

# Market Feasibility Analysis

The Archer School Senior Apartments  
220 Nassau Street  
Charleston, Charleston County, South Carolina 29403

*Prepared For*

Mr. Michael Meyer  
The Humanities Foundation, Incorporated  
474 Wando Park Boulevard, Suite 102  
Mount Pleasant, South Carolina 29464

*Effective Date*

March 18, 2020

*Job Reference Number*

20-150 JP



155 E. Columbus Street, Suite 220  
Pickerington, Ohio 43147  
Phone: (614) 833-9300  
Bowennational.com

## Table of Contents

- A. Primary Market Area Analysis Summary (Exhibit S-2)
- B. Project Description
- C. Site Description and Evaluation
- D. Primary Market Area Delineation
- E. Market Area Economy
- F. Community Demographic Data
- G. Project-Specific Demand Analysis
- H. Rental Housing Analysis (Supply)
  - I. Interviews
  - J. Recommendations
- K. Signed Statement Requirement
- L. Qualifications
- M. Methodologies, Disclaimers & Sources
  - Addendum A – Field Survey of Conventional Rentals
  - Addendum B – NCHMA Member Certification & Checklist
  - Addendum C – Achievable Market Rent

## 2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	The Archer School Senior Apartments	Total # Units: 89
Location:	220 Nassau Street, Charleston, SC 29403 (Charleston County)	# LIHTC Units: 89
PMA Boundary:	Dorchester Road and Interstate 26 to the north; U.S. Highway 52 Lemon Street, Magnolia Avenue, Seaboard System Railway, Romney Street, Morrison Drive, U.S. Highway 17 and Coor River to the east; Cooper and Ashley rivers and U.S. Highway 17 to the south; and Interstate 526 to the west.	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject: 6.0 miles

### \*\*\*RENTAL HOUSING STOCK (found on page H-1, H-13, H- 14)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	29	5,091	283	94.1%
Market-Rate Housing	15	3,096	150	95.2%
Assisted/Subsidized Housing not to include LIHTC	8	610	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	7	760	0	100.0%
Stabilized Comps**	3	170	0	100.0%
Non-stabilized Comps	2	64 (Affordable only)	12	81.3%

\* 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.

\*\*\*Excludes two properties in lease-up from overall units and occupancy

Subject Development					HUD Area FMR			Highest Unadjusted Comparable Rent	
Units	Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	Studio	1.0	575	\$760	<b>\$907</b>	<b>\$1.58</b>	<b>16.21%</b>	<b>\$1,993</b>	<b>\$3.30</b>
20	One-Br	1.0	775	**\$353	<b>\$1,035</b>	<b>\$1.34</b>	<b>65.89%</b>	<b>\$1,993</b>	<b>\$3.30</b>
10	One-Br	1.0	775	\$800	<b>\$1,035</b>	<b>\$1.34</b>	<b>22.71%</b>	<b>\$1,993</b>	<b>\$3.30</b>
35	One-Br	1.0	775	\$900	<b>\$1,035</b>	<b>\$1.34</b>	<b>13.04%</b>	<b>\$1,993</b>	<b>\$3.30</b>
6	One-Br	1.0	775	\$900	<b>\$1,035</b>	<b>\$1.34</b>	<b>13.04%</b>	<b>\$1,993</b>	<b>\$3.30</b>
5	Two-Br	2.0	900	**\$422	<b>\$1,179</b>	<b>\$1.31</b>	<b>64.21%</b>	<b>\$2,885</b>	<b>\$2.99</b>
4	Two-Br	2.0	900	\$1,050	<b>\$1,179</b>	<b>\$1.31</b>	<b>10.94%</b>	<b>\$2,885</b>	<b>\$2.99</b>
2	Two-Br	2.0	975	\$1,050	<b>\$1,179</b>	<b>\$1.21</b>	<b>10.94%</b>	<b>\$2,885</b>	<b>\$2.99</b>
<b>Gross Potential Rent Monthly*</b>				<b>\$65,690</b>	<b>\$80,955</b>		<b>18.86%</b>		

\*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.

\*\*Maximum net LIHTC rent (subsidized unit)

### \*DEMOGRAPHIC DATA (found on page F-4 & G-5)

	2010	2019		2022	
Renter Households		4,897	38.1%	5,372	38.7%
Income-Qualified Renter HHs (LIHTC)		2,041	41.7%	2,104	39.2%
Income-Qualified Renter HHs (MR)		-	-	-	-

\*Senior 55+

<b>TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)</b>						
<b>Type of Demand</b>	<b>30%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>	<b>Other: __</b>	<b>Overall</b>
Renter Household Growth	11	17	24	45	-	63
Existing Households (Overburd + Substand)	676	450	298	369	-	1,272
Homeowner conversion (Seniors)	6	20	22	30	-	44
Other:	0	0	0	0	-	0
Less Comparable/Competitive Supply	0	0	0	0	-	0
<b>Net Income-qualified Renter HHs</b>	<b>694</b>	<b>487</b>	<b>344</b>	<b>444</b>	<b>-</b>	<b>1,379</b>
<b>CAPTURE RATES (found on page G-5)</b>						
<b>Targeted Population</b>	<b>30%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>	<b>Other: __</b>	<b>Overall</b>
Capture Rate	3.6%	3.5%	11.3%	3.6%	-	6.5%
<b>ABSORPTION RATE (found on page G-7)</b>						
Absorption Period 8 months						

2/2020



2020 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Fair Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
7	0 BR	\$760	\$5,320		\$0	
20	1 BR	\$353	\$7,060	<b>\$967</b>	\$19,340	
10	1 BR	\$800	\$8,000	<b>\$967</b>	\$9,670	
35	1 BR	\$900	\$31,500	<b>\$967</b>	\$33,845	
6	2 BR	\$900	\$5,400	<b>\$967</b>	\$5,802	
5	2 BR	\$422	\$2,110	<b>\$1,118</b>	\$5,590	
4	2 BR	\$1,050	\$4,200	<b>\$1,118</b>	\$4,472	
2	2 BR	\$1,050	\$2,100	<b>\$1,118</b>	\$2,236	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
<b>Totals</b>	<b>89</b>		<b>\$65,690</b>		<b>\$80,955</b>	<b>18.86%</b>

## B. Project Description

Project Name:	<b>The Archer School Senior Apartments</b>
Location:	220 Nassau Street, Charleston, South Carolina 29403 (Charleston County)
Census Tract:	53.00
Target Market:	Senior 55+
Construction Type:	New Construction & Adaptive Reuse
Funding Source:	4% Tax-Exempt Bond

The subject project involves the adaptive-reuse of an existing building and a new construction addition into the 89-unit Archer School Senior Apartments at 220 Nassau Street in Charleston, South Carolina. The project will target senior households (ages 55 and older) earning up to 30%, 60%, 70% and 80% of Area Median Household Income (AMHI) under the 4% Tax-Exempt Bond program. A total of 25 units within the subject development will operate with project-based Section 8 Vouchers. The proposed project is expected to be complete by October 2021. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Program Rents			
						Collected Rent	Utility Allowance	Gross Rent	Max. Allowable LIHTC Gross Rent
7	Studio	1.0	Garden	575	60%	\$760	\$90	\$850	\$850
20	One-Br	1.0	Garden	775	30%/S8	\$933	\$102	\$1,035	\$455
10	One-Br	1.0	Garden	775	60%	\$800	\$102	\$902	\$911
35	One-Br	1.0	Garden	775	70%	\$900	\$102	\$1,002	\$1,063
6	One-Br	1.0	Garden	775	80%	\$900	\$102	\$1,002	\$1,215
5	Two-Br	2.0	Garden	900	30%/S8	\$1,055	\$124	\$1,179	\$546
4	Two-Br	2.0	Garden	900	70%	\$1,050	\$124	\$1,174	\$1,275
2	Two-Br	2.0	Garden	975	80%	\$1,050	\$124	\$1,174	\$1,458
89	Total								

Source: The Humanities Foundation, Inc.

AMHI – Area Median Household Income (Charleston-North Charleston, SC MSA; 2020)

S8 – Section 8

Building/Site Information	
Residential Buildings:	Two (2) two-story buildings
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	1.9

Construction Timeline	
Original Year Built:	1934 (Adaptive Reuse Building)
Construction Start:	July 2020
Begin Preleasing:	August 2021
Construction End:	October 2021

Unit Amenities		
• Electric Range	• In-Unit Washer/Dryer Hookups	• Carpet/Tile/Composite/Hardwood Flooring
• Refrigerator w/Icemaker	• Central Air Conditioning	• Window Blinds
• Garbage Disposal	• Walk-In Closet	• Controlled Access/Key Fob
• Dishwasher	• Emergency Call System	• Ceiling Fans
• Microwave		

**Community Amenities**

- Bike Racks/Storage
- Elevator
- Community Garden
- Community Room
- Classes
- Meal Site
- Pet Station
- Computer Center
- Laundry Room
- Courtyard
- Fitness Center
- Health Screenings
- Parties/Picnics
- Surface Parking Lot (57 Spaces)
- Copy/Print/Fax
- On-Site Management
- Gazebo
- CCTV/Cameras
- Meals on Wheels
- Social Service Coordinator

**Utility Responsibility**

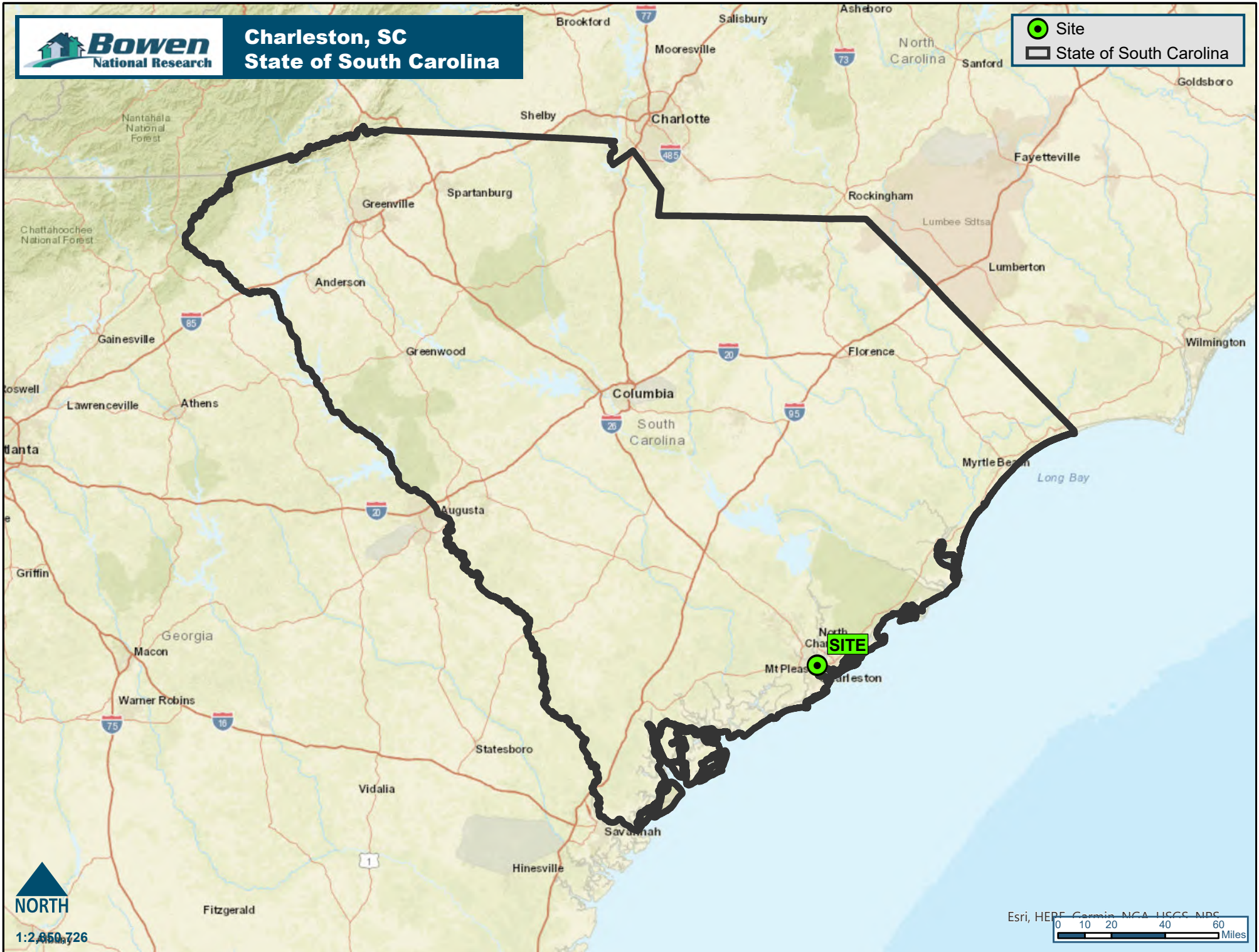
	<b>Heat</b>	<b>Hot Water</b>	<b>Cooking</b>	<b>General Electric</b>	<b>Cold Water</b>	<b>Sewer</b>	<b>Trash</b>
<b>Paid By</b>	Tenant	Tenant	Tenant	Tenant	Landlord	Landlord	Landlord
<b>Source</b>	Electric	Electric	Electric				

A state map, an area map and a site neighborhood map are on the following pages.



# Charleston, SC State of South Carolina

- Site
- State of South Carolina



1:2,850,726

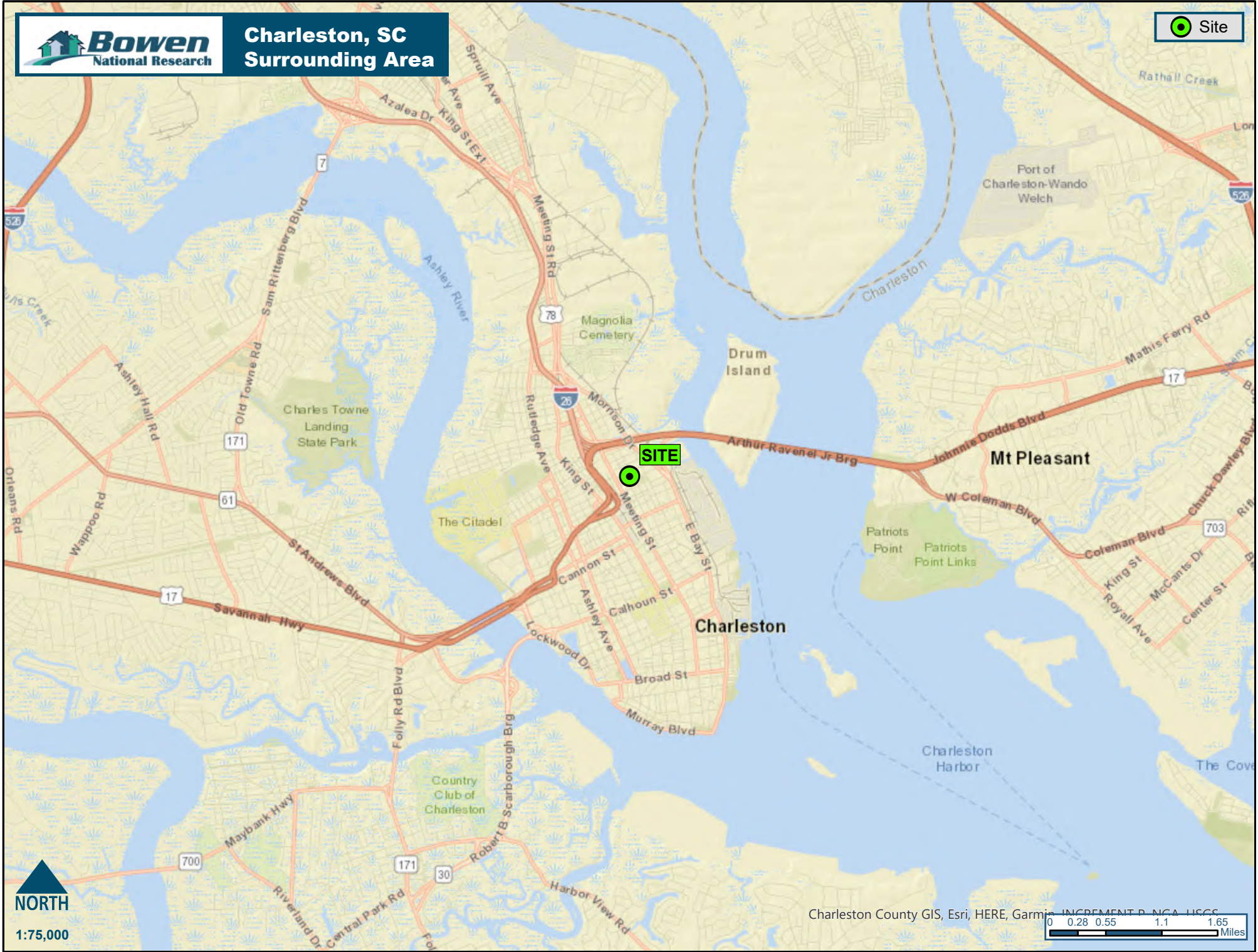
Esri, HERE, Garmin, NGA, USGS, NPS  
0 10 20 40 60 Miles





# Charleston, SC Surrounding Area

Site



1:75,000

Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NCA, USGS  
0 0.28 0.55 1.1 1.65 Miles

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of March 2, 2020. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site, Archer School, is located at 220 Nassau Street, in the northern portion of downtown Charleston, South Carolina. Located within Charleston County, the subject site is located 0.8 miles north of Charleston's Central Business District (CBD). Charleston is approximately 108.0 miles northeast of Savannah, Georgia and approximately 116.0 miles southeast of Columbia, South Carolina. Following is a description of surrounding land uses:

<b>North -</b>	The northern site boundary is defined by Harris Street, a two-way residential roadway with light traffic patterns, followed by Meeting Street Manor and Cooper River Apartments, both of which are government-subsidized properties considered to be in satisfactory condition. Various retail businesses extend farther north to U.S. Highway 17, an arterial roadway with moderate traffic patterns.
<b>East -</b>	The eastern site boundary is defined by Hanover Street, a northbound one-way residential roadway with light traffic patterns, followed by Meeting Street Manor and Cooper River Apartments. Sanders Clyde Elementary School, the South Carolina Port Authority and Cooper River extend farther east of the site.
<b>South -</b>	The southern site boundary is defined by Jackson Street, an eastbound one-way residential roadway with light traffic patterns, followed by single-family homes, a church and the Martin Luther King Park and Pool. Grace Homes (Map ID 12), a currently under construction rental property, and a predominantly residential neighborhood comprised mostly of single-family homes in satisfactory condition, extend farther south of the site.
<b>West -</b>	The western site boundary is defined by Nassau Street, a southbound one-way residential roadway with light traffic patterns, followed by single-family homes in satisfactory condition. The Charleston City Housing Authority and Meeting Street, a north/south thoroughfare with light to moderate traffic patterns extend farther west of the site.



The proposed development is located within an established neighborhood and surrounding land uses are consistent with the proposed multifamily development at the site. Additionally, the proximity of the public transportation enhances the desirability of the proposed site. The subject site's location near both very low-income rental housing and luxury rental housing will ensure the proposed project is well-received, as it will offer a rental product conducive to renter households that fall in between the income segments these properties target. Overall, the subject project is expected to fit in well with the surrounding land uses and will contribute to the marketability of the site. These surrounding land uses have been considered for their impact on the marketability of the site and their impact on absorption.

### 3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 52 U.S. Highway 17 Interstate 26	0.2 East 0.3 North 0.4 North
Public Bus Stop	CARTA	0.1 West
Major Employers/ Employment Centers	Medical University of South Carolina Roper St. Francis Healthcare Piggly Wiggly Carolina Company	1.4 Southwest 1.6 Southwest 2.8 Southwest
Convenience Store	Knight's Supermarket Korfonis Grocery Hanover Corner	0.3 Southeast 0.4 South 0.4 Southeast
Grocery	Fair Deal Grocery Food Lion Harris Teeter	0.5 East 0.9 Northwest 1.4 South
Discount Department Store	Family Dollar Family Dollar Stein Mart	0.3 South 0.9 Northwest 3.6 West
Shopping Center/Mall	Historic Charleston City Market	1.5 South
Hospital/Medical Facility	Renew Medical IV & Urgent Care Access Urgent Care Medical University of South Carolina Roper St. Francis Healthcare	0.8 South 1.4 South 1.4 Southwest 1.6 Southwest
Police	Charleston Police Department	1.8 Southwest
Fire	Charleston Fire Station 6	0.7 South
Post Office	U.S Post Office	0.9 Southeast
Library	John L. Dart Library Charleston County Library	0.9 Northwest 1.1 Southeast
Bank	TD Bank Southern First Bank PNC	0.9 Southeast 1.0 Southeast 1.0 Southeast
Entertainment	The Alley	0.5 South
Museum	Charleston Museum Best Friend of Charleston Museum The Citadel Archives & Museum	0.8 Southeast 0.9 South 1.2 West

(Continued)

Community Services	Name	Driving Distance From Site (Miles)
Recreation/Fitness Center	Iron Tribe Fitness	0.3 Northwest
	St. Julian Devine Community Center	0.5 Southeast
	Charleston Recreation Center	1.0 Northwest
	City Gym	1.2 Southwest
	Arthur W. Christopher Community Center	1.3 Southwest
Gas Station	Meeting Street Exxon	0.5 Southeast
	BP	0.8 Southeast
	Exxon	1.1 Northwest
Pharmacy	CVS	0.9 Northwest
	Walgreens	1.2 Southeast
	Delta Pharmacy	1.3 Southeast
Restaurant	Taco Boy Charleston	0.3North
	Church's Chicken	0.3 South
	Eastside Bagel	0.3 Southeast
Senior Services	Charleston Area Senior Citizens	1.2 Southeast
Park	Martins Park	0.1 East
	Martin Luther King Jr. Swimming Pool	0.1 East
	Hampton Park	1.2 West
Church	Mt. Pisgah Baptist Church	Adjacent South
	Greater Middleton Chapel AME	0.2 Northeast
	Eastside Baptist Church	0.2 Northwest

As the preceding illustrates, most area services such as dining/entertainment, shopping, banking, employment and mass transit, as well as various other basic community services are located within approximately 1.5 miles of the subject site and are easily accessible given the site's proximity to U.S. Highway 52 and U.S. Highway 17, as well as Interstate 26. Notable services within approximately 1.0 mile include, but are not limited to Church's Chicken, Family Dollar, CVS Mt. Pisgah Baptist Church, Exxon Service Station, Food Lion and John L. Dart Library.

Public safety services are provided by the Charleston Police Department and Charleston Fire Station 6, both of which are located within 1.8 miles of the site. The nearest full-service hospital is the Medical University of South Carolina (MUSC), located 1.4 miles southwest of the site. Additionally, Renew Medical IV & Urgent Care and Access Urgent Care are both located within 1.4 miles and offer urgent medical services. The Charleston Area Senior Citizens Center is located 1.2 miles southeast of the site and provides daily meals, educational and recreational programs.

Charleston Area Regional Transportation Authority (CARTA) offers public transportation with the nearest bus stop being located within walking distance, 0.1 miles west of the subject site.



#### 4. SITE PHOTOGRAPHS

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

Archer School



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



Archer School



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



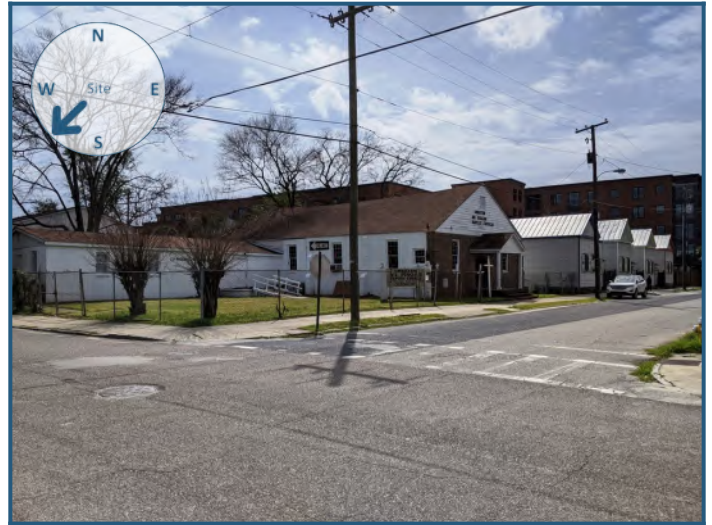
Southeast view from site



Archer School



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: North view of Nassau Street



Streetscape: South view of Nassau Street



Archer School



Streetscape: East view of Harris Street



Streetscape: West view of Harris Street



Streetscape: North view of Hanover Street



Streetscape: South view of Hanover Street



Streetscape: East view of Jackson Street



Streetscape: West view of Jackson Street

**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.





# Charleston, SC Site Neighborhood

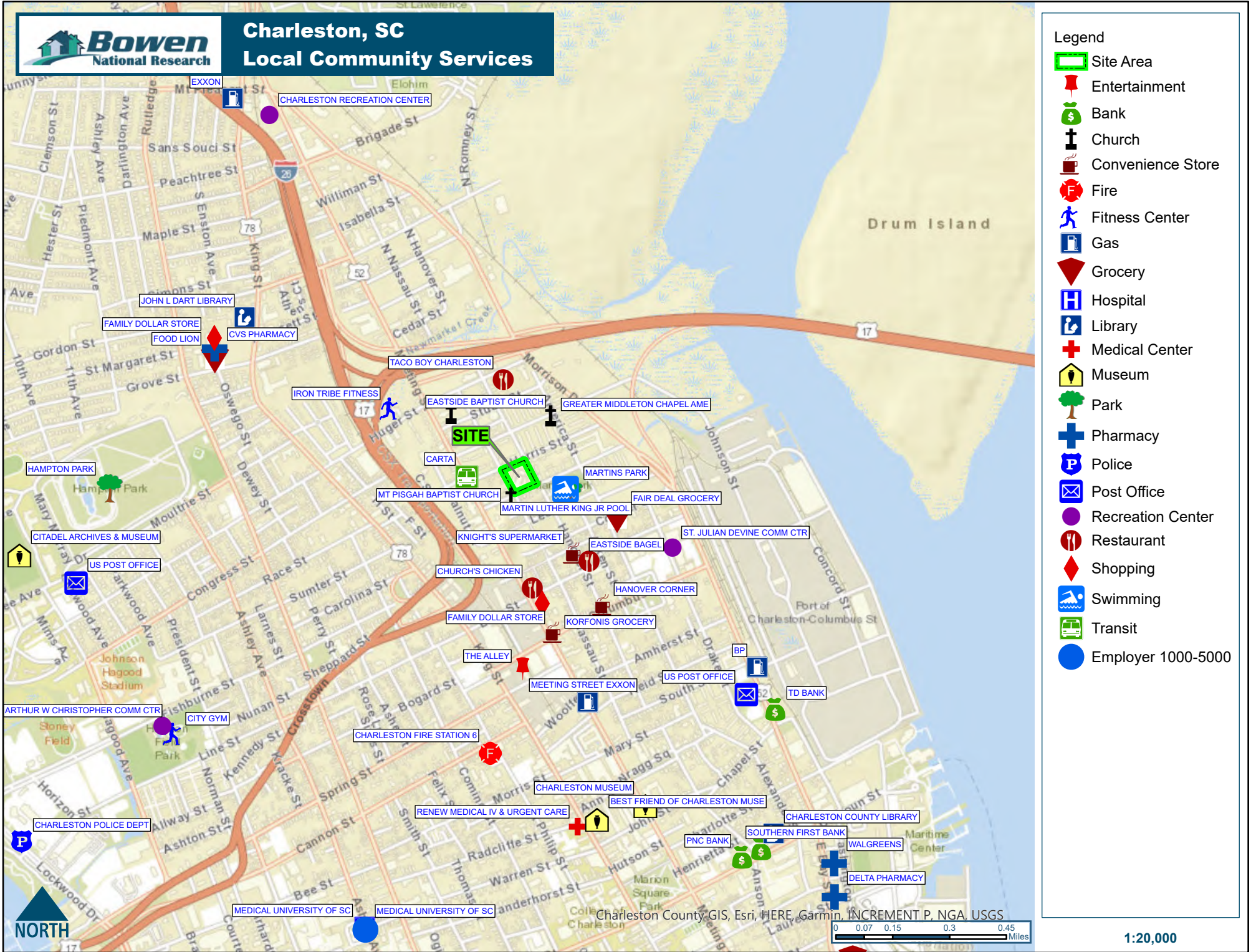
Legend  
Site Area



NORTH  
1:3,000

0 0.01 0.03 0.06 0.09 Miles

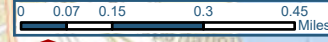




- Legend**
- Site Area
  - Entertainment
  - Bank
  - Church
  - Convenience Store
  - Fire
  - Fitness Center
  - Gas
  - Grocery
  - Hospital
  - Library
  - Medical Center
  - Museum
  - Park
  - Pharmacy
  - Police
  - Post Office
  - Recreation Center
  - Restaurant
  - Shopping
  - Swimming
  - Transit
  - Employer 1000-5000

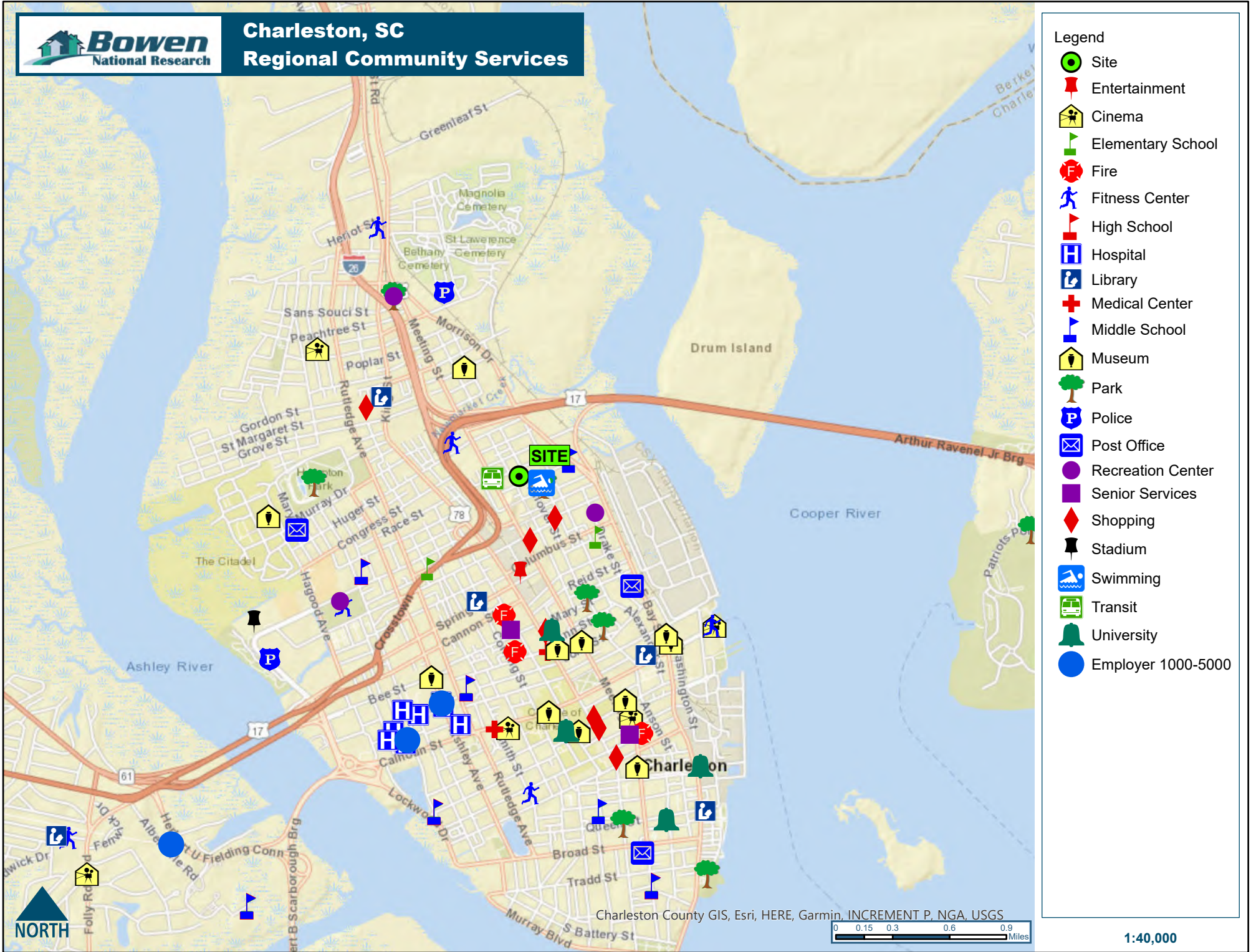


Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



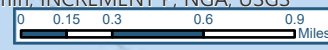
1:20,000





- Legend**
- Site
  - Entertainment
  - Cinema
  - Elementary School
  - Fire
  - Fitness Center
  - High School
  - Hospital
  - Library
  - Medical Center
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Senior Services
  - Shopping
  - Stadium
  - Swimming
  - Transit
  - University
  - Employer 1000-5000

Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:40,000

**6. CRIME ISSUES**

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

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

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

Total crime risk (125) for the Site ZIP Code is above the national average with an overall personal crime index of 121 and a property crime index of 125. Total crime risk (122) for Charleston County is above the national average with indexes for personal and property crime of 111 and 124, respectively.

	Crime Risk Index	
	Site ZIP Code	Charleston County
<b>Total Crime</b>	<b>125</b>	<b>122</b>
<b>Personal Crime</b>	<b>121</b>	<b>111</b>
Murder	365	207
Rape	65	95
Robbery	165	105
Assault	106	114
<b>Property Crime</b>	<b>125</b>	<b>124</b>
Burglary	88	103
Larceny	132	129
Motor Vehicle Theft	154	128

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index within the site’s ZIP Code (125) is similar with that of Charleston County (122), both of which are slightly above the national average (100). However, the slightly elevated crime index within the area has not had an adverse impact on the Charleston rental housing market, as evidenced by the generally high occupancy levels maintained at the majority of the surveyed properties. As such, it is not anticipated that the perception of crime will have any impact on the site’s marketability.

A map illustrating crime risk is on the following page.





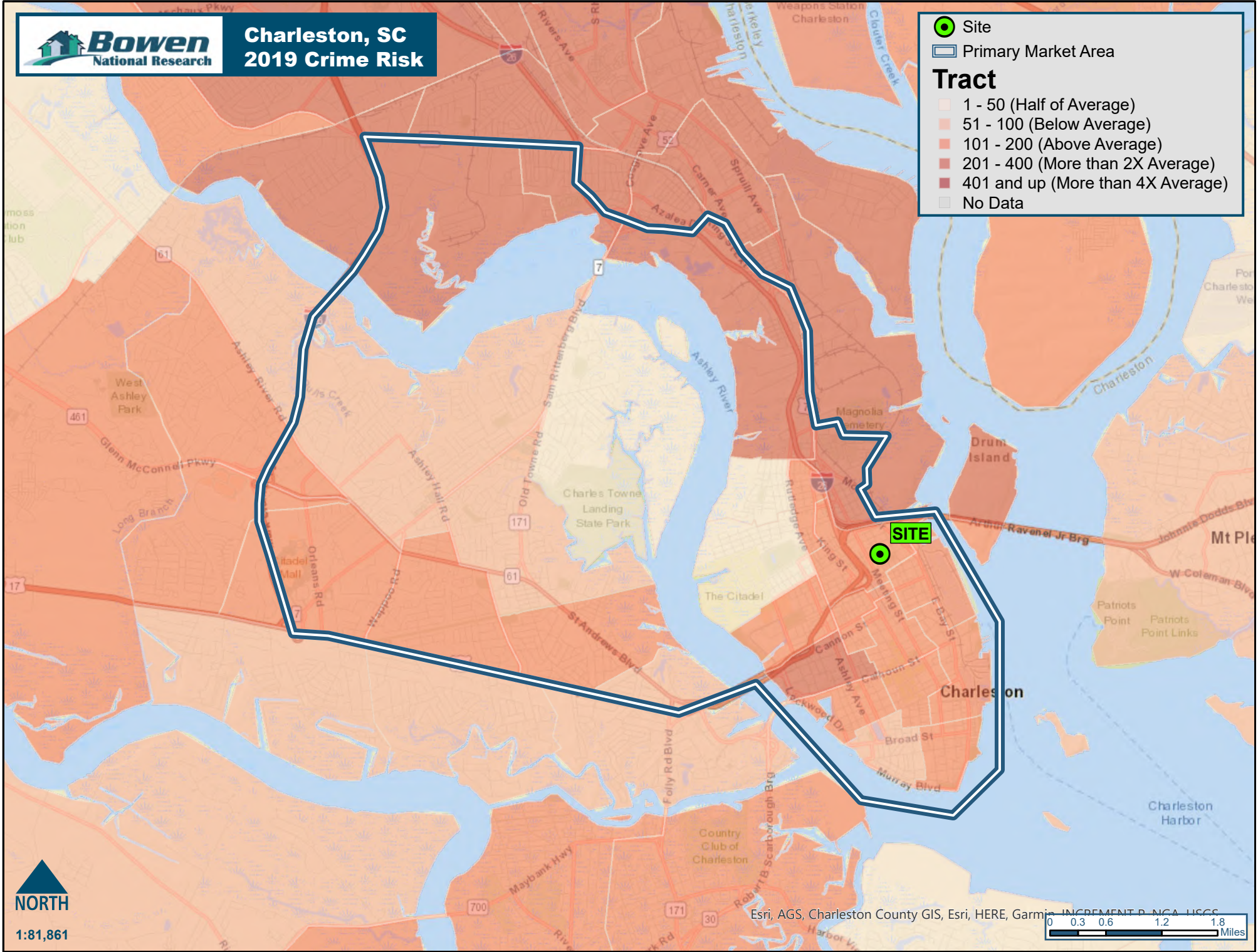
# Charleston, SC 2019 Crime Risk

● Site

▭ Primary Market Area

**Tract**

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



1:81,861

## **7. ACCESS AND VISIBILITY**

The subject property derives access from Nassau Street, a one-way southbound residential roadway, that traverses through the site. Additionally, Harris Street and Jackson Street, along with Hanover Street, all border the site and provide direct access to and from Meeting Street, approximately 0.2 miles west of the site. Meeting Street is a two-lane, north-south residential roadway with light to moderate traffic. This roadway also provides direct access to U.S. Highway 52, a four-lane, north-south arterial roadway with moderate to heavy traffic. Traffic in the immediate site neighborhood, was observed to be light, which allows for convenient ingress and egress. In addition, there are scheduled public transportation services, provided by the Charleston Area Regional Transportation Authority (CARTA), available approximately 0.1 miles west of the site along Meeting Street. Overall access to the subject site is considered good and is expected to have a positive impact on its overall marketability.

Visibility of the proposed subject site is considered excellent as passing motorists will have a clear view of the site in both directions of travel. Site signage is recommended at the intersection of Meeting Street and Harris Street or Meeting Street and Jackson Street during construction and lease-up to increase awareness of the subject site. Overall, visibility of the site is considered good.

## **8. VISIBLE OR ENVIRONMENTAL ISSUES**

There were no visible or environmental issues at the subject site during the site visit.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is situated within an established mixed-use area in the northern portion of downtown Charleston and is expected to fit well with the surrounding land uses. Visibility of the subject site is good, with clear views from all surrounding roadways. Access to and from the site is considered good, due to the light traffic on Nassau Street, a southbound two-lane roadway, as well as the remaining surrounding roadways (Hanover Street, Harris Street and Jackson Street). Additionally, CARTA provides scheduled public transportation services within the area, with the nearest bus stop approximately 0.1 miles west of the site. The site is close to shopping, employment, recreation, entertainment and education opportunities, and social and public safety services are all within 1.5 miles. Proximity and ease of access to U.S. Highway 17 and U.S. Highway 52, as well as Interstate 26, enhances access and overall marketability of the site. Overall, we expect the site's proximity to community services to have a positive impact on marketability.

## D. Primary Market Area Delineation

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

The Charleston Site PMA includes the city of Charleston and portions of North Charleston, as well as outlying portions of unincorporated areas of Charleston County. Specifically, the boundaries of the Site PMA consist of Dorchester Road and Interstate 26 to the north; U.S. Highway 52 Lemon Street, Magnolia Avenue, Seaboard System Railway, Romney Street, Morrison Drive, U.S. Highway 17 and Cooper River to the east; Cooper and Ashley rivers and U.S. Highway 17 to the south; and Interstate 526 to the west. The Site PMA includes all of, or portions of, the following Census Tracts:

1	2	4	5	6	7
9	10	11	15	16	26.04
26.05	26.06	26.12	26.13	26.14	27.01
27.02	29	30	39	40	44
51	52	53	54	-	-

\*Subject site location

- Rachel Felker is the Property Manager at North Central Apartments (Map ID 18), an age-restricted LIHTC community located within the Site PMA. Ms. Felker confirmed the boundaries of the Site PMA, stating that the majority of support for this property originates from low-income households currently residing in the areas surrounding downtown Charleston. Ms. Felker added that it is likely the subject site will receive most of its support from within the downtown Charleston area and the areas west including the Charleston neighborhood of West Ashley, thus confirming the Site PMA.
- Sarah Flowers is the Property Manager at Radcliffe Manor (Map ID 23), an age-restricted LIHTC community located within the Site PMA. Ms. Flowers confirmed the boundaries of the Site PMA, stating that most of the tenants that reside at her community are from downtown Charleston and the Charleston neighborhood of West Ashley.



- Cecilia Bellegante is the Property Manager at Osprey Place (Map ID 19), a general-occupancy LIHTC and market-rate community located in the Site PMA. Ms. Bellegante also confirmed the boundaries of the Site PMA, stating that most of the tenants at her community come from Charleston and North Charleston. Ms. Bellegante further commented that support for an age-restricted LIHTC community at the site's location would likely come from within the immediate downtown area and its surrounding neighborhoods.

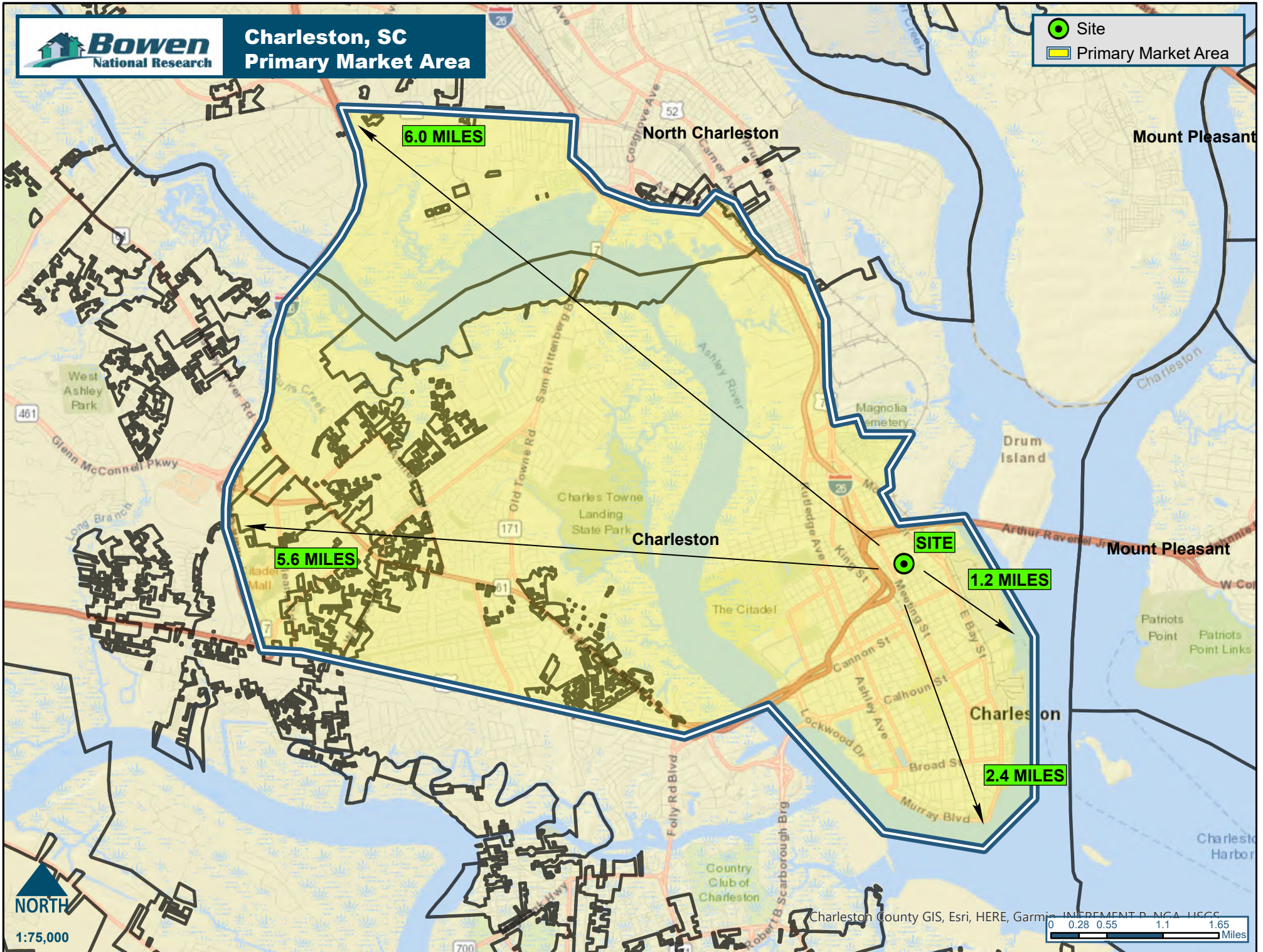
A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

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



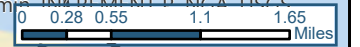
# Charleston, SC Primary Market Area

- Site
- Primary Market Area



NORTH

1:75,000



Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NCA, USGS



## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

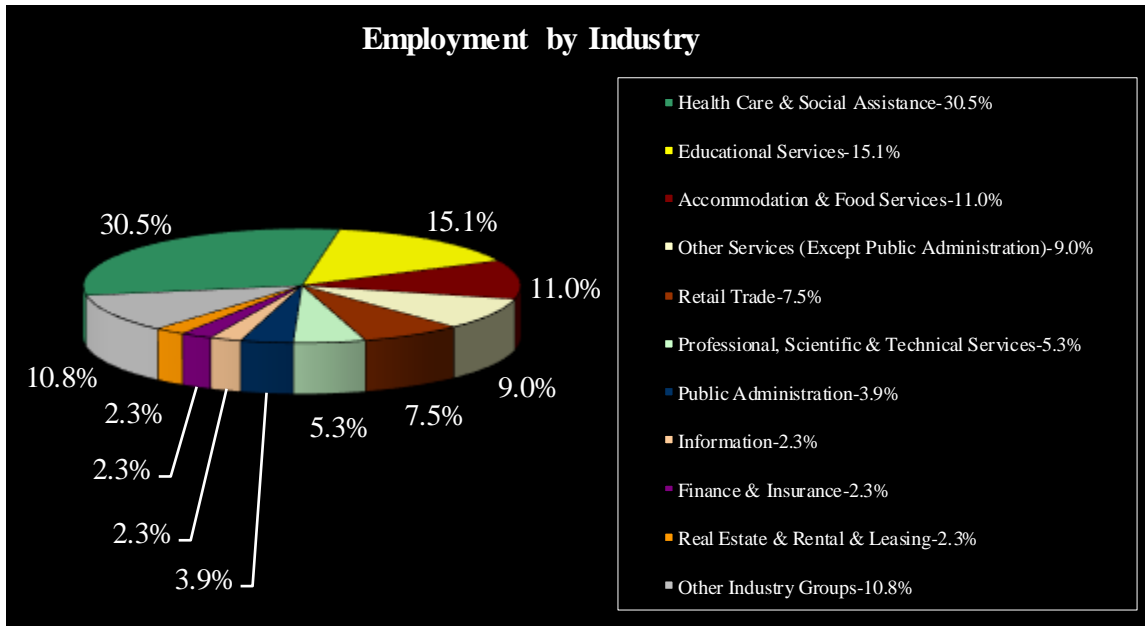
The labor force within the Charleston Site PMA is based primarily in three sectors. Health Care & Social Assistance (which comprises 30.5%), Educational Services and Accommodation & Food Services comprise nearly 57% of the Site PMA labor force. Employment in the Charleston Site PMA, as of 2019, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	5	0.1%	40	0.0%	8.0
Mining	3	0.1%	16	0.0%	5.3
Utilities	1	0.0%	2	0.0%	2.0
Construction	238	4.3%	2,199	2.1%	9.2
Manufacturing	107	1.9%	1,905	1.8%	17.8
Wholesale Trade	110	2.0%	1,149	1.1%	10.4
Retail Trade	794	14.4%	7,852	7.5%	9.9
Transportation & Warehousing	92	1.7%	1,223	1.2%	13.3
Information	115	2.1%	2,443	2.3%	21.2
Finance & Insurance	305	5.5%	2,422	2.3%	7.9
Real Estate & Rental & Leasing	350	6.4%	2,361	2.3%	6.7
Professional, Scientific & Technical Services	700	12.7%	5,558	5.3%	7.9
Management of Companies & Enterprises	12	0.2%	55	0.1%	4.6
Administrative, Support, Waste Management & Remediation Services	174	3.2%	2,140	2.0%	12.3
Educational Services	128	2.3%	15,753	15.1%	123.1
Health Care & Social Assistance	410	7.5%	31,939	30.5%	77.9
Arts, Entertainment & Recreation	154	2.8%	2,357	2.3%	15.3
Accommodation & Food Services	543	9.9%	11,516	11.0%	21.2
Other Services (Except Public Administration)	602	10.9%	9,394	9.0%	15.6
Public Administration	196	3.6%	4,047	3.9%	20.6
Nonclassifiable	460	8.4%	216	0.2%	0.5
<b>Total</b>	<b>5,499</b>	<b>100.0%</b>	<b>104,587</b>	<b>100.0%</b>	<b>19.0</b>

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

E.P.E. - Average Employees Per Establishment

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



## 2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Charleston-North Charleston Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Charleston-North Charleston MSA	South Carolina
Management Occupations	\$107,780	\$103,100
Business and Financial Occupations	\$67,430	\$64,640
Computer and Mathematical Occupations	\$80,530	\$74,030
Architecture and Engineering Occupations	\$79,590	\$79,960
Community and Social Service Occupations	\$45,710	\$43,170
Art, Design, Entertainment and Sports Medicine Occupations	\$48,760	\$48,550
Healthcare Practitioners and Technical Occupations	\$77,770	\$73,040
Healthcare Support Occupations	\$32,060	\$29,070
Protective Service Occupations	\$41,640	\$38,670
Food Preparation and Serving Related Occupations	\$23,320	\$21,910
Building and Grounds Cleaning and Maintenance Occupations	\$25,100	\$25,170
Personal Care and Service Occupations	\$25,780	\$24,210
Sales and Related Occupations	\$36,380	\$34,590
Office and Administrative Support Occupations	\$36,300	\$34,970
Construction and Extraction Occupations	\$42,960	\$41,220
Installation, Maintenance and Repair Occupations	\$46,360	\$44,730
Production Occupations	\$42,410	\$39,000
Transportation and Moving Occupations	\$37,930	\$33,870

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

Most annual blue-collar salaries range from \$23,320 to \$48,760 within the Charleston-North Charleston MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$82,620. It is important to note that most occupational types within the Charleston-North Charleston MSA have higher typical wages than the state of South Carolina's typical wages. Nonetheless, the area employment base has a sufficient number of income-appropriate occupations from which the subject project will draw renter support.

### 3. AREA'S LARGEST EMPLOYERS

The ten largest employers within Charleston County comprise a total of 65,400 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Joint Base Charleston	Area U.S. Military Commands	22,000
Medical University of South Carolina	Healthcare/Research & Education	13,000
The Boeing Company	Aircraft Manufacturing	7,000
Charleston County School District	Education	6,500
Roper St. Francis Healthcare	Healthcare	5,500
Charleston County	County Government	2,600
Trident Health System	Healthcare	2,500
Walmart Inc.	Retail Merchandise	2,300
College of Charleston	Education	2,000
Robert Bosch LLC	Antilock Brake Systems/Fuel Injectors	2,000
Total		65,400

Source: Center for Business Research

Despite multiple attempts to contact economic representatives regarding the health of the local employment base, a response was not at the time this report was issued. The following was obtained via extensive online research:

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
Spartan Motors, Inc	\$1.15 million	308	Announced expansion plans in October 2019; Located at 6555 Fain Street in North Charleston; Expanding production operations including custom shelving, lighting, and ergonomic design services for commercial vehicles; Expected to build 20,000 vehicles for Amazon's delivery service
Resy	N/A	23	Reservations app developer; Announced in October 2019 plans to expand its workforce; Located at 796 Meeting Street in Charleston; Expected to create jobs over the next year
Smithey Ironware Company	\$2 million	22	Designer and manufacturer of cast iron and carbon steel cookware; Announced in July 2019 plans for expansion; New headquarters located at 1465 Pipefitter Street in North Charleston's Navy Yard; 15,000 square-foot facility; Includes the company's fulfillment center, sales hub, call center, operations hub, and production

N/A – Not Available

(Continued)

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
eGroup	\$6.3 million	35	Provider of innovative business information technology services; Announced in July 2019 plans for expansion; New 18,000 square-foot facility in Charleston County; In addition to their existing location at 482 Wando Park Boulevard in Mount Pleasant; Expected completion is in fall 2020
Victor Hoppenstein's Brewlab	\$1.1 million	16	Craft brewery; Located at 2200 Heriot Street in Charleston; Expected completion is by the end of 2019
High Wire Distilling Company	\$3 million	45	Spirits producer; Announced in July 2019 plans to expand and relocate; Moving to 311 Huger Street in Charleston; Occupying around 22,000 square feet of the 44,000 square-foot building; Expected completion is in early 2020
Lab Medical Manufacturing, Inc.	\$5 million	30	Manufacturer of medical devices; Located at 1750 Signal Point Road, Unit 3 in the James Island Business Park; Opened September 2019; Expected to create jobs over the next five years
Amazon	N/A	50	Announced in August 2018 plans to expand; Located in Ladson near the former General Dynamics Plant on U.S. Highway 78; 17,236 square-foot warehouse; 2,150 square-foot covered loading dock
Jasper on Broad Street	N/A	N/A	Mixed-use; Located at 310 Broad Street in Charleston; 25,000 square feet of ground-floor retail; 75,000 square feet of office space along Barre Street; 219 residential units; Broke ground August 2018; Expected completion is in 2020
Epic Center	N/A	N/A	Submitted plans August 2019; Located at 2070 Sam Rittenberg Boulevard in Charleston; Mixed-use; 600,000 square feet of retail space; 1.4 million square feet of office space; 275,000 square feet medical space; 200,000 square feet sports space; 15,000 square feet civic space; 500-room hotel; 1,225 residential units
Morrison Yard	N/A	N/A	In April 2019 received preliminary approval; Located at 838 Morrison Drive in Charleston; Mixed-use; Retail, restaurant, and office space; 370 residential units
411 Meeting Street	N/A	N/A	As of June 2019, plans under review; Located at 411 Meeting Street in Charleston; Mixed-use; 300-room hotel; Two restaurants; Outdoor plaza; More than 10,000 square-foot ballroom; 300 residential units

N/A- Not Available

Infrastructure Projects		
Project Name	Scope of Work	Status
Ashley Hall Plantation Bridge	Removal of existing bridge; Construction of the new bridge	Expected completion is in May 2020
Palmetto Commerce Interchange	Constructing a new interchange on Interstate 26 between US 78 (University Boulevard) and Ashley Phosphate Road which will provide connection to Palmetto Commerce Parkway, Weber Boulevard, and Ingleside Boulevard	Construction expected to begin in June 2020; Expected completion is in August 2022
Billy Swails Boulevard 4B	Constructing a two-lane divided roadway with median, and turn lanes joining the existing Sweetgrass Basket Parkway on the west to the existing portion of Billy Swails Boulevard to the east	Construction expected to begin in August 2022
Interstate 526 Lowcountry Corridor (LCC)	Improving a 23-mile connection between West Ashley and Mount Pleasant; Includes widening Interstate 526 from four to six lanes from Rivers Avenue to Paul Cantrell Boulevard;	Proposed

WARN (layoff notices):

WARN Notices were reviewed on March 11, 2020 and according to the South Carolina Works, there have been nine WARN notices reported for Charleston County over the past 18 months. Below is a table summarizing these notices:

WARN Notices			
Company	Location	Jobs	Effective Date
BOSCH	Charleston	430	07/31/2021
WestRock	North Charleston	23	03/09/2020
DSV Solutions, LLC	Charleston	69	02/02/2020
Gear Design & Manufacturing – AAM Charleston	North Charleston	85	8/1/19
Thesys CAT, LLC	Charleston	41	4/15/19
Lowe’s Companies, Inc	Charleston	80	3/25/19
IHG	North Charleston	626	11/2/18
Verizon	North Charleston	92	9/29/18
On Demand Publishing, LLC	North Charleston	58	7/3/18

As the preceding table illustrates, the nine WARN notices reported within Charleston County over the previous 18 months impacted a total of 1,504 employees, which comprises just 0.7% of the entire employment base in Charleston County reported through 2019. Therefore, it is reasonable to assume that these WARN notices did not, and have not, had any tangible impact on the overall Charleston economy.

**4. EMPLOYMENT TRENDS**

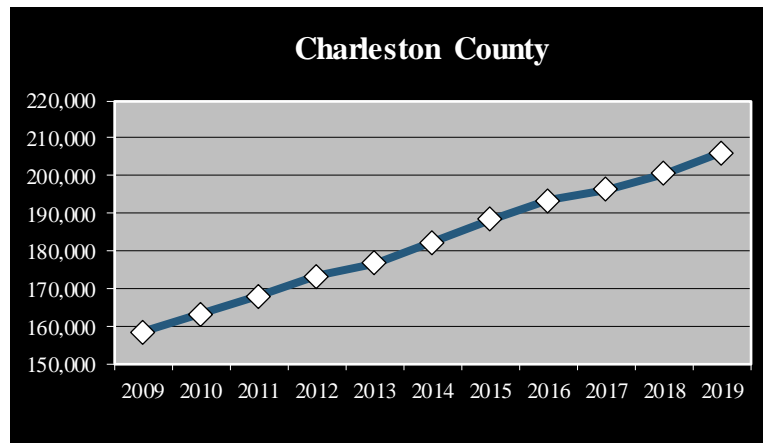
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2019, the employment base has increased by 10.0% over the past five years in Charleston County, more than the South Carolina state increase of 8.7%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Charleston County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2009	158,380	-	1,910,670	-	140,696,560	-
2010	163,111	3.0%	1,915,045	0.2%	140,469,139	-0.2%
2011	167,780	2.9%	1,945,900	1.6%	141,791,255	0.9%
2012	173,166	3.2%	1,985,618	2.0%	143,621,634	1.3%
2013	176,533	1.9%	2,023,642	1.9%	145,017,562	1.0%
2014	182,328	3.3%	2,078,592	2.7%	147,313,048	1.6%
2015	188,413	3.3%	2,137,158	2.8%	149,564,649	1.5%
2016	193,260	2.6%	2,181,587	2.1%	151,965,225	1.6%
2017	196,266	1.6%	2,212,845	1.4%	154,271,036	1.5%
2018	200,598	2.2%	2,259,057	2.1%	156,328,502	1.3%
2019	206,163	2.8%	2,308,362	2.2%	158,521,046	1.4%

Source: Department of Labor; Bureau of Labor Statistics

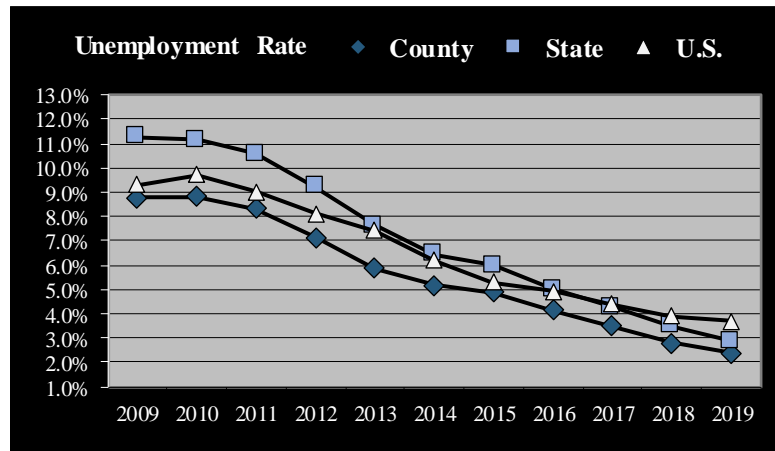


As the preceding illustrates, the Charleston County employment base has increased by 47,783 employees, or 30.2%, between 2009 and 2019. Notably, the rate of job growth within the county has generally outpaced those of the state and nation within the preceding ten-year period.

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

Year	Unemployment					
	Charleston County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2009	15,191	8.8%	242,075	11.3%	14,430,158	9.3%
2010	15,736	8.8%	240,623	11.2%	15,070,017	9.7%
2011	15,229	8.3%	229,623	10.6%	14,035,049	9.0%
2012	13,340	7.1%	201,260	9.2%	12,691,553	8.1%
2013	11,037	5.9%	167,326	7.6%	11,634,201	7.4%
2014	9,941	5.2%	143,753	6.5%	9,776,089	6.2%
2015	9,616	4.9%	135,838	6.0%	8,421,481	5.3%
2016	8,274	4.1%	115,213	5.0%	7,858,728	4.9%
2017	7,119	3.5%	98,921	4.3%	7,098,786	4.4%
2018	5,719	2.8%	80,882	3.5%	6,395,831	3.9%
2019	4,961	2.4%	67,707	2.9%	6,089,163	3.7%

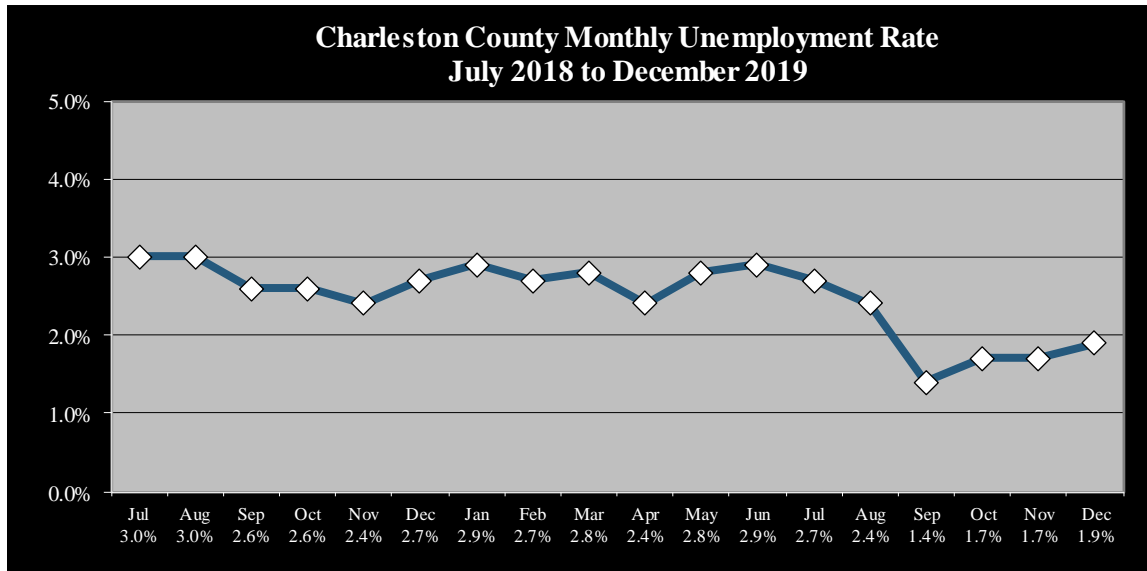
Source: Department of Labor; Bureau of Labor Statistics



As the preceding illustrates, the unemployment rate within the county has generally trended downward within the preceding ten-year period. Notably, the county's current unemployment rate of 2.4% (through 2019) is the lowest rate since 2009 and is below both the state and national averages of 2.9% and 3.7%, respectively.

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





During the previous 18-month period, the unemployment rate has generally trended downward from a high of 3.0% reported in July 2018 to 1.4% reported in September 2019.

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

In-Place Employment Charleston County			
Year	Employment	Change	Percent Change
2009	201,226	-	-
2010	204,418	3,192	1.6%
2011	210,222	5,804	2.8%
2012	217,132	6,910	3.3%
2013	218,319	1,187	0.5%
2014	228,699	10,380	4.8%
2015	235,308	6,609	2.9%
2016	241,962	6,654	2.8%
2017	246,380	4,418	1.8%
2018	254,079	7,699	3.1%
2019*	258,966	4,887	1.9%

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

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Charleston County to be 126.7% of the total Charleston County employment. This means that Charleston County has more employed persons coming to the county from other counties for work (daytime employment) than those who both live and work there.



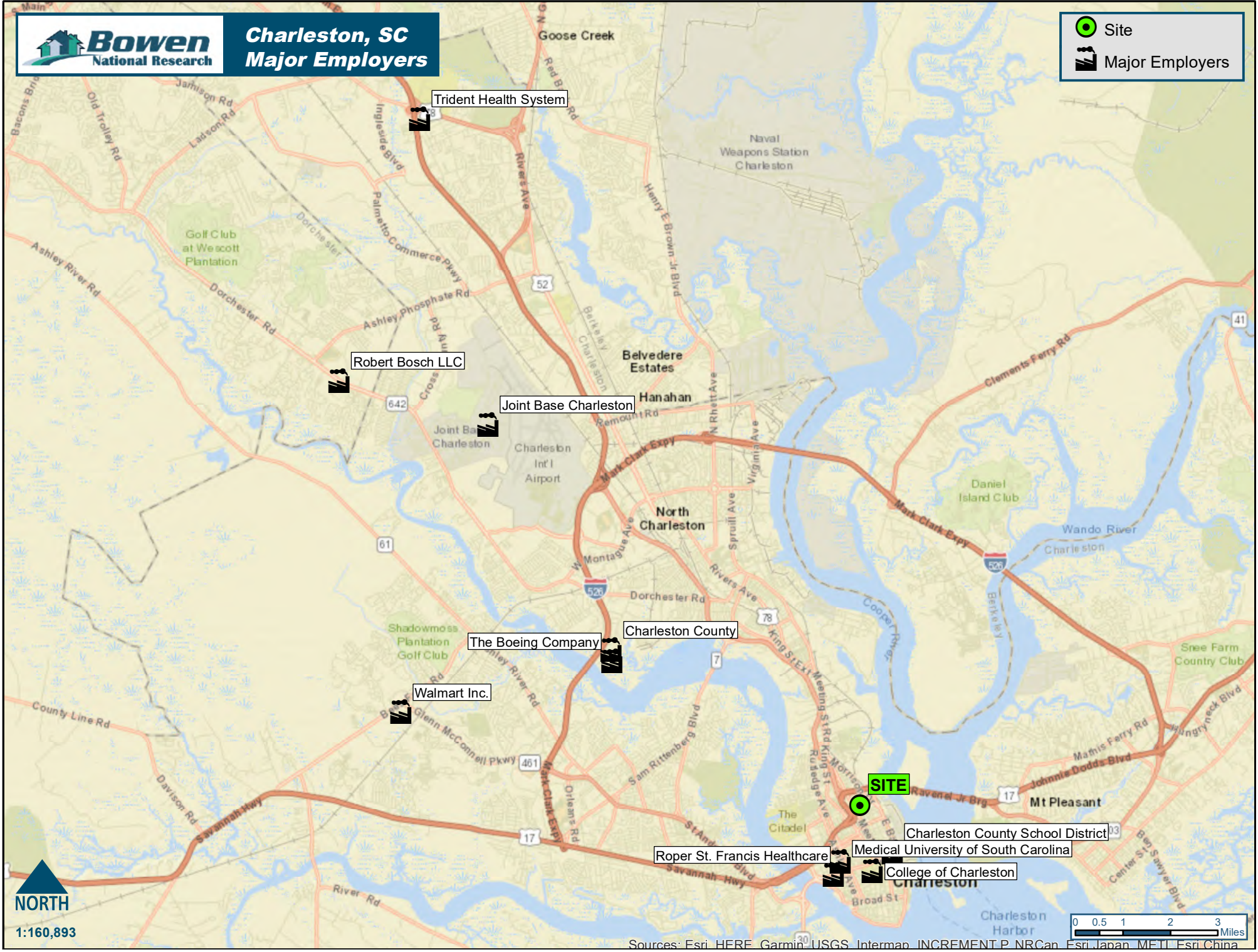
5. **EMPLOYMENT CENTERS MAP**

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

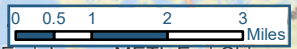


# Charleston, SC Major Employers

- Site
- Major Employers



**NORTH**  
1:160,893



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

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	22,092	67.6%
Carpooled	2,251	6.9%
Public Transit	835	2.6%
Walked	3,276	10.0%
Other Means	2,662	8.1%
Worked at Home	1,558	4.8%
Total	32,674	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Nearly 68% of all workers drove alone, 6.9% carpooled and only 2.6% used public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	11,056	33.8%
15 to 29 Minutes	14,188	43.4%
30 to 44 Minutes	4,269	13.1%
45 to 59 Minutes	810	2.5%
60 or More Minutes	793	2.4%
Worked at Home	1,558	4.8%
Total	32,674	100.0%

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



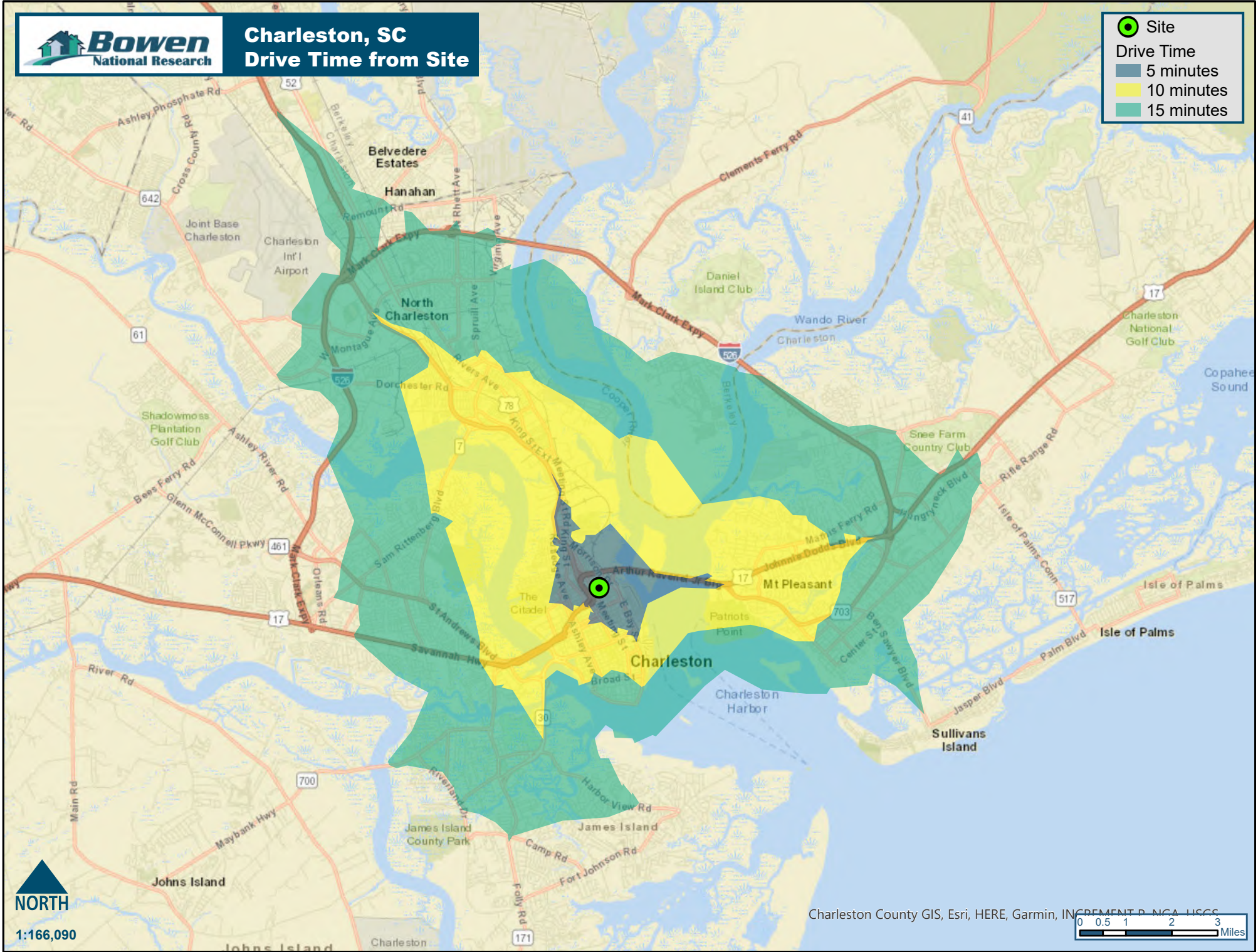


# Charleston, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



**NORTH**  
1:166,090

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



## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

Based on extensive online research, the area's economy continues to generally experience rapid growth. There have been various new business/business expansion projects in Charleston County, expected to create additional jobs within the next several years. Additionally, based on data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Charleston County employment base has increased by over 47,783 jobs, or 30.2%, and its employment rate has decreased by over six percentage points to 2.4% (through 2019) since 2009. Notably the rate of job growth within the county has generally outpaced those of the state and nation and its unemployment is the lowest it has been within the past decade. Based on these trends, it is expected that the local economy will continue to experience growth within the foreseeable future. In turn, this will continue to create a stable environment for housing.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2022 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2022 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2022 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Population	68,003	66,172	72,698	76,479
Population Change	-	-1,831	6,526	3,781
Percent Change	-	-2.7%	9.9%	5.2%

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

The Charleston Site PMA population base declined by 1,831 between 2000 and 2010. This represents a 2.7% decline over the 2000 population, or an annual rate of 0.3%. Between 2010 and 2019, the population increased by 6,526, or 9.9%. It is projected that the population will increase by 3,781, or 5.2%, between 2019 and 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 10.9% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	7,242	10.9%
Population not in Group Quarters	58,930	89.1%
Total Population	66,172	100.0%

Source: 2010 Census

**b. Population by Age Group**

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

Population by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	15,221	23.0%	16,188	22.3%	17,062	22.3%	874	5.4%
20 to 24	11,397	17.2%	11,148	15.3%	11,495	15.0%	347	3.1%
25 to 34	10,594	16.0%	11,828	16.3%	11,751	15.4%	-77	-0.7%
35 to 44	6,200	9.4%	7,354	10.1%	8,207	10.7%	853	11.6%
45 to 54	7,117	10.8%	6,568	9.0%	6,839	8.9%	271	4.1%
55 to 64	7,021	10.6%	7,904	10.9%	8,013	10.5%	109	1.4%
65 to 74	4,505	6.8%	6,619	9.1%	7,247	9.5%	628	9.5%
75 & Over	4,117	6.2%	5,089	7.0%	5,865	7.7%	776	15.2%
Total	66,172	100.0%	72,698	100.0%	76,479	100.0%	3,781	5.2%

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

As the preceding table illustrates, approximately 27% of the population is expected to be age 55 and older in 2019. This age group is the primary group of potential support for the subject project.

**c. Elderly and Non-Elderly Population**

The following compares the PMA's elderly (age 55+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2019 (Estimated)	2022 (Projected)
Elderly (Age 55+)	15,643	19,612	21,125
Non-Elderly	50,529	53,086	55,354
Total	66,172	72,698	76,479

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

The elderly population is projected to increase by 1,513, or 7.7%, between 2019 and 2022. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

**d. Special Needs Population**

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

**e. Minority Concentrations**

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



Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	80.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	79.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.8%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.4%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.1%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	1.2%

Source: U.S. Census Bureau, 2010 Census

Based on the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, over 45.0% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all established affordable units surveyed within the market are operating at high occupancy levels, most of which maintain waiting lists, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The subject project will accommodate a portion of this unmet demand.

## 2. HOUSEHOLD TRENDS

### a. Total Households

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

	Year			
	2000 (Census)	2010 (Census)	2019 (Estimated)	2022 (Projected)
Households	27,511	27,190	29,960	31,647
Household Change	-	-321	2,770	1,687
Percent Change	-	-1.2%	10.2%	5.6%
Household Size	2.47	2.43	2.18	2.19

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

Within the Charleston Site PMA, households declined by 321 (1.2%) between 2000 and 2010. Between 2010 and 2019, households increased by 2,770 or 10.2%. By 2022, there will be 31,647 households, an increase of 1,687 households, or 5.6% over 2019 levels. This is an increase of approximately 562 households annually over the next three years.

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

Households by Age	2010 (Census)		2019 (Estimated)		2022 (Projected)		Change 2019-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	3,997	14.7%	3,839	12.8%	3,982	12.6%	143	3.7%
25 to 34	5,366	19.7%	5,962	19.9%	5,894	18.6%	-68	-1.1%
35 to 44	3,294	12.1%	3,838	12.8%	4,301	13.6%	463	12.1%
45 to 54	3,947	14.5%	3,469	11.6%	3,604	11.4%	135	3.9%
55 to 64	4,382	16.1%	4,752	15.9%	4,804	15.2%	52	1.1%
65 to 74	3,108	11.4%	4,447	14.8%	4,857	15.3%	410	9.2%
75 to 84	2,151	7.9%	2,424	8.1%	2,791	8.8%	367	15.1%
85 & Over	945	3.5%	1,229	4.1%	1,415	4.5%	186	15.1%
Total	27,190	100.0%	29,960	100.0%	31,647	100.0%	1,687	5.6%

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

Between 2019 and 2022, the greatest growth among household age groups is projected to be among those over the age of 75, increasing by 553, or 15.1%. Households between the ages of 35 and 44 are also projected to experience significant growth, increasing by 463, or 12.1%, during the same time frame. These trends illustrate that there will be a need for housing for both families and seniors within the market.

**b. Households by Tenure**

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	11,672	42.9%	11,605	38.7%	12,003	37.9%
Renter-Occupied	15,518	57.1%	18,354	61.3%	19,645	62.1%
Total	27,190	100.0%	29,959	100.0%	31,647	100.0%

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

In 2019, homeowners occupied 38.7% of all occupied housing units, while the remaining 61.3% were occupied by renters.

Households by tenure for those age 55 and older in 2010, 2019 (estimated) and 2022 (projected) are distributed as follows:

Tenure Age 55+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,882	65.0%	7,955	61.9%	8,495	61.3%
Renter-Occupied	3,704	35.0%	4,897	38.1%	5,372	38.7%
Total	10,586	100.0%	12,852	100.0%	13,867	100.0%

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

A total of 4,897 (38.1%) of all households age 55 and older within the Site PMA were renters in 2019. Senior renters are projected to increase by 475, or 9.7%, between 2019 and 2022.

**c. Households by Income**

The distribution of households by income age 55 and older within the Charleston Site PMA is summarized as follows:

Household Income 55+	2010 (Census)		2019 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	1,479	14.0%	1,322	10.3%	1,328	9.6%
\$10,000 to \$19,999	2,031	19.2%	2,013	15.7%	2,056	14.8%
\$20,000 to \$29,999	1,541	14.6%	1,570	12.2%	1,615	11.6%
\$30,000 to \$39,999	996	9.4%	1,173	9.1%	1,214	8.8%
\$40,000 to \$49,999	951	9.0%	1,024	8.0%	1,065	7.7%
\$50,000 to \$59,999	563	5.3%	901	7.0%	980	7.1%
\$60,000 to \$74,999	694	6.6%	973	7.6%	1,073	7.7%
\$75,000 to \$99,999	643	6.1%	1,092	8.5%	1,270	9.2%
\$100,000 to \$124,999	462	4.4%	715	5.6%	828	6.0%
\$125,000 to \$149,999	262	2.5%	461	3.6%	561	4.0%
\$150,000 to \$199,999	371	3.5%	434	3.4%	526	3.8%
\$200,000 & Over	593	5.6%	1,175	9.1%	1,350	9.7%
Total	10,586	100.0%	12,853	100.0%	13,865	100.0%
Median Income	\$32,430		\$43,403		\$46,755	

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

In 2010, the median household income for households age 55 and older was \$32,430. This increased by 33.8% to \$43,403 in 2019. By 2022, it is projected that the median household income will be \$46,755, an increase of 7.7% from 2019.

**d. Average Household Size**

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



**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for age 55 and older for 2010, 2019 and 2022 for the Charleston Site PMA:

Renter Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	591	148	69	37	20	865
\$10,000 to \$19,999	824	189	89	48	26	1,176
\$20,000 to \$29,999	471	112	53	28	15	679
\$30,000 to \$39,999	230	58	27	15	8	338
\$40,000 to \$49,999	170	43	20	11	6	250
\$50,000 to \$59,999	64	18	8	4	2	96
\$60,000 to \$74,999	88	24	11	6	3	132
\$75,000 to \$99,999	52	14	7	4	2	78
\$100,000 to \$124,999	19	6	3	1	1	30
\$125,000 to \$149,999	17	5	2	1	1	27
\$150,000 to \$199,999	8	2	1	1	0	12
\$200,000 & Over	13	4	2	1	1	21
Total	2,547	623	292	157	84	3,704

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	587	167	78	34	16	883
\$10,000 to \$19,999	978	257	121	53	25	1,434
\$20,000 to \$29,999	562	150	71	31	15	829
\$30,000 to \$39,999	278	81	38	17	8	422
\$40,000 to \$49,999	235	72	34	15	7	362
\$50,000 to \$59,999	191	60	28	12	6	297
\$60,000 to \$74,999	193	61	29	13	6	301
\$75,000 to \$99,999	126	40	19	8	4	197
\$100,000 to \$124,999	37	12	6	2	1	58
\$125,000 to \$149,999	32	10	5	2	1	50
\$150,000 to \$199,999	7	2	1	0	0	12
\$200,000 & Over	33	11	5	2	1	52
Total	3,259	922	434	190	91	4,897

Source: ESRI; Urban Decision Group

Renter Age 55+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	585	163	77	33	16	872
\$10,000 to \$19,999	1,009	258	122	52	25	1,466
\$20,000 to \$29,999	583	153	72	31	15	854
\$30,000 to \$39,999	289	86	40	17	8	440
\$40,000 to \$49,999	262	80	38	16	8	403
\$50,000 to \$59,999	249	77	36	15	7	386
\$60,000 to \$74,999	250	79	37	16	7	389
\$75,000 to \$99,999	191	61	29	12	6	299
\$100,000 to \$124,999	55	18	9	4	2	87
\$125,000 to \$149,999	43	14	7	3	1	68
\$150,000 to \$199,999	13	4	2	1	0	21
\$200,000 & Over	53	18	9	4	2	85
Total	3,584	1,012	476	204	96	5,372

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 55 and older for 2010, 2019 and 2022 for the Charleston Site PMA:

Owner Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	199	231	90	64	30	614
\$10,000 to \$19,999	295	312	122	87	40	855
\$20,000 to \$29,999	291	318	124	89	41	862
\$30,000 to \$39,999	214	247	96	69	32	658
\$40,000 to \$49,999	227	264	103	74	34	701
\$50,000 to \$59,999	143	180	70	50	23	467
\$60,000 to \$74,999	174	216	84	60	28	562
\$75,000 to \$99,999	174	218	85	61	28	565
\$100,000 to \$124,999	126	171	67	48	22	432
\$125,000 to \$149,999	66	94	37	26	12	235
\$150,000 to \$199,999	102	143	56	40	18	359
\$200,000 & Over	160	229	90	64	29	572
Total	2,170	2,621	1,024	731	336	6,882

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	143	168	63	44	20	439
\$10,000 to \$19,999	199	217	81	57	26	579
\$20,000 to \$29,999	253	279	104	73	33	741
\$30,000 to \$39,999	242	290	109	76	35	751
\$40,000 to \$49,999	207	259	97	68	31	662
\$50,000 to \$59,999	182	240	90	63	29	604
\$60,000 to \$74,999	201	268	100	70	32	672
\$75,000 to \$99,999	264	360	135	94	43	895
\$100,000 to \$124,999	188	268	100	70	32	657
\$125,000 to \$149,999	118	167	62	44	20	411
\$150,000 to \$199,999	121	172	64	45	20	422
\$200,000 & Over	307	465	174	121	55	1,123
Total	2,425	3,153	1,179	824	376	7,956

Source: ESRI; Urban Decision Group

Owner Age 55+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	150	175	65	45	21	456
\$10,000 to \$19,999	204	221	82	57	26	590
\$20,000 to \$29,999	260	286	107	74	34	761
\$30,000 to \$39,999	247	301	112	78	36	774
\$40,000 to \$49,999	209	259	96	67	31	661
\$50,000 to \$59,999	182	236	88	61	28	595
\$60,000 to \$74,999	204	274	102	71	33	683
\$75,000 to \$99,999	285	392	146	101	47	970
\$100,000 to \$124,999	209	304	113	79	36	741
\$125,000 to \$149,999	140	201	75	52	24	492
\$150,000 to \$199,999	143	207	77	53	25	504
\$200,000 & Over	340	528	196	137	63	1,264
Total	2,574	3,383	1,258	876	402	8,493

Source: ESRI; Urban Decision Group



The following tables illustrate all household income by household size for age 55 and older for 2010, 2019 and 2022 for the Charleston Site PMA:

All Age 55+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	790	379	159	102	49	1,479
\$10,000 to \$19,999	1,119	501	210	135	65	2,031
\$20,000 to \$29,999	762	430	177	117	56	1,541
\$30,000 to \$39,999	445	305	124	84	39	996
\$40,000 to \$49,999	397	307	123	84	40	951
\$50,000 to \$59,999	207	197	78	55	25	563
\$60,000 to \$74,999	262	240	95	66	31	694
\$75,000 to \$99,999	226	231	91	64	30	643
\$100,000 to \$124,999	145	176	69	49	23	462
\$125,000 to \$149,999	84	99	39	27	13	262
\$150,000 to \$199,999	109	146	57	41	19	371
\$200,000 & Over	173	234	91	65	30	593
<b>Total</b>	<b>4,718</b>	<b>3,245</b>	<b>1,315</b>	<b>889</b>	<b>420</b>	<b>10,586</b>

Source: ESRI; Urban Decision Group

All Age 55+ Households	2019 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	731	335	141	78	37	1,322
\$10,000 to \$19,999	1,176	474	202	110	51	2,013
\$20,000 to \$29,999	815	428	175	104	48	1,570
\$30,000 to \$39,999	520	371	147	93	43	1,173
\$40,000 to \$49,999	442	331	131	82	38	1,024
\$50,000 to \$59,999	373	300	118	75	35	901
\$60,000 to \$74,999	394	329	129	83	38	973
\$75,000 to \$99,999	390	400	153	102	47	1,092
\$100,000 to \$124,999	225	279	106	72	33	715
\$125,000 to \$149,999	150	177	67	46	21	461
\$150,000 to \$199,999	129	174	65	45	21	434
\$200,000 & Over	340	476	179	124	57	1,175
<b>Total</b>	<b>5,684</b>	<b>4,075</b>	<b>1,613</b>	<b>1,014</b>	<b>467</b>	<b>12,853</b>

Source: ESRI; Urban Decision Group

All Age 55+ Households	2022 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	735	338	142	78	36	1,328
\$10,000 to \$19,999	1,213	479	204	109	51	2,056
\$20,000 to \$29,999	843	439	179	105	49	1,615
\$30,000 to \$39,999	536	386	152	95	44	1,214
\$40,000 to \$49,999	471	339	134	83	38	1,065
\$50,000 to \$59,999	431	313	124	77	35	980
\$60,000 to \$74,999	454	353	139	87	40	1,073
\$75,000 to \$99,999	476	453	174	114	52	1,270
\$100,000 to \$124,999	264	322	122	82	38	828
\$125,000 to \$149,999	184	215	81	55	25	561
\$150,000 to \$199,999	157	211	79	54	25	526
\$200,000 & Over	394	546	205	140	64	1,350
Total	6,157	4,395	1,734	1,080	498	13,865

Source: ESRI; Urban Decision Group

### Demographic Summary

Overall, population and household trends have been increasing since 2010 and are projected to remain positive through 2022, increasing by 3,781 (5.2%) and 1,687 (5.6%) from 2019, respectively. Additionally, senior (age 55 and older) renter households are projected to increase by 475 (9.7%) during the same time frame. As discussed later in *Section H* of this report, all established affordable rental units surveyed in the market are highly occupied, many of which maintain a waiting list. This indicates that there is pent-up demand for such housing and the need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

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

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

The subject site is within the Charleston-North Charleston, SC MSA, which has a four-person median household income of \$81,000 for 2020. The subject property will be restricted to households with incomes of up to 30%, 60%, 70% and 80% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI.

Household Size	Maximum Allowable Income			
	30%	60%	70%	80%
One-Person	\$17,010	\$34,020	\$39,690	\$45,360
Two-Person	\$19,440	\$38,880	\$45,360	\$51,840

The largest proposed units (two-bedroom) at the subject site are expected to house up to two-person senior households ages 55 and older. As such, the maximum allowable income at the subject site is **\$51,840**.

### 2. AFFORDABILITY

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

The proposed LIHTC units will have a lowest gross rent of \$455 (maximum allowable one-bedroom rent at 30% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,460. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$13,650**.



Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% AMHI)	\$13,650	\$19,440
Tax Credit (Limited to 60% AMHI)	\$25,500	\$38,880
Tax Credit (Limited to 70% AMHI)	\$30,060	\$43,680
Tax Credit Limited to 80% AMHI)	\$30,060	\$49,920
Tax Credit Overall*	\$13,650	\$49,920

\*Excludes those earning between \$19,441 and \$25,499 due to gap in affordability levels

### 3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2019 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2022) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater*

*percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, approximately 42.1% to 79.4% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on the 2017 ACS 5-Year Estimates Table B25016, 2.0% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*

The subject project is located in an urban area of South Carolina. As a result, we anticipate that 2.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 2.0% homeowner conversion rate in our capture rate estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### 4. METHODOLOGY

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2019 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

#### 5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no age-restricted LIHTC housing projects that were funded and/or built during the projection period (2019 to current). We did not identify any projects that were placed in service prior to 2019 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.



The following table contains a summary of our demand calculations.

Demand Component	Capture Rates by Percent of Median Household Income				
	LIHTC 30% (\$13,650- \$19,440)	LIHTC 60% (\$25,500- \$38,880)	LIHTC 70% (\$30,060- \$45,360)	LIHTC 80% (\$30,060- \$51,840)	*Overall (\$13,650- \$51,840)
Demand From New Renter Households (Income-Appropriate)	841 - 830 = 11	764 - 747 = 17	637 - 613 = 24	881 - 836 = 45	2,104 - 2,041 = 63
+					
Demand From Existing Households (Rent Overburdened)	830 X 79.4% = 659	747 X 58.2% = 435	613 X 46.6% = 286	836 X 42.1% = 352	2,041 X 60.3% = 1,231
+					
Demand From Existing Households (Renters In Substandard Housing)	830 X 2.0% = 17	747 X 2.0% = 15	613 X 2.0% = 12	836 X 2.0% = 17	2,041 X 2.0% = 41
+					
Demand From Existing Households (Senior Homeowner Conversion)	335 X 2.0% = 7	1,001 X 2.0% = 20	1,102 X 2.0% = 22	1,520 X 2.0% = 30	2,193 X 2.0% = 44
=					
Total Demand	694	487	344	444	1,379
-					
Supply (Directly Comparable Units Built And/Or Funded Since 2019)	0	0	0	0	0
=					
Net Demand	694	487	344	444	1,379
Proposed Units	25	17	39	8	89
Capture Rate	3.6%	3.5%	11.3%	1.8%	6.5%

N/A - Not Applicable

\*Excludes those earning between \$19,441 and \$25,499 due to gap in affordability levels

Typically under this methodology, capture rates below 30.0% are acceptable, while capture rates under 20.0% are ideal. As such, the subject's capture rates by AMHI level ranging from 1.8% to 11.3%, as well as the overall capture rate of 6.5%, are considered low and easily achievable. This demonstrates that a significant base of demographic support exists for the subject site.

It is also worth noting that the preceding demand estimates consider a two-person maximum income for this age-restricted project. In reality, the subject project will likely also attract some three-person senior households. As such, the number of income-qualified households is likely larger than the preceding illustrates.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
Studio	15.0%
One-Bedroom	50.0%
Two-Bedroom	35.0%
Total	100.0%

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

Units Targeting 30% Of AMHI (694 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (15.0%)	104	0	104	0	-
One-Bedroom (50.0%)	347	0	347	20	5.8%
Two-Bedroom (35.0%)	243	0	243	5	2.1%

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

Units Targeting 60% Of AMHI (487 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (15.0%)	73	0	73	7	9.6%
One-Bedroom (50.0%)	244	0	244	10	4.1%
Two-Bedroom (35.0%)	170	0	170	0	-

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

Units Targeting 70% Of AMHI (344 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (15.0%)	52	0	52	0	3.7%
One-Bedroom (50.0%)	172	0	172	35	20.3%
Two-Bedroom (35.0%)	120	0	120	4	3.3%

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

Units Targeting 80% Of AMHI (444 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
Studio (15.0%)	67	0	67	0	-
One-Bedroom (50.0%)	222	0	222	6	2.7%
Two-Bedroom (35.0%)	155	0	155	2	1.3%

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

The capture rates by bedroom type are achievable, ranging from 1.3% to 20.3%. These capture rates indicate that sufficient support exists for the development of the subject project.

## **6. ABSORPTION PROJECTIONS**

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow state agency guidelines that assume a 2022 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2022. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 89 LIHTC units at the subject site will experience an average initial absorption rate of approximately ten units per month and reach a stabilized occupancy of 93.0% in eight months, with the 80% units likely experiencing the slowest absorption.



## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

We identified six age-restricted developments that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Site PMA, three of which we were able to survey at the time this report was issued. The three age-restricted LIHTC projects we were unable to survey in the market are listed below:

- King Street Apartments II
- Kings Crossing
- Mayflower Court

The three age-restricted LIHTC properties surveyed generally offer similar unit types targeting similar income levels and have been considered in our comparable analysis. Considering the limited supply of modern comparable age-restricted LIHTC product in the market, we also identified and surveyed one additional age-restricted property outside the Site PMA, but still in Charleston, that is considered comparable to the subject site. Note that this property located outside the Site PMA is not considered directly competitive and has been included only for comparability purposes. These properties and the subject development are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>The Archer School Senior Apartments</b>	<b>1934 / 2021</b>	<b>89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Senior 55+; 30%, 60%, 70% &amp; 80% AMHI &amp; Section 8</b>
18	North Central	2004	35	100.0%	1.0 Miles	115 HH	Seniors 55+; 50% & 60% AMHI
23	Radcliffe Manor	2004	64	100.0%	1.1 Miles	112 HH	Seniors 55+; 50% & 60% AMHI
24	Shady Grove	2005	71	100.0%	8.7 Miles	5 HH	Seniors 55+; 50% AMHI
904	Grandview Apts.	2011	72	100.0%	10.3 Miles	8 HH	Seniors 55+; 50% & 60% AMHI

OCC. – Occupancy

HH – Households

Map ID 904 is located outside the Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0% and all four properties maintain waiting lists, the longest of which contains 115 households. This illustrates that pent-up demand exists for additional affordable rental housing within the market and region. The subject development will accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		Studio	One-Br.	Two-Br.	
Site	<b>The Archer School Senior Apartments</b>	\$850/60% (7)	*\$455/30% (20) \$902/60% (10) \$1,002/70% (35) \$1,002/80% (6)	*\$546/30% (5) \$1,174/70% (4) \$1,174/80% (2)	-
18	North Central	-	\$725/50% (12/0) \$871/60% (12/0)	\$874/50% (5/0) \$1,004/60% (6/0)	None
23	Radcliffe Manor	-	-	\$785/50% (16/0) \$955/60% (48/0)	None
24	Shady Grove	-	\$690/50% (54/0)	\$828/50% (17/0)	None
904	Grandview Apts.	-	\$723/50% (12/0) \$869/60% (36/0)	\$867/50% (6/0) \$1,043/60% (18/0)	None

\*Subsidized, tenants of these units pay up to 30% of AMHI and not the rents reflected  
Map ID 904 is located outside the Site PMA

The subject rents at the 30% and 60% AMHI levels are competitive with those reported among the comparable properties. Considering the strong occupancy levels of the comparable properties and the subject’s competitive position in terms of design, the subject rents at the 30% and 60% AMHI levels are considered marketable within the Charleston market.

The subject rents at the 70% and 80% AMHI level will be the highest priced LIHTC units among the comparable properties. This is to be expected, however, given the higher AMHI targeting for these units as compared to existing product which only offers units targeting up to 60% AMHI. However, the subject rents at the proposed 70% and 80% AMHI levels are only slightly higher than the 60% rents being achieved at the comparable LIHTC properties. Considering that these rents will target households with higher incomes and are positioned well below the rents currently being achieved at modern market-rate properties in the area, these rents are also considered achievable and will likely be perceived as significant values in the Charleston market, as they represent market rent advantages of at least 41.0% (as illustrated in *Addendum C*).



The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
18	North Central	35	21	60.0%
23	Radcliffe Manor	64	25	39.1%
24	Shady Grove	71	20	28.2%
904	Grandview Apts.	72	14	19.4%
Total		242	80	33.1%

Map ID 904 is located outside the Site PMA

As the preceding table illustrates, there are a total of approximately 80 units that are occupied by Voucher holders among the four comparable LIHTC projects in the market and region. The 80 units occupied by Voucher holders comprise 33.1% of these comparable units. This illustrates that nearly 67.0% of these comparable Tax Credit units in the market and region are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned LIHTC projects are achievable.

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





**18 North Central** 1.0 miles to site



Address: 1054 King St., Charleston, SC 29403  
 Phone: (843) 577-6730 Contact: Rachel (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 35 Year Built: 2004  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3 (w/Elev)  
 Waitlist: 115 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (21 units)



**Features And Utilities**

Utility Schedule Provided by: Housing Authority of the City of Charleston

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Common Patio; Community Room; Elevator; On-Site Management; Recreation Areas (Picnic Table / Area); CCTV; Social Services (Health Screenings, Meals on Wheels, Social Services Coordinator)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	12	0	710	\$0.89	\$631	50%
1	1	G	12	0	710	\$1.09	\$777	60%
2	2	G	5	0	926	\$0.82	\$760	50%
2	2	G	6	0	926	\$0.96	\$890	60%

\* Adaptive Reuse

**23 Radcliffe Manor** 1.1 miles to site



Address: 200 Coming St, Charleston, SC 29403  
 Phone: (843) 722-2212 Contact: Sarah (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 64 Year Built: 2004  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3 (w/Elev)  
 Waitlist: 112 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (25 units)



**Features And Utilities**

Utility Schedule Provided by: Housing Authority of the City of Charleston

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Controlled Access; Walk-In Closet; Window Treatments; Flooring (Carpet, Vinyl, Wood Laminate / Plank)

Property Amenities: Common Patio; Activity-Craft Room, Community Room; Elevator; Laundry Room; On-Site Management; Social Services (Health Screenings, Meals on Wheels, Parties / Picnics)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	16	0	840	\$0.80	\$671	50%
2	1	G	48	0	840	\$1.00	\$841	60%

\* Adaptive Reuse

**24** Shady Grove 8.7 miles to site



Address: 1725 Savage Rd, Charleston, SC 29407  
 Phone: (843) 852-9965      Contact: Hope (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 71      Year Built: 2005  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3 (w/Elev)  
 Waitlist: 5 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (20 units)



### Features And Utilities

Utility Schedule Provided by: Housing Authority of the City of Charleston

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Elevator; Laundry Room; On-Site Management; Social Services (Classes, Day Care, Health Screenings, Meals on Wheels, Parties / Picnics, Social Services Coordinator); Extra Storage

Parking Type: Surface Lot

### Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	54	0	702	\$0.85	\$596	50%
2	2	G	17	0	973	\$0.73	\$714	50%

\* Adaptive Reuse



**904** Grandview Apts. 10.3 miles to site



Address: 1850 Magwood Dr, Charleston, SC 29414  
 Phone: (843) 718-2084      Contact: Svea (In Person)  
 Property Type: Tax Credit  
 Target Population: Senior 55+  
 Total Units: 72      Year Built: 2011  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 4 (w/Elev)  
 Waitlist: 8 HH;  
 Rent Special:

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

Notes: Tax Credit; HCV (14 units)



**Features And Utilities**

Utility Schedule Provided by: Housing Authority of the City of Charleston  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy, Fax); Activity-Craft Room, Community Room; Cabana; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards, Picnic Table / Area); Gated Community; Social Services (Classes, Health Screenings, Meals on Wheels, Parties / Picnics, Social Services Coordinator); Extra Storage

Parking Type: Podium Parking

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	12	0	716	\$0.88	\$629	50%
1	1	G	36	0	716	\$1.08	\$775	60%
2	2	G	6	0	922	\$0.82	\$753	50%
2	2	G	18	0	922	\$1.01	\$929	60%

\* Adaptive Reuse

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

Map I.D.	Project Name	Square Footage		
		Studio	One-Br.	Two-Br.
<b>Site</b>	<b>The Archer School Senior Apartments</b>	<b>575</b>	<b>775</b>	<b>900 - 975</b>
18	North Central	-	710	926
23	Radcliffe Manor	-	-	840
24	Shady Grove	-	702	973
904	Grandview Apts.	-	716	922

Map I.D.	Project Name	Number of Baths		
		Studio	One-Br.	Two-Br.
<b>Site</b>	<b>The Archer School Senior Apartments</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>
18	North Central	-	1.0	2.0
23	Radcliffe Manor	-	-	1.0
24	Shady Grove	-	1.0	2.0
904	Grandview Apts.	-	1.0	2.0

The subject development will generally offer some of the largest unit sizes (square feet) and a competitive number of bathrooms. The two full bathrooms in the subject’s two-bedroom units, as well as the large unit sizes, will ensure the subject is successful in achieving rent premiums.

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

Tax Credit Unit Amenities by Map ID						
	Site**	18	23	24	904	
Appliances	Dishwasher	X	X	X	X	X
	Disposal	X	X	X	X	
	Icemaker	X		S	X	
	Microwave	X	X	X	X	X
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony			X	X	
	Deck / Patio			X	X	
	Basement					
	Ceiling Fan	X	X	X	X	X
	Controlled Access	X		X		X
	E-Call System	X				
	Fireplace					
	Furnished					
	Security System					
	Sunroom					
	W/D Hookup	X	S		X	X
	W/D					
	Walk-In Closet	X		X		
	Window Treatments	X	X	X	X	X
	Flooring	Carpet	X	X	X	X
Ceramic Tile		X				
Composite (VCT)(LVT)		X			X	
Hardwood		X				
Finished Concrete						
Vinyl				X		
Wood Laminate / Plank				X		
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High Ceilings					
	Vaulted Ceilings					
	Crown Molding					
	Oversized Windows					
Parking	Attached Garage					
	Detached Garage					
	Surface Lot	X	X	X	X	
	Carport					
	Property Parking Garage					
	Podium Parking					X
	No Provided Parking					

\*\* Proposed Site(s): The Archer School Senior Apartments

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

\* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

	Site**	18	23	24	904
Bike Racks / Storage	X				
Business Center *	X			X	X
Car Care *					
Common Patio		X	X		
Community Garden	X				
Community Space					
Activity / Craft Room			X		X
Chapel					
Clubhouse				X	
Conference Room					
Community Kitchen					
Community Room	X	X	X		X
Dining Room - Private					
Dining Room - Public					
Rooftop Lounge					
Study Lounge					
TV Lounge					
Concierge Service *					
Convenience Amenities *					
Courtyard	X				
Covered Outdoor Area *	X				X
Elevator	X	X	X	X	X
Laundry Room	X		X	X	X
Meals					
On-Site Management	X	X	X	X	X
Pet Care *	X				
Recreation					
Basketball					
Bocce Ball					
Firepit					
Fitness Center	X				X
Grill					
Game Room - Billiards					X
Hiking - Walking Trail					
Hot Tub					
Library					
Media Room / Theater					
Picnic Table / Area		X			X
Playground					
Putting Green					
Racquetball					
Shuffleboard					
Sports Court					
Swimming Pool - Indoor					
Swimming Pool - Outdoor					
Tennis					
Volleyball					
Security					
CCTV	X	X			
Courtesy Officer					
Gated Community					X
Gated Parking					
Police Substation					
Social Services *	X	X	X	X	X
Storage - Extra				X	S
Water Feature					
WiFi					

\*\* Proposed Site(s): The Archer School Senior Apartments

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

\* Details in Comparable Property Profile Report



The subject project will offer a slightly superior overall amenity package. Most notably, the property will feature key *unit* amenities such as, but not limited to, a standard kitchen appliance package (plus microwave), in-unit washer/dryer hookups, walk-in closets, central air conditioning, controlled access and ceiling fans. *Community* features will include on-site management, laundry facility, community room, outdoor seating area, fitness center and computer center. The subject's superior amenities package will enable it to achieve rent premiums.

#### Comparable/Competitive Tax Credit Summary

The four LIHTC projects have a combined occupancy rate of 100.0% and all four properties maintain waiting lists, the longest of which contains 115 households. This illustrates that pent-up demand exists for additional affordable age-restricted rental housing within the market and region. The subject property will be competitive in the way of unit design (square feet and number of bathrooms) and will offer a superior amenities package. The subject's proposed gross Tax Credit rents at the 30% and 60% levels are competitive and marketable within the Charleston Site PMA. It is also of note that the subject project will offer the only units targeting households earning up to 70% and 80% of AMHI among the comparable properties. This is expected to create a competitive advantage for the property and fill a void in the Charleston market, as this will enable the subject project to target an income segment of renters that are currently underserved. The subject rents at the 70% and 80% AMHI level will be the highest priced LIHTC units among the comparable properties, which is to be expected, however, given the higher AMHI targeting for these units as compared to existing product which only offers units targeting up to 60% AMHI. However, the subject rents at the proposed 70% and 80% AMHI levels are only slightly higher than the 60% rents being achieved at the comparable LIHTC properties. Considering that these rents will target households with higher incomes and are positioned well below the rents currently being achieved at modern market-rate properties in the area, these rents are also considered achievable and will likely be perceived as significant values in the Charleston market.

## **2. COMPARABLE TAX CREDIT PROPERTIES MAP**

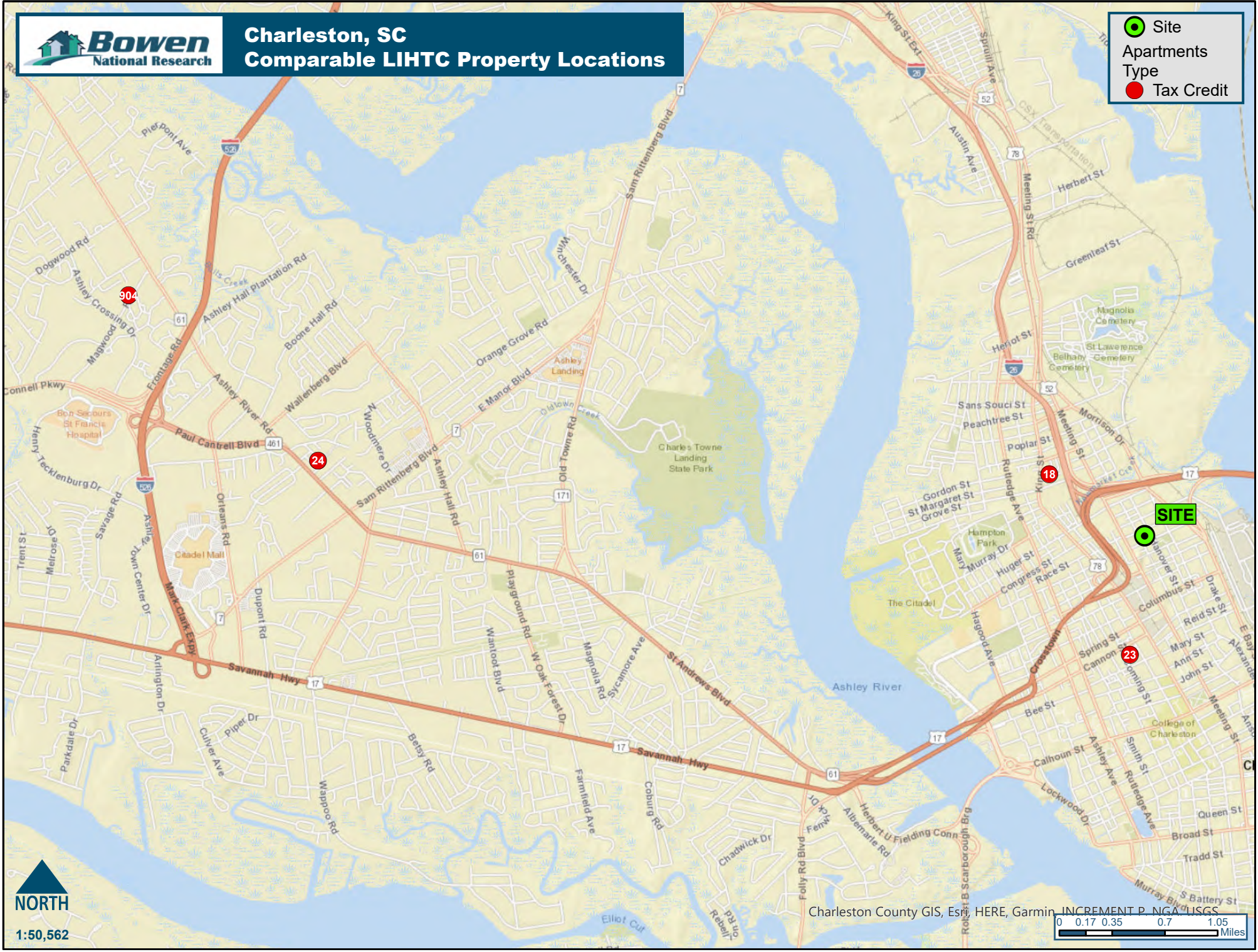
A map illustrating the location of the comparable Tax Credit properties we surveyed is on the following page.





# Charleston, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Tax Credit



1:50,562

Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGI, USGS  
0 0.17 0.35 0.7 1.05 Miles



### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Charleston Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2019 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	27,190	86.9%	29,960	86.5%
Owner-Occupied	11,672	42.9%	11,605	38.7%
Renter-Occupied	15,518	57.1%	18,354	61.3%
Vacant	4,100	13.1%	4,680	13.5%
Total	31,290	100.0%	34,640	100.0%

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

Based on a 2019 update of the 2010 Census, of the 34,640 total housing units in the market, 13.5% were vacant. In 2019, it was estimated that homeowners occupied 38.7% of all occupied housing units, while the remaining 61.3% were occupied by renters. The share of renters is considered typical for an urban market, such as the Charleston Site PMA, and the 18,354 renter households estimated in 2019 represent a deep base of continued and potential support for the subject project.

#### Conventional Apartments

We identified and personally surveyed 31 conventional housing projects containing a total of 5,091 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 91.2%. However, this includes two market-rate/Tax Credit properties (1000 Kings Apartments and 511 Meeting Apartments), which are currently in lease-up and reporting a combined 164 vacant units. Excluding these two properties, the overall market has a combined occupancy rate of 94.1%, a good rate for rental housing. The surveyed rental projects broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	2,965	282	90.5%
Market-rate/Tax Credit	3	428	165	61.4%
Tax Credit	5	360	0	100.0%
Tax Credit/Government-Subsidized	2	400	0	100.0%
Market-rate/Tax Credit/Government-Subsidized	1	328	0	100.0%
Government-Subsidized	8	610	0	100.0%
Total	31	5,091	447	91.2%

All rental housing segments surveyed within the market are performing well, with occupancy levels at or above 90.5% (when excluding two properties still in lease-up). In fact, there is only one vacant unit among affordable rental units surveyed and most affordable properties maintain waiting lists, illustrating that significant pent-up demand exists for additional affordable rental housing within the Charleston Site PMA. The subject project will accommodate a portion of this unmet demand.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	214	6.4%	39	18.2%	\$1,564
One-Bedroom	1.0	1,346	40.2%	201	14.9%	\$1,100
Two-Bedroom	1.0	548	16.3%	98	17.9%	\$1,429
Two-Bedroom	1.5	4	0.1%	0	0.0%	\$1,485
Two-Bedroom	2.0	906	27.0%	75	8.3%	\$1,266
Two-Bedroom	2.5	10	0.3%	0	0.0%	\$1,290
Three-Bedroom	1.0	27	0.8%	1	3.7%	\$1,472
Three-Bedroom	1.5	82	2.4%	4	4.9%	\$1,378
Three-Bedroom	2.0	205	6.1%	14	6.8%	\$1,237
Three-Bedroom	2.5	10	0.3%	0	0.0%	\$1,661
<b>Total Market-Rate</b>		<b>3,352</b>	<b>100.0%</b>	<b>432</b>	<b>12.9%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	87	17.4%	2	2.3%	\$690
One-Bedroom	2.0	24	4.8%	0	0.0%	\$690
Two-Bedroom	1.0	94	18.8%	6	6.4%	\$955
Two-Bedroom	2.0	160	31.9%	0	0.0%	\$828
Three-Bedroom	2.0	132	26.3%	7	5.3%	\$1,034
Four-Bedroom	2.5	4	0.8%	0	0.0%	\$1,355
<b>Total Tax Credit</b>		<b>501</b>	<b>100.0%</b>	<b>15</b>	<b>3.0%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents substantial values to low-income renters within the Charleston Site PMA. This is further evidenced by the fact that there is only one (1) vacant Tax Credit unit among all *established* Tax Credit properties surveyed within the Charleston Site PMA.



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

Year Built	Projects	Units	Vacancy Rate
Before 1970	3	583	6.0%
1970 to 1979	3	747	7.5%
1980 to 1989	4	1,086	6.1%
1990 to 1999	1	50	8.0%
2000 to 2009	5	422	0.2%
2010 to 2014	1	46	0.0%
2015	0	0	0.0%
2016	0	0	0.0%
2017	1	174	1.7%
2018	2	500	26.6%
2019	1	245	60.8%
2020*	0	0	0.0%

\*As of March

As stated throughout this report, two non-subsidized properties are currently in lease-up and reporting higher than typical vacancy rates. Excluding these properties, non-subsidized rental product is performing at a stable level, regardless of age. Nonetheless, the subject project will involve the adaptive-reuse of existing structures, as well as the new construction of some units. As such, the subject project is expected to be superior to the existing non-subsidized rental product in the market.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	174	1.7%
A-	2	515	49.1%
B+	1	420	6.7%
B	9	1,741	8.0%
B-	2	402	2.2%
C+	1	100	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	144	0.0%
A-	1	4	50.0%
B+	1	64	0.0%
B	4	254	5.1%
B-	1	35	0.0%

Excluding the properties still in lease-up, vacancy rates do not exceed 8.0% when broken out by quality. As such, it can be concluded that no correlation exists between quality and vacancies within the Site PMA. Regardless, the subject project will be significantly newer and likely of superior quality than the existing non-subsidized rental product.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) surveyed in the Site PMA, including the subject site, are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	110	17.5%	0	0.0%
Two-Bedroom	1.0	301	47.9%	0	0.0%
Three-Bedroom	1.0	47	7.5%	0	0.0%
Three-Bedroom	1.5	170	27.1%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>628</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	125	20.5%	0	0.0%
One-Bedroom	1.0	285	46.7%	0	0.0%
Two-Bedroom	1.0	55	9.0%	0	0.0%
Two-Bedroom	1.5	54	8.9%	0	0.0%
Three-Bedroom	1.0	58	9.5%	0	0.0%
Three-Bedroom	1.5	24	3.9%	0	0.0%
Four-Bedroom	1.0	9	1.5%	0	0.0%
<b>Total Subsidized</b>		<b>610</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units (both with and without Tax Credits) surveyed are fully occupied and maintain waiting lists. This illustrates that significant pent-up demand exists for very low-income housing in the market.

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

**4. RENTAL HOUSING INVENTORY MAP**

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

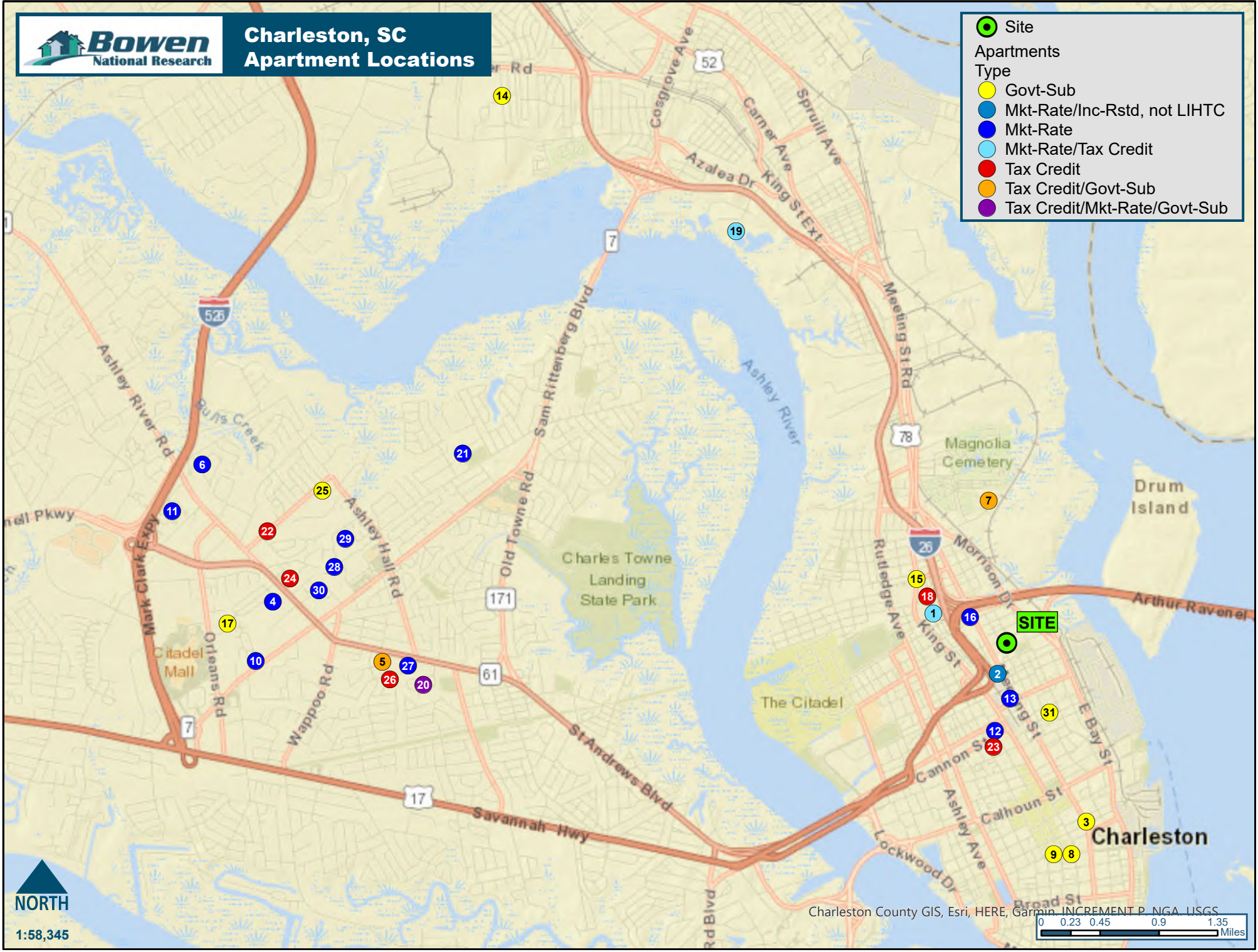


# Charleston, SC Apartment Locations

● Site

Apartment Type

- Govt-Sub
- Mkt-Rate/Inc-Rstd, not LIHTC
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub
- Tax Credit/Mkt-Rate/Govt-Sub



1:58,345



## 5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Despite multiple attempts to contact local planning and building officials regarding rental housing communities within the development pipeline in the Site PMA, a response was not received at the time this report was issued. The following was obtained via extensive online research:

Project Name & Address	Type	Units	Developer	Status/Details
Atlantic 55 Apts. 55 Romney St.	Market-Rate	260	Middle Street Partners	<b>Under Construction:</b> Eight-story building; Expected to start in February 2020
Foundry Point Apts. 6 Huguenin Ave.	Market-Rate	276	Middle Street Partners and White Point Partners	<b>Under Construction:</b> 84 one-bedroom units ranging from 602 square-feet to 867 square-feet with rent ranging from \$1,400 to \$1,649; 159 two-bedroom units ranging from 978 square-feet to 1,303 square-feet with rent at \$2,490; 33 three-bedroom units ranging from 1,562 square-feet to 1,742 square-feet with rent at \$3,900; Opened first building (24 units) in October 2019; Remaining units will open in stages
Merchant Apts. 15 Huguenin Ave.	Market-Rate	231	Pollack Shores Real Estate Group	<b>Under Construction:</b> 10 buildings; three to four stories; One- and two-bedroom units; 565 square-feet to 1,074 square-feet; Expected completion is in early 2020
New Orleans Gardens 1900 Hazelwood Dr.	Government Subsidized	100	Atlantic Housing	<b>Planned:</b> Renovations; Six studio units at 400 square feet with rent at \$619; Eight (8) one-bedroom units at 560 square feet with rent at \$673; 34 two-bedroom units at 780 square feet with rent at \$808; 42 three-bedroom units at 910 square feet with rent at \$890; 10 four-bedroom units at 1,040 square feet with rent at \$969; All units are currently subsidized; Expected to start in March 2020
New Market Square Apts. 287 Huger St.	Market-Rate	191	Madison Capital Group	<b>Under Construction:</b> One- and two-bedroom units; Expected completion in 2020
Jasper on Broad St. 310 Broad St.	Market-Rate	219	The Beach Company	<b>Under Construction:</b> Broke ground August 2018; 12-story building; Studio, one-, two-, and three-bedroom units; Mixed-use: 25,000 square-feet of ground floor retail and 75,000 square-feet of office space along Barre Street; Expected completion is in February 2021
Grace Homes 110 & 114 Cooper St.	Government Subsidized and Income Restricted	62	Housing Authority of Charleston	<b>Under Construction:</b> One-, two-, and three-bedroom units; 35 units subsidized with Project Based Vouchers; 21 two-bedroom and six (6) three-bedroom “workforce housing” units set at no more than 150% AMHI; 37 units targeting families and 25 units targeting seniors age 62 and older; Expected completion is in July 2020
Society at Laurens 32 Laurens St.	Market-Rate	148	Southern Land Company	<b>Under Construction:</b> Luxury units; One- and two-bedroom units; Two buildings; Broke ground January 2020; Expected completion in early 2022

TBD-To be determined

N/A-Not Available

AMHI-Area Median Household Income

ECD- Estimated completion date



(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Flats at 655 East Bay St. 655 East Bay St.	Market-Rate	51	Madison Capital Group	<b>Under Construction:</b> 26 one-bedroom units; 25 two-bedroom units; Four-story main building (three-stories of residential units above a parking deck); Additional six (6) three-story townhomes; Expected completion is spring 2020
Poinsette 194 Spring St.	Market-Rate	67	N/A	<b>Under Construction:</b> Studio, one-, and two-bedroom units; Expected completion in 2022
Epic Center 2070 Sam Rittenberg Blvd.	N/A	1,225	TMP Epic Center, LLC	<b>Planned:</b> Submitted plans August 2019; 1,025 multi-family units; 200 senior restricted units; Mixed-use: 600,000 square-feet of retail space, 1.4 million square-feet of office space, 275,000 square-feet medical space, 200,000 square-feet sports space, 15,000 square-feet civic space, and 500-room hotel
One80 Place 573 Meeting St.	Tax Credit	70	One80 Place	<b>Planned:</b> Announced in May 2019 plans to move forward with the project; Units will be targeted toward workers making at or near minimum wage and formerly homeless workers
Morrison Yard 838 Morrison Dr.	Market-Rate and Income Restricted	370	N/A	<b>Planned:</b> In April 2019 received preliminary approval; 10 percent of the units will be affordable housing or workforce housing; Mixed-use: retail, restaurant, and office space
411 Meeting St.	Market-Rate	300	Michael Bennett	<b>Planned:</b> Loft-style apartments and condominiums; Two (2) nine-story buildings; Plans under review as of June 2019

TBD-To be determined  
 N/A-Not Available  
 AMHI-Area Median Household Income  
 ECD- Estimated completion date

Of the aforementioned rental developments within the pipeline in the market, none are expected to target a similar income demographic as the subject site, as the site will be comprised of age-restricted Tax Credit units. As such, none of the units in the development pipeline have been considered in our demand estimates illustrated earlier in *Section G* of this report.

**7. MARKET ADVANTAGE**

Per the direction of the South Carolina State Housing Finance and Development Authority (SCSHFDA), the subject’s market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located. All developments must have an overall minimum market advantage of **10%**.

The current HUD FMRs within the Charleston-North Charleston, SC MSA are \$907 for a studio, \$1,035 for a one-bedroom unit and \$1,179 for a two-bedroom unit.



Market Advantage – Proposed Tax Credit Rents

The market rent advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

Bedroom Type	Proposed Collected Rent	Fair Market Rent	Market Advantage
Studio	\$760	\$907	16.21%
One-Br	*\$353	\$1,035	65.89%
One-Br	\$800	\$1,035	22.71%
One-Br	\$900	\$1,035	13.04%
One-Br	\$900	\$1,035	13.04%
Two-Br	*\$422	\$1,179	64.21%
Two-Br	\$1,050	\$1,179	10.94%
Two-Br	\$1,050	\$1,179	10.94%
<b>Weighted Average</b>			<b>18.86%</b>

\*Maximum allowable rents less the value of tenant-paid utilities

The collected Tax Credit rents represent market advantages between 10.94% and 65.89%. Note that the weighted average market advantage is 18.86%. This is above the SCSHFDA minimum threshold of 10.0% and illustrates that the subject project’s rents will likely be perceived as good values in this market.

Achievable Tax Credit Rent Conclusions

Although not required by SCSHFDA, we have derived achievable Tax Credit rents for the subject project, assuming the project is renovated as outlined in this report. The achievable Tax Credit rents are the highest rent an income-eligible renter would be expected (or willing) to pay. These rents are determined by considering the achievable market rents (as shown in *Addendum C*), the rents, occupancy rates and quality levels of competing/comparable LIHTC properties (as detailed earlier in this section), the performance of other affordable projects, the status and occupancy rates of other rental choices and the depth of support (capture rate) from income-eligible renters within the Site PMA.

Bedroom Type	% AMHI	Programmatic Rent*	Proposed LIHTC Rent	Achievable LIHTC Rent
Studio	60%	\$760	\$760	\$760
One-Br	30%	\$353	*\$353	\$353
One-Br	60%	\$809	\$800	\$809
One-Br	70%	\$961	\$900	\$925
One-Br	80%	\$1,113	\$900	\$995
Two-Br	30%	*\$422	*\$422	\$422
Two-Br	70%	\$1,151	\$1,050	\$1,050
Two-Br	80%	\$1,334	\$1,050	\$1,176

\*Maximum allowable rents less the value of tenant-paid utilities

As illustrated in the preceding table and stated throughout this report, the subject's proposed rents are positioned equal to or below the achievable and programmatic LIHTC rents. As such, the subject's rents are considered achievable in this market.

## 8. AFFORDABLE HOUSING IMPACT

The anticipated occupancy rates of the existing comparable Tax Credit developments surveyed *within the Site PMA* as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate*
18	North Central	100.0%	95.0%+
23	Radcliffe Manor	100.0%	95.0%+
24	Shady Grove	100.0%	95.0%+

\*Anticipated year of completion of renovations at the subject property

The three comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied, all three of which maintain wait lists. As such, we do not believe the development of the subject project will have a tangible impact on the occupancy rates of the comparable properties.

## 9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$335,902. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$335,902 home is \$2,021, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$335,902
Mortgaged Value = 95% of Median Home Price	\$319,107
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,617
Estimated Taxes and Insurance*	\$404
Estimated Monthly Mortgage Payment	\$2,021

\*Estimated at 25% of principal and interest

In comparison, the collected rents for the subject property range from \$353 to \$1,050 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$971 greater than the cost of renting, depending on unit size and AMHI level. While it is possible that some of the tenants in the 80% units would be able to afford the monthly payments required to own a home, the number of tenants who would also be able to afford the down payment on such a home is considered minimal. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## 10. HOUSING VOIDS

As previously noted, we identified and surveyed three comparable age-restricted Tax Credit projects located within the Charleston Site PMA. These projects have an overall occupancy of 100.0% and all three properties maintain waiting lists. In fact, there is only one vacant unit among all established affordable properties surveyed, illustrating that pent-up demand exists for additional low-income rental housing. The subject development will fill a rental housing void within the Site PMA.

Additionally, it is our opinion that the development of the subject site will add much needed modern affordable rental units to a market that is generally aging and in need of updating. The subject site will accommodate a portion of the housing void that exists in the market, as evidenced by the high occupancy rates reported among the comparable Tax Credit developments. It is also important to note that considering the subject development will offer units targeting households earning up to 70% and 80% of AMHI, the subject will offer units targeting an income segment that is currently underserved, as the market currently lacks units targeting those within this income segment. In addition, many renters that would qualify to reside within the subject's 70% and 80% of AMHI units likely struggle to afford rising market-rate rents in the Charleston market.



## I. Interviews

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

- According to Andrea Jones, Community Development Director with Charleston Housing and Community Development, there is a need for more affordable housing for families and seniors because of the wage and housing cost gap. Ms. Jones continued to state that the housing authorities that administer vouchers within the Charleston area each have a waiting list of over two years for families. (843) 724-3767
- Tiffany Cox, Property Manager at Pinecrest Green Apartments, a general-occupancy LIHTC community located in the Site PMA, stated that there is definitely a need for more affordable housing in Charleston. Ms. Cox cited her waitlist, a combined 367 households for all four of the bedroom floorplans at her community, as proof that there is a shortage of clean and affordable housing. (843) 766-4254
- Sarah Flowers, Community Manager at Radcliffe Manor Senior Community, a senior-restricted 55 and older LIHTC community located in Charleston, stated that she feels additional affordable housing for seniors in the downtown and surrounding vicinity is needed and that the centralized location makes it convenient for residents to walk to nearby community services and doctors/hospitals.. Ms. Flowers further noted that her community is fully occupied and currently maintains a waiting list of 112-households. (843) 722-2212

## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will exist for the 89-unit Archer School Senior Apartments, assuming it is built as detailed in this report. Note that changes in the project's overall design or completion date may alter these findings.

The four LIHTC projects have a combined occupancy rate of 100.0% and all four properties maintain waiting lists, the longest of which contains 115 households. This illustrates that pent-up demand exists for additional affordable rental housing within the market and region. The subject development will accommodate a portion of this unmet demand. The subject project will also be well supported demographically, as the subject's overall capture rate of 6.5% is considered low and illustrates that a good base of age- and income-appropriate support will exist for the site.

Overall, the subject project is considered competitive and will represent a significant value within the market. We have no recommendations or suggested modifications for the subject project at this time.

## K. Signed Statement Requirement

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

Certified:



Jeff Peters (Primary Contact)

Market Analyst

[jeffp@bowennational.com](mailto:jeffp@bowennational.com)

Date: March 18, 2020

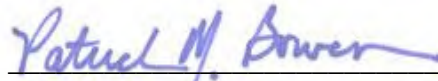


Lisa Goff

Market Analyst

[lisag@bowennational.com](mailto:lisag@bowennational.com)

Date: March 18, 2020



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: March 18, 2020

## L. Qualifications

### The Company

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

### Company Leadership

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

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

### Market Analysts

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

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



**Ambrose Lester**, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

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

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

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

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

**Craig Rupert**, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

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

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

### **Research Staff**

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

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

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

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

## M. Methodologies, Disclaimers & Sources

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

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

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

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



## **2. REPORT LIMITATIONS**

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

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

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

## **3. SOURCES**

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

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

ADDENDUM A:

FIELD SURVEY OF  
CONVENTIONAL RENTALS

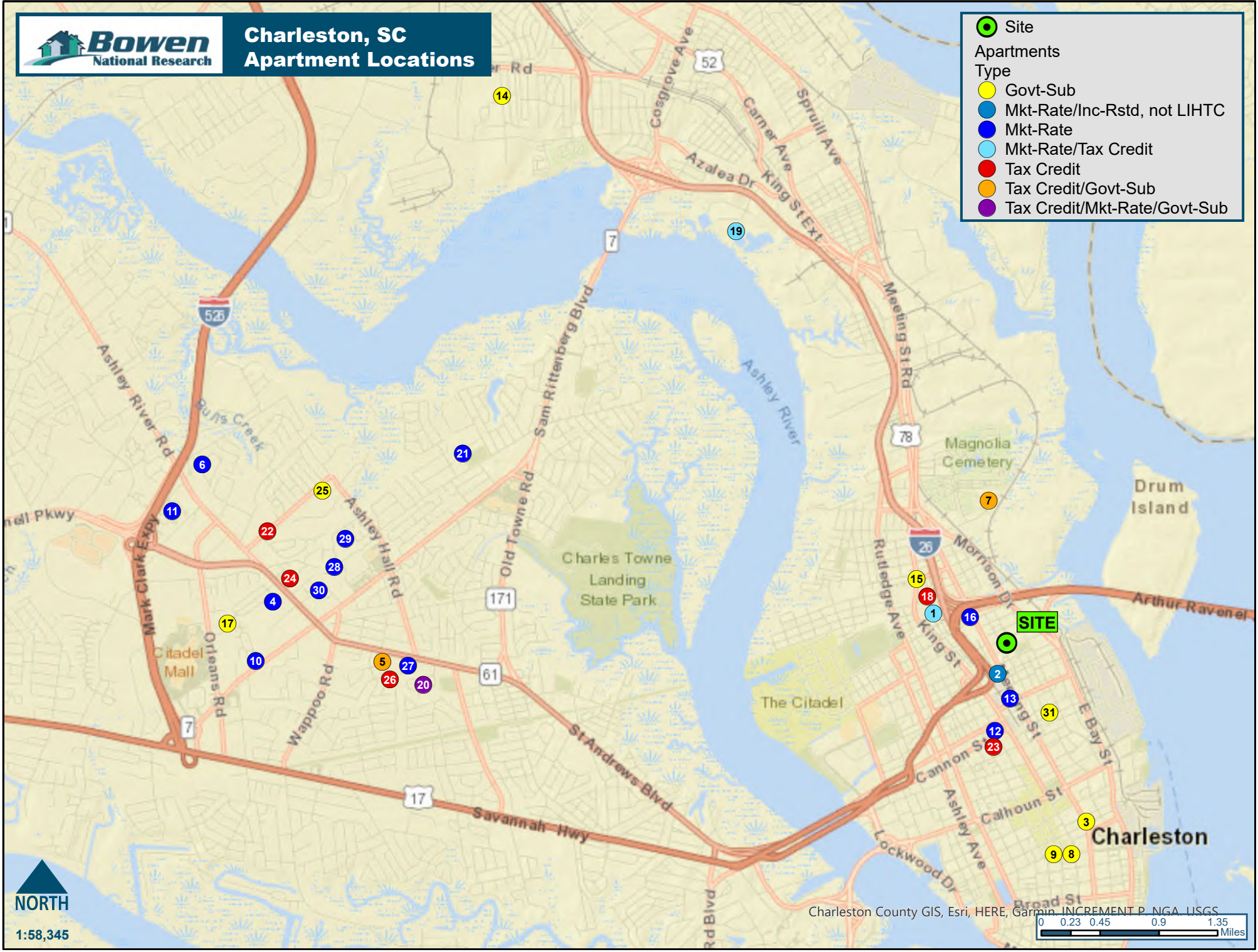


# Charleston, SC Apartment Locations

● Site

Apartment Type

- Govt-Sub
- Mkt-Rate/Inc-Rstd, not LIHTC
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub
- Tax Credit/Mkt-Rate/Govt-Sub



1:58,345

Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS


























Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	1000 King Apts.	MRT	B	1940	75	15	80.0%	1.0
2	511 Meeting	MIN	A-	2019	245	149	39.2%	2.0
3	Ansonborough House	GSS	B	1984	77	0	100.0%	1.3
4	Ashley Apts.	MRR	A+	2017	174	3	98.3%	8.7
5	Ashley Arms Apts.	TGS	B	1968	100	0	100.0%	5.6
6	Ashley Oaks	MRR	B+	1974	420	28	93.3%	9.7
7	Bridgeview Village	TGS	C+	1971	300	0	100.0%	1.3
8	Canterbury House East	GSS	B+	2001	46	0	100.0%	1.7
9	Canterbury House West	GSS	B+	1971	204	0	100.0%	1.7
10	Colonial Village at Hampton Pointe	MRR	B	1986	302	14	95.4%	8.8
11	Colonial Village at Westchase	MRR	B-	1986	352	5	98.6%	9.8
12	Commons Apts.	MRR	B-	1994	50	4	92.0%	0.8
13	Guild Apts.	MRR	B	2018	226	27	88.1%	0.5
14	Joseph Paul Apts.	GSS	B	1978	44	0	100.0%	5.7
15	Meeting Street Extension	GSS	C+	1968	44	0	100.0%	0.9
16	Meeting Street Lofts	MRR	A-	2018	274	106	61.3%	0.4
17	New Orleans Gardens	GSS	D+	1965	90	0	100.0%	9.1
18	North Central	TAX	B-	2004	35	0	100.0%	1.0
19	Osprey Place	MRT	B	2004	108	1	99.1%	4.0
20	Palmilla	TMG	C+	1965	328	0	100.0%	5.6
21	Palms	MRR	B	1967	408	20	95.1%	7.0
22	Pinecrest Green	TAX	B	2011	46	0	100.0%	8.6
23	Radcliffe Manor	TAX	B+	2004	64	0	100.0%	1.1
24	Shady Grove	TAX	B	2005	71	0	100.0%	8.7
25	Sherman House	GSS	C	1980	55	0	100.0%	8.3
26	Shires	TAX	A	2006	144	0	100.0%	6.1
27	Spanish Oaks	MRR	B	1973	115	11	90.4%	5.5
28	Village Square	MRR	B	1986	304	33	89.1%	8.3
29	West Village	MRR	B	1980	128	14	89.1%	8.6
30	Wind Jammer	MRR	B	1974	212	17	92.0%	8.3
31	Wraggborough Extension	GSS	C+	1968	50	0	100.0%	1.0
904	Grandview Apts.	TAX	B	2011	72	0	100.0%	10.3



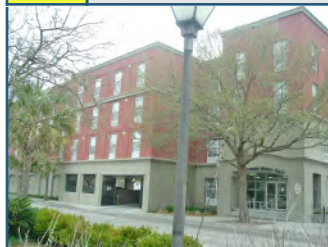
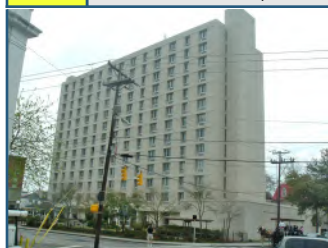
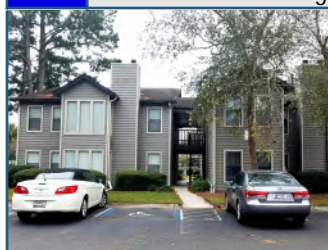
\*Drive distance in miles

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
























1	<b>1000 King Apts.</b> 1000 King St, Charleston, SC 29403	Contact: Jennifer (In Person) Phone: (843) 577-8595
	Total Units: 75 UC: 0 Occupancy: 80.0% Stories: 3 w/Elevator Year Built: 1940 BR: 2, 3 Vacant Units: 15 Waitlist: Target Population: Family AR Year: 2002 Rent Special: Notes: Market-rate (15 units); Tax Credit (60 units); Does not accept HCV; Vacancies attributed to upcoming renovations 3/2020 Yr Renovated: 2020	
2	<b>511 Meeting</b> 511 Meeting St, Charleston, SC 29403	Contact: Chanelle (In Person) Phone: (843) 258-5196
	Total Units: 245 UC: 0 Occupancy: 39.2% Stories: 5, 7 w/Elevator Year Built: 2019 BR: 0, 1, 2 Vacant Units: 149 Waitlist: Target Population: Family AR Year: Rent Special: One month rent free Yr Renovated: Notes: Does not accept HCV; Market-rate (191 units); Income restricted, not LIHTC (29 units); Preleasing 5/2019, opened 8/2019, still in lease-up	
3	<b>Ansonborough House</b> 71 Society St., Charleston, SC 29401	Contact: Karen (In Person) Phone: (843) 723-8613
	Total Units: 77 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: 35 HH; AR Year: Target Population: Senior 62+ Yr Renovated: 1998 Rent Special: Notes: HUD Section 202; Accepts HCV (0 currently)	
4	<b>Ashley Apts.</b> 1871 Ashley River Rd, Charleston, SC 29407	Contact: Lindsey (In Person) Phone: (843) 494-5301
	Total Units: 174 UC: 0 Occupancy: 98.3% Stories: 3 Year Built: 2017 BR: 1, 2, 3 Vacant Units: 3 Waitlist: Target Population: Family AR Year: Rent Special: Notes: Does not accept HCV Yr Renovated:	
5	<b>Ashley Arms Apts.</b> 1120 Crull Dr, Charleston, SC 29407	Contact: Ashlusha (In Person) Phone: (843) 556-1507
	Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1968 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 mos; AR Year: Target Population: Family Yr Renovated: 2015 Rent Special: Notes: Tax Credit & HUD Section 8	

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

6	<b>Ashley Oaks</b> 78 Ashley Hall Plantation Rd, Charleston, SC 29407	Contact: Tequila (In Person) Phone: (843) 766-6369
	Total Units: 420 UC: 0 Occupancy: 93.3% Stories: 2 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 28 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Rents change daily	
7	<b>Bridgeview Village</b> 108 N Romney St, Charleston, SC 29403	Contact: Christy (In Person) Phone: (843) 723-6543
	Total Units: 300 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 195 HH; 48 mos; AR Year: Target Population: Family Yr Renovated: 2005 Rent Special: Notes: Tax Credit; HUD Section 8	
8	<b>Canterbury House East</b> 165 Market St., Charleston, SC 29401	Contact: Clairetta (In Person) Phone: (843) 723-5553
	Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2001 BR: 1 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: HUD Section 202; Accepts HCV (0 currently)	
9	<b>Canterbury House West</b> 175 Market St., Charleston, SC 29401	Contact: Clairetta (In Person) Phone: (843) 723-5553
	Total Units: 204 UC: 0 Occupancy: 100.0% Stories: 13 w/Elevator Year Built: 1971 BR: 0, 1 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: HUD section 8 (50 units); 154 units are privately subsidized by the Episcopal Diocese of South Carolina	
10	<b>Colonial Village at Hampton Pointe</b> 1916 Sam Rittenberg Blvd, Charleston, SC 29407	Contact: Kristy (In Person) Phone: (843) 556-2326
	Total Units: 302 UC: 0 Occupancy: 95.4% Stories: 2 Year Built: 1986 BR: 0, 1, 2 Vacant Units: 14 Waitlist: AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: Notes: Does not accept HCV; Rents change daily	


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


11	<b>Colonial Village at Westchase</b> 1 Westchase Dr, Charleston, SC 29407	Contact: Remy (In Person) Phone: (843) 763-7575
	Total Units: 352 UC: 0 Occupancy: 98.6% Stories: 2 Year Built: 1986 BR: 0, 1, 2 Vacant Units: 5 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily	
12	<b>Commons Apts.</b> 188 St Philip St, Charleston, SC 29403	Contact: Emerson (In Person) Phone: (843) 723-1988
	Total Units: 50 UC: 0 Occupancy: 92.0% Stories: 2 Year Built: 1994 BR: 1, 2, 3 Vacant Units: 4 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV	
13	<b>Guild Apts.</b> 128 Columbus St, Charleston, SC 29403	Contact: Kerrie (In Person) Phone: (843) 970-2290
	Total Units: 226 UC: 0 Occupancy: 88.1% Stories: 8 w/Elevator Year Built: 2018 BR: 0, 1, 2 Vacant Units: 27 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: 0-br 2 months free, 1-br 1 1/2 months free, 2-br 1 month free with 12 months lease Notes: Does not accept HCV; Preleasing 2/2018, opened 3/2018, still in lease-up	
14	<b>Joseph Paul Apts.</b> 2680-C Bonds Ave., North Charleston, SC 29405	Contact: Faith (In Person) Phone: (843) 744-1148
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1978 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12-24 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8	
15	<b>Meeting Street Extension</b> 214 Romney St, Charleston, SC 29403	Contact: Cordelia (In Person) Phone: (843) 720-3984
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1968 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 1100 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Public Housing	

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








16	<b>Meeting Street Lofts</b> 601 Meeting St, Charleston, SC 29403	Contact: Jamie Phone: (843) 996-3355	(In Person)
		Total Units: 274 UC: 0 Occupancy: 61.3% Stories: 4,5,7 w/Elevator Year Built: 2018 BR: 1, 2 Vacant Units: 106 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Preleasing 8/2018, opened 9/2018, still in lease-up	

17	<b>New Orleans Gardens</b> 1900 Hazelwood Dr., Charleston, SC 29407	Contact: Byrd Phone: (843) 556-4184	(In Person)
		Total Units: 90 UC: 10 Occupancy: 100.0% Stories: 2 Year Built: 1965 BR: 0, 1, 2, 3, 4 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: 2020 Rent Special: Notes: HUD Section 8	








18	<b>North Central</b> 1054 King St., Charleston, SC 29403	Contact: Rachel Phone: (843) 577-6730	(In Person)
		Total Units: 35 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2004 BR: 1, 2 Vacant Units: 0 Waitlist: 115 HH; AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: Notes: Tax Credit; HCV (21 units)	

















19	<b>Osprey Place</b> 2390 Baker Hospital Blvd, North Charleston, SC 29405	Contact: Cece Phone: (843) 566-9111	(In Person)
		Total Units: 108 UC: 0 Occupancy: 99.1% Stories: 3 Year Built: 2004 BR: 2, 3 Vacant Units: 1 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Market-rate (31 units); Tax Credit (73 units); HCV (56 units)	






20	<b>Palmilla</b> 1385 Ashley River Rd, Charleston, SC 29407	Contact: Sanita Phone: (843) 556-5072	(In Person)
		Total Units: 328 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1965 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 30 HH; AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: Notes: Market-rate (100 units); HUD Section 236 & Tax Credit (228 units); Accepts HCV	

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




21	<b>Palms</b> 311 Royal Palm Blvd, Charleston, SC 29407	Contact: Sandy (In Person) Phone: (843) 766-0472
	Total Units: 408 UC: 0 Occupancy: 95.1% Stories: 2 Year Built: 1967 BR: 1, 2, 3 Vacant Units: 20 Waitlist: AR Year: Target Population: Family Yr Renovated: 2009 Rent Special: 3-br: \$400 off 1st-month rent with 12-month lease Notes: Does not accept HCV	
22	<b>Pinecrest Green</b> 1750 Raoul-Wallenberg Blvd, Charleston, SC 29407	Contact: Tiffany (In Person) Phone: (843) 766-4254
	Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2011 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 367 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (8 units)	
23	<b>Radcliffe Manor</b> 200 Coming St, Charleston, SC 29403	Contact: Sarah (In Person) Phone: (843) 722-2212
	Total Units: 64 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2004 BR: 2 Vacant Units: 0 Waitlist: 112 HH; AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: Notes: Tax Credit; HCV (25 units)	
24	<b>Shady Grove</b> 1725 Savage Rd, Charleston, SC 29407	Contact: Hope (In Person) Phone: (843) 852-9965
	Total Units: 71 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2005 BR: 1, 2 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: Notes: Tax Credit; HCV (20 units)	
25	<b>Sherman House</b> 1635 Raoul-Wallenberg Blvd, Charleston, SC 29407	Contact: Evelyn (In Person) Phone: (843) 963-2242
	Total Units: 55 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1980 BR: 1 Vacant Units: 0 Waitlist: 2-24 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 202	


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

26	<b>Shires</b> 1020 Little John Dr, Charleston, SC 29407	Contact: Tiashia (In Person) Phone: (843) 852-5298
	Total Units: 144 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2006 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 61 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (54 units)	
27	<b>Spanish Oaks</b> 1515 Ashley River Rd, Charleston, SC 29407	Contact: Theresa (In Person) Phone: (843) 556-4396
	Total Units: 115 UC: 0 Occupancy: 90.4% Stories: 2 Year Built: 1973 BR: 1, 2, 3 Vacant Units: 11 Waitlist: AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: Notes: Does not accept HCV; Rents change daily	
28	<b>Village Square</b> 1704 N Woodmere Dr, Charleston, SC 29407	Contact: Kathy (In Person) Phone: (843) 571-3330
	Total Units: 304 UC: 0 Occupancy: 89.1% Stories: 2 Year Built: 1986 BR: 1, 2 Vacant Units: 33 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range based on units with washer/dryer hookup	
29	<b>West Village</b> 1645 N Woodmere Dr, Charleston, SC 29407	Contact: Kathy (In Person) Phone: (843) 571-3330
	Total Units: 128 UC: 0 Occupancy: 89.1% Stories: 2 Year Built: 1980 BR: 1, 2 Vacant Units: 14 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; 2-br rent range based on washer/dryer hookup	
30	<b>Wind Jammer</b> 1742 Sam Rittenberg Blvd, Charleston, SC 29407	Contact: Melanie (In Person) Phone: (843) 571-0471
	Total Units: 212 UC: 0 Occupancy: 92.0% Stories: 2 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 17 Waitlist: AR Year: Target Population: Family Yr Renovated: 2009 Rent Special: Notes: Does not accept HCV	

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

31	<b>Wraggborough Extension</b> 46 Reid St, Charleston, SC 29403	Contact: Bob (In Person) Phone: (843) 723-4491
	Total Units: 50    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 1968 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 1100 HH;    AR Year:	
	Target Population: Family    Yr Renovated:	
	Rent Special:	
	Notes: Public Housing	
	(Empty space for additional notes)	



904	<b>Grandview Apts.</b> 1850 Magwood Dr, Charleston, SC 29414	Contact: Svea (In Person) Phone: (843) 718-2084
	Total Units: 72    UC: 0    Occupancy: 100.0%    Stories: 4    w/Elevator    Year Built: 2011 BR: 1, 2    Vacant Units: 0    Waitlist: 8 HH;    AR Year:	
	Target Population: Senior 55+    Yr Renovated:	
	Rent Special:	
	Notes: Tax Credit; HCV (14 units)	
	(Empty space for additional notes)	

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

Source: Housing Authority of the City of Charleston  
Effective: 01/2020

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	11	13	15	16	18	19	18	20	22	24	25	27
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	31	35	41	44	48	52	50	56	60	66	69	73
	Electric	23	28	33	37	41	46	43	50	54	60	64	68
	Heat Pump	18	22	26	29	33	36	34	40	43	48	51	54
	Oil	21	24	28	30	33	35	34	38	41	45	47	50
Cooking	Natural Gas	3	3	3	3	4	4	3	3	3	3	4	4
	Bottled Gas	7	8	9	9	10	11	7	8	9	9	10	11
	Electric	6	7	8	9	9	10	6	7	8	9	9	10
Other Electric	21	26	31	38	45	52	21	26	31	38	45	52	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	6	7	9	10	11	12	11	13	14	16	17	18	
Water Heating	Natural Gas	11	14	17	23	29	36	11	14	17	23	29	36
	Bottled Gas	21	30	38	55	72	89	21	30	38	55	72	89
	Electric	19	26	33	48	63	78	19	26	33	48	63	78
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	13	16	19	26	32	39	13	16	19	26	32	39	
Sewer	31	32	45	70	95	120	31	32	45	70	95	120	
Trash Collection	15	15	15	15	15	15	15	15	15	15	15	15	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

\* Estimated- not from source



## Addendum B – Member Certification & Checklist

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

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

Certified:



Patrick M. Bowen  
President  
[patrickb@bowennational.com](mailto:patrickb@bowennational.com)  
Date: March 18, 2020



Jeff Peters  
Market Analyst  
[jeffp@bowennational.com](mailto:jeffp@bowennational.com)  
Date: March 18, 2020

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

## ADDENDUM-MARKET STUDY INDEX

### **A. INTRODUCTION**

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

### **B. DESCRIPTION AND PROCEDURE FOR COMPLETING**

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

### **C. CHECKLIST**

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

**CHECKLIST (Continued)**

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

**CHECKLIST (Continued)**

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



## Addendum C – Achievable Market Rent Analysis

### A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>The Archer School Senior Apartments</b>	<b>1934 / 2021</b>	<b>89</b>	<b>-</b>	<b>7 (-)</b>	<b>71 (-)</b>	<b>11 (-)</b>	<b>-</b>
4	Ashley Apts.	2017	174	98.3%	-	108 (98.1%)	60 (98.3%)	6 (100.0%)
10	Colonial Village at Hampton Pointe	1986 / 2014	302	95.4%	63 (95.2%)	63 (95.2%)	176 (95.5%)	-
12	Commons Apts.	1994	50	92.0%	-	24 (91.7%)	16 (100.0%)	10 (80.0%)
13	Guild Apts.	2018	226	88.1%	68 (88.2%)	136 (88.2%)	22 (86.4%)	-
16	Meeting Street Lofts	2018	274	61.3%	-	110 (60.9%)	164 (61.6%)	-

Occ. – Occupancy

The five selected market-rate projects have a combined total of 1,026 units with an overall occupancy rate of 85.0%. Note that this includes a property that is still in lease-up. When excluding this property, the remaining comparable market-rate properties have a stable overall occupancy.

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





# Charleston, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



**NORTH**  
1:43,957

Charleston County GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS  
0 0.15 0.3 0.6 0.9 Miles



**Rent Comparability Grid**

Unit Type →

**STUDIO**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
The Archer School Senior Apartments		Ashley Apts.		Colonial Village at Hampton Pointe		Commons Apts.		Guild Apts.		Meeting Street Lofts	
220 Nassau Street		1871 Ashley River Rd		1916 Sam Rittenberg Blvd		188 St Philip St		128 Columbus St		601 Meeting St	
Charleston, SC		Charleston, SC		Chaleston, SC		Charleston, SC		Charleston, SC		Charleston, SC	
<b>Subject</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
<b>A. Rents Charged</b>											
1 \$ Last Rent / Restricted?		\$1,362		\$935		\$1,270		\$1,810		\$1,372	
2 Date Surveyed		Feb-20		Feb-20		Mar-20		Feb-20		Feb-20	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		98%		95%		92%		88%		61%	
5 Effective Rent & Rent/ sq. ft		\$1,362	1.89	\$935	1.25	\$1,270	2.74	\$1,810	3.79	\$1,372	2.40
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6 Structure / Stories	EE/2	WU/3		WU/2		WU/2		EE/8		EE/4,5,7	
7 Yr. Built/Yr. Renovated	2021	2017	\$4	1986/2014	\$21	1994	\$27	2018	\$3	2018	\$3
8 Condition/Street Appeal	E	E		G	\$15	G	\$15	G	\$15	E	
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11 # Bedrooms	STUDIO	1	(\$50)	STUDIO		1	(\$50)	STUDIO		1	(\$50)
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	575	722	(\$83)	750	(\$99)	463	\$63	477	\$55	572	\$2
14 Patio/Balcony	N	Y	(\$5)	Y	(\$5)	N		N		Y	(\$5)
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/Y	Y/Y		N/Y	\$5	Y/Y		Y/Y		Y/Y	
18 Washer/Dryer	HU/L	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19 Floor Coverings	C/T/V/W	C/V		C/V/L		W		V		C/L	
20 Window Treatments	Y	Y		Y		Y		Y		Y	
21 Secured Entry	Y	N	\$3	N	\$3	N	\$3	Y		Y	
22 Garbage Disposal	Y	Y		Y		N	\$5	Y		Y	
23 Ceiling Fan/E-Call System	Y/Y	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5
<b>D Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24 Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		NONE	\$10	NONE	\$10
25 On-Site Management	Y	Y		Y		N	\$5	Y		Y	
26 Security Features	Y	N	\$5	N	\$5	N	\$5	N	\$5	Y	
27 Community Space	Y	Y		Y		N	\$5	Y		Y	
28 Pool/Recreation Areas	F/G	P/F/S	(\$10)	P/F/T	(\$10)	N	\$8	P/F/L	(\$10)	P/F/S	(\$10)
29 Computer/Business Center	Y	Y		Y		N	\$3	N	\$3	Y	
30 Picnic Area/Storage	N/N	Y/N	(\$3)	Y/N	(\$3)	N/N		Y/N	(\$3)	N/N	
31 Library	N	N		N		N		N		N	
32 Social Services	Y	N	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33 Heat (in rent?/ type)	N/E	N/E		N/G		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/G		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	Y/Y	Y/Y		N/N	\$44	N/N	\$44	Y/Y		N/N	\$44
39 Trash/Recycling	Y/N	Y/N		Y/N		Y/N		Y/N		N/N	\$15
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40 # Adjustments B to D		5	6	7	5	12	2	8	3	5	4
41 Sum Adjustments B to D		\$27	(\$176)	\$64	(\$142)	\$154	(\$75)	\$106	(\$38)	\$30	(\$90)
42 Sum Utility Adjustments				\$44		\$44				\$59	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43 Net/ Gross Adjmts B to E		(\$149)	\$203	(\$34)	\$250	\$123	\$273	\$68	\$144	(\$1)	\$179
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44 Adjusted Rent (5+ 43)		\$1,213		\$901		\$1,393		\$1,878		\$1,371	
45 Adj Rent/Last rent			89%		96%		110%		104%		100%
46 Estimated Market Rent	\$1,250	\$2.17		← Estimated Market Rent/ Sq. Ft							



**Rent Comparability Grid**

Unit Type → **ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
The Archer School Senior Apartments		Ashley Apts.		Colonial Village at Hampton Pointe		Commons Apts.		Guild Apts.		Meeting Street Lofts	
220 Nassau Street		1871 Ashley River Rd		1916 Sam Rittenberg Blvd		188 St Philip St		128 Columbus St		601 Meeting St	
Charleston, SC		Charleston, SC		Chaleston, SC		Charleston, SC		Charleston, SC		Charleston, SC	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,362		\$1,190		\$1,270		\$1,993		\$1,372	
2	Date Surveyed	Feb-20		Feb-20		Mar-20		Feb-20		Feb-20	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		95%		92%		88%		61%	
5	Effective Rent & Rent/ sq. ft	\$1,362	1.89	\$1,190	1.32	\$1,270	2.74	\$1,993	3.30	\$1,372	2.40
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/2		WU/3		WU/2		EE/8		EE/4,5,7	
7	Yr. Built/Yr. Renovated	2021	\$4	1986/2014	\$21	1994	\$27	2018	\$3	2018	\$3
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	775	\$29	900	(\$69)	463	\$172	604	\$94	572	\$112
14	Patio/Balcony	N	(\$5)	Y	(\$5)	N		N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/T/V/W		C/V		W		V		C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	Y		Y	
22	Garbage Disposal	Y		Y		N	\$5	Y		Y	
23	Ceiling Fan/E-Call System	Y/Y	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		NONE	\$10	NONE	\$10
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F/G	(\$10)	P/F/T	(\$10)	N	\$8	P/F/L	(\$10)	P/F/S	(\$10)
29	Computer/Business Center	Y		Y		N	\$3	N	\$3	Y	
30	Picnic Area/Storage	N/N	(\$3)	Y/N	(\$3)	N/N		Y/N	(\$3)	N/N	
31	Library	N		N		N		N		N	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$48	N/N	\$48	Y/Y		N/N	\$48
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$15
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	6	4	7	5	12	1	8	3	5	3
41	Sum Adjustments B to D	\$56	(\$43)	\$64	(\$112)	\$263	(\$25)	\$145	(\$38)	\$140	(\$40)
42	Sum Utility Adjustments			\$48		\$48				\$63	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$13	\$99	\$0	\$224	\$286	\$336	\$107	\$183	\$163	\$243
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,375		\$1,190		\$1,556		\$2,100		\$1,535	
45	Adj Rent/Last rent		101%		100%		123%		105%		112%
46	Estimated Market Rent	\$1,525		\$1.97		← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
The Archer School Senior Apartments		Ashley Apts.		Colonial Village at Hampton Pointe		Commons Apts.		Guild Apts.		Meeting Street Lofts	
220 Nassau Street		1871 Ashley River Rd		1916 Sam Rittenberg Blvd		188 St Philip St		128 Columbus St		601 Meeting St	
Charleston, SC		Charleston, SC		Chaleston, SC		Charleston, SC		Charleston, SC		Charleston, SC	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,847		\$1,215		\$1,920		\$2,885		\$2,178	
2	Date Surveyed	Feb-20		Feb-20		Mar-20		Feb-20		Feb-20	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	98%		95%		100%		90%		62%	
5	Effective Rent & Rent/ sq. ft	\$1,847	1.60	\$1,215	1.03	\$1,920	2.18	\$2,885	2.99	\$2,178	2.00
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/2		WU/3		WU/2		EE/8		EE/4,5,7	
7	Yr. Built/Yr. Renovated	2021	\$4	1986/2014	\$21	1994	\$27	2018	\$3	2018	\$3
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		1	\$30	2		2	
13	Unit Interior Sq. Ft.	900	(\$123)	1175	(\$131)	880	\$10	965	(\$31)	1088	(\$90)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	N		N		Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	C/T/V/W		C/V		W		V		C/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	Y		Y	
22	Garbage Disposal	Y		Y		N	\$5	Y		Y	
23	Ceiling Fan/E-Call System	Y/Y	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		NONE	\$10	NONE	\$10
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	N	\$5	Y	
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F/G	(\$10)	P/F/T	(\$10)	N	\$8	P/F/L	(\$10)	P/F/S	(\$10)
29	Computer/Business Center	Y		Y		N	\$3	N	\$3	Y	
30	Picnic Area/Storage	N/N	(\$3)	Y/N	(\$3)	N/N		Y/N	(\$3)	N/N	
31	Library	N		N		N		N		N	
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$64	N/N	\$64	Y/Y		N/N	\$64
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		N/N	\$15
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	5	5	7	5	13	1	7	4	4	4
41	Sum Adjustments B to D	\$27	(\$166)	\$64	(\$174)	\$131	(\$25)	\$51	(\$69)	\$28	(\$130)
42	Sum Utility Adjustments			\$64		\$64				\$79	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$139)	\$193	(\$46)	\$302	\$170	\$220	(\$18)	\$120	(\$23)	\$237
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,708		\$1,169		\$2,090		\$2,867		\$2,155	
45	Adj Rent/Last rent		92%		96%		109%		99%		99%
46	Estimated Market Rent	\$2,020	\$2.24 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are \$1,250 for a studio unit, \$1,525 for a one-bedroom unit and \$2,020 for a two-bedroom unit, which are illustrated as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Studio	60%	\$760	\$1,250	39.2%
One-Br	30%	*\$353	\$1,525	76.9%
One-Br	60%	\$800	\$1,525	47.5%
One-Br	70%	\$900	\$1,525	41.0%
One-Br	80%	\$900	\$1,525	41.0%
Two-Br	30%	*\$422	\$2,020	79.1%
Two-Br	70%	\$1,050	\$2,020	48.0%
Two-Br	80%	\$1,050	\$2,020	48.0%

\*Maximum allowable rents less the value of tenant-paid utilities

Typically, Tax Credit rents must represent at least a 10.0% market rent advantage in order to be viewed as a value within a market area. Tax Credit rents that represent a value can help to ensure a steady flow of tenants that will allow the project to operate at a stabilized occupancy rate. The proposed collected rents at the site represent rent advantages between 39.2% and 79.1%. As such, the subject project will be perceived as a good value in the market.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1986 and 2017. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of superior or inferior quality compared to the subject development.
11. Not all of the selected properties offer studio units. As such, we have used the one-bedroom units at these properties and applied a negative adjustment of \$50 to reflect the difference in bedrooms.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The subject project will offer a project amenities package inferior to those offered at the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.