



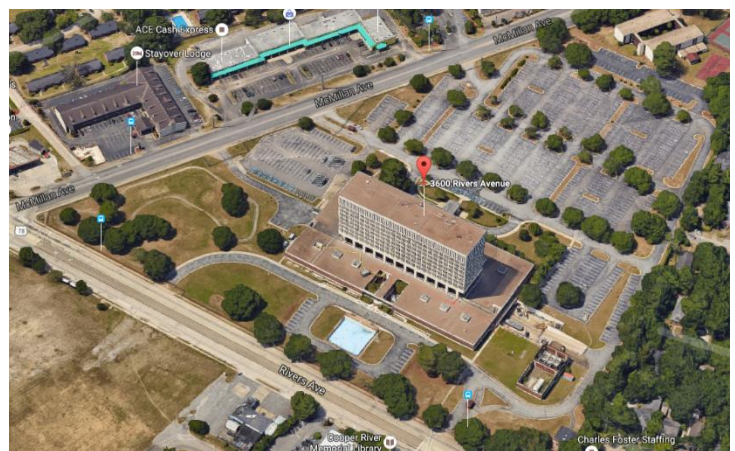
CHICORA LIFE CENTER

3600 Rivers Avenue
North Charleston, South Carolina 29405

APPRAISAL REPORT

Date of Report: August 8, 2016

Colliers File #: CHS160276



PREPARED FOR
Brent Wilde
Chief Financial Officer
Antion Capital
476 W. Heritage Parkway Boulevard
Layton, Utah 84041

PREPARED BY
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August 8, 2016

Brent Wilde
Chief Financial Officer
Antion Capital
476 W. Heritage Parkway Boulevard
Layton, Utah 84041

RE: Chicora Life Center
3600 Rivers Avenue
North Charleston, South Carolina 29405

Colliers File #: CHS160276

Dear Mr. Wilde:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Antion Capital and Colliers International Valuation & Advisory Services.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The subject is the former Naval Hospital complex located at the southeast corner of Rivers Avenue and McMillan Avenue in the City of North Charleston, in Charleston County, South Carolina. The site contains 23.25 acres and is improved with a 12 story building containing 402,474 SF of NRA. The improvements were constructed in 1972 by the federal government and operated as a Navy Hospital until the mid-1990s. It remained vacant for years and was then purchased in late 2014 by a private group for redevelopment. Portions of the building have been renovated with Charleston County as the primary tenant. The intent is for the subject to become a social services hub and house many of the South Carolina and Charleston County social services agencies.

There are five leases in place representing 118,934 SF, although only one of the tenants has taken occupancy. The balance of the space consists of 283,540 SF, and is projected to lease up over the next four years with the property achieving a stabilized occupancy by July 1, 2019 (3 years).

The purpose of this appraisal is to develop opinions of the As-Is Market Value, Prospective Value Upon Stabilization and Hypothetical Value of the subject property's leased fee and fee simple interests. A second valuation has also been presented that is based on the hypothetical condition that there are no leases in places and the building is 100% vacant. This reflects a fee simple value of the property. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Leased Fee	July 22, 2016	\$38,700,000
Prospective Value Upon Stabilization	Leased Fee	July 1, 2019	\$52,900,000
OTHER CONCLUSIONS			
Hypothetical Value - As Is	Fee Simple	July 22, 2016	\$30,500,000
Hypothetical Value - Stabilized	Fee Simple	July 1, 2021	\$62,600,000

The leased fee valuation accounts for the credit quality of Charleston County, and accounts for its \$12.00/SF rent. It also includes TI reimbursements to be paid by Charleston County and Fetter. The fee simple value is based on market rents and also includes additional upfit costs to common areas.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the appraisal guidelines of Antion Capital.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinions of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

It is assumed that the Charleston County TI reimbursement will be \$3,500,000 and the Fetter reimbursement will be \$256,000. This applies to the leased fee analysis only.

It is assumed that the remaining work to the building will be completed in a workmanlike manner.

It is assumed that the events necessary for the subject to achieve a stabilized occupancy will occur.

HYPOTHETICAL CONDITIONS

The fee simple value is based on the hypothetical condition that there are no leases in place and that the property was 100% vacant as of the effective date of value.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International

Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Respectfully Submitted,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Curtis S. McCall, Jr., CRE, MAI
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Certified General Real Estate Appraiser
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CERTIFICATION OF APPRAISAL

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GENERAL INFORMATION

Property Name	Chicora Life Center
Property Type	Office - High-Rise Office
Address	3600 Rivers Avenue
City	North Charleston
State	South Carolina
Zip Code	29405
County	Charleston
Core Based Statistical Area (CBSA)	Charleston-North Charleston, SC
Market	Charleston-North Charleston, SC
Submarket	North Charleston
Latitude	32.857897
Longitude	-79.979085
Number Of Parcels	1
Assessor Parcel	469-07-00-001

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	23.25	1,012,770
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	23.25	1,012,770
Topography	Generally Level at street grade	
Shape	Irregular	
Access	Average/Good	
Exposure	Good	
Current Zoning	General Business District (B-2)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Very High Risk	

IMPROVEMENT INFORMATION

Net Rentable Area (NRA)	402,474 SF
Gross Building Area SF (GBA)	424,782 SF
Floor Plate SF	120,284 SF
Total Number Of Stories	12
Year Built	1972
Year Renovated	2016
Quality	Average
Condition	Average
Building Class	C
Type Of Construction	Reinforced concrete
Land To Building Ratio	2.4 : 1
Site Coverage Ratio	11.9%
Parking Type	Surface
Number of Parking Spaces	982
Parking Ratio (Spaces/1,000SF NRA)	2.4/1,000 SF NRA

HIGHEST & BEST USE

As Vacant	Mixed Use Development
As Improved	As Improved And Renovated Into A Multi-Tenant Office

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	12 Months
Marketing Period	12 Months

TENANCY INFORMATION

Tenancy	Multi-Tenant Occupied By Third Party Tenants	
Occupancy	29.6%	
Occupied SF	118,934 SF	
Vacant SF	283,540 SF	
Number of Tenants in Occupancy	5	
Total Contract Income & Recoveries (Occupied Space)	\$12.15/SF	\$8.08/SF
Total Market Income & Recoveries (Occupied Space)	\$13.00/SF	\$8.29/SF
Contract Income As % of Market Income	93%	
Space Leased To Credit Tenants	98,087 SF	

MARKET LEASING ASSUMPTIONS

As of Analysis Start Date Aug-16

MLA Category	Mkt Rent (\$/SF/Yr.)	Expense Structure	Lease (Years)	Contract Rent Increases	RnwI Prob	Downtime Btwn Leases	Tenant Improv		Free Rent (Initial)		Leasing Comm (1)	
							New	RnwIs	New	RnwIs	New	RnwIs
MLA 1	\$13.00	Triple Net	10.0	2.5%	75%	12	\$8.00	\$1.00	0 months	0 months	Full	Half
Ground	\$6.50	Triple Net	10.0	2.5%	75%	12	\$8.00	\$1.00	0 months	0 months	Full	Half

(1) Leasing Commission

Leasing commissions have been based upon the generally accepted standard schedule.

VALUATION SUMMARY

VALUATION INDICES	HYPOTHETICAL VALUE-AS IS	HYPOTHETICAL VALUE - STABILIZED	AS-IS MARKET VALUE	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE	LEASED FEE	LEASED FEE
DATE OF VALUE	JULY 22, 2016	July 1, 2021	JULY 22, 2016	JULY 1, 2019
INCOME CAPITALIZATION APPROACH				
Discounted Cash Flow	\$30,500,000	\$62,600,000	\$38,700,000	\$52,900,000
DCF \$/SF (NRA)	\$76/SF	\$156/SF	\$96/SF	\$131/SF
Holding Period	10 Years	6 Years	10 Years	7 Years
Terminal Capitalization Rate	8.50%	8.50%	7.75%	7.75%
Internal Rate of Return (Cash Flow)	11.50%	11.50%	10.50%	10.50%
Internal Rate of Return (Reversion)	11.50%	11.50%	10.50%	10.50%
Direct Capitalization	\$24,700,000	\$55,900,000	\$34,800,000	\$52,500,000
Direct Capitalization \$/SF	\$61/SF	\$139/SF	\$86/SF	\$130/SF
NOI (Stabilized)		\$4,610,468	-	\$3,805,550
NOI \$/SF		\$11.46/SF	-	\$9.46/SF
Capitalization Rate	8.25%	8.25%	7.25%	7.25%
INCOME CONCLUSION	\$30,500,000	\$62,600,000	\$38,700,000	\$52,900,000
Income Conclusion \$/SF	\$76/SF	\$156/SF	\$96/SF	\$131/SF
SALES COMPARISON APPROACH				
SALES CONCLUSION			\$39,000,000	\$56,700,000
Sales Conclusion \$/SF			\$97/SF	\$141/SF
FINAL VALUE CONCLUSION				
FINAL VALUE	\$30,500,000	\$62,600,000	\$38,700,000	\$52,900,000
\$/SF	\$76/SF	\$156/SF	\$96/SF	\$131/SF
LAND VALUATION				
LAND VALUE			\$3,390,000	-
Value/Acre			\$146,000	-

SWOT ANALYSIS

SWOT is an acronym for the internal strengths and weaknesses of an asset and the environmental (external) opportunities and threats facing that property. Based on our analysis of the subject property we have identified the following strengths, weaknesses, opportunities and threats.

Strengths

- › Well located near the former Charleston Naval Base and the urban centers of Charleston and North Charleston
- › Located near Interstate 26 with good linkage to the Charleston MSA.
- › Heavy, institutional grade construction.
- › Strong lease in place to Charleston County for 25 years
- › Demand for investment grade properties is strong.
- › Income and values are trending upward.
- › On-site Parking Available

Weaknesses

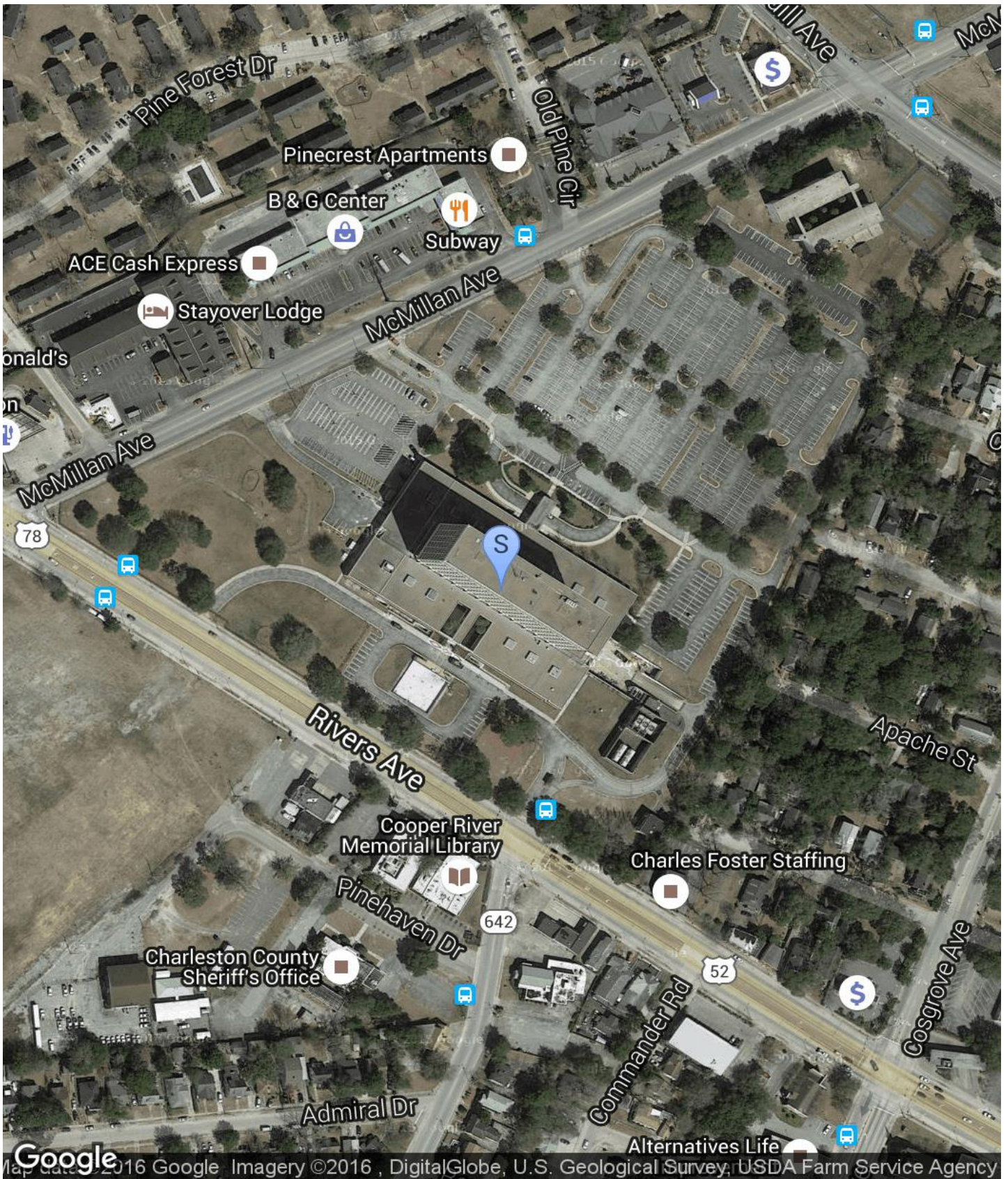
- › Large building for the area.
- › Lower income neighborhood with below average purchasing power as compared to other parts of the MSA
- › Intended use of the tenants and the positioning of the building as a hub for governmental social services reduces the attractiveness of the space for corporate users.

Opportunities

- › Immediate neighborhood is in the early stages of gentrification.

Threats

- › The market recovery will stall as a result of national economic policies.





SUBJECT PROPERTY



SUBJECT PROPERTY



SUBJECT PROPERTY



EAST ENTRANCE



CHILLERS



PARKING



PARKING



PARKING



PARKING



PARKING



PARKING



PARKING



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



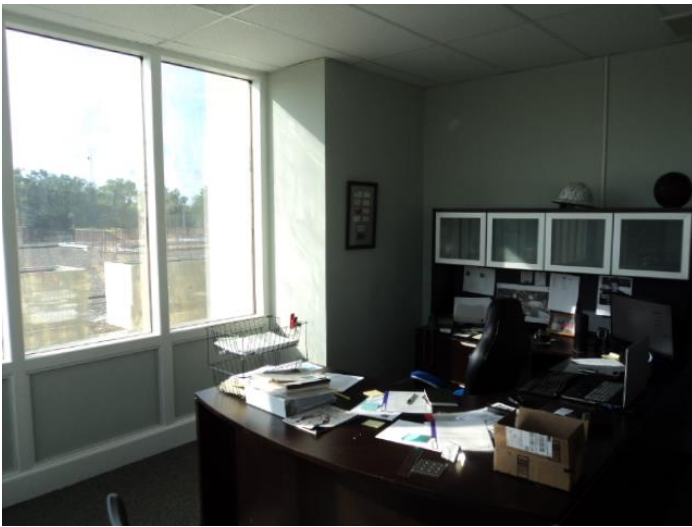
TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED AREA



TYPICAL FINISHED OFFICE



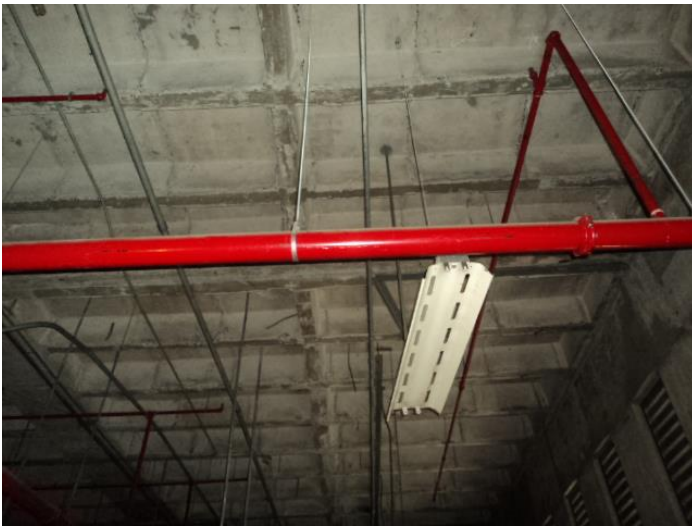
MECHANICAL



TYPICAL SHELL SPACE



TYPICAL SHELL SPACE



TYPICAL SHELL SPACE



TYPICAL SHELL SPACE



GROUND LEVEL SHELL SPACE



GROUND LEVEL SHELL SPACE



ROOF



CHILLERS AND LOADING AREA



PARKING AREA



PARKING AREA



TYPICAL VIEW



TYPICAL VIEW



WEST SIDE ACCESS ROAD



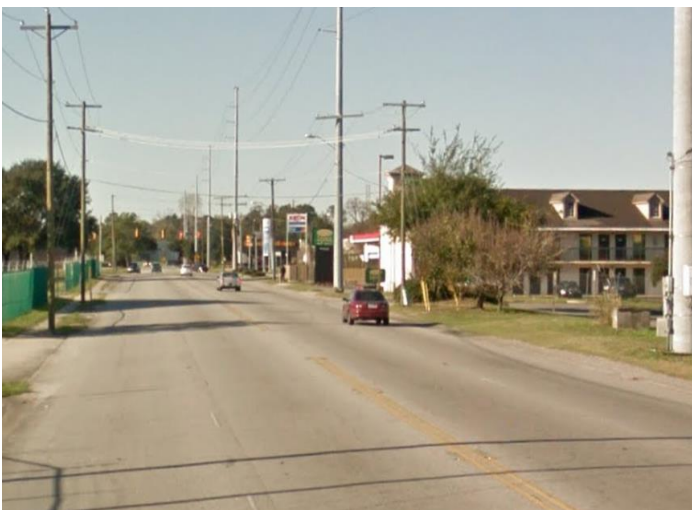
MAIN ENTRANCE



RIVERS AVENUE FACING SOUTH



RIVERS AVENUE FACING NORTH



MCMILLAN AVE FACING WEST



MCMILLAN AVE FACING EAST

PROPERTY IDENTIFICATION

The subject is an Office (High-Rise Office) property totaling 402,474 SF NRA located on a 23.25-acre site at 3600 Rivers Avenue in North Charleston, Charleston County, South Carolina. The assessor's parcel number is: 469-07-00-001. Below is a breakdown of the building components.

Building Breakdown by Floor					
Floor	Usable	Common,/FL	RA	Vertical Pen./ Unrentable	GBA
1	86,836 SF	10,686 SF	102,147 SF	5,322 SF	107,469 SF
2	12,715 SF	1,352 SF	14,957 SF	1,550 SF	16,476 SF
3	12,494 SF	1,619 SF	14,697 SF	1,550 SF	17,134 SF
4	20,103 SF	1,015 SF	23,647 SF	1,120 SF	23,633 SF
5	18,786 SF	0 SF	22,098 SF	1,240 SF	23,633 SF
6	19,288 SF	0 SF	22,689 SF	1,424 SF	23,633 SF
7	19,349 SF	1,239 SF	22,761 SF	959 SF	23,633 SF
8	19,355 SF	0 SF	22,768 SF	1,244 SF	23,633 SF
9	18,270 SF	1,245 SF	21,491 SF	1,243 SF	23,633 SF
10	19,125 SF	448 SF	22,497 SF	1,080 SF	23,633 SF
	246,321 SF	17,604 SF	289,752 SF	16,732 SF	306,510 SF
Ground	80,826 SF	36,959 SF	95,077 SF	1,484 SF	119,269 SF
Penthouse	15,000 SF	5,763 SF	17,645 SF	4,066 SF	24,829 SF
	342,147 SF	60,326 SF	402,474 SF	22,282 SF	450,608 SF

The legal description of the subject property is presented in the Addenda.

CLIENT IDENTIFICATION

The client of this specific assignment is Antion Capital.

PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value, Prospective Value Upon Stabilization and Hypothetical Value of the subject property's leased fee and fee simple interests.

INTENDED USE

The intended use of this appraisal is to assist the client in making internal business decisions related to this asset.

INTENDED USERS

Antion Capital is the only intended user of this report. Use of this report by Third-Parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	August 8, 2016
Date of Inspection	July 22, 2016
Valuation Date - As-Is	July 22, 2016
Valuation Date - Prospective At Stabilization	July 1, 2019

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

Ownership of the property is in the name of Chicora Life Center, LLC having been transferred from Chicora Gardens Holdings, LLC on August 28, 2014 as evidenced by a deed recorded in the Charleston County RMC office in Deed Book 0426, Page 102. This was an internal transfer.

Three-Year Sales History

Chicora Gardens Holdings, LLC acquired the property from the City of North Charleston on January 17, 2014 by a deed recorded in Deed Book 0384, Page 594. The recorded consideration was \$5,000,000, or \$123.21/SF based on NRA. According to the owner, there has been approximately \$17,000,000 of capital investment since acquisition in the form of building upgrades, tenant improvements, and carrying costs.

Subject Sale Status

The subject property is listed for sale at an asking price of \$49,000,000. Details of the listing or the basis of the asking prices was not available.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee and fee simple interests.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.²

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.³

VALUE SCENARIOS**As-Is Value**

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.⁴

Prospective Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy.⁵

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁴ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁵ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraiser confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraiser completed an office market analysis that included market and sub-market overviews. The Charleston-North Charleston, SC market and North Charleston sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraiser conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraiser confirmed and analyzed financial features of the subject property including limited budgeted income/expense data, lease documents, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Discounted Cash Flow & Direct Capitalization) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value, Prospective Value Upon Stabilization and Hypothetical Value of the subject property's leased fee and fee simple interests. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- › I understand the Competency Rule of USPAP and the author of this report meets the standards.
- › No one provided significant real property appraisal assistance to appraiser signing this certification.

SOURCES OF INFORMATION

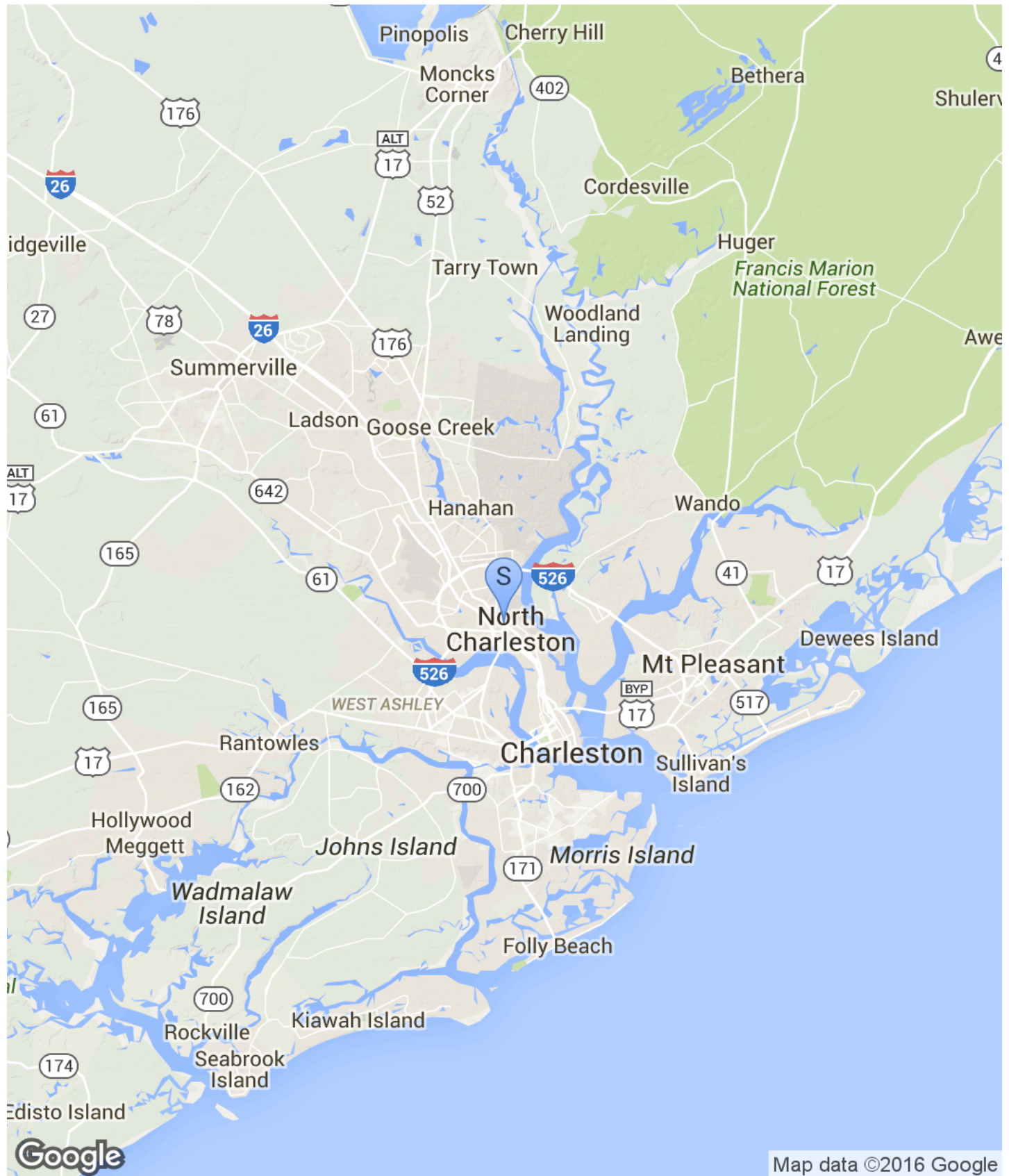
The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Charleston County Tax Assessor
Zoning Information	City of North Charleston Zoning Code
Site Size Information	Survey of Record/Legal Description
Building Size Information	Rent Roll/Floor Plans
Flood Map	FEMA
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Deed/Survey of Record
Other Property Data	Jeremy Blackburn, Owner's Representative
Leases	Jeremy Blackburn, Owner's Representative

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Curtis S. McCall, Jr., CRE, MAI	Yes	Interior/Exterior	July 22, 2016



INTRODUCTION

The City of Charleston is one of America's most historic cities, having been incorporated in 1783. The center of the city is located on a peninsula of land at the confluence of the Ashley and Cooper Rivers, which create a deep-water harbor only five miles from the Atlantic Ocean.

The Charleston metropolitan statistical area (MSA) is comprised of three counties; Berkeley, Dorchester and Charleston Counties as well as 27 incorporated cities and towns. Charleston, although not a regional distribution center because of the coastline limitations, is a major port city. It also has many amenities contributing to the quality of life, which has resulted in steady growth as shown in the population chart below.



DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

REGIONAL AREA DEMOGRAPHICS

YEAR	US	SC	CBSA	YEAR	US	SC	CBSA
POPULATION				NUMBER OF HOUSEHOLDS			
2010 Total Population	308,745,538	4,625,364	664,607	2015	119,867,648	1,881,152	280,056
2015 Total Population	321,223,644	4,891,548	743,359	2020	123,893,754	1,985,211	306,320
2020 Total Population	334,184,347	5,190,566	827,416	CAGR	0.7%	1.1%	1.8%
2010 - 2015 CAGR	0.8%	1.1%	2.3%	AVERAGE HOUSEHOLD SIZE			
2015 - 2020 CAGR	0.8%	1.2%	2.2%	2015	2.61	2.53	2.60
POPULATION DENSITY				2020	2.63	2.55	2.65
2015 Per Square Mile	89	158	265	CAGR	0.15%	0.15%	0.39%
2020 Per Square Mile	93	168	295	HOUSING UNITS			
MEDIAN AGE				Owner Occupied	78,345,253	1,311,347	185,198
2015	37.58	38.74	36.32	Renter Occupied	41,522,395	569,805	94,858
2020	38.18	39.89	37.31	AVERAGE HOUSEHOLD INCOME			
CAGR	0.32%	0.58%	0.54%	2015	\$75,572	\$62,355	\$71,134
MEDIAN HOME VALUE				2020	\$76,660	\$63,108	\$72,190
2015	\$179,653	\$139,933	\$188,743	CAGR	0.3%	0.2%	0.3%
PER CAPITA INCOME				MEDIAN HOUSEHOLD INCOME			
2015	\$28,926	\$24,669	\$27,394	2015	\$53,608	\$45,561	\$52,222
2020	\$29,130	\$24,776	\$27,261	2020	\$53,764	\$45,936	\$52,156
CAGR	0.1%	0.1%	(0.1%)	CAGR	0.1%	0.2%	(0.0%)

Source: Pitney Bowes/Gadberry Group - GroundView®

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Charleston-North Charleston metropolitan area had a 2015 total population of 743,359 and experienced an annual growth rate of 2.3%, which was higher than the South Carolina annual growth rate of 1.1%. The metropolitan area accounted for 15.2% of the total South Carolina population (4,891,548). Within the metropolitan area the population density was 265 people per square mile compared to the lower South Carolina population density of 158 people per square mile and the lower United States population density of 89 people per square mile. The 2015 median age for the metropolitan area was 36.32, which was 3.46% younger than the United States median age of 37.58 for 2015. The median age in the metropolitan area is anticipated to grow by 0.54% annually, increasing the median age to 37.31 by 2020.

Education

The primary colleges located in downtown Charleston are shown below and indicate a total enrolment nearly 19,000 students. A further breakdown of the College of Charleston students indicates that only 31% of the 11,723 enrolled students live on-campus, which has spurred tremendous demand for student housing on the peninsula of Charleston.

Downtown Charleston County Higher Education Enrollment			
University	Undergraduate	Graduate	Total
College of Charleston	10,506	1,217	11,723
The Citadel	2,162	1,094	3,256
Art Institute of Charleston	804	-	804
Medical University of South Carolina	600	1,960	2,560
Charleston School of Law	-	584	584
American College of the Building Arts	38	-	38
Clemson Architecture Center	22	-	22

Source: CBRE/Davis Property Group