



REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

Garden Oaks Apartments

Beaufort, Beaufort County, South Carolina

Prepared for: GDA Development

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EXECUTIVE SUMMARY

Proposed Site

The site is in an established mixed use setting in northern Beaufort County near residential and commercial uses.

- Residential uses are common surrounding the site including single-family detached homes and multi-family communities. A market rate community is just north of the subject site and a LIHTC community borders the site to the south.
- The subject site is convenient to transportation arteries including Robert Smalls Parkway, which leads to southern Beaufort County. The site is near community amenities including shopping and public schools.
- The subject location is competitive with existing multi-family communities in the market area including several LIHTC and market rate communities.
- RPRG did not identify any land uses that would negatively impact the proposed development's viability in the marketplace.

Proposed Unit Mix and Rent Schedule

- Garden Oaks Apartments will offer 288 LIHTC units addressing households earning at or below 60 percent of Area Median Income (AMI). The proposed unit mix at Garden Oaks Apartments includes 96 one-bedroom units (33 percent), 132 two-bedroom units (46 percent), and 60 three-bedroom units (21 percent).
- Proposed unit sizes are 800 square feet for one bedroom units, 950 square feet for two bedroom units, and 1,100 square feet for three bedroom units.
- The proposed tenant paid rents are \$811 for one bedroom units, \$964 for two bedroom units, and \$1,096 for three bedroom units. Proposed rents result in appropriate advantages relative to Fair Market Rents (FMR) and estimate of market rent.

Proposed Amenities

- Garden Oaks Apartments' unit features will be generally comparable to or superior to all surveyed communities except for the highest priced market rate communities in the market that have rents well above those proposed at the subject property. The subject property will offer fully equipped kitchens with dishwasher, garbage disposal, and microwave, carpeted bedrooms with LVT in living areas, and washer and dryer connections. The subject property will offer microwaves which are offered at some but not all LIHTC communities. The proposed unit features and finishes are appropriate given the target market and low rents.
- Garden Oaks Apartments will offer a clubhouse with leasing office, community room, and fitness center. Outdoor amenities will include a swimming pool, playground, and picnic pavilion. The community will also provide a community laundry facility on site. These amenities are comparable to or superior to existing communities in the market including the LIHTC communities. Most LIHTC communities do not offer swimming pools.
- The proposed features and amenities will be competitive in the Salem Farms Market Area and are appropriate given the income target and project location.

Economic Analysis

Beaufort County's economy has growth consistently over the past eight years with the rate of job growth equaling or exceeding the national rate over this period.



- The county's most recent annual average unemployment rate of 2.6 percent is well below the county's recession-era peak of 8.7 percent in 2010 and the lowest level in at least 11 years. The county's average annual unemployment rate has decreased in each of the past nine years with a significant increase in employed residents.
- The county's unemployment has been well below the state and nation over the past ten years with a much lower peak during the previous recession. The county's unemployment rate spiked to 12.0 percent in April 2020 reflecting the impact of COVID-19 related business closures, but has recovered well to 7.4 percent in June. The county's unemployment rate has recovered faster than the state and nation.
- Beaufort County has added nearly 12,350 net jobs for 21.9 percent net growth over the past eight years with above average growth in two of the past three years.
- Leisure-Hospitality, Trade-Transportation-Utilities, and Government are Beaufort County's largest economic sectors with a combined 56.4 percent of all jobs in the county compared to 44.4 percent in the nation; all of the disparity was in Leisure-Hospitality which accounted for 23.9 percent of the county's job base compared to 11.1 percent nationally.

Demographic Analysis

The demographics of the Salem Farms Market Area reflect an established population with a mix of household types, higher renter percentage, and lower median income than Beaufort County.

- Growth rates have accelerated in the market area over the past 10 years with annual average growth of 621 people (1.2 percent) and 290 households (1.4 percent) from 2010 to 2020. The county's rate of growth remained above the market area with annual average growth of 1.8 percent for population and 1.9 percent for households.
- The market area is projected to reach 59,593 people and 23,551 households by 2023 with annual growth of 862 people (1.5 percent) and 379 households (1.7 percent) from 2020 to 2023. Beaufort County is projected to continue to outpace the market area, but with a smaller disparity; the county's average annual growth is projected at 1.8 percent for population and 1.9 percent for households.
- The median age of the population is 33 in the Salem Farms Market Area and 42 in Beaufort County; the county's much older population reflects the large number of retirees in the southern half of the county. Adults age 35-61 comprise the largest percentage of each area's population at 29.5 percent. The market area has a much higher percentage of residents under the age of 35. Only 18.3 percent of the market area's population is age 62_ compared to 29.1 percent in the county.
- Multi-person households without children were the most common in Beaufort County (47.2 percent) with far less in the Salem Farms Market Area (37.2 percent). Households with children were the most common in the Salem Farms Market Area (37.4 percent) and made up approximately one-fourth (28.5 percent) of all households in Beaufort County. Single person households were the least common household type in both areas at 25.4 percent in the market area and 24.3 percent in the county.
- The overall renter percentage in the Salem Farms Market Area is higher than the county at 37.9 percent and 24.9 percent, respectively in 2020. The market area has added an average of 112 renter households per year over the past 20 years, equal to 39.1 percent of the market area's net household growth.
- Esri projects renter households will account for 44.9 percent of net household growth over the next five years, which appears reasonable based on past trends and the current development activity.
- Young working age households age 25 to 44 account for 52.1 percent of all renter households in the Salem Farms Market Area and 49.9 percent in Beaufort County (Table 15). Nearly 20



percent of renter households are older adults age 45-64, 12 percent are ages 65+, and 16.3 percent are under the age of 25. Beaufort County has a higher percentage of renter households who are older adults age 45-64 and ages 65+ at 23.5 percent and 14.8 percent, respectively.

- Roughly 55 percent of renter households in the Salem Farms Market Area had one or two people including 28 percent with one person as of the 2010 Census. Roughly 35 percent of renter households had three or four people and 10.3 percent had 5+ people.
- Esri estimates that the current median income for the Salem Farms Market Area of \$54,711 is \$12,374 or 18.4 percent lower than Beaufort County's median income of \$67,145.
- Median incomes by tenure in the Salem Farms Market Area as of 2020 are \$46,325 among renters and \$63,476 among owner households. Roughly 35 percent of the market area's renter households earn less than \$35,000 including 21.5 percent earning less than \$25,000. Despite the lower median income, the market area has a solid base of moderate to upper income renter households with 44.7 percent earning \$35,000 to \$74,999 and 20.5 percent earning at least \$75,000.

Affordability Analysis

- The affordability capture rates indicate a sufficient number of income-qualified renter households will exist within the Salem Farms Market Area for the units proposed at Garden Oaks Apartments . A projected 2,483 renter households fall within the subject property's projected income range of \$31,474 to \$52,860, resulting in an overall capture rate of 11.6 percent.
- Capture rates by floorplan range from 5.8 percent to 17.4 percent.

Demand and Capture Rates

- The project's overall capture rate based on SCSHFDA LIHTC demand methodology is 26.6 percent.
- Demand capture rates by floorplan range from 24.0 percent to 40.7 percent.

Competitive Environment

The multi-family rental housing stock is stable in the Salem Farms Market Area with LIHTC communities significantly outperforming market rate communities. RPRG surveyed 17 multi-family rental communities including 10 market rate communities and seven comparable Low Income Housing Tax Credit (LIHTC) communities, which are subject to income and rent restrictions.

- The average year built of surveyed communities is 2003. LIHTC communities were built from 1995 to 2017 with a newer average year built of 2008. Three LIHTC communities were placed in service from 2015 to 2017 and the oldest was renovated in 2019. Two market rate communities have been placed in service in 2020 and are undergoing initial lease up.
- The surveyed communities range from 40 to 400 units for an average of 152 units per community. LIHTC communities are smaller on average at 67 units per community; six of seven LIHTC communities have 40-72 units and the largest has 144 units
- The 15 stabilized communities in the Salem Farms Market Area combine for 111 vacancies among 2,062 units for an aggregate vacancy rate of 5.4 percent. Two communities are undergoing initial lease up with 423 of 526 units reported vacant. LIHTC communities are outperforming market rate communities with an aggregate vacancy rate of 1.9 percent among 472 units; five of seven LIHTC communities reported vacant rates of 1.8 percent or lower. The highest LIHTC vacancy rate is 5.4 percent at Sea Pointe based on three of 56 units vacant.
- Average effective rents among the surveyed communities:



- **One-bedroom** units at \$969 for 734 square feet or \$1.32 per square foot.
- **Two-bedroom** units at \$1,012 for 1,064 square feet or \$0.95 per square foot.
- **Three-bedroom** units at \$1,066 for 1,270 square feet or \$0.84 per square foot.

The overall averages include a mix of market rate rents and LIHTC units at 50 percent and 60 percent AMI. LIHTC communities are among the lowest priced in the market area with only three older market rate communities with rents comparable to LIHTC rents. The highest priced LIHTC units in the market area are \$780 for one bedroom units (Cross Creek), \$1,026 for two bedroom units (Shell Pointe), and \$1,178 for three bedroom units (Shell Pointe).

- Fair Market Rents (FMR) for Beaufort County are \$899 for one bedroom units, \$1,028 for two bedroom units, and \$1,355 for three bedroom units. The overall market advantage relative to FMR is 11.98 percent; SCSHFDA's threshold is an overall advantage of 10 percent.
- The only comparable pipeline community identified in the market area is Broad River Village, which was recently approved for four percent tax credits. This community will be located near the intersection of Robert Smalls Parkway and Ashton Overlook Drive in Beaufort within a few miles of the subject property. This community will feature 136 units restricted to households earning at or below 60 percent of the Area Median Income (AMI) with a mix of 48 one bedroom units, 48 two bedroom units, and 40 three bedroom units.

Absorption Estimate

The only recent deliveries in the market area are two upscale market rate communities, but lease-up has been impacted by COVID-19 restrictions. The newest LIHTC property was built in 2017 but lease-up data was not available. The projected absorption rate of the subject property is based on a variety of market factors, including the following:

- LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 1.9 percent, below the overall vacancy rate of 5.4 percent.
- Annual household growth is projected to increase to 379 households over the next three years; renter households are projected to account for 44.9 percent of the market area's net household growth over the next three years.
- The proposed product will be competitive in the market area with rents among existing LIHTC communities with a superior product. The proposed rents have significant advantages relative to the estimate of market rent and Beaufort County's FMR.
- Acceptable capture rates based on affordability and LIHTC demand methodology.

Based on the factors noted above, we estimate the subject property will lease at an average monthly rate of 24 units per month. At this rate, the subject property will reach stabilization within roughly 12 months.

Final Conclusion/Recommendation

The proposed Garden Oaks Apartments will be well received in the market area. The market has had limited new construction affordable units over the past decade with most affordable communities offering basic products. The subject property will offer a new affordable housing community with enhanced unit features and community amenities at rents comparable with inferior products. The market area is projected to added significant renter households over the next three years and has a deep pool of income qualified renter households.

Although overall housing demand may decrease in the near term related to COVID-19, the propensity to rent is expected to increase over the next year. All units at the subject property will be affordable to households earning at or below 60 percent AMI; demand for affordable housing is expected to increase with potential economic losses. As noted by the competitive survey, LIHTC communities are outperforming market rate communities with a low aggregate vacancy rate.



We recommend proceeding with the project as proposed.

SCSHFDA Rent Calculation Worksheet

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | HUD Area FMR | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------------|--------------|---------------------------|----------------------------|--------------|----------------------------|---------------------------------|
| 96 | 1BR | \$811 | \$77,856 | \$899 | \$86,304 | |
| 132 | 2BR | \$964 | \$127,248 | \$1,028 | \$135,696 | |
| 60 | 3BR | \$1,096 | \$65,760 | \$1,355 | \$81,300 | |
| Totals | 288 | | \$270,864 | | \$303,300 | 11.98% |



SCSHFDA Summary Form – Exhibit S-2

| 2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY: | | | |
|--|---|--|-----------|
| Development Name: | Garden Oaks | Total # Units: | 288 |
| Location: | Salem Road, Beaufort, Beaufort County, SC | # LIHTC Units: | 288 |
| PMA Boundary: | Harbor River (N), Lady's Island (E), Parris Island (S), Harbor River (W) | | |
| Development Type: | <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: | 6.9 miles |

| RENTAL HOUSING STOCK (found on pages 44-48) | | | | |
|--|--------------|-------------|--------------|-------------------|
| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
| All Rental Housing | 17 | 2,578 | 534 | 79.3% |
| Market-Rate Housing | 10 | 2,106 | 525 | 75.1% |
| Assisted/Subsidized Housing not to include LIHTC | - | - | - | - |
| LIHTC (All that are stabilized)* | 7 | 472 | 9 | 98.1% |
| Stabilized Comps** | 15 | 2,062 | 111 | 94.6% |
| Non-stabilized Comps | 2 | 516 | 423 | 18.0% |

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

| Subject Development | | | | | HUD Area FMR | | | Highest Unadjusted Comp Rent | |
|--------------------------------------|----------|-------|-----------|----------------------|------------------|------------------|---------------|------------------------------|--------|
| Units | Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 96 | 1 | 1 | 800 | \$811 | \$899 | \$1.12 | 9.8% | \$1,218 | \$1.65 |
| 132 | 2 | 2 | 950 | \$964 | \$1,028 | \$1.08 | 6.2% | \$1,999 | \$2.23 |
| 60 | 3 | 2 | 1,100 | \$1,096 | \$1,355 | \$1.21 | 19.1% | \$1,702 | \$1.15 |
| Gross Potential Rent Monthly* | | | | | \$270,864 | \$303,300 | 11.98% | | |

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

| DEMOGRAPHIC DATA (found on pages 31, 36) | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| | 2012 | | 2020 | | 2023 | |
| Renter Households | 8,655 | 43.1% | 8,504 | 37.9% | 9,015 | 38.3% |
| Income-Qualified Renter HHs (LIHTC) | 2,389 | 27.6% | 2,351 | 27.6% | 2,483 | 27.5% |
| Income-Qualified Renter HHs (MR) | | | | | | |

| TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on pages 39-40) | | | | | | |
|--|--------------|--|--|--|--|--------------|
| Type of Demand | 60% | | | | | Overall |
| Renter Household Growth | 119 | | | | | 119 |
| Existing Households (Overburd + Substand) | 1,099 | | | | | 1,099 |
| Homeowner conversion (Seniors) | | | | | | |
| Other: | | | | | | |
| Less Comparable/Competitive Supply | 136 | | | | | 136 |
| Net Income-qualified Renter HHs | 1,082 | | | | | 1,082 |

| CAPTURE RATES (found on pages 40) | | | | | |
|-----------------------------------|-------|--|--|-----------|---------|
| Targeted Population | 60% | | | Other:___ | Overall |
| Capture Rate | 26.6% | | | | 26.6% |

ABSORPTION RATE (found on page 61)

12.0 Months



1. INTRODUCTION

A. Overview of Subject

The subject of this analysis is the proposed development of Garden Oaks Apartments , an affordable rental community on Salem Road in Beaufort, Beaufort County, South Carolina. Garden Oaks Apartments will offer 288 Low Income Housing Tax Credit (LIHTC) units reserved for renter households earning up to 60 percent of the Area Median Income. The developer intends to apply for four percent Low Income Housing Tax Credits through the South Carolina State Housing Finance and Development Authority (SCSHFDA).

B. Purpose

The purpose of this market study is to perform a market feasibility analysis through an examination of site characteristics, the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and affordability analyses. RPRG expects this study to be submitted to SCSHFDA in conjunction with an application for four percent Low Income Housing Tax Credits

C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2020 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

D. Client, Intended User, and Intended Use

The Client is GDA Development (developer). Along with the Client, the Intended Users are lenders/investors, Freddie Mac, and SCSHFDA.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- SCSHFDA's 2020 Market Study Requirements.
- National Council of Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Checklist.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 2 for the National Council of Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Checklist.
- Tad Scepianiak (Managing Principal) conducted visits to the subject site, neighborhood, and market area on August 8, 2020.



- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers and leasing agents. As part of our housing market research, RPRG contacted planners with Beaufort, Port Royal, and Beaufort County.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

H. Other Pertinent Remarks

This market study was completed based on data collected in July and August 2020 as the COVID-19 pandemic was ongoing nationally and locally. Specific data on the recent and potential economic and demographic ramifications were not available at the time this report was completed. This market study will comment on the potential impact of the evolving situation.



2. PROJECT DESCRIPTION

A. Project Overview

The 288 newly constructed rental units at Garden Oaks Apartments will all benefit from Low Income Housing Tax Credits and target renter households earning at or below 60 percent of the Area Median Income. The proposed unit mix includes 96 one-bedroom units, 132 two-bedroom units, and 60 three-bedroom units.

B. Project Type and Target Market

Garden Oaks Apartments will target low income renter households earning at or below 60 percent AMI. The unit mix of one, two, and three-bedroom units will target a wide range of renter households ranging from single-person households to families with children.

C. Building Types and Placement

Garden Oaks Apartments will comprise 12 newly constructed, three-story, garden-style apartment buildings with brick and HardiPlank exteriors. Additional design characteristics will include varied rooflines, front gables, and patios/balconies. The subject property will be accessible from an entrance on Salem Farm Road near its intersection with Salem Road. A community building with leasing office and community amenities will be positioned near the community entrance. Outdoor amenities including a swimming pool and playground will be positioned near the community building. Additional community amenities will include a community room, fitness center, computer center, and laundry facility.

D. Detailed Project Description

1. Project Description

- The proposed unit mix includes 96 one-bedroom units (33 percent), 132 two-bedroom units (46 percent), and 60 three-bedroom units (21 percent) (Table 1):
 - One-bedroom units will have one bathroom and 800 gross heated square feet.
 - Two-bedroom units will have two bathrooms and 950 gross heated square feet.
 - Three-bedroom units will have two bathrooms and 1,100 gross heated square feet.
- Tenants will be responsible for all utility costs except trash removal.
- Proposed unit features and community amenities are extensive and detailed in Table 2.

Table 1 Project Summary, Garden Oaks Apartments

| Type | Bed | Bath | Income Target | Quantity | Unit Mix/Rents | | | | |
|----------------------|-----|------|---------------|------------|----------------------|---------------|-------------------|------------|----------------|
| | | | | | Gross Heated Sq. Ft. | Contract Rent | Utility Allowance | Gross Rent | Rent/ Sq. Foot |
| A1 | 1 | 1 | 60% | 96 | 800 | \$811 | \$107 | \$918 | \$1.01 |
| B1 | 2 | 2 | 60% | 132 | 950 | \$964 | \$137 | \$1,101 | \$1.01 |
| C1 | 3 | 2 | 60% | 60 | 1,100 | \$1,096 | \$175 | \$1,271 | \$1.00 |
| Total/Average | | | | 288 | | | | | |

Rent includes: trash removal

Source: GDA Development



Table 2 Unit Features and Community Amenities

| Unit Features | Community Amenities |
|---|--|
| <ul style="list-style-type: none"> • Washer and dryer connections. • Carpeted bedrooms with LVT in living areas. • Accessible units. • Ceiling fans. • Patio or balcony. • Kitchens with dishwasher, disposal, and microwave. | <ul style="list-style-type: none"> • Clubhouse with community room. • Fitness center. • Swimming pool. • Picnic area. • Playground. • Community laundry. |

Source: GDA Development

2. Other Proposed Uses

None.

3. Proposed Timing of Development

Garden Oaks Apartments is expected to begin construction in 2021 with construction completion and first move-ins in 2023. The subject property’s anticipated placed-in-service year is 2023 for the purposes of this report.

3. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is located at the intersection of Salem Road and Salem Farm Road in Beaufort, South Carolina (Map 1). The site is less than one-half mile of Robert Smalls Parkway, a primary thoroughfare throughout Beaufort. The site is roughly two miles southwest of downtown Beaufort among residential uses; Battery Creek is just east of the subject site.

Map 1 Site Location



2. Existing Uses and Proposed Uses

The subject site will be developed on a portion of a 131-acre parcel that is largely wooded (Figure 1) with an existing house. The property also contains creeks and wetlands. Garden Oaks Apartments would comprise 288 affordable rental units and associated amenities.

Figure 1 Views of Subject Site



Salem Road facing northeast, site on left



Salem Road facing west, site on right.



Subject site.



Subject Site.

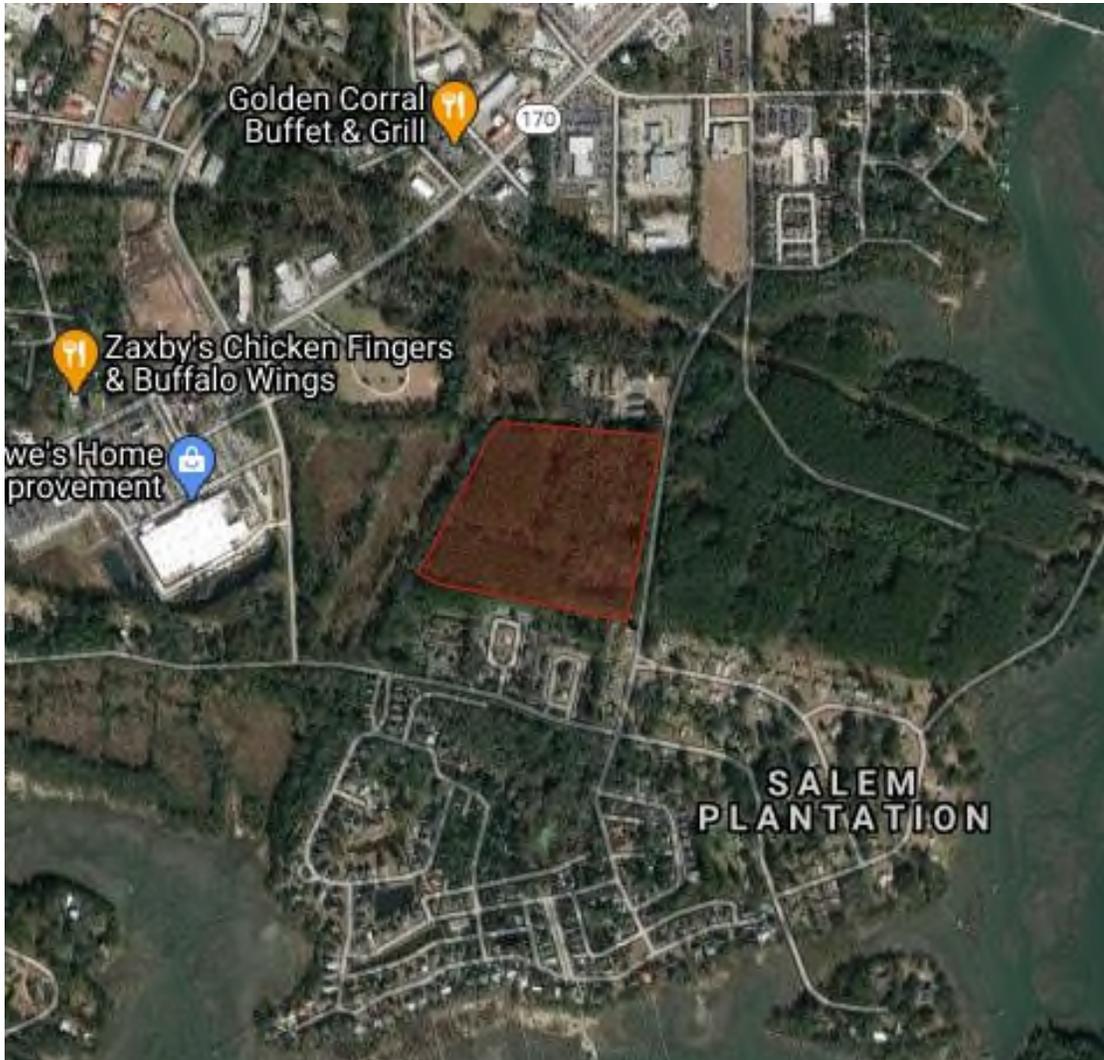


Subject Site.

3. General Description of Land Uses Surrounding the Subject Site

The site is surrounded by a mixture of uses including residential and commercial uses. Nearby residential uses include single-family detached and multi-family apartments bordering the site. The site is located just east of Robert Smalls Parkway, which is a primary commercial thoroughfare in Beaufort supporting many retailers and restaurants. The Battery Creek is just east of the subject site and separates southern Beaufort from the town of Port Royal.

Figure 2 Satellite Image of Site and Surrounding Land Uses



4. Specific Identification of Land Uses Surrounding the Subject Site

Surrounding land uses near the subject site are as follows (Figure 3):

- **North:** Residence at Battery Creek Apartments.
- **East:** Salem Road, wooded land, and Battery Creek.
- **South:** 123 Club Apartments and single-family detached homes.
- **West:** Wooded land and commercial uses.



Canal Apartments, across from site.

Figure 3 Views of Surrounding Land Uses



Residence at Battery Creek to north.



Single-family detached to south on Salem Road.



Assisted living community to south.



Single-family detached home to north on Moss Street.



B. Neighborhood Analysis

1. General Description of Neighborhood

The town of Beaufort is west of Port Royal and north of Parris Island in the northern half of Beaufort County. Northern Beaufort County is positioned along several rivers and marshland including the Beaufort River and Battery Creek; Northern Beaufort County typifies South Carolina's Lowcountry region, known for its natural environment, community beach/boardwalk, and walking trails. Nearby Port Royal is also the home to the Marine Corps Recruit Depot Parris Island and Naval Hospital Beaufort, a large military installation, just southeast of the site. Parris Island trains 19,000 recruits annually and has approximately 2,200 permanent marines/sailors and 360 civilians. Northern Beaufort County is largely undeveloped to the east of Port Royal/Beaufort due to wetlands; the only significant population beyond a few miles from Port Royal is Fripp Island, a private beach oriented community, approximately 30 miles from the subject site.

The established areas of southern Beaufort County including Bluffton and Hilton Head Island are 25 to 30 miles driving distance from the subject site and considered distinct submarkets. Hilton Head is a vacation and retirement dominated market with very high housing prices and Bluffton has evolved as its own destination with many high-priced homes in plantation/golf course environments including the large retirement community of Sun City Hilton Head. The southern portion of Beaufort County is considered a separate and distinct housing market from northern Beaufort County. While workers frequently commute from northern to southern Beaufort County for work, the housing markets and housing pricing are not directly comparable.

2. Neighborhood Investment and Planning Activities

Beaufort County has experienced steady growth over the past few years, including several company expansions and relocations. The Marine Corps Recruit Depot Parris Island recently awarded a \$33 million contract for construction of range improvements and modernization that will be completed by August 2021. The northern portion of the market area's multi-family rental stock is currently expanding with two communities under construction including one that delivered its first units earlier this year. Several for-sale communities are active in the northern portion of the market area, but not immediately surrounding the subject site.

C. Site Visibility and Accessibility

1. Visibility

The subject property will have moderate visibility from direct drive-by traffic. Visibility is likely to be enhanced due to traffic of nearby commercial uses. The subject property's visibility is adequate and comparable with nearby rental communities.

2. Vehicular Access

Garden Oaks Apartments will be accessible via entrances on Salem Road, which has light to moderate traffic near the site. Residents will have convenient access to Robert Smalls Parkway, which connects throughout to other primary thoroughfares and southern Beaufort County.

3. Availability of Inter Regional Transit

The region has one major interstate; Interstate 95 provides north/south access towards Columbia and Savannah. The region is served by several major roadways including:



- U.S. Highway 21 is the largest roadway around the Sea Islands and is also identified by several other names, including Trask Parkway, Parris Island Gateway, Ribaut Road (in parts of Port Royal), and Lady's Island Drive.
- Robert Smalls Parkway is also identified as SC 170 and connects northern and southern Beaufort County, adjacent Jasper County (west), and Savannah (south).
- Ribaut Road (north of U.S. Highway 21) connects Beaufort to Port Royal and is also known as SC 281.

Palmetto Breeze Transit serves as the public transportation system within the market area and region. The transit line includes seven bus routes, a demand response route, and several coordinated routes. Bus Route 302 services the following areas: St. Helena, Lady's Island, Port Royal, Beaufort, Burton, Chelsea, Okatie, Bluffton, and Hilton Head Island. The closest bus stop to the site is on Robert Smalls Parkway nearly two miles from the site.

4. Pedestrian Access

Salem Road does not have sidewalks, but traffic is relatively light. Residents of the subject site will have walkable access to nearby commercial uses.

5. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to this process. RPRG did not identify any roadway improvements planned or under construction. The current infrastructure, consisting of mostly four-lane roads with turn lanes, is considered sufficient and acceptable.

Transit and Other Improvements Under Construction and Planned

None Identified.

6. Public Safety

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

The 2020 CrimeRisk Index for the census tracts in the general vicinity of the subject site is displayed in gradations from white (least risk) to purple (most risk) (Map 2). The crime risk surrounding the subject site's census tract indicates a CrimeRisk comparable to the national average and surrounding area which includes several comparable multi-family communities. Surrounding areas to the east have

higher crime risks than near the site. Based on data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property’s marketability. Nearby multi-family communities are performing well in areas with similar crime risks.

Map 2 Crime Index Map



D. Residential Support Network

1. Key Facilities and Services near the Subject Property

The appeal of any given community is often based in part to its proximity to those facilities and services required daily. Key facilities and services and their distances from the subject site are listed in Table 3 and their locations are plotted on Map 3.



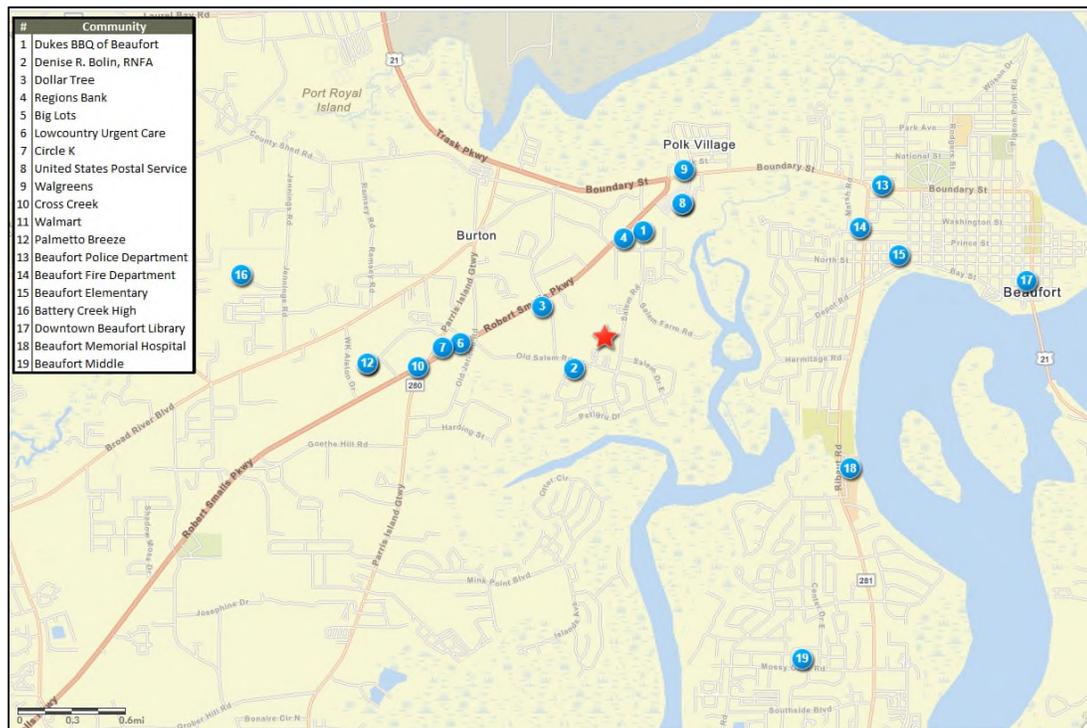
Table 3 Key Facilities and Services

| Establishment | Type | Address | Driving Distance |
|------------------------------|-----------------------------|---------------------------|------------------|
| Dukes BBQ of Beaufort | Restaurant | 1509 Salem Road | 0.7 mile |
| Denise R. Bolin, RNFA | Doctor | 9 Battery Point Lane | 0.8 mile |
| Dollar Tree | Retail | 201 Robert Smalls Parkway | 0.9 mile |
| Regions Bank | Bank | 69 Robert Smalls Parkway | 1 mile |
| Big Lots | Retail | 11 Robert Smalls Parkway | 1.3 miles |
| Lowcountry Urgent Care | Medical | 272 Robert Smalls Parkway | 1.3 miles |
| Circle K | Convenience Store | 290 Robert Smalls Parkway | 1.3 miles |
| United States Postal Service | Post Office | 11 Robert Smalls Parkway | 1.3 miles |
| Walgreens | Pharmacy | 2363 Boundary Street | 1.4 miles |
| Cross Creek | Shopping | 330 Robert Smalls Parkway | 1.7 miles |
| Walmart | Grocery / Retail / Pharmacy | 350 Robert Smalls Parkway | 1.8 miles |
| Palmetto Breeze* | Public Transit | 350 Robert Smalls Pkwy | 1.8 miles |
| Beaufort Police Department | Police | 1901 Boundary Street | 2.6 miles |
| Beaufort Fire Department | Fire | 2001 Duke Street | 2.7 miles |
| Beaufort Elementary | Public School | 1800 Prince Street | 3 miles |
| Battery Creek High | Public School | 1 Blue Dolphin Dr | 3.1 miles |
| Downtown Beaufort Library | Library | 311 Scott Street | 3.8 miles |
| Beaufort Memorial Hospital | Hospital | 955 Ribaut Road | 4 miles |
| Beaufort Middle | Public School | 2501 Mossy Oaks Rd | 5.4 miles |

Source: Field and Internet Research, RPRG, Inc.

(*) Approximate location

Map 3 Location of Key Facilities and Services





2. Essential Services

Health Care

Beaufort Memorial Hospital is the closest major medical center to the site, located approximately four miles to the east. The 197-bed facility offers various medical services, such as primary care, emergency services, maternity, heart/vascular services, pediatric care, and surgical services. Beaufort Naval Hospital is six miles from the site and provides general medical, surgical, and urgent care services to all active duty Navy and Marine Corps personnel, as well as retired military and military dependents. In addition to major medical centers, several smaller medical clinics serve the area including Lowcountry Urgent Care, a walk-in medical clinic t within one mile of the site.

Education

Garden Oaks Apartments is in the Beaufort County Public School System, which comprises 37 total schools including 22 elementary schools, two Pre-K-8 schools, one K-8 school, six middle schools, and six high schools. School aged children residing at the subject property attend Beaufort Elementary (3 miles), Beaufort Middle School (5.4 miles), and Battery Creek High (3.1 miles). Institutions of higher education in Beaufort County include University of South Carolina Beaufort Campus (Arts and Events), Beaufort County Community College, and Technical College of the Lowcountry.

3. Shopping

The subject site is 1.5 miles from Cross Creek Village, a shopping center off Roberts Smalls Parkway anchored by a Walmart Supercenter, Belk Department Store, J.C. Penney, and includes other stores such as Best Buy, TJ Maxx, and PetSmart. The subject property is located within two miles of numerous other shopping opportunities, primarily along Robert Smalls Parkway including Lowe's, Big Lots, Staples, and multiple restaurants. The closest traditional grocery store is BI-LO off Boundary Street in the Beaufort Town Center roughly two miles north of the site. Convenience stores and Walgreens (pharmacy) are within two miles of the site.

4. Recreational Amenities

Henry C. Chambers Waterfront Park is approximately four miles from the site. The multi-acre park provides views of the Beaufort River, Woods Memorial Bridge, and the three islands (Lady's, Port Royal, and Parris). The park's iconic riverside swings and relaxing atmosphere make it a popular destination for Beaufort County residents. Chambers Park also offers a pavilion, stage, and playground. Spanish Moss Trail, a 10-mile paved pedestrian trail which connects the City of Beaufort and the Town of Port Royal is approximately two miles from the site. Both the Downtown Beaufort Library and the Beaufort Historic District are approximately four miles from the site.



4. HOUSING MARKET AREA

A. Introduction

The primary market area for Garden Oaks Apartments is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the market area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities and dynamics of the local rental housing marketplace.

B. Delineation of Market Area

The Salem Farms Market Area consists of 11 Census tracts in northern Beaufort County generally including the municipalities of Beaufort, Port Royal, and Lady's Island (Map 4). The approximate boundaries of the Salem Farms Market Area and their distance from the subject site are:

| | |
|--|-----------|
| North: Seabrook/Harbor River | 6.9 miles |
| East: Lady's Island/Lucky Point Creek | 6.2 miles |
| South: Parris Island | 4.4 miles |
| West: Harbor River | 4.0 miles |

The Salem Farms Market Area does not extend to outlying areas of the county and region including St. Helena Island, Okatie, Ridgeland, Hardeeville, Bluffton, and Hilton Head Island, all of which are considered separate submarkets. Specifically, the northern and southern portions of Beaufort County have significant demographic and housing differences; Bluffton and Hilton Head Island to the south are popular destinations for retirees and vacationers and have significantly higher housing prices. While it is not unusual for northern Beaufort County residents to commute to southern portions of the county for work, the housing markets are not directly comparable with the northern portion of the county generally offering more affordable housing options. Therefore, most residents of southern Beaufort County would not likely relocate to Beaufort solely for new rental housing. The market area also excludes the census tracts including Parris Island, which is just southeast of the subject site. Given the similarities in socioeconomic, demographic, and land use characteristics throughout Port Royal, Beaufort, and Lady's Island, we believe prospective tenants living throughout the market area would consider the subject site as an acceptable shelter location.

As appropriate for this analysis, the Salem Farms Market Area is compared to Beaufort County, which is considered the secondary market area; however, demand will be computed based solely on the Salem Farms Market Area.

Map 4 Salem Farms Market Area





5. ECONOMIC CONTEXT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in Beaufort County, South Carolina, the county in which the subject site is located. Economic trends in South Carolina and the nation are also discussed for comparison purposes. **It is important to note that this section presents the latest economic data available at the local level. This data does not reflect the likely downturn associated with COVID-19 business closures and job losses. It is too early to determine the exact economic impact on any specific market area or county; RPRG provides the most recent data available and will provide an analysis and conclusion on the potential impact of COVID-19 in the conclusion section of this market study.**

B. Labor Force, Resident Employment, and Unemployment

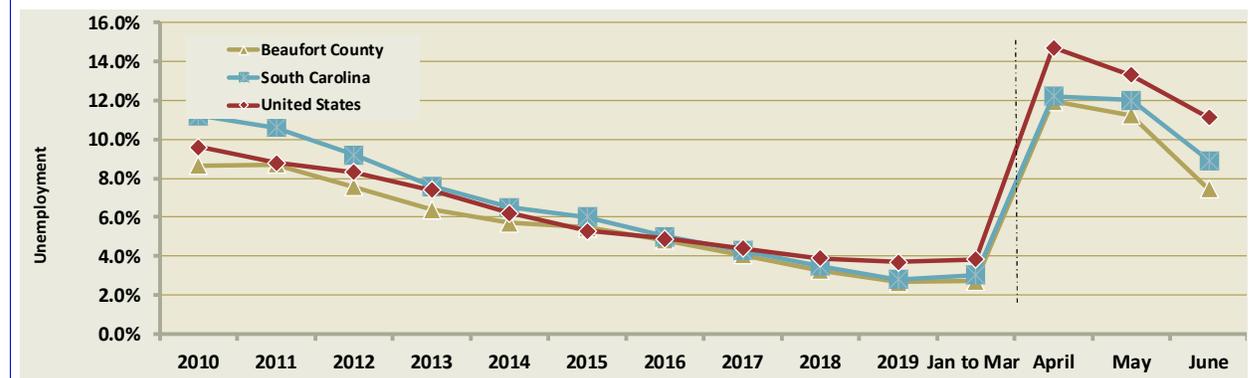
1. Trends in County Labor Force and Resident Employment

Beaufort County’s average annual labor force has increased every year since 2010 and reached 77,858 workers in 2019 (Table 4). The net increase in the average annual labor force from 2010 to 2019 was 12,522 workers or 19.2 percent. Employed workers have fueled all labor force growth as the number of unemployed workers was more than halved from 5,652 in 2010 to 2,061 in 2019. The total labor force increased during the three months of 2020 relative to 2019’s annual average but decreased by roughly 3,000 workers in April 2020 reflecting the impact of the COVID-19 pandemic. The number of workers classified as unemployed in April 2020 jumped to 9,067 with a similar decrease in employed workers; however the county had recovered nearly 10,000 employed positions over the past two months.

Table 4 Labor Force and Unemployment Rates

| Annual Unemployment Rates - Not Seasonally Adjusted | | | | | | | | | | | 2020 | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|--------|--------|
| Annual Unemployment | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Jan to Mar | April | May | June |
| Labor Force | 65,336 | 65,469 | 65,919 | 67,239 | 69,412 | 71,772 | 72,630 | 74,382 | 76,206 | 77,858 | 78,902 | 75,837 | 78,794 | 82,372 |
| Employment | 59,684 | 59,777 | 60,939 | 62,946 | 65,463 | 67,841 | 69,147 | 71,349 | 73,726 | 75,797 | 76,753 | 66,770 | 69,950 | 76,246 |
| Unemployment | 5,652 | 5,692 | 4,980 | 4,293 | 3,949 | 3,931 | 3,483 | 3,033 | 2,480 | 2,061 | 2,150 | 9,067 | 8,844 | 6,126 |
| Unemployment Rate | | | | | | | | | | | | | | |
| Beaufort County | 8.7% | 8.7% | 7.6% | 6.4% | 5.7% | 5.5% | 4.8% | 4.1% | 3.3% | 2.6% | 2.7% | 12.0% | 11.2% | 7.4% |
| South Carolina | 11.2% | 10.6% | 9.2% | 7.6% | 6.5% | 6.0% | 5.0% | 4.3% | 3.5% | 2.8% | 3.0% | 12.2% | 12.0% | 8.9% |
| United States | 9.6% | 8.8% | 8.3% | 7.4% | 6.2% | 5.3% | 4.9% | 4.4% | 3.9% | 3.7% | 3.8% | 14.7% | 13.3% | 11.1% |

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





2. Trends in County Unemployment Rate

Beaufort County’s average annual unemployment rate decreased from a high of 8.7 percent in 2010 and 2011 to 2.6 percent in 2019; the lowest level in at least 12 years. The county’s unemployment rate has consistently been below state and national rates since 2016; average annual unemployment rates in 2019 were 2.8 percent in the state and 3.7 percent in the nation. The county’s unemployment rate remained relatively unchanged through the first three months of 2020 with an average of 2.7 percent, but jumped to 12.0 percent in April 2020. Reflecting the potentially temporary nature of many job losses, the unemployment rate decreased to 7.4 percent in the county by June 2020 compared to 8.9 percent in the state and 11.1 percent in the nation.

C. Commutation Patterns

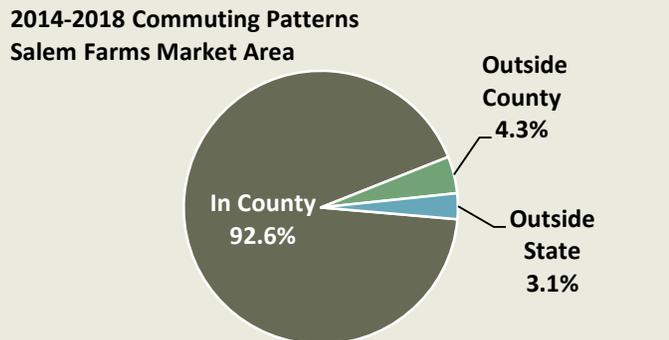
According to 2014-2018 American Community Survey (ACS) data, the market area’s workers are employed throughout the region. 40 percent of the workers residing in the Salem Farms Market Area commuted under 15 minutes or worked at home and 36.9 percent commuted 15-29 minutes (Table 5). Roughly 23.2 percent of workers residing in the market area commuted at least 30 minutes to work.

Nearly 93 percent of workers residing in the market area worked in Beaufort County and 4.3 percent work in another South Carolina county. Approximately 3.1 percent of workers residing in the county work in another state, most likely the Savannah region of Georgia along Interstate 95.

Table 5 Commutation Data, Salem Farms Market Area

| Travel Time to Work | | | Place of Work | | |
|-----------------------|---------------|-------|------------------------------------|---------------|-------------|
| Workers 16 years+ | # | % | Workers 16 years and over | # | % |
| Did not work at home: | 25,574 | 95.8% | Worked in state of residence: | 25,865 | 96.9% |
| Less than 5 minutes | 1,092 | 4.1% | Worked in county of residence | 24,707 | 92.6% |
| 5 to 9 minutes | 3,515 | 13.2% | Worked outside county of residence | 1,158 | 4.3% |
| 10 to 14 minutes | 4,946 | 18.5% | Worked outside state of residence | 820 | 3.1% |
| 15 to 19 minutes | 5,090 | 19.1% | Total | 26,685 | 100% |
| 20 to 24 minutes | 3,478 | 13.0% | | | |
| 25 to 29 minutes | 1,272 | 4.8% | | | |
| 30 to 34 minutes | 2,366 | 8.9% | | | |
| 35 to 39 minutes | 494 | 1.9% | | | |
| 40 to 44 minutes | 567 | 2.1% | | | |
| 45 to 59 minutes | 1,106 | 4.1% | | | |
| 60 to 89 minutes | 1,203 | 4.5% | | | |
| 90 or more minutes | 445 | 1.7% | | | |
| Worked at home | 1,111 | 4.2% | | | |
| Total | 26,685 | | | | |

Source: American Community Survey 2014-2018



Source: American Community Survey 2014-2018

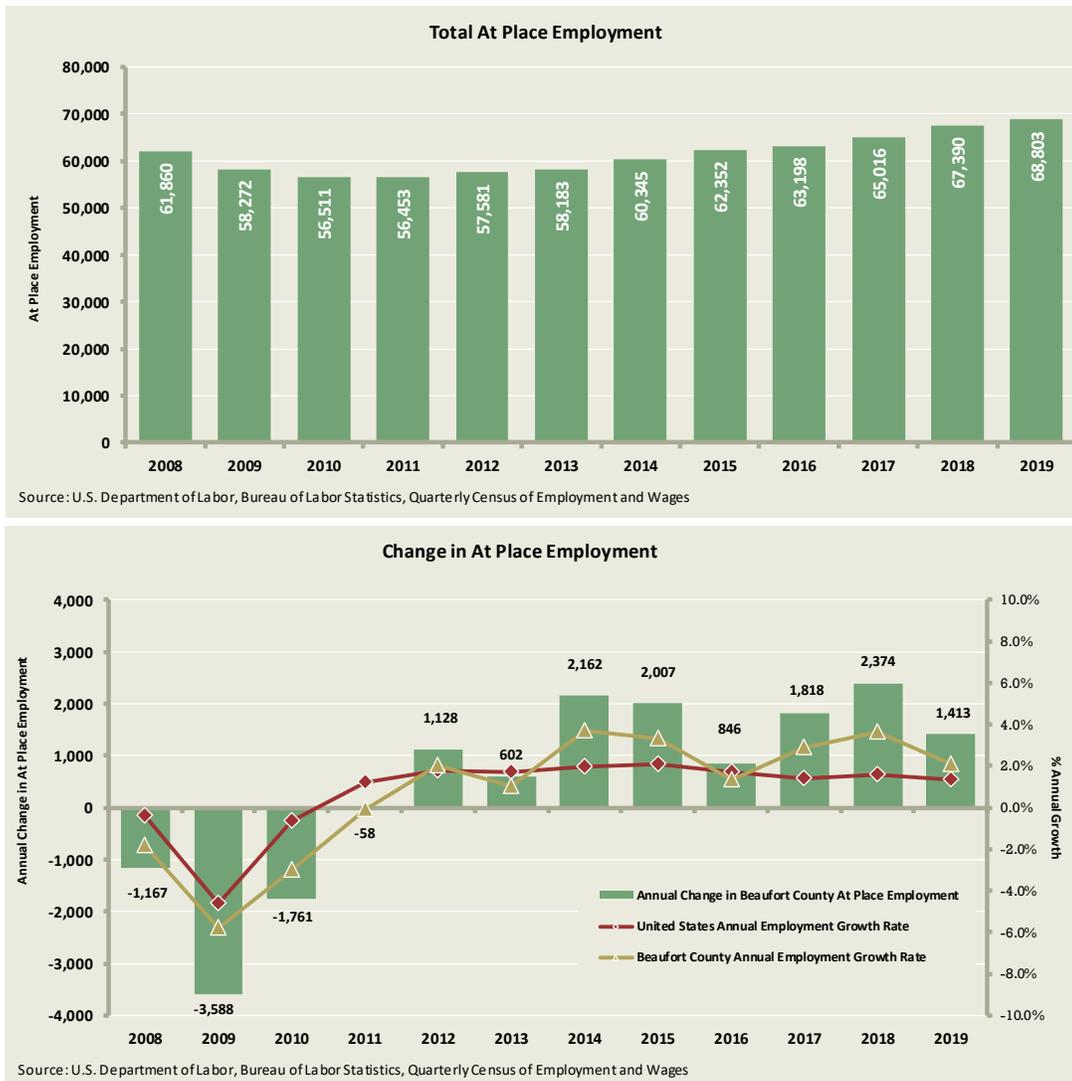


D. County At-Place Employment

1. Trends in Total At-Place Employment, Beaufort County

Beaufort County has added jobs in each of the last eight years resulting in net At-Place Employment growth of 12,350 jobs or 21.9 percent, which erased recession-era losses of roughly 6,500 jobs from 2008 to 2011 (Figure 4). The county’s annual job growth over the past six years averaged 1,770 jobs. The county’s annual growth in 2019 was slightly below this average at 1,413 jobs. As illustrated in the line on the lower panel of Figure 4, Beaufort County had a larger percentage drop during the most recent recession with losses extending one additional year than the nation. The county’s rate of job growth has exceeded the national rate most years since 2014 including significantly faster growth over the past three years.

Figure 4 At-Place Employment, Beaufort County





2. At-Place Employment by Industry Sector, Beaufort County

Leisure-Hospitality, Trade-Transportation-Utilities, and Government are Beaufort County’s largest economic sectors with a combined 56.4 percent of all jobs in the county compared to 44.4 percent in the nation; all of the disparity was in Leisure-Hospitality which accounted for 23.9 percent of the county’s job base compared to 11.1 percent nationally (Figure 5). Only two other sectors contributed at least 11 percent of the county’s jobs in the county: Professional-Business and Education-Health.

Eight of 11 economic sectors added jobs in Beaufort County from 2011 to 2019. The largest percentage increases in the county were a 48.4 percent increase in the Professional-Business sector, 35.9 percent in the Construction sector, and 32.2 percent in the Leisure-Hospitality sector. Other notable increases include the Education-Health and Trade-Transportation-Utilities, which increased by 29.1 percent and 19.4 percent, respectively (Figure 6). The only sectors with job losses since 2011 are Information, Natural Resources-Mining, and Manufacturing; these sectors combine for only two percent of the county’s total jobs.

Figure 5 Total Employment by Sector, Beaufort County

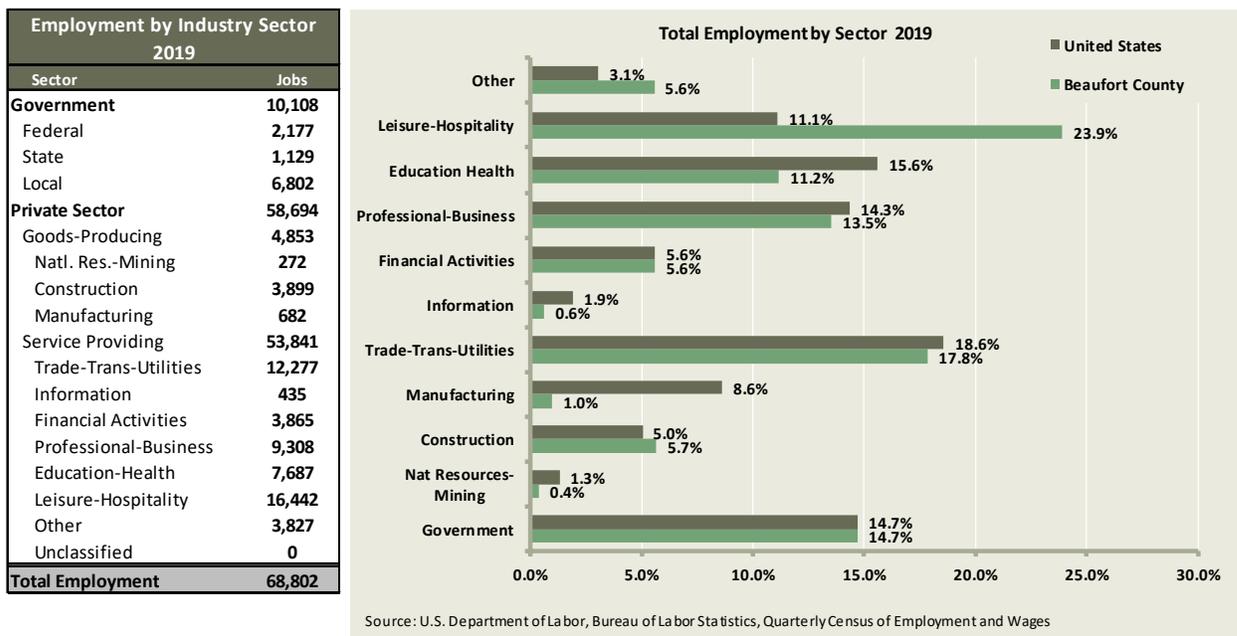
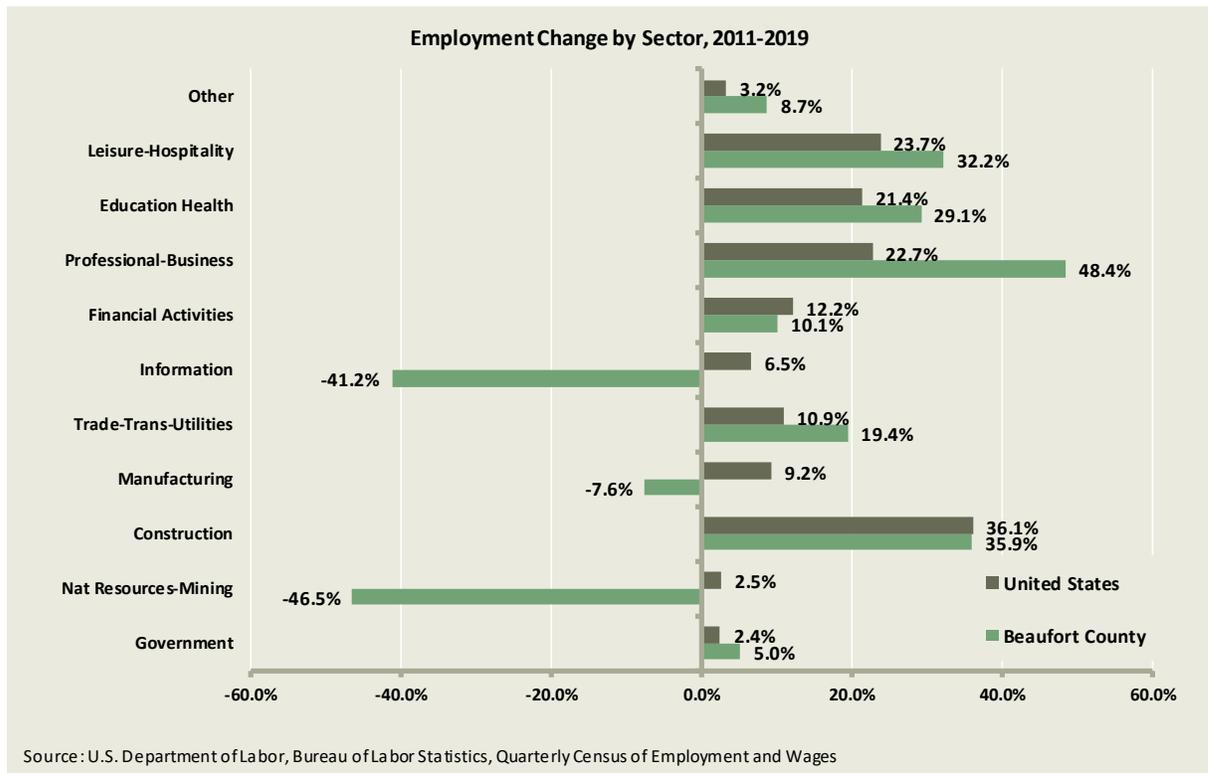




Figure 6 Employment Change by Sector, Beaufort County (2011-2019)



3. Major Employers

The majority of Beaufort County’s largest employers are within the Trade-Transportation-Utilities sector including six different companies. The Education-Health, Government, and Leisure-Hospitality sectors each represented four of the top companies within the county (Table 6). The top twenty employers for Beaufort County are located throughout the county including several in Beaufort within five miles of the subject site. Additional clusters are on Hilton Head Island and in Bluffton (Map 5).

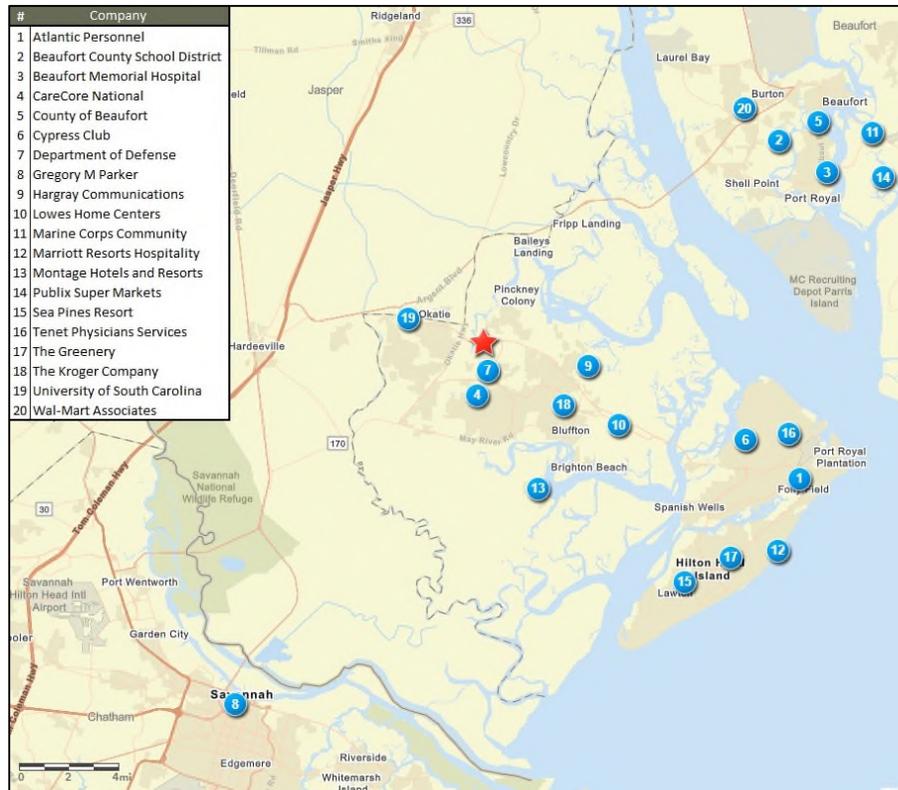


Table 6 Major Employers, Beaufort County

| Rank | Name | Sector |
|------|--|-------------|
| 1 | Atlantic Personnel Inc. | Services |
| 2 | Beaufort County School District | Education |
| 3 | Beaufort Memorial Hospital | Healthcare |
| 4 | CareCore National LLC | Healthcare |
| 5 | County of Beaufort | Government |
| 6 | Cypress Club Inc. | Healthcare |
| 7 | Department of Defense | Government |
| 8 | Gregory M Parker Inc. | Retail |
| 9 | Hargray Communications Group Inc. | Utilities |
| 10 | Lowes Home Centers Inc. | Retail |
| 11 | Marine Corps Community Services | Services |
| 12 | Marriott Resorts Hospitality Corp. | Hospitality |
| 13 | Montage Hotels and Resorts LLC | Hospitality |
| 14 | Publix Super Markets Inc. | Retail |
| 15 | Sea Pines Resort LLC | Hospitality |
| 16 | Tenet Physicians Services of Hilton Head | Healthcare |
| 17 | The Greenery Inc. | Services |
| 18 | The Kroger Company | Retail |
| 19 | University of South Carolina | Education |
| 20 | Wal-Mart Associates Inc. | Retail |

Source: Beaufort Regional Chamber of Commerce

Map 5 Major Employers, Beaufort County





E. Recent Employment Expansions and Contractions

Beaufort County's At Place Employment has increased steadily since 2012. The county has fully recovered since the national recession and reached 68,854 jobs through the third quarter of 2019, which is much higher than its prior-recessionary level of 61,860 in 2008. Beaufort County's unemployment rate of 2.6 percent through the first 11 months of 2019 was lower than both state and national levels; this unemployment rate is less than one-third of the recession-era peak in of 8.7 percent 2009 to 2011.

F. Wage Data

The 2019 average annual wage in Beaufort County was \$40,618, \$5,757 or 12.4 percent lower than the state-wide average of \$46,375. The county's average was also below the national average of \$59,219 by \$18,601 or 31.4 percent (Table 7). Beaufort County's average annual wage in 2019 represents an increase of approximately \$8,023 or 24.6 percent since 2010; the county's average annual wage increased by 4.7 percent from 2018 to 2019.

The average national wage was higher for all sectors when compared to that of Beaufort County's sectors. According to the 2019 data, the largest disparities were in the Information, Financial Activities, and Professional-Business sectors (Figure 7). The highest paying sectors in Beaufort County were Financial Activities and Manufacturing, with annual average wages of \$66,305 and \$51,906, respectively. The county's largest sector of Leisure-Hospitality was the lowest average annual wage of \$23,472.

Table 7 Wage Data, Beaufort County

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Beaufort County | \$32,595 | \$33,012 | \$33,749 | \$34,374 | \$35,339 | \$36,471 | \$37,897 | \$38,799 | \$38,810 | \$40,618 |
| South Carolina | \$37,553 | \$38,427 | \$39,286 | \$39,792 | \$40,797 | \$42,002 | \$42,881 | \$44,177 | \$44,729 | \$46,375 |
| United States | \$46,751 | \$48,043 | \$49,289 | \$49,808 | \$51,364 | \$52,942 | \$53,621 | \$55,390 | \$57,266 | \$59,219 |

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 7 Wage by Sector, Beaufort County



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

6. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Salem Farms Market Area and the Beaufort County using several sources. For small area estimates, we examined projections of population and households prepared by Esri, a national data vendor. We compared and evaluated data in the context of decennial U.S. Census data from 2000 and 2010 as well as building permit trend information. Demographic data is presented for 2020 and 2023 as required by the South Carolina State Housing Finance and Development Authority's 2020 market study guidelines.

It is important to note that all demographic data is based on historic Census data and the most recent local area projections available for the Salem Farms Market Area and Beaufort County. We recognize that the current COVID-19 situation will likely have an impact on short-term growth and demographic trends. Although too early to quantify these impacts, the most likely changes will be slower household growth in at least the short term, a higher propensity to rent, and likely a decrease in income. The demographic projections have not been altered, but RPRG will discuss the impact of these potential changes as they relate to housing demand in a later section of this report.

B. Trends in Population and Households

1. Recent Past Trends

The Salem Farms Market Area had steady population growth of 3,321 people (7.0 percent net growth) between 2000 and 2010 Census counts, rising to 50,794 people. Household growth was faster in the market area with net growth of 2,827 people or 16.9 percent; annual average household growth was 283 people or 1.6 percent (Table 8) and the market area reached 19,517 households in 2010. Beaufort County grew faster than the market area with net growth of 34.1 percent for population and 42.6 percent for households; the county average annual growth was 4,130 people and 1,941 households.

Esri projects population growth rates have accelerated while household growth rates have declined slightly in the Salem Farms Market Area over the past ten years with net growth of 6,212 people and 2,896 households; average annual growth was 621 people (1.2 percent) and 290 households (1.4 percent). Beaufort County's growth rate slowed relative to census trends, but remained higher than the market area. The county's average annual growth from 2010 to 2020 was 3,095 people (1.8 percent) and 1,307 households (1.9 percent).

2. Projected Trends

Based on Esri data, growth will increase from 2020 to 2023 in the Salem Farms Market Area with average growth at 862 people (1.5 percent) and 376 households (1.7 percent) from 2020 to 2023. The market area will reach 59,593 people and 23,551 households by 2023. Annual growth rates in Beaufort County are projected to remain above those in the market area at 1.8 percent for population and 1.9 percent for households.

The average household size in the market area of 2.48 persons per household in 2020 is expected to remain unchanged through 2023 (Table 9).



Table 8 Population and Household Estimates and Projections

| | | Beaufort County | | | | Salem Farms Market Area | | | | |
|------------|---------|-----------------|-------|---------------|------|-------------------------|--------------|-------|---------------|------|
| Population | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | |
| | | # | % | # | % | | # | % | # | % |
| 2000 | 120,937 | | | | | 47,473 | | | | |
| 2010 | 162,233 | 41,296 | 34.1% | 4,130 | 3.0% | 50,794 | 3,321 | 7.0% | 332 | 0.7% |
| 2020 | 193,186 | 30,953 | 19.1% | 3,095 | 1.8% | 57,006 | 6,212 | 12.2% | 621 | 1.2% |
| 2023 | 203,896 | 10,710 | 5.5% | 3,570 | 1.8% | 59,593 | 2,587 | 4.5% | 862 | 1.5% |

| | | Beaufort County | | | | Salem Farms Market Area | | | | |
|------------|--------|-----------------|-------|---------------|------|-------------------------|--------------|-------|---------------|------|
| Households | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | |
| | | # | % | # | % | | # | % | # | % |
| 2000 | 45,532 | | | | | 16,690 | | | | |
| 2010 | 64,945 | 19,413 | 42.6% | 1,941 | 3.6% | 19,517 | 2,827 | 16.9% | 283 | 1.6% |
| 2020 | 78,016 | 13,071 | 20.1% | 1,307 | 1.9% | 22,413 | 2,896 | 14.8% | 290 | 1.4% |
| 2023 | 82,545 | 4,529 | 5.8% | 1,510 | 1.9% | 23,551 | 1,138 | 5.1% | 379 | 1.7% |

Source: 2000 Census; 2010 Census; Esri; and Real Property Research Group, Inc.

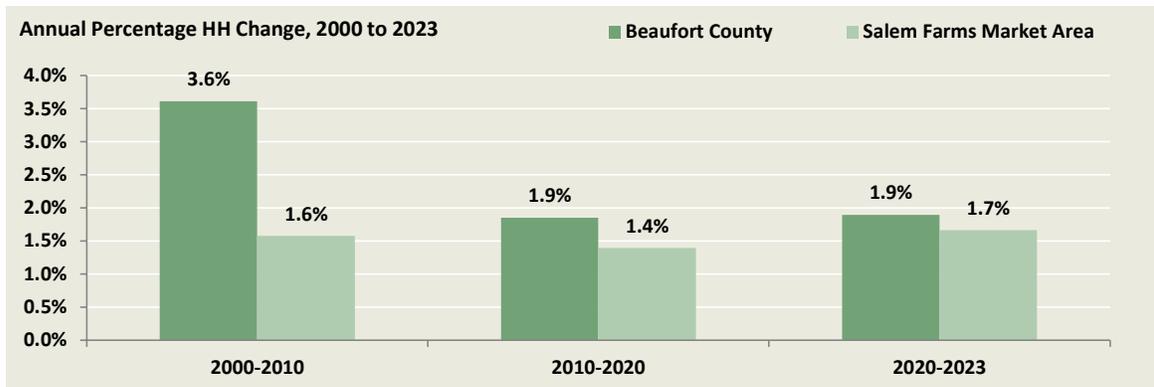


Table 9 Persons per Household, Salem Farms Market Area

| Average Household Size | | | |
|------------------------|-------------|-------------|-------------|
| Year | 2010 | 2020 | 2023 |
| Population | 50,794 | 57,006 | 59,593 |
| Group Quarters | 1,296 | 1,422 | 1,275 |
| Households | 19,517 | 22,413 | 23,551 |
| Avg. HH Size | 2.54 | 2.48 | 2.48 |

Source: 2010 Census; Esri; and RPRG, Inc.

3. Building Permit Trends

Permit activity in Beaufort County averaged 339 permitted residential units from 2009 through 2011 following the national housing market downturn and subsequent recession (Table 10). Annual permit activity has steadily increased in Beaufort County since 2012 and reached 2,311 units permitted in 2019, which is the highest annual total in at least 11 years.

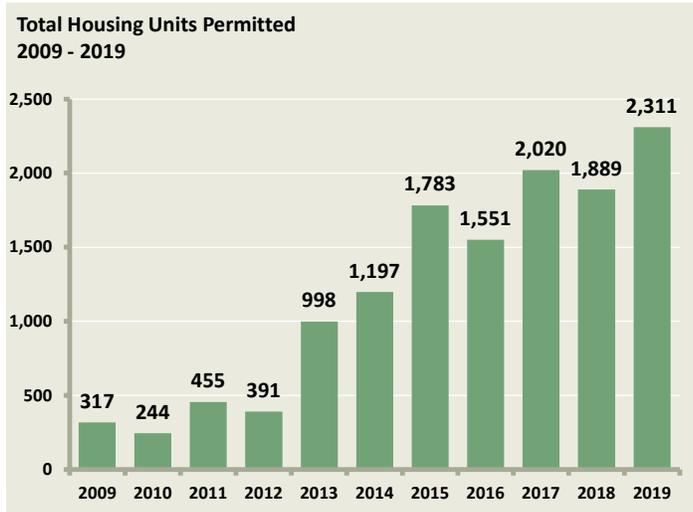
Single-family structures account for 88.7 percent of all permitted units since 2009 while 11.1 percent of permitted units were in multi-family structures with five or more units.



Table 10 Building Permits by Structure Type, Beaufort County

| Beaufort County | | | | | |
|------------------|---------------|-----------|-----------|--------------|---------------|
| Year | Single - Unit | Two Units | 3-4 Units | 5+ Units | Ann. Total |
| 2009 | 299 | 0 | 0 | 18 | 317 |
| 2010 | 244 | 0 | 0 | 0 | 244 |
| 2011 | 299 | 0 | 0 | 156 | 455 |
| 2012 | 391 | 0 | 0 | 0 | 391 |
| 2013 | 952 | 0 | 0 | 46 | 998 |
| 2014 | 1,197 | 0 | 0 | 0 | 1,197 |
| 2015 | 1,441 | 0 | 0 | 342 | 1,783 |
| 2016 | 1,442 | 0 | 0 | 109 | 1,551 |
| 2017 | 1,779 | 0 | 0 | 241 | 2,020 |
| 2018 | 1,865 | 0 | 0 | 24 | 1,889 |
| 2019 | 1,771 | 12 | 0 | 528 | 2,311 |
| 2009-2019 | 11,680 | 12 | 0 | 1,464 | 13,156 |
| Ann. Avg. | 1,062 | 1 | 0 | 133 | 1,196 |

Source: U.S. Census Bureau, C-40 Building Permit Reports.



C. Demographic Characteristics

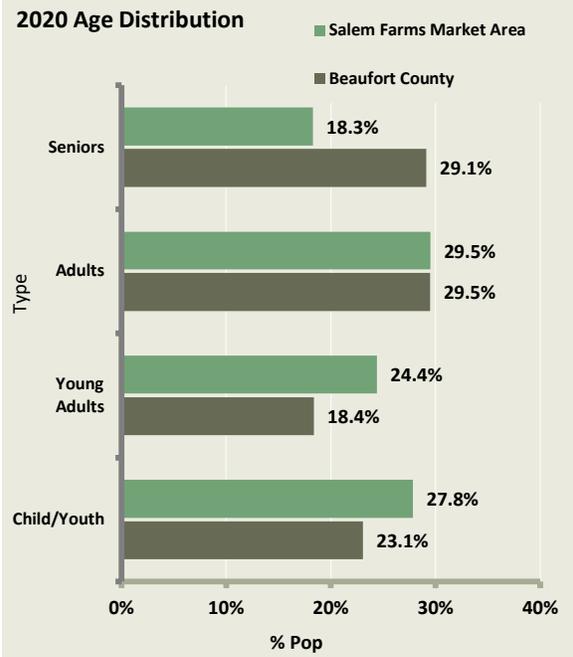
1. Age Distribution and Household Type

The median age of the population is 33 in the Salem Farms Market Area and 42 in Beaufort County (Table 11). Adults age 35-61 comprise the largest percentage of each area’s population at 29.5 percent in both the Salem Farms Market Area and Beaufort County. Over one-quarter of the population in both areas is under the age of 20 while Young Adults comprise 24.4 percent in the market area and 18.4 percent in the county. Seniors age 62+ are much more common in Beaufort County at 29.1 percent compared to 18.3% in the Salem Farms Market Area.



Table 11 Age Distribution

| 2020 Age Distribution | Beaufort County | | Salem Farms Market Area | |
|-----------------------|-----------------|--------------|-------------------------|--------------|
| | # | % | # | % |
| Children/Youth | 44,552 | 23.1% | 15,864 | 27.8% |
| Under 5 years | 11,533 | 6.0% | 4,663 | 8.2% |
| 5-9 years | 11,188 | 5.8% | 4,138 | 7.3% |
| 10-14 years | 10,805 | 5.6% | 3,837 | 6.7% |
| 15-19 years | 11,026 | 5.7% | 3,226 | 5.7% |
| Young Adults | 35,495 | 18.4% | 13,908 | 24.4% |
| 20-24 years | 12,100 | 6.3% | 4,753 | 8.3% |
| 25-34 years | 23,395 | 12.1% | 9,155 | 16.1% |
| Adults | 56,924 | 29.5% | 16,809 | 29.5% |
| 35-44 years | 20,632 | 10.7% | 6,836 | 12.0% |
| 45-54 years | 19,525 | 10.1% | 5,613 | 9.8% |
| 55-61 years | 16,767 | 8.7% | 4,360 | 7.6% |
| Seniors | 56,215 | 29.1% | 10,425 | 18.3% |
| 62-64 years | 7,186 | 3.7% | 1,869 | 3.3% |
| 65-74 years | 29,498 | 15.3% | 5,235 | 9.2% |
| 75-84 years | 15,058 | 7.8% | 2,417 | 4.2% |
| 85 and older | 4,473 | 2.3% | 904 | 1.6% |
| TOTAL | 193,186 | 100% | 57,006 | 100% |
| Median Age | 42 | | 33 | |

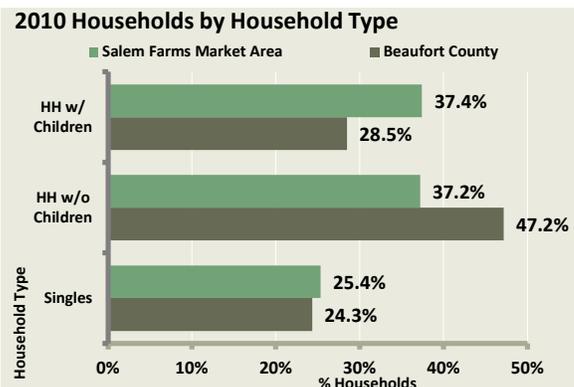


Multi-person households without children were the most common in Beaufort County (47.2 percent) with far less in the Salem Farms Market Area (37.2 percent) (Table 12). Households with children were the most common in the Salem Farms Market Area (37.4 percent) and made up approximately one-fourth (28.5 percent) of all households in Beaufort County. Single person households were the least common household type in both areas at 25.4 percent in the market area and 24.3 percent in the county.

Table 12 Households by Household Type

| 2010 Households by Household Type | Beaufort County | | Salem Farms Market Area | |
|-----------------------------------|-----------------|--------------|-------------------------|--------------|
| | # | % | # | % |
| Married w/Children | 11,970 | 18.4% | 4,446 | 22.8% |
| Other w/ Children | 6,529 | 10.1% | 2,860 | 14.7% |
| Households w/ Children | 18,499 | 28.5% | 7,306 | 37.4% |
| Married w/o Children | 23,996 | 36.9% | 5,137 | 26.3% |
| Other Family w/o Children | 3,002 | 4.6% | 1,130 | 5.8% |
| Non-Family w/o Children | 3,639 | 5.6% | 995 | 5.1% |
| Households w/o Children | 30,637 | 47.2% | 7,262 | 37.2% |
| Singles | 15,809 | 24.3% | 4,949 | 25.4% |
| Total | 64,945 | 100% | 19,517 | 100% |

Source: 2010 Census; RPRG, Inc.



2. Renter Household Characteristics

The Salem Farms Market Area’s renter percentage of 37.9 percent in 2020 is higher than the county’s 24.9 percent (Table 13). The county’s renter percentage has decreased slightly by 1.9 percentage points since 2000 compared to a 3.7 percentage point increase in the county. The Salem Farms Market



Area’s average annual household change by tenure over the past 20 years was 2,236 renter households and 3,487 owner households; renter households accounted for 39.1% of household growth in the market area over the past 20 years compared to 53.3 percent in the county.

Esri projects renter households to contribute 44.9 percent of the market area’s net household growth over the next three years, resulting in annual renter household growth of 102 households – approximately 10 percent less than the trend over the past 20 years (Table 14). This trend is likely conservative although it is higher than the overall renter percentage in 2020.

Table 13 Households by Tenure, 2000-2020

| Beaufort County | 2000 | | 2010 | | 2020 | | Change 2000-2020 | | | | % of Change 2000 - 2020 |
|-----------------------|---------------|-------------|---------------|-------------|----------------|-------------|------------------|--------------|---------------|-------------|-------------------------|
| | | | | | | | Total Change | | Annual Change | | |
| Housing Units | # | % | # | % | # | % | # | % | # | % | |
| Owner Occupied | 33,338 | 73.2% | 45,868 | 70.6% | 58,595 | 75.1% | 25,257 | 75.8% | 1,263 | 2.9% | 77.8% |
| Renter Occupied | 12,194 | 26.8% | 19,077 | 29.4% | 19,421 | 24.9% | 7,227 | 59.3% | 361 | 2.4% | 22.2% |
| Total Occupied | 45,532 | 100% | 64,945 | 100% | 78,016 | 100% | 32,484 | 71.3% | 1,624 | 2.7% | 100% |
| Total Vacant | 14,977 | | 28,078 | | 31,404 | | | | | | |
| TOTAL UNITS | 60,509 | | 93,023 | | 109,420 | | | | | | |

| Salem Farms Market Area | 2000 | | 2010 | | 2020 | | Change 2000-2020 | | | | % of Change 2000 - 2020 |
|-------------------------|---------------|-------------|---------------|-------------|---------------|-------------|------------------|--------------|---------------|-------------|-------------------------|
| | | | | | | | Total Change | | Annual Change | | |
| Housing Units | # | % | # | % | # | % | # | % | # | % | |
| Owner Occupied | 10,422 | 62.4% | 11,076 | 56.8% | 13,909 | 62.1% | 3,487 | 33.5% | 174 | 1.5% | 60.9% |
| Renter Occupied | 6,268 | 37.6% | 8,441 | 43.2% | 8,504 | 37.9% | 2,236 | 35.7% | 112 | 1.5% | 39.1% |
| Total Occupied | 16,690 | 100% | 19,517 | 100% | 22,413 | 100% | 5,723 | 34.3% | 286 | 1.5% | 100% |
| Total Vacant | 1,329 | | 2,869 | | 3,035 | | | | | | |
| TOTAL UNITS | 18,019 | | 22,386 | | 25,448 | | | | | | |

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

Table 14 Households by Tenure, 2020-2023

| Salem Farms Market Area | 2020 | | 2023 Esri HH by Tenure | | Esri Change by Tenure | | Annual Change by Tenure | |
|-------------------------|---------------|-------------|------------------------|-------------|-----------------------|-------------|-------------------------|-------------|
| Housing Units | # | % | # | % | # | % | # | % |
| Owner Occupied | 13,909 | 62.1% | 14,535 | 61.7% | 626 | 55.1% | 125 | 0.9% |
| Renter Occupied | 8,504 | 37.9% | 9,015 | 38.3% | 511 | 44.9% | 102 | 1.2% |
| Total Occupied | 22,413 | 100% | 23,551 | 100% | 1,138 | 100% | 228 | 1.0% |
| Total Vacant | 3,035 | | 3,099 | | | | | |
| TOTAL UNITS | 25,448 | | 26,650 | | | | | |

Young working age households age 25 to 44 account for 52.1 percent of all renter households in the Salem Farms Market Area and 49.9 percent in Beaufort County (Table 15). Nearly 20 percent of renter households are older adults age 45-64, 12 percent are ages 65+, and 16.3 percent are under the age of 25. Beaufort County has a higher percentage of renter households who are older adults age 45-64 and ages 65+ at 23.5 percent and 14.8 percent, respectively.

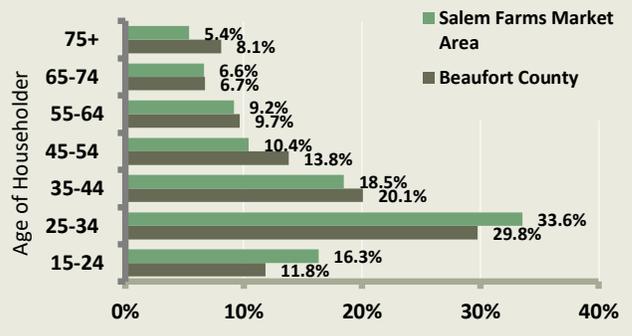


Table 15 Renter Households by Age of Householder

| Renter Households | Beaufort County | | Salem Farms Market Area | |
|-------------------|-----------------|-------------|-------------------------|-------------|
| | # | % | # | % |
| Age of HHldr | | | | |
| 15-24 years | 2,300 | 11.8% | 1,388 | 16.3% |
| 25-34 years | 5,780 | 29.8% | 2,854 | 33.6% |
| 35-44 years | 3,903 | 20.1% | 1,569 | 18.5% |
| 45-54 years | 2,682 | 13.8% | 886 | 10.4% |
| 55-64 years | 1,875 | 9.7% | 783 | 9.2% |
| 65-74 years | 1,307 | 6.7% | 565 | 6.6% |
| 75+ years | 1,575 | 8.1% | 459 | 5.4% |
| Total | 19,421 | 100% | 8,504 | 100% |

Source: Esri, Real Property Research Group, Inc.

2020 Renter HHs by Age of HHldr



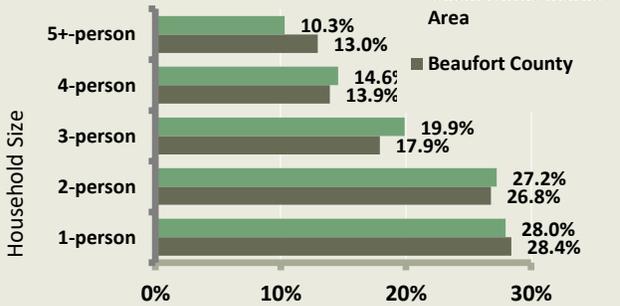
Roughly 55 percent of renter households in the Salem Farms Market Area had one or two people including 28 percent with one person as of the 2010 Census (Table 16). Roughly 35 percent of renter households had three or four people and 10.3 percent had 5+ people. The county had the same percentages of smaller renter households with one or two people.

Table 16 Renter Households by Household Size

| Renter Occupied | Beaufort County | | Salem Farms Market Area | |
|-----------------|-----------------|-------------|-------------------------|-------------|
| | # | % | # | % |
| 1-person hhld | 5,421 | 28.4% | 2,360 | 28.0% |
| 2-person hhld | 5,108 | 26.8% | 2,299 | 27.2% |
| 3-person hhld | 3,417 | 17.9% | 1,680 | 19.9% |
| 4-person hhld | 2,656 | 13.9% | 1,232 | 14.6% |
| 5+-person hhld | 2,475 | 13.0% | 870 | 10.3% |
| TOTAL | 19,077 | 100% | 8,441 | 100% |

Source: 2010 Census

2010 Persons per Renter HH



3. Population by Race

SCSHFDA’s requests population by race for the subject census tract.

The local census tract and market area have a relatively balanced population by race. The local census tract has 59.2 percent White residents and 31.9 percent Black residents as compared to 66.9 percent White residents and 25.1 percent Black residents in the market area (Table 17). Beaufort County has a higher concentration of White residents with 74.4 percent classified as White and 16.7 percent classified as Black.



Table 17 Population by Race

| Race | Tract 0005.02 | | Salem Farms Market Area | | Beaufort County | |
|---------------------------------------|---------------|---------------|-------------------------|---------------|-----------------|---------------|
| | # | % | # | % | # | % |
| Total Population | 5,820 | 100.0% | 57,006 | 100.0% | 193,186 | 100.0% |
| Population Reporting One Race | 5,635 | 96.8% | 55,307 | 97.0% | 188,834 | 97.7% |
| White | 3,448 | 59.2% | 38,141 | 66.9% | 144,316 | 74.7% |
| Black | 1,858 | 31.9% | 14,333 | 25.1% | 32,255 | 16.7% |
| American Indian | 14 | 0.2% | 237 | 0.4% | 517 | 0.3% |
| Asian | 136 | 2.3% | 999 | 1.8% | 2,543 | 1.3% |
| Pacific Islander | 17 | 0.3% | 102 | 0.2% | 192 | 0.1% |
| Some Other Race | 162 | 2.8% | 1,495 | 2.6% | 9,011 | 4.7% |
| Population Reporting Two Races | 185 | 3.2% | 1,699 | 3.0% | 4,352 | 2.3% |

Source: 2010 Census; Esri

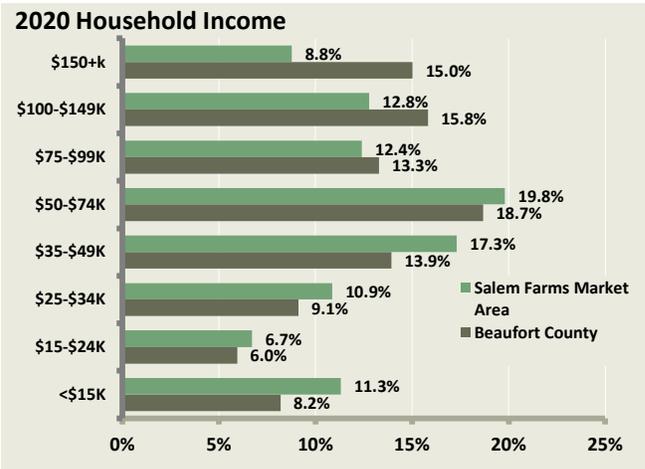
4. Income Characteristics

The Salem Farms Market Area’s 2020 median income of \$54,771 is \$12,374 or 18.4 percent lower than Beaufort County’s median income of \$67,145 (Table 18). Roughly 29 percent of the market area’s households earn less than \$35,000, 37.1 percent earn \$35,000 to \$74,999, and 34 percent earn at least \$75,000.

Table 18 Household Income

| Estimated 2020 Household Income | Beaufort County | | Salem Farms Market Area | |
|---------------------------------|-----------------|-------------|-------------------------|-------------|
| | # | % | # | % |
| less than \$15,000 | 6,386 | 8.2% | 2,536 | 11.3% |
| \$15,000 - \$24,999 | 4,642 | 6.0% | 1,506 | 6.7% |
| \$25,000 - \$34,999 | 7,113 | 9.1% | 2,436 | 10.9% |
| \$35,000 - \$49,999 | 10,873 | 13.9% | 3,881 | 17.3% |
| \$50,000 - \$74,999 | 14,572 | 18.7% | 4,440 | 19.8% |
| \$75,000 - \$99,999 | 10,368 | 13.3% | 2,780 | 12.4% |
| \$100,000 - \$149,999 | 12,342 | 15.8% | 2,866 | 12.8% |
| \$150,000 - Over | 11,720 | 15.0% | 1,968 | 8.8% |
| Total | 78,016 | 100% | 22,413 | 100% |
| Median Income | \$67,145 | | \$54,771 | |

Source: Esri; Real Property Research Group, Inc.



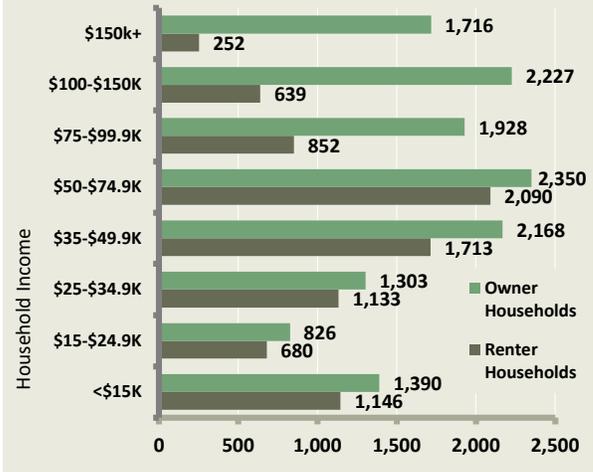
Based on the relationship between owner and renter incomes as recorded in the 2014-2018 American Community Survey, the breakdown of tenure, and household estimates, RPRG estimates that the 2020 median income of renter households in the Salem Farms Market Area is \$46,325 compared to an owner median of \$63,476 (Table 19). Roughly 35 percent of the market area’s renter households earn less than \$35,000 including 21.5 percent earning less than \$25,000. Despite the lower median income, the market area has a solid base of moderate to upper income renter households with 44.7 percent earning \$35,000 to \$74,999 and 20.5 percent earning at least \$75,000.



Table 19 Household Income by Tenure

| Estimated 2020 HH Income | | Renter Households | | Owner Households | |
|--------------------------|--|-------------------|-------------|------------------|-------------|
| Salem Farms Market Area | | # | % | # | % |
| less than \$15,000 | | 1,146 | 13.5% | 1,390 | 10.0% |
| \$15,000 - \$24,999 | | 680 | 8.0% | 826 | 5.9% |
| \$25,000 - \$34,999 | | 1,133 | 13.3% | 1,303 | 9.4% |
| \$35,000 - \$49,999 | | 1,713 | 20.1% | 2,168 | 15.6% |
| \$50,000 - \$74,999 | | 2,090 | 24.6% | 2,350 | 16.9% |
| \$75,000 - \$99,999 | | 852 | 10.0% | 1,928 | 13.9% |
| \$100,000 - \$149,999 | | 639 | 7.5% | 2,227 | 16.0% |
| \$150,000 over | | 252 | 3.0% | 1,716 | 12.3% |
| Total | | 8,504 | 100% | 13,909 | 100% |
| Median Income | | \$46,325 | | \$63,476 | |

2020 Household Income by Tenure



Source: American Community Survey 2014-2018 Estimates, RPRG, Inc.

Approximately 42.6 percent of renter households in the Salem Farms Market Area pay at least 35 percent of income for rent (Table 20). Only 4.3 percent of renter households are living in substandard conditions which includes only overcrowding and incomplete plumbing.

Table 20 Substandard and Cost Burdened Calculations, Salem Farms Market Area

| Rent Cost Burden | | |
|--------------------------------|--------------|---------------|
| Total Households | # | % |
| Less than 10.0 percent | 248 | 2.7% |
| 10.0 to 14.9 percent | 761 | 8.1% |
| 15.0 to 19.9 percent | 1,003 | 10.7% |
| 20.0 to 24.9 percent | 1,079 | 11.5% |
| 25.0 to 29.9 percent | 963 | 10.3% |
| 30.0 to 34.9 percent | 994 | 10.6% |
| 35.0 to 39.9 percent | 914 | 9.8% |
| 40.0 to 49.9 percent | 942 | 10.1% |
| 50.0 percent or more | 1,898 | 20.3% |
| Not computed | 542 | 5.8% |
| Total | 9,344 | 100.0% |
| > 35% income on rent | 3,754 | 42.6% |

Source: American Community Survey 2014-2018

| Substandardness | |
|---------------------------------------|-------------|
| Total Households | |
| Owner occupied: | |
| Complete plumbing facilities: | 11,207 |
| 1.00 or less occupants per room | 11,042 |
| 1.01 or more occupants per room | 165 |
| Lacking complete plumbing facilities: | 7 |
| Overcrowded or lacking plumbing | 172 |
| Renter occupied: | |
| Complete plumbing facilities: | 9,325 |
| 1.00 or less occupants per room | 8,944 |
| 1.01 or more occupants per room | 381 |
| Lacking complete plumbing facilities: | 19 |
| Overcrowded or lacking plumbing | 400 |
| Substandard Housing | 572 |
| % Total Stock Substandard | 2.8% |
| % Rental Stock Substandard | 4.3% |



7. PROJECT SPECIFIC DEMAND ANALYSIS

A. Affordability/Penetration Analysis

1. Methodology

Following our estimate of the depth of demand for net new rental units in the market area, we next test whether sufficient income qualified households would be available to support the specific units at the subject property and comparably priced communities. This analysis is conducted independently of the Derivation of Net Demand as units at the subject property are likely to be filled by a combination of new households and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis. The Affordability Analysis tests the percent of income-qualified households in the market area that the subject community must capture to achieve full occupancy. The Penetration Rate analysis tests the percent of income-qualified households in the market area that the subject community and comparable competitive communities must capture to achieve full occupancy. The combination of the Derivation of Market Rent and Affordability/Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the target income range to support the proposed units.

The first component of the Affordability/Penetration Analyses involves looking at total income and renter income among primary market area households for the target year. Using 2023 as our target year for this analysis, RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2014-2018 American Community Survey with estimates and projected income growth since the Census (Table 21).

Table 21 Total and Renter Income Distribution

| Salem Farms Market Area | | 2023 Total Households | | 2023 Renter Households | |
|-------------------------|-----------------------|-----------------------|-------------|------------------------|-------------|
| | | # | % | # | % |
| less than | \$15,000 | 2,506 | 10.6% | 1,153 | 12.8% |
| | \$15,000 - \$24,999 | 1,539 | 6.5% | 708 | 7.9% |
| | \$25,000 - \$34,999 | 2,487 | 10.6% | 1,179 | 13.1% |
| | \$35,000 - \$49,999 | 4,028 | 17.1% | 1,811 | 20.1% |
| | \$50,000 - \$74,999 | 4,670 | 19.8% | 2,239 | 24.8% |
| | \$75,000 - \$99,999 | 2,958 | 12.6% | 923 | 10.2% |
| | \$100,000 - \$149,999 | 3,118 | 13.2% | 709 | 7.9% |
| | \$150,000 - Over | 2,246 | 9.5% | 293 | 3.2% |
| Total | | 23,551 | 100% | 9,015 | 100% |
| Median Income | | \$56,510 | | \$47,156 | |

Source: American Community Survey 2014-2018 Projections, RPRG, Inc.

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability/Penetration



Analyses, RPRG employs a 35 percent gross rent burden as all units will be income restricted. Maximum income limits are derived from 2020 income limits for Beaufort County as computed by HUD and are based on average household sizes of 1.5 persons per bedroom rounded up to the nearest whole person, per SCSHFDA’s 2020 market study guidelines.

2. Affordability Analysis

The steps in the affordability analysis (Table 22) are as follows:

- Looking at the 60 percent one-bedroom units as an example (upper left panel), the overall shelter cost at the proposed rent would be \$918 (\$811 net rent plus a \$107 allowance to cover all utilities except trash removal).
- We determined that a one-bedroom unit at 60 percent AMI would be affordable to households earning at least \$31,474 per year by applying a 35 percent rent burden to the gross rent. A projected 6,391 renter households in the market area will earn at least this amount in 2023.
- Assuming a household size of two people, the maximum income limit for a one-bedroom unit at 60 percent AMI would be \$39,120. According to the interpolated income distribution for 2023, 5,478 renter households will reside in the market area with incomes exceeding this income limit.
- Subtracting the 5,478 renter households with incomes above the maximum income limit from the 6,391 renter households that could afford to rent this unit, RPRG computes that a projected 913 renter households in the Salem Farms Market Area are in the band of affordability for Garden Oaks Apartments’ one-bedroom units at 60 percent.
- Garden Oaks Apartments would need to capture 10.5 percent of these income-qualified renter households to absorb the 96 proposed one bedroom units at 60 percent.
- Using the same methodology, we determined the band of qualified renter households for the remaining floor plan types and the project overall. Remaining capture rates are 17.4 percent for 132 two bedroom units and 5.8 percent for 60 three bedroom units.
- Overall, the 288 units at the subject property represent 11.6 percent of the 2,483 renter households.

Table 22 Affordability Analysis

| 60% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|-------------------------------|-----------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | Min. | Max. | Min. | Max. | Min. | Max. |
| Number of Units | | 96 | | 132 | | 60 | |
| Net Rent | | \$811 | | \$964 | | \$1,096 | |
| Gross Rent | | \$918 | | \$1,101 | | \$1,271 | |
| Income Range (Min, Max) | | \$31,474 | \$39,120 | \$37,749 | \$44,040 | \$43,577 | \$52,860 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 6,391 | 5,478 | 5,644 | 4,884 | 4,940 | 3,908 |
| # Qualified Hhlds | | 913 | | 760 | | 1,032 | |
| Renter HH Capture Rate | | 10.5% | | 17.4% | | 5.8% | |

| Income Target | # Units | Renter Households = 9,015 | | | | |
|---------------|---------|---------------------------|-------------------|-------------------|--------------|--------------|
| | | Band of Qualified Hhlds | | Qual HH | Capture Rate | |
| 60% AMI | 288 | Income Households | \$31,474 6,391 | \$52,860 3,908 | 2,483 | 11.6% |

Source: Income Projections, RPRG, Inc.



B. Demand Estimates and Capture Rates

1. Methodology

SCSHFDA's LIHTC demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income qualified renter households anticipated to move into the Salem Farms Market Area between the base year of 2020 and estimated placed in service date of 2023.
- The second component is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2014-2018 American Community Survey (ACS) data, 4.3 percent of the market area's renter households live in "substandard" housing (see Table 20 on page 36).
- The third and final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 42.6 percent of Salem Farms Market Area renter households are categorized as cost burdened (see Table 20 on page 36).

2. Demand Analysis

Directly comparable units built or approved in the Salem Farms Market Area since the base year are subtracted from the demand estimates. Broad River Village was recently approved for four percent tax credits with 160 units targeting renter households earning up to 60 percent of the Area Median Income; these units are subtracted from the demand estimate.

The project's overall demand capture rate is 26.6 percent (Table 23). By bedroom, capture rates are 24.0 percent for one-bedroom units, 40.7 percent for two-bedroom units, and 28.7 percent for three-bedroom units (Table 24). The demand analysis for the three-bedroom units is refined to account for only larger households (3+ persons) per SCSHFDA guidelines. All capture rates are acceptable; the SCSHFDA threshold is 30 percent for the project overall.



Table 23 Overall SCSHFDA LIHTC Demand Estimates and Capture Rates

| <i>Income Target</i> | 60% AMI |
|--|----------------|
| <i>Minimum Income Limit</i> | \$31,474 |
| <i>Maximum Income Limit</i> | \$52,860 |
| <i>(A) Renter Income Qualification Percentage</i> | 27.5% |
| Demand from New Renter Households <i>Calculation: (C-B) * A</i> | 119 |
| Plus | |
| Demand from Substandard Housing <i>Calculation: B * D * F * A</i> | 100 |
| Plus | |
| Demand from Rent Over-burdened Households <i>Calculation: B * E * F * A</i> | 999 |
| Equals | |
| Total PMA Demand | 1,218 |
| Less | |
| Comparable Units | 136 |
| Equals | |
| Net Demand | 1,082 |
| Proposed Units | 288 |
| Capture Rate | 26.6% |

| Demand Calculation Inputs | |
|--|-----------|
| A). % of Renter Hhlds with Qualifying Income | see above |
| B). 2020 Households | 22,413 |
| C). 2023 Households | 23,551 |
| (D) ACS Substandard Percentage | 4.3% |
| (E) ACS Rent Over-Burdened Percentage | 42.6% |
| (F) 2020 Renter Percent | 37.9% |

Table 24 Demand and Capture Rates by Floor Plan, SCSHFDA Demand

| 60% Units | One BR | Two BR | Three BR |
|---|---------------|---------------|-----------------|
| <i>Minimum Income Limit</i> | \$31,474 | \$37,749 | \$43,577 |
| <i>Maximum Income Limit</i> | \$39,120 | \$44,040 | \$52,860 |
| <i>Renter Income Qualification Percentage</i> | 10.1% | 8.4% | 11.4% |
| Total Demand | 448 | 373 | 506 |
| Supply | 48 | 48 | 40 |
| Net Demand | 400 | 325 | 466 |
| Large HH % | | | 44.8% |
| Large HH Demand | | | 209 |
| Units Proposed | 96 | 132 | 60 |
| Capture Rate | 24.0% | 40.7% | 28.7% |



8. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Salem Farms Market Area. We pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the Salem Farms Market Area. Information was gathered through contact with Planning Departments with Beaufort, Port Royal, and Beaufort County. The rental survey, conducted in August 2020, includes a wide range of communities including those deemed most comparable with the subject property. Age-restricted and deep subsidy communities were excluded from the analysis. The rents at deeply subsidized communities are based on a percentage of each tenant incomes and minimum income limits do not apply; thus, these communities are not considered comparable.

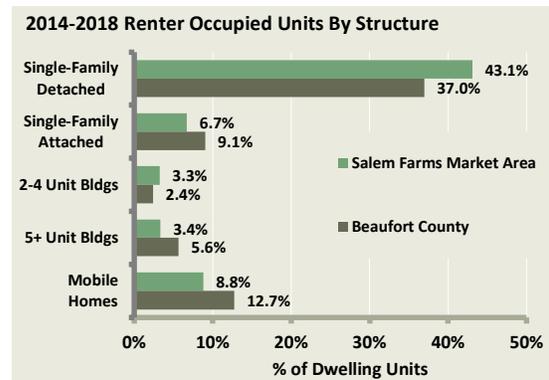
B. Overview of Market Area Housing Stock

Based on the 2014-2018 ACS survey, the Salem Farms Market Area’s rental housing includes a range of structure type including 27.4 percent in multi-family structures with at least five units, 43.1 percent in single-family detached homes, and 16.2 percent in mobile homes (Table 25). Beaufort County’s renter occupied housing stock is generally comparable but has a higher percentage units in multi-family structures with at least five units.

Table 25 Renter Occupied Dwelling Units by Structure Type

| Renter Occupied Housing Units | Beaufort County | | Salem Farms Market Area | |
|-------------------------------|-----------------|-------------|-------------------------|-------------|
| | # | % | # | % |
| Single-Family Detached | 7,398 | 37.0% | 4,011 | 43.1% |
| Single-Family Attached | 1,812 | 9.1% | 624 | 6.7% |
| 2-4 Unit Bldgs | 1,607 | 8.0% | 615 | 6.6% |
| 5+ Unit Bldgs | 6,849 | 34.2% | 2,546 | 27.4% |
| Mobile Homes | 2,347 | 11.7% | 1,512 | 16.2% |
| Total | 20,013 | 100% | 9,308 | 100% |

Source: American Community Survey 2014-2018



The Salem Farms Market Area’s housing stock is older than Beaufort County with a median year built of 1988 for renter occupied units and 1990 for owner occupied units. The median year built of the county’s occupied housing stock is 1992 for renter occupied units and 1996 owner occupied units (Table 26). Nearly 31 percent of the renter occupying units in the Salem Farms Market Area have been built since 2000 compared to 34.1 percent of the county’s renter occupied units. Thirty-six percent of the market area’s renter occupied units were built in the 1980’s and 1990’s. Roughly 27 percent of the market area’s owner occupied units have been constructed since 2000 compared to 42.3 percent in the county, reflecting the significant residential development in the southern portion of the county. .



Table 26 Dwelling Units by Year Built and Tenure

| Year Built | Owner Occupied | | | | Renter Occupied | | | |
|--------------------------|-----------------|-------------|-------------------------|-------------|-----------------|-------------|-------------------------|-------------|
| | Beaufort County | | Salem Farms Market Area | | Beaufort County | | Salem Farms Market Area | |
| | # | % | # | % | # | % | # | % |
| 2014 or later | 1,863 | 3.7% | 284 | 2.5% | 353 | 1.8% | 265 | 2.8% |
| 2010 to 2013 | 1,733 | 3.4% | 399 | 3.6% | 887 | 4.4% | 380 | 4.1% |
| 2000 to 2009 | 17,792 | 35.2% | 2,358 | 21.0% | 5,606 | 28.0% | 2,229 | 23.9% |
| 1990 to 1999 | 12,471 | 24.7% | 2,596 | 23.1% | 4,138 | 20.6% | 1,543 | 16.5% |
| 1980 to 1989 | 8,375 | 16.6% | 1,806 | 16.1% | 4,030 | 20.1% | 1,824 | 19.5% |
| 1970 to 1979 | 4,759 | 9.4% | 1,520 | 13.6% | 2,721 | 13.6% | 1,360 | 14.6% |
| 1960 to 1969 | 1,491 | 2.9% | 693 | 6.2% | 976 | 4.9% | 757 | 8.1% |
| 1950 to 1959 | 1,415 | 2.8% | 1,157 | 10.3% | 902 | 4.5% | 738 | 7.9% |
| 1940 to 1949 | 286 | 0.6% | 165 | 1.5% | 218 | 1.1% | 128 | 1.4% |
| 1939 or earlier | 373 | 0.7% | 236 | 2.1% | 218 | 1.1% | 120 | 1.3% |
| TOTAL | 50,558 | 100% | 11,214 | 100% | 20,049 | 100% | 9,344 | 100% |
| MEDIAN YEAR BUILT | 1996 | | 1990 | | 1992 | | 1988 | |

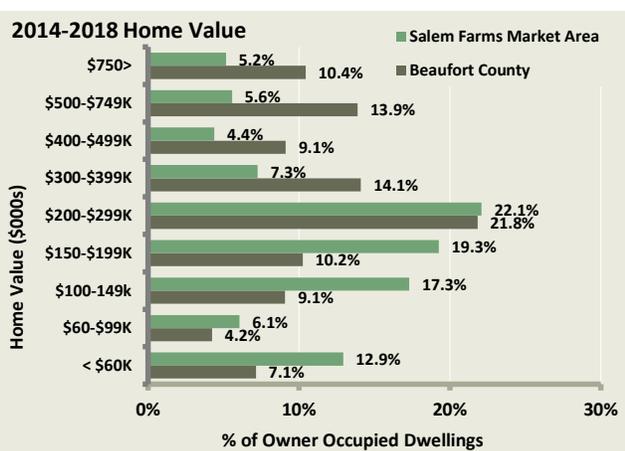
Source: American Community Survey 2014-2018

According to ACS data, the median value among owner-occupied housing units in the Salem Farms Market Area as of 2014-2018 was \$185,608, which is \$102,941 or 35.7 percent below Beaufort County’s median of \$288,548 (Table 27); the southern portion of the county includes many upscale communities in Bluffton and Hilton Head Island. This data is a less accurate and reliable indicator of home prices in an area than actual sales data but offers insight on relative housing values among two or more areas.

Table 27 Value of Owner-Occupied Housing Stock

| 2014-2018 Home Value | Beaufort County | | Salem Farms Market Area | |
|-----------------------|------------------|-------------|-------------------------|-------------|
| | # | % | # | % |
| less than \$60,000 | 3,612 | 7.1% | 1,449 | 12.9% |
| \$60,000 - \$99,999 | 2,139 | 4.2% | 679 | 6.1% |
| \$100,000 - \$149,999 | 4,586 | 9.1% | 1,940 | 17.3% |
| \$150,000 - \$199,999 | 5,175 | 10.2% | 2,161 | 19.3% |
| \$200,000 - \$299,999 | 11,030 | 21.8% | 2,477 | 22.1% |
| \$300,000 - \$399,999 | 7,124 | 14.1% | 814 | 7.3% |
| \$400,000 - \$499,999 | 4,607 | 9.1% | 493 | 4.4% |
| \$500,000 - \$749,999 | 7,012 | 13.9% | 623 | 5.6% |
| \$750,000 over | 5,273 | 10.4% | 578 | 5.2% |
| Total | 50,558 | 100% | 11,214 | 100% |
| Median Value | \$288,548 | | \$185,608 | |

Source: American Community Survey 2014-2018



C. Survey of General Occupancy Rental Communities

1. Introduction to the Rental Housing Survey

RPRG surveyed 17 multi-family rental communities in the Salem Farms Market Area. While not all rental communities surveyed will directly compete with units at the subject property, they offer insight into current multi-family rental options, rental market conditions, and pricing in the market area. The 17 surveyed communities include 10 market rate communities and seven LIHTC communities; the LIHTC communities are most directly comparable to the subject property. Profile sheets with detailed information on each surveyed community are attached as Appendix 5.

2. Location

The market area’s multi-family communities are located throughout the market area including a market rate and LIHTC community adjacent to the site (Map 6). Most of the higher priced market rate communities are located in the southern portion of the market area including a cluster on Robert Smalls Parkway near the bridge leading to the southern portion of the county. LIHTC communities are located throughout the market area including two in downtown Beaufort and three in Port Royal to the south/southeast.

Map 6 Surveyed Competitive Rental Communities





3. Age of Communities

The average year built of surveyed communities is 2003 (Table 28). LIHTC communities were built from 1995 to 2017 with a newer average year built of 2008. Three LIHTC communities were placed in service from 2015 to 2017 and the oldest was renovated in 2019. Two market rate communities have been placed in service in 2020 and are undergoing initial lease up.

4. Structure Type

Garden apartments are the exclusive structure type among 15 of 17 surveyed communities (Table 28). One community offers a combination of garden and townhouse units and another includes a mix of garden and mid-rise/elevator buildings. All LIHTC communities offer garden units exclusively.

5. Size of Communities

The surveyed communities range from 40 to 400 units for an average of 152 units per community (Table 28). LIHTC communities are smaller on average at 67 units per community; six of seven LIHTC communities have 40-72 units and the largest has 144 units.

Table 28 Rental Communities Summary

| Map # | Community | Year Built | Year Rehab | Structure Type | Total Units | Vacant Units | Vacancy Rate | Avg 1BR Rent (1) | Avg 2BR Rent (1) | Incentive |
|-----------------------------------|-----------------------------|-------------|-------------|----------------|--------------|--------------|--------------|------------------|------------------|------------------|
| Subject Property - 60% AMI | | | | | 288 | | | \$811 | \$964 | |
| 1 | Residence at Battery Creek | 1989 | 2019 | Gar/TH | 92 | 3 | 3.3% | \$999 | \$1,999 | None |
| 2 | Legends North of Broad# | 2020 | | Mix | 304 | 281 | 92.4% | \$1,162 | \$1,467 | None |
| 3 | Abberly Pointe | 2008 | 2020 | Gar | 240 | 9 | 3.8% | \$1,223 | \$1,439 | None |
| 4 | Waterleaf at Battery Creek# | 2020 | | Gar | 212 | 142 | 67.0% | \$1,195 | \$1,401 | 2 Months Free |
| 5 | Parc at Broad River | 2016 | | Gar | 246 | 8 | 3.3% | \$1,164 | \$1,393 | None |
| 6 | HarborOne Apartments | 1998 | | Gar | 160 | 3 | 1.9% | | \$1,282 | None |
| 7 | Preserve at Port Royal | 2004 | | Gar | 400 | 52 | 13.0% | \$1,041 | \$1,238 | 2 Months Free |
| 8 | Oaks at Broad River Landing | 2001 | 2018 | Gar | 248 | 19 | 7.7% | \$1,032 | \$1,151 | None |
| 9 | Bay South | 1985 | 2012 | Gar | 132 | 5 | 3.8% | \$963 | \$1,045 | First Month Free |
| 10 | Cross Creek* | 2009 | | Gar | 144 | 5 | 3.5% | \$838 | \$985 | None |
| 11 | Magnolia Park* | 1999 | 2015 | Gar | 56 | 0 | 0.0% | | \$949 | None |
| 12 | Shell Pointe* | 2005 | | Gar | 72 | 0 | 0.0% | | \$908 | None |
| 13 | Ashley Pointe* | 2015 | | Gar | 56 | 1 | 1.8% | | \$882 | None |
| 14 | Sea Pointe* | 2017 | | Gar | 56 | 3 | 5.4% | | \$755 | None |
| 15 | Marsh Pointe* | 2017 | | Gar | 48 | 0 | 0.0% | | \$734 | None |
| 16 | Waterford Place | 1950 | 1986 | Gar | 72 | 3 | 4.2% | \$695 | \$725 | None |
| 17 | 123 Club* | 1995 | 2019 | Gar | 40 | 0 | 0.0% | | \$550 | None |
| Total | | | | | 2,578 | 534 | 20.7% | | | |
| Stabilized Total/Average | | | | | 2,062 | 111 | 5.4% | | | |
| Average | | 2003 | 2013 | | 152 | | | \$1,031 | \$1,112 | |
| LIHTC Total | | | | | 472 | 9 | 1.9% | | | |
| LIHTC Average | | 2008 | 2017 | | 67 | | | \$838 | \$823 | |

(1) Rent is contract rent, and not adjusted for utilities or incentives

(*) Tax Credit Community

Source: Phone Survey, RPRG, Inc. August 2020

(#) In Lease Up



6. Vacancy Rates

The 15 stabilized communities in the Salem Farms Market Area combine for 111 vacancies among 2,062 units for an aggregate vacancy rate of 5.4 percent. Two communities are undergoing initial lease up with 423 of 526 units reported vacant (Table 28). LIHTC communities are outperforming market rate communities with an aggregate vacancy rate of 1.9 percent among 472 units; five of seven LIHTC communities reported vacant rates of 1.8 percent or lower. The highest LIHTC vacancy rate is 5.4 percent at Sea Pointe based on three of 56 units vacant.

Vacancy rates among communities providing unit mix and vacancy breakdowns are 2.6 percent for one-bedroom units, 2.9 percent for two-bedroom units, and 1.3 percent among three-bedroom units (Table 29).

Table 29 Vacancy by Floor Plan

| Community | Total Units | | Vacant Units by Floorplan | | | | | | | | |
|----------------------------------|-------------|-----------|---------------------------|----------|-------------|-------------|-----------|-------------|---------------|----------|-------------|
| | Units | Vacant | One Bedroom | | | Two Bedroom | | | Three Bedroom | | |
| | Units | Vacant | Units | Vacant | Vac. Rate | Units | Vacant | Vac. Rate | Units | Vacant | Vac. Rate |
| 123 Club* | 40 | 0 | | | | 20 | 0 | 0.0% | 20 | 0 | 0.0% |
| Abberly Pointe* | 240 | 9 | 88 | 3 | 3.4% | 152 | 6 | 3.9% | | | |
| Ashley Pointe | 56 | 1 | | | | 40 | 1 | 2.5% | 16 | 0 | 0.0% |
| Bay South | 132 | 5 | 36 | 0 | 0.0% | 96 | 5 | 5.2% | | | |
| Habersham Row | 72 | 0 | 24 | 0 | 0.0% | 48 | 0 | 0.0% | | | |
| Magnolia Park* | 56 | 0 | | 0 | | 24 | 0 | 0.0% | 32 | 0 | 0.0% |
| Marsh Pointe* | 48 | 0 | | | | 24 | 0 | 0.0% | 24 | 0 | 0.0% |
| Residence at Battery Creek | 92 | 3 | 30 | 2 | 6.7% | 62 | 1 | 1.6% | | | |
| Sea Pointe* | 56 | 3 | | | | 28 | 1 | 3.6% | 28 | 2 | 7.1% |
| Shell Pointe* | 72 | 0 | | | | 36 | 0 | 0.0% | 36 | 0 | 0.0% |
| Waterford Place | 72 | 3 | 16 | 0 | 0.0% | 56 | 3 | 5.4% | | | |
| Total Reporting Breakdown | 936 | 24 | 194 | 5 | 2.6% | 586 | 17 | 2.9% | 156 | 2 | 1.3% |

Source: Phone Survey, RPRG, Inc. August 2020

(*) Tax Credit Community

7. Rent Concessions

Three market rate communities reported rental incentives including one of the properties undergoing initial lease up. None of the LIHTC communities reported rental incentives.

8. Absorption History

Two market rate communities have delivered units in 2020 and are initial lease up. Legends of North Broad has leased 23 units in roughly two months and Waterleaf at Battery Creek has leased 70 units in roughly four months. The newest LIHTC communities opened in 2017, but lease up data was not available.

D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

All seven LIHTC communities include the cost of water, sewer, and trash removal (Table 30). Market rate communities generally offer fewer utilities in the price of rent.



Table 30 Utility Arrangement and Unit Features

| Community | Heat Type | Utilities Included in Rent | | | | | Dish-washer | Micro-wave | Parking | In-Unit Laundry | |
|-----------------------------|-------------|----------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|-------------------------------------|------------|------------|-----------------|-----------------|
| | | Heat | Hot Water | Cooking | Electric | Water | | | | | Trash |
| Subject Property | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Residence at Battery Creek | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Legends North of Broad | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Abberly Pointe | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | STD | STD | Surface | STD - Full |
| Waterleaf at Battery Creek | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | STD - Full |
| Parc at Broad River | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | STD | STD | Surface | STD - Full |
| HarborOne Apartments | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | STD - Full |
| Preserve at Port Royal | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Oaks at Broad River Landing | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Bay South | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Cross Creek* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | STD - Full |
| Magnolia Park* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |
| Shell Pointe* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Ashley Pointe* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Sea Pointe* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Marsh Pointe* | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Surface | Hook Ups |
| Waterford Place | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | |
| 123 Club* | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Surface | Hook Ups |

Source: Phone Survey, RPRG, Inc. August 2020

(*) Tax Credit Community

2. Unit Features

All surveyed communities include a dishwasher and most include a microwave; two LIHTC communities and one lower price market rate community do not include a microwave (Table 30). Most communities include at least a washer/dryer connection in each apartment and five include a washer and dryer in each apartment including one LIHTC property. Most of the newer market rate communities offer enhanced unit features and finishes including stainless appliances and solid-surface countertops of granite or quartz.

3. Parking

All surveyed communities include free surface parking. Several market rate communities offer detached garage parking for an additional monthly fee of \$120 to \$150. None of the LIHTC communities offer covered parking options.

4. Community Amenities

Most market rate communities include an array of community amenities including community room, fitness room, swimming pool, and business center (Table 31). Reflecting the smaller size and lower price point, LIHTC communities offer fewer amenities with community rooms and playgrounds the most common. Only one LIHTC community includes a swimming pool.



Table 31 Community Amenities

| Community | Clubhouse | Fitness Room | Pool | Hot Tub | Playground | Tennis Court | Business Center | Gated Entry |
|-----------------------------|-----------|--------------|------|---------|------------|--------------|-----------------|-------------|
| Subject Property | ☒ | ☒ | ☒ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Residence at Battery Creek | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Legends North of Broad | ☒ | ☒ | ☒ | ☐ | ☒ | ☐ | ☒ | ☒ |
| Abberly Pointe | ☒ | ☒ | ☒ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Waterleaf at Battery Creek | ☒ | ☒ | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Parc at Broad River | ☒ | ☒ | ☒ | ☐ | ☐ | ☐ | ☒ | ☒ |
| HarborOne Apartments | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☒ | ☐ |
| Preserve at Port Royal | ☒ | ☒ | ☒ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Oaks at Broad River Landing | ☒ | ☒ | ☒ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Bay South | ☒ | ☒ | ☒ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Cross Creek* | ☒ | ☒ | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Magnolia Park* | ☒ | ☐ | ☒ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Shell Pointe* | ☒ | ☐ | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Ashley Pointe* | ☒ | ☒ | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Sea Pointe* | ☒ | ☐ | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Marsh Pointe* | ☒ | ☐ | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Waterford Place | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| 123 Club* | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

Source: Phone Survey, RPRG, Inc. August 2020

(*) LIHTC

5. Distribution of Units by Bedroom Type

All surveyed communities offer two bedroom units and most offer three bedroom units (Table 32). Most of the LIHTC communities do not offer one bedroom units. Unit distributions were available for most surveyed communities, accounting for 93.8 percent of surveyed units. Among these communities, two bedroom units were the most common at 56.7 percent. One bedroom units were more common than three bedroom units at 26.5 percent and 14.9 percent of total units, respectively. All LIHTC communities offer two and three bedroom units; only one offers one bedroom units.

6. Effective Rents

Unit rents presented in Table 32 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where rents include the cost of trash removal.

Average effective rents among the surveyed communities in the market area:

- **One-bedroom** units at \$969 for 734 square feet or \$1.32 per square foot.
- **Two-bedroom** units at \$1,012 for 1,064 square feet or \$0.95 per square foot.
- **Three-bedroom** units at \$1,066 for 1,270 square feet or \$0.84 per square foot.



The overall averages include a mix of market rate rents and LIHTC units at 50 percent and 60 percent AMI. LIHTC communities are among the lowest priced in the market area with only three older market rate communities with rents comparable to LIHTC rents. The highest priced LIHTC units in the market area are \$780 for 60 percent one bedroom units (Cross Creek), \$1,026 for 60 percent two bedroom units (Shell Pointe), and \$1,178 for 60 percent three bedroom units (Shell Pointe).

Table 32 Unit Distribution, Size and Pricing

| Community | Total Units | One Bedroom Units | | | | Two Bedroom Units | | | | Three Bedroom Units | | | |
|-----------------------------------|--------------|-------------------|--------------|------------|---------------|-------------------|----------------|--------------|---------------|---------------------|----------------|--------------|---------------|
| | | Units | Rent(1) | SF | Rent/SF | Units | Rent(1) | SF | Rent/SF | Units | Rent(1) | SF | Rent/SF |
| Subject Property - 60% AMI | 288 | 96 | \$811 | 800 | \$1.01 | 132 | \$964 | 950 | \$1.01 | 60 | \$1,096 | 1,100 | \$1.00 |
| Residence at Battery Creek | 92 | 30 | \$999 | 659 | \$1.52 | 62 | \$1,999 | 896 | \$2.23 | | | | |
| Legends North of Broad | 304 | 100 | \$1,172 | 878 | \$1.34 | 154 | \$1,477 | 1,305 | \$1.13 | 50 | \$1,702 | 1,757 | \$0.97 |
| Abberly Pointe | 240 | 88 | \$1,218 | 738 | \$1.65 | 152 | \$1,429 | 1,042 | \$1.37 | | | | |
| Parc at Broad River | 246 | 90 | \$1,174 | 797 | \$1.47 | 136 | \$1,403 | 1,197 | \$1.17 | 20 | \$1,563 | 1,362 | \$1.15 |
| HarborOne Apartments | 160 | | | | | | \$1,262 | 990 | \$1.27 | | \$1,352 | 1,236 | \$1.09 |
| Oaks at Broad River Landing | 248 | 72 | \$1,032 | 770 | \$1.34 | 120 | \$1,151 | 1,119 | \$1.03 | 56 | \$1,130 | 1,414 | \$0.80 |
| Waterleaf at Battery Creek | 212 | 128 | \$981 | 737 | \$1.33 | 66 | \$1,147 | 1,084 | \$1.06 | 18 | \$1,246 | 1,243 | \$1.00 |
| Preserve at Port Royal | 400 | 104 | \$878 | 747 | \$1.18 | 296 | \$1,041 | 1,082 | \$0.96 | | | | |
| Shell Pointe 60% AMI* | 20 | | | | | 10 | \$1,026 | 1,153 | \$0.89 | 10 | \$1,178 | 1,348 | \$0.87 |
| Cross Creek | 72 | 12 | \$865 | 750 | \$1.15 | 30 | \$1,015 | 950 | \$1.07 | 30 | \$1,100 | 1,150 | \$0.96 |
| Bay South | 132 | 36 | \$883 | 660 | \$1.34 | 96 | \$958 | 910 | \$1.05 | | | | |
| Magnolia Park 60% AMI* | 56 | | | | | 24 | \$929 | 1,090 | \$0.85 | 32 | \$1,065 | 1,189 | \$0.90 |
| Cross Creek 60% AMI* | 72 | 12 | \$780 | 750 | \$1.04 | 30 | \$915 | 950 | \$0.96 | 30 | \$1,030 | 1,150 | \$0.90 |
| Ashley Pointe 60% AMI* | 42 | | | | | 34 | \$880 | 1,250 | \$0.70 | 8 | \$1,057 | 1,250 | \$0.85 |
| Shell Pointe 50% AMI* | 52 | | | | | 26 | \$835 | 1,153 | \$0.72 | 26 | \$957 | 1,348 | \$0.71 |
| Ashley Pointe 50% AMI* | 14 | | | | | 6 | \$758 | 1,100 | \$0.69 | 8 | \$864 | 1,100 | \$0.79 |
| Sea Pointe 60% AMI* | 42 | | | | | 21 | \$756 | 1,079 | \$0.70 | 21 | \$892 | 1,220 | \$0.73 |
| Marsh Pointe 60% AMI* | 38 | | | | | 19 | \$730 | 1,100 | \$0.66 | 19 | \$845 | 1,250 | \$0.68 |
| Waterford Place | 72 | 16 | \$680 | 590 | \$1.15 | 56 | \$705 | 891 | \$0.79 | | | | |
| Sea Pointe 50% AMI* | 14 | | | | | 7 | \$673 | 1,079 | \$0.62 | 7 | \$758 | 1,220 | \$0.62 |
| Marsh Pointe 50% AMI* | 10 | | | | | 5 | \$655 | 1,100 | \$0.60 | 5 | \$750 | 1,250 | \$0.60 |
| 123 Club 60% AMI* | 40 | | | | | 20 | \$530 | 890 | \$0.60 | 20 | \$630 | 1,100 | \$0.57 |
| Total/Average | 2,578 | | \$969 | 734 | \$1.32 | | \$1,012 | 1,064 | \$0.95 | | \$1,066 | 1,270 | \$0.84 |
| Unit Distribution | 2,418 | 688 | | | | 1,370 | | | | 360 | | | |
| % of Total | 93.8% | 28.5% | | | | 56.7% | | | | 14.9% | | | |

(1) Rent is adjusted to include only trash and incentives

Source: Phone Survey, RPRG, Inc. August 2020

(*) Tax Credit Community

E. Housing Authority Data/Subsidized Community List

The Salem Farms Market Area has 16 income-restricted rental options including seven comparable LIHTC communities without deep rental subsidies; we were able to survey all of these communities for inclusion in this report. The market area also includes two age-restricted LIHTC communities and five LIHTC communities with additional subsidies and rents based on income; these communities are not comparable with the subject property. Broad River Village was recently approved for four percent tax credits, but is not yet under construction (Table 33, Map 7).



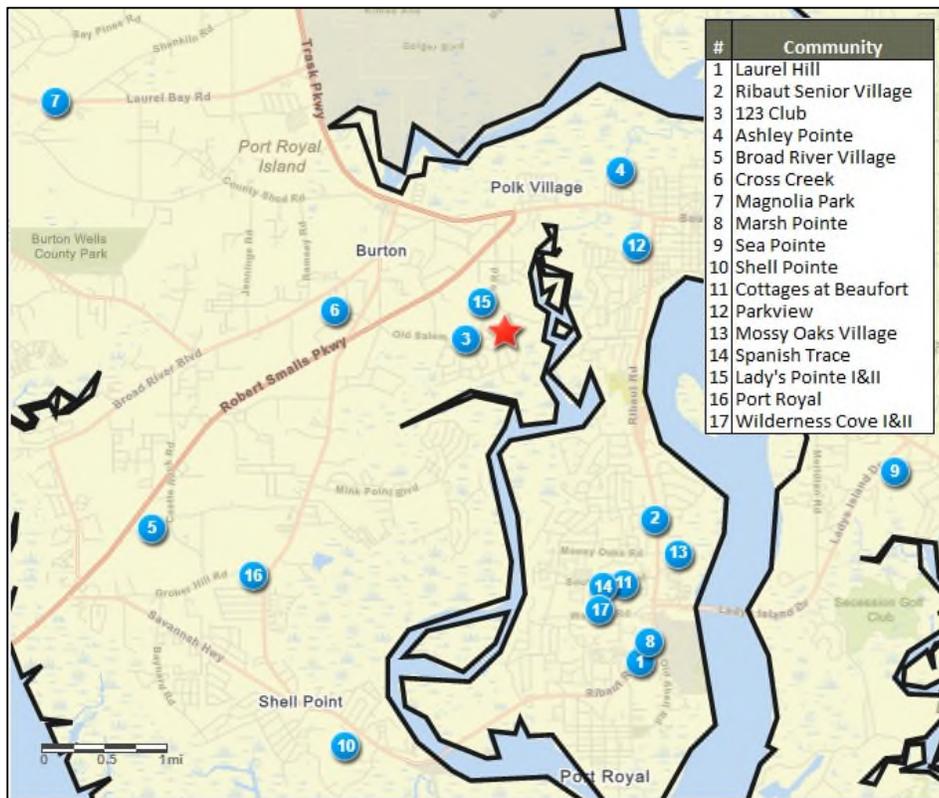
Table 33 Subsidized Rental Communities, Salem Farms Market Area

| Community | Subsidy | Type | Address | City | Distance |
|-----------------------|----------------|---------|---------------------------|------------|-----------|
| Laurel Hill | LIHTC | Elderly | 1640 Ribaut Road | Port Royal | 6.1 miles |
| Ribaut Senior Village | LIHTC | Elderly | 1224 Ribaut Road | Beaufort | 4.9 miles |
| 123 Club | LIHTC | General | 123 Old Salem Road | Beaufort | 0.3 mile |
| Ashley Pointe | LIHTC | General | 1714 Greenlawn Drive | Beaufort | 2.5 miles |
| Broad River Village* | LIHTC | General | 100 Ashton Pointe Blvd | Beaufort | 4 miles |
| Cross Creek | LIHTC | General | 325 Ambrose Run Blvd. | Beaufort | 1.8 miles |
| Magnolia Park | LIHTC | General | 314 Laurel Bay Rd | Beaufort | 5.6 miles |
| Marsh Pointe | LIHTC | General | 1600 Block of Ribaut Road | Port Royal | 5.9 miles |
| Sea Pointe | LIHTC | General | 61 Hazel Farm Road | Beaufort | 6.1 miles |
| Shell Pointe | LIHTC | General | 297 Midtown Dr. | Port Royal | 5.3 miles |
| Cottages at Beaufort | Sec. 8 | General | 2306 Southside Boulevard | Beaufort | 5.7 miles |
| Parkview | Sec. 8 | General | 2500 Duke Street | Beaufort | 2.6 miles |
| Mossy Oaks Village | Sec. 8 / LIHTC | General | 27A Johnny Morrall Circle | Beaufort | 5.4 miles |
| Spanish Trace | Sec. 8 / LIHTC | General | 2400 Southside Blvd. | Beaufort | 5.8 miles |
| Lady's Pointe I&II | USDA / LIHTC | General | 1800 Salem Road | Beaufort | 0.4 mile |
| Port Royal | USDA / LIHTC | General | 11 Grober Hill Rd | Beaufort | 3.5 miles |
| Wilderness Cove I&II | USDA / LIHTC | General | 1305 Talbird Road | Beaufort | 6.1 miles |

Source: HUD, USDA, SC Housing

(*) Recent allocation

Map 7 Subsidized Rental Communities, Salem Farms Market Area





F. Potential Competition from For-Sale Housing

As all proposed units will be rent and income restricted targeting households at or below 60 percent of the Area Median Income, we do not believe for-sale housing will compete with Garden Oaks Apartments .

G. Proposed and Under Construction Rental Communities

The only comparable pipeline community identified in the market area is Broad River Village, which was recently approved for four percent tax credits. This community will be located near the intersection of Robert Smalls Parkway and Ashton Overlook Drive in Beaufort within a few miles of the subject property. It will feature 136 units restricted to households earning at or below 60 percent of the Area Median Income (AMI) with a mix of 48 one bedroom units, 48 two bedroom units, and 40 three bedroom units. Additional information was not available, but these units are expected to be directly comparable to those at the subject property. Several upscale market rate communities are in the development pipeline within the market area, but will not compete with the income and rent restricted units at the subject property.

H. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. The four communities chosen are the most comparable in terms of building type, age, and unit mix (all communities include one, two, and three-bedroom units). The adjustments made in this analysis are broken down into four classifications. We did not utilize the newest and highest priced market rate communities in the market area based on luxury finishes not comparable with LIHTC communities. These classifications and an explanation of the adjustments made follows:

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
 - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition (Table 34).
 - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
 - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. An adjustment of \$20 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was a \$30 per numerical variance. All comparable communities utilized in this estimated market rent analysis have a superior location when compared to the subject property including Vista Commons which is close to downtown and The University of South Carolina and has a significant location advantage when compared to the subject.



Table 34 Estimate of Market Rent Adjustments Summary

- An adjustment of \$50 per variance was applied to the degree of interior finishes.
- Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$25 for each amenity.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$10 for each amenity.

According to our adjustment calculations, the estimated market rents for the units at Salem Farms Apartments are \$1,012 for one-bedroom units (Table 35), \$1,177 for two-bedroom units (Table 36), and \$1,236 for three-bedroom units (Table 37). Proposed 60 percent rents all have market advantages of at least 11.6 percent with a weighted average of 21.42 percent (Table 38).

SCSHFDA requires the proposed rents relative to the current Fair Market Rent. Compared to Beaufort County FMR rents of \$889 for one bedroom units, \$1,028 for two bedroom units, and \$1,355 for three bedroom units. Garden Oaks Apartments will have an overall market advantage of 11.98 percent (Table 39). SCSHFDA requires a minimum overall market advantage of at least 10.0 percent.

| Rent Adjustments Summary | |
|---------------------------------------|---------|
| B. Design, Location, Condition | |
| Structure / Stories | |
| Year Built / Condition | \$0.75 |
| Quality/Street Appeal | \$20.00 |
| Interior Finishes | \$50.00 |
| Location | \$30.00 |
| C. Unit Equipment / Amenities | |
| Number of Bedrooms | \$75.00 |
| Number of Bathrooms | \$30.00 |
| Unit Interior Square Feet | \$0.25 |
| Balcony / Patio / Porch | \$5.00 |
| AC Type: | \$5.00 |
| Range / Refrigerator | \$25.00 |
| Microwave / Dishwasher | \$5.00 |
| Washer / Dryer: In Unit | \$25.00 |
| Washer / Dryer: Hook-ups | \$5.00 |
| D. Site Equipment / Amenities | |
| Parking (\$ Fee) | |
| Club House | \$10.00 |
| Pool | \$10.00 |
| Recreation Areas | \$5.00 |
| Fitness Center | \$10.00 |



Table 35 Estimate of Market Rent, One Bedroom Units

| One Bedroom Units | | | | | | | | | |
|--|------------------------|------------------|-----------------------------|------------------|-------------------------|------------------|------------------------|------------------|-----------------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | Comparable Property #4 | | |
| Salem Farms | Abberly Pointe | | Oaks at Broad River Landing | | Preserve at Porty Royal | | Cross Creek | | |
| Salem Road | 100 Ashton Pointe Blvd | | 100 Riverchase Blvd | | 1 Preserve Ave W | | 325 Ambrose Run Blvd | | |
| Beaufort, Beaufort County | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | |
| A. Rents Charged | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent (60% LIHTC) | \$811 | \$1,233 | \$0 | \$1,047 | \$0 | \$893 | \$0 | \$838 | \$0 |
| Utilities Included | T | W | (\$5) | T | \$0 | None | \$10 | W T | (\$15) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$811 | \$1,228 | | \$1,047 | | \$903 | | \$823 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure / Stories | Garden | Garden | \$0 | Garden | \$0 | Garden | \$0 | Garden | \$0 |
| Year Built / Condition | 2023 | 2008 | \$11 | 2001 | \$17 | 2004 | \$14 | 2009 | \$11 |
| Quality/Street Appeal | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| Location | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Number of Bathrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Unit Interior Square Feet | 800 | 738 | \$16 | 770 | \$8 | 747 | \$13 | 750 | \$13 |
| Balcony / Patio / Porch | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | No / Yes | \$5 | No / Yes | \$5 | No / Yes | \$5 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | No | \$0 | No | \$0 | Yes | (\$25) |
| Washer / Dryer: Hook-up | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking (\$ Fee) | Free Surface | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 |
| Club House | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Pool | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | No | \$10 |
| Recreation Areas | Yes | No | \$5 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Fitness Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 1 | 3 | 0 | 3 | 0 | 4 | 1 |
| Sum of Adjustments B to D | | \$32 | (\$25) | \$30 | \$0 | \$32 | \$0 | \$39 | (\$25) |
| F. Total Summary | | | | | | | | | |
| Gross Total Adjustment | | \$57 | | \$30 | | \$32 | | \$64 | |
| Net Total Adjustment | | \$7 | | \$30 | | \$32 | | \$14 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,235 | | \$1,077 | | \$935 | | \$837 | |
| % of Effective Rent | | 100.6% | | 102.9% | | 103.5% | | 101.7% | |
| Estimated Market Rent | \$1,012 | | | | | | | | |
| Rent Advantage \$ | \$201 | | | | | | | | |
| Rent Advantage % | 19.8% | | | | | | | | |



Table 36 Estimate of Market Rent, Two Bedroom Units

| Two Bedroom Units | | | | | | | | | |
|--|------------------------|------------------|-----------------------------|------------------|-------------------------|------------------|------------------------|------------------|-----------------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | Comparable Property #4 | | |
| Salem Farms | Abberly Pointe | | Oaks at Broad River Landing | | Preserve at Porty Royal | | Cross Creek | | |
| Salem Road | 100 Ashton Pointe Blvd | | 100 Riverchase Blvd | | 1 Preserve Ave W | | 325 Ambrose Run Blvd | | |
| Beaufort, Beaufort County | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | |
| A. Rents Charged | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent (60% LIHTC) | \$964 | \$1,449 | \$0 | \$1,171 | \$0 | \$1,061 | \$0 | \$985 | \$0 |
| Utilities Included | T | W | (\$10) | T | \$0 | None | \$10 | W T | (\$20) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$964 | \$1,439 | | \$1,171 | | \$1,071 | | \$965 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure / Stories | Garden | 3 | \$0 | Garden | \$0 | Garden | \$0 | Garden | \$0 |
| Year Built / Condition | 2023 | 2008 | \$11 | 2001 | \$17 | 2004 | \$14 | 2009 | \$11 |
| Quality/Street Appeal | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| Location | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 2 | 2 | \$0 | 2 | \$0 | 2 | \$0 | 2 | \$0 |
| Number of Bathrooms | 2 | 1.5 | \$15 | 2 | \$0 | 1.5 | \$15 | 2 | \$0 |
| Unit Interior Square Feet | | 1,042 | \$0 | 1,119 | \$0 | 1,082 | \$0 | 950 | \$0 |
| Balcony / Patio / Porch | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | No / Yes | \$5 | No / Yes | \$5 | No / Yes | \$5 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | No | \$0 | No | \$0 | Yes | (\$25) |
| Washer / Dryer: Hook-up | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking (\$ Fee) | Free Surface | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 |
| Club House | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Pool | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | No | \$10 |
| Recreation Areas | Yes | No | \$5 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Fitness Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 1 | 2 | 0 | 3 | 0 | 3 | 1 |
| Sum of Adjustments B to D | | \$31 | (\$25) | \$22 | \$0 | \$34 | \$0 | \$26 | (\$25) |
| F. Total Summary | | | | | | | | | |
| Gross Total Adjustment | | \$56 | | \$22 | | \$34 | | \$51 | |
| Net Total Adjustment | | \$6 | | \$22 | | \$34 | | \$1 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,445 | | \$1,193 | | \$1,105 | | \$966 | |
| % of Effective Rent | | 100.4% | | 101.9% | | 103.2% | | 100.1% | |
| Estimated Market Rent | \$1,177 | | | | | | | | |
| Rent Advantage \$ | \$213 | | | | | | | | |
| Rent Advantage % | 18.1% | | | | | | | | |



Table 37 Estimate of Market Rent, Three Bedroom Units

| Three Bedroom Units | | | | | | | | | |
|--|------------------------|------------------|-----------------------------|------------------|-------------------------|------------------|------------------------|------------------|-----------------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | Comparable Property #4 | | |
| Salem Farms | Abberly Pointe | | Oaks at Broad River Landing | | Preserve at Porty Royal | | Cross Creek | | |
| Salem Road | 100 Ashton Pointe Blvd | | 100 Riverchase Blvd | | 1 Preserve Ave W | | 325 Ambrose Run Blvd | | |
| Beaufort, Beaufort County | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | Beaufort | |
| A. Rents Charged | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent (60% LIHTC) | \$1,096 | \$1,449 | \$0 | \$1,155 | \$0 | \$1,061 | \$0 | \$1,090 | \$0 |
| Utilities Included | T | W | (\$10) | T | \$0 | None | \$10 | W T | (\$25) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$1,096 | \$1,439 | | \$1,155 | | \$1,071 | | \$1,065 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure / Stories | Garden | | \$0 | Garden | \$0 | Garden | \$0 | Garden | \$0 |
| Year Built / Condition | 2023 | 2008 | \$11 | 2001 | \$17 | 2004 | \$14 | 2009 | \$11 |
| Quality/Street Appeal | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| Location | Above Average | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 3 | 2 | \$0 | 3 | \$75 | 2 | \$75 | 3 | \$0 |
| Number of Bathrooms | 2 | 1.5 | \$15 | 2 | \$0 | 1.5 | \$15 | 2 | \$0 |
| Unit Interior Square Feet | | 1,042 | \$0 | 1,414 | \$0 | 1,082 | \$0 | 1,150 | \$0 |
| Balcony / Patio / Porch | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | No / Yes | \$5 | No / Yes | \$5 | No / Yes | \$5 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | No | \$0 | No | \$0 | Yes | (\$25) |
| Washer / Dryer: Hook-up | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking (\$ Fee) | Free Surface | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 | Free Surface | \$0 |
| Club House | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Pool | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | No | \$10 |
| Recreation Areas | Yes | No | \$5 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Fitness Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 1 | 3 | 0 | 4 | 0 | 3 | 1 |
| Sum of Adjustments B to D | | \$31 | (\$25) | \$97 | \$0 | \$109 | \$0 | \$26 | (\$25) |
| F. Total Summary | | | | | | | | | |
| Gross Total Adjustment | | \$56 | | \$97 | | \$109 | | \$51 | |
| Net Total Adjustment | | \$6 | | \$97 | | \$109 | | \$1 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,445 | | \$1,252 | | \$1,180 | | \$1,066 | |
| % of Effective Rent | | 100.4% | | 108.4% | | 110.2% | | 100.1% | |
| Estimated Market Rent | \$1,236 | | | | | | | | |
| Rent Advantage \$ | \$140 | | | | | | | | |
| Rent Advantage % | 11.3% | | | | | | | | |

Table 38 Rent Advantage Summary, Estimated Market Rent

| | One Bedroom | Two Bedroom | Three Bedroom |
|---------------------------------|-------------|-------------|---------------|
| 60% AMI Units | | | |
| Subject Rent | \$811 | \$964 | \$1,093 |
| Est. Market Rent | \$1,012 | \$1,177 | \$1,236 |
| Rent Advantage (\$) | \$201 | \$213 | \$143 |
| Rent Advantage (%) | 19.8% | 18.1% | 11.6% |
| Proposed Units | 96 | 132 | 60 |
| Overall Market Advantage | | | 21.42% |



Table 39 Rent Advantage Summary, FMR

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | HUD Area FMR | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------|--------------|---------------------------|----------------------------|--------------|----------------------------|---------------------------------|
| 96 | 1BR | \$811 | \$77,856 | \$899 | \$86,304 | |
| 132 | 2BR | \$964 | \$127,248 | \$1,028 | \$135,696 | |
| 60 | 3BR | \$1,096 | \$65,760 | \$1,355 | \$81,300 | |
| Totals | 288 | | \$270,864 | | \$303,300 | 11.98% |

9. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Salem Farms Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

The site is in an established mixed use setting in northern Beaufort County near residential and commercial uses.

- Residential uses are common surrounding the site including single-family detached homes and multi-family communities. A market rate community is just north of the subject site and a LIHTC community borders the site to the south.
- The subject site is convenient to transportation arteries including Robert Smalls Parkway, which leads to southern Beaufort County. The site is near community amenities including shopping and public schools.
- The subject location is competitive with existing multi-family communities in the market area including several LIHTC and market rate communities.
- RPRG did not identify any land uses that would negatively impact the proposed development's viability in the marketplace.

2. Economic Context

Beaufort County's economy has growth consistently over the past eight years with the rate of job growth equaling or exceeding the national rate over this period.

- The county's most recent annual average unemployment rate of 2.6 percent is well below the county's recession-era peak of 8.7 percent in 2010 and the lowest level in at least 11 years. The county's average annual unemployment rate has decreased in each of the past nine years with a significant increase in employed residents.
- The county's unemployment has been well below the state and nation over the past ten years with a much lower peak during the previous recession. The county's unemployment rate spiked to 12.0 percent in April 2020 reflecting the impact of COVID-19 related business closures, but has recovered well to 7.4 percent in June. The county's unemployment rate has recovered faster than the state and nation.
- Beaufort County has added nearly 12,350 net jobs for 21.9 percent net growth over the past eight years with above average growth in two of the past three years.
- Leisure-Hospitality, Trade-Transportation-Utilities, and Government are Beaufort County's largest economic sectors with a combined 56.4 percent of all jobs in the county compared to 44.4 percent in the nation; all of the disparity was in Leisure-Hospitality which accounted for 23.9 percent of the county's job base compared to 11.1 percent nationally.

3. Population and Household Trends

The Salem Farms Market Area had steady population and household growth between 2000 and 2010 census counts, but has accelerated over the past 10 years. Reflecting the fast growth surrounding Bluffton, the county's rate of growth has been much higher.

- The market area's net growth from 2000 to 2010 was 7.0 percent for population and 16.9 percent for households. The market area's average annual growth was 322 people (0.7 percent) and 283 households (1.6 percent) over the decade. By comparison, Beaufort County increased at annual average rates of 3.0 percent for population and 3.6 percent for households.
- Growth rates have accelerated in the market area over the past 10 years with annual average growth of 621 people (1.2 percent) and 290 households (1.4 percent) from 2010 to 2020. The county's rate of growth remained above the market area with annual average growth of 1.8 percent for population and 1.9 percent for households.
- The market area is projected to reach 59,593 people and 23,551 households by 2023 with annual growth of 862 people (1.5 percent) and 379 households (1.7 percent) from 2020 to 2023. Beaufort County is projected to continue to outpace the market area, but with a smaller disparity; the county's average annual growth is projected at 1.8 percent for population and 1.9 percent for households.

4. Demographic Analysis

The demographics of the Salem Farms Market Area reflect an established population with a mix of household types, higher renter percentage, and lower median income than Beaufort County.

- The median age of the population is 33 in the Salem Farms Market Area and 42 in Beaufort County; the county's much older population reflects the large number of retirees in the southern half of the county. Adults age 35-61 comprise the largest percentage of each area's population at 29.5 percent. The market area has a much higher percentage of residents under the age of 35. Only 18.3 percent of the market area's population is age 62+ compared to 29.1 percent in the county.
- Multi-person households without children were the most common in Beaufort County (47.2 percent) with far less in the Salem Farms Market Area (37.2 percent). Households with children were the most common in the Salem Farms Market Area (37.4 percent) and made up approximately one-fourth (28.5 percent) of all households in Beaufort County. Single person households were the least common household type in both areas at 25.4 percent in the market area and 24.3 percent in the county.
- The overall renter percentage in the Salem Farms Market Area is higher than the county at 37.9 percent and 24.9 percent, respectively in 2020. The market area has added an average of 112 renter households per year over the past 20 years, equal to 39.1 percent of the market area's net household growth.
- Esri projects renter households will account for 44.9 percent of net household growth over the next five years, which appears reasonable based on past trends and the current development activity.
- Young working age households age 25 to 44 account for 52.1 percent of all renter households in the Salem Farms Market Area and 49.9 percent in Beaufort County (Table 15). Nearly 20 percent of renter households are older adults age 45-64, 12 percent are ages 65+, and 16.3 percent are under the age of 25. Beaufort County has a higher percentage of renter households who are older adults age 45-64 and ages 65+ at 23.5 percent and 14.8 percent, respectively.
- Roughly 55 percent of renter households in the Salem Farms Market Area had one or two people including 28 percent with one person as of the 2010 Census. Roughly 35 percent of renter households had three or four people and 10.3 percent had 5+ people.



- Esri estimates that the current median income for the Salem Farms Market Area of \$54,711 is \$12,374 or 18.4 percent lower than Beaufort County's median income of \$67,145.
- Median incomes by tenure in the Salem Farms Market Area as of 2020 are \$46,325 among renters and \$63,476 among owner households. Roughly 35 percent of the market area's renter households earn less than \$35,000 including 21.5 percent earning less than \$25,000. Despite the lower median income, the market area has a solid base of moderate to upper income renter households with 44.7 percent earning \$35,000 to \$74,999 and 20.5 percent earning at least \$75,000.

5. Competitive Housing Analysis

The multi-family rental housing stock is stable in the Salem Farms Market Area with LIHTC communities significantly outperforming market rate communities. RPRG surveyed 17 multi-family rental communities including 10 market rate communities and seven comparable Low Income Housing Tax Credit (LIHTC) communities, which are subject to income and rent restrictions.

- The average year built of surveyed communities is 2003. LIHTC communities were built from 1995 to 2017 with a newer average year built of 2008. Three LIHTC communities were placed in service from 2015 to 2017 and the oldest was renovated in 2019. Two market rate communities have been placed in service in 2020 and are undergoing initial lease up.
- The surveyed communities range from 40 to 400 units for an average of 152 units per community. LIHTC communities are smaller on average at 67 units per community; six of seven LIHTC communities have 40-72 units and the largest has 144 units
- The 15 stabilized communities in the Salem Farms Market Area combine for 111 vacancies among 2,062 units for an aggregate vacancy rate of 5.4 percent. Two communities are undergoing initial lease up with 423 of 526 units reported vacant. LIHTC communities are outperforming market rate communities with an aggregate vacancy rate of 1.9 percent among 472 units; five of seven LIHTC communities reported vacant rates of 1.8 percent or lower. The highest LIHTC vacancy rate is 5.4 percent at Sea Pointe based on three of 56 units vacant.
- Average effective rents among the surveyed communities:
 - **One-bedroom** units at \$969 for 734 square feet or \$1.32 per square foot.
 - **Two-bedroom** units at \$1,012 for 1,064 square feet or \$0.95 per square foot.
 - **Three-bedroom** units at \$1,066 for 1,270 square feet or \$0.84 per square foot.

The overall averages include a mix of market rate rents and LIHTC units at 50 percent and 60 percent AMI. LIHTC communities are among the lowest priced in the market area with only three older market rate communities with rents comparable to LIHTC rents. The highest priced LIHTC units in the market area are \$780 for one bedroom units (Cross Creek), \$1,026 for two bedroom units (Shell Pointe), and \$1,178 for three bedroom units (Shell Pointe).

- Fair Market Rents (FMR) for Beaufort County are \$899 for one bedroom units, \$1,028 for two bedroom units, and \$1,355 for three bedroom units. The overall market advantage relative to FMR is 11.98 percent; SCSHFDA's threshold is an overall advantage of 10 percent.
- The only comparable pipeline community identified in the market area is Broad River Village, which was recently approved for four percent tax credits. This community will be located near the intersection of Robert Smalls Parkway and Ashton Overlook Drive in Beaufort within a few miles of the subject property. This community will feature 136 units restricted to households earning at or below 60 percent of the Area Median Income (AMI) with a mix of 48 one bedroom units, 48 two bedroom units, and 40 three bedroom units.



B. Product Evaluation

Considered in the context of the competitive environment and proposed product to be developed, the relative position of Garden Oaks Apartments is as follows:

- **Site:** The subject site is in an established neighborhood with a mix of residential and commercial uses and is acceptable for an affordable rental housing development targeting low-income renter households. The site is near major transportation arteries, employers, and neighborhood amenities. The existing LIHTC communities have a comparable location to the site.
- **Unit Distribution:** The proposed unit mix at Garden Oaks Apartments includes 96 one-bedroom units (33.3 percent), 132 two-bedroom units (45.8 percent), and 60 three-bedroom units (20.8 percent). This unit distribution is comparable with the overall surveyed rental stock and compatible with the market area's demographics. The proposed unit mix is acceptable and will be well received by the target market of low-income renter households. The higher percentage of one bedroom units at the subject property will help fill the void for smaller affordable units as most LIHTC communities do not offer one bedroom units.
- **Unit Size:** The proposed gross heated unit sizes at Garden Oaks Apartments are 800 square feet for one-bedroom units, 950 square feet for two-bedroom units, and 1,100 square feet for three-bedroom units. The proposed unit sizes are comparable with existing LIHTC communities in the market area; the proposed two- and three-bedroom unit sizes are smaller than the overall average in the market area but appropriate based on the proposed rents.
- **Unit Features:** Garden Oaks Apartments' unit features will be generally comparable to or superior to all LIHTC communities; the newest and highest priced market rate communities offer more extensive unit features and finishes. The subject property will offer fully equipped kitchens with dishwasher, garbage disposal, and microwave, carpeted bedrooms with LVT in living areas, and washer and dryer connections. The subject property will offer microwaves which are offered at several LIHTC communities. The proposed unit features and finishes are appropriate given the target market and low rents.
- **Community Amenities:** Garden Oaks Apartments will offer a clubhouse with leasing office, community room, and fitness center. Outdoor amenities will include a swimming pool, playground, and picnic pavilion. The community will also provide a community laundry facility on site. These amenities are comparable to or superior to existing communities in the market including the LIHTC communities. Most LIHTC communities do not offer swimming pools.
- **Marketability:** Garden Oaks Apartments will offer a new and modern rental community that will be competitively positioned in the market. The newly constructed units will be among the lowest priced units in the market, especially among recently constructed communities. The combination of new construction and affordable rents will be the community's largest draw.

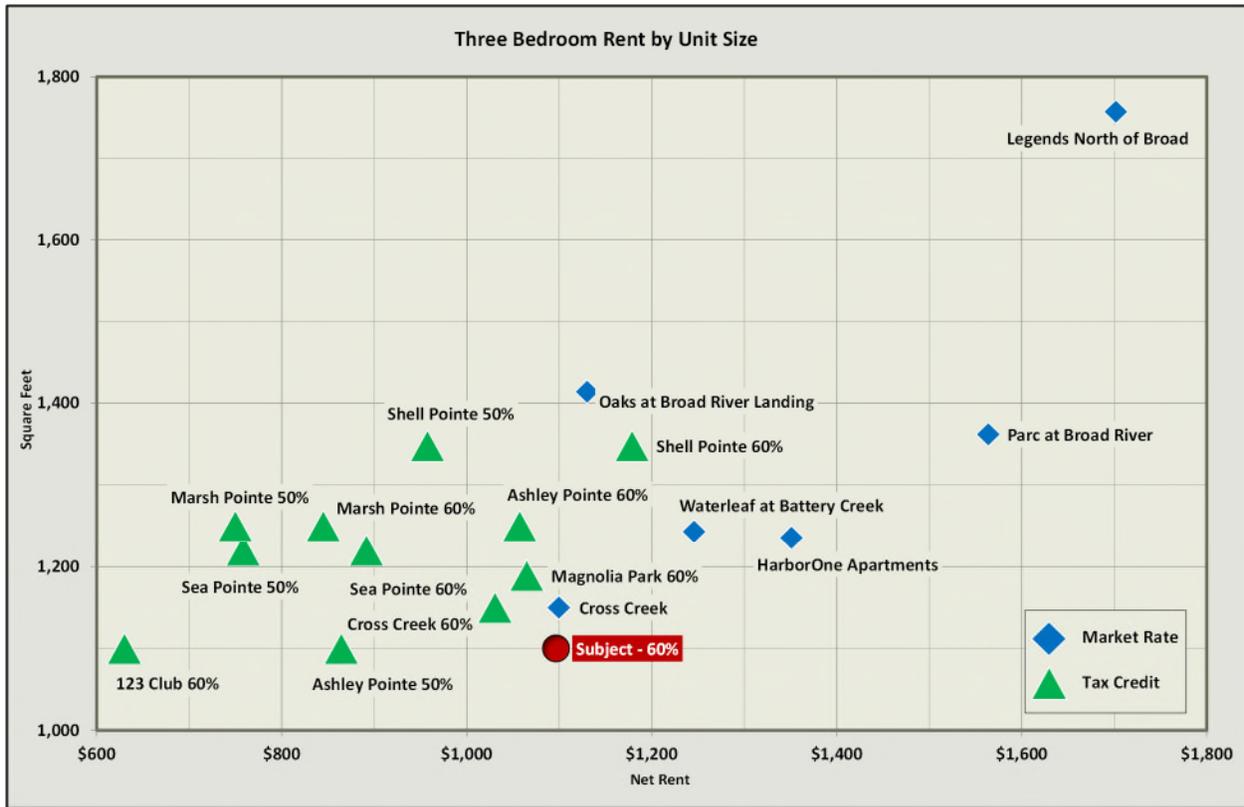
C. Price Position

The proposed 60 percent rents will be positioned among existing 60 percent LIHTC units in the Salem Farms Market Area and below nearly all market rate communities (Figure 8). The proposed rents are reasonable based on the product to be constructed and current market conditions.



Figure 8 Price Position of Garden Oaks Apartments





D. Absorption Estimate

The only recent deliveries in the market area are two upscale market rate communities, but lease-up has been impacted by COVID-19 restrictions. The newest LIHTC property was built in 2017 but lease-up data was not available. The projected absorption rate of the subject property is based on a variety of market factors, including the following:

- LIHTC communities are outperforming the overall market with an aggregate vacancy rate of 1.9 percent, below the overall vacancy rate of 5.4 percent.
- Annual household growth is projected to increase to 379 households over the next three years; renter households are projected to account for 44.9 percent of the market area’s net household growth over the next three years.
- The proposed product will be competitive in the market area with rents among existing LIHTC communities with a superior product. The proposed rents have significant advantages relative to the estimate of market rent and Beaufort County’s FMR.
- Acceptable capture rates based on affordability and LIHTC demand methodology.

Based on the factors noted above, we estimate the subject property will lease at an average monthly rate of 24 units per month. At this rate, the subject property will reach stabilization within roughly 12 months.



E. Impact on Existing Market

Given the renter household growth projected for the Salem Farms Market Area, strong LIHTC rental market conditions, and few comparable affordable rental options in the market, we do not believe the construction of the 288 units at Garden Oaks Apartments will have a negative impact on existing communities in the Salem Farms Market Area including those with tax credits.

F. Final Conclusion and Recommendation

The proposed Garden Oaks Apartments will be well received in the market area. The market has had limited new construction of affordable units over the past decade with most affordable communities offering basic products. The subject property will offer a new affordable housing community with enhanced unit features and community amenities at rents comparable with inferior products. The market area is projected to added significant renter households over the next three years and has a deep pool of income qualified renter households.

Although overall housing demand may decrease in the near term related to COVID-19, the propensity to rent is expected to increase over the next year. All units at the subject property will be affordable to households earning at or below 60 percent AMI; demand for affordable housing is expected to increase with potential economic losses. As noted by the competitive survey, LIHTC communities are outperforming market rate communities with a low aggregate vacancy rate.

We recommend proceeding with the project as proposed.

A handwritten signature in black ink, appearing to read 'Tad Scepaniak', written in a cursive style.

Tad Scepaniak
Managing Principal



10. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed, and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national, and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities, and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed, and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing, or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



11. APPENDIX 2 NCHMA CHECKLIST

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12. APPENDIX 3 ANALYST RESUMES

TAD SCEPANIAK Managing Principal

Tad Scepaniak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low-Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is Immediate Past Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as National Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low-Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low-Income Tax Credit program; however, his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD
Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



13. APPENDIX 4 ANALYST CERTIFICATIONS

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & 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.

A handwritten signature in black ink, appearing to read 'Tad Scepaniak'.

Tad Scepaniak
Managing Principal
Real Property Research Group, Inc.

August 25, 2020

Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.



14. APPENDIX 5 RENTAL COMMUNITY PROFILES

| Community Name | Address | City | Survey Date | Phone Number | Contact |
|-----------------------------|-------------------------|------------|-------------|--------------|------------------|
| 123 Club | 123 Old Salem Rd. | Beaufort | 8/5/2020 | 843-982-0101 | Property Manager |
| Abberly Pointe | 100 Ashton Pointe Blvd. | Beaufort | 7/29/2020 | 843-379-5110 | Property Manager |
| Ashley Pointe | 2105 Carolina Wren Dr. | Beaufort | 8/20/2020 | 843-379-9746 | Property Manager |
| Bay South | 2201 Mossy Oaks Rd | Beaufort | 7/29/2020 | 843-521-4411 | Property Manager |
| Cross Creek | 325 Ambrose Run Blvd. | Beaufort | 7/31/2020 | 843-982-6381 | Property Manager |
| HarborOne Apartments | 22 Colony Gardens Rd. | Beaufort | 7/29/2020 | 843-770-0380 | Property Manager |
| Legends North of Broad | 100 Pinckney Marsh Lane | Beaufort | 7/29/2020 | 843-868-5636 | Property Manager |
| Magnolia Park | 314 Laurel Bay Rd. | Beaufort | 7/29/2020 | 843-846-1138 | Property Manager |
| Marsh Pointe | 1630 Ribaut Rd | Port Royal | 8/20/2020 | 843-379-5148 | Property Manager |
| Oaks at Broad River Landing | 100 Riverchase Blvd | Beaufort | 7/29/2020 | 843-470-9090 | Property Manager |
| Parc at Broad River | 337 SC-128 | Beaufort | 7/29/2020 | 843-502-0008 | Property Manager |
| Preserve at Port Royal | 1 Preserve Ave W | Port Royal | 7/29/2020 | 843-525-9999 | Property Manager |
| Residence at Battery Creek | 1800 Salem Road | Beaufort | 7/29/2020 | 843-525-6797 | Property Manager |
| Sea Pointe | 61 Hazel Farm Rd | Beaufort | 8/20/2020 | 843-379-9129 | Property Manager |
| Shell Pointe | 297 Midtown Dr. | Beaufort | 7/29/2020 | 843-379-8400 | Property Manager |
| Waterford Place | 2205 Southside Blvd | Port Royal | 7/29/2020 | 843-524-2207 | Property Manager |
| Waterleaf at Battery Creek | 10 Shell Creek Drive | Beaufort | 7/29/2020 | 843-919-7470 | Property Manager |

123 Club

Multifamily Community Profile

123 Old Salem Rd.
Beaufort, SC

CommunityType: LIHTC - General

Structure Type: 2-Story Garden

40 Units 0.0% Vacant (0 units vacant) as of 8/5/2020

Last Major Rehab in 2019 Opened in 1995



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: | Basketball: |
| One/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Two | 50.0% | \$550 | 890 | \$0.62 | Centrl Lndry: | Tennis: |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Three | 50.0% | \$655 | 1,100 | \$0.60 | Elevator: | Volleyball: |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Fitness: | CarWash: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Hot Tub: | BusinessCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Sauna: | ComputerCtr: |
| | | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Playground: | <input checked="" type="checkbox"/> |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: Patio/Balcony | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Waitlist

| Floorplans (Published Rents as of 8/5/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|---|---------|-----|------|--------|-------|-------|---------|------------|----------|----------------------------------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 2 | 2 | 20 | \$550 | 890 | \$.62 | LIHTC/ 60% | 8/5/20 | 0.0% | -- | \$550 | \$655 |
| Garden | -- | 3 | 2 | 20 | \$655 | 1,100 | \$.60 | LIHTC/ 60% | 5/7/20 | 0.0% | -- | \$550 | \$655 |
| | | | | | | | | | 5/28/19 | 0.0% | -- | -- | -- |
| | | | | | | | | | 10/30/17 | 5.0% | -- | \$550 | \$655 |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

123 Club

SC013-013988

Abberly Pointe

Multifamily Community Profile

100 Ashton Pointe Blvd.
Beaufort, SC

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

240 Units 3.8% Vacant (9 units vacant) as of 7/29/2020

Last Major Rehab in 2020 Opened in 2008



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|--|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 36.7% | \$1,233 | 738 | \$1.67 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 63.3% | \$1,449 | 1,042 | \$1.39 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input checked="" type="checkbox"/> |
| Three | -- | -- | -- | -- | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input type="checkbox"/> | |

| Features | |
|---|--|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit) | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$120 |
| Property Manager: HHHunt Owner: -- | |

Comments

Tanning Salon
2020 - units updated w/smarthome features

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|---------|----------|------|---------|---------|--------|
| Garden | -- | 1 | 1 | 88 | \$1,223 | 738 | \$1.66 | Market | 7/29/20 | 3.8% | \$1,233 | \$1,449 | -- |
| Garden | -- | 2 | 2 | 132 | \$1,452 | 1,059 | \$1.37 | Market | 5/4/20 | 6.3% | \$1,110 | \$1,349 | -- |
| Garden | -- | 2 | 1 | 20 | \$1,353 | 931 | \$1.45 | Market | 5/28/19 | 5.8% | -- | -- | -- |
| | | | | | | | | | 10/24/18 | 5.8% | \$1,041 | \$1,289 | -- |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Ashley Pointe

Multifamily Community Profile

2105 Carolina Wren Dr.
Beaufort, SC 29902

CommunityType: LIHTC - General
Structure Type: 3-Story Garden

56 Units 1.8% Vacant (1 units vacant) as of 8/20/2020

Opened in 2015

| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|--|--------|----------|---------------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two | 71.4% | \$882 | 1,228 | \$0.72 | <input type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Three | 28.6% | \$986 | 1,175 | \$0.84 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Playground: <input checked="" type="checkbox"/> | | | | | | |
| Features | | | | | | |
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C | | | | | | |
| Select Units: -- | | | | | | |
| Optional(\$): -- | | | | | | |
| Security: -- | | | | | | |
| Parking 1: Free Surface Parking | | | Parking 2: -- | | | |
| Fee: -- | | | Fee: -- | | | |
| Property Manager: -- | | | | | | |
| Owner: -- | | | | | | |

Comments

White appliances, laminate countertops.

Floorplans (Published Rents as of 8/20/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|------------|---------|------|--------|--------|--------|
| Garden | -- | 2 | 2 | 6 | \$778 | 1,100 | \$.71 | LIHTC/ 50% | 8/20/20 | 1.8% | -- | \$882 | \$986 |
| Garden | -- | 2 | 2 | 34 | \$900 | 1,250 | \$.72 | LIHTC/ 60% | | | | | |
| Garden | -- | 3 | 2 | 8 | \$889 | 1,100 | \$.81 | LIHTC/ 50% | | | | | |
| Garden | -- | 3 | 2 | 8 | \$1,082 | 1,250 | \$.87 | LIHTC/ 60% | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Bay South

Multifamily Community Profile

2201 Mossy Oaks Rd
Beaufort, SC

CommunityType: Market Rate - General

Structure Type: Garden

132 Units 3.8% Vacant (5 units vacant) as of 7/29/2020

Last Major Rehab in 2012 Opened in 1985



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 27.3% | \$898 | 660 | \$1.36 | Comm Rm: <input type="checkbox"/> | Basketball: <input checked="" type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 72.7% | \$978 | 910 | \$1.07 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | -- | -- | -- | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

W/D hook-ups in 2BR. Wood plank floors, granite counters, brushed nickel appliances.

Rate based on floor number.

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|------|---------|---------|----------|-------|--------|--------|--------|
| Garden | -- | 1 | 1 | 36 | \$963 | 660 | \$1.46 | Market | 7/29/20 | 3.8% | \$898 | \$978 | -- |
| Garden | -- | 2 | 1 | 48 | \$1,035 | 860 | \$1.20 | Market | 5/11/20 | 8.3% | \$849 | \$933 | -- |
| Garden | -- | 2 | 2 | 48 | \$1,054 | 960 | \$1.10 | Market | 5/28/19 | 3.8% | \$918 | \$990 | -- |
| | | | | | | | | | 10/24/18 | 12.1% | \$880 | \$946 | -- |

Adjustments to Rent

Incentives:

First Month Free

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Cross Creek

Multifamily Community Profile

325 Ambrose Run Blvd.
Beaufort, SC

CommunityType: LIHTC - General

Structure Type: 3-Story Garden

144 Units 3.5% Vacant (5 units vacant) as of 7/31/2020

Opened in 2009



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | 16.7% | \$838 | 750 | \$1.12 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 41.7% | \$985 | 950 | \$1.04 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 41.7% | \$1,090 | 1,150 | \$0.95 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit) | |
| Select Units: HighCeilings | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Breakdown: 24 1BRs, 60 2BRs, 60 3BRs.

| Floorplans (Published Rents as of 7/31/2020) (2) | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|--|---------|-----|------|--------|---------|-------|---------|------------|----------------------------------|------|--------|--------|---------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 12 | \$795 | 750 | \$1.06 | LIHTC/ 60% | 7/31/20 | 3.5% | \$838 | \$985 | \$1,090 |
| Garden | -- | 1 | 1 | 12 | \$880 | 750 | \$1.17 | Market | 5/4/20 | 2.1% | \$813 | \$960 | \$1,065 |
| Garden | -- | 2 | 2 | 30 | \$935 | 950 | \$.98 | LIHTC/ 60% | 5/28/19 | 1.4% | \$777 | \$928 | \$1,033 |
| Garden | -- | 2 | 2 | 30 | \$1,035 | 950 | \$1.09 | Market | 10/30/17 | 1.4% | \$728 | \$863 | \$958 |
| Garden | -- | 3 | 2 | 30 | \$1,055 | 1,150 | \$.92 | LIHTC/ 60% | | | | | |
| Garden | -- | 3 | 2 | 30 | \$1,125 | 1,150 | \$.98 | Market | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Cross Creek

SC013-013992

HarborOne Apartments

Multifamily Community Profile

22 Colony Gardens Rd.
Beaufort, SC

Community Type: **Market Rate - General**

Structure Type: **2-Story Garden**

160 Units 1.9% Vacant (3 units vacant) as of 7/29/2020

Opened in 1998



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input checked="" type="checkbox"/> |
| Two | -- | \$1,282 | 990 | \$1.29 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | \$1,377 | 1,236 | \$1.11 | Hot Tub: <input checked="" type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input checked="" type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; HighCeilings | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- | Owner: -- |

Comments

No longer a tax credit community.
Select units are pre-furnished. \$1,000 referral reward offered (7/29/2020).
FKA Waterford Cove

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|---------|----------|------|--------|---------|---------|
| Garden | -- | 2 | 2 | -- | \$1,282 | 990 | \$1.29 | Market | 7/29/20 | 1.9% | -- | \$1,282 | \$1,377 |
| Garden | -- | 3 | 2 | -- | \$1,399 | 1,189 | \$1.18 | Market | 5/4/20 | 4.4% | -- | \$1,257 | \$1,339 |
| Garden | -- | 3 | 2 | -- | \$1,354 | 1,282 | \$1.06 | Market | 5/28/19 | 1.3% | -- | \$1,235 | \$1,340 |
| | | | | | | | | | 10/30/17 | 5.6% | -- | \$1,095 | \$1,255 |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Legends North of Broad

Multifamily Community Profile

100 Pinckney Marsh Lane
Beaufort, SC 29906

Community Type: Market Rate - General

Structure Type: Mix

304 Units 92.4% Vacant (281 units vacant) as of 7/29/2020

Opened in 2020



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 32.9% | \$1,187 | 878 | \$1.35 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two | 50.7% | \$1,497 | 1,305 | \$1.15 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Three | 16.4% | \$1,727 | 1,757 | \$0.98 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| Features | |
|--|--|
| Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$150 |
| Property Manager: -- Owner: United Residential Propertie | |

Comments

Opened 06/2020, delivery of remaining units/amenities throughout 2020/2021, leased 23 units as of 07/29/2020
Granite countertops, SS app's. Billards room, bark park, otdr kitchn. Mid-rise/Garden, some units incl. attchd garage.
36 garage bays. Unit Mix: 90 1BRs, 182 2BRs, 28 3BRs. Wtr/Swr \$ per unit-1BR (\$50), 2BR (\$60), 3BR (\$70).

| Floorplans (Published Rents as of 7/29/2020) (2) | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|--|---------|-----|------|--------|---------|-------|---------|---------|----------------------------------|-------|---------|---------|---------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| St. Helena / Garden | Garage | 1 | 1 | 10 | \$1,425 | 1,084 | \$1.31 | Market | 7/29/20* | 92.4% | \$1,187 | \$1,497 | \$1,727 |
| Pinckney / Mid Rise - Ele | -- | 1 | 1 | 12 | \$1,155 | 794 | \$1.45 | Market | 5/13/20 | -- | \$1,189 | \$1,496 | \$1,706 |
| Fripp / Garden | -- | 1 | 1 | 44 | \$1,100 | 824 | \$1.33 | Market | * Indicates initial lease-up. | | | | |
| Beaufort / Garden | -- | 1 | 1 | 24 | \$1,175 | 912 | \$1.29 | Market | | | | | |
| Parris / Mid Rise - Elevat | -- | 1 | 1 | 10 | \$1,150 | 928 | \$1.24 | Market | | | | | |
| Dataw / Garden | -- | 2 | 2 | 48 | \$1,450 | 1,302 | \$1.11 | Market | | | | | |
| Hunting / Gar/Mis Rise | -- | 2 | 1 | 106 | \$1,475 | 1,307 | \$1.13 | Market | | | | | |
| Port Royal / Garden | -- | 3 | 2 | 8 | \$1,650 | 1,428 | \$1.16 | Market | | | | | |
| Legend / Gar/Mis Rise | -- | 3 | 2 | 42 | \$1,700 | 1,820 | \$0.93 | Market | | | | | |

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Magnolia Park

Multifamily Community Profile

314 Laurel Bay Rd.
Beaufort, SC

CommunityType: LIHTC - General

Structure Type: 2-Story Garden

56 Units 0.0% Vacant (0 units vacant) as of 7/29/2020

Last Major Rehab in 2015 Opened in 1999



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: <input type="checkbox"/> | Basketball: <input checked="" type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 42.9% | \$949 | 1,090 | \$0.87 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 57.1% | \$1,090 | 1,189 | \$0.92 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|--|---------------|
| Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: | -- |
| Optional(\$): | -- |
| Security: | -- |
| Parking 1: Free Surface Parking | Parking 2: -- |
| Fee: -- | Fee: -- |
| Property Manager: | -- |
| Owner: | -- |

Comments

50% & 60% AMI rents are the same

| Floorplans (Published Rents as of 7/29/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|--|---------|-----|------|--------|---------|-------|---------|------------|----------|----------------------------------|--------|--------|---------|--|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ | |
| Garden | -- | 2 | 2 | 24 | \$949 | 1,090 | \$.87 | LIHTC/ 60% | 7/29/20 | 0.0% | -- | \$949 | \$1,090 | |
| Garden | -- | 3 | 2 | 32 | \$1,090 | 1,189 | \$.92 | LIHTC/ 60% | 5/12/20 | 0.0% | -- | \$853 | \$979 | |
| | | | | | | | | | 5/28/19 | 0.0% | -- | -- | -- | |
| | | | | | | | | | 10/30/17 | 0.0% | -- | \$696 | \$890 | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Magnolia Park

SC013-013995

Marsh Pointe

Multifamily Community Profile

1630 Ribaut Rd
Port Royal, SC 29935

CommunityType: LIHTC - General
Structure Type: 2-Story Garden

48 Units 0.0% Vacant (0 units vacant) as of 8/20/2020

Opened in 2017

| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Two | 50.0% | \$734 | 1,100 | \$0.67 | <input type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Three | 50.0% | \$850 | 1,250 | \$0.68 | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Black appliances, laminate countertops.

| Floorplans (Published Rents as of 8/20/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|--|---------|-----|------|--------|-------|-------|---------|------------|---------|----------------------------------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 2 | 2 | 5 | \$675 | 1,100 | \$.61 | LIHTC/ 50% | 8/20/20 | 0.0% | -- | \$734 | \$850 |
| Garden | -- | 2 | 2 | 19 | \$750 | 1,100 | \$.68 | LIHTC/ 60% | | | | | |
| Garden | -- | 3 | 2 | 19 | \$870 | 1,250 | \$.70 | LIHTC/ 60% | | | | | |
| Garden | -- | 3 | 2 | 5 | \$775 | 1,250 | \$.62 | LIHTC/ 50% | | | | | |

| Adjustments to Rent | |
|-------------------------------------|--|
| Incentives: None | |
| Utilities in Rent: | Heat Fuel: Electric |
| Heat: <input type="checkbox"/> | Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/> |
| Hot Water: <input type="checkbox"/> | Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/> |

Marsh Pointe

SC013-031119

Oaks at Broad River Landing

Multifamily Community Profile

100 Riverchase Blvd
Beaufort, SC

CommunityType: Market Rate - General

Structure Type: Garden

248 Units 7.7% Vacant (19 units vacant) as of 7/29/2020

Last Major Rehab in 2018 Opened in 2001



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 29.0% | \$1,047 | 770 | \$1.36 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 48.4% | \$1,171 | 1,119 | \$1.05 | Elevator: <input type="checkbox"/> | Volleyball: <input checked="" type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input checked="" type="checkbox"/> |
| Three | 22.6% | \$1,155 | 1,414 | \$0.82 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|---|--|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony | |
| Select Units: Fireplace | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$120 |
| Property Manager: B&M Mgmt Owner: -- | |

Comments

1BR pricing available for only the 660SF unit
Loft units currently unavailable (7/29/2020).

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|---------|-------|---------|---------|----------|------|---------|---------|---------|
| Garden | -- | 1 | 1 | 24 | \$1,035 | 660 | \$1.57 | Market | 7/29/20 | 7.7% | \$1,047 | \$1,171 | \$1,155 |
| Garden | -- | 1 | 1 | 32 | \$1,025 | 771 | \$1.33 | Market | 5/4/20 | 6.0% | \$1,024 | \$1,076 | \$1,242 |
| Garden | Loft | 1 | 1 | 16 | \$1,040 | 934 | \$1.11 | Market | 5/28/19 | 6.9% | \$921 | \$998 | \$1,162 |
| Garden | -- | 2 | 2 | 72 | \$1,140 | 1,070 | \$1.07 | Market | 10/24/18 | 4.0% | \$982 | \$1,094 | \$1,379 |
| Garden | -- | 2 | 2 | 48 | \$1,167 | 1,192 | \$.98 | Market | | | | | |
| Garden | -- | 3 | 2 | 56 | \$1,130 | 1,414 | \$.80 | Market | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Parc at Broad River

Multifamily Community Profile

337 SC-128
Beaufort, SC 29906

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

246 Units 3.3% Vacant (8 units vacant) as of 7/29/2020

Opened in 2016



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 36.6% | \$1,189 | 797 | \$1.49 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Two | 55.3% | \$1,423 | 1,197 | \$1.19 | <input type="checkbox"/> | <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | <input type="checkbox"/> | <input type="checkbox"/> |
| Three | 8.1% | \$1,588 | 1,362 | \$1.17 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| Features | |
|---|--|
| Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$125 |
| Property Manager: -- Owner: -- | |

Comments

Preleasing began 07/2016, opened 09/2016, leased up 10/2017.

SS appliances, boat garage \$150.

| Floorplans (Published Rents as of 7/29/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|--|---------|-----|------|--------|---------|-------|---------|---------|----------|----------------------------------|---------|---------|---------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 90 | \$1,164 | 797 | \$1.46 | Market | 7/29/20 | 3.3% | \$1,189 | \$1,423 | \$1,588 |
| Garden | -- | 2 | 2 | 136 | \$1,393 | 1,197 | \$1.16 | Market | 5/4/20 | 6.5% | \$1,349 | \$1,465 | \$1,562 |
| Garden | -- | 3 | 2 | 20 | \$1,553 | 1,362 | \$1.14 | Market | 5/28/19 | 11.0% | \$1,375 | \$1,627 | \$1,821 |
| | | | | | | | | | 10/24/18 | 4.5% | \$1,094 | \$1,283 | \$1,566 |

| Adjustments to Rent | |
|--|---|
| Incentives: None | |
| Utilities in Rent: Heat Fuel: Electric | |
| Heat: <input type="checkbox"/> | Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/> |
| Hot Water: <input type="checkbox"/> | Electricity: <input type="checkbox"/> Trash: <input type="checkbox"/> |

Parc at Broad River

SC013-026326

Preserve at Port Royal

Multifamily Community Profile

1 Preserve Ave W
Port Royal, SC

CommunityType: Market Rate - General

Structure Type: Garden

400 Units 13.0% Vacant (52 units vacant) as of 7/29/2020

Opened in 2004



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 26.0% | \$893 | 747 | \$1.20 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 74.0% | \$1,061 | 1,082 | \$0.98 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | -- | -- | -- | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input checked="" type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input checked="" type="checkbox"/> | |

| Features | |
|--|--|
| Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Carpet / Vinyl/Linoleum | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$125 |
| Property Manager: -- | |
| Owner: -- | |

Comments

2 outdoor pools, dog park
Vacant due to many move outs during winter months
Storage is \$55 or \$75, garage is \$125/mo

| Floorplans (Published Rents as of 7/29/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|--|---------|-----|------|--------|---------|-------|---------|---------|----------|----------------------------------|---------|---------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 1 | 1 | 26 | \$1,020 | 693 | \$1.47 | Market | 7/29/20 | 13.0% | \$893 | \$1,061 | -- |
| Garden | -- | 1 | 1 | 26 | \$1,020 | 720 | \$1.42 | Market | 5/6/20 | 18.0% | \$893 | \$1,105 | -- |
| Garden | -- | 1 | 1 | 26 | \$1,050 | 744 | \$1.41 | Market | 5/28/19 | 0.8% | \$1,031 | \$1,225 | -- |
| Garden | -- | 1 | 1 | 26 | \$1,075 | 830 | \$1.30 | Market | 10/24/18 | 10.5% | \$1,038 | \$1,199 | -- |
| Garden | -- | 1 | 1 | -- | \$1,085 | 850 | \$1.28 | Market | | | | | |
| | -- | 2 | 1 | -- | -- | -- | -- | -- | | | | | |
| Garden | -- | 2 | 1 | 74 | \$1,195 | 1,017 | \$1.18 | Market | | | | | |
| Garden | -- | 2 | 2 | 74 | \$1,215 | 1,050 | \$1.16 | Market | | | | | |
| Garden | -- | 2 | 1 | 74 | \$1,265 | 1,110 | \$1.14 | Market | | | | | |
| Garden | -- | 2 | 2 | 74 | \$1,275 | 1,151 | \$1.11 | Market | | | | | |

Adjustments to Rent

Incentives:
2 Months Free

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Preserve at Port Royal

SC013-008632

Residence at Battery Creek

Multifamily Community Profile

1800 Salem Road
Beaufort, SC 29902

CommunityType: Market Rate - General

Structure Type: 1-Story Garden/TH

92 Units 3.3% Vacant (3 units vacant) as of 7/29/2020

Last Major Rehab in 2019 Opened in 1989

| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|--|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | 32.6% | \$1,014 | 659 | \$1.54 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 67.4% | \$2,019 | 896 | \$2.25 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | -- | -- | -- | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input type="checkbox"/> | |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Hardwood | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Gated Entry | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

FKA Lady's Pointe apartments, former LIHTC community.
Granite countertops, SS apps, bark park, gated entry.

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|--------------|---------|-----|------|--------|---------|------|---------|---------|---------|------|---------|---------|--------|
| Single story | -- | 1 | 1 | 30 | \$999 | 659 | \$1.52 | Market | 7/29/20 | 3.3% | \$1,014 | \$2,019 | -- |
| Townhouse | -- | 2 | 1.5 | 62 | \$1,999 | 896 | \$2.23 | Market | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Sea Pointe

Multifamily Community Profile

61 Hazel Farm Rd
Beaufort, SC 29907

CommunityType: LIHTC - General
Structure Type: 3-Story Garden

56 Units 5.4% Vacant (3 units vacant) as of 8/20/2020

Opened in 2017



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: | Basketball: |
| One/Den | -- | -- | -- | -- | Centrl Lndry: | Tennis: |
| Two | 50.0% | \$755 | 1,079 | \$0.70 | Elevator: | Volleyball: |
| Two/Den | -- | -- | -- | -- | Fitness: | CarWash: |
| Three | 50.0% | \$884 | 1,220 | \$0.72 | Hot Tub: | BusinessCtr: |
| Four+ | -- | -- | -- | -- | Sauna: | ComputerCtr: |
| | | | | | Playground: | <input checked="" type="checkbox"/> |

| Features | |
|---|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: Cameras | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

Opened 01/2017, exact lease up unknown. MGR estimated 2 months

| Floorplans (Published Rents as of 8/20/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | |
|--|---------|-----|------|--------|-------|-------|---------|------------|----------|----------------------------------|--------|--------|--------|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
| Garden | -- | 2 | 2 | 7 | \$693 | 1,079 | \$.64 | LIHTC/ 50% | 8/20/20 | 5.4% | -- | \$755 | \$884 |
| Garden | -- | 2 | 2 | 21 | \$776 | 1,079 | \$.72 | LIHTC/ 60% | 5/28/19 | 0.0% | -- | -- | -- |
| Garden | -- | 3 | 2 | 7 | \$783 | 1,220 | \$.64 | LIHTC/ 50% | 10/30/17 | 0.0% | -- | \$686 | \$775 |
| Garden | -- | 3 | 2 | 21 | \$917 | 1,220 | \$.75 | LIHTC/ 60% | | | | | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Shell Pointe

Multifamily Community Profile

297 Midtown Dr.
Beaufort, SC

Community Type: LIHTC - General

Structure Type: Garden

72 Units 0.0% Vacant (0 units vacant) as of 7/29/2020

Opened in 2005



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|-------------------------------------|-------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| One | -- | -- | -- | -- | Comm Rm: | Basketball: |
| One/Den | -- | -- | -- | -- | Centrl Lndry: | Tennis: |
| Two | 50.0% | \$908 | 1,153 | \$0.79 | Elevator: | Volleyball: |
| Two/Den | -- | -- | -- | -- | Fitness: | CarWash: |
| Three | 50.0% | \$1,043 | 1,348 | \$0.77 | Hot Tub: | BusinessCtr: |
| Four+ | -- | -- | -- | -- | Sauna: | ComputerCtr: |
| | | | | | Playground: | <input checked="" type="checkbox"/> |

| Features | |
|--|--------------------------|
| Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

No longer have computer center (7/29/2020).

| Floorplans (Published Rents as of 7/29/2020) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | | | | |
|--|---------|-----|------|--------|---------|-------|---------|------------|----------|----------------------------------|--------|--------|---------|--|
| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ | |
| Garden | -- | 2 | 2 | 26 | \$855 | 1,153 | \$.74 | LIHTC/ 50% | 7/29/20 | 0.0% | -- | -- | \$1,043 | |
| Garden | -- | 2 | 2 | 10 | \$1,046 | 1,153 | \$.91 | LIHTC/ 60% | 5/6/20 | 4.2% | -- | \$908 | \$1,044 | |
| Garden | -- | 3 | 2 | 26 | \$982 | 1,348 | \$.73 | LIHTC/ 50% | 5/28/19 | 0.0% | -- | -- | -- | |
| Garden | -- | 3 | 2 | 10 | \$1,203 | 1,348 | \$.89 | LIHTC/ 60% | 10/30/17 | 0.0% | -- | \$744 | \$852 | |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Waterford Place

Multifamily Community Profile

2205 Southside Blvd
Port Royal, SC

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

72 Units 4.2% Vacant (3 units vacant) as of 7/29/2020

Last Major Rehab in 1986 Opened in 1950



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 22.2% | \$695 | 590 | \$1.18 | Comm Rm: <input type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input checked="" type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 77.8% | \$725 | 891 | \$0.81 | Elevator: <input type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | -- | -- | -- | -- | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input type="checkbox"/> | |

| Features | |
|--|--------------------------|
| Standard: Dishwasher; Disposal; Central A/C; Patio/Balcony; Carpet | |
| Select Units: -- | |
| Optional(\$): -- | |
| Security: -- | |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: -- Fee: -- |
| Property Manager: -- Owner: -- | |

Comments

2 BR rent unavailable

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------|---------|-----|------|--------|-------|------|---------|---------|----------|------|--------|--------|--------|
| Garden | -- | 1 | 1 | 16 | \$695 | 590 | \$1.18 | Market | 7/29/20 | 4.2% | \$695 | \$725 | -- |
| Garden | -- | 2 | 1 | 40 | \$725 | 850 | \$.85 | Market | 5/11/20 | 1.4% | \$700 | \$0 | -- |
| Garden | -- | 2 | 1 | 16 | \$725 | 993 | \$.73 | Market | 5/28/19 | 1.4% | -- | -- | -- |
| | | | | | | | | | 10/30/17 | 1.4% | \$600 | \$682 | -- |

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Waterford Place

SC013-008622

Waterleaf at Battery Creek

Multifamily Community Profile

10 Shell Creek Drive
Beaufort, SC 29906

Community Type: Market Rate - General

Structure Type: 3-Story Garden

212 Units 67.0% Vacant (142 units vacant) as of 7/29/2020

Opened in 2020



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------|----------|-------------|---|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse: | Pool-Outdr: |
| Eff | -- | -- | -- | -- | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| One | 60.4% | \$996 | 737 | \$1.35 | Comm Rm: <input checked="" type="checkbox"/> | Basketball: <input type="checkbox"/> |
| One/Den | -- | -- | -- | -- | Centrl Lndry: <input type="checkbox"/> | Tennis: <input type="checkbox"/> |
| Two | 31.1% | \$1,167 | 1,084 | \$1.08 | Elevator: <input checked="" type="checkbox"/> | Volleyball: <input type="checkbox"/> |
| Two/Den | -- | -- | -- | -- | Fitness: <input checked="" type="checkbox"/> | CarWash: <input type="checkbox"/> |
| Three | 8.5% | \$1,271 | 1,243 | \$1.02 | Hot Tub: <input type="checkbox"/> | BusinessCtr: <input type="checkbox"/> |
| Four+ | -- | -- | -- | -- | Sauna: <input type="checkbox"/> | ComputerCtr: <input type="checkbox"/> |
| | | | | | Playground: <input type="checkbox"/> | |

| Features | |
|--|--|
| Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Vinyl/Linoleum / Carpet | |
| Select Units: | -- |
| Optional(\$): | -- |
| Security: | -- |
| Parking 1: Free Surface Parking Fee: -- | Parking 2: Detached Garage Fee: \$125 |
| Property Manager: | -- |
| Owner: | -- |

Comments

Opened 04/04/2020, have leased 70 units as of 07/29/2020

One building has an elevator.

SS appliances, granite countertops. LVT in living areas, carpet in BRs. Bark park, grill area, pier in dev.

Floorplans (Published Rents as of 7/29/2020) (2)

Historic Vacancy & Eff. Rent (1)

| Description | Feature | BRs | Bath | #Units | Rent | SqFt | Rent/SF | Program | Date | %Vac | 1BR \$ | 2BR \$ | 3BR \$ |
|-------------------------|---------|-----|------|--------|---------|-------|---------|---------|-------------------------------|-------|---------|---------|---------|
| Garden | -- | 1 | 1 | 128 | \$1,195 | 737 | \$1.62 | Market | 7/29/20* | 67.0% | \$996 | \$1,167 | \$1,271 |
| Carriage / Single story | Garage | 2 | 2 | 2 | \$1,595 | 1,038 | \$1.54 | Market | 5/6/20* | 84.9% | \$1,195 | \$1,401 | \$1,525 |
| Garden | -- | 2 | 2 | 64 | \$1,395 | 1,085 | \$1.29 | Market | * Indicates initial lease-up. | | | | |
| Garden | -- | 3 | 2 | 18 | \$1,525 | 1,243 | \$1.23 | Market | | | | | |

Adjustments to Rent

Incentives:

2 Months Free

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Waterleaf at Battery Creek

SC013-033947