



**A RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
MYRTLE BEACH, SOUTH CAROLINA**

Bay Pointe III Apartments

*1400 Mister Joe White Avenue
Myrtle Beach, South Carolina 29577*

February 28, 2013

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CERTIFICATE OF ACCURACY AND RELIABILITY

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.



Steven R. Shaw
SHAW RESEARCH & CONSULTING

Date: February 28, 2013

INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Myrtle Beach area as it pertains to the market feasibility of Bay Pointe III Apartments, a proposed 48-unit affordable rental housing development targeted for low-income family households. The subject property is to be located within the central portion of the city of Myrtle Beach adjacent to the east of previous phases of Bay Pointe I and II, at the southeast corner of Mister Joe White Avenue (aka 10th Avenue) and Robert Grissom Parkway. The proposal represents the third phase to the existing Bay Pointe rental development (currently consisting of a total of 106 tax credit units), and is located within a predominantly residential area of the city, less than one mile from a wide variety of retail, medical, employment, and recreational areas.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Myrtle Beach market area. All fieldwork and community data collection was conducted on February 22nd, 2013 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Bay Pointe III Apartments will feature a total of 48 units (24 two-bedroom and 24 three-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of a third phase to Bay Pointe Apartments, as described in the following project description. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal is a 48-unit family-oriented rental development targeting low-income family households. The facility will consist of a mix of two and three bedroom units restricted to households at 50 and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Myrtle Beach PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable rental housing.
- 3) Occupancy rates for rental housing are relatively positive throughout the Myrtle Beach market area at the current time. As such, an overall occupancy rate of 93.9 percent was calculated from a February 2013 survey of 13 family-oriented rental developments identified and contacted within the PMA.
- 4) Considering only the four tax credit developments within the immediate Myrtle Beach area, a combined occupancy rate of 97.8 percent was determined with all four at or above 97 percent occupancy – providing a clear indication of the acceptance and need for additional affordable rental options locally.
- 5) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Myrtle Beach area have been extremely strong since 2000. As such, the overall population within the PMA increased by 50 percent between 2000 and 2012, representing nearly 26,200 additional residents during this time. Further, future projections indicate these gains will continue, albeit at a somewhat more modest rate, with an estimated increase of 13 percent (roughly 10,000 persons) anticipated between 2012 and 2017.
- 6) Considering the subject's proposed targeting, affordable rental rates, and competitive unit sizes and development features, the introduction of Bay Pointe III Apartments should prove successful. Based on extremely strong demographic patterns, coupled with a 97.8 percent occupancy rate among the PMA's four LIHTC properties (including 98 percent occupancy for Bay Pointe I and II), additional family-oriented rental units would undoubtedly be successful within the Myrtle Beach PMA. As such, evidence presented within the market study suggests a normal to rapid lease-up period (between four and five months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2013 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	BAY POINTE III APARTMENTS	Total # Units:	48
Location:	1400 Mister Joe White Avenue	# LIHTC Units:	48
PMA Boundary:	SC-544/Dick Pond Rd to west; Perry Road/Carolina Forest Blvd to north; Lakeshore Dr. to east; Ocean to south		
Development Type:	XX Family	Older Persons	Farthest Boundary Distance to Subject: 8 miles

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	2,774	168	93.9%
Market-Rate Housing	8	2,222	158	92.9%
Assisted/Subsidized Housing not to include LIHTC	1	110	0	100.0%
LIHTC (All that are stabilized)*	4	442	10	97.8%
Stabilized Comps**	4	442	10	97.8%
Non-stabilized Comps	0	0	0	NA

*Stabilized occupancy of at least 94% (Excludes projects still in initial lease up).

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	2 BR	2.0	1,075	\$465	\$786	\$0.73	40.8%	\$915	\$0.91
18	2 BR	2.0	1,075	\$515	\$786	\$0.73	34.5%	\$915	\$0.91
6	3 BR	2.0	1,225	\$525	\$885	\$0.72	40.7%	\$1,045	\$0.82
18	3 BR	2.0	1,225	\$585	\$885	\$0.72	33.9%	\$1,045	\$0.82
Gross Potential Rent Monthly*				\$25,740	\$40,097		35.81%		

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

DEMOGRAPHIC DATA (found on page 38)

	2010		2011		2015	
Renter Households	13,936	43.1%	14,662	43.4%	15,876	43.7%
Income-Qualified Renter HHs (LIHTC)	3,322	23.8%	3,495	23.8%	3,784	23.8%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 51)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Renter Household Growth	172	252				289
Existing Households (Overburd + Substand)	1,176	1,726				1,978
Homeowner Conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-Qualified Renter HHs	1,348	1,979	0	0	0	2,268

CAPTURE RATES (found on page 51)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	0.9%	1.8%				2.1%

ABSORPTION RATE (found on page 53)

Absorption Period:	4 to 5	months
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2013 S-2 RENT CALCULATION WORKSHEET						
# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
6	2 BR	\$465	\$2,790	\$786	\$4,716	
18	2 BR	\$515	\$9,270	\$786	\$14,147	
0	2 BR		\$0		\$0	
6	3 BR	\$525	\$3,150	\$885	\$5,309	
18	3 BR	\$585	\$10,530	\$885	\$15,926	
0	3 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
Totals	48		\$25,740		\$40,097	35.81%

A. PROJECT DESCRIPTION

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions:

Project Name:	BAY POINTE III APARTMENTS
Project Address:	1400 Mister Joe White Avenue
Project City:	Myrtle Beach, South Carolina
County:	Horry County
Total Units:	48
Occupancy Type:	Family
Construction Type:	New Construction
Income Targeting*:	<i>Overall - \$18,926 to \$32,640</i>
	<i>50% AMI - \$18,926 to \$27,200</i>
	<i>60% AMI - \$20,640 to \$32,640</i>

Targeting/Mix	Number of Units	Unit Type	Number of Baths	Avg. Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Includes PBRA
Two-Bedroom Units	24								
50% of Area Median Income	6	Apt	2.0	1,075	\$465	\$87	\$552	\$588	No
60% of Area Median Income	18	Apt	2.0	1,075	\$515	\$87	\$602	\$706	No
Three-Bedroom Units	24								
50% of Area Median Income	6	Apt	2.0	1,225	\$525	\$106	\$631	\$680	No
60% of Area Median Income	18	Apt	2.0	1,225	\$585	\$106	\$691	\$816	No

*Maximum LIHTC Rents and Income Limits are based on 2013 Income & Rent Limits (effective 12/11/2012) obtained from SCSHFDA website (www.schousing.com).

Project Description:

Development Location.....Myrtle Beach, South Carolina
 Construction Type.....New construction
 Occupancy TypeFamily (*open*)
 Target Income Group.....100% LIHTC (50% and 60% AMI)
 Special Population GroupN/A
 Number of Units by Unit TypeSee previous page
 Unit SizesSee previous page
 Rents and Utility InformationSee previous page
 Proposed Rental Assistance (PBRA)None

Project Size:

Total Development Size.....48 units
 Number of Affordable Units.....48 units
 Number of Market Rate Units.....0 units
 Number of PBRA Units0 units
 Number of Employee Units0 units

Development Characteristics:

Number of Total Units48 units
 Number of Garden Apartments.....48 units
 Number of Townhouses0 units
 Number of Residential Buildings.....3 (*maximum two story*)
 Number of Community Buildings1
 Exterior Construction.....Brick

Unit Amenities:

- Frost Free Refrigerator
- Oven/Range
- Dishwasher
- Garbage Disposal
- Microwave
- Washer/Dryer Hook-Up
- Mini-Blinds/Vertical Blinds
- Central Air Conditioning
- Walk-In Closet
- Sunroom

Development Amenities:

- Community Building
- Multi-Purpose Room w/ Kitchenette
- Equipped Computer Center
- Video Camera Security System
- On-Site Laundry Facility
- Playground
- Covered Picnic Shelter and Grills
- On-Site Management Office

Additional Assumptions:

- Only trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for mid-2014;
- On-site full-time management/staffing, including a professional management company with experience in similar rental housing alternatives, will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

Bay Pointe Apartments I/II Profile

Current resident income information provided by the sponsor of the subject proposal is summarized in the table below. As can be seen, approximately 60 percent of tenants have current annual incomes of less than \$20,000. In addition, 70 percent have incomes between \$15,000 and \$30,000 per year – the approximate income qualified range of the proposal.

Current Income	Persons in Household					Total	Pct.	Cum.
	1P	2P	3P	4P	5P+			
Less than \$10,000	4	1	1	1	0	7	7%	7%
\$10,000 to \$14,999	4	3	0	3	0	10	10%	17%
\$15,000 to \$19,999	10	14	12	8	0	44	44%	60%
\$20,000 to \$24,999	2	2	7	5	2	18	18%	78%
\$25,000 to \$29,999	0	3	2	4	0	9	9%	87%
\$30,000 to \$34,999	0	1	2	1	1	5	5%	92%
\$35,000 or More	1	1	2	1	3	8	8%	100%
	21	25	26	23	6	101		

Traffic within Bay Pointe I and II continues to be brisk, giving out an average of six new applications each week. In the two month span between January 1 and February 28, 2013, there have been a total of 18 applications returned, and are summarized below:

- 6 have been approved and moved into the property
- 9 applications currently being processed
- 1 application approved awaiting move-in
- 2 applications submitted and waiting for approval
- 12 currently on waiting list

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on February 22nd, 2013 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the central portion of Myrtle Beach along the south side of Nance Street, east of Mister Joe White Avenue (aka 10th Avenue North), and just south of Robert Grissom Parkway. Overall characteristics of the immediate neighborhood are predominantly residential, consisting largely of single-family and multi-family homes along with undeveloped wooded property to the west. The site is adjacent to the east of Bay Pointe phase I and II (located at the southeast corner of Nance Street and Mister Joe White Avenue), which consists of 106 tax credit units in very good condition. In addition, single-family homes are adjacent to the southeast (in good condition) of the subject, while wooded undeveloped property can be found to the north and east. Light retail and commercial can be found along Mister Joe White Avenue, which provides access to more densely populated retail areas to the northwest as well as beach areas to the southeast.

The subject property consists of approximately 5.0 acres of undeveloped, densely wooded property. Situated within Census Tract 506 of Horry County (2010 tract delineation), the property is currently zoned as RM-16 (Medium-Density Multi-Family Residential District) - which allows for the development of multi-family units. Based on current usages, zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** Undeveloped, densely wooded property
- South:** Single-family homes (*in good condition*)
- West:** Bay Pointe II Apartments (*in very good condition*)
- East:** Undeveloped, densely wooded property

Access to the site will be from an extension of Nance Street, which is a lightly-traveled secondary residential street (less than ¼ mile in length) which essentially acts an entry drive to Bay Pointe Apartments from Mister Joe White Avenue. The subject property's location in a generally residential area with direct access to Mister Joe White Avenue (representing a

moderately-traveled five-lane roadway) provides a generally positive curb appeal with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition. In addition, the subject property (as an extension of the first two phases of Bay Pointe Apartments) will have good visibility from a well-traveled roadway – Mister Joe White Avenue provides abundant retail opportunities just a short drive from the site, and should be considered a positive attribute and suitable for multi-family housing.

3. Nearby Retail

While there are only limited retail opportunities within walking distance of the site, numerous retail areas are located just a short drive away. As such, the nearest larger concentration can be found approximately one mile north of the subject property at the southeast corner of Mister Joe White Avenue and U.S. 17 – offering a Sam’s Club, Target, Dollar Tree, Lowes Home Improvement Warehouse, and other opportunities. Perhaps one of the largest retail areas in Myrtle Beach is Coastal Grand Mall situated approximately 1¾ miles to the west, with various other retail outlets just east of the mall (such as Wal-Mart, Best Buy, Costco, and Home Depot). In addition, several grocery stores and pharmacies can be found within one mile of the site. While several other retail centers are situated throughout the Myrtle Beach area, it should be noted that the proximity of U.S. 17 allows relatively convenient access to most areas throughout the Myrtle Beach region.

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area as well. The nearest full-service hospital to the subject property is the Grand Strand Regional Medical Center (approximately 5½ miles away), while the South Strand Medical Center is situated roughly 6½ miles west of the site offering various physician practices and outpatient services. In addition to medical offices found near each medical center, additional physician and specialty offices can be found scattered throughout the area – the closest to the site are the Beach Family Urgent Care and the Strand Medical Center and Urgent Care, both located less than one mile away.

5. Other PMA Services

Additional services of note within the market area include a library, the Claire Chapin Epps Family YMCA, and several parks and recreation facilities. In addition, the Grand Park Recreation Complex and Base Recreation Center is among the newest and largest recreation facilities in the area. It should also be noted that the popular Broadway at the Beach entertainment complex is less than one mile northeast of the site, offering numerous specialty shops, dining, and attractions for all ages.

Fixed-route bus/transit services are offered locally through the Coast Regional Transportation Authority (Coast RTA), consisting of 15 regularly scheduled routes servicing Horry and Georgetown Counties seven days a week. However, the subject property is not situated on a specified bus route - the nearest routes to the subject property are approximately ½ mile away along 21st Avenue and Oak Street.

The following identifies pertinent locations and features within the Myrtle Beach market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

Retail

- 1. Coastal Grand Mall1.8 miles west
(w/ anchor stores of Dillards, JC Penney, Belk, Sears, Old Navy, Dicks Sporting Goods, Bed Bath and Beyond, CineMark Theater)
- 2. Best Buy/Costco/Home Depot1.7 miles west
- 3. Wal-Mart Supercenter1.6 miles west
- 4. Dollar General0.9 miles west
- 5. Food Lion/Big Lots/Rite Aid Pharmacy2.4 miles southwest
- 6. Sam’s Club0.9 miles north
- 7. Seaboard Commons shopping center0.9 miles north
(w/ Target, Dollar Tree, Ross Dress for Less, TJ Maxx, World Market, AC Moore Arts and Crafts, Toys-R-Us)
- 8. Office Max/Pier One Imports0.8 miles north
- 9. Lowe’s Home Improvement Warehouse1.3 miles north
- 10. Food Lion0.6 miles southwest
- 11. Big Kmart0.8 miles south
- 12. Family Dollar0.7 miles south
- 13. Piggly Wiggly grocery1.1 miles southeast
- 14. Dollar General1.3 miles southeast
- 15. Rite-Aid Pharmacy2.0 miles east
- 16. Bi-Lo Grocery2.2 miles northeast

Education

- 17. Myrtle Beach Primary School.....1.8 miles northeast
- 18. Myrtle Beach Elementary School1.6 miles northeast
- 19. Myrtle Beach Intermediate School2.2 miles northeast
- 20. Myrtle Beach Middle School2.5 miles northeast
- 21. Myrtle Beach High School.....1.8 miles northeast
- 22. Horry-Georgetown Technical College.....5.1 miles southwest

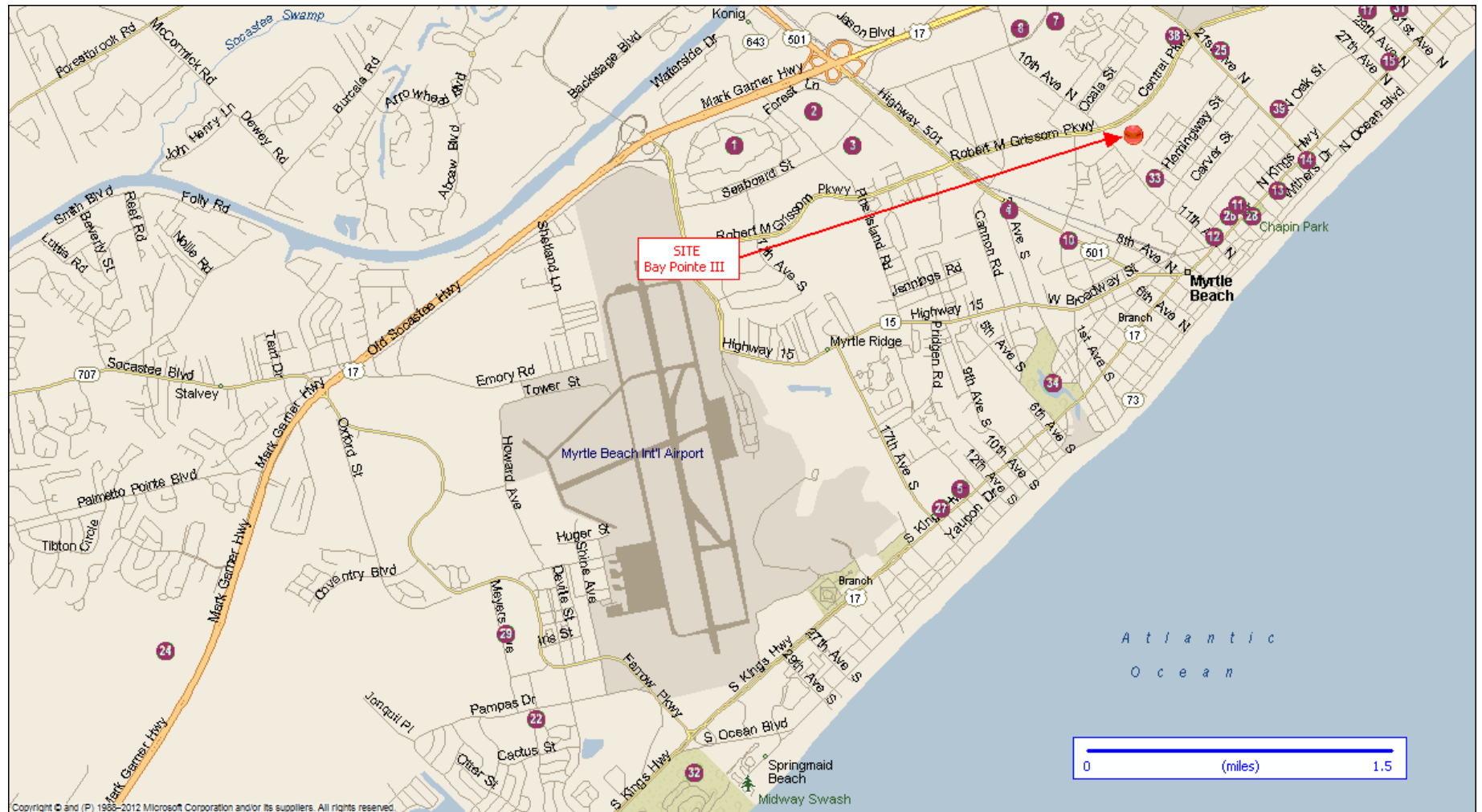
Medical

- 23. Grand Strand Regional Medical Center5.6 miles northeast
- 24. South Strand Medical Center6.5 miles southwest
- 25. Strand Medical Center and Urgent Care.....1.0 mile east
- 26. Beach Family Urgent Care.....0.8 miles south
- 27. Dunes Urgent Medical Care.....2.5 miles southwest

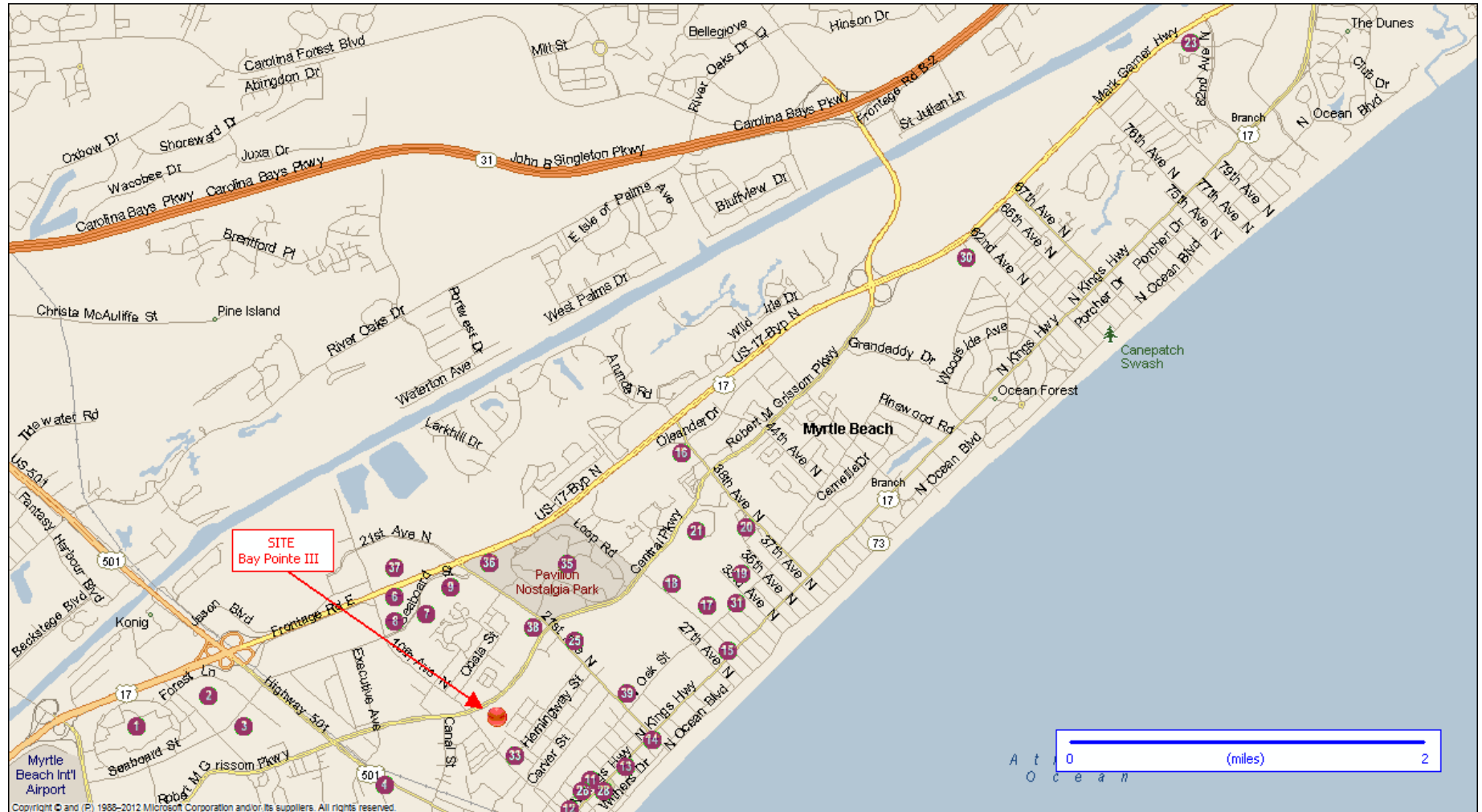
Recreation/Other

- 28. Chapin Memorial Library0.9 miles south
- 29. Grand Park Recreation Complex/Base Recreation Center5.4 miles southwest
- 30. Claire Chapin Epps Family YMCA.....4.1 miles northeast
- 31. Pepper Geddings Recreation Center2.0 miles east
- 32. Myrtle Beach State Park4.4 miles southwest
- 33. Futrell Park.....0.2 miles south
- 34. Withers Swash Park1.6 miles southwest
- 35. Broadway at the Beach entertainment complex.....0.9 miles northeast
- 36. Palace Theatre cinema complex.....1.3 miles north
- 37. Myrtle Waves Water Park.....1.1 miles north
- 38. TicketReturn.com Field0.7 miles northeast
- 39. Myrtle Beach Convention Center1.0 mile east

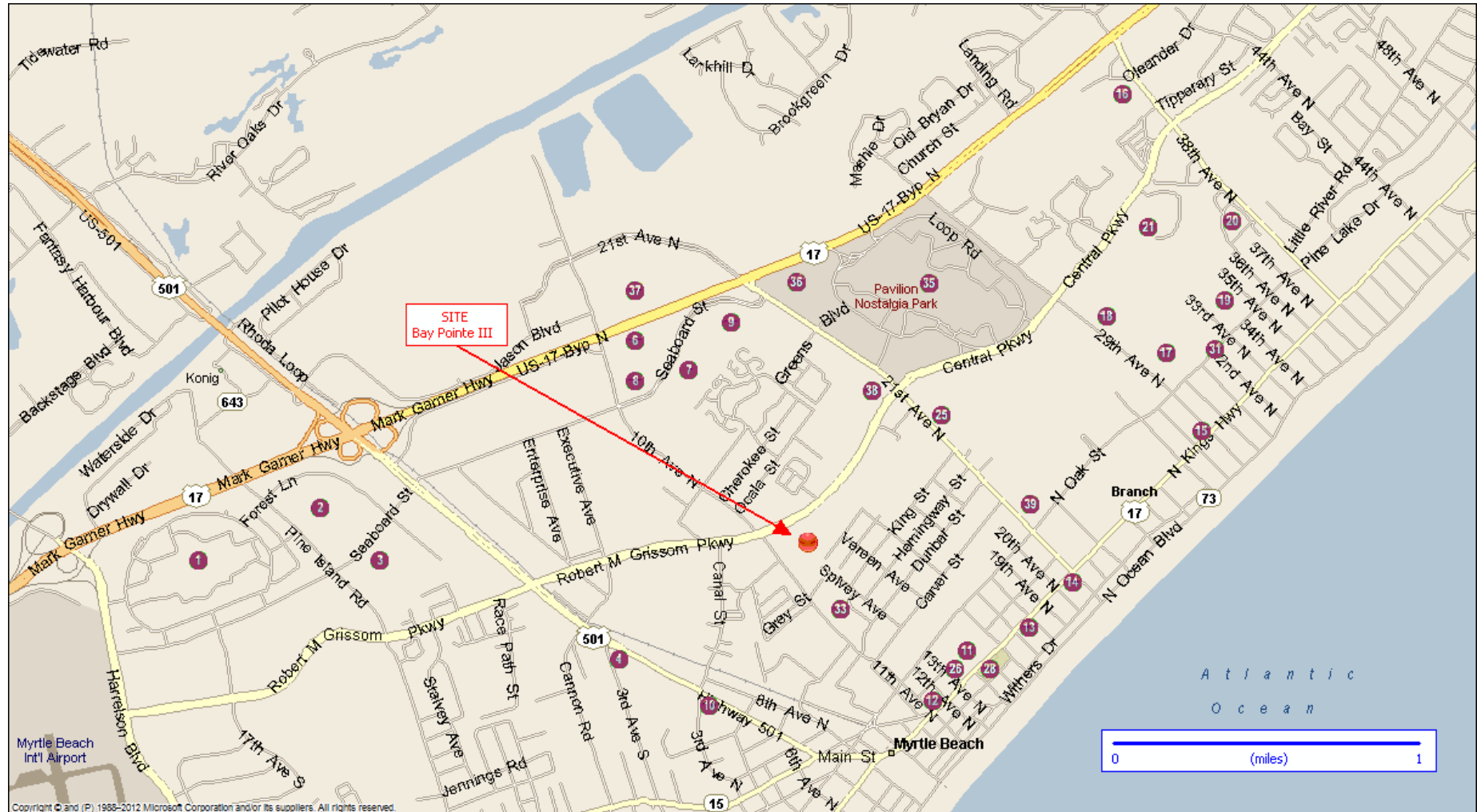
Map 1: Local Features/Amenities – Myrtle Beach Area (southwest of site)



Map 2: Local Features/Amenities – Myrtle Beach Area (northeast of site)



Map 3: Local Features/Amenities – Close View



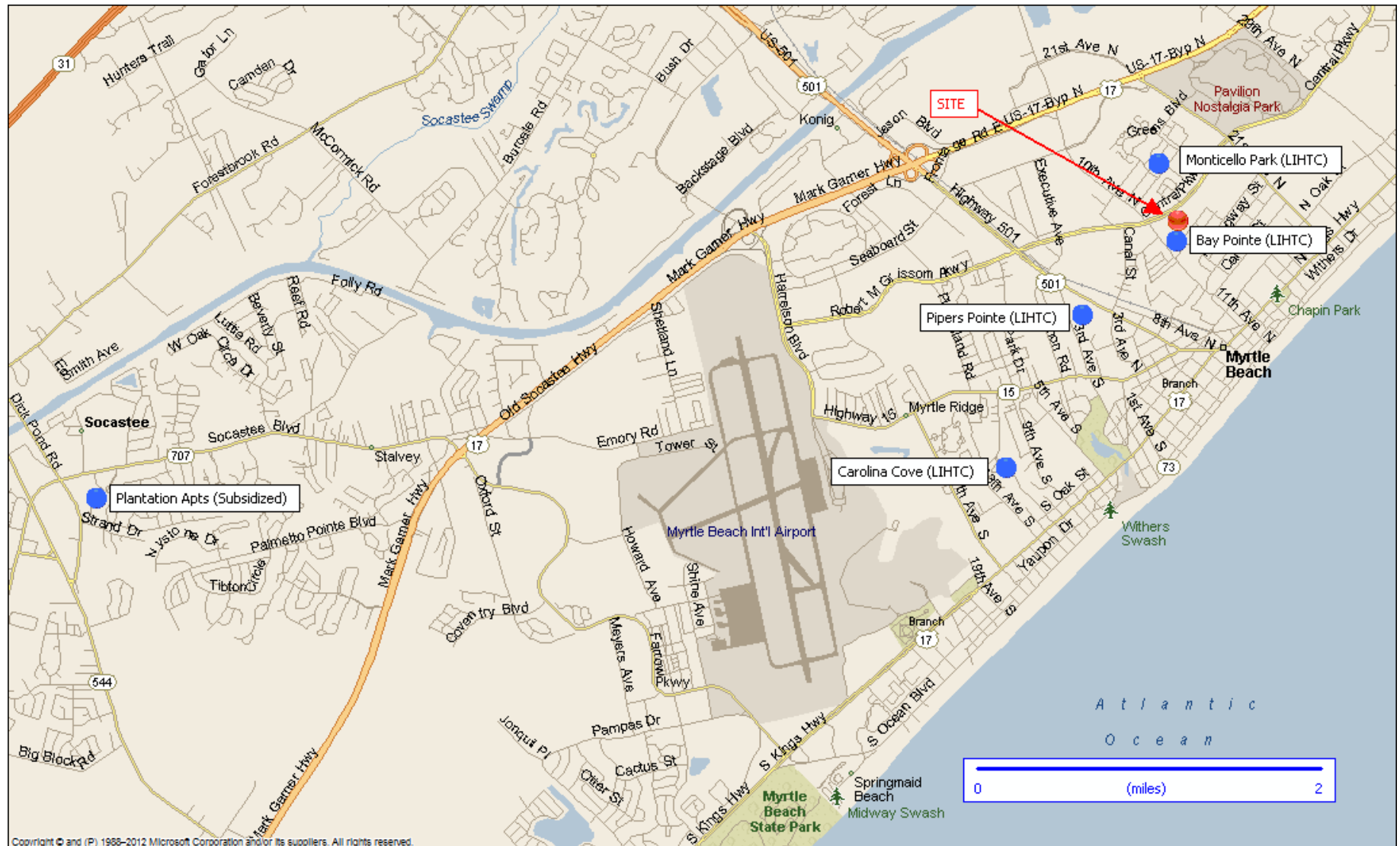
Map 4: Site Location - Neighborhood Map



Map 5: Site Location - Aerial Photo



Map 6: Affordable Rental Housing



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Site/Neighborhood Photos



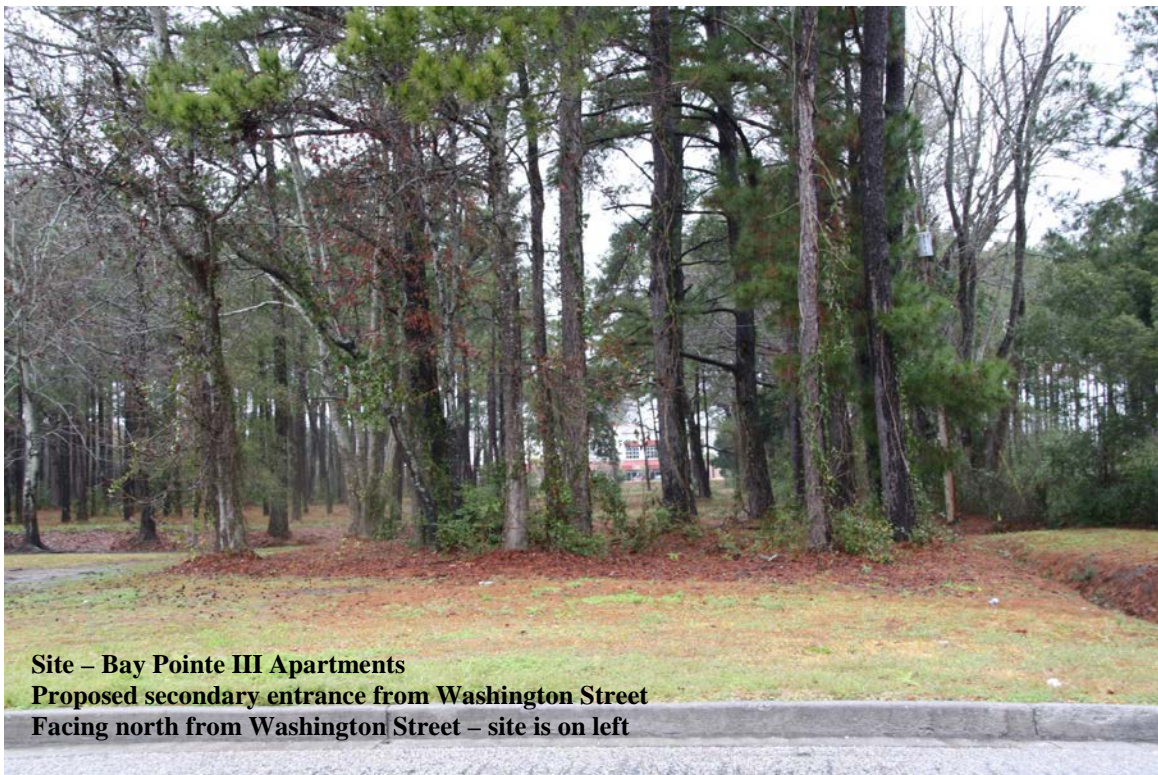
Site – Bay Pointe III Apartments
Facing west from end of Nance Street
Myrtle Beach, NC



Site – Bay Pointe III Apartments
Previous phase of Bay Pointe Apartments
Facing south from site entrance off of Nance Street



**Site – Bay Pointe III Apartments
Entrance from Nance Street extension
Facing west from Nance Street**



**Site – Bay Pointe III Apartments
Proposed secondary entrance from Washington Street
Facing north from Washington Street – site is on left**



Wooded property adjacent to north of site
Photo from Nance Street
Site is on right



Single-family homes adjacent to south of site
Photo facing north from Washington Street
Site is behind homes



Previous phase of Bay Pointe Apts adjacent to west of site
Photo facing south from Nance Street
Site is on left



Wooded property adjacent to west of site
Photo facing north from Washington Street
Site is on left

6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is substantially above both state and national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29577) had a 2010 Total Crime Risk index of 276 – an index of 100 represents the national average. While each index value was above the state average, Burglary Risk, Larceny Risk, and Robbery Risk were each approximately three times above the state and national norms. However, most of these elevated crime statistics are due to its location as a tourist destination and the large number of transients during the summer season – with generally youth-oriented visitation periods (spring break and the like) contributing greatly to the skewed numbers. However, despite the somewhat elevated indices, it does not appear that there is a noticeable security concern within the immediate neighborhood based on observations while visiting the site.

Table 1: Crime Risk Index (2010)

	Zip: 29577	State
	<u>Index*</u>	<u>Index*</u>
Total 2010 Crime Risk Index	276	122
Personal Crime Index		
Murder Risk	132	132
Rape Risk	264	129
Robbery Risk	305	91
Assault Risk	264	201
Property Crime Index		
Burglary Risk	363	132
Larceny Risk	322	125
Automotive Theft Risk	239	84
*Values are represented as an index, where the value 100 represents the national average.		
Source: CLResearch.com - Data by Zip Code		

7. Road/Infrastructure Improvements

The only road construction observed locally is along U.S. 17 (most of which is occurring west of Farrow Parkway), which is in the midst of a widening project from Farrow Parkway to the Horry-Georgetown county line to the south (a total of approximately nine miles).

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a relatively short distance of the site, with schools, retail concentrations (including the Coastal Grand Mall, Wal-Mart Supercenter, and several shopping centers), medical offices, parks and recreation centers, and other various services all located throughout the immediate area (most of which is within two miles of the site). Based on a site visit conducted February 22nd, 2013, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition.

C. PRIMARY MARKET AREA DELINEATION

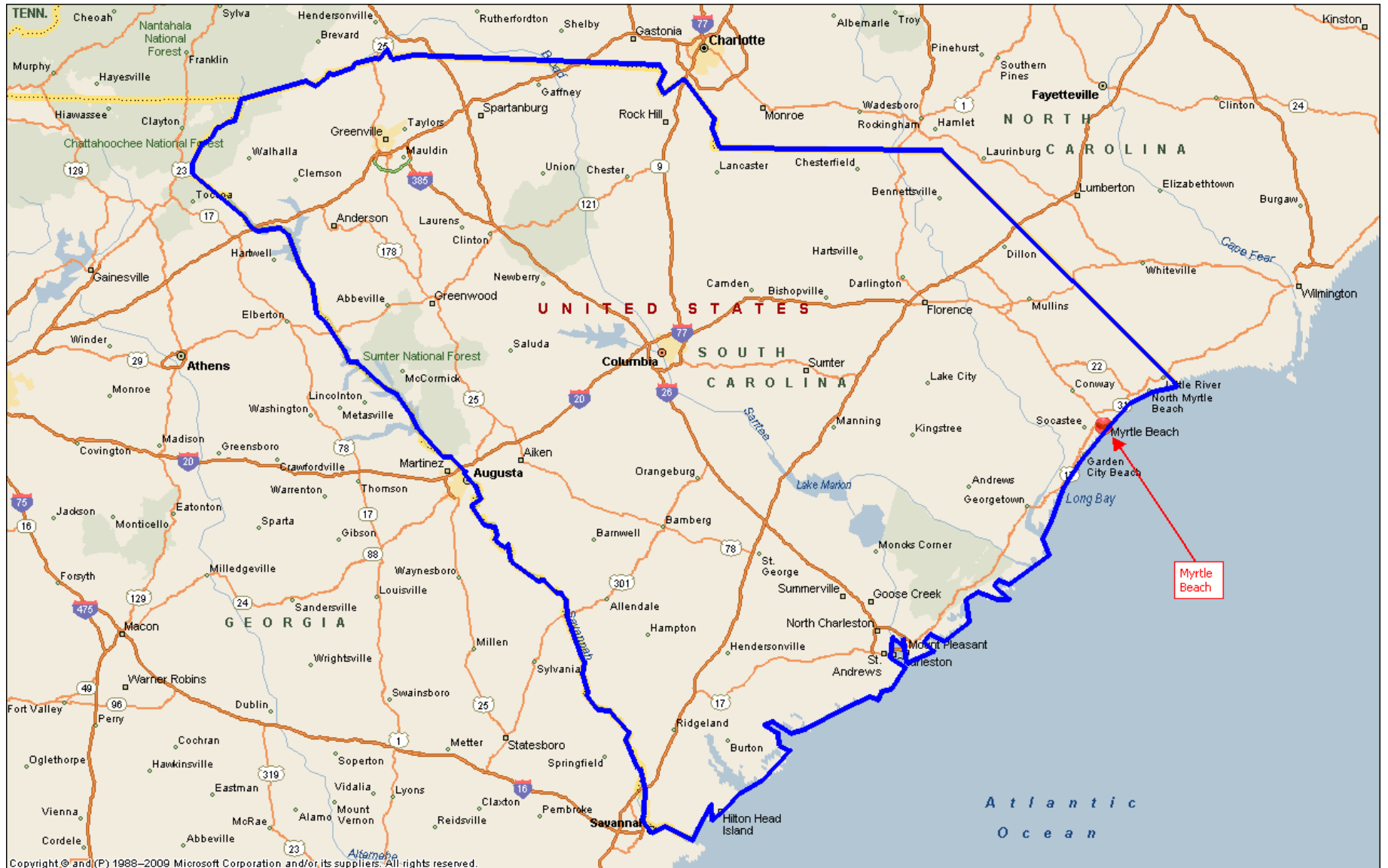
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Myrtle Beach PMA consists of the city of Myrtle Beach and the immediate surrounding area. More specifically, the PMA is comprised of 20 census tracts in coastal Horry County, and reaches approximately 5½ miles to the north of the site, eight miles to the east, 6½ miles to the west, and one mile to the south. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on an attractive site within a predominantly residential area, as well as its proximity to several of the area’s key roadways - providing relatively convenient transportation throughout Myrtle Beach and the coastal region.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, school boundaries, physical boundaries, and personal experience were utilized when defining the primary market area. The PMA is comprised of the following census tracts (*all within Horry County utilizing 2010 boundaries*):

- Tract 501.02
- Tract 502
- Tract 503.03
- Tract 504.01
- Tract 504.02
- Tract 505
- Tract 506
- Tract 507
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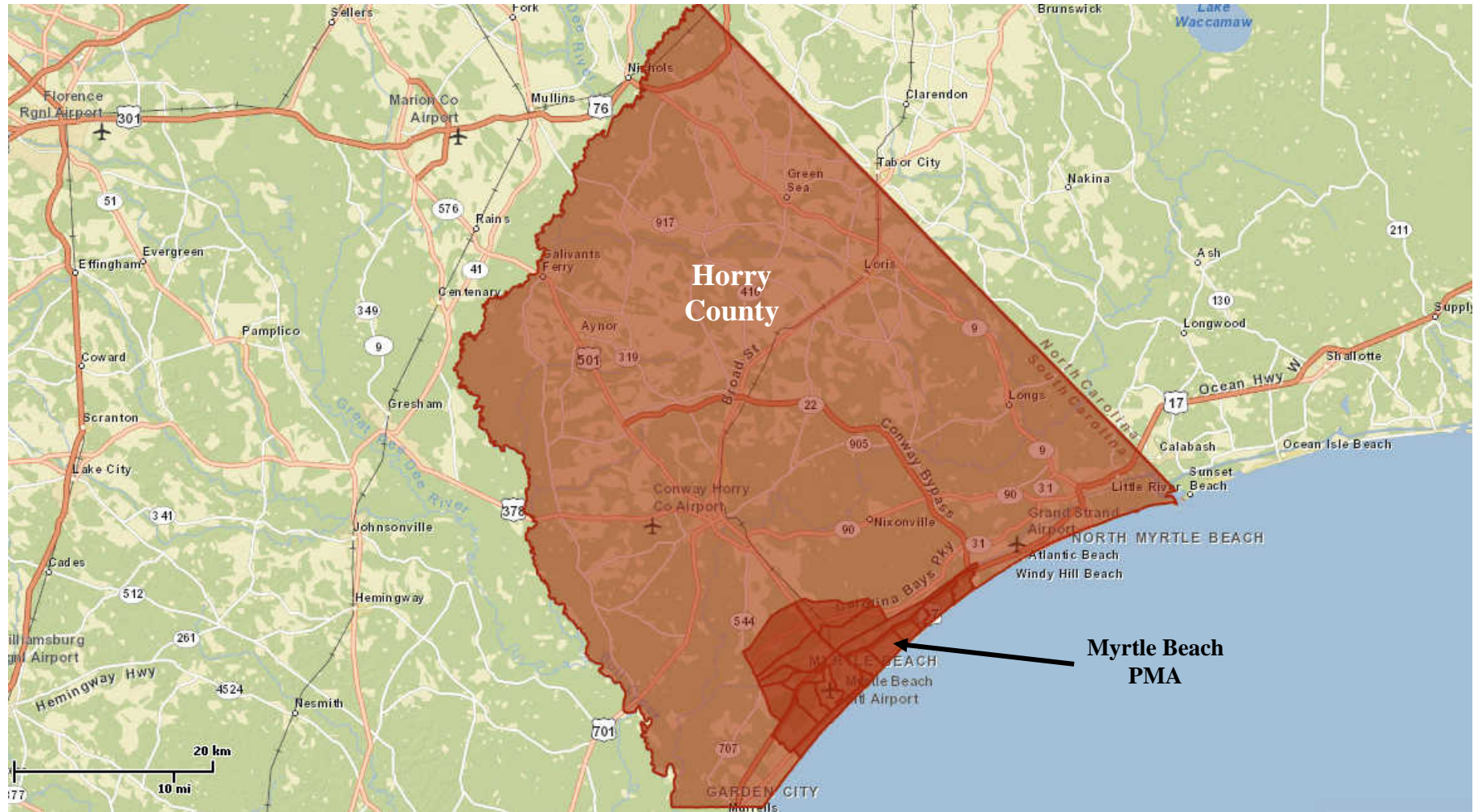
While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing within nearby communities, including North Myrtle Beach and Conway. However, please keep in mind that secondary market considerations will not be included in the following market analysis or demand calculations. A visual representation of the PMA can be found in the maps on the following pages. Furthermore, the city of Myrtle Beach and Horry County have also been utilized throughout the analysis for local and regional comparisons.

Map 7: State of South Carolina



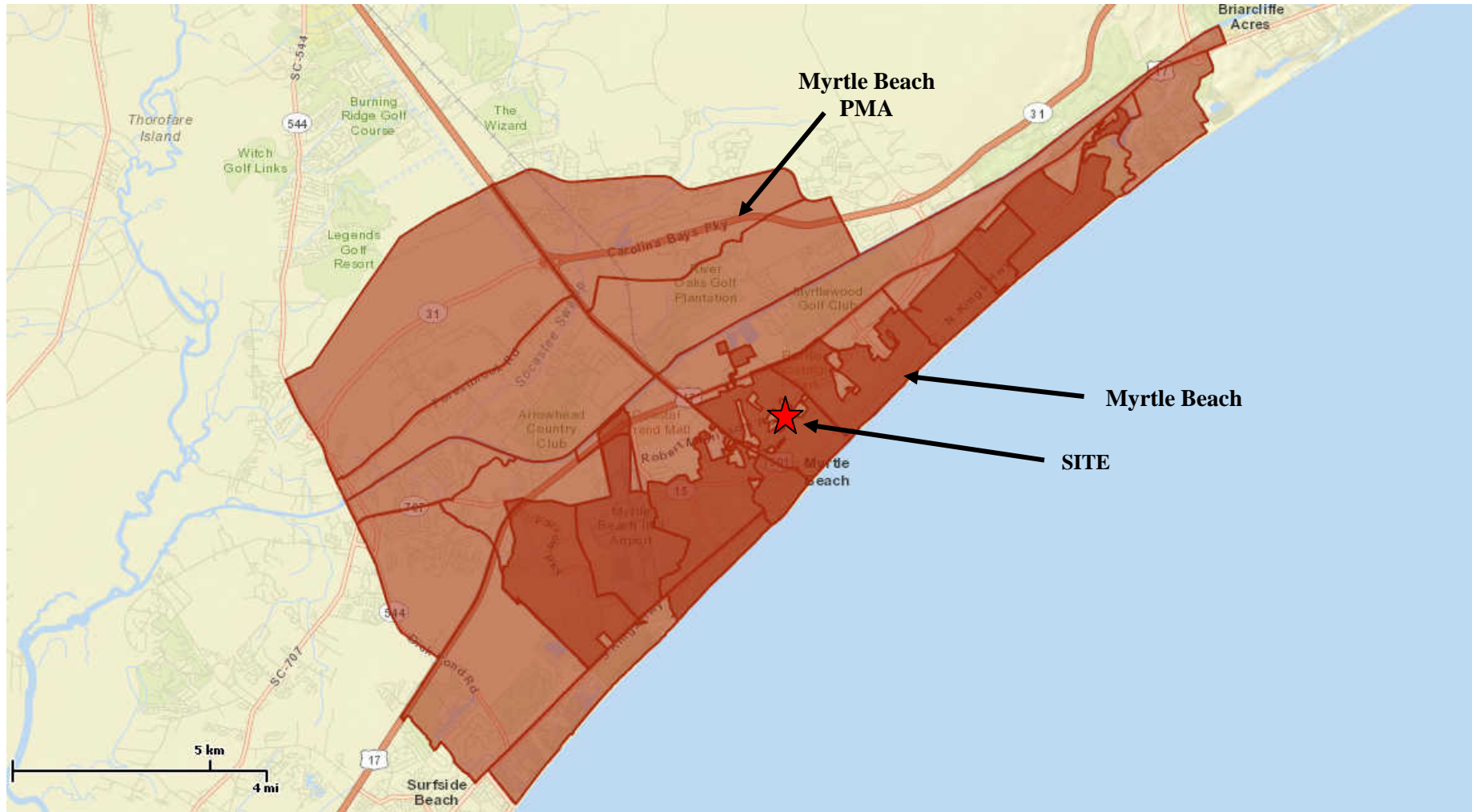
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Map 8: Myrtle Beach Primary Market Area – County View



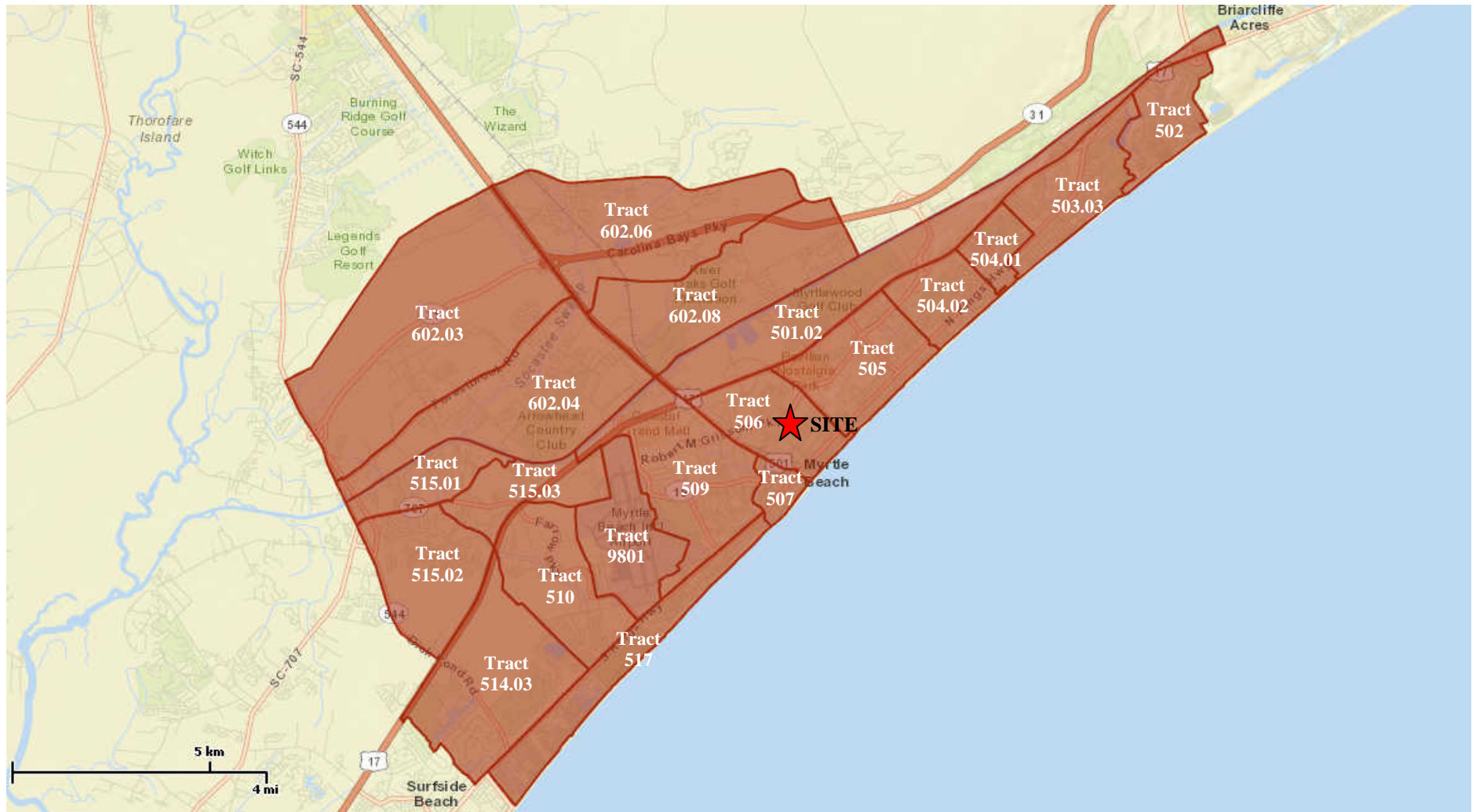
NOTE: Dark shaded area is PMA; Light shaded area is remainder of Horry County not in PMA.

Map 9: Myrtle Beach Primary Market Area – Close View

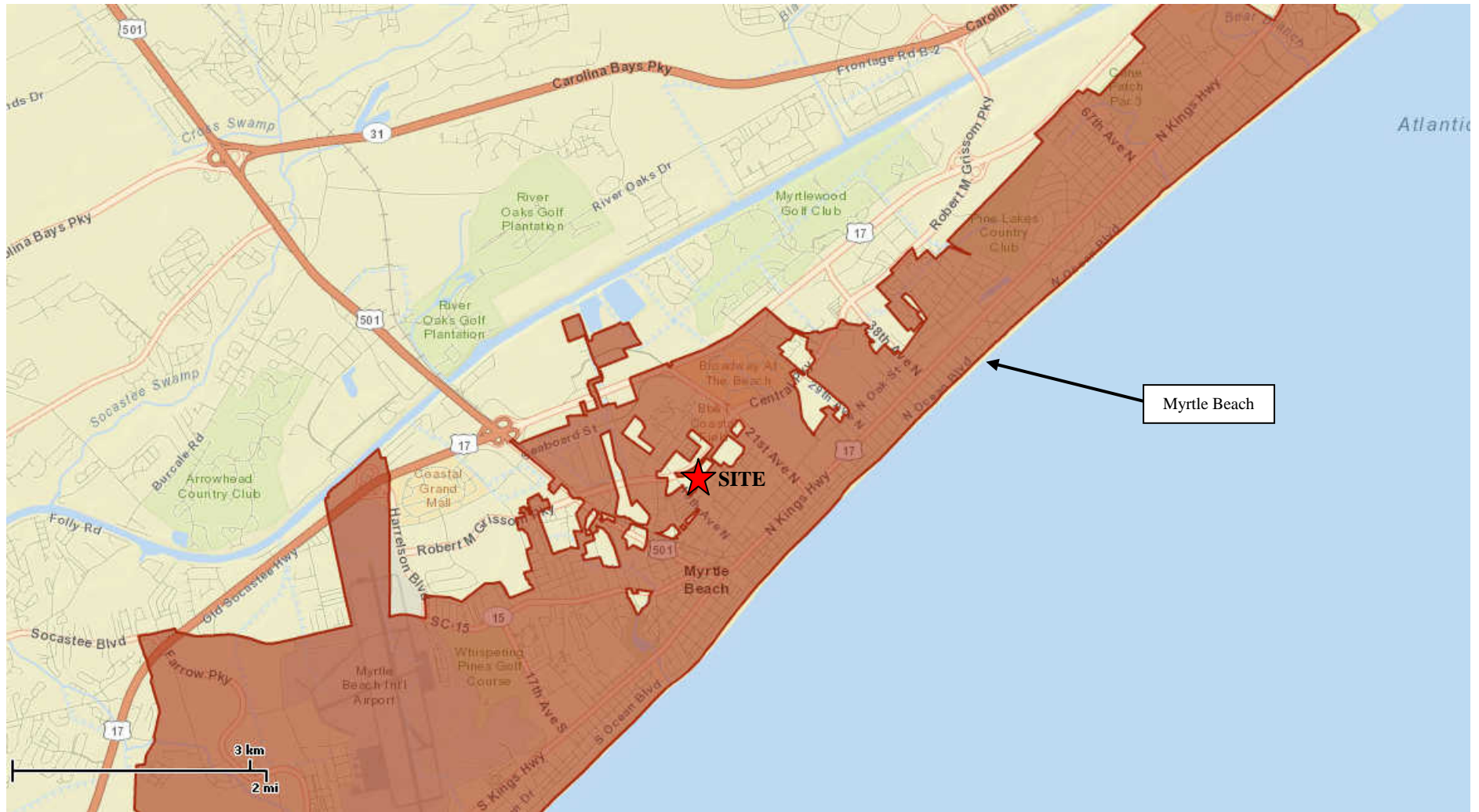


NOTE: Light shaded area is PMA; Dark shaded area is the city of Myrtle Beach.

Map 10: Primary Market Area – Census Tracts



Map 11: Myrtle Beach Area



D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the local economy revolves substantially around tourism. As such, the largest individual employment industry within the private sector in Horry County was accommodation/food services (26 percent of all jobs), followed by persons employed in retail trade (17 percent). Based on a comparison of employment by industry from 2007, both these industries experienced growth, increasing by 12 percent and six percent, respectively. Additional notable growth occurred in educational services, health care/social assistance, and information – each increasing by more than 15 percent since 2007. In contrast, several industries experienced significant declines during this time, including construction (59 percent), mining (46 percent), and manufacturing (25 percent).

Table 2: Employment by Industry – Horry County (2Q 2012)

Industry	2012 (2Q)		2007		Change from 2007
	Number Employed	Percent	Employed	Percent	
Agriculture, forestry, fishing and hunting	188	0.2%	202	0.2%	-6.9%
Mining	37	0.0%	68	0.1%	-45.6%
Utilities	714	0.6%	721	0.6%	-1.0%
Construction	4,666	3.9%	11,262	9.3%	-58.6%
Manufacturing	3,268	2.7%	4,343	3.6%	-24.8%
Wholesale trade	2,094	1.7%	2,390	2.0%	-12.4%
Retail trade	20,769	17.3%	19,695	16.2%	5.5%
Transportation and warehousing	1,643	1.4%	1,776	1.5%	-7.5%
Information	1,814	1.5%	1,576	1.3%	15.1%
Finance and insurance	2,424	2.0%	2,956	2.4%	-18.0%
Real estate and rental and leasing	4,690	3.9%	4,998	4.1%	-6.2%
Professional and technical services	2,952	2.5%	3,262	2.7%	-9.5%
Management of companies and enterprises	608	0.5%	565	0.5%	7.6%
Administrative and waste services	5,423	4.5%	6,154	5.1%	-11.9%
Educational services	8,533	7.1%	6,843	5.6%	24.7%
Health care and social assistance	10,150	8.5%	8,788	7.2%	15.5%
Arts, entertainment, and recreation	5,548	4.6%	5,129	4.2%	8.2%
Accommodation and food services	31,439	26.2%	28,159	23.2%	11.6%
Other services, exc. public administration	2,635	2.2%	2,875	2.4%	-8.3%
Public administration	5,156	4.3%	4,851	4.0%	6.3%
Unclassified	*	*	110	0.1%	*
Public Administration - Federal Government	222	0.2%	197	0.2%	12.7%
Public Administration - State Government	499	0.4%	545	0.4%	-8.4%
Public Administration - Local Government	4,434	3.7%	4,109	3.4%	7.9%

* - Data Not Available
 Source: South Carolina Department of Employment & Workforce - Florence County, SC (2007 - 2012)

2. Commuting Patterns

Overall, far more workers commute to Horry County for employment than commute away from the county, according to U.S. Census information. As such, a total of 8,715 Horry County residents commuted to areas outside of the county for employment in 2000, while 12,514 persons commuted to Horry County, with the most significant interaction with Georgetown County to the south.

Based on place of employment (using 2011 American Community Survey data), 94 percent of PMA residents are employed within Horry County, while just six percent work outside of the county – approximately two percent of which commute outside of South Carolina.

An overwhelming majority of workers throughout Horry County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to ACS data, approximately 80 percent of workers within the PMA drove alone to their place of employment, while 12 percent carpooled in some manner. Only a very small number (roughly five percent) utilized public transportation, walked, or some other means to commute to work.

Table 3: Place of Work/ Means of Transportation (2010)

EMPLOYMENT BY PLACE OF WORK						
	City of Myrtle Beach		Myrtle Beach PMA		Horry County	
Total	12,995	100.0%	34,802	100.0%	118,992	100.0%
Worked in State of Residence	12,844	98.8%	34,206	98.3%	115,413	97.0%
Worked in County of Residence	12,338	94.9%	32,535	93.5%	109,391	91.9%
Worked Outside County of Residence	506	3.9%	1,671	4.8%	6,022	5.1%
Worked Outside State of Residence	151	1.2%	596	1.7%	3,579	3.0%

MEANS OF TRANSPORTATION TO WORK						
	City of Myrtle Beach		Myrtle Beach PMA		Horry County	
Total	12,995	100.0%	34,802	100.0%	115,982	100.0%
Drove Alone - Car, Truck, or Van	9,530	73.3%	27,677	79.5%	94,937	81.9%
Carpooled - Car, Truck, or Van	2,151	16.6%	4,331	12.4%	12,653	10.9%
Public Transportation	85	0.7%	117	0.3%	382	0.3%
Walked	385	3.0%	479	1.4%	1,238	1.1%
Other Means	465	3.6%	1,132	3.3%	2,634	2.3%
Worked at Home	379	2.9%	1,066	3.1%	4,138	3.6%

Source: U.S. Census Bureau; 2007-2011 American Community Survey

Table 4: Employment Commuting Patterns (2000)

Persons Commuting TO HORRY COUNTY		
Commuters Living In:	Number	Percent
Total Persons	12,514	
Georgetown County	4,176	33.4%
Brunswick County (North Carolina)	1,571	12.6%
Columbus County (North Carolina)	1,394	11.1%
Marion County	1,204	9.6%
Williamsburg County	844	6.7%

Persons Commuting FROM HORRY COUNTY		
Commuters Working In :	Number	Percent
Total Persons	8,715	
Georgetown County	4,525	51.9%
Marion County	784	9.0%
Brunswick County (North Carolina)	658	7.6%
Columbus County (North Carolina)	580	6.7%
Florence County	386	4.4%

Source: U.S. Census of Population and Housing (SF3) - 2000

3. Largest Employers

Below is a chart depicting the largest employers within Horry County, according to information obtained within the 2012 Horry County Community Profile published by the South Carolina Departments of Employment and Workforce. As can be seen, the major employers within the county are in the government, education, healthcare, and retail industries. While not explicitly stated in the table below, the area’s tourism industry is also a significant source of employment for local residents.

Horry County Top Employers (Listed Alphabetically)	
AVX Corporation	City of Myrtle Beach
City of North Myrtle Beach	Coastal Carolina University
Conway Hospital, Inc.	Eastern Seaboard Management, LLC
Food Lion, LLC	Grand Strand Regional Medical Center
Horry County Council	Horry County Dept. of Education
Horry-Georgetown Technical College	Horry Telephone Cooperative
K-Mart Corporation	Loris Community Hospital District
Lowe's Home Centers	Office Depot, Inc.
OS Restaurant Services, Inc.	Southeast Restaurants Corporation
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Source: SC Department of Employment & Workforce – 2011 Q1

According to U.S. Census data for the first quarter of 2012, there were approximately 7,738 new jobs created by either new businesses in Horry County or the expansion by existing firms. Additionally, there were slightly more hires than separations during the quarter. However, due to the seasonal nature of the tourism industry throughout the coastal areas of the county, these figures will fluctuate above typical norms.

	2012 Quarter 1	Average: 3 Prior Quarters
Job Creation	7,738	9,446
New Hires	17,368	23,396
Separations	16,793	25,504
Turnover	9.3%	11.2%
Avg. Monthly Earnings	\$2,482	\$2,546
Avg. New Hire Earnings	\$1,468	\$1,558

Source: QWI Online - U.S. Census Bureau

4. Employment and Unemployment Trends

The overall economy throughout Horry County has historically been generally positive, although trends have been quite sluggish in recent years. While the county recorded steady job creation in six of the seven years between 2000 and 2007, sizeable job losses occurred between 2008 and 2010 due to effects of the nationwide recession. However, the number of jobs increased in both 2011 and 2012, representing improving conditions. According to information obtained from SC Works, more than 26,600 jobs were created within Horry County between 2001 and 2007, representing an increase of 27 percent. However, nearly 10,300 jobs were lost between 2008 and 2010 (a decrease of eight percent), resulting in its highest unemployment rate in more than 20 years – and above both state and national averages.

However, the latest employment figures indicate the local economy has appeared to stabilize somewhat since 2010, increasing by 900 jobs between 2010 and 2012 and a decrease in the unemployment rate to 10.2 percent (albeit remaining above the state and national averages of 9.0 percent and 8.1 percent, respectively). According to December 2012 figures, a slight decrease of 135 jobs was recorded from December 2011 figures. Despite this employment decline, however, the county's unemployment rate decreased to 11.1 percent in December 2012, slightly lower than the December 2011 rate of 12.0 percent. As such, the county's economic situation coupled with its employment distribution and prevailing average incomes are reflective of the need for affordable housing locally.

Figure 1: Employment Growth

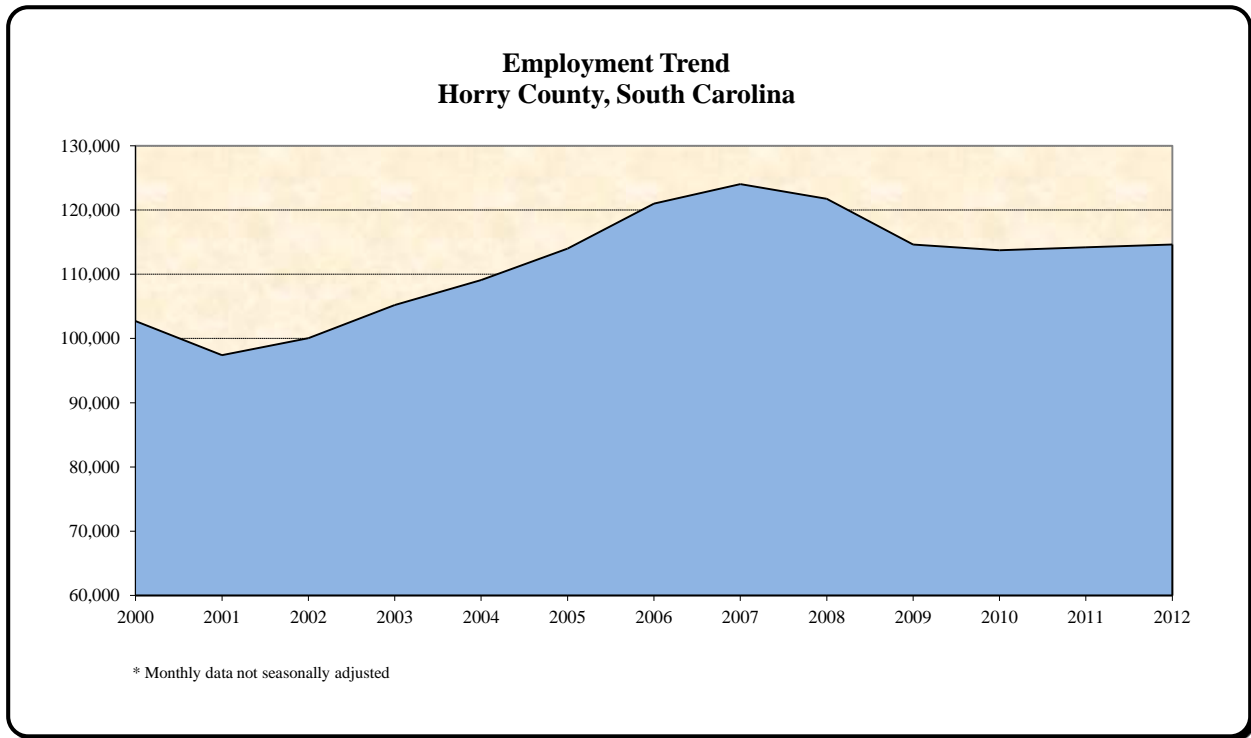


Figure 2: Historical Unemployment Rate

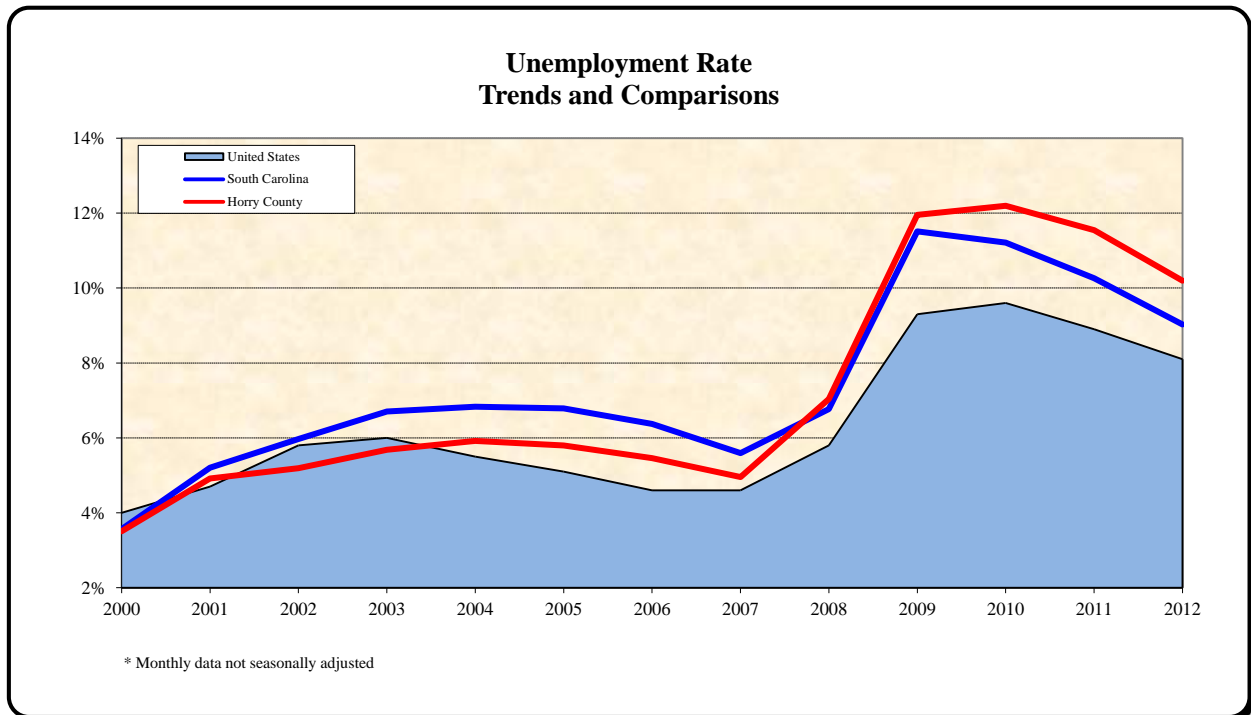


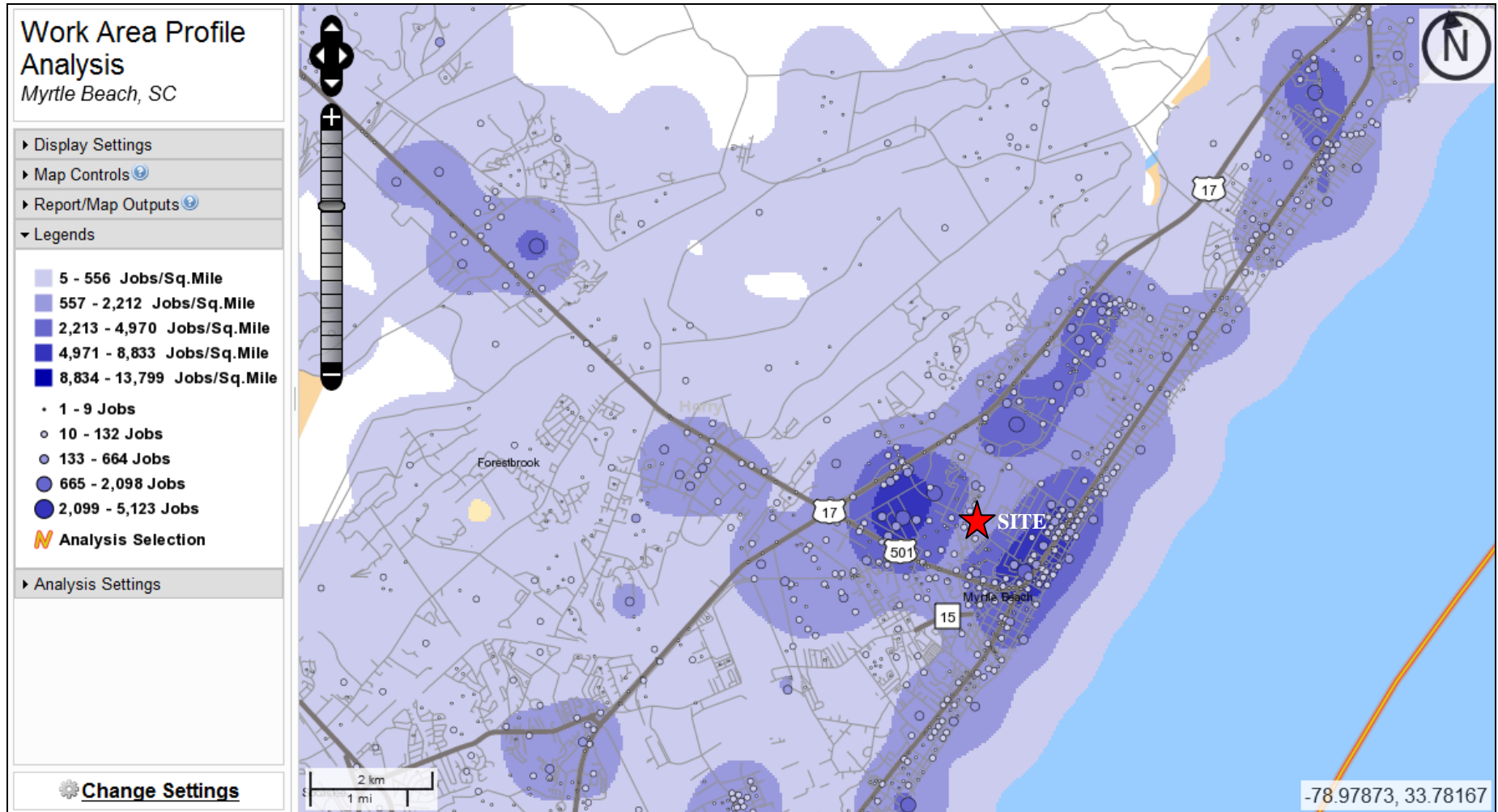
Table 5: Historical Employment Trends

Year	Horry County				Employment Change Annual			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Horry County	South Carolina	United States	Horry County	South Carolina	United States
2000	106,429	102,698	---	---	---	---	---	3.5%	3.6%	4.0%
2001	102,440	97,400	(5,298)	-5.2%	-5.2%	-4.3%	0.0%	4.9%	5.2%	4.7%
2002	105,523	100,043	2,643	2.7%	2.7%	-0.5%	-0.3%	5.2%	6.0%	5.8%
2003	111,541	105,203	5,160	5.2%	5.2%	1.5%	0.9%	5.7%	6.7%	6.0%
2004	115,957	109,090	3,887	3.7%	3.7%	1.8%	1.1%	5.9%	6.8%	5.5%
2005	120,996	113,984	4,894	4.5%	4.5%	1.8%	1.8%	5.8%	6.8%	5.1%
2006	127,974	120,985	7,001	6.1%	6.1%	2.5%	1.9%	5.5%	6.4%	4.6%
2007	130,490	124,021	3,036	2.5%	2.5%	2.0%	1.1%	5.0%	5.6%	4.6%
2008	130,946	121,733	(2,288)	-1.8%	-1.8%	-0.5%	-0.5%	7.0%	6.8%	5.8%
2009	130,177	114,616	(7,117)	-5.8%	-5.8%	-4.9%	-3.8%	12.0%	11.5%	9.3%
2010	129,520	113,726	(890)	-0.8%	-0.8%	0.3%	-0.6%	12.2%	11.2%	9.6%
2011	129,085	114,186	460	0.4%	0.4%	1.4%	0.6%	11.5%	10.3%	8.9%
2012	127,633	114,623	437	0.4%	0.4%	0.9%	1.9%	10.2%	9.0%	8.1%
Dec-11*	124,094	109,154	---	---	---	---	---	12.0%	9.6%	8.3%
Dec-12*	122,675	109,019	(135)	-0.1%	-0.1%	0.9%	1.7%	11.1%	8.4%	7.6%

Horry County				South Carolina		
	<u>Number</u>	<u>Percent</u>	<u>Ann. Avg.</u>		<u>Percent</u>	<u>Ann. Avg.</u>
Change (2000-Present):	6,321	6.2%	0.5%	Change (2000-Present):	2.7%	0.2%
Change (2005-Present):	(4,965)	-4.4%	-0.6%	Change (2005-Present):	2.5%	0.4%
Change (2010-Present):	(4,707)	-4.1%	-2.1%	Change (2010-Present):	3.1%	1.6%
Change (2000-2005):	11,286	11.0%	2.2%	Change (2000-2005):	0.3%	0.1%
Change (2005-2010):	(258)	-0.2%	0.0%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2012)	897	0.8%	0.4%	Change (2010-2012)	2.3%	1.1%

*Monthly data not seasonally adjusted

Map 12: Employment Concentrations – Myrtle Beach Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Horry County has experienced substantial demographic gains since 2000, including Myrtle Beach and the immediate area. Overall, the PMA had an estimated population of 78,868 persons in 2012, representing an increase of 50 percent from 2000 (a gain of more than 26,175 persons). Similarly, the city increased by 28 percent since 2000 (approximately 6,300 additional persons), while the county grew by 44 percent between 2000 and 2012.

Future projections indicate continued steady growth, with an estimated increase of 13 percent expected within the PMA between 2012 and 2017 (nearly 10,000 persons), and a similar 12 percent gain for Horry County as a whole. In comparison, Myrtle Beach proper is expected to increase by 17 percent (approximately 4,900 persons) between 2012 and 2017.

Table 6: Population Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Myrtle Beach	22,759	27,109	29,057	31,980	33,928
Myrtle Beach PMA	52,692	74,874	78,868	84,858	88,852
Horry County	196,629	269,291	282,588	302,532	315,829
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Myrtle Beach		19.1%	7.2%	10.1%	16.8%
Myrtle Beach PMA		42.1%	5.3%	7.6%	12.7%
Horry County		37.0%	4.9%	7.1%	11.8%
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Myrtle Beach		1.8%	3.5%	3.2%	3.1%
Myrtle Beach PMA		3.6%	2.6%	2.5%	2.4%
Horry County		3.2%	2.4%	2.3%	2.2%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 37 percent of all persons. In comparison, this age cohort represented a similar 37 percent of persons within the city itself. Older persons between the ages of 45 and 64 years also accounted for a relatively large portion of the population in each area. As such, 26 percent of the total population in the PMA was within this age cohort in 2010, while representing a similar proportion of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2017, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 44 has steadily declined since 2000, and is expected to decrease further through 2017. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons over the age of 55 years, which represented 24 percent of the population in 2000, is expected to increase to account for 30 percent of all persons by 2017, clearly indicative of a growing retiree segment and the aging of the baby boom generation.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout the Myrtle Beach PMA (at 58 percent of all persons in 2017) signifies positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 7: Age Distribution (2000 to 2017)

	City of Myrtle Beach				Myrtle Beach PMA				Horry County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>
Under 20 years	5,626	20.2%	20.8%	20.4%	16,742	21.9%	22.4%	21.6%	61,889	23.9%	23.0%	21.9%
20 to 24 years	2,071	8.8%	7.6%	7.2%	5,922	8.4%	7.9%	7.4%	18,432	6.8%	6.8%	6.3%
25 to 34 years	4,362	17.7%	16.1%	16.5%	11,901	16.5%	15.9%	16.2%	33,834	14.2%	12.6%	12.6%
35 to 44 years	3,629	15.9%	13.4%	12.6%	9,860	15.7%	13.2%	12.4%	33,463	15.1%	12.4%	11.6%
45 to 54 years	3,937	13.1%	14.5%	12.8%	10,441	13.4%	13.9%	12.3%	37,077	13.7%	13.8%	12.1%
55 to 59 years	1,762	5.0%	6.5%	6.7%	4,677	5.4%	6.2%	6.5%	18,755	5.9%	7.0%	7.3%
60 to 64 years	1,622	4.4%	6.0%	6.4%	4,679	4.8%	6.2%	6.9%	19,771	5.4%	7.3%	8.1%
65 to 74 years	2,293	8.3%	8.5%	10.4%	6,396	8.5%	8.5%	10.7%	28,382	9.4%	10.5%	13.3%
75 to 84 years	1,291	5.4%	4.8%	4.9%	3,135	4.4%	4.2%	4.3%	13,675	4.6%	5.1%	5.2%
85 years and older	516	1.3%	1.9%	2.1%	1,121	0.9%	1.5%	1.6%	4,013	1.0%	1.5%	1.6%
Under 20 years	5,626	20.2%	20.8%	20.4%	16,742	21.9%	22.4%	21.6%	61,889	23.9%	23.0%	21.9%
20 to 44 years	10,062	42.4%	37.1%	36.3%	27,683	40.6%	37.0%	36.1%	85,729	36.1%	31.8%	30.5%
45 to 64 years	7,321	22.5%	27.0%	25.9%	19,797	23.7%	26.4%	25.7%	75,603	25.0%	28.1%	27.5%
65 years and older	4,100	15.0%	15.1%	17.3%	10,652	13.9%	14.2%	16.6%	46,070	15.0%	17.1%	20.1%
55 years and older	7,484	24.4%	27.6%	30.5%	20,008	24.1%	26.7%	30.0%	84,596	26.3%	31.4%	35.5%
75 years and older	1,807	6.7%	6.7%	6.9%	4,256	5.4%	5.7%	5.9%	17,688	5.6%	6.6%	6.8%
Non-Elderly (<65)	23,009	85.0%	84.9%	82.7%	64,222	86.1%	85.8%	83.4%	223,221	85.0%	82.9%	79.9%
Elderly (65+)	4,100	15.0%	15.1%	17.3%	10,652	13.9%	14.2%	16.6%	46,070	15.0%	17.1%	20.1%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

2. Household Trends

Similar to population patterns, the Myrtle Beach area has experienced significant household creation since 2000. As such, occupied households within the PMA numbered 33,817 units in 2012, representing an increase of 46 percent from 2000 (a gain of 10,575 households). ESRI forecasts for 2017 indicate this number will continue to experience sizeable increases, with a forecasted growth of 12 percent (nearly 4,200 additional households) anticipated between 2012 and 2017.

Furthermore, the number of households within Myrtle Beach itself increased by 24 percent between 2000 and 2012 and is anticipated to increase an additional 16 percent through 2017. In comparison, the number of households within Horry County as a whole increased by 44 percent since 2000, clearly demonstrating strong demographic patterns throughout the region.

Table 8: Household Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Myrtle Beach	10,413	12,113	12,944	14,189	15,020
Myrtle Beach PMA	23,236	32,143	33,817	36,327	38,001
Horry County	81,800	112,225	117,827	126,231	131,833
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Myrtle Beach		16.3%	6.9%	9.6%	16.0%
Myrtle Beach PMA		38.3%	5.2%	7.4%	12.4%
Horry County		37.2%	5.0%	7.1%	11.9%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Average household sizes have not fluctuated much throughout Horry County since 2000. For the PMA, the average household size was 2.32 persons in 2012, representing an increase of approximately three percent from 2000’s average of 2.26 persons. Further, ESRI forecasts indicate the average household size will remain generally consistent within the market area through 2017.

Overall, the PMA contains somewhat smaller household sizes than Horry County as a whole, but larger sizes than Myrtle Beach proper. In comparison to the PMA average of 2.32 persons per household in 2012, Myrtle Beach had an average household size of 2.23 persons, while the county had an average of 2.37 persons per household.

Table 9: Average Household Size (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Myrtle Beach	2.17	2.22	2.23	2.24	2.24
Myrtle Beach PMA	2.26	2.32	2.32	2.33	2.33
Horry County	2.37	2.37	2.37	2.37	2.37
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Myrtle Beach		2.3%	0.4%	0.5%	0.7%
Myrtle Beach PMA		2.8%	0.1%	0.2%	0.3%
Horry County		0.0%	0.0%	0.0%	0.0%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Renter-occupied households throughout the Myrtle Beach market area have also exhibited considerable gains, increasing at rates greater than that of overall household creation. According to U.S. Census figures and ESRI estimates, a total of 14,662 renter-occupied households are estimated within the PMA for 2012, representing an increase of 65 percent from 2000 figures (a gain of 5,775 additional rental units). In comparison, it is estimated that the number of renter households also increased substantially since 2000 in both Myrtle Beach proper (33 percent) and Horry County as a whole (68 percent).

Overall, a relatively large ratio of renter households exists throughout the Myrtle Beach market area. For the PMA, the renter household percentage was calculated at 43 percent in 2012, notably lower than the city ratio (51 percent), but slightly greater than the county’s renter representation (31 percent). Furthermore, it should also be noted that renter propensities within all three areas have increased since 2000, with the PMA’s renter percentage increasing from 38 percent in 2000 to 43 percent in 2011.

Table 10: Renter Household Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2017</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2012</u> <u>Change</u>	<u>2012-2017</u> <u>Change</u>
City of Myrtle Beach	5,014	6,210	6,653	7,759	23.9%	7.1%	16.6%
Myrtle Beach PMA	8,893	13,853	14,662	16,685	55.8%	5.8%	13.8%
Horry County	22,087	35,228	37,053	41,615	59.5%	5.2%	12.3%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2017</u>			
City of Myrtle Beach	48.2%	51.3%	51.4%	51.7%			
Myrtle Beach PMA	38.3%	43.1%	43.4%	43.9%			
Horry County	27.0%	31.4%	31.4%	31.6%			

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Similar to overall households, renter sizes for the Myrtle Beach PMA were generally larger than those reported for Myrtle Beach itself, on average, but somewhat smaller than averages calculated for Horry County as a whole. As such, average renter sizes increased substantially within the PMA over the past decade – from 2.16 persons per unit in 2000 to 2.40 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (65 percent), with three persons occupying 16 percent of units, and 20 percent of units consisting of four or more persons.

Table 11: Rental Units by Size (2010)

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	Median Persons Per Rental Unit	
						<u>2000</u>	<u>2010</u>
City of Myrtle Beach	2,289	1,802	913	643	563	2.17	2.33
Myrtle Beach PMA	4,770	4,189	2,218	1,460	1,216	2.16	2.40
Horry County	10,943	10,271	6,184	4,340	3,490	2.33	2.47
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	Median Change	
City of Myrtle Beach	36.9%	29.0%	14.7%	10.4%	9.1%	7.4%	
Myrtle Beach PMA	34.4%	30.2%	16.0%	10.5%	8.8%	11.6%	
Horry County	31.1%	29.2%	17.6%	12.3%	9.9%	6.0%	

Source: U.S. Census - 2000/2010; Shaw Research & Consulting

3. Household Income Trends

Income levels throughout the Myrtle Beach area have experienced somewhat sluggish gains over the past decade. Overall, much of the county recorded annual increases between one and two percent between 1999 and 2010, and it is anticipated that income appreciation will remain at similar annual rates through 2017. In 2012, the median household income was estimated at \$44,644 for the PMA, which was approximately 14 percent greater than that estimated for Myrtle Beach itself (\$39,065), and two percent higher than Horry County as a whole (\$43,783). Furthermore, the PMA figure represents an increase of 16 percent from 1999 (an average annual increase of 1.2 percent), while incomes for the city and county increased at similar rates during this time.

According to ESRI data, the rate of income growth is forecast to remain sluggish through 2017. As such, it is projected that the median income within the PMA will increase by 1.2 percent annually between 2012 and 2017, similar to the increases anticipated for the city and county.

Table 12: Median Household Incomes (1999 to 2017)

	<u>1999</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Myrtle Beach	\$35,498	\$37,669	\$39,065	\$40,460	\$42,554
Myrtle Beach PMA	\$38,556	\$43,555	\$44,644	\$45,733	\$47,366
Horry County	\$36,470	\$43,142	\$43,783	\$44,423	\$45,384
		<u>1999-2010</u>	<u>2010-2012</u>	<u>2012-2015</u>	<u>2012-2017</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Myrtle Beach		6.1%	3.7%	3.7%	8.9%
Myrtle Beach PMA		13.0%	2.5%	2.5%	6.1%
Horry County		18.3%	1.5%	1.5%	3.7%
		<u>1999-2010</u>	<u>2010-2012</u>	<u>2012-2015</u>	<u>2012-2017</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Myrtle Beach		0.5%	1.8%	1.2%	1.7%
Myrtle Beach PMA		1.1%	1.2%	0.8%	1.2%
Horry County		1.5%	0.7%	0.5%	0.7%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

According to the U.S. Census Bureau, approximately 42 percent of all households within the Myrtle Beach PMA had an annual income of less than \$35,000 in 2011 – the portion of the population with the greatest need for affordable housing options. In comparison, a slightly higher 48 percent of city households had incomes within this range. With nearly one-half of all households within the PMA (and Myrtle Beach) earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 13: Overall Household Income Distribution (2011)

	City of Myrtle Beach		Myrtle Beach PMA		Horry County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	1,149	9.8%	2,294	7.5%	8,406	7.5%
\$10,000 to \$14,999	1,008	8.6%	2,121	6.9%	7,189	6.4%
\$15,000 to \$19,999	1,090	9.3%	2,098	6.8%	7,639	6.8%
\$20,000 to \$24,999	775	6.6%	1,979	6.4%	7,366	6.6%
\$25,000 to \$29,999	720	6.1%	1,970	6.4%	7,028	6.3%
\$30,000 to \$34,999	843	7.2%	2,523	8.2%	7,928	7.1%
\$35,000 to \$39,999	663	5.6%	1,740	5.7%	7,465	6.6%
\$40,000 to \$44,999	579	4.9%	1,762	5.7%	5,897	5.2%
\$45,000 to \$49,999	558	4.7%	1,426	4.6%	5,672	5.0%
\$50,000 to \$59,999	901	7.7%	2,473	8.1%	9,545	8.5%
\$60,000 to \$74,999	1,055	9.0%	3,078	10.0%	12,027	10.7%
\$75,000 to \$99,999	790	6.7%	2,741	8.9%	11,984	10.7%
\$100,000 to \$124,999	481	4.1%	1,457	4.7%	5,642	5.0%
\$125,000 to \$149,999	521	4.4%	1,160	3.8%	3,562	3.2%
\$150,000 to \$199,999	141	1.2%	797	2.6%	2,548	2.3%
\$200,000 and Over	474	4.0%	1,072	3.5%	2,460	2.2%
TOTAL	11,748	100.0%	30,691	100.0%	112,358	100.0%
Less than \$34,999	5,585	47.5%	12,985	42.3%	45,556	40.5%
\$35,000 to \$49,999	1,800	15.3%	4,928	16.1%	19,034	16.9%
\$50,000 to \$74,999	1,956	16.6%	5,551	18.1%	21,572	19.2%
\$75,000 to \$99,999	790	6.7%	2,741	8.9%	11,984	10.7%
\$100,000 and Over	1,617	13.8%	4,486	14.6%	14,212	12.6%

Source: 2007-2011 American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$18,926 to \$32,640 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a sizable number of low-income households throughout the area. As such, roughly 15 percent of the PMA's owner-occupied household number, and 24 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for nearly one out of every five households (at 18 percent) within the PMA. Considering the relative density of the PMA, this equates to nearly 6,775 potential income-qualified households for the proposed development, including more than 3,750 income-qualified renter households.

Table 14: Household Income by Tenure – Myrtle Beach PMA (2015)

	Number of 2015 Households			Percent of 2015 Households		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$5,200	1,441	509	932	3.8%	2.5%	5.9%
\$5,200 to \$10,400	1,375	470	906	3.6%	2.3%	5.7%
\$10,400 to \$15,600	2,610	873	1,737	6.9%	4.2%	11.0%
\$15,600 to \$20,800	2,541	1,090	1,451	6.8%	5.3%	9.2%
\$20,800 to \$26,000	2,397	1,024	1,373	6.4%	5.0%	8.7%
\$26,000 to \$36,400	5,411	2,500	2,911	14.6%	12.1%	18.5%
\$36,400 to \$52,000	5,868	3,108	2,760	16.1%	15.1%	17.5%
\$52,000 to \$78,000	6,469	4,283	2,186	18.1%	20.8%	13.9%
\$78,000 and Over	<u>8,215</u>	<u>6,720</u>	<u>1,495</u>	<u>23.5%</u>	<u>32.7%</u>	<u>9.5%</u>
Total	36,327	20,577	15,751	100.0%	100.0%	100.0%

Source: U.S. Census; BLS CPI Calculator; Shaw Research & Consulting

The 2011 American Community Survey shows that approximately 48 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 15: Renter Overburdened Households (2011)

Gross Rent as a % of Household Income	City of Myrtle Beach		Myrtle Beach PMA		Horry County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	5,364	100.0%	12,070	100.0%	32,656	100.0%
Less than 10.0 Percent	102	2.0%	234	2.0%	751	2.5%
10.0 to 14.9 Percent	311	6.1%	628	5.5%	2,052	6.9%
15.0 to 19.9 Percent	679	13.3%	1,620	14.1%	3,691	12.4%
20.0 to 24.9 Percent	552	10.8%	1,247	10.9%	3,771	12.6%
25.0 to 29.9 Percent	329	6.4%	1,110	9.7%	3,099	10.4%
30.0 to 34.9 Percent	464	9.1%	1,188	10.4%	2,593	8.7%
35.0 to 39.9 Percent	319	6.3%	942	8.2%	2,691	9.0%
40.0 to 49.9 Percent	584	11.4%	1,308	11.4%	3,403	11.4%
50 Percent or More	1,763	34.5%	3,199	27.9%	7,834	26.2%
Not Computed	261	--	594	--	2,771	--
35 Percent or More	2,666	52.2%	5,449	47.5%	13,928	46.6%
40 Percent or More	2,347	46.0%	4,507	39.3%	11,237	37.6%

Source: U.S. Census Bureau; 2007-2011 American Community Survey

F. DEMAND ANALYSIS

1. Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of \$32,640 (the 4.5-person income limit at 60 percent AMI for Horry County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
50 percent of AMI	\$18,926	\$27,200
60 percent of AMI	\$20,640	\$32,640
Overall	\$18,296	\$32,640

By applying the income-qualified range and 2015 household forecasts to the current-year household income distribution by tenure (adjusted based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 24 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 14 percent of all renter households are income-qualified for units at 50 percent of AMI, while 21 percent of renters are income-eligible for units restricted at 60 percent of AMI.

Based on U.S. Census data and projections from ESRI, approximately 1,214 additional renter households are anticipated between 2012 and 2015. By applying the income-qualified percentage to the overall eligible figure, a demand for 289 tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately 20 percent of all renter households within the Myrtle Beach PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 674 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2010 Census data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the 2010 American Housing Survey, the percentage of renter households within this overburdened range is reported at approximately 48 percent. However, in an effort to keep calculations somewhat conservative, households paying 40 percent of income to rent will be utilized – 39 percent. Applying this rate to the number of renter households yields a total demand of 1,305 additional units as a result of rent overburden.

There has not been any comparable multi-family rental activity within the Myrtle Beach PMA that has been allocated tax credits or placed in service since 2012, or is currently under construction. Therefore, no units need to be deducted from the three sources of demand listed previously. As such, combining all above factors results in an overall demand of 2,268 LIHTC units for 2015.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income households should receive a positive response due to the strong demographic growth within the Myrtle Beach area coupled with positive occupancy levels within most existing local developments (especially among Bay Pointe I and II).

Table 16: Demand Calculation – by Income Targeting (2015)

2010 Total Occupied Households	32,143			
2010 Owner-Occupied Households	18,207			
2010 Renter-Occupied Households	13,936			
		Income Targeting		
		50%	60%	Total
		AMI	AMI	LIHTC
QUALIFIED-INCOME RANGE				
Minimum Annual Income		\$18,926	\$20,640	\$18,926
Maximum Annual Income		\$27,200	\$32,640	\$32,640
DEMAND FROM NEW HOUSEHOLD GROWTH				
Renter Household Growth, 2012-2015		1,214	1,214	1,214
Percent Income Qualified Renter Households		14.2%	20.8%	23.8%
Total Demand From New Households		172	252	289
DEMAND FROM EXISTING HOUSEHOLDS				
Percent of Renters in Substandard Housing		20.3%	20.3%	20.3%
Percent Income Qualified Renter Households		14.2%	20.8%	23.8%
Total Demand From Substandard Renter Households		400	588	674
Percent of Renters Rent-Overburdened		39.3%	39.3%	39.3%
Percent Income Qualified Renter Households		14.2%	20.8%	23.8%
Total Demand From Overburdened Renter Households		775	1,138	1,305
Total Demand From Existing Households		1,176	1,726	1,978
TOTAL DEMAND		1,348	1,979	2,268
LESS: Total Comparable Activity Since 2012		0	0	0
TOTAL NET DEMAND		1,348	1,979	2,268
PROPOSED NUMBER OF UNITS		12	36	48
CAPTURE RATE		0.9%	1.8%	2.1%
Note: Totals may not sum due to rounding				

Table 17: Demand Calculation – by Bedroom Size (2015)

2010 Total Occupied Households	32,143						
2010 Owner-Occupied Households	18,207						
2010 Renter-Occupied Households	13,936						
		Two-Bedroom Units			Three-Bedroom Units		
		50%	60%	Total	50%	60%	Total
		AMI	AMI	LIHTC	AMI	AMI	LIHTC
QUALIFIED-INCOME RANGE							
Minimum Annual Income		\$18,926	\$20,640	\$18,926	\$21,634	\$23,691	\$21,634
Maximum Annual Income		\$23,550	\$28,260	\$28,260	\$27,200	\$32,640	\$32,640
DEMAND FROM NEW HOUSEHOLD GROWTH							
Renter Household Growth, 2012-2015		1,214	1,214	1,214	1,214	1,214	1,214
Percent Income Qualified Renter Households		8%	13%	16%	9%	16%	19%
Total Demand From New Households		96	158	195	115	190	232
DEMAND FROM EXISTING HOUSEHOLDS							
Percent of Renters in Substandard Housing		20.3%	20.3%	20.3%	20.3%	20.3%	20.3%
Percent Income Qualified Renter Households		8%	13%	16%	9%	16%	19%
Total Demand From Substandard Renter Households		224	368	454	267	443	540
Percent of Renters Rent-Overburdened		39.3%	39.3%	39.3%	39.3%	39.3%	39.3%
Percent Income Qualified Renter Households		8%	13%	16%	9%	16%	19%
Total Demand From Overburdened Renter Households		434	712	879	517	858	1,046
Total Demand From Existing Households		658	1,080	1,332	784	1,300	1,587
TOTAL DEMAND		754	1,238	1,527	899	1,491	1,819
LESS: Total Comparable Activity Since 2012		0	0	0	0	0	0
TOTAL NET DEMAND		754	1,238	1,527	899	1,491	1,819
PROPOSED NUMBER OF UNITS		6	18	24	6	18	24
CAPTURE RATE		0.8%	1.5%	1.6%	0.7%	1.2%	1.3%
Note: Totals may not sum due to rounding							

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 2.1 percent was determined based on the demand calculation (including renter household growth, substandard and/or overburdened units among existing renter households, and excluding any comparable activity since 2012), providing an indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 0.9 percent, while units at 60 percent AMI was at 1.8 percent. As such, these capture rates provide an extremely positive indication of the need for affordable rental options locally and are well within acceptable industry thresholds.

Taking into consideration the overall occupancy rates for the Myrtle Beach PMA, most importantly the success of local LIHTC developments (including Bay Pointe Apartments where the first two phases were both fully leased within three months), and also the proposed affordable rental rates within the subject, the overall absorption period to reach 93 percent occupancy is conservatively estimated at four to five months. This determination is based on a market entry in late 2014/early 2015; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Myrtle Beach PMA Rental Market Characteristics

As part of the rental analysis for the Myrtle Beach PMA, a survey of existing rental projects within the Myrtle Beach primary market area was completed by Shaw Research & Consulting in February 2013. Excluding senior-only developments, a total of 13 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Myrtle Beach area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 2,774 units were reported, with the overwhelming majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 18 percent of all units had one bedroom, 61 percent had two bedrooms, and 21 percent of units contained three bedrooms. There were only a few efficiency and four-bedroom units reported in the survey. The average age of the rental properties was 12 years old (an average build date of 2001), with nine properties built since 2000. A total of five facilities (38 percent of all properties) reported to have some sort of income eligibility requirements – with four tax credit developments and one subsidized project.

Overall conditions for the Myrtle Beach rental market appear to be somewhat mixed at the current time, but can largely be explained through the seasonal nature of the tourism industry within Myrtle Beach. Among the 13 properties included in the survey, the overall occupancy rate was calculated at 93.9 percent – with seven developments at 97 percent occupied or better. When breaking down occupancy rates by financing type, market rate developments averaged 92.9 percent, tax credit properties averaged 97.8 percent, and the sole subsidized project was 100 percent occupied. While the occupancy rates among market rate properties can be somewhat concerning, it was noted by several leasing agents that winter months tend to have the lowest occupancy rates and typically pick up in the spring. As such, occupancy levels in most properties are similar or actually better than year-ago levels.

2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing the LIHTC, Shaw Research has identified four similar tax credit facilities within the Myrtle Beach PMA property as being most comparable. According to survey results, the combined occupancy rate for these developments was calculated at 97.8 percent, with three developments above 97 percent occupancy.

Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$468 per month with an average size of 800 square feet – the resulting average rent per square foot ratio is \$0.59. Further, the average tax credit rent for a two-bedroom unit was \$571 with an average size of 1,063 square feet (an average rent per square foot ratio of \$0.54), while three-bedroom units averaged \$654 and 1,259 square feet (\$0.52 per square foot). In comparison to tax credit averages, the subject proposal’s rental rates are approximately ten percent lower with generally competitive unit sizes. When taking into account unit sizes and rent-per-square foot averages, the proposal is extremely affordable as compared to other tax credit options. As such, the subject has a rent per square foot averages of \$0.44 to \$0.47 for both two and three-bedrooms - much lower than the overall LIHTC ratios ranging between of \$0.52 to \$0.54 per square foot. As such, the proposed rental rates are clearly competitive with other tax credit projects throughout the Myrtle Beach rental market.

The most comparable property within the PMA (in terms of location, targeting, age, and construction type) is obviously Bay Pointe Apartments – with phases constructed in 2010 and 2011, and located adjacent to the subject property. According to the leasing manager, the development is currently 100 percent occupied with more than 20 persons on the waiting list. In addition, both phases were fully occupied in less than three months upon opening, clearly indicative of the need for affordable housing options locally. It should also be noted that the proposed rental rates within the subject proposal are well below those at both phases.

From a market standpoint, it is evident that sufficient demand is present for the development of an additional affordable tax credit property within the Myrtle Beach market area targeting low-income family households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the local rental market.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, there is no comparable multi-family rental activity (other than the subject proposal) within the Myrtle Beach PMA at the current time. The most recently constructed family LIHTC projects within the Myrtle Beach PMA are Bay Pointe II (allocated in 2010), Bay Pointe I (allocated in 2008), and Monticello Park III (allocated in 2007) – all three were rapidly absorbed into the market.

4. Impact on Existing Tax Credit Properties

Based on the extremely strong occupancy rates among LIHTC developments, most notably within Bay Pointe Apartments, the construction of the proposal will not have any adverse impact on existing affordable rental properties. Considering future demographic growth anticipated for the PMA, affordable housing will continue to be in demand locally.

5. Competitive Environment

According to Realtor.com, price points are varied depending on location and proximity to the beach, and also fluctuate depending on the age and condition of the homes and neighborhood in which they are situated. However, considering recessionary conditions throughout the nation, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who largely has credit issues and require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 18: Rental Housing Survey - Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Bay Pointe Apts I/II	2011	106	0	0	56	50	0	No	ELE	No	98%	Open	Myrtle Beach
Cape Landing Apartments	1997	288	0	132	108	48	0	No	ELE	No	93%	Open	Myrtle Beach
Carolina Cove	2000	72	0	0	56	16	0	No	ELE	No	100%	Open	Myrtle Beach
Claypond Commons	2000	188	20	72	96	0	0	No	ELE	No	92%	Open	Myrtle Beach
Flintlake Apartment Homes	1997	272	0	48	160	64	0	No	ELE	No	93%	Open	Myrtle Beach
Ivystone at Palmetto Pointe	2002	664	0	0	552	112	0	No	ELE	No	92%	Open	Myrtle Beach
Monticello Park I/II/III	2008	192	0	16	108	68	0	No	ELE	No	97%	Open	Myrtle Beach
Palmetto Pointe Apts	1999	320	0	NA	NA	NA	0	No	ELE	No	98%	Open	Myrtle Beach
Pipers Pointe Apartments	2006	72	0	0	36	36	0	No	ELE	No	97%	Open	Myrtle Beach
Plantation Apartments	2007	110	0	54	20	28	8	No	ELE	No	100%	Open	Myrtle Beach
River Landing Apts	2002	340	0	NA	NA	NA	0	No	ELE	No	88%	Open	Myrtle Beach
Sea Palms at Palmetto Pointe	2006	48	0	0	36	12	0	No	ELE	No	92%	Open	Myrtle Beach
Waterway Crossing Apts	1980	102	0	51	51	0	0	No	ELE	No	100%	Open	Myrtle Beach
Totals and Averages <i>Unit Distribution</i>	2001	2,774	20 1%	373 18%	1,279 61%	434 21%	8 0%				93.9%		
SUBJECT PROJECT													
BAY POINTE III	2014/15	48	0	24	24	0	0	No	ELE	No		Open	Myrtle Beach
SUMMARY													
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.				
Total Developments	13	2001	2,774	20	373	1,279	434	8	93.9%				
Market Rate Only	8	1998	2,222	20	303	1,003	236	0	92.9%				
LIHTC Only	4	2006	442	0	16	256	170	0	97.8%				
Subsidized Only	1	2007	110	0	54	20	28	8	100.0%				

NOTE: Shaded properties are LIHTC

Table 19: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Bay Pointe Apts I/II	LIHTC	0							\$531	\$655	1,100		\$0.48	\$0.60
Cape Landing Apartments	Market	0	\$629	\$701	695	744	\$0.91	\$0.94	\$699	\$878	883	1,108	\$0.79	\$0.79
Carolina Cove	LIHTC/Mrkt	0							\$515	\$750	979		\$0.53	\$0.77
Claypond Commons	Market	0	\$605	\$645	600		\$1.01	\$1.08	\$725	\$795	900		\$0.81	\$0.88
Flintlake Apartment Homes	Market	0	\$729		810		\$0.90		\$809	\$910	1,086	1,145	\$0.74	\$0.79
Ivystone at Palmetto Pointe	Market	0							\$600		1,000		\$0.60	
Monticello Park I/II/III	LIHTC/Mrkt	0	\$415	\$521	800		\$0.52	\$0.65	\$497	\$730	1,049		\$0.47	\$0.70
Palmetto Pointe Apts	Market	0	\$745	\$800	652	736	\$1.14	\$1.09	\$845	\$915	933	1,040	\$0.91	\$0.88
Pipers Pointe Apartments	LIHTC	0							\$483	\$624	1,122		\$0.43	\$0.56
Plantation Apartments	LIHTC/BOI	109			624	634					876			
River Landing Apts	Market	0	\$602	\$652	685	771	\$0.88	\$0.85	\$689	\$739	950	1,035	\$0.73	\$0.71
Sea Palms at Palmetto Pointe	Market	0							\$765		1,000		\$0.77	
Waterway Crossing Apts	Market	0	\$599		850		\$0.70		\$699		1,270		\$0.55	
Totals and Averages		109		\$637		717		\$0.89		\$707		1,028		\$0.69
SUBJECT PROPERTY														
BAY POINTE III	LIHTC	0							\$465	\$515	1,050	1,100	\$0.44	\$0.47
SUMMARY														
Overall				\$637		717		\$0.89		\$707		1,028		\$0.69
Market Rate Only				\$671		727		\$0.92		\$770		1,029		\$0.75
LIHTC Only				\$468		800		\$0.59		\$571		1,063		\$0.54
Subsidized Only				NA		629		NA		NA		876		NA

NOTE: Shaded properties are LIHTC

Table 20: Rent Range for 3 & 4 Bedrooms - Overall

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Bay Pointe Apts I/II	LIHTC	\$609	\$735	1,300		\$0.47	\$0.57						
Cape Landing Apartments	Market	\$1,006	\$1,016	1,356		\$0.74	\$0.75						
Carolina Cove	LIHTC/Mrkt	\$595	\$830	1,166		\$0.51	\$0.71						
Claypond Commons	Market												
Flintlake Apartment Homes	Market	\$979	\$1,049	1,508		\$0.65	\$0.70						
Ivystone at Palmetto Pointe	Market	\$725		1,200		\$0.60							
Monticello Park I/II/III	LIHTC/Mrkt	\$571	\$830	1,268		\$0.45	\$0.65						
Palmetto Pointe Apts	Market	\$1,045		1,276		\$0.82							
Pipers Pointe Apartments	LIHTC	\$556	\$715	1,300		\$0.43	\$0.55						
Plantation Apartments	LIHTC/BOI			1,095						1,257			
River Landing Apts	Market	\$923		1,456		\$0.63							
Sea Palms at Palmetto Pointe	Market	\$865		1,200		\$0.72							
Waterway Crossing Apts	Market												
Totals and Averages			\$816		1,284		\$0.64		NA		1,257		NA
SUBJECT PROPERTY													
BAY POINTE III	LIHTC	\$525	\$585	1,200	1,250	\$0.44	\$0.47						
SUMMARY													
Overall			\$816		1,284		\$0.64		NA		1,257		NA
Market Rate Only			\$927		1,333		\$0.70		NA		NA		NA
LIHTC Only			\$654		1,259		\$0.52		NA		NA		NA
Subsidized Only			NA		1,095		NA		NA		1,257		NA

NOTE: Shaded properties are LIHTC

Table 21a: Project Amenities - Overall

Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Fireplace	Hi-Speed Internet	Club/Comm. Room	Computer Center	Exercise Room
Bay Pointe Apts I/II	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Cape Landing Apartments	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Carolina Cove	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Claypond Commons	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Flintlake Apartment Homes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Ivystone at Palmetto Pointe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Monticello Park I/II/III	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No
Palmetto Pointe Apts	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Pipers Pointe Apartments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No
Plantation Apartments	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No
River Landing Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes
Sea Palms at Palmetto Pointe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	No
Waterway Crossing Apts	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No	No	No	No
Totals and Averages	100%	100%	92%	62%	62%	100%	100%	69%	8%	85%	85%	38%	54%
SUBJECT PROJECT													
BAY POINTE III	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
SUMMARY													
Overall	100%	100%	92%	62%	62%	100%	100%	69%	8%	85%	85%	38%	54%
Market Rate Only	100%	100%	100%	38%	50%	100%	100%	88%	13%	88%	75%	38%	75%
LIHTC Only	100%	100%	100%	100%	75%	100%	100%	25%	0%	75%	100%	50%	25%
Subsidized Only	100%	100%	0%	100%	100%	100%	100%	100%	0%	100%	100%	0%	0%

NOTE: Shaded properties are LIHTC

Table 21b: Project Amenities - Overall

Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Bay Pointe Apts I/II	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Cape Landing Apartments	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No
Carolina Cove	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	No
Claypond Commons	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No	No	No
Flintlake Apartment Homes	Yes	No	No	Yes	No	Yes	No	No	No	Yes	No	Yes
Ivystone at Palmetto Pointe	Yes	No	No	No	No	Yes	No	No	Yes	No	No	No
Monticello Park I/II/III	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Palmetto Pointe Apts	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes
Pipers Pointe Apartments	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Plantation Apartments	No	Yes	No	No	Yes	Yes	No	Yes	No	No	No	No
River Landing Apts	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	No	Yes
Sea Palms at Palmetto Pointe	No	No	No	Yes	No	Yes	No	No	No	Yes	No	Yes
Waterway Crossing Apts	Yes	No	Yes	No	No	Yes	No	No	Yes	No	No	No
Totals and Averages	62%	62%	54%	31%	38%	100%	0%	69%	77%	15%	0%	31%
SUBJECT PROJECT												
BAY POINTE III	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
SUMMARY												
Overall	62%	62%	54%	31%	38%	100%	0%	69%	77%	15%	0%	31%
Market Rate Only	88%	38%	50%	50%	38%	100%	0%	50%	75%	25%	0%	50%
LIHTC Only	25%	100%	75%	0%	25%	100%	0%	100%	100%	0%	0%	0%
Subsidized Only	0%	100%	0%	0%	100%	100%	0%	100%	0%	0%	0%	0%

NOTE: Shaded properties are LIHTC

Table 22: Rental Housing Survey - Comparable

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Bay Pointe Apts I/II	2011	106	0	0	56	50	0	No	ELE	No	98%	Open	Myrtle Beach
Carolina Cove	2000	72	0	0	56	16	0	No	ELE	No	100%	Open	Myrtle Beach
Monticello Park I/II/III	2008	192	0	16	108	68	0	No	ELE	No	97%	Open	Myrtle Beach
Pipers Pointe Apartments	2006	72	0	0	36	36	0	No	ELE	No	97%	Open	Myrtle Beach
Totals and Averages	2006	442	0	16	256	170	0				97.8%		
		<i>Unit Distribution</i>		0%	4%	58%	38%	0%					
SUBJECT PROJECT													
BAY POINTE III	2014/15	48	0	24	24	0	0	No	ELE	No		Open	Myrtle Beach

Table 23: Rent Range for 1 & 2 Bedrooms - Comparable

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Bay Pointe Apts I/II	LIHTC	0							\$531	\$655	1,100		\$0.48	\$0.60
Carolina Cove	LIHTC	0							\$515	\$635	979		\$0.53	\$0.65
Monticello Park I/II/III	LIHTC	0	\$415	\$521	800		\$0.52	\$0.65	\$497	\$624	1,049		\$0.47	\$0.59
Pipers Pointe Apartments	LIHTC	0							\$483	\$624	1,122		\$0.43	\$0.56
Totals and Averages		0		\$468		800		\$0.59		\$571		1,063		\$0.54
SUBJECT PROPERTY														
BAY POINTE III	LIHTC	0							\$465	\$515	1,050	1,100	\$0.44	\$0.47

Table 24: Rent Range for 3 & 4 Bedrooms - Comparable

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Bay Pointe Apts I/II	LIHTC	\$609	\$735	1,300		\$0.47	\$0.57						
Carolina Cove	LIHTC	\$595	\$730	1,166		\$0.51	\$0.63						
Monticello Park I/II/III	LIHTC	\$571	\$717	1,268		\$0.45	\$0.57						
Pipers Pointe Apartments	LIHTC	\$556	\$715	1,300		\$0.43	\$0.55						
Totals and Averages			\$654		1,259		\$0.52						
SUBJECT PROPERTY													
BAY POINTE III	LIHTC	\$525	\$585	1,200	1,250	\$0.44	\$0.47						

Table 25a: Project Amenities - Comparable


Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Fireplace	Hi-Speed Internet	Club/Comm. Room	Computer Center	Exercise Room
Bay Pointe Apts I/II	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Carolina Cove	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Monticello Park I/II/III	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No
Pipers Pointe Apartments	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No
Totals and Averages	100%	100%	100%	100%	75%	100%	100%	25%	0%	75%	100%	50%	25%
SUBJECT PROJECT													
BAY POINTE III	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No


Table 25b: Project Amenities - Comparable


Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Bay Pointe Apts I/II	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Carolina Cove	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	No
Monticello Park I/II/III	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Pipers Pointe Apartments	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No
Totals and Averages	25%	100%	75%	0%	25%	100%	0%	100%	100%	0%	0%	0%
SUBJECT PROJECT												
BAY POINTE III	No	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No


Map 13: LIHTC Rental Developments



COMPARABLE PROJECT INFORMATION												
Project Name: Bay Pointe Apts I/II Address: 1400 Mister Joe White Avenue City: Myrtle Beach State: SC Zip Code: 29577 Phone Number: (843) 626-4848 Contact Name: Kay Contact Date: 02/27/13 Current Occup: 98.1%												
DEVELOPMENT CHARACTERISTICS												
Total Units: 106		Year Built: 2011		Project Type: Open		Floors: 2		Program: LIHTC		Accept Vouchers: Yes		
PBRA Units*: 0		Voucher #: 12										
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 2-BEDROOM UNITS				56					1	98.2%	Yes	
2	2.0	50	Apt	28	1,100		\$531		0	100.0%		
2	2.0	60	Apt	28	1,100		\$655		1	96.4%		
TOTAL 3-BEDROOM UNITS				50					1	98.0%	Yes	
3	2.0	50	Apt	25	1,300		\$609		0	100.0%		
3	2.0	60	Apt	25	1,300		\$735		1	96.0%		
TOTAL DEVELOPMENT				106					2	98.1%	10-15 Names	
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
<input checked="" type="checkbox"/>	- Central A/C			<input checked="" type="checkbox"/>	- Clubhouse			<input checked="" type="checkbox"/>	- Coin-Operated Laundry			
<input type="checkbox"/>	- Wall A/C Unit			<input checked="" type="checkbox"/>	- Community Room			<input checked="" type="checkbox"/>	- In-Unit Hook-Up			
<input checked="" type="checkbox"/>	- Garbage Disposal			<input checked="" type="checkbox"/>	- Computer Center			<input type="checkbox"/>	- In-Unit Washer/Dryer			
<input checked="" type="checkbox"/>	- Dishwasher			<input type="checkbox"/>	- Exercise/Fitness Room			<u>Parking Type</u>				
<input checked="" type="checkbox"/>	- Microwave			<input checked="" type="checkbox"/>	- Community Kitchen			<input checked="" type="checkbox"/>	- Surface Lot			
<input checked="" type="checkbox"/>	- Ceiling Fan			<input type="checkbox"/>	- Swimming Pool			<input type="checkbox"/>	- Carport			
<input checked="" type="checkbox"/>	- Walk-In Closet			<input checked="" type="checkbox"/>	- Playground			<input type="checkbox"/>	- Garage (att)			
<input checked="" type="checkbox"/>	- Mini-Blinds			<input checked="" type="checkbox"/>	- Gazebo			<input type="checkbox"/>	- Garage (det)			
<input type="checkbox"/>	- Draperies			<input type="checkbox"/>	- Elevator			<u>Utilities Included</u>				
<input type="checkbox"/>	- Patio/Balcony			<input type="checkbox"/>	- Storage			<input type="checkbox"/>	- Heat			
<input type="checkbox"/>	- Basement			<input type="checkbox"/>	- Sports Courts			<input type="checkbox"/>	- Electricity			
<input type="checkbox"/>	- Fireplace			<input checked="" type="checkbox"/>	- On-Site Management			<input checked="" type="checkbox"/>	- Trash Removal			
<input checked="" type="checkbox"/>	- High-Speed Internet			<input type="checkbox"/>	- Security - Access Gate			<input checked="" type="checkbox"/>	- Water/Sewer			
<input type="checkbox"/>				<input type="checkbox"/>	- Security - Intercom							

COMPARABLE PROJECT INFORMATION										
Project Name: Carolina Cove Address: 830 Carolina Cove Drive City: Myrtle Beach State: SC Zip Code: 29577 Phone Number: (843) 445-7899 Contact Name: Trisha Contact Date: 02/27/13 Current Occup: 100.0%										
DEVELOPMENT CHARACTERISTICS										
Total Units: 72 Project Type: Open Program: LIHTC/Mrkt PBRA Units*: 0		Year Built: 2000 Floors: 2 Accept Vouchers: Yes Voucher #: 27			<small>* Including Section 8, Rental Assistance, and any other Project-Based Subsidy</small>					
UNIT CONFIGURATION/RENTAL RATES										
TOTAL 2-BEDROOM UNITS					56			0	100.0%	
2	2.0	50	Apt	23	979	\$515	0	100.0%	Yes	
2	2.0	60	Apt	23	979	\$635	0	100.0%	No	
2	2.0	Mrkt	Apt	10	979	\$750	0	100.0%	No	
TOTAL 3-BEDROOM UNITS					16			0	100.0%	
3	2.0	50	Apt	1	1,166	\$595	0	100.0%	Yes	
3	2.0	60	Apt	11	1,166	\$730	0	100.0%	No	
3	2.0	Mrkt	Apt	4	1,166	\$830	0	100.0%	No	
TOTAL DEVELOPMENT					72			0	100.0%	<10 Names
AMENITIES										
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet			<u>Development Amenities</u> <input checked="" type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input checked="" type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom			<u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer				

COMPARABLE PROJECT INFORMATION												
Project Name: Monticello Park I/II/III Address: 1300 Osceola Street City: Myrtle Beach State: SC Zip Code: 29577 Phone Number: (843) 946-0051 Contact Name: Alexis Contact Date: 02/26/13 Current Occup: 96.9%												
DEVELOPMENT CHARACTERISTICS												
Total Units:		192		Year Built:		2008						
Project Type:		Open		Floors:		2 and 3						
Program:		LIHTC/Mrkt		Accept Vouchers:		Yes						
PBRA Units*:		0		Voucher #:		U/K						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 1-BEDROOM UNITS					16					0	100.0%	
1	1.0	50	Apt	8	800		\$415		0	100.0%	Yes	
1	1.0	60	Apt	8	800		\$521		0	100.0%	Yes	
TOTAL 2-BEDROOM UNITS					108					4	96.3%	
2	2.0	50	Apt	50	1,049		\$497		0	100.0%	No	
2	2.0	60	Apt	50	1,049		\$624		3	94.0%	No	
2	2.0	Mrkt	Apt	8	1,049		\$730		1	87.5%	No	
TOTAL 3-BEDROOM UNITS					68					2	97.1%	
3	2.0	50	Apt	32	1,268		\$571		0	100.0%	Yes	
3	2.0	60	Apt	32	1,268		\$717		1	96.9%	No	
3	2.0	Mrkt	Apt	4	1,268		\$830		1	75.0%	No	
TOTAL DEVELOPMENT					192					6	96.9%	10-15 names
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
<input checked="" type="checkbox"/>	- Central A/C			<input type="checkbox"/>	- Clubhouse			<input checked="" type="checkbox"/>	- Coin-Operated Laundry			
<input type="checkbox"/>	- Wall A/C Unit			<input checked="" type="checkbox"/>	- Community Room			<input checked="" type="checkbox"/>	- In-Unit Hook-Up			
<input checked="" type="checkbox"/>	- Garbage Disposal			<input type="checkbox"/>	- Computer Center			<input type="checkbox"/>	- In-Unit Washer/Dryer			
<input checked="" type="checkbox"/>	- Dishwasher			<input type="checkbox"/>	- Exercise/Fitness Room			<u>Parking Type</u>				
<input checked="" type="checkbox"/>	- Microwave			<input type="checkbox"/>	- Community Kitchen							
<input checked="" type="checkbox"/>	- Ceiling Fan			<input type="checkbox"/>	- Swimming Pool			<input checked="" type="checkbox"/>	- Surface Lot			
<input checked="" type="checkbox"/>	- Walk-In Closet			<input checked="" type="checkbox"/>	- Playground			<input type="checkbox"/>	- Carport			
<input checked="" type="checkbox"/>	- Mini-Blinds			<input checked="" type="checkbox"/>	- Gazebo			<input type="checkbox"/>	- Garage (att)			
<input type="checkbox"/>	- Draperies			<input type="checkbox"/>	- Elevator			<input type="checkbox"/>	- Garage (det)			
<input type="checkbox"/>	- Patio/Balcony			<input type="checkbox"/>	- Storage			<u>Utilities Included</u>				
<input type="checkbox"/>	- Basement			<input type="checkbox"/>	- Sports Courts							
<input type="checkbox"/>	- Fireplace			<input checked="" type="checkbox"/>	- On-Site Management			<input type="checkbox"/>	- Heat			
<input checked="" type="checkbox"/>	- High-Speed Internet			<input type="checkbox"/>	- Security - Access Gate			<input type="checkbox"/>	- Electricity			
				<input type="checkbox"/>	- Security - Intercom			<input checked="" type="checkbox"/>	- Trash Removal			
								<input type="checkbox"/>	- Water/Sewer			

COMPARABLE PROJECT INFORMATION											
Project Name: Pipers Pointe Apartments Address: 1310 3rd Avenue South City: Myrtle Beach State: SC Zip Code: 29577 Phone Number: (843) 448-0400 Contact Name: Renee Contact Date: 02/26/13 Current Occup: 97.2%											
DEVELOPMENT CHARACTERISTICS											
Total Units: 72		Year Built: 2006		Project Type: Open		Floors: 3		Program: LIHTC		Accept Vouchers: Yes	
PBRA Units*: 0		Voucher #: 21		<small>* Including Section 8, Rental Assistance, and any other Project-Based Subsidy</small>							
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
TOTAL 2-BEDROOM UNITS				36					1	97.2%	
2	2.0	50	Apt	21	1,122		\$483		0	100.0%	Yes
2	2.0	60	Apt	15	1,122		\$624		1	93.3%	Yes
TOTAL 3-BEDROOM UNITS				36					1	97.2%	
3	2.0	50	Apt	21	1,300		\$556		0	100.0%	Yes
3	2.0	60	Apt	15	1,300		\$715		1	93.3%	Yes
TOTAL DEVELOPMENT				72					2	97.2%	10-15 names
AMENITIES											
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>			
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<input checked="" type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input type="checkbox"/> - Water/Sewer			

6. Market Rent Calculations

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, target market, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

A total of four market-rate properties were selected to determine the estimated market rate, based largely on construction date, location, and building type. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property’s corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
Two-Bedroom Units			
50% AMI	\$465	\$786	41%
60% AMI	\$515	\$786	34%
Three-Bedroom Units			
50% AMI	\$525	\$885	41%
60% AMI	\$585	\$885	34%

Rent Comparability Grid

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>	
Project Name		Cape Landing Apartments		Ivystone at Palmetto Pointe		Palmetto Pointe Apts		Sea Palms at Palmetto Pointe	
Project City	Subject Data	Myrtle Beach		Myrtle Beach		Myrtle Beach		Myrtle Beach	
Date Surveyed		2/26/13		2/26/13		2/26/13		3/1/13	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apt	Apt		Apt		Apt		Apt	
Yr. Built/Yr. Renovated	2014	1997	\$13	2002	\$9	1999	\$11	2006	\$6
Condition /Street Appeal	Exc	Exc		Exc		Good	\$10	Exc	
Neighborhood	Exc	Exc		Good	\$10	Exc		Exc	
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes	
Microwave	Yes	No	\$5	Yes		No	\$5	Yes	
Walk-In Closet	Yes	Yes		Yes		Yes		Yes	
Mini-Blinds	Yes	Yes		Yes		Yes		Yes	
Patio/Balcony	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Basement	No	No		No		No		No	
Fireplace	No	Yes	(\$10)	No		No		No	
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	Yes	Yes		Yes		Yes		No	\$5
Community Room	Yes	No	\$5	No	\$5	Yes		No	\$5
Computer Center	Yes	Yes		No	\$3	Yes		No	\$3
Exercise Room	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	
Playground	Yes	Yes		No	\$3	No	\$3	No	\$3
Sports Courts	No	Yes	(\$3)	No		Yes	(\$3)	No	
On-Site Management	Yes	Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		No		No		No	
Security - Intercom	No	No		No		No		No	
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	Yes		No	\$5	Yes		No	\$5
In-Unit Hook-Up	Yes	Yes		Yes		Yes		No	\$10
In-Unit Washer/Dryer	No	No		No		No		Yes	(\$20)
Carport	No	No		No		No		No	
Garage (attached)	No	No		No		No		No	
Garage (detached)	No	No		No		Yes	(\$10)	Yes	(\$10)
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No	
Electric	No	No		No		No		No	
Trash Removal	Yes	Yes		Yes		Yes		Yes	
Water/Sewer	No	No		Yes		No		Yes	
Heat Type	ELE	ELE		ELE		ELE		ELE	
Utility Adjustments									
Efficiency Units									
One-Bedroom Units									
Two-Bedroom Units					(\$40)				(\$40)
Three-Bedroom Units					(\$55)				(\$55)
Four-Bedroom Units									

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>	
Project Name		Cape Landing Apartments		Ivystone at Palmetto Pointe		Palmetto Pointe Apts		Sea Palms at Palmetto Pointe	
Project City	Subject Data	Myrtle Beach		Myrtle Beach		Myrtle Beach		Myrtle Beach	
Date Surveyed		41331		41331		41331		41334	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units									
One-Bedroom Units		720	NA			694	NA		
Two-Bedroom Units	1,075	996	\$12	1,000	\$11	987	\$13	1,000	\$11
Three-Bedroom Units	1,225	1,356	(\$20)	1,200	\$4	1,276	(\$8)	1,200	\$4
Four-Bedroom Units									
G. Number of Bathrooms		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units									
One-Bedroom Units		1.0	NA			1.0	NA		
Two-Bedroom Units	2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0
Three-Bedroom Units	2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0
Four-Bedroom Units									
G. Total Adjustments Recap									
Efficiency Units									
One-Bedroom Units									
Two-Bedroom Units			\$7		(\$9)		\$15		(\$27)
Three-Bedroom Units			(\$25)		(\$31)		(\$6)		(\$49)
Four-Bedroom Units									

		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>	
Project Name		Cape Landing Apartments		Ivystone at Palmetto Pointe		Palmetto Pointe Apts		Sea Palms at Palmetto Pointe	
Project City	Subject Data	Myrtle Beach		Myrtle Beach		Myrtle Beach		Myrtle Beach	
Date Surveyed		41331		41331		41331		41334	
H. Rent/Adjustment Summary		Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent
Market Rate Units									
Two-Bedroom Units	\$786	\$878	\$885	\$600	\$591	\$915	\$930	\$765	\$738
Three-Bedroom Units	\$885	\$1,016	\$991	\$725	\$694	\$1,045	\$1,039	\$865	\$816

H. INTERVIEWS

Throughout the course of performing this analysis of the Myrtle Beach rental market, many individuals were contacted. Based on information provided by local government officials, no directly comparable multi-family rental activity was reported within the Myrtle Beach PMA, although several affordable housing projects have been under discussion. In addition, the planning department indicated that there continues to be a demand for affordable housing.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Myrtle Beach rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. It is worth noting that leasing agents within market rate properties throughout the local area expressed that occupancy rates are typically lower during the winter months and it is anticipated that levels will go up accordingly this spring. Among the LIHTC properties, the manager at Bay Pointe Apartments commented on a rapid absorption during both phases of the project (opening in 2010 and 2011), and there continues to be a big need for affordable rental alternatives. In addition, just three properties surveyed (all market rate) reported some sort of special/concession to increase traffic.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject proposal within the Myrtle Beach PMA. Positive factors include extremely strong demographic trends, a generally positive overall rental market, four extremely successful LIHTC properties within Myrtle Beach (with a combined 97.8 percent occupancy rate), and strong statistical demand. Also considering the subject property's extremely affordable proposed rental structure, numerous amenities and features, and a location adjacent to the highly successful first two phases, clear support can be demonstrated for the new construction of an additional phase at Bay Point Apartments targeting low-income family households. As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

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



Steven R. Shaw
SHAW RESEARCH AND CONSULTING

Date: February 28, 2013

K. SOURCES

1990 U.S. Census of Population and Housing – U.S. Census Bureau

2000 U.S. Census of Population and Housing – U.S. Census Bureau

2010 U.S. Census of Population and Housing – U.S. Census Bureau

2007-2011 American Community Survey – 5-Year Estimates

2012/2017 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2013

Labor Force Employment and Unemployment Statistics – SC Works Online Services

2013 Income & Rent Limits – South Carolina State Housing Finance & Development Authority

2012 Community Profile - Horry County – South Carolina Department of Commerce

Myrtle Beach Area Chamber of Commerce – www.myrtlebeachareachamber.com

Horry County Government Information – www.horrycounty.org

City of Myrtle Beach Government Information – www.cityofmyrtlebeach.com

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

L. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING

Mr. Shaw is a principal at Shaw Research and Consulting. With over twenty-two years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.