

**NEED AND DEMAND ANALYSIS**  
**FOR THE LAWSONS RIDGE APARTMENTS**  
**IN**  
**SPARTANBURG, SOUTH CAROLINA**

**Prepared for**  
**Lawsons Ridge, LP**  
**for submission to**  
**the South Carolina State Housing Finance and Development Authority**

January 2021, revised April 2021

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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 Lawsons Ridge Apartments in Spartanburg, South Carolina. A total of 228 units are to be developed: 60 one-bedroom units, 96 two-bedroom units, 54 three-bedroom units, and 18 four-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 January 4, 2021. 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:: January 6, 2021

## EXECUTIVE SUMMARY

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

The proposed development will comprise 228 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 40 percent, 60 percent, and 70 percent of the local area median income.

The Lawsons Ridge Apartments are to be located on the west side of Old Boiling Springs Road, to the north and east of Lawsons Creek, to the north of Spartanburg, in Spartanburg County.

The market area for the proposed apartments is a portion of northern and eastern Spartanburg County.

Over the last decade, both labor force and employment in Spartanburg County have increased, with unemployment decreasing on a relatively consistent basis - decreasing from 11.8 percent in 2010 to only 2.6 percent in 2019. However, it should be noted that data - both nationally and locally - suggest that employment gains over the last decade or so have significantly impacted by the economic disruption caused by the coronavirus pandemic.

The population of the project market area is projected to increase from 58,420 in 2010, to 67,628 in 2020, to 73,073 in 2023. The number of households is projected to increase from 21,441 in 2010 to 25,388 in 2020, to 27,484 in 2023. There were 7,592 renter households in the market area in 2010: which is projected to increase to 9,617 by 2020, and to 10,624 by 2023.

There are several apartment complexes located throughout the project market area. These include several market rate properties, complexes financed with low income housing tax credits, and one USDA/Rural Development property.

Occupancy at the 1,609 units in the ten market rate properties for which we were able to obtain occupancy data, reveal a 95 percent occupancy level. The two comparable tax credit properties are 100 percent occupied, and the one subsidized USDA/RD project is 98 percent occupied. This yields a 95.8 percent overall occupancy level for the total 1,906 units surveyed.

The total potential need for tax credit units such as is proposed in the project market area by 2023 is calculated to be for 1,343 units. Given the calculated need, the proposed 228-unit development amounts to 17.0 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 up to 12 months. This assumes that the property will be marketed and managed by a professional management entity that is experienced in marketing and managing properties of this type. Further, it is expected that the property will be subject to an effective pre-leasing program and that units would be made available on a phased basis.

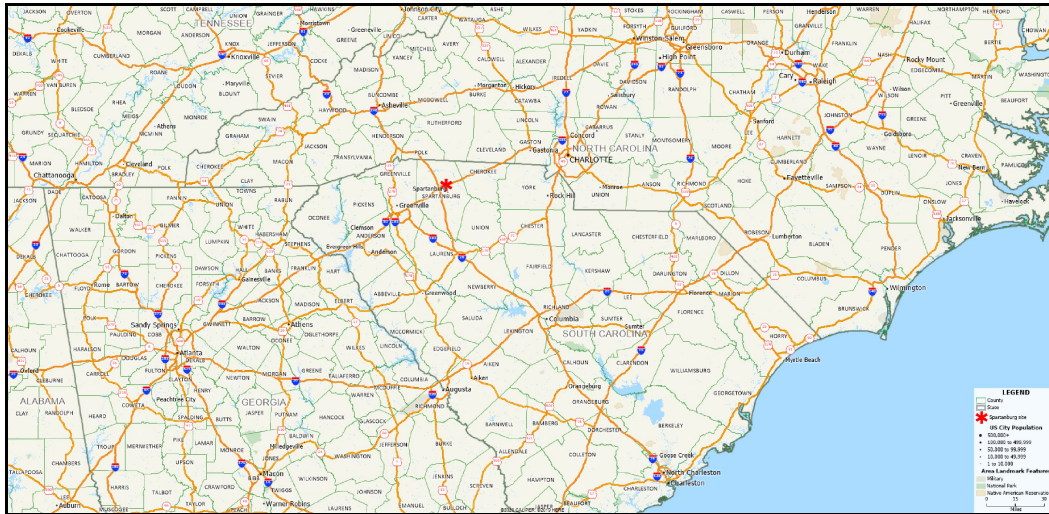
**Report for the Lawsons Ridge Apartments in Spartanburg, South Carolina**

2021 EXHIBIT S - 2 SC SHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:										
Development Name		Lawsons Ridge						Total units:		228
Location		Old Boiling Springs Road						LIHTC units:		228
PMA Boundary		A portion of northern and eastern Spartanburg County								
Development Type		Family	✓	Older	Fartherest Boundary Distance to subject:			9.0 miles		
Rental Housing Stock (found on pages 42-48)										
Type	Properties	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	13	1906	81	95.8%						
Market Rate Housing	10	1609	80	95.0%						
Assisted/Subsidized Housing, not to include LIHTC	1	52	1	98.1%						
LIHTC (all that are stabilized)*	2	245	0	100.0%						
Subsidized comps**	2	245	0	100.0%						
Non-stabilized comps										
* Stabilized occupancy of at least 93% (excludes projects still in lease-up)										
** comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income										
Subject Development					Adjusted Market Rent			Highest Unadjusted comp rent		
Units	Bedrooms	Baths	Size (sf)	Proposed Rent	per unit	per sf	Advantage	per unit	per sf	
14	1	1	853	\$375	\$938	\$1.10	60.00	\$1,192	\$1.40	
32	1	1	853	\$565	\$938	\$1.10	39.74	\$1,192	\$1.40	
14	1	1	853	\$675	\$938	\$1.10	28.01	\$1,192	\$1.40	
18	2	1	1,030	\$435	\$1,056	\$1.02	58.79	\$2,292	\$2.23	
54	2	1	1,030	\$665	\$1,056	\$1.02	37.00	\$2,292	\$2.23	
24	2	1	1,030	\$825	\$1,056	\$1.02	21.85	\$2,292	\$2.23	
12	3	2	1,245	\$475	\$1,213	\$0.97	60.85	\$2,832	\$2.27	
30	3	2	1,245	\$740	\$1,213	\$0.97	39.01	\$2,832	\$2.27	
12	3	2	1,245	\$850	\$1,213	\$0.97	29.94	\$2,832	\$2.27	
6	4	2	1,425	\$500	\$1,268	\$0.89	60.56	n/a	n/a	
6	4	2	1,425	\$795	\$1,268	\$0.89	37.29	n/a	n/a	
6	4	2	1,425	\$925	\$1,268	\$0.89	27.04	n/a	n/a	
Gross Potential Rent Monthly*				\$147,740	\$245,931		39.93			
* market advantage is calculated using the following formula: gross adjusted market rent (minus) gross proposed rent (divided by) gross adjusted market rent The calculation should be expressed as a percentage rounded to two decimal places. The rent calculation Excel worksheet must be provided with the Exhibit S-2 form										
Demographic Data (found on pages 28,37)										
					2010		2020		2023	
Renter Households					7,592	35.4	9,617	37.9	10,624	38.7
Income-Qualified Renter Households (LIHTC)					n/a	n/a	2,633	27.4	2,909	27.4
income qualified Renter HHs (MR) if applicable										
Targeted Income-Qualified Renter Household Demand (found on page 39)										
Type of demand					40%	60%	70%	other	other	Overall
Renter Household Growth					82	125	124			276
Existing Households (over burdened+substandard)					491	433	287			1,067
Homeowner conversion (senior)										
Other										
Less comparable/competitive supply					0	0	0			0
Net income-qualified renter hholds					573	558	412			1,343
Capture Rates (found on page 40)										
Targeted population					40%	60%	70%	other	other	Overall
Capture rate					8.7%	21.8%	13.6%			17.0%
Absorption Rate (found on page 41)										
up to 12 months										

A. PROJECT DESCRIPTION

Project Location

The Lawsons Ridge Apartments are to be located on the west side of Old Boiling Springs Road, to the north and east of Lawsons Creek, to the north of Spartanburg, in Spartanburg County, in Upstate South Carolina.



Construction type: New construction

The property comprises ten two- and/or three-story residential, buildings, with an office/community building.

Occupancy type :Family

Target income groups: 40 percent, 60 percent, and 70 percent of the local area median income

Special population target: not applicable



Proposed unit mix, etc.

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
1 bedroom/1 bath	14	853	\$375	less than 40 percent
1 bedroom/1 bath	32	853	\$565	less than 60 percent
1 bedroom/1 bath	14	853	\$675	less than 70 percent
2 bedroom/ 1 bath	18	1,030	\$435	less than 40 percent
2 bedroom/ 1 bath	54	1,030	\$665	less than 60 percent
2 bedroom/ 1 bath	24	1,030	\$825	less than 70 percent
3 bedroom/2 bath	12	1,245	\$475	less than 40 percent
3 bedroom/2 bath	30	1,245	\$740	less than 60 percent
3 bedroom/2 bath	12	1,245	\$850	less than 70 percent
4 bedroom/2 bath	6	1,425	\$500	less than 40 percent
4 bedroom/2 bath	6	1,425	\$795	less than 60 percent
4 bedroom/2 bath	6	1,425	\$925	less than 70 percent

\* percent of area median income

Rental Assistance: none

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will be responsible for trash collection. The utility allowance is \$124 for a one-bedroom unit, \$162 for a two-bedroom unit, \$215 for a three-bedroom unit, and \$270 for a four-bedroom unit.

The complex comprises ten two- and/or three-story buildings. In addition, the project will feature a community building which houses a rental office, laundry facilities, an exercise room, computer room, and a kitchenette. There are also outdoor play/recreation areas.

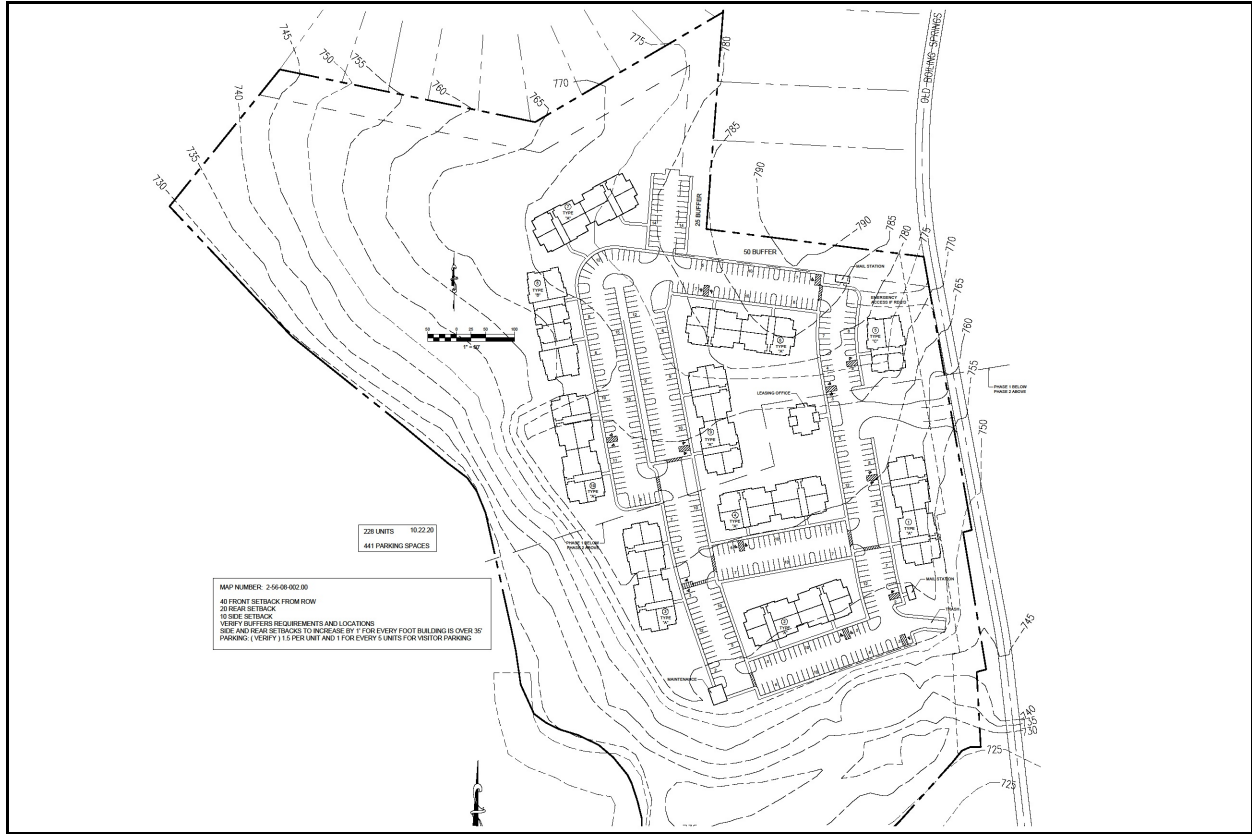
Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans and mini-blinds. The units will be centrally heated and air conditioned, with carpet and vinyl flooring.

Information submitted by the developer suggests that construction would start in late 2021. Construction will be phased - with the leasing office scheduled to open in May 2022, and the four buildings in the initial phase to be completed between August and October, 2022. The subsequent phase will be completed between October 2022 and March 2023.

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

Rehabilitation information: n/a

Site plan





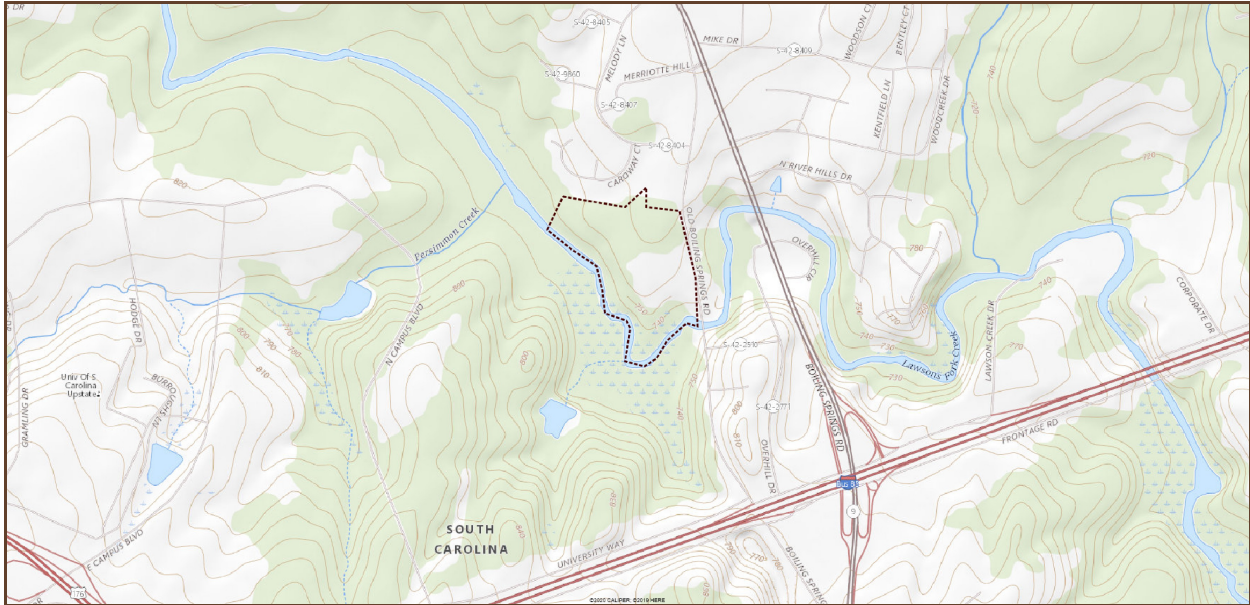
B. SITE DESCRIPTION

The Lawson Ridge Apartments are to be located on the west side of Old Boiling Springs Road, to the north and east of Lawsons Creek, to the north of Spartanburg, in Spartanburg County, in Upstate South Carolina.

Adjacent properties are typically small single-family homes (as in the Carroway Court neighborhood to the north), or small homes and mobile homes on the Old Boiling Springs Road, and undeveloped land.



There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location (other than any imposed by the location of Lawsons Creek): see USGS map, below.







View onto property



View onto property



View across Lawson Creek, onto property



View on property



View on property





View north on Old Boiling Springs Rd., at site



View south on Old Boiling Springs Rd., at site



View across Old Boiling Springs Rd., from site

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

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	Boiling Springs Road (SC9)	0.4
	Interstate 85	0.9
	Interstate 85, business	1.1
	Interstate 26	5.2
Retail - Grocery	Ingles	1.9
	Aldi	4.2
Retail - Other	Dollar General	0.5
	Wal Mart	4.2
Gas/Convenience Pharmacies *	Spinx	0.5
	CVS	1.4
	Walgreens	3.7
Banks	First Piedmont	1.6
	Truist	2.7
Restaurants	Denny's	0.9
Entertainment, etc	Milliken Arboretum	2.2
Schools	Shoally Creek Elementary School	2.3
	Boiling Springs Intermediate School	6.5
	Rainbow Lake Middle School	7.4
	Boiling Springs High School	4.0
Post Office	USC Upstate	2.4
	Boiling Springs	1.6
Library	Boiling Springs	3.6
Hospital	Greenville Health Children's	1.4
	Spartanburg Regional Medical Center	3.1

\* excluding those in grocery stores, etc.

Access from the site to major thoroughfares, sources of employment, shopping, schools, and other local services is quite good. These amenities are located in Boiling Springs, to the north, and in Spartanburg, to the south.

The site is located off the Boiling Springs Road (SC 9) - a significant north-south route serving the area. The site is within one and one-tenth miles of both Interstate 85 and Interstate 85, business. Interstate 26 is within five and one-fourth miles of the site.

As noted, the site is off the Boiling Springs Road, which is a significant focus for various retail and other services in the area. The site, for example, is within two miles of an Ingles supermarket and is within one and one-half miles of a CVS pharmacy. Other services in this area include various banks and fast food restaurants. A Dollar General store is within one mile of the site. The site is within four and one-half miles of a Walmart Supercenter.

The site of the proposed apartments is quite well-located with respect to local schools. The Shoally Creek Elementary School, for example, is approximately two and one-third miles from the site, and the Boiling Springs High School is four miles from the site. The USC - Upstate campus is within two and one-half miles of the site.

The Boiling Springs Library is on Boiling Springs Road, within three and one-half-miles of the site. The Boiling Springs Post Office is also on the Boiling Springs Road, within one and two-third miles of the site.

The Milliken Arboretum is within two and one-fourth miles from the site.

The Greenville Children's Hospital and associated medical services are within one and one-half miles of the site of the proposed apartments, and the Spartanburg Regional Medical Center is around three miles from the site.

The site is within of five miles, or so, of the government, shopping, and other services and sources of employment located in downtown Spartanburg.

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

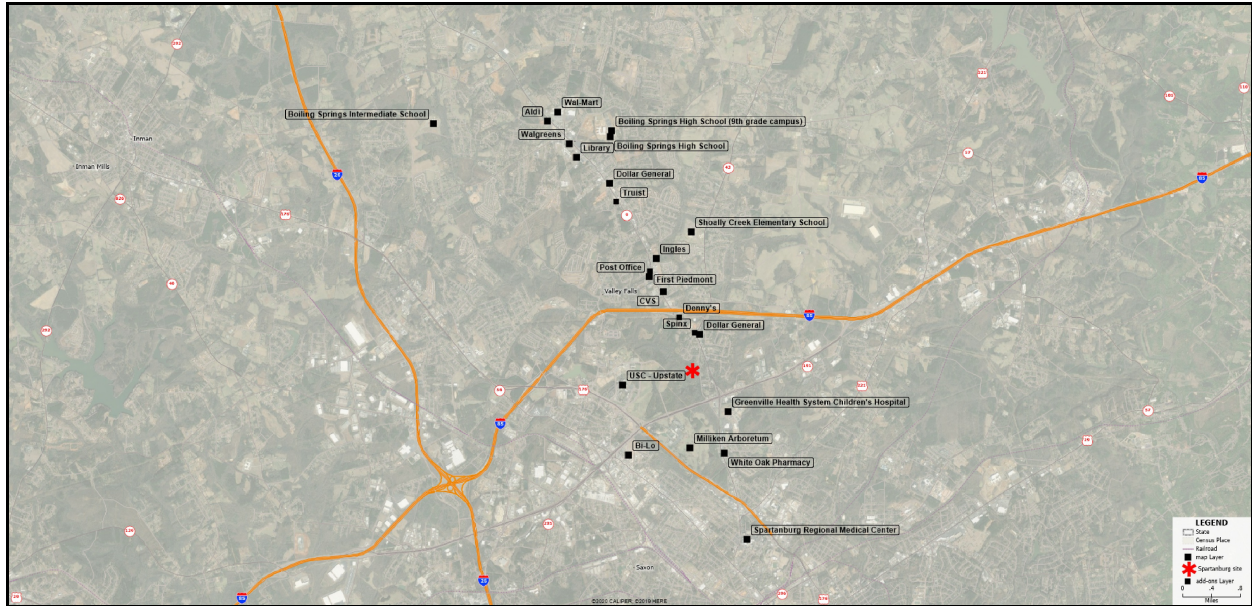
Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area. It is not expected that crime or the perception of crime in the area, would impact the project's marketability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

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



## Report for the Lawsons Ridge Apartments in Spartanburg, South Carolina

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.

The site of the proposed apartments is located between Boiling Springs and Spartanburg, in the northern and eastern portion of Spartanburg County, in Upstate South Carolina. The area includes Boiling Springs, and a portion of the City Spartanburg, but excludes neighboring and potentially competing communities such as Inman. This area is defined by several census tracts<sup>1</sup>. The area is centered on the site of the proposed development and extends up to an approximately three- to four-mile hinterland, except to the north where it extends to up to seven or eight-miles.

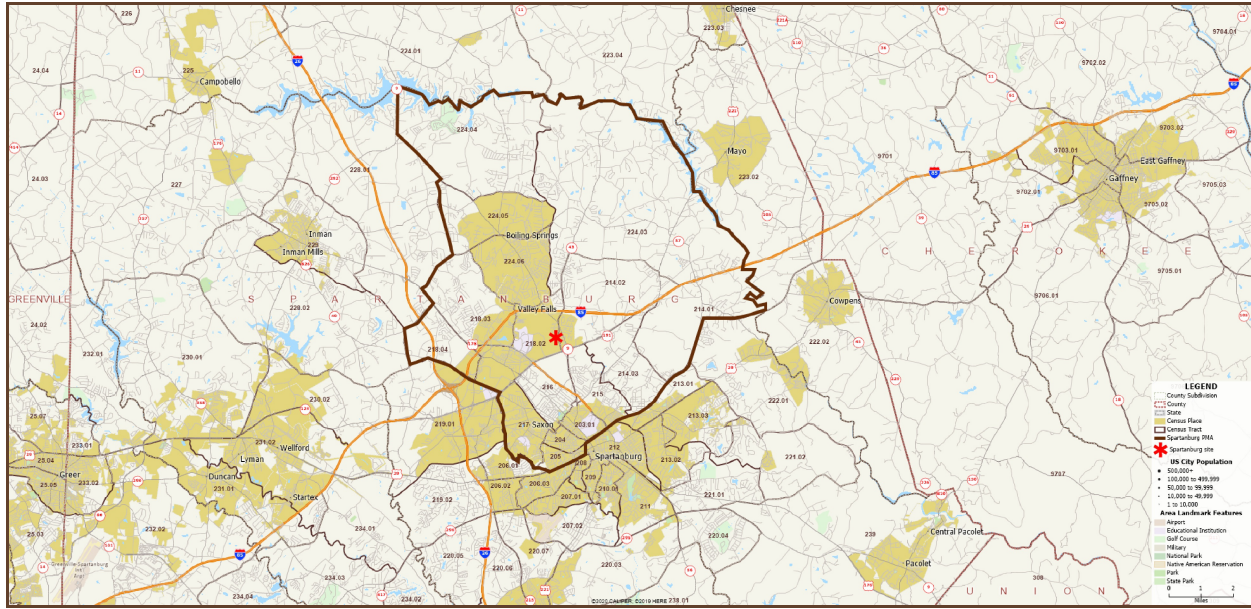
The market area is irregularly shaped. The northern boundary and eastern boundaries comprise the Bowen Lake, Blaylock Lake, and the Pacolet River. The southern boundary includes a portion of West Main Street (US 29), the Norfolk and Southern Railroad, and Cannons Campground Road. The western boundary includes portions of SC 9, Sugar Ridge Road, Clark Road, John Dodd Road, North Blackstock Road, New Cut Road, and Grays Creek.

The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar character, and with residents, or potential residents, likely to be interested in the project.

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<sup>1</sup> Census tracts: 203.01, 204, 205, 214.01, 214.02, 214.03, 215, 216, 218.02, 218.03, 218.04, 224.03, 224.04, 224.05, and 224.06.

Market area map



The site is located in census tract 218.02. Market study guidelines require provision of the most recent (decennial Census) statistics on race available for the census tract in which the project is located. This information is set out in Table 1, below.

Table 1 - Statistics on Race, Tract 218.02

		<u>number</u>	<u>percent</u>
Race	Total	6,059	100.0
	One race	5,923	97.8
	White	3,235	53.4
	Black or African American	1,800	29.7
	American Indian and Alaska Native	27	0.4
	Asian	84	1.4
	Native Hawaiian/other Pacific	2	0.0
	Some other race	775	12.8
	Two or more races	136	2.2
	Two races, with some other race	64	1.1
	Two races without some other race	69	1.1
	Three races, with some other race	1	0.0
	Three races without some other race	2	0.0
	Hispanic or Latino		
	Total population	6,059	100.0
	Hispanic or Latino (any race)	1,355	22.4
	Mexican	1,129	18.6
Puerto Rican	27	0.4	
Cuban	5	0.1	
Other Hispanic or Latino	194	3.2	
Not Hispanic or Latino	4,704	77.6	
Race and Hispanic or Latino			
Total population	6,059	100.0	
One race	5,923	97.8	
Hispanic or Latino	1,277	21.1	
Not Hispanic or Latino	4,646	76.7	
Two or more races	136	2.2	
Hispanic or Latino	78	1.3	
Not Hispanic or Latino	58	1.0	

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

D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

This distribution of employment, by industry, for the project market area is set out in Table 2, below. This information is from the 2015 to 2019 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest source of employment is manufacturing, which accounts for as much as 21.9 percent of the total - which compares with 12.6 percent for retail trade, and 12.0 percent for health care.

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Table 2 - Employment by Industry, Market Area

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	<u>number</u>	<u>percent</u>
Agriculture, etc	77	0.3
Construction	1,387	4.8
Manufacturing	6,274	21.9
Wholesale Trade	840	2.9
Retail Trade	3,604	12.6
Transp, Warehousing	1,408	4.9
Utilities	220	0.8
Information	728	2.5
Finance, Insurance, Real Estate	1,355	4.7
Professional, scientific, management	2,023	7.1
Educational Services	2,231	7.8
Health care	3,426	12.0
Arts, entertainment, recreation	228	0.8
Accommodation and food services	2,576	9.0
Other services	1,514	5.3
Public Administration	755	2.6

Source: 2015 to 2019 American Community Survey; T Ronald Brown: Research & Analysis

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MAJOR EMPLOYERS

The major employers in the Upstate area are listed in Table 3, below. From this table it is seen that the largest employers in the area include health care systems, school systems, and both state and federal government. Major manufacturers include BMW and Michelin.

Table 3 - Major Employers

<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
Prisma Health - Upstate	Health care	5,000+
State of South Carolina	State government	5,000+
BMW	Automobile manufacturer	5,000+
Greenville County Schools	Public education	5,000+
Spartanburg Regional Healthcare System	Health care	5,000+
United States Government	Federal government	5,000+
Michelin North America	Tire manufacturing	5,000+
Wal-Mart	Retail stores and distribution	5,000+
Clemson University	Public research university	5,000+
Bon Secours St. Francis Health System	Health care	2,501 - 5,000
Milliken Company	Textiles, floor coverings, etc.	2,501 - 5,000
AnMed Health	Health Care	2,501 - 5,000
GE Power	Power generation, etc	2,501 - 5,000
Duke Energy	Utility provider	2,501 - 5,000
Bi-Lo	Retail grocery stores	2,501 - 5,000
Greenville County	County government	2,501 - 5,000
ZF Transmissions Gray Court	Automatic transmissions	2,501 - 5,000

Source: Upstate Alliance

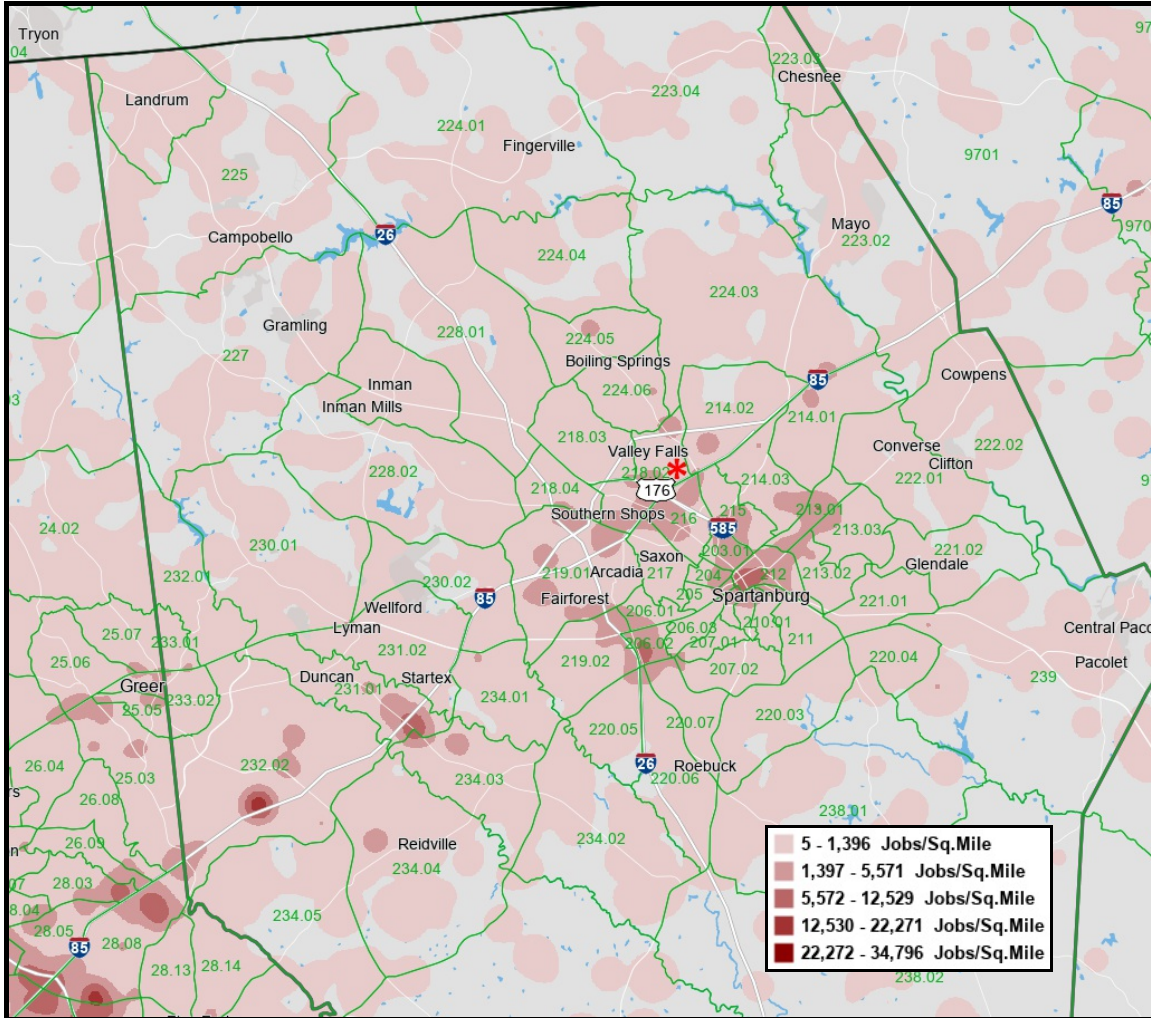
Information from the Upstate Alliance shows that in 2019, for example, the area added 32 new firms with a total of 1,160 new jobs added. Of, these 12 were located in Spartanburg County including 176 jobs at R & E Automated Systems, 150 jobs at Lowes, and 116 at AIRSYS Cooling Technologies. Additionally, 12 companies in Spartanburg County announced job expansions - the largest being the addition of 160 jobs at Eberspaecher North America.

It should be noted that significant layoffs and/or closings can be expected in this area as a consequence of the impact of the coronavirus pandemic. These losses may be temporary or permanent.

SC WARN notices show that in Spartanburg County there were 224 jobs lost to layoffs at five locations, and 374 jobs lost at two closures in 2020, to date. This source details 22,058 workers impacted by 148 closures or layoffs throughout South Carolina as a whole over that time period.



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

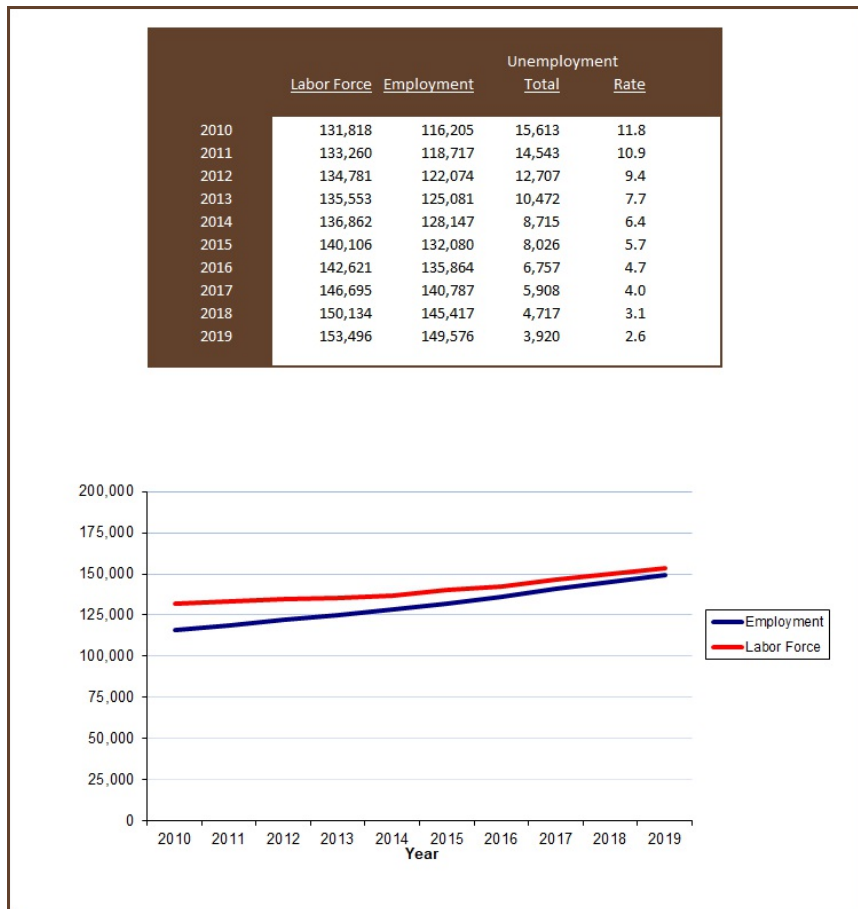


LABOR FORCE AND EMPLOYMENT

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 2019, the most recent year for which annualized data are available, the Spartanburg County labor force comprised an estimated 153,496 persons. Of this total, 149,576 were employed and 3,920, or 2.6 percent, were unemployed. Over the last decade, both labor force and employment have increased, with unemployment decreasing on a relatively consistent basis - decreasing from 11.8 percent in 2010 to only 2.6 percent in 2019.

It should be noted that data - both nationally and locally - suggest that employment gains over the last decade or so have been effectively almost wiped-out with the onset of the economic disruption caused by the coronavirus pandemic. In Spartanburg County, for example, 145,208 people were employed in August 2020, compared with 149,159 in August 2019. Over this period the number of persons unemployed rose from 3,976 to 10,973. The rate of unemployment increased from 2.6 percent in August 2019 to 7.0 percent in August 2020.

Table 4 - Spartanburg County Labor Force and Employment



Source: US Department of Labor

COMMUTING

Based on data from the American Community Survey, 41.7 percent of workers resident in Spartanburg were employed in Spartanburg, with 86.3 percent employed in Spartanburg County as a whole. The average driving time to work for residents of Spartanburg was 19.7 minutes.

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Table 5 - Commuting Data

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	<u>number</u>	<u>percent</u>
Total Workers	15,821	100.0
Worked in Place of residence	6,597	41.7
Worked in County of residence	13,654	86.3
Worked outside Place of residence	9,224	58.3
Worked outside County of residence	2,167	13.7
Mean travel time to work (minutes)	19.7	

Source: 2015 to 2019 American Community Survey; T Ronald Brown: Research & Analysis

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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 Spartanburg County are set out, below.

Here it is seen that a very significant number of persons who live in Spartanburg County commute to work in neighboring Greenville County. Likewise, many persons employed in Spartanburg County commute to work there from Greenville County.

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Table 6 - Commuting Patterns

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Working in Spartanburg County	74,732
Where Spartanburg County residents are commuting to:	
Greenville County, SC	28,571
Richland County, SC	3,905
Cherokee County, SC	3,366
Lexington County, SC	2,204
Anderson County, SC	1,991
Charleston County, SC	1,663
Laurens County, SC	1,496
York County, SC	1,446
Union County, SC	1,191
Elsewhere	15,716
Where Spartanburg County workers are commuting from:	
Greenville County, SC	23,264
Cherokee County, SC	5,877
Anderson County, SC	3,879
Laurens County, SC	2,670
Union County, SC	2,614
Richland County, SC	2,457
Pickens County, SC	2,103
York County, SC	1,602
Lexington County, SC	1,532
Elsewhere	19,732

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

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**E. COMMUNITY DEMOGRAPHIC DATA**

POPULATION TRENDS AND PROJECTIONS

In 2000, the population of Spartanburg County was 253,791, and in 2010 the population was recorded as 284,307. Population projections for Spartanburg County are based on South Carolina State Data Center projections. Based on these data, the population of the county is projected to be 323,555 by 2020, and to be 338,045 by 2023.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2000 to 2010, corrected for the county projections. The projection is that in 2020 the project market area will have a population of around 67,628 and around 73,073 in 2023.

Information on population trends and changes between 2000 and 2023 are set out in Table 7, below.

Table 7 - Population Trends

	Spartanburg	Market Area	Spartanburg County
2000	39,673	50,193	253,791
2010	37,013	58,420	284,307
2020	n/a	67,628	323,555
2023	n/a	73,073	338,045
absolute change			
2000-2010	-2,660	8,227	30,516
2010-2020	n/a	9,208	39,248
2020-2023	n/a	5,445	14,490
annual change			
2000-2010	-266	823	3,052
2010-2020	n/a	921	3,925
2020-2023	n/a	1,815	4,830

Source: 2000 Census and 2010 Census; SC State Data Center; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Spartanburg, the Spartanburg market area, and for Spartanburg County are set out in Table 8, below. These data are from the 2010 Census.

Table 8 - Age Distribution

	Spartanburg		Market Area		Spartanburg County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	2,807	7.6	4,089	7.0	18,970	6.7
5 to 9 years	2,342	6.3	3,924	6.7	18,957	6.7
10 to 14 years	2,120	5.7	3,738	6.4	19,429	6.8
15 to 19 years	3,066	8.3	4,836	8.3	21,032	7.4
20 to 24 years	3,516	9.5	5,647	9.7	18,886	6.6
25 to 29 years	2,376	6.4	3,925	6.7	17,041	6.0
30 to 34 years	2,071	5.6	3,720	6.4	16,822	5.9
35 to 39 years	2,047	5.5	4,026	6.9	18,892	6.6
40 to 44 years	2,137	5.8	4,028	6.9	19,918	7.0
45 to 49 years	2,382	6.4	4,068	7.0	20,998	7.4
50 to 54 years	2,442	6.6	3,587	6.1	19,948	7.0
55 to 59 years	2,403	6.5	3,213	5.5	18,535	6.5
60 to 64 years	1,893	5.1	2,837	4.9	16,652	5.9
65 to 69 years	1,494	4.0	2,238	3.8	12,835	4.5
70 to 74 years	1,164	3.1	1,633	2.8	9,231	3.2
75 to 79 years	971	2.6	1,239	2.1	6,909	2.4
80 to 84 years	829	2.2	847	1.4	4,827	1.7
85 years and over	953	2.6	825	1.4	4,425	1.6
55 and older	9,707	26.2	12,832	22.0	73,414	25.8
65 and older	5,411	14.6	6,782	11.6	38,227	13.4
Total	37,013		58,420		284,307	

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

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Spartanburg, the project market area, and for Spartanburg County are out in Table 9, below. These projections are based on the population projections set out, above.

The projection is that in 2020 the project market area will have around 25,388 households, and around 27,484 in 2023. In 2000, there were 21,441 households in the market area.

Table 9 - Household Trends

	Spartanburg	Market Area	Spartanburg County
2000	15,989	18,439	97,735
2010	15,184	21,441	109,246
2020	n/a	25,388	124,332
2023	n/a	27,484	129,906
absolute change			
2000-2010	-805	3,002	11,511
2010-2020	n/a	3,947	15,086
2020-2023	n/a	2,096	5,574
annual change			
2000-2010	-81	300	1,151
2010-2020	n/a	395	1,509
2020-2023	n/a	699	1,858

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

TENURE

Table 10, below, sets out the number and proportion of owner and renter households for Spartanburg, the Spartanburg market area, and for Spartanburg County. In the years beyond 2010, the tenure proportions are based on the 2010 tenure proportions. In 2010, 35.4 percent of households in the market area were renters, compared with 50.9 percent in Spartanburg, and 30.2 percent in the county.

Table 10 - Tenure

<b>Spartanburg</b>		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	39,673	15,989	2.48	7,961	49.8	8,028	50.2
2010	37,013	15,184	2.44	7,456	49.1	7,728	50.9
2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Market Area</b>		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	50,193	18,439	2.72	12,336	66.9	6,103	33.1
2010	58,420	21,441	2.72	13,849	64.6	7,592	35.4
2020	67,628	25,388	2.66	15,771	62.1	9,617	37.9
2023	73,073	27,484	2.66	16,860	61.3	10,624	38.7
<b>Spartanburg County</b>		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	253,791	97,735	2.60	70,339	72.0	27,396	28.0
2010	284,307	109,246	2.60	76,260	69.8	32,986	30.2
2020	323,555	124,332	2.60	83,894	67.5	40,438	32.5
2023	338,045	129,906	2.60	86,702	66.7	43,204	33.3

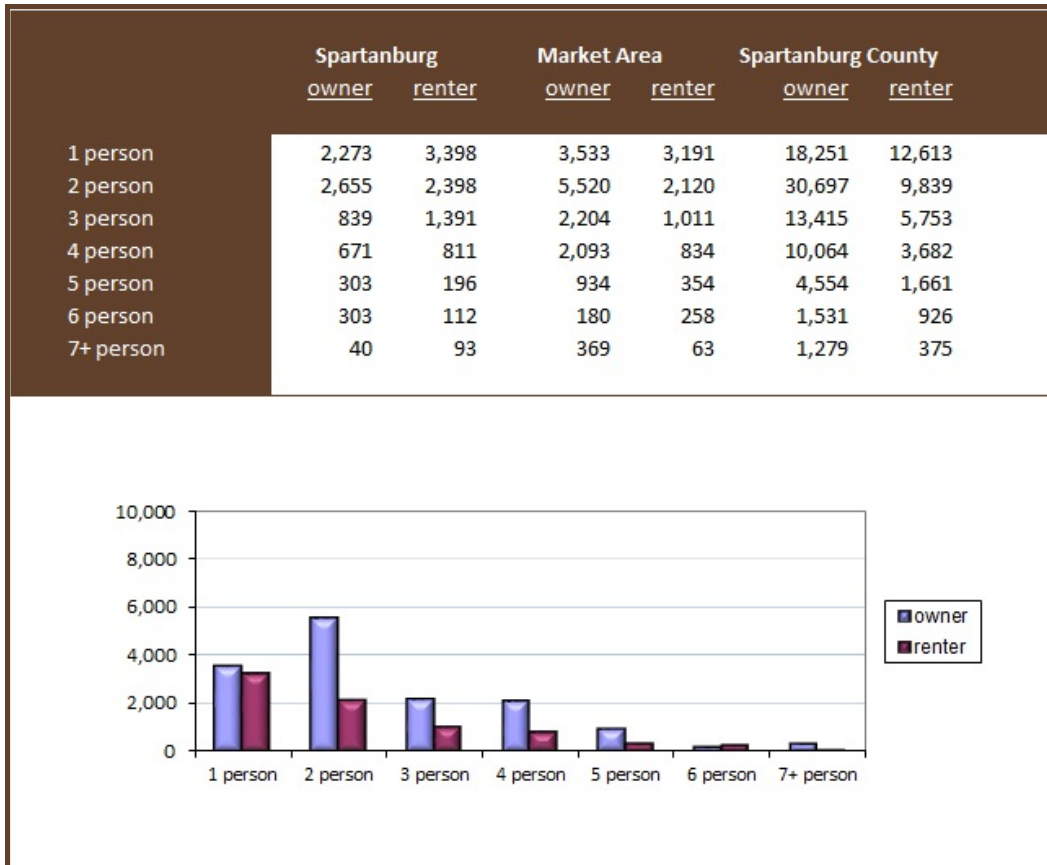
Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 11 below, sets out household size, by tenure, for households in Spartanburg, the project market area, and Spartanburg County.

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

Table 11 - Household Size, by Tenure



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



HOUSEHOLD INCOME

The distribution of household incomes for Spartanburg, the market area, and for Spartanburg County are set out in Table 12, below. These figures are taken from the 2015 to 2019 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 Spartanburg was \$38,325 and that for Spartanburg County as a whole was seen to be \$50,179. The median income for the market area is estimated to be around \$47,941.

Table 12 - Household Income

	Spartanburg		Market area		Spartanburg County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	1,691	11.2	1,757	7.7	7,902	7.1
\$10,000 to \$14,999	1,129	7.5	1,240	5.5	6,145	5.6
\$15,000 to \$19,999	1,082	7.2	1,224	5.4	6,144	5.6
\$20,000 to \$24,999	1,137	7.5	1,809	8.0	7,662	6.9
\$25,000 to \$29,999	1,077	7.1	1,131	5.0	6,303	5.7
\$30,000 to \$34,999	757	5.0	1,172	5.2	6,157	5.6
\$35,000 to \$39,999	1,125	7.5	1,322	5.8	6,177	5.6
\$40,000 to \$44,999	877	5.8	1,006	4.4	5,301	4.8
\$45,000 to \$49,999	603	4.0	1,171	5.2	5,317	4.8
\$50,000 to \$59,999	1,250	8.3	2,152	9.5	9,987	9.0
\$60,000 to \$74,999	1,174	7.8	2,370	10.4	12,317	11.1
\$75,000 to \$99,999	1,523	10.1	2,842	12.5	14,634	13.2
\$100,000 to \$124,999	566	3.8	1,486	6.5	8,286	7.5
\$125,000 to \$149,999	148	1.0	765	3.4	487	0.4
\$150,000 to \$199,999	416	2.8	636	2.8	4,045	3.7
\$200,000 or more	517	3.4	624	2.7	3,662	3.3
median income	\$38,325		\$47,941 *		\$50,179	

\* estimate

Source: 2015 to 2019 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Spartanburg, the market area, and Spartanburg County set out in Table 13, below. These figures are also taken from the 2015 to 2019 American Community Survey.

Here, it is seen that the median renter household income in Spartanburg was \$30,083, and that for Spartanburg County as a whole was seen to be \$28,002. The median income for renters in the market area is estimated to be around \$27,985.

Table 13 - Household Income, Renter Households

	Spartanburg		Market area		Spartanburg County	
	number	percent	number	percent	number	percent
less than \$10,000	1,326	15.8	1,194	15.2	4,676	13.4
\$10,000 to \$19,999	1,671	19.9	1,559	19.9	6,360	18.3
\$20,000 to \$34,999	1,758	20.9	2,180	27.8	8,714	25.0
\$35,000 to \$49,999	1,645	19.6	1,159	14.8	5,887	16.9
\$50,000 to \$74,999	1,205	14.3	966	12.3	5,455	15.7
\$75,000 to \$99,999	540	6.4	480	6.1	2,290	6.6
\$100,000 or more	254	3.0	293	3.7	1,467	4.2
median income	\$30,083		\$27,985 *		\$28,002	

\* estimate

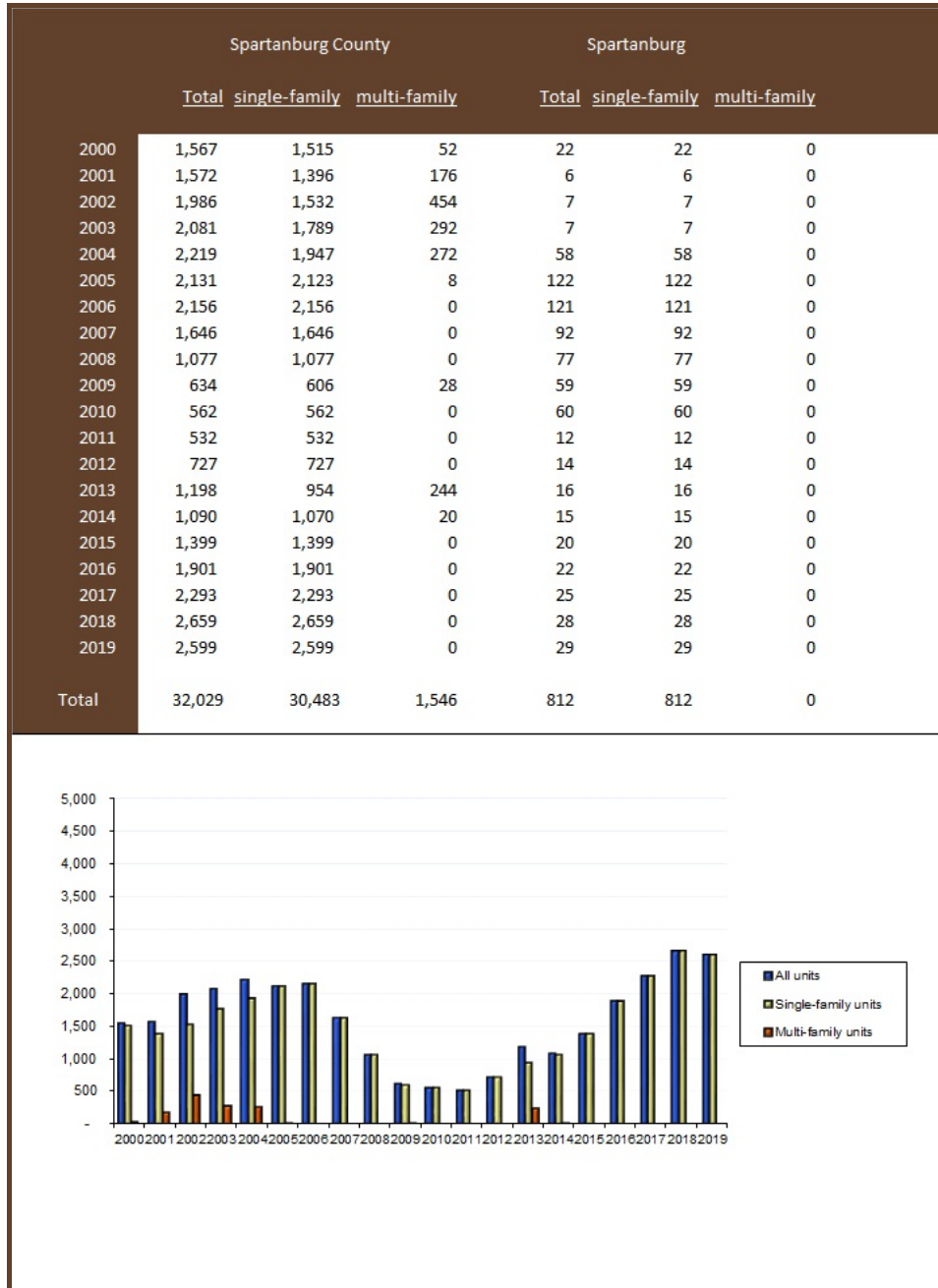
Source: 2015 to 2019 American Community Survey; T Ronald Brown: Research & Analysis



RESIDENTIAL CONSTRUCTION SINCE 2000

Table 14 below gives details of residential construction in Spartanburg County since 2000. Here it can be seen that a total of 32,029 units were added in Spartanburg County, with 812 units added in the City of Spartanburg. No data are available for the market area.

Table 14 - 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 total 228 units proposed, 28 units will be targeted at 40 percent of the median income, 144 units will be targeted at 60 percent of the median, and the remaining 56 units will be targeted at the 70 percent level, and therefore qualify their apartments for low income housing tax credit status.

Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Here, the average target income, overall, cannot exceed 60 percent of the median.

The income limits for Spartanburg County (the Spartanburg HUD Metro FMR area) 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 income on housing expenses (rent plus utilities).

Table 15 - Income Limits and Maximum Housing Costs

Income Limits			
	40 percent	60 percent	70 percent
1 person	\$19,040	\$28,560	\$33,320
2 person	\$21,760	\$32,640	\$38,080
3 person	\$24,480	\$36,720	\$42,840
4 person	\$27,160	\$40,740	\$47,530
5 person	\$29,360	\$44,040	\$51,380
6 person	\$31,520	\$47,280	\$55,160
Maximum Housing Costs			
	40 percent	60 percent	70 percent
1 bedroom	\$510	\$765	\$893
2 bedroom	\$612	\$918	\$1,071
3 bedroom	\$707	\$1,060	\$1,236
4 bedroom	\$788	\$1,182	\$1,379

Source: HUD

The median income for Spartanburg County in 2021 is \$68,800 - and was \$64,700 in 2020; the median was \$56,100 in 2011. This represents a 6.3 percent increase over the previous year, and a 22.6 percent increase over the last decade (or an average of 2.06 percent per year).

Information as to rents and income targeting, and qualifying income ranges are set out in Table 16, below

**Table 16 - Rents and Income Targeting**

income targeting				
	<u>40 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total</u>
1 bedroom	14	32	14	60
2 bedroom	18	54	24	96
3 bedroom	12	30	12	54
4 bedroom	6	6	6	18
<b>Total</b>	<b>50</b>	<b>122</b>	<b>56</b>	<b>228</b>

proposed rents			
	<u>40 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 bedroom	\$375	\$565	\$675
2 bedroom	\$435	\$665	\$825
3 bedroom	\$475	\$740	\$850
4 bedroom	\$500	\$795	\$925

proposed rents as a proportion (%) of maximum			
	<u>40 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 bedroom	96.4	87.7	87.5
2 bedroom	96.2	87.7	90.6
3 bedroom	95.9	87.2	82.9
4 bedroom	96.2	87.0	83.3

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$124, \$162, \$215, and \$270 for one-, two-, three-, and four-bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments fall at 96 percent of the maximum allowable at the lowest target income range (40 percent). Expenses fall at 87 to 88 percent for units at the 60 percent level, and at 83 to 91 percent for units at the 70 percent level. This will provide an attractive and relatively affordable property, given that rents for most units are reasonably below the maximum allowable.

**Report for the Lawsons Ridge Apartments in Spartanburg, South Carolina**

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

Table 17 - Qualifying Income Ranges

<u>40 percent</u>		
	lower	upper
1 bedroom	\$17,006	\$20,400
2 bedroom	\$20,400	\$24,480
3 bedroom	\$23,520	\$28,260
4 bedroom	\$26,331	\$31,520

<u>60 percent</u>		
	lower	upper
1 bedroom	\$23,520	\$30,600
2 bedroom	\$28,286	\$36,720
3 bedroom	\$32,606	\$42,390
4 bedroom	\$36,446	\$47,280

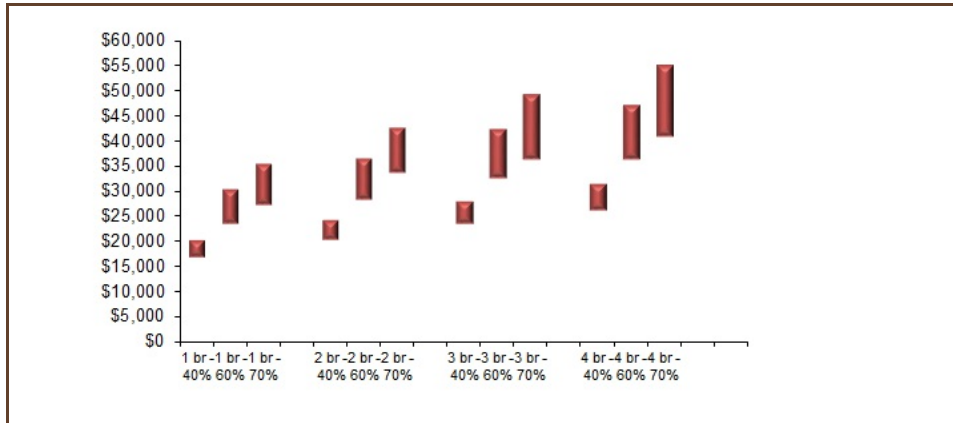
<u>70 percent</u>		
	lower	upper
1 bedroom	\$27,291	\$35,700
2 bedroom	\$33,771	\$42,840
3 bedroom	\$36,377	\$49,455
4 bedroom	\$40,903	\$55,160

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$17,006 to \$55,160.

The various qualifying income ranges, by bedroom mix and income targeting are illustrated, below. Here, it is to be seen that the qualifying income ranges are narrow for units at the 40 and 60 percent income levels - reflecting the fact that they are set at the maximum allowable.

Also, there is a gap between those units targeted at the 40 percent and 60 percent levels. This illustrates the fact that the income needed to afford the units at the 60 percent level exceeds the 40 percent income limits. On the other hand, there is an overlap for households qualifying at the 60 percent and 70 percent levels. Any gaps and/or overlaps between these target income ranges will necessarily be taken into consideration in our calculations.



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

**Table 18 - Renter Household Income and Rent Overburdening**

---

Income	All Renters		Overburdened Renters	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Up to \$10,000	1,194	15.2	756	24.1
\$10,000 - \$19,999	1,559	19.9	1,218	38.8
\$20,000 - \$34,999	2,180	27.8	1,046	33.4
\$35,000 - \$50,000	1,159	14.8	104	3.3
\$50,000 - \$75,000	966	12.3	12	0.4
\$75,000 - \$100,000	480	6.1	0	0.0
\$100,000 and over	293	3.7	0	0.0
<b>Total</b>	<b>7,831</b>		<b>3,136</b>	

Source: 2015 to 2019 American Community Survey; T.Ronald Brown: Research & Analysis

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As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2015 to 2019 - and not for a specific year.

From this table it can be seen that 15.2 percent of the market area renter households have incomes less than \$10,000 and a further 19.9 percent have incomes between \$10,000 and \$20,000. Around 27.8 percent of renters are seen to be in the \$25,000 to \$35,000 income range. Around 40 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups - those below \$35,000.

Based on the income ranges set out in Table 17 and the income distribution set out in Table 18, it is found that around 8.2 percent of market area renter households qualify for units at 40 percent of the median, with around 12.4 percent qualifying at each of the 60 percent and 70 percent levels, respectively.



Projections of need and demand are based upon a 2020 to 2023 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 10, a total of 1,007 new rental units are needed between 2020 and 2023. A total of 276 units will be for households eligible for the proposed project.

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 2,909 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, as many as 54.7 percent of renters qualifying for units at the 40 percent level are rent overburdened. The corresponding proportions for units at the 60 percent and 70 percent levels are 31.0 percent and 20.1 percent. 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 53 units.

Total demand is therefore seen to amount to 1,343 units: 573 units qualifying at 40 percent of the median, 558 qualifying at the 60 percent level, and 412 qualifying at the 70 percent level.

These figures are based on a 2020 to 2023 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. No directly comparable projects have been added in the project market area over the projection period, nor have any been funded or are under construction. It should be noted that the 80 units at Victoria Gardens are at a rent-assisted RAD development and thus do not represent a net addition to the local unassisted, affordable housing stock, and as such are not directly comparable to the proposed development. The net need is therefore for 1,343 units.

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

Table 19 - Demand Calculations

	<u>40 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total *</u>
(i) income eligible new renter households	82	125	124	276
(ii) income eligible existing renter households	869	1,321	1,313	2,909
(iii) existing households, likely to move	475	409	264	1,014
(iv) need from obsolete housing	16	24	24	53
Total demand (i)+(iii)+(iv)	573	558	412	1,343
Supply	0	0	0	0
Net demand	573	558	412	1,343

\* excluding gap and/or 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 29 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- and four-bedroom units (which account for 31.6 percent of the 228-unit total) is based on renter household size - with a focus on four-or-more person households for both the three- and four-bedroom units.

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

Table 20 - Capture Rates

	<u>40 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total*</u>
<b>Total demand</b>				
1 bedroom	163	159	117	382
2 bedroom	229	223	165	536
3 bedroom	134	131	97	315
4 bedroom	47	45	33	109
<b>Total</b>	<b>573</b>	<b>558</b>	<b>412</b>	<b>1,343</b>
<b>Supply</b>				
1 bedroom	0	0	0	0
2 bedroom	0	0	0	0
3 bedroom	0	0	0	0
4 bedroom	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net demand</b>				
1 bedroom	163	159	117	382
2 bedroom	229	223	165	536
3 bedroom	134	131	97	315
4 bedroom	47	45	33	109
<b>Total</b>	<b>573</b>	<b>558</b>	<b>412</b>	<b>1,343</b>
<b>Units proposed</b>				
1 bedroom	14	32	14	60
2 bedroom	18	54	24	96
3 bedroom	12	30	12	54
4 bedroom	6	6	6	18
<b>Total</b>	<b>50</b>	<b>122</b>	<b>56</b>	<b>228</b>
<b>Capture rates</b>				
1 bedroom	8.6%	20.1%	11.9%	15.7%
2 bedroom	7.9%	24.2%	14.6%	17.9%
3 bedroom	8.9%	22.9%	12.4%	17.1%
4 bedroom	12.9%	13.2%	17.9%	16.5%
<b>Total</b>	<b>8.7%</b>	<b>21.8%</b>	<b>13.6%</b>	<b>17.0%</b>

\* excluding gap and/or overlap

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 228-unit development amounts to 17.0 percent of the total net need.

The capture rates, by bedroom, are determined to be 15.7 percent for the 60 one-bedroom units, 17.9 percent for the 96 two-bedroom units, 17.1 percent for the 54 three-bedroom units, and 15.5 percent for the 18 four-bedroom units.

These capture rates are considered to be realistic given the project size and the fact that rents for the units at the 60 percent and 70 percent levels are targeted reasonably below the maximum allowable. The proposed development 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, bedroom mix, and the relative affordability of the proposed rents. Were the project to be developed as proposed it would expect to lease up over a period of up to 12 months. This assumes that the property will be marketed and managed by a professional management entity that is experienced in marketing and managing properties of this type. Further, it is expected that the property will be subject to an effective pre-leasing program and that units would be made available on a rolling basis - with it is understood - an initial release of 96 units, and subsequent release of 132 units.

## G. EXISTING RENTAL UNITS

There are several apartment complexes located throughout the project market area. These include market rate properties, some complexes financed with low income housing tax credits, and one USDA/Rural Development property. Additionally, given the proximity of USC - Upstate, there is also some student-oriented rental housing in the area - but this is not considered comparable to the proposed complex, and is not included in this survey.

With respect to income-restricted affordable developments, there are two unassisted tax credit complexes. These are the Companion at Lee's Crossing and the Summer Place Apartments. The former comprises 192 units, developed in 2010. There is a mix of one-, two-, and three- bedroom units with rents between \$605 and \$824. Currently, this property is reported to be 100 percent occupied. The Summer Lane development offers 53 three-bedroom units - which rent for between \$634 and \$760, per month. Again, this property is reported to be 100 percent occupied.

The Victoria Gardens Apartments were awarded tax credits in 2019 and are currently undergoing renovation. This is a rent-assisted RAD redevelopment and as such is not a net addition to the local affordable rental housing stock, and is not considered directly comparable to the proposed development.

It should also be noted that the 64-unit Wilson Place complex in Boiling Springs was previously a tax credit property, as was the 43-unit Brick Lofts rehabilitation (which opened, as the Fremont School Apartments, in 2000). The latter is located on Magnolia Street, near downtown Spartanburg.

The Westwood Townhouses offer 52-USDA/Rural Development rural rental housing units that were developed in 1982. The property is located off Boiling Springs Road, Currently, one unit is reported to be vacant (98 percent occupancy).

The Westwood complex is one of several that are located in or near Boiling Springs - in the northern portion of the market area, as defined. A significant development in that area is the Promenade at Boiling Springs Apartments. This is a relatively large - 258-unit - complex that opened in 2003. The complex has a mix of one-, two-, and three- bedroom units - with rents in the \$890 to \$1,225 range. At the time of our survey the property was reported to be 97 percent occupied. The Artisan Living Greene Creek development is the most recent complex to have been introduced in the Boiling Springs area. This 85-unit complex offers a mix of two-and three-bedroom townhouses - with rents from \$1,533 to \$1,650. It opened in March 2020, and is currently in lease-up, with a reported a 65 percent occupancy rate in our survey.

The various properties in the southern/Spartanburg-oriented portion of the project market area are typically older properties - dating from 1975 to 1996, for example. The newest property to be offered in this area is the Drayton Mills Lofts. This is a 289-unit mill conversion project that offers one-bedroom units in the \$1,088 to \$1,152 rent range, with two-bedroom (one bath) units ranging from \$1,359 to \$1,382, and two-bedroom (two bath) units that rent from \$1,241 to \$2,291. The three-bedroom units at this location rent from \$1,884 to \$2,832. The property is 94 percent occupied.

Occupancy at the 1,609 units in the ten market rate properties for which we were able to obtain occupancy data, reveal a 95 percent occupancy level. The two comparable tax credit properties are 100 percent occupied, and the one subsidized USDA/RD project is 98 percent occupied. This yields a 95.8 percent overall occupancy level for the total 1,906 units surveyed.

It should be noted that there are two market rate complexes that are currently under construction in Boiling Springs, and a third near downtown Spartanburg. The Springs Apartments comprise 256 units which opened in May 2020 at a site near the Boiling Springs High School. It is understood that occupancy at this project is around 80 percent. The Peachtree Village Apartments will provide 252 units (one-, two-, and three-bedroom units) at a site on the 4400 block of Bible Church Road, to the north of Boiling Springs. The third complex that is under construction is the Bonhaven Apartments at the site of Bon Haven/The Cleveland House at 728 North Church Street, at the Asheville Highway, on the northern edge of downtown Spartanburg (near Wofford College and the Regional Medical Center). Here, it is understood that there will be 150 units - a mix of one-, two-, and three-bedroom units, with rents reported to be in the \$950 to \$1,400 range (from a WSPA report in June, 2020). It should be noted that none of these three properties are directly comparable to the proposed income-restricted affordable development - nor is the Ellington tax credit property which is designated for seniors and is under construction at a site on the 500 block of Magnolia Street, also on the northern edge of downtown Spartanburg.



Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Artisan Living Greene Creek	conventional	2020	85	31	63.5
Autumn Park	conventional	2002	198	n/a	n/a
The Bluffs	conventional	1982	144	n/a	n/a
Brick Lofts	conventional	2000	43	0	100.0
Companion at Lee's Crossing	LIHTC	2010	192	0	100.0
Cross Creek	conventional	1981	152	8	94.7
Drayton Mills Lofts	conventional	2016	289	17	94.1
Hidden Park	conventional	1975	100	7	93.0
Promenade at Boiling Springs	conventional	2003	268	8	97.0
Riverwind	conventional	1986	194	7	96.4
Southern Pines	conventional	1976	385	n/a	n/a
Summer Place	LIHTC	2006	53	0	100.0
Victoria Gardens	LIHTC/HUD §8	2021	80	n/a	n/a
Village at Mills Gap	conventional	2014	208	18	91.3
Westwood	USDA/RD	1984	52	1	98.1
Willows at North End	conventional	1996	206	12	94.2
Wilson Place	conventional	2003	64	3	95.3

**Report for the Lawsons Ridge Apartments in Spartanburg, South Carolina**

	0 br/1ba			1 br/1ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
Subject				60	750	\$350-575*
Artisan Living Greene Creek						
Autumn Park				52	679-821	\$725-745
The Bluffs				48	700	\$835
Brick Lofts	5	449-835	\$960	24	449-789	\$925-1,085
Companion at Lee's Crossing				34	687	\$605*
Cross Creek				152	568	\$705
Drayton Mills Lofts				n/a	760-1,001	\$1,088-1,192
Hidden Park				24	670	\$734
Promenade at Boiling Springs				88	724	\$890
Riverwind				84	671-702	\$960-985
Southern Pines				112	610	\$710-770
Summer Place						
Victoria Gardens				8	605	boi
Village at Mills Gap				80	654-794	\$960-990
Westwood				10	600	boi
Willows at North End				48	675	\$815-940
Wilson Place				16	730	\$795

\* tax credit

boi - based on income

	2 br/1-1½ ba			2 br/2 ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
Subject	80	1,018	\$410-725*			
Artisan Living Greene Creek				40	1,507-1,618	\$1,533-1,650
Autumn Park				112	862-1,004	\$815-835
The Bluffs	32	825	\$930	48	875	\$910-935
Brick Lofts	13	783-901	\$995-1,145			
Companion at Lee's Crossing				102	932	\$725*
Cross Creek						
Drayton Mills Lofts	n/a	954-1,348	\$1,359-1,603	n/a	929-2,000	\$1,231-2,292
Hidden Park	60	864	\$769-891			
Promenade at Boiling Springs				132	1,004-1,011	\$995-1,010
Riverwind				132	892	\$810-910
Southern Pines	10	900	\$750	90	900	\$775
Summer Place						
Victoria Gardens	26	850	boi			
Village at Mills Gap				84	967-1,124	\$1,190-1,225
Westwood				26	750	boi
Willows at North End				120	916	\$935-1,170
Wilson Place	32	935	\$925			

\* tax credit

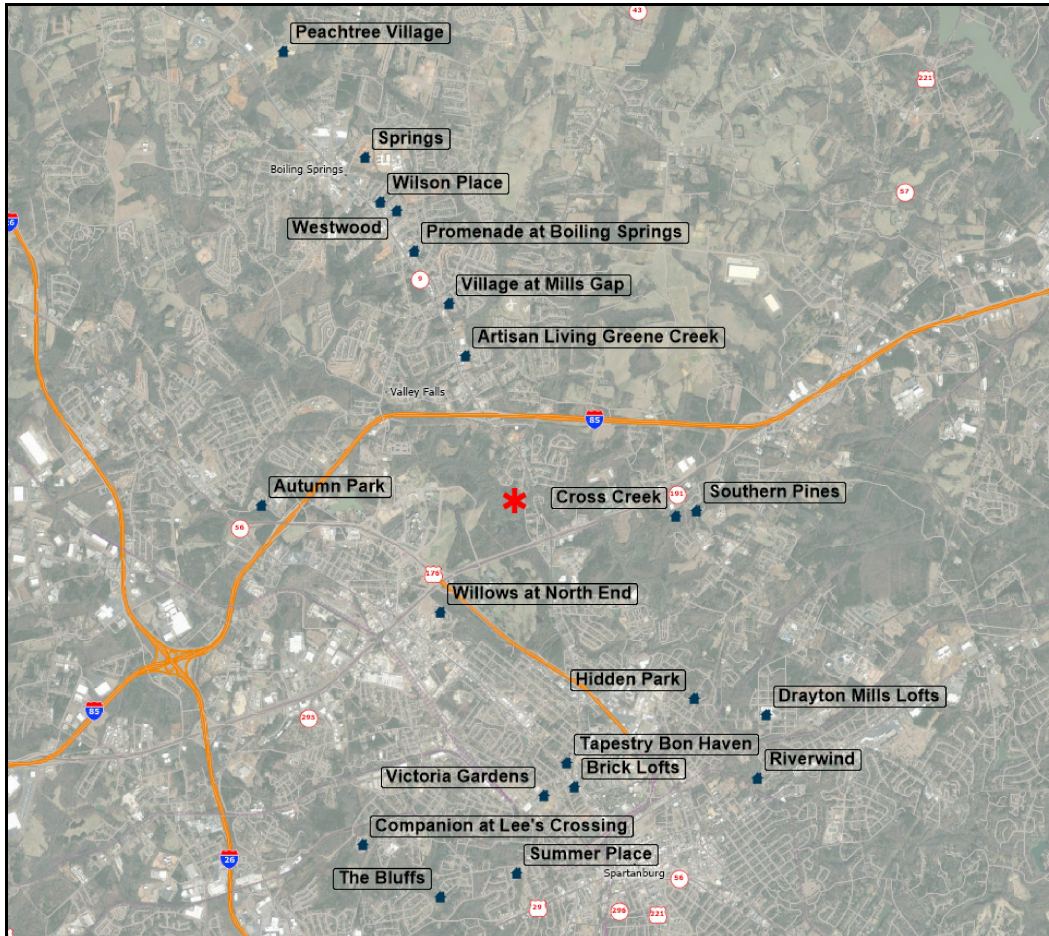
boi - based on income

**Report for the Lawsons Ridge Apartments in Spartanburg, South Carolina**

	3 br/1-1½ ba			3 br/2+ ba		
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>
Subject				54	1,229	\$450-750*
Artisan Living Greene Creek				45	1,168	\$1,650
Autumn Park				34	1,434	\$990-1,010
The Bluffs				16	1,225	\$1,125
Brick Lofts						
Companion at Lee's Crossing				56	1,107	\$825
Cross Creek						
Drayton Mills Lofts				n/a	1,202-2,152	\$1,884-2,832
Hidden Park	16	991	\$869-1,034			
Promenade at Boiling Springs				48	1,217	\$1,195-1,225
Riverwind				141	1,060	\$890-960
Southern Pines				24	1,100	\$875
Summer Place				53	1,284	\$634-760*
Victoria Gardens	32	1,059	boi			
Village at Mills Gap				44	1,447	\$1,350
Westwood				16	900	boi
Willows at North End				36	1,310	\$1,220
Wilson Place				16	1,150	\$1,015
	4 br/2 ba					
	<u>number</u>	<u>size (sq. ft.)</u>	<u>rent</u>			
Subject	19	1,375	\$480-825*			

\* tax credit  
 boi - based on income

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. These properties were selected on the basis of their bedroom mix and/or location, Information for the one-, two-, and three--bedroom units at these properties are summarized below. It should be noted that there are no potentially comparable market rate four-bedroom units in this market.

**Table 21 - Market Rate Properties**

<u>Property</u>	<u>Year built</u>	<u>One-bedroom rents</u>	<u>Two-bedroom Rents</u>	<u>Three-bedroom rents</u>
Autumn Park	2002	\$725-745	\$815-835	\$990-1,1010
Promenade at Boiling Springs	2003	\$890	\$995-1,010	\$1,195-1,225
Riverwind	1986	\$960-985	\$1,200-1,270	\$1,375
Village at Mills Gap	2014	\$960-990	\$1,190-1,275	\$1,350
Wilson Place	2003	\$795	\$925	\$1,015

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

The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$938 for a one-bedroom unit, \$1,056 for a two-bedroom unit, and \$1,213 for a three-bedroom unit. The estimated market rent for a four-bedroom unit - \$1,268 - is based on the level of the four-bedroom Fair Market Rent relative to the three-bedroom Fair Market Rent for Spartanburg County, applied to the estimate for a three-bedroom unit.

Based on the proposed rents at the proposed development, this rent is found to be significantly below the gross adjusted market rent (39.93 percent less).

Units	Bedroom Type	Gross Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
	0 BR					
	0 BR					
14	1 BR	\$375	\$5,250	\$938	\$13,126	
32	1 BR	\$565	\$18,080	\$938	\$30,003	
14	1 BR	\$675	\$9,450	\$938	\$13,126	
18	2 BR	\$435	\$7,830	\$1,056	\$19,001	
54	2 BR	\$665	\$35,910	\$1,056	\$57,002	
24	2 BR	\$825	\$19,800	\$1,056	\$25,334	
12	3 BR	\$475	\$5,700	\$1,213	\$14,560	
30	3 BR	\$740	\$22,200	\$1,213	\$36,399	
12	3 BR	\$850	\$10,200	\$1,213	\$14,560	
6	4 BR	\$500	\$3,000	\$1,268	\$7,607	
6	4 BR	\$795	\$4,770	\$1,268	\$7,607	
6	4 BR	\$925	\$5,550	\$1,268	\$7,607	
<b>Totals</b>	<b>228</b>		<b>\$147,740</b>		<b>\$245,931</b>	<b>39.93%</b>



**Artisan Living Greene Creek**

Location: 2114 Boiling Springs Road, Boiling Springs

Telephone: 833.459.8487

Year built: 2020

Total units: 85

Vacant units: 31 (64 percent occupied - in lease-up)

	<u>2 br/2½ ba</u>	<u>2 br/2½ ba</u>	<u>3 br/2½ ba</u>
Units:	20	20	45
Unit size (sq. ft.):	1,507	1,618	1,618
Rent:	\$1,533	\$1,650	\$1,650
Rent/sq. ft.:	\$1.02	\$1.02	\$1.02

Management: Lincoln Property Company (Chelsea - [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies





**Autumn Park**

Location: 105 Turning Leaf Circle, Boiling Springs

Telephone: 864.814.3322

Year built: 2002

Total units: 198

Vacant units: n/a

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	52	112	34
Unit size (sq. ft.):	679-821	862-1,004	1,434
Rent:	\$725-765	\$815-832	\$990-1,010
Rent/sq. ft.:	\$0.98	\$0.88	\$0.70

Management: Southcorp Properties (Tammy - [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**The Bluffs**

Location: 100 Vanderbilt Lane, Spartanburg

Telephone: 864.574.4877

Year built: 1982

Total units: 144

Vacant units: n/a

	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>2 br/2 ba</u>	<u>3 br/2½ ba</u>
Units:	48	32	48	16
Unit size (sq. ft.):	700	825	875	1,225
Rent:	\$835	\$930	\$910-935	\$1,125
Rent/sq. ft.:	\$1.19	\$1.13	\$1.05	\$0.92

Management: Southwood Realty (Rhonda - [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Brick Lofts**

Location: 600 Magnolia Street, Spartanburg

Telephone: 864.308.8967

Year built: 2000 (rehab)

Total units: 43

Vacant units: 0 (100 percent occupied)

	<u>0 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>
Units:	5	24	13
Unit size (sq. ft.):	449-835	449-789	783-901
Rent:	\$960	\$925-1,085	\$995-1,145
Rent/sq. ft.:	\$1.50	\$1.62	\$1.27

Management: Owner Managed (Todd [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity  Cable/Internet

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

Former LIHTC property



**Companion at Lee's Crossing**

Location: 100 Lee's Crossing Drive, Spartanburg

Telephone: 864.481.1422

Financing: LIHTC

Year built: 2010

Total units: 192

Vacant units: 0 (100 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	34	102	56
Unit size (sq. ft.):	687	932	1,107
Rent:	\$605*	\$725*	\$824*
Rent/sq. ft.:	\$0.88*	\$0.78*	\$0.75*

Management: Companion Management (Kelly [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

\* tax credit





**Cross Creek**

Location: 345 Bryant Road, Spartanburg

Telephone: 864.585.2547

Year built: 1981

Total units: 152

Vacant units: 8 (94.7 percent occupied)

1 br/1 ba

Units: 152  
Unit size (sq. ft.): 568  
Rent: \$705  
Rent/sq. ft.: \$1.24

Management: RREAF Residential (Brianna [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies





**Drayton Mills Lofts**

Location: 1800 Drayton Road, Spartanburg

Telephone: 864.573.0092

Year built: 2016 (rehab)

Total units: 289

Vacant units: 17 (94.1 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	n/a	n/a	n/a	n/a	n/a
Unit size (sq. ft.):	760-1,001	954-1,162	1,197-1,348	929-2,000	1,202-2,152
Rent:	\$1,088-1,192	\$1,359-1,382	\$1,522-1,603	\$1,241-2,291	\$1,884-2,832
Rent/sq. ft.:	\$1.29	\$1.30	\$1.23	\$1.20	\$1.41

Management: RKW Residential (Mike [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Hidden Park**

Location: 320 Spruce Street, Spartanburg

Telephone: 864.585.0863

Year built: 1975

Total units: 100

Vacant units: 7 (93.0 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	24	60	16
Unit size (sq. ft.):	670	864	991
Rent:	\$734	\$768-894®	\$869-1,034 (r)
Rent/sq. ft.:	\$1.10	\$0.96	\$0.96

Management: GVA Property Management (Debra [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

(r) - renovated rents



**Promenade at Boiling Springs**

Location: 901 Dornoch Drive, Boiling Springs

Telephone: 833.400.9646

Year built: 2003

Total units: 268

Vacant units: 8 (97.0 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	88	132	48
Unit size (sq. ft.):	724	1,004-1,011	1,217
Rent:	\$890	\$995-1,010	\$1,195-1,225
Rent/sq. ft.:	\$1.23	\$1.00	\$0.99

Management: Greystar (Amanda [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Riverwind**

Location: 200 Haywood Avenue, Spartanburg

Telephone: 864.585.1444

Year built: 1986

Total units: 194

Vacant units: 7 (96.4 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/3 ba</u>
Units:	84	98	12
Unit size (sq. ft.):	671-702	988	1,252
Rent:	\$960-985	\$1,200-1,270	\$1,375
Rent/sq. ft.:	\$1.42	\$1.25	\$1.10

Management: Morgan Properties (Jennifer [10/14])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Southern Pines**

Location: 350 Bryant Road, Spartanburg

Telephone: 864.573.7582

Year built: 1996

Total units: 385

Vacant units: n/a

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/1 ba</u>
Units:	112	132	141
Unit size (sq. ft.):	610	892	1,060
Rent:	\$710-770	\$810-910	\$890-990
Rent/sq. ft.:	\$1.21	\$0.96	\$0.87

Management: Owner Managed (Sam [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies





**Summer Place**

Location: 700 Vanderbilt Road, Spartanburg

Telephone: 864.598.6045

Financing: LIHTC

Year built: 2006

Total units: 53

Vacant units: 0 (100 percent occupied)

3 br/2½ ba

Units: 53  
Unit size (sq. ft.): 1,284  
Rent: \$634-760\*  
Rent/sq. ft.: \$0.49-0.59\*

Management: Vista Capital (Julie [10/14])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

\*tax credit



**Victoria Gardens**

Location: 695 Howard Street, Spartanburg

Telephone: 864.598.6133

Financing: LIHTC / HUD § 8

Year built: 2021 (rehab)

Total units: 80

Vacant units: n/a

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>	<u>4 br/2½ ba</u>	<u>5 br/2½ ba</u>
Units:	8	26	32	8	6
Unit size (sq. ft.):	605	850	1,059	1,108	1,367
Rent:					
Rent/sq. ft.:					

Management: Spartanburg Housing Authority

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Village at Mills Gap**

Location: 97 Mills Gap Road, Boiling Springs

Telephone: 864.541.7179

Year built: 2014

Total units: 208

Vacant units: 18 (91.3 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	80	84	44
Unit size (sq. ft.):	654-794	967-1,124	1,447
Rent:	\$960-990	\$1,190-1,225	\$1,350
Rent/sq. ft.:	\$1.35	\$1.18	\$0.93

Management: Broad Management Group (AJ [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Westwood**

Location: 925 Wesley Court, Boiling Springs

Telephone: 864.578.8672

Financing: USDA / Rural Development

Year built: 1984

Total units: 52

Vacant units: 1 (98.1 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	10	26	16
Unit size (sq. ft.):	600	750	900
Basic rent:	\$408	\$474	\$531
Market rent:	\$481	\$555	\$612

Management: CAHEC Management (Michelle [10/14])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies



**Willows at North End**

Location: 425 Willowdale Drive, Spartanburg

Telephone: 864.707.9458

Year built: 1996

Total units: 206

Vacant units: 12 (94.2 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	48	120	36
Unit size (sq. ft.):	675	916	1,310
Rent:	\$815-940 <sup>®</sup>	\$935-1,170 <sup>®</sup>	\$1,220 <sup>®</sup>
Rent/sq. ft.:	\$1.30	\$1.15	\$0.93

Management: Radco Residential (Brittany [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

<sup>®</sup> = renovated units





**Wilson Place**

Location: 235 Outlook Drive, Boiling Springs

Telephone: 864.599.5250

Year built: 2003

Total units: 64

Vacant units: 3 (95.3 percent occupied)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/2 ba</u>
Units:	16	32	16
Unit size (sq. ft.):	730	935	1,150
Rent:	\$795	\$925	\$1,015
Rent/sq. ft.:	\$1.09	\$0.99	\$0.88

Management: Broad Management Group (Sondra [10/13])

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood/wood style floor  Fireplaces  Patios/balconies

Former LIHTC property

#### 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).

Kelly, the manager at the Companion at Lee's Crossing tax credit property believes that a new project of the type proposed would be successful. Amanda, the manager at the Promenade at Boiling Springs higher-end market rate complex, notes that the market in Boiling Springs is good. Julie, the manager at the Summer Place tax credit development believes that a new income-restricted affordable complex would 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: January 6, 2021

### 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 30 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 around 2,500 studies in at least 20 states, predominantly in the Southeast.

The firm was established in Cary, North Carolina, and relocated to Asheville, North Carolina in 2018.

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.

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



## MARKET STUDY TERMINOLOGY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Effective rents** - contract rent less concessions.

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

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