

**TAB 19**

**Market Study**

**PROFESSIONAL MARKET STUDY**  
**FOR THE VILLAGE AT DUPONT LANDING**  
**A PROPOSED LIHTC ELDERLY DEVELOPMENT**

**LOCATED IN:**  
**AIKEN, AIKEN COUNTY, SC**

***PREPARED FOR THE:***  
***THE VILLAGE AT DUPONT LANDING, LLC***  
***730 N. Dean Road, Suite 100***  
***AUBURN, ALABAMA***

**PREPARED BY:**  
**KOONTZ and SALINGER**  
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**RALEIGH, NC 27627-7523**

**FEBRUARY, 2018**

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**SECTION A**

**EXECUTIVE SUMMARY**

**1. Scope of Work**

The proposed LIHTC new construction multi-family development will target very low to moderate income households in the population age 55 and over in Aiken and Aiken County, South Carolina.

The market study assignment was to ascertain market demand for a proposed new construction LIHTC (family) multi-family development to be known as The Village at Dupont Landing, for The Village at Dupont Landing LLC, under the following scenario:

**Project Description**

<b>PROPOSED PROJECT PARAMETERS</b>			
Bedroom Mix	# of Units	Unit Size (Net sf)	Unit Size (Gross sf)
2BR/2b	46	1177	1240
Total	46		

**Project Rents:**

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI); and approximately 80% of the units at 60% or below of AMI.

<b>PROPOSED PROJECT RENTS @ 50% AMI</b>				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/2b	10	\$570	\$113	\$683

<b>PROPOSED PROJECT RENTS @ 60% AMI</b>				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/2b	36	\$615	\$113	\$728

\*Based upon SCSHFDA, Midlands Region (effective 1/1/2018)

**2a. Average Vacancy Rate for Comparable Market Rate Properties:**

- 3.4%

**2b. Average Vacancy Rate for LIHTC Properties:**

- 1.3% (LIHTC-elderly)
- 0.4% (LIHTC-family)

**3. Capture Rates:**

- The capture rates by income segment and bedroom mix are exhibited below:

Capture Rates by Bedroom Type & Income Targeting			
Income Targeting	1BR	2BR	3BR
50% AMI	-	11.1%	--
60% AMI	-	23.7%	-

- The overall project capture rate for the proposed LIHTC elderly development is estimated at 19%.

**4. Absorption Rate:**

- Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the proposed 46-unit development is forecasted to be 93% to 100% absorbed in 6-months.

**5. Strength/Depth of Market:**

- At the time of the market study, market depth was considered to be very adequate in order to incorporate the proposed LIHTC elderly development. The proposed subject net rents are competitively positioned at all target AMI segments. Section 8 voucher support has both historic and current positive indicators. In addition, the subject site location is considered to be one that will enhance marketability and the rent-up process. Capture rates, at all AMI levels, are well below the SCSHFDA threshold. The existing supply of LIHTC-elderly properties in the PMA has an overall occupancy rate of 99%, and waiting lists are typical.

**6. Bedroom Mix:**

- The subject will offer 46 2BR units in 23 single-story duplex buildings. The bedroom mix at a recently built LIHTC-elderly property (Longleaf Senior Village) offers 6-1BR and 44-2BR units. Both bedroom types were well received by the local market in terms of demand and absorption. Longleaf was 100% occupied within 5-months and currently has around 200 applicants on a waiting list.

**7. Long Term Negative Impact:**

- In the opinion of the market analyst, the proposed LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC elderly or family properties located within the Aiken PMA in the long term. At the time of the survey, the overall vacancy rate of the surveyed LIHTC family apartment properties was 0.4%. All six of the surveyed LIHTC family properties are currently operating with waiting lists, ranging in size between 5 and 30 applicants. At the time of the survey, the overall vacancy rate of the surveyed LIHTC elderly apartment properties was 1.3%. All three of the surveyed LIHTC elderly properties are currently operating with waiting lists, ranging in size between 15 and 200 applicants. None of the surveyed LIHTC managers or management firms expressed any concerns regarding potential negative impact.

**8. Proposed Net Rents & Market Rent Advantage:**

- The proposed The Village at Dupont Landing net rents at 50% and 60% AMI are very competitively positioned within the Aiken competitive environment.

**Percent Market Rent Advantage:**

	<u>50% AMI</u>	<u>60% AMI</u>	<u>Overall</u>
2BR/2b:	40.0%	35.3%	36.3%

**9. Achievable Restricted (LIHTC) Rents:**

- It is recommended that the proposed subject LIHTC 2BR net rent at 50% & 60% AMI remain unchanged. The proposed net rents are achievable in the Aiken market. The proposed subject net rents are in line with the other LIHTC new construction family and elderly developments operating in the market without PBRA, or attached Section 8 vouchers at 50% & 60% AMI, when taking into consideration differences in project parameters.

**10. Recommendation & Conclusion:**

- Based upon the analysis and the conclusions of each of the report sections, it is of the opinion of the analyst, that based upon the findings in the market study, The Village at Dupont Landing (a proposed LIHTC new construction elderly development) will be a successful development, premised upon the current development project parameters, site location, and management leasing plan. In the analyst's professional opinion, it is recommended that the proposed application **proceed forward based on market findings.**

## 2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	The Village at Dupont Landing	Total # Units: 46
Location:	Aiken, SC	# LIHTC Units: 46
PMA Boundary:	N: Edgefield County; E: remainder of Aiken County; S: remainder of Aiken County; W: Augusta/N Augusta PMA	
Development Type:	Family <input type="checkbox"/> Older Persons <input checked="" type="checkbox"/>	Farthest Boundary Distance to Subject: 9 miles

### RENTAL HOUSING STOCK (found on pages 69-70)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	2,084	48	97.7%
Market-Rate Housing	11	1,566	44	97.2%
Assisted/Subsidized Housing not to include LIHTC	2	107	1	99.1%
<b>LIHTC (All that are stabilized) *</b>	9	411	3	99.3%
Stabilized Comps** (LIHTC-el)	3	158	2	98.7%
Non-stabilized Comps				%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
10	2	2	1,177	\$570	\$950	\$0.91	40.0%	\$959	\$0.91
36	2	2	1,177	\$615	\$950	\$0.91	35.3%	\$959	\$0.91
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
<b>Gross Potential Rent Monthly*</b>				<b>\$605</b>	<b>\$950</b>		36.3%		

\*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 pages 45 & 48)

	2010	2017	2020
Renter Households	%	2,428 16.27%	2,620 15.92%
Income-Qualified Renter HHs (LIHTC)	%	320 13.18%	337 12.87%
Income-Qualified Renter HHs (MR)	%	%	%

### TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 58)

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	10	17				27
Existing Households (Overburd + Substand)	93	157				250
Homeowner conversion (Seniors)	17	29				46
Other:						
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-qualified Renter HHs</b>	<b>120</b>	<b>203</b>				<b>323</b>

### CAPTURE RATES (found on pages 59-60)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	11.1	23.7				19.0

### ABSORPTION RATE (found on page 61)

Absorption Period: 6 months (8-units/month)

2018 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
10	2 BR	\$570	\$5,700	\$950	\$9,500	
36	2 BR	\$615	\$22,140	\$950	\$34,200	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	46		\$27,840		\$43,700	36.29%



SECTION B  
PROJECTION DESCRIPTION

The proposed low to moderate income Low Income Housing Tax Credit (LIHTC) multi-family development will target population age 55 and over in the Aiken area of Aiken County, South Carolina.

**Development Location:**

Access to the subject site is located at 150 Columbia Avenue, approximately one mile north of Downtown Aiken.

**Construction Type:**

The market study assignment was to ascertain market demand for a proposed multi-family LIHTC (elderly) new construction development to be known as **The Village at Dupont Landing**, for The Village at Dupont Landing, LLC, under the following scenario:

**Project Description:**

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Net sf)	Unit Size (Gross sf)
2BR/2b	46	1177	1240
Total	46		

**Development Profile & Structure Type/Design:**

The proposed new construction rental development design will comprise 46 garden apartments in 23 one story duplexes. The exterior of the buildings will be brick veneer and hardiplank. The development will include a separate community building (1828 sf) which will include a manager's office, central laundry, fitness center, two computer desks, and community space. The development will provide 99-parking spaces.

**Occupancy Type:**

The proposed *Occupancy Type* is **Housing For Older Persons** (LIHTC-elderly, age restricted, 55 and over).

**Target Income Groups and Proposed Project Rents:**

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI) and approximately 80% at 60% AMI.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/2b	10	\$570	\$113	\$683

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
2BR/2b	36	\$615	\$113	\$728

\*Based upon SCSHFDA Midlands Region (effective 1/1/18)

**Utilities:**

The net rent includes water, sewer and trash removal. The tenant will be responsible for electric for heat, hot water, cooking and general purposes. The owner will provide pest control. Utility costs are based upon estimates provided by SC State Housing Finance & Development Authority, Midlands Region, with an effective date of January 1, 2018 (see Appendix).

Utilities		Utilities Paid By:		
Heating		Owner	x	Tenant
Air Cond		Owner	x	Tenant
Lighting		Owner	x	Tenant
Hot Water		Owner	x	Tenant
Water	x	Owner		Tenant
Sewer	x	Owner		Tenant
Trash	x	Owner		Tenant
Range		Owner	x	Tenant
Refrigerator		Owner	x	Tenant

**Status of Project Based Rental Assistance:**

The proposed development will not offer Project Based Rental Assistance.

**Proposed Project Amenity Package:**

The development will include the following amenity package:

**Unit Amenities**

- range/microwave/hood
- disposal
- HVAC\*
- smoke alarms
- ceiling fans\*
- microwave
- exterior storage
- refrigerator w/ice maker\*
- dishwasher
- cable ready & internet ready
- washer/dryer hook-ups
- mini-blinds
- porch/patio
- vinyl laminate flooring

\*Energy Star compliant

**Development Amenities**

- on-site mgmt office
- central laundry
- fitness center\*\*
- gazebo
- community room w/kitchen area
- computer center\*
- video security system

\*equipped with printers and high speed internet

\*\*equipped exercise room

**Placed in Service Date:**

The expected year that The Village at Dupont Landing will be placed in service is early 2020.

**Architectural Plans:**

The architectural firm for the proposed development is McKean & Associates Architects LLC. At the time of the market study, the floor plans had been completed and were reviewed. (See Appendix).

SECTION C  
SITE & NEIGHBORHOOD  
EVALUATION

The site of the proposed LIHTC elderly apartment development is located at 150 Columbia Avenue. It is located approximately .1 mile south of Rutland Drive (CR 118) and 1 mile north of Downtown Aiken. The site is located within the city limits of Aiken in the northern portion of the

city. Specifically, the site is located in Census Tract 214.

Note: The site and market area were visited on February 22 and 23, 2018. The site is located in Census Tract 214, which is a Qualified Census Tract (QCT for 2018).

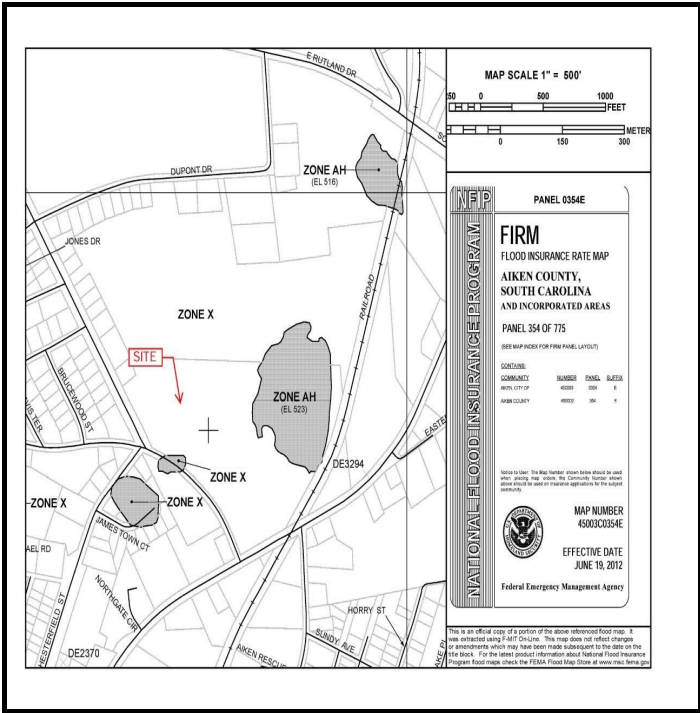
**Site & Neighborhood Characteristics**

Street and highway accessibility are very good relative to the site. Ready access from the site is available to the major retail trade areas, public schools, local health care facilities, major employers, and downtown Aiken. Access to all major facilities can be attained within a 10-minute drive. The site is approximately .3 miles from US 1, and SR 19, and .4 miles from Rutland Drive (CR 118). Access to the site is off Columbia Avenue and Voorhees Street.

**Ingress/Egress/Visibility**

The traffic density on Columbia Avenue is medium, with a speed limit of 45 miles per hour (in the vicinity of the site). The traffic density on Voorhees Street is light, with a speed limit of 25 miles per hour. The site in relation to the subject property and the surrounding roads is very agreeable to signage and visibility.

The approximately 11.93-acre, polygon shaped tract is relatively flat and mostly cleared. The site is not located in a flood plain. Source: FEMA website ([www.msc.fema.gov](http://www.msc.fema.gov)), Map Number 45003C0354E, Panel 354 of 775, Effective Date: 6/19/2012.



All public utility services are available to the tract and excess capacity exists. At present, the tract is zoned PR Planned Residential. This zoning designation allows for the proposed duplex development. The surrounding land use and land use designations around the site are detailed below:

Direction	Existing Land Use	Designation
North	Dupont Landing (LIHTC-Family) multi-family development, built in 2015, followed by single-family homes, two group homes, the Azaleawoods Nursing Home, and the Aiken High School.	RS - 8 Single-Family Residential
East	Vacant wooded	LI - Light Industrial
South	Clyburn Center for Primary Care and vacant wooded	General Business
West	Dupont Pointe, a small single-family subdivision. On the opposite site of Teague Street the land use is a mixture of single-family, city government use, and one small apartment property	RD-10 Single-Family Res.

Source: City of Aiken Zoning Map.

The potential for acceptable curb appeal to the site is considered to be good, off Columbia Avenue. The surrounding areas to the site appeared to be void of any major negative externalities: including noxious odors, close proximity to power lines and cemeteries, and property boundaries with rail lines.

### **Infrastructure Development**

At the time of the market study, there was no on-going infrastructure development in the immediate vicinity of the site. Also, there is no planned infrastructure development in the current pipeline. The subject access road, as well as the water and sewer lines are already in place for extension. In addition, it was reported that at present, there are no major infrastructure projects underway within the City of Aiken. Source: Ms. Marty Moultrie, City of Aiken, Planning Department, (803) 642-7608 (February 9, 2018).

**Crime & Perceptions of Crime**

The overall setting of the site is considered to be one that is very acceptable for residential development and commercial development within the present neighborhood setting. The site and the immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. Recent crime rate trend data for Aiken and Aiken County reported by the FBI Criminal Justice Information Services Division revealed that violent crime and property crime rate for Aiken County was 2,186 per 100,000 population, significantly lower than the statewide average of 3,746. Overall, between 2015 and 2016 violent crime (homicide, rape, robbery and assault) in Aiken County increased by 7.7%, The data for Aiken show a 32.4% increase, but the number of such crimes was low (241 in 2016 inclusive of 174 assaults). Property crimes decreased by 5.2% in Aiken County and increased by 12.3% in Aiken between 2015 and 2016. The 2016 crime rate in Aiken was relatively low at 66 crimes per 1,000 population.

<b>Aiken County</b>			
Type of Crime	2015	2016	Change
Homicide	8	10	2
Rape	72	90	18
Robbery	59	50	-9
Assault	371	399	28
Burglary	980	902	-78
Larceny	1,847	1,791	-56
Motor Vehicle Theft	455	412	-43
Arson	1	6	5
<b>Aiken County Total</b>	<b>3,793</b>	<b>3,660</b>	<b>-133</b>

<b>Aiken</b>			
Type of Crime	2015	2016	Change
Homicide	0	1	1
Rape	27	23	-4
Robbery	49	43	-6
Assault	106	174	68
Burglary	199	287	88
Larceny	1,298	1,401	103
Motor Theft	93	977	4
Arson	5	6	1

Source: FBI Criminal Justice Information Services Division.

**Community Revitalization Plan**

The City of Aiken has community revitalization plan components within its Comprehensive Land Use and Transportation Plan ([www.cityofaikensc.gov](http://www.cityofaikensc.gov)). Section III C.2, focuses upon North Aiken in which the site is located. Section IV focuses upon the Implementation Plan. On December 8, 2008, the Aiken City Council passed a resolution that designated the entire 40-acre parcel owned by the Second Baptist Church, which includes the subject site, as being included within the City of Aiken Community Revitalization Development Plan (CRDP). Source: Aiken City Council, Resolution #12082008B.

**Positive & Negative Attributes**

Overall, the field research revealed the following charted strengths and weaknesses of the proposed site. In the opinion of the analyst, the site is considered to be very appropriate as a LIHTC multi-family development targeting the elderly population.

<b>SITE ATTRIBUTES:</b>	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Located within a single-family, multi-residential, and institutional setting	
Excellent linkages to the area road system	
Nearby road speed and noise is very acceptable, and good visibility regarding curb appeal and signage placement	
Excellent proximity to the BI-LO and CVS Pharmacy. Good proximity to major employment nodes, health care services, including the Clyburn Center for Primary Care and the Aiken Regional Hospital, and Downtown Aiken	

Note: The pictures on the following pages are of the site and surrounding uses.



(1) Site off Voorhees Street,  
west to east.



(2) Site off Voorhees Street,  
north to south.



(3) Site off Voorhees Street,  
east to west.



(4) From site entrance north  
to Dupont Landing.



(5) Site from Clyburn Place,  
south to north.



(6) Site from Clyburn Place,  
southeast to northwest.





(7) Site entrance from Columbia Avenue, south to north.



(8) Columbia Avenue, west to East, site left/north.



(9) Columbia Avenue, east to west, site right/north.



(10) Clyburn Center for Primary Care, site rear.

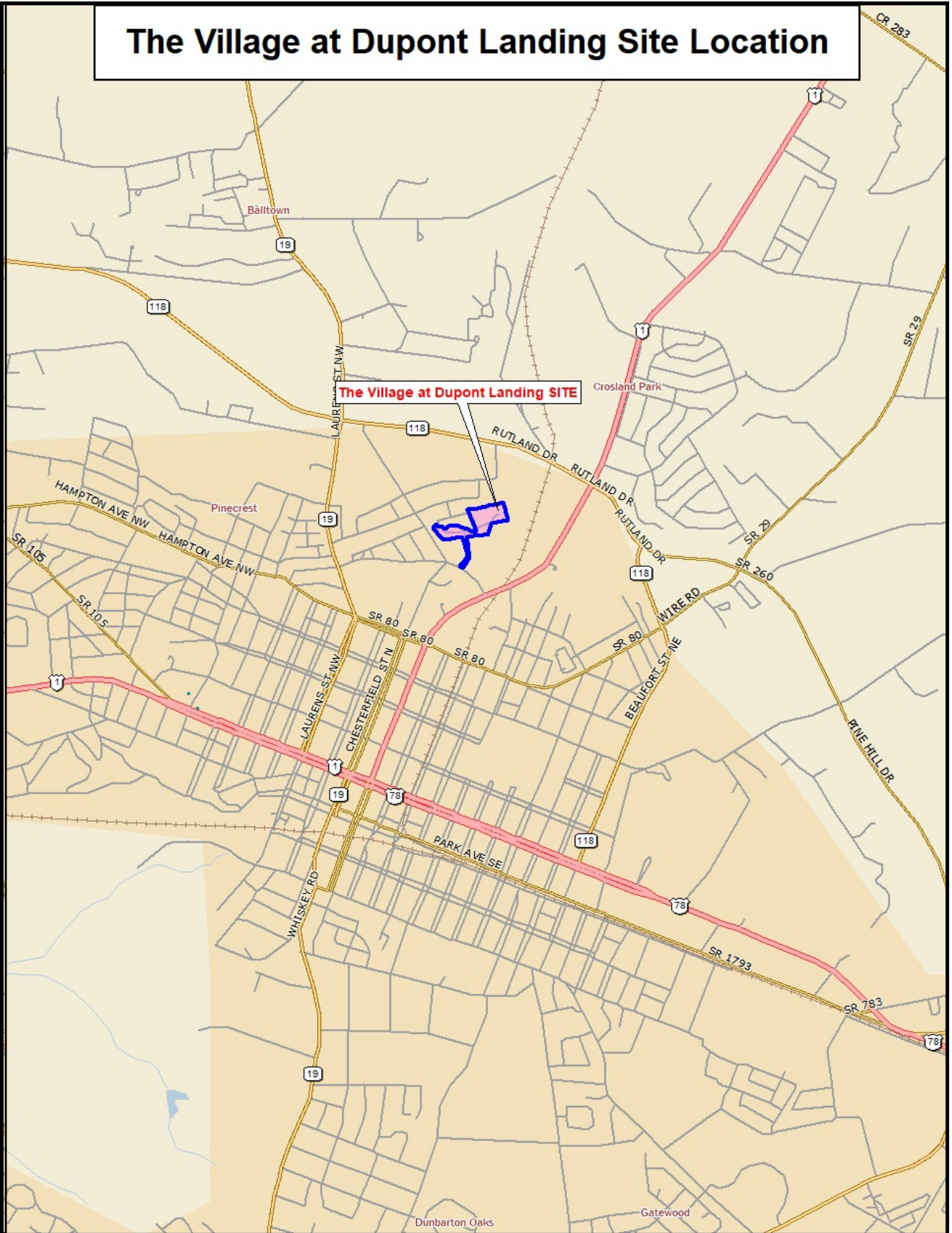


(11) Bi-Lo Grocery, .9 miles from site.



(12) CVS Pharmacy, .8 miles from site.

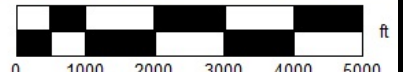
# The Village at Dupont Landing Site Location



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MN (6.8° W)



Data Zoom 12-6

**Access to Services**

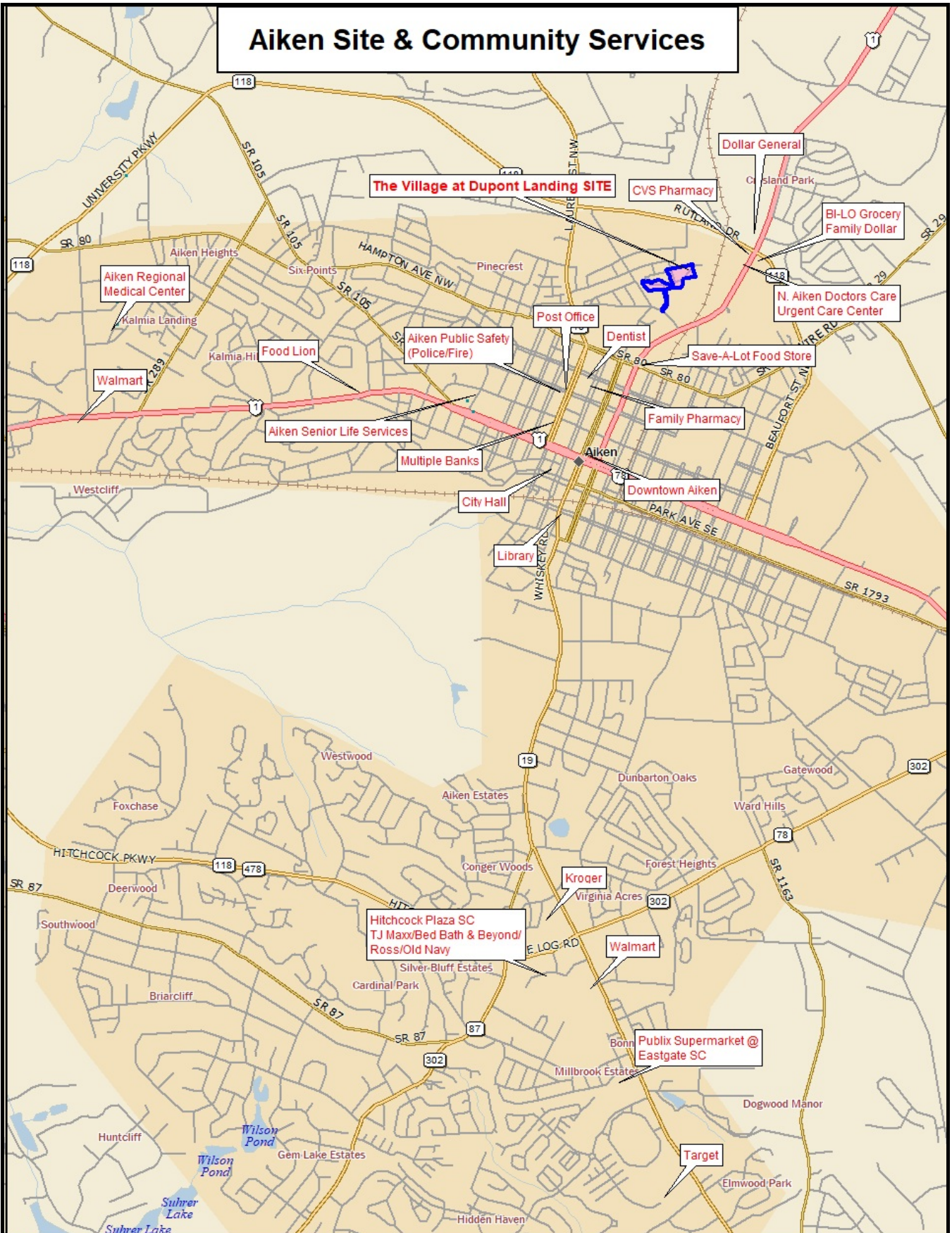
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.) Public bus transit in Aiken is provided by Best Friend Express (Monday through Friday, 7AM to 7PM), based on 2-hour circular routes. The nearest stop is approximately .6 miles south at the intersection of Hampton Avenue and York Street.

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Site*
Access to US 1	.3
Access to SC 118	.4
Save-A-Lot Foods	.7
CVS Pharmacy	.8
Doctors Care Urgent Care Center	.8
Dollar General	.9
BI-LO Grocery/Family Dollar	.9
Family Pharmacy	.9
Dentist	1.0
Post Office	1.0
Aiken Public Safety (Police/Fire Dept.)	1.2
Downtown Aiken	1.3
City Hall	1.4
Library	1.5
Aiken Senior Life Services	1.6
Food Lion	2.5
Kroger	3.7
Wal-Mart Supercenter (US 1)	3.7
Aiken Regional Medical Center	3.8
Wal-Mart Supercenter (Whiskey Road)	4.1
Hitchcock Plaza SC	4.2
Publix Supermarket	4.7
Target	5.7

\* in tenths of miles

# Aiken Site & Community Services



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MN (6.8° W)



Data Zoom 12-2



SECTION D  
MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the

**location** and **proximity** and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA) and Secondary Market Area (SMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography, as well as local interviews with key respondents regarding market specific input relating to market area delineation.

**Primary Market Area**

Based upon field research in Aiken and Aiken County, along with an assessment of the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family LIHTC elderly development consists of the following 2010 census tracts in their entirety:

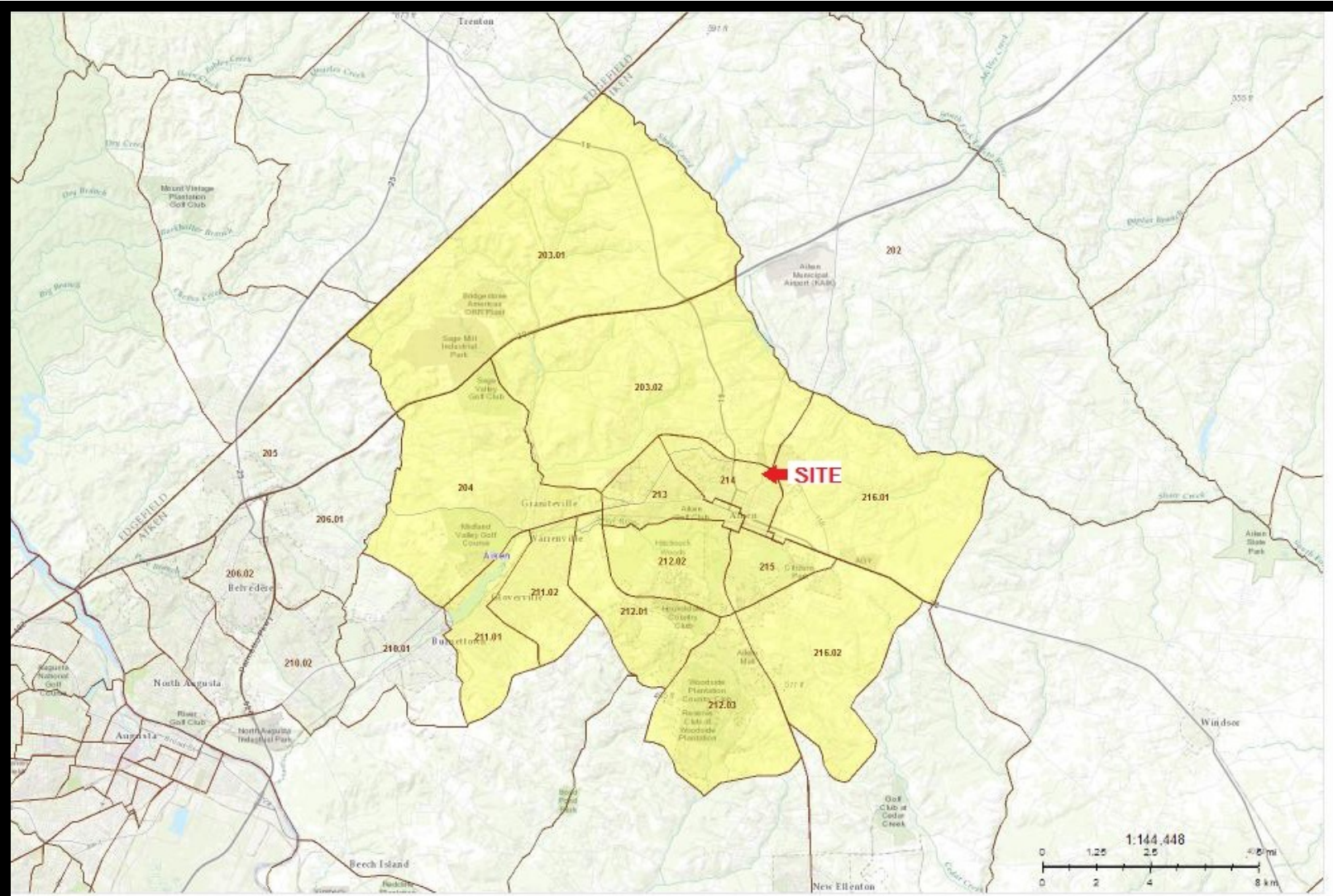
203.01, 203.02, 204, 211.01, 211.02, 212.01,  
212.02, 212.03, 213, 214, 215, 216.01, & 216.02.

For the most part, the PMA encompasses all of the City of Aiken, as well as the Aiken Census Division. The PMA excluded Burnetttown, Clearwater and, North Augusta.

The PMA delineation process is also based upon qualitative assessments of where tenants resided before renting a LIHTC unit, by a sample of interviews with area LIHTC on site apartment managers. Specifically: (1) the manager for Dupont Landing, Ms Stephanie Snoberger, Boyd Management, and (2) the manager of the recently built LIHTC elderly development, Longleaf Senior Village, Ms. Nona Weddon. Both independently stated that the majority of the income qualified eligible LIHTC tenants came from the City of Aiken and a 5 to 10 mile surrounding area.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject
North	Edgefield County	2 to 9 miles
East	remainder of Aiken County	6 miles
South	remainder of Aiken County	8 miles
West	Augusta/N Augusta PMA	9 miles



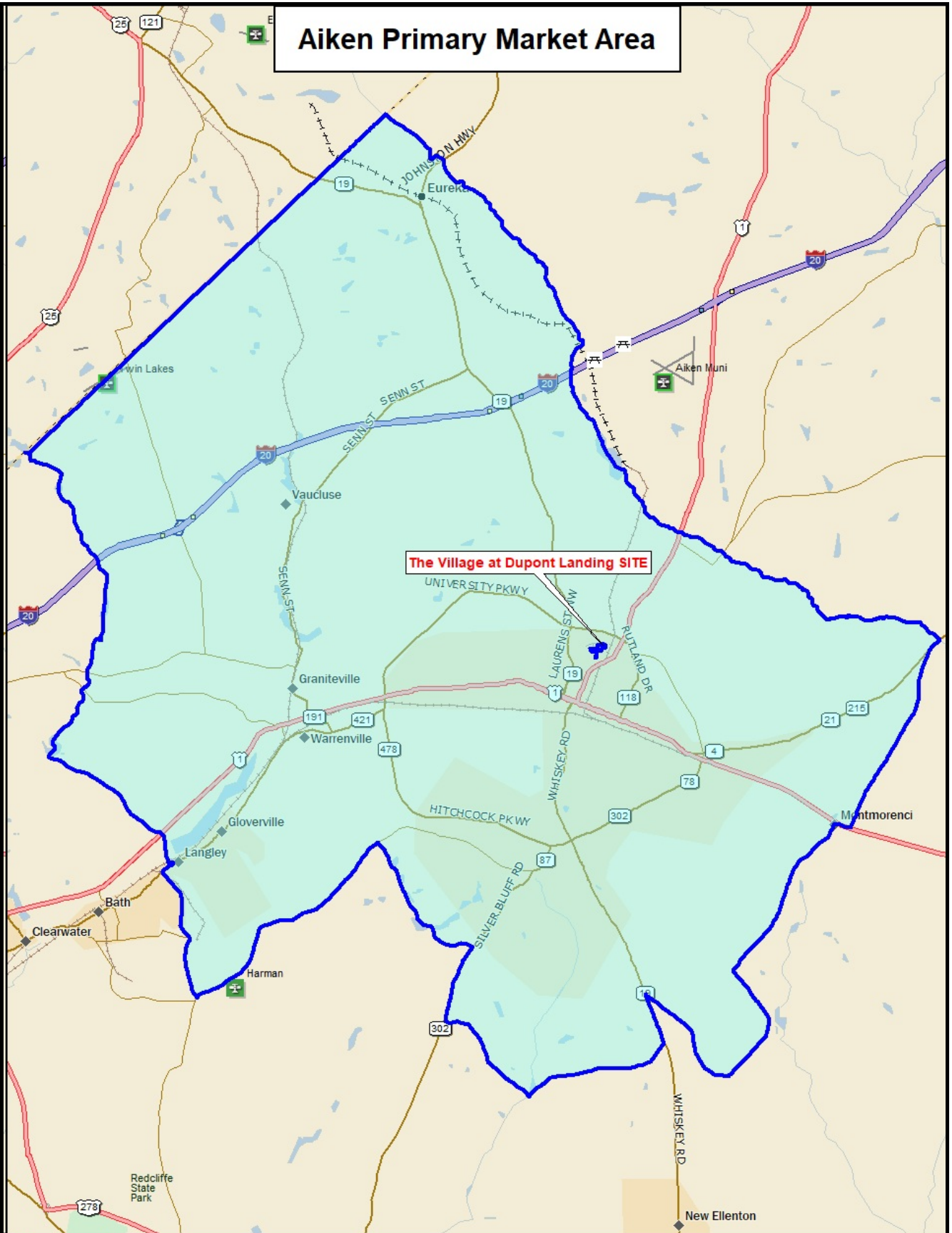
**Secondary Market Area**

The Secondary Market Area (SMA) consists of that area beyond the Primary Market Area, principally the remainder of Aiken County and in particular that area of the County located between North Augusta and Clearwater. However, in order to remain conservative the demand methodology excluded any potential demand from a secondary market area.





# Aiken Primary Market Area

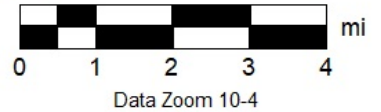


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**Race: 2010**

The most recent statistics based upon a 100% data set on race for the census tract in the which the proposed development is located (Census Tract 214) within the PMA are exhibited below:

<b>Race</b>	<b>Number</b>	<b>Percent</b>
Total Population	5,913	100.0
One Race	5,813	98.3
White	1,056	17.9
Black or African American	4,660	78.8
American Indian and Alaska Native	18	0.3
Asian	11	0.2
Native Hawaiian and Other Pacific Islander	10	0.2
Some Other Race	58	1.0
Two or More Races	100	1.7
<b>Race &amp; Hispanic or Latino</b>	<b>Number</b>	<b>Percent</b>
Total Population	5,913	100.0
One Race	5,813	98.3
Hispanic or Latino	113	1.9
Not Hispanic or Latino	5,700	96.4
Two or More Races	100	1.7
Hispanic or Latino	19	0.3
Not Hispanic or Latino	81	1.4

Source: 2010 Census of Population, South Carolina, Table QT-P3.

As detailed in the income eligibility analysis the prospective tenants within the PMA can afford the proposed subject rents at both 50% and 60% of AMI.

**SECTION E**

**MARKET AREA ECONOMY**

**A**nalysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area

to create and sustain growth, and job formation is typically the primary motivation for positive net in-migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 1 through 5 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Aiken County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

<b>Table 1A</b>			
<b>Civilian Labor Force, Aiken County: 2007, 2016 and 2017</b>			
	2007	2016	2017
Civilian Labor Force	74,572	74,613	75,611
Employment	70,571	71,016	72,624
Unemployment	4,001	3,597	2,987
Unemployment Rate	5.4%	4.8%	4.0%

<b>Table 1B</b>				
<b>Change in Employment, Aiken County</b>				
Years	# Total	# Annual*	% Total	% Annual*
2007 - 2010	- 4,932	-1,644	- 6.99	- 2.39
2010 - 2016	+ 5,377	+ 896	+ 8.19	+ 1.32
2016 - 2017	+ 1,608	Na	+ 2.26	Na

\* Rounded                      Na - Not applicable

Sources: South Carolina Labor Force Estimates, 2007 - 2017. SC Department of Employment and Workforce, Labor Market Information Division. Koontz and Salinger. February, 2018.

Table 2 exhibits the annual change in civilian labor force employment in Aiken County between 2007 and 2017. Also, exhibited are unemployment rates for the County, State and Nation.

Table 2							
Change in Labor Force: 2007 - 2017							
	Aiken County					SC	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2007	74,572	70,571	-----	4,001	5.4%	5.7%	4.6%
2008	74,897	70,514	(57)	4,383	5.9%	6.8%	5.8%
2009	76,639	69,581	(933)	7,058	9.2%	11.2%	9.3%
2010	72,368	65,639	(3,942)	6,729	9.3%	11.2%	9.6%
2011	73,303	66,504	865	6,799	9.3%	10.6%	8.9%
2012	72,956	66,682	178	6,274	8.6%	9.2%	8.1%
2013	72,770	67,273	591	5,497	7.6%	7.6%	7.4%
2014	73,024	68,290	1,017	4,734	6.5%	6.4%	6.2%
2015	73,958	69,589	1,299	4,369	5.9%	6.0%	5.3%
2016	74,613	71,016	1,427	3,597	4.8%	4.8%	4.9%
2017	75,611	72,624	1,608	2,987	4.0%	4.1%	4.1%
Month							
1/2017	75,378	71,869	-----	3,509	4.7%	4.9%	4.8%
2/2017	75,279	71,926	57	3,353	4.5%	4.6%	4.7%
3/2017	75,206	72,261	335	2,945	3.9%	4.0%	4.5%
4/2017	76,043	73,465	1,204	2,578	3.4%	3.6%	4.4%
5/2017	74,255	71,703	(1,762)	2,552	3.4%	3.6%	4.3%
6/2017	75,737	72,684	981	3,053	4.0%	4.2%	4.4%
7/2017	76,618	73,523	839	3,095	4.0%	4.4%	4.3%
8/2017	76,494	73,231	(292)	3,263	4.3%	4.5%	4.4%
9/2017	75,678	72,909	(322)	2,769	3.7%	3.8%	4.2%
10/2017	75,412	72,595	(314)	2,817	3.7%	3.9%	4.1%
11/2017	75,273	72,415	(180)	2,858	3.8%	4.0%	4.1%
12/2017	75,961	72,911	496	3,050	4.0%	4.3%	4.1%

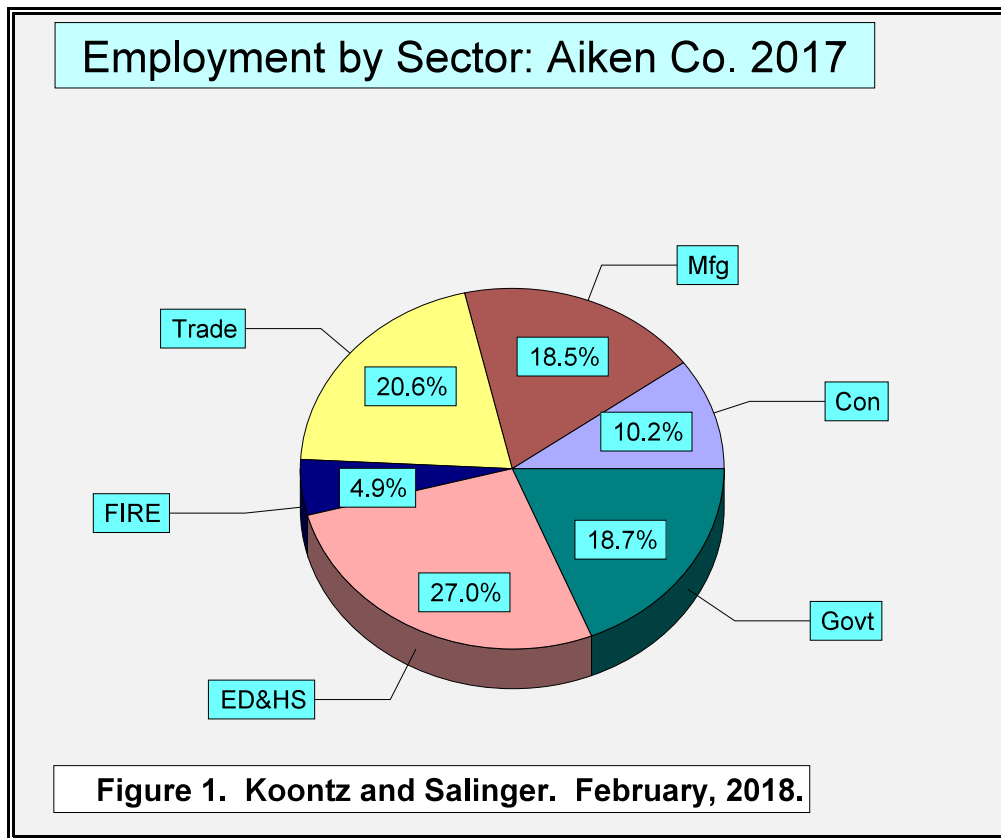
Sources: South Carolina Labor Force Estimates, 2007 - 2017. SC Department of Employment and Workforce, Labor Market Information Division. Koontz and Salinger. February, 2018.

Table 3 exhibits average monthly employment by sector in Aiken County between the 2<sup>nd</sup> Quarter of 2016 and 2017.

Year	Total	Con	Mfg	ED&HS	T	ADS	FIRE	G
2016	57,946	3,962	7,205	10,690	8,434	9,109	2,275	7,624
2017	59,158	4,225	7,393	10,795	8,347	9,213	2,353	7,809
16-17 # Ch.	+1,212	+ 263	+ 188	+ 105	- 87	+ 104	+ 78	+ 185
16-17 % Ch.	+ 2.1	+ 6.6	+ 2.6	+ 1.0	- 1.0	+ 1.1	+ 3.4	+ 2.4

Note: Con - Construction; Mfg - Manufacturing; HS - Education & Health Services; T - Wholesale and Retail Trade; FIRE - Finance, Insurance, and Real Estate; G - State, Local & Federal Government; ADS - Administrative Services

Figure 1 exhibits employment by sector in Aiken County in the 2<sup>nd</sup> Quarter of 2017. The top employment sectors are: service, trade, government and manufacturing. The forecast for 2018 is for the manufacturing sector to increase, and the service sector to increase.



Sources: SC Department of Employment and Workforce, 2016 and 2017.  
Koontz and Salinger. February, 2018.

Table 4 exhibits the annual change in covered employment in Aiken County between 2002 and the 1<sup>st</sup> and 2<sup>nd</sup> Quarter of 2017. Covered employment data differs from civilian labor force data in that it is based on a place-of-service work basis within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers.

<b>Table 4</b> <b>Change in Covered Employment: 2002 - 2017</b>		
Year	Employed	Change
2002	56,218	-----
2003	56,354	136
2004	56,997	643
2005	55,832	(1,165)
2006	55,640	(192)
2007	56,274	643
2008	57,397	1,123
2009	55,197	(2,200)
2010	57,047	1,850
2011	57,021	(26)
2012	56,419	(602)
2013	55,337	(1,082)
2014	56,358	1,021
2015	57,858	1,500
2016	58,992	1,134
2017 1 <sup>st</sup> Q	58,755	-----
2017 2 <sup>nd</sup> Q	59,339	584

Sources: SC Department of Employment and Workforce, 2002 - 2017. Koontz and Salinger. February, 2018.











Commuting

Data from the 2012-2016 American Community Survey (ACS) indicates that some 80.6% of the employed workforce living in the Aiken PMA also works in Aiken County. Roughly 6.4% of employed PMA residents have jobs in another county in South Carolina; the balance (13%) commute to other states.

For Aiken County as a whole, some 68.6% of employed residents work within the County and 10% work in another county in South Carolina. Some 21.4% work in another state, which is expected given the location with respect to the Augusta GA metro area. The average travel time to work for residents of Aiken County is 24.8 minutes. Commuting times for residents of the thirteen Census Tracts which comprise the PMA ranges from 19.6 to 29.9 minutes, and averages roughly 23.2 minutes.

The Aiken PMA provides jobs for a number of residents of surrounding counties. The following table indicates the number of in-commuters based on 2015 data from the Census Bureau. As noted, the majority of jobs within the PMA are held by residents of Aiken County (SC) and Richmond, and Columbia counties in GA.











**Jobs Counts by Counties Where Workers Live - All Jobs**

		2015	
		Count	Share
	All Counties	39,277	100.0%
	Aiken County, SC	22,865	58.2%
	Richmond County, GA	2,419	6.2%
	Columbia County, GA	1,793	4.6%
	Edgefield County, SC	1,395	3.6%
	Lexington County, SC	1,359	3.5%
	Barnwell County, SC	1,060	2.7%
	Richland County, SC	915	2.3%
	Orangeburg County, SC	525	1.3%
	Charleston County, SC	452	1.2%
	Greenville County, SC	422	1.1%
	All Other Locations	6,072	15.5%

Among residents of the PMA who work in other counties, most commute to Richmond County, GA and Richland County SC, as shown in the table below.

**Jobs Counts by Counties Where Workers are Employed - All Jobs**

2015

	Count	Share
All Counties	25,534	100.0%
 Aiken County, SC	15,806	61.9%
 Richmond County, GA	2,183	8.5%
 Richland County, SC	995	3.9%
 Lexington County, SC	909	3.6%
 Greenville County, SC	626	2.5%
 Columbia County, GA	424	1.7%
 Edgefield County, SC	406	1.6%
 Barnwell County, SC	404	1.6%
 Charleston County, SC	277	1.1%
 Spartanburg County, SC	264	1.0%
All Other Locations	3,240	12.7%

Commuting inflow and outflow for the PMA is summarized in the table below.

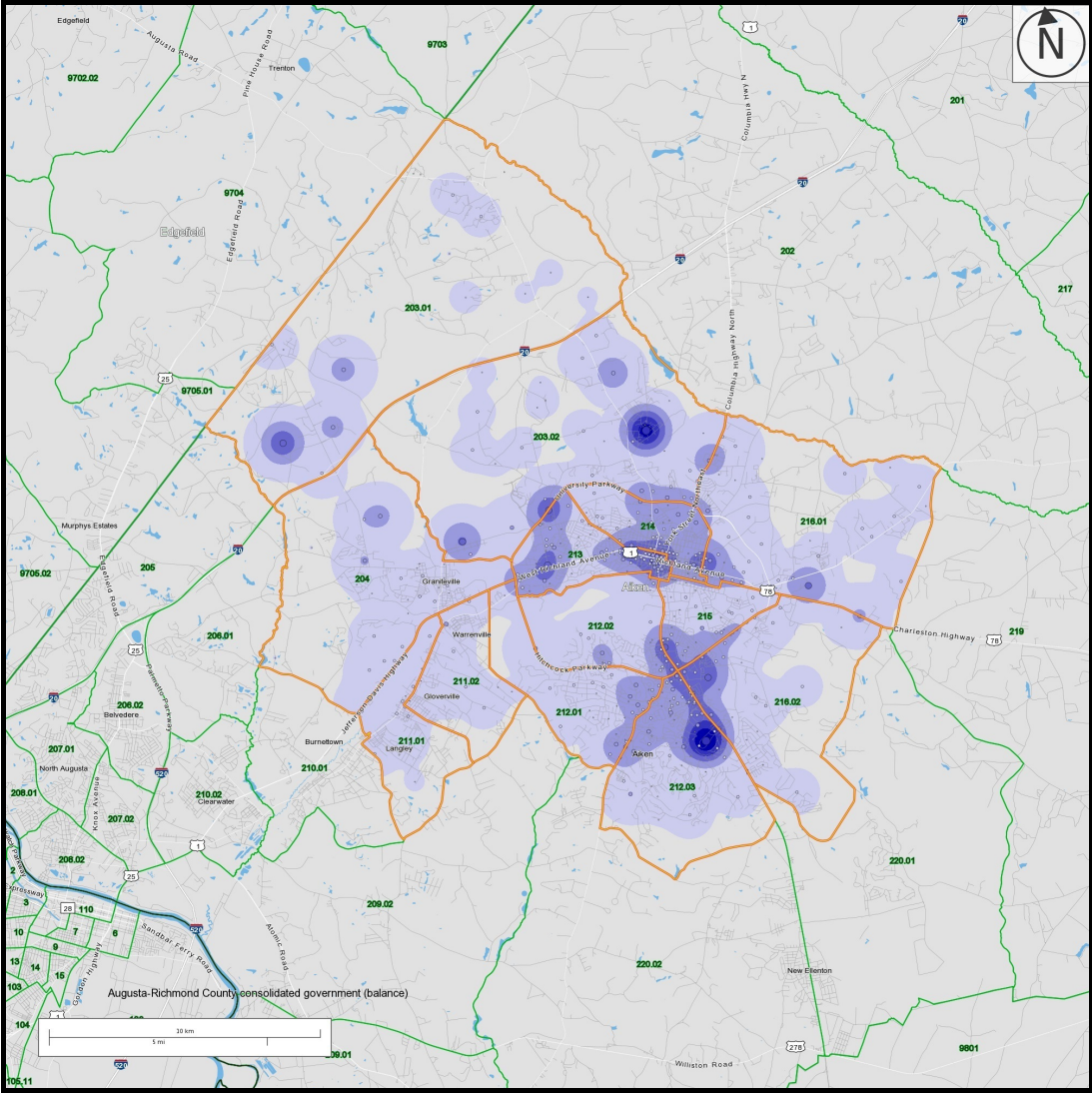
**Inflow/Outflow Job Counts (All Jobs)**

2015

	Count	Share
Employed in the Selection Area	39,277	100.0%
Employed in the Selection Area but Living Outside	26,482	67.4%
Employed and Living in the Selection Area	12,795	32.6%
Living in the Selection Area	25,534	100.0%
Living in the Selection Area but Employed Outside	12,739	49.9%
Living and Employed in the Selection Area	12,795	50.1%



The map below shows the major employment nodes within the defined PMA. The majority of jobs are concentrated in the Aiken area, with smaller concentrations in other smaller population centers.



Source: 2012-2016 American Community Survey five-year estimates.

Table 5, exhibits average annual weekly wages in the 2<sup>nd</sup> Quarter of 2016 and 2017 in the major employment sectors in Aiken County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2018 will have average weekly wages between \$700 and \$1,500. Workers in the accommodation and food service sectors in 2018 will have average weekly wages in the vicinity of \$280.

Table 5				
Average Annual Weekly Wages, 2 <sup>nd</sup> Quarter 2016 and 2017				
Aiken County				
Employment Sector	2016	2017	% Numerical Change	Annual Rate of Change
Total	\$ 899	\$ 932	+ 33	+ 3.7
Construction	\$1067	\$1122	+ 55	+ 5.2
Manufacturing	\$1178	\$1193	+ 15	+ 1.3
Wholesale Trade	\$ 904	\$ 986	+ 82	+ 9.1
Retail Trade	\$ 471	\$ 474	+ 3	+ 0.6
Finance & Insurance	\$1186	\$1447	+261	+22.0
Real Estate & Leasing	\$ 708	\$ 721	+ 13	+ 1.8
Administrative Services	\$1432	\$1460	+ 28	+ 2.0
Education Services	\$ 725	\$ 719	- 6	- 1.2
Health Care Services	\$ 681	\$ 736	+ 55	+ 8.1
Leisure & Hospitality	\$ 268	\$ 277	+ 9	+ 3.4
Federal Government	\$1551	\$1638	+ 87	+ 5.6
State Government	\$ 735	\$ 728	- 7	- 1.0
Local Government	\$ 696	\$ 736	+ 40	+ 1.1

Sources: SC Department of Employment and Workforce, Covered Employment, Wages and Contributions, 2016 and 2017.

Koontz and Salinger. February, 2018.

## Major Employers

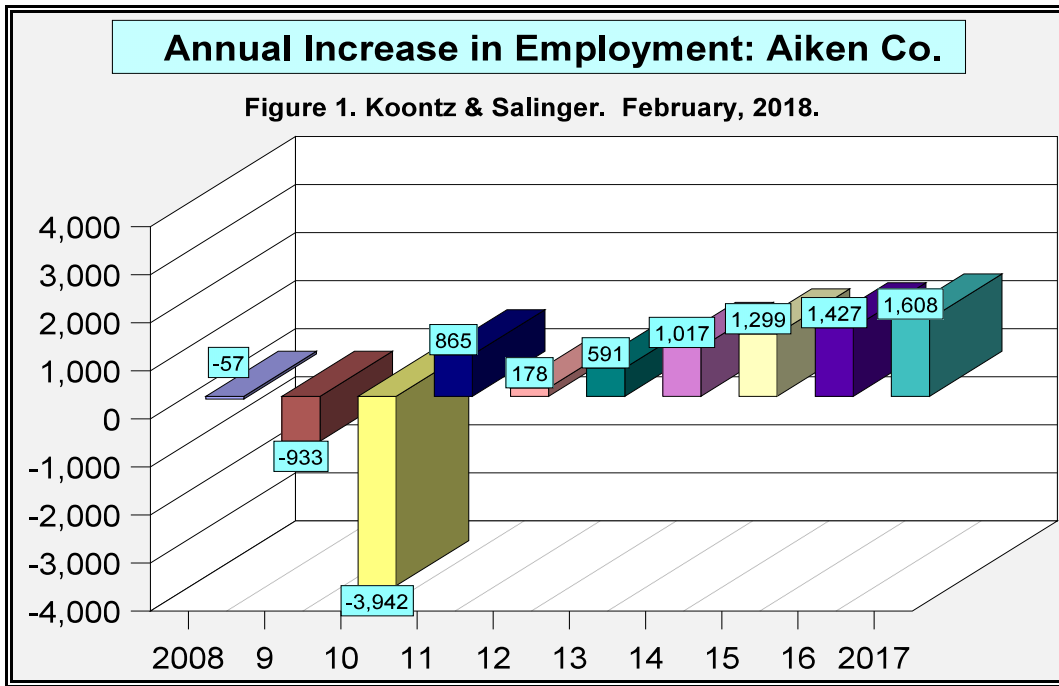
The major employers in Aiken and Aiken County, are listed in Table 6.

<b>Table 6 Major Employers</b>		
Firm	Product/Service	Number of Employees
<b>Manufacturing</b>		
Savannah River	Nuclear Solutions/Remediation	7,508
CB & I Areva Mox	Nuclear Design	2,156
Kimberly-Clark	Consumer Products	1,200
Bridgestone Americas	Tires	1,884
AGY	High Performance Materials	660
Shaw Industries	Carpet Yarn	600
Parsons	Engineering & Construction	460
ASCO	Fluid Power Valves & Fittings	400
The Carlstar Group	Tires & Metal Disc Wheels	230
Hubbell Power	High Voltage Insulators	328
TTX - Hamburg Division	Rebuilt Railway Cars	252
Pactiv Corp.	Food & Produce Containers	213
MTU America	Diesel Engines	259
GlaxoSmithKline	Pharmaceuticals	200
Crane Manufacturing	Vending Machines	480
<b>Non Manufacturing</b>		
Aiken Co School System	Education	3,350
Aiken Regional Medical	Health Care	1,070
Aiken County	Government	975
Walmart (x4)	Retail Trade	1,185
University of SC Aiken	Education	606
City of Aiken	Government	404
Centerra	Security	665
UPS Customhouse Brokerage	Customer Service Center	590
Department of Energy	Energy Services	508

Source: Aiken Chamber of Commerce, [www.aikenchamber.net](http://www.aikenchamber.net)

## SUMMARY

The economic situation for Aiken County is statistically represented by employment activity, both in workers and jobs. Aiken County experienced mostly employment gains between 2011 and 2017. As represented in Tables 1 and 2, Aiken County experienced employment losses between 2008 and 2010. Like much of the state and nation, very significant employment losses were exhibited in 2009 and 2010, followed by moderate to very significant gains each year, between 2011 and 2017.



As represented in Figure 1 (and Table 1B), between 2007 and 2010, the average decrease in employment was approximately -1,644 workers or -2.39% per year. The rate of employment gain between 2010 and 2016 was significant at approximately +1.32% per year. The 2015 to 2016 rate of gain was very significant when compared to the preceding years at +2.05%. The rate of employment change between 2016 and 2017 exhibited a very significant increase at +2.26%. The overall increase in employment between 2016 and 2017 is +1,608 workers.

Monthly unemployment rates in 2017 were improved when compared to the 2010 to 2016 period. Monthly unemployment rates in 2017 were for the most part improving on a month to month basis, ranging between 3.4% and 4.7%, with an annual rate of 4.0%.

The National forecast for 2018 (at present) is for the unemployment rate to approximate 3.5% to 4%. Typically, during the last five years, the overall unemployment rate in Aiken County has been comparable to the state and somewhat above the national average unemployment rates. The annual unemployment rate in 2018 in Aiken County is forecasted to continue to decline, to the vicinity of 3.5% and improving on a relative year to year basis.

Employment in Aiken County is concentrated in and around Aiken. Aiken is the commercial hub for central Aiken County. Owing to the connectivity of I-20, a significant percentage (around 40%) of the county workforce commutes northeast to the Columbia, SC metro area employment nodes and southwest to the Augusta, GA metro area employment nodes. Within Aiken, the major employment nodes are: (1) the USC-Aiken campus & Aiken Regional Hospital / Medical Center complex, (2) the downtown area of Aiken, (3) the SR19/CR302 intersection retail trade node, extending south to the Aiken Regional Mall, and (4) several industrial parks in the north and northeast area of Aiken.

One of the main engines of the Aiken County economy is the Savannah River National Laboratory site. Over 9,500 people are employed in the various business segments of the SRNL site, including: research and development, bio remediation, hydrogen production and storage, ceramics, robotics, remote sensing, and designing, building and operating the MOX facility. MOX facility converts weapons grade plutonium into commercial grade plutonium which can be used in nuclear power plants.

The Economic Development Partnership (EDP) is a non-profit public-private development corporation focused solely on serving the needs of new and existing businesses in the Aiken, Edgefield, McCormick, and Saluda Region of South Carolina. EDP serves as the lead economic development agency for the City of Aiken and Aiken County, and works closely with the Greater Aiken Chamber of Commerce and City and County officials.

The EDP has identified several industries that are well-suited to the region given the existing resources and resources and current business base. These are: advanced manufacturing, chemicals, plastics, energy research, food processing, and research and development.

- In 2015 EDP built a 105,000SF Spec Industrial building in Graniteville. The 22-acre building is adjacent to an additional 100 acres of land that would enable it to be expanded to nearly 10 times its original size.
- Recent announcements of new and expanding industries in Aiken County include the following.
- On July 21, 2017 AmbioPharm, Inc. (API), a full-service peptide and biopharmaceutical manufacturing company, announced that they will be expanding their existing Aiken County operations. The expansion is projected to bring \$18 million of new capital investment and lead to the creation of 100 jobs over the next five years.
- On June 12, 2017 Adger Solar, a clean energy development company announced that they will invest \$100 million in a new solar project in Aiken County. No information on potential job creation was provided.
- On May 2, 2017 The South Carolina Department of Commerce announced military component manufacturer BAE Systems Inc.

will be expanding its operations in Aiken County. The company is slated to bring \$8.4 million of new investment and create more than 120 jobs.

- On February 7, 2017 South Carolina Gov. Henry McMaster's office announced that Emerson, a manufacturer of ASCO fluid automation products, plans to expand its operations in Aiken County. The expansion is expected to bring more than \$8 million of capital investment and create 86 new jobs.

No job losses of significance have occurred over the last 2-3 years. Some job loss has occurred with closing of stores at Aiken Mall and freestanding retail in other locations.

### **Local Economy - Relative to Subject & Impact on Housing Demand**

Recent economic indicators are more supportive of a growing local economy over the next year, mostly owing to a well diversified employment base, the near proximity to two major metro area markets (Augusta and Columbia), and several recent major economic development announcements.

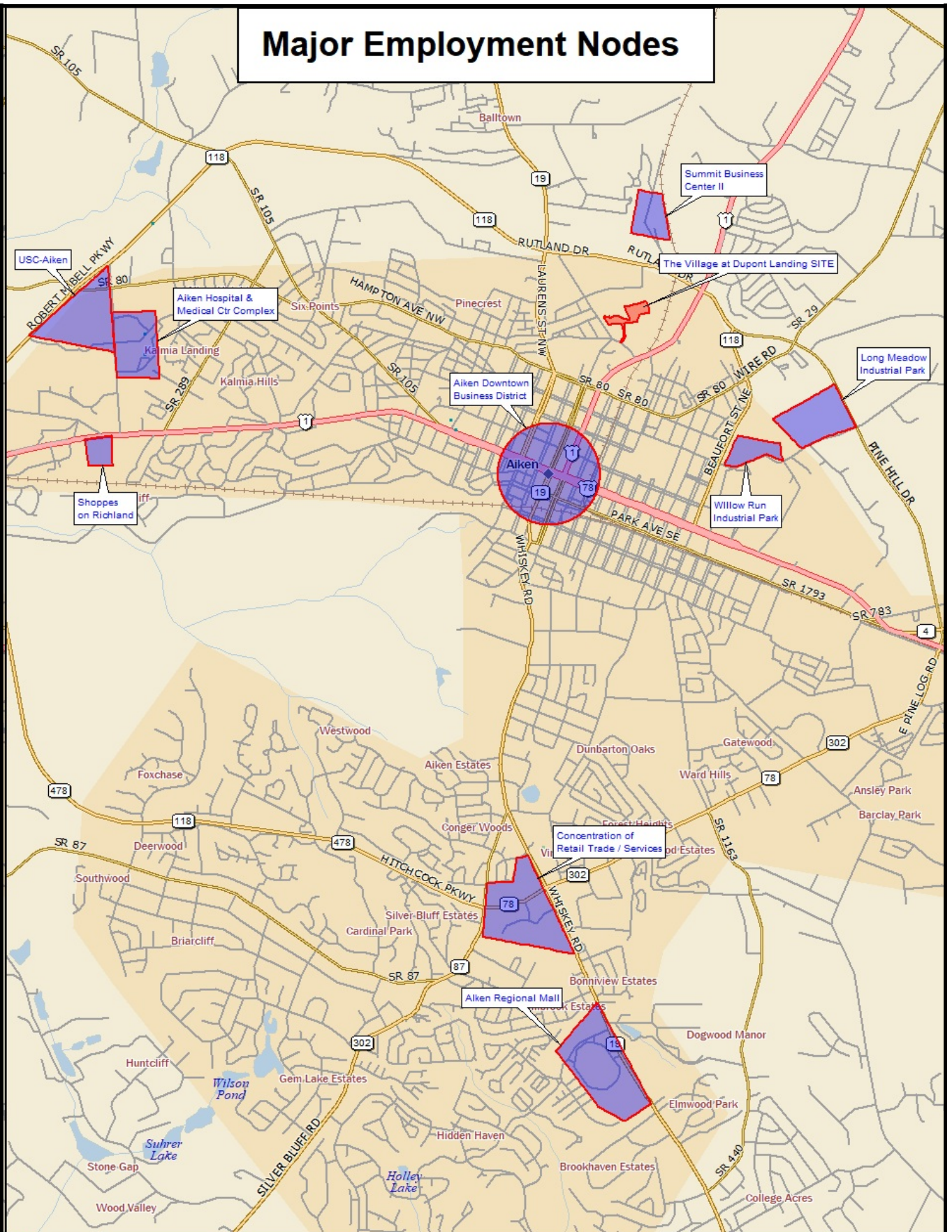
A key factor to a successful LIHTC-elderly new construction development will be rent positioning. As presently structured, the subject's proposed net rents by AMI and bedroom type are very competitive within the current local apartment market.

The area LIHTC-elderly properties, in particular the new construction LIHTC properties with competitive amenity packages have maintained high occupancy rates. The rent affordability advantages of the LIHTC properties are at present, more apparent to area households in the market than in recent years. In particular, the advantages are apparent to those households which have been forced to readjust their rental housing choice owing to the re-positioning of jobs, or other circumstances such as: (1) reduction of wages, (2) reliance mostly on social security income, (3) needed changes in tenure owing to costs, maintenance concerns, limitations of design and utility bills.

Furthermore, the Aiken PMA has a significant number of small businesses and retail trade establishments. These types of businesses offer employment opportunities to working class seniors still able and willing to work on a part time or full time basis.

It is estimated that around 10% of the population age 65 and over, is working for pay in addition to receiving social security income.

# Major Employment Nodes



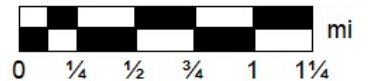
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Data Zoom 12-0

SECTION F  
COMMUNITY DEMOGRAPHIC DATA

Tables 7 through 13 exhibit indicators of trends in total population and household growth, as well as for population and households and 55 and older.

**Population Trends**

Table 1, exhibits the change in **total** population in Aiken, the Aiken PMA, and Aiken County between 2000 and 2023. Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Aiken, the Aiken PMA, and Aiken County between 2000 and 2021. The year 2020 is estimated to be the placed in service year (Source: 2018 SC Tax Credit Manual - Exhibit S, Market Study Guideline Procedures). The year 2017 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure.

**Total Population**

The Aiken PMA exhibited extremely significant total population gains between 2000 and 2010, at 1.15% per year. Population gains over the next three years, (2017-2020) are forecasted for the Aiken PMA at a reduced rate of growth, yet, still very positive, represented by a rate of increase ranging between 0.78% to 0.90% per year.

The projected change in population for Aiken is subject to local annexation policy and in-migration of surrounding county residents into the city. However, recent indicators, including the 2015 and 2016 US Census estimates (at the place level) suggest that the population trend since 2010 in Aiken has continued at a similar rate of gain. A significant minority of the population in the PMA is located within the City of Aiken. It is estimated that approximately 44% of the PMA population is located within the City of Aiken.

**Population 55+**

The Aiken PMA exhibited very significant population gains for population age 55+ between 2000 and 2010, at 3.7% per year and moderating to a still significant 2.47% between 2010 and 2017. Population gains over the next three years are forecasted for the Aiken PMA for the 55 and over age group continuing at a very significant rate of increase, with a forecasted rate of growth at 1.98% per year, and 1.76% per year between 2020 and 2023.



Population gains are forecasted in both the 55 and 65 and over age groups for the year 2020 and beyond. The projected increase is not owing to a significant increase in elderly in-migration into the PMA, but instead owing to significant aging in-place as the "war baby generation (1940-1945)" and the "baby boom generation (1946 to 1950)" enter into the empty nester and retirement population segments in large numbers.

### **Population Projection Methodology**

The forecast for total population, and population age 55 and over is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas population projections. The South Carolina Revenue and Fiscal Affairs Office county projections were examined and use as a cross check to the direction of trend in population over the forecast period.

- Sources:
- (1) 2000 and 2010 US Census.
  - (2) Nielsen Claritas 2018 and 2023 Projections.
  - (3) 2015 and 2016 US Census population estimates.
  - (4) South Carolina State and County Population Projections, prepared by the South Carolina Revenue and Fiscal Affairs Office.

Table 7 exhibits the change in total population in Aiken, the Aiken PMA, and Aiken County between 2000 and 2023.

<b>Table 7</b>					
<b>Total Population Trends and Projections: Aiken, Aiken PMA, and Aiken County</b>					
Year	Population	Total Change	Percent	Annual Change	Percent
<b>Aiken</b>					
2000	25,337	-----	-----	-----	-----
2010	29,524	+4,187	+ 16.53	+ 419	+ 1.54
2017	31,690	+2,166	+ 7.74	+ 309	+ 1.02
2020	32,611	+ 921	+ 2.90	+ 307	+ 0.96
2023	33,530	+ 919	+ 2.82	+ 306	+ 0.93
<b>Aiken PMA</b>					
2000	60,009	-----	-----	-----	-----
2010	67,043	+ 7,034	+ 11.72	+ 703	+ 1.15
2017	70,809	+ 3,766	+ 5.62	+ 538	+ 0.78
2020*	72,729	+ 1,920	+ 2.71	+ 640	+ 0.90
2023	74,803	+ 2,074	+ 2.85	+ 691	+ 0.94
<b>Aiken Co</b>					
2000	142,552	-----	-----	-----	-----
2010	160,099	+17,547	+ 12.31	+1,755	+ 1.17
2017	168,095	+ 7,996	+ 5.00	+1,142	+ 0.70
2020	172,409	+ 4,314	+ 2.57	+1,438	+ 0.85
2023	177,167	+ 4,758	+ 2.76	+1,586	+ 0.91

\* 2020 - Estimated placed in service year.

Calculations: Koontz and Salinger. February, 2018.

Table 8 exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Aiken, the Aiken PMA, and Aiken County between 2000 and 2023.

<p style="text-align: center;"><b>Table 8</b></p> <p style="text-align: center;"><b>Elderly Population (Age 55+) Trends and Projections:</b> <b>Aiken, Aiken PMA, and Aiken County</b></p>					
Year	Population	Total Change	Percent	Annual Change	Percent
<b>Aiken</b>					
2000	7,001	-----	-----	-----	-----
2010	10,785	+3,784	+ 54.05	+ 378	+ 4.41
2017	12,773	+1,988	+ 18.43	+ 284	+ 2.45
2020	13,487	+ 714	+ 5.59	+ 238	+ 1.83
2023	14,131	+ 644	+ 4.77	+ 215	+ 1.57
<b>Aiken PMA</b>					
2000	14,609	-----	-----	-----	-----
2010	21,011	+ 6,402	+ 43.82	+ 640	+ 3.70
2017	24,925	+ 3,914	+ 18.63	+ 559	+ 2.47
2020*	26,432	+ 1,507	+ 6.05	+ 502	+ 1.98
2023	27,854	+ 1,422	+ 5.38	+ 474	+ 1.76
<b>Aiken Co</b>					
2000	31,632	-----	-----	-----	-----
2010	46,027	+14,395	+ 45.51	+1,440	+ 3.82
2017	55,263	+ 9,236	+ 20.07	+1,319	+ 2.65
2020	58,901	+ 3,638	+ 6.58	+1,213	+ 2.15
2023	62,378	+ 3,477	+ 5.90	+1,159	+ 1.93

\* 2020 - Estimated placed in service year.

Calculations: Koontz and Salinger. February, 2018.

Between 2000 and 2010, PMA population age 55+ increased at a annual rate of

3.70%. The majority of the population gains in the PMA were concentrated around the City of Aiken, in particular, those areas north, south and west of the downtown area, and along the major highway corridors within the PMA. Age 55+ population gains in the PMA between 2017 and 2020 are forecasted to remain positive at a significant rate of gain at +1.98% per year. The figure below presents a graphic display of the numeric change in population in the PMA between 2000 and 2023.

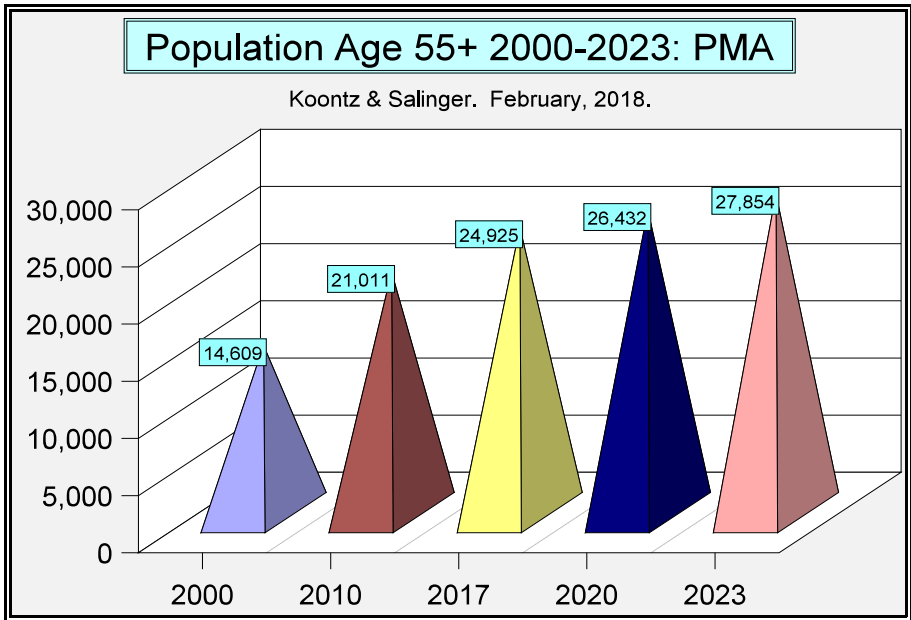


Table 9 exhibits the change in population by age group in the PMA between 2010 and 2020. The most significant increase exhibited between 2017 and 2020 within the PMA was in the 65-74 age group representing an increase of around 13%. The 75+ age group is forecasted to increase by 285 persons, or by almost +5%.

Table 9						
Population by Age Groups: Aiken PMA, 2010 - 2020						
	2010 Number	2010 Percent	2017 Number	2017 Percent	2020 Number	2020 Percent
<b>Age Group</b>						
0 - 24	20,971	31.28	20,810	29.39	21,027	28.91
25 - 44	15,469	23.07	16,511	23.32	17,024	23.41
45 - 54	9,592	14.31	8,563	12.09	8,246	11.34
55 - 64	9,265	13.82	10,005	14.19	10,122	13.92
65 - 74	6,538	9.75	8,870	12.53	10,020	13.78
75 +	5,208	7.77	6,005	8.48	6,290	8.65

Sources: 2010 Census of Population, South Carolina  
 Nielsen Claritas Projections  
 Koontz and Salinger. February, 2018

## HOUSEHOLD TRENDS & CHARACTERISTICS

Table 10 exhibits the change in **elderly** households (age 55 and over) in the Aiken PMA between 2000 and 2023. The significant increase in household formations age 55+ in the Aiken PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts for population 55 and over.

The ratio of persons per household is projected to stabilize at around 1.58 between 2017 and 2020 within the Aiken PMA. The persons per household rate of change is based upon: (1) the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and the dynamics of roommate scenarios.

The forecast for group quarters is based on trends in the last two censuses. In addition, it includes information collected from local sources as to conditions and changes in group quarters supply since the 2010 census was taken.

<b>Table 10</b>					
<b>Household Formations Age 55+: 2000 to 2023</b>					
<b>Aiken PMA</b>					
<b>Year / Place</b>	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
<b>PMA</b>					
2000	14,609	578	14,031	1.9882	7,057
2010	21,011	389	20,622	1.5731	13,109
2017	24,925	389	24,536	1.6442	14,923
2020	26,432	389	26,043	1.5824	16,458
2023	27,854	389	27,465	1.5814	17,368

Sources: Nielsen Claritas Projections.  
2000 and 2010 Census of Population, South Carolina.

Calculations: Koontz & Salinger. February, 2018.

Table 11				
Change in Household Formations Age 55+ Aiken PMA				
Year	Total Change	Annual Change	Percent Change	% Annual Change
<b>PMA</b>				
2000-2010	+ 6,052	+ 605	+85.76	+ 6.39
2010-2017	+ 1,814	+ 259	+13.84	+ 1.87
2017-2020	+ 1,535	+ 512	+10.29	+ 3.32
2020-2023	+ 910	+ 303	+ 5.53	+ 1.81

Sources: 2000 & 2010 Census of Population, South Carolina.  
 Nielsen-Claritas Projections.  
 Koontz and Salinger. February, 2018.

The change in household formations in the PMA between 2000 and 2010 exhibited an annual increase of 605 households or approximately +6.39% per year.

The projection of household formations age 55 and over in the PMA between 2017 and 2020 exhibited a very significant increase of 512 households age 55 and over per year or by approximately +3.32% per year. The rate and size of the annual increase is considered to be very supportive of additional new construction LIHTC elderly apartment development, that targets the low and moderate income elderly household population.

Table 12A								
Households by Owner-Occupied Tenure, Age 55+, by Person Per Household Aiken PMA, 2015 - 2020								
Households	Owner				Owner			
	2015	2017	Change	% 2017	2017	2020	Change	% 2020
1 Person	3,334	3,745	+ 411	29.97%	3,745	4,113	+ 368	29.72%
2 Person	5,716	6,685	+ 969	53.50%	6,685	7,460	+ 775	53.91%
3 Person	999	1,176	+ 177	9.41%	1,176	1,321	+ 145	9.55%
4 Person	567	617	+ 50	4.94%	617	647	+ 30	4.68%
5 + Person	250	272	+ 22	2.18%	272	297	+ 25	2.15%
Total	10,866	12,495	+1,629	100%	12,495	13,838	+1,343	100%

Table 12B								
Households by Renter-Occupied Tenure, Age 55+, by Person Per Household Aiken PMA, 2015 - 2020								
Households	Renter				Renter			
	2015	2017	Change	% 2017	2017	2020	Change	% 2020
1 Person	1,369	1,558	+ 189	64.17%	1,558	1,723	+ 165	65.76%
2 Person	582	596	+ 14	24.55%	596	617	+ 21	23.55%
3 Person	109	122	+ 13	5.02%	122	127	+ 5	4.15%
4 Person	71	74	+ 3	3.05%	74	73	- 1	2.79%
5 + Person	68	78	+ 10	3.21%	78	80	+ 2	3.05%
Total	2,199	2,428	+ 229	100%	2,428	2,620	+ 192	100%

Sources: Nielsen Claritas Projections  
Koontz and Salinger. February, 2018

Table 12A indicates that in 2020 approximately 84% of the owner-occupied households age 55+ in the PMA contain 1 and 2 persons (the target group by household size). A significant increase in households by size is exhibited by 1 and 2 person owner-occupied households.

Table 12B indicates that in 2020 approximately 89% of the renter-occupied households age 55+ in the PMA contain 1 and 2 persons. A significant increase in households by size is exhibited by 1 person renter-occupied households and to a lesser degree by 2 person renter-occupied households age 55+. One person elderly households are typically attracted to both 1 and 2 bedroom rental units and 2 person

elderly households are typically attracted to two bedroom units.

Table 13 exhibits households in the Aiken PMA, age 55 and over, by owner-occupied and renter-occupied tenure. The 2010 to 2023 projected trend supports a change in the tenure ratio favoring owner-occupied households on a percentage basis.

Overall, significant net numerical gains are forecasted for both owner-occupied and renter-occupied households age 55 and over within the Aiken PMA. Between 2017 and 2020, the increase in renter-occupied households age 55 and over remains extremely positive, at around +2.57% per year.

<b>Table 13</b>					
<b>Households by Tenure, Aiken PMA: Age 55+</b>					
<b>Year/ Place</b>	<b>Total Households</b>	<b>Owner Occupied</b>	<b>Percent</b>	<b>Renter Occupied</b>	<b>Percent</b>
<b>PMA</b>					
2000	7,057	5,694	80.69	1,363	19.31
2010	13,109	10,723	81.80	2,386	18.20
2017	14,923	12,495	83.73	2,428	16.27
2020	16,458	13,838	84.08	2,620	15.92
2023	17,368	14,632	84.25	2,736	15.75

Sources: 2000 & 2010 Census of Population, South Carolina.  
 Nielsen Claritas Projections.  
 Koontz and Salinger. February, 2018.



## **HOUSEHOLD INCOME TRENDS & CHARACTERISTICS**

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households age 55+ must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD MTSP income limits for two person households (the maximum household size allowable for the estimation of elderly demand in the Exhibit S 2018 Market Study Guideline Procedures) in Aiken County, South Carolina at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income.

Tables 14A and 14B exhibit owner-occupied households, by age 55+, and by income group, in the Aiken PMA in 2015, estimated to 2017 and forecasted to 2020. Tables 15A and 15B exhibit renter-occupied households, by age 55+, and by income group, in the Aiken PMA in 2015, estimated to 2017 and forecasted to 2020.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2018 and 2023, with a base year data set comprising a 2015 average, based upon the 2011 to 2015 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2011 to 2015 American Community Survey. The 2017 estimate is based upon a straight line trend of 2015 and 2018 data. The 2020 forecast is

based upon a straight line trend of 2018 and 2023 data.

Tables 14A and 14B exhibit owner-occupied households age 55+, by income in the Aiken PMA in 2015, and estimated in 2017 and forecasted to 2020.

<b>Table 14A</b>				
<b>Aiken PMA: Owner-Occupied Households Age 55+, by Income Groups</b>				
Households by Income	2015 Number	2015 Percent	2017 Number	2017 Percent
Under \$10,000	555	5.11	582	4.66
10,000 - 20,000	1,371	12.62	1,349	10.80
20,000 - 30,000	1,524	14.03	1,736	13.89
30,000 - 40,000	1,081	9.95	1,160	9.28
40,000 - 50,000	918	8.45	1,024	8.20
50,000 - 60,000	898	8.26	1,039	8.32
\$60,000 and over	4,519	41.59	5,605	44.86
<b>Total</b>	<b>10,866</b>	<b>100%</b>	<b>12,495</b>	<b>100%</b>

<b>Table 14B</b>				
<b>Aiken PMA: Owner-Occupied Households Age 55+, by Income Groups</b>				
Households by Income	2017 Number	2017 Percent	2020 Number	2020 Percent
Under \$10,000	582	4.66	602	4.35
10,000 - 20,000	1,349	10.80	1,359	9.82
20,000 - 30,000	1,736	13.89	1,892	13.67
30,000 - 40,000	1,160	9.28	1,253	9.05
40,000 - 50,000	1,024	8.20	1,118	8.08
50,000 - 60,000	1,039	8.32	1,148	8.30
\$60,000 and over	5,605	44.86	6,466	46.73
<b>Total</b>	<b>12,495</b>	<b>100%</b>	<b>13,838</b>	<b>100%</b>

Sources: 2011 - 2015 American Community Survey.  
Nielsen Claritas, HISTA Data, Ribbon Demographics.

Tables 15A and 15B exhibit renter-occupied households age 55+, by income in the Aiken PMA in 2015, and estimated in 2017 and forecasted to 2020.

<b>Table 15A</b>				
<b>Aiken PMA: Renter-Occupied Household Age 55+, by Income Groups</b>				
Households by Income	2015 Number	2015 Percent	2017 Number	2017 Percent
Under \$10,000	303	13.78	320	13.18
10,000 - 20,000	451	20.51	506	20.84
20,000 - 30,000	321	14.60	345	14.21
30,000 - 40,000	253	11.51	256	10.54
40,000 - 50,000	183	8.32	205	8.44
50,000 - 60,000	169	7.69	202	8.32
60,000 +	519	23.60	594	24.46
<b>Total</b>	<b>2,199</b>	<b>100%</b>	<b>2,428</b>	<b>100%</b>

<b>Table 15B</b>				
<b>Aiken PMA: Renter-Occupied Household Age 55+, by Income Groups</b>				
Households by Income	2017 Number	2017 Percent	2020 Number	2020 Percent
Under \$10,000	320	13.18	339	12.94
10,000 - 20,000	506	20.84	542	20.69
20,000 - 30,000	345	14.21	364	13.89
30,000 - 40,000	256	10.54	265	10.11
40,000 - 50,000	205	8.44	213	8.13
50,000 - 60,000	202	8.32	232	8.85
60,000 +	594	24.46	665	25.38
<b>Total</b>	<b>2,428</b>	<b>100%</b>	<b>2,620</b>	<b>100%</b>

Sources: 2011 - 2015 American Community Survey.  
Nielsen Claritas, HISTA Data, Ribbon Demographics.  
Koontz and Salinger. February, 2018.

SECTION G

PROJECT-SPECIFIC  
DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified demand methodology. This incorporates sources of age qualified income eligible demand from new renter household growth and from existing renter

households residing within the Aiken market. In addition, even though it is not significant in the area at this time, the amount of substandard housing that still exists within the Aiken PMA will be factored into the demand methodology.

Note: All elements of the demand methodology will be segmented by age (elderly 55 and over) and income, owing to the availability of detailed age 55+ income by tenure data.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an expected year that the subject will be placed in service in 2020.

In this section, the effective project size is 46-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 14 and 15 from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like kind competitive supply. In this case, the supply is discriminated by age and income. Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted LIHTC elderly apartment projects in the market area.

## **Income Threshold Parameters**

This market study focused upon the following target population regarding income parameters:

- Occupied by households at 60% or below of AMI.
- Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies and one bedrooms, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- The proposed development be available to Section 8 voucher holders.
- The 2017 HUD Income Guidelines were used.
- 0% of the units will be set aside as market rate with no income restrictions.

**Analyst Note:** The subject will comprise 46 two-bedroom units. The expected maximum number of people per unit (for elderly designation) is:

1BR - 1 and 2 persons  
2BR - 1 and 2 persons

**Analyst Note:** As long as the unit in demand is income qualified there is no minimum number of people per unit. It is assumed that the target group for the proposed elderly development (by household size) will be one and two persons. Given the intended subject targeting by age, only household sizes of 1 and 2 persons were utilized in the determination of the income ranges, by AMI.

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), and approximately 80% at 60% AMI.

The lower portion of the target income range is set by the proposed subject 2BR rents at 50% and 60% AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income to rent. It is assumed that for elderly LIHTC applications 40% of income to rent is a reasonable estimate.

The proposed 2BR net rent at 50% AMI is \$570. The estimated utility cost is \$113. The proposed 2BR gross rent is \$683. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$20,490.

The proposed 2BR net rent at 60% AMI is \$615. The estimated utility cost is \$113. The proposed 2BR gross rent is \$725. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$21,840.

The maximum income at 50% and 60% AMI for 1 and 2 person households follows:

	<b><u>50%</u></b> <b><u>AMI</u></b>	<b><u>60%</u></b> <b><u>AMI</u></b>
1 Person -	<b>\$21,700</b>	<b>\$26,040</b>
2 Person -	<b>\$24,800</b>	<b>\$29,760</b>

Source: 2017 Income & Rent Limits, SCSHFDA effective 4/14/2017

### **Overall Income Ranges**

The overall income range for the targeting of income eligible households at 50% AMI is \$20,490 to \$24,800.

The overall income range for the targeting of income eligible households at 60% AMI is \$21,840 to \$29,760.

The overall income-eligible range is \$20,490 to \$29,760. An estimated 320 renter households age 55+ fall into the income-eligible group in 2017, increasing to 337 in 2020.

**Fair Market Rents\***

The 2018 Final Fair Market Rents for Aiken County, South Carolina are as follows:

Efficiency = \$ 617  
1 BR Unit = \$ 636  
2 BR Unit = \$ 771  
3 BR Unit = \$1053  
4 BR Unit = \$1358

\*Fair Market Rents are gross rents (include utility costs)

Source: [www.huduser.gov](http://www.huduser.gov)

**Note:** The proposed 2BR gross rents at 50% and 60% AMI for the subject LIHTC project are set below the 2018 Fair Market Rent. Thus, the proposed subject property units, by bedroom type at 50% and 60% AMI will be readily marketable to Section 8 voucher holders.

## SUMMARY

### Target Income Range - Subject Property - by Income Targeting Scenario

#### 50% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$20,490 to \$24,800.

It is projected that in 2020, approximately **6%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$20,490 to \$24,800.

It is projected that in 2020, approximately **6%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$20,490 to \$24,800.

#### 60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$21,840 to \$29,760.

It is projected that in 2020, approximately **10.5%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$21,840 to \$29,760.

It is projected that in 2020, approximately **11%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$21,840 to \$29,760.

#### Adjustments

In order to adjust for income overlap between the 50% and 60% AMI income segments several adjustments were made resulting in the following discrete estimates/percentages of household age 55+, within the 50% and 60% AMI income ranges. The 60% income segment estimate was reduced in order to account for overlap with the 50% AMI income target group, but only moderately, given fact that only 10-units will target renters at 50% AMI.

Owner-Occupied

Renter-Occupied



50% AMI	5.0%	5.0%
60% AMI	8.5%	9.0%

**Effective Demand Pool**

In this methodology, there are six basic sources of demand for an apartment project to acquire potential elderly tenants:

- \* net household formation (normal growth),
- \* existing elderly renters who are living in substandard housing,
- \* existing renters who choose to move to another unit, typically based on affordability (rent overburdened) and project location and features, and
- \* current homeowners who elect to become renters, typically based on changing physical and financial circumstances and yield to the difficulty in maintaining a home.

Several adjustments are made to the basic model. The methodology adjustments are:

- (1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the 2017 to 2020 forecast period, and
- (2) taking into consideration like-kind competition introduced into the market between 2016 and 2017, that is not 95% occupied, stabilized, and does not maintain a waiting list.

**New Household Growth**

For the PMA, forecast housing demand through household formation (age 55+) totals 1,535 households over the 2017 to 2020 forecast period. By definition, were this to be growth it would equal demand for new housing units. This demand would further be qualified by tenure and income range to determine how many would belong to the subject target income group. During the 2017 to 2020 forecast period it is calculated that 192 or approximately 12.5% of the new household formations would be renters.

Based upon 2020 income forecasts, 10 new renter households (age 55+) fall into the 50% target income segment of the proposed subject property, and 17 new renter households (age 55+) fall into the 60% target income segment.

## **Demand from Existing Renters that are In Substandard Housing**

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2012-2016 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2012-2016 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 13 renter-occupied households age 55+ were defined as residing in substandard housing. Based upon 2012-2016 American Community Survey data, 95 renter-occupied households were defined as residing in substandard housing within the PMA. The estimate for 2010 is 65.

The forecast in 2020 was for 100 renter occupied households age 55+ residing in substandard housing within the PMA.

Based upon 2020 income forecasts, 5 substandard renter households (age 55+) fall into the target income segment of the proposed subject property at 50% AMI, and 9 substandard renter households (age 55+) fall into the target income segment of the proposed subject property at 60% AMI.

## **Demand from Existing Renters that are Rent Overburdened**

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent\*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2012-2016 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2020 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to: (1) the 2008-2010 national and worldwide recession since the report of the findings in the 2012-2016 American Community Survey, and (2) the low net rents, and AMI income limits of the proposed subject development.

It is estimated that approximately 70% of the elderly renters with incomes in the 50% AMI target income segment are rent overburdened, and 60% of the elderly renters with incomes in the 65% AMI target income segment are rent overburdened.

**\*Note:** HUD defines rent overburdened as paying more than 30% of income to rent.

In the PMA it is estimated that 88 existing renter households (age 55+) are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property. In the PMA it is estimated that 148 existing renter households (age 55+) are rent overburdened and fall into the 60% AMI target income segment of the proposed subject property.

### **Elderly Homeowner Tenure Conversion**

The final source of potential tenants involves elderly householders who currently own a home, but who may switch to a rental unit. This tendency is divergent for non-elderly and elderly households, and is usually the result of changes in circumstances in the households - the financial ability to pay maintenance costs and property taxes, the physical ability to maintain a larger, detached house, particularly when the home falls into disrepair, or an increased need for security and proximity of neighbors. In most cases, the need is strongest among single-person households, primarily female, but is becoming more common among older couples as well. Frequently, pressure comes from the householders' family to make the decision to move.

Recent surveys of new assisted housing for the elderly have indicated that an average of 15% to 30% of a typical, elderly apartment project's tenants were former homeowners. However, in order to remain conservative this demand factor is capped at **2.5%** in semi-urban to urban markets and **5%** in rural markets.

After income segmentation, this results in 17 elderly owner-occupied households (age 55+) added to the target demand pool at 50% AMI, and 29 elderly owner-occupied households (age 55+) added to the target demand pool at 60% AMI.

In order to remain conservative this segment of demand can not exceed 20% of the overall demand estimate by AMI group. Given this check on the quantitative methodology the estimate at 50% AMI and at 60% AMI was held constant.

## **Total Effective Tenant Pool**

The potential demand from these sources (within the PMA) total 120 households/units for the subject apartment development at 50% AMI. The potential demand from these sources (within the PMA) total 203 households/units for the subject apartment development at 60% AMI. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA.

Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

These estimates of demand will still need to be adjusted for the introduction of new like-kind LIHTC supply into the PMA that is either: (1) currently in the rent-up process, (2) under construction, and/or (3) in the pipeline for development (if any).

## **Upcoming Direct Competition**

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there is one apartment development (Palmetto Crossing) under construction in Aiken. At present, there are no apartment developments within the pipeline for development. Source: Ms. Marty Moultrie, City of Aiken, Planning Department, (803) 642-7608 (February 9, 2018).

A review of the 2016 and 2017 list of awards for both LIHTC & Bond applications made by the South Carolina Housing Finance and Development Authority revealed that one award was made (in 2016) within the Aiken PMA for a LIHTC family new construction development. Palmetto Crossing, a 48-unit LIHTC-family development is presently in the process of development. This property is not considered to be comparable to the proposed subject development.

No adjustments were made within the demand methodology in order to take into consideration new like-kind supply.

The segmented, effective demand pool for the PMA is summarized in Table 16, on the following pages.

**Table 16**

LIHTC Quantitative Demand Estimate: Aiken PMA

	AMI	AMI
● <u>Demand from New Growth - Elderly Renter Households (55+)</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2020)	2,620	2,620
Less: Current Number of Households (2017)	<u>2,428</u>	<u>2,428</u>
Change in Total Renter Households	+ 192	+ 192
% of Renter Households in Target Income Range	<u>5%</u>	<u>9%</u>
Total Demand from New Growth	<b>10</b>	<b>17</b>
● <u>Demand from Substandard Housing with Elderly Renter Households</u>		
Number of Households in Substandard Housing(2010)	65	65
Number of Households in Substandard Housing(2020)	100	100
% of Substandard Households in Target Income Range	<u>5%</u>	<u>9%</u>
Number of Income Qualified Renter Households	<b>5</b>	<b>9</b>
● <u>Demand from Existing Elderly Renter Households</u>		
Number of Renter Households (2020)	2,620	2,620
Minus Number of Substandard Renter Household	<u>- 100</u>	<u>- 100</u>
Total in Eligible Demand Pool	2,520	2,520
% of Households in Target Income Range	<u>5%</u>	<u>9%</u>
Number of Income Qualified Renter Households	126	227
Proportion Income Qualified (that are Rent Overburdened)	<u>70%</u>	<u>65%</u>
<b>Total</b>	<b>88</b>	<b>148</b>
● <u>Total Demand From Elderly Renters</u>	<b>103</b>	<b>174</b>
● <u>Demand from Existing Elderly Owner Households (55+)</u>		
Number of Owner Households (2020)	13,838	13,838
% of Households in Target Income Range	<u>5%</u>	<u>8.5%</u>
Number of Income Qualified Owner Households	<b>692</b>	<b>1,176</b>
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>	<u>2.5%</u>
Total	<b>17</b>	<b>29</b>
20% Rule Adjustment	<u>- 0</u>	<u>- 0</u>
Net (after adjustment)	<b>17</b>	<b>29</b>
● <u>Net Total Demand</u>	<b>120</b>	<b>203</b>
● <u>Adjustment for Like-Kind Supply</u>		
Minus New Supply of Competitive Units (2016-2017)	<u>0</u>	<u>0</u>
● <u>Gross Total Demand</u>	120	203

**Capture Rate Analysis** (Unadjusted)

**Total Number of Households Income Qualified = 323. For the subject 46 LIHTC units unit this equates to an overall LIHTC Capture Rate of 14.2%.**

	50%	60%
● <u>Capture Rate</u> (46-units)	<u>AMI</u>	<u>AMI</u>
Number of Units in LIHTC Segment	10	36
Number of Income Qualified Households	120	203
Required Capture Rate	<b>8.3%</b>	<b>17.7%</b>
● <u>Total Demand by Bedroom Mix</u>		

Approximately 38% of the 55 and over population in the PMA is in the 55 to 64 age group. Also, of the PMA population that comprises 1 and 2 person households (both owners and renters), approximately 42% are 1 person and 58% are 2 person (see Table 12). In addition, the size of the households age 55+ in the 2010 to 2023 forecast period is estimated to have stabilized at around 1.58, well over a 1.5 ratio. Also, the Applicant has experience in offering a product at a very affordable net rent, with large size units that make the proposed 2BR units very attractive to the market. **Finally, the recently built 50-unit Longleaf Senior Village Apartments (LIHTC-elderly) had a bedroom mix comprising 6 1BR units (12% of project) and 44 2BR units (88% of project) and was 100% occupied within 5-months and at the time of the survey had 200-applicants on a waiting list.** All these factors in turn suggests additional demand support for 2BR units.

Based on these data it is assumed that 25% of the target group will demand a 1BR unit and 75% a 2BR unit.

\* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

**Total Demand by Bedroom Type (at 50% AMI)**

1BR - 30  
 2BR - 90  
 Total - 120

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	30	0	30	0	Na
2BR	90	0	90	10	11.1%

**Total Demand by Bedroom Type (at 60% AMI)**

1BR - 51  
 2BR - 152  
 Total - 203

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	51	0	51	0	Na
2BR	203	0	152	36	23.7%

- Overall Project Capture Rate: 19% (Adjusted for BR Mix)

**Summary:** An overall capture rate of 19% for the proposed LIHTC subject elderly development without deep subsidy rental assistance is considered to be a very positive quantitative indicator given the following market conditions: (1) the existing LIHTC family and elderly apartment market targeting very low to moderate income households is stable and operating at a 99% occupancy rate, with all nine surveyed LIHTC properties maintaining a waiting list, (2) the site location is considered to be very good and will enhance the marketing and rent-up of the subject, and (3) the demand methodology excluded potential demand from eligible HUD Section 8 voucher holders. Typically a capture rate greater than 20% warrants caution. In the case of the subject, a capture rate of 19% is considered to be a quantitative indicator which is very in supportive of the proposed LIHTC elderly development. **Note:** This summary analysis is subject to the overall findings and recommendation of this study.

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

## Absorption Analysis

Given the strength of the demand estimated in Table 16, the most likely/best case scenario for 93% to 100% rent-up is estimated to be 6 months (at 8-units per month on average).

The rent-up period estimate is based upon several LIHTC-elderly and Market Rate apartment developments located within the City of Aiken:

### LIHTC-elderly

Longleaf Village	50-units	5-months to attain 100% occupancy
Villages @ Horse Creek	36-units	6-months to attain 100% occupancy
Aiken Grand	72-units	9-months to attain 100% occupancy

Longleaf opened in 2015, Aiken Grand in 2003, and Village at Horse Creek in 2014.

### Market Rate

New London	64-units	10-months to attain 100% occupancy
The Summit	120-units	7-months to attain 98% occupancy
Dupont Landing	44-units	2-months to attain 100% occupancy

New London opened in May of 2012 and was 100% occupied by March 2013. The Summit opened in February 2012, and was 90% occupied in July and 98%+ occupied in August 2012. Dupont Landing opened in 2015 and was 100% occupied in 2 months.

The absorption of the project is contingent upon an attractive product, professional management, and a strong marketing and pre-leasing program. In addition, the absorption period estimate is subject to the final recommendation (s) in this market study.

Any delay in providing site amenities could jeopardize the marketability to the project. For example, the clubhouse/leasing center is frequently completed prior to delivery of the first buildings, and becomes a focal point for the community while it is still in the construction stage. When professional site staff (manager and leasing consultants) are in place prior to completion, pre-leasing efforts are greatly enhanced.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period. Subject to the final recommendation (s) in this market study.



SECTION H

COMPETITIVE ENVIRONMENT &  
SUPPLY ANALYSIS

This section of the report evaluates the general rental housing market conditions in the PMA.

Overall, the Aiken apartment market is very diversified, and relatively dynamic. Much like the significant population growth over the last 25 years,

the local apartment market exhibited similar significant growth, with the exception of the last "deep recession" period. The local apartment market has become much more diversified and upscale with a number of Class A properties introduced into the market, as well as a number of LIHTC complexes (targeting both the elderly and general population).

**Part I - Survey of LIHTC Apartments (located w/in the PMA)**

Nine LIHTC program assisted properties, representing 411 units, were surveyed in detail. Six properties target the general population and three target population age 55 and over. Several key factors in the area program assisted apartment market include:

- \* At the time of the survey, the overall vacancy rate of the surveyed LIHTC apartment properties was 0.7%.
- \* At the time of the survey, the overall vacancy rate of the surveyed LIHTC family apartment properties was 0.4%. All six of the surveyed LIHTC family properties are currently operating with waiting lists, ranging in size between 5 and 30 applicants.
- \* At the time of the survey, the overall vacancy rate of the surveyed LIHTC elderly apartment properties was 1.3%. All three of the surveyed LIHTC elderly properties are currently operating with waiting lists, ranging in size between 15 and 200 applicants.
- \* One of the LIHTC elderly apartment properties is located within the Aiken city limits. One property is located in Gloverville and the other in Warrenville and are within the defined.
- \* The bedroom mix of the surveyed LIHTC family properties is 0% 1BR, 28.5% 2BR, and 71.5% 3BR and 4BR.
- \* The bedroom mix of the surveyed LIHTC elderly properties is 42% 1BR, and 58% 2BR.

Two HUD elderly properties, representing 107 units, were surveyed in detail.

- \* At the time of the survey, the overall estimated vacancy rate of the surveyed HUD elderly apartment properties was 0.9%. Both of the surveyed HUD elderly properties are currently operating with waiting lists, ranging in size between 5 and 7 applicants.

\* The most comparable surveyed LIHTC properties to the subject in terms of age and income restriction are the three elderly properties: Aiken Grand (FKA Village Senior Apartments), Longleaf Senior Village, and Villages at Horse Creek.

\* A map showing the location of the surveyed LIHTC properties is provided on page 73.

**Survey of Competitive Market Rate Apartments**

Eleven market rate properties, representing 1,566 units, were surveyed in detail. Eight of the surveyed properties are located within the Aiken city limits and three are located within one mile of the city limits. Approximately 20% of the surveyed properties were built in the 1970's, 42% in the 1980's and 38% since 1998. Several key findings in the conventional market include:

\* At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties targeting the general population was approximately 2.8%. One of the 11 surveyed properties (Haven at Market Street) accounted for 45.5% of the vacant units. Note: Koontz & Salinger surveyed the Aiken conventional apartment market in December 2016, and the overall market rate vacancy rate (at that time) was approximately 2.9%.

\* The typical occupancy rates reported for most of the surveyed properties ranges between the mid 90's to the high 90's.

\* The bedroom mix of the surveyed market rate properties is 30% 0BR and 1BR, 56.5% 2BR, and 13.5% 3BR.

\* A survey of the conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

<b>Market Rate Competitive Environment - Net Rents</b>			
<b>BR/Rent</b>	<b>Average</b>	<b>Median</b>	<b>Range</b>
0BR/1b	\$670	\$670	\$670-\$670
1BR/1b	\$717	\$710	\$510-\$885
2BR/1b	\$655	\$655	\$655-\$655
2BR/1.5b & 2b	\$840	\$825	\$555-\$969
3BR/1.5b & 2b	\$969	\$950	\$630-\$1159

Source: Koontz & Salinger. February 2018

\* Approximately 55% of the surveyed properties include water, sewer, and trash removal in the net rent. Approximately 36% of the surveyed properties included trash removal only within the net rent.

\* Security deposits range between \$99 and \$500, or were based upon one month's rent, or establish the security deposit based upon the tenant's credit. The overall estimated median security deposit in the Aiken conventional apartment market is \$300.

\* Approximately 80% of the surveyed properties do not offer concessions. Approximately 20% of the surveyed market rate properties (2 properties) offer some type of rent concession.

\* A survey of the conventional apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

<b>Market Rate Competitive Environment - Unit Size</b>			
<b>BR/Rent</b>	<b>Average</b>	<b>Median</b>	<b>Range</b>
0BR/1b	520	520	520-520
1BR/1b	743	725	550-988
2BR/1b	700	700	700-700
2BR/1.5b & 2b	1038	1010	835-1149
3BR/2b	1218	1235	950-1306

Source: Koontz & Salinger. February, 2017

\* In the area of unit size, by bedroom type, the subject will offer a competitive unit size for the proposed 2BR floor plan.

\* A map showing the location of the surveyed market rate properties is provided on page 74.

## Comparable Properties

\* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Na	Brittany Downs	Na
Na	Colony @ South Park	Na
Na	New London	Na
Na	The Summits	Na
Na	The Haven @ Market Street	Na
Na	Woodwinds	Na

Source: Koontz & Salinger. February, 2018

\* A map showing the location of the surveyed comparable market rate properties is provided on page 74. The comparable properties are highlighted in red.

## Summary of PMA Vacancy Rates

LIHTC fm Properties	-	0.4%
LIHTC el Properties	-	1.3%
HUD el Properties	-	0.9%
Market Rate	-	2.8%
Overall	-	2.3%

## Section 8 Housing Choice Vouchers

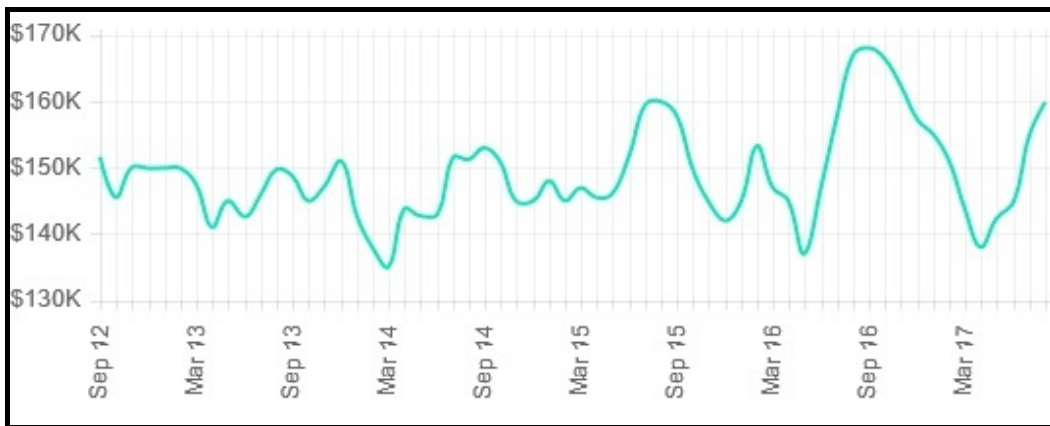
The Housing Authority of the City of Aiken manages the Section 8 program for the City of Aiken and Aiken County. At the time of the survey the Aiken HA had funds for 875 Section 8 Housing Choice Vouchers of which 870 were in use and 5 were out attempting to be placed in service. The Aiken HA Section 8 housing choice voucher waiting list is consistently lengthy, in fact, it is presently closed. At the time of the survey, the waiting list had around 1,660 applicants, of which around 25% are elderly/handicapped. Source: Ms. Chanosha Lawton, Director (contacted - 2/7/2018), (803) 649-6673.

At the time of the survey, approximately 38% of the units in the LIHTC-family properties were occupied by tenants with a Section 8 voucher, and approximately 37% of the units in the LIHTC-elderly properties were occupied by tenants with a Section 8 voucher.

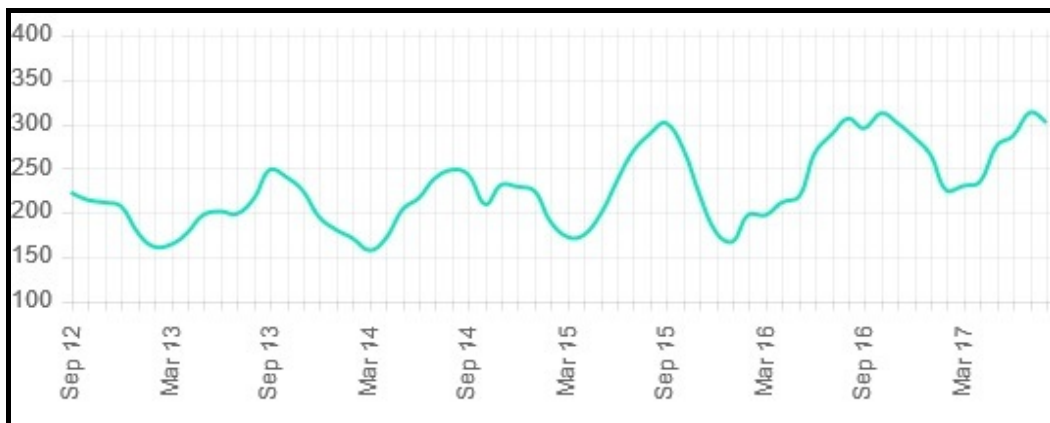
**For-Sale Market**

The figures below exhibit median homes sales price and home sales trends in Aiken, SC between September 2012 and August 2017. The median sales price fluctuated somewhat throughout the reporting period, but the overall trend is generally stable, mostly around the \$150,000 level. Month-to-month sales volumes were generally strong, ranging from a low of 157 sales to a high of 313. Data from Trulia indicate a decrease of \$6,5000 (-3%) in the median home sales price over the past year. The average price per square foot for this same period remained at \$89. The current median sales price is \$159,900, based on 301 sales, which is considered an accurate indicator of the likely cost of a home in the Aiken area.

**Median Home Sales Prices September 2012 - August 2017, Aiken**



**Home Sales Volume September 2012 - August 2017, Aiken**



Source: [www.trulia.com/real\\_estate/Aiken-South\\_Carolina/market-trends/](http://www.trulia.com/real_estate/Aiken-South_Carolina/market-trends/)

**For-Sale Market (Buy Versus Rent)**

The tendency for renter-to-owner tenure conversion is divergent for senior households compared to younger, family households. Unlike younger households, there is little incentive for a senior renter household to become a homeowner later in life. This is particularly true among lower income seniors who have been homeowners for many years, but in later life find that the cost of maintaining a single-family residence is unaffordable, and become renters. Although not relevant, the following analysis illustrates the comparative costs of home ownership of a typical single-family residence in the PMA compared to renting a unit in the subject development.

The following analysis illustrates the comparative costs of home ownership of a typical single-family residence in the PMA compared to renting a unit in the subject development. Based on an average price of \$159,900, and assuming a 95% LTV ratio (5% down payment), an interest rate of 4.08% and a 30 year term, the estimated monthly mortgage payment including taxes, hazard insurance, and private mortgage insurance (PMI) is shown below:

**COST OF TYPICAL HOME PURCHASE**

Average Home Price (Trulia)	\$159,900
Mortgaged Value = 95% of Median Home Price	\$151,905
Interest Rate	4.08%
Term (years)	30
Monthly Principal and Interest	\$ 732
Taxes, Hazard Insurance and PMI	\$ 237
Total Estimated Monthly Cost	\$ 969

While it is possible that some tenants in LIHTC properties could afford the monthly payments, the number who could afford the down payment and other closing costs is likely to be minimal. In the example above, the required down payment would be \$7,995. Additional closing costs could include the first years' hazard insurance premium, mortgage "points", and various bank fees. If total closing costs (including down payment) are equal to 6% of the purchase price, a prospective buyer would need \$9,594. Given these costs, it is readily apparent that home purchase is not considered to be competitive among LIHTC income qualified households.

With respect to mobile homes, the overall ratio of this housing type is quite small in the Aiken area of Aiken County and the ratio of renter occupied units is even smaller. Accordingly little to no competition is expected from this housing type.

In summary, the proposed subject LIHTC elderly new construction development most likely would lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership in the majority of the Aiken, SC home buying market. The majority of the tenants at the subject property will have annual incomes in the \$20,000 to \$30,000 range. Today's home buying market, both stick-built, modular, and mobile home requires that one meet a much higher standard of income qualification, long term employment stability, credit standing, and a savings threshold. These are difficult hurdles for the majority of LIHTC households to achieve in today's home buying environment.

**Future Changes in Local Housing Stock**

Permit activity in Aiken between 2008 and 2011 declined significantly when compared to the 2000 to 2007 time period. The reduction ranges between 40% to 70%. Permit activity began to exhibit signs of a consistent increase in 2014 and have been steady into 2017. See Appendix, Building Permits.

In 2016, the South Carolina Housing Finance and Development Authority made an award for a 48-unit LIHTC family new construction development in Aiken. Palmetto Crossing is presently in the process of development. At the time of the market study, there were no market rate apartment properties under construction or within the permitted pipeline for development.

The likelihood of any USDA-RD Section 515 or HUD Section 202 apartment development occurring or being awarded in 2018 or 2019, in Aiken County is uncertain, yet highly unlikely.

### **Foreclosure Status**

The foreclosure problem is still very much evident Nationwide, Statewide but to a much lesser degree in Aiken and the balance of the PMA. ForeclosureListings.com is a nationwide data base which show just under 1,270,000 listings, including 83.7% foreclosures, 6.9% short sales, and 9.4% auction listings. According to www.foreclosurelistings.com, as of 01/30/2018, there were 243 foreclosure listings, 19 short sale listings and 3 sheriff sale listings in the City of Aiken. In Zip Code 29801 (which includes the site area in the northwest part of the PMA), there were 95 foreclosure listings in Aiken, 4 short sale listings and 1 sheriff sale listing. The same data for Aiken County indicated 556 foreclosure listings, 28 short sales and 16 sheriff sale listings.

In Aiken and the surrounding area, the relationship between the local area foreclosure market and existing LIHTC supply is not crystal clear. However, given the relatively small number of foreclosures in this PMA, it can be assumed that foreclosures have little effect on demand and occupancy in LIHTC properties.

**Note:** Recent anecdotal news information points to the fact that the majority of the foreclosure problem that remains is concentrated in metro area markets more so than in suburban, semi-urban and rural markets. Based upon available data at the time of the survey, the City of Aiken, South Carolina does not appear to be one of the housing markets that have been placed in jeopardy due to the recent and still on-going foreclosure phenomenon.

Table 15 exhibits the project size, bedroom mix, number of vacant units (at the time of the survey), net rents and reported unit sizes of the surveyed LIHTC (elderly & family) and HUD (elderly) program

assisted properties within the Aiken PMA competitive environment.

Table 15											
SURVEY OF LIHTC SUPPLY & HUD ELDERLY SUPPLY: PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
<b>Subject</b>	46	--	46	--	Na	--	\$570-\$615	--	--	1177	--
<b>LIHTC-FM</b>											
Busch Crossing	23	--	--	23	1	--	--	\$677-\$720	--	--	1370-1400
Dupont Landing	44	--	--	44	0	--	--	\$545-\$665	--	--	1250
Glen Arbor	56	--	40	16	0	--	\$535	\$615	--	908	1053
Olde South	48	--	12	36	0	--	\$460-\$500	\$500-\$565	--	1080	1250
Meadow Brook	48	--	12	36	0	--	\$460-\$500	\$500-\$565	--	1116	1281
Valley Homes	34	--	8	26	0	--	\$468	\$519-\$565	--	850	1000-1200
Sub Total	253	--	72	181	1						
<b>LIHTC-EL</b>											
Aiken Grand	72	24	48	--	2	\$492	\$581-\$721	--	500-600	750	
Longleaf Senior Vill	50	6	44	--	0	\$344-\$374	\$404-\$462	--	850	1100	--
Villages @ Horse Creek	36	36	--	--	0	\$545	--	--	600	--	--
Sub Total	158	66	92	--	2						
<b>HUD-EL</b>											
Croft House	60	60	--	--	1	BOI	--	--	455-860	--	--
Windham	47	47	--	--	0	BOI	--	--	540	--	
Sub Total	107	107	--	--	1						
<b>Total*</b>	<b>518</b>	<b>173</b>	<b>164</b>	<b>181</b>	<b>4</b>						

\* - Excludes the subject property

Source: Koontz and Salinger. February, 2018.

Direct Stabilized Comparable properties highlighted in red.

Table 16 exhibits the project size, bedroom mix, number of vacant



units (at the time of the survey), net rents and reported unit sizes of a sample of the surveyed market rate apartment properties within the Aiken PMA competitive environment.

**Table 16**  
**SURVEY OF MARKET RATE COMPETITIVE SUPPLY:**  
**PROJECT PARAMETERS**

Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
<b>Subject</b>	46	--	46	--	Na	--	\$570-\$615	--	--	1177	--
Brittany Downs	194	64	130	--	0	\$670-\$725	\$780-\$800	--	520-800	1008-1048	--
Colony @ South Park	184	48	88	48	6	\$810-\$885	\$855-\$914	\$940-\$1015	750	950	1150
Dexter Arms	72	8	48	16	0	\$510	\$555	\$630	750	1000	1200
Glendale	60	20	36	4	4	\$560	\$655	\$700	550	700	950
Haven @ Market Street	284	118	142	24	20	\$760-\$860	\$935	\$1155	722-988	1149	1292
New London	64	32	32	--	0	\$700-\$710	\$815-\$825	--	725	985	--
Steeplechase	126	96	24	6	0	\$630-\$645	\$750	\$800	635	835	1050
The Summits	120	--	96	24	3	--	\$949-\$969	\$1149-\$1159	--	1034-1066	1274-1306
Trotters Run	96	24	60	11	0	\$700	\$820	\$920	692	1000-1010	1230
Verandas on the Green	222	56	136	30	6	\$700	\$766	\$863	775	1000	1235
Woodwinds	144	--	92	52	5	--	\$880-\$914	\$985-\$1030	--	1074-1157	1236-1252
<b>Total*</b>	<b>1,566</b>	<b>466</b>	<b>884</b>	<b>216</b>	<b>44</b>						

\* - Excludes the subject property

Comparable properties highlighted in red.

Source: Koontz and Salinger. February, 2018.

Table 17, exhibits the key amenities of the subject and the surveyed LIHTC and HUD apartment properties. Overall, the subject is comparable and competitive with the area LIHTC and HUD (elderly) apartment properties, regarding the unit and development amenity package.

Table 17													
SURVEY OF LIHTC & HUD (ELDERLY) COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
<b>Subject</b>	x	x				x	x	x	x	x	x	x	x
<b>LIHTC-FM</b>													
Busch Crossing					x	x	x	x	x	x	x		x
The Village at Dupont Landing	x	x			x	x	x	x	x	x	x	x	x
Glen Arbor	x	x			x	x	x	x	x	x	x	x	x
Olde South	x	x			x	x	x	x	x	x	x	x	x
Meadow Brook	x	x			x	x	x	x	x	x	x	x	x
Valley Homes	x					x	x	x	x	x	x		x
<b>LIHTC-EL</b>													
Aiken Grand	x	x				x	x	x	x	x	x	x	x
Longleaf Senior Village	x	x				x	x	x	x	x	x	x	x
Village @ Horse Creek	x	x				x		x	x	x	x	x	x
<b>HUD-EL</b>													
Croft House	x	x				x			x	x	x	x	x
Windham	x	x							x	x	x	x	x

Source: Koontz and Salinger. February, 2018.

Key: A - On-Site Mgmt Office    B - Central Laundry    C - Pool  
 D - Tennis Court    E - Playground/Rec Area    F - Dishwasher  
 G - Disposal    H - W/D Hook-ups    I - A/C  
 J - Cable Ready    K - Mini-Blinds    L - Community Rm/Exercise Rm  
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

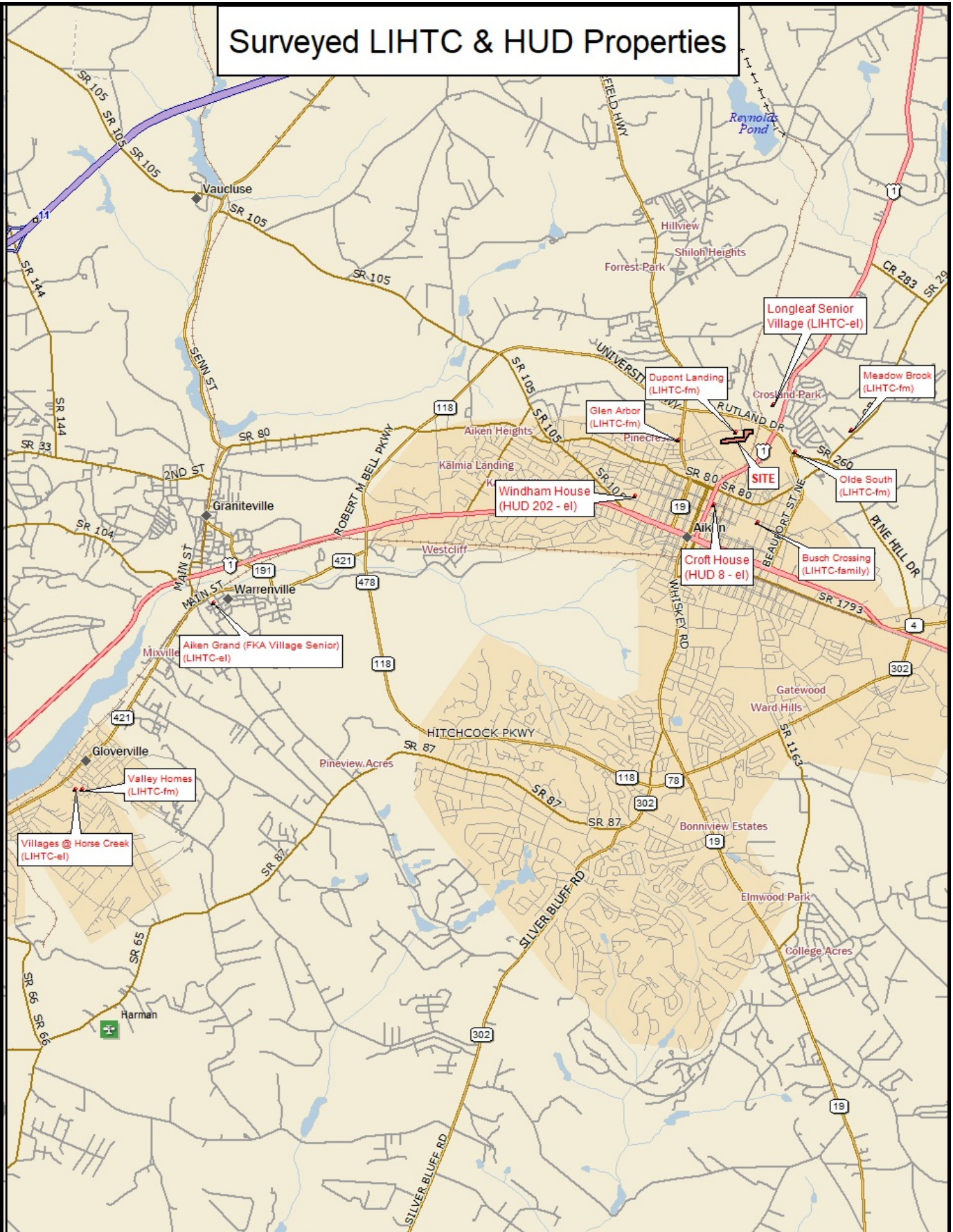
Table 18, exhibits the key amenities of the subject and the surveyed market rate apartment properties. Overall, the subject is competitive with the area conventional supply, regarding the unit amenity package. Owing to the subject's unique product offering, one story duplexes for rent it is not as competitive regarding comparability with market rate development amenity packages, in particular swimming pools, and tennis courts are not typical components of a small to mid size LIHTC elderly development.

Table 20													
SURVEY OF CONVENTIONAL COMPETITIVE SUPPLY UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
<b>Subject</b>	x	x				x	x	x	x	x	x	x	x
Brittany Downs	x					x	x	x	x	x	x		x
Colony @ South Park	x	x	x		x	x		x	x	x	x	x	x
Dexter Arms	x	x	x			x			x	x	x		
Glendale Ter	x	x							x	x	x		
Haven @ Market Street	x	x	x		x	x	x	x	x	x	x	x	x
New London						x	x	x	x	x	x		x
Steeplechase	x	x	x	x	x	x	x	x	x	x	x	x	x
The Summits	x	x	x		x	x	x	x	x	x	x	x	x
Trotters Run	x	x	x		x	x		x	x	x	x	x	x
Verandas on the Green	x	x	x	x	x	x		x	x	x	x	x	x
Woodwinds	x	x	x	x	x	x		x	x	x	x	x	x

Source: Koontz and Salinger. February, 2018.

Key: A - On-Site Mgmt Office    B - Central Laundry    C - Pool  
 D - Tennis Court    E - Playground/Rec Area    F - Dishwasher  
 G - Disposal    H - W/D Hook-ups    I - A/C  
 J - Cable Ready    K - Mini-Blinds    L - Community Rm/Exercise Rm  
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

# Surveyed LIHTC & HUD Properties



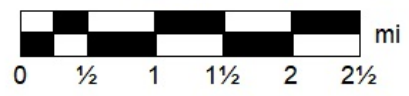
Data use subject to license.

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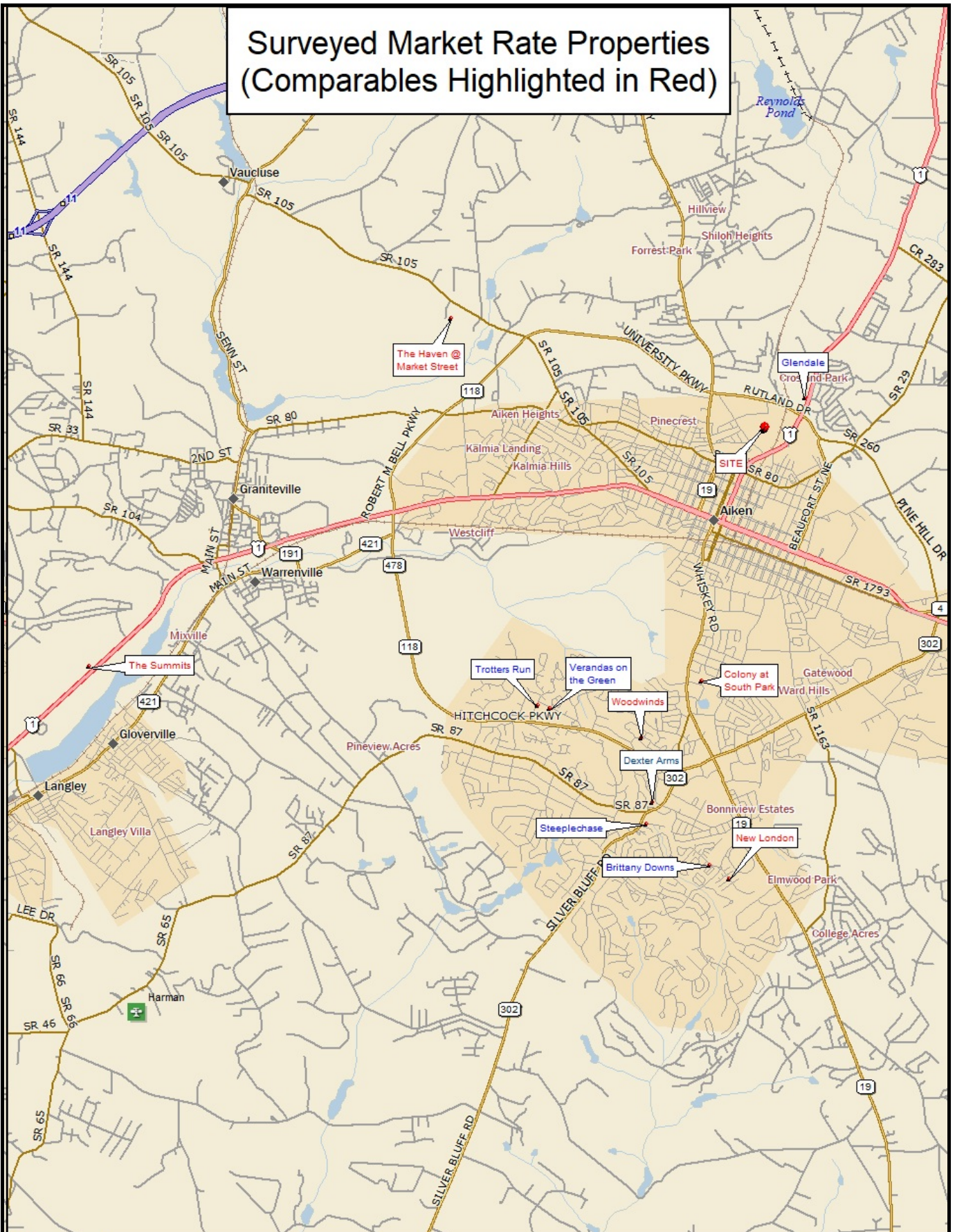


MN (6.8° W)



Data Zoom 11-2

# Surveyed Market Rate Properties (Comparables Highlighted in Red)



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MN (6.8° W)



Data Zoom 11-2

SECTION I  
INTERVIEWS

The basic project parameters of the proposed LIHTC-elderly application was presented to the interview source, in particular: the site location, the proposed project size, bedroom mix, income targeting and rents.

The following statements were made:

(1) - Ms. Chanosha Lawton, the Executive Director of the Housing Authority of the City of Aiken was contacted, (803) 649-6673. The Aiken Housing Authority manages the Section 8 voucher program for all of Aiken County. Currently the waiting list has around 1,660-applicants. The Authority also manages Valley Homes, a 34-unit LIHTC-family development. This property is 100% occupied with 30 applicants on the waiting list. It was stated that there is very good demand for low income housing development within the County, including the Aiken area of Aiken County. She stated that the demand is greatest from families and the non elderly population.

(2) - Ms Marty Moultrie, Planner for the City of Aiken, provided information on the status of infrastructure development in the city and in the immediate vicinity of the proposed subject development. In addition, she provided information on the status of new apartment development in Aiken. Source: Ms. Marty Moultrie, Planner, City of Aiken Planning Department, (803) 642-7608.

(3) - The manager of the Aiken Grand Apartments, a 72-unit LIHTC-elderly development, stated that the proposed LIHTC elderly development would not negatively impact Aiken Grand. It was reported that Aiken Grand is typically 98% occupied. At the time of the market study, Aiken Grand was 100% occupied and had 15-applicants on the waiting list. This property recently changed ownership and was formerly known as the Village Senior Apartments. Source: Ms. Julie, Manager, (803) 663-0392.

(4) - The manager of the Villages at Horse Creek, a 35-unit LIHTC-elderly apartment development, stated that the proposed LIHTC elderly development would not negatively impact the Villages at Horse Creek. It was reported that the property is typically 99%-100% occupied. At the time of the market study, the Villages at Horse Creek was 94% occupied and had 16-applicants on the waiting list. The 2 vacant units were down owing to a recent fire and were expected to be to be rent ready in weeks and then very quickly filled. Source: Ms. James, (803) 594-0588.

(5) - The manager of the Longleaf Senior Village Apartments, a 50-unit LIHTC-elderly apartment development stated that the proposed LIHTC elderly development would not negatively impact the Longleaf Senior Village Apartments. At the time of the market study, Longleaf was 100% occupied and had 200-applicants on the waiting list. This is the newest LIHTC-elderly property in Aiken, built in 2015. It was 100% occupied within 5-months. Source: Ms. Nona Weddon, Fairway Management, (803) 648-1097.

## SECTION J

### CONCLUSIONS & RECOMMENDATIONS

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC elderly development of **46**-units. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**. All capture rates are well below the SCHFDA 30% threshold.
2. The current LIHTC family apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the LIHTC elderly properties was 1.3%. The vacancy rate for the LIHTC family properties was 0.4%. The current market rate apartment market (located within the PMA) is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate properties located within the PMA was 2.8%.
3. The proposed complex unit amenity package is considered to be competitive within the PMA apartment market for affordable properties. Most of the Class B market rate properties offer a basic unit and development amenity package.
4. Bedroom Mix - The subject will offer 2BR units in one level duplex setting. The bedroom mix at a recently built LIHTC-elderly property (Longleaf Senior Village) offers 6-1BR and 44-2BR units. Both bedroom types were well received by the local market in terms of demand and absorption. Longleaf was 100% occupied within 5-months and currently has around 200 applicants on a waiting list. In addition, the proposed 2BR unit size is positioned to be competitive within the current apartment competitive environment.
5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50% AMI and 60% AMI. The table on the next page, exhibits the rent reconciliation of the proposed LIHTC property, by income targeting, with comparable properties. The overall market rent advantage that is modestly greater than 35%.
6. Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the subject is forecasted to be 93% to 100% absorbed in 6-months.
7. Based upon the analysis and the conclusions of each of the report sections, in the analyst's professional opinion, it is recommended that the proposed application for The Village at Dupont Landing (LIHTC-elderly) **proceed forward based on market findings**.

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

**Market Rent Advantage**

The rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50% and 60% of AMI.

**Percent Advantage:**

	<u>50% AMI</u>	<u>60% AMI</u>
2BR/2b:	40.0%	35.3%
Overall:	<b>36.3%</b>	

<b>Rent Reconciliation</b>			
<b>50% AMI</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
Proposed subject net rents	---	\$570	---
Estimated Market net rents	---	\$950	---
Rent Advantage (\$)	---	+\$380	---
Rent Advantage (%) rounded	---	40%	---
<b>60% AMI</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>
Proposed subject net rents	---	\$615	---
Estimated Market net rents	---	\$950	---
Rent Advantage (\$)	---	+\$335	---
Rent Advantage (%) rounded	---	35.3%	---

Source: Koontz & Salinger. February, 2018

**Recommendation**

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that The Village at Dupont Landing (a proposed LIHTC new construction elderly development) proceed forward with the development process as presently configured and proposed.



## **Negative Impact**

In the opinion of the market analyst, the proposed LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC family or family properties located within the Aiken PMA in the long term. At the time of the survey, the overall vacancy rate of the surveyed LIHTC family apartment properties was 0.4%. All six of the surveyed LIHTC family properties are currently operating with waiting lists, ranging in size between 5 and 30 applicants. At the time of the survey, the overall vacancy rate of the surveyed LIHTC elderly apartment properties was 1.3%. All three of the surveyed LIHTC elderly properties are currently operating with waiting lists, ranging in size between 15 and 200 applicants. None of the surveyed LIHTC managers or management firms expressed any concerns regarding potential negative impact.

Some relocation of elderly tenants in the existing LIHTC elderly properties could occur. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

## **Achievable Restricted (LIHTC) Rent**

The proposed gross rents, by bedroom type at 50% and 60% AMI are considered to be competitively positioned within the market. In addition, they are appropriately positioned in order to attract income and age qualified Section 8 Housing Choice Voucher holders within Aiken and Aiken County.

It is recommended that the proposed subject LIHTC net rents at 50% and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC development, and proposed subject net rents are in line with the other LIHTC and program assisted developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers at 50% and 60% AMI, when taking into consideration differences in age, unit size and amenity package.

The subject's gross rents are already closely positioned to be under Fair Market Rent for Aiken County, while at the same time operating within a competitive environment. It is recommended that the proposed subject 2BR net rents not be increased, in particular when taking into consideration the subject property's age and income restrictions.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. The proposed subject rents by AMI equal the achievable rents on the market.

## **Mitigating Risks**

The subject development is very well positioned to be successful in the market place. It will offer a product that will be very competitive regarding: rent positioning, project design, amenity package and professional management. The major unknown mitigating risk to the development process will be the status of the local economy during 2017-2018 and beyond.

Also, it is possible that the absorption rate could be extended by a few months if the rent-up process for the proposed subject development begins sometime between the Thanksgiving and Christmas holiday season, including the beginning of January.

## Rent Reconciliation Process

Six market rate properties in Aiken were selected as comparables to the subject. The comparables were selected based on the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place;
- comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition, building design, and amenity package;
- an adjustment was made for the floor of the unit in the building; this adjustment is consider to be appropriate for elderly apartment properties, and in order to take into consideration 1 story structures, versus 2 and 3 story structures without elevator status;
- no "time adjustment" was made; all of the comparable properties were surveyed in January and February 2018;
- no "distance or neighborhood adjustment" was made; owing to the fact that comparisons are being made between a proposed LIHTC development versus existing market rate family properties, all located within Aiken;
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed;
- no adjustment was made for project design; the design adjustment will be made in the number of floors/stories adjustment portion of the methodology;
- an adjustment was made for the age of the property,
- no adjustment was made - Number of Bedrooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size);

- no adjustment is made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c;
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent);
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject includes water, sewer and trash removal from the net rent. Several of the comparable properties include cold water, sewer, and trash removal within the net rent;
- an adjustment was made for storage and or garages.

## **ADJUSTMENT ANALYSIS**

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

### Adjustments:

- Concessions: One of the six comparable market rate properties offer a rent concession.
- A \$10 net adjustment is made for two and three story structures (absent elevator status) versus the one story structure proposed for the subject development.
- Year Built: Two of the comparable properties were built in the 1970's and two in the 1980's, and will differ considerably from the subject (after new construction) regarding age. The age adjustment factor utilized is a \$1.00 adjustment per year differential between the subject and the comparable property.
- Square Feet (SF) Area: An adjustment was made for unit size; the overall estimated for unit size by bedroom type was \$.05. The adjustment factor allows for differences in amenity package and age of property.
- Number of Baths: An adjustment was made for the proposed 2BR/2b units owing to the fact that some of the comparable properties offer 2BR/1b or 2BR/1.5b. The adjustment is \$15 for a ½ bath and \$30 for a full bath;

- Balcony/Terrace/Patio: The subject will offer a traditional patio and front porch. The balcony/patio adjustment is based on an examination of the market rate comps. The balcony/patio adjustment resulted in a \$5 value for the balcony/patio;
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$5;
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5;
- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40;
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15, rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds;
- Pool/Recreation Area: The subject will offer recreational space within the community building. This space is considered to be comparable to playground, but not a pool. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non similar amenities suggested a dollar value of \$5 for a playground, \$15 for a tennis court and \$25 for a pool;
- Water: The subject includes cold water and sewer in the net rent. Several of the comparable properties include water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is provided by the SC State Housing Finance & Development Authority, Midlands Region;
- Storage: The dollar value for storage is estimated to be \$5;
- Computer Room: The dollar value for a computer room (with internet service) is estimated to be \$5;

- **Fitness Room:** The dollar value for an equipped fitness room is estimated to be \$5;
- **Clubhouse:** The dollar value for a clubhouse and/or community room is estimated to be \$5;
- **Location:** Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location;
- **Condition:** Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: In most cases the Age Adjustment factor includes the adjustment for Condition; and
- **Trash:** The subject includes trash in the net rent. Most of the comparable properties include trash in the net rent and few do not. An adjustment will be made. Note: The source for the utility estimates by bedroom type is provided by the SC State Housing Finance & Development Authority, Midlands Region.

**Adjustment Factor Key:**

SF - .05 per sf per month

Patio/Balcony/Porch - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$5 (each)

Disposal - \$5

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$20      W/D Units - \$40

Pool - \$25      Tennis Court - \$15

Playground - \$5 (Na for elderly)

Full bath - \$30; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;  
Inferior - minus \$10

Water & Sewer - 2BR - \$79 (based upon: SCSHFDA, Midlands Region estimates)

Trash Removal - \$20 (based upon: SCSHFDA, Midlands Region estimates)

Age - \$1.00 per year (differential) Note: If difference is less than or near to 5-years, a choice is provided for no valuation adjustment.\*

\*Could be included with the year built (age) adjustment, thus in most cases will not be double counted/adjusted.

One Bedroom Units (NA)							
Subject		Comp # 1		Comp # 2		Comp # 3	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities							
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories							
Year Built/Rehab							
Condition							
Location							
C. Unit Amenities							
# of BR's							
# of Bathrooms							
Size/SF							
Balcony/Patio/Stor							
AC Type							
Range/Refrigerator							
Dishwasher/Disp.							
W/D Unit							
W/D Hookups or CL							
D. Development Amenities							
Clubhouse/Comm Rm							
Pool/Tennis Court							
Recreation Area							
Computer/Fitness							
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)							
				Rounded to:			



Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
The Village at Dupont Landing		Brittany Downs		Colony&South Park		New London	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$800		\$885		\$820	
Utilities Inc.	w,s,t	t	\$79	t	\$79	t	\$79
Concessions		No		No		No	
Effective Rent		\$879		\$964		\$899	
B. Design, Location, Condition							
Structures/Stories	1	2	\$10	2	\$10	2	\$10
Year Built/Rehab	2020	1998	\$22	1989	\$31	2012	\$8
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1177	1048	\$6	950	\$11	985	\$10
Balcony-Patio/Stor	Y/Y	Y/Y		Y/N	\$5	Y/N	\$5
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/Y	
W/D Unit	N	N	(\$40)	N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$5	Y		N	\$5
Pool/Tennis Court	N/N	N/N		Y/N	(\$25)	N/N	
Recreation Area	N	N		Y	(\$5)	N	
Computer/Fitness	Y/Y	N/N	\$10	N/Y	\$5	N/N	\$10
F. Adjustments							
Net Adjustment			+ \$13		+ \$32		+ \$48
G. Adjusted & Achievable Rent		\$892		\$996		\$947	
Estimated Market Rent (Avg of 6 comps, rounded)		Next Page	Next Page				

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
The Village at Dupont Landing		The Summits		The Haven @Market		Woodwinds	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$959		\$935		\$880	
Utilities Inc.	w,s,t	w,s,t		None	\$99	t	\$79
Concessions		No		Yes	(\$83)	No	
Effective Rent		\$959		\$951		\$959	
B. Design, Location, Condition							
Structures/Stories	1	3	\$10	3	\$10	1 & 2	
Year Built/Rehab	2020	2012	\$8	2008	\$12	1989	\$31
Condition	Excell	V Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		2		2	
Size/SF	1177	1050	\$6	1149	(\$1)	1074	\$5
Balcony-Patio/Stor	Y/Y	Y/N	\$5	Y/Y		Y/N	\$5
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/Y		Y/Y		Y/N	\$5
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		Y		Y	
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)	Y/Y	(\$40)
Recreation Area	N	Y	(\$5)	Y	(\$5)	Y	(\$5)
Computer/Fitness	Y/Y	Y/Y		Y/Y		Y/Y	
F. Adjustments							
Net Adjustment			- \$1		- \$9		+ \$1
G. Adjusted & Achievable Rent		\$958		\$942		\$960	
Estimated Market Rent (Avg of 6 comps, rounded)		\$949	Rounded to: \$950				

Three Bedroom Units (NA)							
Subject		Comp # 1		Comp # 2		Comp # 3	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities							
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories							
Year Built/Rehab							
Condition							
Location							
C. Unit Amenities							
# of BR's							
# of Bathrooms							
Size/SF							
Balcony/Patio/Stor							
AC Type							
Range/Refrigerator							
Dishwasher/Disp.							
W/D Unit							
W/D Hookups or CL							
D. Development Amenities							
Clubhouse/Comm Rm							
Pool/Tennis Court							
Recreation Area							
Computer/Fitness							
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)							
				Rounded to:			

SECTION K  
SIGNED STATEMENT

**NCHMA Certification**

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

Koontz & Salinger is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Koontz & Salinger is an independent market analyst firm. No principal or employee of Koontz & Salinger has any financial interest whatsoever in the development for which this analysis has been undertaken. While the document specifies Koontz & Salinger, the certification is always signed by the individual completing the study and attesting to the certification.

**SCSHDA Certification**

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Finance & Development Authority's programs. I also affirm that I have no financial interest project or current business relationship with the ownership 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 on the low income housing rental market.

**CERTIFICATION**

Koontz and Salinger  
P.O. Box 37523  
Raleigh, North Carolina 27627

Jerry M. Koontz      3-2-18  
Jerry M. Koontz                      Date  
Market Analyst Author  
(919) 362-9085

SECTION L  
ANALYST QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental agencies.

**JERRY M. KOONTZ**

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B.A. Economics 1980 Florida Atlantic Un.  
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC  
  
1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC  
  
1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.  
  
1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 34+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d)(4) programs, conventional single-family and multi-family developments, Personal care boarding homes, motels and shopping centers.

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**Member in Good Standing:** National Council of Housing Market Analysts (NCHMA)

## SECTION M

### PROFILES OF COMPARABLE PROPERTIES & REPRESENTATIVE SAMPLE SURVEY OF THE COMPETITIVE ENVIRONMENT

Part I of the survey of the competitive environment focused upon the program assisted LIHTC (elderly and family) and HUD (elderly) apartment properties located within the Aiken PMA. 100% of the LIHTC supply was surveyed. Part II consists of a sample survey of conventional market rate apartment properties located within Aiken, and in particular within near proximity to the subject site location. The analysis includes individual summaries and pictures of properties.

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information, or may have inadvertently provided incorrect information. Despite these potential problems, the compilation and synthesis of the status of the comparables (and alternatives) is considered to provide the best indication of the competitive position of the proposed subject development.

**Part I - Survey of LIHTC & Program Assisted Elderly Apartments**

1. Aiken Grand Apartments, 115 Timmerman St, Warrentville (803) 663-0392

**Type:** LIHTC-elderly (55+)

**Contact:** Ms Julie, Manager

**Date Built:** 2003

**Date:** January 31, 2018

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	24	\$492		500-600	0
2BR/1b	48	\$581	\$721	850	2
Total	72				2

**Typical Occupancy Rate:** 98%

**Security Deposit:** \$200 - to 1 month

**Waiting List:** Yes (15)

**Utilities Included:** water, sewer, trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Some

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes	Recreation Area	No
Storage	No	Picnic Area/Gazebo	No

**Design:** 8-units in 2 quads, 12-units in a historic property, and 52-units in a three story new construction mid rise w/ elevator

**Remarks:** 16-units are occupied by a Section 8 voucher holder; manager stated that the property opened in 2003 and was 100% occupied within 9 to 12 months; manager expects no negative impact; old name was - Village Senior Apts.



2. Busch Crossing Apartments, 600 Carver Terrace, Aiken (8 03) 649-6673

**Type:** LIHTC-family

**Contact:** Ms Nadie Jones

**Date Built:** 2003

**Date:** February 6, 2018

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>60% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
3BR/2b	16	\$677	1370	1
4BR/2b	7	\$720	1400	0
Total	23			1

**Typical Occupancy Rate:** 99%-100%

**Security Deposit:** 1 month rent

**Waiting List:** Yes (15)

**Utilities Included:** water, sewer

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	No	Pool	No
Laundry Room	No	Tennis	No
Community Rm	No	Recreation Area	Yes
Storage	No	Picnic Area/Gazebo	No

**Design:** single-family homes for rent

**Remarks:** 17-units are occupied by a Section 8 voucher holder; negative impact is not expected





3. Dupont Landing, 109 Benedict Dr, Aiken (803) 226-0055  
 (803) 419-6556

**Type:** LIHTC-family

**Contact:** Ms Stephanie Snoberger, Mgr & Boyd Management

**Date:** January 29, 20187

**Date Built:** 2015

**Condition:** Excellent

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
3BR/2b	44	\$545	\$665	\$195	1250	0
Total	44					0

**Typical Occupancy Rate:** 99%-100%

**Waiting List:** Yes (13)

**Security Deposit:** \$500

**Utilities Included:** None

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Community Rm	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area/Gazebo	Yes

**Design:** single-family homes for rent

**Remarks:** 21-units are occupied by a Section 8 voucher holder; manager expects no negative impact; per Boyd Management: "we rented every single house the day they were turned over to us from the construction company", Manager stated that "most of the existing tenants are from the city and a 10 mile area, a few are from N Augusta and one from Barnwell" also "most of the existing tenants are single mothers with children"



4. Glen Arbor Apartments, 2000 Glen Arbor Ct, Aiken (803) 648-6808

**Type:** LIHTC-family

**Contact:** Ms Golf, Mgr

**Date Built:** 2003

**Date:** January 29, 2018

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	40	\$535	\$535	908	0
3BR/2b	16	\$615	\$615	1053	0
Total	56				0

**Typical Occupancy Rate:** 95%-100%

**Waiting List:** Yes (5)

**Security Deposit:** \$300

**Utilities Included:** water, sewer, trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Community Rm	Yes	Recreation Area	Yes
Storage	No	Picnic Area/Gazebo	No

**Design:** 2 story walk-up

**Remarks:** 12-units are occupied by a Section 8 voucher holder; manager estimates that the property equally serves all age groups; expects no negative impact



5. Longleaf Senior Village, 205 Bushwillow Cir, Aiken (803) 648-1097

**Type:** LIHTC-elderly (55+)

**Contact:** Ms Nona Weddon, Fairway Mgmt

**Date Built:** 2015

**Date:** February 1, 2018

**Condition:** Excellent

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	6	\$344	\$374	850	0
2BR/2b	44	\$404	\$462	1100	0
Total	50				0

**Typical Occupancy Rate:** 100%

**Security Deposit:** 1 month rent

**Waiting List:** Yes (200)

**Utilities Included:** trash removal

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes (patio)

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes	Recreation Area	No
Storage	No	Picnic Area/Gazebo	No

**Design:** 1 story

**Remarks:** 6-units are occupied by a Section 8 voucher holder; the property opened in June and was 100% occupied by October, 2015; manager expects no no negative impact; manager estimated that the majority of the existing tenants came from a 10 mile radius



6. Olde South Terrace, 4001 Eclipse Loop, Aiken (803) 226-0466  
 (803) 605-4910

**Type:** LIHTC-family

**Contact:** Casey Eichorn, Guardian Asset Mgmt

**Date:** February 6, 2018

**Date Built:** 2010

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	12	\$460	\$500	\$124	1080	0
3BR/2b	36	\$500	\$565	\$188	1250	0
Total	48					0

**Typical Occupancy Rate:** 98%-99%

**Waiting List:** Yes (15)

**Security Deposit:** 1 month rent

**Utilities Included:** trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area/Gazebo	Yes

**Design:** 3 story walk-up

**Remarks:** 7-units are occupied by a Section 8 voucher holder; manager estimated that the property was 100% occupied within 1 month; no negative impact



7. Meadow Brook Acres, Wire Rd, Aiken

(803) 226-0466

(803) 605-4910

**Type:** LIHTC-family

**Contact:** Casey Eichorn, Guardian Asset Mgmt

**Date:** February 6, 2018

**Date Built:** 2011

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>60% Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	12	\$460	\$500	\$124	1116	0
3BR/2b	36	\$500	\$565	\$188	1281	0
Total	48					0

**Typical Occupancy Rate:** 98%-99%

**Waiting List:** Yes (20)

**Security Deposit:** 1 month rent

**Utilities Included:** trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes (w/computer lab)	Recreation Area	Yes
Storage	Yes	Picnic Area/Gazebo	Yes

**Design:** 2 story walk-up

**Remarks:** 5-units are occupied by a Section 8 voucher holder; manager stated that the property opened in October 2011 and was 100% occupied within 1 month; negative impact is not expected



8. Valley Homes, Myrtle St, Gloverville

(803) 594-0588 or 613-1465

**Type:** LIHTC-family

**Contact:** Ms Chanosha Lawton, Ex Dir Aiken HA

**Date:** February 7, 2018

**Date Built:** 2002

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/2b	8	\$468	850	0
3BR/2b	22	\$519	1000	0
4BR/2b	4	\$565	1200	0
Total	34			0

**Typical Occupancy Rate:** 98%-99%

**Waiting List:** Yes (30)

**Security Deposit:** 1 month rent

**Utilities Included:** None

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	No	Fitness Room	No
Community Rm	No	Recreation Area	No
Storage	No	Picnic Area/Gazebo	No

**Design:** single-family homes

**Remarks:** 34-units are occupied by a Section 8 voucher holder; manager expects no negative impact



9. Villages at Horse Creek, Gloverville

(803) 594-0588

**Type:** LIHTC-elderly (55+)

**Contact:** Ms James

**Date Built:** 2004

**Date:** January 31, 2018

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>50% Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	36	\$545	600	0
Total	36			2 (due to recent fire, will be rent ready in 2-weeks and filled)

**Typical Occupancy Rate:** 99%-100%

**Security Deposit:** 1 month rent

**Waiting List:** Yes (16)

**Utilities Included:** water, sewer, electric, trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	No

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes	Recreation Area	No
Storage	No	Picnic Area/Gazebo	No

**Design:** 2 story w/elevator

**Remarks:** all 36-units have an assigned Section 8 voucher; manager expects no negative impact; the property was 100% occupied within 6-months



10. Croft House, 356 York Street NE, Aiken

(803) 648-0771

**Type:** HUD Section 8 - Elderly

**Contact:** Ms Betty & Ms Karen

**Date Built:** 1978

**Date:** January 29, 2018

**Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size sf</u>	<u>Vacant</u>
0BR/1b	56	\$1,071	455	0
1BR/1b	4	\$1,075	860	1
Total	60			1

**Typical Occupancy Rate:** 98%-99%

**Security Deposit:** Based on income

**Waiting List:** Yes (7)

**Utilities Included:** water, sewer, electric, trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	Yes
Community Rm	Yes	Recreation Area	No
Library	Yes	Beauty Salon	Yes

**Design:** 4-story w/elevator

**Remarks:** 100% Project Based Rental Assistance; manager expects no negative impact





11. Windham House, 100 Council Circle, Aiken

(803) 641-2334

**Type:** HUD Section 202 - Elderly

**Contact:** Ms Karen Fucette, Mgr

**Date Built:** 2003

**Date:** January 29, 2018

**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	47	\$546	540	0
Total	47			0

**Typical Occupancy Rate:** 100%

**Security Deposit:** Based on income

**Waiting List:** Yes (5-6)

**Utilities Included:** water, sewer, electric, trash

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Fitness Room	No
Community Rm	Yes	Recreation Area	No
Library	Yes	Beauty Salon	No

**Design:** 4-story w/elevator

**Remarks:** 100% Project Based Rental Assistance; manager expects no negative impact



**Part II - Sample Survey of Conventional Apartment Properties**

1. Brittany Downs Apartments, 200 Berringer Dr, Aiken (803) 641-6560

**Contact:** Ms Terri  
**Date Built:** 1998

**Date:** January 29, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
0BR/1b	16	\$670	520	\$1.29	0
1BR/1b	48	\$695-\$725	720-800	\$0.91-\$0.97	0
2BR/1.5b TH	8	\$780	1008	\$0.77	0
2BR/2b	122	\$800	1048	\$0.76	0
Total	194				0

**Typical Occupancy Rate:** 98%  
**Utilities Included:** trash removal  
**Security Deposit:** \$250

**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	No
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Other:

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	No	Tennis	No
Fitness Ctr	No	Recreation Area	No
Storage	Yes (2BR/2b only)	Grilling Area	Yes

**Design:** 2 story flats & TH



2. Colony @ South Park Apts, 101 Greengate Cir, Aiken (803) 649-4140

**Contact:** Ms Chexbre, Assist Mgr  
**Date Built:** 1989

**Date:** January 31, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	48	\$810-\$885	750	\$1.08-\$1.18	1
2BR/2b	88	\$855-\$914	950	\$.90-\$.96	1
3BR/2b	48	\$940-\$1015	1150	\$.82-\$.88	4
Total	184				6

**Typical Occupancy Rate:** 98%  
**Utilities Included:** trash removal  
**Security Deposit:** \$125

**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Some (\$40 premium)	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Clubhouse	Yes (w/fitness rm)	Recreation Area	Yes
Storage	No	Picnic Area	Yes

Other: car wash area, jacuzzi, some fireplace units

**Design:** 2 story walk-up

**Remarks:** in process of renovation; lower rent = non renovated; higher rent is fully renovated



3. Dexter Arms Apartment, 650 Silver Bluff Rd, Aiken (803) 648-8200

**Contact:** Ms Delma  
**Date Built:** 1980

**Date:** January 31, 2018  
**Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	8	\$510	750	\$.68	0
2BR/1.5b	48	\$555	1000	\$.56	0
3BR/2b	16	\$630	1200	\$.53	0
Total	72				0

**Typical Occupancy Rate:** mid to high 90's  
**Utilities Included:** water, sewer, trash  
**Security Deposit:** \$500

**Waiting List:** Yes (2)  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Other:

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	No
Security	No	Clubhouse	No
Storage	No	Picnic Area	No

**Design:** 2 story walk-up & one story townhouse units

**Remarks:** 1BR units are in greatest demand



4. Glendale Terrace Apartment, 1223 York St, Aiken (803) 648-6242

**Contact:** Martin, Assist Mgr  
**Date Built:** 1973

**Date:** January 31, 2018  
**Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	20	\$560	550	\$1.02	2
2BR/1b	36	\$655	700	\$0.94	2
3BR/1.5b	4	\$700	950	\$0.74	0
Total	60				4

**Typical Occupancy Rate:** 95%  
**Utilities Included:** water, sewer, trash  
**Security Deposit:** \$300

**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Other:

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	No
Security	No	Clubhouse	No
Storage	No	Picnic Area	No

**Design:** 2 story walk-up & 1 story units

**Remarks:** no smoking allowed; must buy renters insurance



5. The Haven @ Market Street Station, 8034 MacBean Loop, Aiken (803) 641-3111

**Contact:** Ms Francesa, Manager  
**Date Built:** 2008

**Date:** January 31, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	118*	\$760-\$860	722-988	\$.87-\$1.05	2
2BR/2b	142	\$935	1149	\$.81	15
3BR/2b	24	\$1155	1292	\$.89	3
Total	284				20

50 of the 1BR units have a den (those are 988 sf)

**Typical Occupancy Rate:** mid 90's  
**Utilities Included:** None  
**Security Deposit:** \$0 - up to 1 months rent  
**Waiting List:** No  
**Concessions:** Yes

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Business Ctr	Yes	Recreation Area	Yes
Security	No	Clubhouse	Yes
Storage	Yes	Picnic Area	No

Other: car wash area, detached garages, gated access

**Design:** 3 story walk-up

**Remarks:** the current concession is \$1000 if a unit is rented before the end of February, 2018 for a 12 month lease; the premium for a garage is \$75 per month



6. New London Apartments, 389 Spencer Dr, Aiken

(803) 335-5677

Contact: Ms Heather

Date: January 31, 2018

Date Built: 2012

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	32	\$700-\$710	725	\$.97-\$.98	0
2BR/2b	32	\$815-\$825	985	\$.83-\$.84	0
Total	64				0

Typical Occupancy Rate: 98%-99%  
Utilities Included: trash removal  
Security Deposit: \$300

Waiting List: No  
Concessions: No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	No	Pool	No
Laundry Room	No	Tennis	No
Business Ctr	No	Recreation Area	No
Security	No	Clubhouse	No
Storage	No	Picnic Area	No

Design: 2 story walk-up

Remarks: the property opened in May 2012 and was full by March, 2013; has corporate units



7. Steeplechase Apartments, 749 Silver Bluff Rd, Aiken (803) 648-3800

**Contact:** Ms Amy  
**Date Built:** 1975

**Date:** January 31, 2018  
**Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	96	\$630-\$640	635	\$0.99-\$1.01	0
2BR/1.5b	24	\$750	835	\$0.90	0
3BR/1.5b	6	\$800	1050	\$0.76	0
Total	126				0

**Typical Occupancy Rate:** 99%  
**Utilities Included:** water, sewer, trash  
**Security Deposit:** \$300

**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Other: microwave in some units

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	Yes
Fitness Ctr	No	Recreation Area	Yes
Security	No	Clubhouse	Yes
Storage	No	Picnic Area	No

**Design:** 2 story walk-up

**Remarks:** manager stated that the property "maintains a contact list vs a waiting list"





8. The Summits, 2170 Jefferson Davis Hwy, Aiken

(803) 708-7588

**Contact:** Ms Gillian, Mgr  
**Date Built:** 2012

**Date:** January 31, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
2BR/2b	96	\$949-\$969	1034-1066	\$.91-\$.92	2
3BR/2b	24	\$1149-\$1159	1274-1306	\$.89-\$.90	1
Total	120				3

**Typical Occupancy Rate:** 97%-98%  
**Utilities Included:** 2BR-\$110; 3BR-\$120  
**Security Deposit:** \$0 - up to 1 months rent

**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Other: microwave in all units

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	Yes	Recreation Area	Yes
Security	No	Clubhouse	Yes
Storage	No	Picnic Area	No

**Design:** 3 story walk-up; gated access; pet park

**Remarks:** the property opened in February 2012, and was 90% occupied in July 2012, and 100% occupied in August 2012; utility bundle includes water, sewer, trash, pest, cable



9. Trotters Run Apartments, 925 Trail Ridge Rd, Aiken (803) 641-7163

**Contact:** Ms Amanda  
**Date Built:** 2001

**Date:** January 31, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	24	\$700	692	\$1.01	0
2BR/2b	60	\$820	1000-1010	\$.81-\$.82	0
3BR/2b	11	\$920	1230	\$.75	0
Total	96				0

**Typical Occupancy Rate:** 96%      **Waiting List:** No  
**Utilities Included:** water, sewer, trash, cable      **Concessions:** Yes  
**Security Deposit:** \$99

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Other: storage closet

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Clubhouse	Yes
Garages	Yes	Picnic Area	No

**Design:** 3 story walk-up

**Remarks:** the property is currently offering a concession of \$25 per month with as 12 month lease



10. Verandas on the Green, 101 Fairway Ridge Rd, Aiken (803) 649-3468

**Contact:** Ms Rachael, Mgr  
**Date Built:** 1985 (rehab in 2005)

**Date:** January 31, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	56	\$700	775	\$.90	1
2BR/2b	136	\$766	1000	\$.77	4
3BR/2b	30	\$863	1235	\$.70	1
Total	222				6

**Typical Occupancy Rate:** 94%  
**Utilities Included:** water, sewer, trash, cable  
**Security Deposit:** \$300 and up  
**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Business Ctr	Yes	Clubhouse	Yes
Computer Ctr	Yes	Picnic Area	No

Other: car wash area, gated access

**Design:** 2 story walk-up

**Remarks:** offers a utility bundle, 1BR=\$65, 2BR=\$75, 3BR=\$85



**Contact:** Ms Ashley, Lsg Consultant  
**Date Built:** 1989

**Date:** February 1, 2018  
**Condition:** Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
2BR/2b	72	\$880	1074	\$.82	0
2BR/2.5b TH	20	\$914	1157	\$.79	1
3BR/2b	24	\$985	1236	\$.80	4
3BR/2b TH	28	\$1030	1252	\$.82	0
Total	144				5

**Typical Occupancy Rate:** mid 90's to high 90's  
**Utilities Included:** trash removal  
**Security Deposit:** \$125  
**Waiting List:** No  
**Concessions:** No

**Amenities - Unit**

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Other: microwave

**Amenities - Project**

On-Site Mgmt	Yes (office)	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	Yes	Recreation Area	Yes
Security	No	Clubhouse	Yes
Storage	No	Picnic Area	Yes

**Design:** 2 story walk-up & one story

**Remarks:**



**NCHMA Market Study Index**

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number.

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**APPENDIX**

**PERMIT DATA**

**UTILITY ALLOWANCES**

**SCHEMATIC SITE PLAN**

**NCHMA CERTIFICATION**



Table 19 exhibits building permit data between 2000 and 2017 for the City of Aiken. Since 2000, approximately 4.7% of the permits issued within the City of Aiken were multi-family.

<b>Table 19</b> <b>New Housing Units Permitted:</b> <b>City of Aiken</b> <b>2000-2017</b>					
Year	Net Total <sup>2</sup>	1 Unit	2 Units	3-4 Units	5+ Units
2000	192	192	--	--	--
2001	242	238	4	--	--
2002	251	247	4	--	--
2003	274	272	2	--	--
2004	299	297	2	--	--
2005	322	320	2	--	--
2006	280	278	2	--	--
2007	194	188	6	--	--
2008	113	109	4	--	--
2009	85	85	--	--	--
2010	85	85	--	--	--
2011	83	83	--	--	--
2012	99	99	--	--	--
2013	91	91	--	--	--
2014	182	132	--	40	10
2015	121	121	--	--	--
2016	152	134	--	--	18
2017	166	110	--	--	56
<b>Total</b>	<b>3,221</b>	<b>3,071</b>	<b>26</b>	<b>40</b>	<b>84</b>

<sup>1</sup>Source: US Bureau of Census, Censtats.

<sup>2</sup>Net total equals new SF and MF permits.

**UTILITY ALLOWANCES**

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0169

Locality		Green Discount	Unit Type					Date (mm/dd/yyyy)
SC State Housing Finance & Development Agency Midlands Region		<b>ENERGY STAR</b>	Lowrise Apartment (2 - 4 units)					01/01/2018
Utility or Service		Monthly Dollar Allowances						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
<b>Space Heating</b>	Natural Gas	\$32	\$38	\$40	\$43	\$45	\$48	
	Bottled Gas	\$60	\$71	\$75	\$80	\$84	\$89	
	Electric Resistance	\$16	\$18	\$22	\$26	\$30	\$34	
	Electric Heat Pump	\$12	\$14	\$17	\$18	\$20	\$22	
	Fuel Oil	\$39	\$46	\$48	\$51	\$54	\$57	
<b>Cooking</b>	Natural Gas	\$4	\$5	\$7	\$10	\$12	\$14	
	Bottled Gas	\$8	\$9	\$14	\$18	\$22	\$26	
	Electric	\$5	\$6	\$8	\$10	\$13	\$15	
	Other							
<b>Other Electric</b>	Electric	\$22	\$25	\$35	\$45	\$55	\$65	
<b>Air Conditioning</b>	Electric	\$13	\$16	\$22	\$29	\$36	\$43	
<b>Water Heating</b>	Natural Gas	\$12	\$14	\$20	\$26	\$32	\$38	
	Bottled Gas	\$22	\$26	\$37	\$49	\$60	\$71	
	Electric	\$14	\$16	\$20	\$25	\$29	\$34	
	Fuel Oil	\$14	\$17	\$24	\$31	\$39	\$46	
<b>Water</b>		\$21	\$23	\$33	\$47	\$61	\$76	
<b>Sewer</b>		\$31	\$33	\$46	\$63	\$75	\$87	
<b>Trash Collection</b>		\$20	\$20	\$20	\$20	\$20	\$20	
<b>Range/Microwave</b>		\$4	\$4	\$4	\$4	\$4	\$4	
<b>Refrigerator</b>		\$5	\$5	\$5	\$5	\$5	\$5	
<b>Electric Base Charge</b>		\$11	\$11	\$11	\$11	\$11	\$11	
<b>Natural Gas Base Charge</b>		\$11	\$11	\$11	\$11	\$11	\$11	
<b>Other - specify</b>								

Actual Family Allowances to be used by the family	Utility or Service	Per Month Cost
Complete below for actual unit rent	Heating	
Name of Family	Cooking	
	Other Electric	
	Air Conditioning	
Address of Unit	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Refrigerator	
	<b>Total</b>	<b>\$</b>

Previous editions are obsolete

Spreadsheet (ver13) based on form HUD-52667 (12/97).  
ref. Handbook 7420.8



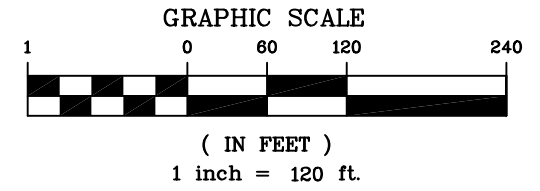
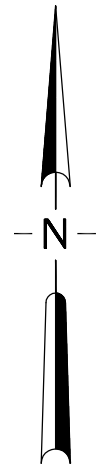
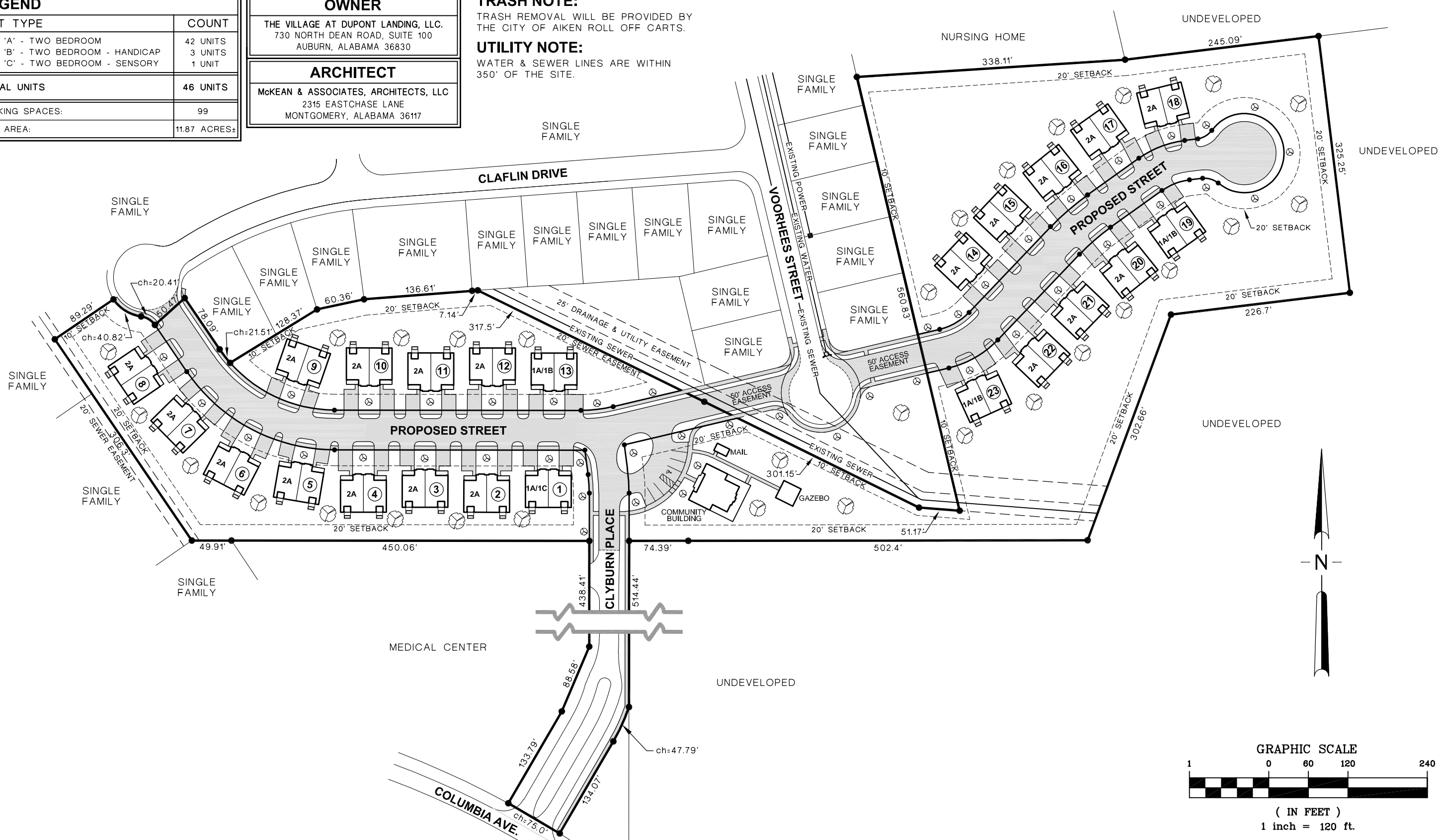
LEGEND	
UNIT TYPE	COUNT
UNIT 'A' - TWO BEDROOM	42 UNITS
UNIT 'B' - TWO BEDROOM - HANDICAP	3 UNITS
UNIT 'C' - TWO BEDROOM - SENSORY	1 UNIT
<b>TOTAL UNITS</b>	<b>46 UNITS</b>
PARKING SPACES:	99
SITE AREA:	11.87 ACRES±

**OWNER**  
 THE VILLAGE AT DUPONT LANDING, LLC.  
 730 NORTH DEAN ROAD, SUITE 100  
 AUBURN, ALABAMA 36830

**ARCHITECT**  
 MCKEAN & ASSOCIATES, ARCHITECTS, LLC  
 2315 EASTCHASE LANE  
 MONTGOMERY, ALABAMA 36117

**TRASH NOTE:**  
 TRASH REMOVAL WILL BE PROVIDED BY THE CITY OF AIKEN ROLL OFF CARTS.

**UTILITY NOTE:**  
 WATER & SEWER LINES ARE WITHIN 350' OF THE SITE.



**SCHEMATIC SITE PLAN**  
**THE VILLAGE AT DUPONT LANDING**  
 AIKEN, SOUTH CAROLINA

FEBRUARY 27, 2018



**NCHMA CERTIFICATION**

# Certificate of Membership

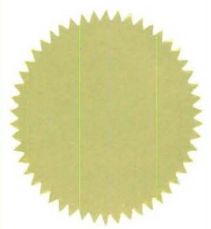
**Koontz & Salinger**  
Is a Member Firm in Good Standing of



Formerly known as  
National Council of Affordable  
Housing Market Analysts

National Council of Housing Market Analysts  
1400 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

**Membership Term**  
7/01/2017 to 6/30/2018



Thomas Amdur  
Executive Director, NH&RA

# **EXHIBIT S-2**

## **Primary Market Area**



**2018 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:**

Development Name: The Village at Dupont Landing Total # Units: 46  
 Location: Aiken, SC # LIHTC Units: 46  
 PMA Boundary: N: Edgefield County; E: remainder of Aiken County; S: remainder of Aiken County;  
 W: Augusta/N Augusta PMA  
 Development Type: Family  Older Persons  Farthest Boundary Distance to Subject: 9 miles

**RENTAL HOUSING STOCK (found on pages 69-70)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	22	2,084	48	97.7%
Market-Rate Housing	11	1,566	44	97.2%
Assisted/Subsidized Housing not to include LIHTC	2	107	1	99.1%
<b>LIHTC (All that are stabilized) *</b>	9	411	3	99.3%
Stabilized Comps** (LIHTC-el)	3	158	2	98.7%
Non-stabilized Comps				%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
10	2	2	1,177	\$570	\$950	\$0.91	40.0%	\$959	\$0.91
36	2	2	1,177	\$615	\$950	\$0.91	35.3%	\$959	\$0.91
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
				\$	\$	\$	%	\$	\$
<b>Gross Potential Rent Monthly*</b>				<b>\$605</b>	<b>\$950</b>		36.3%		

\*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 pages 45 & 48)**

	2010		2017		2020	
Renter Households		%	2,428	16.27%	2,620	15.92%
Income-Qualified Renter HHs (LIHTC)		%	320	13.18%	337	12.87%
Income-Qualified Renter HHs (MR)		%		%		%

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 58)**

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	10	17				27
Existing Households (Overburd + Substand)	93	157				250
Homeowner conversion (Seniors)	17	29				46
Other:						
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-qualified Renter HHs</b>	<b>120</b>	<b>203</b>				<b>323</b>

**CAPTURE RATES (found on pages 59-60)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	11.1	23.7				19.0

**ABSORPTION RATE (found on page 61)**

Absorption Period: 6 months (8-units/month)

# **EXHIBIT S-2**

## **Rent Calculation Worksheet**

2018 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
10	2 BR	\$570	\$5,700	\$950	\$9,500	
36	2 BR	\$615	\$22,140	\$950	\$34,200	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	46		\$27,840		\$43,700	36.29%