

NEED AND DEMAND ANALYSIS
FOR THE DOVE PLACE APARTMENTS
IN
COLUMBIA, SOUTH CAROLINA

Prepared for
Connelly Builders
for submission to
the South Carolina State Housing Finance and Development Authority

February 2019

T Ronald Brown: Research & Analysis
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INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the Dove Place Apartments in Columbia, South Carolina. A total of 48 units are to be developed: 18 two-bedroom units, 24 three-bedroom units, and six four-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The data and analysis in this study are based on information relating to conditions in the town, market area, county, and state in which the project is to be located, and has been obtained from the most pertinent and current available sources. Likewise, every effort has been made to ensure its accuracy and reliability. However, we can assume no responsibility for inaccuracies in reporting by any local, regional, state, or federal agency cited, nor for any information withheld or erroneously reported by the sources cited during the normal course of our professional research. Consequently, we reserve the right to alter our findings and conclusions, if necessary, on the basis of any discovered material inaccuracies.

It is important to stress that coverage from the 2010 Census does not equate with the coverage provided in previous decennial Censuses. Thus, other sources - notably the Census Bureau's American Community Survey - is necessarily to be relied upon. The latter is based on a relatively small sample (compared with earlier sample-based Census reports) and therefore is subject to large statistical margins of error. Thus, use of these data is subject to the *caveat* that those data may not be as rigorous or as reliable as Census data prior to 2010. In this regard, if the data suggest outcomes at variance with our observations from other sources, these will be highlighted in our findings.

The site of the proposed apartments was visited (on February 11, 2019). In addition, interviews are held with persons with particular knowledge pertinent to the study.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

It is stated that we have no responsibility for opinions requiring expertise in other fields of expertise - these would include, for example, legal, environmental, architectural, and engineering matters.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

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Date:: February 28, 2019

EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

The proposed development will comprise the development of 48 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 50 and 60 percent of the local area median income.

The Dove Place Apartments are to be located on the east side of Daphne Road, north of Garners Ferry Road, in southeastern Richland County.

The market area for the proposed apartments is that part of south-eastern Richland County, south of Fort Jackson, that is focused on the site of the proposed development.

Labor force and employment figures in Richland County show significant increases over the last decade or so, with employment falling between 2008 and 2009. Since then, labor force and employment have increased - resulting in unemployment rates falling from a high of 9.4 percent in 2010, to only 4.3 percent in 2017.

The population of the southeast Columbia market area is projected to increase from 49,090 in 2010, to 50,601 in 2018, to 50,707 in 2021. The number of households is projected to increase from 19,321 in 2010 to 20,366 in 2018, to 20,589 in 2021. There were 6,281 renter households in the market area in 2010: which is projected to increase to 7,118 by 2018, and to 7,394 by 2021.

There are many apartment complexes located in the southeast Columbia area, as defined. There are four tax credit properties and two rent-assisted HUD Section 8 projects in the area, in addition to market rate units.

The total potential need for tax credit units such as is proposed in the southeast Columbia area by 2021 is calculated to be for 555 units. The corresponding figure for two-, three-, and four-bedroom units is seen to be for 399 units. Given the calculated need, the proposed 48-unit development amounts to 8.6 percent of the total net need, and equates to 12.0 percent of the net need for two-, three-, and four-bedroom units). The capture rate for the twelve units targeted at 50 percent of the median is 4.1 percent (or 5.8 percent for two, three-, or four-bedroom units), with that for the 36 units targeted at 60 percent of the median determined to be 13.6 percent (or 18.9 percent for two- or more bedroom units only).

Based on the above, the project could expect to lease-up over a period of up to three- or four months, or so.

2019 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	DOVE PLACE	Total # Units:	48
Location:	Daphne Road, Columbia, SC	LIHTC Units:	48
PMA Boundary:	Southeastern Richland County, south of Fort Jackson		
Development Type:	Family <input checked="" type="checkbox"/> Older Persons <input type="checkbox"/> Farthest Boundary Distance to Subject:	18 miles	

RENTAL HOUSING STOCK (found on pages 46-69)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	2,252	111	95.1%
Market-Rate Housing	9	1,904	110	94.2%
Assisted/Subsidized Housing not to include LIHTC	2	180	1	99.4%
LIHTC (All that are stabilized)*	3	168	0	100.0%
Stabilized Comps**	3	168	0	100.0%
Non-stabilized Comps				%

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).
 ** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	2	2	972	\$599	\$991	\$1.02	39.53%	\$1,550	\$1.59
12	2	2	972	\$757	\$991	\$1.02	23.58%	\$1,550	\$1.59
4	3	2	1,123	\$664	\$1,084	\$0.96	38.72%	\$1,815	\$1.62
20	3	2	1,123	\$846	\$1,084	\$0.96	21.92%	\$1,815	\$1.62
2	4	2	1,372	\$718	\$1,354	\$0.99	46.98%	n/a	n/a
4	4	2	1,372	\$921	\$1,354	\$0.99	31.98%	n/a	n/a
Gross Potential Rent Monthly*				\$37,374	\$51,598		28.07%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. 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 pages 32,41)						
	2010		2018		2021	
Renter Households	6,281	32.5%	7,118	34.9%	7,394	35.9%
Income-Qualified Renter HHs (LIHTC)	n/a	n/a	1,116	15.6%	1,159	15.6%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 43)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	21	22				43
Existing Households (Overburd + Substand)	269	243				512
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	290	265				555

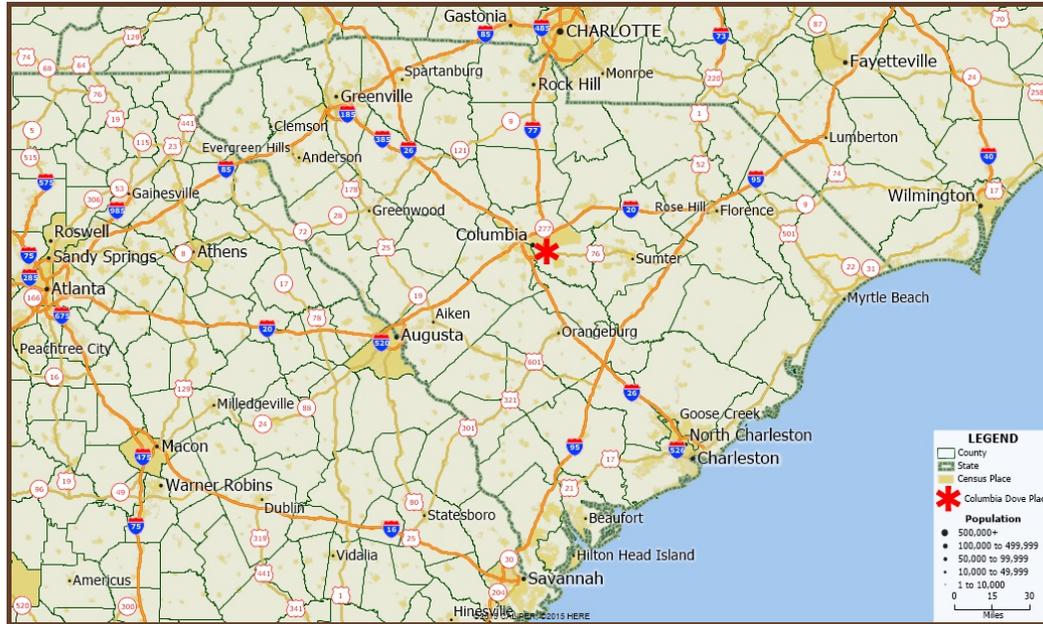
CAPTURE RATES (found on page 44)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	4.1%	13.6%				8.6%

ABSORPTION RATE (found on page 45)
 Three to four months, or so

A. PROJECT DESCRIPTION

Project Location

The proposed development is to be located on the west side of Daphne Road, north of Garners Ferry Road, in southeastern Richland County.



Construction type: New construction

The property comprises four three-story residential buildings.

Occupancy type :Family

Target income group: 50 and 60 percent of the local area median income

Special population target: not applicable

Proposed unit mix, etc.

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
2 bedroom/2 bath	6	972	\$599	less than 50 percent
2 bedroom/2 bath	12	972	\$757	less than 60 percent
3 bedroom/2 bath	4	1,123	\$664	less than 50 percent
3 bedroom/2 bath	20	1,123	\$846	less than 60 percent
4 bedroom/2 bath	2	1,372	\$718	less than 50 percent
4 bedroom/2 bath	4	1,372	\$921	less than 60 percent
* percent of local area median income				

Rental Assistance: none

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$188 for a two-bedroom unit, \$244 for a three-bedroom unit, and \$295 for a four-bedroom unit.

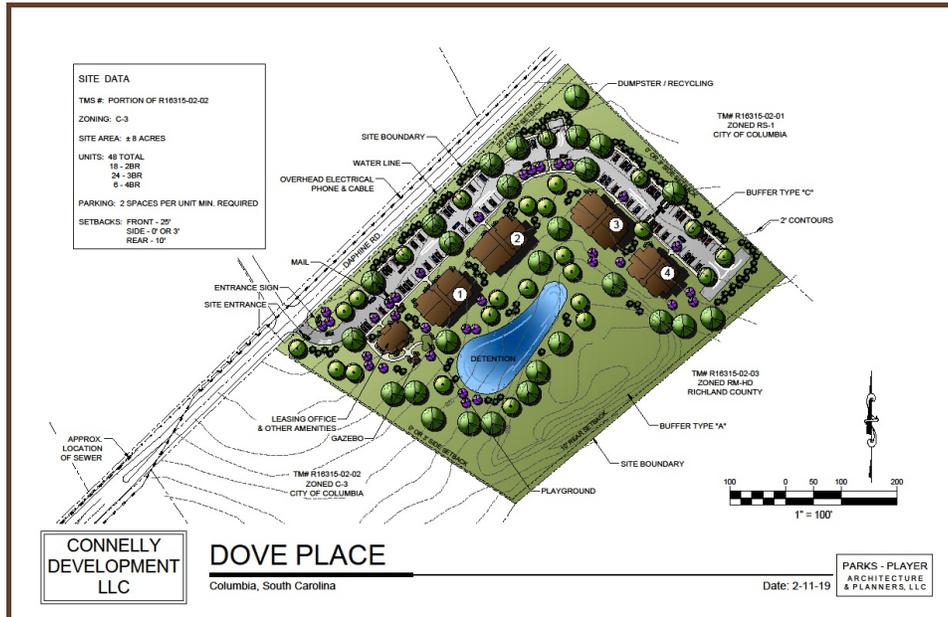
Project amenities include a site office, laundry, and community space - which includes a kitchen and a computer room. There will be a picnic area and playground on the property.

Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans and mini-blinds. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

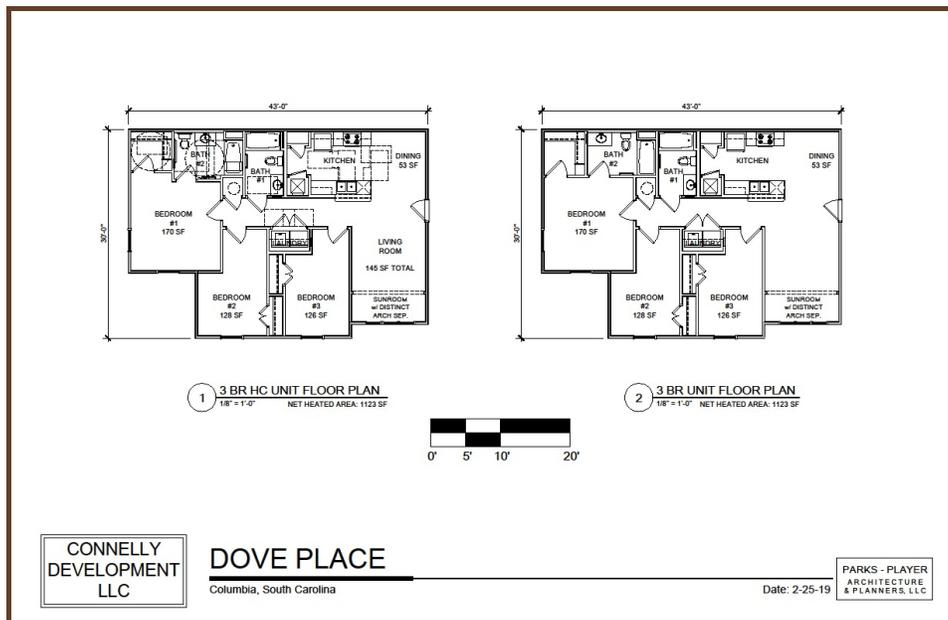
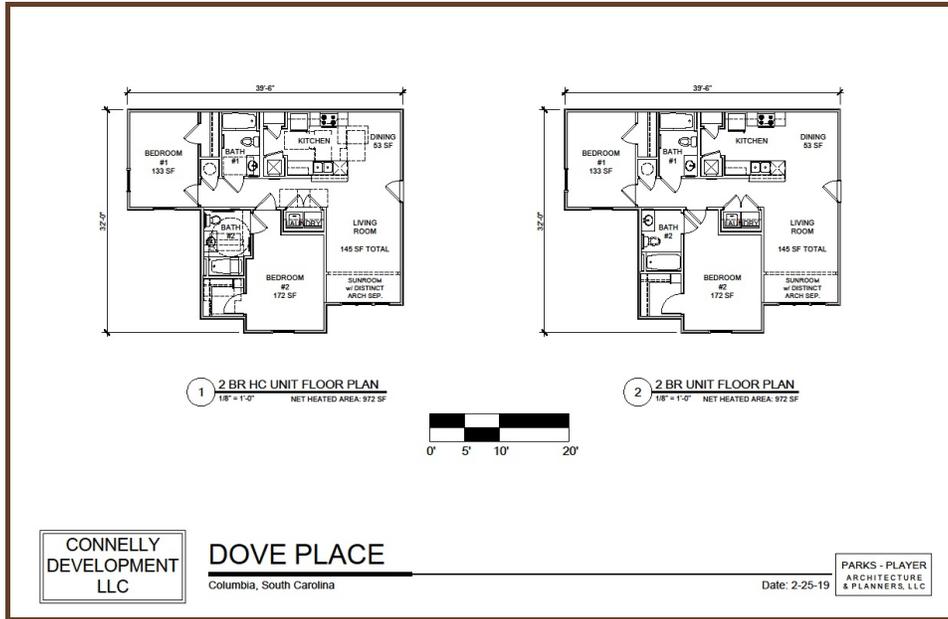
Representative architectural drawings/plans are set out on the following pages.

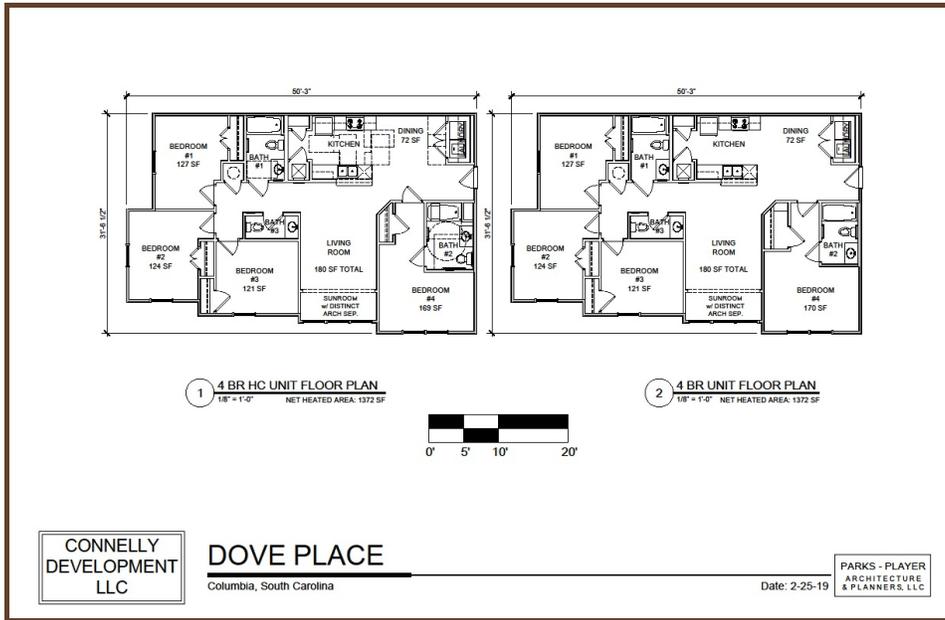
Rehabilitation information: n/a

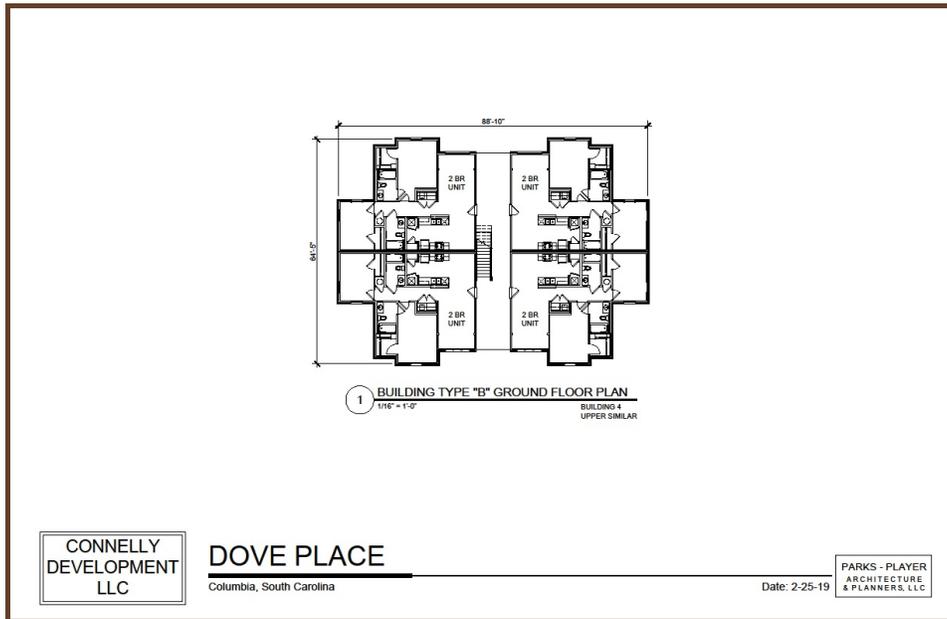
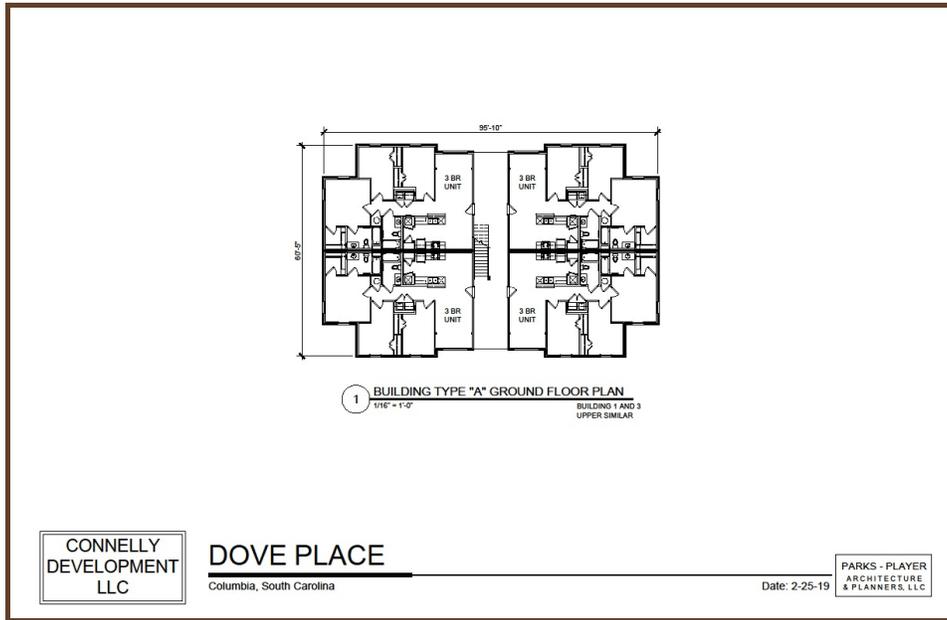
Site plan

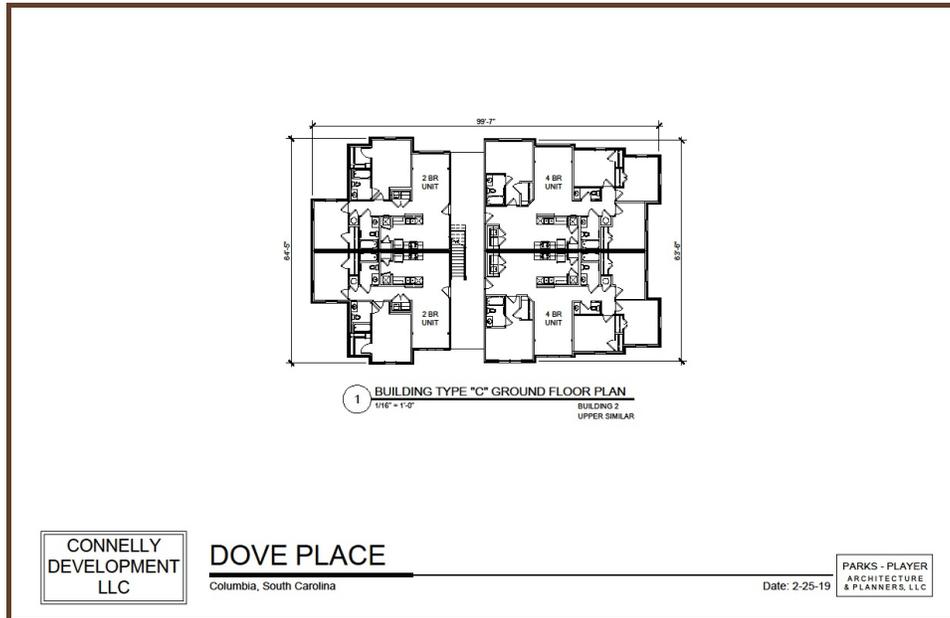


Floor plans

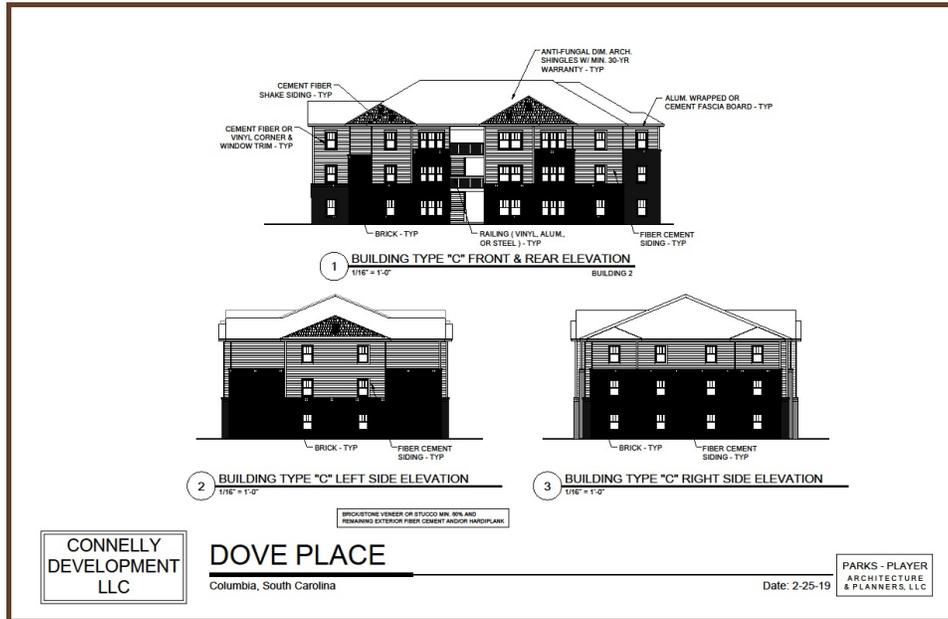








Elevations



B. SITE DESCRIPTION

The Dove Place Apartments are to be located on the east side of Daphne Road, to the north of Garners Ferry Road in south east Columbia. Adjacent properties include various businesses (such as an Aldi grocery store, a Walmart Supercenter, and restaurants) which front on Garners Ferry Road). The Southeast Park is to the north of the site.



The site is sloping and is mostly wooded. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location, other than those imposed by potential wetlands on the property.



View onto property



View on property



View north on Daphne Rd., looking towards site



View onto property



View across Daphne Rd., at site, towards shopping center



View towards Garners Ferry Rd., at site (Aldi on left)



View across Garners Ferry Rd., to Daphne Rd.

Access from the site to major thoroughfares, shopping, and other local services is good - with a significant number of amenities being within easy reach of the site.

The following distances from the site to various local services and amenities.

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	Interstate 77	1.5
	US 178 - Garners Ferry Road	0.1
Public Transportation	Comet Routes 46 and 47	0.1
Retail - Grocery	Aldi	0.1
	Bi-Lo	1.2
	Food Lion	3.5
Retail - Other	Walmart	0.1
	Dollar Tree	0.1
	East Pointe SC	1.2
	Target	2.5
Gas/convenience	Murphy USA/Walmart	0.2
Pharmacies	Walmart	0.1
	CVS	0.7
	Walgreens	0.8
Banks	Bank of America	0.3
Restaurant	Popeyes	0.2
	Taco Bell	0.3
Entertainment, etc	Southeast Park	1.0
Schools	Burnside Elementary School	0.9
	Crayton Middle School	5.6
	Flora High School	5.2
Post Office	Leesburg Branch Post Office	1.0
Government	Columbia City Hall	7.5
Library	Richland Southeast Library	0.9
Hospital	Dorn VA Medical Center	1.9
	Palmetto Health Baptist Hospital	7.2
	Providence Hospital	6.4
	Prisma Health Richland	7.8

Access from the site to major thoroughfares, sources of employment, shopping, schools, and other local services is very good.

The site is located on Daphne Road, one-tenth of one mile north of Garners Ferry Road (US 178), and is within one and one-half miles of the intersection of Garners Ferry Road and Interstate highway 77.

The site is within one-tenth of one mile of a bus stop on the Columbia Comet transit system, at Garners Ferry Road.

Garners Ferry Road is an east-west thoroughfare in southeastern Richland County - and is the focus for a significant proportion the area's retail and other commercial development. The site, for example, is adjacent to an Aldi grocery store and a Walmart Supercenter (and associated services). The site is also within one mile or so of a Bi-Lo store, a CVS, and a Walgreens drugstore. The site is also within two and one-half miles of a Target Store.

The Dorn VA Medical Center is within two miles of the site, to the north. Other medical services are available at the Providence Hospital, the Prisma Health Richland facility, and the Palmetto Baptist Hospital - each of which are within six- to eight- miles of the site.

The site of the proposed apartments is less than one mile from the Annie Burnside Elementary School, and is within five-to six miles of the Crayton Middle School and the A.C. Flora High School.

Southeast Park is one mile or so from the site.

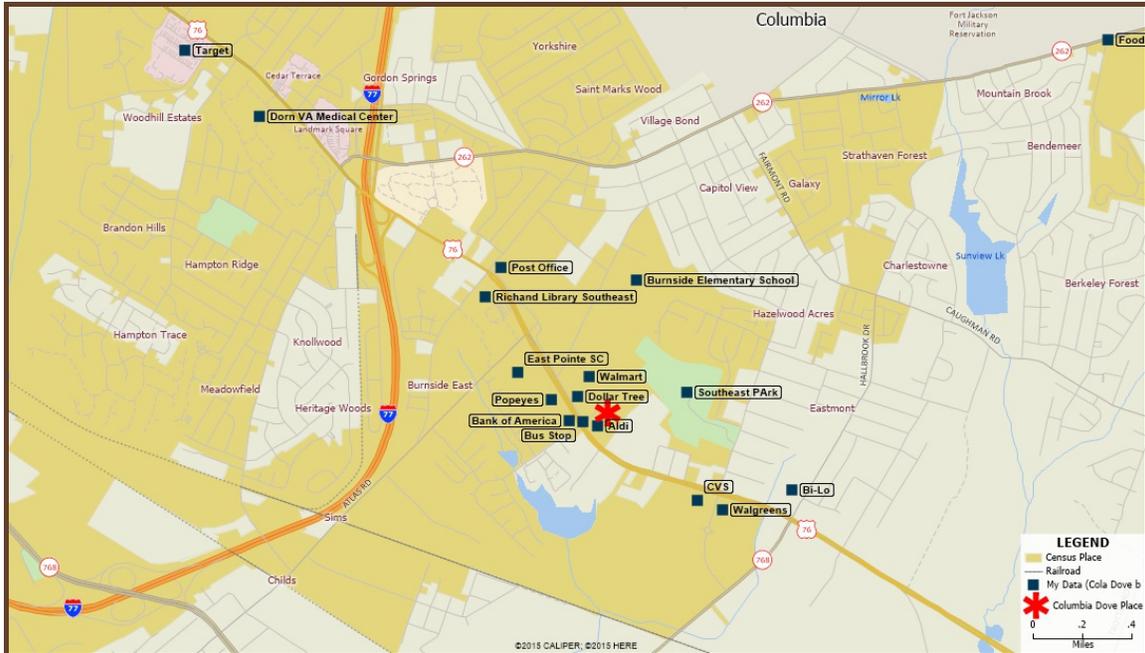
The site is within of eight miles, or so, of the government, shopping, health, and other services located in downtown Columbia.

It is understood that there are no significant road or other infrastructure projects under way or planned for this area.

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area. It is not expected that crime or the perception of crime in the area, would impact the project's marketability - nonetheless, as is prudent, security should be considered in the design and marketing of the project.

There are no apparent physical, environmental, or other constraints upon the construction and ongoing marketing of the proposed project at this location other than the location of potential wetlands, as noted.

The locations of various amenities relative to the site of the proposed development are mapped, below.



C. MARKET AREA

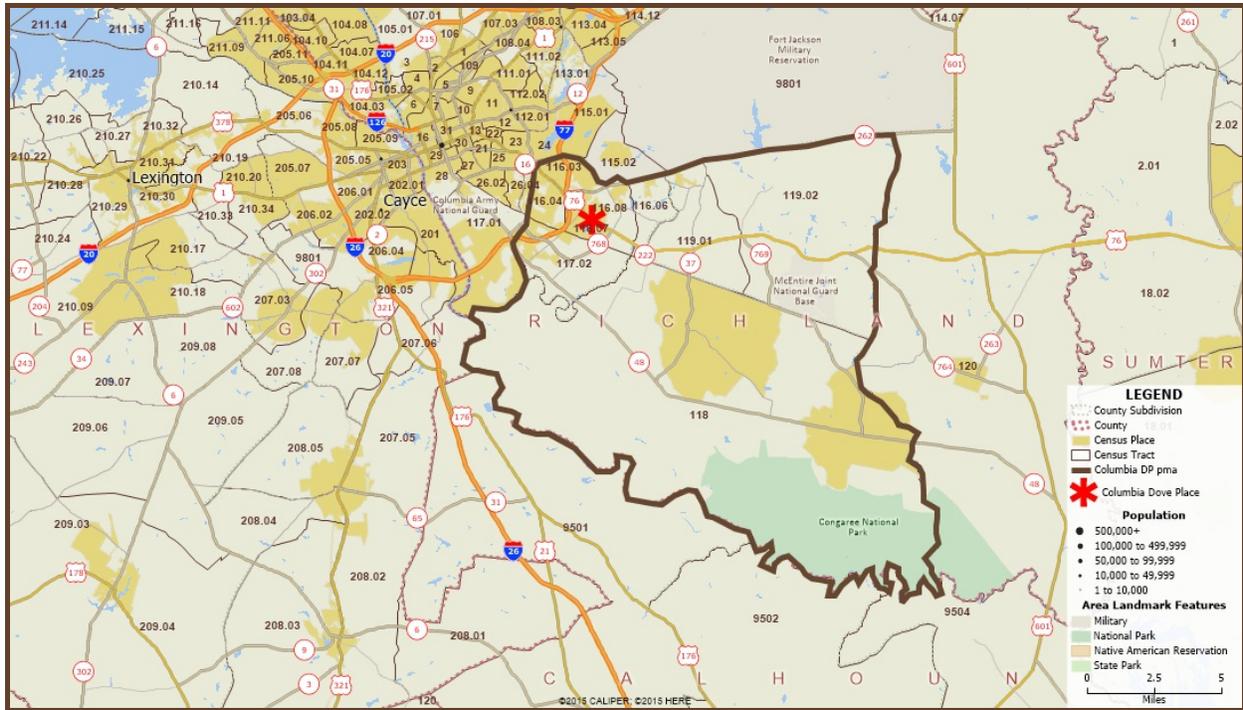
Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census tracts may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

Columbia is located in Richland County in central South Carolina. The market area for the proposed development is that part of south-eastern Richland County, south of Fort Jackson, that is focused on the site of the proposed development, as defined by several census tracts that can be seen to comprise the south-east Columbia market area. This area is centered on the site of the proposed development and extends up to an approximately three mile hinterland to the north and west, and extends ten- to 15 miles to the east and south, where development is relatively low density (and includes the Congaree National Park). It should be noted that around two-thirds of the market area population is located in those areas within three miles or so of the site.

The market area is irregularly shaped, with Leesburg Road forming the northern boundary (south of Fort Jackson), with Giles Creek being the western boundary. The Congaree River forms the southern boundary of the area, and Dry Creek forms the eastern boundary.

The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar character, and with residents, or potential residents, likely to be interested in the project.



The site is located in census tract 116.08. Market study guidelines require provision of the most recent (decennial Census) statistics on race available for the census tract in which the project is located. This information is set out in Table 1, below.

Table 1 - Statistics on Race, Tract 116.08

		<u>number</u>	<u>percent</u>
	Total	6,959	100.0
Race	One race	6,819	98.0
	White	2,784	40.0
	Black or African American	3,836	55.1
	American Indian and Alaska Native	19	0.3
	Asian	94	1.4
	Native Hawaiian/other Pacific	6	0.1
	Some other race	80	1.1
	Two or more races	140	2.0
	Two races, with some other race	22	0.3
	Two races without some other race	104	1.5
	Three races, with some other race	-	0.0
	Three races without some other race	14	0.2
Hispanic or Latino	Total population	6,959	100.0
	Hispanic or Latino (any race)	251	3.6
	Mexican	99	1.4
	Puerto Rican	58	0.8
	Cuban	11	0.2
	Other Hispanic or Latino	83	1.2
	Not Hispanic or Latino	6,708	96.4
Race and Hispanic or Latino	Total population	6,959	100.0
	One race	6,819	98.0
	Hispanic or Latino	238	3.4
	Not Hispanic or Latino	6,581	94.6
	Two or more races	140	2.0
	Hispanic or Latino	13	0.2
	Not Hispanic or Latino	127	1.8

Source: 2010 Census; T Ronald Brown: Research & Analysis

D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

This distribution of employment, by industry, for the south-east Columbia market area is set out in Table 2, below. This information is from the 2013 to 2017 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest source of employment is healthcare which accounts for 13.5 percent of the total - which is slightly more than for education (13.0 percent), and retail trade (12.3 percent).

Table 2 - Employment by Industry, Market Area

	number	percent
Agriculture, etc	243	1.0
Construction	963	4.0
Manufacturing	1,857	7.7
Wholesale Trade	529	2.2
Retail Trade	2,970	12.3
Transp, Warehousing	959	4.0
Utilities	320	1.3
Information	438	1.8
Finance, Insurance, Real Estate	1,845	7.6
Professional, scientific, management	2,300	9.5
Educational Services	3,157	13.0
Health care	3,257	13.5
Arts, entertainment, recreation	337	1.4
Accommodation and food services	1,865	7.7
Other services	1,294	5.3
Public Administration	1,880	7.8

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in Richland County are listed in Table 3, below. From this table it is seen that the largest employer in the area is the South Carolina state government - with 25,570 persons employed. Another significant employer is Palmetto Health - with 15,000 employees. Other significant employers include Blue Cross Blue Shield of SC, the University of South Carolina, the local school systems, and the City and County Governments.

Table 3 - Major Employers

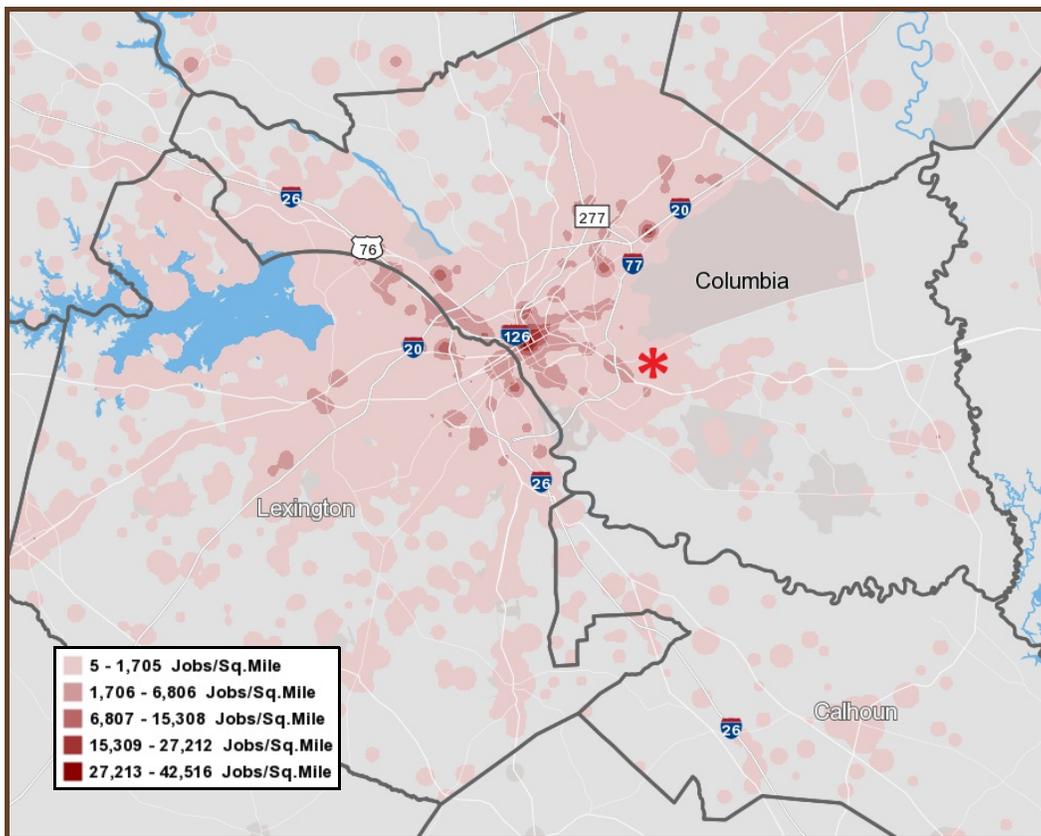
<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
State of South Carolina	State government	25,570
Palmetto Health	Health Care	15,000
Blue Cross Blue Shield of SC	Insurance	6,585
University of South Carolina	Public education	5,678
U.S Dept of the Army	Defense	5,286
Richland School District 1	Public education	4,265
Richland School District 1	Public education	3,654
Richland County	County government	2,393
City of Columbia	Municipal government	2,300
AT & T	Telecommunications	2,100
First Citizens Bank and Trust	Finance	1,784
Providence Hospital	Health Care	1,625
Dorn VA Medical Center	Health Care	1,500
Wells Fargo Customer Connection	Business services	1,400
Verizon Wireless	Telecommunications	1,261
Air National Guard	State government	1,200
Westinghouse Electric	Manufacturing	1,165
Colonial Life and Accident Insurance	Insurance	1,144
Midlands Technical College	Education	899
Teleperformance	Telemarketing, etc	850
Bonitz	Construction	800

Source: Richland County Economic Development Office

Some information is available from the Richland County Economic Development Office as to new and expanding industries in the area. For example, it is reported that in recent months, Trane, a manufacturer of heating and air conditioning units, will create an additional 700 jobs in the area. Additionally, Hengshi (fiber-weaving products) will create 48 new jobs. Also, LuLaRoe - a clothier - will add up to 1,000 new jobs at its east coast distribution center in Blythewood, to the north of Columbia. Charter NEX Films are to add 110 new jobs.

With respect to job losses, it is understood that the only notable major closings or layoffs reported in Richland County over the last year or so include a total of 114 jobs lost with the closure of Family Medicine Centers of SC, 500 jobs lost with the closure of Sodexo, and 221 jobs lost at Staples, .

Based on information from the Census, the location of the site relative to the distribution of employment in the wider Richland County area is illustrated in the map, below.



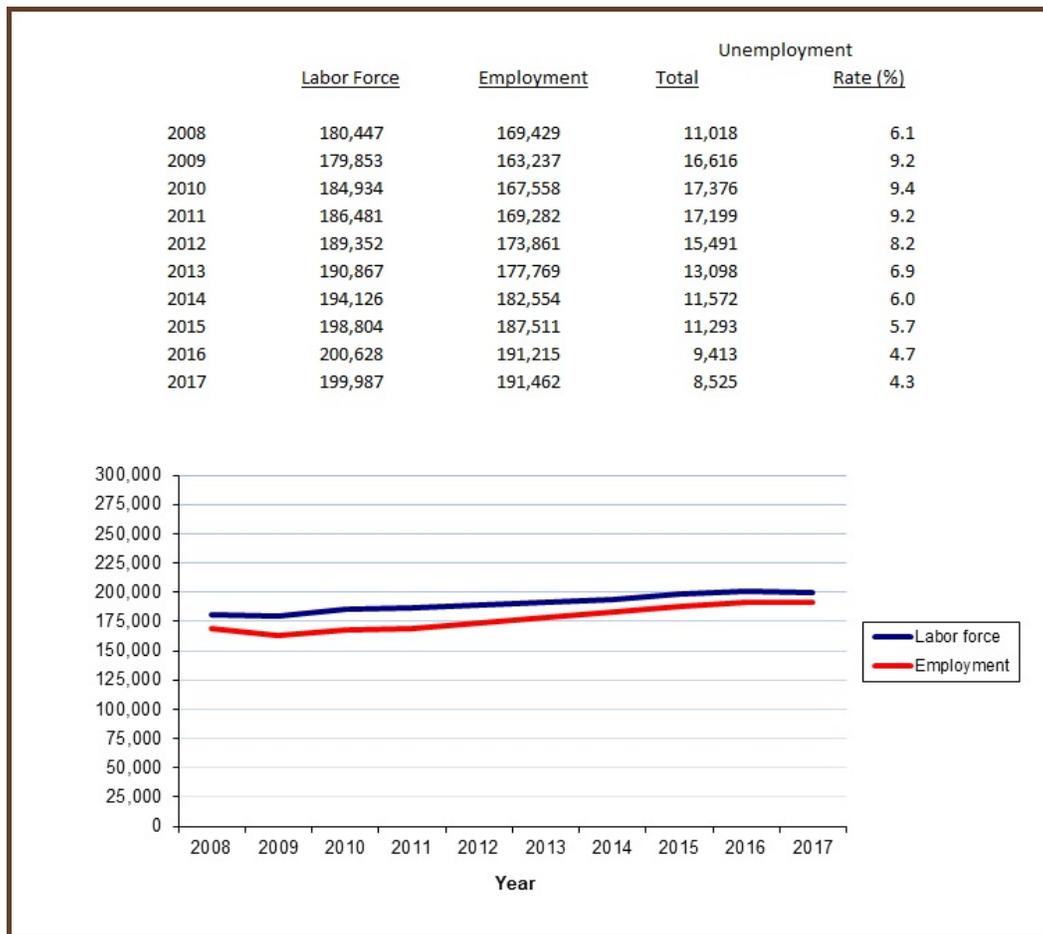
LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2017, the most recent year for which annualized data are available, the Richland County labor force comprised an estimated 199,987 persons. Of this total, 191,462 were employed and 8,525 or 4.3 percent were unemployed.

Labor force and employment figures show significant increases over the last decade or so, with employment falling between 2008 and 2009. Since then, labor force and employment have increased - resulting in unemployment rates falling from a high of 9.4 percent in 2010, to only 4.3 percent in 2017. Under these circumstances it is difficult to predict labor force and employment levels in the short-term.

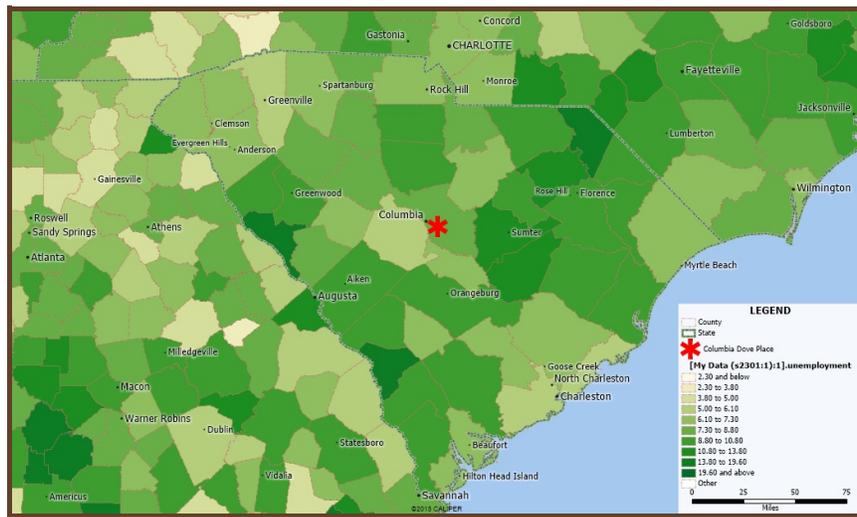
Between 2007 and 2017, the labor force showed a net increase of 20,181, or 2,242, annually, on average. Employment grew by an average of 2,448 jobs annually.

Table 4 - Richland County Labor Force and Employment



Source: US Department of Labor

Recent levels of unemployment throughout South Carolina are illustrated, below



COMMUTING

Based on data from the American Community Survey, 69.0 percent of workers resident in Columbia were employed in Columbia, with 85.0 percent employed in Richland County as a whole. The average driving time to work for residents of Columbia was 15.2 minutes.

Table 5 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	66,178	100.0
Worked in Place of residence	45,663	69.0
Worked in County of residence	56,251	85.0
Worked outside Place of residence	20,515	31.0
Worked outside County of residence	9,927	15.0
Mean travel time to work (minutes)	15.2	

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

The most recent Census data for commuting patterns for persons who live and/or work in Richland County area are illustrated, below.

Here it is seen that very many persons who work in Richland County commute into the County from Lexington County. Significant numbers also commute from, for example, Kershaw, Fairfield, and Sumter Counties, and elsewhere. Many residents of Richland County commute to work in Lexington County. Likewise, a significant number of residents of Richland County commute to work in Kershaw, Fairfield, and Sumter Counties.

Table 6 - Commuting Patterns

<u>Place of work</u>	<u>Place of Residence</u>	<u>Workers</u>
Richland County	Richland County	149,109
Richland County	Lexington County	45,809
Richland County	Kershaw County	8,594
Richland County	Fairfield County	3,191
Richland County	Sumter County	2,799
Richland County	Newberry County	1,874
Richland County	Orangeburg County	1,632
Richland County	Calhoun County	1,183
Richland County	Aiken County	1,019
Lexington County	Richland County	25,003
Kershaw County	Richland County	1,484
Sumter County	Richland County	1,212
Fairfield County	Richland County	1,169

Source: US County to County Commuting Flows; T.Ronald Brown: Research & Analysis

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2000, the population of Richland County was 320,677, and in 2010 the population was recorded as 384,504. Population projections for Richland County are based on South Carolina State Data Center projections. Based on these data, the population of the county is projected to be 421,840 by 2018, and to be 436,380 by 2021.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2000 to 2010, corrected for the county projections. The projection is that in 2018 the project market area will have a population of around 50,601 and around 50,707 in 2021.

Information on population trends and changes between 2000 and 2021 are set out in Table 7, below.

Table 7 - Population Trends

	Columbia	Market Area	Richland County
2000	116,278	43,360	320,677
2010	129,272	49,090	384,504
2018	n/a	50,601	421,840
2021	n/a	50,707	436,380
absolute change			
2000-2010	12,994	5,730	63,827
2010-2018	n/a	1,511	37,336
2018-2021	n/a	106	14,540
annual change			
2000-2010	1,299	573	6,383
2010-2018	n/a	189	4,667
2018-2021	n/a	35	4,847

Source: 2000 Census and 2010 Census; SC State Data Center; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Columbia, the north-east Columbia market area, and for Richland County are set out in Table 8, below. These data are from the 2010 Census. Here it is seen that the median age of the population of Columbia was recorded as 28.1 years, with that for Richland County being 32.6 years.

Table 8 - Age Distribution

	Columbia		Market Area		Richland County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	6,985	5.4	3,283	6.7	24,463	6.4
5 to 9 years	5,913	4.6	3,270	6.7	24,038	6.3
10 to 14 years	5,268	4.1	3,199	6.5	23,746	6.2
15 to 19 years	15,120	11.7	3,271	6.7	33,358	8.7
20 to 24 years	22,404	17.3	3,661	7.5	40,822	10.6
25 to 29 years	13,368	10.3	3,869	7.9	31,273	8.1
30 to 34 years	9,227	7.1	3,249	6.6	26,705	6.9
35 to 39 years	7,430	5.7	3,079	6.3	25,395	6.6
40 to 44 years	6,668	5.2	3,126	6.4	24,450	6.4
45 to 49 years	7,042	5.4	3,664	7.5	26,116	6.8
50 to 54 years	7,143	5.5	3,841	7.8	25,452	6.6
55 to 59 years	6,316	4.9	3,370	6.9	22,558	5.9
60 to 64 years	5,138	4.0	2,747	5.6	18,587	4.8
65 to 69 years	3,397	2.6	1,858	3.8	12,547	3.3
70 to 74 years	2,345	1.8	1,373	2.8	8,550	2.2
75 to 79 years	2,054	1.6	1,047	2.1	6,772	1.8
80 to 84 years	1,698	1.3	658	1.3	5,010	1.3
85 years and over	1,756	1.4	525	1.1	4,662	1.2
55 and older	22,704	17.6	11,578	23.6	78,686	20.5
65 and older	11,250	8.7	5,461	11.1	37,541	9.8
median	28.1		n/a		32.6	

Source: 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Columbia, the project market area, and for Richland County are out in Table 9, below. These projections are based on the population projections set out, above.

The projection is that in 2018 the project market area will have around 20,366 households, and around 20,589 in 2021. In 2000, there were 19,321 households in the market area.

Table 9 - Household Trends

	Columbia	Market Area	Richland County
2000	42,245	16,295	120,101
2010	45,666	19,321	145,194
2018	n/a	20,366	161,050
2021	n/a	20,589	167,243
absolute change			
2000-2010	3,421	3,026	25,093
2010-2018	n/a	1,045	15,856
2018-2021	n/a	223	6,193
annual change			
2000-2010	342	303	2,509
2010-2018	n/a	131	1,982
2018-2021	n/a	74	2,064

Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

TENURE

Table 10, below, sets out the number and proportion of owner and renter households for Columbia, the project market area, and for Richland County. In the years beyond 2010, the tenure proportions are based on 2010 levels. In 2010, 32.5 percent of households in the market area were renters, compared with 52.6 percent for Columbia, and 38.7 percent for Richland County.

Table 10 - Tenure

Columbia		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	116,278	42,245	2.75	19,282	45.6	22,963	54.4
2010	129,272	45,666	2.83	21,641	47.4	24,025	52.6
2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market Area		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	43,360	16,295	2.66	11,456	70.3	4,839	29.7
2010	49,090	19,321	2.54	13,040	67.5	6,281	32.5
2018	50,601	20,366	2.48	13,248	65.1	7,118	34.9
2021	50,707	20,589	2.46	13,195	64.1	7,394	35.9
Richland County		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	320,677	120,101	2.67	73,757	61.4	46,344	38.6
2010	384,504	145,194	2.65	89,023	61.3	56,171	38.7
2018	421,840	161,050	2.62	98,617	61.2	62,433	38.8
2021	436,380	167,243	2.61	102,359	61.2	64,884	38.8

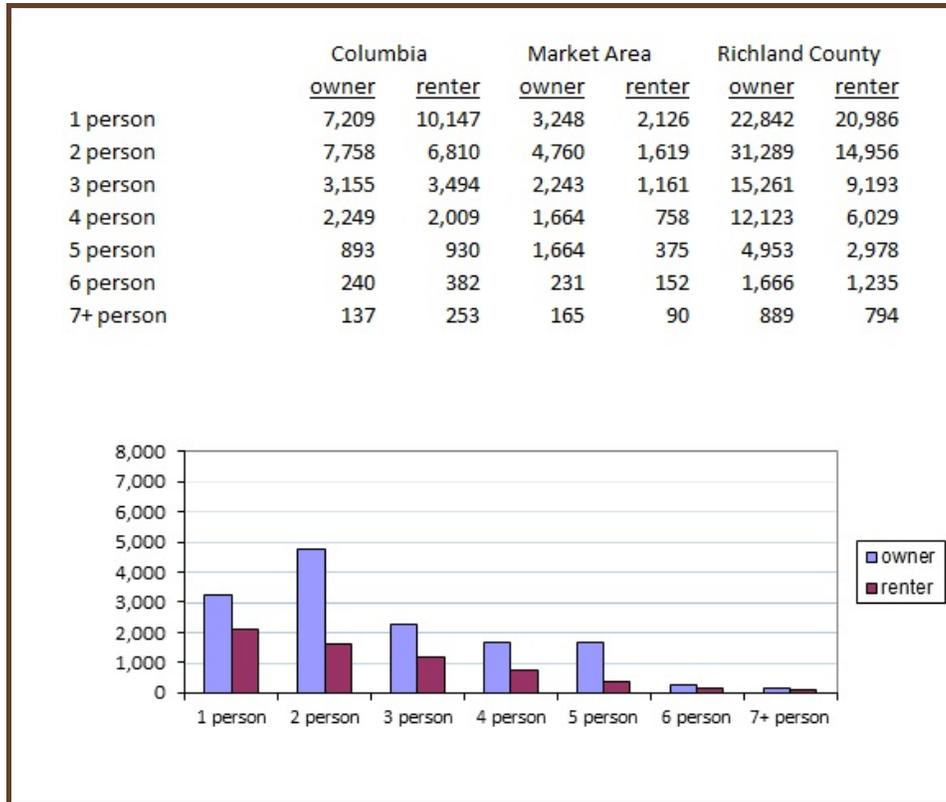
Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 11 below, sets out household size, by tenure, for households in Columbia, the project market area, and Richland County.

The distribution of household sizes, by tenure, for the market area is also illustrated.

Table 11 - Household Size, by Tenure



Source: 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Columbia, the market area, and for Richland County are set out in Table 12, below. These figures are taken from the 2013 to 2017 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Columbia was \$43,650, and that for Richland County as a whole was seen to be \$52,082.

Table 12 - Household Income

	Columbia		Market area		Richland County	
	number	percent	number	percent	number	percent
less than \$10,000	5,766	12.5	1412	7.2	13,382	9.0
\$10,000 to \$14,999	3,003	6.5	788	4.0	6,909	4.7
\$15,000 to \$19,999	2,413	5.2	983	5.0	6,942	4.7
\$20,000 to \$24,999	2,608	5.7	1,219	6.2	7,677	5.2
\$25,000 to \$29,999	2,463	5.3	1,278	6.5	7,677	5.2
\$30,000 to \$34,999	2,730	5.9	1,284	6.5	8,084	5.4
\$35,000 to \$39,999	2,424	5.3	973	5.0	7,348	5.0
\$40,000 to \$44,999	2,126	4.6	951	4.8	6,959	4.7
\$45,000 to \$49,999	1,551	3.4	666	3.4	5,912	4.0
\$50,000 to \$59,999	3,349	7.3	1,950	9.9	11,534	7.8
\$60,000 to \$74,999	4,288	9.3	1,955	10.0	15,539	10.5
\$75,000 to \$99,999	4,654	10.1	2,413	12.3	19,436	13.1
\$100,000 to \$124,999	2,764	6.0	1,583	8.1	12,110	8.2
\$125,000 to \$149,999	1,556	3.4	871	4.4	6,548	4.4
\$150,000 to \$199,999	1,877	4.1	622	3.2	6,040	4.1
\$200,000 or more	2,526	5.5	686	3.5	6,318	4.3
median income	\$ 43,650		n/a		\$ 52,082	

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Columbia, the market area, and Richland County set out in Table 13, below. These figures are also taken from the 2013 to 2017 American Community Survey.

Table 13 - Household Income, Renter Households

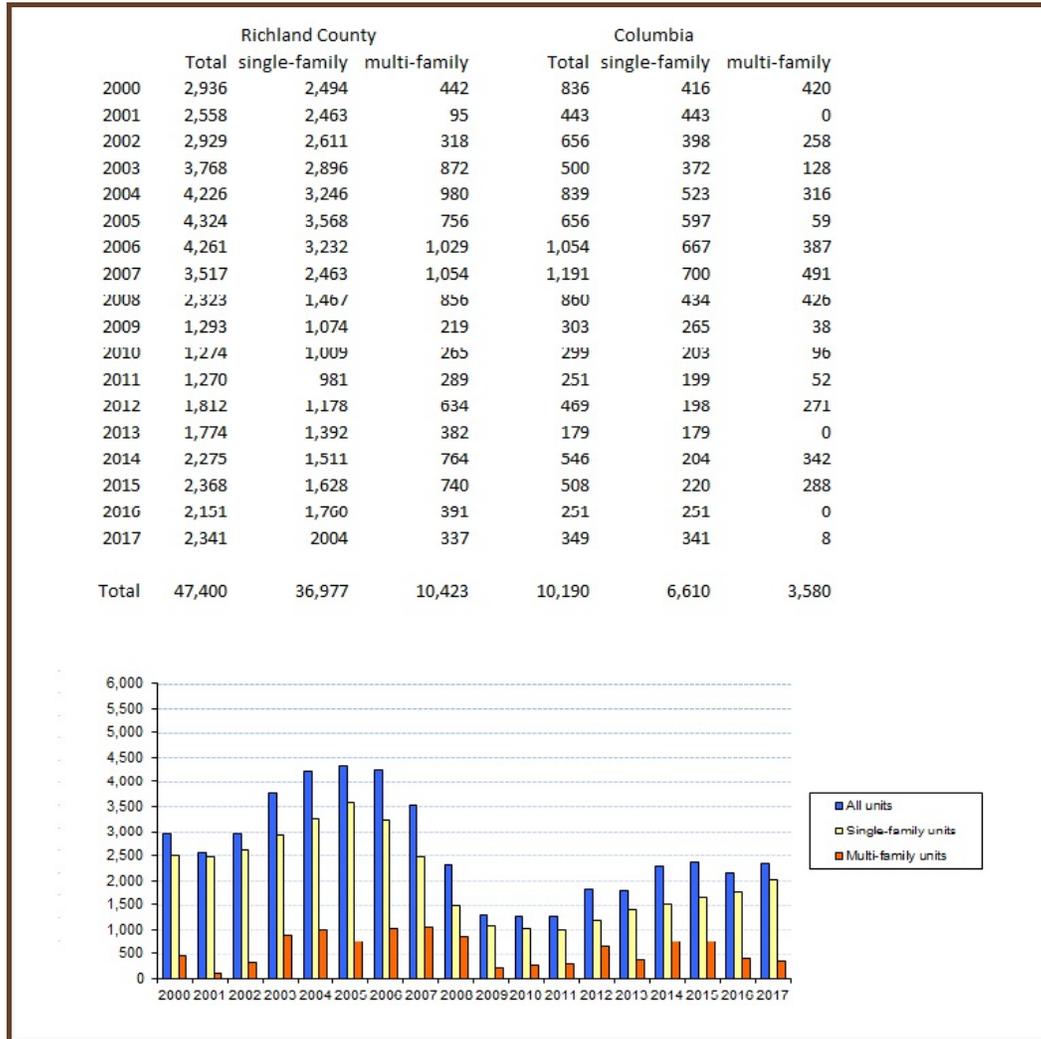
	Columbia		Market area		Richland County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	4,840	31.8	816	12.2	9,226	26.8
\$10,000 to \$19,999	4,123	27.1	976	14.6	9,228	26.8
\$20,000 to \$34,999	2,382	15.6	1,817	27.1	5,709	16.6
\$35,000 to \$49,999	703	4.6	1,113	16.6	2,097	6.1
\$50,000 to \$74,999	1,147	7.5	1,035	15.4	2,890	8.4
\$75,000 to \$99,999	1,933	12.7	502	7.5	5,040	14.7
\$100,000 or more	100	0.7	444	6.6	209	0.6

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2000

Table 14 below gives details of residential construction in Richland County since 2000. Where the data exist, it can be seen that a total of 47,400 units were added in Richland County, with 10,190 added in Columbia. No data are available for the market area.

Table 14 - Residential Construction Since 2000



Source: Current Construction Reports, C-40; Bureau of the Census; T Ronald Brown: Research & Analysis

F. PROJECT SPECIFIC DEMAND ANALYSIS

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 48 units proposed, twelve will be targeted to households with incomes up to 50 percent of the median, with 36 targeted at 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of two-, three-, and four- bedroom units.

The income limits for Richland County (the Columbia MSA) are set out below, along with maximum housing expenses. The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 15 - Income Limits and Maximum Housing Costs

Income Limits		
	<u>50 percent</u>	<u>60 percent</u>
1 person	\$24,500	\$29,400
2 person	\$28,000	\$33,600
3 person	\$31,500	\$37,800
4 person	\$34,950	\$41,940
5 person	\$37,750	\$45,300
6 person	\$40,550	\$48,660
Maximum Housing Costs		
	<u>50 percent</u>	<u>60 percent</u>
2 bedroom	\$788	\$945
3 bedroom	\$909	\$1,091
4 bedroom	\$1,014	\$1,217

Source: HUD

Information as to rents and income targeting, and qualifying income ranges are set out in Table 16, below

Table 16 - Rents and Income Targeting

proposed units			
	<u>50 percent</u>	<u>60 percent</u>	<u>Total</u>
2 bedroom	6	12	18
3 bedroom	4	20	24
4 bedroom	2	4	6
total	12	36	48
proposed rents			
	<u>50 percent</u>	<u>60 percent</u>	
2 bedroom	\$599	\$757	
3 bedroom	\$664	\$846	
4 bedroom	\$718	\$921	
proposed rents as a proportion (%) of maximum			
	<u>50 percent</u>	<u>60 percent</u>	
2 bedroom	99.9	100.0	
3 bedroom	99.9	99.9	
4 bedroom	99.9	99.9	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$188, \$244, and \$295 for two-, three-, and four-bedroom units, respectively

From the table above, it can be seen that housing expenses at the proposed apartments fall effectively at the maximum allowable for the units targeted at both the 50 percent and 60 percent of the median. This will serve to constrain the market somewhat.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom.

Table 17 - Qualifying Income Ranges

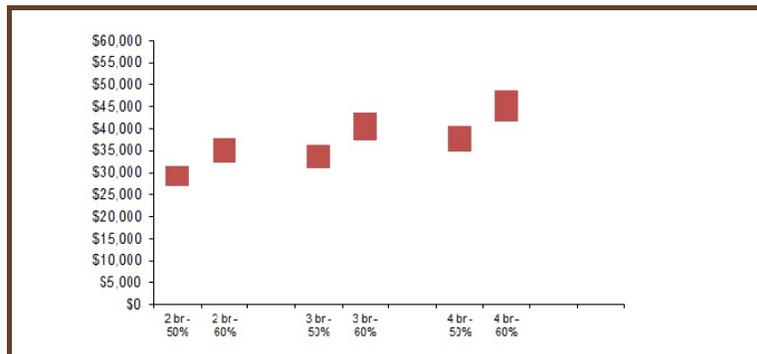
50 percent		
	lower	upper
2 bedroom	\$26,983	\$31,500
3 bedroom	\$31,131	\$36,350
4 bedroom	\$34,731	\$40,550
60 percent		
	lower	upper
2 bedroom	\$32,400	\$37,800
3 bedroom	\$37,371	\$43,620
4 bedroom	\$41,691	\$48,660

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$26,983 to \$48,660.

The table and the graph below show that the qualifying income ranges are quite narrow, given that the proposed rents are at the maximum allowable.

Any overlap between the target income ranges (and any gaps between them) will be taken into consideration in our calculations.



In our calculations, the qualifying income limits for one- bedroom units are based on the proposed rent levels relative to the maximum allowable .

The major variables to be examined are age, tenure, and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

Table 18 - Household Income, Renter Households

Income	All Renters		Overburdened Renters	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Up to \$10,000	816	12.2	640	23.4
\$10,000 - \$19,999	976	14.6	832	30.4
\$20,000 - \$34,999	1,817	27.1	1,020	37.3
\$35,000 - \$50,000	1,113	16.6	234	8.5
\$50,000 - \$75,000	1,035	15.4	12	0.4
\$75,000 - \$100,000	502	7.5	0	0.0
\$100,000 and over	444	6.6	0	0.0

Source: 2013 to 2017 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2013 to 2017 - and not for a specific year.

From this table it can be seen that 12.2 percent of the market area renter households have incomes less than \$10,000 and a further 14.6 percent have incomes between \$10,000 and \$20,000. Around 27.1 percent of renters are seen to be in the \$25,000 to \$35,000 income range. Around 41 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups - those below \$35,000.

Based on the income ranges set out in Table 17 and the income distribution set out in Table 18, it is found that around 7.5 percent of market area renter households qualify for units at 50 percent of the median, the corresponding figure for the units at 60 percent is 8.1 percent (and is 15.6 percent, overall).

Projections of need and demand are based upon a 2018 to 2021 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 10, a total of 276 new rental units are needed between 2018 and 2021. A total of 43 units will be for households eligible for the proposed project: 21 households at the 50 percent level, and 22 households at the 60 percent level.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 1,159 renter households in the qualifying income ranges in the project market area - 557 for units at the 50 percent level and 602 for units at 60 percent of the median. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 46.5 percent of renters qualifying for units at the 50 percent level are rent overburdened and 38.6 percent of those at the 60 percent level are rent overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This substandard housing component is based on an annual average rate of 0.9 percent of the rental housing stock. This rate is based on data from the HUD American Housing Survey publication "Components of Inventory Change:2007-2009" published in May 2011. Based on the number of rental units in the project market area, this translates to a need for an additional 21 units, total.

Total demand is therefore seen to amount to 555 units: 290 qualifying for units at 50 percent, and 265 qualifying at and 60 percent of the median.

These figures are based on a 2018 to 2021 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. No directly comparable projects have been added in the project market area over the projection period, nor have any been funded or are under construction. The net need is therefore for 555 units

The preceding calculations are summarized in the table on the following page.

Table 19 - Demand Calculations

	<u>50 percent</u>	<u>60 percent</u>	<u>Total*</u>
(i) income eligible new renter households	21	22	43
(ii) income eligible existing renter households	557	602	1,159
(iii) existing households, likely to move	259	232	491
(iv) need from obsolete housing	10	11	21
 Total demand (i)+(iii)+(iv)	 290	 265	 555
 Supply	 0	 0	 0
 Net demand	 290	 265	 555
 <i>* Excluding gap/overlap</i>			
<i>note: totals may not add due to rounding</i>			

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 28 percent of the total, two-bedroom units should account for 42 percent of the total, and three-bedroom units should account for 26 percent of the total with four- or more bedroom units accounting for 5 percent. Here, it is important to note that the need and demand for three- and four-bedroom units (which account for 50.0 percent and 12.5 percent of the 48-unit total, respectively) are based on renter households size - with a focus on four-or-more person households for the three-bedroom units and five-or-more person households for four-bedroom units.

Capture rates are illustrated in the table on the following page.

Table 20 - Capture Rates

	<u>50 percent</u>	<u>60 percent</u>	<u>Total*</u>
Total demand			
1 bedroom	81	75	156
2 bedroom	121	111	232
3 bedroom	74	68	142
4 bedroom	13	12	25
Total	290	265	555
Supply			
1 bedroom	0	0	0
2 bedroom	0	0	0
3 bedroom	0	0	0
4 bedroom	0	0	0
Total	0	0	0
Net demand			
1 bedroom	81	75	156
2 bedroom	121	111	232
3 bedroom	74	68	142
4 bedroom	13	12	25
Total	290	265	555
Units proposed			
1 bedroom	0	0	0
2 bedroom	6	12	18
3 bedroom	4	20	24
4 bedroom	2	4	6
Total	12	36	48
Capture rates			
1 bedroom	0.0%	0.0%	0.0%
2 bedroom	5.0%	10.8%	7.8%
3 bedroom	5.4%	29.4%	35.3%
4 bedroom	15.1%	33.0%	49.5%
Total	4.1%	13.6%	8.6%
<i>* Excluding gap/overlap</i>			

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 48-unit development amounts to 8.6 percent of the total net need. The development equates to 12.0 percent of the net need for 399 two-, three- and four-bedroom units.

The capture rate for the twelve units targeted at 50 percent of the median is 4.1 percent (or 5.8 percent for two-, three-, and four-bedroom units), with that for the 36 units targeted at 60 percent of the median determined to be 13.6 percent (or 18.9 percent for two-, three-, and four-bedroom units).

The capture rates, by bedroom, are determined to be 7.8 percent for the 18 two-bedroom units, 35.3 percent for the 24 three-bedroom units, and 49.5 percent for the six four-bedroom units.

These capture rates are considered to be realistic.

ABSORPTION RATES

As noted, the capture rates presented above are considered realistic - and reflect the impact of the size of the project, bedroom mix, and different target income ranges. Were the project to be developed as proposed it would expect to lease-up over a period of up three- to four months, or so.

G. EXISTING RENTAL UNITS

There are many apartment complexes located in the southeast Columbia area, as defined. There are four tax credit properties and two rent-assisted HUD Section 8 projects in the area, in addition to market rate units. The various properties throughout the market area were identified and surveyed, and where useful information was provided to us, this is presented, below.

The newest tax credit financed complex is Abernathy Place - a 64 unit development that opened at a site off Garners Ferry Road, not far from the site of the proposed development. The complex opened in 2017 and has 24 two-bedroom units, 32 three-bedroom units, and eight four-bedroom units. Rents range from \$475 to \$550 for a two-bedroom model, to \$550 to \$600 for a three-bedroom unit, and to \$600 to \$700 for a four bedroom unit. The complex is fully occupied at present, and remains so on an ongoing basis.

Madison Station comprises two phases - built between 2006 and 2010. The original phase offers 64 units: an equal number of two- and three-bedroom units. The two-bedroom units rent from \$569 to \$718, and the three-bedroom units rent between \$657 and \$826. The second phase has 48 units - 24 two-bedroom units that are available from \$560 to \$718, and 24 three-bedroom units renting from \$639 to \$826. Both phases are 100 percent occupied, which is typical. There is a waiting list.

The fourth tax credit property is Austin Woods. It is understood that this property was originally developed in 1975, and was rehabilitated using tax credits. There are a total of 240 units: ranging from \$550 (for a studio unit) to \$850 (for a three-bedroom unit). No information was made available to us with respect to occupancy levels. The property is located on Garners Ferry Road, adjacent to the site of the proposed development (and adjacent to Abernathy Place).

There are two established HUD Section 8 projects in the market area. These date from the 1970's and 1980 and comprise a total of 180 units which are reported to remain fully occupied.

As noted, there are several market rate properties in the southeast Columbia area. These represent properties built between 1971 and 2016 - although many date from the 1970's. The amenities offered, project features provided, their physical condition, and the rents offered, largely reflect their age.

The newest market rate property to be introduced into this market is the Creekside at Greenlawn Apartments. This is a 222-unit complex. The one-bedroom units at this location rent from \$1,199 to \$1,280, and two-bedroom (one bath) units are available for \$1,230 to \$1,299. The two-bedroom (two bath) units average from \$1,375 to \$1,550. The three-bedroom units rent from \$1,610 to \$1,815. No occupancy data were released to us. The rents at this property are significantly above those for the rest of the properties in the market area - although, for example, five complexes do report two-bedroom rents between \$906 and \$975, per month.

Given that the proposed development is planned to offer some four-bedroom units, it is noteworthy that no existing market rate properties in the market area, as defined, offer four-bedroom units. The only four-bedroom units in the area are the eight at the Abernathy Place property.

The occupancy rate for the 168 units at the tax credit properties in the area (excluding Austin Woods) is seen to be 100.0 percent. The occupancy at those market rate complexes for which data were made available to us reveals that 110 out of 1,904 units are vacant: a 94.2 percent occupancy level. The occupancy rate for the two subsidized properties is 99.4 percent, and the occupancy rate for the survey sample as whole is determined to be 95.1 percent.

The potentially comparable developments are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Abernathy Place	LIHTC	2017	56	0	100.0
Austin Woods	LIHTC	1975	240	n/a	n/a
Carriage Place	conventional	1974	120	1	99.2
Creekside at Greenlawn	conventional	2016	222	n/a	n/a
Deer Meadow Village	conventional	2006	304	43	85.9
Hampton Courts	conventional	1986	276	17	93.8
Hampton Greene	conventional	1990	304	7	97.7
Harbor Landing	conventional	1974	208	5	97.6
Huntington Place	conventional	1998	192	4	97.9
Lake Shore Village	conventional	1974	296	n/a	n/a
Madison Station	LIHTC	2006	64	0	100.0
Madison Station II	LIHTC	2010	48	0	100.0
Mallard Pointe	conventional	1971	120	22	81.7
Pinehaven Villas	HUD §8	1970's	80	0	100.0
Richland Village	HUD §8	1980	100	1	99.0
Wellington Farms	conventional	2001	236	3	98.7
Whispering Pines	conventional	1977	144	8	94.4

	0 br/1ba			1 br/1ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Dove Place						
Abernathy Place						
Austin Woods	20	550	\$550	50	650-700	\$650
Carriage Place						
Creekside at Greenlawn				n/a	749-794	\$1,199-1,299
Deer Meadow Village				68	685-771	\$733-775
Hampton Courts				172	475-820	\$710-846
Hampton Greene				176	591-784	\$783-890
Harbor Landing				32	785	\$659
Huntington Place						
Lake Shore Village	32	480	\$575	72	763	\$649
Madison Station						
Madison Station II						
Mallard Pointe				24	850	\$644
Pinehaven Villas				10	n/a	boi
Richland Village				16	n/a	boi
Wellington Farms				88	800	\$796
Whispering Pines				40	850	\$700

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Dove Place				18	975	\$599-757
Abernathy Place				24	1,150	\$475-550
Austin Woods	164	950	\$650			
Carriage Place				88	1,130	\$950
Creekside at Greenlawn				n/a	1,048-1,067	\$1,475-1,550
Deer Meadow Village				180	950-1,035	\$797-839
Hampton Courts				104	902-1,165	\$960-975
Hampton Greene				128	1,024	\$959
Harbor Landing	120	905-1,158	\$699-749			
Huntington Place				160	1,224	\$910-930
Lake Shore Village	96	768-1,090	\$676-710	64	1,248	\$740
Madison Station				32	1,152	\$669-718
Madison Station II				24	950	\$560-718
Mallard Pointe				72	1,050	\$724
Pinehaven Villas	52	n/a	boi			
Richland Village	53	n/a	boi			
Wellington Farms				96	1,100-1,104	\$906-966
Whispering Pines	64	1,050	\$800			

Several market rate apartment developments in the southeast Columbia market area can be used in the determination of market rents. Information for the two- and three--bedroom units at these properties are summarized below. As noted, there are no four-bedroom units in the area - thus, the estimated market rent for such units will be based on three-bedroom units.

Table 21 - Market Rate Properties

Property	Year built	Two-bedroom rents	Three-bedroom rents
Creekside at Greenlawn	2016	\$1,375-\$1,550	\$1,610-\$1,815
Deer Meadow	2006	\$797-\$839	\$958-\$1,112
Huntington Place	1998	\$910-\$930	\$1,115
Wellington Farms	2001	\$905-\$966	\$1,000

Source: Apartment Managers; T Ronald Brown: Research & Analysis

The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$991 for a two-bedroom unit, and \$1,084 for a three-bedroom unit. Based on the relative values of three- and four-bedroom Fair Market Rents (\$1,175 and \$1,456, respectively), the assumed market rent for four-bedroom units at the subject is estimated to be \$1,354.

Based on the proposed rents at the proposed development, these rents are found to be significantly below the gross adjusted market rent (28.07 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
6	2 BR	\$599	\$3,594	\$991	\$5,943	
12	2 BR	\$757	\$9,084	\$991	\$11,887	
	3 BR		\$0		\$0	
4	3 BR	\$664	\$2,656	\$1,084	\$4,334	
20	3 BR	\$846	\$16,920	\$1,084	\$21,670	
	4 BR		\$0		\$0	
2	4 BR	\$718	\$1,436	\$1,354	\$2,708	
4	4 BR	\$921	\$3,684	\$1,354	\$5,416	
Totals	48		\$37,374		\$51,958	28.07%



Abernathy Place

Location: 815 Abernathy Street, Columbia
 Year built: 2017

Total units: 64
 Typical occupancy: 100% (waiting list)

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>	<u>4 br/2 ba</u>
Units:	24	32	8
Unit size (sq. ft.):	1,150	1,250	1,400
Rent:	\$475-550*	\$550-600*	\$600-700*
Rent/sq. ft.:	\$0.45*	\$0.46*	\$0.46*
Vacant units: 0, overall			

Management: Intermark Management (Shondra - 803.995.5467 [2/6])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

* Tax credit



Austin Woods

Location: 7648 Garners Ferry Road, Columbia
 Year built: 1975

Total units: 240
 Typical occupancy: n/a

	<u>0 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>
Units:	10	50	164	16
Unit size (sq. ft.):	550	650-700	950	1,100
Rent:	\$550*	\$650*	\$750*	\$850*
Rent/sq.ft.:	\$1.00*	\$0.96*	\$0.79*	\$0.77*
Vacant units: n/a				

Management: (803.783.4973 [2/3])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

* tax credit



Carriage Place

Location: 6530 Davidson Road, Columbia
 Year built: 1974

Total units: 120
 Typical occupancy: n/a

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	88	32
Unit size (sq. ft.):	1,130	1,286
Rent:	\$950	\$1,050
Rent/sq. ft.:	\$0.84	\$0.82
Vacant units: 1, overall		

Management: CMM Realty (Lorette - 803.776.7984 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity Cable/internet/wifi

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Creekside at Greenlawn

Location: 600 Greenlawn Drive, Columbia
 Year built: 2016

Total units: 222
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	n/a	n/a	n/a	n/a	n/a
Unit size (sq. ft.):	749	794	1,048	1,067	1,286
Rent:	\$1,199-1,280	\$1,230-1,299	\$1,375-1,525	\$1,399-1,550	\$1,610-1,815
Rent/sq. ft.:	\$1.65	\$1.59	\$1.38	\$1.38	\$1.33
Vacant units:	n/a				

Management: Ascend Communities (Ashley - 803.832.1517 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Deer Meadow Village

Location: 8100 Garners Ferry Road, Columbia
 Year built: 2006

Total units: 304
 Typical occupancy: 93%

	<u>1 br/1 ba</u>	<u>1 br/1ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	34	34	88	92	56
Unit size (sq. ft.):	685	771	950	1,035	1,456
Rent:	\$733	\$775	\$797	\$839	\$958-1,112
Rent/ sq. ft.:	\$1.07	\$1.01	\$0.84	\$0.81	\$0.71
Vacant units: 43, overall					

Management: RE Carroll Management (Ken - 803.783.4331 [1/30])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Hampton Courts

Location: 501 Pelham Drive, Columbia
 Year built: 1986

Total units: 276
 Typical occupancy: 93%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	172	104
Unit size (sq. ft.):	475-820	902-1,145
Rent:	\$710-846	\$960-975
Rent/sq. ft.:	\$1.70	\$0.94
Vacant units: 17, overall		

Management: First Communities (Alexis - 803.783.53909 [2/5])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Hampton Greene

Location: 500 Gills Creek Parkway, Columbia
 Year built: 1990

Total units: 304
 Typical occupancy: 97-98%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	128	48	128
Unit size (sq. ft.):	591	784	1,024
Rent:	\$783	\$890	\$959
Rent/sq. ft.:	\$1.32	\$1.14	\$0.94
Vacant units: 7, overall			

Management: First Communities Management (Diana - 803.783.3265 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Harbor Landing

Location: 7625 Garners Ferry Road, Columbia
 Year built: 1974

Total units: 208
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2br/1ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>	<u>3 br/2½ ba</u>
Units:	32	32	88	15	40
Unit size (sq. ft.):	785	905	1,158	1,300	1,438
Rent:	\$659	\$699	\$749	\$848	\$899
Rent/sq. ft.:	\$0.84	\$0.77	\$0.65	\$0.65	\$0.63
Vacant units: 5, overall					

Management: Ledic Management (Denise - 803.776.8745 [1/29])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Huntington Place

Location: 1001 True Street, Columbia
 Year built: 1998

Total units: 192
 Typical occupancy: n/a

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	160	32
Unit size (sq. ft.):	1,224	1,458
Rent:	\$910-930	\$1,115
Rent/sq. ft.:	\$0.75	\$0.76
Vacant units: 14, overall		

Management: Benchmark Group (Kaye - 803.783.4448 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Lake Shore Village

Location: 7645 Garners Ferry Road, Columbia
 Year built: 1974

Total units: 296
 Typical occupancy: n/a

	<u>0 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	32	72	48	48	64	32
Unit size (sq. ft.):	480	763	768	1,090	1,248	1,375
Rent:	\$575	\$649	\$676	\$710	\$740	\$830
Rent/sq. ft.:	\$1.20	\$0.85	\$0.88	\$0.65	\$0.59	\$0.60
Vacant units:	n/a					

Management: Crown Bay Management (803.776.8190 [2/4])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Madison Station

Location: 4020 Ulmer Road, Columbia
 Year built: 2006-08

Total units: 64
 Typical occupancy: 100% (waiting list)

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	32	32
Unit size (sq. ft.):	1,157	1,315
Rent:	\$569-718*	\$657-826*
Rent:	\$0.56*	\$0.56*
Vacant units: 0, overall		

Management: Intermark Management (Valeria -803.776.4177 [1/30])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

* Tax credit



Madison Station II

Location: 4010 Ulmer Road, Columbia
 Year built: 2010

Total units: 48
 Typical occupancy: 100%5 (waiting list)

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	24	24
Unit size (sq. ft.):	950	1,110
Rent:	\$560-718*	\$639-826*
Rent/sq. ft.:	\$0.67*	\$0.66*
Vacant units: 0, overall		

Management: Intermark Management (Valeria - 803.776.4177 [1/30])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity Trash for \$10

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+)
 ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

* Tax credit



Mallard Pointe

Location: 1101 Hallbrook Drive, Columbia
 Year built: 1971

Total units: 120
 Typical occupancy: 98%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	24	72	24
Unit size (sq. ft.):	850	1,050	1,250
Rent:	\$644	\$724	\$804
Rent/sq. ft.:	\$0.76	\$0.69	\$0.64
Vacant units: 22, overall			

Management: Owner Managed (803.783.6893 [1/30])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Pinehaven Villas

Location: 1400 Trinity Drive, Columbia
 Financing: HUD § 8
 Year built: 1970's

Total units: 80
 Rental assistance
 Typical occupancy: 100% (waiting list)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/2 ba</u>
Units:	10	52	18
Unit size (sq. ft.):	n/a	n/a	n/a
Contract rent:	\$882	\$1,049	\$1,127
Rent/sq. ft.:			
Vacant units: 0, overall			

Management: PK Management (Linda - 803.776.4663 [2/6])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+)
 ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Richland Village

Location: 1234 Universal Drive, Columbia
 Financing: HUD § 8
 Year built: 1980

Total units: 100
 Rental assistance
 Typical occupancy: 100% (waiting list)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	16	53	32
Unit size (sq. ft.):	n/a	n/a	n/a
Contract rent:	\$701	\$785	\$945
Vacant units: 1, overall			

Management: Westminster Company (803.783.4268 [1/30])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+)
 ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Wellington Farms

Location: 700 Greenlawn Drive, Columbia
 Year built: 2001

Total units: 236
 Typical occupancy: 100% (waiting list)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	88	96	52
Unit size (sq. ft.):	800	1,100-1,104	1,217
Rent:	\$796	\$905-966	\$1,000
Rent/sq. ft.:	\$1.00	\$0.85	\$0.82
Vacant units: 3, overall			

Management: American Capital Properties (Brenda - 803.783.4678 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Whispering Pines

Location: 400 Greenlawn Road, Columbia
 Year built: 1977

Total units: 144
 Typical occupancy:95-97%

	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>
Units:	40	64	40
Unit size (sq. ft.):	850	1,050	1,250
Rent:	\$700	\$800	\$900
Rent/sq. ft.:	\$0.82	\$0.76	\$0.72
Vacant units: 8, overall			

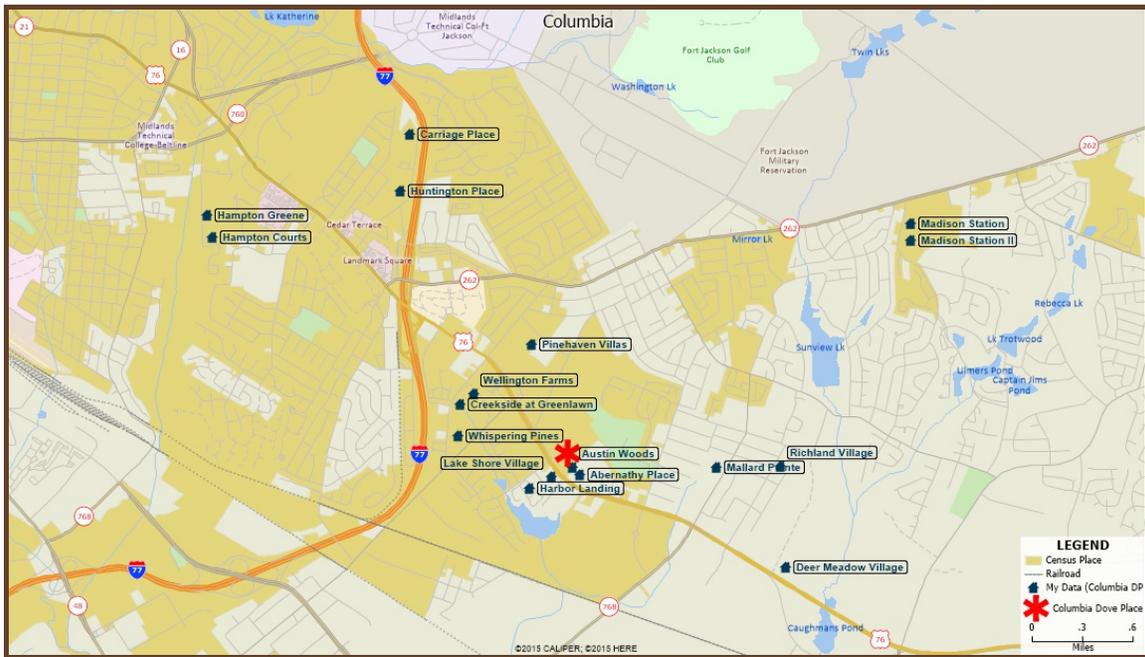
Management: Princeton Management (803.783.1762 [1/29])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

The locations of existing rental units in the southeast Columbia area are mapped, below.



H. INTERVIEWS

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer an attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). Information from those person who stated their opinion are set out below.

Valeria the manager at the two phases of the Madison Station property could not answer the question if the area could support another tax credit project. Shondra, the manager at the Abernathy Place Apartments noted that the area absolutely needs more affordable housing.

I. RECOMMENDATIONS

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

J. SIGNED STATEMENT

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 Low Income Housing Tax Credit units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low income housing rental market.



Market Analyst

Date: February 28, 2019

ANALYST QUALIFICATIONS

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 2,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

MARKET STUDY TERMINOLOGY

Absorption period	The period of time necessary for a newly constructed or renovated property to achieve the <i>stabilized level of occupancy</i> . The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the <i>stabilized level of occupancy</i> has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.
Absorption rate	The average number of units rented each month during the <i>absorption period</i> .
Acceptable <i>rent burden</i>	The rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.
Achievable Rents	See <i>Market Rent, Achievable Restricted Rent</i> .
Affordable housing	Housing affordable to low or very low-income tenants.
Amenity	Tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.
Annual demand	The total estimated demand present to the market in any one year for the type of units proposed.
Assisted housing	Housing where federal, state or other programs <i>subsidize</i> the monthly costs to the tenants.
Bias	A proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.
Capture rate	The percentage of age, size, and income qualified renter households in the <i>primary market area</i> that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The <i>Capture Rate</i> is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the <i>primary market area</i> . See also: penetration rate.

Comparable property	A property that is representative of the rental housing choices of the subject's <i>primary market area</i> and that is similar in construction, size, amenities, location, and/or age. Comparable and <i>competitive</i> properties are generally used to derive market rent and to evaluate the subject's position in the market.
Competitive property	A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.
Comprehensive Market Study	NCAHMA defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCAHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'
Concession	Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).
Demand	The total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.
Effective rents	Contract rent less concessions.
Household trends	Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g. at marriage or separation), changes in average household size, and net <i>migration</i> .
Income band	The range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined <i>acceptable rent burden</i> percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.
Infrastructure	Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.
Market advantage	The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

Market analysis	A study of real estate market conditions for a specific type of property.
Market area	See <i>primary market area</i> .
Market demand	<p>The total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand.</p> <p>A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.</p>
Market rent	The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the <i>primary market area</i> considering its location, features and amenities. Market rent should be adjusted for <i>concessions</i> and owner paid utilities included in the rent.
Market study	A comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.
Marketability	The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.
Market vacancy rate, economic	Percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.
Market vacancy rate, physical	Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.
Migration	The movement of households into or out of an area, especially a <i>primary market area</i> .
Mixed income property	An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50% and 60%).
Mobility	The ease with which people move from one location to another.

Move-up demand	An estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to newer tax credit properties.
Multi-family	Structures that contain more than two housing units.
Neighborhood	An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.
Net rent (also referred to as contract rent or lease rent)	Gross rent less <i>tenant paid utilities</i> .
Penetration rate	The percentage of age and income qualified renter households in the <i>primary market area</i> that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the <i>stabilized level of occupancy</i> . Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100 See also: capture rate.
Pent-up demand	A market in which there is a scarcity of supply and vacancy rates are very low.
Population trends	Changes in population levels for a particular area over a specific period of time — which is a function of the level of births, deaths, and net <i>migration</i> .
Primary market area	A geographic area from which a property is expected to draw the majority of its residents.
Programmatic rents	See <i>restricted rents</i> .
Project based rent assistance	Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.
Redevelopment	The redesign or rehabilitation of existing properties.
Rent burden	gross rent divided by adjusted monthly household income.
Rent burdened households	Households with <i>rent burden</i> above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.
Restricted rent	The rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, Achievable	The rents that the project can attain taking into account both market conditions and rent in the <i>primary market area</i> and income restrictions.
Saturation	The point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.
Secondary market area	The portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.
Special needs population	Specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.
Stabilized level of occupancy	The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.
Subsidy	Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's <i>contract rent</i> and the amount paid by the tenant toward rent.
Substandard conditions	Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.
Target income band	The <i>income band</i> from which the subject property will draw tenants.
Target population	The market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.
Tenant paid utilities	The cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.
Turnover period	1. An estimate of the number of housing units in a market areas as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.
Unmet housing need	New units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.
Unrestricted rents	Rents that are not subject to <i>restriction</i> .
Unrestricted units	Units that are not subject to any income or rent restrictions.
Vacancy period	The amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic Maximum potential revenue less actual rent revenue divided by maximum vacancy rate - physical potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

Area Median Income (AMI)	100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.
Attached housing	Two or more dwelling units connected with party walls (e.g. townhouses or flats).
Basic Rent	The maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.
Below Market Interest Rate Program (BMIR)	Program targeted to renters with income not exceeding 80% of area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.
Census Tract	A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.
Central Business District (CBD)	The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.
Community Development Corporation (CDC)	Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.
Condominium	A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent	1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).
Difficult Development Area (DDA)	an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.
Detached Housing	A freestanding dwelling unit, typically single-family, situated on its own lot.
Elderly or Senior Housing	Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 805 of the units in each building are restricted for occupancy by Households where at least one Household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.
Extremely Low Income	Person or Household with income below 30% of Area Median Income adjusted for Household size.
Fair Market Rent (FMR)	The estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50 th percentile of rents.
Garden Apartments	Apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.
Gross Rent	the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.
High-rise	A residential building having more than ten stories.
Household	One or more people who occupy a housing unit as their usual place of residence.
Housing Unit	House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.
Housing Choice Voucher (Section 8 Program)	Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible Households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)	State or local agencies responsible for financing housing and administering Assisted Housing programs.
HUD Section 8 Program	Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.
HUD Section 202 Program	Federal Program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.
HUD Section 811 Program	Federal program, which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.
HUD Section 236 Program	Federal program which provides interest reduction payments for loans which finance housing targeted to Households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of th their adjusted income. All rents are capped at a HUD approved market rent.
Income Limits	Maximum Household income by county or Metropolitan Statistical Area, adjusted for Household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes Income Limits each year for 30% median. Very Low Income (50%), and Low-Income (80%), for households with 1 through 8 people.
Low Income	Person or Household with gross Household Income below 80% of Area Median Income adjusted for Household size.
Low Income Housing Tax Credit	A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.
Low Rise Building	A building with one to three stories.

Metropolitan Area (MSA)	Statistical	A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.
Mid-rise		A building with four to ten stories.
Moderate Income		Person or Household with gross household income between 80 and 120 percent of area median income adjusted for Household size.
Public Housing or Low Income Conventional Public Housing		HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.
Qualified Census Tract (QCT)		Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of Households have an income less than 60% of area Median Income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.
Rural Development (RD) Market Rent		A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD Property.
Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)		Federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.
Single-Family Housing		A dwelling unit, either attached or detached, designed for use by one Household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.
State Data Center (SDC)		A state agency or university facility identified by the governor of each state to participate in the Census bureau's cooperative network for the dissemination of the census data.

Tenant	One who rents real property from another.
Tenure	The distinction between owner-occupied and renter-occupied housing units.
Townhouse (or Row House)	Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.
Very Low Income	Person or Household whose gross household income does not exceed 50% of Area Median Income adjusted for Household size.
Zoning	Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.