



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Fairview Terrace
184 Quinn Drive
Duncan, Spartanburg County, South Carolina 29334

Prepared For

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Effective Date

May 20, 2021

Job Reference Number

21-298 JW

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2021 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	Fairview Terrace	Total # Units: 90
Location:	184 Quinn Dr., Duncan, SC 29334	# LIHTC Units: 90
PMA Boundary:	U.S. Highway 29, State Route 129 and Interstate 85 to the north; Interstate 26 to the east; Old Anderson Mill Road, Anderson Mill Road, State Route 290, State Route 417, Lightwood Knot Road, Gaston Drive and Chestnut Street to the south; and Duncan Reidville Road, Twin Valley Road, Woods Chapel Road, South Spencer Street, State Route 290 and Gap Creek Road to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 7.0 miles

RENTAL HOUSING STOCK (found on page H-1 & 13)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	15	2,278	54	97.6%
Market-Rate Housing	8	1,989	54	97.3%
Assisted/Subsidized Housing not to include LIHTC	0	-	-	-
LIHTC (All that are stabilized)*	7	289	0	100.0%
Stabilized Comps**	4	177	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
5	One-Br.	1.0	811	\$194	\$735	\$0.91	73.61%	\$1,072	\$1.30
3	One-Br.	1.0	811	\$576	\$735	\$0.91	21.63%	\$1,072	\$1.30
2	One-Br.	1.0	811	\$704	\$735	\$0.91	4.22%	\$1,072	\$1.30
2	One-Br.	1.0	811	\$725	\$735	\$0.91	1.36%	\$1,072	\$1.30
4	Two-Br.	2.0	1,096	\$229	\$845	\$0.77	72.90%	\$1,220	\$1.19
14	Two-Br.	2.0	1,096	\$688	\$845	\$0.77	18.58%	\$1,220	\$1.19
15	Two-Br.	2.0	1,096	\$841	\$845	\$0.77	0.47%	\$1,220	\$1.19
15	Two-Br.	2.0	1,096	\$850	\$845	\$0.77	-0.59%	\$1,220	\$1.19
10	Three-Br.	2.0	1,250	\$792	\$1,113	\$0.89	28.84%	\$1,475	\$1.14
10	Three-Br.	2.0	1,250	\$968	\$1,113	\$0.89	13.03%	\$1,475	\$1.14
10	Three-Br.	2.0	1,250	\$1,050	\$1,113	\$0.89	5.66%	\$1,475	\$1.14
Gross Potential Rent Monthly*				\$69,569	\$82,770		15.95%		

*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		5,116	27.8%	5,365	27.7%
Income-Qualified Renter HHs (LIHTC)		2,039	39.9%	1,998	37.2%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	20%	50%	60%	70%	Other: __	Overall
Renter Household Growth	-11	-24	-12	-14		-41
Existing Households (Overburd + Substand)	136	451	345	342		658
Homeowner conversion (Seniors)	-	-	-	-		-
Other:	-	-	-	-		-
Less Comparable/Competitive Supply	0	10	33	0		43
Net Income-qualified Renter HHs	125	417	300	328		574

CAPTURE RATES (found on page G-5)

Targeted Population	20%	50%	60%	70%	Other: __	Overall
Capture Rate	7.2%	6.5%	9.0%	8.2%		15.7%

ABSORPTION RATE (found on page G-8)

Absorption Period: 8 to 9 months

2021 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Net Proposed Tenant Rent by Bedroom Type	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
5	1 BR	\$194	\$970	\$735	\$3,675	
3	1 BR	\$576	\$1,728	\$735	\$2,205	
2	1 BR	\$704	\$1,408	\$735	\$1,470	
2	1 BR	\$725	\$1,450	\$735	\$1,470	
4	2 BR	\$229	\$916	\$845	\$3,380	
14	2 BR	\$688	\$9,632	\$845	\$11,830	
15	2 BR	\$841	\$12,615	\$845	\$12,675	
15	2 BR	\$850	\$12,750	\$845	\$12,675	
10	3 BR	\$792	\$7,920	\$1,113	\$11,130	
10	3 BR	\$968	\$9,680	\$1,113	\$11,130	
10	3 BR	\$1,050	\$10,500	\$1,113	\$11,130	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	90		\$69,569		\$82,770	15.95%

B. Project Description

Project Name:	Fairview Terrace
Location:	184 Quinn Drive, Duncan, South Carolina 29334 (Spartanburg County)
Census Tract:	234.03
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 90-unit Fairview Terrace rental community at 184 Quinn Drive in Duncan, South Carolina. The project will target family (general-occupancy) households earning up to 50%, 60% and 70% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, nine units (10%) will target persons with disabilities earning up to 20% of AMHI. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by June 2023. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
5	One-Br.	1.0	Garden	811	20%	\$194	\$61	\$255	\$255
3	One-Br.	1.0	Garden	811	50%	\$576	\$61	\$637	\$637
2	One-Br.	1.0	Garden	811	60%	\$704	\$61	\$765	\$765
2	One-Br.	1.0	Garden	811	70%	\$725	\$61	\$786	\$892
4	Two-Br.	2.0	Garden	1,096	20%	\$229	\$77	\$306	\$306
14	Two-Br.	2.0	Garden	1,096	50%	\$688	\$77	\$765	\$765
15	Two-Br.	2.0	Garden	1,096	60%	\$841	\$77	\$918	\$918
15	Two-Br.	2.0	Garden	1,096	70%	\$850	\$77	\$927	\$1,071
10	Three-Br.	2.0	Garden	1,250	50%	\$792	\$91	\$883	\$883
10	Three-Br.	2.0	Garden	1,250	60%	\$968	\$91	\$1,059	\$1,059
10	Three-Br.	2.0	Garden	1,250	70%	\$1,050	\$91	\$1,141	\$1,236
90	Total								

Source: South Creek Development, LLC

AMHI – Area Median Household Income (Spartanburg, SC HUD Metro FMR Area; 2021)

Building/Site Information	
Residential Buildings:	Four (4) three-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building
Acres:	19.2

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	June 2022
Begin Preleasing:	April 2023
Construction End:	June 2023

Unit Amenities		
<ul style="list-style-type: none"> Electric Range Refrigerator w/Icemaker Garbage Disposal Dishwasher Microwave 	<ul style="list-style-type: none"> Washer/Dryer Hookups Central Air Conditioning Walk-In Closet Patio/Balcony 	<ul style="list-style-type: none"> Carpet/Ceramic Tile/Composite Window Blinds Controlled Access/Key Fob Ceiling Fans

Community Amenities

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

Utility Responsibility

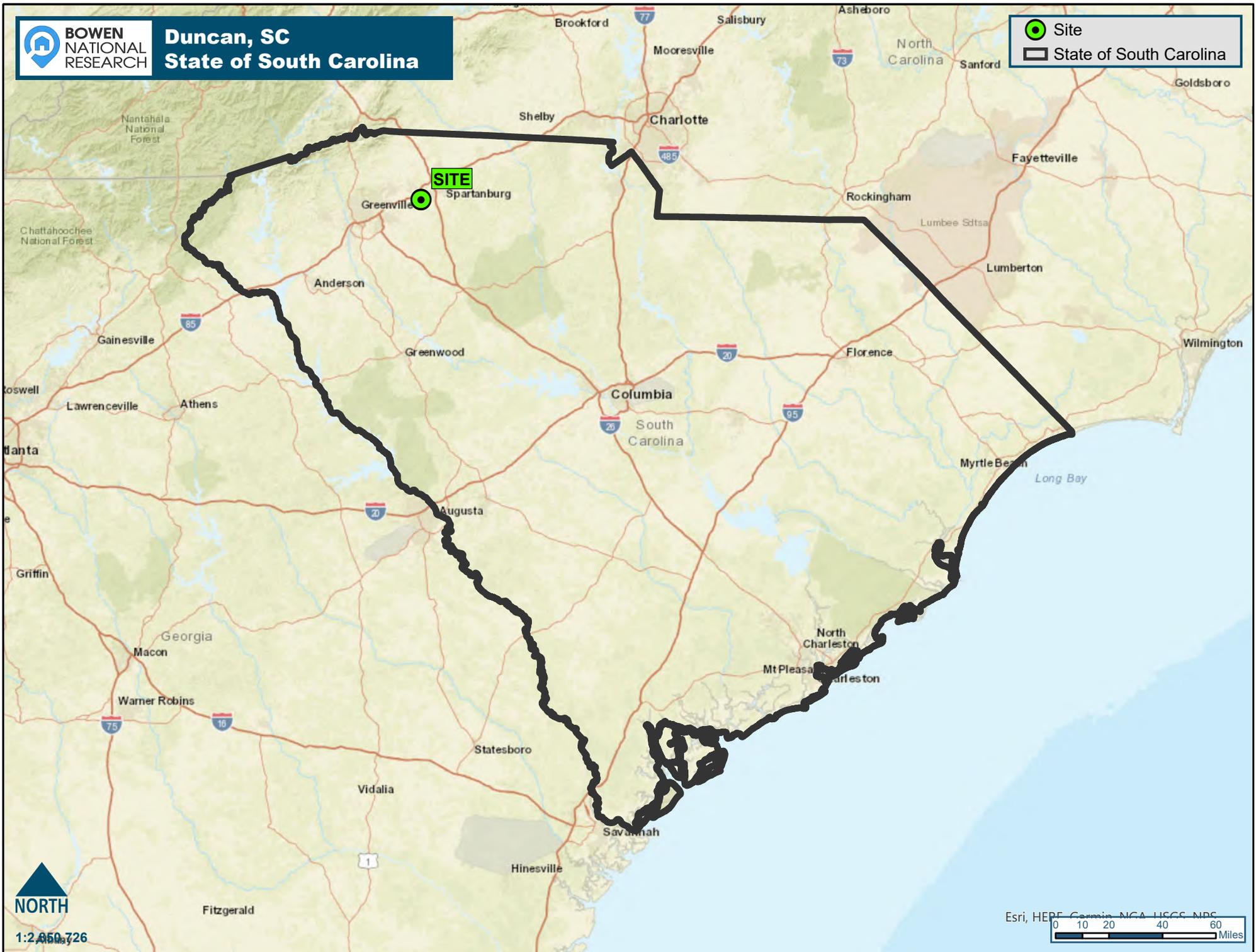
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
Source	Electric	Electric	Electric				

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



Duncan, SC State of South Carolina

● Site
▭ State of South Carolina



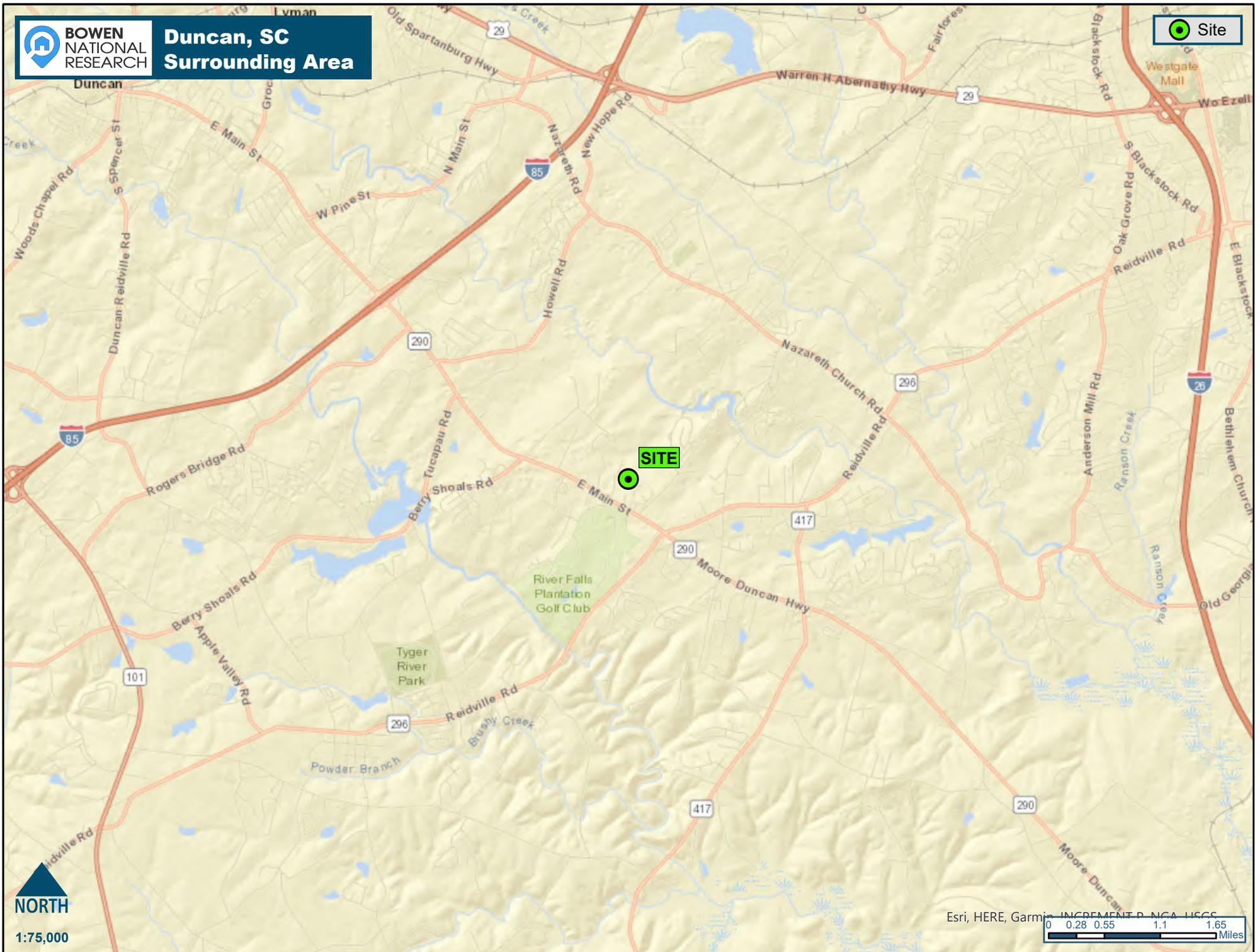
1:2,850,726

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



Duncan, SC Surrounding Area

Site



1:75,000

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

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of May 10, 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 consists of two separate small parcels that contain wooded land and existing single-family homes located on opposite sides of Quinn Drive in Duncan, South Carolina. Note that the single-family homes will be razed during the development process. Located within Spartanburg County, Duncan is approximately 10.0 miles southwest of Spartanburg, South Carolina. Following is a description of surrounding land uses:

North -	The northern boundary is defined by undeveloped land, followed by Squires Creek, a single-family subdivision with homes in good condition. Continuing north are multiple schools and River Falls Apartments (Map ID 10).
East -	The eastern boundary is defined by the Pheasant Hill single-family subdivision with homes in good condition. Also east of the site are BB&T bank and River Falls Plaza, a small commercial shopping center. Continuing east are additional homes, Fairmont Ridge, and additional businesses and services including Poplar Springs Plaza. Extending farther east is State Route 296.
South -	The southern boundary is defined by East Main Street (State Route 290), a four-lane road with moderate to heavy passerby traffic and a central turning lane. River Falls Plantation golf course, and single-family homes in excellent condition continue south.
West -	The western boundary is defined by small health services and office buildings in good condition. Extending west along East Main Street are Groves at Berry Creek (Map ID 5), Spartanburg Community College Tyger River Campus, a commerce park, storage units and various commercial businesses.

The proposed development contains two small parcels on opposite sides of Quinn Drive that comprise wooded land and existing single-family homes. Quinn Drive is a private road that runs north and south through the two small subject parcels. The site is located adjacent to an arterial community service and employment corridor, State Route 290, which will contribute to its marketability. Overall, the subject property fits well with the surrounding land uses.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 290 State Route 296 State Route 417 Interstate 85	Adjacent South 0.4 Southeast 1.6 East 3.1 Northwest
Public Bus Stop	N/A	N/A
Major Employers/Employment Centers	District 5 Schools Spartanburg County Draxlmaier Automotive	0.9 South 0.9 Northwest
Convenience Store	7-Eleven Circle K	0.4 Southeast 0.7 Southeast
Grocery	Ingles Publix	0.3 Southeast 0.8 Southeast
Discount Department Store	Dollar General	<0.1 South
Shopping Center/Mall	Poplar Springs Plaza	0.8 Southeast
Schools: Elementary Middle/Junior High High	River Ridge Elementary School (K-4) Berry Shoals Intermediate (5-6) Florence Chapel Middle School (7-8) Byrnes High School	0.9 South 1.0 Northwest 1.0 Northwest 4.4 Northwest
Hospital	Prisma Health - Occupational Health AFC Urgent Care – Duncan Family Medicine – Duncan Spartanburg Medical Center	0.2 West 1.8 Northwest 2.2 Northwest 11.3 Northeast
Police	Police Department of Duncan	5.5 Northwest
Fire	Duncan Fire Department	5.4 Northwest
Post Office	U.S. Post Office	5.3 Northwest
Bank	BB&T First Piedmont Bank	< 0.1 East 0.3 Northwest
Recreational Facilities	Anytime Fitness Middle Tyger YMCA Family Center	0.8 Southeast 1.2 Northwest
Gas Station	Ingles Gas Express 7-Eleven	0.3 Southeast 0.4 Southeast
Pharmacy	Ingles Pharmacy Walgreens CVS	0.3 Southeast 0.4 Southeast 0.5 Southeast
Restaurant	Little Caesar's Los Mexicanos	0.2 Southeast 0.2 Southeast
Day Care	Reidville Road Readiness Center	1.7 East
Library	Middle Tyger Library	4.9 Northwest
Church	Joy Lutheran Church Redeemer Presbyterian Church Grace Bible Church	0.8 Southeast 1.0 Southeast 1.1 Southeast
Park	Tyger River Park	3.4 Southwest
Golf Course	River Falls Plantation	0.7 Southwest

N/A – Not Available

The subject site is within proximity of a shopping center and additional community services that can be accessed within 2.0 miles. Most of the nearest services are located along or can be accessed by East Main Street (State Route 290), an arterial road that runs adjacent south of the subject parcel. Additional arterial roads are within 3.0 miles of the site, including Interstate 85.

Located along East Main Street are multiple gas stations, restaurants, churches, banks, pharmacies, Dollar General, Ingles grocery and pharmacy and Publix grocery and pharmacy, which anchors Poplar Springs Plaza. The proximity of this service and employment corridor will positively benefit the future residents of the subject site. The Middle Tyger Family YMCA is 1.2 miles northwest of the site. Public safety services, the Duncan Fire and Police departments, are 5.5 miles northwest.

Several urgent and acute care medical facilities are within approximately 2.0 miles and are situated along East Main Street. Spartanburg Medical Center is approximately 11.0 miles northeast. The subject area is served by District 5 Schools Spartanburg County, and all schools grades K-12 can be accessed within approximately 4.0 miles.

Overall, the subject site's proximity to essential community services, and its location along an arterial road, should positively contribute to its marketability.

4. SITE PHOTOGRAPHS

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



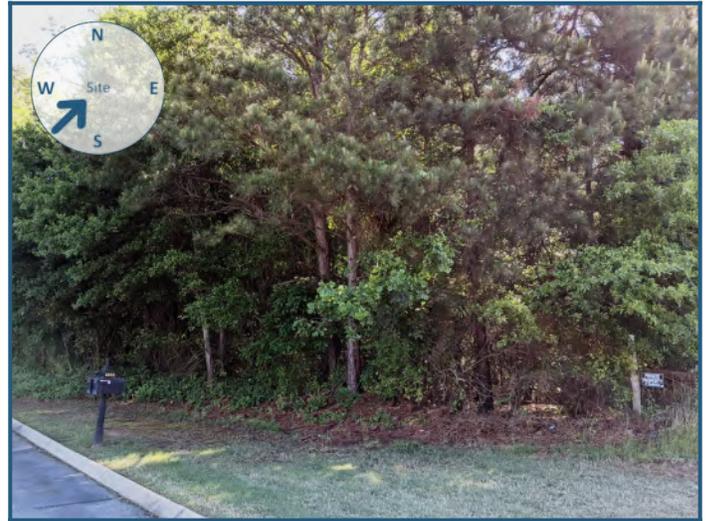
View of site from the north



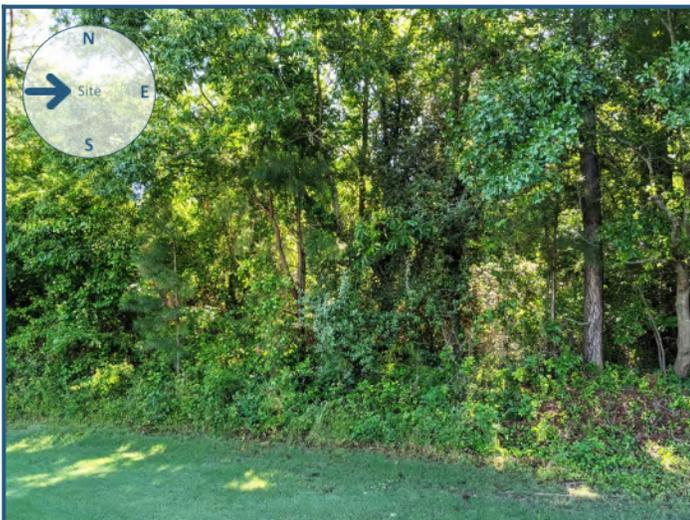
View of site from the southeast



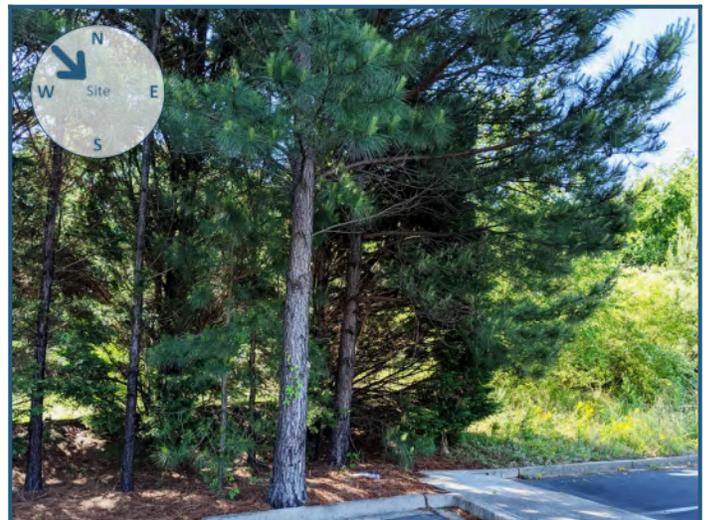
View of site from the south



View of site from the southwest



View of site from the west



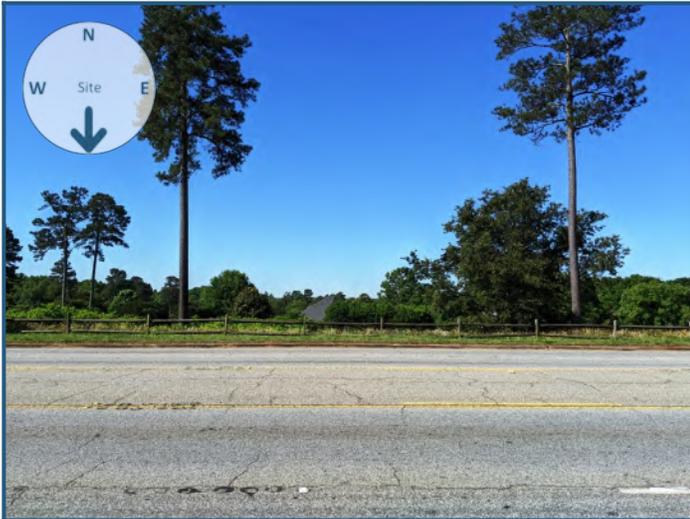
View of site from the northwest



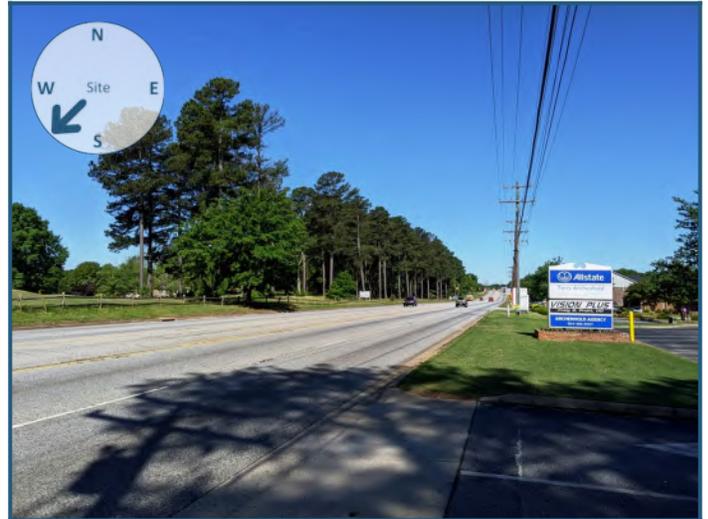
North view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Typical single-family home northeast and east of site



Streetscape: East view of East Main Street



Streetscape: West view of East Main Street



Streetscape: North view of Quinn Drive from East Main Street



Streetscape: North view of Quinn Drive



Streetscape: South view of Quin Drive

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

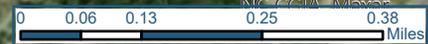


Duncan, SC
Site Neighborhood

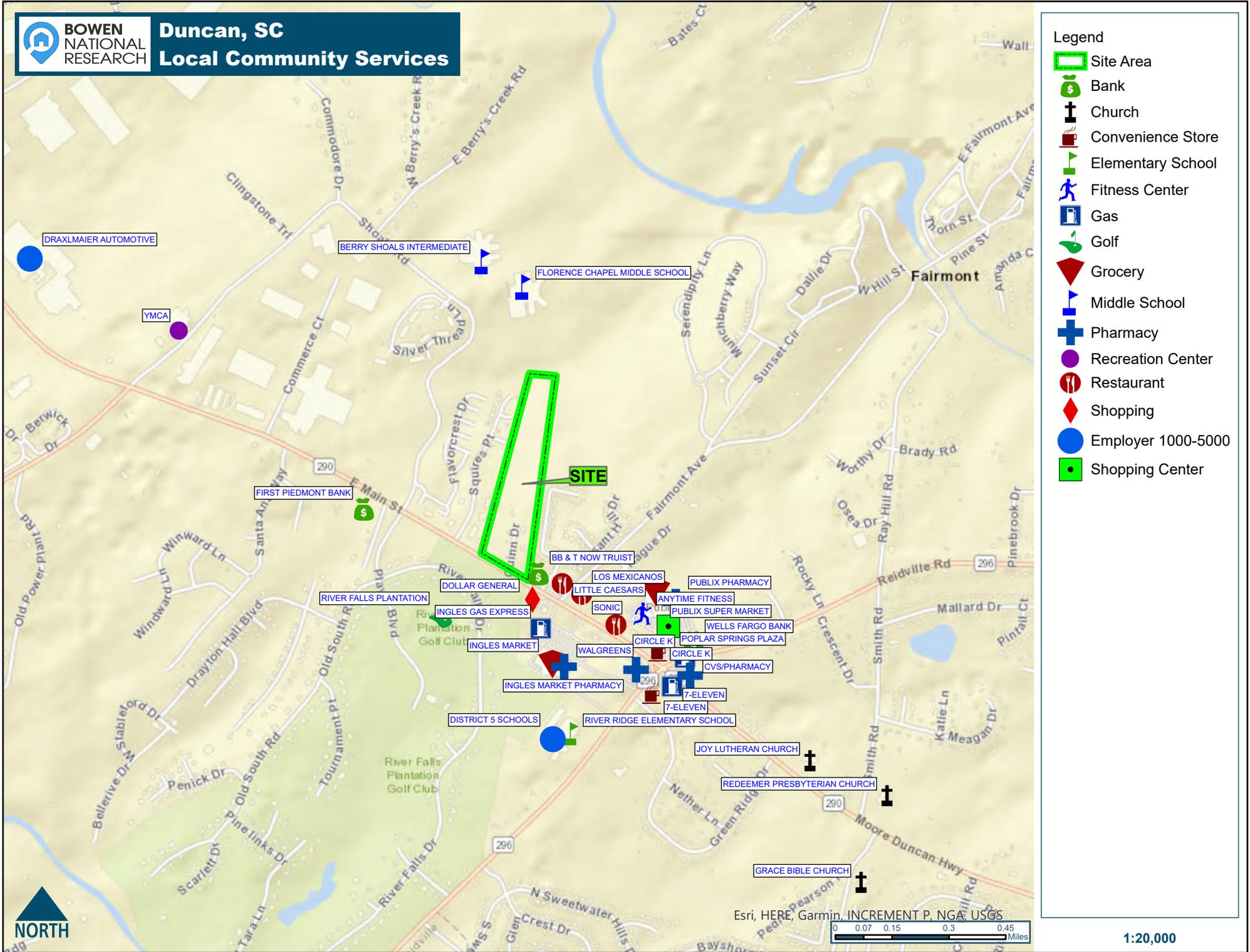
Legend
 Site Area



NORTH
 1:12,524



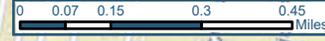
NC GIS - Mover



- ### Legend
- Site Area
 - Bank
 - Church
 - Convenience Store
 - Elementary School
 - Fitness Center
 - Gas
 - Golf
 - Grocery
 - Middle School
 - Pharmacy
 - Recreation Center
 - Restaurant
 - Shopping
 - Employer 1000-5000
 - Shopping Center



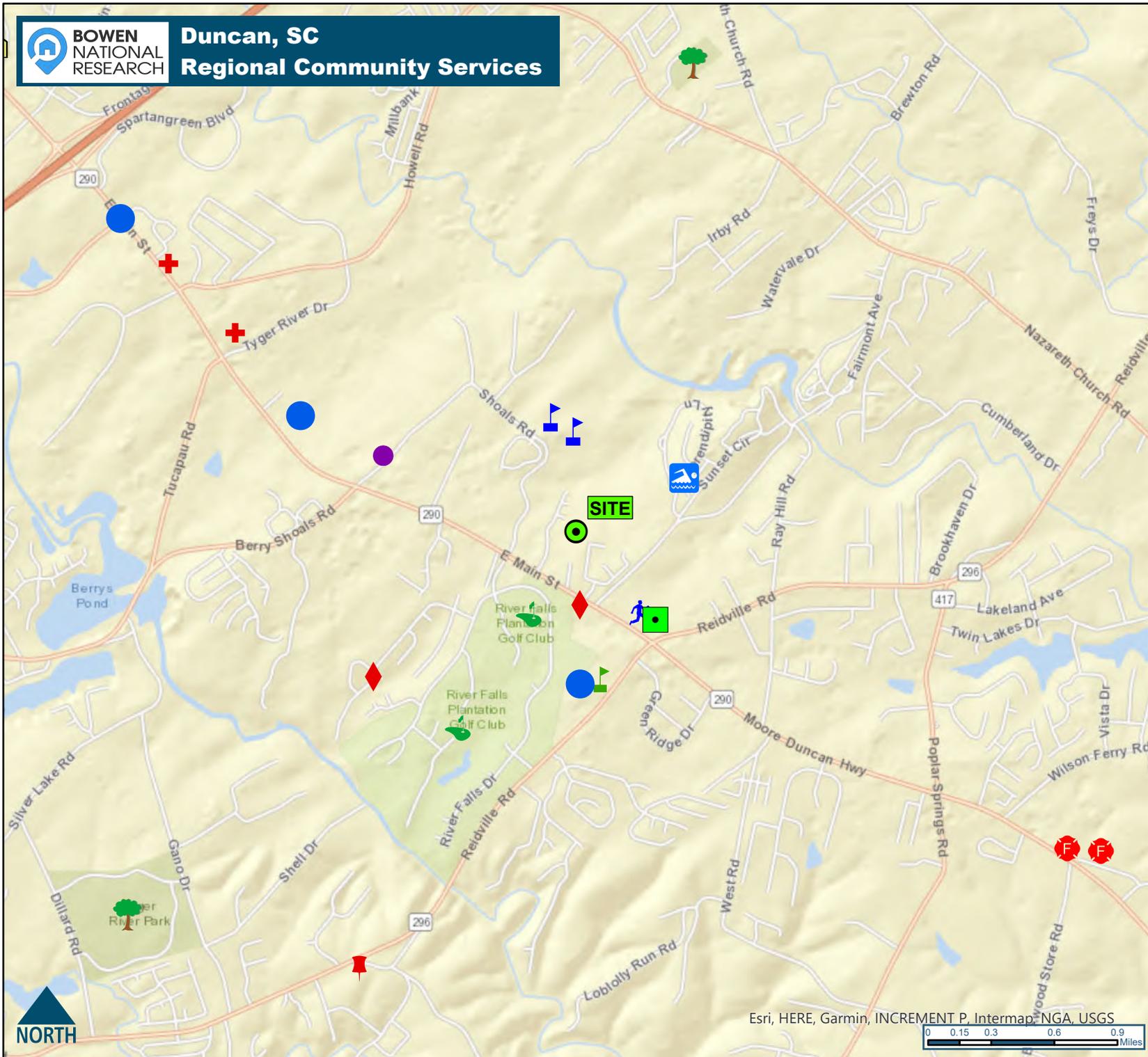
Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:20,000



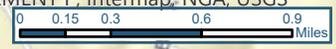
Duncan, SC
Regional Community Services



- Legend**
- Site
 - Entertainment
 - Cinema
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - Medical Center
 - Middle School
 - Park
 - Recreation Center
 - Shopping
 - Swimming
 - Employer 1000-5000
 - Shopping Center



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



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the site’s ZIP Code is 145, with an overall personal crime index of 96 and a property crime index of 152. Total crime risk for Spartanburg County is 129, with indexes for personal and property crime of 124 and 130, respectively.

	Crime Risk Index	
	Site ZIP Code	Spartanburg County
Total Crime	145	129
Personal Crime	96	124
Murder	82	108
Rape	136	141
Robbery	59	69
Assault	106	145
Property Crime	152	130
Burglary	114	142
Larceny	162	129
Motor Vehicle Theft	155	112

Source: Applied Geographic Solutions

The crime risk index within the site’s ZIP Code (145) is slightly above both those of Spartanburg County (129) and the nation (100). However, the slightly elevated crime index within the site’s neighborhood has not had an impact on multifamily housing within the area, as evidenced by the high occupancy levels maintained at the rental properties within very close proximity to the site. Therefore, it is not anticipated that the perception of crime within the area will have an impact on the subject’s marketability.

A map illustrating crime risk is on the following page.



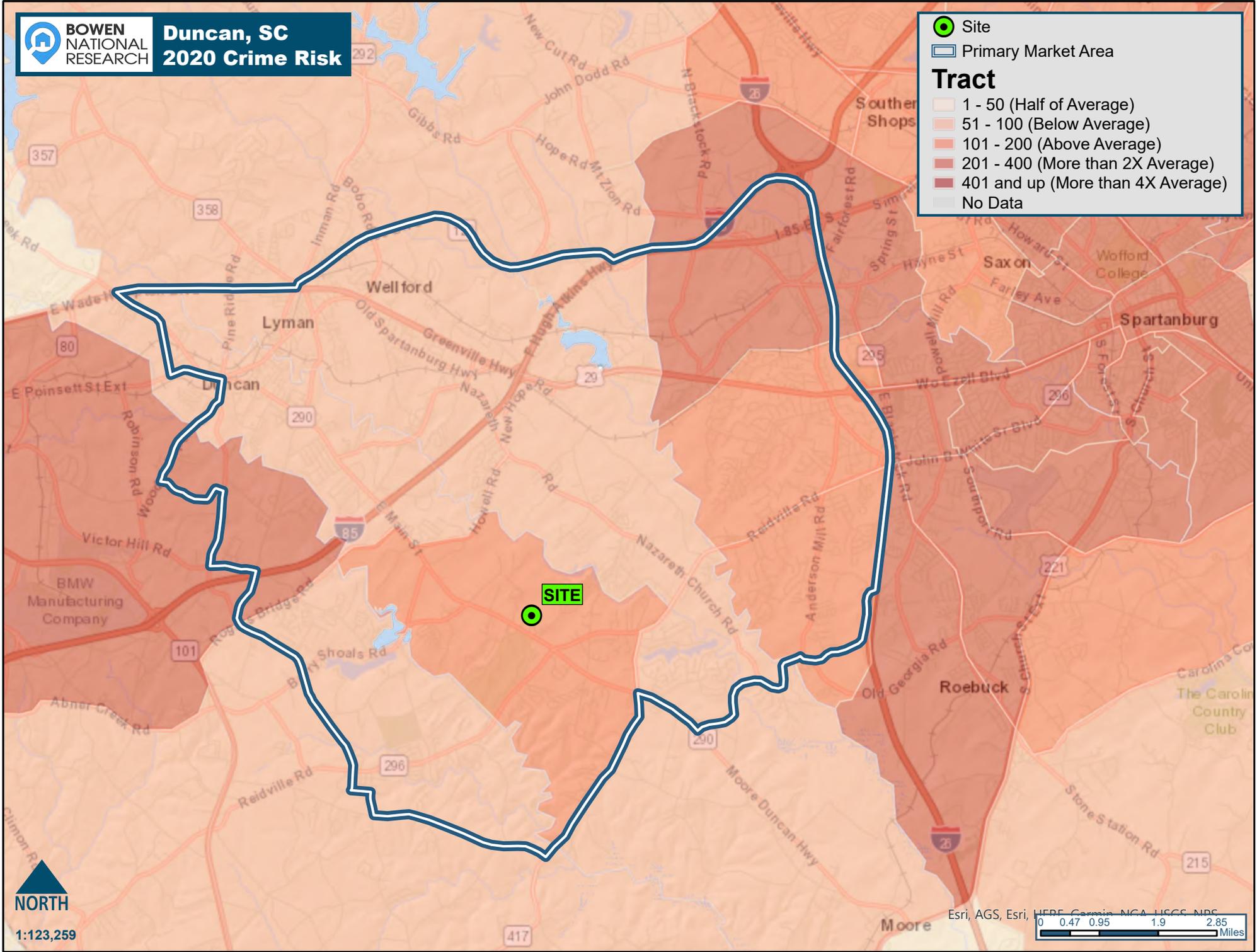
Duncan, SC 2020 Crime Risk

Site

Primary Market Area

Tract

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



NORTH

1:123,259

Esri, AGS, Esri, HERE, Garmin, NGA, USGS, NPS

0 0.47 0.95 1.9 2.85 Miles

7. ACCESS AND VISIBILITY

The subject site maintains frontage on East Main Street (State Route 290), a four-lane arterial road with moderate to heavy passerby traffic and a central turning lane. Visibility of the subject parcel from this roadway is unimpeded, and the consistent passerby traffic, as well as the proximity to essential community services and businesses, will further contribute to good visibility. Site plans include the construction of four residential buildings that will stand at three-stories tall, which are expected to be clearly visible to passerby vehicles.

Access will derive from Quinn Drive, currently a private drive that offers access to East Main Street adjacent south of the site. Ingress and egress onto East Main Street are expected to be convenient; however, eastbound traffic may experience slight traffic delays. As previously mentioned, the central turning lane will assist with ingress and egress. Other arterial roads, including Interstate 85, can be accessed within roughly 3.0 miles. Overall, access to and from the subject site is considered good.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no visible or environmental issues identified within proximity of the subject site.

9. OVERALL SITE CONCLUSIONS

The subject consists of two small parcels of wooded land and existing single-family homes located at 187 Quinn Drive in Duncan. Note that the existing homes will be demolished during the development process. Surrounding land uses include single-family home subdivisions, multifamily development, community services and businesses along East Main Street, small health services and offices and a golf course. Access to and from the site will take place using Quinn Drive to enter and exit onto East Main Street, which runs adjacent south of the site. Ingress and egress are expected to be convenient, which will be assisted by a central turning lane and clear visibility of oncoming traffic in both directions. This consistent passerby traffic could result in short delays when attempting to exit the site, but also positively contributes to its visibility, as the subject parcels can be seen unimpeded from the adjacent road. The three-story buildings to be constructed will also contribute to good visibility. The site has convenient access to several community services along East Main Street and is within 2.0 miles of the site. Applicable attendance schools are within 4.0 miles, while public safety services and an emergency medical center are 5.5 and 11.0 miles from the site, respectively. Overall, the site's surrounding land uses and proximity to community services should positively contribute to its marketability.

D. Primary Market Area Delineation

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Duncan Site PMA was determined through interviews with area leasing and real estate agents, as well as 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 Duncan Site PMA includes portions of Duncan, Lyman, Wellford and Reidville, as well as the surrounding unincorporated areas of Spartanburg County. Specifically, the boundaries of the Site PMA generally consist of U.S. Highway 29, State Route 129 and Interstate 85 to the north; Interstate 26 to the east; Old Anderson Mill Road, Anderson Mill Road, State Route 290, State Route 417, Lightwood Knot Road, Gaston Drive and Chestnut Street to the south; and Duncan Reidville Road, Twin Valley Road, Woods Chapel Road, South Spencer Street, State Route 290 and Gap Creek Road to the west. All boundaries of the Site PMA are generally within 7.0 miles from the site. The Site PMA includes all, or portions of the following Census Tracts:

219.01	219.02	220.05	230.02
231.01	231.02	232.02	234.01
234.02	234.03*	234.04	

*Subject site location

Paris (would not disclose last name) is the Property Manager at Monarch Place (Map ID 8), a Tax Credit community within the Site PMA in Wellford. Paris confirmed the PMA, stating that most of the support for her property comes from Duncan, Lyman and Wellford, as well as the surrounding areas of the county. She expects the site at its location will experience similar trends.

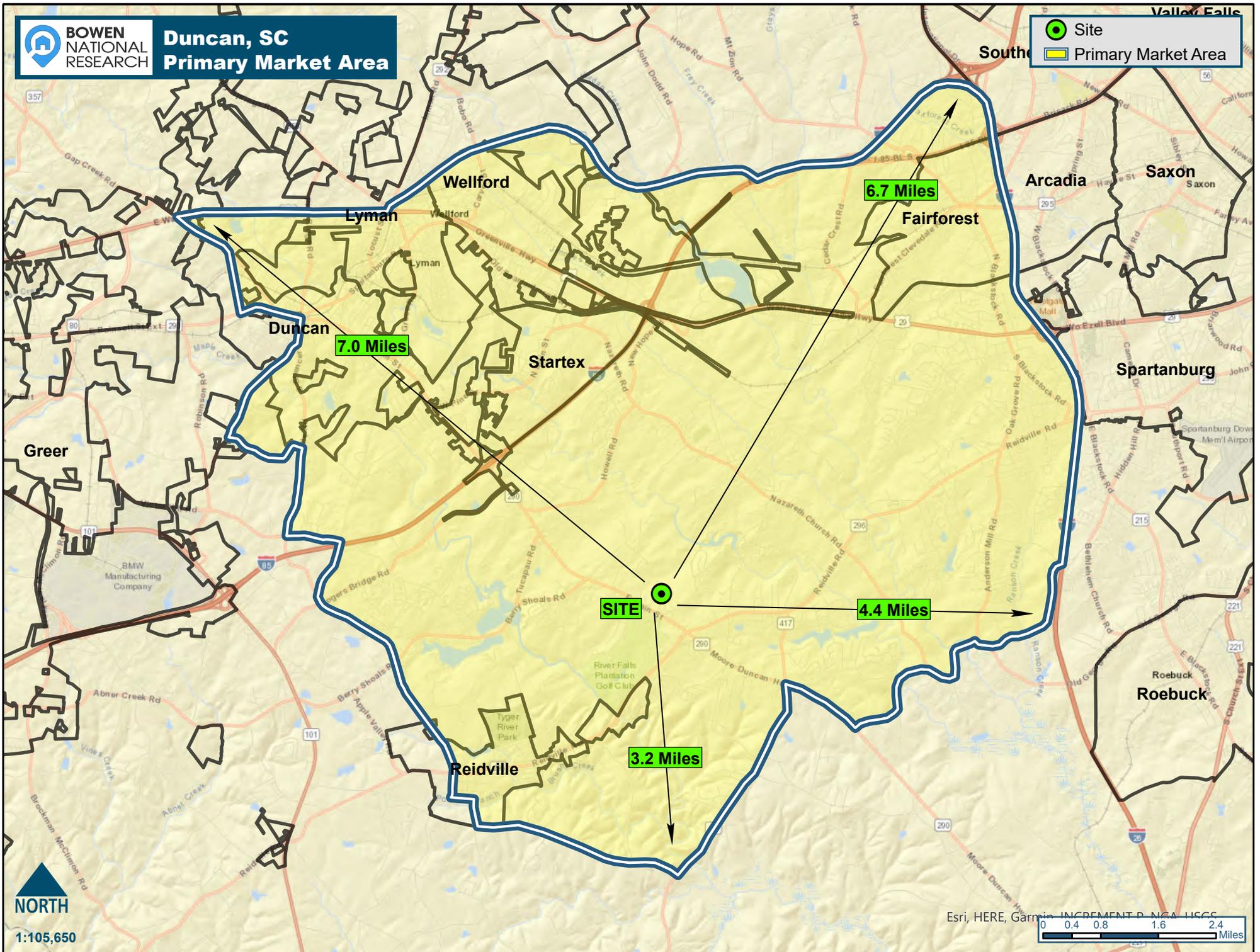
A modest portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



Duncan, SC Primary Market Area

● Site
▭ Primary Market Area



1:105,650

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS
0 0.4 0.8 1.6 2.4 Miles

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

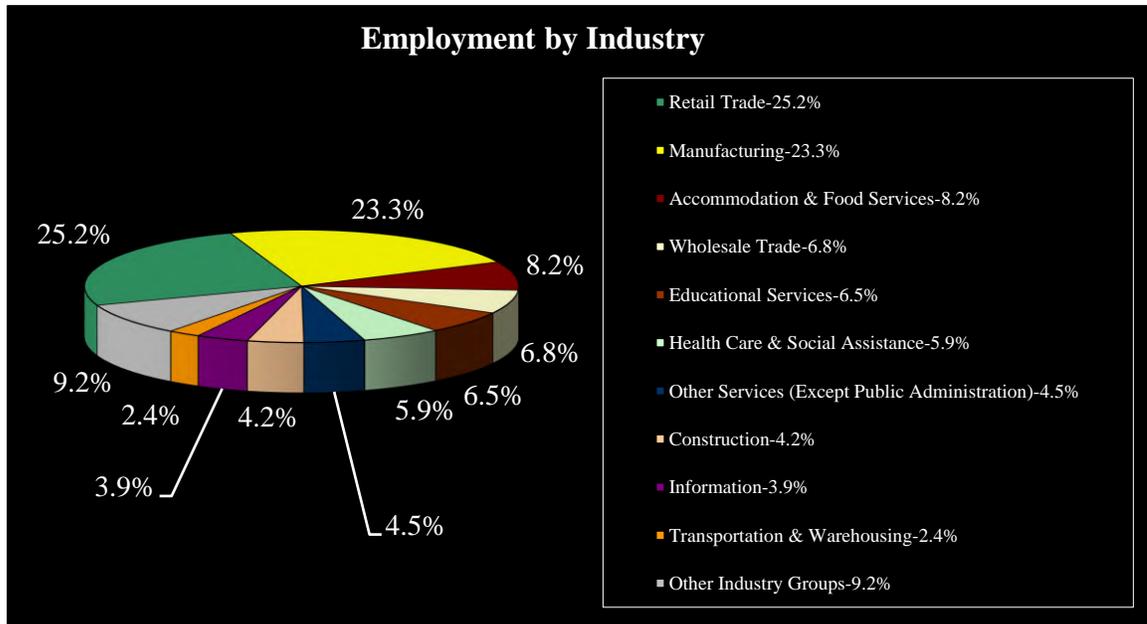
The labor force within the Duncan Site PMA is based primarily in two sectors. Retail Trade (which comprises 25.2%) and Manufacturing comprise nearly 48% of the Site PMA labor force. Employment in the Duncan Site PMA, as of 2020, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	4	0.3%	18	0.1%	4.5
Mining	1	0.1%	1	0.0%	1.0
Utilities	3	0.2%	98	0.5%	32.7
Construction	96	7.1%	885	4.2%	9.2
Manufacturing	95	7.1%	4,920	23.3%	51.8
Wholesale Trade	55	4.1%	1,429	6.8%	26.0
Retail Trade	228	17.0%	5,333	25.2%	23.4
Transportation & Warehousing	41	3.1%	504	2.4%	12.3
Information	26	1.9%	815	3.9%	31.3
Finance & Insurance	49	3.6%	229	1.1%	4.7
Real Estate & Rental & Leasing	80	6.0%	349	1.7%	4.4
Professional, Scientific & Technical Services	69	5.1%	375	1.8%	5.4
Management of Companies & Enterprises	0	0.0%	1	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	43	3.2%	410	1.9%	9.5
Educational Services	29	2.2%	1,375	6.5%	47.4
Health Care & Social Assistance	92	6.9%	1,245	5.9%	13.5
Arts, Entertainment & Recreation	24	1.8%	159	0.8%	6.6
Accommodation & Food Services	98	7.3%	1,740	8.2%	17.8
Other Services (Except Public Administration)	210	15.6%	953	4.5%	4.5
Public Administration	20	1.5%	205	1.0%	10.3
Nonclassifiable	80	6.0%	97	0.5%	1.2
Total	1,343	100.0%	21,141	100.0%	15.7

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Spartanburg Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Spartanburg MSA	South Carolina
Management Occupations	\$112,050	\$109,500
Business and Financial Occupations	\$74,900	\$70,470
Computer and Mathematical Occupations	\$69,570	\$77,080
Architecture and Engineering Occupations	\$82,470	\$80,470
Community and Social Service Occupations	\$45,180	\$44,530
Art, Design, Entertainment and Sports Medicine Occupations	\$47,100	\$50,930
Healthcare Practitioners and Technical Occupations	\$73,680	\$76,850
Healthcare Support Occupations	\$28,950	\$29,220
Protective Service Occupations	\$39,140	\$39,760
Food Preparation and Serving Related Occupations	\$23,490	\$23,250
Building and Grounds Cleaning and Maintenance Occupations	\$27,500	\$27,650
Personal Care and Service Occupations	\$27,860	\$28,850
Sales and Related Occupations	\$36,310	\$37,680
Office and Administrative Support Occupations	\$38,210	\$37,870
Construction and Extraction Occupations	\$44,060	\$44,550
Installation, Maintenance and Repair Occupations	\$45,360	\$46,990
Production Occupations	\$43,280	\$40,730
Transportation and Moving Occupations	\$36,460	\$34,010

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

Most annual blue-collar salaries range from \$23,490 to \$47,100 within the Spartanburg MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$82,534. It is important to note that most occupational types within the Spartanburg MSA have similar typical wages as the State of South Carolina's typical wages.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Spartanburg area comprise a total of 36,409 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
BMW Manufacturing Corp.	Automobile Manufacturing	11,000
Spartanburg Regional Healthcare System	Hospital	9,648
Spartanburg County School Districts	Public K-12 Schools	6,063
Adidas	Sporting goods	2,540
Spartanburg County	Local Government	1,545
Draexlmaier Automotive of America, LLC	Wire Harnesses	1,225
Michelin North America	Radial Heavy Truck	1,165
Benore Logistics Systems Incorporated	Logistics	1,100
Magna International	Automotive Seating	1,070
Milliken & Company	Textile Manufacturing	1,053
	Total	36,409

Source: Spartanburg County (2020)

According to a representative with OneSpartanburg, the Spartanburg economy is growing and improving. The ongoing COVID-19 pandemic, while causing the local restaurant and hospitality industries to struggle, has not had any major negative impact on local businesses and businesses continue to open and expand into the area. The pandemic has highlighted the benefits they have locally that large companies would like, such as their location close to major cities, and excellent supply chain service in the area. It was further noted that Spartanburg County and South Carolina, in general, have kept a pro-business approach in responding to the COVID-19 pandemic.

Spartanburg County has had multiple positive economic factors come to fruition in the past year. The most notable of these are Project Black Bull, which is slated to create 1,068 jobs within the county and Project Replay, which will create 450 jobs, both of which are still in the early stages of planning and detailed information has yet to be released to the public. Additionally, Pall Corporation, a filtration company, announced plans in February 2021 to establish operations in the county. Construction is expected to be completed by May 2021 and will create 425 jobs. A handful of restaurants and retailers are opening in the county as well. While these are only a few of many notable positive impacts, they reflect the growth and improvement of Spartanburg's economy.

As far as infrastructure goes, along with a multitude of small road and bridge repairment projects, projects of note include a new 340,000 square-foot judicial center complete with a parking garage is underway, along with a new police and fire station. These projects will be followed by a new 200,000 square-foot city/county government complex and adjoining parking garage, all funded by a capital penny referendum.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed in May 2021 and according to South Carolina Works, there have been five WARN notices reported for Spartanburg over the past 12 months. Below is a table summarizing these notices:

Company	Jobs	Effective Date
John Manville	30	5/15/2020
John Manville	10	6/16/2020
TC Transcontinental Packaging	106	7/31/2020
LSC Communications US, LLC	401	2/18/2021
DISH Network (Remanufacturing Operations)	150	3/5/2021

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.

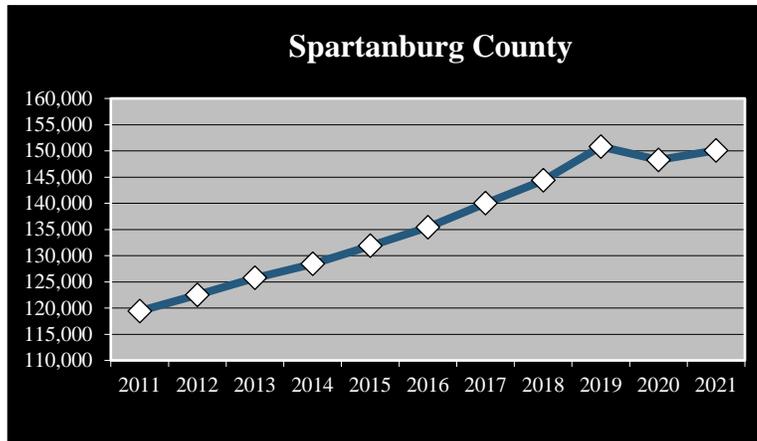
Excluding 2021, the employment base has increased by 9.5% over the past five years in Spartanburg County, more than the South Carolina state increase of 2.9%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	119,426	-	1,957,493	-	141,714,419	-
2012	122,526	2.6%	1,992,957	1.8%	143,548,588	1.3%
2013	125,746	2.6%	2,034,404	2.1%	144,904,568	0.9%
2014	128,416	2.1%	2,082,941	2.4%	147,293,817	1.6%
2015	131,890	2.7%	2,134,087	2.5%	149,540,791	1.5%
2016	135,410	2.7%	2,174,301	1.9%	151,934,228	1.6%
2017	140,007	3.4%	2,200,602	1.2%	154,214,749	1.5%
2018	144,350	3.1%	2,242,438	1.9%	156,134,717	1.2%
2019	150,828	4.5%	2,302,573	2.7%	158,154,548	1.3%
2020	148,274	-1.7%	2,237,407	-2.8%	148,639,745	-6.0%
2021*	150,098	1.2%	2,249,611	0.5%	150,431,608	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through March



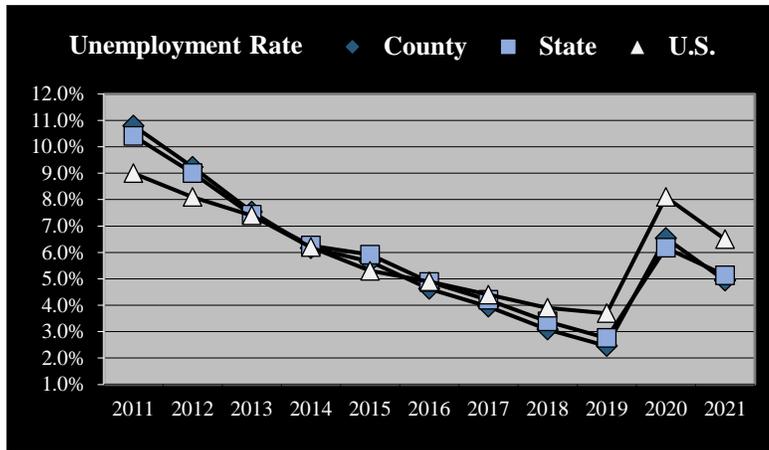
As the preceding illustrates, the Spartanburg County employment base experienced consistent growth between 2011 and 2019. Between 2019 and 2020, the county’s employment base declined by 1.7% as the result of the COVID-19 pandemic. On a positive note, the county’s employment base has experienced job growth thus far in 2021.

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

Year	Unemployment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2011	14,452	10.8%	227,678	10.4%	14,026,497	9.0%
2012	12,462	9.2%	197,246	9.0%	12,683,816	8.1%
2013	10,236	7.5%	163,472	7.4%	11,624,030	7.4%
2014	8,455	6.2%	139,485	6.3%	9,774,435	6.2%
2015	7,900	5.7%	133,750	5.9%	8,419,872	5.3%
2016	6,547	4.6%	111,753	4.9%	7,857,015	4.9%
2017	5,758	4.0%	96,477	4.2%	7,096,170	4.4%
2018	4,577	3.1%	78,442	3.4%	6,388,109	3.9%
2019	3,793	2.5%	65,112	2.8%	6,076,609	3.7%
2020	10,427	6.5%	147,183	6.2%	13,027,601	8.1%
2021*	7,773	4.9%	121,461	5.1%	10,498,289	6.5%

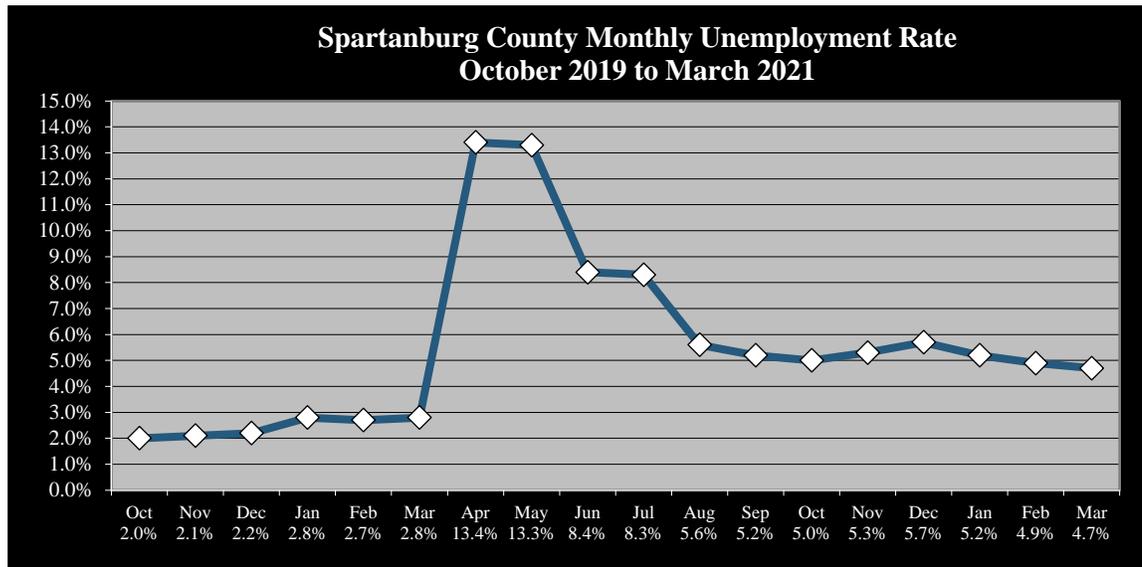
Source: Department of Labor; Bureau of Labor Statistics

*Through March



Between 2011 and 2019, the unemployment rate within Spartanburg County declined by over eight percentage points, then increased by four 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 1.6% percentage points.

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



As the preceding table illustrates, the *monthly* unemployment rate for Spartanburg County spiked by nearly 11 percentage points between March and April 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 Spartanburg County.

In-Place Employment Spartanburg County			
Year	Employment	Change	Percent Change
2010	109,848	-	-
2011	111,288	1,440	1.3%
2012	114,561	3,273	2.9%
2013	119,385	4,824	4.2%
2014	123,466	4,081	3.4%
2015	127,009	3,543	2.9%
2016	131,655	4,646	3.7%
2017	137,148	5,493	4.2%
2018	141,952	4,804	3.5%
2019	147,638	5,686	4.0%
2020*	144,262	-3,377	-2.3%

Source: Department of Labor, Bureau of Labor Statistics

*Through December

Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Spartanburg County to be 97.9% of the total Spartanburg County employment. This means that Spartanburg County has a high share of employed persons staying in the county for daytime employment. This will likely have a positive impact on the subject's marketability.

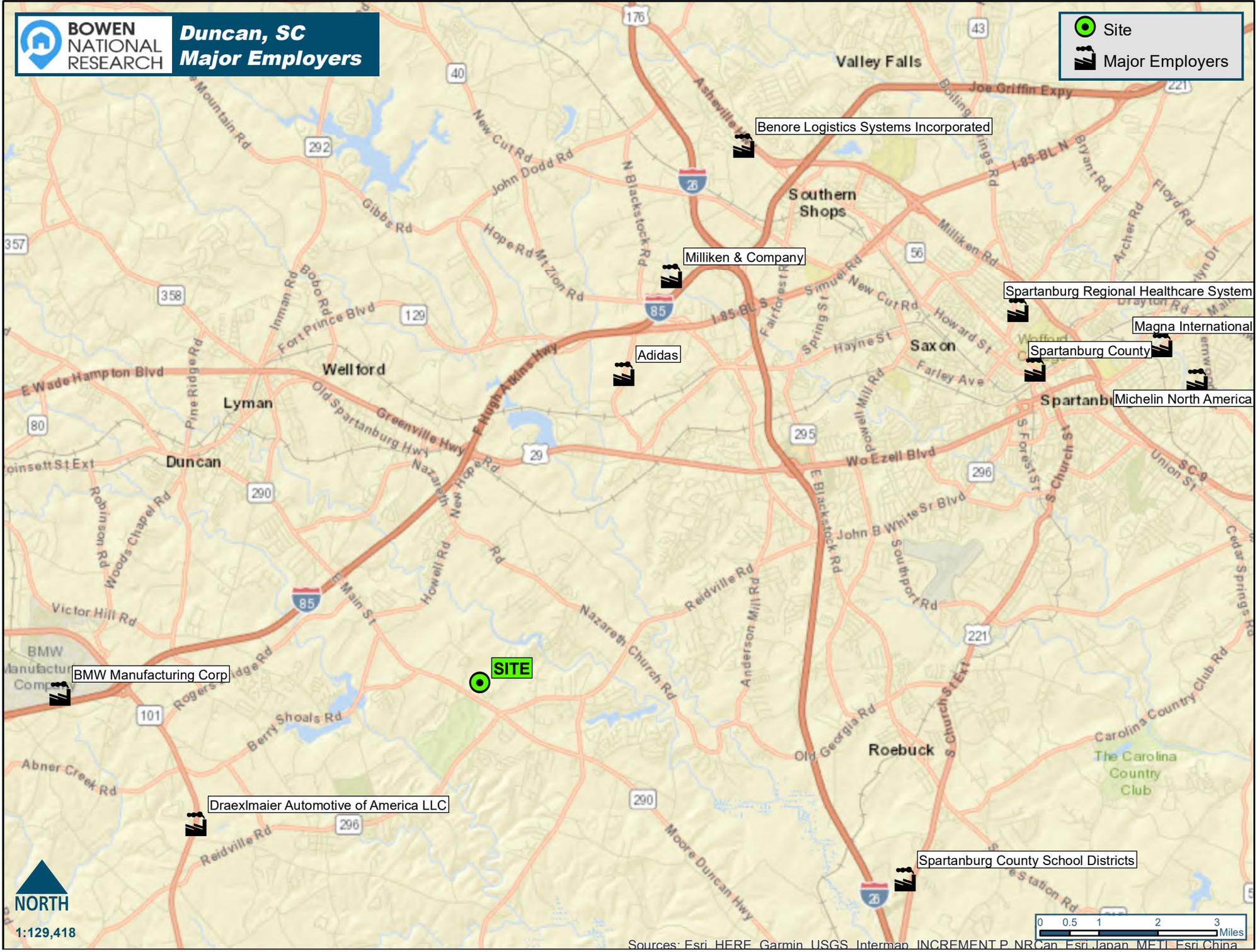
5. **EMPLOYMENT CENTERS MAP**

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

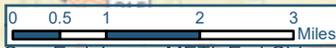


Duncan, SC Major Employers

- Site
- Major Employers



NORTH
1:129,418



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	19,251	86.9%
Carpooled	2,050	9.3%
Public Transit	69	0.3%
Walked	80	0.4%
Other Means	131	0.6%
Worked at Home	578	2.6%
Total	22,159	100.0%

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

Nearly 87% of all workers drove alone, 9.3% carpooled and only 0.3% 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	6,013	27.1%
15 to 29 Minutes	9,652	43.6%
30 to 44 Minutes	4,326	19.5%
45 to 59 Minutes	816	3.7%
60 or More Minutes	776	3.5%
Worked at Home	578	2.6%
Total	22,161	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 contribute to its marketability. A drive-time map for the subject site is on the following page.

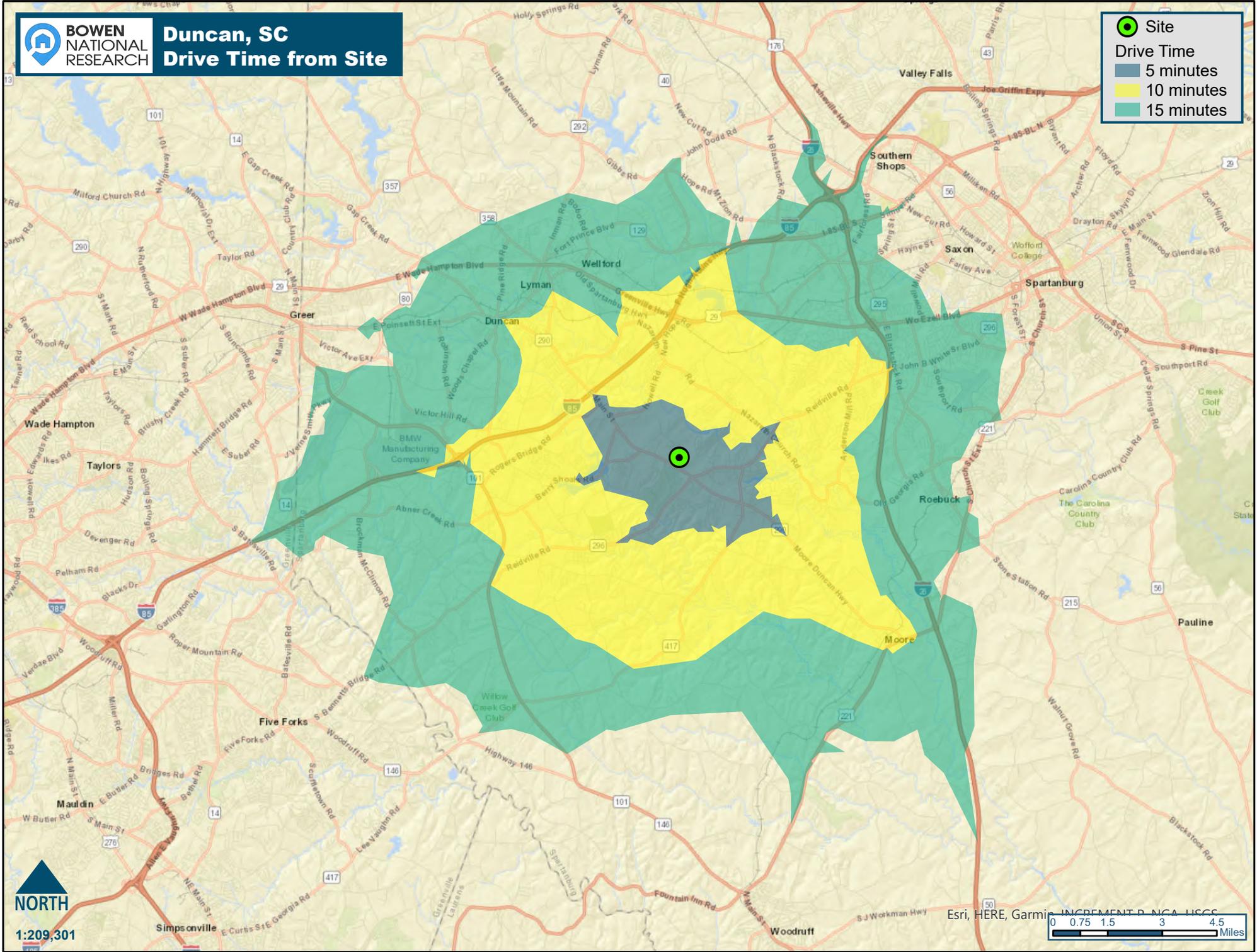


Duncan, SC Drive Time from Site

Site
●

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:209,301

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS
0 0.75 1.5 3 4.5 Miles

7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on data provided by the State of South Carolina Department of Labor and the U.S. Department of Labor, the local economy experienced consistent 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 Spartanburg County employment base declined by over 2,550 jobs, or 1.7%, and its unemployment rate increased by four percentage points. Specifically, between March and April 2020, the unemployment rate within the county spiked by nearly 11 percentage points. On a positive note, the local economy is experiencing growth 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 33% of the market's labor force and provide lower wage paying positions. The subject site will 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	30,814	38,991	48,044	50,617
Population Change	-	8,177	9,053	2,573
Percent Change	-	26.5%	23.2%	5.4%

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

The Duncan Site PMA population base increased by 8,177 between 2000 and 2010. This represents a 26.5% increase from the 2000 population base, or an annual rate of 2.4%. Between 2010 and 2020, the population increased by 9,053, or 23.2%. It is projected that the population will increase by 2,573, or 5.4%, between 2020 and 2023.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.2% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	72	0.2%
Population not in Group Quarters	38,919	99.8%
Total Population	38,991	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	11,181	28.7%	12,249	25.5%	12,898	25.5%	649	5.3%
20 to 24	2,176	5.6%	2,505	5.2%	2,407	4.8%	-98	-3.9%
25 to 34	4,649	11.9%	6,518	13.6%	6,480	12.8%	-38	-0.6%
35 to 44	5,734	14.7%	6,144	12.8%	6,918	13.7%	774	12.6%
45 to 54	6,010	15.4%	6,626	13.8%	6,544	12.9%	-82	-1.2%
55 to 64	4,762	12.2%	6,581	13.7%	6,800	13.4%	219	3.3%
65 to 74	2,754	7.1%	4,739	9.9%	5,269	10.4%	530	11.2%
75 & Over	1,725	4.4%	2,682	5.6%	3,300	6.5%	618	23.0%
Total	38,991	100.0%	48,044	100.0%	50,617	100.0%	2,573	5.4%

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

As the preceding table illustrates, nearly 54% of the population is expected to be between 25 and 64 years old in 2020. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

A total of nine units (or 10%) at the subject development will target persons with disabilities earning up to 20% of Area Median Household Income (AMHI). Based on 2015-2019 American Community Survey (ACS) 5-Year Estimates, there are an estimated 5,131 persons with some type of disability within the Duncan Site PMA. While income data is unavailable for those with a disability, it is anticipated that most disabled persons will have qualified incomes to reside at the subject development. As such, it is anticipated that there will be a deep base of demographic support for such units.

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%	29.2%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	17.3%
American Indian	0.4%	0.4% + 20.0% = 20.4%	0.0%
Asian/Hawaiian/Pacific Islander	1.4%	1.4% + 20.0% = 21.4%	5.3%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	2.1%

Source: SC Housing and 2020 FFIEC Census Report

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Households	11,786	14,972	18,398	19,368
Household Change	-	3,186	3,426	970
Percent Change	-	27.0%	22.9%	5.3%
Household Size	2.61	2.60	2.61	2.61

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

Within the Duncan Site PMA, households increased by 3,186 (27.0%) between 2000 and 2010. Between 2010 and 2020, households increased by 3,426, or 22.9%. By 2023, there will be 19,368 households, an increase of 970 households, or 5.3%, from 2020. This is an increase of approximately 323 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	585	3.9%	525	2.9%	533	2.8%	8	1.5%
25 to 34	2,232	14.9%	2,962	16.1%	2,908	15.0%	-54	-1.8%
35 to 44	3,116	20.8%	3,169	17.2%	3,530	18.2%	361	11.4%
45 to 54	3,383	22.6%	3,572	19.4%	3,496	18.0%	-76	-2.1%
55 to 64	2,771	18.5%	3,639	19.8%	3,721	19.2%	82	2.3%
65 to 74	1,700	11.4%	2,795	15.2%	3,074	15.9%	279	10.0%
75 to 84	923	6.2%	1,281	7.0%	1,554	8.0%	273	21.3%
85 & Over	262	1.7%	455	2.5%	552	2.9%	97	21.4%
Total	14,972	100.0%	18,398	100.0%	19,368	100.0%	970	5.3%

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 the households between the ages of 35 and 44, increasing by 361, or 11.4%. Households between the ages of 65 and 84 are also projected to experience notable growth, increasing by 552, or 13.5%. These trends illustrate that there will likely be an increasing need for housing for both families and seniors within the Duncan Site PMA.

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	10,900	72.8%	13,282	72.2%	14,003	72.3%
Renter-Occupied	4,072	27.2%	5,116	27.8%	5,365	27.7%
Total	14,972	100.0%	18,398	100.0%	19,368	100.0%

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

As illustrated in the preceding table, renter households within the market are projected to increase by 249, or 4.9%, between 2020 and 2023. This further illustrates that there will likely be an increasing need for rental housing within the Site PMA.

c. Households by Income

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

Household Income	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,043	7.0%	759	4.1%	709	3.7%
\$10,000 to \$19,999	1,982	13.2%	1,156	6.3%	1,049	5.4%
\$20,000 to \$29,999	1,432	9.6%	1,529	8.3%	1,448	7.5%
\$30,000 to \$39,999	1,421	9.5%	1,612	8.8%	1,521	7.9%
\$40,000 to \$49,999	1,316	8.8%	1,503	8.2%	1,373	7.1%
\$50,000 to \$59,999	1,378	9.2%	1,462	7.9%	1,355	7.0%
\$60,000 to \$74,999	1,775	11.9%	1,911	10.4%	1,828	9.4%
\$75,000 to \$99,999	1,665	11.1%	3,537	19.2%	3,754	19.4%
\$100,000 to \$124,999	1,168	7.8%	1,597	8.7%	2,009	10.4%
\$125,000 to \$149,999	585	3.9%	917	5.0%	1,146	5.9%
\$150,000 to \$199,999	688	4.6%	1,363	7.4%	1,779	9.2%
\$200,000 & Over	519	3.5%	1,052	5.7%	1,396	7.2%
Total	14,972	100.0%	18,398	100.0%	19,368	100.0%
Median Income	\$52,119		\$69,246		\$77,663	

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

In 2010, the median household income was \$52,119. This increased by 32.9% to \$69,246 in 2020. By 2023, it is projected that the median household income will be \$77,663, an increase of 12.2% 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 Duncan Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	170	122	102	68	58	521
\$10,000 to \$19,999	365	221	184	123	106	999
\$20,000 to \$29,999	193	138	115	77	66	589
\$30,000 to \$39,999	134	105	87	58	50	435
\$40,000 to \$49,999	122	95	79	53	45	394
\$50,000 to \$59,999	80	65	54	36	31	267
\$60,000 to \$74,999	100	85	71	47	40	343
\$75,000 to \$99,999	71	60	50	33	29	243
\$100,000 to \$124,999	35	27	23	15	13	113
\$125,000 to \$149,999	17	14	11	8	7	57
\$150,000 to \$199,999	20	15	12	8	7	63
\$200,000 & Over	15	11	9	6	5	47
Total	1,325	959	796	534	457	4,072

Source: ESRI; Urban Decision Group

Renter Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	144	144	69	48	42	448
\$10,000 to \$19,999	229	170	82	57	50	589
\$20,000 to \$29,999	248	200	97	67	59	670
\$30,000 to \$39,999	231	206	99	69	61	665
\$40,000 to \$49,999	176	191	92	64	57	580
\$50,000 to \$59,999	136	135	65	45	40	421
\$60,000 to \$74,999	180	175	85	59	52	551
\$75,000 to \$99,999	203	212	102	71	63	650
\$100,000 to \$124,999	65	71	34	24	21	215
\$125,000 to \$149,999	37	41	20	14	12	123
\$150,000 to \$199,999	36	36	17	12	11	113
\$200,000 & Over	34	27	13	9	8	90
Total	1,718	1,607	777	539	475	5,116

Source: ESRI; Urban Decision Group

Renter Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	140	141	64	44	40	430
\$10,000 to \$19,999	206	149	68	47	43	513
\$20,000 to \$29,999	237	186	85	58	53	620
\$30,000 to \$39,999	244	207	94	64	59	668
\$40,000 to \$49,999	172	193	88	60	55	568
\$50,000 to \$59,999	141	143	65	44	40	434
\$60,000 to \$74,999	201	189	86	59	54	589
\$75,000 to \$99,999	246	273	123	84	77	804
\$100,000 to \$124,999	88	107	48	33	30	306
\$125,000 to \$149,999	49	61	28	19	17	174
\$150,000 to \$199,999	45	48	22	15	13	143
\$200,000 & Over	43	36	16	11	10	117
Total	1,815	1,734	788	538	491	5,365

Source: ESRI; Urban Decision Group

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

Demographic Summary

Over one-quarter of the market is occupied by renter households. Overall, population and household trends have been positive since 2000 and are projected to remain positive through 2023. Specifically, renter households are projected to increase by 249, or 4.9%, between 2020 and 2023, illustrating that there will likely be an increasing need for rental housing within the Duncan Site PMA. As discussed later in Section H of this report, all affordable rental communities surveyed in the market are 100.0% occupied and maintain a waiting list. 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 within the Spartanburg, South Carolina HUD Metro FMR Area, which has a four-person median household income of \$68,800 for 2021. The subject property will be restricted to households with incomes of up to 20%, 50%, 60% and 70% of AMHI. The following table summarizes the maximum allowable income by household size at the targeted income levels:

Household Size	Maximum Allowable Income			
	20%	50%	60%	70%
One-Person	\$9,520	\$23,800	\$28,560	\$33,320
Two-Person	\$10,880	\$27,200	\$32,640	\$38,080
Three-Person	\$12,240	\$30,600	\$36,720	\$42,840
Four-Person	\$13,580	\$33,950	\$40,740	\$47,530
Five-Person	\$14,680	\$36,700	\$44,040	\$51,380

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$51,380**.

2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to South Carolina (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 proposed LIHTC units will have a lowest gross rent of \$255. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$3,060. 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 **\$8,743**.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 20%, 50%, 60% and 70% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 20% Of AMHI)	\$8,743	\$12,240
Tax Credit (Limited To 50% Of AMHI)	\$21,840	\$36,700
Tax Credit (Limited To 60% Of AMHI)	\$26,229	\$44,040
Tax Credit (Limited To 70% Of AMHI)	\$26,949	\$51,380
Overall Project	\$8,743	\$51,380

3. DEMAND COMPONENTS

The following are the demand components as outlined by the 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 the anticipated placed-in-service date of the project (2023) 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 19.5% to 68.9% (depending on 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, 3.2% 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.*
- 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

We identified one LIHTC community within the development pipeline in the Duncan Site PMA, Westview Terrace. The following table summarizes this project’s unit mix, based on the market study submitted to SC Housing:

Project Name	Year Allocated	LIHTC Units	Bedroom Type	Units at Targeted AMHI		
				30% AMHI	50% AMHI	60% AMHI
Westview Terrace	2020	48	Two	3	6	15
			Three	2	4	18

The 43 directly comparable units at Westview Terrace have been considered in the subject’s demand estimates illustrated on the following pages. Also note that all existing LIHTC projects within the market are fully occupied and, therefore, no existing units were considered in our demand estimates.

Demand Component	Percent of Median Household Income				
	20% AMHI (\$8,743-\$12,240)	50% AMHI (\$21,840-\$36,700)	60% AMHI (\$26,229-\$44,040)	70% AMHI (\$26,949-\$51,380)	Overall (\$8,743-\$51,380*)
Demand from New Renter Households (Income-Appropriate)	177 - 188 = -11	969 - 993 = -24	1,140 - 1,152 = -12	1,494 - 1,508 = -14	1,998 - 2,039 = -41
+					
Demand from Existing Households (Rent Overburdened)	188 X 68.9% = 130	993 X 42.3% = 420	1,152 X 26.8% = 309	1,508 X 19.5% = 294	2,039 X 29.1% = 594
+					
Demand from Existing Households (Renters in Substandard Housing)	188 X 3.2% = 6	993 X 3.2% = 31	1,152 X 3.2% = 36	1,508 X 3.2% = 48	2,039 X 3.2% = 64
+					
Demand from Existing Households (Senior Homeowner Conversion)	N/A				
=					
Total Demand	125	427	333	328	617
-					
Supply (Directly Comparable Units Built and/or Funded Since 2020)	0	10	33	0	43
=					
Net Demand	125	417	300	328	574
Proposed Units / Net Demand	9 / 125	27 / 417	27 / 300	27 / 328	90 / 574
Capture Rate	= 7.2%	= 6.5%	= 9.0%	= 8.2%	= 15.7%

*Excludes renters earning between \$12,240 and \$21,840

N/A – Not Applicable

The capture rates for units targeting households at 20%, 50%, 60% and 70% of AMHI, ranging from 6.5% to 9.0%, are considered very low and easily achievable. This is especially true, considering the lack of available affordable units within the Site PMA. The overall capture rate for the subject project is also low and easily achievable at 15.7%, demonstrating that there is a significant base of income-qualified renter households that will be able to support the subject project.

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	45.0%
Three-Bedroom	20.0%
Total	100.0%

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

Units Targeting 20% Of AMHI (125 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	44	0	44	5	11.4%
Two-Bedroom (45%)	56	0	56	4	7.1%
Three-Bedroom (20%)	25	0	25	-	-

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

Units Targeting 50% Of AMHI (427 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	149	0	149	3	2.0%
Two-Bedroom (45%)	192	6	186	14	7.5%
Three-Bedroom (20%)	86	4	82	10	12.2%

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

Units Targeting 60% Of AMHI (333 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	117	0	117	2	1.7%
Two-Bedroom (45%)	150	15	135	15	11.1%
Three-Bedroom (20%)	66	18	48	10	20.8%

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

Units Targeting 70% Of AMHI (328 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (35%)	115	0	115	2	1.7%
Two-Bedroom (45%)	148	0	148	15	10.1%
Three-Bedroom (20%)	65	0	65	10	15.4%

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

The subject project's capture rates by bedroom type and targeted income level range from 1.7% to 20.8%, which are considered low and easily achievable. This is especially true, considering the lack of available affordable rental units within the Duncan Site PMA.

Considering that the subject project will include 30 three-bedroom units, which comprise 33.3% of all subject units offered, the following analysis has been conducted to consider only large-households (three-person+) and the proposed three-bedroom units.

Demand Component	Percent of Median Household Income			
	50% AMHI (\$30,274-\$36,700)	60% AMHI (\$36,309-\$44,040)	70% AMHI (\$39,120-\$51,380)	Overall (\$30,274-\$51,380)
Demand from New Larger Renter Households (Income-Appropriate)	139 - 147 = -8	162 - 171 = -9	243 - 254 = -11	435 - 457 = -22
+				
Demand from Existing Households (Rent Overburdened)	147 X 36.8% = 54	171 X 28.3% = 48	254 X 14.5% = 37	457 X 22.0% = 101
+				
Demand from Existing Households (Renters in Substandard Housing)	147 X 3.2% = 5	171 X 3.2% = 5	254 X 3.2% = 8	457 X 3.2% = 15
=				
Total Large Household Demand	51	44	34	94
-				
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2020)	4	18	0	22
=				
Net Large Household Demand	47	26	34	72
Proposed (Three-Br.+) Units/ Net Large Household Demand	10 / 47	10 / 26	10 / 34	30 / 72
Large-Household Capture Rate	= 21.3%	= 38.5%	= 29.4%	= 41.7%

The capture rates for the subject's three-bedroom units targeting households at 50%, 60% and 70% of AMHI, ranging from 21.3% to 38.5%, when considering larger (three-person+) household sizes, are considered achievable. This is especially true, considering the lack of available affordable three-bedroom units within the Site PMA. The overall capture rate for the subject project's three-bedroom units is also considered achievable at 41.7%, demonstrating that there is a sufficient base of size- and income-appropriate renter households that will be able to support such units. It is important to note that the net demand for the subject's three-bedroom units in the preceding table differs from the net demand by bedroom type 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-bedroom units, regardless of bedroom type preference.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow state agency guidelines that assume a 2023 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2023. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 90 LIHTC units at the subject site will experience an average initial absorption rate of approximately nine to ten units per month and reach a stabilized occupancy of 93.0% within approximately eight to nine months. This absorption rate takes into consideration the competitiveness of the subject project, its high (yet achievable) rents, lease up trends of the newest affordable rental community within the Site PMA, the high demand that exists for affordable housing, its low capture rates and its market rent advantages.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

We identified and surveyed four non-subsidized family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) projects within the Duncan Site PMA. These developments target households earning up to 50% and/or 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties and are summarized in the following table, along with the subject development.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Fairview Terrace	2023	90	-	-	-	Families; 20%, 50%, 60% & 70% AMHI
8	Monarch Place	1999	64	100.0%	6.7 Miles	Yes*	Families; 60% AMHI
9	Regency at Blackstock	2019	37	100.0%	6.5 Miles	175 HH	Families; 50% & 60% AMHI
12	Willow Crossing	2012	48	100.0%	6.4 Miles	12 Months	Families; 50% & 60% AMHI
14	Willow Trace Townhomes	2015	28	100.0%	6.4 Miles	24-36 Months	Families; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

*Number not available

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The newest comparable rental community surveyed within the market, Regency at Blackstock (Map ID 9), opened in March 2019 and leased 35 units within the first month of opening. Preleasing efforts began in February 2019, yielding an absorption rate of approximately 17 to 18 units per month, a rapid rate for affordable rental housing. This illustrates that new affordable rental product has been very well received within the market, which will bode well in the demand of the subject units.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
		\$255/20% (5)	\$306/20% (4)		
		\$637/50% (3)	\$765/50% (14)	\$883/50% (10)	
		\$765/60% (2)	\$918/60% (15)	\$1,059/60% (10)	
Site	Fairview Terrace	\$786/70% (2)	\$927/70% (15)	\$1,141/70% (10)	-
8	Monarch Place	-	\$878/60% (32/0)	\$1,037/60% (32/0)	None
			\$570/50% (3/0)	\$667/50% (5/0)	
9	Regency at Blackstock	-	\$645/60% (10/0)	\$717/60% (19/0)	None
			\$595/50% (8/0)	\$782/50% (4/0)	
12	Willow Crossing	-	\$675/60% (8/0)	\$782/60% (28/0)	None
			\$595/50% (3/0)	\$697/50% (4/0)	
14	Willow Trace Townhomes	-	\$675/60% (5/0)	\$782/60% (16/0)	None

The proposed subject gross rents set aside at 50% and 60% of AMHI, ranging from \$637 to \$1,059, will be the highest LIHTC rents offered for similar unit types within the market. Given that all competitive developments are fully occupied and maintain a waiting list, illustrates that these developments could charge higher rents without having an adverse impact on their marketability. In fact, given that the waiting lists at these properties are extensive (up to 175 households, or 36 months for the next available unit), this indicates that these projects are severely underpriced. Also note that the subject's rents set aside at 60% of AMHI are only slightly higher (\$22 to \$40) than those offered at Monarch Place (Map ID 8). Overall, it is believed that the subject rents at the aforementioned income levels are achievable.

Also note that the subject project will be the only LIHTC development to offer one-bedroom apartments, as well as units set aside at 20% and 70% of AMHI. This will position the site at a market advantage, as it will be able to accommodate low- and moderate-income renters that are currently underserved within the Site PMA. Additionally, while the subject project's rents set aside at 70% of AMHI, ranging from \$786 to \$1,141, will be the highest LIHTC rents within the market, given that these units are able to accommodate those with higher incomes, this will enable such units to charge higher rents. Given the depth of support for such units (as illustrated earlier in Section G of this report) and the anticipated value the subject rents will represent (as illustrated later in Addendum C), we believe the proposed subject rents are appropriately positioned within the market.

Nonetheless, as the proposed rents are untested within the Duncan Site PMA, they could result in a slower than anticipated absorption for the subject property. These rent levels could also leave the property vulnerable to higher than typical levels of tenant turnover, particularly in the event that additional comparable product becomes available and/or is added to the market at a more affordable price point. These factors have been considered throughout our analysis, as well as our absorption projections.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
8	Monarch Place	64	30	46.9%
9	Regency at Blackstock	37	25	67.6%
12	Willow Crossing	48	12	25.0%
14	Willow Trace Townhomes	28	6	21.4%
	Total	177	73	41.2%

As the preceding table illustrates, there are a total of approximately 73 Voucher holders residing at the comparable LIHTC properties within the market. This comprises 41.2% of the 177 total comparable non-subsidized LIHTC units. As such, it can be concluded that these projects are relying on a notable share of Voucher support, but that a majority of the units are occupied by households paying the quoted rents.

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

8 Monarch Place 6.7 miles to site



Address: 200 Monarch Pl., Wellford, SC 29385
 Phone: (864) 439-1080 Contact: Paris (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 64 Year Built: 1999
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: Yes
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

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

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Disposal; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Playground)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	32	0	985	\$0.71	\$700	60%
3	2	G	32	0	1,190	\$0.67	\$800	60%

*Adaptive Reuse

*DTS is based on drive time

9 Regency at Blackstock 6.5 miles to site



Address: 320 Rosson Ln, Spartanburg, SC 29301
 Phone: (864) 586-1837 Contact: Tammy
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 37 Year Built: 2019
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 175 HH
 Rent Special: None

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

Notes: Tax Credit; Preleasing 2/2019, opened 3/2019, stabilized occupancy 4/2019



Features And Utilities

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

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

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

Parking Type: Surface Lot

Unit Configuration

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

*Adaptive Reuse

*DTS is based on drive time

12 Willow Crossing 6.4 miles to site



Address: 101 Willow Crossing Ln., Spartanburg, SC 29301
 Phone: (864) 699-9965 Contact: Diane
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 48 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 12 mos
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	8	0	1,100	\$0.45	\$500	50%
2	2	G	8	0	1,100	\$0.53	\$580	60%
3	2	G	4	0	1,200	\$0.55	\$665	50%
3	2	G	28	0	1,200	\$0.55	\$665	60%

*Adaptive Reuse

*DTS is based on drive time

14 Willow Trace Townhomes 6.4 miles to site



Address: 300 Willow Crossing Ln., Spartanburg, SC 29301
 Phone: (864) 327-8496 Contact: Tammy
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 28 Year Built: 2015
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 24-36 mos
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

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

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	T	3	0	1,100	\$0.45	\$500	50%
2	2	T	5	0	1,100	\$0.53	\$580	60%
3	2	T	4	0	1,250	\$0.46	\$580	50%
3	2	T	16	0	1,250	\$0.53	\$665	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 are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Fairview Terrace	811	1,096	1,250
8	Monarch Place	-	985	1,190
9	Regency at Blackstock	-	1,000	1,250
12	Willow Crossing	-	1,100	1,200
14	Willow Trace Townhomes	-	1,100	1,250

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Fairview Terrace	1.0	2.0	2.0
8	Monarch Place	-	1.5	2.0
9	Regency at Blackstock	-	2.0	2.0
12	Willow Crossing	-	2.0	2.0
14	Willow Trace Townhomes	-	2.0	2.0

As the preceding tables illustrate, the subject's unit sizes (square feet) and the number of bathrooms to be offered will be competitive with those offered at the comparable LIHTC projects within the market and, therefore, are considered appropriately positioned.

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

Tax Credit Unit Amenities by Map ID

	Site*	8	9	12	14
Appliances	Dishwasher	X		X	X
	Disposal	X	X	X	
	Icemaker	X		X	X
	Microwave	X		X	X
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony	X		X	X
	Deck / Patio	X		X	X
	Basement				
	Ceiling Fan	X		X	X
	Controlled Access	X			
	E-Call System				
	Fireplace				
	Furnished				
	Security System				
	Sunroom				
	W/D Hookup	X	X	X	X
	W/D				
	Walk-In Closet	X		X	
	Window Treatments	X	X	X	X
	Flooring	Carpet	X	X	X
Ceramic Tile		X			
Composite (VCT)(LVT)		X			X
Hardwood					X
Finished Concrete					
Vinyl				X	X
Upgraded	Wood Laminate / Plank		X		
	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High Ceilings				
	Vaulted Ceilings				
	Crown Molding				
Oversized Windows					
Parking	Attached Garage				
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	Podium Parking				
No Provided Parking					

◆ - Senior Property

* Proposed Site(s): Fairview Terrace

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*	8	9	12	14
Bike Racks / Storage					
Business Center **	X		X	X	X
Car Care **					
Common Patio	X				
Community Garden					
Community Space					
Activity / Craft Room					
Chapel					
Clubhouse	X		X	X	X
Conference Room					
Community Kitchen					
Community Room	X		X		X
Dining Room - Private					
Dining Room - Public					
Rooftop Lounge					
Study Lounge					
TV Lounge					
Concierge Service **					
Convenience Amenities **					X
Courtyard	X				
Covered Outdoor Area **	X			X	
Elevator					
Laundry Room	X	X	X	X	X
Meals					
On-Site Management	X	X	X	X	X
Pet Care **					
Recreation					
Basketball					
Bocce Ball					
Firepit					
Fitness Center	X		X	X	X
Grill					
Game Room - Billiards					
Hiking - Walking Trail					
Hot Tub					
Library					
Media Room / Theater					
Picnic Table / Area	X		X	X	X
Playground	X	X	X	X	X
Putting Green					
Racquetball					
Shuffleboard					
Sports Court					
Swimming Pool - Indoor					
Swimming Pool - Outdoor					
Tennis					
Volleyball					
Security					
CCTV			X		X
Courtesy Officer					
Gated Community					
Gated Parking					
Police Substation					
Social Services **	X				
Storage - Extra			X	X	X
Water Feature					
WiFi					X

◆ - Senior Property

* Proposed Site(s): Fairview Terrace

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

** Details in Comparable Property Profile Report

As the preceding table illustrates, the subject project will offer an amenities package considered very similar with those offered at the comparable LIHTC projects. The subject project will not lack any amenity that will inhibit its ability to successfully operate as a LIHTC development.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be very marketable. While the proposed subject rents will be some of the highest LIHTC rents within the market, its newness and the fact that significant pent-up demand exists for additional affordable rental housing within the Duncan Site PMA will enable the subject development to charge higher rents. This is further evidenced by the extensive waiting lists maintained at the comparable properties (up to 175 households, or 36 months for the next available unit), indicating that these projects are severely underpriced. Additionally, the subject project will be the only LIHTC development to offer one-bedroom apartments, as well as unit set aside at 20% and 70% of AMHI. This will position the project at a market advantage, as it will provide an affordable rental housing alternative to low- and moderate-income renters that are currently underserved within the area. This will bode well in the demand of the subject units. The proposed rents, however, are also expected to have a slowing impact on the subject's absorption potential, as they are untested within the Duncan Site PMA. This has been considered throughout our analysis and in our absorption projections.

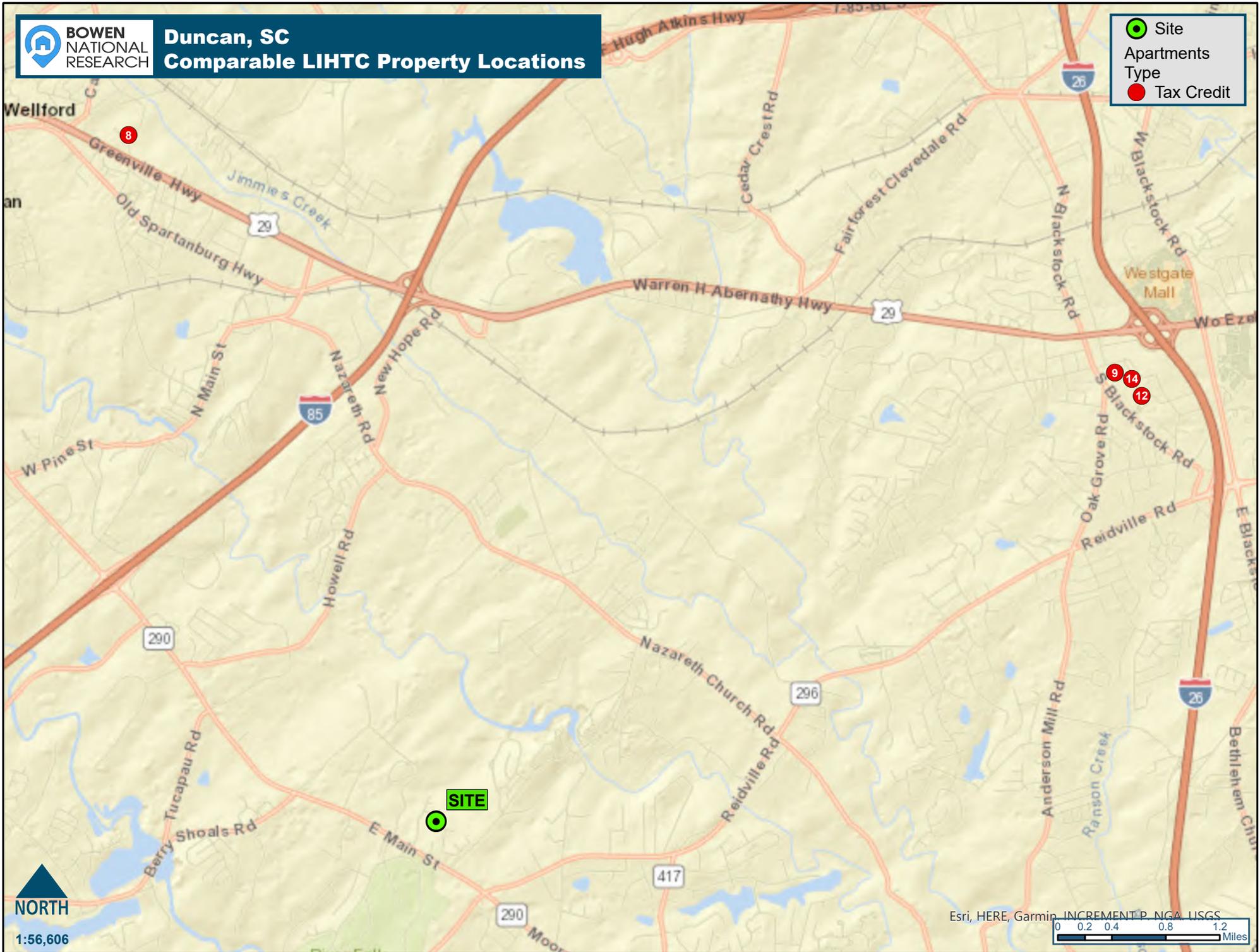
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Duncan, SC Comparable LIHTC Property Locations

- Site
- Apartments Type
- Tax Credit



1:56,606

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.2 0.4 0.8 1.2 Miles

3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Duncan 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	14,972	88.8%	18,398	91.4%
Owner-Occupied	10,900	72.8%	13,282	72.2%
Renter-Occupied	4,072	27.2%	5,116	27.8%
Vacant	1,888	11.2%	1,741	8.6%
Total	16,860	100.0%	20,139	100.0%

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

Based on a 2020 update of the 2010 Census, of the 20,139 total housing units in the market, 8.6% were vacant. In 2020, it was estimated that homeowners occupied 72.2% of all occupied housing units, while the remaining 27.8% were occupied by renters. The share of renters is considered typical for a market of this size and the 5,116 renter households estimated in 2020 represent a deep base of potential support in the market for the subject project.

Conventional Apartments

We identified and personally surveyed 15 conventional housing projects containing a total of 2,278 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.6%, a strong rate for rental housing. The following table summarizes the project types identified in the Site PMA:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	8	1,989	54	97.3%
Tax Credit	4	177	0	100.0%
Tax Credit/Government-Subsidized	3	112	0	100.0%
Total	15	2,278	54	97.6%

As the preceding table illustrates, all rental housing segments are performing very well, as none have an occupancy rate below 97.3%. In fact, all affordable rental developments surveyed are fully occupied and maintain a waiting list, illustrating that significant pent-up demand exists for additional affordable rental housing within the Duncan Site PMA. The subject development will be able to accommodate a portion of this unmet demand.

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
Studio	1.0	36	1.8%	0	0.0%	\$932
One-Bedroom	1.0	611	30.7%	7	1.1%	\$1,094
Two-Bedroom	1.0	5	0.3%	0	0.0%	\$1,194
Two-Bedroom	2.0	962	48.4%	36	3.7%	\$1,273
Three-Bedroom	2.0	375	18.9%	11	2.9%	\$1,457
Total Market-rate		1,989	100.0%	54	2.7%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.5	32	18.1%	0	0.0%	\$878
Two-Bedroom	2.0	37	20.9%	0	0.0%	\$645
Three-Bedroom	2.0	108	61.0%	0	0.0%	\$782
Total Tax Credit		177	100.0%	0	0.0%	-

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

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

Year Built	Projects	Units	Vacancy Rate
1980 to 1989	1	95	0.0%
1990 to 1999	4	940	4.7%
2000 to 2009	2	480	1.0%
2010 to 2014	2	320	1.6%
2015	1	28	0.0%
2016 to 2017	0	0	0.0%
2018	1	266	0.0%
2019	1	37	0.0%
2020 to 2021*	0	0	0.0%

*As of May

Regardless of age, all rental properties surveyed broken out by year built are maintaining low vacancy levels no higher than 4.7%, illustrating that no significant correlation exists between age and vacancies within the Duncan rental housing market. In fact, all rental properties surveyed built since 2015 are fully occupied, demonstrating that new rental housing product has been very well received within the Site PMA. This will bode well in the demand of the subject units.

As illustrated in the table on the preceding page, we identified and surveyed one rental community within the market that was built within the past two years, Regency at Blackstock (Map ID 9). This Tax Credit property opened in March 2019 and leased 35 units within the first month of opening. Preleasing efforts began in February 2019, yielding an absorption rate of approximately 17 to 18 units per month, a rapid rate for affordable rental housing. This illustrates that new affordable rental product has been very well received within the market, which will have a positive impact on the subject's marketability.

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	3	752	1.3%
A-	3	646	3.9%
B+	1	496	3.8%
B-	1	95	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	3	149	0.0%
B	1	28	0.0%

Regardless of quality, vacancy levels are low at or below 3.9%. As such, it can also be concluded that appearance has not had any significant impact on the Duncan rental housing market.

Government-Subsidized

We identified and surveyed three government-subsidized projects within the Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (all of which operate with Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	28	25.0%	0	0.0%
Two-Bedroom	1.0	16	14.3%	0	0.0%
Two-Bedroom	1.5	62	55.4%	0	0.0%
Three-Bedroom	2.0	6	5.4%	0	0.0%
Total Subsidized Tax Credit		112	100.0%	0	0.0%

All government-subsidized units surveyed are fully occupied and maintain a waiting list. This illustrates that pent-up demand exists for very low-income rental housing within the Duncan Site PMA.

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

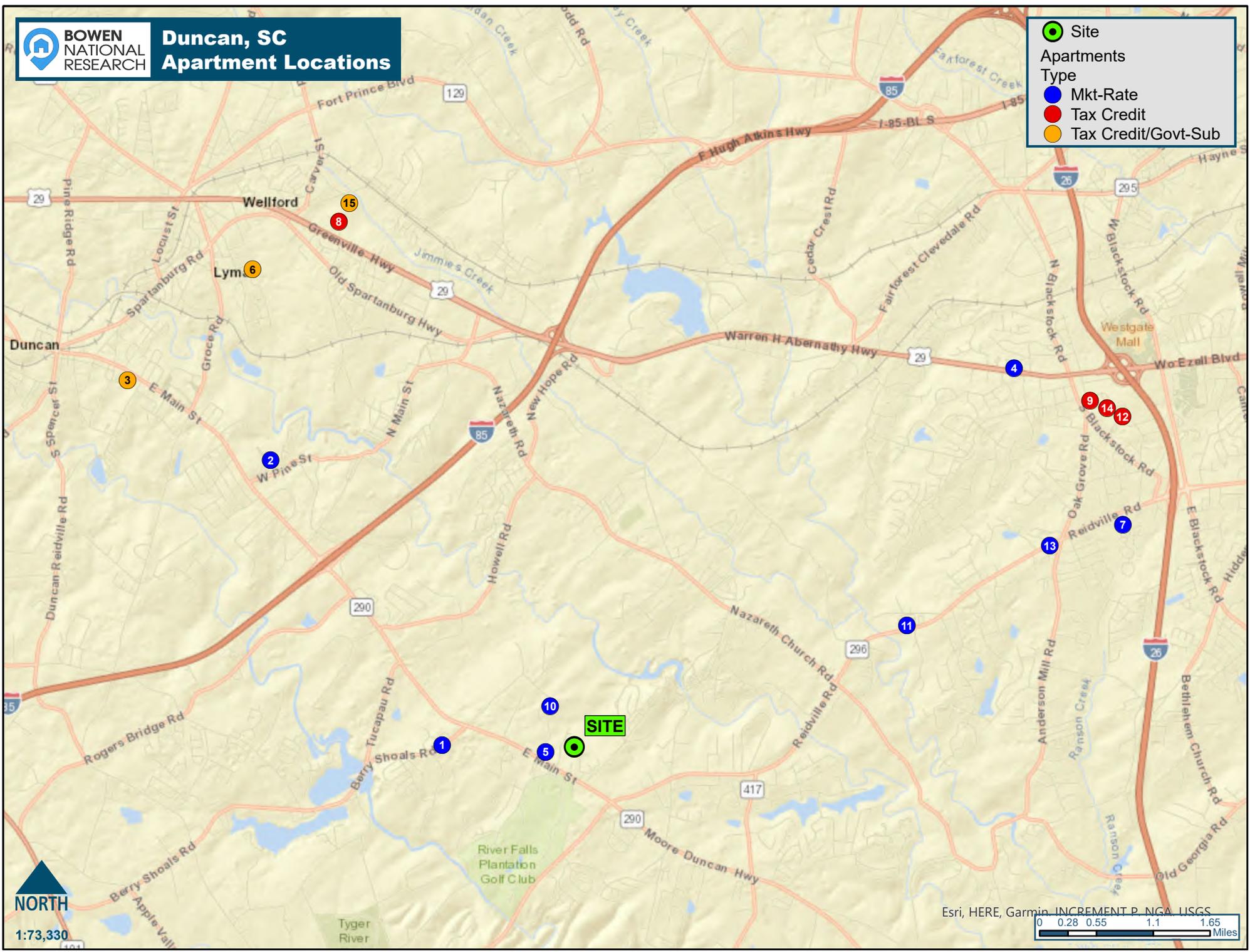
4. RENTAL HOUSING INVENTORY MAP

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



Duncan, SC Apartment Locations

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



1:73,330

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

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

From interviews with planning representatives that responded to our inquiries, as well as from extensive online research and the observations of our analyst while in the field, it was determined there is one rental housing community within the development pipeline in the Site PMA, which is summarized as follows:

- Westview Terrace is a planned LIHTC project to be located at 2062 Old Reidville Road in Spartanburg. The development was allocated funding in 2020 for 48 two- and three-bedroom units targeting households earning up to 30%, 50% and 60% of AMHI. The project will be developed by South Creek Development, LLC.

The aforementioned rental community within the development pipeline in the Site PMA will offer units targeting a similar income demographic as the subject site. Therefore, this property has been considered in our demand estimates illustrated earlier in Section G of this report.

7. MARKET ADVANTAGE

Per the direction of the 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 the Spartanburg, South Carolina HUD Metro FMR Area are \$735 for a one-bedroom unit, \$845 for a two-bedroom unit and \$1,113 for a three-bedroom unit. The following table illustrates the subject project's market advantages when compared to FMRs for the area:

Bedroom Type	Proposed Collected Rent (AMHI)	Fair Market Rent	Market Advantage
One-Bedroom	\$194 (20%)	\$735	73.61%
	\$576 (50%)		21.63%
	\$704 (60%)		4.22%
	\$725 (70%)		1.36%
Two-Bedroom	\$229 (20%)	\$845	72.90%
	\$688 (50%)		18.58%
	\$841 (60%)		0.47%
	\$850 (70%)		-0.59%
Three-Bedroom	\$792 (50%)	\$1,113	28.84%
	\$968 (60%)		13.03%
	\$1,050 (70%)		5.66%
Weighted Average			15.95%

As the preceding illustrates, the subject's market advantages range between -0.59% and 73.61%, when compared to the area's HUD FMRs. The weighted average market advantage is 15.95%. Regardless, we have provided an *achievable market rent* analysis for the proposed subject units to determine the true value the proposed rents will represent to low-income seniors within the area, which is illustrated later in Addendum C of this report.

8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rates of the existing comparable Tax Credit developments located within the Site PMA following stabilization of the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2023
8	Monarch Place	100.0%	95.0%+
9	Regency at Blackstock	100.0%	95.0%+
12	Willow Crossing	100.0%	95.0%+
14	Willow Trace Townhomes	100.0%	95.0%+

The subject project is not expected to have a negative impact on the existing comparable Tax Credit projects within the Site PMA, all of which are 100.0% occupied and maintain a waiting list. Given the high occupancy rates, we expect all Tax Credit projects to operate at or above 95.0% if the subject project is developed.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$183,380. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$183,380 home is \$1,103, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$183,380
Mortgaged Value = 95% of Median Home Price	\$174,211
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$883
Estimated Taxes and Insurance*	\$221
Estimated Monthly Mortgage Payment	\$1,103

*Estimated at 25% of principal and interest

In comparison, all of the rents at the subject site are below the cost of a monthly mortgage for a typical home in the market area. Therefore, it is very unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. In fact, as the subject project will target senior households, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance free housing alternative. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As indicated throughout this section of the report, all comparable LIHTC projects within the market are 100.0% occupied and maintain a waiting list. This illustrates that pent-up demand exists for additional affordable rental housing within the Duncan Site PMA. The subject project will provide a new, modern affordable rental housing alternative to low-income households that are currently underserved within the market. In addition, the subject project will be the only LIHTC project to offer one-bedroom apartments, as well as units set aside at 20% and 70% of AMHI within the Duncan Site PMA. This will bode well in the marketability of the subject project, as it will be able to accommodate very low- and moderate-income renter households that are currently underserved within the market.

I. Interviews

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

- According to Katherine O’Neill, Chief Economic Development Officer of One Spartanburg Incorporated, there is a need for affordable rental housing in Spartanburg County, as a result of the county’s steady stream of job announcements over the last ten years bringing people to the area and increasing the need for all types of rental housing. *(864) 415-9469*
- Tiffany Askew, Director of Leased Housing of Spartanburg, stated that there is a need for affordable housing in Spartanburg County. Ms. Askew further stated that there is limited availability among non-subsidized affordable housing in the area. There is space for housing to be built, and a great need for it, but nobody is building any. *(864) 598-6000*
- According to Chris Guy, City Administrator for the Wellford Town Office, there is a need for affordable housing in Spartanburg County. He further noted that the lack of affordable housing is mainly due to the fact that affordable housing simply is not being built in the area. *(864) 439-4875*
- Paris (would not disclose last name), Property Manager of Monarch Place (Map ID 8), a Tax Credit development within the Site PMA in Wellford, stated that there is a need for more affordable housing in the surrounding areas of Duncan. She said that there is a need for more variety of housing types for those that live in different situations and for everyone that is starting to get back on their feet as recovery from the pandemic continues. Paris continued to say that one-bedroom apartments would be useful for single individuals that do not want to live in a community dominated by seniors, and that more three or more bedroom units would be helpful for families with multiple children. *(864) 439-1080*

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 90 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. This is demonstrated in Section H and Addendum C. Also note that the subject project will be the only Tax Credit development to offer one-bedroom apartments, as well as units set aside at 20% and 70% of Area Median Household Income (AMHI). The subject project will provide an affordable rental housing alternative to very low- and moderate-income renter households who are currently underserved in the Duncan Site PMA. This will bode well in the demand of the subject units.

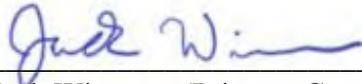
All the comparable affordable rental projects surveyed within the market are 100.0% occupied and maintain a waiting list, illustrating that significant pent-up demand exists for additional affordable rental housing within the Duncan Site PMA. As shown in the Project Specific Demand Analysis section of this report, with an overall Tax Credit capture rate of 15.7% (SC Housing maximum threshold is 30%), there is a deep amount of support for the subject development within the Duncan Site PMA. Therefore, it is our opinion that the subject project will have no significant impact on the existing non-subsidized Tax Credit development in the market.

We have no recommendations or suggested modifications for the subject project at this time. It must be reiterated, however, that while it is our opinion the subject property is marketable, it is also our opinion the subject property will likely experience a slower than anticipated absorption within the Duncan market. This is due to the higher rent levels proposed for the subject property, as compared to the existing comparable LIHTC properties in this market. This has been considered throughout our analysis and in our absorption projections.

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: May 20, 2021

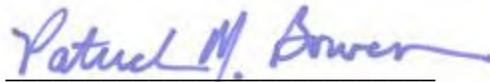


Gregory Piduch

Market Analyst

gregp@bowennational.com

Date: May 20, 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: May 20, 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's 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

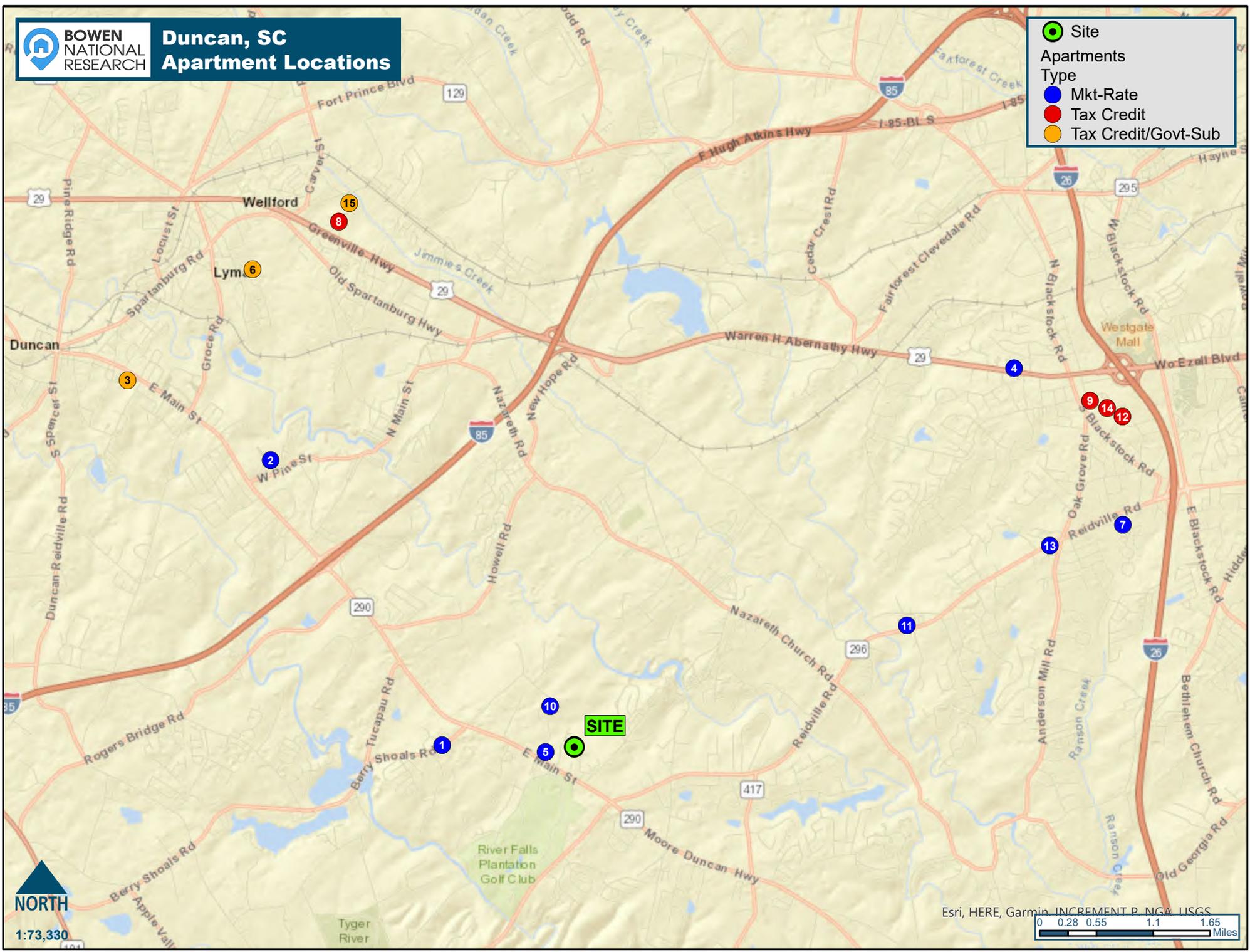
ADDENDUM A:

FIELD SURVEY OF CONVENTIONAL RENTALS



Duncan, SC Apartment Locations

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



1:73,330

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

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Berry Shoals	MRR	A	2003	248	2	99.2%	1.2
2	Culpepper Landing I & II	MRR	A-	1998	192	19	90.1%	3.9
3	Duncan Village	TGS	B+	1983	48	0	100.0%	4.9
✓ 4	Grove	MRR	A-	1998	188	6	96.8%	6.7
✓ 5	Groves at Berry Creek	MRR	A-	2018	266	0	100.0%	0.4
6	Hidden Valley	TGS	B	1989	40	0	100.0%	5.9
7	Laurel	MRR	B+	1996	496	19	96.2%	5.4
✓ 8	Monarch Place	TAX	B+	1999	64	0	100.0%	6.7
✓ 9	Regency at Blackstock	TAX	B+	2019	37	0	100.0%	6.5
✓ 10	River Falls	MRR	A	2008	232	3	98.7%	0.9
✓ 11	River Run	MRR	A	2010	272	5	98.2%	3.5
✓ 12	Willow Crossing	TAX	B+	2012	48	0	100.0%	6.4
13	Willow Lakes Apts.	MRR	B-	1983	95	0	100.0%	4.7
✓ 14	Willow Trace Townhomes	TAX	B	2015	28	0	100.0%	6.4
15	Woodstream Apts.	TGS	C+	1985	24	0	100.0%	6.9

*Drive distance in miles

✓ Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & 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	Berry Shoals 200 Tralee Dr., Duncan, SC 29334	Contact: Alana Phone: (864) 486-9808
	 <p>Total Units: 248 UC: 0 Occupancy: 99.2% Stories: 3,4 Year Built: 2003 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor level & unit location</p>	



2	Culpepper Landing I & II 201 Culpepper Landing Dr., Duncan, SC 29334	Contact: i Phone: (864) 486-0022
	 <p>Total Units: 192 UC: 0 Occupancy: 90.1% Stories: 3 Year Built: 1998 BR: 2, 3 Vacant Units: 19 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: 50% off 1st month's rent Notes: Former Tax Credit property</p>	



3	Duncan Village 100 Duncan St., Duncan, SC 29334	Contact: Kimberly Phone: (864) 439-4304
	 <p>Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1983 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 36 mos AR Year: Target Population: Family Yr Renovated: 2007 Rent Special: None Notes: Tax Credit; HUD Section 8</p>	

4	Grove 315 Birchrun Dr., Spartanburg, SC 29301	Contact: Natallie Phone: (864) 595-6216
	 <p>Total Units: 188 UC: 0 Occupancy: 96.8% Stories: 3 Year Built: 1998 BR: 0, 1, 2, 3 Vacant Units: 6 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: None Notes:</p>	

5	Groves at Berry Creek 10 Halehaven Dr, Duncan, SC 29334	Contact: Savannah Phone: (864) 660-0546
	 <p>Total Units: 266 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Opened 2018</p>	

<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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6	Hidden Valley 10 Valley Rd., Lyman, SC 29365	Contact: Tammy Phone: (864) 439-3231
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1989 BR: 1, 2 Vacant Units: 0 Waitlist: 6 HH AR Year: Target Population: Family Yr Renovated: 2009 Rent Special: None Notes: Tax Credit; Tax Credit bond; RD 515, no RA	
7	Laurel 200 Heath Ln, Spartanburg, SC 29301	Contact: Sheron Phone: (864) 664-2369
	Total Units: 496 UC: 0 Occupancy: 96.2% Stories: 2,3 Year Built: 1996 BR: 1, 2, 3 Vacant Units: 19 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on phase & unit amenities; Rents change daily	
8	Monarch Place 200 Monarch Pl., Wellford, SC 29385	Contact: Paris Phone: (864) 439-1080
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1999 BR: 2, 3 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	
9	Regency at Blackstock 320 Rosson Ln, Spartanburg, SC 29301	Contact: Tammy Phone: (864) 586-1837
	Total Units: 37 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2019 BR: 2, 3 Vacant Units: 0 Waitlist: 175 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 2/2019, opened 3/2019, stabilized occupancy 4/2019	
10	River Falls 105 Churchill Falls Dr, Duncan, SC 29334	Contact: Megan Phone: (864) 486-1119
	Total Units: 232 UC: 0 Occupancy: 98.7% Stories: 3,4 Year Built: 2008 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	

✓	Comparable Property	■	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	■	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆	Senior Restricted	■	(TAX) Tax Credit	■	(INR) Income-Restricted (not LIHTC)
■	(MRR) Market-Rate	■	(TGS) Tax Credit & 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	River Run 901 Meridian River Run, Spartanburg, SC 29301	Contact: Ashley Phone: (864) 595-7474
	 <p>Total Units: 272 UC: 0 Occupancy: 98.2% Stories: 3,4 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor level & view</p>	



12	Willow Crossing 101 Willow Crossing Ln., Spartanburg, SC 29301	Contact: Diane Phone: (864) 699-9965
	 <p>Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2012 BR: 2, 3 Vacant Units: 0 Waitlist: 12 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	



13	Willow Lakes Apts. 2900 Reidville Rd., Spartanburg, SC 29301	Contact: Ginny Phone: (864) 642-4401
	 <p>Total Units: 95 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1983 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 17 HH AR Year: Target Population: Family Yr Renovated: 2002 Rent Special: None Notes:</p>	

14	Willow Trace Townhomes 300 Willow Crossing Ln., Spartanburg, SC 29301	Contact: Tammy Phone: (864) 327-8496
	 <p>Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2015 BR: 2, 3 Vacant Units: 0 Waitlist: 24-36 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	

15	Woodstream Apts. 313 N. Craft St., Wellford, SC 29385	Contact: Tammy Phone: (864) 439-0808
	 <p>Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1985 BR: 1, 2 Vacant Units: 0 Waitlist: 6 HH AR Year: Target Population: Family Yr Renovated: 2010 Rent Special: None Notes: Tax Credit; Tax Credit Bond; RD 515, no RA</p>	

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: SC State Housing Finance and Development Agency
 Effective: 02/2021

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	15	18	20	23	25	27	15	18	20	23	25	27
	+Base Charge	9	9	9	9	9	9	9	9	9	9	9	9
	Bottled Gas	55	65	74	83	92	100	55	65	74	83	92	100
	Electric	13	15	19	24	29	34	13	15	19	24	29	34
	Heat Pump	11	13	15	17	19	22	11	13	15	17	19	22
	Oil	37	43	49	55	61	67	37	43	49	55	61	67
Cooking	Natural Gas	2	3	4	5	7	8	2	3	4	5	7	8
	Bottled Gas	9	11	16	20	25	30	9	11	16	20	25	30
	Electric	5	5	8	10	13	15	5	5	8	10	13	15
Other Electric	17	20	28	36	44	52	17	20	28	36	44	52	
+Base Charge	12	12	12	12	12	12	12	12	12	12	12	12	12
Air Conditioning	7	9	12	15	19	23	7	9	12	15	19	23	
Water Heating	Natural Gas	5	6	9	12	15	18	5	6	9	12	15	18
	Bottled Gas	21	24	35	46	57	67	21	24	35	46	57	67
	Electric	11	13	16	20	23	27	11	13	16	20	23	27
	Oil	14	16	23	30	37	45	14	16	23	30	37	45
Water	20	21	29	43	59	77	20	21	29	43	59	77	
Sewer	36	39	54	77	101	124	36	39	54	77	101	124	
Trash Collection	16	16	16	16	16	16	16	16	16	16	16	16	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

Addendum B – Member Certification & Checklist

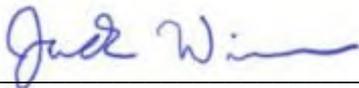
This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard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

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

Certified:



Patrick M. Bowen
President
patrickb@bowennational.com
Date: May 20, 2021



Jack Wiseman (Primary Contact)
Market Analyst
jackw@bowennational.com
Date: May 20, 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 – Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Fairview Terrace	2023	90	-	-	12 (-)	48 (-)	30 (-)
1	Berry Shoals	2003	248	99.2%	-	84 (100.0%)	112 (98.2%)	52 (100.0%)
4	Grove	1998 / 2014	188	96.8%	21 (100.0%)	43 (95.3%)	102 (98.0%)	22 (90.9%)
5	Groves at Berry Creek	2018	266	100.0%	-	80 (100.0%)	160 (100.0%)	26 (100.0%)
10	River Falls	2008	232	98.7%	-	102 (97.1%)	104 (100.0%)	26 (100.0%)
11	River Run	2010	272	98.2%	-	68 (100.0%)	120 (96.7%)	84 (98.8%)

Occ. – Occupancy

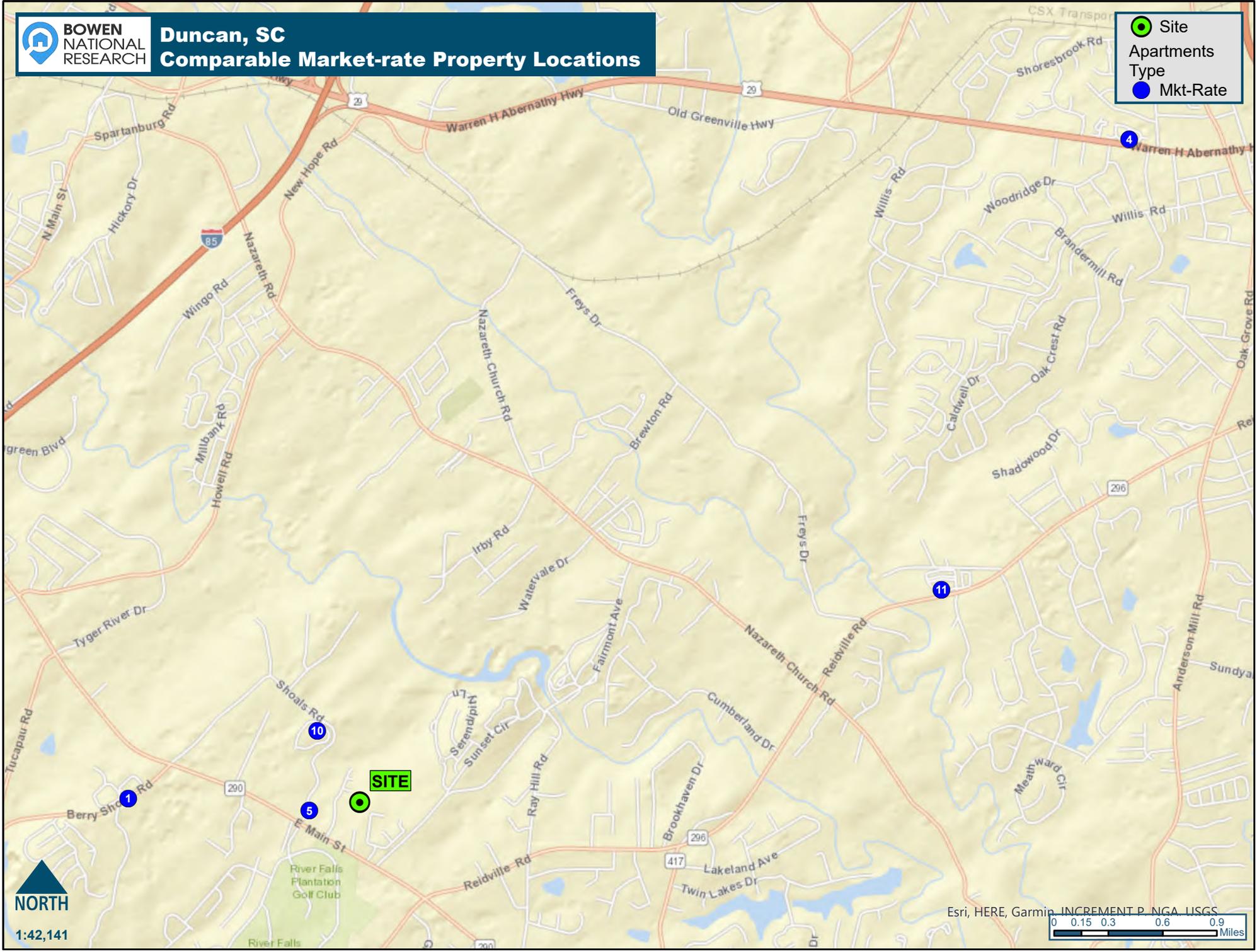
The five selected market-rate projects have a combined total of 1,206 units with an overall occupancy rate of 98.7%, a very strong rate for rental housing. This demonstrates that these comparable properties have been very well-received within the market and will serve as accurate benchmarks with which to compare to the subject project.

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



Duncan, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



1:42,141

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

Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Fairview Terrace		Berry Shoals		Grove		Groves at Berry Creek		River Falls		River Run	
184 Quinn Drive		200 Tralee Dr.		315 Birchrun Dr.		10 Halehaven Dr		105 Churchill Falls Dr		901 Meridian River Run	
Duncan, SC		Duncan, SC		Spartanburg, SC		Duncan, SC		Duncan, SC		Spartanburg, SC	
Data		Data		Data		Data		Data		Data	
on		on		on		on		on		on	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$900		\$810		\$1,015		\$899		\$1,072	
2	Date Surveyed	May-21		May-21		May-21		May-21		May-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		95%		100%		97%		100%	
5	Effective Rent & Rent/ sq. ft	\$900	1.03	\$810	1.43	\$1,015	1.21	\$899	1.09	\$1,072	1.30
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/3		WU/3		WU/3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2023	\$20	1998/2014	\$17	2018	\$5	2008	\$15	2010	\$13
8	Condition/Street Appeal	E		E		E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	811	(\$18)	566	\$73	840	(\$9)	828	(\$5)	823	(\$4)
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		W/D	(\$25)
19	Floor Coverings	C/T/V		W/L		C/V		C/V/L		C/V	
20	Cable Included?	N		N		N		N		Y	(\$30)
21	Secured Entry	Y	\$3	N	\$3	Y		N	\$3	Y	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/N		Y/Y	(\$5)	Y/Y	(\$5)
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		Y	(\$5)	Y	(\$5)	N	
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y		Y		N	\$3	Y		Y	
30	Picnic Area/Grill	Y		Y		Y		Y		Y	
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
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	\$60	N/N	\$60	N/N	\$60	N/N	\$60	Y/Y	
39	Trash/Recycling	Y/N	\$16	N/N	\$16	N/N	\$16	N/N	\$16	Y/N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	2	2	4	1	4	3	2	4	1	5
41	Sum Adjustments B to D	\$23	(\$28)	\$98	(\$10)	\$16	(\$24)	\$18	(\$25)	\$13	(\$74)
42	Sum Utility Adjustments	\$76		\$76		\$76		\$76		\$76	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$71	\$127	\$164	\$184	\$68	\$116	\$69	\$119	(\$61)	\$87
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$971		\$974		\$1,083		\$968		\$1,011	
45	Adj Rent/Last rent		108%		120%		107%		108%		94%
46	Estimated Market Rent	\$985	\$1.21 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Fairview Terrace		Berry Shoals		Grove		Groves at Berry Creek		River Falls		River Run	
184 Quinn Drive		200 Tralee Dr.		315 Birchrun Dr.		10 Halehaven Dr		105 Churchill Falls Dr		901 Meridian River Run	
Duncan, SC		Duncan, SC		Spartanburg, SC		Duncan, SC		Duncan, SC		Spartanburg, SC	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1	\$ Last Rent / Restricted?	\$1,079		\$975		\$1,220		\$1,119		\$1,190	
2	Date Surveyed	May-21		May-21		May-21		May-21		May-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		98%		100%		100%		97%	
5	Effective Rent & Rent/ sq. ft	\$1,079	0.94	\$975	1.13	\$1,220	1.19	\$1,119	0.99	\$1,190	1.10
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/3		WU/3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2023	\$20	1998/2014	\$17	2018	\$5	2008	\$15	2010	\$13
8	Condition/Street Appeal	E		E		E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1096	(\$14)	866	\$61	1022	\$20	1133	(\$10)	1086	\$3
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		W/D	(\$25)
19	Floor Coverings	C/T/V		W/L		C/V		C/V/L		C/V	
20	Cable Included?	N		N		N		N		Y	(\$30)
21	Secured Entry	Y	\$3	N	\$3	Y		N	\$3	Y	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/N		Y/Y	(\$5)	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	N		N		Y	(\$5)	Y	(\$5)	N	
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y		Y		N	\$3	Y		Y	
30	Picnic Area/Grill	Y		Y		Y		Y		Y	
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		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	\$83	N/N	\$83	N/N	\$83	N/N	\$83	Y/Y	
39	Trash/Recycling	Y/N	\$16	N/N	\$16	N/N	\$16	N/N	\$16	Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	2	4	1	5	2	2	4	2	4
41	Sum Adjustments B to D	\$23	(\$24)	\$86	(\$10)	\$36	(\$15)	\$18	(\$30)	\$16	(\$70)
42	Sum Utility Adjustments	\$99		\$99		\$99		\$99			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$98	\$146	\$175	\$195	\$120	\$150	\$87	\$147	(\$54)	\$86
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,177		\$1,150		\$1,340		\$1,206		\$1,136	
45	Adj Rent/Last rent		109%		118%		110%		108%		95%
46	Estimated Market Rent	\$1,185	\$1.08 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Fairview Terrace	Berry Shoals		Grove		Groves at Berry Creek		River Falls		River Run	
	184 Quinn Drive	200 Tralee Dr.		315 Birchrun Dr.		10 Halehaven Dr		105 Churchill Falls Dr		901 Meridian River Run	
	Duncan, SC	Duncan, SC		Spartanburg, SC		Duncan, SC		Duncan, SC		Spartanburg, SC	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,324		\$1,155		\$1,475		\$1,299		\$1,360	
2	Date Surveyed	May-21		May-21		May-21		May-21		May-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		91%		100%		100%		99%	
5	Effective Rent & Rent/ sq. ft	\$1,324	0.97	\$1,155	1.07	\$1,475	1.14	\$1,299	0.99	\$1,360	1.06
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/3		WU/3		WU/3,4		WU/3,4	
7	Yr. Built/Yr. Renovated	2023	\$20	1998/2014	\$17	2018	\$5	2008	\$15	2010	\$13
8	Condition/Street Appeal	E		E		E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1250	(\$31)	1082	\$44	1298	(\$13)	1316	(\$17)	1280	(\$8)
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L		HU/L		HU	\$5	HU/L		W/D	(\$25)
19	Floor Coverings	C/T/V		W/L		C/V		C/V/L		C/V	
20	Cable Included?	N		N		N		N		Y	(\$30)
21	Secured Entry	Y	\$3	N	\$3	Y		N	\$3	Y	
22	Garbage Disposal	Y		N	\$5	Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/N		Y/Y	(\$5)	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	N		N		Y	(\$5)	Y	(\$5)	N	
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)	P/F	(\$10)
29	Computer/Business Center	Y		Y		N	\$3	Y		Y	
30	Picnic Area/Grill	Y		Y		Y		Y		Y	
31	Playground	Y		Y		N	\$3	Y		Y	
32	Social Services	N		N		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	\$120	N/N	\$120	N/N	\$120	N/N	\$120	Y/Y	
39	Trash/Recycling	Y/N	\$16	N/N	\$16	N/N	\$16	N/N	\$16	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	2	4	1	4	3	2	4	1	5
41	Sum Adjustments B to D	\$23	(\$41)	\$69	(\$10)	\$16	(\$28)	\$18	(\$37)	\$13	(\$78)
42	Sum Utility Adjustments	\$136		\$136		\$136		\$136			
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$118	\$200	\$195	\$215	\$124	\$180	\$117	\$191	(\$65)	\$91
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,442		\$1,350		\$1,599		\$1,416		\$1,295	
45	Adj Rent/Last rent		109%		117%		108%		109%		95%
46	Estimated Market Rent	\$1,340		\$1.07		← Estimated Market Rent/ Sq. Ft					

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$985 for a one-bedroom unit, \$1,185 for a two-bedroom unit and \$1,340 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Br.	\$194 (20%)	\$985	80.30%
	\$576 (50%)		41.52%
	\$704 (60%)		28.53%
	\$725 (80%)		26.40%
Two-Br.	\$229 (20%)	\$1,185	80.68%
	\$688 (50%)		41.94%
	\$841 (60%)		29.03%
	\$850 (70%)		28.27%
Three-Br.	\$792 (50%)	\$1,340	40.90%
	\$968 (60%)		27.76%
	\$1,050 (70%)		21.64%
Weighted Average			36.12%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households up to 80% of AMHI often do not need to represent a market rent advantage of 10% to be perceived a value, it is often recommended that such units/rents represent around a 5% market rent advantage.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 21.64% to 80.68%, depending upon unit type and targeted income level. Thus, the subject rents should represent significant values within the Duncan 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. When multiple rent levels were offered, we included an average rent.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1998 and 2018; however, one was extensively renovated in 2014. 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.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally similar to those offered at the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed 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.