

NEED AND DEMAND ANALYSIS  
FOR THE FOX RIDGE TRACE APARTMENTS  
IN  
AIKEN, SOUTH CAROLINA

Prepared for  
The Taft-Mills Group  
for submission to  
the South Carolina State Housing Finance and Development Authority

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## INTRODUCTION

### PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the proposed Fox Ridge Trace Apartments in Aiken South Carolina. A total of 192 units are to be developed: 24 one-bedroom units, 108 two-bedroom units, and 60 three-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

### ASSUMPTIONS AND CONDITIONS

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

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

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

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

The site of the proposed apartments was visited (on June 8, 2025). In addition, interviews are held with persons with particular knowledge pertinent to the study.

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

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

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

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

Submitted, and attested to, by:

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Date:: June 23, 2025

## EXECUTIVE SUMMARY

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

The proposed development will comprise the development of 192 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 50 percent, 60 percent, and 70 percent of the local area median income.

The proposed Fox Trace Apartments are to be located on the south side of Rutland Drive (US 1, bypass), to the west of its intersection with Columbia Highway, North (US 1), in northern Aiken, in central Aiken County, in west-central South Carolina.

The market area for the proposed development is central Aiken County, as defined by several census tracts.

In 2024, the most recent year for which annualized data are available, the Aiken County labor force comprised an estimated 76,384 persons. Of this total, 73,206 were employed and 3,178 or 4.2 percent were unemployed. Unemployment increased by 1,546 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 9.1 percent in April, 2020). Prior to 2020, employment fluctuated on an annual basis, and employment levels are currently above pre-COVID levels.

The population of the project market area increased from 64,636 in 2010, to 70,835 in 2020, and is projected to increase to 75,530 in 2024 and to 77,997 in 2027. The number of households grew from 26,689 in 2010 to 29,560 in 2020, and is projected to increase to 31,818 in 2024 and to 33,086 in 2027. There were 8,772 renter households in the market area in 2020: which is projected to increase to 9,442 by 2024, and to 9,818 by 2027.

There are several apartment complexes located throughout the Aiken area. These include properties that are financed through the use of Low Income Housing Tax Credits - and thus are potentially comparable to the proposed complex. There two properties that are subsidized for low and very low income renters, through the HUD Section 8 program.

Overall occupancy in the market rate complexes is 96.7 percent, and occupancy at the stabilized tax credit properties is 95.2 percent. The overall occupancy rate for these units is found to be 96.5 percent.

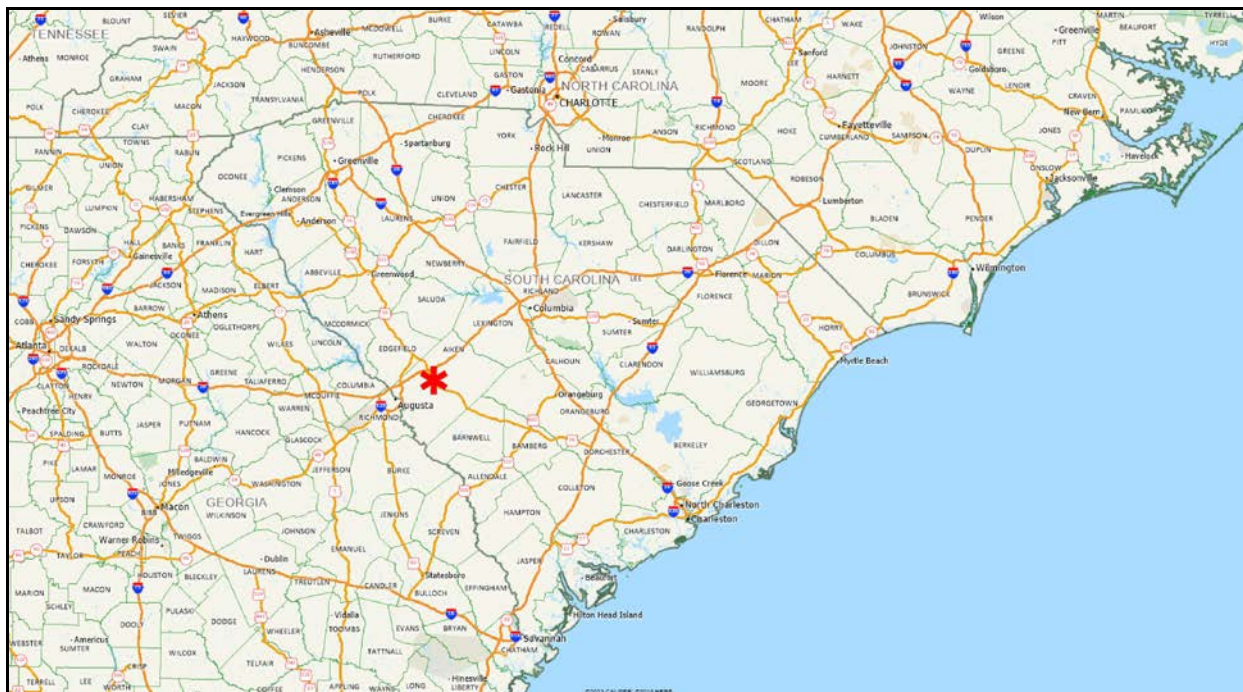
The total potential need for tax credit units such as is proposed in the project market area by 2027 is calculated to be for 1,840 units. The net need is for 1,720 units. Given the calculated need, the proposed 192unit development amounts to 11.2 percent of the total net need. The proposed development is considered marketable.

Were the project to be developed as proposed it would expect to lease-up over a period of 12 months, or so. This assumes that it is introduced at an advantageous time of year, and that it is professionally marketed and managed, with a pre-leasing program

## A. PROJECT DESCRIPTION

### Project Location

The proposed Fox Trace Apartments are to be located on the south side of Rutland Drive (US 1, bypass), to the west of its intersection with Columbia Highway, North (US 1), in northern Aiken, in central Aiken County, in west-central South Carolina.



Construction type: New construction

Occupancy type :Family

Target income group: 50 percent , 60 percent, and 70 percent of the local area median income.

Special population target: not applicable

The property will offer a total of 192 units: 24 one-bedroom units, 108 two-bedroom units, and 60 three-bedroom units.

The complex will comprise eight buildings - all will be three-storey walk-up, garden, units.

The one-bedroom units will be 840 square feet, the two-bedroom units will be 1,100 square feet, and the three-bedroom units are to be 1,280 square feet

Proposed unit mix, etc.

	<u>Units</u>	<u>Rent</u>	<u>Utility Allowance</u>	<u>Targeting*</u>
1 bedroom/1 bath	8	\$748	\$80	less than 50 percent
1 bedroom/1 bath	8	\$914	\$80	less than 60 percent
1 bedroom/1 bath	8	\$1,080	\$80	less than 70 percent
2 bedroom/ 2 bath	36	\$891	\$102	less than 50 percent
2 bedroom/ 2 bath	36	\$1,090	\$102	less than 60 percent
2 bedroom/ 2 bath	36	\$1,289	\$102	less than 70 percent
3 bedroom/ 2 bath	20	\$1,024	\$124	less than 50 percent
3 bedroom/ 2 bath	20	\$1,253	\$124	less than 60 percent
3 bedroom/ 2 bath	20	\$1,483	\$124	less than 70 percent

\* percent of area median income

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$78 for a one-bedroom unit, \$100 for a two-bedroom unit, and \$123 for a three-bedroom unit.

Rental Assistance: none

The complex comprises eight, three-story buildings. The project will feature a clubhouse with community room, fitness center, and business center. The development will also feature walking trails, a covered picnic area, dog park, and a playground.

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

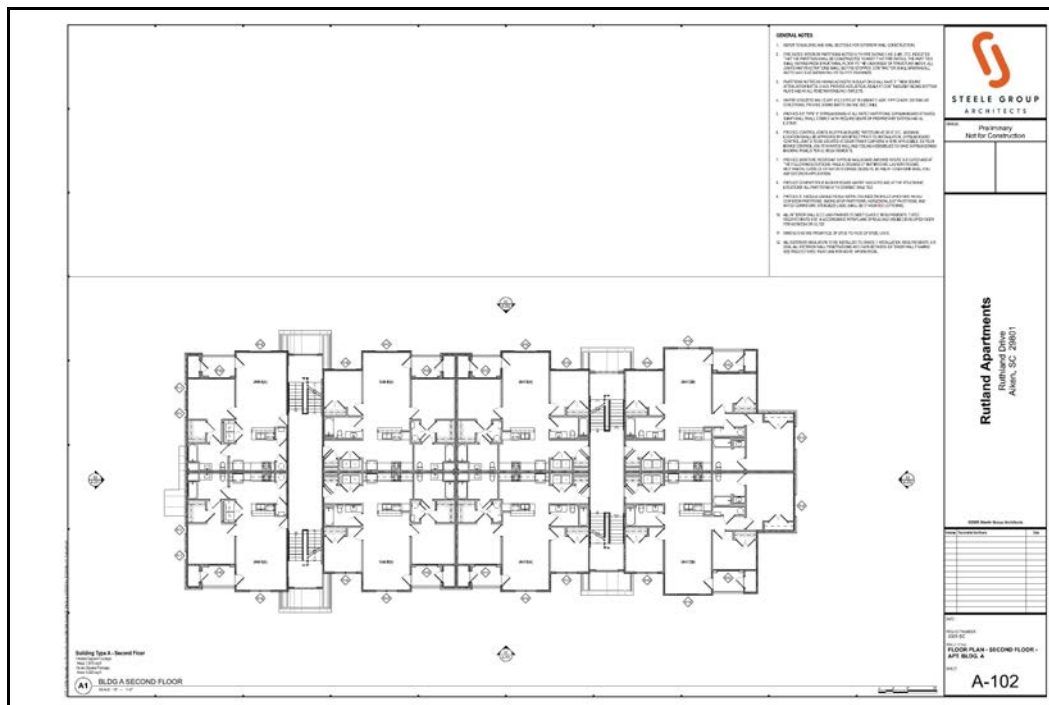
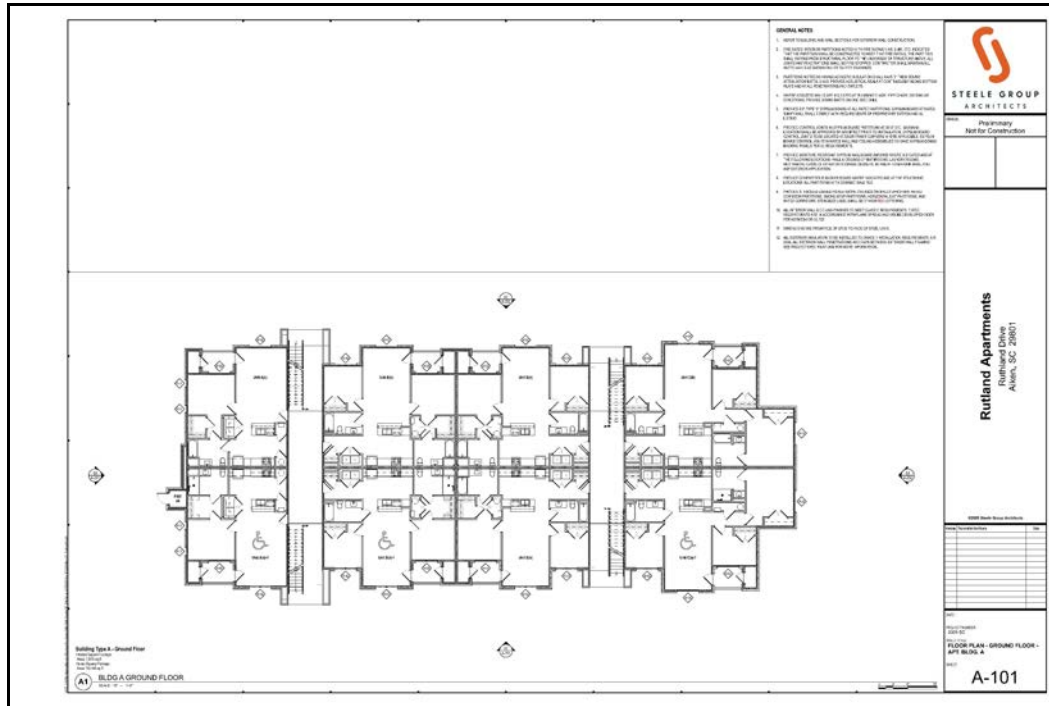
Information submitted by the developer suggests that construction would start in Summer 2026 with completion around 18 months thereafter.

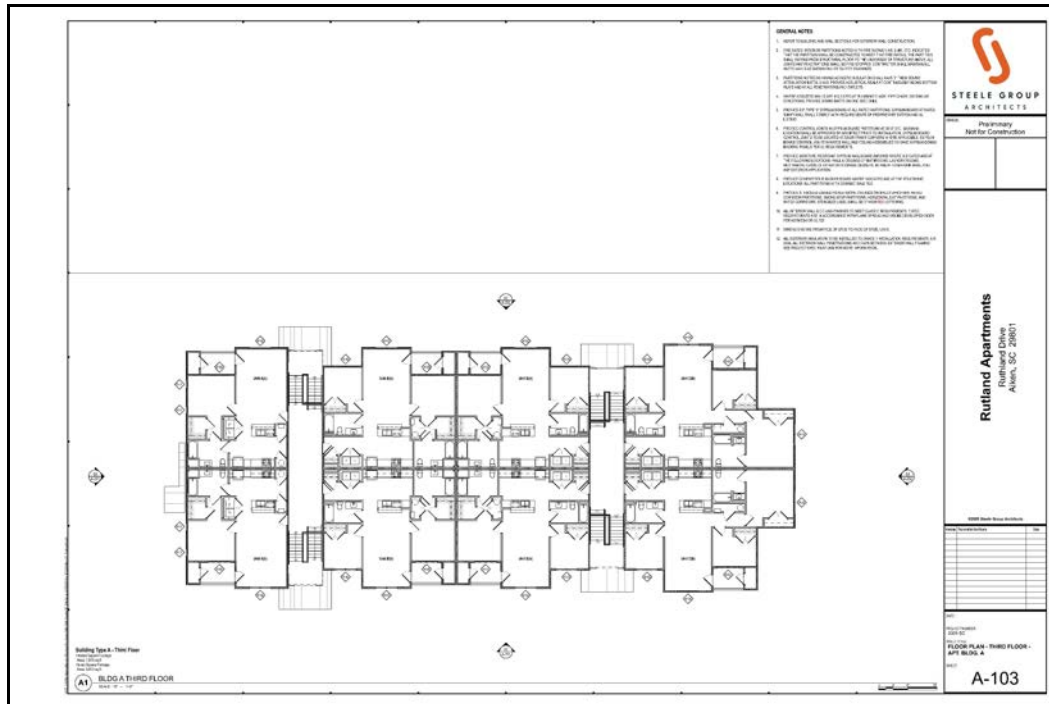
Representative architectural drawings/plans are set out on the following pages.

Rehabilitation information: n/a

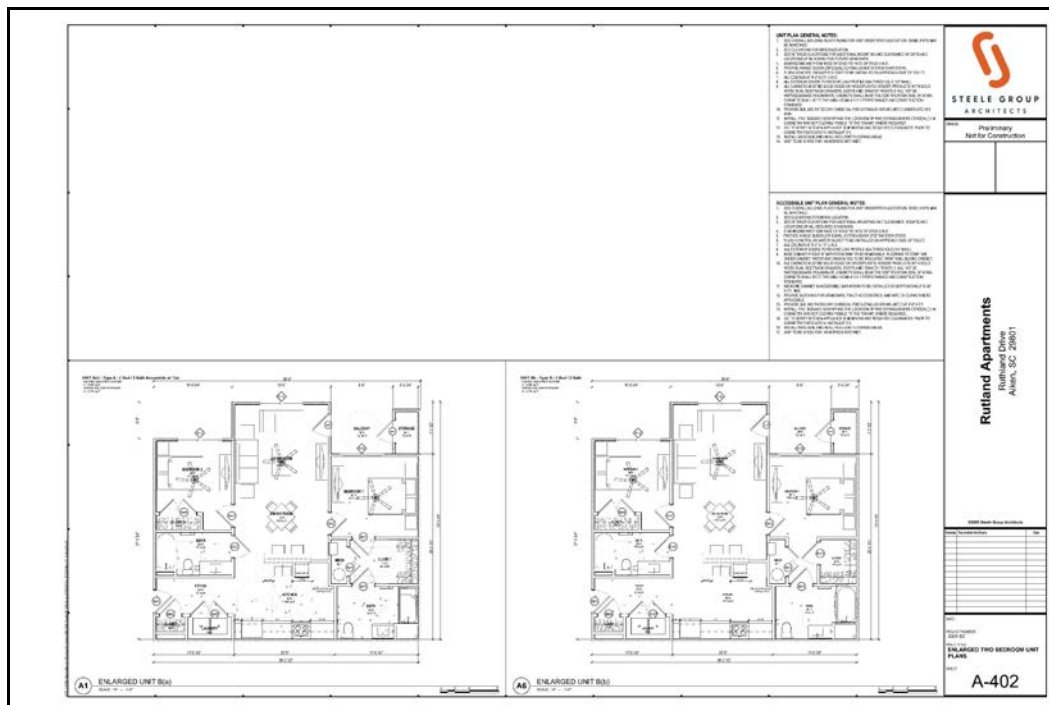
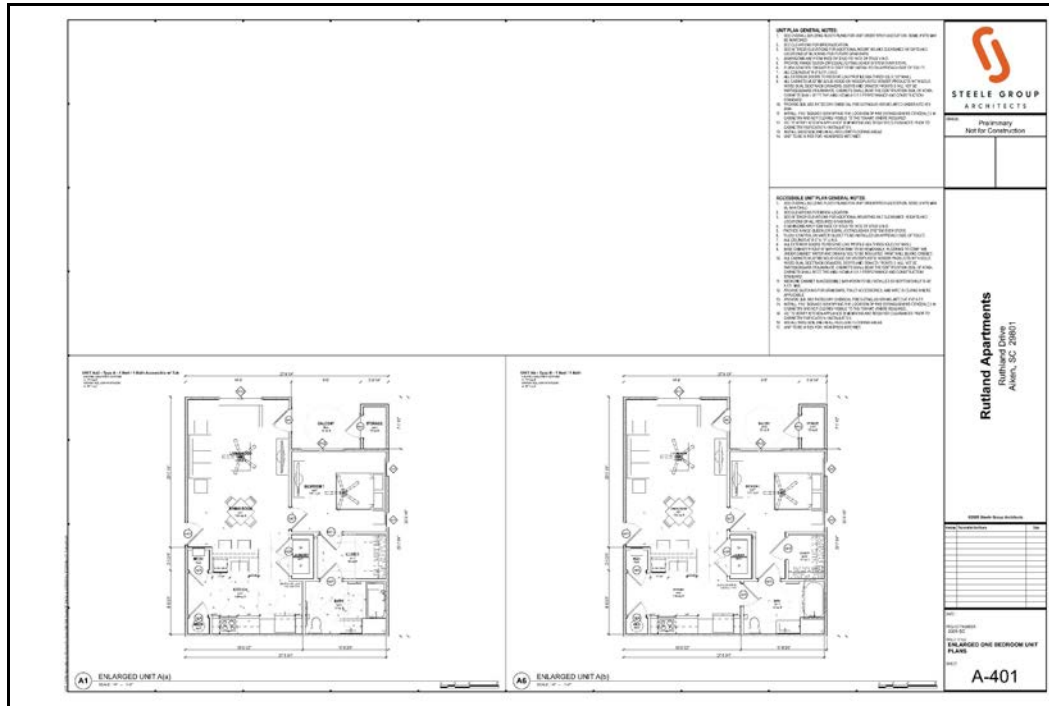


## Floor plans





# Unit plans









## B. SITE DESCRIPTION

The proposed Fox Ridge Trace Apartments are to be located on the south side of Rutland Drive (US 1, bypass), to the west of its intersection with Columbia Highway, North (US 1), in northern Aiken, in central Aiken County, in west-central South Carolina.

Adjacent properties include various businesses fronting on Rutland Drive and US 1, the Aiken High School, the Carlyle Senior Care Center, some single-family homes, the Dupont Landing Apartments, and undeveloped land.



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



View onto property from Rutland Drive



View on property



View onto property from Dupont Drive





View east on Rutland Dr., at site



View west on Rutland Dr., at site



View across Rutland Dr., at site





View to High School from site

Site plan



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

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	US 1, bypass	adjacent
	US 1	0.5
	US 78	0.4
	Interstate 20	5.5
Retail - Grocery	KJ's Market	1.8
Retail - Other	Dollar Tree	0.6
	Wal Mart	5.1
	Aiken Mall	5.9
Drugstores	CVS	0.4
	Medicine Mart Pharmacy	2.4
	Walgreens	5.4
Schools	North Aiken Elementary School	2.2
	Aiken Intermediate School	1.8
	Schofield Middle School	2.1
	Aiken High School	0.2
Recreation	Aiken County YMCA	5.0
Library	Aiken County	2.3
City Hall	Aiken	2.0
Post Office	Aiken	1.7
Hospital	Aiken Regional Medical Center	4.2

\* excluding those in grocery stores, etc.

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

The site is located on Rutland Drive/US 1, bypass - a major east west route serving northern Aiken. The Columbia Highway/ US 1 - a major north south route is within one-half mile of the site. The site is with one half-mile of the intersection of US 1 and US 78, to the south and is within five and one-half miles of Interstate 20, to the north.

Bus service is available on the Best Friend service, on Rutland Drive, not far from the site.

The Northside Plaza shopping center - which includes a Family Dollar store and a KJ's Market - is one-half mile from the site at the Rutland Drive/US 1 intersection. A CVS drugstore and a Dollar General store are also in that area. The Aiken Mall and other retail outlets (such as various grocery stores, and a Wal Mart Supercenter) and other services are located on Whiskey Road, to the south of Aiken, within four- to six-miles of the site.

The site of the proposed apartments is well-located with respect to local schools. The Aiken High School is located on Rutland Drive, adjacent to the site of the proposed development. The North Aiken Elementary School, Aiken Intermediate School and the Schofield Middle School area all within two- and one fourth miles of the site.

The Aiken County YMCA is within five miles of the site.

The Aiken Regional Medical Center and associated medical services are located on University Parkway, within four-and one-quarter miles of the site.

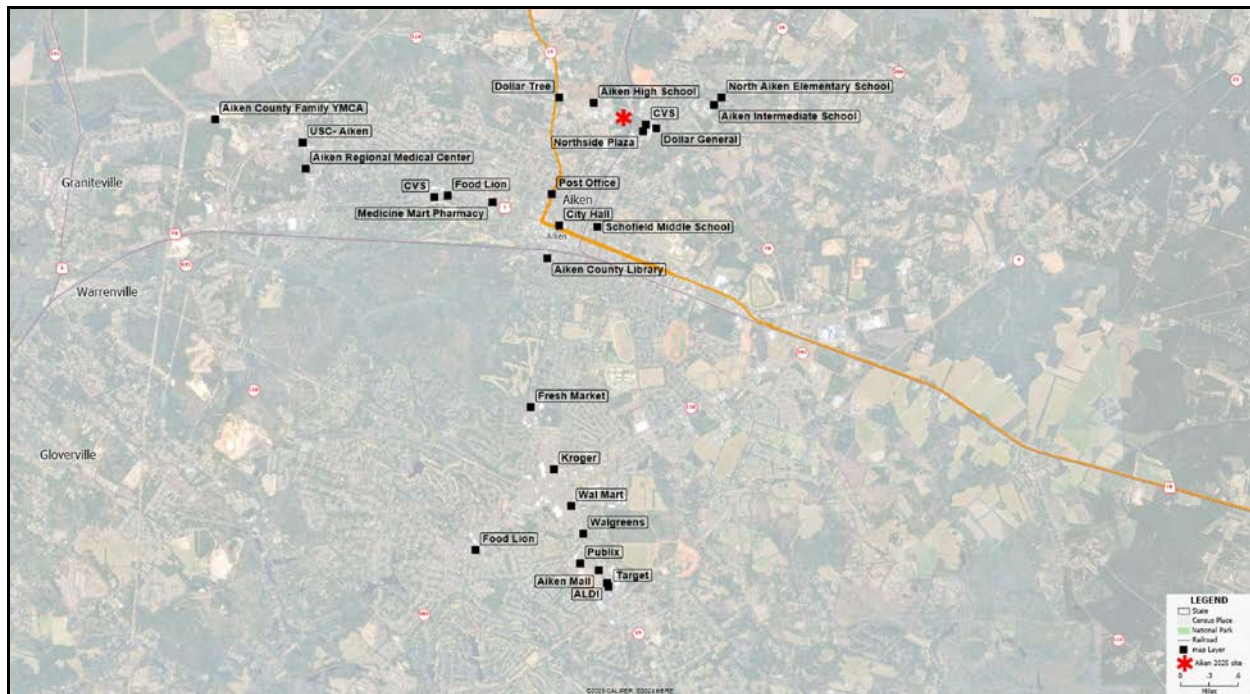
The site is within two- and one-half miles, or so, of the government, shopping, and other services located in the Aiken downtown area.

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

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

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

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



### C. MARKET AREA

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

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

Aiken is located in central Aiken County in west-central South Carolina. The market area for the proposed development is central Aiken County, as defined by several census tracts<sup>1</sup>. This area is roughly centered on the site of the proposed development and extends up to an approximately five-to eight mile hinterland.

The market area is irregularly-shaped. The area is bounded by Interstate 20 to the north, Shaw Creek to the east, portions of various county highways to the south and a portion of Little Horse Creek to the west.

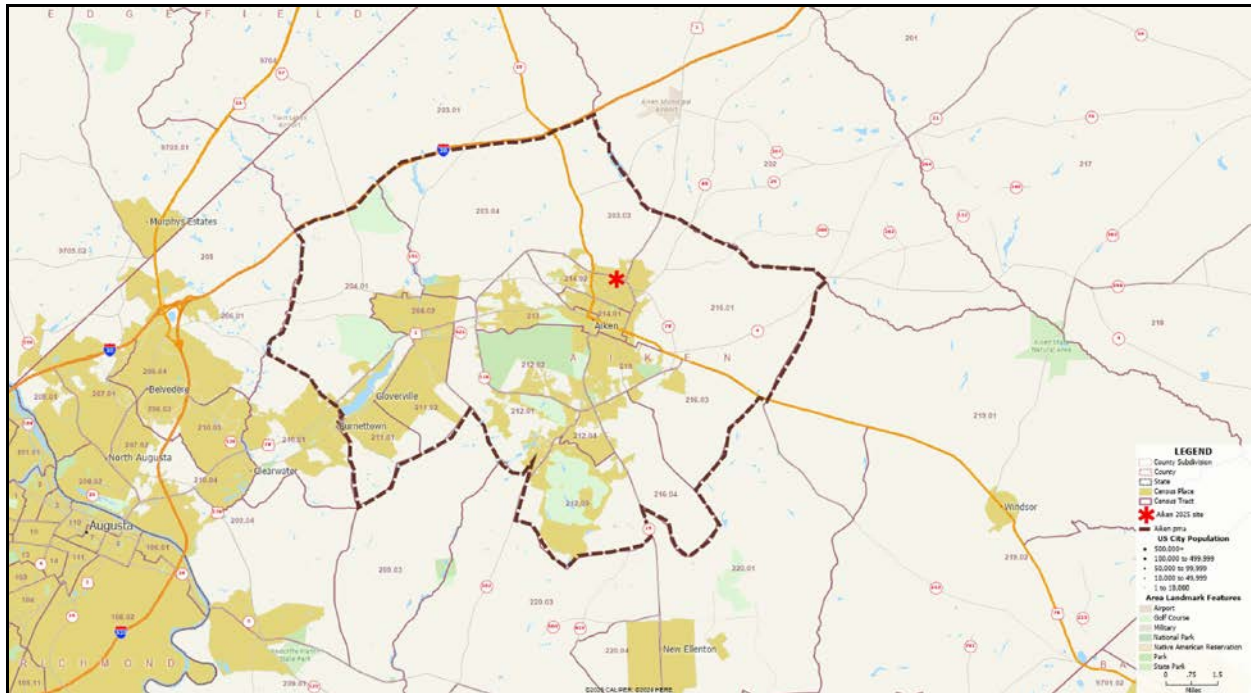
The area is focused on Aiken, and excludes neighboring and potentially competing communities, such as North August and Augusta, Georgia. The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar characteristics, and with residents, or potential residents, likely to be interested in the project.

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<sup>1</sup> Census tracts: 203.02, 204, 211.01, 211.02, 212.01, 212.02, 212.03, 213, 214, 215, 216.01, and 216.02, in Aiken County



Market area map



## D. MARKET AREA ECONOMY

### EMPLOYMENT BY INDUSTRY

The distribution of employment, by industry, for the project market area is set out in Table 1, below. This information is from the 2019 to 2023 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest sources of employment are education and healthcare and social assistance, professional occupations, manufacturing, and retail trade, which account for 20.9 percent, 16.0 percent, 13.7 percent, and 12.3 percent of the total, respectively..

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Table 1 - Employment by Industry, Market Area

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	<u>number</u>	<u>percent</u>
Agriculture, etc	455	1.4
Construction	1,537	4.8
Manufacturing	4,386	13.7
Wholesale Trade	358	1.1
Retail Trade	3,945	12.3
Transportation, Warehousing, Utilities	1,868	5.8
Information	340	1.1
Finance, Insurance, Real Estate	1,344	4.2
Professional, scientific, management	5,145	16.0
Educational Services, Health care, Social Assistance	6,702	20.9
Arts, Entertainment, Recreation, Accommodation, Food Service	2,927	9.1
Other services	1,155	3.6
Public Administration	1,898	5.9

Source: 2019 to 2023 American Community Survey; T Ronald Brown: Research & Analysis

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## MAJOR EMPLOYERS

The major employers in the wider Aiken are listed in Table 2, below. From this table it is seen that the largest employers include those associated with the Savannah River plant, the local hospital, local school system and the municipal and county governments.

Table 2 - Major Employers

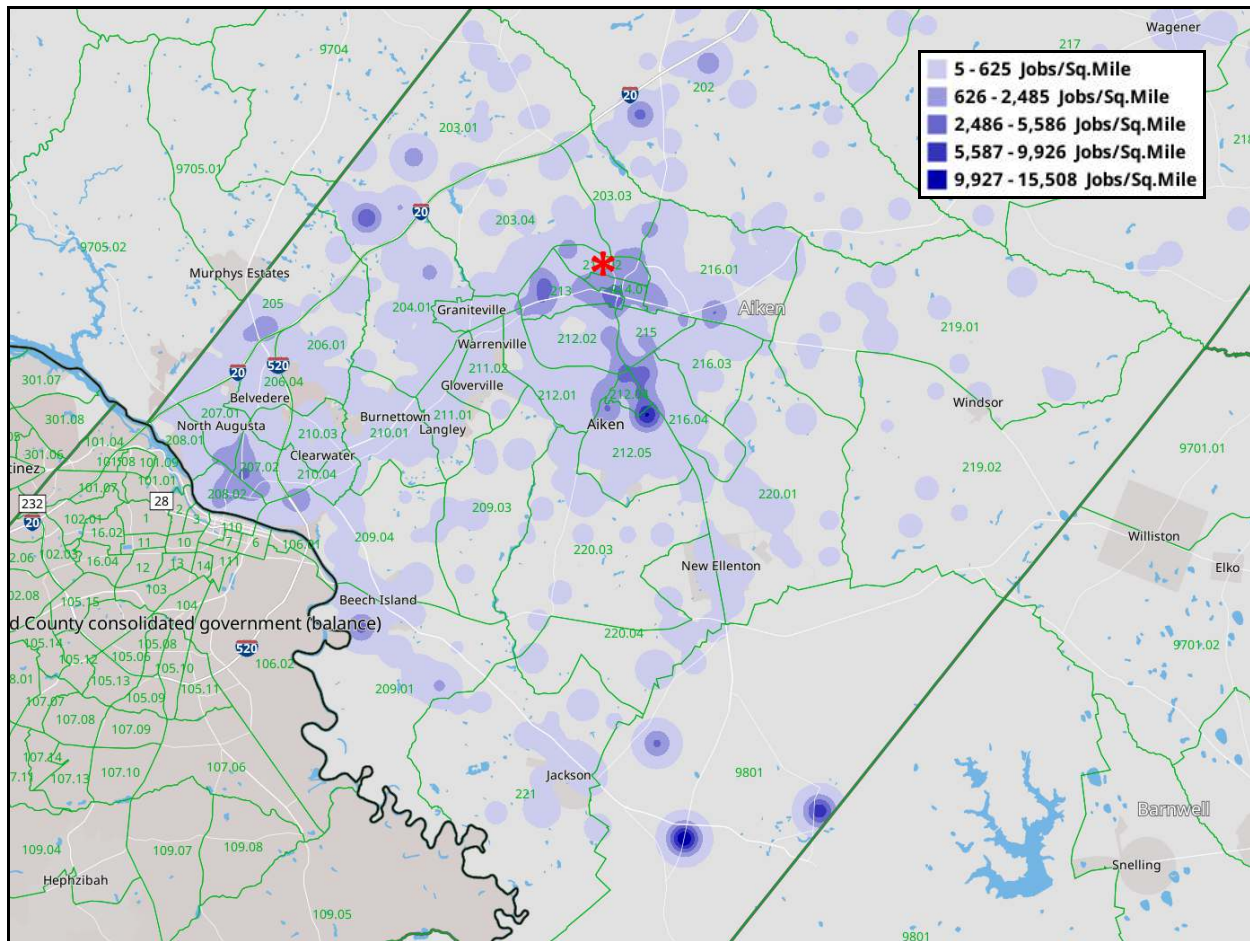
<u>Employer Name</u>
Act for Health
AGY Aiken
Aiken County Board of Education
Aiken Regional Medical Centers
Batalle Savannah River Alliance
Bridgestone America's Tire
Centerra Group
City of Aiken
County of Aiken
Edward Jones
Helton Management Group
Hubbell Power Systems
Kimberly Clark
Savannah River Mission Completion
Savannah River Nuclear Solutions
Shaw Industries
SRP Federal Credit Union
TRI Development Center of Aiken
UPS Customhouse Brokerage
Wal-mart Associates

Source: SC Department of Employment

Information from the South Carolina Department of Commerce shows that since the start of 2022 there have been two major announcements of new industry in Aiken County. These are the 100 new jobs at Meta, and 180 at Columbia Vehicle Group. In addition, 150 new jobs were added at Kimberly-Clark.

SC WARN notices show that in for 2022, 2023, 2024, and 2025, to date, there have been two announced permanent closures in Aiken County, impacting a total of 195 persons.

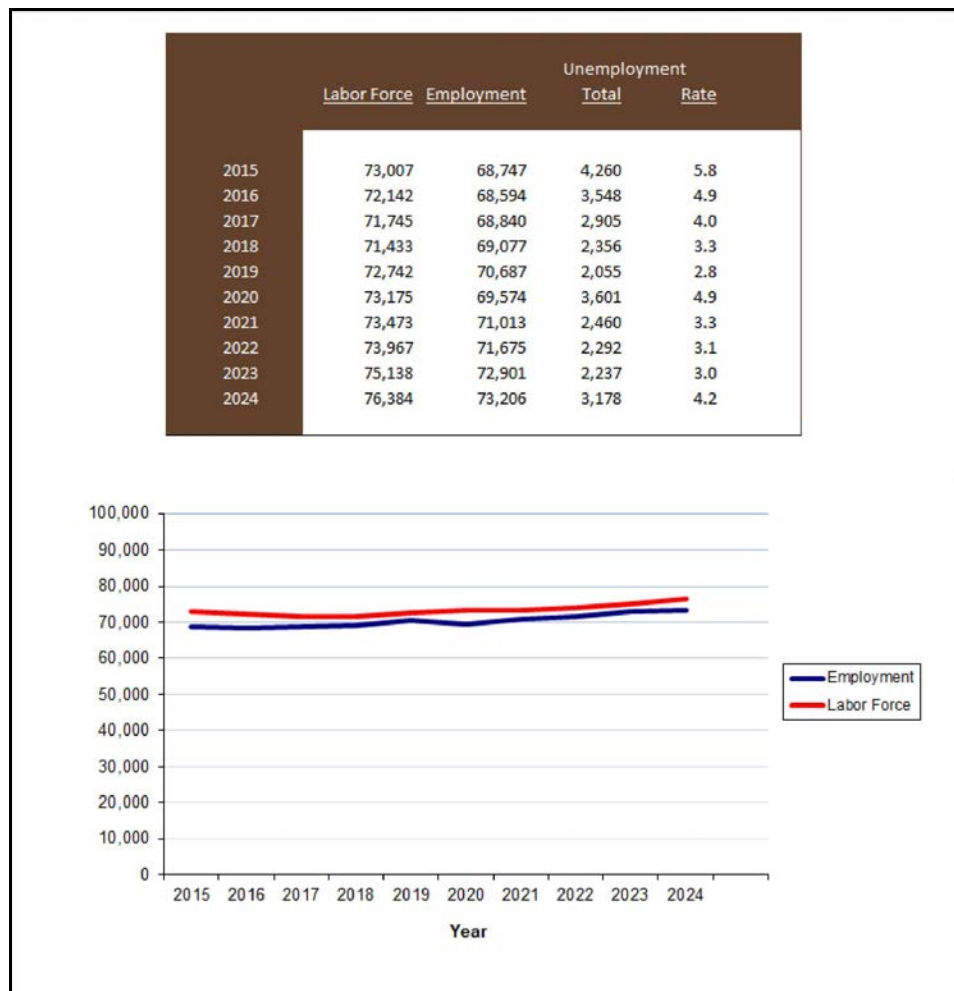
Based on information from the Census, the location of the site relative to the distribution of employment in Aiken County is illustrated in the map, below.



## LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2024, the most recent year for which annualized data are available, the Aiken County labor force comprised an estimated 76,384 persons. Of this total, 73,206 were employed and 3,178 or 4.2 percent were unemployed. Unemployment increased by 1,546 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 9.1 percent in April, 2020). Prior to 2020, employment fluctuated on an annual basis, and employment levels are currently above pre-COVID levels.

Table 3 - Aiken County Labor Force and Employment



Source: US Department of Labor

## COMMUTING

Based on data from the American Community Survey, 59.2 percent of workers resident in Aiken were employed in Aiken, with 82.0 percent employed in Aiken County as a whole. The average driving time to work for residents of Aiken was 23.5 minutes, compared with 25.6 minutes for the State as a whole.

Table 4 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	13,597	100.0
Worked in Place of residence	8,049	59.2
Worked in County of residence	11,150	82.0
Worked outside Place of residence	5,548	40.8
Worked outside County of residence	2,447	18.0
Mean travel time to work (minutes)	23.5	

Source: 2019 to 2023 American Community Survey; T Ronald Brown: Research & Analysis

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

Here it is seen that very many persons who live in Aiken County commute to work in Richmond County, Georgia - the Augusta area. Likewise, significant numbers of persons employed in Aiken County commute to work there from the Augusta area.

Table 5 - Commuting Patterns

Working in Aiken County	33,283
Where Aiken County residents are commuting to:	
Richmond County, GA	9,559
Lexington County, SC	2,870
Richland County, SC	2,520
Columbia County, GA	2,206
Greenville County, SC	1,497
Edgefield County, SC	1,210
Burke County, GA	838
Charleston County, SC	770
Saluda County, SC	729
Elsewhere	9,449
Where Aiken County workers are commuting from:	
Richmond County, GA	5,112
Columbia County, GA	3,918
Edgefield County, SC	2,832
Lexington County, SC	2,119
Barnwell County, SC	1,783
Richland County, SC	1,277
Orangeburg County, SC	919
Greenville County, SC	672
Greenwood County, SC	523
Elsewhere	9,267

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

The local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

## E. COMMUNITY DEMOGRAPHIC DATA

### POPULATION TRENDS AND PROJECTIONS

In 2010, the population of Aiken County was 160,099, and in 2020 the population was recorded as 168,808. Population projections for Aiken County are provided by the South Carolina Revenue and Fiscal Affairs. Based on these data, the population of the county is projected to be 176,491 by 2024, and to be 180,004 by 2027.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2010 to 2020, corrected for the county projections. The projection is that in 2024 the project market area will have a population of around 75,530, and around 77,997 in 2027.

Information on population trends and changes between 2000 and 2027 are set out in Table 6, below.

Table 6 - Population Trends

	Aiken	Market Area	Aiken County
2010	29,524	64,636	160,099
2020	32,025	70,835	168,808
2024	n/a	75,530	176,491
2027	n/a	77,997	180,004
absolute change			
2010-2020	2,501	6,199	8,709
2020-2024	n/a	4,695	7,683
2024-2027	n/a	2,467	3,513
annual change			
2010-2020	250	620	871
2020-2024	n/a	1,174	1,921
2024-2027	n/a	822	1,171

Source: 2010 Census and 2020 Census; SC Revenue and Fiscal Affairs; T Ronald Brown: Research & Analysis



## AGE

The distribution of the population, by age, for Aiken, the Aiken market area, and for Aiken County are set out in Table 7, below. These data are from the 2020 Census.

Table 7 - Age Distribution

	Aiken		Market Area		Aiken County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	1,519	4.7	3,880	5.5	9,012	5.3
5 to 9 years	1,563	4.9	4,044	5.7	9,853	5.8
10 to 14 years	1,737	5.4	4,338	6.1	10,692	6.3
15 to 19 years	1,937	6.0	4,359	6.2	10,410	6.2
20 to 24 years	1,957	6.1	4,191	5.9	9,422	5.6
25 to 29 years	1,781	5.6	4,278	6.0	10,055	6.0
30 to 34 years	1,659	5.2	4,257	6.0	10,337	6.1
35 to 39 years	1,621	5.1	4,154	5.9	9,995	5.9
40 to 44 years	1,482	4.6	3,807	5.4	9,425	5.6
45 to 49 years	1,474	4.6	3,714	5.2	9,683	5.7
50 to 54 years	1,664	5.2	3,975	5.6	10,346	6.1
55 to 59 years	1,974	6.2	4,624	6.5	12,059	7.1
60 to 64 years	2,285	7.1	4,967	7.0	12,302	7.3
65 to 69 years	2,577	8.0	4,957	7.0	11,303	6.7
70 to 74 years	2,545	7.9	4,408	6.2	9,711	5.8
75 to 79 years	1,913	6.0	3,176	4.5	6,741	4.0
80 to 84 years	1,184	3.7	1,964	2.8	3,982	2.4
85 years and over	1,153	3.6	1,742	2.5	3,480	2.1
55 and older	13,631	42.6	25,838	36.5	59,578	35.3
65 and older	9,372	29.3	16,247	22.9	35,217	20.9
Total	32,025		70,835		168,808	

Source: 2020 Census; T Ronald Brown: Research & Analysis

## HOUSEHOLD TRENDS AND PROJECTIONS

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

The projection is that in 2024 the project market area will have around 31,818 households, and around 33,086 in 2027. In 2020, there were 29,560 households in the market area.

Table 8 - Household Trends

	Aiken	Market Area	Aiken County
2010	12,773	26,689	64,253
2020	14,028	29,560	69,450
2024	n/a	31,818	73,408
2027	n/a	33,086	75,468
absolute change			
2010-2020	1,255	2,871	5,197
2020-2024	n/a	2,258	3,958
2024-2027	n/a	1,268	2,060
annual change			
2010-2020	126	287	520
2020-2024	n/a	565	990
2024-2027	n/a	423	687

Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis



## TENURE

Table 9, below, sets out the number and proportion of owner and renter households for Aiken, the Aiken market area, and for Aiken County. In the years beyond 2020, the tenure proportions are based on 2020 tenure. In 2020, 29.7 percent of households in the market area were renters, compared with 33.6 percent in Aiken, and 26.8 percent in the county.

Table 9 - Tenure

<b>Aiken</b>	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	29,524	12,773	2.31	8,428	66.0	4,345	34.0
2020	32,025	14,028	2.28	9,313	66.4	4,715	33.6
2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2027	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<b>Market Area</b>	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	64,636	26,689	2.42	18,502	69.3	8,187	30.7
2020	70,835	29,560	2.40	20,788	70.3	8,772	29.7
2024	75,530	31,818	2.39	22,376	70.3	9,442	29.7
2027	77,997	33,086	2.38	23,268	70.3	9,818	29.7

<b>Aiken County</b>	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	160,099	64,253	2.49	46,956	73.1	17,297	26.9
2020	168,808	69,450	2.43	50,848	73.2	18,602	26.8
2024	176,491	73,408	2.40	53,746	73.2	19,662	26.8
2027	180,004	75,468	2.39	55,254	73.2	20,214	26.8

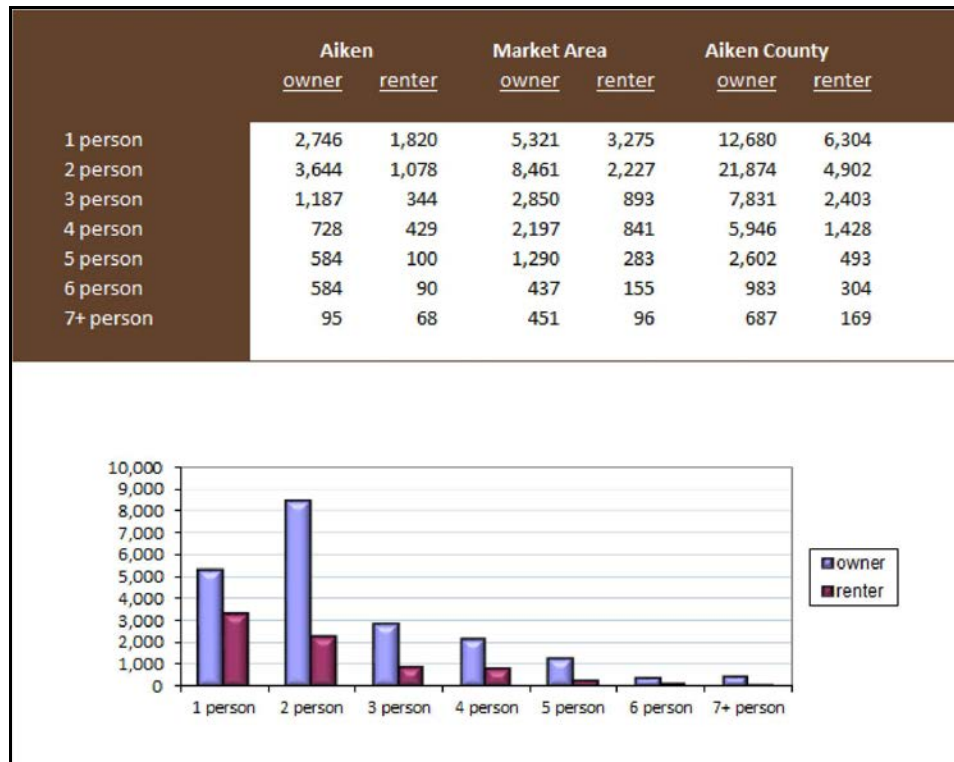
Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

## HOUSEHOLD SIZE

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

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

Table 10 - Household Size, by Tenure



Source: 2019 to 2023 American Community Survey; T Ronald Brown: Research & Analysis

## HOUSEHOLD INCOME

The distribution of household incomes for Aiken, the market area, and for Aiken County are set out in Table 11, below. These figures are taken from the 2019 to 2023 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Aiken was \$69,837 and that for Aiken County as a whole was seen to be \$67,940. The median income for the market area is estimated to be around \$69,775.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$32,939 - based on the American Community Survey data.

Table 11 - Household Income

	Aiken		Market area		Aiken County	
	number	percent	number	percent	number	percent
less than \$10,000	990	7.6	1,906	6.6	3,872	5.6
\$10,000 to \$14,999	628	4.8	1,297	4.5	3,299	4.8
\$15,000 to \$19,999	407	3.1	960	3.3	2,385	3.5
\$20,000 to \$24,999	376	2.9	1,082	3.8	2,419	3.5
\$25,000 to \$29,999	435	3.4	1,092	3.8	2,970	4.3
\$30,000 to \$34,999	454	3.5	891	3.1	2,826	4.1
\$35,000 to \$39,999	704	5.4	1,302	4.5	2,727	4.0
\$40,000 to \$44,999	431	3.3	1,141	4.0	2,674	3.9
\$45,000 to \$49,999	434	3.3	993	3.5	2,832	4.1
\$50,000 to \$59,999	719	5.5	2,048	7.1	4,732	6.9
\$60,000 to \$74,999	1,093	8.4	2,563	8.9	6,504	9.5
\$75,000 to \$99,999	1,798	13.9	4,096	14.2	9,853	14.4
\$100,000 to \$124,999	984	7.6	3,066	10.7	6,614	9.6
\$125,000 to \$149,999	911	7.0	1,713	6.0	4,577	6.7
\$150,000 to \$199,999	1,037	8.0	2,189	7.6	5,177	7.5
\$200,000 or more	1,560	12.0	2,438	8.5	5,145	7.5
median income	\$69,837		\$69,775 *		\$67,940	

\* estimate

Source: 2019 to 2023 American Community Survey; T Ronald Brown: Research & Analysis

## RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Aiken, the market area, and Aiken County set out in Table 12, below. These figures are also taken from the 2019 to 2023 American Community Survey.

Here, it is seen that the median renter household income in Aiken was \$36,304, and that for Aiken County as a whole was seen to be \$37,744. The median income for renters in the market area is estimated to be around \$37,584.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$17,439 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

	Aiken		Market area		Aiken County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	748	19.0	1,149	14.8	1,924	12.0
\$10,000 to \$19,999	619	15.8	1,198	15.4	2,465	15.4
\$20,000 to \$34,999	406	10.3	1,235	15.9	2,893	18.1
\$35,000 to \$49,999	757	19.3	1,290	16.6	2,431	15.2
\$50,000 to \$74,999	402	10.2	1,145	14.7	2,519	15.7
\$75,000 to \$99,999	471	12.0	864	11.1	1,884	11.8
\$100,000 or more	526	13.4	889	11.4	1,887	11.8
median income	\$36,304		\$37,584 *		\$37,744	

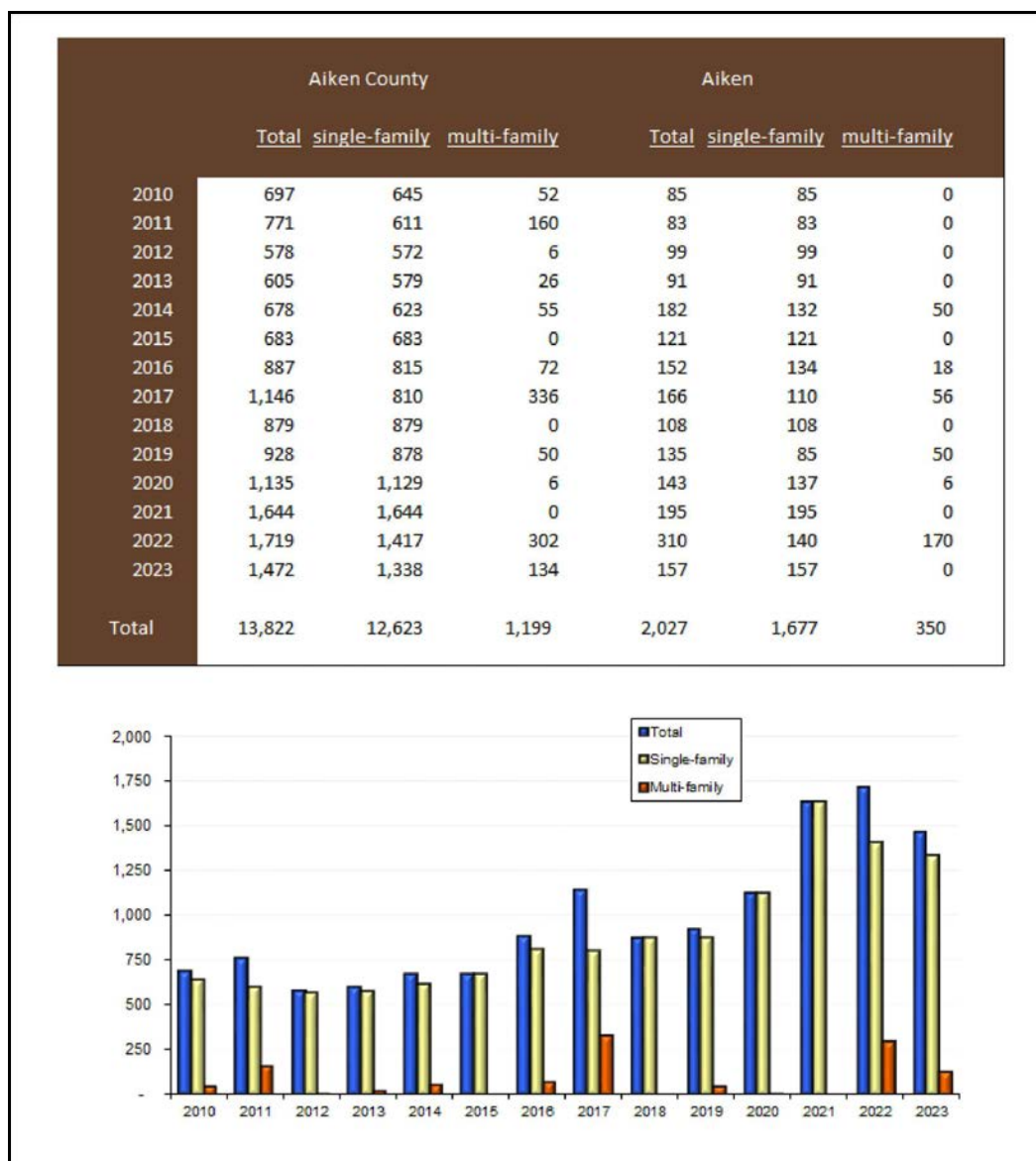
\* estimate

Source: 2019 to 2023 American Community Survey; T Ronald Brown: Research & Analysis

## RESIDENTIAL CONSTRUCTION SINCE 2010

Table 13 below gives details of residential construction in Aiken County since 2010. Here it can be seen that a total of 13,822 units were added in Aiken County, with 2,027 units added in the City of Aiken of which 350 were multi-family units. No data are available for the market area.

Table 13 - Residential Construction Since 2000



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

## F. PROJECT SPECIFIC DEMAND ANALYSIS

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

### INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 192 units proposed, 64 units are targeted to households with incomes up to 50 percent of the median, 64 units targeted at 60 percent of the median, and 64 income, income averaging is applied. Here, the average target income, overall, cannot exceed 60 percent of the median, and the average targeted income for any bedroom type cannot exceed 60 percent of the median.

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

Table 14 - Income Limits and Maximum Housing Costs

Income Limits			
	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 person	\$30,950	\$37,140	\$43,330
2 person	\$35,350	\$42,420	\$56,560
3 person	\$39,750	\$47,700	\$63,600
4 person	\$44,150	\$52,980	\$70,640
5 person	\$47,700	\$57,240	\$76,320
6 person	\$51,250	\$61,500	\$82,000
Maximum Housing Costs			
	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 bedroom	\$829	\$995	\$1,160
2 bedroom	\$994	\$1,193	\$1,391
3 bedroom	\$1,148	\$1,378	\$1,607

Source: HUD



The median income for Aiken County in 2025 is \$88,300 - having been \$86,800 in 2024, and \$59,100 in 2015. This represents a 1.7 percent increase over the previous year, and a 49.4 percent increase over the last decade (or an average of 4.10 percent per year).

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

Table 15 - Rents and Income Targeting

income targeting				
	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total</u>
1 bedroom	8	8	8	24
2 bedroom	36	36	36	108
3 bedroom	20	20	20	60
Total	64	64	64	192
proposed rents				
	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	
1 bedroom	\$748	\$914	\$1,080	
2 bedroom	\$891	\$1,090	\$1,289	
3 bedroom	\$1,024	\$1,253	\$1,483	
proposed rents as a proportion (%) of maximum				
	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	
1 bedroom	99.9	99.9	100.0	
2 bedroom	99.9	100.0	100.0	
3 bedroom	100.0	99.9	100.0	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$80, \$102, and \$124 for the one-, two-, and three bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at the maximum allowable for the units at each target income level.

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

Table 16 - Qualifying Income Ranges

<u>50 percent</u>		
	lower	upper
1 bedroom	\$28,414	\$33,150
2 bedroom	\$34,071	\$39,750
3 bedroom	\$39,364	\$45,925
<u>60 percent</u>		
	lower	upper
1 bedroom	\$34,080	\$39,780
2 bedroom	\$40,869	\$47,700
3 bedroom	\$47,211	\$55,110
<u>70 percent</u>		
	lower	upper
1 bedroom	\$39,771	\$46,410
2 bedroom	\$47,691	\$55,650
3 bedroom	\$55,097	\$64,295

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$28,414 to \$64,295, reflecting the target incomes used.

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



Projections of need and demand are based upon a 2024 to 2027 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 9, a total of 376 new rental units are needed between 2024 and 2027. A total of 138 units will be for households eligible for the proposed project: 93 households at the 50 percent level, 92 households at the 60 percent level, and 91 households at the 70 percent level.

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

Our calculations show that there will be a total of 3,605 renter households in the qualifying income ranges in the project market area. This figure has to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 59.7 percent of renters qualifying for units at the 50 percent level are rent overburdened, with 48.6 percent at the 60 percent level being over-burdened, and 37.2 percent at the 70 percent level, being over-burdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This based on an annual average rate of 0.6 percent of the rental housing stock. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 65 units.

Total demand is therefore seen to amount to 1,840 units: 1,581 qualifying for units at the 50 percent level, and 1,300 and 1,016 qualifying for units at the 60 and 70 percent levels.

These figures are based on a 2024 to 2027 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. Two potentially comparable projects have been funded - 72 potentially comparable units at the Mark at Woodford Apartments, and 48 units at Weller's Ridge. No other comparable projects have been funded or are under construction. Therefore, the net need is for 1,720 units.

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

Table 17 - Demand Calculations

	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total*</u>
(i) income eligible new renter households	93	92	91	138
(ii) income eligible existing renter households	2,418	2,396	2,370	3,605
(iii) existing households, likely to move	1,445	1,164	882	1,636
(iv) need from obsolete housing	44	43	43	65
Total demand (i)+(ii)+(iii)+(iv)	1,581	1,300	1,016	1,840
Supply	0	120	0	120
Net demand	1,581	1,180	1,016	1,720

\* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 30 percent of the total, two-bedroom units should account for 40 percent of the total, and three-bedroom units should account for 23 percent of the total with four- or more bedroom units accounting for 8 percent. Here, it is important to note that the need and demand for three- bedroom units (which account for 31.3 percent of the 192-unit total) is based on renter household size - with a focus on four-or-more person households.

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

Table 18 - Capture Rates

	50 percent	60 percent	70 percent	Total*
<b>Total demand</b>				
1 bedroom	466	383	300	543
2 bedroom	639	525	410	743
3 bedroom	356	293	229	415
4 bedroom	120	98	77	139
<b>Total</b>	<b>1,581</b>	<b>1,300</b>	<b>1,016</b>	<b>1,840</b>
<b>Supply</b>				
1 bedroom	0	0	0	0
2 bedroom	0	70	0	70
3 bedroom	0	50	0	50
4 bedroom	0	0	0	0
<b>Total</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>120</b>
<b>Net demand</b>				
1 bedroom	466	383	300	543
2 bedroom	639	455	410	673
3 bedroom	356	243	229	365
4 bedroom	120	98	77	139
<b>Total</b>	<b>1,581</b>	<b>1,180</b>	<b>1,016</b>	<b>1,720</b>
<b>Units proposed</b>				
1 bedroom	8	8	8	24
2 bedroom	36	36	36	108
3 bedroom	20	20	20	60
4 bedroom	0	0	0	0
<b>Total</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>192</b>
<b>Capture rates</b>				
1 bedroom	1.7%	2.1%	2.7%	4.4%
2 bedroom	5.6%	7.9%	8.8%	16.0%
3 bedroom	5.6%	8.2%	8.7%	16.4%
4 bedroom	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>4.0%</b>	<b>5.4%</b>	<b>6.3%</b>	<b>11.2%</b>

\* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Given the calculated demand, the proposed 192-unit development amounts to 11.2 percent of the total net demand.

The capture rate for the 64 units targeted at 50 percent level being 4.0 percent. The capture rate for the 64 units targeted at 60 percent of the median is determined to be 5.4 percent, with that for the 64 units targeted at 70 percent being 6.3 percent.

The capture rates, by bedroom, are determined to be 4.4 percent for the 24 one-bedroom units, 16.0 percent for the 108 two-bedroom units, and 16.4 percent for the 60 three-bedroom units.

These capture rates are considered to be realistic for community of its size, with three target income ranges.

The proposed project is considered marketable.

#### ABSORPTION RATES

As noted, the capture rates presented above are considered realistic - and reflect the impact of the size of the project, with three target income ranges. Were the project to be developed as proposed it would expect to lease-up over a period of 12 months, or so. This assumes that it is introduced at an advantageous time of year, and that it is professionally marketed and managed, with a pre-leasing program.

## G. EXISTING RENTAL UNITS

There are several apartment complexes located throughout the Aiken area. These include properties that are financed through the use of Low Income Housing Tax Credits - and thus are potentially comparable to the proposed complex. There two properties that are subsidized for low and very low income renters, through the HUD Section 8 program. Information on the tax credit properties, subsidized properties, and market rate properties in the market area is presented below.

The various tax credit properties date from 2010, and include six stabilized properties, and one that is under construction.

The most recent, stabilized, tax credit property is the Mark at Woodford which offers a total of 90 units. There are nine one-bedroom units (that are targeted at 20 percent of the median income), 48 two-bedroom units, and 33 three-bedroom units. The two- and three-bedroom units are targeted at 40 percent and 60 percent of the median - with rents in the \$514 to \$970 range. The property reports a 93 percent occupancy rate.

The Weller's Ridge Apartments is under construction and will offer 60 units. Paralleling the Mark at Woodford, there will be six one-bedroom units at 20 percent of the median, 32 two-bedroom units, and 22 three-bedroom units, each targeted at 40 percent and 60 percent of the local area median income.

We have identified and surveyed ten market rate apartment complexes in the Aiken area. These date from 1973 to 2008. The newest complex, for example, is the Haven at Market Street Station property - which offers 284 units in the Trolley Run Station development, to the north and east of Aiken. The project has one-bedroom units that rent for \$1,210 to \$1,280, with two-and three-bedroom units available for \$1,370 and \$1,610, respectively. The property reports a 94 percent occupancy level. Rents at the various conventional properties range from \$868 to \$1,280 for one-bedroom units, from \$1,019 to \$1,370 for two-bedroom units, with three-bedroom units in the \$1,208 to \$1,610 range. Occupancy ranges from 94 to 100 percent.

Overall occupancy in the market rate complexes is 96.7 percent, and occupancy at the stabilized tax credit properties is 95.2 percent. The overall occupancy rate for these units is found to be 96.5 percent. We were not able to obtain occupancy data for either of the subsidized properties.

There are no existing tax credit financed developments in the project market area (including pipeline projects) on which the proposed development could have a long-term negative impact.

Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Ashton	Conventional	2001	96	n/a	n/a
Boundary at Silver Bluff	Conventional	1973/2021	126	0	100.0
Brittany Downs	Conventional	1999	194	5	97.4
Colony at South Park	Conventional	1989	184	7	96.2
Crosland	HUD §8	1981/2024	56	n/a	n/a
DuPont Landing	LIHTC	2014	44	n/a	n/a
Gatewood	Conventional	1984/2022	134	3	97.8
Haven at Market Street Station	Conventional	2008	284	16	94.4
The Huntley	Conventional	1980's	148	7	95.3
Mark at Woodford	LIHTC	2024	90	6	93.3
Meadowbrook Acres	LIHTC	2011	48	n/a	n/a
Olde South Terrace	LIHTC	2010	48	2	95.8
Paces Run	HUD §8	1970/1990	56	n/a	n/a
Palmetto Crossing	LIHTC	2018	48	2	95.8
Preserve at Lauren's Creek	Conventional	2002	56	n/a	n/a
Verandas on the Green	Conventional	1980	222	7	97.0
Viera Aiken	Conventional	1991/2019	240	6	97.5
Weller's Ridge	LIHTC	2025	60	n/a	n/a
Woodford Trace	LIHTC	2022	48	1	97.9



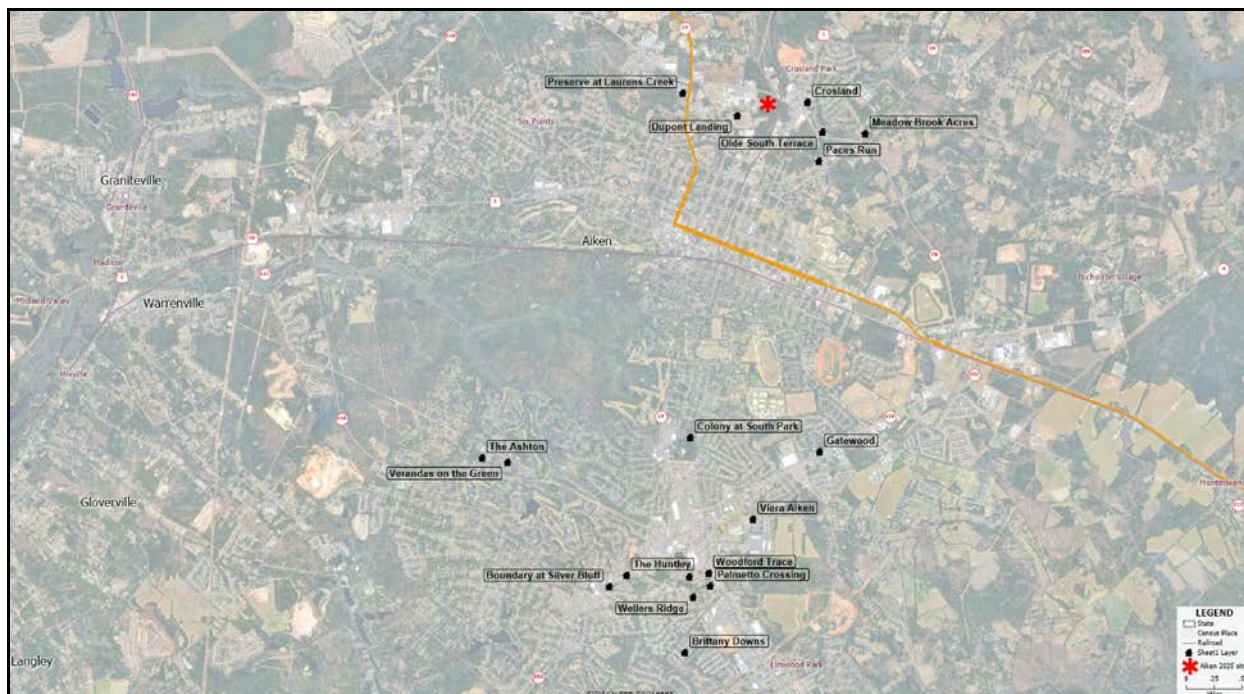
	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Fox Ridge Trace				24	840	\$748-1,080
Ashton				24	692	\$1,199
Boundary at Silver Bluff				96	600	\$868-1,070
Brittany Downs	16	520	\$895	48	720-800	\$980-1,010
Colony at South Park				48	750	\$1,055
Crosland				20	574	boi
DuPont Landing						
Gatewood						
Haven at Market Street Station				118	776-988	\$1,210-1,280
The Huntley				8	650	\$1,149
Mark at Woodford				9	765	\$188
Meadowbrook Acres						
Olde South Terrace						
Paces Run				8	n/a	boi
Palmetto Crossing						
Preserve at Lauren's Creek						
Verandas on the Green				24	775	\$1,150
Viera Aiken						
Weller's Ridge				6	765	\$115
Woodford Trace						

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Fox Ridge Trace				108	1,100	\$891-1,289
Ashton				60	1,000-1,010	\$1,379-1,399
Boundary at Silver Bluff	24	835	\$1,019-1,149			
Brittany Downs	8	1,008	\$1,100	122	1,048	\$1,140
Colony at South Park				88	950	\$1,215
Crosland	32	804	boi			
DuPont Landing						
Gatewood	28	975	\$1,259	76	1,053	\$1,259
Haven at Market Street Station				n/a	1,149	\$1,370
The Huntley	112	900-1,000	\$1,199-1,399			
Mark at Woodford				48	995	\$514-\$865
Meadowbrook Acres				32	1,096	
Olde South Terrace				12	1,250	
Paces Run	20	n/a	boi			
Palmetto Crossing				24	1,100	
Preserve at Lauren's Creek				40	908	\$1,115
Verandas on the Green				60	1,000	\$1,170
Viera Aiken				160	1,000	\$1,230
Weller's Ridge				32	995	
Woodford Trace				34	949-999	\$805-1,004

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Fox Ridge Trace				60	1,280	\$1,024-1,483
Ashton				12	1,230	\$1,599
Boundary at Silver Bluff	6	1,050	\$1,208-1,370			
Brittany Downs						
Colony at South Park				48	1,150	\$1,445
Crosland	10	1,051	boi			
DuPont Landing				44	1,250	
Gatewood				30	1,125	\$1,533
Haven at Market Street Station				n/a	1,292	\$1,610
The Huntley				38	1,100-1,138	\$1,529
Mark at Woodford				33	1,198	\$564-970
Meadowbrook Acres				16	1,196	
Olde South Terrace				36	1,250	
Paces Run				16	n/a	boi
Palmetto Crossing				18	1,250	
Preserve at Lauren's Creek				16	1,053	\$1,395
Verandas on the Green				12	1,235	\$13,160
Viera Aiken				80	1,235	\$1,395
Weller's Ridge				22	1,198	
Woodford Trace				22	1,197-1,201	\$909-1,138

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



Several market rate apartment developments in the project market area can be used in the determination of market rents. Here, we focused on the Haven at Market Street Station, the Preserve at Lauren's Creek, Verandas on the Green, and Viera Aiken. The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the unassisted units at the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$1,208 for a one-bedroom unit, \$1,257 for a two-bedroom unit, and \$1,474 for a three-bedroom unit.

Based on the proposed rents at the proposed development, this rent is found to be well below the gross adjusted market rent (15.13 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
8	1 BR	\$748	\$5,984	\$1,208	\$9,661	
8	1 BR	\$914	\$7,312	\$1,208	\$9,661	
8	1 BR	\$1,080	\$8,640	\$1,208	\$9,661	
	1 BR					
	2 BR					
	2 BR					
36	2 BR	\$891	\$32,076	\$1,257	\$45,247	
36	2 BR	\$1,090	\$39,240	\$1,257	\$45,247	
36	2 BR	\$1,289	\$46,404	\$1,257	\$45,247	
	3 BR					
	3 BR					
20	3 BR	\$1,024	\$20,480	\$1,474	\$29,475	
20	3 BR	\$1,253	\$25,060	\$1,474	\$29,475	
20	3 BR	\$1,483	\$29,660	\$1,474	\$29,475	
	4 BR					
Totals	192		\$214,856		\$253,148	15.13%

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

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted FMR	Gross Adjusted FMR	Tax Credit Gross Rent Advantage
	0 BR					
8	1 BR	\$748	\$5,984	\$1,039	\$8,312	
8	1 BR	\$914	\$7,312	\$1,039	\$8,312	
8	1 BR	\$1,080	\$8,640	\$1,039	\$8,312	
	2 BR					
36	2 BR	\$891	\$32,076	\$1,175	\$42,300	
36	2 BR	\$1,090	\$39,240	\$1,175	\$42,300	
36	2 BR	\$1,289	\$46,404	\$1,175	\$42,300	
	3 BR					
20	3 BR	\$1,024	\$20,480	\$1,545	\$30,900	
20	3 BR	\$1,253	\$25,060	\$1,545	\$30,900	
20	3 BR	\$1,483	\$29,660	\$1,545	\$30,900	
	4 BR					
Totals	192		\$214,856		\$244,536	12.14%





### Ashton

Location: 925 Trail Ridge Road  
Aiken

Financing: Conventional

Year Built: 2001

Total Units: 96

Vacant units: n/a n/a occupied

Telephone: 803.641.7163

Management: Brookside Properties  
[5/29]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	24	692	\$1,199	\$1.73	Microwave •
2/2	60	1,000-1,010	\$1,379-1,399	\$1.38	Dishwasher •
3/2	12	1,230	\$1,599	\$1.30	Washer/dryer •
					Washer/dryer hook-up •
					9' Ceilings
					High-end kitchen
					Wood/style floors
					Fireplaces
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center •
					Business center
					Pool •
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry

#### Utilities in Rent

Water  
Sewer  
Trash



### Boundary at Silver Bluff

Location: 749 Silver Bluff Road  
Aiken

Financing: Conventional

Year Built: 1973/2021

Total Units: 126

Vacant units: 0 100.0% occupied

Telephone: 803.560.5471

Management: Momentum Communities  
[5/29]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	96	600	\$868*-1,070	\$1.62
2/1	24	835	\$1,019-1,149	\$1.30
3/1½	6	1,050	\$1,208*-1,370	\$1.23

\* targeted at 50 percent of the median

#### Unit Amenities

Microwave  
Dishwasher •  
Washer/dryer •  
Washer/dryer hook-up •  
9' Ceilings  
High-end kitchen  
Wood/style floors  
Fireplaces  
Patio/balconies

#### Community Amenities

Clubhouse/community room •  
Fitness center  
Business center  
Pool •  
Playground •  
Controlled access/gated  
Elevator  
Garages  
Storage  
Laundry •

#### Utilities in Rent

Water  
Sewer  
Trash





### Brittany Downs

Location: 200 Berringer Drive  
Aiken

Financing: Conventional

Year Built: 1999

Total Units: 194

Vacant units: 5 97.4% occupied

Telephone: 803.232.7488

Management: Phillips Management Group  
[5/30]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
0/1	16	520	\$895	\$1.72
1/1	40	720	\$980	\$1.36
1/1	8	800	\$1,010	\$1.26
2/1½	8	1,008	\$1,100	\$1.09
2/2	122	1,048	\$1,140	\$1.09

#### Unit Amenities

- Microwave
- Dishwasher •
- Washer/dryer
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies •

#### Community Amenities

- Clubhouse/community room
- Fitness center
- Business center
- Pool
- Playground
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry

#### Utilities in Rent

- Water
- Sewer
- Trash



### Colony at South Park

Location: 101 Greengate Circle  
Aiken

Financing: Conventional

Year Built: 1989

Total Units: 184

Vacant units: 7 96.2% occupied

Telephone: 803.696.4140

Management: Capital Square Living  
[5/29]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	48	750	\$1,055	\$1.41	Microwave •
					Dishwasher •
2/2	88	950	\$1,215	\$1.28	Washer/dryer •
					Washer/dryer hook-up •
3/2	48	1,150	\$1,445	\$1.26	9' Ceilings •
					High-end kitchen •
					Wood/style floors •
					Fireplaces •
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center •
					Pool •
					Playground •
					Controlled access/gated •
					Elevator •
					Garages •
					Storage •
					Laundry •
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



### Crosland

Location: 630 Aldrich Street, NE  
Aiken

Financing: HUD §8

Year Built: 1981/2024

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 803.648.9939

Management: SDMC

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	616	
2/1	40	836	
3/1½	8	1,056	

#### Unit Amenities

Microwave  
Dishwasher  
Washer/dryer  
Washer/dryer hook-up  
9' Ceilings  
High-end kitchen  
Wood/style floors  
Fireplaces  
Patos/balconies

#### Community Amenities

Clubhouse/community room  
Fitness center  
Business center  
Pool  
Playground  
Controlled access/gated  
Elevator  
Garages  
Storage  
Laundry

#### Utilities in Rent

Water •  
Sewer •  
Trash •



### DuPont Landing

Location: 109 Benedict Street  
Aiken

Financing: LIHTC

Year Built: 2014

Total Units: 44

Vacant units: n/a n/a occupied

Telephone: 803.226.0055

Management: CAHEC Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
3/2	36	1,250	50%	n/a		n/a	Microwave •
3/2	8	1,250	60%	n/a		n/a	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
							9' Ceilings
							High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry

#### Utilities in Rent

Water •

Sewer •

Trash



### Gatewood

Location: 303 Pebble Lane  
Aiken

Financing: Conventional

Year Built: 1984/2022

Total Units: 134

Vacant units: 3 97.8% occupied

Telephone: 803.642.6553

Management: Intermark Management  
[5/28]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/1½	28	975	\$1,259	\$1.29
2/2½	76	1,053	\$1,259	\$1.20
3/2	30	1,125	\$1,533	\$1.36

#### Unit Amenities

Microwave  
Dishwasher •  
Washer/dryer  
Washer/dryer hook-up •  
9' Ceilings  
High-end kitchen  
Wood/style floors  
Fireplaces  
Patos/balconies

#### Community Amenities

Clubhouse/community room •  
Fitness center  
Business center  
Pool •  
Playground •  
Controlled access/gated  
Elevator  
Garages  
Storage  
Laundry

#### Utilities in Rent

Water  
Sewer  
Trash







### The Huntley

Location: 650 Silver Bluff Road  
Aiken

Financing: Conventional

Year Built: 1980's

Total Units: 148

Vacant units: 7 95.3% occupied

Telephone: 803.850.3517

Management: Brookside properties  
[5/28]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	8	650	\$1,129	\$1.74
2/1	48	900	\$1,199	\$1.28
2/1½	64	900-1102	\$1,199-1,399	\$1.28
3/2	12	1,100	\$1,529	\$1.39
3/2	16	1,138	\$1,529	\$1.34

#### Unit Amenities

Microwave  
Dishwasher •  
Washer/dryer  
Washer/dryer hook-up •  
9' Ceilings  
High-end kitchen  
Wood/style floors  
Fireplaces  
Patio/balconies

#### Community Amenities

Clubhouse/community room  
Fitness center  
Business center  
Pool •  
Playground  
Controlled access/gated  
Elevator  
Garages  
Storage  
Laundry •

#### Utilities in Rent

Water  
Sewer  
Trash





### Meadowbrook Acres

Location: 111 Wire Road  
Aiken

Financing: LIHTC

Year Built: 2011

Total Units: 48

Vacant units: n/a n/a occupied

Telephone: 803.226.0559

Management: Guardian Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	8	1,096	50%	n/a		n/a	Microwave
2/2	24	1,096	60%	n/a		n/a	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2	4	1,196	50%	n/a		n/a	9' Ceilings
3/2	12	1,196	60%	n/a		n/a	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash							



### Olde South Terrace

Location: 4001 Eclipse Loop  
Aiken

Financing: LIHTC

Year Built: 2010

Total Units: 48

Vacant units: 2 95.8% occupied

Telephone: 803.226.0559

Management: Guardian Management  
[6/11]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	8	1,080	50%	\$655		\$0.61	Microwave
2/2	4	1,080	60%	\$705		\$0.65	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2	4	1,250	50%	\$755		\$0.60	9' Ceilings
3/2	32	1,250	60%	\$780		\$0.62	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



### Paces Run

Location: 826 Brandt Court, NE  
Aiken

Financing: HUD §8  
Year Built: 1970/1990

Total Units: 56  
Vacant units: n/a n/a occupied

Telephone: 336.249.1836  
Management: Housing Management, Inc

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	n/a	n/a
2/1	20	n/a	n/a
3/1	16	n/a	n/a
4/1	12	n/a	n/a

Management did not disclose information

#### Unit Amenities

Microwave  
Dishwasher  
Washer/dryer  
Washer/dryer hook-up  
9' Ceilings  
High-end kitchen  
Wood/style floors  
Fireplaces  
Patos/balconies

#### Community Amenities

Clubhouse/community room  
Fitness center  
Business center  
Pool  
Playground  
Controlled access/gated  
Elevator  
Garages  
Storage  
Laundry

#### Utilities in Rent

Water •  
Sewer •  
Trash •



### Palmetto Crossing

Location: 1024 Owens Street  
Aiken

Financing: LIHTC

Year Built: 2018

Total Units: 48

Vacant units: 1 97.9% occupied

Telephone: 803.262.5085

Management: InterMark Management  
[6/9]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	4	1,100	50%	\$650	\$222	\$0.59	Microwave •
2/2	20	1,100	60%	\$825	\$222	\$0.75	Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2	4	1,250	50%	\$725	\$290	\$0.58	9' Ceilings
3/2	14	1,250	60%	\$925	\$290	\$0.74	High-end kitchen
							Wood/style floors
4/2½	2	1,400	50%	\$800	\$351	\$0.57	Fireplaces
4/2½	4	1,400	60%	\$1,025	\$351	\$0.73	Patios/balconies
							<u>Community Amenities</u>
							Clubhouse/community room •
							Fitness center
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash





### Preserve at Lauren's Creek

Location: 2000 Glen Arbor Court  
Aiken

Financing: Conventional

Year Built: 2002

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 803.676.8716

Management: Southwood Realty  
[5/28]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/2	40	908	\$1,115	\$1.23
3/2	16	1,053	\$1,395	\$1.32

management does not disclose occupancy

#### Unit Amenities

- Microwave •
- Dishwasher •
- Washer/dryer •
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies •

#### Community Amenities

- Clubhouse/community room •
- Fitness center •
- Business center •
- Pool •
- Playground •
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry •

#### Utilities in Rent

- Water
- Sewer
- Trash



### Verandas on the Green

Location: 101 Fairway Ridge  
Aiken

Financing: Conventional

Year Built: 1980

Total Units: 222

Vacant units: 7 97.0% occupied

Telephone: 855.576.1007

Management: Morgan Properties  
[5/30]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	24	775	\$1,150	\$1.48	Microwave
					Dishwasher •
					Washer/dryer
2/2	60	1,000	\$1,170	\$1.17	Washer/dryer hook-up •
					9' Ceilings
3/2	12	1,235	\$1,360	\$1.10	High-end kitchen
					Wood/style floors
					Fireplaces
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center
					Pool •
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry •
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



### Viera Aiken

Location: 1900 Roses Run  
Aiken

Financing: Conventional

Year Built: 1991/2019

Total Units: 240

Vacant units: 6 97.5% occupied

Telephone: 803.721.4342

Management: Fortis Property Management  
[5/28]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/2	160	1,000	\$1,230	\$1.23
3/2	80	1,235	\$1,395	\$1.13

#### Unit Amenities

- Microwave
- Dishwasher •
- Washer/dryer
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies •

#### Community Amenities

- Clubhouse/community room •
- Fitness center •
- Business center
- Pool •
- Playground •
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry •

#### Utilities in Rent

- Water
- Sewer
- Trash



### Weller's Ridge

Location: 924 Dougherty Street  
Aiken

Financing: LIHTC

Year Built: 2025

Total Units: 60

Vacant units: n/a n/a occupied

Telephone:

Management: Fitch Irick

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	6	765	20%	\$115		\$0.15	Microwave •
							Dishwasher •
							Washer/dryer •
2/2	4	995	40%	\$435		\$0.44	Washer/dryer hook-up •
2/2	28	995	60%	\$730		\$0.73	9' Ceilings
							High-end kitchen
3/2	2	1,198	40%	\$475		\$0.40	Wood/style floors
3/2	20	1,198	60%	\$825		\$0.69	Fireplaces
							Patios/balconies •
Information provided by SC Housing							<u>Community Amenities</u>
							Clubhouse/community room •
							Fitness center •
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water							
Sewer							
Trash	•						



### Woodford Trace

Location: 720 Coralberry Park, SW  
Aiken

Financing: LIHTC

Year Built: 2022

Total Units: 48

Vacant units: 1 97.9% occupied

Telephone: 803.881.2746

Management: Fitch Irick  
[6/9]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
							Microwave •
							Dishwasher •
							Washer/dryer •
2/2	6	994-999	50%	\$805	\$188	\$0.81	Washer/dryer hook-up •
2/2	28	994	60%	\$1,004	\$188	\$1.01	9' Ceilings
							High-end kitchen
3/2	2	1,197-1,201	50%	\$709	\$239	\$0.59	Wood/style floors
3/2	20	1,201	60%	\$1,138	\$239	\$0.95	Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
							Water
							Sewer
							Trash •

## H. INTERVIEWS

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

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

The manager at both the Mark at Woodford - the most recent tax credit property to reach full stabilized occupancy - for example, believes that a new property, such as that proposed, will be well received.



## I. RECOMMENDATIONS

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

J. SIGNED STATEMENT

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



Market Analyst

Date: June 23, 2025

## ANALYST QUALIFICATIONS

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

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

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

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

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

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

### NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, 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*, and *Model Content Standards for the Content of Market Studies*. 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 the 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 .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates 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. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown



## MARKET STUDY TERMINOLOGY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Effective rents* - contract rent less concessions.

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

*Income band* - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically<sup>7</sup> is pre-defined by specific program requirements or by general market parameters.

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

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

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

*Market area* - See *primary market area*.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Programmatic rents* - See *restricted rents*.

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

*Redevelopment* - the redesign or rehabilitation of existing properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Other Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

*Tenant* - one who rents real property from another.

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

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

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

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