



**A SENIOR RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
SUMMERVILLE, SOUTH CAROLINA
(*Dorchester County*)**

The Villas at Oakbrook

*Northwest corner of Ladson Road and Old Trolley Road
Summerville, South Carolina 29485*

March 5, 2014

Prepared for:

Brad Queener
Bradley Summerville, LLC
100 2nd Avenue South
Suite 330
North Myrtle Beach, SC 29582

Prepared by:

Steven Shaw
Shaw Research & Consulting
P.O. Box 38
Bad Axe, MI 48413
Phone: (989) 415-3554

Table of Contents

INTRODUCTION..... 1

EXECUTIVE SUMMARY 2

A. PROJECT DESCRIPTION 5

B. SITE DESCRIPTION..... 7

1. SITE VISIT DATE.....7

2. SITE NEIGHBORHOOD AND OVERVIEW7

3. NEARBY RETAIL 8

4. MEDICAL OFFICES AND HOSPITALS 8

5. OTHER PMA SERVICES 9

6. CRIME ASSESSMENT 20

7. ROAD/INFRASTRUCTURE IMPROVEMENTS.....21

8. OVERALL SITE CONCLUSIONS21

C. PRIMARY MARKET AREA DELINEATION..... 22

D. MARKET AREA ECONOMY 27

1. EMPLOYMENT BY INDUSTRY27

2. COMMUTING PATTERNS28

3. LARGEST EMPLOYERS30

4. EMPLOYMENT AND UNEMPLOYMENT TRENDS30

E. COMMUNITY DEMOGRAPHIC DATA..... 34

1. POPULATION TRENDS34

2. HOUSEHOLD TRENDS37

3. SENIOR-SPECIFIC DEMOGRAPHIC DATA.....41

3. HOUSEHOLD INCOME TRENDS46

F. DEMAND ANALYSIS..... 50

1. DEMAND FOR SENIOR TAX CREDIT RENTAL UNITS..... 50

2. CAPTURE AND ABSORPTION RATES..... 54

G. SUPPLY/COMPARABLE RENTAL ANALYSIS 55

1. SUMMERVILLE PMA RENTAL MARKET CHARACTERISTICS.....55

2. COMPARABLE SENIOR RENTAL MARKET CHARACTERISTICS56

3. COMPARABLE PIPELINE UNITS57

4. IMPACT ON EXISTING TAX CREDIT PROPERTIES57

6. MARKET RENT CALCULATIONS.....67

H. INTERVIEWS 70

I. CONCLUSIONS/RECOMMENDATIONS..... 71

J. SIGNED STATEMENT REQUIREMENTS 72

K. SOURCES..... 73

L. RESUME..... 74

CERTIFICATE OF ACCURACY AND RELIABILITY

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



Steven R. Shaw
SHAW RESEARCH & CONSULTING

Date: March 5, 2014

INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Summerville area as it pertains to the market feasibility of The Villas at Oakbrook Apartments, a proposed 42-unit affordable rental housing development targeted for low-income senior households 55 years and older. The subject proposal is to be located in the southeastern portion of Summerville at the northwest corner of Ladson Road and Old Trolley Road, approximately one-eighth mile south of Dorchester Road (NC 642). The site, which is approximately five miles south of Interstate 26, is situated within a neighborhood with a mix of commercial and retail properties, undeveloped wooded land, and residential usages to a lesser extent.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Summerville market area. All fieldwork and community data collection was conducted on February 28th, 2014 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed The Villas at Oakbrook will feature a total of 42 units (six one-bedroom units and 36 two-bedroom units) restricted to senior households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal, as described in the following project description, within the Summerville market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal is a 42-unit senior-only rental development targeting low-income senior households. The facility will consist of a mix of one and two bedroom units restricted to households at 50 and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Summerville PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable rental housing.
- 3) Occupancy rates for affordable rental housing are quite positive throughout the Summerville market area at the current time. As such, an overall occupancy rate of 99.4 percent was calculated among eight LIHTC properties (six senior and two family) included in a February 2014 survey of rental developments identified and contacted within or near the PMA.
- 4) Considering only the five most comparable senior tax credit developments within the area, a combined occupancy rate of 99.6 percent was determined along with each property reporting to be maintaining a long waiting list – providing a clear indication of the demand and need for affordable senior rental options locally.
- 5) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Summerville area have been relatively positive since 2000. As such, the senior population (55 and over) within the PMA increased by 16 percent between 2010 and 2013, representing nearly 4,300 additional senior residents during this time. Further, future projections indicate these gains will continue, with an estimated increase of 22 percent (roughly 7,150 persons) anticipated between 2013 and 2018.
- 6) Considering the subject's proposed targeting, affordable rental rates, and competitive unit sizes and development features, the introduction of The Villas at Oakbrook should prove successful. Based on positive demographic patterns, and generally high occupancy levels throughout the local rental stock, especially within senior properties, a newly constructed senior-only rental option would undoubtedly be successful within the Summerville PMA. As such, evidence presented within the market study suggests a normal lease-up period (between five and seven months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2014 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	THE VILLAS AT OAKBROOK	Total # Units:	42
Location:	5010 Ladson Road	# LIHTC Units:	42
PMA Boundary:	North=Mallard Rd/Jedburg Rd; South=Ashley-Phosphate Rd; East=College Park Rd/U.S. 26; West=Central Ave/Dorchester Creek/Ashley River		
Development Type:	Family <u>XX</u> Older Persons	Farthest Boundary Distance to Subject:	8 Miles

RENTAL HOUSING STOCK (found on page 58)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	18	2,257	150	93.4%
Market-Rate Housing	8	1,660	147	91.1%
Assisted/Subsidized Housing not to include LIHTC	2	104	0	100.0%
LIHTC (All that are stabilized)*	8	493	3	99.4%
Stabilized Comps**	8	493	3	99.4%
Non-stabilized Comps	0	0	0	NA

*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
2	1 BR	1.0	810	\$440	\$790	\$0.97	44.3%	\$875	\$1.08
4	1 BR	1.0	810	\$550	\$790	\$0.97	30.3%	\$875	\$1.08
9	2 BR	2.0	966	\$510	\$904	\$0.94	43.6%	\$1,049	\$0.99
27	2 BR	2.0	966	\$640	\$904	\$0.94	29.2%	\$1,049	\$0.99
0	3 BR	2.0	NA	\$0	\$0	NA	NA	NA	NA
0	3 BR	2.0	NA	\$0	\$0	NA	NA	NA	NA
Gross Potential Rent Monthly*				\$24,950	\$37,294		33.10%		

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

DEMOGRAPHIC DATA (found on page 34)

	2010		2013		2016	
Renter Households	3,090	18.2%	3,529	18.2%	3,967	18.2%
Income-Qualified Renter HHs (LIHTC)	443	14.3%	505	14.3%	568	14.3%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 50)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Renter Household Growth	44	45				63
Existing Households (Overburd + Substand)	128	131				184
Homeowner Conversion (Seniors)	27	30				43
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-Qualified Renter HHs	199	206	0	0	0	289

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	5.5%	15.1%				14.5%

ABSORPTION RATE (found on page 54)

Absorption Period: 5 to 7 months

2014 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	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
2	1 BR	\$440	\$880	\$790	\$1,579	
4	1 BR	\$550	\$2,200	\$790	\$3,158	
0	1 BR		\$0		\$0	
9	2 BR	\$510	\$4,590	\$904	\$8,139	
27	2 BR	\$640	\$17,280	\$904	\$24,417	
0	2 BR		\$0		\$0	
0	3 BR		\$0	\$0	\$0	
0	3 BR		\$0	\$0	\$0	
0	3 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
Totals	42		\$24,950		\$37,294	33.10%

A. PROJECT DESCRIPTION

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

Project Name:	THE VILLAS AT OAKBROOK
Project Address:	5010 Ladson Road
Project City:	Summerville, South Carolina
County:	Dorchester County
Total Units:	42
Occupancy Type:	Older Persons (55+)
Construction Type:	New Construction
Income Targeting*:	<i>Overall - \$17,400 to \$29,760</i>
	<i>50% AMI - \$17,400 to \$24,800</i>
	<i>60% AMI - \$20,700 to \$29,760</i>

Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
One-Bedroom Units	6								
50% of Area Median Income	2	Apt	1.0	810	\$440	\$140	\$580	\$581	No
60% of Area Median Income	4	Apt	1.0	810	\$550	\$140	\$690	\$697	No
Two-Bedroom Units	36								
50% of Area Median Income	9	Apt	2.0	960-990	\$510	\$181	\$691	\$697	No
60% of Area Median Income	27	Apt	2.0	960-990	\$640	\$181	\$821	\$837	No

*Maximum LIHTC Rents and Income Limits are based on 2014 Income & Rent Limits (effective 12/18/2013) obtained from SCSHFDA website (www.schousing.com).

Project Description:

Development Location.....	Summerville, South Carolina
Construction Type.....	New construction
Occupancy Type	Older Persons (<i>55 years and over</i>)
Target Income Group.....	100% LIHTC (<i>50% and 60% AMI</i>)
Special Population Group	N/A
Number of Units by Unit Type	See previous page
Unit Sizes	See previous page
Rents and Utility Information	See previous page
Proposed Rental Assistance (PBRA)	None

Project Size:

Total Development Size.....	42 units
Number of Affordable Units.....	42 units
Number of Market Rate Units.....	0 units
Number of PBRA Units	0 units
Number of Employee Units	0 units

Development Characteristics:

Number of Total Units	42 units
Number of Garden Apartments.....	42 units
Number of Townhouses.....	0 units
Number of Residential Buildings.....	1 (<i>maximum three stories</i>)
Number of Community Buildings	0
Exterior Construction.....	Minimum 70% Brick

Unit Amenities:

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

Development Amenities:

- Multi-Purpose Room w/ Kitchenette
- Equipped Computer Center
- Equipped Exercise Room
- Video Camera Security System
- On-Site Laundry Facility
- Elevator
- Covered Gazebo w/ Picnic Tables
- On-Site Management Office

Additional Assumptions:

- Only trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for late 2015/early 2016;

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on February 28th, 2014 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the southeastern portion of Summerville at the northwest corner of Ladson Road and Old Trolley Road, less than one-eighth mile south of Dorchester Road (NC 642). Overall characteristics of the immediate neighborhood are somewhat mixed, with retail/commercial properties adjacent to the north of the site, a family-oriented apartment development (Colonial Village at Waters Edge) is adjacent to the east, and undeveloped densely wooded property can be found adjacent to the south and west. The intersection of Ladson Road, Old Trolley Road, and Dorchester Road is largely commercial and retail, consisting of a mix of older and newer structures. Retail/commercial adjacent to the site include Big Lots, Lady's Choice Fitness Center, a closed bowling alley, and several restaurants (including McDonalds, Waffle House, and Hardee's) – ranging from fair to good condition. Furthermore, the apartment facility adjacent to the east is in good condition.

The subject property consists of approximately 2.4 acres of undeveloped, moderately wooded property. Situated within Census Tract 108.08 of Dorchester County, the property is currently zoned as B-3 (General Business) - which allows for the development of multi-family units upon site plan approval. Based on current usages, zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** Retail/Commercial (*in fair condition*)
- South:** Old Trolley Road/Undeveloped, densely wooded property
- West:** Old Trolley Road/Undeveloped, densely wooded property
- East:** Ladson Road/Apartments (*in good condition*)

The subject property's location is just south of a substantial retail area, which branches out along Dorchester Road, Old Trolley Road, and Ladson Road. The site is situated along a seemingly quiet and lightly-traveled secondary residential street, and provides a generally positive curb appeal with most nearby properties (commercial/retail or otherwise) in fair to good

condition. Although Dorchester Road is a relatively highly-traveled five-lane divided roadway, no traffic congestion was apparent along Ladson Road or Old Trolley Road south of Dorchester Road. It should also be noted that traffic back-ups are common along Dorchester Road due to an ongoing road-widening project, but will be alleviated when work is expected to be completed by April 2014. Although the site will have only limited visibility from a well-traveled roadway, its location near Dorchester Road provides abundant retail opportunities, and should be considered a positive attribute and suitable for multi-family housing.

3. Nearby Retail

As previously stated, the subject property is situated near one of the foremost retail corridors within the southern portion of Summerville. As such, several retail opportunities can be found within ¼ mile of the site, including the Oakbrook Square shopping store (with the Community Thrift Store and several other services), Walgreens, Bi-Lo grocery, and Dollar General. Dorchester Road east of Ladson Road is becoming increasingly developed, with a Walmart Supercenter (approximately ½ mile from the site) and the Corner at Wescott shopping center constructed in recent years. Additional nearby concentrations are located north of the site along Ladson Road (with a Kmart less than ½ mile away) and Old Trolley Road (with two shopping centers within 1¼ miles).

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area as well. The nearest full-service hospital to the site is the Summerville Medical Center (a 94-bed, acute-care hospital with a 24-hour emergency room and comprehensive medical services), located approximately 1¼ miles to the north along Midland Parkway, just west of Ladson Road. An urgent care is situated along Dorchester Road just west of Old Trolley Road (less than ¼ mile from the site), while several physician offices and medical/specialty clinics can be found within 1½ miles of the subject property.

5. Other PMA Services

Additional services of note within the market area include a library, YMCA, and several parks, most of which are a short drive from the subject property. In addition, the Dorchester Senior Center can be found near downtown Summerville (approximately six miles northwest of the site), offering activities and various services for area seniors. Scheduled, fixed-route bus/transit services are provided locally through the Charleston Area Regional Transportation Authority (CARTA), which offers service from Summerville to other areas of the greater Charleston metropolitan area. While the nearest bus stop to the site is at the corner of Dorchester Road and Old Trolley Road, service only extends east along Dorchester Road to Charleston and not to downtown Summerville. TriCounty Link also provides transit services throughout Berkeley, Charleston, and Dorchester Counties, although no bus stops are located near the site.

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

Retail

- 1. Oakbrook Square shopping center0.1 mile north
(includes Community Thrift Store, Expressions Hair Salon, Davis Cleaners, Liberty Tax, and Bingo)
- 2. Walgreens0.1 mile north
- 3. Big Lots/Lady’s Choice Fitnessadjacent to north
- 4. Bi-Lo grocery/Dollar General0.2 miles northwest
- 5. Kmart0.4 miles north
- 6. Walmart Supercenter0.5 miles east
- 7. Lowe’s Home Improvement1.5 miles southeast
- 8. Corner at Wescott shopping center1.8 miles southeast
(includes Harris Teeter grocery, Marshall’s, Rack Room Shoes, Pet Supplies Plus, Gold Crown Hallmark, and Great Clips)
- 9. Publix Supermarket and Pharmacy1.1 miles north
- 10. Trolley Square shopping center1.2 miles north
(includes CVS/Pharmacy, Dairy Queen, Great Clips, Curves for Women, #1 Nails, and Ever So Sweet Bakery)
- 11. Goodwill Retail and Donation Center3.0 miles northwest
- 12. Dollar General2.2 miles north
- 13. Food Lion/Family Dollar2.6 miles north

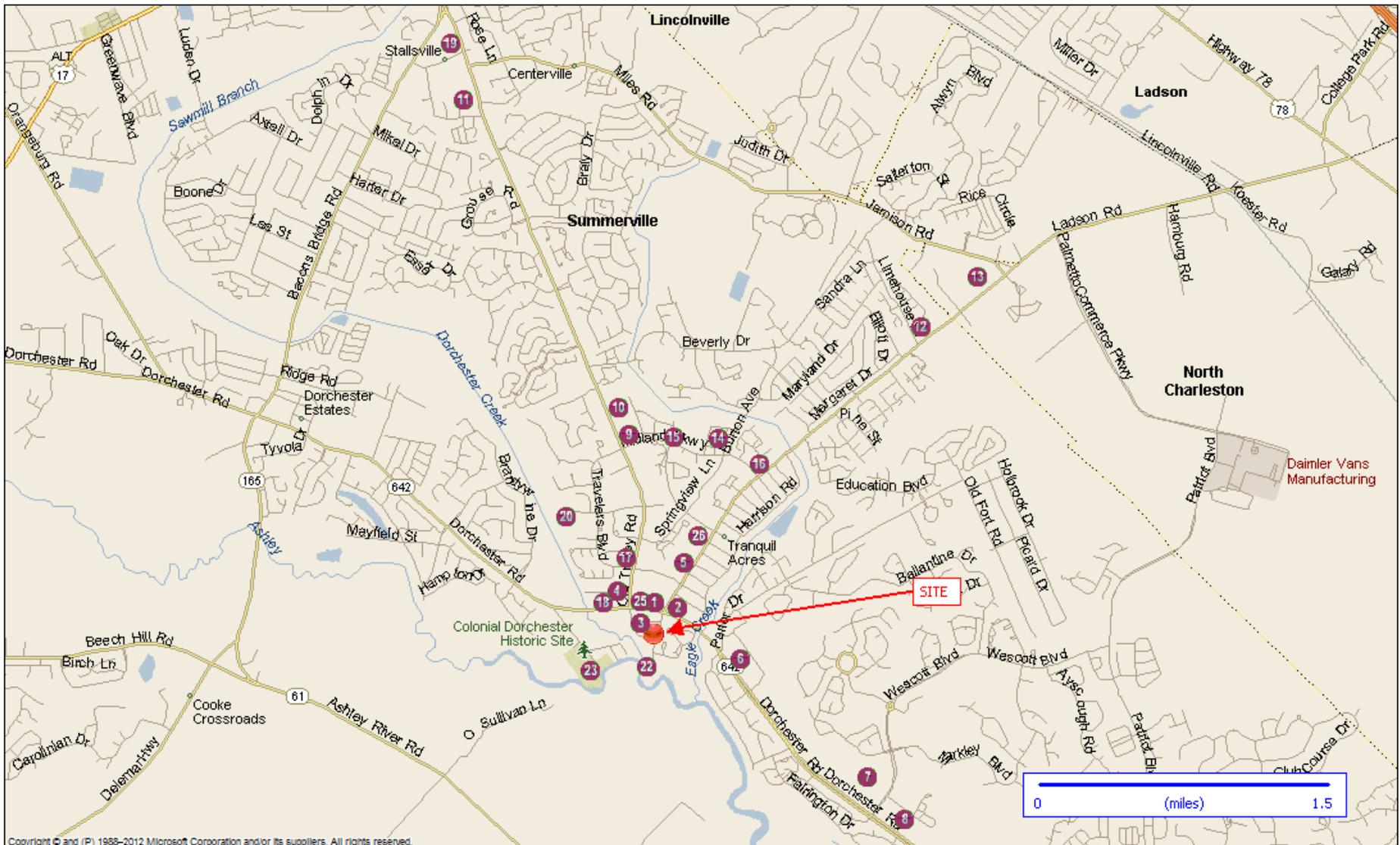
Medical

- 14. Summerville Medical Center1.2 miles north
- 15. Palmetto Wellness Center1.4 miles north
- 16. Nason Medical Urgent Care1.0 mile north
- 17. Palmetto Primary Care Physicians0.4 miles north
- 18. Doctor’s Care Urgent Care0.2 miles northwest

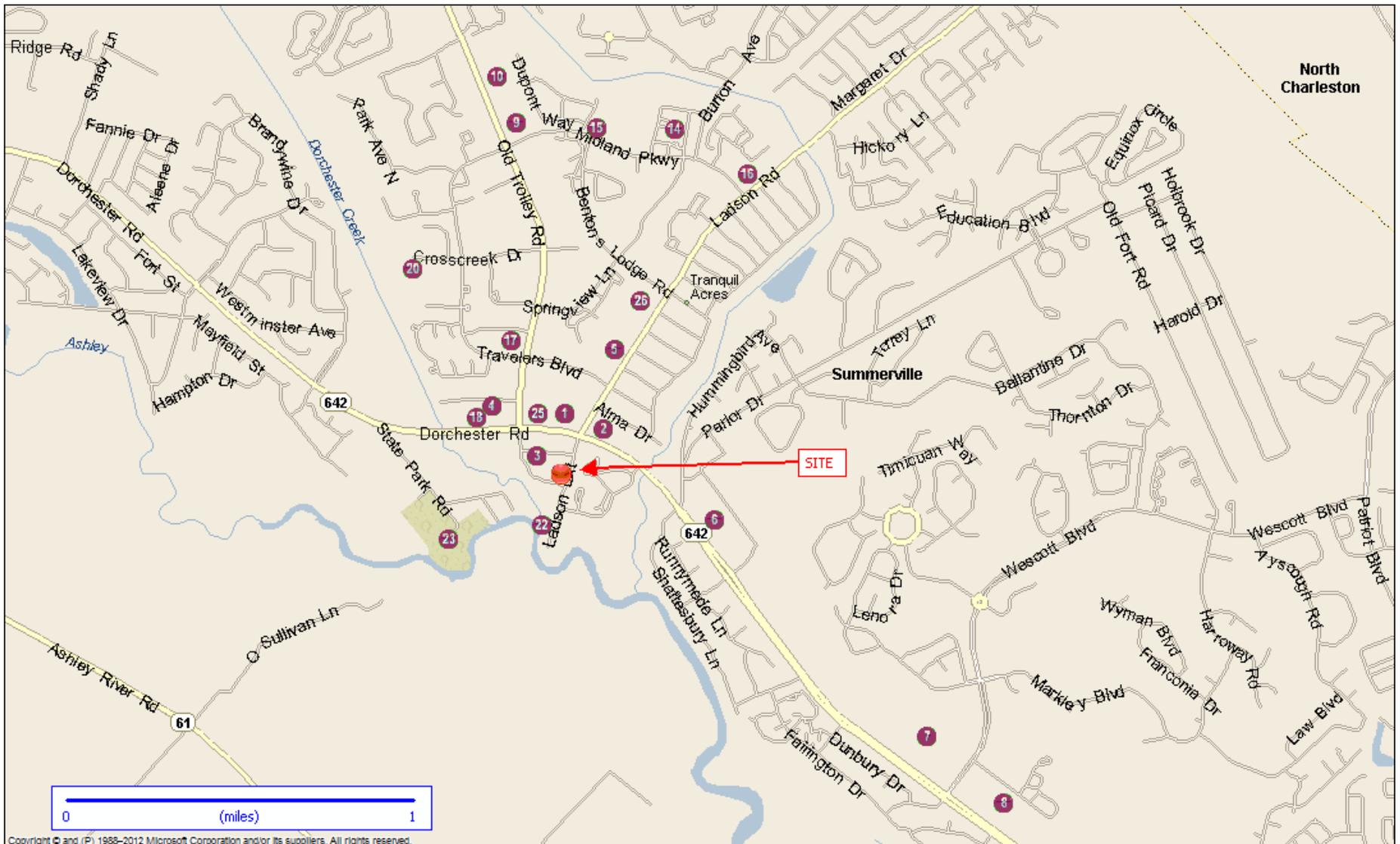
Recreation/Other

- 19. Dorchester County Library3.4 miles northwest
- 20. Summerville Family YMCA at Oakbrook0.9 miles northwest
- 21. Dorchester Senior Center *(not on map)*5.8 miles northwest
- 22. Rotary Centennial Park0.2 miles south
- 23. Old Fort Dorchester State Historic Park0.8 miles west
- 24. Gahagan Park5.2 miles northwest
- 25. U.S. Post Office0.1 mile north
- 26. Cinemark Cinemas0.6 miles north
- 27. Downtown Summerville *(not on map)*5.2 miles northwest

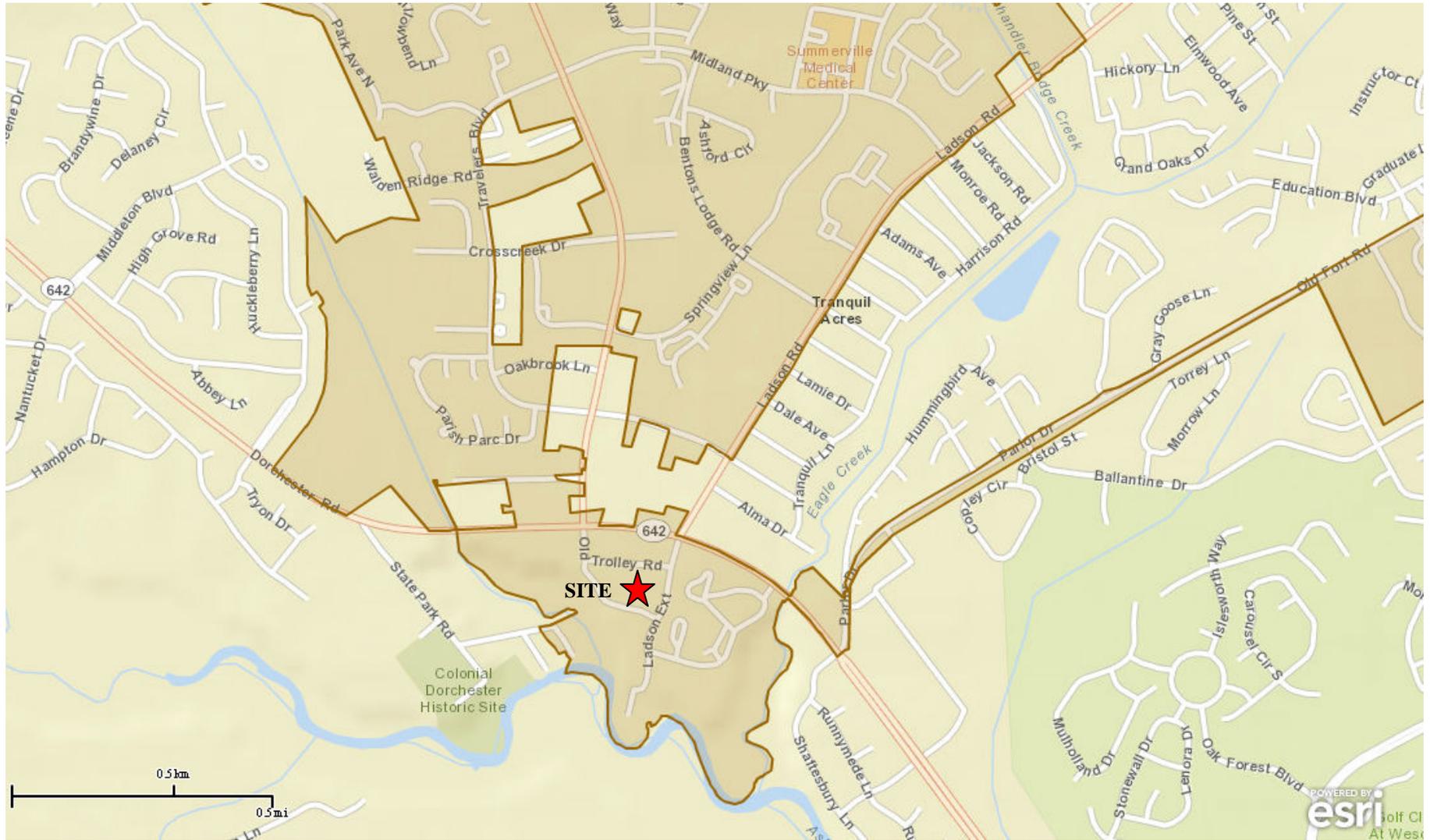
Map 1: Local Features/Amenities – Summerville Area



Map 2: Local Features/Amenities – Close View



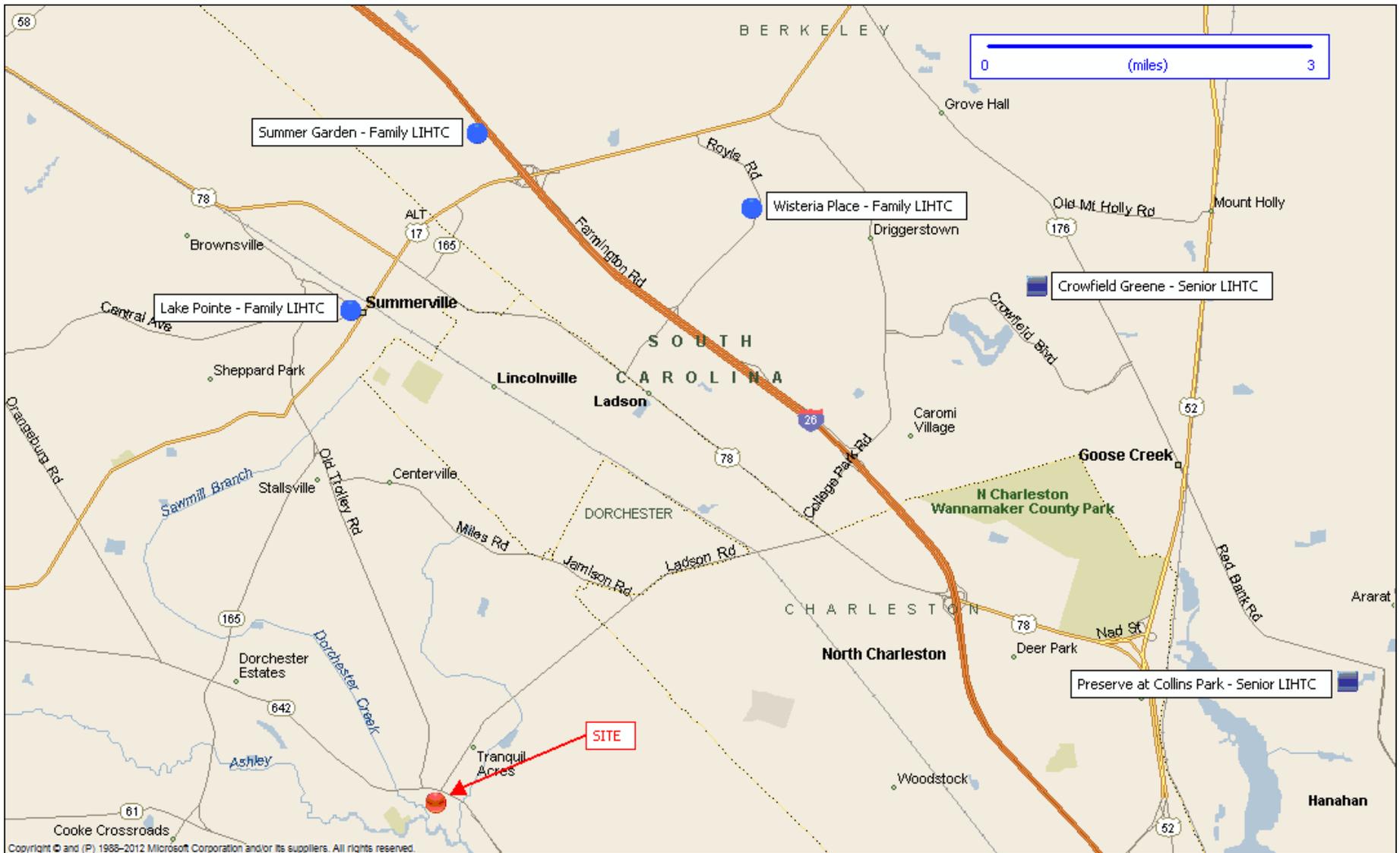
Map 3: Site Location - Neighborhood Map



Map 4: Site Location - Aerial Photo



Map 5: Affordable Rental Housing



Site/Neighborhood Photos



**SITE – Facing west from Ladson Road
Summerville, SC**



**SITE – Facing south from rear of bowling center
Summerville, SC**



**SITE – Facing east from Old Trolley Road
Summerville, SC**



**SITE – Facing north from Old Trolley Road
Summerville, SC**



**Bowling center (currently closed) adjacent to north of the site
Facing northwest from Ladson Road
Site is on left**



**Property line between subject property and bowling center adjacent to north
Facing west from eastern edge of site
Site is on left**



**Property line between subject property and Big Lots store adjacent to north
Facing east from western edge of site
Site is on right**



**Undeveloped, densely wooded property adjacent to west of site
Facing west from Old Trolley Road**



**Apartments adjacent to east of site
Facing east from Ladson Road**



**Undeveloped, densely wooded property adjacent to
south of site
Facing south from Old Trolley Road**



**Facing north along Ladson Road
Site is on left**



**Facing south along Ladson Road
Site is on right**



**Facing west along Old Trolley Road
Photo from corner of Ladson Road
Site is on right**



**Facing east along Old Trolley Road
Site is on left**

6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is notably lower than both state and national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29485) had a 2010 Total Crime Risk index of 77 – as compared to 122 for the state (whereas an index of 100 is the national average). According to index values, Rape Risk was the highest (at 114) and represented the only factor above national norms (albeit still below the state value). Conversely, Robbery Risk and Automotive Theft Risk (36 and 48, respectively) were the lowest of all factors. Considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site, or community as a whole.

Table 1: Crime Risk Index (2010)

	Zip: 29485	State
	<u>Index*</u>	<u>Index*</u>
Total 2010 Crime Risk Index	77	122
Personal Crime Index		
Murder Risk	66	132
Rape Risk	114	129
Robbery Risk	36	91
Assault Risk	72	201
Property Crime Index		
Burglary Risk	65	132
Larceny Risk	74	125
Automotive Theft Risk	48	84
*Values are represented as an index, where the value 100 represents the national average.		
Source: CLResearch.com - Data by Zip Code		

7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the Summerville market, Dorchester Road west of Old Trolley Road is currently undergoing significant road and infrastructure improvements. The project, which consists of widening a five mile stretch along Dorchester Road (construction is completed to the east of Ladson Road) from two lanes to four lanes, began in 2011 and is expected to be completed by April 2014 after numerous delays.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with several retail centers, medical offices, parks and community centers, and other various services all located within the immediate area – much of which is less than two miles from the subject property. Based on a site visit conducted February 28th, 2014, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that could have adverse effect on the marketability or absorption of the subject property. The only potentially negative attribute is the close proximity of the vacant bowling alley to the north (as well as the rear view of retail buildings) – however, this can be considered as relatively minor and be alleviated with proper buffering. In addition, the subject property’s location along a seemingly quiet and lightly traveled secondary street offers convenient access to Dorchester Road, and also provides a generally positive curb appeal with most nearby structures in fair to good condition.

C. PRIMARY MARKET AREA DELINEATION

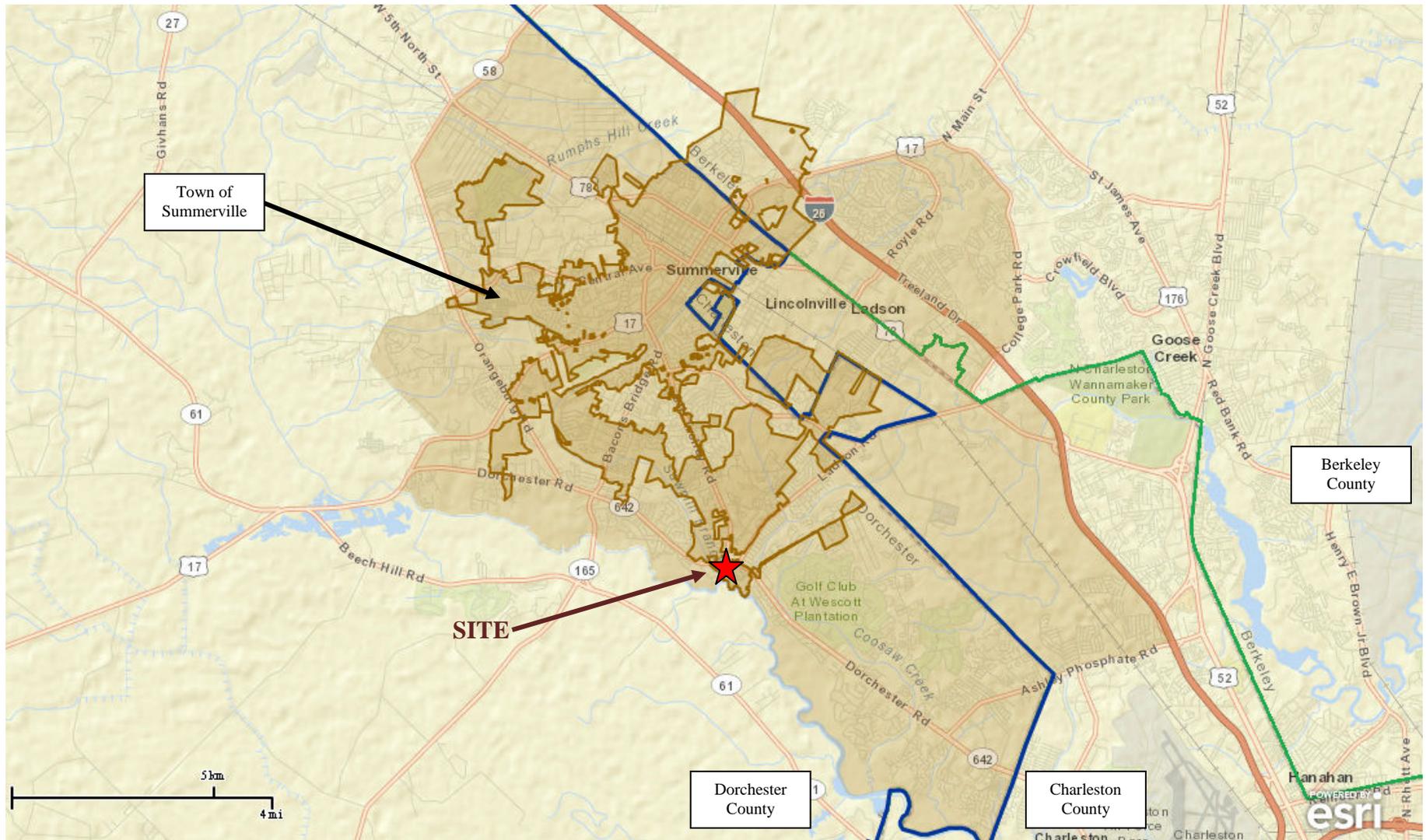
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Summerville PMA consists of the town of Summerville and the immediate surrounding area. More specifically, the PMA is comprised of a total of 25 census tracts (18 tracts in Dorchester County, four tracts in Berkeley County, and three tracts in Charleston County), and reaches approximately five miles to the north and west of the site, 5½ miles to the south, and roughly six miles to the east. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on a positive site location and the lack of similar tax credit rental options targeted specifically for seniors. Additionally, the site is located near several key roadways (including Dorchester Road, Alternate U.S. 17, U.S. 78, and I-26), each providing relatively convenient access throughout the majority of the PMA and Charleston region.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, a lack of similar senior LIHTC developments locally, physical boundaries, and personal experience were utilized when defining the primary market area. The PMA is comprised of the following census tracts (*utilizing 2010 boundaries*):

Dorchester County:	• Tract 105.04	• Tract 106.06	• Tract 108.13	• Tract 108.17
	• Tract 105.05	• Tract 107.00	• Tract 108.14	• Tract 108.18
	• Tract 106.03	• Tract 108.07	• Tract 108.15	• Tract 108.19
	• Tract 106.04	• Tract 108.08*	• Tract 108.16	• Tract 108.20
	• Tract 106.05	• Tract 108.09		
Berkeley County:	• Tract 207.14	• Tract 207.15	• Tract 207.16	• Tract 207.17
Charleston County:	• Tract 31.06	• Tract 31.07	• Tract 31.13	

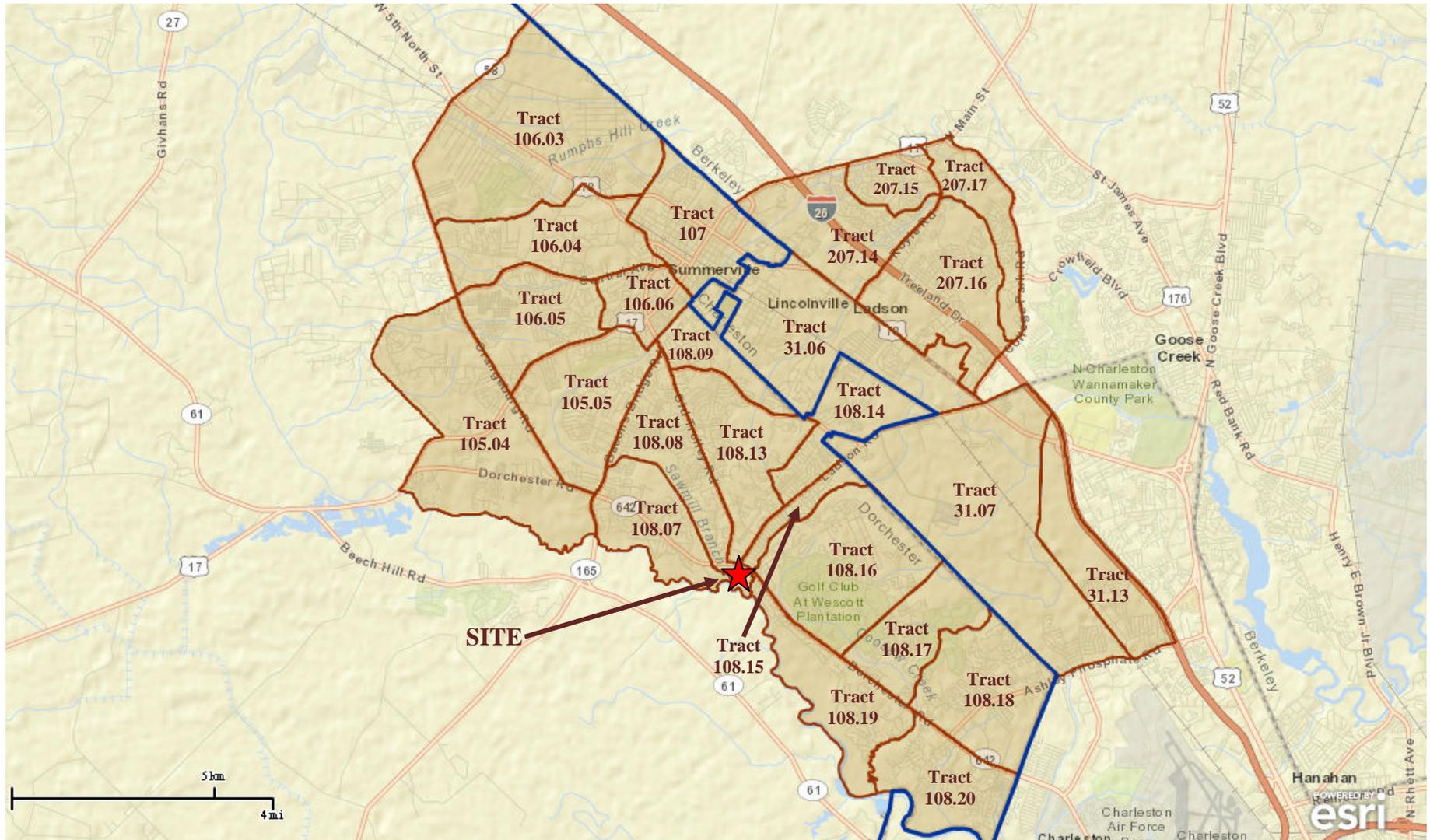
While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing within nearby communities, including North Charleston, Goose Creek, and Charleston. However, please keep in mind that secondary market considerations will not be included in the following market analysis or demand calculations. A visual representation of the PMA can be found in the maps on the following pages.

Map 7: Summerville Primary Market Area – County View

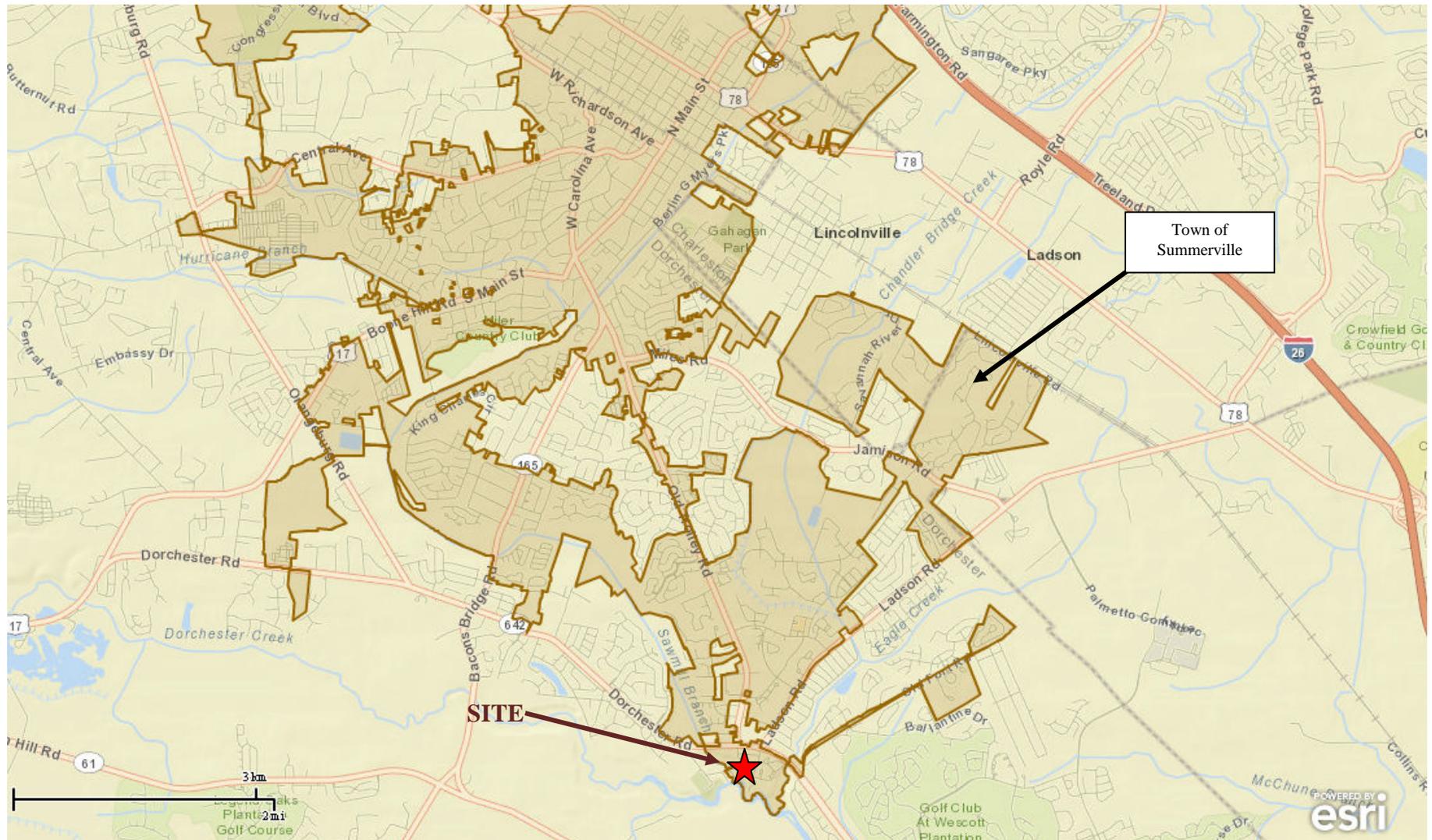


NOTE: Dark shaded area is Town of Summerville; Light shaded area is PMA; Blue line is Dorchester County border; Green line is other county borders.

Map 8: Summerville Primary Market Area – Census Tracts



Map 9: Town of Summerville



D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within the private sector in Dorchester County was retail trade (at approximately 15 percent of all jobs), followed by persons employed in manufacturing (14 percent), and accommodation/food services (11 percent). Based on a comparison of employment by industry from 2008, a majority of the individual industries experienced employment declines during this time. Management, agriculture, construction, and educational services recorded the largest losses (each decreasing by more than 30 percent). In contrast, industries experiencing the greatest gains since 2008 include administrative/waste services, transportation/warehousing, and “other” services (each increasing by more than ten percent) – local government positions also increased by 11 percent over the last five years.

Table 2: Employment by Industry – Dorchester County (2Q 2013)

Industry	2013 (2Q)		2008		Change from 2008
	Number Employed	Percent	Employed	Percent	
Agriculture, forestry, fishing and hunting	76	0.3%	188	0.6%	-59.6%
Mining	*	*	25	0.1%	*
Utilities	*	*	55	0.2%	*
Construction	1,328	4.4%	2,227	7.3%	-40.4%
Manufacturing	4,066	13.5%	4,681	15.3%	-13.1%
Wholesale trade	644	2.1%	902	2.9%	-28.6%
Retail trade	4,487	14.9%	4,696	15.3%	-4.5%
Transportation and warehousing	833	2.8%	747	2.4%	11.5%
Information	232	0.8%	264	0.9%	-12.1%
Finance and insurance	564	1.9%	633	2.1%	-10.9%
Real estate and rental and leasing	351	1.2%	320	1.0%	9.7%
Professional and technical services	686	2.3%	817	2.7%	-16.0%
Management of companies and enterprises	78	0.3%	215	0.7%	-63.7%
Administrative and waste services	2,458	8.2%	1,345	4.4%	82.8%
Educational services	205	0.7%	305	1.0%	-32.8%
Health care and social assistance	2,612	8.7%	2,491	8.1%	4.9%
Arts, entertainment, and recreation	547	1.8%	551	1.8%	-0.7%
Accommodation and food services	3,429	11.4%	3,218	10.5%	6.6%
Other services, exc. public administration	1,230	4.1%	1,108	3.6%	11.0%
Unclassified	*	*	*	*	*
Federal Government	184	0.6%	214	0.7%	-14.0%
State Government	954	3.2%	1,035	3.4%	-7.8%
Local Government	5,060	16.9%	4,568	14.9%	10.8%
Private	<u>23,826</u>	<u>79.4%</u>	<u>24,788</u>	<u>81.0%</u>	<u>-3.9%</u>
TOTAL	30,024	100.0%	30,605	100.0%	-1.9%

* - Data Not Available
 Source: South Carolina Department of Employment & Workforce - Dorchester County, SC (2008 - 2013)

2. Commuting Patterns

Overall, far more workers commute away from Dorchester County for employment than commute to the county. Not surprisingly, based on the proximity, the counties with the greatest commuting interaction with Dorchester County are Charleston and Berkeley Counties. Based on place of employment (using 2012 American Community Survey data), just 37 percent of PMA residents are employed within Dorchester County, while 63 percent work outside of the county – with the vast majority working in Charleston County.

An overwhelming majority of workers throughout Dorchester County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to 2012 ACS data, approximately 83 percent of workers within the PMA drove alone to their place of employment, while 11 percent carpooled in some manner. Only a relatively small number (approximately two percent) utilized public transportation, walked, or some other means to work.

Table 3: Place of Work/ Means of Transportation (2012)

EMPLOYMENT BY PLACE OF WORK						
	Town of Summerville		Summerville PMA		Dorchester County	
Total	19,482	100.0%	66,543	100.0%	61,895	100.0%
Worked in State of Residence	19,332	99.2%	65,822	98.9%	60,974	98.5%
Worked in County of Residence	8,372	43.0%	24,911	37.4%	22,556	36.4%
Worked Outside County of Residence	10,960	56.3%	40,911	61.5%	38,418	62.1%
Worked Outside State of Residence	150	0.8%	721	1.1%	921	1.5%

MEANS OF TRANSPORTATION TO WORK						
	Town of Summerville		Summerville PMA		Dorchester County	
Total	19,482	100.0%	66,543	100.0%	61,318	100.0%
Drove Alone - Car, Truck, or Van	16,625	85.3%	54,884	82.5%	50,812	82.9%
Carpooled - Car, Truck, or Van	1,618	8.3%	7,420	11.2%	6,695	10.9%
Public Transportation	14	0.1%	186	0.3%	108	0.2%
Walked	263	1.3%	666	1.0%	592	1.0%
Other Means	163	0.8%	799	1.2%	753	1.2%
Worked at Home	799	4.1%	2,588	3.9%	2,358	3.8%

Source: U.S. Census Bureau; 2008-2012 American Community Survey

Table 4: Employment Commuting Patterns (2010)

Persons Commuting TO Dorchester County		Persons Commuting FROM Dorchester County	
Commuters Living In:	<u>Number</u>	Commuters Working In :	<u>Number</u>
Charleston County, SC	5,533	Charleston County, SC	27,878
Berkeley County, SC	5,429	Berkeley County, SC	7,573
Colleton County, SC	1,118	Colleton County, SC	633
Orangeburg County, SC	715	Orangeburg County, SC	581
Walton County, GA	127	Richland County, SC	232
Williamsburg County, SC	103	Beaufort County, SC	136
Clarendon County, SC	79	Sumter County, SC	75

Source: U.S. Census Bureau - 2010

3. Largest Employers

Below is a chart depicting the largest employers within Dorchester County, according to information obtained through the South Carolina Department of Employment and Workforce.

Dorchester County Top Employers (Listed Alphabetically)	
Bi-Lo Inc.	Dorchester County
Dorchester County Board of Disabilities	Dorchester School District #2
Dorchester School District #4	Durham D&M LLC
JKS&K Inc.	MAU Inc.
Meadwestvaco South Carolina LLC	Presbyterian Home of S.C.
Publix Super Markets Inc.	Robert Bosch Corporation
S.C. Department of Corrections	S.C. Dept. of Disabilities/Special Needs
Showa Denko Carbon Inc.	Six Continents Hotels Inc.
Summerville Family YMCA	The Waggoners Trucking
Town of Summerville	Wal-Mart Associates, Inc.
<i>Source: SC Department of Employment & Workforce – 2013 Q2</i>	

4. Employment and Unemployment Trends

The overall economy throughout Dorchester County has been generally stable over the past decade, with employment increases in nine of the last ten years and an unemployment rate typically below both the state and national average. As such, after a loss of approximately 2,250 jobs in 2009 (largely due to the effects of the nationwide recession), Dorchester County rebounded with a gain of approximately 7,775 jobs since 2009 (a gain of 13 percent).

The latest annual employment figures indicate the local economy has appeared to continue to improve, increasing by nearly 500 jobs in 2013 and an annual unemployment rate of 6.4 percent (representing a decrease from 7.3 percent in 2012). According to December 2013 figures, an increase of approximately 935 jobs was reported from December 2012, along with the unemployment declining to 5.3 percent - remaining below the state and national averages (6.6 percent and 6.5 percent, respectively). As such, the county’s economic situation coupled with its employment distribution and prevailing average incomes are clearly reflective of the need for affordable housing locally.

Figure 1: Employment Growth

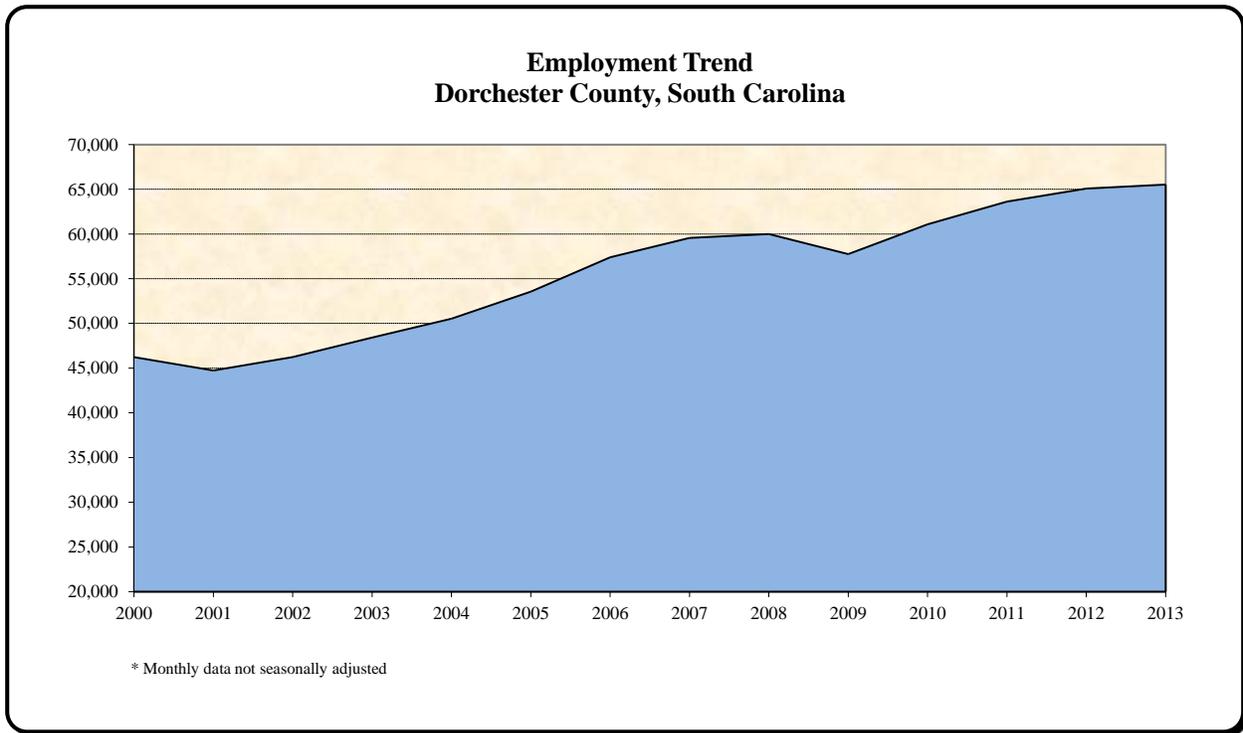


Figure 2: Historical Unemployment Rate

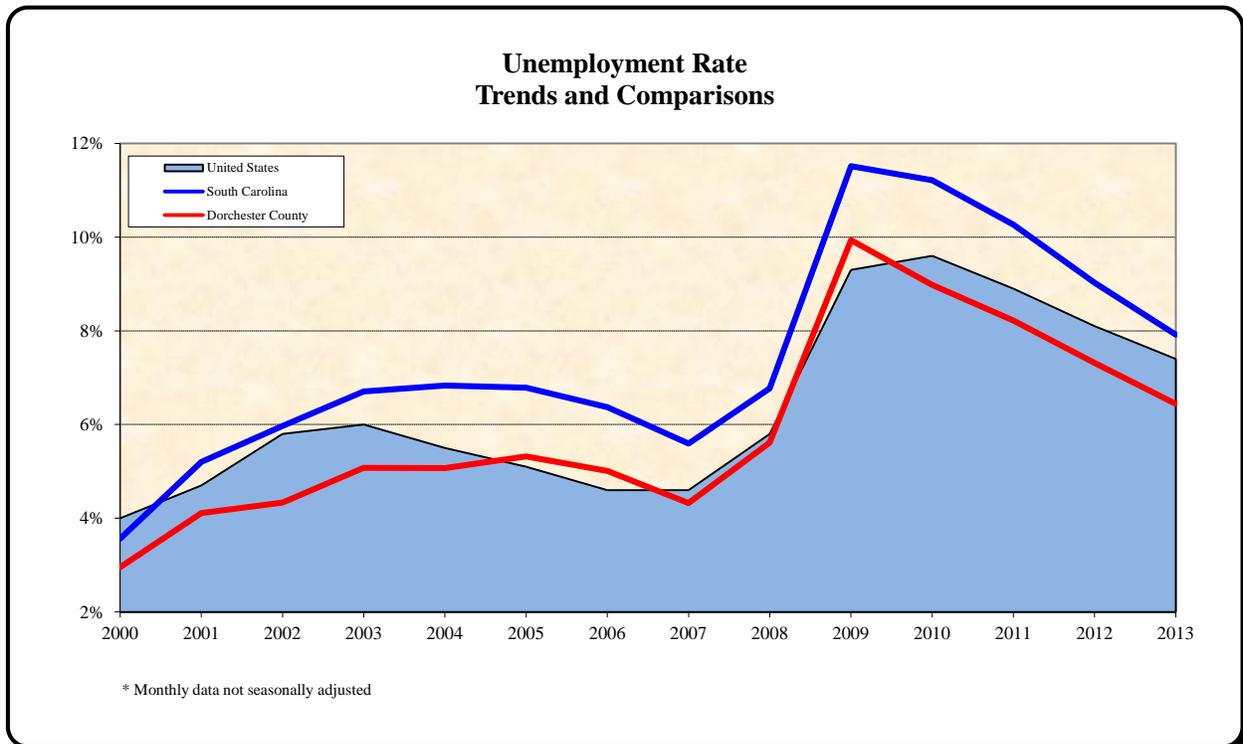


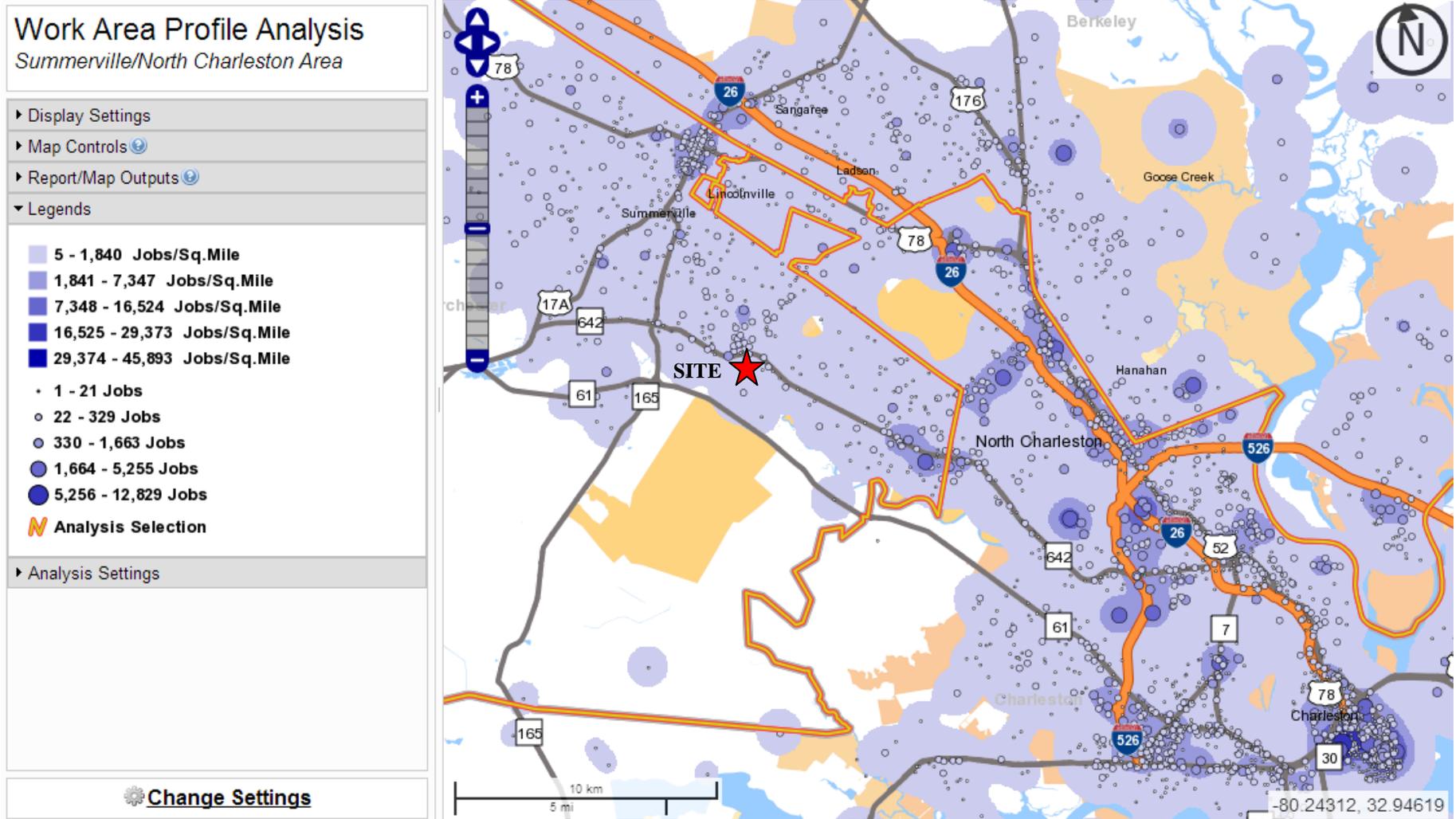
Table 5: Historical Employment Trends

Year	Dorchester County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Dorchester County	South Carolina	United States	Dorchester County	South Carolina	United States
2000	47,632	46,226	---	---	---	---	---	3.0%	3.6%	4.0%
2001	46,649	44,731	(1,495)	-3.2%	-3.2%	-4.3%	0.0%	4.1%	5.2%	4.7%
2002	48,330	46,234	1,503	3.4%	3.4%	-0.5%	-0.3%	4.3%	6.0%	5.8%
2003	51,002	48,413	2,179	4.7%	4.7%	1.5%	0.9%	5.1%	6.7%	6.0%
2004	53,223	50,523	2,110	4.4%	4.4%	1.8%	1.1%	5.1%	6.8%	5.5%
2005	56,558	53,548	3,025	6.0%	6.0%	1.8%	1.8%	5.3%	6.8%	5.1%
2006	60,415	57,388	3,840	7.2%	7.2%	2.5%	1.9%	5.0%	6.4%	4.6%
2007	62,247	59,554	2,166	3.8%	3.8%	2.0%	1.1%	4.3%	5.6%	4.6%
2008	63,555	59,987	433	0.7%	0.7%	-0.5%	-0.5%	5.6%	6.8%	5.8%
2009	64,114	57,745	(2,242)	-3.7%	-3.7%	-4.9%	-3.8%	9.9%	11.5%	9.3%
2010	67,098	61,074	3,329	5.8%	5.8%	0.3%	-0.6%	9.0%	11.2%	9.6%
2011	69,311	63,614	2,540	4.2%	4.2%	1.4%	0.6%	8.2%	10.3%	8.9%
2012	70,205	65,071	1,457	2.3%	2.3%	0.9%	1.9%	7.3%	9.0%	8.1%
2013	70,030	65,518	447	0.7%	0.7%	2.1%	1.0%	6.4%	7.9%	7.4%
Dec-12*	69,173	64,307	---	---	---	---	---	7.0%	8.6%	7.6%
Dec-13*	68,894	65,243	936	1.5%	1.5%	1.4%	0.9%	5.3%	6.6%	6.5%

Dorchester County				South Carolina		
	<u>Number</u>	<u>Percent</u>	<u>Ann. Avg.</u>		<u>Percent</u>	<u>Ann. Avg.</u>
Change (2000-Present):	19,017	41.1%	3.2%	Change (2000-Present):	4.9%	0.4%
Change (2005-Present):	11,695	21.8%	2.7%	Change (2005-Present):	4.6%	0.6%
Change (2010-Present):	4,169	6.8%	2.3%	Change (2010-Present):	5.3%	1.8%
Change (2000-2005):	7,322	15.8%	3.2%	Change (2000-2005):	0.3%	0.1%
Change (2005-2010):	7,526	14.1%	2.8%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2013):	4,444	7.3%	2.4%	Change (2010-2013):	4.4%	1.5%

*Monthly data not seasonally adjusted

Map 10: Employment Concentrations – Summerville Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Dorchester County has experienced extremely positive demographic gains since 2000, including Summerville and the immediate area. Overall, the PMA had an estimated population of 148,500 persons in 2013, representing an increase of six percent from 2010 (a gain of nearly 9,000 persons). Additionally, the city and county both increased by a similar six percent between 2010 and 2013.

Future projections indicate continued strong growth with an estimated increase of ten percent expected within the PMA between 2013 and 2018 (approximately 15,000 persons), and a similar ten percent gain for Summerville proper (roughly 4,400 persons). In comparison, Dorchester County is also expected to increase by ten percent between 2013 and 2018.

Table 6: Population Trends (2000 to 2018)

	2000	2010	2013	2016	2018
Town of Summerville	30,835	43,392	46,042	48,692	50,458
Summerville PMA	99,647	139,536	148,500	157,463	163,439
Dorchester County	96,083	136,555	145,287	154,018	159,839
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		40.7%	6.1%	5.8%	9.6%
Summerville PMA		40.0%	6.4%	6.0%	10.1%
Dorchester County		42.1%	6.4%	6.0%	10.0%
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
Town of Summerville		3.5%	2.0%	1.9%	1.8%
Summerville PMA		3.4%	2.1%	2.0%	1.9%
Dorchester County		3.6%	2.1%	2.0%	1.9%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 35 percent of all persons. In comparison, this age cohort represented a similar ratio of persons within the city and county as a whole. Persons under the age of 20 also accounted for a relatively large portion of the population in each area. As such, 31 percent of the total population in the PMA was within this age cohort in 2010, while representing comparable proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2018, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 44 has declined slightly since 2000, and is expected to decrease further through 2018. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons 55 years and over, which represented 15 percent of the population in 2000, is expected to increase to account for 24 percent of all persons by 2018 – clearly demonstrating the aging of the baby boom generation.

As such, the increasing percentage of persons above the age of 55 seen throughout Summerville and the PMA (expected to represent approximately one in four persons in 2018) signify positive trends for the subject proposal by providing a growing base of potential senior tenants for the subject development.

Table 7: Age Distribution (2000 to 2018)

	Town of Summerville				Summerville PMA				Dorchester County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2019 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2019 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2019 Percent</u>
Under 20 years	12,770	31.1%	29.4%	27.4%	42,501	32.9%	30.5%	28.2%	40,554	31.4%	29.7%	27.5%
20 to 24 years	2,767	5.5%	6.4%	5.8%	8,975	5.7%	6.4%	6.2%	8,027	5.2%	5.9%	6.1%
25 to 34 years	6,328	14.6%	14.6%	14.3%	20,389	14.4%	14.6%	15.2%	18,582	14.0%	13.6%	14.5%
35 to 44 years	6,241	16.6%	14.4%	13.4%	19,859	18.0%	14.2%	13.6%	19,868	17.7%	14.5%	13.3%
45 to 54 years	6,001	14.2%	13.8%	12.9%	20,112	13.8%	14.4%	12.8%	20,260	14.0%	14.8%	13.3%
55 to 59 years	2,460	4.3%	5.7%	6.4%	8,064	4.6%	5.8%	6.4%	8,111	4.9%	5.9%	6.6%
60 to 64 years	2,267	3.2%	5.2%	5.6%	7,015	3.3%	5.0%	5.5%	7,304	3.7%	5.3%	5.7%
65 to 74 years	2,485	5.4%	5.7%	8.6%	7,975	4.4%	5.7%	7.8%	8,589	5.2%	6.3%	8.4%
75 to 84 years	1,428	3.8%	3.3%	4.0%	3,488	2.3%	2.5%	3.3%	3,895	3.0%	2.9%	3.5%
85 years and older	645	1.4%	1.5%	1.6%	1,158	0.7%	0.8%	1.0%	1,365	0.9%	1.0%	1.1%
Under 20 years	12,770	31.1%	29.4%	27.4%	42,501	32.9%	30.5%	28.2%	40,554	31.4%	29.7%	27.5%
20 to 44 years	15,336	36.7%	35.3%	33.4%	49,223	38.2%	35.3%	35.0%	46,477	36.9%	34.0%	33.9%
45 to 64 years	10,728	21.7%	24.7%	24.9%	35,191	21.6%	25.2%	24.7%	35,675	22.6%	26.1%	25.6%
65 years and older	4,558	10.6%	10.5%	14.2%	12,621	7.3%	9.0%	12.1%	13,849	9.1%	10.1%	13.1%
55 years and older	9,285	18.1%	21.4%	26.2%	27,700	15.2%	19.9%	23.9%	29,264	17.7%	21.4%	25.4%
75 years and older	2,073	5.2%	4.8%	5.6%	4,646	3.0%	3.3%	4.3%	5,260	3.9%	3.9%	4.7%
Non-Elderly (<65)	38,834	89.4%	89.5%	85.8%	126,915	92.7%	91.0%	87.9%	122,706	90.9%	89.9%	86.9%
Elderly (65+)	4,558	10.6%	10.5%	14.2%	12,621	7.3%	9.0%	12.1%	13,849	9.1%	10.1%	13.1%

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

2. Household Trends

Similar to population patterns, the Summerville area has experienced relatively strong household creation since 2000. As such, occupied households within the PMA numbered 55,199 units in 2013, representing an increase of seven percent from 2000 (a gain of more than 3,550 households). ESRI forecasts for 2018 indicate this number will continue to increase, with a forecasted growth rate of 11 percent (roughly 5,950 additional households) anticipated between 2013 and 2018.

In comparison, the number of households grew at an identical rate within Summerville and Dorchester County as a whole between 2010 and 2013 (seven percent), demonstrating relatively strong demographic patterns throughout the region.

Table 8: Household Trends (2000 to 2018)

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	11,465	16,866	18,005	19,143	19,902
Summerville PMA	35,552	51,635	55,199	58,764	61,140
Dorchester County	34,593	50,259	53,676	57,092	59,370
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		47.1%	6.8%	6.3%	10.5%
Summerville PMA		45.2%	6.9%	6.5%	10.8%
Dorchester County		45.3%	6.8%	6.4%	10.6%

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

Average household sizes have experienced a continuous decline within the PMA since 2000, a pattern generally consistent with an aging population (or an influx of elderly residents). For the PMA, the average household size was 2.68 persons in 2013, representing a decrease of approximately three percent from 2000’s average of 2.78 persons. However, ESRI forecasts indicate the average household size within the market area will stabilize and decline only marginally through 2018.

Overall, the PMA contains somewhat larger household sizes than Summerville proper, and more in line with Dorchester County as a whole. In comparison to the PMA average of 2.68 persons per household in 2013, Summerville had an average household size of 2.54 persons, while the county had an average of 2.67 persons per household.

Table 9: Average Household Size (2000 to 2018)

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	2.64	2.55	2.54	2.53	2.52
Summerville PMA	2.78	2.70	2.68	2.67	2.67
Dorchester County	2.72	2.68	2.67	2.66	2.66
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		-3.1%	-0.6%	-0.5%	-0.8%
Summerville PMA		-3.0%	-0.4%	-0.4%	-0.6%
Dorchester County		-1.5%	-0.3%	-0.3%	-0.4%

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

Renter-occupied households throughout the Summerville market area have exhibited notable gains over the past decade, increasing at a slightly faster rate than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 17,588 renter-occupied households are estimated within the PMA for 2013, representing an increase of nine percent from 2010 figures (a gain of approximately 1,450 additional rental units). In comparison, it is estimated that the number of renter households increased at a more modest rate within Summerville itself (five percent).

Overall, a moderate ratio of renter households exists throughout the Summerville market area. For the PMA, the renter household percentage was calculated at 32 percent in 2013, somewhat lower than the town ratio (36 percent), but slightly greater than the county’s renter representation (29 percent). Furthermore, it should also be noted that renter propensities within the PMA have increased since 2000, increasing approximately four percentage points between 2000 and 2013.

Table 10: Renter Household Trends (2000 to 2018)

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2018</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2013</u> <u>Change</u>	<u>2013-2018</u> <u>Change</u>
Town of Summerville	3,651	6,135	6,425	6,907	68.0%	4.7%	7.5%
Summerville PMA	10,096	16,150	17,588	19,984	60.0%	8.9%	13.6%
Dorchester County	8,653	14,186	15,413	17,459	63.9%	8.7%	13.3%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2018</u>			
Town of Summerville	31.8%	36.4%	35.7%	34.7%			
Summerville PMA	28.4%	31.3%	31.9%	32.7%			
Dorchester County	25.0%	28.2%	28.7%	29.4%			

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

As with overall households, renter household sizes for the Summerville PMA were generally larger than those reported for Summerville, on average. In contrast to overall household patterns, however, average renter sizes increased over the past decade – from 2.61 persons per rental unit in 2000 to 2.71 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (54 percent), with three persons occupying 19 percent of units, and 28 percent of units with four or more persons.

Table 11: Rental Units by Size (2010)

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	Median Persons Per Rental Unit	
						<u>2000</u>	<u>2010</u>
Town of Summerville	2,144	1,615	1,061	744	571	2.23	2.39
Summerville PMA	4,529	4,132	3,018	2,373	2,098	2.61	2.71
Dorchester County	4,143	3,594	2,627	2,089	1,733	2.47	2.63
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	Median Change	
Town of Summerville	34.9%	26.3%	17.3%	12.1%	9.3%	7.2%	
Summerville PMA	28.0%	25.6%	18.7%	14.7%	13.0%	3.8%	
Dorchester County	29.2%	25.3%	18.5%	14.7%	12.2%	6.5%	

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

3. Senior-Specific Demographic Data

As noted earlier, the senior population cohort is anticipated to experience sizeable growth through 2018 as compared to other age segments. As such, a total of 31,990 seniors (55 years and over) are estimated in the PMA for 2013, representing an increase of 16 percent from 2010 (nearly 4,300 additional seniors). The 2013 figure represents 22 percent of the overall population, which is an increase from a representation of just 15 percent in 2000. Furthermore, this extremely strong trend is anticipated to continue, with an increase of 22 percent (7,150 seniors) forecast between 2013 and 2018.

Future population trends for the older senior segment (65 years and older) are similar to those exhibited by the 55 and older age group, representing strong growth throughout the entire senior segment. As can be seen, overall senior growth and propensities are an encouraging indication of the long-term viability of the subject proposal. Additionally, while considering senior population counts have experienced extraordinary increases since 2000 and are expected to continue in the future, the demand for additional senior housing will likely escalate as well. In addition, the increasing percentage of persons over 55 years within the PMA is clearly representative of a steady source of potential renters as this group continues to age in place.

Table 12: Senior Population Trends (2000 to 2018)

55+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	5,023	9,285	10,769	12,252	13,241
Summerville PMA	15,169	27,700	31,990	36,280	39,140
Dorchester County	17,085	29,264	33,494	37,723	40,543
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		84.8%	16.0%	13.8%	23.0%
Summerville PMA		82.6%	15.5%	13.4%	22.4%
Dorchester County		71.3%	14.5%	12.6%	21.0%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	16.3%	21.4%	23.4%	25.2%	26.2%
Summerville PMA	15.2%	19.9%	21.5%	23.0%	23.9%
Dorchester County	17.8%	21.4%	23.1%	24.5%	25.4%
65+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	2,940	4,558	5,538	6,517	7,170
Summerville PMA	7,317	12,621	15,297	17,973	19,757
Dorchester County	8,791	13,849	16,500	19,150	20,917
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		55.0%	21.5%	17.7%	29.5%
Summerville PMA		72.5%	21.2%	17.5%	29.2%
Dorchester County		57.5%	19.1%	16.1%	26.8%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	9.5%	10.5%	12.0%	13.4%	14.2%
Summerville PMA	7.3%	9.0%	10.3%	11.4%	12.1%
Dorchester County	9.1%	10.1%	11.4%	12.4%	13.1%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

As with senior population patterns, senior household trends (age 55 years and older) have been equally as impressive within the PMA and are also expected to continue to increase through 2018. According to Census and ESRI data, the number of senior households within the PMA increased by 14 percent between 2010 and 2013 (adding roughly 2,400 additional senior households), while ESRI estimates a further gain of 21 percent (more than 4,000 senior households) between 2013 and 2018 – representing approximately 38 percent of all PMA households in 2018.

Table 13: Senior Household Trends (2000 to 2017)

55+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	3,077	5,863	6,753	7,643	8,236
Summerville PMA	9,128	16,955	19,362	21,769	23,374
Dorchester County	10,427	17,927	20,293	22,660	24,237
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		90.5%	15.2%	13.2%	22.0%
Summerville PMA		85.7%	14.2%	12.4%	20.7%
Dorchester County		71.9%	13.2%	11.7%	19.4%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	26.8%	34.8%	37.5%	39.9%	41.4%
Summerville PMA	25.7%	32.8%	35.1%	37.0%	38.2%
Dorchester County	30.1%	35.7%	37.8%	37.7%	40.8%
65+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	1,836	3,054	3,665	4,277	4,684
Summerville PMA	4,475	8,122	9,697	11,273	12,323
Dorchester County	5,523	9,016	10,578	12,140	13,181
		2000-2010	2010-2013	2013-2016	2013-2018
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		66.3%	20.0%	16.7%	27.8%
Summerville PMA		81.5%	19.4%	16.2%	27.1%
Dorchester County		63.2%	17.3%	14.8%	24.6%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	16.0%	18.1%	20.4%	22.3%	23.5%
Summerville PMA	12.6%	15.7%	17.6%	19.2%	20.2%
Dorchester County	16.0%	17.9%	19.7%	21.3%	22.2%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

Despite the substantial growth in the senior population throughout the area, the percentage of senior renter households is notably smaller than the overall renter household percentage. As such, senior renter households (55 and over) within the PMA numbered 3,529 units in 2013, representing roughly 18 percent of all senior-occupied households within the market area. In comparison, Summerville itself contained 1,796 senior renter households, which was 27 percent of all senior households within the community in 2013.

Table 14: Senior Renter Household Trends (2000 to 2018)

Senior Renter HHs - 55+							
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2013</u> <u>Change</u>		
Town of Summerville	885	1,559	1,796	76.2%	15.2%		
Summerville PMA	1,517	3,090	3,529	103.7%	14.2%		
Dorchester County	1,602	3,039	3,440	89.7%	13.2%		
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>				
	<u>2000</u>	<u>2010</u>	<u>2013</u>				
Town of Summerville	28.8%	26.6%	26.6%				
Summerville PMA	16.6%	18.2%	18.2%				
Dorchester County	15.4%	17.0%	17.0%				
Senior Renter HHs - 65+							
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2018</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2013</u> <u>Change</u>	<u>2013-2018</u> <u>Change</u>
Town of Summerville	593	900	1,080	1,380	51.8%	20.0%	27.8%
Summerville PMA	853	1,506	1,798	2,285	76.6%	19.4%	27.1%
Dorchester County	933	1,549	1,817	2,265	66.0%	17.3%	24.6%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2018</u>			
Town of Summerville	32.3%	29.5%	29.5%	29.5%			
Summerville PMA	19.1%	18.5%	18.5%	18.5%			
Dorchester County	16.9%	17.2%	17.2%	17.2%			
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting							

3. Household Income Trends

Income levels throughout the Summerville area have experienced somewhat sluggish gains over the past decade. While much of the county recorded annual increases of approximately two percent between 1999 and 2010, it is anticipated that income appreciation will slow to approximately one percent annually through 2018. In 2013, the median household income for the PMA was estimated at \$56,227, which was nearly identical to that estimated for Summerville proper (\$55,897) as well as Dorchester County (\$56,370). Furthermore, the PMA figure represents an increase of just two percent from 2010 (an average annual increase of 0.7 percent), while the town and county both increased at similar rates between 2010 and 2013.

According to ESRI data, the rate of income growth is forecast to remain sluggish through 2018. As such, it is projected that the median income within the PMA will increase by just 1.0 percent annually between 2013 and 2018, similar to income appreciation anticipated throughout most of the county for the same time span.

Table 15: Median Household Incomes (1999 to 2018)

	<u>1999</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
Town of Summerville	\$43,238	\$54,677	\$55,897	\$57,116	\$58,946
Summerville PMA	\$45,522	\$55,065	\$56,227	\$57,389	\$59,133
Dorchester County	\$42,939	\$54,912	\$56,370	\$57,828	\$60,015
		<u>1999-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
Town of Summerville		26.5%	2.2%	2.2%	5.5%
Summerville PMA		21.0%	2.1%	2.1%	5.2%
Dorchester County		27.9%	2.7%	2.7%	6.5%
		<u>1999-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
Town of Summerville		2.2%	0.7%	0.7%	1.1%
Summerville PMA		1.7%	0.7%	0.7%	1.0%
Dorchester County		2.3%	0.9%	0.9%	1.3%

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

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 29 percent of all households within the Summerville PMA had an annual income of less than \$35,000 in 2012 – the portion of the population with the greatest need for affordable housing options. In comparison, a similar 30 percent of town households had incomes within this range as well. With nearly one-third of all households within the immediate Summerville area earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 16: Overall Household Income Distribution (2012)

	Town of Summerville		Summerville PMA		Dorchester County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	720	4.4%	2,356	4.6%	2,958	6.0%
\$10,000 to \$14,999	782	4.8%	2,032	4.0%	2,369	4.8%
\$15,000 to \$19,999	909	5.6%	2,585	5.0%	2,415	4.9%
\$20,000 to \$24,999	802	5.0%	2,738	5.3%	2,627	5.3%
\$25,000 to \$29,999	767	4.7%	2,450	4.8%	2,200	4.5%
\$30,000 to \$34,999	809	5.0%	2,888	5.6%	2,639	5.3%
\$35,000 to \$39,999	998	6.2%	3,397	6.6%	2,907	5.9%
\$40,000 to \$44,999	754	4.7%	2,549	5.0%	1,996	4.0%
\$45,000 to \$49,999	706	4.4%	2,483	4.8%	2,126	4.3%
\$50,000 to \$59,999	1,746	10.8%	5,158	10.1%	4,759	9.6%
\$60,000 to \$74,999	1,539	9.5%	5,903	11.5%	5,500	11.1%
\$75,000 to \$99,999	2,397	14.8%	6,893	13.5%	6,858	13.9%
\$100,000 to \$124,999	1,563	9.7%	5,061	9.9%	4,905	9.9%
\$125,000 to \$149,999	604	3.7%	1,938	3.8%	2,062	4.2%
\$150,000 to \$199,999	604	3.7%	1,756	3.4%	1,942	3.9%
\$200,000 and Over	481	3.0%	1,030	2.0%	1,130	2.3%
TOTAL	16,181	100.0%	51,217	100.0%	49,393	100.0%
Less than \$34,999	4,789	29.6%	15,049	29.4%	15,208	30.8%
\$35,000 to \$49,999	2,458	15.2%	8,429	16.5%	7,029	14.2%
\$50,000 to \$74,999	3,285	20.3%	11,061	21.6%	10,259	20.8%
\$75,000 to \$99,999	2,397	14.8%	6,893	13.5%	6,858	13.9%
\$100,000 and Over	3,252	20.1%	9,785	19.1%	10,039	20.3%

Source: 2008 - 2012 American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$17,400 to \$29,760 (in current dollars). Utilizing Census information available on senior household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a sizable number of low-income senior households throughout the area. As such, roughly 15 percent of the PMA's senior owner-occupied household number, and 14 percent of the senior renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for approximately 15 percent of all senior households within the PMA. Considering the relative density of the PMA, this equates to nearly 3,310 potential income-qualified senior households for the proposed development, including 520 income-qualified senior renter households.

Table 17: Senior Household Income by Tenure – Summerville PMA (2016)

	Number of 2016 Households (55+)			Percent of 2016 Households (55+)		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$10,700	1,585	912	673	7.2%	5.0%	18.6%
\$10,701 to \$16,050	2,139	1,455	684	9.8%	8.0%	18.9%
\$16,051 to \$21,400	1,585	1,343	242	7.3%	7.4%	6.7%
\$21,401 to \$26,750	1,524	1,240	284	7.0%	6.8%	7.8%
\$26,751 to \$32,100	1,068	974	95	4.9%	5.4%	2.6%
\$32,101 to \$37,450	1,637	1,343	295	7.5%	7.4%	8.1%
\$37,451 to \$42,800	1,465	1,076	389	6.7%	5.9%	10.8%
\$42,801 to \$53,500	2,366	2,029	337	10.9%	11.2%	9.3%
\$53,501 and Over	<u>8,400</u>	<u>7,779</u>	<u>621</u>	<u>38.7%</u>	<u>42.9%</u>	<u>17.2%</u>
Total	21,769	18,151	3,618	100.0%	100.0%	100.0%

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

The 2012 American Community Survey shows that approximately 44 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. Furthermore, ACS data shows that approximately 38 percent of senior renter households (aged 65 and over) are overburdened within the PMA, while 32 percent of seniors within Summerville are overburdened. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 18a: Renter Overburdened Households (2012)

Gross Rent as a % of Household Income	Town of Summerville		Summerville PMA		Dorchester County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	5,845	100.0%	15,555	100.0%	13,675	100.0%
Less than 10.0 Percent	94	1.7%	335	2.3%	259	2.1%
10.0 to 14.9 Percent	335	6.1%	1,078	7.4%	834	6.7%
15.0 to 19.9 Percent	672	12.2%	1,498	10.2%	1,363	11.0%
20.0 to 24.9 Percent	835	15.1%	2,230	15.2%	1,693	13.7%
25.0 to 29.9 Percent	853	15.4%	2,182	14.9%	1,895	15.3%
30.0 to 34.9 Percent	280	5.1%	916	6.3%	769	6.2%
35.0 to 39.9 Percent	412	7.5%	1,118	7.6%	851	6.9%
40.0 to 49.9 Percent	717	13.0%	1,862	12.7%	1,677	13.6%
50 Percent or More	1,327	24.0%	3,426	23.4%	3,024	24.5%
Not Computed	320	--	910	--	1,310	--
35 Percent or More	2,456	44.5%	6,406	43.7%	5,552	44.9%
40 Percent or More	2,044	37.0%	5,288	36.1%	4,701	38.0%

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

Table 18b: Senior Renter Overburdened Households (2012)

Gross Rent as a % of Household Income	Town of Summerville		Summerville PMA		Dorchester County	
	Number	Percent	Number	Percent	Number	Percent
Householder 65+ Years:	873	100.0%	1,284	100.0%	1,237	100.0%
Less than 20.0 Percent	85	11.2%	100	9.2%	91	9.3%
20.0 to 24.9 Percent	119	15.6%	161	14.7%	142	14.5%
25.0 to 29.9 Percent	234	30.7%	315	28.8%	290	29.7%
30.0 to 34.9 Percent	82	10.8%	99	9.1%	92	9.4%
35.0 Percent or More	242	31.8%	417	38.2%	363	37.1%
Not Computed	111	--	192	--	259	--

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

F. DEMAND ANALYSIS

1. Demand for Senior Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from four key sources: household growth, substandard housing, rent-overburdened households, and elderly homeowners converting to renting. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 40 percent rent-to-income ratio, and a maximum income of \$29,760 (the 2-person income limit at 60 percent AMI for Dorchester County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
50 percent of AMI	\$17,400	\$24,800
60 percent of AMI	\$20,700	\$29,760
Overall	\$17,430	\$29,760

By applying the income-qualified range and 2016 household forecasts to the current-year household income distribution by tenure (adjusted from census data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 14 percent of all senior renter households within the PMA are estimated to fall within the stated LIHTC qualified income range.

Based on U.S. Census data and projections from ESRI, approximately 439 additional senior renter households are anticipated between 2013 and 2016. By applying the income-qualified percentage to the overall eligible figure, a demand for 63 senior tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately three percent of all renter households within the Summerville PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or

incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the senior renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 15 units within the PMA.

Potential demand for the subject proposal may also arise from those senior households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2012 American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the ACS, the percentage of senior renter households within this overburdened range is reported at approximately 38 percent. Applying this rate to the number of renter households yields a total demand of 169 additional units as a result of rent overburden.

And lastly, another source of demand is elderly homeowners converting to rental housing. It is conservatively estimated that approximately two percent of senior homeowners would convert to a rental property, should an affordable option become readily available. Utilizing 2010 household figures, it is calculated that 15 percent of all senior owner households within the PMA are estimated to fall within the stated LIHTC qualified income range. Considering the income-qualified owner households and estimated conversion, a demand of 43 units has been determined arising from existing elderly owner households.

There have been no comparable LIHTC properties within the Summerville PMA that have been allocated credits or placed in service since 2013, or are currently under construction. As such, no units need to be deducted from the sources of demand listed previously. Combining all above factors results in an overall senior demand of 289 LIHTC units for 2016. Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income senior households should receive a positive response due to the strong demographic growth within the Summerville area coupled with the clear lack of similar tax credit rental options targeted specifically to seniors.

Table 19: Senior Demand Calculation – by Income Targeting (2016)

2010 Total Occupied Households 55+	16,955		
2010 Owner-Occupied Households 55+	13,865		
2010 Renter-Occupied Households 55+	3,090		
		Income Targeting	
		50%	60%
		AMI	AMI
QUALIFIED-INCOME RANGE			Total
Minimum Annual Income		\$17,400	\$20,700
Maximum Annual Income		\$24,800	\$29,760
			LIHTC
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2013-2016	439	439	439
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%
Total Demand From New Households	44	45	63
DEMAND FROM EXISTING RENTER HOUSEHOLDS			
Percent of Renters in Substandard Housing	3.4%	3.4%	3.4%
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%
Total Demand From Substandard Renter Households	10	11	15
Percent of Renters Rent-Overburdened	38.2%	38.2%	38.2%
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%
Total Demand From Overburdened Renter Households	118	120	169
DEMAND FROM EXISTING OWNER HOUSEHOLDS			
Owner to Renter Conversion Rate	2.0%	2.0%	2.0%
Percent Income Qualified	9.9%	10.8%	15.4%
Total Demand from Owner Households	27	30	43
Total Demand From Existing Households	156	161	227
TOTAL DEMAND	199	206	289
LESS: Total Comparable Activity Since 2012/Under Construction	0	0	0
TOTAL NET DEMAND	199	206	289
PROPOSED NUMBER OF UNITS	11	31	42
CAPTURE RATE	5.5%	15.1%	14.5%
Note: Totals may not sum due to rounding			

Table 20: Senior Demand Calculation – by Bedroom Size (2016)

2010 Total Occupied Households 55+	16,955						
2010 Owner-Occupied Households 55+	13,865						
2010 Renter-Occupied Households 55+	3,090						

	One-Bedroom Units			Two-Bedroom Units		
	50% <u>AMI</u>	60% <u>AMI</u>	Total <u>LIHTC</u>	50% <u>AMI</u>	60% <u>AMI</u>	Total <u>LIHTC</u>
QUALIFIED-INCOME RANGE						
Minimum Annual Income	\$17,400	\$20,700	\$17,400	\$20,730	\$24,630	\$20,730
Maximum Annual Income	\$24,800	\$29,760	\$29,760	\$24,800	\$29,760	\$29,760
DEMAND FROM NEW HOUSEHOLD GROWTH						
Renter Household Growth, 2013-2016	439	439	439	439	439	439
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%	5.8%	4.6%	10.2%
Total Demand From New Households	44	45	63	26	20	45
DEMAND FROM EXISTING RENTER HOUSEHOLDS						
Percent of Renters in Substandard Housing	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%	5.8%	4.6%	10.2%
Total Demand From Substandard Renter Households	10	11	15	6	5	11
Percent of Renters Rent-Overburdened	38.2%	38.2%	38.2%	38.2%	38.2%	38.2%
Percent Income Qualified Renter Households	10.0%	10.2%	14.3%	5.8%	4.6%	10.2%
Total Demand From Overburdened Renter Households	118	120	169	69	54	120
DEMAND FROM EXISTING OWNER HOUSEHOLDS						
Owner to Renter Conversion Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Percent Owner Households Income Qualified	9.9%	10.8%	15.4%	5.3%	5.7%	10.8%
Total Demand from Owner Households	27	30	43	15	16	30
Total Demand From Existing Households	156	161	227	89	75	160
TOTAL DEMAND	199	206	289	115	95	205
LESS: Total Comparable Activity Since 2012/Under Construction	0	0	0	0	0	0
TOTAL NET DEMAND	199	206	289	115	95	205
PROPOSED NUMBER OF UNITS	2	4	6	9	27	36
CAPTURE RATE	1.0%	1.9%	2.1%	7.8%	28.5%	17.6%

Note: Totals may not sum due to rounding

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 14.5 percent was determined based on the demand calculation (including renter household growth, substandard and overburdened units among existing renter households, potential senior owner households, and excluding any comparable activity since 2013), providing a generally positive indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 5.5 percent, while the 60 percent AMI capture rate was at 15.1 percent. As such, these capture rates provide an overall positive indication of the need for affordable senior rental options locally and are within acceptable industry thresholds.

Taking into consideration the clear lack of any comparable affordable senior housing throughout the Summerville PMA, the overwhelming success of existing senior LIHTC developments (in the neighboring communities of Goose Creek, North Charleston, and Charleston), and also the proposed features and rental rates within the subject, an estimate of the overall absorption period to reach 93 percent occupancy is conservatively estimated at five to seven months. This determination also takes into consideration a market entry in late 2015/early 2016; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Summerville PMA Rental Market Characteristics

As part of the rental analysis for the Summerville PMA, a survey of existing rental projects within the Summerville primary market area was completed by Shaw Research & Consulting in February 2014. Including nearby family-oriented developments as well as family LIHTC projects within Summerville, a total of 18 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Summerville area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 2,257 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 37 percent of all units had one bedroom, 49 percent had two bedrooms, and 15 percent of units contained three bedrooms. No efficiency or four-bedroom units were reported in the survey. The average age of the rental properties was just 12 years old (an average build date of 2002), with ten properties built since 2006. In addition, a total of ten facilities (56 percent of all properties) reported to have some sort of income eligibility requirements – with eight tax credit developments and two HUD subsidized projects.

Overall conditions for the Summerville rental market appear to be generally positive at the current time, while the senior market specifically is extraordinarily strong. Among the 18 properties included in the survey, the overall occupancy rate was calculated at 93.4 percent. However, an occupancy rate of 99.8 percent was reported among the eight senior-only developments contacted within the survey – with seven facilities entirely occupied, and clearly demonstrating strong demand for senior housing locally. When breaking down occupancy rates by financing type, the eight market rate developments averaged 91.1 percent occupied, while the eight tax credit properties (six senior and two family projects) averaged 99.4 percent occupancy – reflecting positive conditions for affordable rental options, family and senior.

2. Comparable Senior Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits and be marketed specifically towards senior residents, Shaw Research has identified five senior tax credit facilities within the region as being most comparable – since no similar LIHTC senior project is presently located within the PMA, senior-only developments from neighboring areas (Goose Creek, North Charleston, and Charleston) were utilized to gauge senior rental conditions for the area. According to survey results, the combined occupancy rate for these developments was calculated at 99.6 percent, with four entirely occupied. Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$538 per month with an average size of 767 square feet – the resulting average rent per square foot ratio is \$0.70, while two-bedroom units averaged \$647 and 994 square feet (\$0.65 per square foot).

In comparison to tax credit averages, the subject proposal's rental rates are very competitive with comparable unit sizes. When taking into account utilities (the subject will not include water/sewer, while three of the five existing senior tax credit projects do), unit sizes and rent-per-square foot averages, the proposal is quite affordable as compared to both market rate and other tax credit options (when comparing 60 percent AMI rents). As such, the proposed rental rates at 60 percent AMI (including water/sewer allowances of \$50 for a one-bedroom, and \$65 for a two-bedroom unit) are extremely competitive with other tax credit units (units at 60 percent AMI). Considering the two most comparable projects (Crowfield Greene and The Preserve at Collins Park - both in Goose Creek), the average adjusted rent (taking into account water/sewer) is \$540 for a one-bedroom unit and \$658 for a two-bedroom unit – quite comparable to the proposed rents within the subject.

From a market standpoint, it is evident that sufficient demand is present for the development of affordable tax credit units targeting low-income senior households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the Summerville rental market, and should be considered a positive factor.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, there is no comparable senior multi-family rental activity (either proposed or under construction) within the Summerville PMA at the current time.

4. Impact on Existing Tax Credit Properties

Based on the relatively strong occupancy rates among all local LIHTC developments (family and senior), the construction of the proposal will not have any adverse impact on existing affordable rental properties or those units under construction. Considering the strong future demographic growth anticipated for the PMA, as well as the generally positive characteristics of the site location, affordable housing will continue to be in demand locally.

Table 21: Rental Housing Survey - Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location		
Bridge Pointe Apts	2004	130	0	24	74	32	0	No	ELE	No	88%	Open	Summerville		
Churchill Commons Apts	1980	200	0	48	128	24	0	No	ELE	No	92%	Open	Summerville		
Colonial Village at Waters Edge	1986	204	0	68	136	0	0	No	ELE	No	94%	Open	Summerville		
Crowfield Greene	2010	42	0	14	28	0	0	No	ELE	No	98%	SR 55+	Goose Creek		
Grand Oaks Apts	2004	60	0	36	24	0	0	No	ELE	No	100%	SR 55+	Charleston		
Grandview Apts	2011	72	0	48	24	0	0	No	ELE	No	100%	SR 55+	Charleston		
Kilnsea Village Apts	2012	234	0	78	78	78	0	No	ELE	No	74%	Mixed	Summerville		
Marshside Village	2007	48	0	48	0	0	0	No	ELE	No	100%	SR 62+	N. Charleston		
Oakbrook Village	2006	192	0	24	120	48	0	No	ELE	No	94%	Open	Summerville		
Shady Grove Apts	2005	72	0	55	17	0	0	No	ELE	No	100%	SR 55+	Charleston		
Sherman House	1984	56	0	56	0	0	0	No	ELE	No	100%	SR 62+	Charleston		
Summerville Garden Apts	2012	72	0	18	36	18	0	No	ELE	No	99%	Open	Summerville		
The Grove at Oakbrook	2003	280	0	NA	NA	NA	0	No	ELE	No	95%	Open	Summerville		
The Preserve at Collins Park	2010	40	0	2	38	0	0	No	ELE	No	100%	SR 55+	Goose Creek		
The Reserve at Wescott Plantation	2007	288	0	NA	NA	NA	0	No	ELE	No	96%	Open	Summerville		
The Villas at Horizon Village	2010	71	0	55	16	0	0	No	ELE	No	100%	SR 55+	N. Charleston		
Westbury Mews	1987	132	0	44	72	16	0	No	ELE	No	97%	Open	Summerville		
Wisteria Place Apts	2006	64	0	0	32	32	0	No	ELE	No	98%	Open	Summerville		
Totals and Averages <i>Unit Distribution</i>	2002	2,257	0 0%	618 37%	823 49%	248 15%	0 0%	<i>Overall Occupancy:</i>			93.4%				
											<i>Senior-Only Occupancy:</i>		99.8%		
SUBJECT PROJECT															
VILLAS AT OAKBROOK APTS	2015	42	0	6	36	0	0	No	ELE	No		SR 55+	Summerville		
SUMMARY															
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.						
Total Developments	18	2002	2,257	0	618	823	248	0	93.4%						
Market Rate Only	8	1998	1,660	0	286	608	198	0	91.1%						
LIHTC Only	8	2009	493	0	228	215	50	0	99.4%						
Subsidized Only	2	1996	104	0	104	0	0	0	100.0%						

Note: Shaded Properties are senior LIHTC

Table 22: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Bridge Pointe Apts	Market	0	\$800	\$815	790		\$1.01	\$1.03	\$950	\$1,005	1,074		\$0.88	\$0.94
Churchill Commons Apts	Market	0	\$660		700		\$0.94		\$810		1,000		\$0.81	
Colonial Village at Waters Edge	Market	0	\$650	\$750	700		\$0.93	\$1.07	\$790	\$950	1,010	1,030	\$0.78	\$0.92
Crowfield Greene	LIHTC	0	\$480	\$540	952		\$0.50	\$0.57	\$580	\$680	1,237		\$0.47	\$0.55
Grand Oaks Apts	LIHTC	0	\$495	\$613	680		\$0.73	\$0.90	\$593	\$735	1,000		\$0.59	\$0.74
Grandview Apts	LIHTC	0	\$495	\$613	716		\$0.69	\$0.86	\$593	\$735	922		\$0.64	\$0.80
Kilnsea Village Apts	Market	0	\$865	\$875	811		\$1.07	\$1.08	\$999	\$1,049	1,065	1,096	\$0.94	\$0.96
Marshside Village	BOI-HUD	48												
Oakbrook Village	Market	0	\$775	\$800	778		\$1.00	\$1.03	\$945	\$970	1,178		\$0.80	\$0.82
Shady Grove Apts	LIHTC	0	\$495		702		\$0.71		\$593		900		\$0.66	
Sherman House	BOI-HUD	0			530									
Summerville Garden Apts	LIHTC	0	\$470	\$494	763		\$0.62	\$0.65	\$530	\$555	973		\$0.54	\$0.57
The Grove at Oakbrook	Market	0	\$795	\$830	788		\$1.01	\$1.05	\$870	\$995	972	1,235	\$0.90	\$0.81
The Preserve at Collins Park	LIHTC	0	\$471	\$589	789		\$0.60	\$0.75	\$559	\$701	982		\$0.57	\$0.71
The Reserve at Wescott Plantation	Market	0	\$675	\$750	770	865	\$0.88	\$0.87	\$890	\$940	1,044	1,146	\$0.85	\$0.82
The Villas at Horizon Village	LIHTC/BOI	34	\$545		703	762	\$0.78	\$0.72	\$650		905	916	\$0.72	\$0.71
Westbury Mews	Market	0	\$700	\$810	551	897	\$1.27	\$0.90	\$770	\$855	780	1,009	\$0.99	\$0.85
Wisteria Place Apts	LIHTC	0							\$559	\$701	1,082		\$0.52	\$0.65
Totals and Averages		82		\$661		750		\$0.88		\$778		1,025		\$0.76
SUBJECT PROPERTY														
VILLAS AT OAKBROOK APTS	LIHTC	0	\$440	\$550		810	\$0.54	\$0.68	\$516	\$656	960	990	\$0.54	\$0.66
SUMMARY														
Overall				\$661		750	\$0.88		\$778		1,025		\$0.76	
Market Rate Only				\$770		765	\$1.01		\$919		1,049		\$0.88	
LIHTC Only				\$525		758	\$0.69		\$626		991		\$0.63	
Subsidized Only				NA		530	NA		NA		NA		NA	

Note: Shaded Properties are senior LIHTC

Table 23a: Project Amenities - Overall

Project Name	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Fireplace	Hi-Speed Internet	Club/Comm. Room	Computer Center	Exercise Room
Bridge Pointe Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Churchill Commons Apts	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes
Colonial Village at Waters Edge	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes
Crowfield Greene	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Grand Oaks Apts	Yes	No	No	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes
Grandview Apts	Yes	No	No	Yes	Yes	Yes	No	Yes	No	No	No	Yes	No	Yes
Kilnsea Village Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Marshside Village	Yes	No	No	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	No
Oakbrook Village	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Shady Grove Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No
Sherman House	Yes	No	Yes	No	No	No	No	No	No	No	No	Yes	No	No
Summerville Garden Apts	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
The Grove at Oakbrook	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The Preserve at Collins Park	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
The Reserve at Wescott Plantation	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The Villas at Horizon Village	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Westbury Mews	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Wisteria Place Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No
Totals and Averages	100%	0%	83%	89%	50%	89%	78%	94%	72%	17%	28%	94%	67%	78%
SUBJECT PROJECT														
VILLAS AT OAKBROOK APTS	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
SUMMARY														
Overall	100%	0%	83%	89%	50%	89%	78%	94%	72%	17%	28%	94%	67%	78%
Market Rate Only	100%	0%	100%	100%	38%	88%	100%	100%	100%	38%	50%	88%	75%	100%
LIHTC Only	100%	0%	75%	88%	75%	100%	63%	100%	63%	0%	13%	100%	63%	75%
Subsidized Only	100%	0%	50%	50%	0%	50%	50%	50%	0%	0%	0%	100%	50%	0%

Note: Shaded Properties are senior LIHTC

Table 23b: Project Amenities - Overall

Project Name	Pool	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carpport	Garage	Emerg. Pull Cord	Activities	Library
Bridge Pointe Apts	Yes	No	No	No	Yes	No	Yes	Yes	No	No	Yes	NA	NA	NA
Churchill Commons Apts	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	No	NA	NA	NA
Colonial Village at Waters Edge	Yes	No	No	Yes	Yes	No	No	No	Yes	No	No	NA	NA	NA
Crowfield Greene	No	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Grand Oaks Apts	No	Yes	No	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
Grandview Apts	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
Kilnsea Village Apts	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Marshside Village	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	Yes
Oakbrook Village	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	NA	NA	NA
Shady Grove Apts	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No
Sherman House	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
Summerville Garden Apts	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No	No	NA	NA	NA
The Grove at Oakbrook	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	NA	NA	NA
The Preserve at Collins Park	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No
The Reserve at Wescott Plantation	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	NA	NA	NA
The Villas at Horizon Village	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
Westbury Mews	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	No	No	NA	NA	NA
Wisteria Place Apts	No	No	No	No	Yes	No	Yes	Yes	No	No	No	NA	NA	NA
Totals and Averages	44%	56%	39%	44%	100%	50%	94%	78%	6%	0%	33%	39%	44%	22%
SUBJECT PROJECT														
VILLAS AT OAKBROOK APTS	No	Yes	Yes	No	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No
SUMMARY														
Overall	44%	56%	39%	44%	100%	50%	94%	78%	6%	0%	33%	39%	44%	22%
Market Rate Only	100%	38%	13%	75%	100%	25%	88%	88%	13%	0%	50%	0%	13%	0%
LIHTC Only	0%	63%	50%	13%	100%	63%	100%	88%	0%	0%	25%	63%	63%	38%
Subsidized Only	0%	100%	100%	50%	100%	100%	100%	0%	0%	0%	0%	100%	100%	50%

Note: Shaded Properties are LIHTC

Table 24: Rental Housing Survey - Comparable

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Crowfield Greene	2010	42	0	14	28	0	0	No	ELE	No	98%	SR 55+	Goose Creek
Grand Oaks Apts	2004	60	0	36	24	0	0	No	ELE	No	100%	SR 55+	Charleston
Grandview Apts	2011	72	0	48	24	0	0	No	ELE	No	100%	SR 55+	Charleston
The Preserve at Collins Park	2010	40	0	2	38	0	0	No	ELE	No	100%	SR 55+	Goose Creek
The Villas at Horizon Village	2010	71	0	55	16	0	0	No	ELE	No	100%	SR 55+	N. Charleston
Totals and Averages <i>Unit Distribution</i>	2009	285	0 0%	155 54%	130 46%	0 0%	0 0%				99.6%		
SUBJECT PROJECT													
VILLAS AT OAKBROOK APTS	2015	42	0	6	36	0	0	No	ELE	No		SR 55+	Summerville

Table 25: Rent Range for 1 & 2 Bedrooms - Comparable

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Crowfield Greene	LIHTC	0	\$480	\$540	952		\$0.50	\$0.57	\$580	\$680	1,237		\$0.47	\$0.55
Grand Oaks Apts	LIHTC	0	\$495	\$613	680		\$0.73	\$0.90	\$593	\$735	1,000		\$0.59	\$0.74
Grandview Apts	LIHTC	0	\$495	\$613	716		\$0.69	\$0.86	\$593	\$735	922		\$0.64	\$0.80
The Preserve at Collins Park	LIHTC	0	\$471	\$589	789		\$0.60	\$0.75	\$559	\$701	982		\$0.57	\$0.71
The Villas at Horizon Village	LIHTC/BOI	34	\$545		703	762	\$0.78	\$0.72	\$650		905	916	\$0.72	\$0.71
Totals and Averages		34		\$538		767		\$0.70		\$647		994		\$0.65
SUBJECT PROPERTY														
VILLAS AT OAKBROOK APTS	LIHTC	0	\$440	\$550		810	\$0.54	\$0.68	\$516	\$656	960	990	\$0.54	\$0.66

Note: Shaded properties are the closest and most comparable to the subject proposal

Table 26a: Project Amenities - Comparable

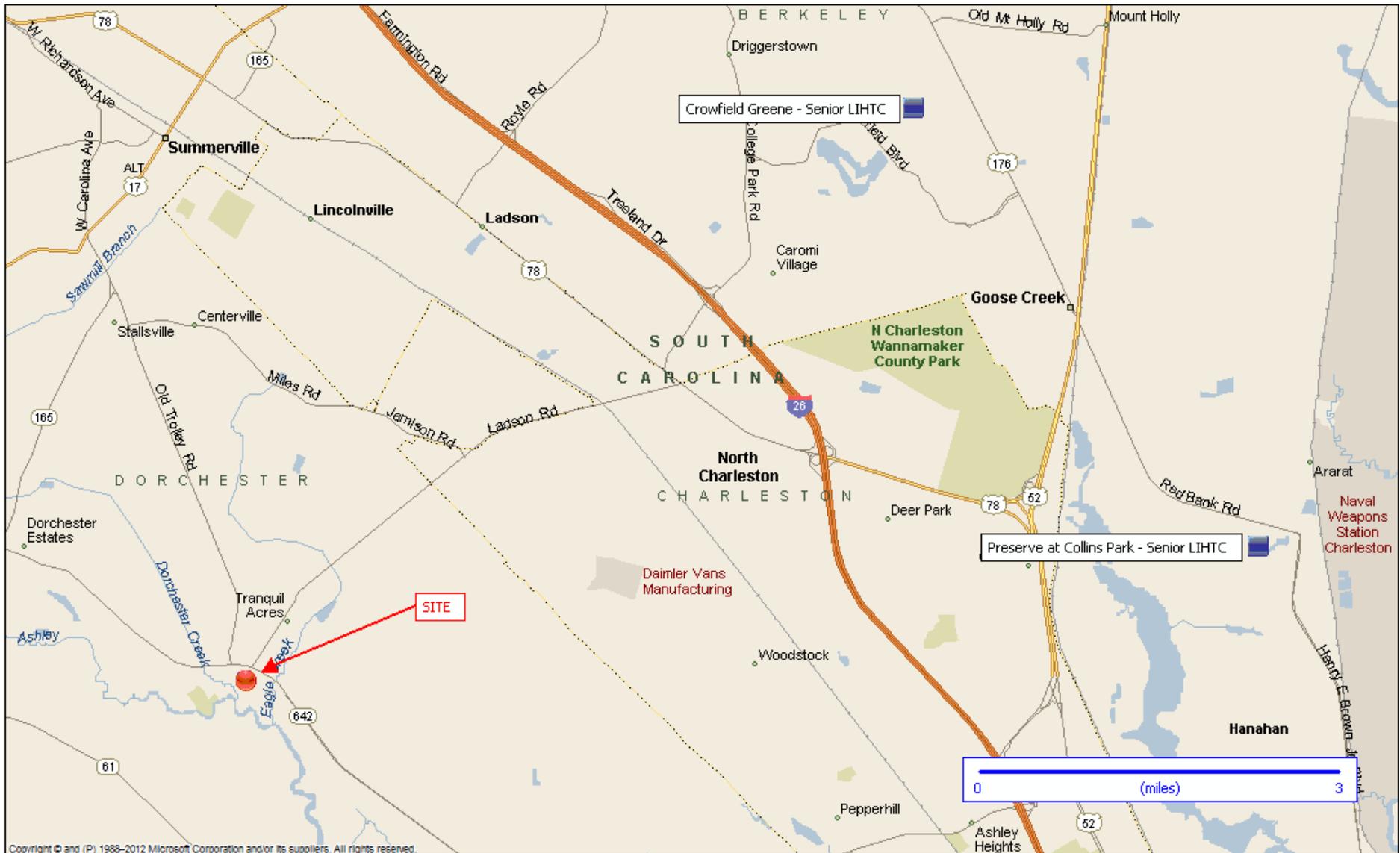
Project Name	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Fireplace	Hi-Speed Internet	Club/Comm. Room	Computer Center	Exercise Room
Crowfield Greene	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Grand Oaks Apts	Yes	No	No	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes
Grandview Apts	Yes	No	No	Yes	Yes	Yes	No	Yes	No	No	No	Yes	No	Yes
The Preserve at Collins Park	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
The Villas at Horizon Village	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Totals and Averages	100%	0%	60%	80%	60%	100%	60%	100%	60%	0%	20%	100%	60%	100%
SUBJECT PROJECT														
VILLAS AT OAKBROOK APTS	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes

Table 26b: Project Amenities - Comparable

Project Name	Pool	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage	Emerg. Pull Cord	Activities	Library
Crowfield Greene	No	No	No	No	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Grand Oaks Apts	No	Yes	No	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
Grandview Apts	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes
The Preserve at Collins Park	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	No	No
The Villas at Horizon Village	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
Totals and Averages	0%	80%	60%	0%	100%	80%	100%	80%	0%	0%	40%	80%	80%	60%
SUBJECT PROJECT														
VILLAS AT OAKBROOK APTS	No	Yes	Yes	No	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No

Note: Shaded properties are the closest and most comparable to the subject proposal

Map 11: Comparable Senior LIHTC Rental Developments



COMPARABLE PROJECT INFORMATION											
Project Name: Crowfield Greene Address: 179 Turnmill Drive City: Goose Creek State: SC Zip Code: 29445 Phone Number: (843) 818-1195 Contact Name: Holly Contact Date: 01/30/14 Current Occup: 97.6%											
DEVELOPMENT CHARACTERISTICS											
Total Units: 42		Year Built: 2010		Project Type: SR 55+		Floors: 1		Program: LIHTC		Accept Vouchers: Yes	
PBRA Units*: 0		Voucher #: NA									
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy											
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
TOTAL 1-BEDROOM UNITS				14					0	100.0%	Yes
1	1.0	50	Apt	7	952		\$480		0	100.0%	Yes
1	1.0	60	Apt	7	952		\$540		0	100.0%	Yes
TOTAL 2-BEDROOM UNITS				28					1	96.4%	Yes
2	2.0	50	Apt	14	1,237		\$580		1	92.9%	Yes
2	2.0	60	Apt	14	1,237		\$680		0	100.0%	Yes
TOTAL DEVELOPMENT				42					1	97.6%	12+ Months
AMENITIES											
Unit Amenities				Development Amenities				Laundry Type			
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet				<input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer Parking Type <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input checked="" type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 Utilities Included <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input type="checkbox"/> - Water/Sewer			

COMPARABLE PROJECT INFORMATION												
Project Name: The Preserve at Collins Park Address: 2055 Harbour Lake Drive City: Goose Creek State: SC Zip Code: 29445 Phone Number: (843) 724-9963 Contact Name: Dee Contact Date: 01/30/14 Current Occup: 100.0%												
DEVELOPMENT CHARACTERISTICS												
Total Units:		40		Year Built:		2010						
Project Type:		SR 55+		Floors:		3						
Program:		LIHTC		Accept Vouchers:		Yes						
PBRA Units*:		0		Voucher #:		NA						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 1-BEDROOM UNITS				2					0	100.0%	Yes	
1	1.0	50	Apt	1	789		\$471		0	100.0%	Yes	
1	1.0	60	Apt	1	789		\$589		0	100.0%	Yes	
TOTAL 2-BEDROOM UNITS				38					0	100.0%	Yes	
2	2.0	50	Apt	19	982		\$559		0	100.0%	Yes	
2	2.0	60	Apt	19	982		\$701		0	100.0%	Yes	
TOTAL DEVELOPMENT				40					0	100.0%	3-6 Months	
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
X - Central A/C				- Clubhouse				X - Coin-Operated Laundry				
- Wall A/C Unit				X - Community Room				X - In-Unit Hook-Up				
X - Garbage Disposal				X - Computer Center				- In-Unit Washer/Dryer				
X - Dishwasher				X - Exercise/Fitness Room								
X - Microwave				- Community Kitchen				<u>Parking Type</u>				
X - Ceiling Fan				- Swimming Pool				X - Surface Lot				
X - Walk-In Closet				- Playground				- Carport				
X - Mini-Blinds				X - Gazebo				- Garage (att)				
- Draperies				X - Elevator				- Garage (det)				
- Patio/Balcony				- Storage								
- Basement				- Sports Courts				<u>Utilities Included</u>				
- Fireplace				X - On-Site Management				- Heat				
- High-Speed Internet				- Security - Access Gate				- Electricity				
				X - Security - Intercom				X - Trash Removal				
								X - Water/Sewer				

6. Market Rent Calculations

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

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

	Proposed Net Rent	Estimated Market Rent	Market Advantage
One-Bedroom Units			
50% AMI	\$440	\$790	44%
60% AMI	\$550	\$790	30%
Two-Bedroom Units			
50% AMI	\$510	\$904	44%
60% AMI	\$640	\$904	29%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		Colonial Village at Waters Edge		Kilnsea Village Apts		Oakbrook Village		The Grove at Oakbrook		The Reserve at Wescott Plantation	
Project City	Subject	Summerville		Summerville		Summerville		Summerville		Summerville	
Date Surveyed	Data	1/31/14		1/30/14		1/30/14		2/14/14		2/14/14	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apt	Apt		Apt		Apt		Apt		Apt	
Yr. Built/Yr. Renovated	2015	1986	\$22	2012	\$2	2006	\$7	2003	\$9	2007	\$6
Appeal	Good	Good		Good		Good		Good		Good	
Neighborhood	Good	Good		Good		Good		Good		Good	
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
Microwave	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
Walk-In Closet	Yes	Yes		Yes		Yes		Yes		Yes	
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Basement	No	No		No		No		No		No	
Fireplace	No	No		No		No		Yes	(\$10)	Yes	(\$10)
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	No	No		Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Community Room	Yes	No	\$5	Yes		No	\$5	No	\$5	No	\$5
Computer Center	Yes	Yes		Yes		Yes		Yes		Yes	
Exercise Room	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Playground	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)
Sports Courts	No	Yes	(\$3)	No		No		No		No	
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		Yes	(\$5)	No		No		No	
Security - Intercom	No	No		Yes	(\$3)	No		No		No	
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated	Yes	No	\$5	Yes		Yes		Yes		Yes	
In-Unit Hook-Up	Yes	No		Yes		Yes		Yes		Yes	
In-Unit Washer/Dryer	No	Yes	(\$25)	No		No		No		No	
Carpport	No	No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No	
Garage (detached)	No	No		No		Yes		Yes		Yes	
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No		No	
Electric	No	No		No		No		No		No	
Trash Removal	Yes	Yes		Yes		Yes		Yes		Yes	
Water/Sewer	No	No		No		No		No		No	
Heat Type	ELE	ELE		ELE		ELE		ELE		ELE	
Utility Adjustments											
Efficiency Units											
One-Bedroom Units											
Two-Bedroom Units											
Three-Bedroom											
Four-Bedroom Units											

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		Colonial Village at Waters Edge		Kilnsea Village Apts		Oakbrook Village		The Grove at Oakbrook		The Reserve at Wescott Plantation	
Project City	Subject Data	Summerville		Summerville		Summerville		Summerville		Summerville	
Date Surveyed		1/31/14		1/30/14		1/30/14		2/14/14		2/14/14	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units											
One-Bedroom Units	810	700	\$17	811	(\$0)	778	\$5	788	\$3	818	(\$1)
Two-Bedroom Units	966	1,020	(\$8)	1,081	(\$17)	1,178	(\$32)	1,104	(\$21)	1,095	(\$19)
G. Number of		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units											
One-Bedroom Units	1.0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0
Two-Bedroom Units	2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0
G. Total Adjustments Recap											
Efficiency Units											
One-Bedroom Units			\$7		(\$29)		(\$6)		(\$11)		(\$18)
Two-Bedroom Units			(\$17)		(\$46)		(\$43)		(\$35)		(\$36)

		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		Colonial Village at Waters Edge		Kilnsea Village Apts		Oakbrook Village		The Grove at Oakbrook		The Reserve at Wescott Plantation	
Project City	Subject Data	Summerville		Summerville		Summerville		Summerville		Summerville	
Date Surveyed		1/31/14		1/30/14		1/30/14		2/14/14		2/14/14	
H. Rent/Adjustment Summary		Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent
Market Rate Units											
One-Bedroom Units	\$790	\$750	\$757	\$875	\$846	\$800	\$794	\$830	\$819	\$750	\$732
Two-Bedroom Units	\$904	\$870	\$853	\$1,024	\$978	\$958	\$914	\$933	\$898	\$915	\$879

H. INTERVIEWS

Throughout the course of performing this analysis of the Summerville rental market, many individuals were contacted. Based on discussions with local government officials, there was no directly comparable senior-oriented rental activity reported. However, three open multi-family rental developments were identified: 1) Lake Pointe Apts – 56 tax credit units located along Lake Pointe Avenue is under construction and almost completed; 2) Arbor Village Apts – 240 market rate units located at 10825 Dorchester is under construction; and 3) Legends at Azalea Square Apts – 258 market rate units proposed along Holiday Drive. None of these developments will have an adverse impact on the long term viability of the subject property. In addition, both officials noted a need for affordable housing locally. The following planning departments were contacted:

1. Summerville, SC -
Contact: Jessie Schuler, Zoning Administrator
Phone: 843-851-4217
Date: 2/24/2014

2. Dorchester County -
Contact: Alec Brebner, Manager of Planning and Zoning
Phone: 843-832-0019
Date: 2/24/2014

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Summerville rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject property, as proposed, within the Summerville PMA. Factors supporting the introduction of a newly constructed rental alternative targeted for low-income senior households include the following:

1. Strong senior demographic patterns since 2000 throughout the PMA – seniors 55 and over more than doubled between 2000 and 2013;
2. Overall positive occupancy levels among affordable properties – considering the eight LIHTC projects within our survey (six senior and two family), an occupancy rate of 99.4 percent was calculated;
3. Extraordinarily strong occupancy rates within the area’s senior-only properties – a combined occupancy rate of 99.6 percent was calculated among the five most comparable senior LIHTC properties (averaging 99.6 percent occupancy), with all five reporting long waiting lists;
4. A positive site location near retail, medical, and recreational areas;
5. The proposal represents a modern product with numerous amenities and features at a generally affordable rental level; and
6. A sufficient statistical demand calculation, with an estimated absorption of approximately five to seven months.

As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

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



Steven R. Shaw
SHAW RESEARCH AND CONSULTING

Date: March 5, 2014

K. SOURCES

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

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

2008-2012 American Community Survey – 5-Year Estimates – U.S. Census Bureau

2013/2018 Demographic Forecasts, ESRI Business Analyst Online

Apartment Listings – LIHTC – <http://lihtc.findthedata.org>

Apartment Listings – www.socialserve.com

Apartment Listings – Yahoo! Local – <http://local.yahoo.com>

Community Info – Greater Summerville/Dorchester County Chamber of Commerce – www.greatersummerville.org

Community Info – Visit Summerville – www.visitsummerville.com

Community Profile 2014 – Dorchester County – SC Department of Employment & Workforce

CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor

Crime Data – CLRsearch.com

Crime Data – ESRI Business Analyst Online

ESRI ArcView, Version 3.3

ESRI Business Analyst Online

Government Info – Dorchester County – www.dorchestercounty.net

Government Info – Town of Summerville – www.summerville.sc.us

Income & Rent Limits 2014 – South Carolina State Housing Finance & Development Authority

Interviews with community planning officials

Interviews with managers and leasing specialists at local rental developments

South Carolina Industry Data – SC Works Online Services

South Carolina Labor Market Information – U.S. Bureau of Labor Statistics

South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority

Microsoft Streets and Trips 2013

L. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING

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

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

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

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