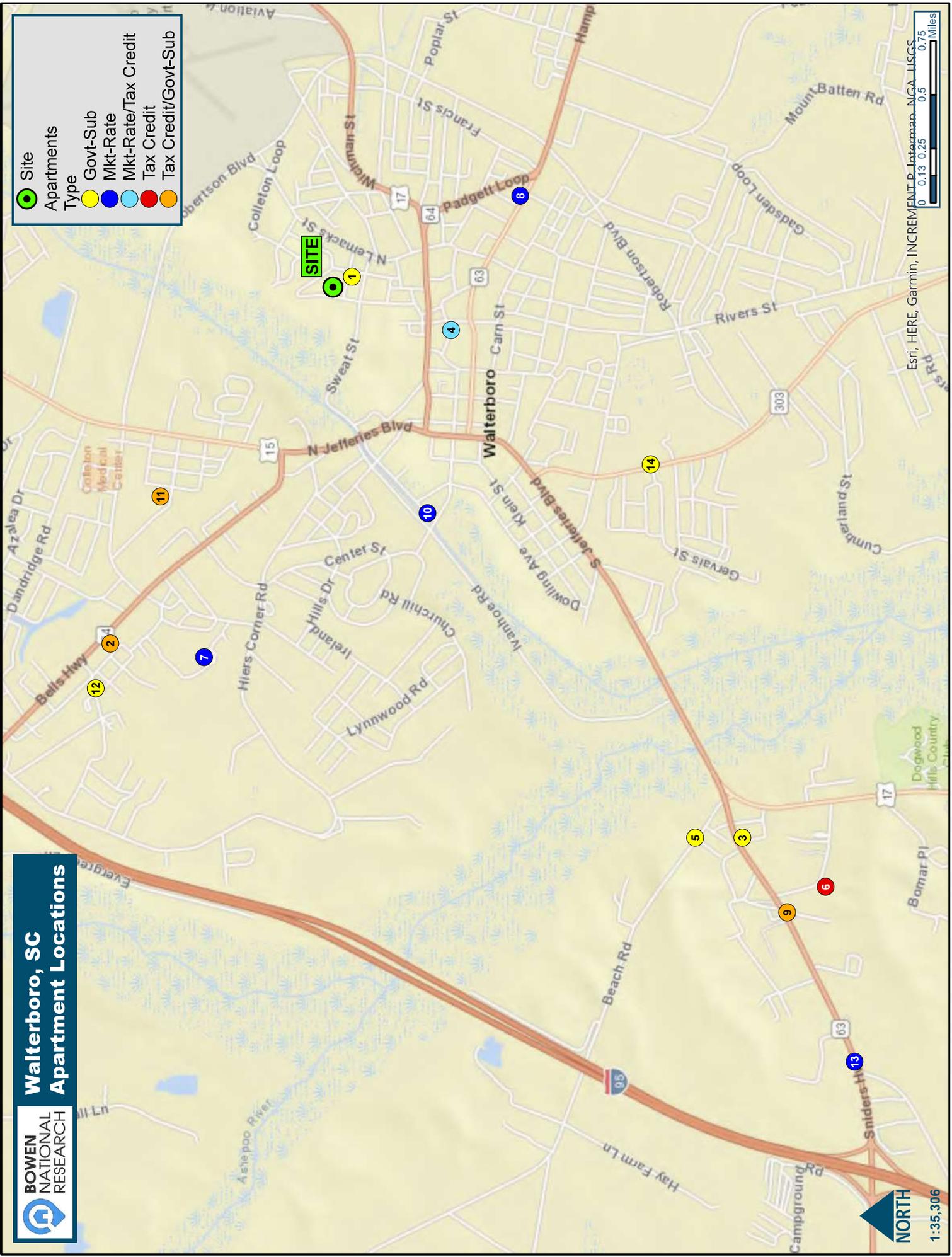
A map identifying the location of all properties surveyed within the Walterboro Site PMA is on the following page.



Walterboro, SC Apartment Locations

Site
Apartment Type

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



Esri, HERE, Garmin, INCREMENTAL, Intermap, NGA, USGS
0 0.13 0.25 0.5 0.75 Miles

NORTH
1:35,306

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

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

7. MARKET ADVANTAGE

Per the direction of South Carolina (SC) Housing, the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located.

The current HUD FMRs within Colleton County are \$606 for a one-bedroom unit, \$691 for a two-bedroom unit, \$900 for a three-bedroom unit and \$976 for a four-bedroom unit. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the FMRs with the *average current tenant-paid rent* per subsidized bedroom type, assuming that the subsidy is retained on all units as proposed and all current tenants continue to reside at the project post LIHTC renovations. The second analysis compares the FMRs with the proposed/programmatic Tax Credit rents in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

Market Advantage – Current Rents

Per SC Housing methodology, for existing projects that offer a project-based subsidy, the subject's market advantage should be calculated utilizing current tenant-paid rents to represent the "true" value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project's current rent roll, as illustrated in *Addendum D* of this report, the average tenant rent paid within the subsidized units are \$169 for a one-, \$163 for a two-, \$104 for a three- and \$77 for a four-bedroom unit. The following table illustrates the subject project's market advantages with the retention of the subsidy on all units:

Bedroom Type	Current Collected Rent (AMHI)	Fair Market Rent	Market Advantage
One-Bedroom	\$169	\$606	72.11%
Two-Bedroom	\$163	\$691	76.41%
Three-Bedroom	\$104	\$900	88.44%
Four-Bedroom	\$77	\$976	92.11%
Weighted Average			81.65%

As the preceding illustrates, the subject's market advantages range between 72.11% and 92.11% as proposed with the subsidy retained on all units. The weighted average market advantage is 81.65%. This demonstrates that the subject project will continue to represent a significant value within the Walterboro market, which is further evident by its 100.0% occupancy rate.

Market Advantage – Proposed/Programmatic Tax Credit Rents

As previously discussed, the proposed/programmatic LIHTC rents evaluated throughout this report are only effective in the unlikely event the project-based subsidy was lost. Regardless, the market advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

Bedroom Type	Proposed/Programmatic LIHTC Rent	Fair Market Rent	Market Advantage
One-Bedroom	\$625*	\$606	-3.14%
Two-Bedroom	\$742	\$691	-7.38%
Three-Bedroom	\$867*	\$900	3.67%
Four-Bedroom	\$939*	\$976	3.79%
Weighted Average			-1.45%

The proposed collected Tax Credit rents represent market advantages between -7.38% and 3.79%. Note that the weighted average market advantage is -1.45%. As indicated earlier in this section, the proposed/programmatic Tax Credit rents at the subject site are considered high. In the unlikely event the subject project lost its subsidy and operated exclusively under the Tax Credit program, rents would need to be discounted in order for it to stabilize within a reasonable time frame.

8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rate of the existing comparable Tax Credit development within the Site PMA following renovations at the subject property is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2022*
6	Edisto Terrace Apts.	100.0%	95.0%+

*Anticipated year of completion of renovations at the subject property

The one comparable LIHTC development within the Site PMA is 100.0% occupied and maintains a waiting list. In addition, the subject project is currently 100.0% occupied with a waiting list and tenant displacement is not anticipated during renovations. As such, we do not believe the renovation of Lincoln Apartments will have a tangible impact on the occupancy rate of the comparable LIHTC property within the market.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$107,227. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$107,227 home is \$645, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$107,227
Mortgaged Value = 95% of Median Home Price	\$101,866
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$516
Estimated Taxes and Insurance*	\$129
Estimated Monthly Mortgage Payment	\$645

*Estimated at 25% of principal and interest

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

10. HOUSING VOIDS

As previously noted, we identified and surveyed one comparable Tax Credit project located within the Walterboro Site PMA. This property is fully occupied with a waiting list. In fact, all affordable rental units identified and surveyed within the market (including the subject project) are occupied and maintain waiting lists, illustrating that pent-up demand exists for additional low-income rental housing. The subject development will continue to fill a rental housing void within the Site PMA.

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

I. Interviews

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

- Priscilla Myers is the Property Manager for Lincoln Apartments (subject site). Ms. Myers stated that while COVID-19 complications have reduced the length of her property's waiting list, demand for affordable housing in Walterboro remains high. Ms. Myers noted that her property receives daily calls from prospective tenants and that she is always able to quickly fill demand, adding that demand tends to increase during tax season. Ms. Myers added that the quality of her property would benefit from a major rehabilitation, noting that Lincoln Apartments is the oldest rental community in Walterboro that has never undergone a major renovation. Additionally, Ms. Myer's property is 100.0% occupied with a five-household waiting list. *(843) 885-1197*
- Bonnie Ross, Permit Technician for Walterboro Planning & Development, stated that there is a need for affordable housing for families. Affordable housing in Walterboro does not experience high turnover rates. Affordable housing is in high demand in the city, with the city receiving multiple calls on a weekly basis with inquiries on affordable housing in the area, but nothing has been available for a long time. Additionally, Ms. Ross explained that there is a high demand for affordable housing for seniors in the area that comes with the lack of senior housing in Walterboro. *(843) 782-1000*
- Zach Montgomery, Director of Planning and Development for Colleton County, stated that there is an extreme need for affordable housing for families in Colleton County. Affordable housing simply is not being built within the county. Mr. Montgomery believes this is because there is no money to be made in affordable housing. *(843) 549-1709*
- Heyward Horton, Director of Planning and Development of Colleton County Economic Alliance, noted that the need for affordable is not due to housing being unaffordable for the average citizen, but that there is simply no affordable housing in general. Mr. Horton further stated that Colleton County is fairly small, and that maybe the county does meet the criteria of those wanting to build or renovate in the area. He also explained that the turnover rate of affordable housing in Colleton County is very low, making it very hard to obtain. *(843) 549-9597*
- Claudette Trippe is the Site Manager for Edisto Terrace Apartments (Map ID 6), a general-occupancy Tax Credit property in the central portion of the Site PMA. Ms. Trippe stated that there is demand for more Tax Credit development in Walterboro, as there is only one other non-subsidized Tax Credit community in the area besides her property. Ms. Trippe added that this community is generally disliked by former tenants and residents, increasing the demand further. Additionally, Ms. Trippe's property is 100.0% occupied with a nine-household waiting list. *(843) 538-5657*

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist following renovations at the 64-unit Lincoln Apartments, assuming it is renovated as detailed in this report and retains the project-based subsidy as proposed. Note that changes in the project's scope of renovations or renovation completion date may alter these findings.

The subject site is currently 100.0% occupied with a waiting list of up to five households for the next available unit. As all 64 units are anticipated to continue to offer a subsidy, we expect all tenants to remain at the subject project. As such, the "effective" capture rate for the subject development is **0.0%**. However, it should be noted that in the unlikely event the subject project lost its subsidy, it is likely that the subject's LIHTC rents will need to be lowered in order to better compete within the market and stabilize within a reasonable time frame. This conclusion is based on the fact that the subject project will continue to be significantly older than the comparable LIHTC property within the Walterboro Site PMA, lacking two bathrooms within the larger unit types, as well as the subject's high capture rates in this unlikely scenario.

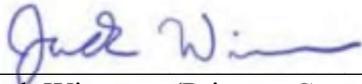
However, the subject project is considered competitive with the affordable housing options within the market and will represent a significant value within the market, as long as the subsidy is offered.

So long as the HAP contract remains in place, we have no recommendations or suggested modifications for the subject project at this time.

K. Signed Statement Requirement

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in South Carolina (SC) Housing'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 SC Housing's market study requirements. The information included is accurate and can be relied upon by SC Housing to present a true assessment of the low-income housing rental market.

Certified:



Jack Wiseman (Primary Contact)

Market Analyst

jackw@bowennational.com

Date: April 30, 2021

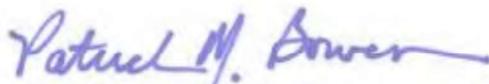


Nathan Stelts

Market Analyst

nathans@bowennational.com

Date: April 30, 2021



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: April 30, 2021

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

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown 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.

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.

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.

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.

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.

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.

Jonathan Kabat, 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. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

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 South Carolina (SC) Housing 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 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 subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Addendum A: Field Survey of Conventional Rentals*.

- 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 SC Housing'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 SC Housing; 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
- SC Housing

ADDENDUM A:

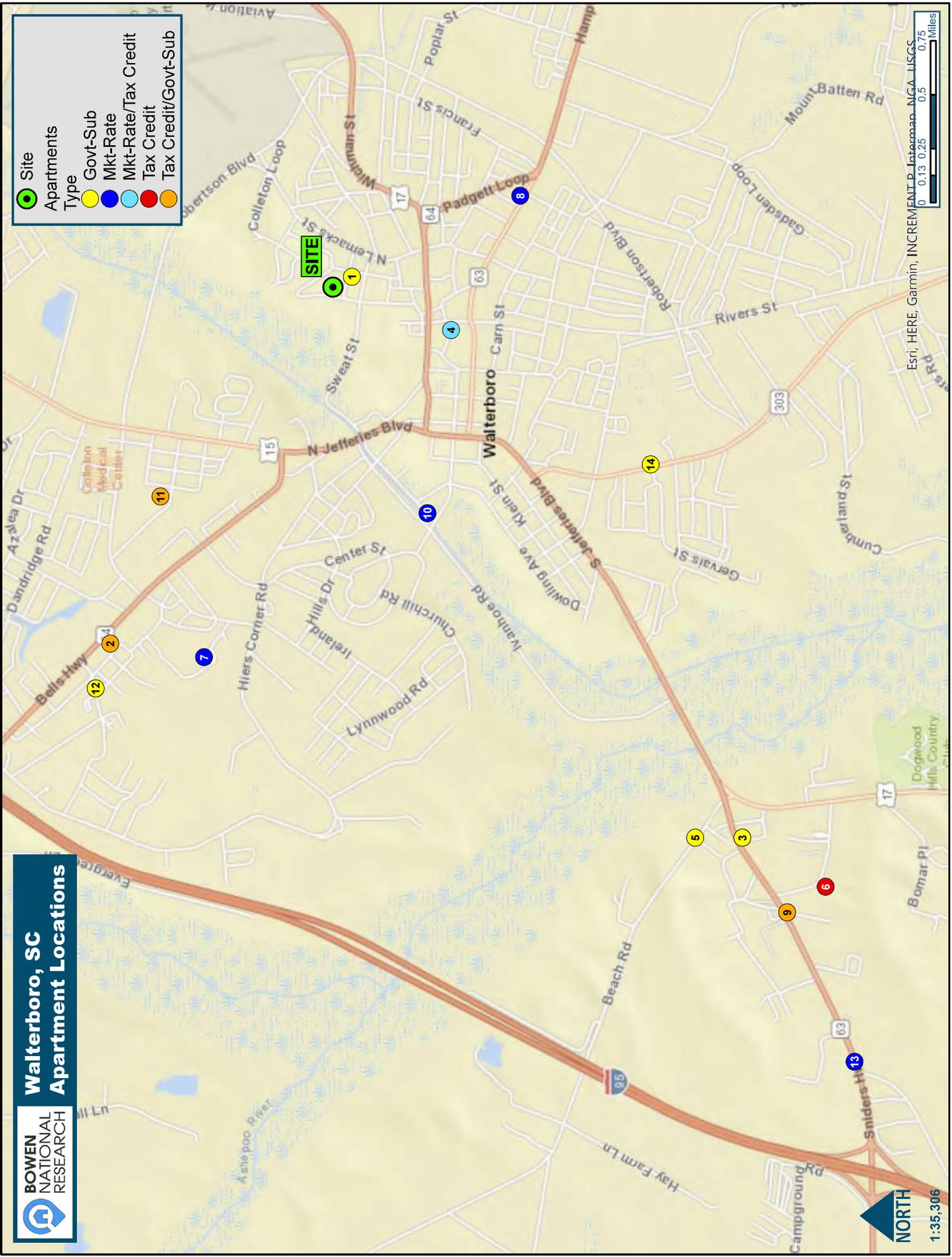
FIELD SURVEY OF
CONVENTIONAL RENTALS



Walterboro, SC Apartment Locations

Site
Apartment Type

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



Esri, HERE, Garmin, INCREMENTAL, Intermap, NGA, USGS
0 0.13 0.25 0.5 0.75 Miles

NORTH
1:35,306

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Lincoln Apts.	GSS	C+	1971	64	0	100.0%	-
2	Bay Meadows Apts.	TGS	B	1975	48	0	100.0%	2.2
3	Colleton Heights	GSS	B	1980	80	0	100.0%	3.1
4	Companion at Cambridge Pointe	MRT	B+	2004	40	0	100.0%	0.7
5	Druid Hills Apts. II	GSS	B	1983	64	0	100.0%	3.1
6	Edisto Terrace Apts.	TAX	B	2007	48	0	100.0%	3.6
7	Forest Pointe Apts.	MRR	B	2002	120	9	92.5%	1.9
8	Hampton Street Apts.	MRR	C	1960	13	0	100.0%	1.2
9	Hillcrest Apts	TGS	B	1985	32	0	100.0%	3.4
10	Ivanhoe LLC	MRR	B	1960	12	0	100.0%	1.1
11	Magnolia Village Apts.	TGS	B	1994	24	0	100.0%	1.7
12	Meadow Creek Apts.	GSS	B	1995	30	0	100.0%	2.3
13	Plantation Oaks	MRR	B	1974	72	0	100.0%	4.1
14	Walterboro Village	GSS	B	1979	68	0	100.0%	1.9
901	Azalea Park	TAX	B	2002	64	0	100.0%	28.4
902	Cedar Key	TAX	B	2003	48	0	100.0%	33.2
903	Planters Retreat	TAX	B	2005	192	6	96.9%	32.2
904	Sawbranch Apts.	MRR	B	1978	112	7	93.8%	29.7
905	Summerville Station	MRR	B	1977	199	15	92.5%	32.2
906	Wellington Place	MRR	B	1973	124	7	94.4%	30.7

*Drive distance in miles

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

1	Lincoln Apts. 404 Witsell St., Walterboro, SC 29488	Contact: Priscilla Phone: (843) 885-1197
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 1 HH 1-br; 3 HH 2-br; 1 HH 4-br; AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8	
2	Bay Meadows Apts. 200 Dorsey St., Walterboro, SC 29488	Contact: Nancy Phone: (843) 538-3964
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1975 BR: 1, 2 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: None Notes: Tax Credit; RD 515, has RA (1 unit)	
3	Colleton Heights 100 Sniders Hwy, Walterboro, SC 29488	Contact: Stephanie Phone: (843) 538-3665
	Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 50 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8	
4	Companion at Cambridge Pointe 116 Neyle St., Walterboro, SC 29488	Contact: Phyliss Phone: (843) 549-6440
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2004 BR: 1, 2 Vacant Units: 0 Waitlist: 40 HH AR Year: Target Population: Senior 55+, Other Yr Renovated: Rent Special: None Notes: Tax Credit	
5	Druid Hills Apts. II 189 Beach Rd, Walterboro, SC 29488	Contact: Veronica Phone: (843) 538-3522
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1983 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 20 HH AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: None Notes: HUD Section 8	

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

6 Edisto Terrace Apts. Contact: Claudette
 180 Mable T. Willis Blvd., Walterboro, SC 29488 Phone: (843) 538-5657



Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2007
 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 9 HH AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes: Tax Credit; HOME Funds (10 units)

7 Forest Pointe Apts. Contact: Alexis
 504 Forest Cir, Walterboro, SC 29488 Phone: (843) 549-1910



Total Units: 120 UC: 0 Occupancy: 92.5% Stories: 1,2,3 Year Built: 2002
 BR: 1, 2, 3 Vacant Units: 9 Waitlist: None AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes: Rent range based on floor level & renovations

8 Hampton Street Apts. Contact: Tracy
 110 Howell St., Walterboro, SC 29488 Phone: (843) 549-6000



Total Units: 13 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1960
 BR: 1 Vacant Units: 0 Waitlist: None AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes:

9 Hillcrest Apts Contact: Jody
 518 Sniders Hwy., Walterboro, SC 29488 Phone: (843) 538-2181



Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1985
 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 6-8 mos AR Year:
 Target Population: Family Yr Renovated: 1998
 Rent Special: None
 Notes: Tax Credit; RD 515, has RA (24 units)

10 Ivanhoe LLC Contact: Jennifer
 311 Ireland Creek Dr., Walterboro, SC 29488 Phone: (843) 549-6000



Total Units: 12 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1960
 BR: 2 Vacant Units: 0 Waitlist: 3 HH AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes:

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

11	Magnolia Village Apts.		Contact: Jenny		
	450 Spruce St., Walterboro, SC 29488		Phone: (843) 549-6615		
	Total Units: 24	UC: 0	Occupancy: 100.0%	Stories: 1	Year Built: 1994
	BR: 1		Vacant Units: 0	Waitlist: 5 HH	AR Year:
	Target Population: Senior 62+, Other			Yr Renovated: 2007	
	Rent Special: None				
	Notes: Tax Credit; RD 515, has RA (24 units)				

12	Meadow Creek Apts.		Contact: Evette		
	156 Kimbrell St., Walterboro, SC 29488		Phone: (843) 538-8089		
	Total Units: 30	UC: 0	Occupancy: 100.0%	Stories: 1,2	Year Built: 1995
	BR: 1, 2		Vacant Units: 0	Waitlist: 2 HH	AR Year:
	Target Population: Family			Yr Renovated:	
	Rent Special: None				
	Notes: RD 515, no RA				

13	Plantation Oaks		Contact: Cody		
	831 Sniders Hwy., Walterboro, SC 29488		Phone: (843) 538-7900		
	Total Units: 72	UC: 0	Occupancy: 100.0%	Stories: 2	Year Built: 1974
	BR: 1, 2, 3		Vacant Units: 0	Waitlist: 3-6 mos	AR Year:
	Target Population: Family			Yr Renovated: 2004	
	Rent Special: None				
	Notes:				

14	Walterboro Village		Contact: Laquiya		
	601 Green Pond Hwy., Walterboro, SC 29488		Phone: (843) 549-2732		
	Total Units: 68	UC: 0	Occupancy: 100.0%	Stories: 1,2	Year Built: 1979
	BR: 1, 2, 3, 4		Vacant Units: 0	Waitlist: 31 HH	AR Year:
	Target Population: Family			Yr Renovated:	
	Rent Special: None				
	Notes: HUD Section 8				

901	Azalea Park		Contact: Evonne		
	527 Orangeburg Rd, Summerville, SC 29483		Phone: (843) 261-6262		
	Total Units: 64	UC: 0	Occupancy: 100.0%	Stories: 2,3	Year Built: 2002
	BR: 2, 3		Vacant Units: 0	Waitlist: 6-12 mos	AR Year:
	Target Population: Family			Yr Renovated:	
	Rent Special: None				
	Notes: Tax Credit				

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

902 Cedar Key Contact: Janine
 246 Pidgeon Bay Dr, Summerville, SC 29483 Phone: (843) 695-0250



Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2003
 BR: 2, 3 Vacant Units: 0 Waitlist: 5 HH AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes: Tax Credit

903 Planters Retreat Contact: Grace
 4370 Ladson Rd, Summerville, SC 29485 Phone: (843) 832-6111



Total Units: 192 UC: 0 Occupancy: 96.9% Stories: 2,3 Year Built: 2005
 BR: 2, 3 Vacant Units: 6 Waitlist: None AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes: Tax Credit

904 Sawbranch Apts. Contact: Laura
 1815 Bacon's Bridge Rd, Summerville, SC 29485 Phone: (843) 871-6880



Total Units: 112 UC: 0 Occupancy: 93.8% Stories: 2 Year Built: 1978
 BR: 1, 2, 3 Vacant Units: 7 Waitlist: None AR Year:
 Target Population: Family Yr Renovated: 2014
 Rent Special: 2-br: \$250 off 1st months rent
 Notes:

905 Summerville Station Contact: Riley
 1660 Old Trolley Rd, Summerville, SC 29485 Phone: (843) 375-8014



Total Units: 199 UC: 0 Occupancy: 92.5% Stories: 2 Year Built: 1977
 BR: 1, 2, 3 Vacant Units: 15 Waitlist: None AR Year:
 Target Population: Family Yr Renovated: 2018
 Rent Special: None
 Notes: Rents change daily

906 Wellington Place Contact: Diana
 1 Bosquet Ct, Summerville, SC 29485 Phone: (843) 873-7071



Total Units: 124 UC: 0 Occupancy: 94.4% Stories: 2 Year Built: 1973
 BR: 1, 2, 3 Vacant Units: 7 Waitlist: None AR Year:
 Target Population: Family Yr Renovated: 2004
 Rent Special: None
 Notes:

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

Source: South Carolina State Housing Finance and Development Authority
Effective: 10/2020

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	30	30	36	52	61	61	30	30	36	52	61	61
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	32	32	39	57	66	66	32	32	39	57	66	66
	Electric	29	29	34	56	55	55	29	29	34	56	55	55
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	34	34	41	59	68	68	34	34	41	59	68	68
Cooking	Natural Gas	6	6	7	10	14	14	6	6	7	10	14	14
	Bottled Gas	10	10	12	15	19	19	10	10	12	15	19	19
	Electric	2	2	3	6	8	8	2	2	3	6	8	8
Other Electric		29	29	44	55	64	64	29	29	44	55	64	64
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		13	13	20	24	29	29	13	13	20	24	29	29
Water Heating	Natural Gas	15	15	23	25	30	30	15	15	23	25	30	30
	Bottled Gas	20	20	28	32	37	37	20	20	28	32	37	37
	Electric	18	18	25	30	33	33	18	18	25	30	33	33
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water		18	18	21	25	32	32	18	18	21	25	32	32
Sewer		20	20	25	31	41	41	20	20	25	31	41	41
Trash Collection		11	11	11	11	11	11	11	11	11	11	11	11
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

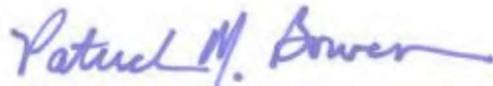
* Estimated- not from source

Addendum B – Member Certification & Checklist

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

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

Certified:

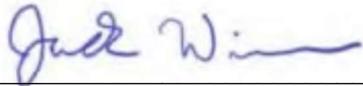


Patrick M. Bowen

President

patrickb@bowennational.com

Date: April 30, 2021



Jack Wiseman

Market Analyst

jackw@bowennational.com

Date: April 30, 2021

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	N/A
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:
SCOPE OF RENOVATIONS**

St. Clair Construction Company

Construction Budget:

Lincoln Apartments, Walterboro, SC

4/27/21

Item	Category	Quantity	Price per	Total
3	Metals			
	Gutter installation (SCH - 6" seamless, downspouts placed away from sidewalks, w/splash blocks and leaf guard system installed)	2,000 Lf	3.5	7,000
				7,000
4	Rough Carpentry			
	Convert 4 units (5%) to Sec. 504/UFAS Mobility Impaired units	4	25,000	100,000
	Laundry space (Incl. moving & bldg. walls/bldg. soffits and installing doors)	64	600	38,400
				138,400
7	Insulation			
	Increase Attic insulation (SCH - R-38)	32,000 sf	1.5	48,000
				48,000
8	Roofing			
	Decking repairs	6,000 sf	5	30,000
	Replace Roofing (SCH - Per IBC/IRC, 30 year asphalt shingle)	2	12,000	24,000
				54,000
9	Sheet Metal / Siding			
	Replace existing vinyl siding w/ New (30-YR Warranty)	9	15,000	135,000
				135,000
10	Doors			
	Replace Bldg. Entry Doors & hardware (SCH - E-Star, metal or fiberglass, paneled, w/peephole)	88	1,218	107,184
	Replace interior doors & hardware (SCH - Replace all damaged & worn interior doors, jambs & hardware. Doors to be side hinged & hollow core panel board, 3/4" air space between the floor & bottom of door)	224	500	112,000
				219,184
11	Windows			
	Replace Windows (E-Star rated for south zone central, vinyl w/screens; 10 year warranty; sliding windows prohibited)	290	550	159,500
				159,500
18	Resilient Flooring			
	Replace flooring in units including mech & storage rooms- vinyl planking	64	4,600	294,400
				294,400
19	Painting and Decorating			
	Paint unit interiors (Low VOC)	64	1,900	121,600
	Paint Entry Doors (Low VOC)	88	214	18,832
	Paint exterior stairs & underside of decking	7	10,500	73,500
	Paint (Stain) exterior brick (Drywall replaced in the bathrooms. Kitchens, laundry & mechanical rooms, etc. to be moisture resistant gypsum board)	9 Bldg.	12,000	108,000
				321,932
20	Specialties			
	Install "Accessible" tenant mailboxes w/roof covering	1	10,000	10,000
	Community Bldg.: (Tables & chairs/Sitting area/Computer stations/Exercise area & equipment)	1	15,000	15,000
				25,000

22	Cabinets & Countertops Unit Kitchens & Bathroom Vanities <i>(SCH - Dual track sliding drawers; Double bowl sink)</i>	64	3,750	240,000
				240,000
23	Appliances Refrigerator <i>(SCH - E-Star W/14 cubic ft capacity ice maker)</i> Stove/Range Microwave w/ built in re-circulating fan <i>(SCH - Re-circ fan required in kitchens)</i> Range Queens Washer/Dryer <i>(SCH- Appliances to be ADA compliant)</i>	64	675	43,200
		64	575	36,800
		64	275	17,600
		64	168	10,752
		64	1,200	76,800
				185,152
24	Blinds/Shades/Artwork Replace vertical blinds	320	75	24,000
				24,000
26	Special Construction ACM & LBP Abatement/Encapsulation New Community Bldg.: (Including Kitchenette & Community Room) Old Office/Laundry Bldg. (Upgrade with paint, lighting, shelving & add garage door) Install Fire Extinguishers in each unit <i>(SCH - 5lb dry chemical fire)</i>	64	1,719	110,000
		1,700 sf	162	275,000
		1	15,000	15,000
		64	50	3,200
				403,200
28	Plumbing and Hot Water Replace Toilets (1.0 gpm) Replace bath tubs & surrounds (3 piece kit) Replace tub with Roll in shower Meets Sec 504/UFAS mobility impaired Replace shower valves Replace shower heads (1.5 gpm) Replace hot water heaters (E- Star) Replace faucets in kitchen (1.5 gpm) Replace faucets in bathrooms (0.5 gpm) Replace kitchen sinks Replace bathroom sinks Disposals Unit water shut offs <i>(SCH -Placed in an accessible area w metal handles)</i> Plumbing for clothes washer Replace unit plumbing supply lines Sewer Scope <i>(SCH - New sinks, faucets & shut offs required)</i>	72	360	25,920
		60	2,500	150,000
		4	3,900	15,600
		64	436	27,904
		64	71	4,544
		64	2,500	160,000
		64	130	8,320
		72	60	4,320
		64	120	7,680
		72	45	3,240
		64	175	11,200
		64	500	32,000
		64	300	19,200
		64	3,000	192,000
		1	15,000	15,000
				676,928
29	Heat and Ventilation Heat pumps Replace bathroom exhaust fans Pass-thru grills <i>(SCH - laundry, bedroom, storage, mech rooms)</i>	64	5,500	352,000
		72	500	36,000
				388,000
31	Electrical Replace Building entry lights (front/rear) (LED) Install lights on exterior of buildings (LED) Parking lot lighting <i>(SCH - Lighting to be directed down to diminish nuisance lighting)</i> Replace interior light fixtures (LED) Upgrade Service panel Power for disposal Microwave circuit Retrofit receptacles & switches from aluminum to copper Circuit for washer/dryer Internet, Phone, Cable <i>(SCH -High speed internet in each bedroom, Cable & phone lines in living room & each bedroom)</i> Install ceiling fans Sec 504/UFAS Audio/Visual Impaired units	88	250	22,000
		40	500	20,000
		15	6,000	90,000
		384	200	76,800
		64	1,800	115,200
		64	250	16,000
		64	300	19,200
		64	500	32,000
		64	300	19,200
		64	500	32,000
		208	300	62,400
		2	2,300	4,600
				509,400
	Low Voltage Electrical Upgrade CCTV (including tie-in to main office) Install Smoke Detectors (hardware)	1	50,000	50,000
		320	375	120,000
				170,000

37	Roads & Walks Seal coat & stripe (SCH - Reseal all asphalt parking areas & roadways) Install ramps for Sec. 504/UFAS mobility impaired units Dumpster enclosure (SCH - 3 side walls & a 12" concrete apron, ADA accessible and located near ADA route)	60,000 sf. 0.30 4 1,500 3 12,000	18,000 6,000 36,000 60,000
38	Site Improvements Site signage & unit ID signs (SCH- Brick or stone w/lighting & Fair Housing logo 2nd ID sign to identify the development) H/C parking signs for Sec. 504/UFAS units Install 6' tall cyclone fence Drainage swales (SCH - Surface water to drain away from foundation walls)	1 8,500 4 250 2,000 lf. 75 1 20,000	8,500 1,000 150,000 20,000 179,500
39	Lawns and Plantings Landscaping, includes restoring grounds disturbed by construction Clean and remove old/dead trees & brush from entire site. Install new native plants & trees throughout including new landscaping at Bldg. entries.	1 65,000	65,000 65,000
42	Total Structures and Land Improvements		4,303,596
	Contractor Contingency	1 478,177	478,177
	Total Construction Cost		4,781,773

**ADDENDUM D:
RENT ROLL**

Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (Lincoln) Sort by: Unit
As of 4/15/2021

Unit	Type	Sqft	Bed	Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility	TTP	Utility Reimb.	
Lincoln Apartments Holdings LLC (Lincoln)																			
101	lic:1bd1	0	1			Sec 8	SC16M000032	AR	10/01/20	799	799	711	0	574	137	88	225	0	
102	lic:1bd1	0	1			Sec 8	SC16M000032	MI	03/05/21	799	799	711	0	561	150	88	238	0	
103	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	458	253	88	341	0	
104	lic:1bd1	0	1			Sec 8	SC16M000032	AR	02/01/21	799	799	711	0	568	143	88	231	0	
105	lic:3bd1	0	3			Sec 8	SC16M000032	AR	02/01/21	1,057	1,057	935	0	973	0	122	84	38	
106	lic:3bd1	0	3			Sec 8	SC16M000032	AR	03/01/21	1,057	1,057	935	0	721	214	122	336	0	
201	lic:2bd1	0	2			Sec 8	SC16M000032	AR	02/01/21	851	851	742	0	526	216	109	325	0	
202	lic:2bd1	0	2			Sec 8	SC16M000032	GR	10/01/20	851	851	742	0	737	5	109	114	0	
203	lic:2bd1	0	2			Sec 8	SC16M000032	IR-1	04/01/21	851	851	742	0	581	161	109	270	0	
204	lic:2bd1	0	2			Sec 8	SC16M000032	GR	10/01/20	851	851	742	0	576	166	109	275	0	
205	lic:2bd1	0	2			Sec 8	SC16M000032	GR	10/01/20	851	851	742	0	605	137	109	246	0	
206	lic:2bd1	0	2			Sec 8	SC16M000032	MI	12/02/20	851	851	742	0	541	201	109	310	0	
207	lic:2bd1	0	2			Sec 8	SC16M000032	AR	04/01/21	851	851	742	0	826	0	109	25	84	
208	lic:2bd1	0	2			Sec 8	SC16M000032	AR	02/01/21	851	851	742	0	412	330	109	439	0	
301	lic:1bd1	0	1			Sec 8	SC16M000032	AR	10/01/20	799	799	711	0	754	0	88	45	43	
302	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	454	257	88	345	0	
303	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	564	147	88	235	0	
304	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	734	0	88	65	23	
305	lic:3bd1	0	3			Sec 8	SC16M000032	MI	12/16/20	1,057	1,057	935	0	995	0	122	62	60	
306	lic:3bd1	0	3			Sec 8	SC16M000032	AR	03/01/21	1,057	1,057	935	0	520	415	122	537	0	
401	lic:1bd1	0	1			Sec 8	SC16M000032	MI	02/08/21	799	799	711	0	376	335	88	423	0	
402	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	568	143	88	231	0	
403	lic:1bd1	0	1			Sec 8	SC16M000032	MI	03/31/21	799	799	711	0	442	269	88	357	0	
404	lic:1bd1	0	1			Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	754	0	88	45	43	
405	lic:3bd1	0	3			Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	583	352	122	474	0	
406	lic:3bd1	0	3			Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	983	0	122	74	48	
501	lic:3bd1	0	3			Sec 8	SC16M000032	AR	03/01/21	1,057	1,057	935	0	822	113	122	235	0	
502	lic:3bd1	0	3			Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	858	77	122	199	0	
503	lic:4bd2	0	4			Sec 8	SC16M000032	AR	10/01/20	1,179	1,179	1,016	0	1,044	0	163	135	28	
504	lic:4bd2	0	4			Sec 8	SC16M000032	GR	10/01/20	1,179	1,179	1,016	0	1,146	0	163	33	130	
505	lic:4bd2	0	4			Sec 8	SC16M000032	AR	12/01/20	1,179	1,179	1,016	0	1,154	0	163	25	138	

Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (Lincoln) Sort by: Unit
As of 4/15/2021

Unit	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility	TTP	Utility Reimb.
Lincoln Apartments Holdings LLC (Lincoln)																
506	lic:4bd2	0	4	Sec 8	SC16M000032	AR	02/01/21	1,179	1,179	1,016	0	399	617	163	780	0
507	lic:3bd1	0	3	Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	864	71	122	193	0
508	lic:3bd1	0	3	Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	974	0	122	83	39
501	lic:2bd1	0	2	Sec 8	SC16M000032	IR	12/01/20	851	851	742	0	786	0	109	65	44
502	lic:2bd1	0	2	Sec 8	SC16M000032	AR	03/01/21	851	851	742	0	778	0	109	73	36
503	lic:2bd1	0	2	Sec 8	SC16M000032	IR	03/01/21	851	851	742	0	305	437	109	546	0
504	lic:2bd1	0	2	Sec 8	SC16M000032	GR-1	10/01/20	851	851	742	0	0	742	109	851	0
505	lic:2bd1	0	2	Sec 8	SC16M000032	AR	10/01/20	851	851	742	0	802	0	109	49	60
506	lic:2bd1	0	2	Sec 8	SC16M000032	AR	02/01/21	851	851	742	0	818	0	109	33	76
507	lic:2bd1	0	2	Sec 8	SC16M000032	AR	12/01/20	851	851	742	0	463	279	109	388	0
508	lic:2bd1	0	2	Sec 8	SC16M000032	AR	02/01/21	851	851	742	0	418	324	109	433	0
701	lic:1bd1	0	1	Sec 8	SC16M000032	AR	02/01/21	799	799	711	0	574	137	88	225	0
702	lic:1bd1	0	1	Sec 8	SC16M000032	GR	10/01/20	799	799	711	0	739	0	88	60	28
703	lic:1bd1	0	1	Sec 8	SC16M000032	AR	03/01/21	799	799	711	0	246	465	88	553	0
704	lic:1bd1	0	1	Sec 8	SC16M000032	IR	12/01/20	799	799	711	0	440	271	88	359	0
705	lic:3bd1	0	3	Sec 8	SC16M000032	AR	01/01/21	1,057	1,057	935	0	1,003	0	122	54	68
706	lic:3bd1	0	3	Sec 8	SC16M000032	GR	10/01/20	1,057	1,057	935	0	764	171	122	293	0
301	lic:3bd1	0	3	Sec 8	SC16M000032	AR	03/01/21	1,057	1,057	935	0	874	61	122	183	0
302	lic:3bd1	0	3	Sec 8	SC16M000032	AR	03/01/21	1,057	1,057	935	0	1,020	0	122	37	85
303	lic:4bd2	0	4	Sec 8	SC16M000032	IR	10/01/20	1,179	1,179	1,016	0	1,154	0	163	25	138
304	lic:4bd2	0	4	Sec 8	SC16M000032	GR	10/01/20	1,179	1,179	1,016	0	1,089	0	163	90	73
305	lic:4bd2	0	4	Sec 8	SC16M000032	GR	10/01/20	1,179	1,179	1,016	0	1,153	0	163	26	137
306	lic:4bd2	0	4	Sec 8	SC16M000032	IR	02/01/21	1,179	1,179	1,016	0	1,146	0	163	33	130
307	lic:3bd1	0	3	Sec 8	SC16M000032	AR	11/01/20	1,057	1,057	935	0	1,006	0	122	51	71
308	lic:3bd1	0	3	Sec 8	SC16M000032	MI	12/22/20	1,057	1,057	935	0	743	192	122	314	0
301	lic:2bd1	0	2	Sec 8	SC16M000032	AR	04/01/21	851	851	742	0	801	0	109	50	59
302	lic:2bd1	0	2	Sec 8	SC16M000032	AR	11/01/20	851	851	742	0	626	116	109	225	0
303	lic:2bd1	0	2	Sec 8	SC16M000032	AR	01/01/21	851	851	742	0	519	223	109	332	0
304	lic:2bd1	0	2	Sec 8	SC16M000032	GR	10/01/20	851	851	742	0	442	300	109	409	0
305	lic:2bd1	0	2	Sec 8	SC16M000032	AR	12/01/20	851	851	742	0	815	0	109	36	73
306	lic:2bd1	0	2	Sec 8	SC16M000032	AR	11/01/20	851	851	742	0	803	0	109	48	61

Affordable Rent Roll

Property: Lincoln Apartments Holdings LLC (Lincoln) Sort by: Unit
As of 4/15/2021

Unit	Sqft	Bed	Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
Lincoln Apartments Holdings LLC (Lincoln)																	
307	llc2bd1	0	2		Sec 8	SCI6M000032	AR	10/01/20	851	851	742	0	745	0	109	106	3
308	llc2bd1	0	2		Sec 8	SCI6M000032	AR-1	01/01/21	851	851	742	0	478	264	109	373	0
Total :		0	144		Number of Units: 64				59,552	59,552	52,272	0	45,197	8,891	7,280	14,355	1,816
Grand Total :		0	144		Total Units: 64				59,552	59,552	52,272		45,197	8,891	7,280	14,355	1,816

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

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

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

- Surrounding neighborhood characteristics
- 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 subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the project.

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

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

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

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Lincoln Apartments	1971 / 2022	64	100.0%	16 (100.0%)	24 (100.0%)	16 (100.0%)	8 (100.0%)
7	Forest Pointe Apts.	2002	120	92.5%	24 (95.8%)	60 (90.0%)	36 (94.4%)	-
13	Plantation Oaks	1974 / 2004	72	100.0%	24 (100.0%)	40 (100.0%)	8 (100.0%)	-
904	Sawbranch Apts.	1978 / 2014	112	93.8%	24 (95.8%)	64 (92.2%)	24 (95.8%)	-
905	Summerville Station	1977 / 2018	199	92.5%	48 (91.7%)	127 (92.1%)	24 (95.8%)	-
906	Wellington Place	1973 / 2004	124	94.4%	22 (95.5%)	78 (93.6%)	24 (95.8%)	-

Occ. – Occupancy

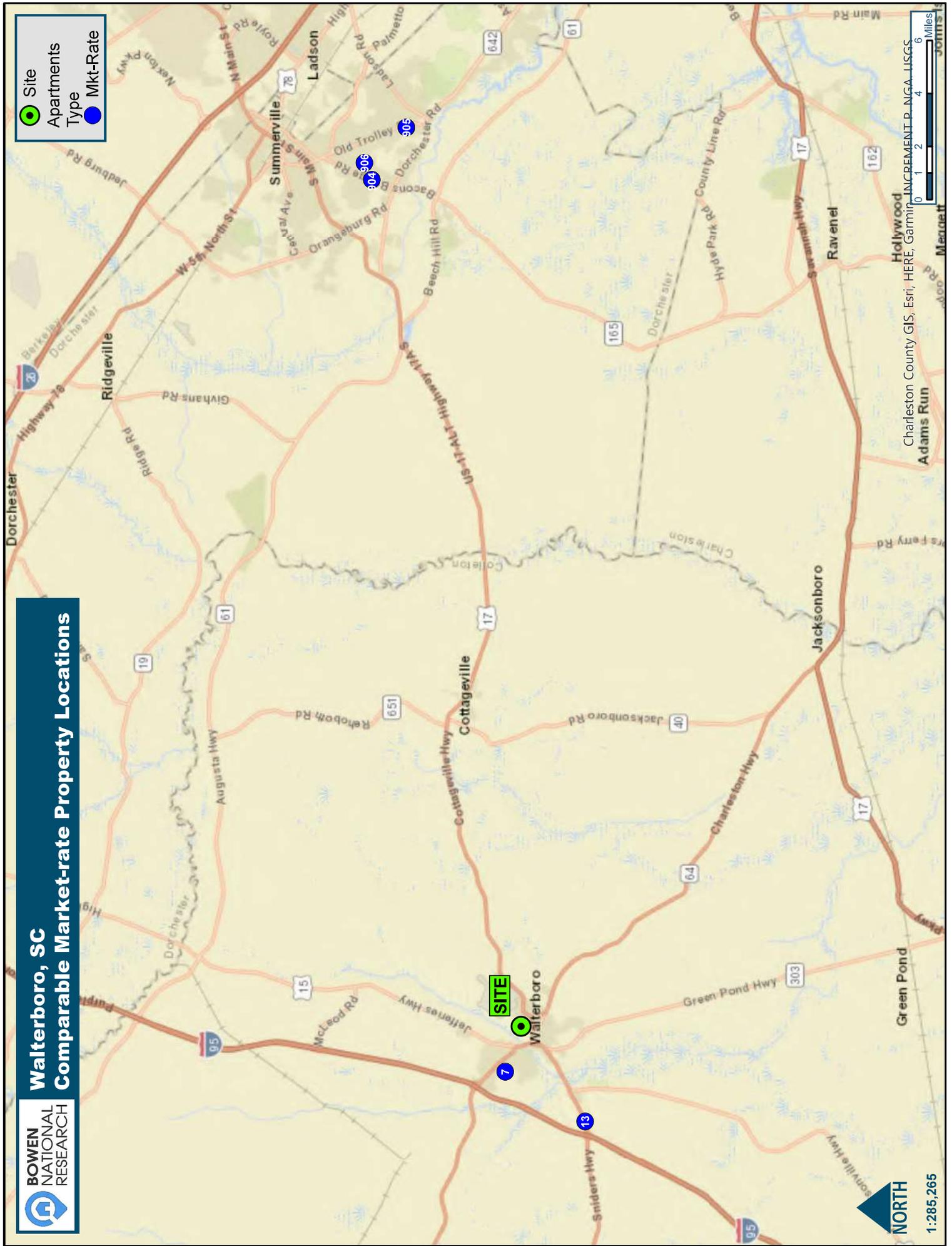
900 series Map IDs are located outside Site PMA

The five selected market-rate projects have a combined total of 627 units with an overall occupancy rate of 93.9%, a stable rate for rental housing. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject development.

The Rent Comparability 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. Preceding the Rent Comparability Grids is a map of the location of the comparable market-rate developments in relation to the location of the subject site.

Walterboro, SC Comparable Market-rate Property Locations

-  Site
-  Apartments
-  Type
-  Mkt-Rate



Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$806		\$700		\$929		\$931		\$910	
2	Date Surveyed	Apr-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	96%		100%		96%		92%		94%	
5	Effective Rent & Rent/ sq. ft	\$806	1.18	\$700	1.23	\$929	1.33	\$931	1.33	\$910	1.26
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1971/2022		2002 (\$5)		1974/2004 \$8		1978/2014 \$1		1977/2018 (\$1)	
8	Condition/Street Appeal	G	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$186)		No (\$186)		No (\$182)	
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.	693	\$3	682	\$39	570	(\$2)	700	(\$2)	725	(\$10)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y		N	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	`	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	N/Y	(\$5)	N/Y	(\$5)
18	Washer/Dryer	W/D		HU/L	\$25	HU/L	\$25	HU	\$35	L	\$25
19	Floor Coverings	V		C/V/L		W/V/V/L		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N	\$5	N/N		Y/N	(\$5)	N/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		Y		N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$14)	P/S/T/WT	(\$13)	P/F/T	(\$13)	P	(\$5)
29	Computer/Business Center	Y		Y	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area/Grill	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N	(\$10)	Y		N		N		N	
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	\$38	N/N	\$38	Y/Y	\$38	N/N	\$38	N/N	\$38
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$11
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	6	8	4	5	5	4	8	6	6
41	Sum Adjustments B to D	\$128	(\$38)	\$190	(\$27)	\$134	(\$209)	\$143	(\$220)	\$146	(\$210)
42	Sum Utility Adjustments	\$38				\$38		\$38		\$49	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$128	\$204	\$163	\$217	(\$37)	\$381	(\$39)	\$401	(\$15)	\$405
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$934		\$863		\$892		\$892		\$895	
45	Adj Rent/Last rent		116%		123%		96%		96%		98%
46	Estimated Market Rent	\$895		\$1.29 ←		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$878		\$800		\$1,009		\$1,053		\$1,015	
2	Date Surveyed	Apr-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		Yes (\$21)		None		None	
4	Occupancy for Unit Type	90%		100%		92%		92%		94%	
5	Effective Rent & Rent/ sq. ft	\$878	0.95	\$800	1.04	\$988	1.10	\$1,053	1.05	\$1,015	1.10
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/2		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1971/2022	2002 (\$5)	1974/2004	\$8	1978/2014	\$1	1977/2018	(\$1)	1973/2004	\$8
8	Condition/Street Appeal	G	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$198)		No (\$211)		No (\$203)	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$30)	1		1		1.5	(\$15)	1	
13	Unit Interior Sq. Ft.	838	(\$22)	770	\$18	900	(\$16)	1000	(\$43)	925	(\$23)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	W/D		HU/L	\$25	HU	\$25	W/D		HU/L	\$25
19	Floor Coverings	V		C/V/L		W/V/V/L		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N	\$5	Y/N		Y/Y	(\$5)	N/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		Y		N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$14)	P/F/T	(\$13)	P/F/T	(\$13)	P	(\$5)
29	Computer/Business Center	Y		Y	\$3	N	\$3	N	\$3	N	\$3
30	Picnic Area/Grill	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N	(\$10)	Y		N		N		N	
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	\$46	N/N	\$46	Y/Y	\$46	N/N	\$46	N/N	\$46
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$11
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	8	8	4	5	5	3	9	6	6
41	Sum Adjustments B to D	\$125	(\$90)	\$169	(\$27)	\$134	(\$235)	\$108	(\$306)	\$146	(\$244)
42	Sum Utility Adjustments	\$46				\$46		\$46		\$57	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$81	\$261	\$142	\$196	(\$55)	\$415	(\$152)	\$460	(\$41)	\$447
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$959		\$942		\$933		\$901		\$974	
45	Adj Rent/Last rent		109%		118%		94%		86%		96%
46	Estimated Market Rent	\$945	\$1.13 ←	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$1,007		\$900		\$1,219		\$1,342		\$1,250	
2	Date Surveyed	Apr-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	94%		100%		96%		96%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,007	0.92	\$900	0.99	\$1,219	1.06	\$1,342	1.12	\$1,250	1.08
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/2		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated	1971/2022		2002 (\$5)		1974/2004 \$8		1978/2014 \$1		1977/2018 (\$1)	
8	Condition/Street Appeal	G	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$244)		No (\$268)		No (\$250)	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	1	(\$30)	2	(\$30)	1.5	(\$15)	1.5	(\$15)	2	(\$30)
13	Unit Interior Sq. Ft.	940	(\$40)	1093	(\$40)	910	\$8	1150	(\$55)	1200	(\$67)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	Y	(\$5)	N	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	W/D		HU/L \$25		HU/L \$25		HU	\$25	W/D	
19	Floor Coverings	V		C/V/L		W/V/V/L		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		N \$5		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		N/N \$5		Y/N	(\$5)	N/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		Y		N \$5		N \$5		N \$5	
27	Community Space	Y		Y		N \$5		Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/S/T/WT (\$14)		P/F/T (\$13)		P/F/T (\$13)	
29	Computer/Business Center	Y		Y		N \$3		N \$3		N \$3	
30	Picnic Area/Grill	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N	(\$10)	Y	(\$10)	N		N		N	
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	\$56	N/N	\$56	Y/Y	\$56	N/N	\$56	N/N	\$56
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$11
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	8	8	5	5	6	3	9	6	7
41	Sum Adjustments B to D	\$125	(\$108)	\$159	(\$42)	\$134	(\$335)	\$108	(\$402)	\$146	(\$339)
42	Sum Utility Adjustments	\$56		\$56		\$56		\$56		\$67	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$73	\$289	\$117	\$201	(\$145)	\$525	(\$238)	\$566	(\$126)	\$552
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,080		\$1,017		\$1,074		\$1,104		\$1,124	
45	Adj Rent/Last rent		107%		113%		88%		82%		90%
46	Estimated Market Rent	\$1,080		\$1.15 ←		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **FOUR-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Lincoln Apartments		Forest Pointe Apts.		Plantation Oaks		Sawbranch Apts.		Summerville Station		Wellington Place	
404 Witsell Street		504 Forest Cir		831 Sniders Hwy.		1815 Bacon's Bridge Rd		1660 Old Trolley Rd		1 Bosquet Ct	
Walterboro, SC		Walterboro, SC		Walterboro, SC		Summerville, SC		Summerville, SC		Summerville, SC	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$1,007		\$900		\$1,219		\$1,342		\$1,250	
2	Date Surveyed	Apr-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	94%		100%		96%		96%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,007	0.92	\$900	0.99	\$1,219	1.06	\$1,342	1.12	\$1,250	1.08
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/2		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated	1971/2022		2002 (\$5)		1974/2004 \$8		1978/2014 \$1		1977/2018 (\$1)	
8	Condition/Street Appeal	G	\$100	G	\$100	G	\$100	G	\$100	G	\$100
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		No (\$244)		No (\$268)		No (\$250)	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4		3 \$50		3 \$50		3 \$50		3 \$50	
12	# Baths	1.5		2 (\$15)		1.5		2 (\$15)		1.5	
13	Unit Interior Sq. Ft.	1070		1093 (\$6)		910 \$42		1150 (\$21)		1200 (\$34)	
14	Patio/Balcony	N		Y (\$5)		Y (\$5)		N		Y (\$5)	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N		N/Y (\$5)		N/Y (\$5)		Y/Y (\$10)		N/Y (\$5)	
18	Washer/Dryer	W/D		HU/L \$25		HU/L \$25		HU	\$25	W/D	
19	Floor Coverings	V		C/V/L		W/V/V/L		C/V		C/V/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	Y		Y		N \$5		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		N/N \$5		Y/N		Y/Y (\$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		Y		N \$5		N \$5		N \$5	
27	Community Space	Y		Y		N \$5		Y		Y	
28	Pool/Recreation Areas	F		P/F (\$10)		P/S/T/WT (\$14)		P/F/T (\$13)		P/F/T (\$13)	
29	Computer/Business Center	Y		Y		N \$3		N \$3		N \$3	
30	Picnic Area/Grill	N		Y (\$3)		Y (\$3)		Y (\$3)		Y (\$3)	
31	Playground	Y		Y		Y		Y		Y	
32	Social Services	N		Y (\$10)		N		N		N	
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 \$73		Y/Y		N/N \$73		N/N \$73	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N \$11	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	8	9	4	6	5	4	9	7	6
41	Sum Adjustments B to D	\$175	(\$59)	\$243	(\$27)	\$184	(\$286)	\$158	(\$354)	\$196	(\$290)
42	Sum Utility Adjustments	\$73				\$73		\$73		\$84	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$189	\$307	\$216	\$270	(\$29)	\$543	(\$123)	\$585	(\$10)	\$570
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,196		\$1,116		\$1,190		\$1,219		\$1,240	
45	Adj Rent/Last rent		119%		124%		98%		91%		99%
46	Estimated Market Rent	\$1,195		\$1.12 ←		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 subject development are \$895 for a one-bedroom unit, \$945 for a two-bedroom unit, \$1,080 for a three-bedroom unit and \$1,195 for a four-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$625*	\$895	30.17%
Two-Br.	\$742	\$945	21.48%
Three-Br.	\$867*	\$1,080	19.72%
Four-Br.	\$939*	\$1,195	21.42%
Weighted Average			22.94%

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

Typically, Tax Credit rents must represent at least a 10.0% market rent advantage in order to be viewed as a value within a market area. Tax Credit rents that represent a value can help to ensure a steady flow of tenants that will allow the project to operate at a stabilized occupancy rate. While the proposed collected Tax Credit rents at the site represent market rent advantages between 19.72% and 30.17%, it is likely that most rents will need to be lowered if the project operated exclusively as a Tax Credit development. Regardless, all 64 units at the subject project will continue to operate with a subsidy, requiring residents to pay up to 30% of their adjusted gross incomes towards housing costs. Thus, the subject project will continue to represent a substantial value to low-income renters within the Site PMA.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

3. One of the selected properties, Sawbranch Apartments (Comp #3) is offering a rent special of \$250 off first month's rent on available two-bedroom units. This rent concession has been prorated and deducted from this property's quoted two-bedroom rent, yielding its corresponding effective rent (line 5).

7. Upon completion of renovations, the subject project will have an effective age of a project built in 1997. The selected properties were built between 1973 and 2002; four of which were extensively renovated between 2004 and 2018. As such, we have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
8. The subject project is expected to have a significantly improved overall quality and appearance, as the proposed renovations are valued at approximately \$67,240 per unit. These extensive renovations are expected to extend the life of the property by at least 30 years, which equates to a prorated value of approximately \$187 per unit per month. Given that the additional amenities to be included post renovations are already factored in other line item adjustments, we have made a positive adjustment of \$100 to all comparable properties that are considered to be of inferior quality compared to the subject site.
10. A total of three of the selected properties are located outside of the Walterboro Site PMA in Summerville. The Summerville market is significantly larger than Walterboro in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in Summerville will not directly translate to the Walterboro market. Therefore, we have adjusted each collected rent at the three comparable projects located in Summerville by approximately 20.0% to account for this market difference.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that none of the selected properties offer four-bedroom units. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
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 generally superior to those offered at the selected properties. We have made adjustments for features offered at the subject project, and in some cases, we have made adjustments for features the subject property does not offer.

- 24.-32. The subject project will offer a project amenities package generally inferior to those offered at the selected 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 in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

Development Name:	Lincoln Apartments	Total # Units: 64
Location:	404 Witsell St., Walterboro, SC 29488	# LIHTC Units: 64
PMA Boundary:	Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.2 miles

RENTAL HOUSING STOCK (found on page H-1, 9 & 10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	715	9	98.7%
Market-Rate Housing	4	221	9	95.9%
Assisted/Subsidized Housing not to include LIHTC	5	306	0	100.0%
LIHTC (All that are stabilized)*	5	188	0	100.0%
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

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

** Comparables - 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)	Tenant-Paid Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
16	One	1.0	693	\$169	\$606	\$0.87	72.11%	\$931	\$1.33
24	Two	1.0	838	\$163	\$691	\$0.82	76.41%	\$1,053	\$1.05
16	Three	1.0	940	\$104	\$900	\$0.96	88.44%	\$1,342	\$1.12
8	Four	1.5	1,070	\$77	\$976	\$0.91	92.11%	\$1,342	\$1.12
Gross Potential Rent Monthly*				\$8,896	\$48,488		81.65%		

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

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

	2012	2020		2023	
Renter Households		3,420	25.3%	3,446	25.3%
Income-Qualified Renter HHs (LIHTC)		2,445	71.5%	2,422	70.3%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Renter Household Growth				-23		-23
Existing Households (Overburd + Substand)				832		832
Homeowner conversion (Seniors)				-		-
Other:				-		-
Less Comparable/Competitive Supply				0		0
Net Income-qualified Renter HHs				809		809

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: Section 8	Other: __	Overall
Capture Rate				7.9%		7.9%

ABSORPTION RATE (found on page G-8)

Absorption Period: 5 months

2021 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Current Tenant Paid Rent	Net Tenant Paid Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
16	1 BR	\$169	\$2,704	\$606	\$9,696	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
24	2 BR	\$163	\$3,912	\$691	\$16,584	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
16	3 BR	\$104	\$1,664	\$900	\$14,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
8	4 BR	\$77	\$616	\$976	\$7,808	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$8,896		\$48,488	81.65%

2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):

Development Name:	Lincoln Apartments	Total # Units: 64
Location:	404 Witsell St., Walterboro, SC 29488	# LIHTC Units: 64
PMA Boundary:	Edisto River to the north and east; US Highway 17 and the Combahee River to the south; and U.S. Highway 21 to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 20.2 miles

RENTAL HOUSING STOCK (found on page H-1, 9 & 10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	715	9	98.7%
Market-Rate Housing	4	221	9	95.9%
Assisted/Subsidized Housing not to include LIHTC	5	306	0	100.0%
LIHTC (All that are stabilized)*	5	188	0	100.0%
Stabilized Comps**	1	48	0	100.0%
Non-stabilized Comps	0	-	-	-

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

** Comparables - 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
16	One	1.0	693	\$625	\$606	\$0.87	-3.14%	\$931	\$1.33
24	Two	1.0	838	\$742	\$691	\$0.82	-7.38%	\$1,053	\$1.05
16	Three	1.0	940	\$867	\$900	\$0.96	3.67%	\$1,342	\$1.12
8	Four	1.5	1,070	\$939	\$976	\$0.91	3.79%	\$1,342	\$1.12
Gross Potential Rent Monthly*				\$49,192	\$48,488		-1.45%		

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

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

	2012	2020		2023	
Renter Households		3,420	25.3%	3,446	25.3%
Income-Qualified Renter HHs (LIHTC)		980	28.7%	1,000	29.0%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth		20				20
Existing Households (Overburd + Substand)		122				122
Homeowner conversion (Seniors)		-				-
Other:		-				-
Less Comparable/Competitive Supply		0				0
Net Income-qualified Renter HHs		142				142

CAPTURE RATES (found on page G-5)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate		45.1%				45.1%

ABSORPTION RATE (found on page G-8)

Absorption Period: > 12 months

2021 S-2 RENT CALCULATION WORKSHEET (LIHTC Only)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Net Proposed Tenant Rent	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
16	1 BR	\$625	\$10,000	\$606	\$9,696	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
24	2 BR	\$742	\$17,808	\$691	\$16,584	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
16	3 BR	\$867	\$13,872	\$900	\$14,400	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
8	4 BR	\$939	\$7,512	\$976	\$7,808	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	64		\$49,192		\$48,488	-1.45%