

5% Vacancy Justification

We are confident that our 112-unit multifamily project in Richland County will maintain a vacancy rate of 5% or lower, supported by several key factors that demonstrate strong demand. First, the market study for the area highlights that the average vacancy rate for LIHTC communities is approximately 5.6%, which is notably lower than the 6.3% vacancy rate for market-rate units in the surrounding area. This data, gathered from the market study conducted by RPRG, provides a solid benchmark for the anticipated performance of our development, showing that affordable housing in the region consistently outperforms market-rate options in terms of occupancy.

Additionally, 24 of our units are specifically reserved for Columbia Housing residents who will be relocating from substandard housing to our property, guaranteeing a stable and immediate tenant base for a significant portion of the development. These residents are already in need of higher-quality housing, which ensures that the units will be filled as soon as they become available. By addressing the critical housing needs of these individuals, we can mitigate vacancy risks and enhance community stability.

The remaining 88 units will be filled through project-based vouchers, further securing occupancy by ensuring affordability for a broad range of low-income households. Columbia Housing, with over 80 years of operational experience, is a highly sophisticated housing authority that consistently demonstrates its expertise in managing its portfolio and efficiently filling vacant units. They will oversee the waiting list for this project. With access to thousands of qualified residents throughout Richland County, Columbia Housing's established waiting lists provide a continuous flow of prospective tenants, reducing the risk of extended vacancies.

In addition to the strategic occupancy plans, the quality of our project will be high, offering a superior level of affordable housing compared to what is currently available to residents. As a new construction development, we will prioritize modern designs and amenities, ensuring that residents enjoy a comfortable, safe, and inviting living environment. This commitment to quality not only enhances the lives of the residents but also contributes to the overall revitalization of the community.

By leveraging the existing demand for affordable housing, we are confident that the development will maintain a vacancy rate of 5% or lower. The combination of favorable market conditions, guaranteed tenant sources through Columbia Housing, and the stability provided by project-based vouchers creates an environment in which long-term occupancy is highly achievable. These factors ensure the financial viability of the project while addressing the pressing need for quality affordable housing in Richland County.

Surveyed Rental Communities in the Surrounding Area from Market Study

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate
Subject - 60% RAD		Gar	24		
Subject - 60% PBV		Gar	88		
Total			112		
The Cardinal	2020	Mix	256	7	2.7%
5000 Forest/ 42 Magnolia	1993	Gar	322	11	3.4%
Roseberry, The^	2018	MRise	285	9	3.2%
Arcadia's Edge	2012	Gar	204	16	7.8%
Carrington Place at Wildewood	2005	Gar	240	10	4.2%
Vantage at Wildewood	1998	Gar	264	3	1.1%
Providence Park^	2004	Gar	216	14	6.5%
Heron Lake^	2008	Gar	216	12	5.6%
Polo Village	2006	Gar	312	5	1.6%
MAA The Fairways	1992	Gar	240	1	0.4%
Polo Commons	2000	Gar	256	5	2.0%
Endura East	1985	Gar/TH	144	14	9.7%
Mill Run	1986	Gar	200	12	6.0%
Paces Run *^	1987	Gar	260	6	2.3%
Gable Hill	1984	Gar	180	25	13.9%
Atrium Place *^	1999	Gar	216	3	1.4%
Windsor Shores*	1985	Gar	176	30	17.0%
Arcadia Park*	2012	Gar	60	0	0.0%
Tanglewood	1974	Gar	104	15	14.4%
Beldon Spring Lake	1975	Gar	100	10	10.0%
Wyndham Pointe*	2007	Gar	180	12	6.7%
Palmetto Gardens	1970	Gar	64	1	1.6%
Samara East	1979	Gar	288	43	14.9%
Arbors at Windsor Lake	1991	Gar	228	10	4.4%
Greenbrier^	1989	Gar	526	63	12.0%
Brookside Crossing*	2010	Gar	162	5	3.1%
Dira East	1974	Gar/TH	259	38	14.7%
Springtree	1981	Gar	152	1	0.7%
O'Neil Pointe*	2020	Gar	42	0	0.0%
Regent Park*	2012	Gar	72	9	12.5%
Total			6,224	390	6.3%
Average	1996		207		
LIHTC Total			1,168	65	5.6%
LIHTC Average	2004		146		