



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Pintail Pointe
2233 Boundary Street
Beaufort, Beaufort County, South Carolina 29902

Prepared For

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Effective Date

April 15, 2021

Job Reference Number

21-238 JP

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

Development Name:	Pintail Pointe	Total # Units: 84
Location:	2233 Boundary Street, Beaufort, SC 29902	# LIHTC Units: 84
PMA Boundary:	The boundaries of the Site PMA consist of Laurel Bay Road, Mroz Road, Bay Pines Road, Shanklin Road, the Marine Corps Air Station Beaufort (Merritt Field) and Beaufort River to the north; Beaufort River to the east; Marine Corps Recruit Depot Parris Island boundaries to the south; and Broad River to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 6.7 miles

RENTAL HOUSING STOCK (found on page H-1, 12 & 13 and Add. A)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	28	2,754	125	95.5%
Market-Rate Housing	14	1,882	123	93.5%
Assisted/Subsidized Housing not to include LIHTC	2	93	0	100.0%
LIHTC (All that are stabilized)*	13	779	1	99.9%
Stabilized Comps**	4	243	1	99.6%
Non-stabilized Comps	0	-	-	-

* 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					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent (% AMHI)	Per Unit	Per SF	Advantage	Per Unit	Per SF
3	One-Br.	1.0	853	\$185 (20%)	\$899	\$1.05	79.42%	\$1,335	\$1.81
3	One-Br.	1.0	853	\$620 (50%)	\$899	\$1.05	31.03%	\$1,335	\$1.81
6	One-Br.	1.0	853	\$765 (60%)	\$899	\$1.05	14.91%	\$1,335	\$1.81
3	Two-Br.	1.0	1,030	\$210 (20%)	\$1,028	\$1.00	79.57%	\$1,565	\$1.51
6	Two-Br.	1.0	1,030	\$735 (50%)	\$1,028	\$1.00	28.50%	\$1,565	\$1.51
26	Two-Br.	1.0	1,030	\$910(60%)	\$1,028	\$1.00	11.48%	\$1,565	\$1.51
1	Two-Br.	1.0	1,030	\$1,075 (70%)	\$1,028	\$1.00	-4.57%	\$1,565	\$1.51
3	Three-Br.	2.0	1,245	\$230 (20%)	\$1,355	\$1.09	83.03%	\$1,875	\$1.51
7	Three-Br.	2.0	1,245	\$835 (50%)	\$1,355	\$1.09	38.38%	\$1,875	\$1.51
26	Three-Br.	2.0	1,245	\$1,025 (60%)	\$1,355	\$1.09	24.36%	\$1,875	\$1.51
Gross Potential Rent Monthly*				\$69,990	\$96,576		27.55%		

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

DEMOGRAPHIC DATA (found on page F-3 & G-5)

	2010	2020		2023	
Renter Households		5,796	40.0%	6,214	40.6%
Income-Qualified Renter HHs (LIHTC)		2,361	40.7%	2,371	38.2%
Income-Qualified Renter HHs (MR)		-	-	-	-

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

Type of Demand	20%	50%	60%	70%	Other: __	Overall
Renter Household Growth	-8	13	21	9	-	10
Existing Households (Overburd + Substand)	400	847	834	170	-	1,504
Homeowner conversion (Seniors)	0	0	0	0	-	0
Other:	0	0	0	0	-	0
Less Comparable/Competitive Supply	0	0	136	0	-	136
Net Income-qualified Renter HHs	392	860	719	179	-	1,378

CAPTURE RATES (found on page G-5)						
Targeted Population	20%	50%	60%	70%	Other: __	Overall
Capture Rate	2.3%	1.9%	8.1%	0.6%	-	6.1%
ABSORPTION RATE (found on page G-7)						
Absorption Period 7 months						

2021 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Net Proposed Tenant Rent by Bedroom Type	Gross HUD FMR	Gross HUD FMR Total	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
3	1 BR	\$185	\$555	\$899	\$2,697	
3	1 BR	\$620	\$1,860	\$899	\$2,697	
6	1 BR	\$765	\$4,590	\$899	\$5,394	
3	2 BR	\$210	\$630	\$1,028	\$3,084	
6	2 BR	\$735	\$4,410	\$1,028	\$6,168	
26	2 BR	\$910	\$23,660	\$1,028	\$26,728	
1	2 BR	\$1,075	\$1,075	\$1,028	\$1,028	
3	3 BR	\$230	\$690	\$1,355	\$4,065	
7	3 BR	\$835	\$5,845	\$1,355	\$9,485	
26	3 BR	\$1,025	\$26,650	\$1,355	\$35,230	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	84		\$69,965		\$96,576	27.55%

B. Project Description

Project Name:	Pintail Pointe
Location:	2233 Boundary Street, Beaufort, South Carolina 29902 (Beaufort County)
Census Tract:	6.00
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 84-unit Pintail Point rental community at 2233 Boundary Street in Beaufort, South Carolina. The project will target general-occupancy (family) households earning up to 20%, 50%, 60% and 70% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be completed by June 2023. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
3	One-Br.	1.0	Garden	853	20%	\$185	\$105	\$290	\$290
3	One-Br.	1.0	Garden	853	50%	\$620	\$105	\$725	\$726
6	One-Br.	1.0	Garden	853	60%	\$765	\$105	\$870	\$872
3	Two-Br.	1.0	Garden	1,030	20%	\$210	\$136	\$346	\$349
6	Two-Br.	1.0	Garden	1,030	50%	\$735	\$136	\$871	\$872
26	Two-Br.	1.0	Garden	1,030	60%	\$910	\$136	\$1,046	\$1,047
1	Two-Br.	1.0	Garden	1,030	70%	\$1,075	\$136	\$1,211	\$1,221
3	Three-Br.	2.0	Garden	1,245	20%	\$230	\$172	\$402	\$403
7	Three-Br.	2.0	Garden	1,245	50%	\$835	\$172	\$1,007	\$1,007
26	Three-Br.	2.0	Garden	1,245	60%	\$1,025	\$172	\$1,197	\$1,209
84	Total								

Source: Connelly Development, LLC

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

Building/Site Information	
Residential Buildings:	Three (3) three-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building
Acres:	4.3

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

Unit Amenities		
• Electric Range	• Microwave	• Carpet & Composite Flooring
• Refrigerator w/Icemaker	• In-Unit Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Walk-In Closet
• Dishwasher	• Patio/Balcony	• Ceiling Fans

Community Amenities		
• Computer Center	• Copy/Print/Fax	• Laundry Room
• On-Site Management	• Clubhouse	• Community Room with Kitchen
• Gazebo	• Fitness Center	• Picnic Tables/Area
• Playground	• CCTV/Cameras	• Surface Parking Lot (147 Spaces)

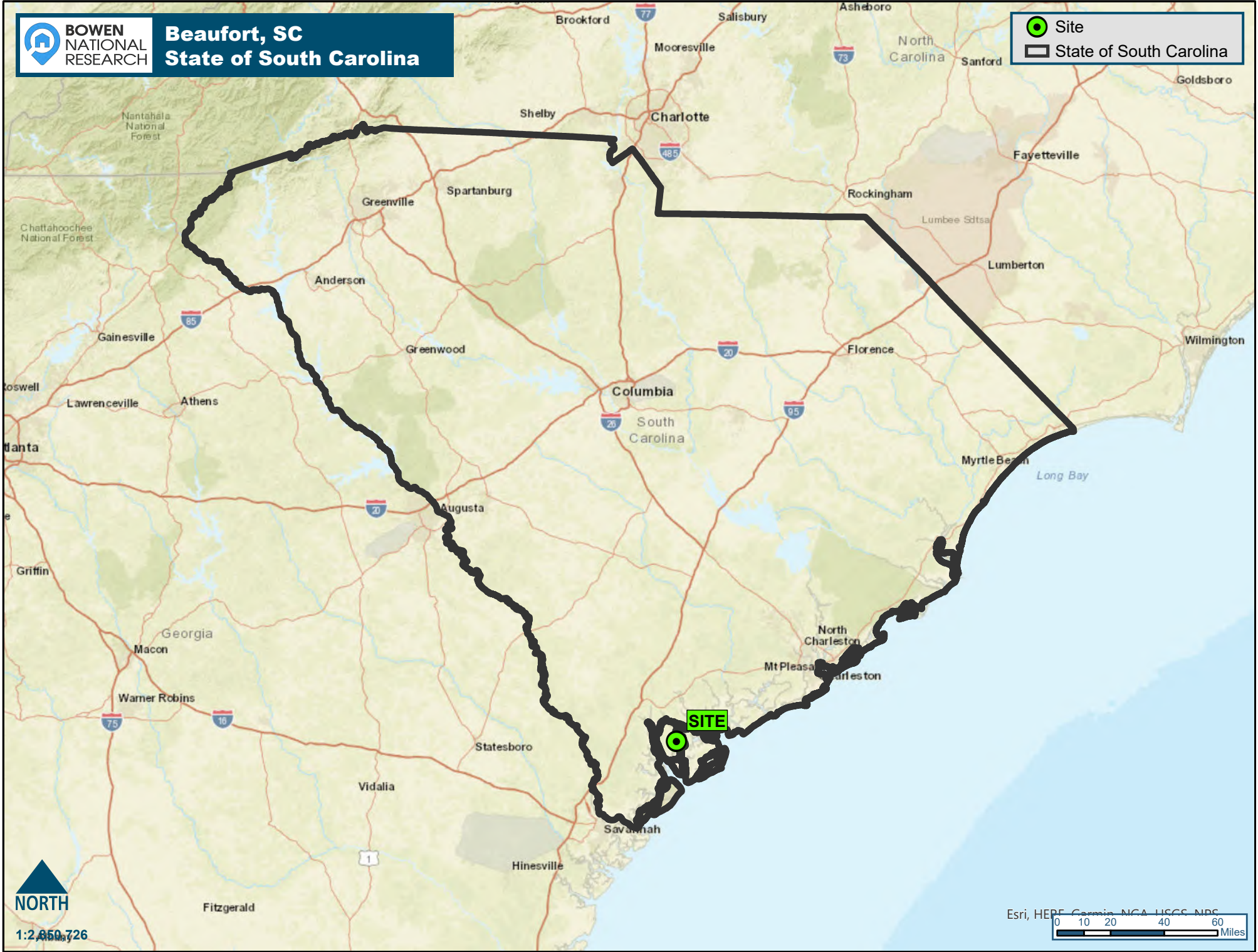
Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Landlord
Source	Electric	Electric	Electric				

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



Beaufort, SC State of South Carolina

● Site
▭ State of South Carolina

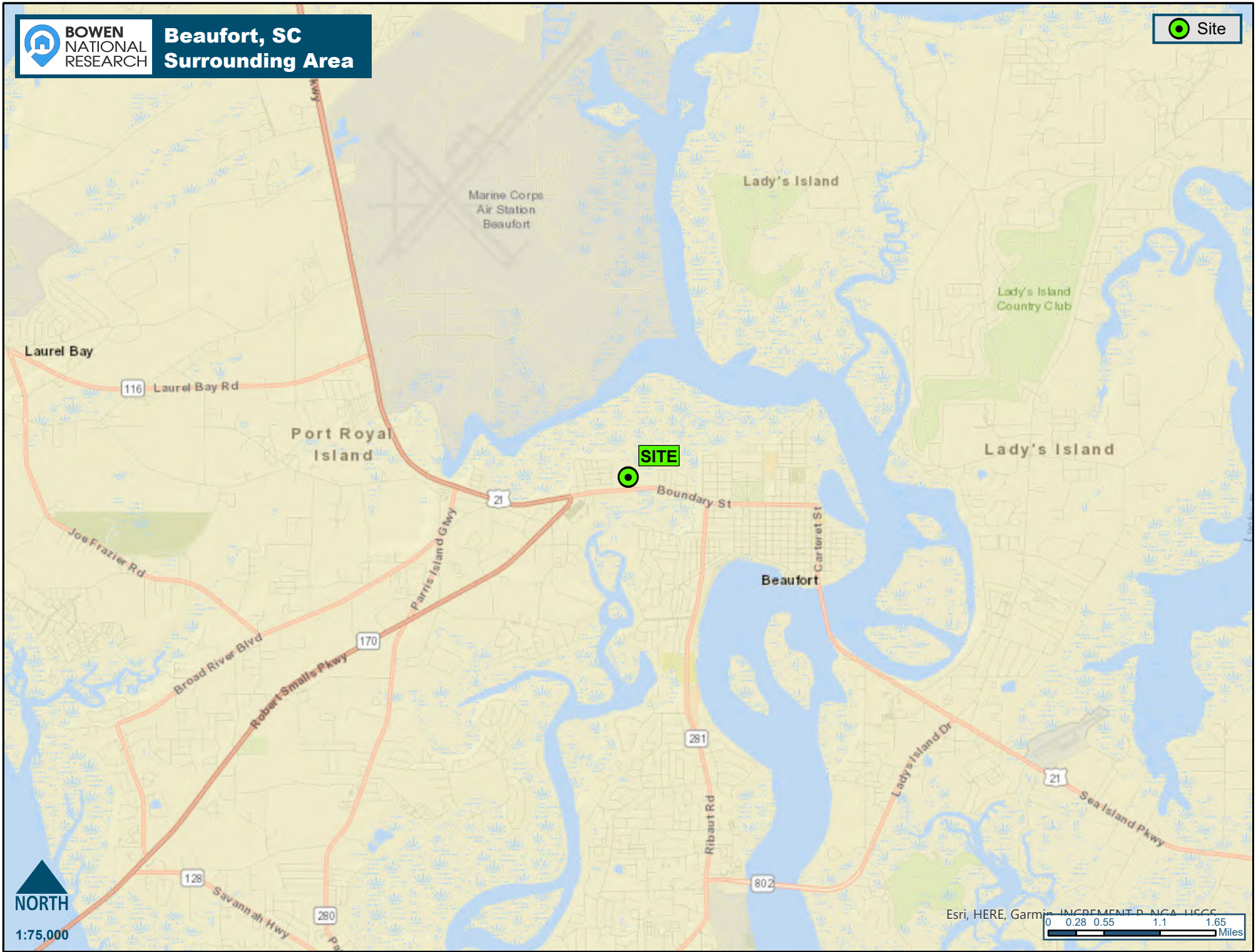
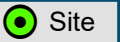


1:2,850,726

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



Beaufort, SC Surrounding Area



1:75,000

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

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of April 5, 2021. The following is a summary of our site evaluation, including an analysis of the site’s proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site consists of approximately 4.3 acres of undeveloped and wooded land located at 2233 Boundary Street in Beaufort, South Carolina. Located in the central portion of Beaufort, the subject site is located approximately 33.0 miles northeast of Hilton Head Island, South Carolina and approximately 68.0 miles southeast of Charleston, South Carolina. Following is a description of surrounding land uses:

North -	The northern site boundary is defined by undeveloped wooded land. Brickyard Creek and the Marine Corps Air Station Beaufort (Merritt Field) extend farther north of the site.
East -	The eastern site boundary is defined by two hotels, Springhill Suites Hotel and Holiday Inn & Suites Hotel, which are currently under construction. Firehouse Subs, Riverview Baptist Church, a vacant gas station and the Carolina Cove Executive Center, structures in good condition, extend east of the site. Beaufort Town Center, which includes various community services including restaurants, banks, and fitness facilities, is located farther east of the site.
South -	The southern site boundary is defined by Boundary Street (U.S. Highway 21 Business), a four-lane divided roadway with moderate to heavy vehicular traffic. Extending south is Wendy’s and Battery Creek.
West -	The western site boundary is defined by undeveloped wooded land. Continuing west is the Oasis Inn, a motel considered to be in good condition and EnMarket, a convenience store and gas station. Extending beyond is a small business center and a predominantly residential neighborhood comprised mostly of single-family homes in good condition.

The proposed development is within a mixed-use area within very close proximity to various businesses and shopping centers. Additionally, the surrounding multi-family and single-family homes in fair to good condition will contribute to the marketability of the site. The wooded land surrounding portions of the site will act as a natural buffer to the land uses to the east and south and create a serene living environment. Overall, the subject property fits well with the surrounding land uses, which should contribute to the marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 170 U.S. Highway 21 Business	0.5 West Adjacent South
Public Bus Stop	Palmetto Breeze	0.7 Southeast
Major Employers/ Employment Centers	Beaufort Memorial Hospital Walmart Supercenter Naval Hospital Beaufort	2.2 South 2.5 Southwest 4.0 South
Convenience Store	EnMarket Shell Food Mart BP Food Shops	0.1 West 0.2 West 0.7 West
Grocery	Walmart Supercenter Piggly Wiggly	2.5 Southwest 3.6 South
Discount Department Store	It's Fashion Citi Trends Burkes Outlet Dollar General Walmart Supercenter	0.3 East 0.5 Southwest 0.5 Southwest 1.1 West 2.5 Southwest
Shopping Center/Mall	Beaufort Town Center Beaufort Plaza Shopping Center	0.3 East 0.5 Southwest
Schools: Elementary Middle/Junior High High	Beaufort Elementary School Beaufort Middle School Beaufort High School	1.2 Southeast 3.7 South 3.5 Southeast
Hospital/Medical Center	American Family Urgent Care Beaufort Memorial Hospital Low Country Urgent Care Naval Hospital Beaufort	2.0 Southwest 2.2 South 3.9 Southeast 4.0 South
Police	Beaufort Police Department	0.7 East
Fire	Beaufort Fire Department	0.8 East
Post Office	U.S. Post Office	0.5 Southwest
Library	Beaufort Public Library	1.9 East
Bank	Bank of America Palmetto State Bank Ameris Bank	0.3 East 0.3 West 0.4 West
Gas Station	EnMarket Shell BP	0.1 West 0.2 West 0.7 West
Pharmacy	Walgreens Beaufort Pharmacy Walmart Pharmacy	0.4 West 2.2 South 2.5 Southwest
Restaurant	Wendy's Firehouse Subs Albergotti Grill	Adjacent South 0.1 East 0.1 Northeast
Day Care	Smith Family Daycare Child Enrichment Center Toddle Town	0.8 East 1.7 East 1.9 East

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Recreational/Fitness Center	Omni Health & Fitness	0.3 East
	The Foundry	0.3 East
	Anytime Fitness	2.1 Southwest
	YMCA of Beaufort County	4.7 South
Church	Riverview Baptist Church	Adjacent East
	Second Goodwill Baptist Church	0.7 East
	Church of Christ at King Street	1.0 Southeast
Park	Pigeon Point Park	1.8 East

The subject site is situated near several major retail corridors and is subsequently within 2.5 miles of most essential community services. Notable services within 2.5 miles include grocery stores, banks, restaurants, pharmacies, discount retailers, youth and adult day care providers, a park, a recreation center, a library, gas stations and convenience stores. Several of the area's largest employers, including Beaufort Memorial Hospital and Walmart Supercenter, are located within 2.5 miles of the site. Further, the Beaufort Town Center and Beaufort Plaza shopping centers are located within 0.5 miles of the site and include It's Fashion, Omni Health & Fitness Center, Burkes Outlet and Citi Trends, along with various other retailers. Many of the above noted services are accessible along the Palmetto Breeze bus line, which operates a stop 0.7 miles southeast of the site.

Public safety services are provided by the Beaufort Police and Fire and Rescue Departments, each of which are situated within 0.8 miles east of the site. The nearest hospital, Beaufort Memorial Hospital, is located 2.2 miles from the site. Additionally, American Family Urgent Care is located within 2.0 miles. The site is served by the Beaufort County Public School System, with all attendance schools located within 3.7 miles of the site and school bus transportation is provided. Overall, the site's proximity to numerous community services located along U.S. Highway 21 Business and State Route 170 is considered good and is expected to positively impact marketability.

4. SITE PHOTOGRAPHS

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

Pintail Pointe



Site Entryway



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest

Pintail Pointe



View of site from the west



Northeast view from site



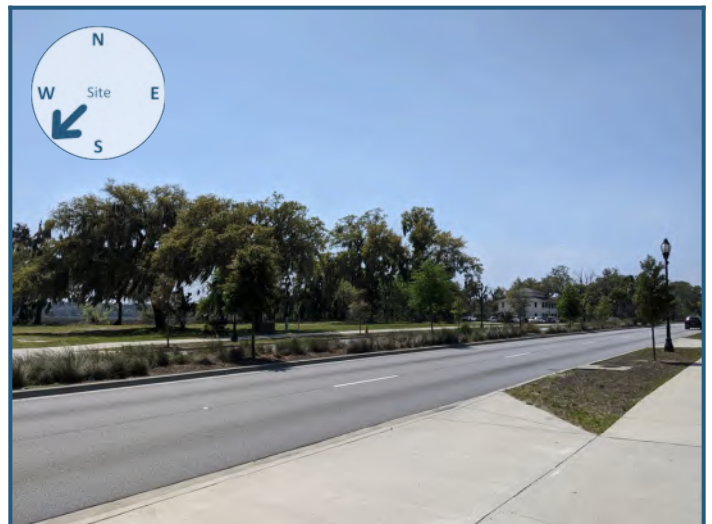
East view from site



Southeast view from site



South view from site



Southwest view from site

Pintail Pointe



West view from site



Streetscape: East view of Boundary Street (U.S. Highway 21 Business)



Streetscape: West view of Boundary Street (U.S. Highway 21 Business)

5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.



Beaufort, SC Site Neighborhood

Legend
Site Area

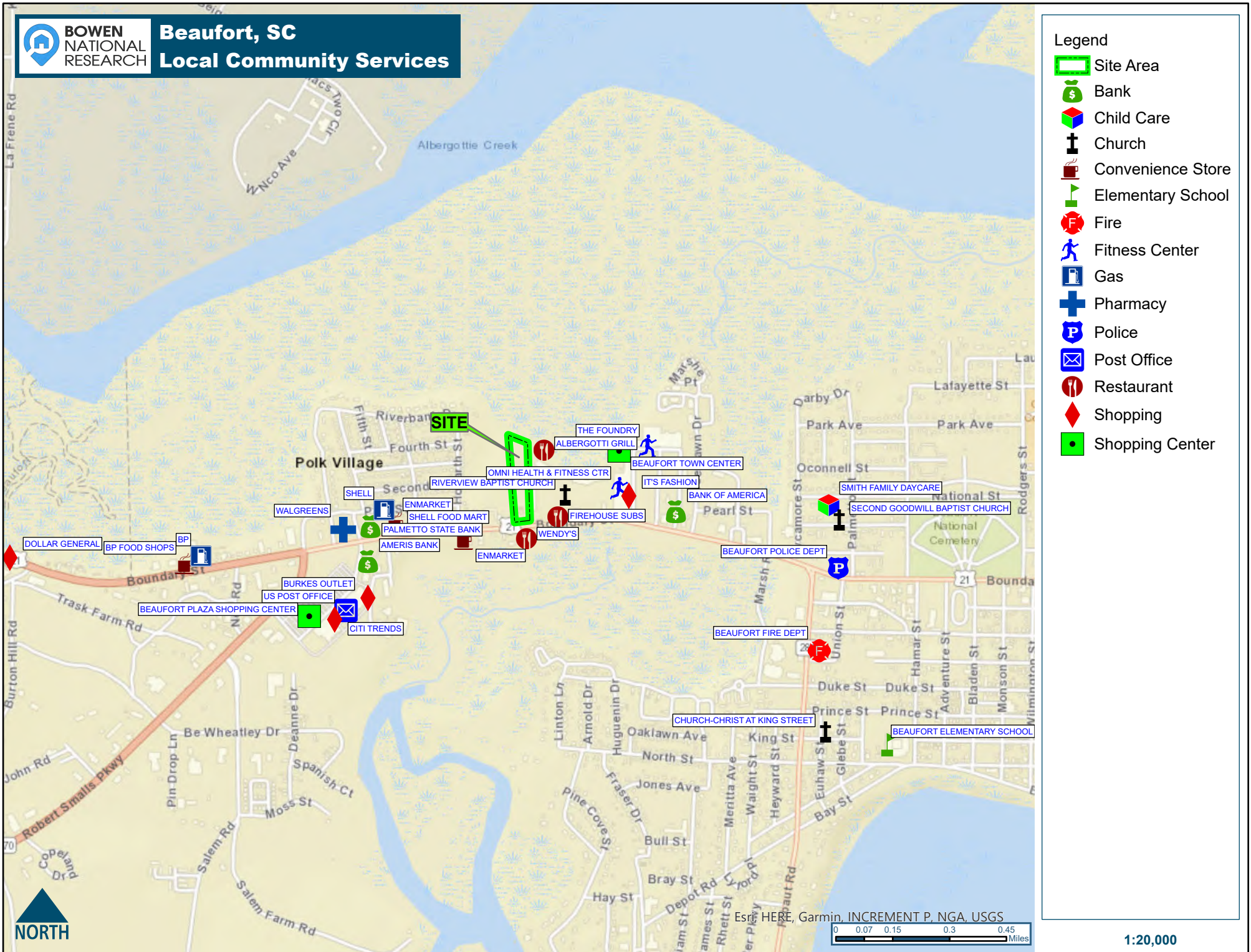


NORTH

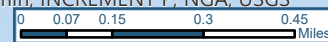
1:5,436



- Legend**
-  Site Area
 -  Bank
 -  Child Care
 -  Church
 -  Convenience Store
 -  Elementary School
 -  Fire
 -  Fitness Center
 -  Gas
 -  Pharmacy
 -  Police
 -  Post Office
 -  Restaurant
 -  Shopping
 -  Shopping Center



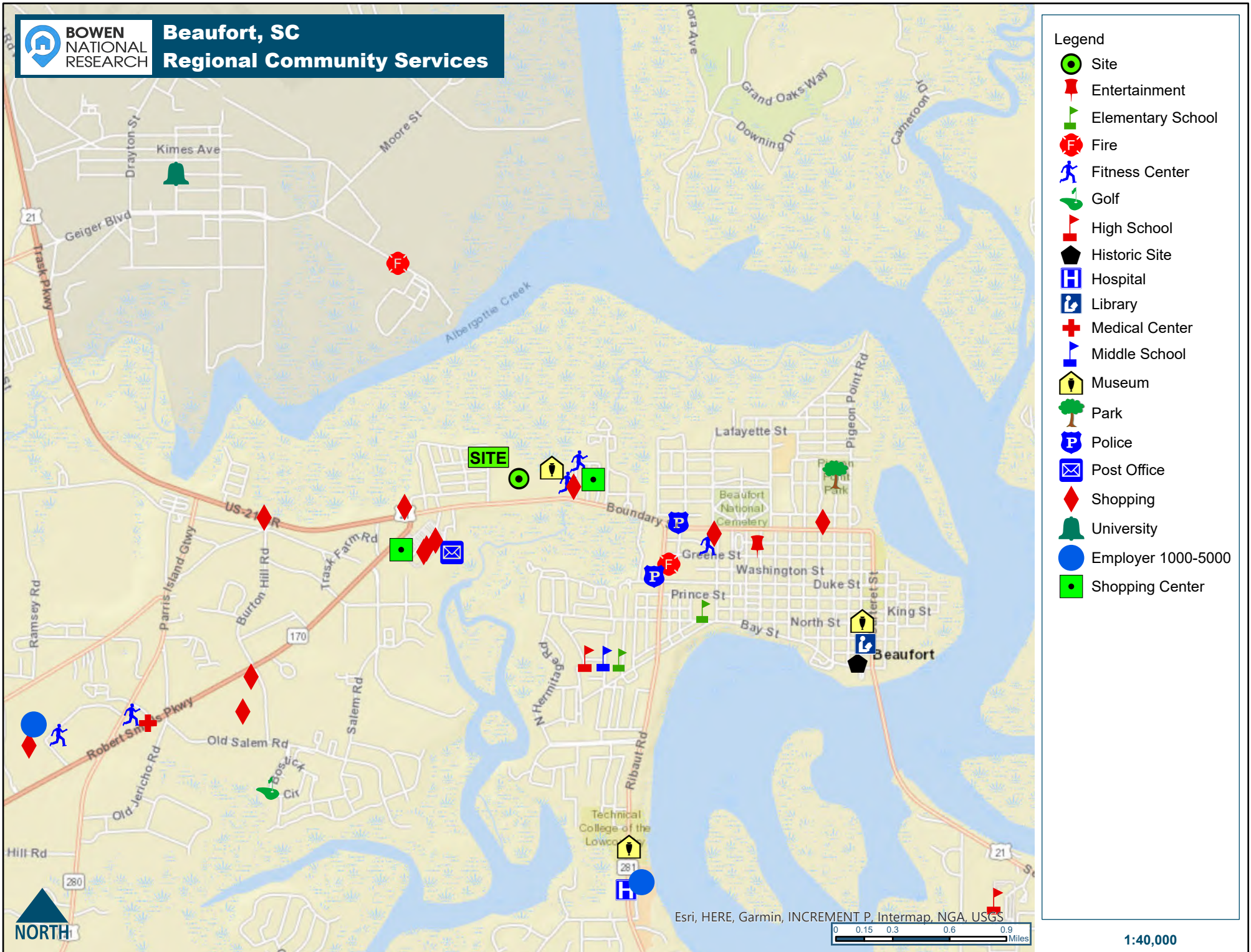
Esri, HERE, Garmin, INCREMENT P, NGA, USGS



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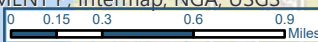


Beaufort, SC Regional Community Services



- Legend
- Site
 - Entertainment
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Historic Site
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Shopping
 - University
 - Employer 1000-5000
 - Shopping Center

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



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk (158) for the Site ZIP Code is above the national average with an overall personal crime index of 146 and a property crime index of 160. Total crime risk (145) for Beaufort County is above the national average with indexes for personal and property crime of 132 and 146, respectively.

	Crime Risk Index	
	Site ZIP Code	Beaufort County
Total Crime	158	145
Personal Crime	146	132
Murder	146	128
Rape	79	162
Robbery	138	66
Assault	160	155
Property Crime	160	146
Burglary	135	145
Larceny	179	154
Motor Vehicle Theft	66	91

Source: Applied Geographic Solutions

The crime risk index within the site’s ZIP Code (158) is above both those of Beaufort County (145) and the nation (100). Based on our experience, high crime indices are typical for areas of this size. Additionally, many of the rental communities identified and surveyed within the market are maintaining strong occupancy rates, indicating that these projects have not been impacted by any perception of crime. Further, the subject project will include CCTV/security cameras and on-site management, which will likely help mitigate potential perceptions of crime. Therefore, it is unlikely that the perception of crime will have any tangible impact on the marketability of the subject development.

A map illustrating crime risk is on the following page.



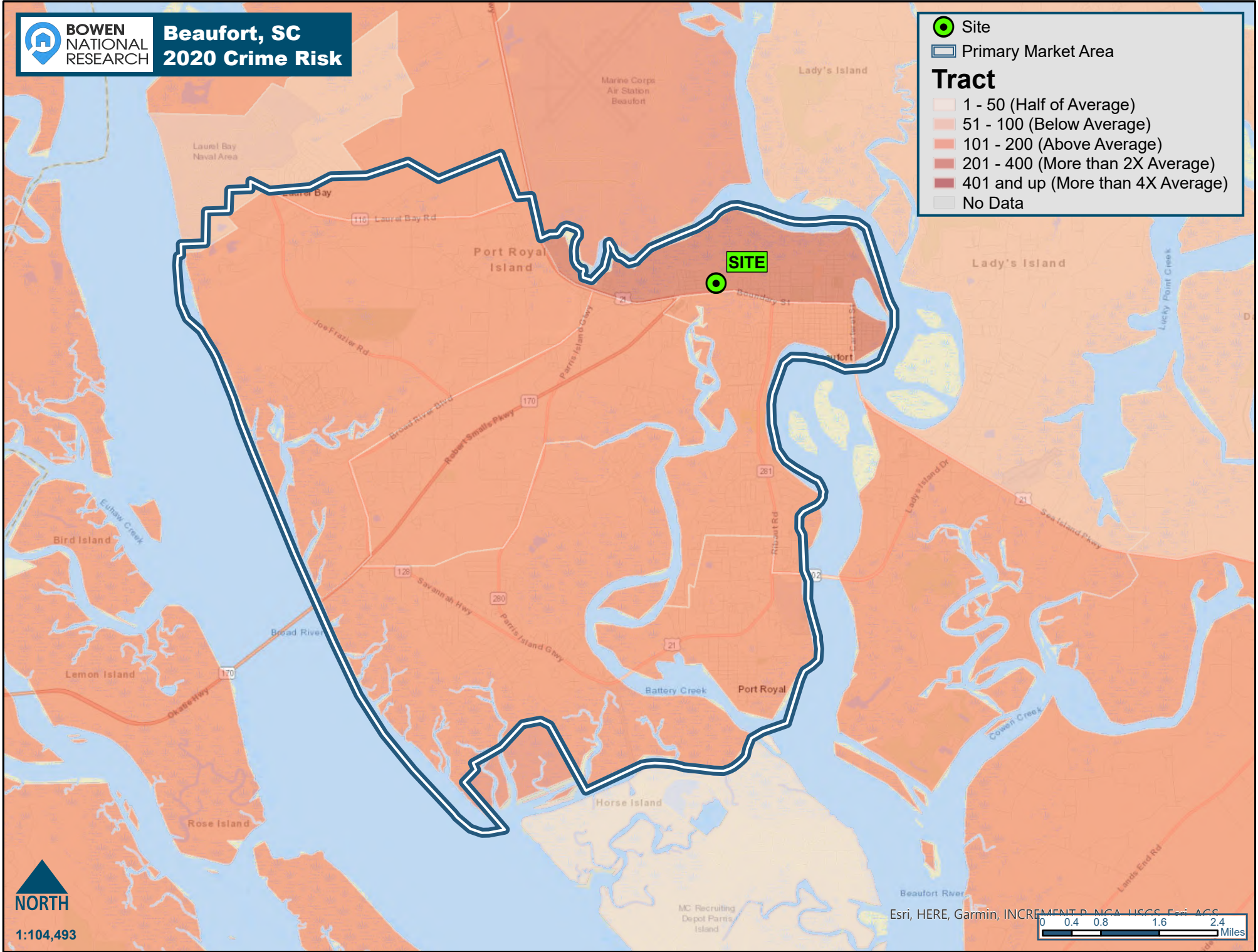
Beaufort, SC 2020 Crime Risk

Site

Primary Market Area

Tract

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



NORTH
1:104,493

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

7. ACCESS AND VISIBILITY

The subject site is located on the north side of and derives primary access from Boundary Street (U.S. Highway 21 Business), a moderate to heavily traveled four-lane divided roadway. Motorists traveling westbound on Boundary Street (U.S. Highway 21 Business) will have convenient ingress to the subject site. Due to the moderate to heavy traffic patterns and divided roadway, motorist traveling eastbound may experience slight delays upon entering or exiting the subject site, however; the inclusion of a center turn lane located less than 0.1 mile east of the site should help mitigate any potential delays. Boundary Street (U.S. Highway 21 Business) provides direct access to State Route 170. Proximity to these arterial roadways enhances accessibility of the site, as these arterial roadways provide access throughout the Beaufort area to many community services. Palmetto Breeze provides transportation service throughout the Beaufort area, with the nearest bus stop being located within 0.7 miles east of the subject site. This service provides access throughout Beaufort County and is considered beneficial to the targeted site population of low-income residents.

Visibility of the proposed subject site is considered excellent as passing motorists will have a clear view in both directions of travel. Site signage is recommended at the intersection of Boundary Street (U.S. Highway 21 Business) and State Route 170 during construction and lease-up to increase awareness of the subject site. Overall, due to the generally clear lines of vision, ease of ingress and egress, and access to arterial roadways, both visibility and access are considered to be good and are expected to positively impact marketability.

8. VISIBLE OR ENVIRONMENTAL ISSUES

The subject site is adjacent to a currently under construction hotel. This structure is not expected to impact marketability of the site development, as it should be completed within the near future. Overall, the presence of the nearby hotel construction is not expected to impact marketability of the site.

9. OVERALL SITE CONCLUSIONS

The subject site consists of a former car lot, with undeveloped wooded land located at 2233 Boundary Street in Beaufort, South Carolina. Surrounding land uses are mixed, with nearby homes and rental communities in good condition. Visibility and access are considered good, though visibility can be improved by placing temporary signage along U.S. Highway 21 Business at State Route 170 during lease-up. The site is within 2.5 miles of most shopping, employment, recreation, entertainment and education opportunities. Notable services within 2.5 miles include grocery stores, banks, restaurants, pharmacies, discount retailers, youth and adult day care providers, a park, a recreation center, a library, gas stations and convenience stores. Services and accessibility are further enhanced by the presence of a Palmetto Breeze bus stop within 0.7 miles of the

site at the Beaufort Government facilities. Overall, we consider the site's location and proximity to community services to have a positive impact on its marketability.

D. Primary Market Area Delineation

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

The Beaufort Site PMA includes portions of Beaufort, Laurel Bay, Habersham, White Oaks, Shell Point, Burton, Port Royal and some surrounding unincorporated portions of Beaufort County. The boundaries of the Site PMA consist of Laurel Bay Road, Mroz Road, Bay Pines Road, Shanklin Road, the Marine Corps Air Station Beaufort (Merritt Field) and Beaufort River to the north; Beaufort River to the east; Marine Corps Recruit Depot Parris Island boundaries to the south; and Broad River to the west. All boundaries of the Site PMA are within 6.7 miles of the site.

The Site PMA includes all of, or portions of, the following Census Tracts:

2.00	3.00	5.01	5.02
5.03	6.00*	7.00	8.00

*Subject site location

Brittany Middleton, Property Manager at Ashley Pointe (Map ID 3) and Shell Pointe (Map ID 22), comparable Tax Credit properties located in the Site PMA., confirmed the boundaries of the Site PMA, noting that residents of Beaufort tend to stay in the area due to Beaufort's quieter residential makeup as opposed to the more tourist-heavy regions of Bluffton and Hilton Head Island. Ms. Middleton added that Beaufort residents tend to stay in the area due to its convenient access to entertainment options and major employers in Bluffton and Hilton Head Island.

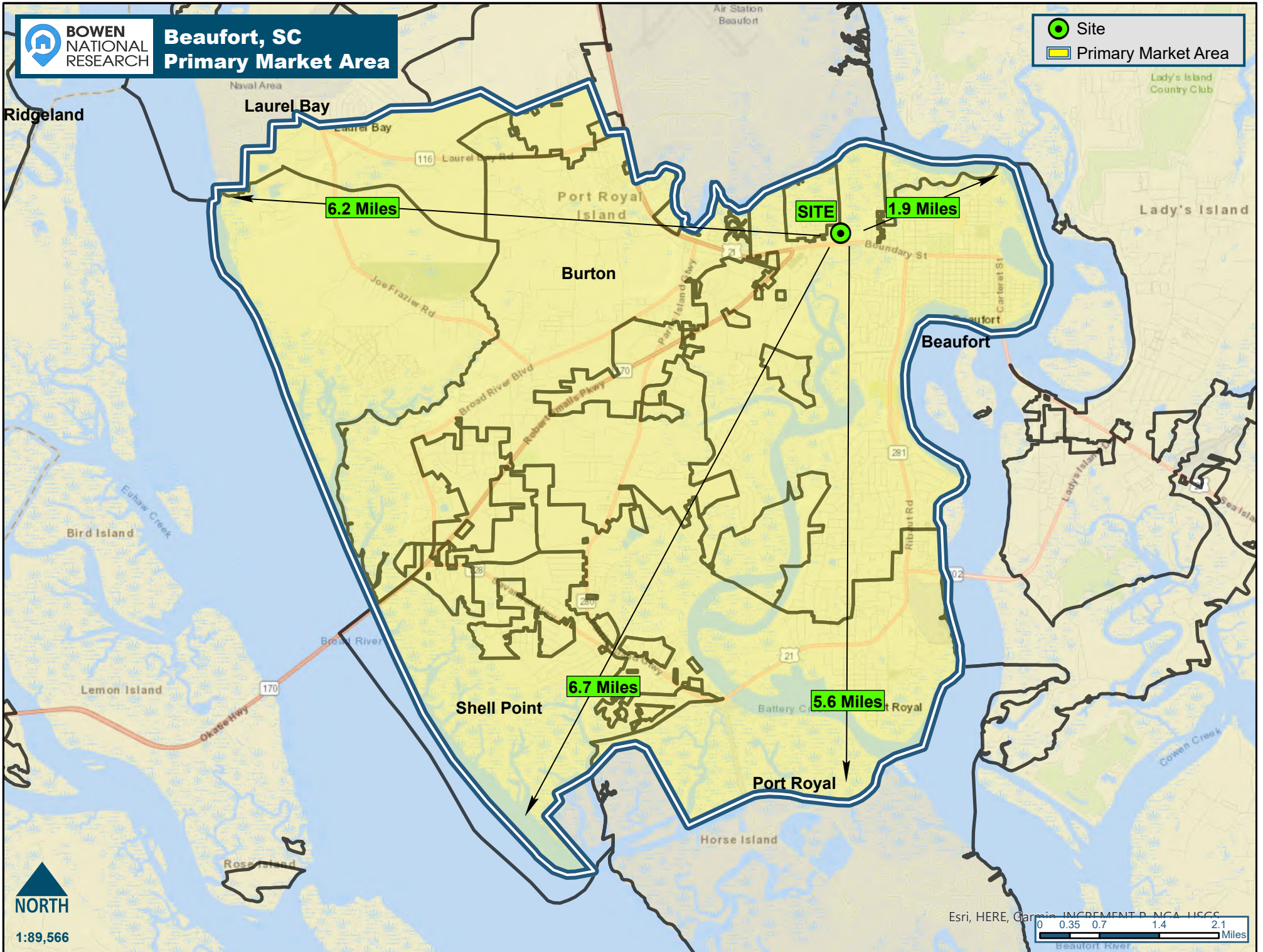
Nachella Smalls, Property Manager at Marsh Pointe (Map ID 12), a general-occupancy Tax Credit property located in the Site PMA, confirmed the boundaries of the Site PMA, stating most of her residents at the property are from Port Royal, Beaufort, and nearby surrounding towns in the Site PMA. Additionally, Ms. Smalls stated that her residents have lived in and around the Beaufort and Port Royal areas for the majority of their lives.

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



Beaufort, SC Primary Market Area

- Site
- Primary Market Area



1:89,566

Esri, HERE, Garmin, INCREMENT P, NOAA, USGS
0 0.35 0.7 1.4 2.1 Miles

E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

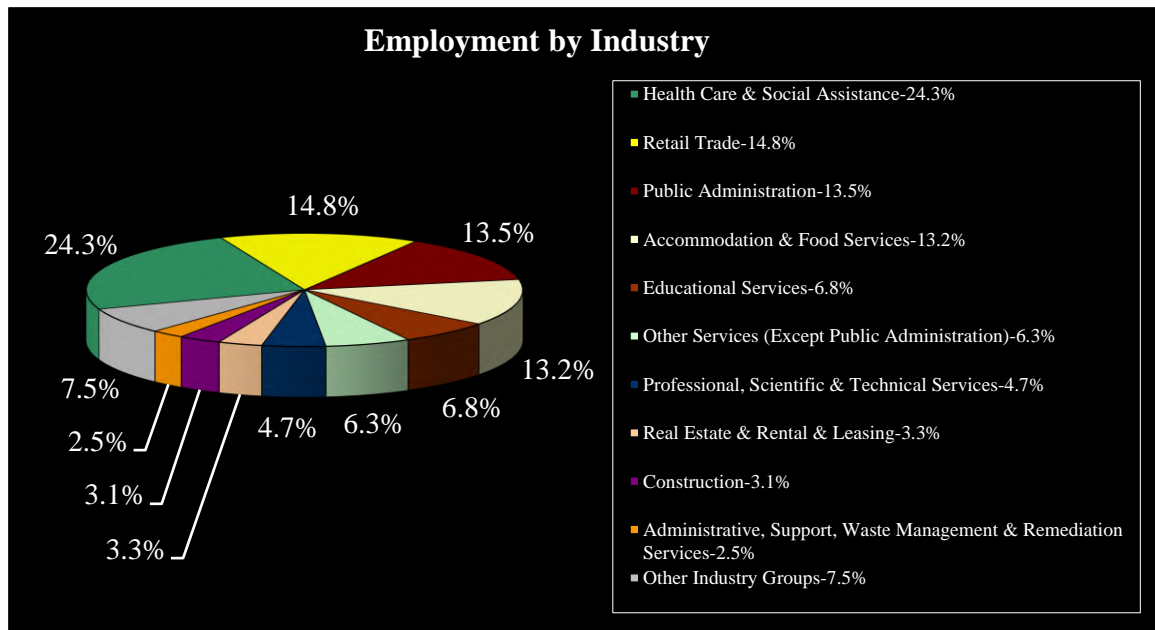
The labor force within the Beaufort Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 24.3%), Retail Trade, Public Administration and Accommodation & Food Services comprise nearly 66% of the Site PMA labor force. Employment in the Beaufort Site PMA, as of 2020, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	1	0.1%	8	0.0%	8.0
Mining	1	0.1%	2	0.0%	2.0
Utilities	0	0.0%	0	0.0%	0.0
Construction	90	5.7%	522	3.1%	5.8
Manufacturing	27	1.7%	145	0.9%	5.4
Wholesale Trade	26	1.6%	151	0.9%	5.8
Retail Trade	241	15.2%	2,468	14.8%	10.2
Transportation & Warehousing	19	1.2%	108	0.6%	5.7
Information	26	1.6%	177	1.1%	6.8
Finance & Insurance	65	4.1%	281	1.7%	4.3
Real Estate & Rental & Leasing	97	6.1%	542	3.3%	5.6
Professional, Scientific & Technical Services	141	8.9%	781	4.7%	5.5
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	51	3.2%	409	2.5%	8.0
Educational Services	37	2.3%	1,136	6.8%	30.7
Health Care & Social Assistance	172	10.8%	4,047	24.3%	23.5
Arts, Entertainment & Recreation	28	1.8%	318	1.9%	11.4
Accommodation & Food Services	134	8.4%	2,207	13.2%	16.5
Other Services (Except Public Administration)	233	14.7%	1,051	6.3%	4.5
Public Administration	120	7.6%	2,255	13.5%	18.8
Nonclassifiable	80	5.0%	56	0.3%	0.7
Total	1,589	100.0%	16,664	100.0%	10.5

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

E.P.E. - Average Employees Per Establishment

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



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Hilton Head Island-Bluffton-Beaufort Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Hilton Head Island-Bluffton-Beaufort MSA	South Carolina
Management Occupations	\$106,270	\$109,500
Business and Financial Occupations	\$76,640	\$70,470
Computer and Mathematical Occupations	\$83,760	\$77,080
Architecture and Engineering Occupations	\$64,220	\$80,470
Community and Social Service Occupations	\$46,810	\$44,530
Art, Design, Entertainment and Sports Medicine Occupations	\$47,150	\$50,930
Healthcare Practitioners and Technical Occupations	\$76,600	\$76,850
Healthcare Support Occupations	\$30,520	\$29,220
Protective Service Occupations	\$43,760	\$39,760
Food Preparation and Serving Related Occupations	\$24,770	\$23,250
Building and Grounds Cleaning and Maintenance Occupations	\$33,820	\$27,650
Personal Care and Service Occupations	\$30,740	\$28,850
Sales and Related Occupations	\$38,290	\$37,680
Office and Administrative Support Occupations	\$36,800	\$37,870
Construction and Extraction Occupations	\$43,390	\$44,550
Installation, Maintenance and Repair Occupations	\$44,990	\$46,990
Production Occupations	\$36,170	\$40,730
Transportation and Moving Occupations	\$32,400	\$34,010

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

Most annual blue-collar salaries range from \$24,770 to \$47,150 within the Hilton Head Island-Bluffton-Beaufort MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$81,498. It is important to note that most occupational types within the Hilton Head Island-Bluffton-Beaufort MSA have generally similar typical wages than South Carolina's typical wages. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Beaufort County area are summarized in the following table:

Employer Name	Business Type
Atlantic Personnel, Inc.	Employment Agency
Beaufort County School District	Education
Beaufort Memorial Hospital	Health Care
Carecore National, LLC	Health Care Consultant
County of Beaufort	Government
Cypress Club, Inc.	Housing/Health
Department of Defense	Government
Hargray Communications Group, Inc.	Technology
Lowes Home Centers, Inc.	Home Improvement
Marine Corps Community Services	Education

Source: Beaufort, SC Regional Chamber of Commerce, April 2021

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy. However, based on extensive online research, the COVID-19 pandemic has adversely impacted the Beaufort area, similar to the rest of the nation. Area workers have been furloughed and businesses have been closed. New business development has also declined. The area is largely dependent on recreation, hospitality, and entertainment industries which were greatly impacted by the pandemic. The following are summaries of some recent and notable economic development activity within the Beaufort area based on our research at the time of this analysis.

- Beaufort Inn Hotel, located at 812 Port Republic Street in the historic area of downtown Beaufort, is a boutique-style hotel with 12 to 15 rooms and leased space on the ground floor that opened in September 2020. The owners plan to build an additional hotel at the former Bampfield Building on West Street.
- Tabby Place Annex located at 905 Port Republic Street in Beaufort, is an event space with indoor and outdoor options for events with 320+ people. The facility is part of the Beaufort Inn Hotel and planning to expand its facilities.

- Cannon Building to be located at 211 Charles Street in Beaufort is a planned three-story mixed-use building with apartments on the upper levels and retail space on the ground floor. The plan received conceptual approval in February 2021.
- Whitehall development on Lady’s Island in Beaufort, is a planned mixed-use development with single family homes and mixed-use buildings. The development will consist of for sale housing that will be adjacent to Whitehall Park, a planned preserve in Beaufort County
- E Suda Motorcycle Club opened a new facility at 230 Shanklin Road in Beaufort in April 2021.
- Southern Palette Wine and Paint Studio will open a new studio at 1211 Boundary Street in Beaufort in May 2021.
- Widgeon Point Preserve, located at 43 Okatie Highway in Beaufort, is a nature preserve of 170-acres of forested land, salt marshes, and islands on the Broad River in Port Royal Sound. The preserve opened in January 2021.
- Arthur Home Office Building in Beaufort, is a planned \$6.7 million project. The project will provide office space at the Beaufort County Government Complex.

Infrastructure:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Fremont Roadway Improvements Beaufort	Improvements to the Fremont Preserve Roadway	Completed February 2021	\$152,173
EMS Station Shanklin Road Beaufort	New standalone emergency medical services station	Completed March 2021	\$1,646,917
EMS Station 31 Riverside Drive Bluffton	Construction of a joint EMS and Fire Station	Under Construction	\$3,588,813
Dirt Road Paving Beaufort County	Pave various county roads	Under Construction	\$2,096,162
Battery Creek Bridge Beaufort County	Repairs to the bridge along the Spanish Moss Trail	Pending Funding	NA
Harbor River Bridge Beaufort	A new bridge along US 21 over the Harbor River	Under Construction	NA
U.S. 278 Improvements	US 278 at Buck Island Road; US 278 at SC 46 Bluffton Road; US 278 Hilton Head National Drive; and US 278 at Salt March Drive safety improvements	Under Construction	NA

N/A – Not available

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on April 15, 2021, and according to South Carolina Works there have been no WARN notices reported for Beaufort over the past 12 months.

4. EMPLOYMENT TRENDS

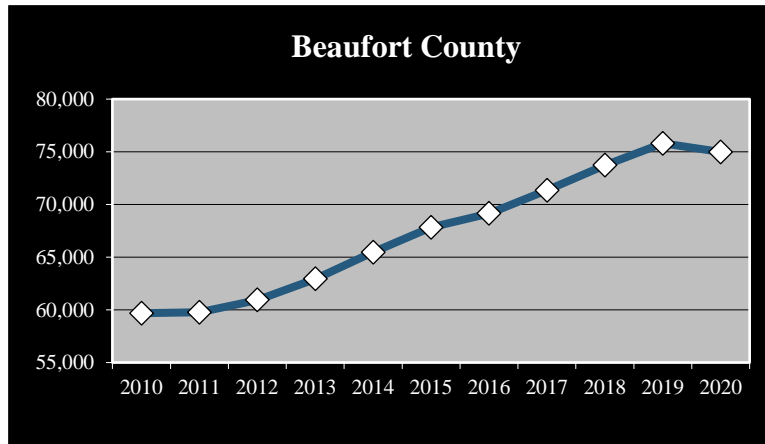
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2020, the employment base has increased by 11.7% over the past five years in Beaufort County, more than the South Carolina state increase of 7.9%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Beaufort County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	59,684	-	1,928,442	-	140,469,139	-
2011	59,777	0.2%	1,957,493	1.5%	141,791,255	0.9%
2012	60,939	1.9%	1,992,957	1.8%	143,621,634	1.3%
2013	62,946	3.3%	2,034,404	2.1%	145,017,562	1.0%
2014	65,463	4.0%	2,082,941	2.4%	147,313,048	1.6%
2015	67,841	3.6%	2,134,087	2.5%	149,500,941	1.5%
2016	69,147	1.9%	2,174,301	1.9%	151,887,366	1.6%
2017	71,349	3.2%	2,200,602	1.2%	154,160,937	1.5%
2018	73,726	3.3%	2,242,438	1.9%	156,081,212	1.2%
2019	75,797	2.8%	2,302,573	2.7%	158,102,439	1.3%
2020	74,979	-1.1%	2,237,407	-2.8%	148,739,082	-5.9%

Source: Department of Labor; Bureau of Labor Statistics

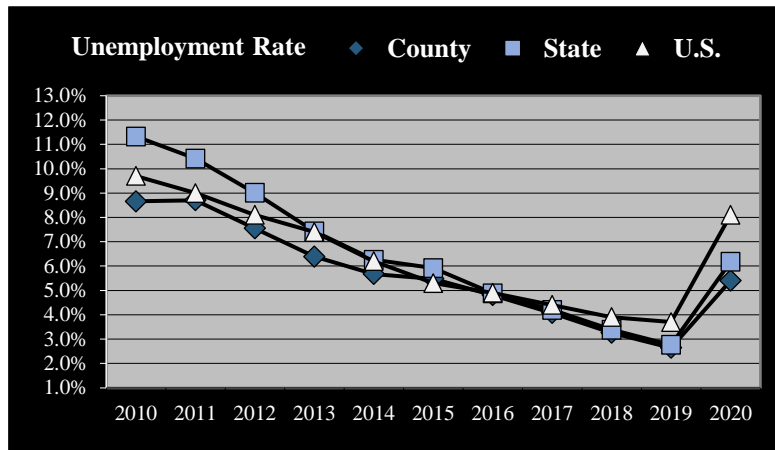


As the preceding illustrates, the Beaufort County employment base experienced continued growth between 2010 and 2019. However, in 2020, the county’s employment base declined by 1.1% as a result of the COVID-19 pandemic.

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

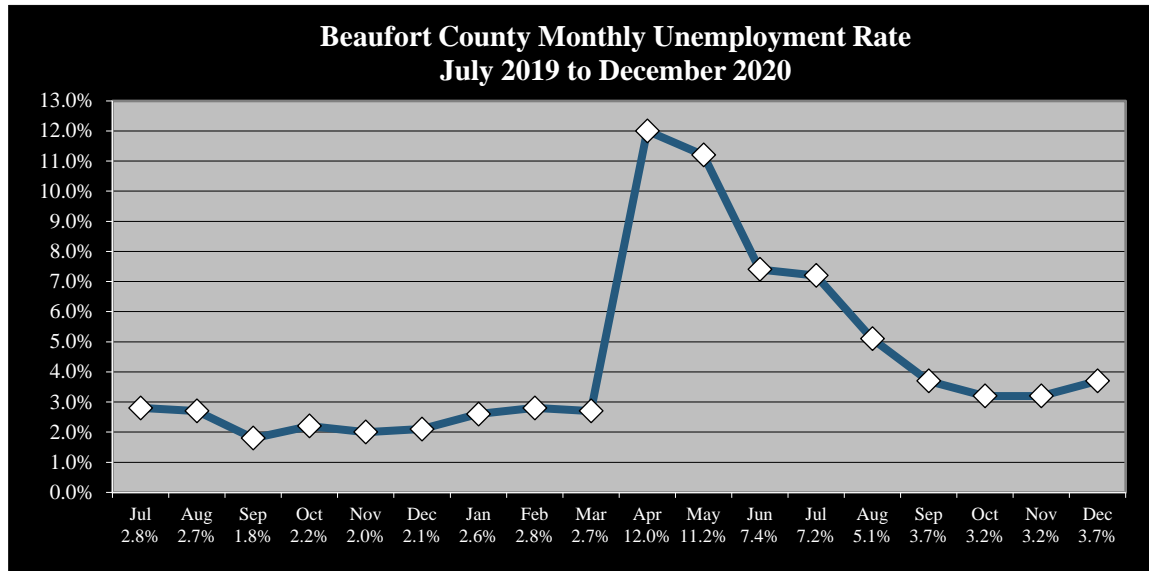
Year	Beaufort County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2010	5,652	8.7%	246,093	11.3%	15,070,017	9.7%
2011	5,692	8.7%	227,678	10.4%	14,035,049	9.0%
2012	4,980	7.6%	197,246	9.0%	12,691,553	8.1%
2013	4,293	6.4%	163,472	7.4%	11,634,201	7.4%
2014	3,949	5.7%	139,485	6.3%	9,776,089	6.2%
2015	3,931	5.5%	133,750	5.9%	8,417,793	5.3%
2016	3,483	4.8%	111,753	4.9%	7,854,801	4.9%
2017	3,033	4.1%	96,477	4.2%	7,093,912	4.4%
2018	2,480	3.3%	78,442	3.4%	6,385,787	3.9%
2019	2,061	2.6%	65,112	2.8%	6,073,924	3.7%
2020	4,287	5.4%	147,183	6.2%	13,039,335	8.1%

Source: Department of Labor; Bureau of Labor Statistics



Between 2010 and 2019, the unemployment rate within Beaufort County declined by over six percentage points, then increased by nearly three percentage points in 2020 as a result of the COVID-19 pandemic.

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



Note that the county's *monthly* unemployment rate within the preceding 18-month period was generally stable, which then spiked by more than nine percentage points between March and April 2020. On a positive note, the *monthly* unemployment rate in the county has generally been declining since and is at 3.7% as of December.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Beaufort County.

In-Place Employment Beaufort County			
Year	Employment	Change	Percent Change
2010	56,511	-	-
2011	56,453	-58	-0.1%
2012	57,581	1,128	2.0%
2013	58,183	602	1.0%
2014	60,345	2,162	3.7%
2015	62,352	2,007	3.3%
2016	63,198	846	1.4%
2017	65,016	1,818	2.9%
2018	67,390	2,374	3.7%
2019	68,843	1,453	2.2%
2020*	64,359	-4,484	-6.5%

Source: Department of Labor, Bureau of Labor Statistics
*Through September



Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Beaufort County to be 90.8% of the total Beaufort County employment. This means that Beaufort County has more employed persons leaving the county for daytime employment than those who work in the county.

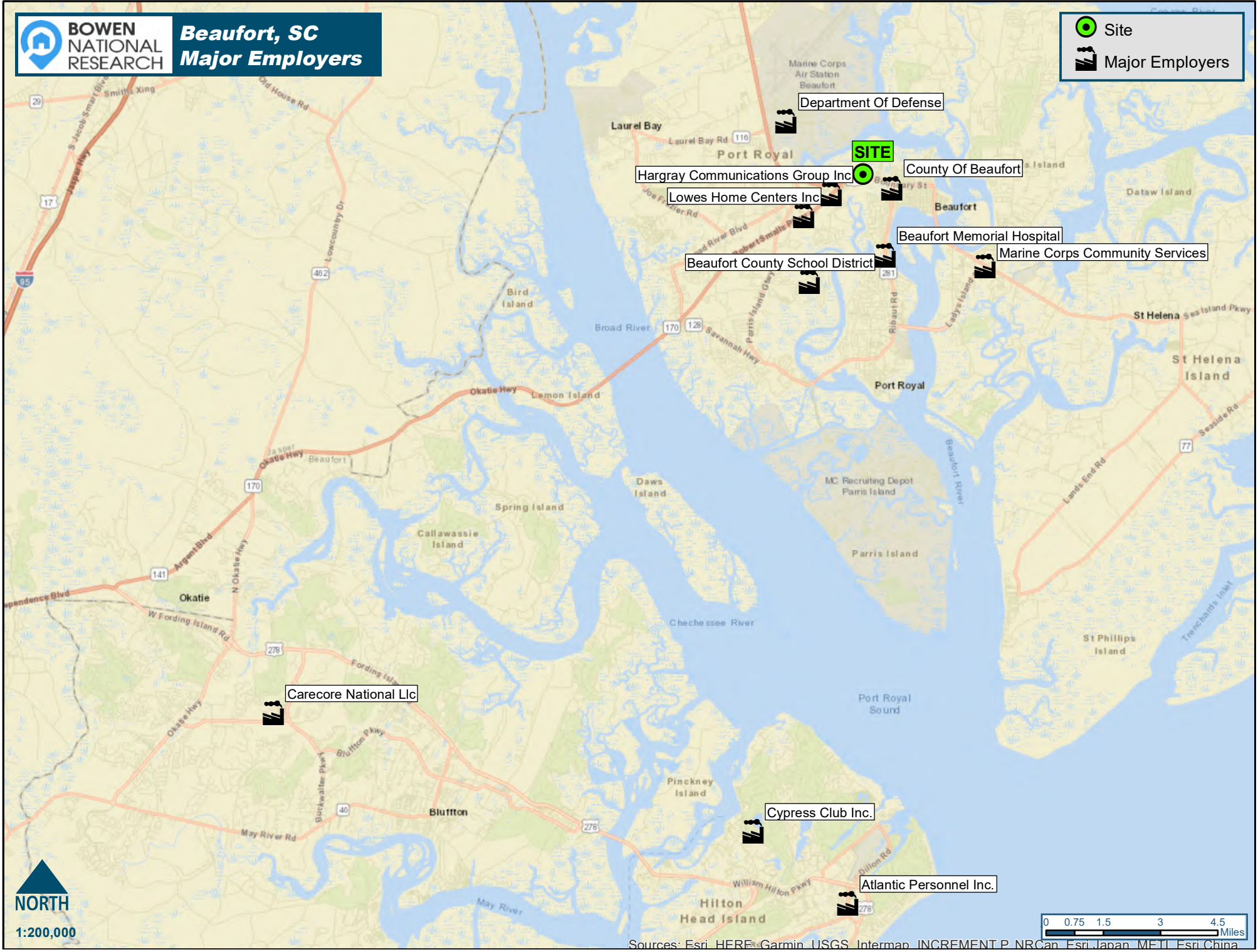
5. EMPLOYMENT CENTERS MAP


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



Beaufort, SC Major Employers

 Site
 Major Employers




 NORTH
 1:200,000



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

6. COMMUTING PATTERNS

Based on the American Community Survey (2015-2019), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	14,722	83.3%
Carpooled	1,527	8.6%
Public Transit	67	0.4%
Walked	378	2.1%
Other Means	358	2.0%
Worked at Home	611	3.5%
Total	17,663	100.0%

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

Over 83% of all workers drove alone, 8.6% carpooled and only 0.4% used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	6,085	34.5%
15 to 29 Minutes	6,487	36.7%
30 to 44 Minutes	2,610	14.8%
45 to 59 Minutes	837	4.7%
60 or More Minutes	1,032	5.8%
Worked at Home	611	3.5%
Total	17,662	100.0%

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

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

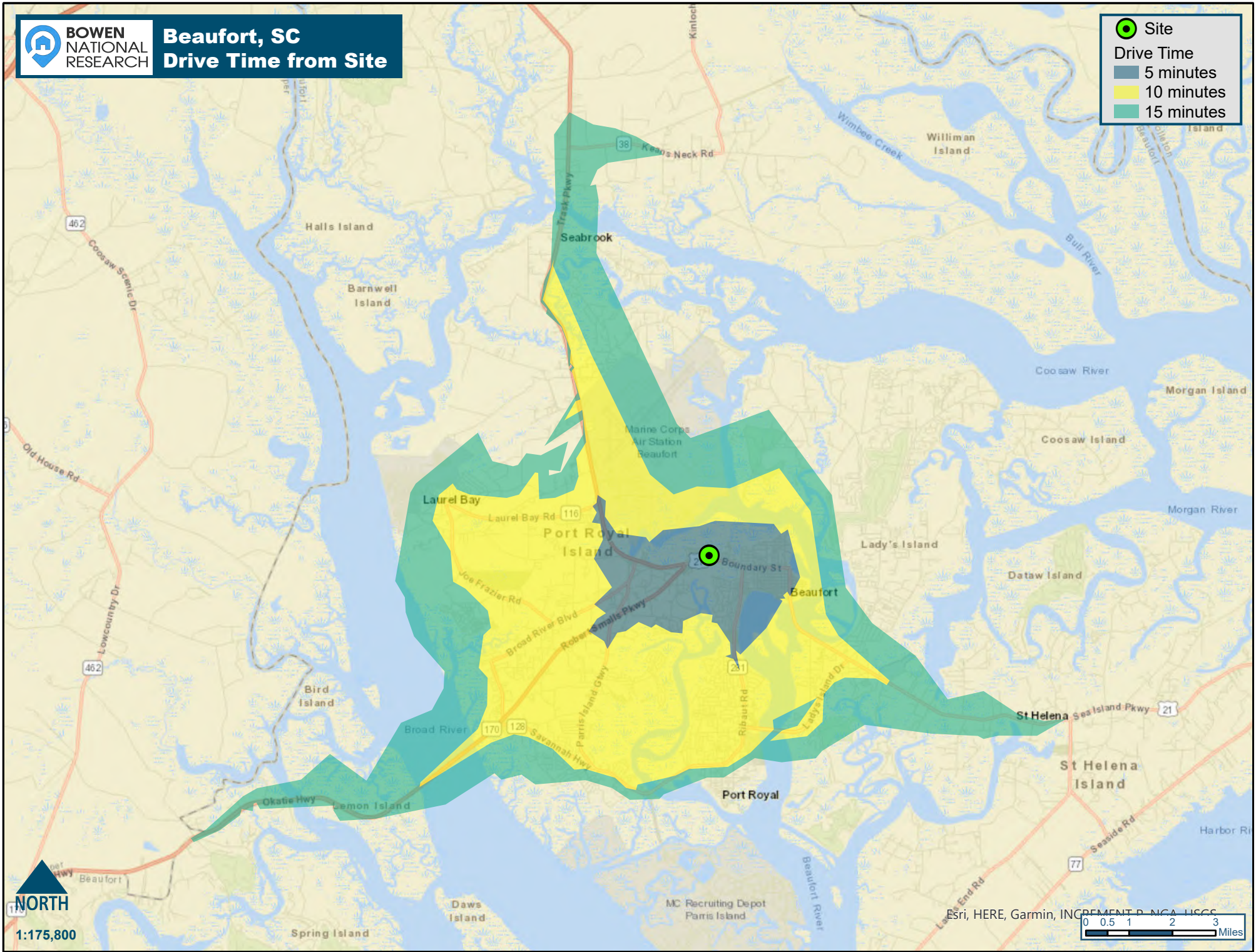


Beaufort, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:175,800

Esri, HERE, Garmin, INCREMENT P, NCA, USGS
0 0.5 1 2 3 Miles

7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on data provided by the State of South Carolina Department of Labor and the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. In 2020, the Beaufort County employment base declined by 818 jobs, or 1.1%, and its unemployment rate increased by nearly three percentage points. Specifically, between March and April 2020, the *monthly* unemployment rate within the county spiked by over nine percentage points; however, the county's *monthly* unemployment rate has been trending downward since. Nonetheless, while the short-term economic impacts of the COVID-19 pandemic on Beaufort County appear to be notable, it is anticipated that the local economy will once again experience growth by the time the project is completed in 2023, given historic trends. Additionally, per our survey of rental communities identified within the market, nearly all properties indicated that their occupancy levels have not been severely impacted by the COVID-19 pandemic. This is further evidenced by the strong occupancy levels maintained at most rental developments surveyed, as illustrated later in *Section H* of this report.

F. Community Demographic Data

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

1. POPULATION TRENDS

a. Total Population

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Population	27,501	30,454	34,903	36,687
Population Change	-	2,953	4,449	1,784
Percent Change	-	10.7%	14.6%	5.1%

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

The Beaufort Site PMA population base increased by 2,953 between 2000 and 2010. This represents a 10.7% increase over the 2000 population, or an annual rate of 1.0%. Between 2010 and 2020, the population increased by 4,449, or 14.6%. It is projected that the population will increase by 1,784, or 5.1%, between 2020 and 2023.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.0% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	604	2.0%
Population not in Group Quarters	29,850	98.0%
Total Population	30,454	100.0%

Source: 2010 Census

b. Population by Age Group

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

Population by Age	2010 (Census)		2020 (Estimated)		2023 (Projected)		Change 2020-2023	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,244	27.1%	9,475	27.1%	10,127	27.6%	652	6.9%
20 to 24	2,773	9.1%	2,229	6.4%	2,362	6.4%	133	5.9%
25 to 34	4,759	15.6%	5,583	16.0%	5,281	14.4%	-302	-5.4%
35 to 44	3,421	11.2%	4,535	13.0%	5,208	14.2%	673	14.8%
45 to 54	3,874	12.7%	3,543	10.2%	3,728	10.2%	185	5.2%
55 to 64	3,589	11.8%	3,946	11.3%	3,831	10.4%	-115	-2.9%
65 to 74	2,088	6.9%	3,354	9.6%	3,562	9.7%	208	6.2%
75 & Over	1,706	5.6%	2,238	6.4%	2,588	7.1%	350	15.6%
Total	30,454	100.0%	34,903	100.0%	36,687	100.0%	1,784	5.1%

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

As the preceding table illustrates, over 50% of the population is expected to be between 25 and 64 years old in 2020. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

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

d. Special Needs Population

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

e. Minority Concentrations

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	30.9%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	26.9%
American Indian	0.4%	0.4% + 20.0% = 20.4%	0.0%
Asian/Hawaiian/Pacific Islander	1.4%	1.4% + 20.0% = 21.4%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	1.7%

Source: SC Housing and FFIEC Census Report

2. HOUSEHOLD TRENDS

a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2020 (Estimated)	2023 (Projected)
Households	10,608	12,415	14,496	15,296
Household Change	-	1,807	2,081	800
Percent Change	-	17.0%	16.8%	5.5%
Household Size	2.59	2.45	2.37	2.36

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

Within the Beaufort Site PMA, households increased by 1,807 (17.0%) between 2000 and 2010. Between 2010 and 2020, households increased by 2,081 or 16.8%. By 2023, there will be 15,296 households, an increase of 800 households, or 5.5% over 2020 levels. This is an increase of approximately 267 households annually over the next three years.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,770	54.5%	8,700	60.0%	9,083	59.4%
Renter-Occupied	5,645	45.5%	5,796	40.0%	6,214	40.6%
Total	12,415	100.0%	14,496	100.0%	15,297	100.0%

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

As the preceding table illustrates, renter households within the market are projected to increase by 418, or 7.2%, between 2020 and 2023. This projected growth illustrates that there will likely be an increasing need for rental housing within the Beaufort Site PMA.

c. Households by Income

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

Household Income	2010 (Census)		2020 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,168	9.4%	1,041	7.2%	996	6.5%
\$10,000 to \$19,999	1,633	13.2%	1,100	7.6%	1,042	6.8%
\$20,000 to \$29,999	1,844	14.9%	1,271	8.8%	1,225	8.0%
\$30,000 to \$39,999	1,584	12.8%	1,769	12.2%	1,741	11.4%
\$40,000 to \$49,999	1,535	12.4%	1,538	10.6%	1,522	9.9%
\$50,000 to \$59,999	1,060	8.5%	1,098	7.6%	1,111	7.3%
\$60,000 to \$74,999	1,319	10.6%	1,773	12.2%	1,955	12.8%
\$75,000 to \$99,999	985	7.9%	1,776	12.3%	2,041	13.3%
\$100,000 to \$124,999	594	4.8%	1,210	8.3%	1,424	9.3%
\$125,000 to \$149,999	345	2.8%	648	4.5%	733	4.8%
\$150,000 to \$199,999	208	1.7%	663	4.6%	789	5.2%
\$200,000 & Over	140	1.1%	609	4.2%	719	4.7%
Total	12,415	100.0%	14,496	100.0%	15,297	100.0%
Median Income	\$39,864		\$54,818		\$60,084	

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

In 2010, the median household income was \$39,864. This increased by 37.5% to \$54,818 in 2020. By 2023, it is projected that the median household income will be \$60,084, an increase of 9.6% over 2020.

d. Average Household Size

Information regarding average household size is considered in 2. a. *Total Households* of this section.

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2020 and 2023 for the Beaufort Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	207	196	104	86	79	672
\$10,000 to \$19,999	280	271	143	119	110	922
\$20,000 to \$29,999	290	292	154	128	118	983
\$30,000 to \$39,999	237	256	135	112	104	845
\$40,000 to \$49,999	202	219	115	96	89	720
\$50,000 to \$59,999	119	128	68	56	52	423
\$60,000 to \$74,999	156	156	82	68	63	526
\$75,000 to \$99,999	107	100	53	44	41	345
\$100,000 to \$124,999	33	28	15	12	11	99
\$125,000 to \$149,999	21	17	9	7	7	60
\$150,000 to \$199,999	11	8	4	3	3	30
\$200,000 & Over	8	5	3	2	2	20
Total	1,670	1,677	885	733	679	5,645

Source: ESRI; Urban Decision Group

Renter Households	2020 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	198	164	110	69	61	602
\$10,000 to \$19,999	231	151	101	64	56	604
\$20,000 to \$29,999	230	177	119	75	66	667
\$30,000 to \$39,999	291	238	160	100	88	877
\$40,000 to \$49,999	232	198	133	84	74	720
\$50,000 to \$59,999	146	119	80	50	44	439
\$60,000 to \$74,999	231	193	129	81	72	707
\$75,000 to \$99,999	156	139	93	58	51	497
\$100,000 to \$124,999	99	86	57	36	32	311
\$125,000 to \$149,999	56	46	31	19	17	168
\$150,000 to \$199,999	37	28	19	12	11	107
\$200,000 & Over	34	26	17	11	10	98
Total	1,941	1,565	1,049	660	581	5,796

Source: ESRI; Urban Decision Group

Renter Households	2023 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	199	162	110	67	60	598
\$10,000 to \$19,999	231	144	98	59	53	586
\$20,000 to \$29,999	230	174	118	72	64	658
\$30,000 to \$39,999	305	242	165	100	89	901
\$40,000 to \$49,999	238	201	136	82	74	731
\$50,000 to \$59,999	155	125	85	51	46	461
\$60,000 to \$74,999	269	219	149	90	81	808
\$75,000 to \$99,999	178	154	104	63	56	556
\$100,000 to \$124,999	141	121	82	49	44	438
\$125,000 to \$149,999	77	61	41	25	22	226
\$150,000 to \$199,999	47	34	23	14	13	132
\$200,000 & Over	43	31	21	13	11	120
Total	2,114	1,668	1,134	685	613	6,214

Source: ESRI; Urban Decision Group

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

Demographic Summary

Overall, population and household trends have been positive since 2000 and are projected to remain positive through 2023, increasing by 1,784 (5.1%) and 800 (5.5%) from 2020, respectively. Additionally, renter households are projected to increase by 418 (7.2%) during the same time frame. As discussed later in *Section H* of this report, all affordable rental communities surveyed in the market are operating at high occupancy levels, nearly all of which maintain a waiting list for the next available unit. This indicates that high demand exists for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. Project-Specific Demand Analysis

1. INCOME RESTRICTIONS

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

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

The subject site is within the Beaufort County, SC HUD Metro FMR Area, which has a median four-person household income of \$76,000 for 2021. The subject property will be restricted to households with incomes of up to 20%, 50%, 60% and 70% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level:

Household Size	Maximum Allowable Income			
	20%	50%	60%	70%
One-Person	\$10,860	\$27,150	\$32,580	\$38,010
Two-Person	\$12,400	\$31,000	\$37,200	\$43,400
Three-Person	\$13,960	\$34,900	\$41,880	\$48,860
Four-Person	\$15,500	\$38,750	\$46,500	\$54,250
Five-Person	\$16,740	\$41,850	\$50,220	\$58,590

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$50,220**.

2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$290. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$3,480. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$9,943**.

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 20% Of AMHI)	\$9,943	\$16,740
Tax Credit (Limited To 50% Of AMHI)	\$24,857	\$41,850
Tax Credit (Limited To 60% Of AMHI)	\$29,829	\$50,220
Tax Credit (Limited To 70% Of AMHI)	\$41,520	\$48,860
Overall Project*	\$9,943	\$50,220

*Excludes those earning between \$16,741 and \$24,856 due to gap in affordability levels

3. DEMAND COMPONENTS

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2020 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2023) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-households analysis may not accurately illustrate the demographic support base.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2015-2019 5-year estimates, approximately 37.7% to 93.8% of renter households within the targeted income band in the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2019 ACS 5-Year Estimates Table B25016, 3.3% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*
- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

Please note that the Authority’s stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2020 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2020 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, we identified one LIHTC property that was funded during the projection period (2020 to current). This project is not yet under construction, however, the units at this project have been considered in our demand estimates. This project in the development pipeline is summarized as follows:

Project Name	Year Allocated	LIHTC Units	Units at Targeted AMHI
			60% AMHI
Broad River Village	2020	One-Br.	48
		Two-Br.	48
		Three-Br.	40

The directly comparable Tax Credit units at this property have been included in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income				
	20% AMHI (\$9,943- \$16,740)	50% AMHI (\$24,857- \$41,850)	60% AMHI (\$29,829- \$50,220)	70% AMHI (\$41,520- \$48,860)*	Overall (\$9,943- \$50,220)**
Demand From New Renter Households (Age- And Income-Appropriate)	403 - 411 = -8	1,366 - 1,353 = 13	1,639 - 1,618 = 21	422 - 413 = 9	2,371 - 2,361 = 10
+					
Demand From Existing Households (Rent Overburdened)	411 X 93.8% = 386	1,353 X 59.3% = 802	1,618 X 48.3% = 781	413 X 37.7% = 156	2,361 X 60.4% = 1,426
+					
Demand From Existing Households (Renters In Substandard Housing)	411 X 3.3% = 14	1,353 X 3.3% = 45	1,618 X 3.3% = 53	413 X 3.3% = 14	2,361 X 3.3% = 78
+					
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A	N/A	N/A
=					
Total Demand	392	860	855	179	1,514
-					
Supply (Directly Comparable Units Built And/Or Funded Since 2020)	0	0	136	0	136
=					
Net Demand	392	860	719	179	1,378
Proposed Units	9	16	58	1	84
Proposed Units/ Net Demand	9 / 392	16 / 860	58 / 719	1 / 179	84 / 1,378
Capture Rate	2.3%	1.9%	8.1%	0.6%	6.1%

*One- through three-person households only

**Accounts for gap in affordability levels

The capture rates by AMHI level range from 0.6% to 8.1% and the overall capture rate is 6.1%. Typically, capture rates up to 30.0% are considered acceptable utilizing the methodology. Thus, the subject's capture rates, both by AMHI level and overall, are considered low and demonstrate a deep base of potential support for the subject project within the Beaufort Site PMA. This is particularly true when considering the limited supply of available LIHTC product in the Beaufort market.

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

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	25.0%
Two-Bedroom	50.0%
Three-Bedroom+	25.0%
Total	100.0%

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

Units Targeting 20% Of AMHI (392 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	98	0	98	3	3.1%
Two-Bedroom (50%)	196	0	196	3	1.5%
Three-Bedroom (25%)	98	0	98	3	3.1%

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

Units Targeting 50% Of AMHI (860 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	215	0	215	3	1.4%
Two-Bedroom (50%)	430	0	430	6	1.4%
Three-Bedroom (25%)	215	0	215	7	3.3%

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

Units Targeting 60% Of AMHI (855 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	214	48	166	6	3.6%
Two-Bedroom (50%)	427	48	379	26	6.9%
Three-Bedroom (25%)	214	40	174	26	14.9%

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

Units Targeting 70% Of AMHI (179 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (25%)	45	0	45	0	-
Two-Bedroom (50%)	90	0	90	1	1.1%
Three-Bedroom (25%)	44	0	44	0	-

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

The capture rates by bedroom type and AMHI level range from 1.1% to 14.9% and therefore are considered low and easily achievable within the Beaufort Site PMA.

Considering that the subject project will offer 36 three-bedroom units, which will comprise 42.9% of all subject units offered, the analysis on the following page has been conducted to consider only large-households (three-person+) and the subject's three-bedroom units.

Demand Component	Percent Of Median Household Income			
	20% AMHI (\$13,783-\$16,740)	50% AMHI (\$34,526-\$41,850)	60% AMHI (\$41,040-\$50,220)	Overall* (\$13,817-\$50,220)
Demand from New Larger Renter Households (Income-Appropriate)	62 - 65 = -3	247 - 244 = 3	257 - 255 = 2	554 - 552 = 2
+				
Demand from Existing Households (Rent Overburdened)	65 X 94.2% = 61	244 X 40.7% = 99	255 X 37.1% = 95	552 X 45.9% = 253
+				
Demand from Existing Households (Renters in Substandard Housing)	65 X 3.3% = 2	244 X 3.3% = 8	255 X 3.3% = 8	552 X 3.3% = 18
=				
Total Large Household Demand	60	110	105	273
-				
Supply (Directly Comparable (Three-Br.+) Units Built and/or Funded Since 2020)	0	0	40	40
=				
Net Large Household Demand	60	110	65	233
Proposed (Three-Br.+) Units	3	6	27	36
Proposed (Three-Br.+) Units/ Net Large Household Demand	3 / 60	7 / 110	26 / 65	36 / 233
Large-Household Capture Rate	= 5.0%	= 6.4%	= 40.0%	= 15.5%

*Accounts for gap in affordability levels

The capture rates for the subject's larger unit size range from 5.0% to 40.0%, with an overall capture rate of 15.5%, which are considered achievable, especially considering the pent-up demand that exists for larger affordable unit types within the Site PMA. It is important to note that the net demand for the subject's larger unit sizes in the preceding table differs from the net demand by bedroom type on the preceding page. The analysis in the preceding table only considers larger household sizes that will income-qualify to reside at the subject's three-bedroom units.

6. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed development. It is our opinion that the 84 units proposed for the subject site will reach a stabilized occupancy of at least 93.0% within seven months of opening. This absorption period is based on an average monthly absorption rate of approximately 11 units per month.

These absorption projections assume a June 2023 opening date. A different opening may impact (positively or negatively) the absorption potential for the subject project. Further, these absorption projections assume the project will be built and operated as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

The preceding absorption projections and findings/conclusions detailed throughout this report also assume market conditions remain constant and/or favorable to the continued development of affordable age-restricted housing product. Should market conditions change, primarily/specifically due to the ongoing COVID-19 pandemic, the findings of this market study could vary.

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

We identified four existing non-subsidized Low-Income Housing Tax Credit (LIHTC) projects within the Site PMA that we have included in this comparable analysis. These properties target households earning up to 50% and/or 60% of Area Median Household Income (AMHI) and, therefore, are considered directly competitive with the subject development. These competitive LIHTC projects are summarized in the following table with the subject development:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pintail Pointe	2023	84	-	-	-	Families; 20%, 50%, 60% & 70% AMHI
3	Ashley Pointe	2016	56	100.0%	1.1 Miles	3 HH	Families; 50% & 60% AMHI
7	Cross Creek	2009	83*	98.8%	2.5 Miles	1 & 2-Br: 4-5 Months	Families; 60% AMHI
11	Magnolia Park	2001	56	100.0%	4.8 Miles	None	Families; 50% & 60% AMHI
12	Marsh Pointe	2018	48	100.0%	4.7 Miles	8 HH	Families; 50% & 60% AMHI

OCC. – Occupancy
 HH - Households
 *Tax Credit units only

The four comparable LIHTC projects have a combined occupancy rate of 99.6% and three of the properties maintain a waiting list for at least a portion of their units. This illustrates that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

Note that property managers were unable to provide detailed lease-up trends for the newest LIHTC properties surveyed within the market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Pintail Pointe	\$290/20% (3) \$725/50% (3) \$870/60% (6)	\$346/20% (3) \$871/50% (6) \$1,046/60% (21) \$1,211/70% (1)	\$402/20% (3) \$1,007/50% (7) \$1,197/60% (26)	-
3	Ashley Pointe	-	\$940/50% (17/0) \$1,124/60% (23/0)	\$1,141/50% (8/0) \$1,303/60% (8/0)	None
7	Cross Creek	\$897/60% (19/0)	\$1,059/60% (32/0)	\$1,209/60% (32/1)	None
11	Magnolia Park	-	\$1,003/50% (19/0) \$1,194/60% (5/0)	\$1,163/50% (26/0) \$1,384/60% (6/0)	None
12	Marsh Pointe	-	\$839/50% (5/0) \$959/60% (19/0)	\$969/50% (5/0) \$1,089/60% (19/0)	None

The proposed subject gross rents targeting households earning up to 60% of AMHI range from \$290 to \$1,197 and will be within the range of the rents being achieved at the comparable LIHTC properties targeting similar income levels. Given that nearly all LIHTC projects are fully occupied with a waiting list, it is likely that these projects could charge higher rents without having a significant adverse impact on their marketability. Although the subject's 70% of AMHI rent will be the highest rent among the comparable LIHTC properties, this is to be expected given the higher income targeting level and is only slightly higher than some of the rents being achieved at the 60% of AMHI level. Overall, we believe the proposed subject rents are appropriately positioned within the Beaufort Site PMA.

Also note that the subject development will be the only LIHTC development targeting households earning up to 20% of AMHI. This will position the project at a market advantage, as it will provide an affordable rental housing alternative to low-income households that are currently underserved within the Site PMA.

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

3 Ashley Pointe 1.1 miles to site



Address: 2105 Carolina Wren Dr, Beaufort, SC 29902
 Phone: (843) 379-9746 Contact: Brittany (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 2016
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 3 HH
 Rent Special: None

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

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Community Kitchen, Community Room, TV Lounge; Concierge Services (Package Receiving); Cafe / Coffee Bar; Gazebo; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground); Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	17	0	1,100	\$0.74	\$816	50%
2	2	G	23	0	1,100	\$0.91	\$1,000	60%
3	2	G	8	0	1,250	\$0.79	\$987	50%
3	2	G	8	0	1,250	\$0.92	\$1,149	60%

*Adaptive Reuse

*DTS is based on drive time

7 Cross Creek 2.5 miles to site



Address: 325 Ambrose Run Blvd, Beaufort, SC 29906
 Phone: (843) 982-6381 Contact: Denise (By Phone)
 Property Type: Market Rate, Tax Credit
 Target Population: Family
 Total Units: 143 Year Built: 2009
 Vacant Units: 2 *AR Year:
 Occupancy: 98.6% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 1 & 2-br; 4-5 mos
 Rent Special: None

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

Notes: Market-rate (60 units); Tax Credit (83 units)



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Concierge Services (Package Receiving); On-Site Management; Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	19	0	750	\$1.06	\$795	60%
1	1	G	5	0	750	\$1.17	\$880	Market
2	2	G	32	0	950	\$0.98	\$935	60%
2	2	G	27	0	950	\$1.09	\$1,035	Market
3	2	G	32	1	1,150	\$0.92	\$1,055	60%
3	2	G	28	1	1,150	\$0.98	\$1,125	Market

*Adaptive Reuse

*DTS is based on drive time

11 Magnolia Park 4.8 miles to site



Address: 314 Laurel Bay Rd., Beaufort, SC 29906
 Phone: (843) 846-1138 Contact: Wildreka (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 2001
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Playground, Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	19	0	960	\$0.92	\$879	50%
2	2	G	5	0	960	\$1.11	\$1,070	60%
3	2	G	26	0	1,189 - 1,232	\$0.85 - \$0.82	\$1,009	50%
3	2	G	6	0	1,189 - 1,232	\$1.03 - \$1.00	\$1,230	60%

*Adaptive Reuse

*DTS is based on drive time

12 Marsh Pointe 4.7 miles to site



Address: 1630 Ribaut Rd, Port Royal, SC 29935
 Phone: (843) 379-5148 Contact: Nachella (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 48 Year Built: 2018 Ratings
 Vacant Units: 0 *AR Year: Quality: B
 Occupancy: 100.0% Yr Renovated: Neighborhood: B
 Turnover: Stories: 2 Access/Visibility: A/A
 Waitlist: 8 HH
 Rent Special: None

Notes: Tax Credit; Preleasing & opened 6/2018, stabilized occupancy 6/2019



Features And Utilities

Utility Schedule Provided by: Beaufort Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Community Kitchen, Community Room; Concierge Services (Package Receiving); Gazebo; Laundry Room; On-Site Management; Recreation Areas (Playground); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	5	0	905	\$0.79	\$715	50%
2	1	G	19	0	905	\$0.92	\$835	60%
3	2	G	5	0	1,100	\$0.74	\$815	50%
3	2	G	19	0	1,100	\$0.85	\$935	60%

*Adaptive Reuse

*DTS is based on drive time

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Pintail Pointe	853	1,030	1,245
3	Ashley Pointe	-	1,100	1,250
7	Cross Creek	750	950	1,150
11	Magnolia Park	-	960	1,189 - 1,232
12	Marsh Pointe	-	905	1,100

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Pintail Pointe	1.0	1.0	2.0
3	Ashley Pointe	-	2.0	2.0
7	Cross Creek	1.0	2.0	2.0
11	Magnolia Park	-	2.0	2.0
12	Marsh Pointe	-	1.0	2.0

The proposed development will offer some of the largest LIHTC unit sizes (square feet) within the market. This will position the subject project at a competitive advantage and will enable it to charge higher rents. However, the lack of an additional bathroom in the subject's two-bedroom units could limit the subject's rent potential for this unit type, as most of the comparable LIHTC properties offer more than one bathroom. Regardless, the subject project's unit sizes appear to be appropriately positioned.

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

Tax Credit Unit Amenities by Map ID					
	Site*	3	7	11	12
Appliances	Dishwasher	X	X	X	X
	Disposal	X		X	X
	Icemaker	X	X	X	
	Microwave	X	X		
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	No Appliances				
Unit Amenities	AC-Central	X	X	X	X
	AC-Other				
	Balcony	X	X	X	
	Deck / Patio	X	X	X	
	Basement				
	Ceiling Fan	X	X	X	X
	Controlled Access				
	E-Call System				
	Fireplace				
	Furnished				
	Security System				
	Sunroom				
	W/D Hookup	X	X	X	X
	W/D			X	
	Walk-In Closet	X		X	
	Window Treatments	X	X	X	X
Flooring	Carpet	X	X	X	X
	Ceramic Tile				
	Composite (VCT)(LVT)	X			
	Hardwood				
	Finished Concrete				
	Vinyl			X	
Upgraded	Wood Laminate / Plank		X		
	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High Ceilings				
	Vaulted Ceilings				
	Crown Molding				
Oversized Windows					
Parking	Attached Garage				
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	Podium Parking				
No Provided Parking					

◆ - Senior Property

* Proposed Site(s): Pintail Pointe

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*	3	7	11	12	
Bike Racks / Storage						
Business Center **	X	X	X		X	
Car Care **						
Common Patio						
Community Garden						
Community Space	Activity / Craft Room					
	Chapel					
	Clubhouse	X		X	X	
	Conference Room					
	Community Kitchen	X	X			X
	Community Room	X	X			X
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Lounge					
	Study Lounge					
	TV Lounge		X			
	Concierge Service **		X	X		X
	Convenience Amenities **		X			
Courtyard						
Covered Outdoor Area **	X	X			X	
Elevator						
Laundry Room	X	X		X	X	
Meals						
On-Site Management	X	X	X	X	X	
Pet Care **			X			
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center	X	X	X		
	Grill		X	X		
	Game Room - Billiards					
	Hiking - Walking Trail					
	Hot Tub					
	Library					
	Media Room / Theater					
	Picnic Table / Area	X	X	X		
	Playground	X	X	X	X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Sports Court					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor				X	
	Tennis					
Volleyball						
Security	CCTV	X		X	X	
	Courtesy Officer					
	Gated Community					
	Gated Parking					
	Police Substation					
	Social Services **					
	Storage - Extra		X	X		
	Water Feature					
	WiFi		X			

◆ - Senior Property

* Proposed Site(s): Pintail Pointe

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

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject's amenities package is superior to those offered at the competitive LIHTC projects within the market. While the subject development will offer unit amenities generally similar to those offered, it will offer community amenities not commonly offered at the competition such as a clubhouse and a fitness center. The inclusion of the aforementioned amenities will position the subject development at a competitive advantage and will enable it to charge higher rents.

Competitive Tax Credit Summary

The four LIHTC projects have a combined occupancy rate of 99.6% and three of the properties maintain a waiting list for at least a portion of their units. This illustrates that pent-up demand exists for additional affordable rental housing within the market. The proposed subject gross rents targeting households earning up to 60% of AMHI range from \$290 to \$1,197 and will be within the range of the rents being achieved at the comparable LIHTC properties targeting similar income levels. Given that nearly all LIHTC projects are fully occupied with a waiting list, it is likely that these projects could charge higher rents without having a significant adverse impact on their marketability. Although the subject's 70% of AMHI rent will be the highest rent among the comparable LIHTC properties, this is to be expected given the higher income targeting level and is only slightly higher than some of the rents being achieved at the 60% of AMHI level. Additionally, the subject project will be the only LIHTC project to offer units targeting households earning up to 20% and 70% of AMHI. This will position the development at a market advantage, as it will provide an affordable rental housing alternative to low-income households that are currently underserved. In addition to the subject's competitive rents, the subject project will also be the newest LIHTC property in the market offering competitive unit sizes and a superior amenities package. These factors have been considered in our absorption estimates.

2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Beaufort, SC Comparable LIHTC Property Locations

- Site
- Apartments Type
 - Mkt-Rate/Tax Credit
 - Tax Credit



1:53,324



3. RENTAL HOUSING OVERVIEW

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

Housing Status	2010 (Census)		2020 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	12,415	86.2%	14,496	87.3%
Owner-Occupied	6,770	54.5%	8,700	60.0%
Renter-Occupied	5,645	45.5%	5,796	40.0%
Vacant	1,991	13.8%	2,101	12.7%
Total	14,406	100.0%	16,597	100.0%

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

Based on a 2020 update of the 2010 Census, of the 16,597 total housing units in the market, 12.7% were vacant. In 2020, it was estimated that homeowners occupied 60.0% of all occupied housing units, while the remaining 40.0% were occupied by renters. The share of renters is considered typical for a market of this size and the 5,796 renter households estimated in 2020 represent a deep base of potential support in the market for the subject development.

Conventional Apartments

We identified and personally surveyed 28 conventional housing projects containing a total of 2,754 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 95.5%, a very good rate for rental housing. The following table summarizes the surveyed rental developments within the market, broken out by project type:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	13	1,822	122	93.3%
Market-rate/Tax Credit	1	143	2	98.6%
Tax Credit	6	344	1	99.7%
Tax Credit/Government-Subsidized	6	352	0	100.0%
Government-Subsidized	2	93	0	100.0%
Total	28	2,754	125	95.5%

All rental housing segments surveyed in the market are operating at strong occupancy levels, as none are lower than 93.3%. Notably, two market-rate properties are still in lease-up and reporting a combined total of 65 vacant units and when excluding these properties, the overall market has a combined occupancy rate of 97.4%. In addition, nearly all affordable rental developments surveyed are fully occupied, most of which maintain a waiting list, illustrating that significant pent-up demand exists for additional low-income rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	615	32.7%	52	8.5%	\$1,201
Two-Bedroom	1.0	122	6.5%	9	7.4%	\$1,339
Two-Bedroom	1.5	173	9.2%	1	0.6%	\$1,308
Two-Bedroom	2.0	827	43.9%	59	7.1%	\$1,590
Three-Bedroom	2.0	145	7.7%	2	1.4%	\$1,515
Total Market-Rate		1,882	100.0%	123	6.5%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	72	16.9%	0	0.0%	\$852
Two-Bedroom	1.0	24	5.6%	0	0.0%	\$959
Two-Bedroom	2.0	171	40.0%	1	0.6%	\$1,003
Three-Bedroom	2.0	160	37.5%	1	0.6%	\$1,163
Total Tax Credit		427	100.0%	2	0.5%	-

The market-rate units are 93.5% occupied and the Tax Credit units are 99.5% occupied. In addition, the median gross Tax Credit rents are well below their corresponding median gross market-rate rents. As such, Tax Credit product likely represents excellent values to low-income renters within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	2	150	1.3%
1980 to 1989	3	186	3.8%
1990 to 1999	3	108	0.0%
2000 to 2009	7	1,231	4.0%
2010 to 2014	0	0	0.0%
2015	0	0	0.0%
2016	2	302	0.7%
2017	0	0	0.0%
2018	1	48	0.0%
2019	0	0	0.0%
2020	2	284	22.9%
2021*	0	0	0.0%

*As of April

Regardless of age, all rental properties surveyed within the market are maintaining low vacancy levels no higher than 4.0%, with the exception of the two properties that were built in 2020 and still in lease-up.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	4	770	8.7%
A-	2	308	2.6%
B+	3	576	7.8%
B-	1	48	2.1%
C+	1	96	2.1%
C	3	84	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	83	1.2%
B+	2	112	0.0%
B	2	120	0.8%
B-	1	72	0.0%
C	1	40	0.0%

Regardless of quality, all rental properties surveyed within the market are maintaining low vacancy levels no higher than 7.8% when excluding those still in lease-up.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	84	23.9%	0	0.0%
Two-Bedroom	1.0	167	47.4%	0	0.0%
Two-Bedroom	2.0	36	10.2%	0	0.0%
Three-Bedroom	1.0	13	3.7%	0	0.0%
Three-Bedroom	1.5	24	6.8%	0	0.0%
Three-Bedroom	2.0	24	6.8%	0	0.0%
Four-Bedroom	2.0	4	1.1%	0	0.0%
Total Subsidized Tax Credit		352	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	16	17.2%	0	0.0%
One-Bedroom	1.0	4	4.3%	0	0.0%
Two-Bedroom	1.0	18	19.4%	0	0.0%
Three-Bedroom	1.0	46	49.5%	0	0.0%
Four-Bedroom	2.0	6	6.5%	0	0.0%
Five-Bedroom	2.0	3	3.2%	0	0.0%
Total Subsidized		93	100.0%	0	0.0%

All government-subsidized units surveyed within the Beaufort Site PMA are occupied, nearly all of which maintain a waiting list. This illustrates that pent-up demand exists for very low-income rental housing within the market.

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

4. RENTAL HOUSING INVENTORY MAP

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

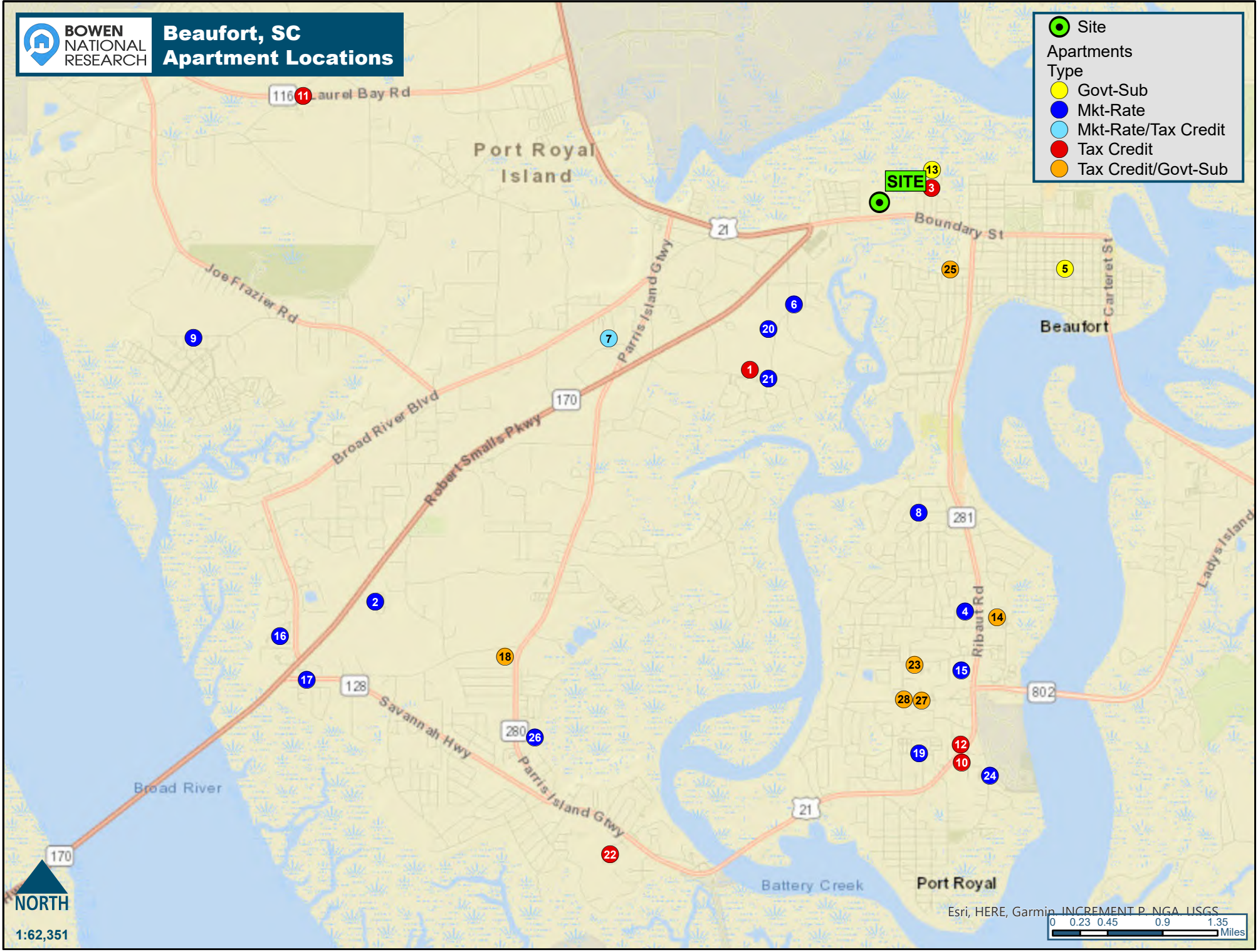


Beaufort, SC Apartment Locations

Site
 Site

Apartments Type

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



NORTH
 1:62,351

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
 0 0.23 0.45 0.9 1.35 Miles

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with planning representatives, it was determined that there are four rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

- Broad River Village Phase I, to be located at 111 Ashton Overlook Drive in Beaufort, is a planned LIHTC project that was allocated in 2020. The project is targeted to workforce households and all units will target households earning up to 60% AMI. There will be 160 units in the first phase, with an ultimate 420 total units upon build-out of the additional phases. The building is expected to be three stories. There will be 24 studios with one bath and 578 square feet, 48 one-bedroom one bath with 814 square feet, 48 two-bedroom two bath with 1,110 square feet, and 40 three-bedroom two bath with 1,301 square feet. The Developer is Village Capital Corporation. Our Field Analyst visited the site in April 2021 and reports that dirt is being moved but no construction has started.
- Village of Marrall Circle, to be located on New Horizon Drive off Johnny Morrall Circle, is a planned project with two three-story buildings and one two-story building. The project is expected to have 45 units. Community amenities include a playground, community room, pavilion, and a surface parking lot with 92 spaces. The developer, Landbridge Development, is planning to apply for LIHTC. In February 2021, Port Royal and Beaufort planning commission voted to recommend the development area be rezoned for multi-family housing. The developer plans to begin construction June 2022, and the project would be open in June 2023.
- Bell River Village, to be located in the Port Royal area, is proposed project that is expected to be built in two phases. According to City of Beaufort planners, construction is expected to begin in May 2021.
- The Preserve at Battery Creek is a planned project in Beaufort that was reviewed by the City of Beaufort Planning Commission in February 2019; however, a neighborhood dispute has put the project on hold and no new updates have been presented.

The 160 units allocated Tax Credits at Broad River Village will be directly competitive with the subject site and have been included in our demand estimates in *Section G*.

7. MARKET ADVANTAGE

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

The current (2020) HUD FMRs within the Beaufort County, South Carolina HUD Metro FMR Area are \$899 for a one-bedroom unit, \$1,028 for a two-bedroom unit and \$1,355 for a three-bedroom unit. The following table illustrates the subject project’s market advantages when compared to FMRs for the area:

Bedroom Type	% AMHI	Proposed Collected Rent	Fair Market Rent	Market Advantage
One-Br.	20%	\$185	\$899	79.42%
One-Br.	50%	\$620	\$899	31.03%
One-Br.	60%	\$765	\$899	14.91%
Two-Br.	20%	\$210	\$1,028	79.57%
Two-Br.	50%	\$735	\$1,028	28.50%
Two-Br.	60%	\$910	\$1,028	11.48%
Two-Br.	70%	\$1,075	\$1,028	-4.57%
Three-Br.	20%	\$230	\$1,355	83.03%
Three-Br.	50%	\$835	\$1,355	38.38%
Three-Br.	20%	\$1,025	\$1,355	24.36%
Weighted Average				27.55%

As the preceding illustrates, the subject’s market advantages range between -4.57% and 83.03%, when compared to the area’s HUD FMRs. The weighted average market advantage is 27.55%. In addition to the overall market advantage exceeding 10% when compared to FMRs, as illustrated later in *Addendum C*, the project’s overall market rent advantage is 33.37% when compared to its achievable market rents. Therefore, the subject site is expected to represent a substantial value to low-income households within the Site PMA.

8. AFFORDABLE HOUSING IMPACT

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2023
3	Ashley Pointe	100.0%	95.0%+
7	Cross Creek	98.8%	95.0%+
11	Magnolia Park	100.0%	95.0%+
12	Marsh Pointe	100.0%	95.0%+

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

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$217,763. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$217,763 home is \$1,310, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$217,763
Mortgaged Value = 95% of Median Home Price	\$206,875
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,048
Estimated Taxes and Insurance*	\$262
Estimated Monthly Mortgage Payment	\$1,310

*Estimated at 25% of principal and interest

In comparison, all of the proposed subject rents are below the cost of a monthly mortgage for a typical home in the market area. In addition, the number of tenants who would be able to afford the down payment is considered minimal. Therefore, we believe that there will be little competitive impact on or from the homebuyer market.

10. HOUSING VOIDS

As indicated throughout this section of the report, the four comparable LIHTC projects have a combined occupancy rate of 99.6% and three of the properties maintain a waiting list for at least a portion of their units. This illustrates that pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand. Additionally, the subject project will be the only LIHTC development targeting households earning up to 20% of AMHI. The subject project will provide a new, modern affordable rental housing alternative to low-income households that are currently underserved within the Beaufort Site PMA.

I. Interviews

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

- Bruce Skipper, City of Beaufort Chief Building Official, stated that there is a need for additional affordable housing in the area. Mr. Skipper stated the area does not have enough affordable housing to meet the demand. Mr. Skipper also stated that the COVID-19 pandemic has exacerbated the situation and residents of all income levels have been impacted. Mr. Skipper stated he would like to see additional affordable housing available that also offers truly affordable rents. (843)-525-7006
- Brittany Middleton, Property Manager at Ashley Pointe (Map ID 3) and Shell Pointe (Map ID 22), both of which are comparable Tax Credit properties located in the Site PMA, stated that there is a need for more affordable housing in the Beaufort area noting that both of her communities are 100.0% occupied with waiting lists. Ms. Middleton further commented that she believes one-bedroom units are needed, as many of the affordable communities in the area only offer two- and three-bedroom sized units. (843)-441-3173
- Nachella Smalls, Property Manager at Marsh Pointe (Map ID 12), a comparable Tax Credit property located in the Site PMA, stated that additional affordable housing in the Beaufort and Port Royal areas would be well received and quickly occupied. Ms. Smalls noted that her community consistently stays 100.0% occupied and is currently maintaining a waiting list containing eight households. Ms. Smalls also commented on the lack of one-bedroom sized units in the area. (843) 379-5148

J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 84 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The proposed subject gross rents, ranging from \$290 to \$1,211, will be within the range of the rents being achieved at the comparable LIHTC properties targeting similar income levels. Although the subject's 70% of AMHI will be the highest among the comparable LIHTC properties, this is expected given the higher income targeting. In addition, the subject's will only offer one such unit and the 70% of AMHI rent is only slightly higher than those being achieved in the market. Given that nearly all LIHTC projects are fully occupied with a waiting list, it is likely that these projects could charge higher rents without having a significant adverse impact on their marketability. Overall, we believe the proposed subject rents are appropriately positioned within the Beaufort Site PMA. In fact, based on our achievable market rent analysis illustrated later in *Addendum C* of this report, the proposed rents should be perceived as substantial values within the Beaufort Site PMA.

As noted, the four comparable LIHTC projects have a combined occupancy rate of 99.6% and three of the properties maintain a waiting list for at least a portion of their units. This illustrates that pent-up demand exists for additional affordable rental housing within the market. As shown in the Project Specific Demand Analysis section of this report, with an overall Tax Credit capture rate of 6.1% (SC Housing maximum threshold is 30%), there is a good amount of support for the subject development within the Beaufort Site PMA. Therefore, it is our opinion that the subject project will have no significant impact on the existing non-subsidized Tax Credit development in the Site PMA. We have no recommendations or suggested modifications for the subject project at this time.

K. Signed Statement Requirement

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in South Carolina (SC) Housing's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SC Housing's market study requirements. The information included is accurate and can be relied upon by SC Housing to present a true assessment of the low-income housing rental market.

Certified:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: April 15, 2021



Lisa Goff

Market Analyst

lisag@bowennational.com

Date: April 15, 2021



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Date: April 15, 2021

L. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

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

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Jonathan Kabat, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by South Carolina (SC) Housing and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
 - A drive-time analysis for the site
 - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Addendum A: Field Survey of Conventional Rentals*.
 - Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SC's Housing's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

Please note that non-numbered items in this report are not required by SC Housing; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

2. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

3. **SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- SC Housing

ADDENDUM A:

FIELD SURVEY OF CONVENTIONAL RENTALS

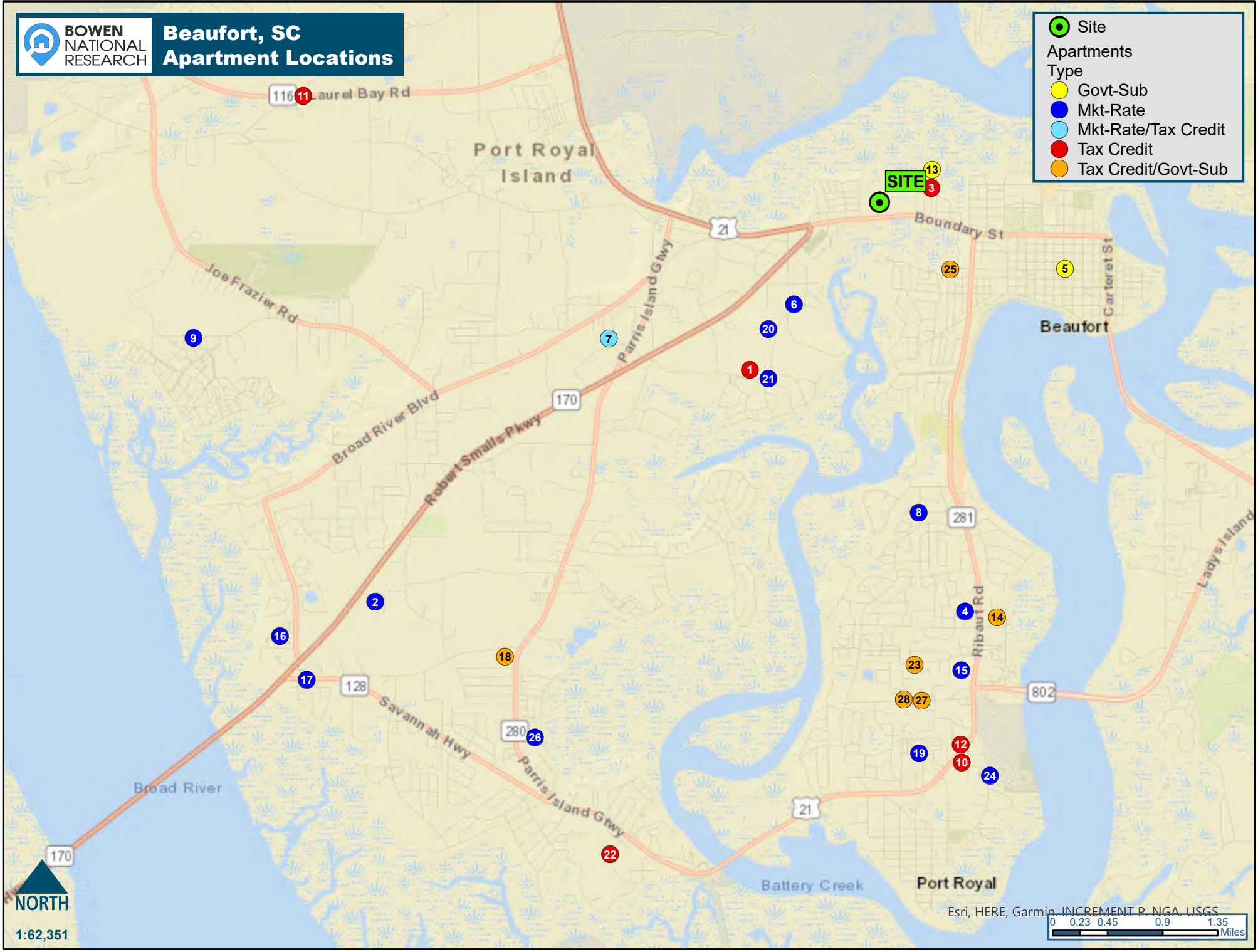


Beaufort, SC Apartment Locations

Site
● (Green circle with black outline)

Apartments Type

- (Yellow circle) Govt-Sub
- (Blue circle) Mkt-Rate
- (Light Blue circle) Mkt-Rate/Tax Credit
- (Red circle) Tax Credit
- (Orange circle) Tax Credit/Govt-Sub








NORTH
1:62,351


















Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.23 0.45 0.9 1.35 Miles






Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	123 Club Apts.	TAX	C	1996	40	0	100.0%	2.0
2	Abberly Pointe	MRR	A	2008	240	0	100.0%	4.8
3	Ashley Pointe	TAX	B+	2016	56	0	100.0%	1.1
4	Bay South Apts.	MRR	B+	1985	132	6	95.5%	4.0
5	Beaufort Public Housing	GSS	C+	1976	63	0	100.0%	1.9
6	Canal	MRR	C	1997	24	0	100.0%	1.3
7	Cross Creek	MRT	A-	2009	143	2	98.6%	2.5
8	Forest Park	MRR	C	1982	6	0	100.0%	3.2
9	Habersham Row	MRR	A	2020	72	54	25.0%	5.4
10	Laurel Hill	TAX	B	2005	72	1	98.6%	5.1
11	Magnolia Park	TAX	B+	2001	56	0	100.0%	4.8
12	Marsh Pointe	TAX	B	2018	48	0	100.0%	4.7
13	Marsh Pointe (Beaufort)	GSS	C	1989	30	0	100.0%	1.2
14	Mossy Oaks Village	TGS	B	1978	96	0	100.0%	4.0
15	Oak Tree Village	MRR	C	1977	54	0	100.0%	4.2
16	Oaks at Broad River Landing	MRR	A-	2001	248	7	97.2%	5.7
17	Parc at Broad River	MRR	A	2016	246	2	99.2%	5.6
18	Port Royal	TGS	B+	2012	60	0	100.0%	4.6
19	Preserve at Port Royal	MRR	B+	2004	400	39	90.3%	5.3
20	Residence at Battery Creek I	MRR	B-	1989	48	1	97.9%	1.4
21	Residence at Battery Creek II	MRR	B+	1990	44	0	100.0%	1.9
22	Shell Pointe	TAX	B-	2005	72	0	100.0%	6.2
23	Spanish Trace	TGS	C+	1980	88	0	100.0%	4.4
24	Stuart Towne	MRR	C+	1973	96	2	97.9%	4.8
25	Water at Ribaut	TGS	B-	1970	36	0	100.0%	1.2
26	Waterleaf at Battery Creek	MRR	A	2020	212	11	94.8%	5.1
27	Wilderness Cove Apts.	TGS	B	1978	48	0	100.0%	4.7
28	Wilderness Too	TGS	B+	1980	24	0	100.0%	4.7


















*Drive distance in miles

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


1	123 Club Apts. 123 Old Salem Rd, Beaufort, SC 29901	Contact: Christie Phone: (843) 982-0101
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1,2 BR: 2, 3 Vacant Units: 0 Waitlist: 36 mos Target Population: Family Rent Special: None Notes: Tax Credit	Year Built: 1996 AR Year: Yr Renovated: 2019
2	Abberly Pointe 100 Ashton Pointe Blvd, Beaufort, SC 29906	Contact: Mindy Phone: (843) 379-5110
	Total Units: 240 UC: 0 Occupancy: 100.0% Stories: 3 BR: 1, 2 Vacant Units: 0 Waitlist: 1 HH Target Population: Family Rent Special: None Notes: Rents change daily	Year Built: 2008 AR Year: Yr Renovated:
3	Ashley Pointe 2105 Carolina Wren Dr, Beaufort, SC 29902	Contact: Brittany Phone: (843) 379-9746
	Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 2,3 BR: 2, 3 Vacant Units: 0 Waitlist: 3 HH Target Population: Family Rent Special: None Notes: Tax Credit	Year Built: 2016 AR Year: Yr Renovated:
4	Bay South Apts. 2201 Mossy Oaks Rd, Beaufort, SC 29901	Contact: Tonya Phone: (843) 521-4411
	Total Units: 132 UC: 0 Occupancy: 95.5% Stories: 2,3 BR: 1, 2 Vacant Units: 6 Waitlist: None Target Population: Family Rent Special: \$300 off March rent Notes: Rent range based on floor level	Year Built: 1985 AR Year: Yr Renovated: 2012
5	Beaufort Public Housing 801 Church St, Beaufort, SC 29901	Contact: Angela Phone: (843) 525-7059
	Total Units: 63 UC: 0 Occupancy: 100.0% Stories: 1 BR: 0, 1, 2, 3, 4, 5 Vacant Units: 0 Waitlist: 12-48 mos Target Population: Family Rent Special: None Notes: Public Housing	Year Built: 1976 AR Year: Yr Renovated:

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


<p>6</p>	<p>Canal 1700 Salem Rd., Beaufort, SC 29901</p> 	<p>Contact: Cindy Phone: (843) 524-2207</p>
<p>Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1997 BR: 1 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>		
<p>7</p>	<p>Cross Creek 325 Ambrose Run Blvd, Beaufort, SC 29906</p> 	<p>Contact: Denise Phone: (843) 982-6381</p>
<p>Total Units: 143 UC: 0 Occupancy: 98.6% Stories: 3 Year Built: 2009 BR: 1, 2, 3 Vacant Units: 2 Waitlist: 1 & 2-br; 4-5 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (60 units); Tax Credit (83 units)</p>		
<p>8</p>	<p>Forest Park 408 Battery Creek Rd, Beaufort, SC 29901</p> 	<p>Contact: Cindy Phone: (843) 524-2207</p>
<p>Total Units: 6 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1982 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Condominium community</p>		
<p>9</p>	<p>Habersham Row 1 Village Row, Beaufort, SC 29906</p> 	<p>Contact: Laura Phone: (843) 931-8072</p>
<p>Total Units: 72 UC: 0 Occupancy: 25.0% Stories: 3 Year Built: 2020 BR: 1, 2 Vacant Units: 54 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing 9/2020, opened 12/2020, still in lease-up; Rent range based on view, floor level & 3rd-floor units with vaulted ceilings</p>		
<p>10</p>	<p>Laurel Hill 1640 Ribaut Rd., Port Royal, SC 29935</p> 	<p>Contact: Greg Phone: (843) 524-2568</p>
<p>Total Units: 72 UC: 0 Occupancy: 98.6% Stories: 4 w/Elevator Year Built: 2005 BR: 1, 2 Vacant Units: 1 Waitlist: None AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (14 units)</p>		


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





11	Magnolia Park		Contact: Wildreka		
	314 Laurel Bay Rd., Beaufort, SC 29906		Phone: (843) 846-1138		
	Total Units: 56	UC: 0	Occupancy: 100.0%	Stories: 2	Year Built: 2001
	BR: 2, 3		Vacant Units: 0	Waitlist: None	AR Year:
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes: Tax Credit				



12	Marsh Pointe		Contact: Nachella		
	1630 Ribaut Rd, Port Royal, SC 29935		Phone: (843) 379-5148		
	Total Units: 48	UC: 0	Occupancy: 100.0%	Stories: 2	Year Built: 2018
	BR: 2, 3		Vacant Units: 0	Waitlist: 8 HH	AR Year:
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes: Tax Credit; Preleasing & opened 6/2018, stabilized occupancy 6/2019				

13	Marsh Pointe (Beaufort)		Contact: Cathy		
	1730 Greenlawn Dr, Beaufort, SC 29902		Phone: (843) 525-7059		
	Total Units: 30	UC: 0	Occupancy: 100.0%	Stories: 1	Year Built: 1989
	BR: 3		Vacant Units: 0	Waitlist: 12-48 mos	AR Year:
	Target Population: Family				Yr Renovated: 2004
	Rent Special: None				
	Notes: Public Housing				

14	Mossy Oaks Village		Contact: Maggie		
	27-A Johnny Morrall Cir, Beaufort, SC 29902		Phone: (843) 524-2922		
	Total Units: 96	UC: 0	Occupancy: 100.0%	Stories: 2	w/Elevator Year Built: 1978
	BR: 1, 2, 3		Vacant Units: 0	Waitlist: 74 HH	AR Year:
	Target Population: Family, Senior 62+				Yr Renovated: 2014
	Rent Special: None				
	Notes: Tax Credit; HUD Section 8				

15	Oak Tree Village		Contact: Jordan		
	2208 Southside Blvd, Port Royal, SC 29935		Phone: (855) 201-5596		
	Total Units: 54	UC: 42	Occupancy: 100.0%	Stories: 2	Year Built: 1977
	BR: 1, 2, 3		Vacant Units: 0	Waitlist: None	AR Year:
	Target Population: Family				Yr Renovated: 2021
	Rent Special: None				
	Notes: 42 units under renovation				

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



16	Oaks at Broad River Landing		Contact: Summer		
	100 River Chase Blvd, Beaufort, SC 29906		Phone: (843) 322-6400		
	Total Units: 248	UC: 0	Occupancy: 97.2%	Stories: 2,3	Year Built: 2001
	BR: 1, 2, 3		Vacant Units: 7	Waitlist: 3-br; 4 HH	AR Year:
Target Population: Family			Yr Renovated:		
Rent Special: None					
Notes: Rent range due to view, floorplan & units with a fireplace; Rents change daily					



17	Parc at Broad River		Contact: Kristin		
	337 State Route 128, Beaufort, SC 29906		Phone: (843) 502-0008		
	Total Units: 246	UC: 0	Occupancy: 99.2%	Stories: 2,3	Year Built: 2016
	BR: 1, 2, 3		Vacant Units: 2	Waitlist: None	AR Year:
Target Population: Family			Yr Renovated:		
Rent Special: \$1000 off first month's rent					
Notes:					


18	Port Royal		Contact: Ashley		
	11 Grober Hill Rd, Port Royal, SC 29935		Phone: (843) 379-0315		
	Total Units: 60	UC: 0	Occupancy: 100.0%	Stories: 2,3	Year Built: 2012
	BR: 2, 3		Vacant Units: 0	Waitlist: 17 HH	AR Year:
Target Population: Family			Yr Renovated:		
Rent Special: None					
Notes: Tax Credit; RD 515, has RA (60 units)					





19	Preserve at Port Royal		Contact: Carey		
	1 Preserve Ave W, Port Royal, SC 29935		Phone: (843) 525-9999		
	Total Units: 400	UC: 0	Occupancy: 90.3%	Stories: 3	Year Built: 2004
	BR: 1, 2		Vacant Units: 39	Waitlist: None	AR Year:
Target Population: Family			Yr Renovated:		
Rent Special: 50% off one months rent					
Notes: Rent range based on floorplan; Vacancies attributed to buying homes and military orders.					


20	Residence at Battery Creek I		Contact: Linda		
	1800 Salem Rd., Beaufort, SC 29902		Phone: (843) 525-6797		
	Total Units: 48	UC: 0	Occupancy: 97.9%	Stories: 1,2	Year Built: 1989
	BR: 1, 2		Vacant Units: 1	Waitlist: None	AR Year:
Target Population: Family			Yr Renovated: 2020		
Rent Special: None					
Notes:					


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


















21	Residence at Battery Creek II 135 Old Salem Rd, Beaufort, SC 29902	Contact: Linda Phone: (843) 525-6797
		<p>Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1990 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2020 Rent Special: None Notes:</p>

22	Shell Pointe 297 Midtown Dr, Beaufort, SC 29906	Contact: Brittany Phone: (843) 379-8400
		<p>Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2005 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (36 units)</p>


23	Spanish Trace 2400 Southside Blvd, Beaufort, SC 29901	Contact: Margaret Phone: (843) 524-1629
		<p>Total Units: 88 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 20 HH AR Year: Target Population: Family Yr Renovated: 2006 Rent Special: None Notes: Tax Credit; HUD Section 8</p>


24	Stuart Towne 1901 Old Shell Rd., Port Royal, SC 29901	Contact: Dawn Phone: (843) 524-6000
		<p>Total Units: 96 UC: 0 Occupancy: 97.9% Stories: 1,2 Year Built: 1973 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2003 Rent Special: None Notes: Rent range due to unit upgrades</p>


25	Water at Ribaut 2500 Duke St, Beaufort, SC 29902	Contact: Sharmine Phone: (843) 524-7815
		<p>Total Units: 36 UC: 24 Occupancy: 100.0% Stories: 2 Year Built: 1970 BR: 2, 3 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: 2021 Rent Special: None Notes: Tax Credit; HUD Section 8; 24 units under renovation expect completion 7/2021</p>

<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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26	Waterleaf at Battery Creek 10 Shell Creek Dr, Beaufort, SC 29906	Contact: Regina Phone: (843) 800-2287
	Total Units: 212 UC: 0 Occupancy: 94.8% Stories: 2,3 Year Built: 2020 BR: 1, 2, 3 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing & opened 4/2020, stabilized occupancy 2/2021	

27	Wilderness Cove Apts. 1305 Talbird Rd., Beaufort, SC 29902	Contact: Monica Phone: (843) 522-9500
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1978 BR: 2 Vacant Units: 0 Waitlist: 19 HH AR Year: Target Population: Family Yr Renovated: 2005 Rent Special: None Notes: Tax Credit; RD 515, no RA	

28	Wilderness Too 1305 Talbird Rd., Beaufort, SC 29902	Contact: Monica Phone: (843) 522-9500
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 2 Vacant Units: 0 Waitlist: 14 HH AR Year: Target Population: Family Yr Renovated: 2005 Rent Special: None Notes: Tax Credit; RD 515, no RA	

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

Source: Beaufort Housing Authority
Effective: 05/2020

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	11	13	16	18	22	26	11	13	16	18	22	26
	+Base Charge	11	11	11	11	11	11	11	11	11	11	11	11
	Bottled Gas	32	38	45	52	61	76	32	38	45	52	61	76
	Electric	12	16	20	24	29	38	12	16	20	24	29	38
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Cooking	Natural Gas	6	6	7	8	9	9	6	6	7	8	9	9
	Bottled Gas	16	17	20	21	23	24	16	17	20	21	23	24
	Electric	10	10	12	13	14	15	10	10	12	13	14	15
Other Electric	35	38	43	49	53	63	35	38	43	49	53	63	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	19	20	23	27	30	34	19	20	23	27	30	34	
Water Heating	Natural Gas	9	13	16	23	29	36	9	13	16	23	29	36
	Bottled Gas	24	32	40	57	73	91	24	32	40	57	73	91
	Electric	11	18	26	41	56	72	11	18	26	41	56	72
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	13	18	22	32	41	50	13	18	22	32	41	50	
Sewer	20	29	37	54	57	57	20	29	37	54	57	57	
Trash Collection	16	16	16	16	16	16	16	16	16	16	16	16	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

Addendum B – Member Certification & Checklist

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

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

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Date: April 15, 2021



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Date: April 15, 2021

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
EMPLOYMENT AND ECONOMY		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
ANALYSIS/CONCLUSIONS		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H & Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I

CHECKLIST (Continued)

OTHER REQUIREMENTS		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	L
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

Addendum C – Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Pintail Pointe	2023	84	-	12 (-)	36 (-)	36 (-)
2	Abberly Pointe	2008	240	100.0%	88 (100.0%)	152 (100.0%)	-
16	Oaks at Broad River Landing	2001	248	97.2%	72 (95.8%)	120 (96.7%)	56 (100.0%)
17	Parc at Broad River	2016	246	99.2%	75 (98.7%)	147 (99.3%)	24 (100.0%)
19	Preserve at Port Royal	2004	400	90.3%	160 (83.8%)	240 (94.6%)	-
26	Waterleaf at Battery Creek	2020	212	94.8%	79 (96.2%)	113 (92.9%)	20 (100.0%)

Occ. – Occupancy

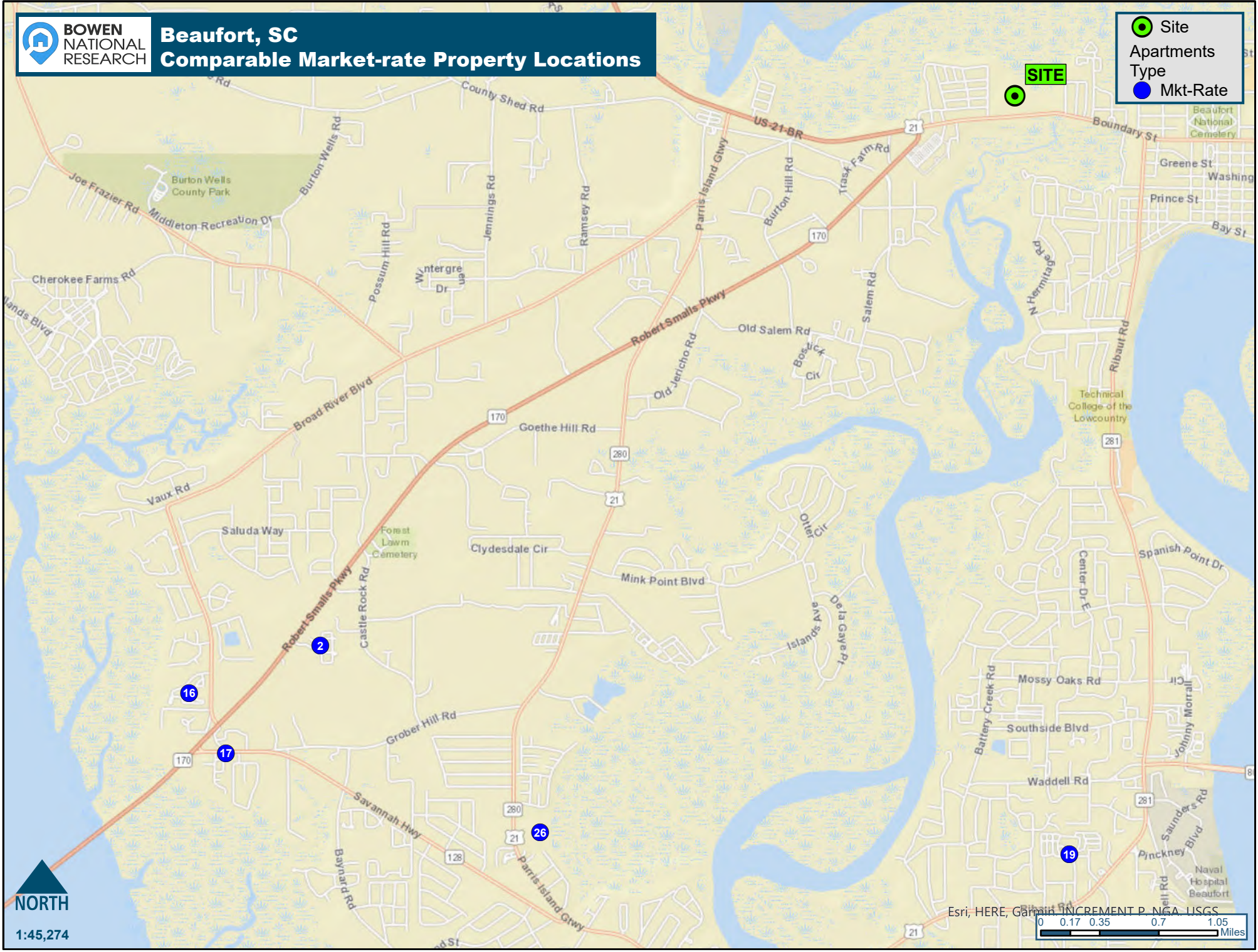
The five selected market-rate projects have a combined total of 1,346 units with an overall occupancy rate of 95.6%, a good rate for rental housing. This demonstrates that these comparable properties have been well-received within the market and will serve as accurate benchmarks with which to compare to the subject project.

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



Beaufort, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



NORTH
1:45,274

Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.17 0.35 0.7 1.05 Miles

Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pintail Pointe		Abberly Pointe		Oaks at Broad River Landing		Parc at Broad River		Preserve at Port Royal		Waterleaf at Battery Creek	
2233 Boundary Street		100 Ashton Pointe Blvd		100 River Chase Blvd		337 State Route 128		1 Preserve Ave W		10 Shell Creek Dr	
Beaufort, SC		Beaufort, SC		Beaufort, SC		Beaufort, SC		Port Royal, SC		Beaufort, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,310		\$975		\$1,211		\$1,099		\$1,335	
2	Date Surveyed	Mar-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		Yes (\$83)		Yes (\$46)		None	
4	Occupancy for Unit Type	100%		96%		99%		84%		96%	
5	Effective Rent & Rent/ sq. ft	\$1,310	1.69	\$975	1.04	\$1,128	1.41	\$1,053	1.27	\$1,335	1.81
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/3		WU/2,3		WU/2,3		WU/3		WU/2,3	
7	Yr. Built/Yr. Renovated	2023	\$15	2001	\$22	2016	\$7	2004	\$19	2020	\$3
8	Condition/Street Appeal	E		E		E		G	\$15	E	
9	Neighborhood	G	(\$10)	G		G		G		E	(\$10)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	853	\$28	934	(\$29)	802	\$19	831	\$8	737	\$42
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	HU/L		W/D	(\$25)	HU/L		W/D	(\$25)
19	Floor Coverings	C/V		C/V		C/L		C/V/L		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/N		Y/Y	(\$5)	Y/N		Y/N	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y		Y		Y		Y		N	\$5
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$16)	P/F/S/L	(\$16)	P/F/L/MT	(\$16)	P/F	(\$10)	P/F/S/L	(\$16)
29	Computer/Business Center	Y		Y		Y		Y		N	\$3
30	Picnic Area/Grill	Y		Y		Y		Y		Y	
31	Playground	Y	\$3	Y		N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		Y/Y	(\$47)	Y/Y	(\$47)
39	Trash/Recycling	Y/N		Y/N		N/N	\$16	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	4	1	2	3	3	3	1	5	3
41	Sum Adjustments B to D	\$46	(\$54)	\$22	(\$45)	\$29	(\$46)	\$42	(\$10)	\$56	(\$51)
42	Sum Utility Adjustments					\$16			(\$47)		(\$47)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$8)	\$100	(\$23)	\$67	(\$1)	\$91	(\$15)	\$99	(\$42)	\$154
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,302		\$952		\$1,127		\$1,038		\$1,293	
45	Adj Rent/Last rent		99%		98%		100%		99%		97%
46	Estimated Market Rent	\$1,130	\$1.32 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pintail Pointe		Abberly Pointe		Oaks at Broad River Landing		Parc at Broad River		Preserve at Port Royal		Waterleaf at Battery Creek	
2233 Boundary Street		100 Ashton Pointe Blvd		100 River Chase Blvd		337 State Route 128		1 Preserve Ave W		10 Shell Creek Dr	
Beaufort, SC		Beaufort, SC		Beaufort, SC		Beaufort, SC		Port Royal, SC		Beaufort, SC	
Data		Data		Data		Data		Data		Data	
on		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
\$ Last Rent / Restricted?		\$1,190		\$1,000		\$1,391		\$1,229		\$1,565	
Date Surveyed		Mar-21		Apr-21		Apr-21		Apr-21		Apr-21	
Rent Concessions		None		None		Yes (\$83)		Yes (\$51)		None	
Occupancy for Unit Type		100%		97%		99%		87%		93%	
Effective Rent & Rent/ sq. ft		\$1,190 1.28		\$1,000 0.93		\$1,308 1.09		\$1,178 1.12		\$1,565 1.51	
B. Design, Location, Condition		Data		Data		Data		Data		Data	
Structure / Stories		WU/3		WU/2,3		WU/2,3		WU/3		WU/2,3	
Yr. Built/Yr. Renovated		2023 2008 \$15		2001 \$22		2016 \$7		2004 \$19		2020 \$3	
Condition/Street Appeal		E		E		E		G \$15		E	
Neighborhood		G (\$10)		G		G		G		E (\$10)	
Same Market?		Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
# Bedrooms		2		2		2		2		2	
# Baths		1		2 (\$30)		2 (\$30)		1		2 (\$30)	
Unit Interior Sq. Ft.		1030 931 \$30		1070 (\$12)		1197 (\$50)		1050 (\$6)		1038 (\$2)	
Patio/Balcony		Y		Y		Y		Y		Y	
AC: Central/Wall		C		C		C		C		C	
Range/Refrigerator		R/F		R/F		R/F		R/F		R/F	
Microwave/Dishwasher		Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
Washer/Dryer		HU/L (\$25)		HU/L		W/D (\$25)		HU/L		W/D (\$25)	
Floor Coverings		C/V		C/V		C/L		C/V/L		C/V	
Window Treatments		Y		Y		Y		Y		Y	
Secured Entry		N (\$3)		N		N		N		N	
Garbage Disposal		Y		Y		Y		Y		Y	
Ceiling Fan/Storage		Y/N		Y/Y (\$5)		Y/Y (\$5)		Y/N		Y/N	
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
Parking (\$ Fee)		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
On-Site Management		Y		Y		Y		Y		Y	
Security Features		Y		Y		Y		Y		N \$5	
Community Space		Y		Y		Y		Y		Y	
Pool/Recreation Areas		F (\$16)		P/F/S/L (\$16)		P/F/L/MT (\$16)		P/F (\$10)		P/F/S/L (\$16)	
Computer/Business Center		Y		Y		Y		Y		N \$3	
Picnic Area/Grill		Y		Y		Y		Y		Y	
Playground		Y \$3		Y		N \$3		Y		N \$3	
Social Services		N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
Heat (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Hot Water (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
Other Electric		N		N		N		N		N	
Cold Water/Sewer		N/N		N/N		N/N		Y/Y (\$59)		Y/Y (\$59)	
Trash/Recycling		Y/N		Y/N		N/N \$16		Y/N		Y/N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
# Adjustments B to D		3 4		1 4		2 5		2 2		4 5	
Sum Adjustments B to D		\$48 (\$54)		\$22 (\$63)		\$10 (\$126)		\$34 (\$16)		\$14 (\$83)	
Sum Utility Adjustments						\$16		(\$59)		(\$59)	
		Net		Gross		Net		Gross		Net	
Net/ Gross Adjmts B to E		(\$6) \$102		(\$41) \$85		(\$100) \$152		(\$41) \$109		(\$128) \$156	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent (5+ 43)		\$1,184		\$959		\$1,208		\$1,137		\$1,437	
Adj Rent/Last rent		99%		96%		92%		97%		92%	
Estimated Market Rent		\$1,225		\$1.19 ← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pintail Pointe		Abberly Pointe		Oaks at Broad River Landing		Parc at Broad River		Preserve at Port Royal		Waterleaf at Battery Creek	
2233 Boundary Street		100 Ashton Pointe Blvd		100 River Chase Blvd		337 State Route 128		1 Preserve Ave W		10 Shell Creek Dr	
Beaufort, SC		Beaufort, SC		Beaufort, SC		Beaufort, SC		Port Royal, SC		Beaufort, SC	
Data		Data		Data		Data		Data		Data	
on		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data		Data		Data		Data		Data	
1	\$ Last Rent / Restricted?	\$1,466		\$1,438		\$1,718		\$1,349		\$1,875	
2	Date Surveyed	Mar-21		Apr-21		Apr-21		Apr-21		Apr-21	
3	Rent Concessions	None		None		None		Yes (\$56)		None	
4	Occupancy for Unit Type	100%		100%		100%		98%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,466	1.29	\$1,438	1.02	\$1,718	1.26	\$1,293	1.12	\$1,875	1.51
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6	Structure / Stories	WU/3		WU/2,3		WU/2,3		WU/3		WU/2,3	
7	Yr. Built/Yr. Renovated	2023		2001	\$22	2016	\$7	2004	\$19	2020	\$3
8	Condition/Street Appeal	E		E		E		G	\$15	E	
9	Neighborhood	G	(\$10)	G		G		G		E	(\$10)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11	# Bedrooms	3	\$50	3		3		2	\$50	3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1245	\$34	1414	(\$53)	1362	(\$36)	1151	\$29	1243	\$1
14	Patio/Balcony	Y		Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	HU/L		W/D	(\$25)	HU/L		W/D	(\$25)
19	Floor Coverings	C/V		C/V		C/L		C/V/L		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	N		N		N		N	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	Y/N		Y/Y	(\$5)	Y/Y	(\$5)	Y/N		Y/N	
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y		Y		Y		Y		N	\$5
27	Community Space	Y		Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$16)	P/F/S/L	(\$16)	P/F/L/MT	(\$16)	P/F	(\$10)	P/F/S/L	(\$16)
29	Computer/Business Center	Y		Y		Y		Y		N	\$3
30	Picnic Area/Grill	Y		Y		Y		Y		Y	
31	Playground	Y	\$3	Y		N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		Y/Y	(\$86)	Y/Y	(\$86)
39	Trash/Recycling	Y/N		Y/N		N/N	\$16	Y/N		Y/N	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40	# Adjustments B to D	4	4	1	3	2	4	4	1	5	3
41	Sum Adjustments B to D	\$102	(\$54)	\$22	(\$74)	\$10	(\$82)	\$113	(\$10)	\$15	(\$51)
42	Sum Utility Adjustments					\$16			(\$86)		(\$86)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$48	\$156	(\$52)	\$96	(\$56)	\$108	\$17	\$209	(\$122)	\$152
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,514		\$1,386		\$1,662		\$1,310		\$1,753	
45	Adj Rent/Last rent		103%		96%		97%		101%		93%
46	Estimated Market Rent	\$1,315	\$1.06 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,130 for a one-bedroom unit, \$1,225 for a two-bedroom unit, \$1,315 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Advantage
One-Br.	20%	\$185	\$1,130	83.63%
One-Br.	50%	\$620	\$1,130	45.14%
One-Br.	60%	\$765	\$1,130	32.30%
Two-Br.	20%	\$210	\$1,225	82.86%
Two-Br.	50%	\$735	\$1,225	40.00%
Two-Br.	60%	\$910	\$1,225	26.71%
Two-Br.	70%	\$1,075	\$1,225	12.25%
Three-Br.	20%	\$230	\$1,315	82.51%
Three-Br.	50%	\$835	\$1,315	36.50%
Three-Br.	20%	\$1,025	\$1,315	22.05%
Weighted Average				33.37%

Typically, Tax Credit rents should represent market rent advantages around 10.0% in order to be considered a value in most markets. Therefore, the proposed subject rents will likely be perceived as substantial values within the Beaufort Site PMA, as they represent market rent advantages ranging from 12.25% to 83.63%, depending upon bedroom type.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

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

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 2001 and 2020. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for the one property that we consider to be of slightly inferior quality compared to the subject development.
9. Two of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made adjustments to account for differences in neighborhood desirability among these projects and the subject project.
11. All of the selected properties offer one- and two-bedroom units; however, two of the selected properties do not offer three-bedroom units, similar to the subject site. Therefore, we have utilized the three-bedroom units at these properties and adjusted upwards of \$50 per bedroom to reflect the additional bedrooms to be offered at the subject development.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally inferior to the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The proposed project offers a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.