

NEED AND DEMAND ANALYSIS
FOR THE SAWMILL CROSSING APARTMENTS
IN
SUMMERVILLE, SOUTH CAROLINA

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

June 2022

T Ronald Brown: Research & Analysis
P.O. Box 18534
Asheville, NC 28814-0534

TABLE OF CONTENTS

INTRODUCTION	Page 1
PURPOSE	Page 1
ASSUMPTIONS AND CONDITIONS	Page 1
EXECUTIVE SUMMARY	Page 3
A. PROJECT DESCRIPTION	Page 5
B. SITE DESCRIPTION	Page 11
C. MARKET AREA	Page 18
D. MARKET AREA ECONOMY	Page 20
EMPLOYMENT BY INDUSTRY	Page 20
MAJOR EMPLOYERS	Page 21
LABOR FORCE AND EMPLOYMENT	Page 23
COMMUTING	Page 24
E. COMMUNITY DEMOGRAPHIC DATA	Page 26
POPULATION TRENDS AND PROJECTIONS	Page 26
AGE	Page 27
HOUSEHOLD TRENDS AND PROJECTIONS	Page 28
TENURE	Page 29
HOUSEHOLD SIZE	Page 30
HOUSEHOLD INCOME	Page 31
RENTER HOUSEHOLD INCOME	Page 32
RESIDENTIAL CONSTRUCTION SINCE 2000	Page 33
F. PROJECT SPECIFIC DEMAND ANALYSIS	Page 34
INCOME RESTRICTIONS	Page 34
ABSORPTION RATES	Page 42
G. EXISTING RENTAL UNITS	Page 43
H. INTERVIEWS	Page 73
I. RECOMMENDATIONS	Page 74
J. SIGNED STATEMENT	Page 75
ANALYST QUALIFICATIONS	Page 76
MARKET STUDY TERMINOLOGY	Page 77

LIST OF TABLES

Table 1 - Employment by Industry, Market Area	Page 20
Table 2 - Major Employers	Page 21
Table 3 - Dorchester County Labor Force and Employment	Page 23
Table 4 - Commuting Data	Page 24
Table 5 - Commuting Patterns	Page 25
Table 6 - Population	Page 26
Table 7 - Age Distribution	Page 27
Table 8 - Household Trends	Page 28
Table 9 - Tenure	Page 29
Table 10 - Household Size, by Tenure	Page 30
Table 11 - Household Income	Page 31
Table 12 - Household Income, Renter Households	Page 32
Table 13 - Residential Construction Since 2000	Page 33
Table 14 - Income Limits	Page 34
Table 15 - Rents and Income Targeting	Page 35
Table 16 - Qualifying Income Ranges	Page 36
Table 17 - Household Income, Renter Households	Page 38
Table 18 - Demand Calculations	Page 40
Table 19 - Capture Rates	Page 41
Table 20 - Market Rate Inventory	Page 48
Table 21 - Market Rate Properties	Page 49

INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the proposed Sawmill Crossing Apartments in Summerville, South Carolina. A total of 42 units are to be developed: six one-bedroom units, 24 two-bedroom units, and 12 three-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

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

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

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

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

The site of the proposed apartments was visited (on May 19, 2022). In addition, interviews are held with persons with particular knowledge pertinent to the study.

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

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

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

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

Submitted, and attested to, by:

T. Ronald Brown, President
T. Ronald Brown: Research & Analysis
P.O. Box 18534
Asheville, North Carolina 28814-0534
(919) 233.0670
trb@tronaldbrown.com



Date:: June 16, 2022

EXECUTIVE SUMMARY

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

The proposed development will comprise the development of 42 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 20 percent, 30 percent, and 60 percent of the local area median income.

The proposed Sawmill Crossing Apartments are to be located on the north side of West 5th North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.

The market area for the proposed development is southern Dorchester County and adjacent portions of Berkeley County and Charleston County.

In 2020, the Dorchester County labor force comprised an estimated 77,963 persons. Of this total, 73,174 were employed and 4,519 or 5.8 percent were unemployed. Unemployment increased by 2,636 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.9 percent in May, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 7.7 percent in 2012.

The population of the project market area is projected to increase from 111,498 in 2010, to 132,667 in 2021, to 135,636 in 2024. The number of households is projected to increase from 44,031 in 2010 to 50,491 in 2021, to 52,100 in 2024. There were 11,521 renter households in the market area in 2010: which is projected to increase to 15,088 by 2021, and to 15,836 by 2024.

There are many apartment complexes located throughout the Summerville area. These include properties that have been financed through the use of Low Income Housing Tax Credits - and thus are comparable to the proposed Sawmill Crossing complex. There are also several established properties that were subsidized for low and very low income renters, through the USDA/Rural Development rural rental housing program, and/or through HUD. Additionally, there are very many market rate complexes.

Occupancy for the 1,082 units in the five stabilized market rate properties for which we were able to obtain occupancy data, reveal a 96.0 percent occupancy level. The tax credit properties are 98.6 percent occupied, and the various subsidized complexes for which we have information, are 98.3 percent occupied. This yields a 97.3 percent overall occupancy level for the total survey of stabilized properties.

The total potential need for tax credit units such as is proposed in the project market area by 2024 is calculated to be for 1,865 units. The net need is for a,649 units. Given the calculated need, the proposed 42-unit development amounts to 2.5 percent of the total net need. The proposed development is considered very marketable.

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

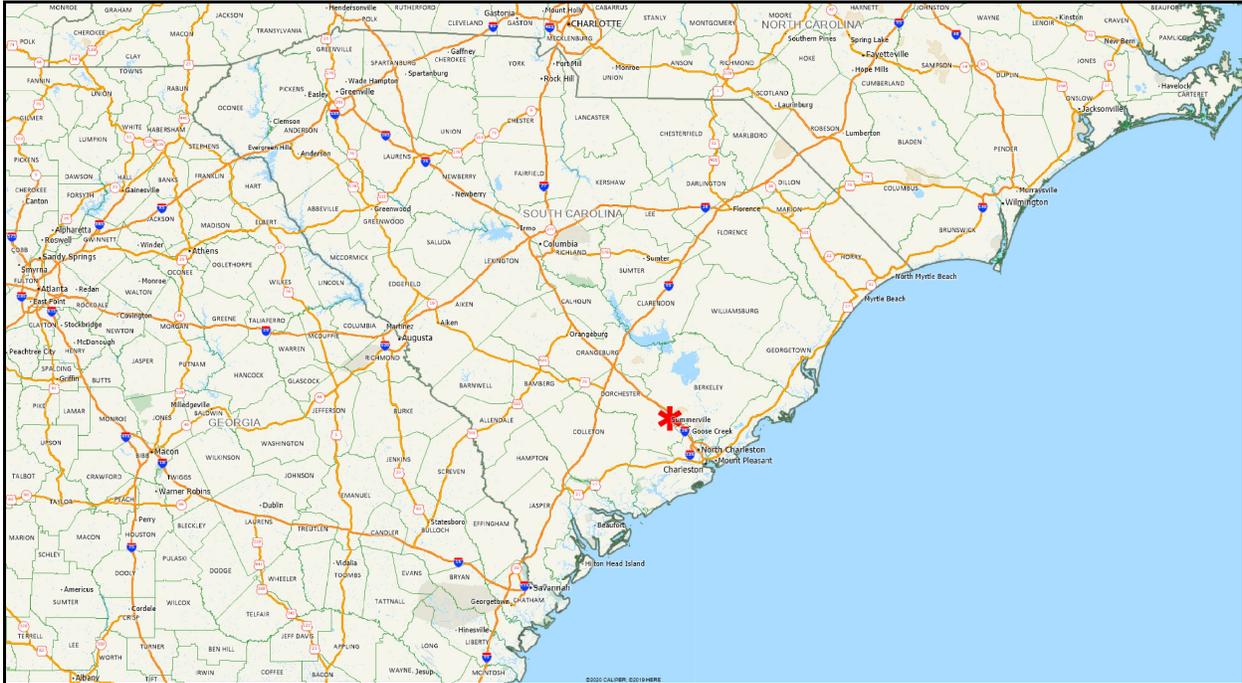
Report for the Sawmill Crossing Apartments in Summerville, South Carolina

EXHIBIT S - 2 SC SHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:										
Development Name		Sawmill Crossing						Total units:		42
Location		West 5th North Street, Summerville						LIHTC units:		42
PMA Boundary		Southern Dorchester County and adjacent portions of Berkeley County and Charleston County								
Development Type		Family ✓		Older		Farthest Boundary Distance to subject:				8 miles
Rental Housing Stock (found on pages 43-50)										
Type	Properties	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	17	2272	61	97.3%						
Market Rate Housing	5	1082	43	96.0%						
Assisted/Subsidized Housing, not to include LIHTC	5	406	7	98.3%						
LIHTC (all that are stabilized)*	7	784	11	98.6%						
Subsidized comps**	7	784	11	98.6%						
Non-stabilized comps										
* Stabilized occupancy of at least 93% (excludes projects still in 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 comp rent		
Units	Bedrooms	Baths	Size (sf)	Proposed Rent	per unit	per sf	Advantage	per unit	per sf	
1	1	1	756	\$235	\$1,204	\$1.59	80.48	\$1,880	\$2.49	
5	1	1	756	\$840	\$1,204	\$1.59	30.23	\$1,880	\$2.49	
3	2	1	904	\$270	\$1,372	\$1.52	80.32	\$1,940	\$2.15	
3	2	1	904	\$480	\$1,372	\$1.52	65.01	\$1,940	\$2.15	
18	2	1	904	\$975	\$1,372	\$1.52	28.94	\$1,940	\$2.15	
1	3	2	1,166	\$295	\$1,721	\$1.48	82.86	\$2,000	\$1.72	
1	3	2	1,166	\$535	\$1,721	\$1.48	68.91	\$2,000	\$1.72	
10	3	2	1,166	\$1,100	\$1,721	\$1.48	36.08	\$2,000	\$1.72	
Gross Potential Rent Monthly*				\$36,065	\$60,804		40.69			
* market advantage is calculated using the following formula: gross adjusted market rent (minus) gross proposed rent (divided by) gross adjusted market rent The calculation should be expressed as a percentage rounded to two decimal places. The rent calculation Excel worksheet must be provided with the Exhibit S-2 form										
Demographic Data (found on pages 29,38)										
					2010		2021		2024	
Renter Households					11,521	28.1	15,088	30.1	15,836	30.7
Income-Qualified Renter Households (LIHTC)					n/a	n/a	3,144	20.8	3,300	20.8
income qualified Renter HHs (MR) if applicable										
Targeted Income-Qualified Renter Household Demand (found on page 40)										
Type of demand					20%	30%	60%	Market Rate	other	Overall
Renter Household Growth					26	37	93			156
Existing Households (over burdened+substandard)					472	614	623			1,709
Homeowner conversion (senior)										
Other										
Less comparable/competitive supply					0	0	216			216
Net income-qualified renter hholds					498	651	500			1,649
Capture Rates (found on page 41)										
Targeted population					20%	30%	60%	Market Rate	other	Overall
Capture rate					1.0%	0.6%	6.6%			2.5%
Absorption Rate (found on page 42)										
three to four months										

A. PROJECT DESCRIPTION

Project Location

The proposed Sawmill Crossing Apartments are to be located on the north side of West 5th North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.



Construction type: New construction

The property comprises one four-story residential building..

Occupancy type :Family

Target income group: 20 percent, 30 percent, and 60 percent of the local area median income.

Special population target: not applicable

Proposed unit mix, etc.

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
1 bedroom/1 bath	1	756	\$235	less than 20 percent
1 bedroom/1 bath	5	756	\$840	less than 60 percent
2 bedroom/ 1 bath	3	904	\$270	less than 20 percent
2 bedroom/ 1 bath	3	904	\$480	less than 30 percent
2 bedroom/ 1 bath	18	904	\$975	less than 60 percent
3 bedroom/2 bath	1	1,166	\$295	less than 20 percent
3 bedroom/2 bath	1	1,166	\$535	less than 30 percent
3 bedroom/2 bath	10	1,166	\$1,100	less than 60 percent

* percent of area median income

Rental Assistance: none

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$108 for a one-bedroom unit, \$139 for a two-bedroom unit, and \$176 for a three-bedroom unit.

The complex comprises a single four-story building. The project will feature a community room (first floor), a rental office (first floor), laundry (second floor), a computer room (third floor) and exercise room (fourth floor). There are also an outdoor picnic area, grill, playground, and dog park.

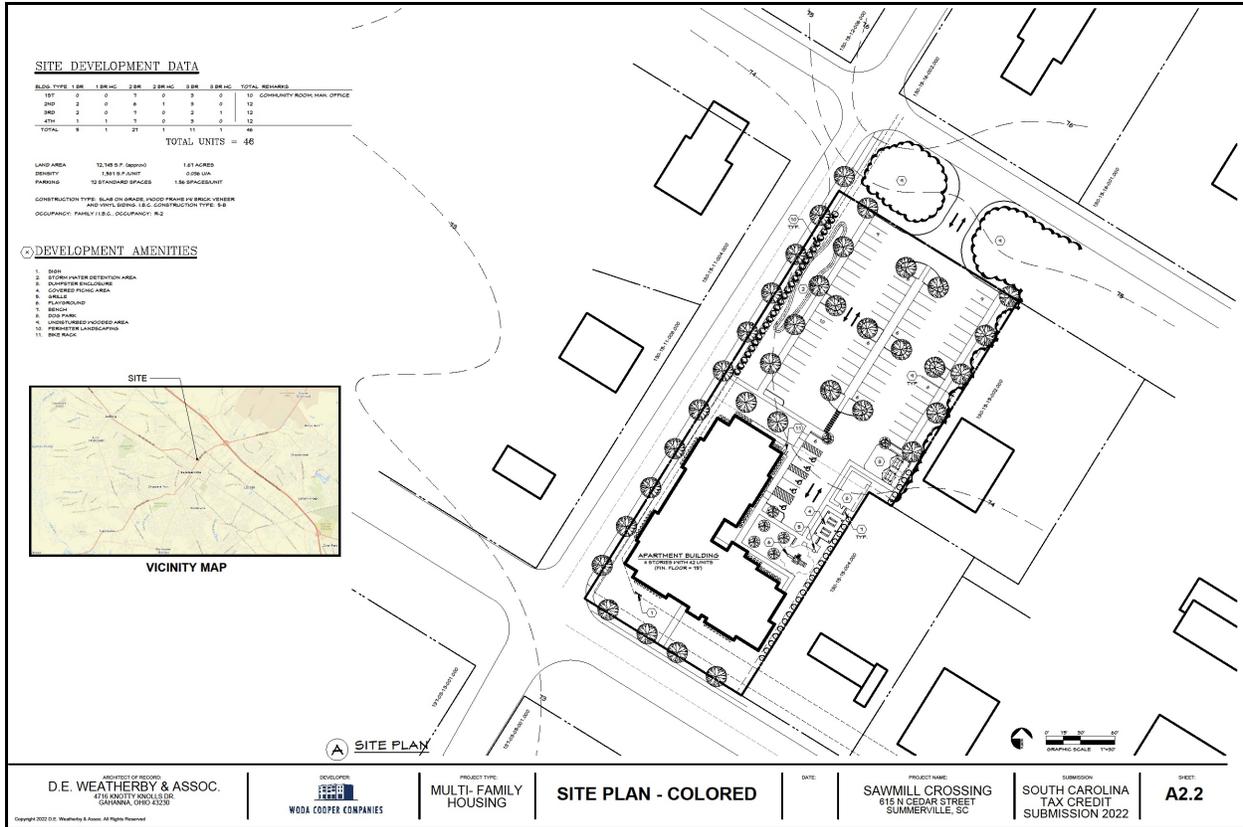
Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans and mini-blinds. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

Information submitted by the developer suggests that construction would start in Spring 2023, with completion around 15 months thereafter.

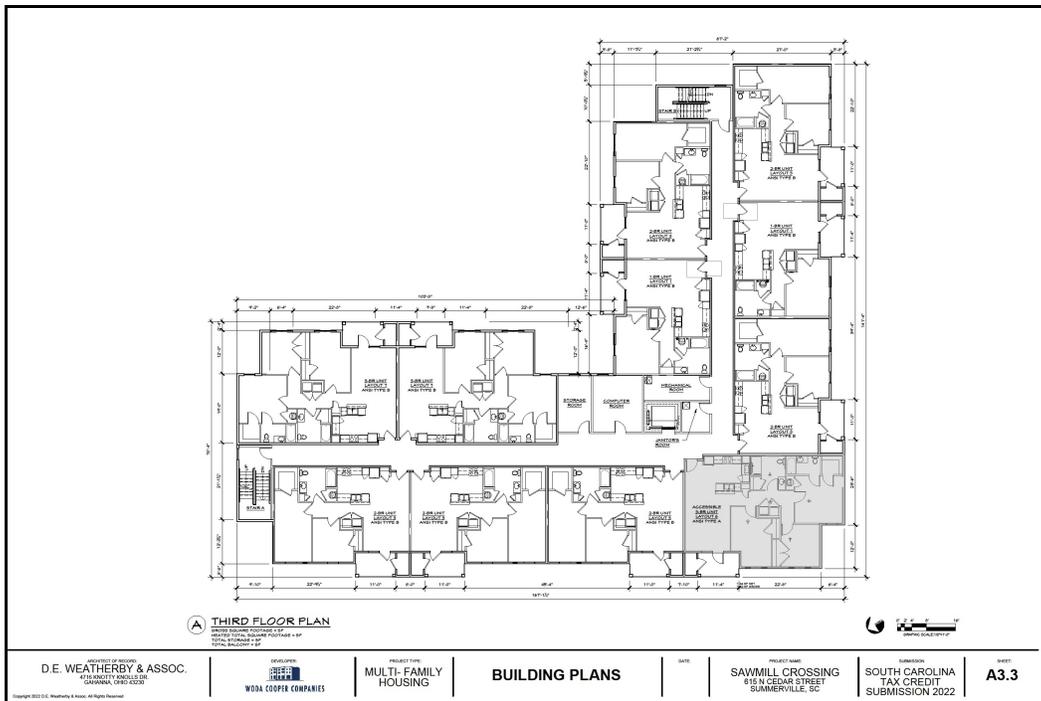
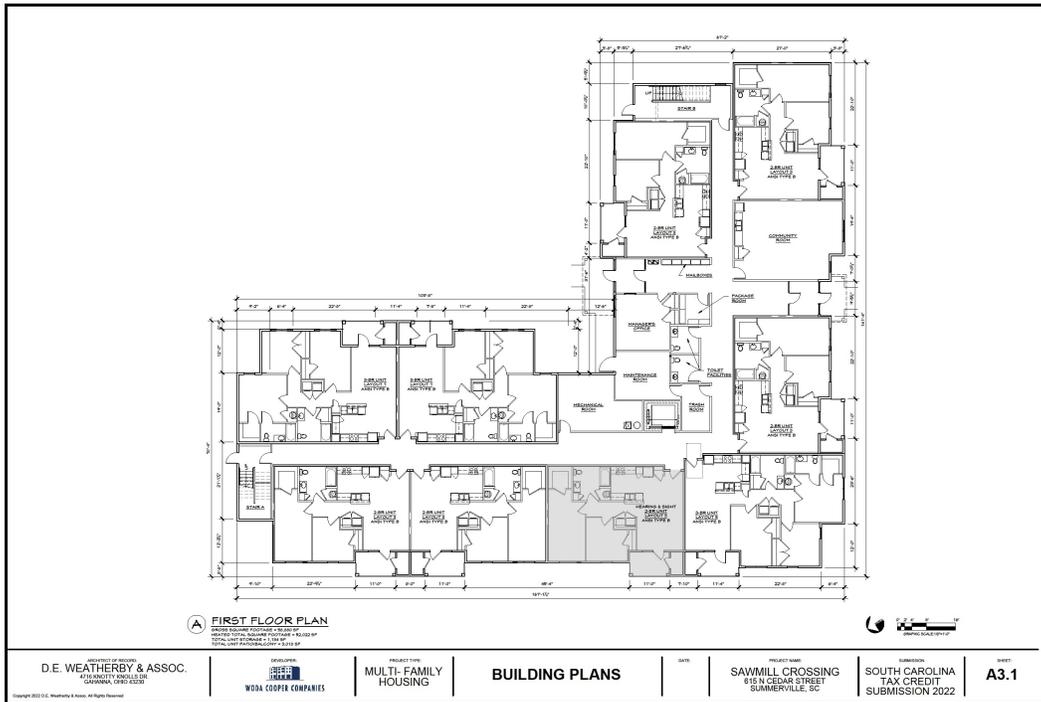
Representative architectural drawings/plans are set out on the following pages.

Rehabilitation information: n/a

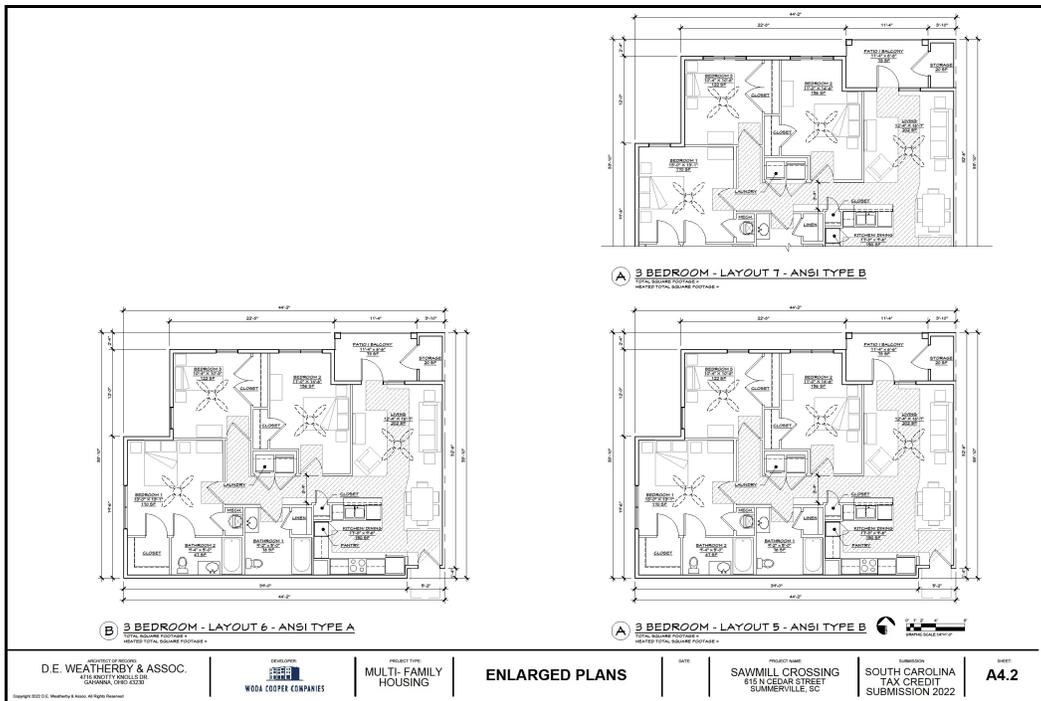
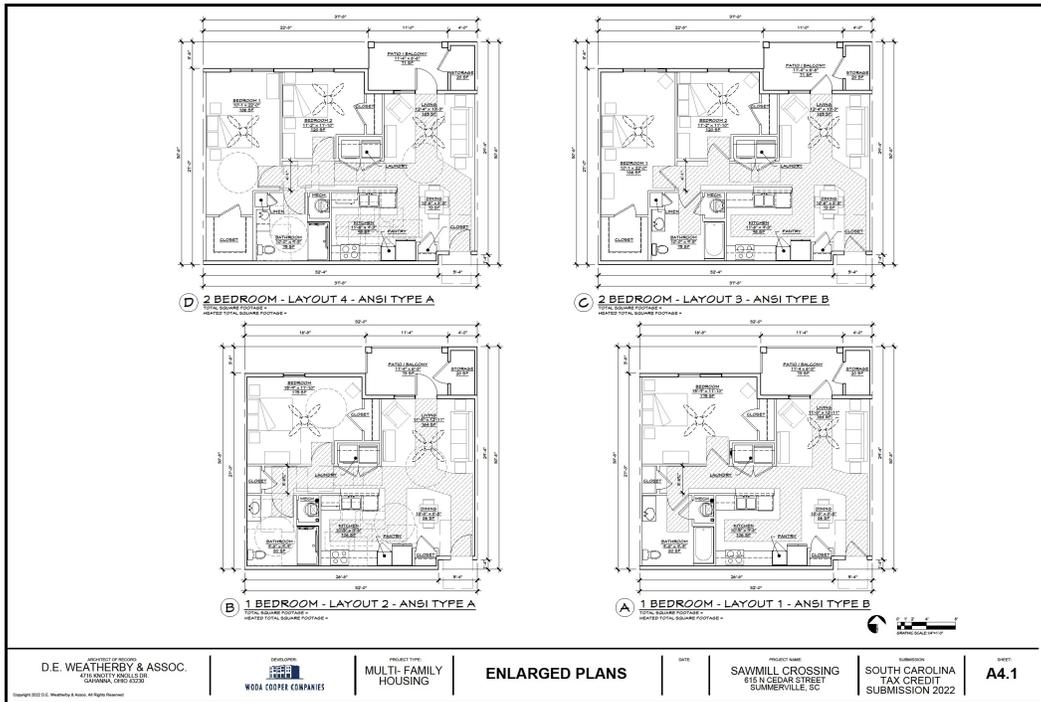
Site plan



Floor plans



Unit plans



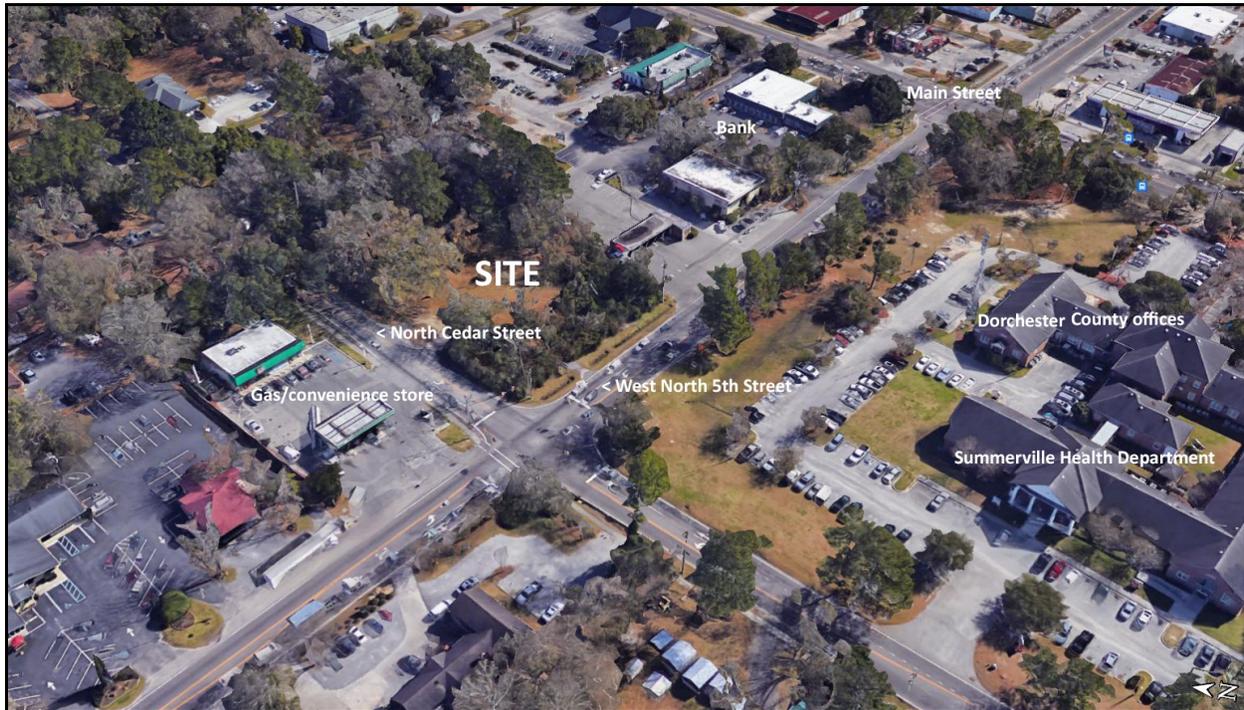
Elevations



B. SITE DESCRIPTION

The Sawmill Crossing Apartments are to be located on the north side of West 5th North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.

Adjacent properties various businesses (such as a bank and a gas/convenience store). Dorchester County offices and the Summerville Health Department are across West 5th North Street from the site.



There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.



View on property



View on property



View on property



View across Cedar St./ W 5th St., N to property



View west on W 5th St. N, at property



View east/across W 5th St. N, at property



View across N Cedar St., onto property

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

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	US 78/ W 5th N St	<0.1
	US 17 Alt/North Main Street	0.1
	Interstate 26	2.1
Public transportation	TriCounty Summerville Connector	0.3
Retail - Grocery	Piggly Wiggly	0.3
	ALDI	0.6
	Earth Fare	0.8
Retail - Other	Family Dollar	0.6
	Wal Mart	1.5
	Target	1.6
Pharmacies *	CVS	0.5
	Walgreens	1.2
Schools	Alston-Bailey Elementary School	1.2
	Alston Middle School	0.8
	Summerville High School	4.1
Recreation	Azalea Park	1.2
City Hall	Summerville	0.4
Post Office	Summerville	0.6
Library	Dorchester County	2.7
Hospital	Summerville Medical Center	5.7

* excluding those in grocery stores, etc.

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

The site is located on West 5th N Street - US 78 - a significant east-west route serving the area. The site is within one-tenth of one mile of the intersection of West 5th N Street and Main Street (US 17, Alt) - a significant north-south route. The site is approximately two miles from Interstate 26.

The site is within one-third of a mile of a Piggly Wiggly supermarket - located on Cedar Street, to the south of the site. The site is within one mile of both an ALDI store and an Earth Fare, on North Main Street.

A Target store, a Wal-mart Supercenter, and other large retailers are located within one and one-half and two miles of the site - off North Main Street near the Interstate.

The site of the proposed apartments is quite well-located with respect to local schools. The Alston Middle School is approximately three-fourths of a mile from the site, and the Alston-Bailey Elementary School is within one and one-fourth miles. The Summerville High School is just over four miles from the site.

The Summerville Library and the Summerville Post Office are located near the downtown area, within approximately one-half mile of the site.

Azalea Park is within one and one-fourth miles of the site of the proposed development.

The Summerville Medical Center and associated medical services are within six miles of the site of the proposed apartments.

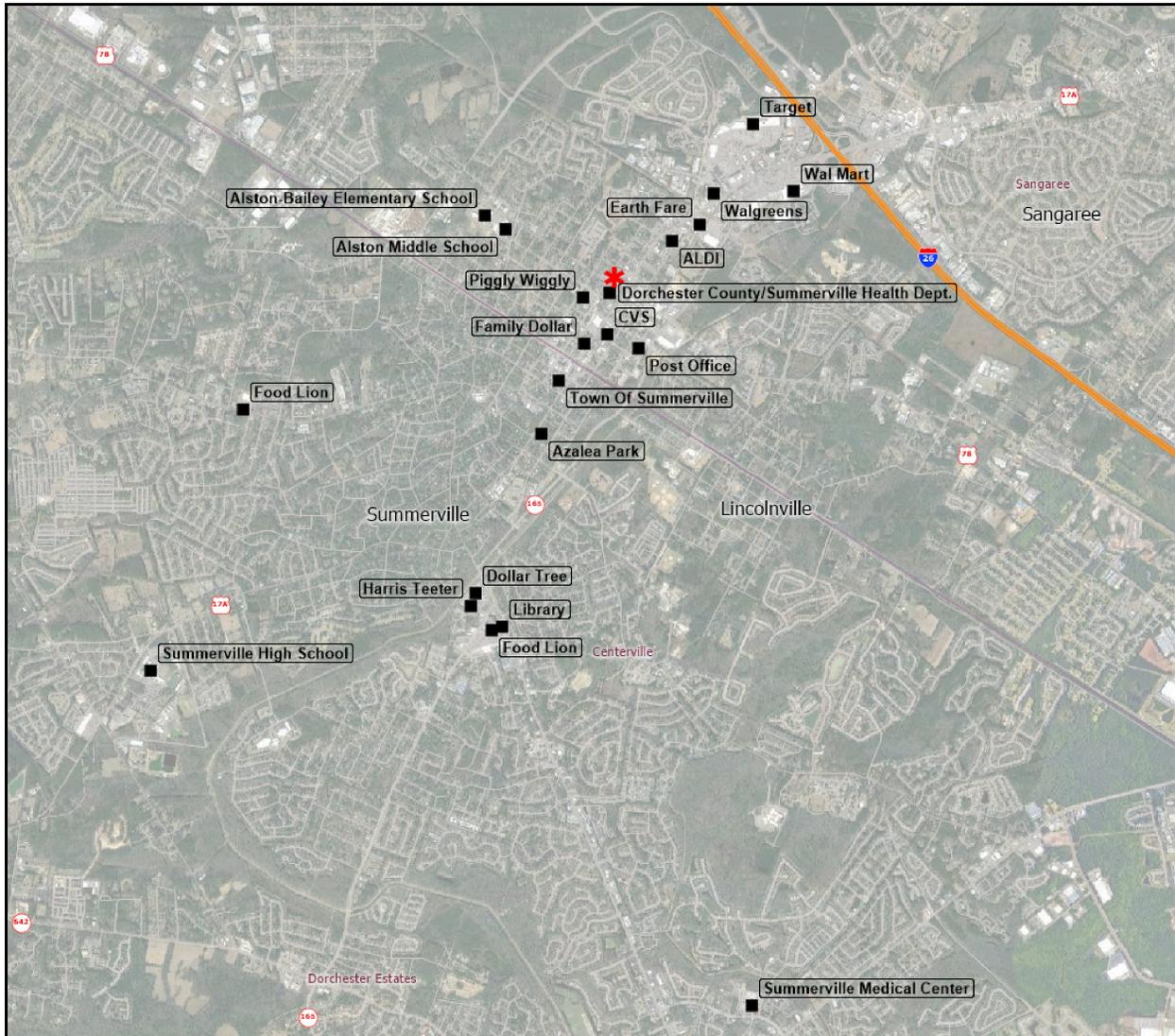
The site is within easy reach of the government, shopping, and other services and sources of employment located in downtown Summerville. Various Dorchester County offices and the Summerville Health Department are located across West 5th N Street from the site.

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

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

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

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



C. MARKET AREA

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

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

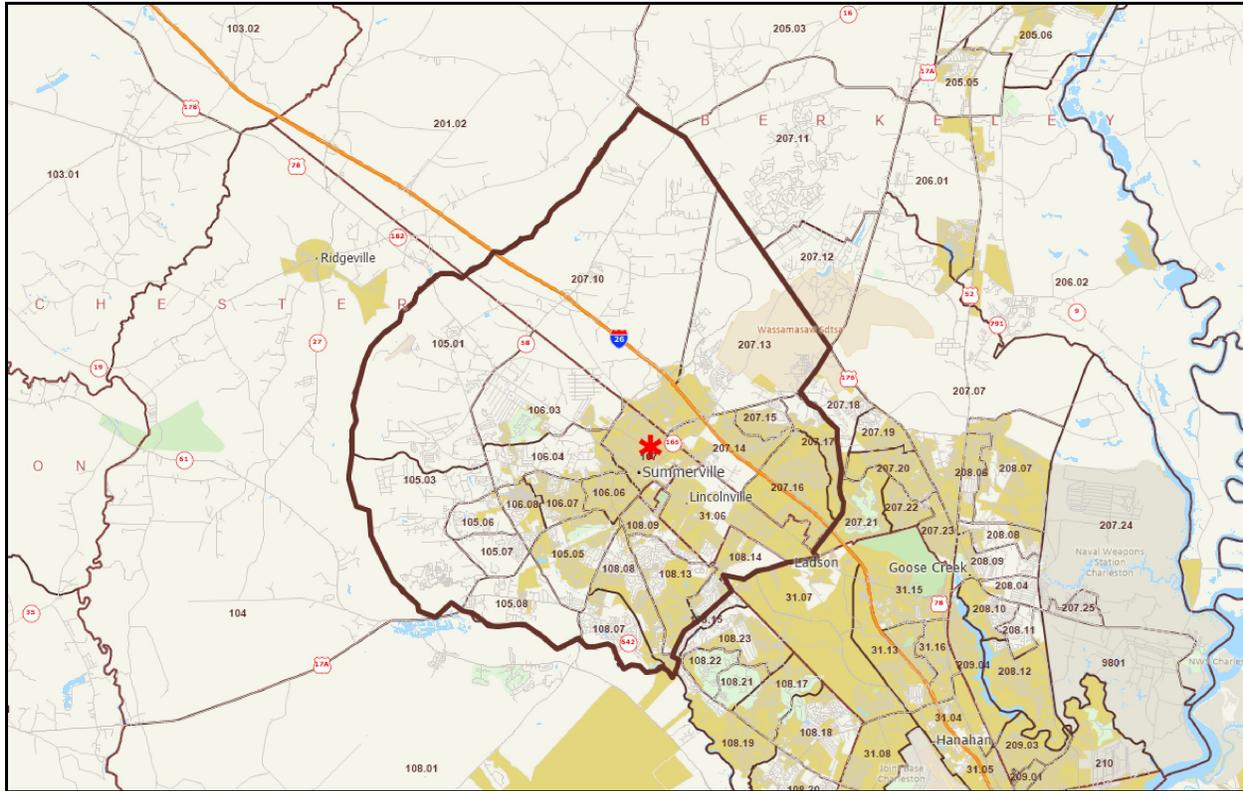
Summerville is located in southern Dorchester County in coastal South Carolina. The market area for the proposed development is southern Dorchester County and adjacent portions of Berkeley County and Charleston County, as defined by several census tracts¹. This area is centered on the site of the proposed development and extends up to an approximately five- to eight-mile hinterland.

The market area is roughly circular and is defined by portions of the Ashley River, Ladson Road, College Park Road, and US 176, in addition to other less recognizable Census tract boundaries.

The area excludes neighboring and potentially competing communities, such as Goose Creek and North Charleston. The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar characteristics, and with residents, or potential residents, likely to be interested in the project.

¹ Census tracts: 105.01, 105.02, 106.01, 106.02, 107, 108.07, 108.09, and 108.10 in Dorchester County; tract 31.06 in Charleston County; a portion of tract 207.01 in Berkeley County, and all of tracts 207.08, and 207.09 in Berkeley County.

Market area map



D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

This distribution of employment, by industry, for the project market area is set out in Table 1, below. This information is from the 2016 to 2020 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest sources of employment are manufacturing, health care, and retail trade which account for 12.0 percent, 12.9 percent, and 13.4 percent of the total, respectively..

Table 1 - Employment by Industry, Market Area

	<u>number</u>	<u>percent</u>
Agriculture, etc	393	0.6
Construction	4,774	7.5
Manufacturing	7,631	12.0
Wholesale Trade	1,098	1.7
Retail Trade	8,542	13.4
Transp, Warehousing	3,744	5.9
Utilities	531	0.8
Information	1,025	1.6
Finance, Insurance, Real Estate	2,151	3.4
Professional, scientific, management	7,056	11.1
Educational Services	5,309	8.3
Health care	8,195	12.9
Arts, entertainment, recreation	1,010	1.6
Accommodation and food services	4,758	7.5
Other services	2,965	4.7
Public Administration	4,577	7.2

Source: 2016 to 2020 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in the wider Summerville/Charleston area are listed in Table 2, below. From this table it is seen that the largest employer is a local healthcare provider - Roper St. Francis Healthcare - which employs 6,000 persons. The second largest employer - Boeing - employs 5,700 locally. Other large employers include Trident Healthcare, Wal Mart, and various automotive firms - Bosch, Volvo, and Mercedes Benz. Public employers would include the local school systems, and local governments.

Table 2 - Major Employers

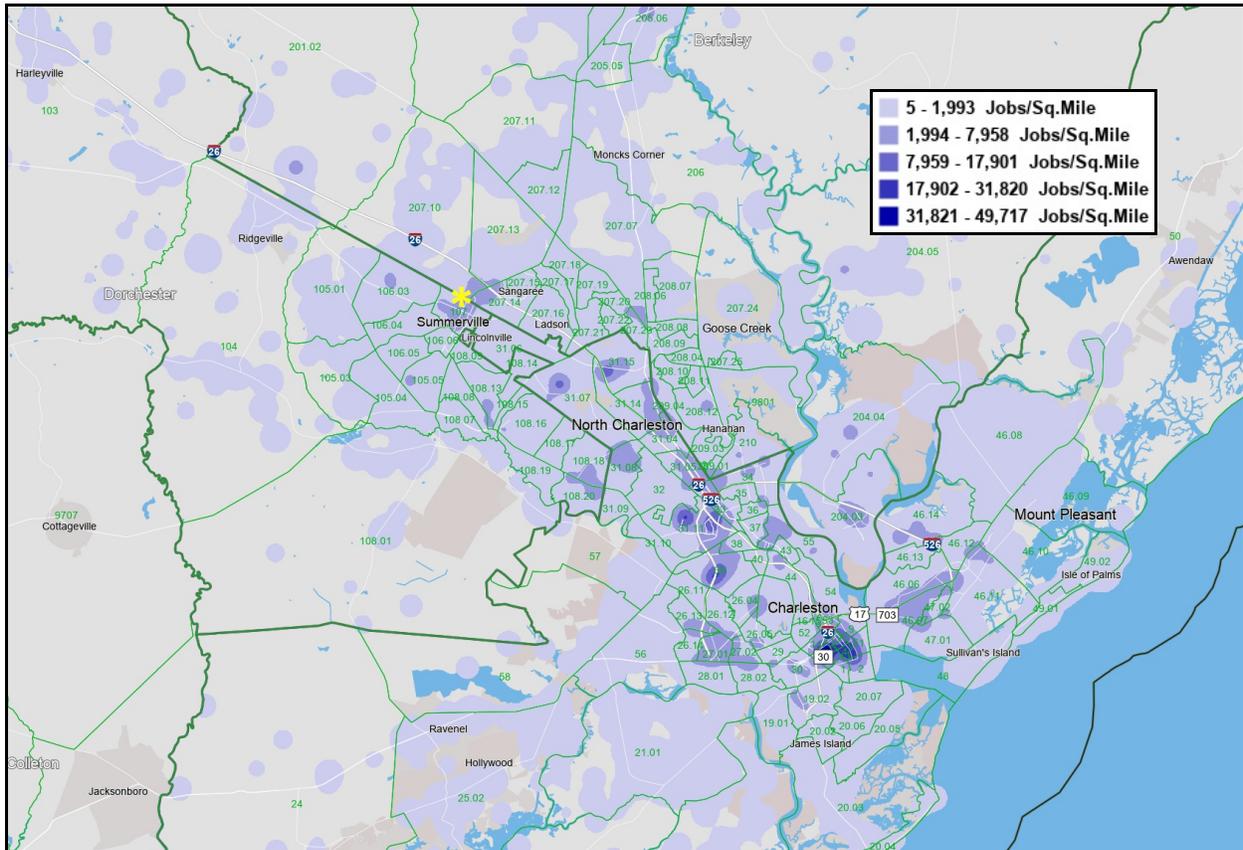
<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
Roper St. Francis Healthcare	Healthcare	6,000
The Boeing Company	Aircraft manufacturing	5,700
Trident Health System	Healthcare	2,600
Walmart Inc.	Retailer	2,300
Robert Bosch	Automotive components	1,600
Volvo Car USA	Automobile manufacture	1,600
Mercedes-Benz Vans	Automobile assembly	1,600
Blackbaud, Inc.	Computer software	1,400
BenefitFocus	Benefits software	1,250
Publix Supermarkets	Retailer	1,200
iQor	Customer service center	1,200
T-Mobile USA	Customer service center	1,200
Nucor Steel	Steel fabricator	1,000
Harris Teeter Supermarkets	Retailer	1,000
Scientific Research Corporation (SRC)	Communiactions systems	950
SAIC	Engineering and rechnology applications	900

Source: Charleston Regional Development Alliance

Information from the South Carolina Department of Commerce shows that since the start of 2021 there have been three firms announcing new plans in the Summerville area - combining to add at least 225 new jobs, locally. In the wider area, there were seven new firms announced in Charleston County - adding 1,784 new jobs - with the largest being the creation of 1,200 new jobs at Telus International. Since the start of 2021, there have been 13 expansions announced in Charleston County - adding 1,348 positions (the largest being 540 new jobs at T-Mobile).

SC WARN notices show that in for 2021 and 2022, to date, there have been no annouced closures or layoffs in the immediate Summerville area. In 2020, however, a local restaurant laid-off 151 workers, and 60 jobs were lost upon the closure of Hardie Building Products.

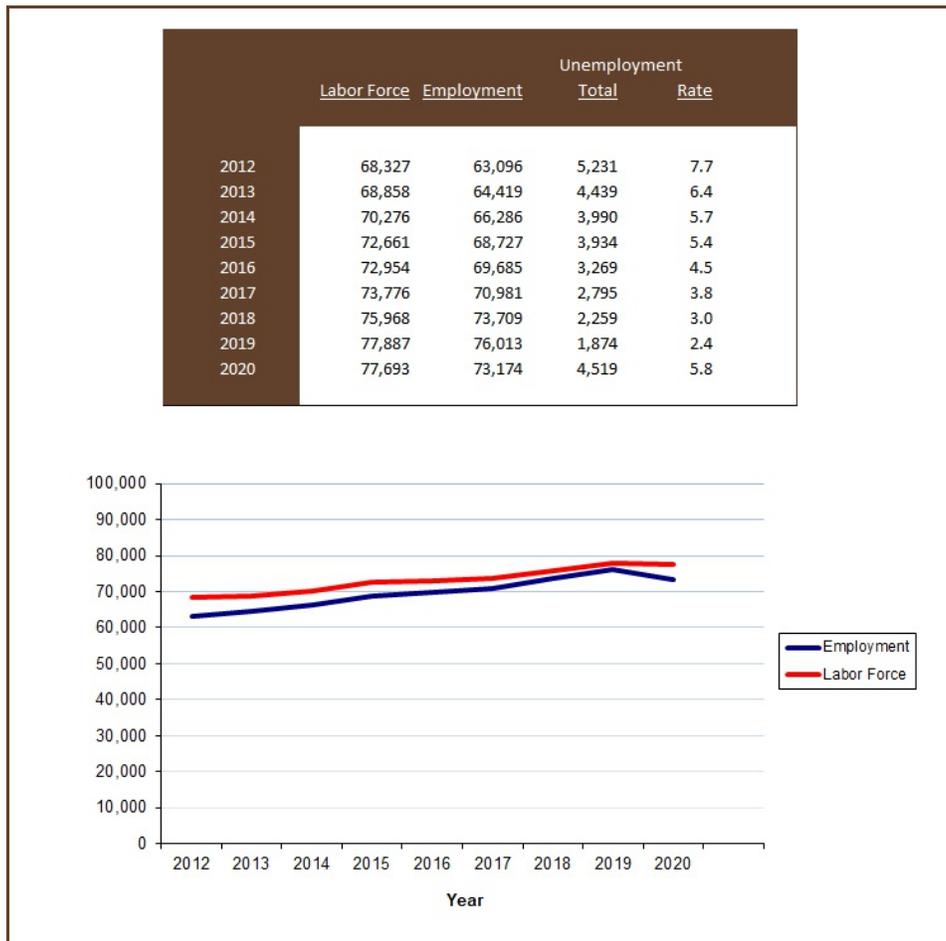
Based on information from the Census, the location of the site relative to the distribution of employment in the wider Charleston area is illustrated in the map, below. Here it is seen that many persons work in the Summerville area, with significant concentrations in, for example, North Charleston and downtown Charleston.



LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2020, the most recent year for which annualized data are available, the Dorchester County labor force comprised an estimated 77,963 persons. Of this total, 73,174 were employed and 4,519 or 5.8 percent were unemployed. Unemployment increased by 2,636 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.9 percent in May, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 7.7 percent in 2012.

Table 3 - Dorchester County Labor Force and Employment



Source: US Department of Labor

COMMUTING

Based on data from the American Community Survey, 24.6 percent of workers resident in Summerville were employed in Summerville, with 40.4 percent employed in Dorchester County as a whole. The average driving time to work for residents of Summerville was 30.2 minutes.

Table 4 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	25,438	100.0
Worked in Place of residence	6,258	24.6
Worked in County of residence	10,277	40.4
Worked outside Place of residence	19,180	75.4
Worked outside County of residence	15,161	59.6
Mean travel time to work (minutes)	30.2	

Source: 2016 to 2020 American Community Survey; T Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau’s OnTheMap application. These data, on commuting patterns for persons who live and/or work in Dorchester County are set out, below.

Here it is seen that very many persons who live in Dorchester County commute to work in Charleston County (almost 3,000 persons), and, to a lesser extent, Berkeley County. Likewise, significant numbers of persons employed in Dorchester County commute to work there from the adjacent counties of Berkeley County and Charleston County.

Table 5 - Commuting Patterns

Working in Dorchester County	16,157
Where Dorchester County residents are commuting to:	
Charleston County	32,969
Berkeley County	8,623
Richland County	2,362
Orangeburg County	1,247
Lexington County	1,240
Beaufort County	1,233
Greenville County	985
Colleton County	675
Horry County	624
Elsewhere	5,902
Where Dorchester County workers are commuting from:	
Berkeley County	7,439
Charleston County	6,877
Orangeburg County	1,158
Colleton County	1,067
Richland County	445
Horry County	427
Beaufort County	344
Lexington County	289
Georgetown County	272
Elsewhere	3,492

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

While the local economy recovers from the impact of the COVID pandemic, the local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2000, the population of Dorchester County was 96,413, and in 2010 the population was recorded as 136,555. Population projections for Dorchester County are provided by the South Carolina Revenue and Fiscal Affairs Health and Demographics Section. Based on these data, the population of the county is projected to be 169,433 by 2021, and to be 178,306 by 2024.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2000 to 2010, corrected for the county projections (for each county). The projection is that in 2021 the project market area will have a population of around 132,667, and around 135,646 in 2024.

Information on population trends and changes between 2000 and 2024 are set out in Table 6, below.

Table 6 - Population Trends

	Summerville	Market Area	Dorchester County
2000	27,752	84,562	96,413
2010	40,167	111,498	136,555
2021	n/a	132,667	169,433
2024	n/a	135,646	178,306
absolute change			
2000-2010	12,415	26,936	40,142
2010-2021	n/a	21,169	32,878
2021-2024	n/a	2,979	8,873
annual change			
2000-2010	1,242	2,694	4,014
2010-2021	n/a	1,924	2,989
2021-2024	n/a	993	2,958

Source: 2000 Census and 2010 Census; SC Revenue and Fiscal Affairs; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Summerville, the Summerville market area, and for Dorchester County are set out in Table 7, below. These data are from the 2010 Census.

Table 7 - Age Distribution

	Summerville		Market Area		Dorchester County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	3,225	8.0	8,420	7.6	9,759	7.1
5 to 9 years	3,306	8.2	8,444	7.6	10,242	7.5
10 to 14 years	3,233	8.0	8,474	7.6	10,520	7.7
15 to 19 years	3,006	7.5	8,167	7.3	10,033	7.3
20 to 24 years	2,767	6.9	6,682	6.0	8,027	5.9
25 to 29 years	3,285	8.2	7,920	7.1	9,398	6.9
30 to 34 years	3,043	7.6	7,677	6.9	9,184	6.7
35 to 39 years	3,096	7.7	7,800	7.0	9,617	7.0
40 to 44 years	3,145	7.8	8,117	7.3	10,251	7.5
45 to 49 years	3,219	8.0	8,610	7.7	10,796	7.9
50 to 54 years	2,782	6.9	7,590	6.8	9,464	6.9
55 to 59 years	2,460	6.1	6,618	5.9	8,111	5.9
60 to 64 years	2,267	5.6	6,003	5.4	7,304	5.3
65 to 69 years	1,458	3.6	4,070	3.7	5,072	3.7
70 to 74 years	1,027	2.6	2,740	2.5	3,517	2.6
75 to 79 years	810	2.0	1,891	1.7	2,340	1.7
80 to 84 years	618	1.5	1,191	1.1	1,555	1.1
85 years and over	645	1.6	1,084	1.0	1,365	1.0
55 and older	9,285	23.1	23,597	21.2	29,264	21.4
65 and older	4,558	11.3	10,976	9.8	13,849	10.1
Total	40,167		111,498		136,555	

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

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Summerville, the project market area, and for Dorchester County are out in Table 8, below. These projections are based on the population projections set out, above.

The projection is that in 2021 the project market area will have around 50,104 households, and around 51,568 in 2024. In 2010, there were 41,031 households in the market area.

Table 8 - Household Trends

	Summerville	Market Area	Dorchester County
2000	10,391	30,182	34,709
2010	16,866	41,031	50,259
2021	n/a	50,104	63,586
2024	n/a	51,568	67,259
absolute change			
2000-2010	6,475	10,849	15,550
2010-2021	n/a	9,073	13,327
2021-2024	n/a	1,464	3,673
annual change			
2000-2010	648	1,085	1,555
2010-2021	n/a	825	1,212
2021-2024	n/a	488	1,224

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

TENURE

Table 9, below, sets out the number and proportion of owner and renter households for Summerville, the Summerville market area, and for Dorchester County. In the years beyond 2010, the tenure proportions are based on the 2000 to 2010 tenure trends. In 2010, 28.1 percent of households in the market area were renters, compared with 36.4 percent in Summerville, and 28.2 percent in the county.

Table 9 - Tenure

Summerville		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	27,752	10,391	2.67	6,827	65.7	3,564	34.3
2010	40,167	16,866	2.38	10,731	63.6	6,135	36.4
2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Market Area		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	84,562	30,182	2.80	22,174	73.5	8,008	26.5
2010	111,498	41,031	2.72	29,510	71.9	11,521	28.1
2021	132,667	50,491	2.63	35,403	70.1	15,088	29.9
2024	135,646	52,100	2.60	36,264	69.6	15,836	30.4

Dorchester County		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	96,413	34,709	2.78	26,023	75.0	8,686	25.0
2010	136,555	50,259	2.72	36,073	71.8	14,186	28.2
2021	169,433	63,586	2.66	43,098	67.8	20,488	32.2
2024	178,306	67,259	2.65	44,791	66.6	22,468	33.4

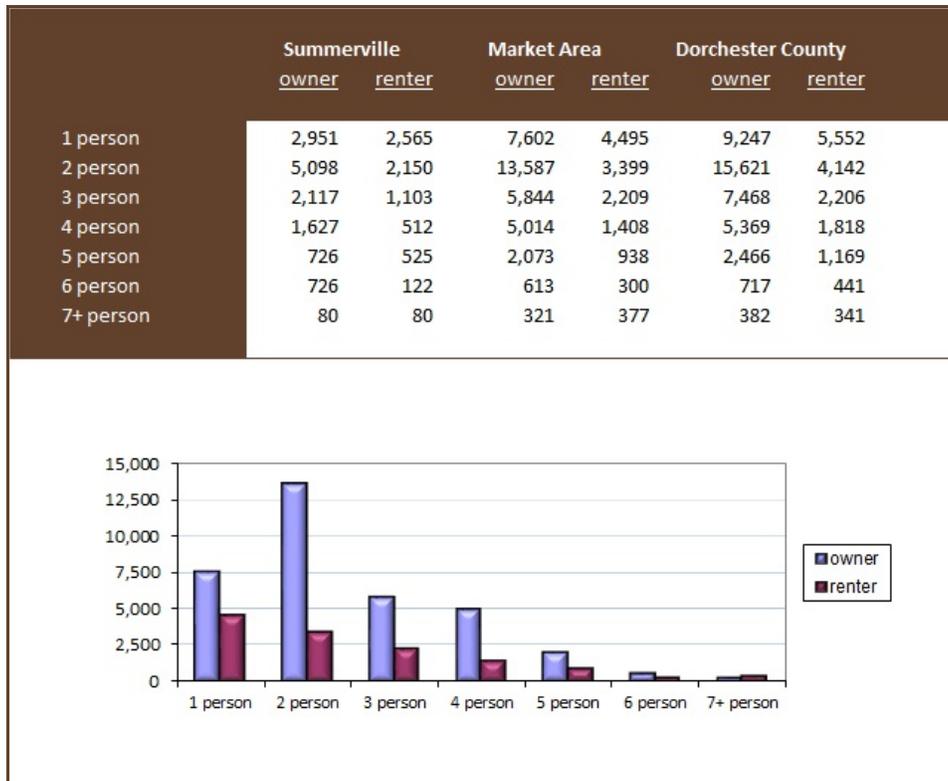
Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 10 below, sets out household size, by tenure, for households in Summerville, the project market area, and Dorchester County.

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

Table 10 - Household Size, by Tenure



Source: 2016 to 2020 American Community Survey; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Summerville, the market area, and for Dorchester County are set out in Table 11, below. These figures are taken from the 2016 to 2020 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Summerville was \$60,271 and that for Dorchester County as a whole was seen to be \$63,501. The median income for the market area is estimated to be around \$62,944.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$50,707 - based on the American Community Survey data.

Table 11 - Household Income

	Summerville		Market area		Dorchester County	
	number	percent	number	percent	number	percent
less than \$10,000	809	4.1	2,320	4.8	2,666	4.7
\$10,000 to \$14,999	744	3.7	1,802	3.7	2,259	4.0
\$15,000 to \$19,999	729	3.7	1,505	3.1	1,831	3.2
\$20,000 to \$24,999	1,021	5.1	2,540	5.3	2,595	4.6
\$25,000 to \$29,999	896	4.5	1,917	4.0	2,266	4.0
\$30,000 to \$34,999	788	4.0	1,959	4.1	2,407	4.2
\$35,000 to \$39,999	871	4.4	2,187	4.5	2,639	4.6
\$40,000 to \$44,999	1,035	5.2	2,294	4.8	2,432	4.3
\$45,000 to \$49,999	619	3.1	1,843	3.8	2,523	4.4
\$50,000 to \$59,999	2,389	12.0	4,713	9.8	5,197	9.1
\$60,000 to \$74,999	1,787	9.0	5,169	10.7	6,327	11.1
\$75,000 to \$99,999	2,908	14.6	6,837	14.2	7,705	13.5
\$100,000 to \$124,999	1,475	7.4	4,573	9.5	5,586	9.8
\$125,000 to \$149,999	1,310	6.6	3,354	7.0	4,287	7.5
\$150,000 to \$199,999	1,507	7.6	2,968	6.2	3,829	6.7
\$200,000 or more	1,000	5.0	2,199	4.6	2,390	4.2
median income	\$60,271		\$62,944 *		\$63,501	

* estimate

Source: 2016 to 2020 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Summerville, the market area, and Dorchester County set out in Table 12, below. These figures are also taken from the 2016 to 2020 American Community Survey.

Here, it is seen that the median renter household income in Summerville was \$44,299, and that for Dorchester County as a whole was seen to be \$44,141. The median income for renters in the market area is estimated to be around \$43,588.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$40,000 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

	Summerville		Market area		Dorchester County	
	number	percent	number	percent	number	percent
less than \$10,000	428	6.1	1,117	8.5	1,056	6.7
\$10,000 to \$19,999	1,030	14.6	1,698	12.9	2,182	13.9
\$20,000 to \$34,999	1,267	18.0	2,471	18.8	2,891	18.5
\$35,000 to \$49,999	1,164	16.5	2,230	17.0	2,734	17.4
\$50,000 to \$74,999	1,469	20.8	2,853	21.7	3,131	20.0
\$75,000 to \$99,999	854	12.1	1,173	8.9	1,825	11.6
\$100,000 or more	845	12.0	1,585	12.1	1,850	11.8
median income	\$44,299		\$43,558 *		\$44,141	

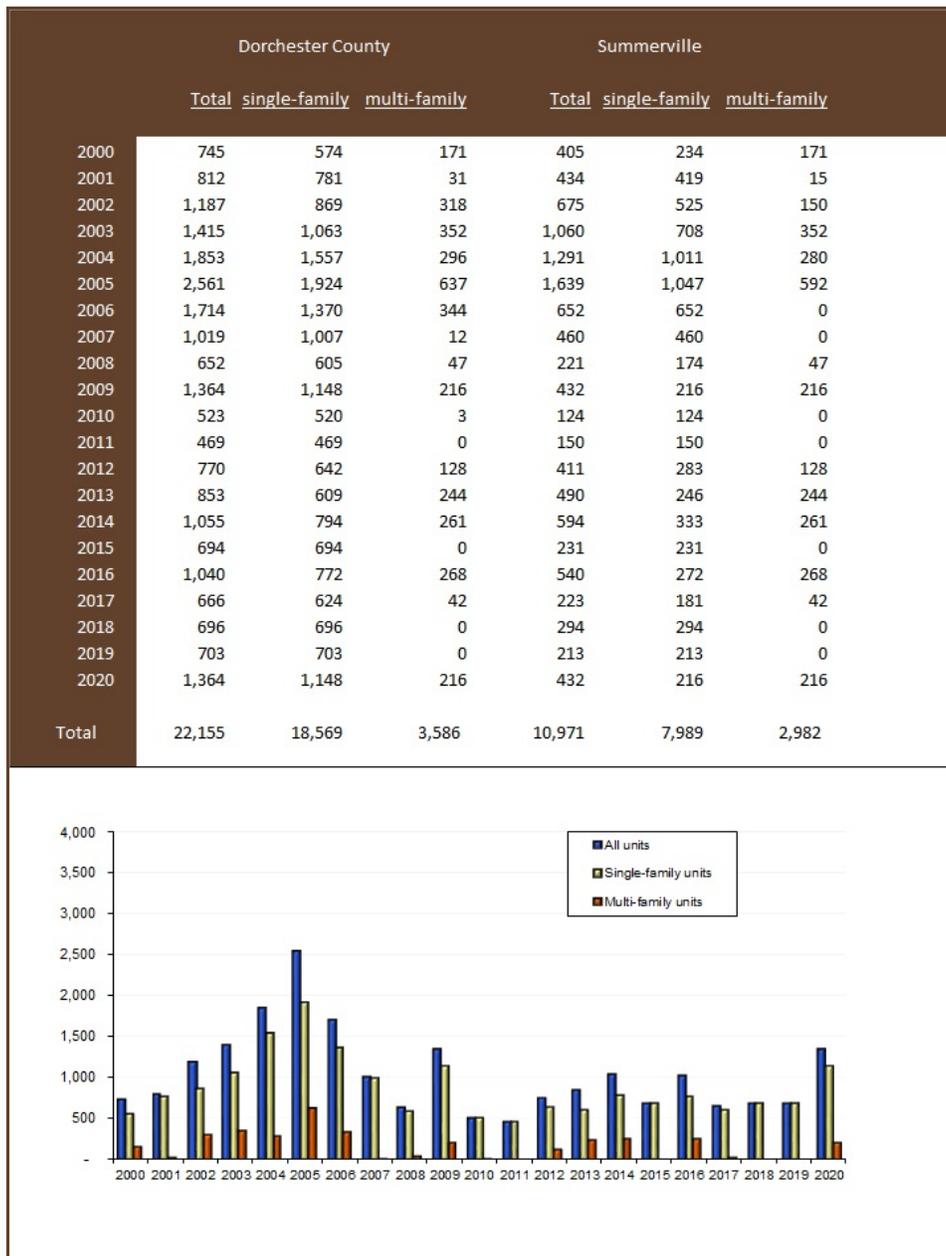
* estimate

Source: 2016 to 2020 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2000

Table 13 below gives details of residential construction in Dorchester County since 2000. Here it can be seen that a total of 22,155 units were added in Dorchester County, with 10,971 units added in the City of Summerville of which 2,982 were multi-family units. No data are available for the market area.

Table 13 - Residential Construction Since 2000



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

F. PROJECT SPECIFIC DEMAND ANALYSIS

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

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 42 units proposed, five will be targeted to households with incomes up to 20 percent of the median, with four units targeted at 30 percent, and 33 units targeted at 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of one-, two-, and three- bedroom units.

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

Table 14 - Income Limits and Maximum Housing Costs

Income Limits			
	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>
1 person	\$12,860	\$19,290	\$38,580
2 person	\$14,700	\$22,050	\$44,100
3 person	\$16,540	\$24,810	\$49,620
4 person	\$18,360	\$27,540	\$55,080
5 person	\$19,840	\$29,760	\$59,520
6 person	\$21,300	\$31,950	\$63,900
Maximum Housing Costs			
	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>
1 bedroom	\$345	\$517	\$1,034
2 bedroom	\$414	\$620	\$1,241
3 bedroom	\$478	\$716	\$1,433

Source: HUD

Information as to rents and income targeting, and qualifying income ranges are set out in Table 15, below

Table 15 - Rents and Income Targeting

income targeting				
	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>	<u>Total</u>
1 bedroom	1	0	5	6
2 bedroom	3	3	18	24
3 bedroom	1	1	10	12
Total	5	4	33	42

proposed rents			
	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>
1 bedroom	\$235	\$405	\$840
2 bedroom	\$270	\$480	\$975
3 bedroom	\$295	\$535	\$1,100

proposed rents as a proportion (%) of maximum			
	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>
1 bedroom	99.4	99.1	90.8
2 bedroom	98.4	99.7	88.5
3 bedroom	97.8	99.0	87.5

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$108, \$139, and \$176 for the one-, two-, and three-bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments fall effectively at 98 to 100 percent of the maximum allowable for the units targeted at the 20 percent and 30 percent levels, and at 88 to 91 percent for the units targeted at the 60 percent level. This will provide an attractive and relatively affordable property, given that the higher, 60 percent, rents are reasonably below the maximum allowable.

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

Table 16 - Qualifying Income Ranges

<u>20 percent</u>		
	lower	upper
1 bedroom	\$11,760	\$13,780
2 bedroom	\$14,023	\$16,540
3 bedroom	\$16,149	\$19,100

<u>30 percent</u>		
	lower	upper
1 bedroom	\$17,589	\$20,670
2 bedroom	\$21,223	\$24,810
3 bedroom	\$24,377	\$28,650

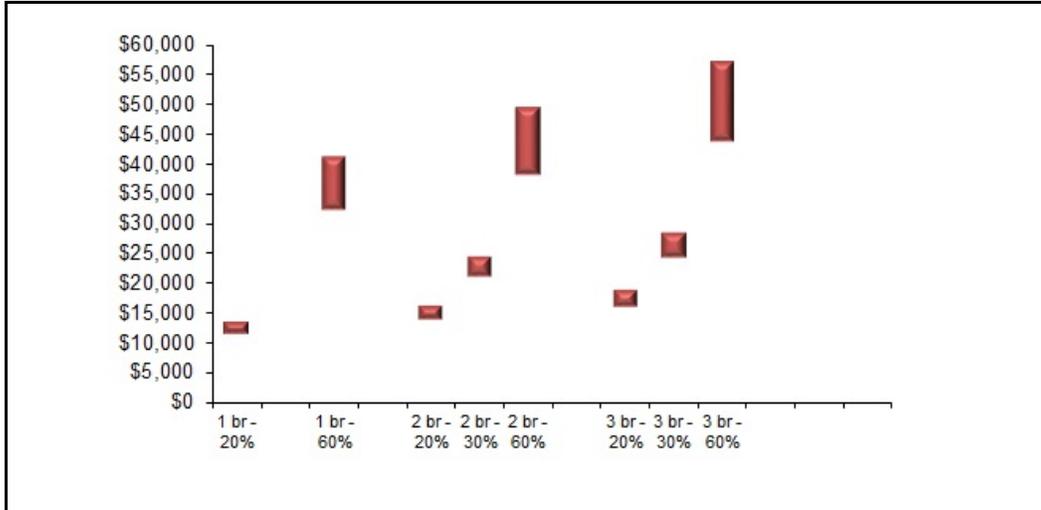
<u>60 percent</u>		
	lower	upper
1 bedroom	\$32,503	\$41,340
2 bedroom	\$38,194	\$49,620
3 bedroom	\$43,749	\$57,300

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$11,760 to \$57,300, reflecting the target incomes used.

The above table, and the graph below, show that the qualifying income ranges are relatively narrow for the deeper targeted units.

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



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

Table 17 - Household Income, Renter Households

Income	Overburdened Renters			
	Number	Percent	Number	Percent
Up to \$10,000	1,117	8.5	600	11.9
\$10,000 - \$19,999	1,698	12.9	1,448	28.6
\$20,000 - \$34,999	2,471	18.8	1,853	36.6
\$35,000 - \$50,000	2,230	17.0	740	14.6
\$50,000 - \$75,000	2,853	21.7	404	8.0
\$75,000 - \$100,000	1,173	8.9	11	0.2
\$100,000 and over	1,585	12.1	5	0.1
Total	13,126		5,062	

Source: 2016 to 2020 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2016 to 2020 - and not for a specific year.

From this table it can be seen that only 8.5 percent of the market area renter households have incomes less than \$10,000 and a further 12.9 percent have incomes between \$10,000 and \$20,000. Around 18.8 percent of renters are seen to be in the \$25,000 to \$35,000 income range. Around 38.6 percent of all renters are rent-overburdened.

Based on the income ranges set out in Table 16 and the income distribution set out in Table 17, it is found that around 3.5 percent of market area renter households qualify for units at 20 percent of the median, and 4.9 percent qualify at the 30 percent level. The corresponding figure for the units at 60 percent is 12.5 percent - or 20.8 percent, overall.

Projections of need and demand are based upon a 2021 to 2024 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 9, a total of 748 new rental units are needed between 2021 and 2024. A total of 156 units will be for households eligible for the proposed project: 26 households at the 20 percent level, 37 households at the 30 percent level, and 93 households at the 60 percent level.

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

Our calculations show that there will be a total of 3,300 renter households in the qualifying income ranges in the project market area. This figure has to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 84.3 percent of renters qualifying for units at the 20 percent level are rent overburdened, with 77.0 percent at the 30 percent level being over-burdened. Around 29.8 percent of those at the 60 percent level are rent overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This based on an annual average rate of 0.6 percent of the rental housing stock. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 60 units.

Total demand is therefore seen to amount to 1,865 units: 498 qualifying for units at 20 percent of the median, 651 qualifying at 30 percent, and 716 qualifying at 60 percent of the median.

These figures are based on a 2021 to 2024 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. One potentially comparable project has been added in the project market area over the projection period. This is the 216-unit Waters at Overbrook property that is due to open later in 2022. The project offers units targeted at 60 percent of the median, and a (smaller) number of units targeted at 150 percent of the median. The leasing agent did not provide us with a count of the number of units at the 60 percent level: units that would be comparable to the 60 percent units at the proposed Sawmill Crossing complex. No other comparable projects have been funded or are under construction. Here, in order to ensure the conservative nature of our calculations, it is assumed that all units at the Waters at Overbrook are effectively targeted at the 60 percent level. Therefore, the net need is for 1,649 units

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

Table 18 - Demand Calculations

	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>	<u>Total</u>
(i) income eligible new renter households	26	37	93	156
(ii) income eligible existing renter households	549	779	1,972	3,300
(iii) existing households, likely to move	462	600	587	1,649
(iv) need from obsolete housing	10	14	36	60
Total demand (i)+(iii)+(iv)	498	651	716	1,865
Supply	0	0	216	216
Net demand	498	651	500	1,649

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 25 percent of the total, two-bedroom units should account for 39 percent of the total, and three-bedroom units should account for 26 percent of the total with four- or more bedroom units accounting for 10 percent. Here, it is important to note that the need and demand for three- bedroom units (which account for 29 percent of the 42-unit total) is based on renter household size - with a focus on four- or-more person households for the three-bedroom units.

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

Table 19 - Capture Rates

	<u>20 percent</u>	<u>30 percent</u>	<u>60 percent</u>	<u>Total*</u>
Total demand				
1 bedroom	124	162	178	463
2 bedroom	196	256	282	734
3 bedroom	128	167	184	479
4 bedroom	50	66	72	188
Total	498	651	716	1,865
Supply				
1 bedroom	0	0	96	96
2 bedroom	0	0	96	96
3 bedroom	0	0	24	24
4 bedroom	0	0	0	0
Total	0	0	216	216
Net demand				
1 bedroom	124	162	82	367
2 bedroom	196	256	186	638
3 bedroom	128	167	160	455
4 bedroom	50	66	72	188
Total	498	651	500	1,649
Units proposed				
1 bedroom	1	0	5	6
2 bedroom	3	3	18	24
3 bedroom	1	1	10	12
4 bedroom	0	0	0	0
Total	5	4	33	42
Capture rates				
1 bedroom	0.8%	0.0%	6.1%	1.6%
2 bedroom	1.5%	1.2%	9.7%	3.8%
3 bedroom	0.8%	0.6%	6.3%	2.6%
4 bedroom	0.0%	0.0%	0.0%	0.0%
Total	1.0%	0.6%	6.6%	2.5%

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 42-unit development amounts to 2.5 percent of the total net need. The development equates to 297 percent of the net need for 1,461 one-, two-, and three- bedroom units.

The capture rate for the five units targeted at 20 percent of the median is 1.0 percent, that for the four units targeted at 30 percent of the median is 0.6 percent, with that for the 33 units targeted at 60 percent of the median determined to be 6.6 percent. The corresponding rates for one-, two-, and three-bedroom units only are 1.1 percent, 0.7 percent, and 7.7 percent, respectively.

The capture rates, by bedroom, are determined to be 1.6 percent for the six one-bedroom units, 3.8 percent for the 24 two-bedroom units, and 2.6 percent for the 12 three-bedroom units.

These capture rates are considered to be very realistic - and the proposed development is considered marketable, all things considered.

ABSORPTION RATES

As noted, the capture rates presented above are considered realistic - and reflect the impact of the size of the project, bedroom mix, different target income ranges, the absolute affordability of the units at the 20 and 30 percent target income ranges, and the relative affordability of the rents at the 60 percent level. Were the project to be developed as proposed it would expect to lease up over a period of three- to four-months, or so.

G. EXISTING RENTAL UNITS

There are many apartment complexes located throughout the Summerville area. These include properties that have been financed through the use of Low Income Housing Tax Credits - and thus are comparable to the proposed Sawmill Crossing complex. There are also several established properties that were subsidized for low and very low income renters, through the USDA/Rural Development rural rental housing program, and/or through HUD. Additionally, there are very many market rate complexes. Information on the tax credit properties and subsidized properties (for which useful information was made available to us) is presented below, along with information on a representative sample of conventionally-financed properties.

Azalea Park and Cedar Key are representative of more established tax credit developments. These were introduced in 2003, and each have a mix of two- and three-bedroom units targeted at 50 and 60 percent of the area median income. Cedar Key, for example, offers two-bedroom units at \$849 to \$1,057, and three-bedroom units at \$973 to \$1,207. Occupancy at Cedar Key is reported at 94 percent (and Azalea Park is 100 percent occupied).

Summerville Garden is a 72-unit tax credit property that opened in 2012. Rents range from \$603 to \$781 at the 50 percent level, to \$667 to \$795 at the 60 percent level. The property reports one vacancy at present.

Waters at Magnolia Bay is a significant new tax credit-financed development. This complex offers a total of 300 units, and opened in 2017. Of the 300-unit total, 240 units are targeted at 60 percent of the area median income - with rents for the one-, two-, and three-bedroom units at \$818, \$970, and \$1,007, respectively. The remaining 60 units are unrestricted market rate units, with rents at \$960, \$1,055, and \$1,220. The property reports only two vacancies - a 99.3 percent occupancy level. A sister property - The Waters at Overbrook - is nearing the end of the construction process. This is a 216-unit property with a mix of one-, two-, and three-bedroom units. The property offers units targeted at 60 percent of the median - at \$803, \$954, and \$1,087 for the project's one-, two-, and three-bedroom models. Other units are effectively market rate units, but occupancy is restricted to tenants with incomes that do not exceed 150 percent of the area median. These units are reported to rent for \$1,164, \$1,365, and \$1,5907, per month. It is understood that the leasing company received more than 400 to 500 applications.

The subsidized properties in the Summerville market date from 1978 to 1993, and range in size from 42 to 120 units, with occupancy in the 96 to 100 percent range - with most properties maintaining a waiting list.

The sample of market rate properties we identified and surveyed typically range from 80 to 280 units, built between 2005 and 2021. The sample focuses on developments that are not far from the site of the proposed development. Two new complexes were included in our survey. The Atlantic on Main Apartments offer 227 units, with rents ranging from \$1,200 for a studio unit, to \$1,335 to \$1,430 for a one-bedroom unit, to \$1,597 to \$1,781 for a two-bedroom unit. Three-bedroom units at this property are offered at \$1,957 to \$1,977. The Bay Point Apartments also date from 2021, and have 40 two-bedroom units that rent for \$1,495, and 40 three-bedroom units that rent for \$2,000.

The newest market rate complex to have reached stabilized occupancy is the Legends at Azalea. This is a 258-unit property, that opened on 2019 and is currently reporting a 98.8 percent occupancy level. Rents range from \$1,170 for a one-bedroom unit, from \$1,465 for a two-bedroom unit, and from \$1,650 for a three-bedroom unit.

The closest apartments to the site of the proposed development are the Farmington Village Apartments that opened in 2007. This is one of several complexes located along the North Main Street corridor in the general vicinity of Interstate 26. This property is 94.3 percent occupied.

Occupancy for the 1,082 units in the five stabilized market rate properties for which we were able to obtain occupancy data, reveal a 96.0 percent occupancy level. The tax credit properties are 98.6 percent occupied, and the various subsidized complexes for which we have information, are 98.3 percent occupied. This yields a 97.3 percent overall occupancy level for the total survey of stabilized properties.

Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Atlantic on Main	conventional	2021	227	63	72.2
Azalea Park	LIHTC	2003	64	0	100.0
Bay Pointe at Summerville	conventional	2021	80	36	55.0
Bryant at Summerville	conventional	2004	232	12	94.8
Cambridge	USDA/RD	1993	48	n/a	n/a
Canebreak	HUD § 8	n/a	120	2	98.3
Cedar key	LIHTC	2003	48	3	93.8
Country Club	conventional	1968/1998	32	2	93.8
Farmington Village	conventional	2007	280	16	94.3
Haven Oaks	HUD § 8	1978	104	0	100.0
Lake Pointe	LIHTC	2014	56	n/a	n/a
Legends at Azalea	conventional	2019	258	3	98.8
Oak Hollow	LIHTC	2007	44	0	100.0
Planter's Retreat	LIHTC	2005	192	4	97.9
Summerville Garden	LIHTC	2012	72	1	98.6
Summerville Villas	USDA/RD	1984	42	0	100.0
Summer Pines	USDA/RD	1979	48	2	95.8
Villas of Summerville	HUD § 8	1978	92	3	96.7
Vista Sands	conventional	2005	280	10	96.4
Waters at Magnolia Bay	LIHTC	2017	300	2	99.3
Waters at Oakbrook	LIHTC	2022	216	n/a	n/a
Wisteria Place	LIHTC	2006	64	1	98.4

Report for the Sawmill Crossing Apartments in Summerville, South Carolina

	0 br/1ba			1 br/1ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
<i>Sawmill Crossing</i>				12	756	\$235-840
Atlantic on Main	n/a	515	\$1,290	n/a	648-793	\$1,335-1,430
Azalea Park						
Bay Pointe at Summerville						
Bryant at Summerville				64	652-790	\$1,240-1,880
Cambridge				8	594	boi
Canebreak				32	674	boi
Cedar key						
Country Club						
Farmington Village				72	696-984	\$1,433-1,443
Haven Oaks				32	574	boi
Lake Pointe				8	850	
Legends at Azalea				n/a	651-920	\$1,170-1,270
Oak Hollow						
Planter's Retreat						
Summerville Garden				18	763	\$603-667
Summerville Villas				8	622	boi
Summer Pines				8	695	boi
Villas of Summerville				20	n/a	boi
Vista Sands				12	658-833	\$1,365
Waters at Magnolia Bay				72	751	\$818-960
Waters at Oakbrook				96	910	\$803-1,164
Wisteria Place						

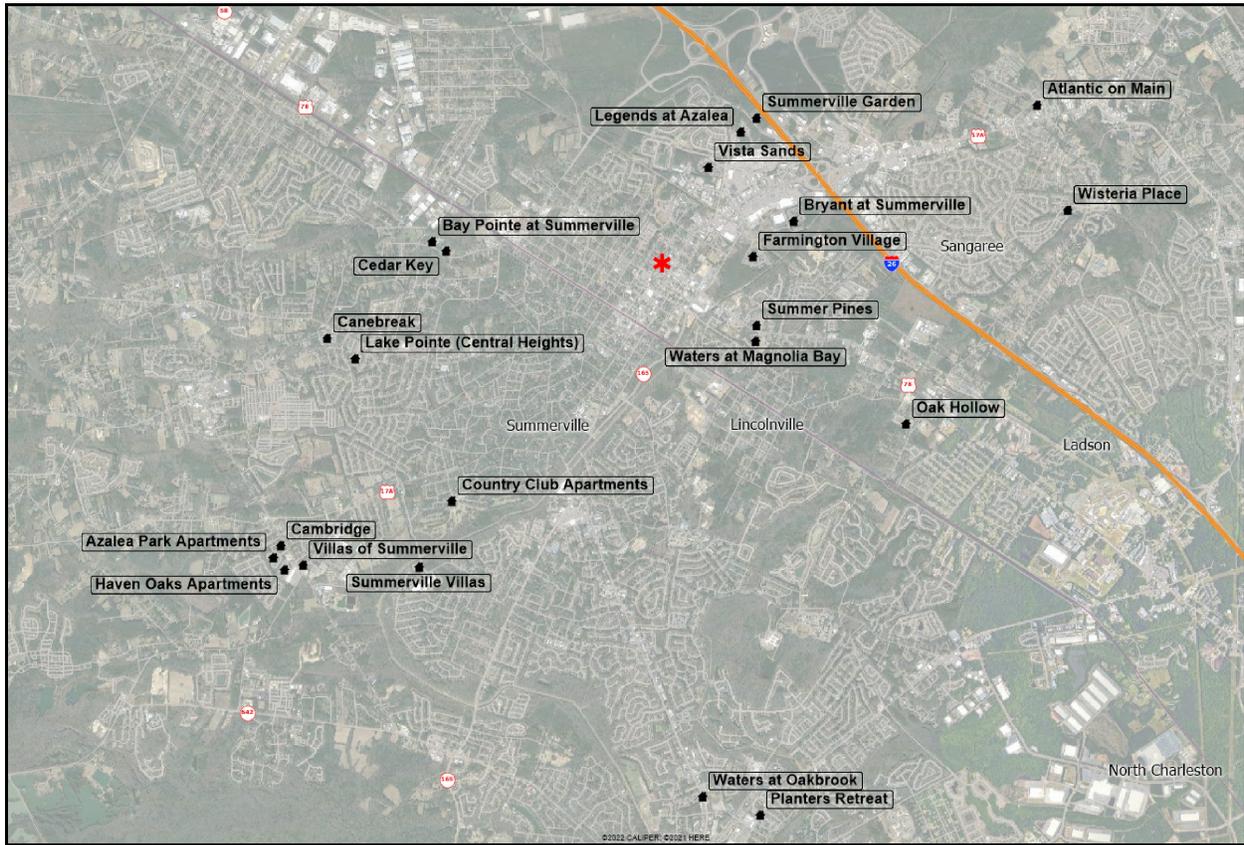
	2 br/1-1½ ba			2 br/2 ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
<i>Sawmill Crossing</i>				24	904	\$270-975
Atlantic on Main				n/a	1,096-1,312	\$1,597-1,781
Azalea Park				32	895	\$750
Bay Pointe at Summerville				40	1,194	\$1,495
Bryant at Summerville				156	933-1,050	\$1,355-1,940
Cambridge	32	864	boi			
Canebreak	56	769	boi			
Cedar key	16	915	\$849-1,057			
Country Club	32	950-1,057	\$1,060-1,110			
Farmington Village				176	1,084-1,275	\$1,438-1,588
Haven Oaks	56			45	804	boi
Lake Pointe				20	1,100	n/a
Legends at Azalea				n/a	1,155-1,252	\$1,465-1,545
Oak Hollow						
Planter's Retreat				96	1,082	\$1,011
Summerville Garden				36	973	\$701-728
Summerville Villas	24	815	boi			
Summer Pines	36	928	boi			
Villas of Summerville	62	n/a	boi			
Vista Sands				144	965-1,140	\$1,395-1,465
Waters at Magnolia Bay				156	950-951	\$970-1,055
Waters at Oakbrook				96	1,159	\$954-1,364
Wisteria Place				32	1,082	\$826-1,011

Report for the Sawmill Crossing Apartments in Summerville, South Carolina

3 br/1-1½ ba				3 br/2+ ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
<i>Sawmill Crossing</i>				12	1,166	\$295-1,110
Atlantic on Main				n/a	1,434	\$1,957-1,977
Azalea Park				32	1,100	\$850
Bay Pointe at Summerville				40	1,379	\$2,000
Bryant at Summerville				12	1,276	\$1,865
Cambridge	8	1,110	boi			
Canebreak	32	1,038	boi			
Cedar key				32	1,100	\$973-1,207
Country Club						
Farmington Village				32	1,305-1,430	\$1,953-1,988
Haven Oaks	15	1,051	boi			
Lake Pointe				20	1,250	n/a
Legends at Azalea				n/a	1,362	\$1,650-1,710
Oak Hollow				24	1,234	\$917-1,131
Planter's Retreat				96	1,322	\$1,151
Summerville Garden				18	1,175	\$781-795
Summerville Villas	10	995	boi			
Summer Pines	4	1,035	boi			
Villas of Summerville	10	n/a	boi			
Vista Sands				16	1,187	\$1,779
Waters at Magnolia Bay				72	1,075	\$1,007-1,220
Waters at Oakbrook				24	1,384	\$1,087-1,597
Wisteria Place				32	1,322	\$947-1,161

4 br			
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
<i>Sawmill Crossing</i>			
Lake Pointe	8	1,400	n/a
Oak Hollow	20	1,367	\$1,006-1,244

A map showing the locations of these properties, relative to the site of the proposed apartments is provided, below.



Report for the Sawmill Crossing Apartments in Summerville, South Carolina

As noted, we surveyed several market rate apartment developments in the project market area. Summary data for market rate properties in the Summerville area that were not included in that survey are presented in the table, below.

Table 20 - Market Rate Inventory

Complex	year built	units	stories	bedroom mix	sq. footages	rent range
Arbor Village	2014	240	3	1-3	703-1,403	\$1,225-1,790
Bridge Pointe	2004	131	2	1-3	799-1,668	\$1,580-2,865
Colonial Village at Waters Edge	1985	204	2	1-2	700-1,030	\$1,258-1,308
Elevate at Brighton Park	2019	329	3	1-3	747-1,641	\$1,370-2,270
Gates at Summerville	1978	232	2	1-3	990-1,240	\$1,124-1,470
Grove at Oakbrook	2000	280	2	1-3	788-1,292	\$1,249-1,809
Magnolia Place	1973	96	2	1-2	650-850	\$875-960
Martins Creek	1986	200	2	1-3	786-1,208	\$1,527-2,291
Oakbrook Village	2006	192	3	1-3	728-1,417	\$1,100-1,675
Palms at Edgewater	2022	288	3	1-3	772-1,200	\$1,395-1,770
Parks at Nexton	2015	320	3	1-3	638-1,428	\$1,368-2,694
Sawbranch	1978	113	2	1-3	700-1,150	\$1,079-1,429
South City	2020	360	3	1-3	700-1,338	\$1,298-2,284
Summerville Station	1979	200	2	1-3	700-1,200	\$1,375-1,775
The Montana	1972	79	2	2	700	\$874
The Murray	2021	345	4	0-3	638-1,572	\$1,337-3,483
Villas at Nexton	2022	282	2	1-3	576-1,440	\$1,445-2,750
Vista Sands	2005	280	3	1-3	658-1,187	\$1,300-2,524
Wellington Place	1973	124	2	1-3	725-1,155	\$1,240-2,523

Source: CoStar/apartments.com; T Ronald Brown: Research & Analysis

Several market rate apartment developments in the project market area can be used in the determination of market rents. Here, complexes were selected on the basis of location and bedroom mix. Information for the one-, two- and three-bedroom units at these properties are summarized below.

Table 21 - Market Rate Properties

<u>Property</u>	<u>Year built</u>	<u>One-bedroom rents</u>	<u>Two-bedroom Rents</u>	<u>Three-bedroom rents</u>
Bryant at Summerville	2004	\$1,240-1,880	\$1,355-1,940	\$1,865
Farmington Village	2007	\$1,423-1,433	\$1,438-1,588	\$1,953-1,988
Legends at Azalea	2019	\$1,170-1,425	\$1,465-1,454	\$1,650-1,735
Vista Sands	2005	\$1,365	\$1,395-1,465	\$1,779

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

The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the unassisted units at the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$1,309 for a one-bedroom unit, \$1,338 for a two-bedroom unit, and \$1,729 for a three-bedroom unit.

Based on the proposed rents at the proposed development, this rent is found to be well below the gross adjusted market rent (40.59 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
	0 BR					
	0 BR					
	1 BR					
1	1 BR	\$235	\$235	\$1,309	\$1,309	
5	1 BR	\$840	\$4,200	\$1,309	\$6,545	
	2 BR					
3	2 BR	\$270	\$810	\$1,338	\$4,013	
3	2 BR	\$480	\$1,440	\$1,338	\$4,013	
18	2 BR	\$975	\$17,550	\$1,338	\$24,079	
	3 BR					
1	3 BR	\$295	\$295	\$1,729	\$1,729	
1	3 BR	\$535	\$535	\$1,729	\$1,729	
10	3 BR	\$1,100	\$11,000	\$1,729	\$17,290	
	4 BR					
	4 BR					
Totals	42		\$36,065		\$60,706	40.59%

The relationship between the proposed rents and the HUD Fair Market Rents (FMRs), as per the S-2 Exhibit, are set out, below.

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted FMR	Gross Adjusted FMR	Tax Credit Gross Rent Advantage
	0 BR					
	0 BR					
	0 BR					
	1 BR					
1	1 BR	\$235	\$235	\$1,204	\$1,204	
5	1 BR	\$840	\$4,200	\$1,204	\$6,020	
	2 BR					
3	2 BR	\$270	\$810	\$1,372	\$4,116	
3	2 BR	\$480	\$1,440	\$1,372	\$4,116	
18	2 BR	\$975	\$17,550	\$1,372	\$24,696	
	3 BR					
1	3 BR	\$295	\$295	\$1,721	\$1,721	
1	3 BR	\$535	\$535	\$1,721	\$1,721	
10	3 BR	\$1,100	\$11,000	\$1,721	\$17,210	
	4 BR					
	4 BR					
Totals	42		\$36,065		\$60,804	40.69%



Atlantic on Main

Location: 2500 Gault Way, Summerville

Year Built: 2021

Telephone: 854.400.5232

Total units:227

Management: RPM

Vacant units: 63, (72.3 percent occupied in lease-up)

Contact: Jordan (4/11) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
0/1	n/a	515	\$1,200	\$2.33	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/>
1/1	n/a	648-755	\$1,335-1,360	\$1.92	Business Center <input checked="" type="checkbox"/>
1/1	n/a	793	\$1,385-1,430	\$1.77	Pool <input checked="" type="checkbox"/> Playground <input type="checkbox"/>
2/2	n/a	1,096	\$1,597-1,642	\$1.48	Controlled access/gated <input type="checkbox"/>
2/2	n/a	1,241-1,312	\$1,658-1,781	\$1.35	Elevator <input checked="" type="checkbox"/> Garages <input type="checkbox"/>
3/2	n/a	1,434	\$1,957-1,977	\$1.37	Storage <input type="checkbox"/> Laundry <input type="checkbox"/>

Unit Amenities

Microwave	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Washer/dryer	<input checked="" type="checkbox"/>
Washer/dryer hook-up	<input type="checkbox"/>
9' ceilings	<input type="checkbox"/>
High-end kitchen	<input checked="" type="checkbox"/>
Wood/style floors	<input checked="" type="checkbox"/>
Fireplaces	<input type="checkbox"/>
Patios/balconies	<input type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Azalea Park

Location: 527 Orangeburg Road, Summerville

Financing: LIHTC (targeting: 50% and 60% of AMI)

Year Built: 2003

Telephone: 843.261.6262

Total units: 64

Management: RLJ Management

Vacant units: 0(100 percent occupied)

Contact: Leah telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
2/2	21	895	\$675-750	\$97	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
3/1½	32	1,100	\$655-850	\$120	
					<u>Unit Amenities</u>
					Microwave <input type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Bay Pointe at Summerville

Location: 260 Pidgeon Bay Road, Summerville

Year Built: 2021

Total units: 80

Vacant units: 36 (55percent occupied - in lease-up)

Waiting list:

Telephone: 843.604.3801

Management: Dunbar and Falk

Contact: Michelle (4/11) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
2/2	40	1,194	\$1,495	\$1.25	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Business Center <input checked="" type="checkbox"/> Pool <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input type="checkbox"/>
3/2	40	1,379	\$2,000	\$1.45	
					<u>Unit Amenities</u>
					Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input checked="" type="checkbox"/> Washer/dryer hook-up <input type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input checked="" type="checkbox"/> Wood/style floors <input checked="" type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Bryant at Summerville

Location: 325 Marymesda Drive, Summerville

Year Built: 2004

Telephone: 843.419.8311

Total units: 232

Management: Amercon Landmark

Vacant units: 12 (94.6 percent occupied)

Contact: Keisha (4/11) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
1/1	24	652	\$1,240-1,880	\$2.39	Clubhouse/community room <input checked="" type="checkbox"/>
1/1	40	790	\$1,290	\$1.63	Fitness Center <input checked="" type="checkbox"/>
					Business Center <input checked="" type="checkbox"/>
2/1	60	933	\$1,355-1,850	\$1.72	Pool <input checked="" type="checkbox"/>
2/2	96	1,080	\$1,445-1,940	\$1.61	Playground <input type="checkbox"/>
					Controlled access/gated <input type="checkbox"/>
3/2	12	1,276	\$1,865	\$1.46	Elevator <input type="checkbox"/>
					Garages <input checked="" type="checkbox"/>
					Storage <input type="checkbox"/>
					Laundry <input type="checkbox"/>

Unit Amenities

Microwave	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Washer/dryer	<input checked="" type="checkbox"/>
Washer/dryer hook-up	<input type="checkbox"/>
9' ceilings	<input checked="" type="checkbox"/>
High-end kitchen	<input checked="" type="checkbox"/>
Wood/style floors	<input checked="" type="checkbox"/>
Fireplaces	<input checked="" type="checkbox"/>
Patios/balconies	<input checked="" type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Cambridge

Location: 559 Orangeburg Road, Summerville

Financing: USDA/RD

Year Built: 1993

Total units: 48

Vacant units: n/a (percent occupied)

Waiting list:

Telephone: 803.788.3800

Management: CAHEC Management

Contact: telephone onsite other

<u>Br/ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Basic/Market Rent</u>	<u>Community Amenities</u>	
1/1	8	594	n/a	Clubhouse/community room	<input type="checkbox"/>
				Fitness Center	<input type="checkbox"/>
2/1	32	864	n/a	Business Center	<input type="checkbox"/>
				Pool	<input type="checkbox"/>
3/1½	8	1,110	n/a	Playground	<input checked="" type="checkbox"/>
				Controlled access/gated	<input type="checkbox"/>
				Elevator	<input type="checkbox"/>
				Garages	<input type="checkbox"/>
				Storage	<input type="checkbox"/>
				Laundry	<input checked="" type="checkbox"/>
				<u>Unit Amenities</u>	
				Microwave	<input type="checkbox"/>
				Dishwasher	<input type="checkbox"/>
				Washer/dryer	<input type="checkbox"/>
				Washer/dryer hook-up	<input checked="" type="checkbox"/>
				9' ceilings	<input type="checkbox"/>
				High-end kitchen	<input type="checkbox"/>
				Wood/style floors	<input type="checkbox"/>
				Fireplaces	<input type="checkbox"/>
				Patios/balconies	<input type="checkbox"/>
				<u>Utilities in rent:</u>	
				Water/sewer	<input type="checkbox"/>
				Trash	<input checked="" type="checkbox"/>
				Electricity	<input type="checkbox"/>
				Heat	<input type="checkbox"/>



Canebreak

Location: 1300 Central Avenue, Summerville

Financing: HUD § 8

Year Built: n/a

Total units: 120

Vacant units: 2 (98.3 percent occupied)

Waiting list:

Telephone: 843.873.0435

Management: Franklin Johnston Group

Contact: Kathy (4/11) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Contract Rent</u>	<u>Community Amenities</u>
1/1	32	674	n/a	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/1	56	769	n/a	
3/1½	32	1,038	n/a	
				<u>Unit Amenities</u>
				Microwave <input type="checkbox"/> Dishwasher <input type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input type="checkbox"/>
				<u>Utilities in rent:</u>
				Water/sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Cedar Key

Location: 246 Pidgeon Bay Road, Summerville

Financing: LIHTC (targeting: 50% and 60% of AMI)

Year Built: 2003

Telephone: 843.695.0250

Total units: 48

Management: Sundance Property Management

Vacant units: 3 (93.8 percent occupied)

Contact: Carnisea (4/12) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
2/1	16	915	\$849-1,057	\$170	Clubhouse/community room <input type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input checked="" type="checkbox"/>
3/2	32	1,100	\$973-1,207	\$213	
					<u>Unit Amenities</u>
					Microwave <input type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Country Club

Location: 43 Old Holly Lane, Summerville

Year Built: 1968/2018

Telephone: 843.695.0250

Total units: 32

Management: Sundance Property Management

Vacant units: 2 (93.8 percent occupied)

Contact: Carnisea (4/12) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
2/1	16	950	\$1,060	\$1.12	Clubhouse/community room <input type="checkbox"/>
2/1	16	1,057	\$1,110	\$1.05	Fitness Center <input type="checkbox"/>
					Business Center <input type="checkbox"/>
					Pool <input type="checkbox"/>
					Playground <input type="checkbox"/>
					Controlled access/gated <input type="checkbox"/>
					Elevator <input type="checkbox"/>
					Garages <input type="checkbox"/>
					Storage <input type="checkbox"/>
					Laundry <input checked="" type="checkbox"/>
					<u>Unit Amenities</u>
					Microwave <input type="checkbox"/>
					Dishwasher <input type="checkbox"/>
					Washer/dryer <input type="checkbox"/>
					Washer/dryer hook-up <input checked="" type="checkbox"/>
					9' ceilings <input type="checkbox"/>
					High-end kitchen <input type="checkbox"/>
					Wood/style floors <input type="checkbox"/>
					Fireplaces <input type="checkbox"/>
					Patios/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Farmington Village

Location: 2100 Farm Springs Road, Summerville

Year Built: 2007

Telephone: 843.261.6171

Total units: 280

Management: MAA Communities

Vacant units: 16 (94.3 percent occupied)

Contact: Crystal (4/11) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
1/1	72	696-984	\$1,423-1,433	\$1.69	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Business Center <input checked="" type="checkbox"/> Pool <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input type="checkbox"/>
2/2	176	1,084-1,275	\$1,438-1,588	\$1.28	
3/2	32	1,305-1,430	\$1,953-1,988	\$1.44	

Unit Amenities

Microwave	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Washer/dryer	<input checked="" type="checkbox"/>
Washer/dryer hook-up	<input type="checkbox"/>
9' ceilings	<input checked="" type="checkbox"/>
High-end kitchen	<input type="checkbox"/>
Wood/style floors	<input type="checkbox"/>
Fireplaces	<input type="checkbox"/>
Patios/balconies	<input checked="" type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Haven Oaks

Location: 523 Orangeburg Road, Summerville

Financing: HUD § 8

Year Built: 1978

Total units: 104

Vacant units: 0 (100 percent occupied)

Waiting list:

Telephone: 843.875.1890

Management: AHCS Management

Contact: (6/13) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Contract Rent</u>	<u>Community Amenities</u>	
1/1	32	574	\$889	Clubhouse/community room	<input type="checkbox"/>
				Fitness Center	<input type="checkbox"/>
2/1	56	804	\$991	Business Center	<input type="checkbox"/>
				Pool	<input type="checkbox"/>
3/1	16	1,051	\$1,226	Playground	<input checked="" type="checkbox"/>
				Controlled access/gated	<input type="checkbox"/>
				Elevator	<input type="checkbox"/>
				Garages	<input type="checkbox"/>
				Storage	<input type="checkbox"/>
				Laundry	<input checked="" type="checkbox"/>
				<u>Unit Amenities</u>	
				Microwave	<input type="checkbox"/>
				Dishwasher	<input type="checkbox"/>
				Washer/dryer	<input type="checkbox"/>
				Washer/dryer hook-up	<input type="checkbox"/>
				9' ceilings	<input type="checkbox"/>
				High-end kitchen	<input type="checkbox"/>
				Wood/style floors	<input type="checkbox"/>
				Fireplaces	<input type="checkbox"/>
				Patios/balconies	<input type="checkbox"/>
				<u>Utilities in rent:</u>	
				Water/sewer	<input checked="" type="checkbox"/>
				Trash	<input checked="" type="checkbox"/>
				Electricity	<input type="checkbox"/>
				Heat	<input type="checkbox"/>



Lake Pointe

Location: 100 Lake Pointe Avenue, Summerville

Financing: LIHTC (targeting: 50% and 60% AMI)

Year Built: 2014

Total units: 56

Vacant units: n/a

Waiting list:

Telephone: 843.285.8378

Management: NHE Management

Contact: telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>
1/1	8	850	n/a	n/a
2/2	20	1,100	n/a	n/a
3/2	20	1,250	n/a	n/a
4/2½	8	1,400	n/a	n/a

Community Amenities

Clubhouse/community room	<input checked="" type="checkbox"/>
Fitness Center	<input checked="" type="checkbox"/>
Business Center	<input checked="" type="checkbox"/>
Pool	<input type="checkbox"/>
Playground	<input checked="" type="checkbox"/>
Controlled access/gated	<input type="checkbox"/>
Elevator	<input type="checkbox"/>
Garages	<input type="checkbox"/>
Storage	<input type="checkbox"/>
Laundry	<input checked="" type="checkbox"/>

Unit Amenities

Microwave	<input type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Washer/dryer	<input type="checkbox"/>
Washer/dryer hook-up	<input checked="" type="checkbox"/>
9' ceilings	<input type="checkbox"/>
High-end kitchen	<input type="checkbox"/>
Wood/style floors	<input type="checkbox"/>
Fireplaces	<input type="checkbox"/>
Patios/balconies	<input type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Legends at Azalea

Location: 3500 Pinckney Marsh Lane, Summerville

Year Built: 2019

Telephone: 843.900.3390

Total units: 258

Management: United Residential Properties

Vacant units: 3 (98.8 percent occupied)

Contact: Jacqueline (4/11) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>Rent/sq. ft.</u>	<u>Community Amenities</u>
1/1	n/a	651-943	\$1,170-1,425	\$1.38	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/>
2/2	n/a	1,155-1,752	\$1,465-1,454	\$1.25	Business Center <input type="checkbox"/> Pool <input checked="" type="checkbox"/>
3/2	n/a	1,362-1,479	\$1,650-1,735	\$1.19	Playground <input checked="" type="checkbox"/> Controlled access/gated <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Garages <input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input type="checkbox"/>

Unit Amenities

Microwave	<input checked="" type="checkbox"/>
Dishwasher	<input checked="" type="checkbox"/>
Washer/dryer	<input type="checkbox"/>
Washer/dryer hook-up	<input checked="" type="checkbox"/>
9' ceilings	<input checked="" type="checkbox"/>
High-end kitchen	<input checked="" type="checkbox"/>
Wood/style floors	<input type="checkbox"/>
Fireplaces	<input type="checkbox"/>
Patios/balconies	<input checked="" type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Oak Hollow

Location: 2009 Evergreen Oak Road, Summerville

Financing: LIHTC (targeting 50% and 60% AMI)

Year Built: 2007

Telephone: 843.8511404

Total units: 44

Management: Woda Management

Vacant units: 0 (100 percent occupied)

Contact: (6/13) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
3/2	24	1,234	\$917-1,131	\$150	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/1	28	1,367	\$1,006-1,244	\$185	
					<u>Unit Amenities</u>
					Microwave <input type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Planters Retreat

Location: 4370 Ladson Road, Ladson

Financing: LIHTC (targeting: 60% of AMI)

Year Built: 2005

Total units: 192

Vacant units: 4 (97.9 percent occupied)

Waiting list:

Telephone: 843.832.6111

Management: Intermark Management

Contact: Leah (4/11) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
2/2	96	1,082	\$1,011	\$97	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input checked="" type="checkbox"/> Pool <input checked="" type="checkbox"/> Playground <input type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
3/2	96	1,322	\$1,151	\$120	
					<u>Unit Amenities</u>
					Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patos/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input checked="" type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Summer Pines

Location: 400 Diana Court, Summerville

Financing: USDA/RD

Year Built: 1979

Total units: 48

Vacant units: 2 (95.8 Percent occupied)

Waiting list:

Telephone: 843.875.2519

Management: Hallmark Group

Contact: Karen (6/13) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Basic/Market Rent</u>	<u>Community Amenities</u>
1/1	8	695	n/a/\$762	Clubhouse/community room <input type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/1	36	928	n/a/\$867	
3/1½	4	1,035	n/a/\$937	
				<u>Unit Amenities</u>
				Microwave <input type="checkbox"/> Dishwasher <input type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patios/balconies <input checked="" type="checkbox"/>
				<u>Utilities in rent:</u>
				Water/sewer <input type="checkbox"/> Trash <input checked="" type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Summerville Garden

Location: 340 Holiday Drive, Summerville

Financing: LIHTC (targeting 50% and 60% of AMI)

Year Built: 2012

Telephone: 843.771.0106

Total units: 72

Management: Landmark Property Management

Vacant units: 1 (99.6 percent occupied)

Contact: Jennifer (4/13) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
1/1	18	763	\$603-667	\$132	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Business Center <input checked="" type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/2	36	973	\$701-728	\$164	
3/2	18	1,175	\$781-795	\$195	
					<u>Unit Amenities</u>
					Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patio/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Villas of Summerville

Location: 1310 Boone Hill Road, Summerville

Financing: HUD § 8

Year Built: 1978

Total units: 62

Vacant units: 3 (95.1 percent occupied)

Waiting list:

Telephone: 854.888.0001

Management: Owner-managed

Contact: (4/12) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Contract Rent</u>	<u>Community Amenities</u>	
1/1	20	n/a	\$886	Clubhouse/community room	<input type="checkbox"/>
2/1	32	n/a	\$971	Fitness Center	<input type="checkbox"/>
3/1½	10	n/a	\$1,175	Business Center	<input type="checkbox"/>
				Pool	<input type="checkbox"/>
				Playground	<input checked="" type="checkbox"/>
				Controlled access/gated	<input type="checkbox"/>
				Elevator	<input type="checkbox"/>
				Garages	<input type="checkbox"/>
				Storage	<input type="checkbox"/>
				Laundry	<input type="checkbox"/>
				<u>Unit Amenities</u>	
				Microwave	<input type="checkbox"/>
				Dishwasher	<input checked="" type="checkbox"/>
				Washer/dryer	<input type="checkbox"/>
				Washer/dryer hook-up	<input type="checkbox"/>
				9' ceilings	<input type="checkbox"/>
				High-end kitchen	<input type="checkbox"/>
				Wood/style floors	<input type="checkbox"/>
				Fireplaces	<input type="checkbox"/>
				Patios/balconies	<input type="checkbox"/>
				<u>Utilities in rent:</u>	
				Water/sewer <input checked="" type="checkbox"/>	Trash <input checked="" type="checkbox"/>
				Electricity <input type="checkbox"/>	Heat <input type="checkbox"/>



Vista Sands

Location: 1001 Bear Island Road, Summerville

Year Built: 2005

Total units: 280

Vacant units: 11 (96.1 percent occupied)

Waiting list:

Telephone: 833.677.7537

Management: Grayco

Contact: Gage (4/11) telephone onsite other

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
1/1	120	658-833	\$1,365	\$1.83	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Business Center <input checked="" type="checkbox"/> Pool <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input checked="" type="checkbox"/> Storage <input checked="" type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/2	144	965-1,140	\$1395-1,465	\$1.36	
3/2	16	1,187	\$1,779	\$1.50	
					<u>Unit Amenities</u>
					Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input checked="" type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patos/balconies <input checked="" type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>



Waters at Magnolia Bay

Location: 10765 US Highway 78, Summerville

Financing: LIHTC (targeting: 60% of AMI)/market

Year Built: 2017

Telephone: 843.900.7960

Total units: 300

Management: Atlantic Housing Foundation

Vacant units: 2 (99.3 percent occupied)

Contact: Nikita (4/27) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>60% / market Rent</u>	<u>UA</u>	<u>Community Amenities</u>
1/1	72	751	\$818/960	\$106	Clubhouse/community room <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Business Center <input type="checkbox"/> Pool <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
2/2	156	950-951	\$970/1,055	\$138	
3/2	72	1,075	\$1,007/1,220	\$174	

240 units LIHTC
60 units market rate

<u>Unit Amenities</u>	
Microwave	<input type="checkbox"/>
Dishwasher	<input type="checkbox"/>
Washer/dryer	<input type="checkbox"/>
Washer/dryer hook-up	<input checked="" type="checkbox"/>
9' ceilings	<input type="checkbox"/>
High-end kitchen	<input type="checkbox"/>
Wood/style floors	<input type="checkbox"/>
Fireplaces	<input type="checkbox"/>
Patios/balconies	<input type="checkbox"/>

Utilities in rent:

Water/sewer Trash Electricity Heat



Wisteria Place

Location: 800 Sangaree Parkway, Summerville

Financing: LIHTC (targeting: 50% and 60% of AMI)

Year Built: 2006

Telephone: 843.821.2261

Total units: 64

Management: Intermark Management

Vacant units: 1 (96.4 percent occupied)

Contact: Holly (4/13) telephone onsite other

Waiting list:

<u>Br/Ba</u>	<u>Units</u>	<u>Sq. Feet</u>	<u>Rent</u>	<u>UA</u>	<u>Community Amenities</u>
2/2	32	1,082	\$826-1,011	\$97	Clubhouse/community room <input type="checkbox"/> Fitness Center <input type="checkbox"/> Business Center <input type="checkbox"/> Pool <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Controlled access/gated <input type="checkbox"/> Elevator <input type="checkbox"/> Garages <input type="checkbox"/> Storage <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>
3/2	32	1,322	\$947-1,161	\$120	<u>Unit Amenities</u> Microwave <input type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Washer/dryer <input type="checkbox"/> Washer/dryer hook-up <input checked="" type="checkbox"/> 9' ceilings <input type="checkbox"/> High-end kitchen <input type="checkbox"/> Wood/style floors <input type="checkbox"/> Fireplaces <input type="checkbox"/> Patios/balconies <input type="checkbox"/>
					<u>Utilities in rent:</u>
					Water/sewer <input type="checkbox"/> Trash <input type="checkbox"/> Electricity <input type="checkbox"/> Heat <input type="checkbox"/>

H. INTERVIEWS

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

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

The manager at the Cedar Key tax credit property believes that there is absolutely the need for new tax credit housing. The manager at the Planter's Retreat complex believes that a new tax credit development would be successful. The manager at the large, relatively new, Waters at Magnolia Bay development noted that there is always a need for new affordable housing. Similarly, the manager at the Wisteria Place tax credit property stated that a new complex is most definitely needed.

I. RECOMMENDATIONS

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

J. SIGNED STATEMENT

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



Market Analyst

Date: June 16, 2022

ANALYST QUALIFICATIONS

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

The President of the firm is T. Ronald Brown. He has more than 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced more than 2,500 studies in at least 20 states, predominantly in the Southeast.

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

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

Mr. Brown is a member of several groups that promote housing in general and affordable housing in particular. These include the North Carolina Housing Coalition, Preservation North Carolina, the Virginia Housing Alliance, and the National Council of Housing Market Analysts.

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

MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

Absorption period - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption rate - the average number of unites rented each month during the *absorption period*.

Acceptable rent burden - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Achievable rents - See *Market Rent, Achievable Restricted Rent*.

Affordable housing - housing affordable to low or very low-income tenants.

Amenity - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

Annual demand - the total estimated demand present to the market in any one year for the type of units proposed.

Assisted housing - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

Bias - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

Capture rate - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The *Capture Rate* is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the *primary market area*. See also: penetration rate.

Comparable property - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

Competitive property - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Comprehensive market study - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

Concession - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

Demand - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Effective rents - contract rent less concessions.

Household trends - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

Income band - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically⁷ is pre-defined by specific program requirements or by general market parameters.

Infrastructure - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

Market analysis - a study of real estate market conditions for a specific type of property.

Market area - See *primary market area*.

Market demand - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

Market rent - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

Market study - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Marketability - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market vacancy rate, economic - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

Market vacancy rate, physical - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

Migration - the movement of households into or out of an area, especially a *primary market area*.

Mixed income property - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

Mobility - the ease with which people move from one location to another.

Move-up demand - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

Multi-family - structures that contain more than two housing units.

Neighborhood - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net rent (also referred to as contract rent or lease rent) - Gross rent less tenant paid utilities.

Penetration rate - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100, see also: capture rate.

Pent-up demand - a market in which there is a scarcity of supply and vacancy rates are very low.

Population trends - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

Primary market area - a geographic area from which a property is expected to draw the majority of its residents.

Programmatic rents - See *restricted rents*.

Project based rent assistance - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment - the redesign or rehabilitation of existing properties.

Rent burden - gross rent divided by adjusted monthly household income.

Rent burdened households - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

Restricted rent - the rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, achievable - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

Saturation - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

Secondary market area - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

Special needs population - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized level of occupancy - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

Subsidy - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

Substandard conditions - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target income band - the *income band* from which the subject property will draw tenants.

Target population - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

Tenant paid utilities - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Turnover period - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents - rents that are not subject to *restriction*.

Unrestricted units - units that are not subject to any income or rent restrictions.

Vacancy period - the amount of time that an apartment remains vacant and available for rent.

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

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

Area Median Income (AMI) - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Attached housing - two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic rent - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate program (BMIR) - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Census tract - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD) - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC) - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Condominium - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract rent - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

Difficult Development Area (DDA) - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached housing - a freestanding dwelling unit, typically single-family, situated on its own lot.

Elder or senior housing - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income - person or household with income below 30% of the Area Median Income adjusted for household size.

Fair Market Rent (FMR) - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden apartments - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross rent - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise - a residential building having more than ten stories.

Household - one or more people who occupy a housing unit as their usual place of residence.

Housing unit - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program) - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (FHA) - state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 811 Program - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

HUD Section 236 Program - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income limits - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

Low income - person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low income housing tax credit - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

Low rise building - a building with one to three stories.

Metropolitan Statistical Area (MSA) - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise - a building with four to ten stories.

Moderate income - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

Public Housing or Low Income Conventional Public Housing - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT) - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) market rent - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Single-family housing - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

State Data Center (SDC) - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Tenant - one who rents real property from another.

Tenure - the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

Very low income - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

Zoning - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.

