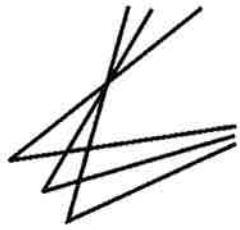


Market Study



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**AN APARTMENT ANALYSIS
IN THE
CITY OF
BEAUFORT, SOUTH CAROLINA
FOR A PROPOSED FAMILY
DEVELOPMENT
UNDER THE
LOW INCOME HOUSING TAX CREDIT PROGRAM
(123 CLUB APARTMENTS)**

PREPARED FOR:

SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY &

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I. INTRODUCTION

A. OBJECTIVES

This study analyzes the market feasibility for the new construction of a family rental development, 123 Club Apartments, in the City of Beaufort, Beaufort County, South Carolina in association with the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit program. After fully discussing the scope and area of the survey with Mr. Jeffrey Woda, President of The Woda Group, Inc.; National Land Advisory Group undertook the analysis.

B. METHODOLOGY & LIMITATIONS

The methodology we use in our studies is centered on three analytical principles: the Primary Market Area (PMA), a field survey of the modern apartments and rental housing in the primary and secondary (if necessary) market areas, and the application and analysis generated for demographic and economic purposes.

A complete analysis for new construction within the rental market requires five considerations: a field survey of modern apartments; an analysis of area housing; an analysis of the area economy; a demographic analysis; and recommendations for development. Information is gathered from many internal and external sources, including, but not limited to: real estate owners, property managers, state and public government officials, public records, real estate professionals, U.S. Census Bureau, major employers, local chamber or development organizations and secondary demographic services. National Land Advisory Group accepts the materials and data from these sources as correct information, and assumes no liability for inaccurate data or analysis.

An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a Primary Market Area is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied. When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis is used in the compilation of data.

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at national, state and county levels, as well as third party suppliers. Market information has been obtained from sources presumed to be reliable, including developers, owners and representatives. However, this information cannot be warranted by National Land Advisory Group. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

The data in this report is derived from several sources: the U.S. Census Bureau, the American Community Survey, Applied Geographic Solutions/FBI UCR, Nielsen Claritas, and Ribbon Demographics. The data is apportioned to the various geographies using a Geospatial Information System (GIS). The GIS allocates data points such as population, households, and housing units, using Census block group apportionment or Census tract apportionment - depending on the availability of data. The GIS will apportion the data based on the location of Census block points as they relate to the geography that the data is

being apportioned for. In other words, the GIS will examine the data associated with the block points that lie within a geographical boundary (PMA, place, county, or state) and will then proportionally allocate associated data from a block group or census tract, to the principal geographical boundary that is receiving the data. Official geographic boundaries are provided by the U.S. Census Bureau and reflect the official boundaries as of July, 2010. The data in this report that utilizes Census and American Community Survey data may differ slightly from data that is aggregated using the American Factfinder tool. The potential differences in the data can be attributed to rounding, apportioning, and access to masked data that is not provided to the general public. The differences, if any, are generally less than 1%. However, smaller geographies such as places with less than 2,000 people are susceptible to greater variations between data points.

The U.S. Census no longer collects detailed housing and demographic information - data that was formerly collected by the long form of the Decennial Census. This data is now collected by the American Community Survey (ACS). The ACS is conducted more frequently (quarterly) but utilizes a much smaller sample size; therefore there can be high margins of error in some instances. The margins of error will decrease proportionally as the population base increases and the size of the geography increases. This report utilizes data from the 2006-2010 ACS, which is an average of estimates taken over a five year period and eventually weighted back to the official 2010 Census. The ACS recommends that its data only be compared to other, non-overlapping ACS datasets. Please use caution when examining any data derived from the ACS, especially in less populated areas.

The objective of this report is to gather, analyze, and present as many market components as reasonably possible within the time constraints agreed upon. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated. It is our function to provide our best effort in data collection, and to express opinions based on our evaluations. National Land Advisory Group, at all times, has remained an unbiased, third party principal.

**C. SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT
AUTHORITY'S REQUIREMENTS**

According to the South Carolina State Housing Finance and Development Authority's 2016 Low-Income Housing Tax Credit Program, specific requirements needed for analysis of market viability have been completed and incorporated into the market feasibility study prepared by National Land Advisory Group, in the sections as follows:

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D. CONSULTANT'S STATEMENT & MARKET STUDY CERTIFICATION

CONSULTANT'S STATEMENT & LIMITATIONS

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

National Land Advisory Group is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. National Land Advisory Group is an independent market analyst. No principal or employee of National Land Advisory Group has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies National Land Advisory Group the certification is always signed by the individual completing the study and attesting to the certification.

MARKET STUDY CERTIFICATION


The undersigned, a recognized firm of independent market analysts knowledgeable and experienced in the development of affordable rental properties, completed this Market Study of 123 Club Apartments (project name) for Mr. Jeffrey Woda of The Woda Group, LLC (developer/owner name).

The market analyst does hereby state, in our best judgment that a market exists for the proposed project as of March 1, 2016. The market analyst makes no guarantees or assurances that projections or conclusions in the study will be realized as stated.

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State 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.

By: National Land Advisory Group
(Market Analyst Company/Firm)

By:  / President
(Authorized Representative)

By:  / Field Analyst
(Authorized Representative)

Date: March 1, 2016

II. EXECUTIVE SUMMARY

A. DEVELOPMENT RECOMMENDATIONS

- ◆ This study has established that a market exists for the rehabilitation of a 40-unit multi-family rental housing project, 123 Club Apartments, to be developed within the criteria set forth by the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit Program.
- ◆ With the proposed plans to develop 8-units (20.0%) available to households with incomes at or below the 50% of the area income and 32-units (80.0%) available to households with incomes at or below the 60% of the area income, the subject site located in the City of Beaufort, South Carolina is proposed as follows:

UNIT BY TYPE AND BEDROOM

BEDROOM	TWO	THREE
BATHROOMS	2.0	2.0
NUMBER OF UNITS		
50%	4	4
60%	16	16
SQUARE FEET (approx.)	890	1,100
GROSS RENT	\$741	\$858
UTILITY ALLOWANCE *	\$135	\$163
NET RENT	\$606	\$695

* estimated by developer and local housing agency

- ◆ The existing development consists of a one-story and two-story flats for family occupancy. The development consists of 8 buildings located on approximately 5.0 acres. The existing 40-unit family development is estimated to begin rehabilitation in the Spring 2017, to be completed in the Spring 2018. The development consists of parking for a total of 80 surface spaces within the development.
- ◆ The development rehabilitation will follow the mandatory design criteria set forth by SCSHFDA. However, there have been proposed additional development design criteria which will be included in the development rehabilitation process.

- ◆ Each unit in the existing development will be upgraded and would contain energy star appliances, including a self-cleaning range, refrigerator, dishwasher, disposal, air conditioning, carpeting or wood floors, blinds, extra storage, patio, washer/dryer hook-ups and one full and one-half bathrooms. Additionally, the units will be pre-wired for high speed internet.
- ◆ Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: on-site rental management office, laundry room, security, playground and a park setting.
- ◆ The units will include the following utilities: electric, gas, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of \$135 for a two-bedroom unit and \$163 for a three-bedroom unit is estimated.
- ◆ The development will maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front door image. From a marketing point of view, it would be beneficial if the proposed sites to continue to use some natural settings, if possible, to develop an environment within this development. The City of Beaufort area apartment developments have done a good job in creating a complete development theme or environment.
- ◆ The development and unit plans were reviewed. The family rental units are appropriate for the City of Beaufort. The unit amenities are adequate for the targeted market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants.
- ◆ The subject site is adequately located within three miles of all essential resident services, including but not limited to: government, educational, shopping, employment and medical facilities. There is public transportation available in the subject site area by Palmetto Breeze.
- ◆ In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **24% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

GROSS INCOMES	
Below 50%	23.7%
50% - 60%	-
Above 60%	76.3%

- ◆ The proposed rents combined with the current rental market absorption pattern would result in an overall vacancy rate of less than 3.0% for the proposed development. Within the overall LIHTC market, the vacancy rate would result in a rate of 2.0% or less.

- ◆ The absorption potential for tenants in the Beaufort rental market, based on the proposed net rent is excellent. It is anticipated, because of the criteria set forth by the income and household size for units for the Low Income Tax Credit Program, the depth of the market demand for units, assumption of renovated product, as well as the design associated with this product, absorption is expected to be equal to the area average of 6 to 8 units per month, resulting in a 5.0 to 6.7 month absorption period for the 40-unit LIHTC development. The absorption rate may be higher in the initial months of rent-up.

B. HOUSING MARKET SUMMARY

- ◆ At the time of this study, in the Beaufort market area, a comparable survey of family LIHTC, government subsidized and market-rate units was conducted in the market area. There are 1,446 market-rate units in the area in ten developments. There are eight low income housing tax credit (LIHTC) family and senior developments with 493-units that was surveyed with 5 vacancies for a 1.0% vacancy rate. An additional 533 government subsidized development units in eleven developments (including developments with LIHTC units) with a low vacancy rate, were located and surveyed in the Beaufort market area. Vacancies for the market rate units are also low at 1.9% (28-units). When vacancies are available, it is due to natural turnover in the market area. Reviewing the LIHTC units, the market still appears limited by supply rather than demand.
- ◆ The Beaufort market-rate apartment base contains a disproportionately higher ratio of three-bedroom market-rate and LIHTC units in the market area. These units have a lower vacancy rate.
- ◆ Median rents are high; additionally there is a good base of higher-priced market-rate units in the Beaufort market area. One-bedroom units have a median rent of \$930, with 25.6% of the one-bedroom units in the upper-rent range of \$1,009-\$1,138. Two-bedroom units have a median rent of \$872, with 40.1% of the two-bedroom units in the upper-rent range of \$1,074-\$1,155. Three-bedroom units have a median rent of \$941. Market rate rents have been able to increase at a yearly rate of more than 1.5%, because of the new construction of market-rate and LIHTC rental units, having an impact on both the area rental market and rents and the strong market conditions.
- ◆ Under the SCSHFDA guidelines, fifteen developments have received LIHTC allocations in the Beaufort area since 2000. There is one senior development and fourteen family developments, including the subject site, in the market area. The developments offers 50% and 60% rents of AMI's. Overall, the one senior development contains 72 LIHTC units, of which none are vacant or a 100.0% occupancy rate. Additionally, within the family developments, seven developments have additional government subsidies associated with these rents.
- ◆ Overall, the fourteen family developments contain 829 LIHTC units, of which there are 8 vacant units or a 99.0% occupancy rate.

- ◆ In a review of comparable properties and rent adjustments in the Beaufort PMA, it was noted that there are four family developments in the immediate area that would be the most comparable to the product. All of these developments are market-rate family developments with market segment associated to the product and tenant base. As noted, within the four competitive developments, a total of 490-units exist with 16 vacant units or an overall 96.7% occupancy rate.
- ◆ It should be noted that the average of the achievable comparable net two-bedroom unit is \$846, somewhat higher than the adjusted proposed \$606 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 71.6% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is \$1,034, somewhat higher than the adjusted proposed \$695 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 67.5% of the average comparable three-bedroom rent in the market area.
- ◆ When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

C. DEMAND ANALYSIS AND CAPTURE RATE

- ◆ The following demand estimates are based on any applicable income restrictions and requirements set forth by the South Carolina State Housing Finance and Development Authority, current family households, proposed households, turnover ratios of units in the market area and the percent of renter qualified family households within the Primary Market Area.
- ◆ Overall (excluding any overlap of income ranges), the adjusted annual income range specified appropriate by the tax credit program for low to moderate-income households is \$25,406 (lower end of one-person household moderate-income) to \$42,060 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2015, there are 2,581 households in the Beaufort Primary Market Area of the proposed site was within this income range.
- ◆ Within these competitive rent ranges, the market can support the proposed 40-unit tax credit development for family occupancy under the 50% and 60% programs. In 2015, based on the proposed and competitive product in the Beaufort market area, the proposed 40-unit family development of LIHTC units represents an overall 5.6% capture rate for all families and 6.5% for larger families (3+) in the market area.
- ◆ All of these calculations are appropriate capture and penetration factors, especially with the factor of the development being rehabilitation construction. Combined with sensitivity to market rents and a quality construction, these renter households' percentages represent a good base of appropriate income family households.

D. MARKET STUDY CRITERIA ANALYSIS

- ◆ Based on the SCSHFDA QAP Market Criteria, the subject property needs to be measured on four levels: Capture Rate, Market Advantage, Overall Vacancy Rate and the Absorption/Lease-Up Periods. The following are charts evaluating the desired criteria:

a) Capture Rate

The capture rate for income qualified households in the market area for the project is at or below 30.0%.

- ✓ The proposed development capture rate is 5.6%.

b) Market Advantage

The developments must have a minimal market advantage of 10%.

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
4	2 BR	\$606	\$2,424	\$846	\$3,384	
16	2 BR	\$606	\$9,696	\$846	\$13,536	
	2 BR		\$0		\$0	
4	3 BR	\$695	\$2,780	\$1,034	\$4,136	
16	3 BR	\$695	\$11,120	\$1,034	\$16,544	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$26,020		\$37,600	30.80%

- ✓ The proposed market advantage is 30.80%.

c) Overall Occupancy Rate

The overall existing vacancy rate for stabilized LIHTC developments is less than 10.0%.

- ✓ The LIHTC vacancy rate in the market area is estimated at 1.0%.

d) Absorption/Lease Up Periods

Estimated lease-up time for the project is less than one year.

- ✓ The estimated absorption period for the proposed development is **5.0 – 6.7 months.**

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	123 Club Apartments	Total # Units:	40
Location:	Beaufort, South Carolina	# LIHTC Units:	40
PMA Boundary:	See Section III-B		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	15.0 Miles

RENTAL HOUSING STOCK (found on page VI)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	29	2,472	38	98.5%
Market-Rate Housing	11	1,446	28	98.1%
Assisted/Subsidized Housing not to include LIHTC	4	125	0	100%
LIHTC (All that are stabilized)*	15	901	8	99.1%
Stabilized Comps**	4	490	16	96.7%
Non-stabilized Comps	-			%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
4	2	2	890	\$606	\$846	\$.95	28.3%	\$896	\$.84	
16	2	2	890	\$606	\$846	\$.95	28.3%	\$896	\$.84	
4	3	2	1,100	\$695	\$1,034	\$.94	32.8%	\$1,223	\$.86	
16	3	2	1,100	\$695	\$1,034	\$.94	32.8%	\$1,223	\$.86	
				\$	\$	\$	%	\$	\$	
Gross Potential Rent Monthly*					\$26,020	\$37,600		30.8%		

*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 IV)

	2010		2015		2018	
Renter Households	9,454	38.3%	10,894	40.9%	11,468	40.9%
Income-Qualified Renter HHs (LIHTC)	2,421	25.6%	2,581	23.7%	2,559	22.3%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

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

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	(37)	15				(22)
Existing Households (Overburd + Substand)	346	697				1,043
Homeowner conversion (Seniors)	-	-				-
Other:	-	-				-
Less Comparable/Competitive Supply	107	200				307
Net Income-qualified Renter HHs	202	512				714

CAPTURE RATES (found on page VII-D)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	4.0%	6.25%				5.6%

ABSORPTION RATE (found on page VII-E)

Absorption Period	5.0-6.7	months
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III. SITE

A. DESCRIPTION AND LOCATION

The proposed subject site is located in the western portion of the City of Beaufort, South Carolina. The site is located less than a quarter of a mile west of the Salem Road/Old Salem Road intersection. The subject site is located on the north side of Old Salem Road. The subject site is the existing 40-unit 123 Club Apartments. The 123 Club Apartments operates under the guidelines set forth by LIHTC program and is government subsidized under the HUD Section 8 Program for families. The subject site consists of 20 two-bedroom and 20 three-bedroom units. The 123 Club Apartments are 100% occupied. The site has excellent visibility and accessibility.

NORTH

The subject site is bordered on the north by an established residential neighborhood. Located within one-half mile northeast of the subject site is the 48-unit Lady's Pointe apartment community. These apartments are government subsidized under The Rural Development Administration's 515 programs and the LIHTC program. Farther north is Robert Smalls Parkway, a main east/west thoroughfare serving the City of Beaufort. Numerous commercial/retail are located along Robert Smalls Parkway, including a Lowe's Home Improvement Store, a Dollar Tree Store, an automobile dealership and numerous restaurants and convenience stores. Farther north, located within two miles is Boundary Street (Trask Parkway/U.S. Route 21). This is a main north/south route serving Beaufort and linking the City of Beaufort to U.S. Route 17, located within ten miles north of the site. U.S. Route 17 is a main artery serving the Beaufort area and provides access to the City of Charlestown, located approximately 60 miles to the north and to the City of Savannah, Georgia, located nearly 40 miles to the south. Farther north are areas of residential and commercial development and Interstate 95. The United States Marine Corps Air Station – Beaufort, a major employer is located within three miles north of the subject site.

EAST

The subject site is bordered in the east by the 44-unit Lady's Pointe II Apartments. These are also government subsidized by the Rural Development Administration 515 program and receive tax credits under the LIHTC program. They consist of 14 one-bedroom and 30 two-bedroom units and are 100% occupied. Also located to the east of the site is the Morningside of Beaufort assisted living facility. Located east of the site, within one-quarter mile, is an established residential neighborhood. This established residential neighborhood extends east approximately one-half mile to Battery Creek. Beyond are additional residential areas, the University of South Carolina - Beaufort and the Beaufort River. The Central Business District of Beaufort is approximately two miles northeast of the subject site.

SOUTH

The subject site is bordered on the south by Old Salem Road, a lightly trafficked road serving residents of the immediate site area. Farther south is a tree line on the south side of Old Salem Road and farther south is an established residential neighborhood. Just beyond are Battery Creek and additional established residential neighborhoods. Farther south, located within two miles, are portions of Battery Creek, Archer Creek, the Town of Port Royal and additional established residential neighborhoods. Beyond is the Marine Corps Recruit Depot, a major employer for the area. Additionally, Port Royal Sound and established residential areas along with various commercial/retail outlets are located in this immediate area. Hilton Head Island and the Atlantic Ocean are within fifteen miles south and southwest of the site.

WEST

The site is bordered on the west by established single-family residences. This area extends west less than one-half mile to Robert Smalls Parkway, a major commercial-retail corridor. Retailers in this immediate area include: J.C. Penney and Belk, located in the Cross Creek Center and a Wal-Mart Supercenter. Numerous smaller commercial/retail facilities are located along Robert Smalls Parkway. Broad River Road is located approximately one mile west of the subject site. Beyond are residential neighborhoods of Port Royal Island.

Several churches and scattered commercial/retail facilities are located within this large residential neighborhood. This area extends west, southwest and northwest for several miles. Interstate 95, the main north/south Interstate serving the Beaufort area and much of the east coast of the United States is located within twenty-three miles west of the site.

GENERAL

In general, the subject site, the existing 40-unit 123 Club Apartments, is located in the western portion of the City of Beaufort, South Carolina. The subject site is located less than one-quarter mile west of the Salem Road and Old Salem Road intersection. The subject site is located in an established residential neighborhood consisting of both multi-family and single-family residences. The subject site has excellent visibility from within the immediate neighborhood and is easily accessible from the area's main roads. The site is within close proximity to major shopping, employment centers and education facilities. The site is also within close proximity to the area's major recreation venues including golf courses and the Atlantic Ocean. All essential resident services are located within five miles.

B. PRIMARY MARKET AREA

The Primary Market Area (PMA) is defined by and includes the immediate population base and part of the surrounding urban populations. An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a PMA is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied.

When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis was used in the compilation of data.

The Beaufort PMA consists of all of the City of Beaufort, City of Lady’s Island and Town of Port Royal, as well as portions of the surrounding islands and townships in Beaufort County. The Primary Market Area area is roughly bounded by Harbor River to the north and west, Atlantic Ocean to the south and Huntington Island and Atlantic Ocean to the east. The Beaufort PMA includes all or part of the following census tracts located in Beaufort County: 2, 3, 4, 5.01, 5.02, 5.03, 6, 7, 8, 9.01, 9.02, 9.03, 10, 11.01, 11.02, 12 and 9901.

The City of Beaufort, which is located in the central portion of Beaufort County, has excellent access to major arteries, including Interstate 85, U.S. Routes 17 and 21 and State Routes 170 and 281. State and Federal branch offices are located in the City of Charleston, located approximately 60 miles north of the subject site.

C. SITE AND LOCATION ANALYSIS

COMMUNITY AMENITIES	NAME	DRIVING DISTANCE FROM SITE (MILES)
Major Employers/ Employment Centers	Beaufort Memorial Hospital	4.2 Southeast
Convenience Store	Kangaroo Express BP Food Shop	1.1 West 1.7 North
Grocery	Wal-Mart Supercenter Bi-Lo	1.5 West 2.1 Northeast
Discount Department Store	Lowes Home Improvement Dollar Tree Salvation Army TJ Maxx Walmart Supercenter	0.5 West 0.7 Northwest 0.8 Northwest 1.3 West 1.5 West
Schools: Elementary Middle/Junior High Senior High	Broad River Elementary School Robert Smalls Middle School Beaufort High School	3.4 West 1.9 West 5.1 East
Hospital	Beaufort Memorial Hospital	4.2 Southeast

Police	Beaufort Police Department	2.7 Northeast
Fire	Beaufort Fire Department	2.6 Northeast
Post Office	US Post Office	1.4 Northeast
Bank	Regions Bank Woodforest National Bank Ameris Bank Palmetto State Bank	1.2 North 1.5 West 1.6 Northeast 1.6 Northeast
Recreational Facilities	Burton Wells Recreation Center	4.1 West
Gas Station	Kangaroo Express BP Food Shop	1.1 West 1.7 North
Pharmacy	Wal-Mart Pharmacy Walgreens Kmart Store Pharmacy	1.5 West 1.5 Northeast 2.1 Northeast
Restaurant	Taco Bell Zaxby's Arby's Ruby Tuesday	0.7 Northwest 0.9 West 0.9 West 1.5 West
Day Care	Child Enrichment Center	3.7 East
Community Center	Burton Wells Recreation Center	4.1 West
Library	Beaufort County Library	3.9 East
Medical Center	Doctors Express	1.0 West
Cinema/Theatre	Plaza Stadium Theatres	1.3 Northeast
Fitness Center	Anytime Fitness Cross Fit Beaufort	1.0 West 2.8 East
Park	Burton Wells Park	3.9 West
Church	Beaufort Church of Christ New Church of Christ Holiness	0.7 Northwest 1.6 West



SUBJECT SITE

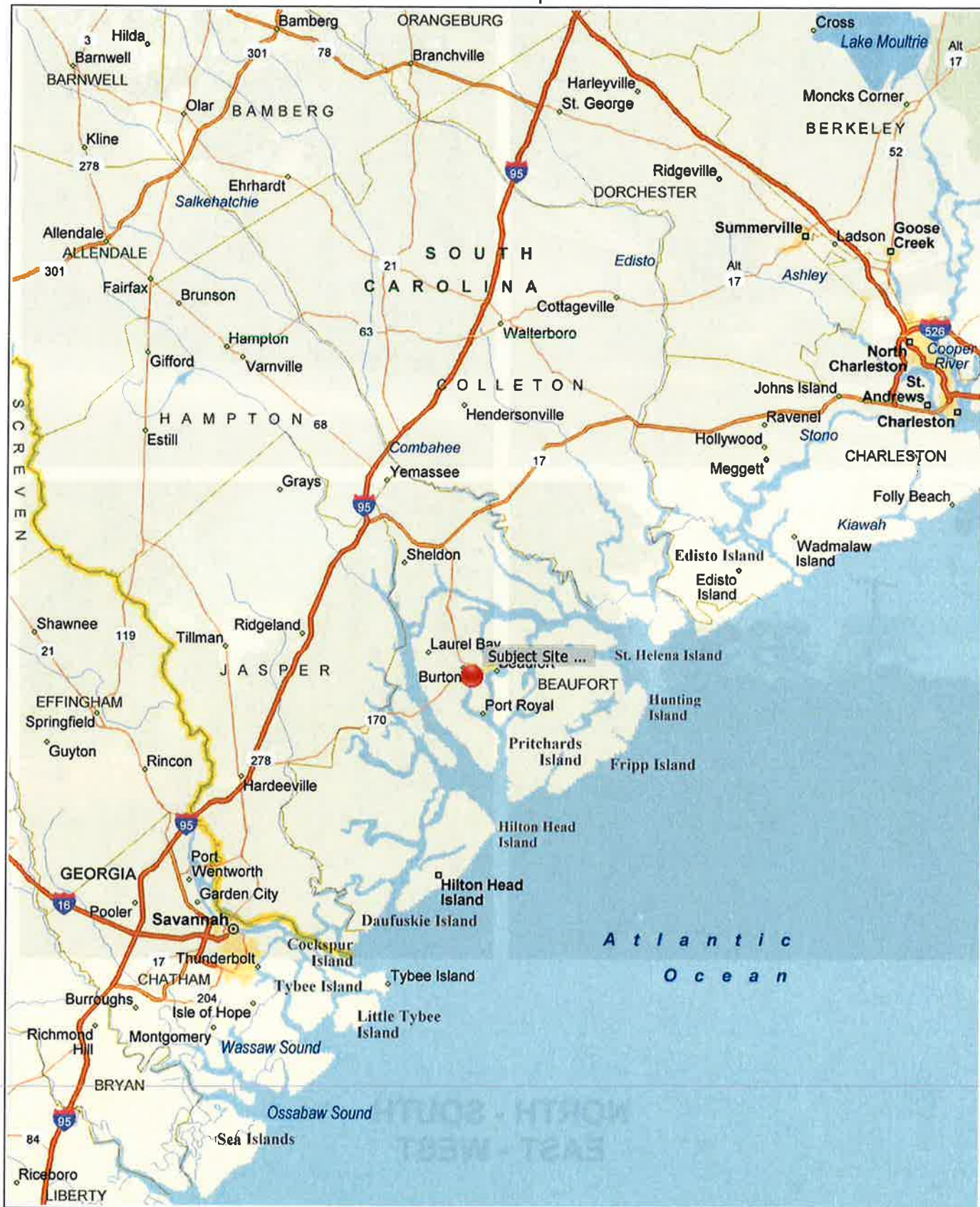


SUBJECT SITE



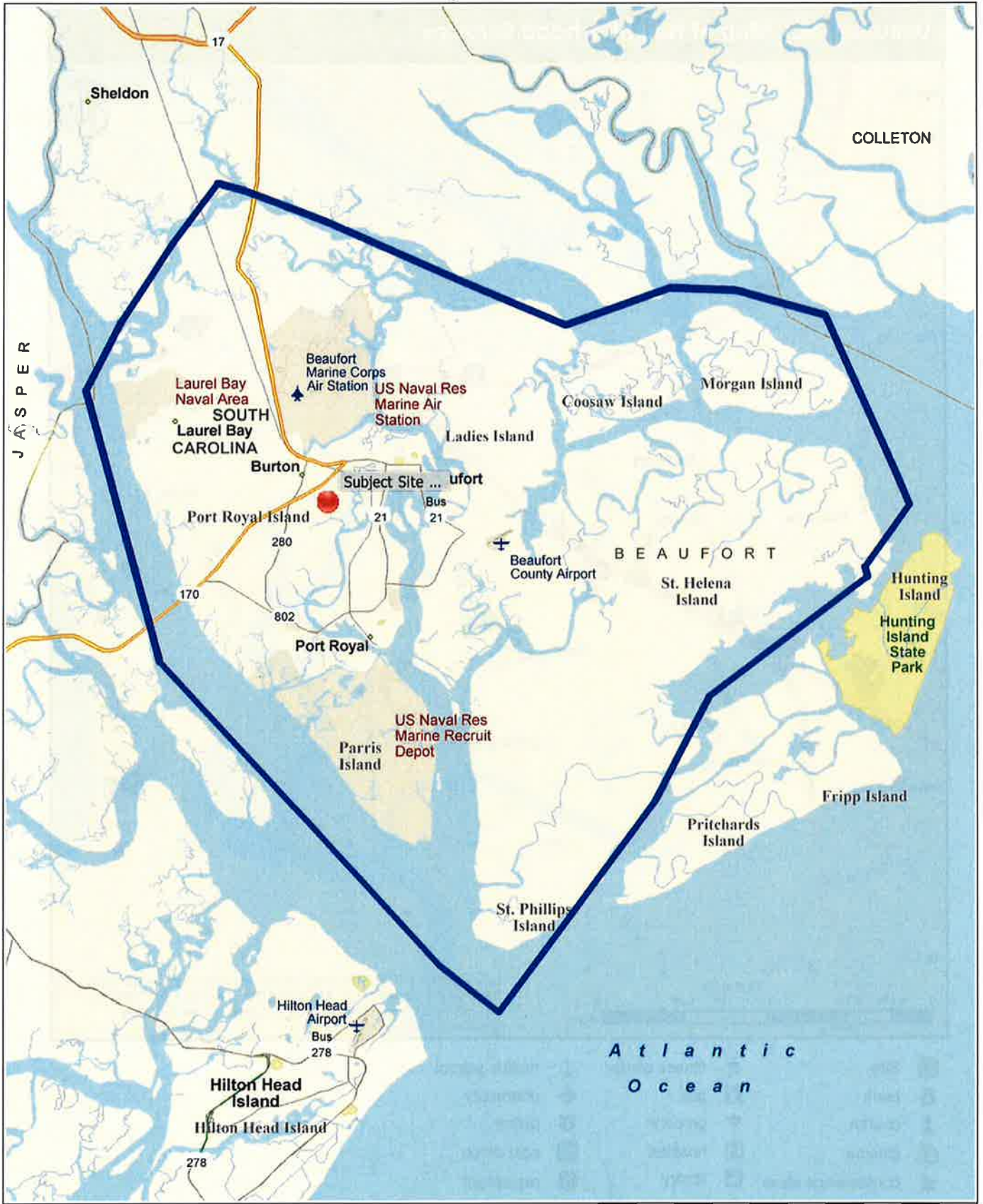
**NORTH - SOUTH
EAST - WEST**

Area Map



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Primary Market Area



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Beaufort, SC: Map of Neighborhood Services



- | | | |
|-------------------|----------------|---------------------|
| Site | fitness center | middle school |
| bank | gas | pharmacy |
| church | grocery | police |
| cinema | hospital | post office |
| convenience store | library | restaurant |
| fire | medical center | shopping |
| | | employers_1000_5000 |

IV. DEMOGRAPHIC & ECONOMIC INFORMATION

The following is a summary of the demographics and economic situation in the City of Beaufort, South Carolina. Information on population, area income analysis, crime, employment, unemployment and existing housing conditions was compiled for the City of Beaufort, Beaufort Primary Market Area (PMA) and Beaufort County. This information will show past, current, and future trends.

A. LOCATION

The City of Beaufort is located in the central area of Beaufort County, in the southern part of the State of South Carolina at the crossroad of U.S. Route 21 and State Route 170 and 281. Interstate 95 is located approximately twenty miles north of the area. The City of Bluffton, South Carolina is located approximately twenty miles west of the City of Beaufort area, while the City of Charleston is located sixty miles north. The City of Savannah, Georgia is located approximately forty miles south. The subject site area is located in the western portion of the City of Beaufort.

B. UTILITIES

Electric and gas service is provided by South Carolina Electric and Gas. Water, storm and sewer services are provided by the Beaufort-Jasper Water-Sewer Authority. Telephone service is provided by Century Link and Hargray.

C. FINANCIAL SOURCES

There are numerous banking and savings and loan institutions in the City of Beaufort area. Additional financial and banking services can be obtained in nearby communities, including the Port Royal and Lady Island areas.

D. MEDIA

Beaufort receives television and radio stations from the Savannah, Georgia area, as well as several regional outlets within the greater area. Other service outlets are provided from additional communities. Cable TV is available for the Beaufort area.

The Beaufort Gazette and the Island Packet is the daily newspaper. Other newspapers are distributed from the Savannah, Georgia and Charlestown, South Carolina areas. Several smaller weekly and local newspapers are also available and distributed in the area.

E. EDUCATION

The education system serving the proposed site area is the Beaufort County School District consisting of eight elementary, two middle and two high schools serving the Beaufort area. Additional schools serve various cities and rural communities of Beaufort County. There are several private elementary and secondary schools in the area. Several institutions of higher education are located within the immediate area: including: The University of South Carolina – Beaufort and the Technical College of the Lowcountry.

F. POPULATION & HOUSEHOLDS

The population of the City of Beaufort was 12,361 in 2010 and increased 5.1% to number is 12,991. Population is expected to number 13,584 by 2018, increasing 4.6% from 2015. The City of Beaufort households numbered 4,883 in 2010 and increased 8.0% to number 5,275 in 2015. Households are expected to number 5,565 by 2018, increasing 5.5% from 2015.

The population of the Beaufort Primary Market Area was 67,394 in 2010 and increased 4.6% to number 70,520 in 2015. Population is expected to number 73,642 by 2018, increasing 4.4% from 2015. Beaufort PMA households numbered 24,801 in 2010 and increased 7.3% to number 26,623 in 2015. Households are expected to number 28,036 by 2018, increasing 5.3% from 2015.

Beaufort County population was 162,233 in 2010 and increased 5.8% to number 171,643 for 2015. Population is expected to number 179,898 by 2018, increasing 4.8% from 2015. In 2010, Beaufort County households numbered 64,945 and increased 7.4% to number 69,720 in 2015. Households are projected to number 73,389 by 2018, increasing 5.3% from 2015.

TABLE 1
POPULATION AND HOUSEHOLDS
City of Beaufort – Beaufort PMA – Beaufort County, South Carolina
 2000 – 2010 – 2015 – 2018 (Projected)

POPULATION	Beaufort	Beaufort PMA	Beaufort County
2000	12,950	63,370	120,937
2010	12,361	67,394	162,233
Change 2000-2010	-4.5%	6.4%	34.1%
2015	12,991	70,520	171,643
Change 2010-2015	5.1%	4.6%	5.8%
2018	13,584	73,642	179,898
Change 2015-2018	4.6%	4.4%	4.8%
HOUSEHOLDS	Beaufort	Beaufort PMA	Beaufort County
2000	4,598	21,371	45,532
2010	4,883	24,801	64,945
Change 2000-2010	6.2%	16.0%	42.6%
2015	5,275	26,623	69,720
Change 2010-2015	8.0%	7.3%	7.4%
2018	5,565	28,036	73,389
Change 2015-2018	5.5%	5.3%	5.3%

Sources: U.S. Census Bureau; Esri

In 2018, the estimated population per household for the City of Beaufort is 2.44, compared to 2.63 for the Beaufort PMA and 2.45 in Beaufort County. The population per household for 2015 was 2.46 in the City of Beaufort, 2.65 for the Beaufort PMA and 2.46 in Beaufort County. In 2010, the population per household was 2.53 for the City of Beaufort, 2.72 in the Beaufort PMA and 2.50 in Beaufort County.

Based on 2010 Census data, a small percentage of the population is in group quarters, with the City of Beaufort at 9.8% and 3.2% for Beaufort County. A majority of the households in the City of Beaufort and Beaufort County are in traditional family households. The average household size for the City of Beaufort is 2.28 compared to 2.42 for Beaufort County.

TABLE 2

GROUP QUARTERS AND HOUSEHOLDS
City of Beaufort – Beaufort County, South Carolina

Census 2010

	Beaufort		Beaufort County	
	Number	Percent	Number	Percent
Total Population	12,361	100.0%	162,233	100.0%
In Group Quarters	1,207	9.8%	5,265	3.2%
Institutionalized	434	3.5%	650	0.4%
Noninstitutionalized	773	6.3%	4,615	2.8%
In Households	11,154	90.2%	156,968	96.8%
Family	8,980	72.6%	132,398	81.6%
Nonfamily	2,174	17.6%	24,570	15.1%
Total Households	4,883		64,945	
Average Household Size	2.28		2.42	

Source: U.S. Census Bureau, 2010 Census Summary File 1

In the Beaufort Primary Market Area, family households (under the age of 55) increased 17.5% for renter households and decreased 16.2% for owner households from 2010 to 2015. Between 2015 and 2018, family renter households (under the age of 55) are projected to increase 5.3%, while the owner households are estimated to decrease 1.2%.

In the Beaufort Primary Market Area, households (aged to 55 to 64) decreased 5.1% for renter households and increased 12.7% for owner households from 2010 to 2015. Between 2015 and 2018, renter households (aged 55 to 64) are projected to decrease 8.9%, while the owner households are estimated to increase 4.7%.

In the Beaufort Primary Market Area, senior households (aged 65 years and older) increased 9.0% for renter households and 23.8% for owner households from 2010 to 2015. Between 2015 and 2018, senior renter households (aged 65 years and older) are projected to increase 17.8%, while the owner households are estimated to increase 12.5%.

TABLE 3
RENTER & OWNER HOUSEHOLD TRENDS
Beaufort PMA
 2010 (Census) – 2015 (Estimated) – 2018 (Projected)

RENTER HOUSEHOLDS	Under 55 Years	55-64 Years	65+ Years
2010	7,734	920	855
2015	9,089	873	932
Change 2010-2015	17.5%	-5.1%	9.0%
2018	9,574	796	1,098
Change 2015-2018	5.3%	-8.9%	17.8%
OWNER HOUSEHOLDS	Under 55 Years	55-64 Years	65+ Years
2010	6,992	3,675	4,625
2015	5,862	4,143	5,724
Change 2010-2015	-16.2%	12.7%	23.8%
2018	5,789	4,338	6,441
Change 2015-2018	-1.2%	4.7%	12.5%

Sources: U.S. Census Bureau; Esri

In 2010 the median age for Beaufort PMA residents was 31.5 years. An analysis of age groups determined that 31.6% were under the age of 21; 56.0% were 21 to 64 years old; and 12.4% were 65 years or older.

In 2015 the median age for Beaufort PMA residents was 32.6 years. An analysis of age groups determined that 30.4% were under the age of 21; 55.2% were 21 to 64 years old; and 14.4% were 65 years or older.

In 2018 the median age for Beaufort PMA residents is projected to be 33.3 years. An analysis of age groups determined that 30.3% will be under the age of 21; 54.0% will be 21 to 64 years old; and 15.7% will be 65 years or older.

For reference, the average age in the Beaufort PMA was 35.8 in 2010 and increased to 36.7 in 2015. The average age is projected to be 37.1 in 2018.

**TABLE 4
POPULATION BY AGE & SEX
Beaufort PMA**

<i>Census 2010</i>				<i>Current Year Estimates - 2015</i>				<i>Three-Year Projections - 2018</i>			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	2,766	2,788	5,554	0 to 4 Years	2,736	2,742	5,478	0 to 4 Years	2,821	2,825	5,646
5 to 9 Years	2,286	2,214	4,500	5 to 9 Years	2,451	2,514	4,965	5 to 9 Years	2,488	2,550	5,038
10 to 14 Years	2,037	1,966	4,003	10 to 14 Years	2,124	2,032	4,156	10 to 14 Years	2,306	2,294	4,600
15 to 17 Years	1,276	1,208	2,484	15 to 17 Years	1,141	1,087	2,228	15 to 17 Years	1,217	1,163	2,380
18 to 20 Years	3,053	1,710	4,763	18 to 20 Years	2,984	1,637	4,621	18 to 20 Years	3,027	1,667	4,694
21 to 24 Years	3,346	2,365	5,711	21 to 24 Years	3,185	2,204	5,389	21 to 24 Years	3,148	2,167	5,315
25 to 34 Years	4,754	4,619	9,373	25 to 34 Years	5,386	5,301	10,687	25 to 34 Years	5,484	5,367	10,851
35 to 44 Years	3,255	3,695	6,950	35 to 44 Years	3,419	3,692	7,111	35 to 44 Years	3,781	4,036	7,818
45 to 54 Years	3,692	4,322	8,014	45 to 54 Years	3,368	3,980	7,348	45 to 54 Years	3,323	3,842	7,165
55 to 64 Years	3,519	4,154	7,673	55 to 64 Years	3,776	4,583	8,359	55 to 64 Years	3,864	4,725	8,589
65 to 74 Years	2,333	2,656	4,989	65 to 74 Years	3,038	3,448	6,486	65 to 74 Years	3,403	3,904	7,307
75 to 84 Years	1,098	1,418	2,516	75 to 84 Years	1,252	1,495	2,747	75 to 84 Years	1,457	1,761	3,217
85 Years and Up	<u>278</u>	<u>586</u>	<u>864</u>	85 Years and Up	<u>308</u>	<u>637</u>	<u>945</u>	85 Years and Up	<u>351</u>	<u>671</u>	<u>1,021</u>
Total	33,693	33,701	67,394	Total	35,168	35,352	70,520	Total	36,671	36,971	73,642
Median Age	28.7	35.0	31.5	Median Age	29.9	35.4	32.6	Median Age	30.7	36.0	33.3
Average Age	34.2	37.4	35.8	Average Age	35.2	38.2	36.7	Average Age	35.6	38.6	37.1

Source: Census 2010; Esri

PERCENT POPULATION BY AGE & SEX

Beaufort PMA

<i>Census 2010</i>				<i>Current Year Estimates - 2015</i>				<i>Three-Year Projections - 2018</i>			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	4.1%	4.1%	8.2%	0 to 4 Years	3.9%	3.9%	7.8%	0 to 4 Years	3.8%	3.8%	7.7%
5 to 9 Years	3.4%	3.3%	6.7%	5 to 9 Years	3.5%	3.6%	7.0%	5 to 9 Years	3.4%	3.5%	6.8%
10 to 14 Years	3.0%	2.9%	5.9%	10 to 14 Years	3.0%	2.9%	5.9%	10 to 14 Years	3.1%	3.1%	6.2%
15 to 17 Years	1.9%	1.8%	3.7%	15 to 17 Years	1.6%	1.5%	3.2%	15 to 17 Years	1.7%	1.6%	3.2%
18 to 20 Years	4.5%	2.5%	7.1%	18 to 20 Years	4.2%	2.3%	6.6%	18 to 20 Years	4.1%	2.3%	6.4%
21 to 24 Years	5.0%	3.5%	8.5%	21 to 24 Years	4.5%	3.1%	7.6%	21 to 24 Years	4.3%	2.9%	7.2%
25 to 34 Years	7.1%	6.9%	13.9%	25 to 34 Years	7.6%	7.5%	15.2%	25 to 34 Years	7.4%	7.3%	14.7%
35 to 44 Years	4.8%	5.5%	10.3%	35 to 44 Years	4.8%	5.2%	10.1%	35 to 44 Years	5.1%	5.5%	10.6%
45 to 54 Years	5.5%	6.4%	11.9%	45 to 54 Years	4.8%	5.6%	10.4%	45 to 54 Years	4.5%	5.2%	9.7%
55 to 64 Years	5.2%	6.2%	11.4%	55 to 64 Years	5.4%	6.5%	11.9%	55 to 64 Years	5.2%	6.4%	11.7%
65 to 74 Years	3.5%	3.9%	7.4%	65 to 74 Years	4.3%	4.9%	9.2%	65 to 74 Years	4.6%	5.3%	9.9%
75 to 84 Years	1.6%	2.1%	3.7%	75 to 84 Years	1.8%	2.1%	3.9%	75 to 84 Years	2.0%	2.4%	4.4%
85 Years and Up	<u>0.4%</u>	<u>0.9%</u>	<u>1.3%</u>	85 Years and Up	<u>0.4%</u>	<u>0.9%</u>	<u>1.3%</u>	85 Years and Up	<u>0.5%</u>	<u>0.9%</u>	<u>1.4%</u>
Total	50.0%	50.0%	100.0%	Total	49.9%	50.1%	100.0%	Total	49.8%	50.2%	100.0%

Source: Census 2010; Esri

TABLE 5
POPULATION
BY RACE AND HISPANIC OR LATINO ORIGIN
Census Tract 5.02, Beaufort County, South Carolina – South Carolina
Census 2010

	5.02	
Race	<u>Number</u>	<u>Percent</u>
One Race	4,674	97.2%
White	2,659	55.3%
Black or African American	1,745	36.3%
American Indian & Alaska Native	12	0.2%
American Indian, specified ¹	8	0.2%
Alaska Native, specified ¹	0	0.0%
Both American Indian & Alaska Native, specified ¹	0	0.0%
American Indian or Alaska Native, not specified	4	0.1%
Asian	99	2.1%
Native Hawaiian & Other Pacific Islander	10	0.2%
Some Other Race	149	3.1%
Two or More Races	134	2.8%
Two races with Some Other Race	23	0.5%
Two races without Some Other Race	95	2.0%
Three or more races with Some Other Race	3	0.1%
Three or more races without Some Other Race	<u>13</u>	0.3%
TOTAL POPULATION	4,808	100.0%
Hispanic or Latino		
Hispanic or Latino (of any race)	405	8.4%
Mexican	212	4.4%
Puerto Rican	87	1.8%
Cuban	11	0.2%
Other Hispanic or Latino ²	95	2.0%
Not Hispanic or Latino	<u>4,403</u>	91.6%
TOTAL POPULATION	4,808	100.0%
Race & Hispanic or Latino		
One Race	4,674	97.2%
Hispanic or Latino	372	7.7%
Not Hispanic or Latino	4,302	89.5%
Two or More Races	134	2.8%
Hispanic or Latino	33	0.7%
Not Hispanic or Latino	<u>101</u>	2.1%
TOTAL POPULATION	4,808	100.0%

¹ "American Indian, specified" includes people who provided a specific American Indian tribe, such as Navajo or Blackfeet. "Alaska Native, specified" includes people who provided a specific Alaska Native group, such as Inupiat or Yup'ik.

² This category is comprised of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

Source: U.S. Census Bureau, 2010 Census Summary File 1 (Table QT-P3)

In a 2010 analysis of household composition in the City of Beaufort and Beaufort County, there were 4,883 and 64,945 total households respectively. A distribution of family makeup, compared with each other is as follows:

	Beaufort				Beaufort County			
	<u>Owner-Occupied</u>		<u>Renter-Occupied</u>		<u>Owner-Occupied</u>		<u>Renter-Occupied</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Households								
Married Couples	1,434	54.5%	624	27.7%	28,926	63.1%	7,040	36.9%
Families w/ Male Head Only	77	2.9%	109	4.8%	1,191	2.6%	1,197	6.3%
Families w/ Female Head Only	255	9.7%	533	23.6%	3,588	7.8%	3,380	17.7%
Non-Family Households								
Living Alone	757	28.8%	820	36.4%	10,388	22.6%	5,421	28.4%
Not Living Alone	106	4.0%	168	7.5%	1,775	3.9%	2,039	10.7%
TOTAL Households	2,629	100.0%	2,254	100.0%	45,868	100.0%	19,077	100.0%
Householders 65 Years & Older								
Married Couples	421	47.2%	37	10.9%	11,843	63.8%	499	22.6%
Families w/ Male Head Only	17	1.9%	3	0.9%	193	1.0%	53	2.4%
Families w/ Female Head Only	76	8.5%	20	5.9%	783	4.2%	135	6.1%
Non-Family Households								
Living Alone	354	39.7%	273	80.1%	5,274	28.4%	1,436	65.2%
Not Living Alone	24	2.7%	8	2.3%	472	2.5%	81	3.7%
TOTAL Households 65+	892	100.0%	341	100.0%	18,565	100.0%	2,204	100.0%
Beaufort PMA								
	2010		2015		2018			
<u>Households</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>		
Owner-Occupied	15,292	61.7%	15,729	59.1%	16,568	59.1%		
Renter-Occupied	9,509	38.3%	10,894	40.9%	11,468	40.9%		

Sources: U.S. Census Bureau, 2010 Census Summary File 1; Esri

G. INCOME

In the City of Beaufort, median household income was \$42,633 for 2015 and is projected to increase to \$46,566 in 2018. The median household income in the Beaufort Primary Market Area was \$47,844 in 2015 and is projected to increase to \$51,389 in 2018. The median household income in Beaufort County for 2015 was \$57,589 and is projected to increase to \$61,647 in 2018.

TABLE 7
MEDIAN HOUSEHOLD INCOME TRENDS
City of Beaufort – Beaufort PMA – Beaufort County, South Carolina
2000 (Census) – 2010 (Census) – 2015 (Estimated) – 2018 (Projected)

MEDIAN HOUSEHOLD INCOME	Beaufort	Beaufort PMA	Beaufort County
2000	\$36,532	\$38,504	\$46,992
2010	\$42,063	\$47,652	\$55,286
Change 2000 - 2010	13.1%	23.8%	17.6%
2015	\$42,633	\$47,844	\$57,589
Change 2010 - 2015	1.3%	0.4%	4.2%
2018	\$46,566	\$51,389	\$61,647
Change 2015 - 2018	9.2%	7.4%	7.0%

Sources: U.S. Census Bureau; Esri

By age group, the 2015 household income for Beaufort PMA households was largest in the 25 to 34 age range. For 2018, the largest projected income is in the 25 to 34 age range. Between 2015 and 2018 in the Beaufort PMA, the largest percent change is projected to be in the 75 and over age group and the \$150,000 to \$199,999 income range.

TABLE 8
**DISTRIBUTION OF INCOME
 BY HOUSEHOLD SIZE, TENURE AND AGE**

Beaufort PMA

Base Year: 2006 - 2010 Estimates

Renter Households						
Under Age 55 Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	447	342	112	30	68	999
\$10,000 - 20,000	144	284	218	107	13	766
\$20,000 - 30,000	182	473	240	245	44	1,184
\$30,000 - 40,000	479	316	303	158	160	1,416
\$40,000 - 50,000	137	208	254	79	194	872
\$50,000 - 60,000	65	162	114	227	164	732
\$60,000+	<u>123</u>	<u>410</u>	<u>645</u>	<u>415</u>	<u>289</u>	<u>1,882</u>
Total	1,577	2,195	1,886	1,261	932	7,851
Renter Households						
Aged 55-61 Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	16	3	2	3	1	25
\$10,000 - 20,000	28	21	0	4	0	53
\$20,000 - 30,000	30	17	6	3	4	60
\$30,000 - 40,000	45	7	3	3	4	62
\$40,000 - 50,000	14	12	0	4	0	30
\$50,000 - 60,000	42	2	8	19	4	75
\$60,000+	<u>79</u>	<u>14</u>	<u>15</u>	<u>20</u>	<u>11</u>	<u>139</u>
Total	254	76	34	56	24	444
Renter Households						
Aged 62+ Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	181	19	4	7	1	212
\$10,000 - 20,000	146	43	4	16	2	211
\$20,000 - 30,000	78	13	6	14	12	123
\$30,000 - 40,000	31	27	15	12	5	90
\$40,000 - 50,000	33	37	4	8	14	96
\$50,000 - 60,000	38	41	6	11	4	100
\$60,000+	<u>163</u>	<u>83</u>	<u>22</u>	<u>46</u>	<u>13</u>	<u>327</u>
Total	670	263	61	114	51	1,159

Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE**

Beaufort PMA

Base Year: 2006 - 2010 Estimates

Owner Households						
Under Age 55 Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	112	20	32	3	37	204
\$10,000 - 20,000	126	70	0	70	26	292
\$20,000 - 30,000	170	260	300	28	40	798
\$30,000 - 40,000	206	174	163	139	276	958
\$40,000 - 50,000	225	133	133	132	53	676
\$50,000 - 60,000	176	251	87	92	213	819
\$60,000+	<u>263</u>	<u>1,213</u>	<u>914</u>	<u>982</u>	<u>508</u>	3,880
Total	1,278	2,121	1,629	1,446	1,153	7,627
Owner Households						
Aged 55-61 Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	90	29	4	2	18	143
\$10,000 - 20,000	40	57	38	19	19	173
\$20,000 - 30,000	108	54	16	20	1	199
\$30,000 - 40,000	33	136	54	32	0	255
\$40,000 - 50,000	65	110	7	53	60	295
\$50,000 - 60,000	5	146	18	0	1	170
\$60,000+	<u>146</u>	<u>859</u>	<u>146</u>	<u>49</u>	<u>36</u>	1,236
Total	487	1,391	283	175	135	2,471
Owner Households						
Aged 62+ Years						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0 - 10,000	283	168	13	2	2	468
\$10,000 - 20,000	447	178	17	11	16	669
\$20,000 - 30,000	235	301	75	5	3	619
\$30,000 - 40,000	268	203	11	1	18	501
\$40,000 - 50,000	124	215	67	2	6	414
\$50,000 - 60,000	161	339	11	0	9	520
\$60,000+	<u>351</u>	<u>1,310</u>	<u>133</u>	<u>41</u>	<u>29</u>	1,864
Total	1,869	2,714	327	62	83	5,055

Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)

TABLE 9
DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Beaufort PMA
Current Year Estimates - 2015

Renter Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	332	546	358	292	126	42	1,696
\$15,000 - 25,000	264	434	284	232	99	34	1,347
\$25,000 - 35,000	279	459	299	245	105	36	1,423
\$35,000 - 50,000	312	512	336	273	118	41	1,592
\$50,000 - 75,000	300	490	321	262	112	39	1,524
\$75,000 - 100,000	165	273	179	145	62	21	845
\$100,000 - 150,000	95	155	103	83	35	12	483
\$150,000+	<u>36</u>	<u>58</u>	<u>39</u>	<u>31</u>	<u>13</u>	<u>2</u>	179
Total	1,783	2,927	1,919	1,563	670	227	9,089
Renter Households							
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	133	64	42	34	15	5	293
\$15,000 - 25,000	71	34	22	18	8	3	156
\$25,000 - 35,000	63	30	20	16	7	3	139
\$35,000 - 50,000	71	34	22	18	8	3	156
\$50,000 - 75,000	32	15	10	8	4	1	70
\$75,000 - 100,000	15	7	5	4	2	0	33
\$100,000 - 150,000	8	4	2	2	1	0	17
\$150,000+	<u>4</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	9
Total	397	190	125	101	45	15	873
Renter Households							
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	139	37	24	20	8	4	232
\$15,000 - 25,000	135	35	22	19	8	2	221
\$25,000 - 35,000	115	29	19	16	7	1	187
\$35,000 - 50,000	102	28	18	15	6	1	170
\$50,000 - 75,000	39	11	7	6	2	1	66
\$75,000 - 100,000	19	6	3	3	1	0	32
\$100,000 - 150,000	10	2	2	1	1	0	16
\$150,000+	<u>5</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	8
Total	564	150	96	80	33	9	932

Sources: U.S. Bureau of the Census; Esri; Urban Decision Group

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Beaufort PMA**

Current Year Estimates - 2015

Owner Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	49	154	46	39	16	12	316
\$15,000 - 25,000	43	137	40	34	14	11	279
\$25,000 - 35,000	52	147	43	37	14	12	305
\$35,000 - 50,000	72	232	69	58	23	18	472
\$50,000 - 75,000	238	735	217	183	75	57	1,505
\$75,000 - 100,000	161	500	148	126	51	38	1,024
\$100,000 - 150,000	196	607	179	151	62	46	1,241
\$150,000+	<u>114</u>	<u>352</u>	<u>104</u>	<u>87</u>	<u>36</u>	<u>27</u>	720
Total	925	2,864	846	715	291	221	5,862
Owner Households							
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	155	249	74	62	25	19	584
\$15,000 - 25,000	107	172	51	43	18	14	405
\$25,000 - 35,000	94	152	45	38	15	12	356
\$35,000 - 50,000	127	212	63	53	22	17	494
\$50,000 - 75,000	235	379	112	94	39	29	888
\$75,000 - 100,000	134	216	64	54	22	17	507
\$100,000 - 150,000	148	238	70	59	24	19	558
\$150,000+	<u>93</u>	<u>149</u>	<u>44</u>	<u>38</u>	<u>15</u>	<u>12</u>	351
Total	1,093	1,767	523	441	180	139	4,143
Owner Households							
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	246	235	69	58	24	18	650
\$15,000 - 25,000	336	306	90	76	31	24	863
\$25,000 - 35,000	253	238	70	59	25	18	663
\$35,000 - 50,000	264	266	78	66	27	21	722
\$50,000 - 75,000	356	381	112	95	39	30	1,013
\$75,000 - 100,000	210	230	68	57	23	18	606
\$100,000 - 150,000	261	274	81	69	28	21	734
\$150,000+	<u>162</u>	<u>181</u>	<u>53</u>	<u>45</u>	<u>18</u>	<u>14</u>	473
Total	2,088	2,111	621	525	215	164	5,724

Sources: U.S. Bureau of the Census; Esri; Urban Decision Group

TABLE 10
DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Beaufort PMA
Three-Year Projections - 2018

Renter Households							
Under Age 55 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	333	552	362	295	126	43	1,711
\$15,000 - 25,000	229	379	248	203	86	30	1,175
\$25,000 - 35,000	263	436	285	232	100	35	1,350
\$35,000 - 50,000	326	538	353	287	123	43	1,671
\$50,000 - 75,000	320	527	346	281	120	41	1,635
\$75,000 - 100,000	227	376	246	201	85	29	1,165
\$100,000 - 150,000	121	200	132	107	46	16	622
\$150,000+	<u>48</u>	<u>80</u>	<u>52</u>	<u>42</u>	<u>18</u>	<u>5</u>	<u>244</u>
Total	1,868	3,087	2,023	1,649	705	243	9,574
Renter Households							
Aged 55-64 Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	133	64	42	34	15	5	293
\$15,000 - 25,000	51	24	16	13	6	2	111
\$25,000 - 35,000	54	26	17	14	6	2	118
\$35,000 - 50,000	65	31	20	17	7	3	143
\$50,000 - 75,000	26	13	8	7	3	1	57
\$75,000 - 100,000	21	10	7	5	3	1	46
\$100,000 - 150,000	8	4	3	2	1	0	18
\$150,000+	<u>4</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>9</u>
Total	362	174	115	92	40	13	796
Renter Households							
Aged 65+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	180	50	32	27	11	5	304
\$15,000 - 25,000	119	32	20	17	7	1	197
\$25,000 - 35,000	123	33	22	18	8	2	206
\$35,000 - 50,000	124	35	23	19	8	2	211
\$50,000 - 75,000	43	12	8	7	3	1	74
\$75,000 - 100,000	39	11	7	7	2	1	67
\$100,000 - 150,000	15	4	3	2	1	0	24
\$150,000+	<u>8</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>13</u>
Total	652	180	116	98	40	12	1,098

Sources: U.S. Bureau of the Census; Esri; Urban Decision Group

**DISTRIBUTION OF INCOME
BY HOUSEHOLD SIZE, TENURE AND AGE
Beaufort PMA**

Three-Year Projections - 2018

Owner Households

Under Age 55 Years

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	33	117	35	29	12	8	234
\$15,000 - 25,000	35	114	34	29	11	10	233
\$25,000 - 35,000	39	118	35	30	11	10	243
\$35,000 - 50,000	65	209	62	52	21	16	425
\$50,000 - 75,000	247	787	233	196	80	62	1,605
\$75,000 - 100,000	139	444	131	111	45	34	905
\$100,000 - 150,000	207	662	195	164	67	51	1,347
\$150,000+	<u>124</u>	<u>392</u>	<u>115</u>	<u>97</u>	<u>40</u>	<u>30</u>	797
Total	889	2,843	841	708	287	221	5,789

Owner Households

Aged 55-64 Years

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	148	244	72	61	24	19	568
\$15,000 - 25,000	91	152	45	38	16	12	353
\$25,000 - 35,000	86	142	42	36	14	11	331
\$35,000 - 50,000	133	224	67	56	23	18	520
\$50,000 - 75,000	251	416	123	104	43	33	968
\$75,000 - 100,000	141	235	69	59	24	18	547
\$100,000 - 150,000	166	276	81	69	28	21	642
\$150,000+	<u>106</u>	<u>175</u>	<u>52</u>	<u>44</u>	<u>18</u>	<u>13</u>	408
Total	1,122	1,865	551	465	190	145	4,338

Owner Households

Aged 65+ Years

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	259	248	73	62	25	19	686
\$15,000 - 25,000	325	301	88	75	30	23	842
\$25,000 - 35,000	254	245	72	61	25	19	676
\$35,000 - 50,000	296	304	89	76	31	24	820
\$50,000 - 75,000	419	461	136	115	47	36	1,214
\$75,000 - 100,000	242	268	79	67	27	21	704
\$100,000 - 150,000	318	342	101	85	35	27	907
\$150,000+	<u>200</u>	<u>228</u>	<u>67</u>	<u>56</u>	<u>23</u>	<u>18</u>	592
Total	2,313	2,396	706	596	243	188	6,441

Sources: U.S. Bureau of the Census; Esri; Urban Decision Group

**TABLE 11
HOUSEHOLDS BY INCOME AND AGE
Beaufort PMA**

Census 2000

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$15,000	306	446	646	488	372	387	629	3,274	15.3%
\$15,000 - 24,999	538	640	522	478	311	255	198	2,942	13.8%
\$25,000 - 34,999	376	847	670	355	328	328	229	3,133	14.7%
\$35,000 - 49,999	305	1,113	1,197	667	341	352	224	4,199	19.6%
\$50,000 - 74,999	203	922	1,194	767	537	453	157	4,233	19.8%
\$75,000 - 99,999	35	196	434	459	381	201	87	1,793	8.4%
\$100,000 - 149,999	0	121	171	339	207	132	120	1,090	5.1%
\$150,000 - 199,999	0	60	41	89	104	41	8	343	1.6%
\$200,000 and up	<u>0</u>	<u>41</u>	<u>38</u>	<u>100</u>	<u>94</u>	<u>67</u>	<u>24</u>	364	1.7%
Total	1,763	4,386	4,913	3,742	2,675	2,216	1,676	21,371	100.0%
Percent	8.2%	20.5%	23.0%	17.5%	12.5%	10.4%	7.8%	100.0%	

Source: U.S. Census Bureau

**HOUSEHOLDS BY INCOME AND AGE
Beaufort PMA**

Current Year Estimates - 2015

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$15,000	379	694	445	494	877	493	389	3,771	14.2%
\$15,000 - 24,999	369	557	374	326	561	500	584	3,271	12.3%
\$25,000 - 34,999	331	645	407	345	495	457	393	3,073	11.5%
\$35,000 - 49,999	274	758	478	554	650	566	326	3,606	13.5%
\$50,000 - 74,999	282	1,066	793	888	958	769	310	5,066	19.0%
\$75,000 - 99,999	126	652	520	571	540	470	168	3,047	11.4%
\$100,000 - 149,999	89	520	522	593	575	502	248	3,049	11.5%
\$150,000 - 199,999	11	187	149	237	196	246	74	1,100	4.1%
\$200,000 and up	<u>0</u>	<u>65</u>	<u>122</u>	<u>128</u>	<u>164</u>	<u>128</u>	<u>33</u>	640	2.4%
Total	1,861	5,144	3,810	4,136	5,016	4,131	2,525	26,623	100.0%
Percent	7.0%	19.3%	14.3%	15.5%	18.8%	15.5%	9.5%	100.0%	

Source: Esri

HOUSEHOLDS BY INCOME AND AGE
Beaufort PMA

Three-Year Projections - 2018

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$15,000	381	665	452	448	861	544	446	3,796	13.5%
\$15,000 - 24,999	331	481	334	262	464	470	569	2,912	10.4%
\$25,000 - 34,999	317	580	394	302	449	474	408	2,925	10.4%
\$35,000 - 49,999	294	766	521	516	664	644	387	3,791	13.5%
\$50,000 - 74,999	321	1,140	912	867	1,026	903	384	5,554	19.8%
\$75,000 - 99,999	152	724	609	584	593	552	219	3,433	12.2%
\$100,000 - 149,999	105	576	645	643	660	610	322	3,560	12.7%
\$150,000 - 199,999	16	219	184	270	231	310	105	1,336	4.8%
\$200,000 and up	<u>0</u>	<u>70</u>	<u>148</u>	<u>134</u>	<u>186</u>	<u>145</u>	<u>46</u>	729	2.6%
Total	1,919	5,221	4,198	4,026	5,134	4,652	2,887	28,036	100.0%
Percent	6.8%	18.6%	15.0%	14.4%	18.3%	16.6%	10.3%		

Source: Esri

HOUSEHOLDS BY INCOME AND AGE
Beaufort PMA

Projected Change - 2015 to 2018

Income	Age	Age	Age	Age	Age	Age	Age	Total	Percent Change
	15 - 24 Years	25 - 34 Years	35 - 44 Years	45 - 54 Years	55 - 64 Years	65 - 74 Years	75+ Years		
Less than \$15,000	2	-29	7	-46	-16	51	57	25	0.7%
\$15,000 - 24,999	-38	-76	-40	-64	-97	-30	-15	-359	-11.0%
\$25,000 - 34,999	-14	-65	-13	-43	-46	17	15	-148	-4.8%
\$35,000 - 49,999	20	8	43	-38	14	78	61	185	5.1%
\$50,000 - 74,999	39	74	119	-21	68	134	74	488	9.6%
\$75,000 - 99,999	26	72	89	13	53	82	51	386	12.7%
\$100,000 - 149,999	16	56	123	50	85	108	74	511	16.8%
\$150,000 - 199,999	5	32	35	33	35	64	31	236	21.4%
\$200,000 and up	<u>0</u>	<u>5</u>	<u>26</u>	<u>6</u>	<u>22</u>	<u>17</u>	<u>13</u>	89	13.9%
Total	58	77	388	-110	118	521	362	1,413	5.3%
Percent Change	3.1%	1.5%	10.2%	-2.7%	2.3%	12.6%	14.3%		

Source: Esri

H. EMPLOYMENT

Total employment in Beaufort County averaged 58,579 people in 2005 and 64,625 in 2014, an increase of 9.4%. The annual average unemployment rate for Beaufort County in 2014 was 5.7%, as compared to the State of South Carolina at 6.4%. The average unemployment rate has fluctuated over the past ten years, and the rate has typically been lower than the average for the State of South Carolina. The annual unemployment rate for Beaufort County peaked at 8.7% in 2009 through 2011, and dropped to its lowest level of 2.1% in 1998. The December 2015 preliminary unemployment rate of 4.9% is one of the lowest rates reported in the past ten years.

Year	Average Unemployment Rate				Employment	
	Beaufort County	Lowcountry WIA	South Carolina	USA	Beaufort County	
1995	3.1%	4.4%	5.2%	5.6%	42,359	
1996	3.2%	4.5%	5.8%	5.4%	44,554	
1997	2.5%	3.4%	4.6%	4.9%	46,686	
1998	2.1%	3.0%	3.8%	4.5%	48,698	
1999	2.2%	3.2%	4.3%	4.2%	50,781	
2000	3.2%	3.5%	3.8%	4.0%	49,972	
2001	3.9%	4.4%	5.2%	4.7%	49,295	
2002	4.1%	4.8%	5.8%	5.8%	51,399	
2003	4.9%	5.9%	6.9%	6.0%	53,413	
2004	5.0%	5.8%	6.8%	5.5%	56,096	
2005	4.9%	5.6%	6.7%	5.1%	58,579	
2006	4.8%	5.3%	6.4%	4.6%	59,859	
2007	4.4%	4.9%	5.7%	4.6%	61,117	
2008	5.3%	6.2%	6.8%	5.8%	60,361	
2009	8.7%	10.1%	11.2%	9.3%	57,398	
2010	8.7%	10.0%	11.2%	9.6%	59,686	
2011	8.7%	10.1%	10.5%	8.9%	59,662	
2012	7.6%	8.7%	9.2%	8.1%	60,717	
2013	6.5%	7.3%	7.6%	7.4%	62,630	
2014	5.7%	6.1%	6.4%	6.2%	64,625	
2015*	4.9%	5.2%	5.3%	4.8%	64,570	
Beaufort County Employment					Percent Change 2005 - 2014	9.4%

*Preliminary data for December 2015
Source: Labor Market Information - State of South Carolina; Not seasonally adjusted

TABLE 13
EMPLOYMENT TRENDS
1995-2015

Beaufort County, South Carolina							Lowcountry WIA, South Carolina						
Year	Civilian Labor Force		Employment		Unemployment		Year	Civilian Labor Force		Employment		Unemployment	
	Average	% change	Average	% change	Average	% change		Average	% change	Average	% change	Average	% change
1995	43,704	-	42,359	-	1,345	-	1995	74,998	-	71,673	-	3,325	-
1996	46,015	5.3%	44,554	5.2%	1,461	8.6%	1996	77,889	3.9%	74,382	3.8%	3,507	5.5%
1997	47,863	4.0%	46,686	4.8%	1,177	-19.4%	1997	79,835	2.5%	77,085	3.6%	2,750	-21.6%
1998	49,742	3.9%	48,698	4.3%	1,044	-11.3%	1998	81,789	2.4%	79,349	2.9%	2,440	-11.3%
1999	51,925	4.4%	50,781	4.3%	1,144	9.6%	1999	84,286	3.1%	81,548	2.8%	2,738	12.2%
2000	51,639	-0.6%	49,972	-1.6%	1,667	45.7%	2000	85,455	1.4%	82,442	1.1%	3,013	10.0%
2001	51,281	-0.7%	49,295	-1.4%	1,986	19.1%	2001	84,154	-1.5%	80,475	-2.4%	3,679	22.1%
2002	53,591	4.5%	51,399	4.3%	2,192	10.4%	2002	86,918	3.3%	82,737	2.8%	4,181	13.6%
2003	56,173	4.8%	53,413	3.9%	2,760	25.9%	2003	90,067	3.6%	84,745	2.4%	5,322	27.3%
2004	59,027	5.1%	56,096	5.0%	2,931	6.2%	2004	92,997	3.3%	87,611	3.4%	5,386	1.2%
2005	61,574	4.3%	58,579	4.4%	2,995	2.2%	2005	95,850	3.1%	90,517	3.3%	5,333	-1.0%
2006	62,868	2.1%	59,859	2.2%	3,009	0.5%	2006	97,912	2.2%	92,740	2.5%	5,172	-3.0%
2007	63,906	1.7%	61,117	2.1%	2,789	-7.3%	2007	98,281	0.4%	93,505	0.8%	4,776	-7.7%
2008	63,741	-0.3%	60,361	-1.2%	3,380	21.2%	2008	98,166	-0.1%	92,114	-1.5%	6,052	26.7%
2009	62,884	-1.3%	57,398	-4.9%	5,486	62.3%	2009	98,120	0.0%	88,174	-4.3%	9,946	64.3%
2010	65,338	3.9%	59,686	4.0%	5,652	3.0%	2010	101,847	3.8%	91,682	4.0%	10,165	2.2%
2011	65,363	0.0%	59,662	0.0%	5,701	0.9%	2011	101,581	-0.3%	91,330	-0.4%	10,251	0.8%
2012	65,705	0.5%	60,717	1.8%	4,988	-12.5%	2012	101,410	-0.2%	92,579	1.4%	8,831	-13.9%
2013	66,951	1.9%	62,630	3.2%	4,321	-13.4%	2013	102,654	1.2%	95,159	2.8%	7,495	-15.1%
2014	68,502	2.3%	64,625	3.2%	3,877	-10.3%	2014	104,766	2.1%	98,339	3.3%	6,427	-14.2%
2015*	67,909	-0.9%	64,570	-0.1%	3,339	-13.9%	2015*	105,120	0.3%	99,646	1.3%	5,474	-14.8%

*Preliminary data for December 2015

Source: Labor Market Information - State of South Carolina; Not Seasonally Adjusted

In a distribution of employment for Third Quarter 2015 in Beaufort County there were three prominent industries; the largest category was Accommodation and Food Services which accounted for 19.9% of the employment base. The second largest category was Retail Trade at 16.0%, followed by Health Care and Social Assistance at 14.2%. When reviewing the immediate site area, the government and education or healthcare categories comprise a high percentage of the employment base.

TABLE 14
DISTRIBUTION OF EMPLOYMENT
Beaufort County – South Carolina
3rd Quarter 2015

Category	Beaufort County		South Carolina	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	376	0.6%	11,181	0.6%
Mining, Quarrying, & Oil & Gas Extraction	-	-	1,260	0.1%
Utilities	348	0.5%	17,518	0.9%
Construction	3,581	5.6%	87,682	4.5%
Manufacturing	760	1.2%	236,199	12.1%
Wholesale Trade	625	1.0%	70,933	3.6%
Retail Trade	10,231	16.0%	244,401	12.5%
Transportation & Warehousing	961	1.5%	67,585	3.5%
Information	431	0.7%	29,042	1.5%
Finance & Insurance	1,492	2.3%	66,898	3.4%
Real Estate & Rental & Leasing	2,193	3.4%	29,798	1.5%
Professional, Scientific, & Technical Services	2,458	3.9%	89,185	4.6%
Management of Companies & Enterprises	860	1.3%	16,857	0.9%
Administrative & Support & Waste Mgmt Services	4,230	6.6%	159,242	8.1%
Educational Services	4,033	6.3%	155,411	8.0%
Health Care & Social Assistance	9,073	14.2%	256,002	13.1%
Arts, Entertainment, & Recreation	2,678	4.2%	33,901	1.7%
Accommodation & Food Services	12,721	19.9%	216,921	11.1%
Other Services (except Public Administration)	3,446	5.4%	50,972	2.6%
Public Administration	<u>3,288</u>	<u>5.2%</u>	<u>113,484</u>	<u>5.8%</u>
TOTAL, All Industries	63,785	100.0%	1,954,472	100.0%
Federal Government - Total, All Industries	2,172	3.4%	32,890	1.7%
State Government - Total, All Industries	968	1.5%	90,146	4.6%
Local Government - Total, All Industries	6,586	10.3%	209,667	10.7%
Private - Total, All Industries	54,061	84.8%	1,621,766	83.0%

Source: Labor Market Information - State of South Carolina

Several major employers exist within the greater City of Beaufort area, as follows:

Employer	Location	# of Employees	Industry
Department of Defense	3 locations	8,220*	Government
Beaufort County School District	Beaufort County	2,300	Education
Beaufort Memorial Hospital	Beaufort	1,404	Healthcare
County of Beaufort	Beaufort	1,324	Government
US Naval Hospital	Beaufort	1,000	Healthcare
Mals 31 Headquarters	Beaufort	800	Government
SERG Restaurant Group	Various	764	Accommodation & Food Services
Wal-mart Supercenter	Beaufort	750	Retail
Marine Corps Community Services	Beaufort	750	Government
Sea Pines Resort	Hilton Head Island	622	Accommodation & Food Services
Westin-Hilton Head Island Resort	Hilton Head Island	600	Accommodation & Food Services
Hilton Head Medical Center & Clinics	Hilton Head Island	547	Healthcare
Beaufort County Sheriff	Beaufort	400	Government
Marriott-Resort & Spa	Hilton Head Island	400	Accommodation & Food Services
Marriott-Surf Watch	Hilton Head Island	400	Accommodation & Food Services
Fripp Island Golf & Beach Resort	Saint Helena Island	400	Accommodation & Food Services
The Cypress of Hilton Head	Hilton Head Island	320	Accommodation & Food Services
Beaufort County Public Works	Beaufort	200	Government
Six L's Packing Co	Beaufort	200	Manufacturing
Bay View Manor LLC	Beaufort	180	Healthcare

*Civilian employees

Sources: SC Department of Employment & Workforce; Beaufort SC Regional Chamber of Commerce

Additionally, the City of Beaufort and Beaufort County area development officials are trying to secure new employment opportunities for the area, specifically for the area industrial parks. Especially within the progressive nature of the City of Beaufort and Beaufort County officials, working with the private and public sectors to facilitate retention or expansion of jobs for the area. There are several active industrial parks within the immediate area of the proposed site.

As noted by the major employers, the employment bases and suppliers associated with government, resort and medical services have a tremendous impact on the employment within the City of Beaufort market area. Interviews with local company officials and area governmental officials indicated that slight increases to the base employment will continue through this year. Several companies saw a turnaround with the nation's economic condition in 2015, especially in the tourist industry.

The immediate Beaufort area is heavily influenced by the tourist trade in the area, offering many secondary employment positions in housekeeping, gardening and tourist related retail trade. The food and service industry, as well as the medical services are major benefactor of this tourist trade.

Additionally, the overall area is influenced by the area's three military bases. These bases employ military, civilian, non-civilian and medical positions. Northern Beaufort County is home to Marine Corps Air Station Beaufort, (MCAS-Beaufort) Parris Island and Naval Hospital-Beaufort, which have a significant impact on the local economy. The largest of these military bases, MCAS-Beaufort is expected to expand over the next two years. The current squadrons at MCAS-Beaufort will be replaced and expanded by the F35 B Joint Strike Force Fighters in 2014 and 2015. One quarter of the Navy's new fleet (F35 B Joint Force Striker) will be station at MCAS-Beaufort. Although no projections were provided regarding new permanent jobs as a result of the expansion, the number of annual takeoffs and landings is projected to nearly double from 55,000 to 99,880. Temporary construction jobs were estimated at 4,000. Each new squadron has an expected economic impact of \$30 million and five new squadrons will be located at MCAS-Beaufort.

The majority of the Beaufort County area employment base is a combination of government, resort and medical businesses, as in the above-mentioned employers. The diversity within its employment base is enough to maintain the employment base. In fact, according to the 2010-2014 American Community Survey data, only 8.7% of the county employment base worked outside the county, a very low percentage. This is typical in communities with strong metropolitan areas having a diverse employment base offering

competitive opportunities. Additionally, the area transportation system combined with the location of nearby suburban communities is a function that will help maintain additional employment opportunities in other areas, while maintaining the City of Beaufort area as a viable housing alternative.

TABLE 15

**ANALYSIS OF
PLACE OF WORK**

Residents of Beaufort and Adjacent Counties in South Carolina

American Community Survey 2010-2014

County	Total Workforce Number	% Employed In County of Residence	% Employed Outside County of Residence	Mean Travel Time (in Minutes)
Beaufort*	73,242	91.3%	8.7%	21.1
Colleton	14,051	65.5%	34.5%	32.8
Hampton	7,537	60.4%	39.6%	31.1
Jasper	11,697	41.0%	59.0%	28.0

*SITE County

Source: U.S. Census Bureau, American Community Survey 2010-2014 5-Year Estimates (Table S0801)

Third Quarter average weekly earnings for Beaufort County had a good increase of 8.4%; from \$621 per week in 2012 to \$673 per week in 2015. The largest gain in earnings was seen in the Agriculture, Forestry, Fishing and Hunting category, increasing 98.2% and averaging \$894 per week in Third Quarter 2015.

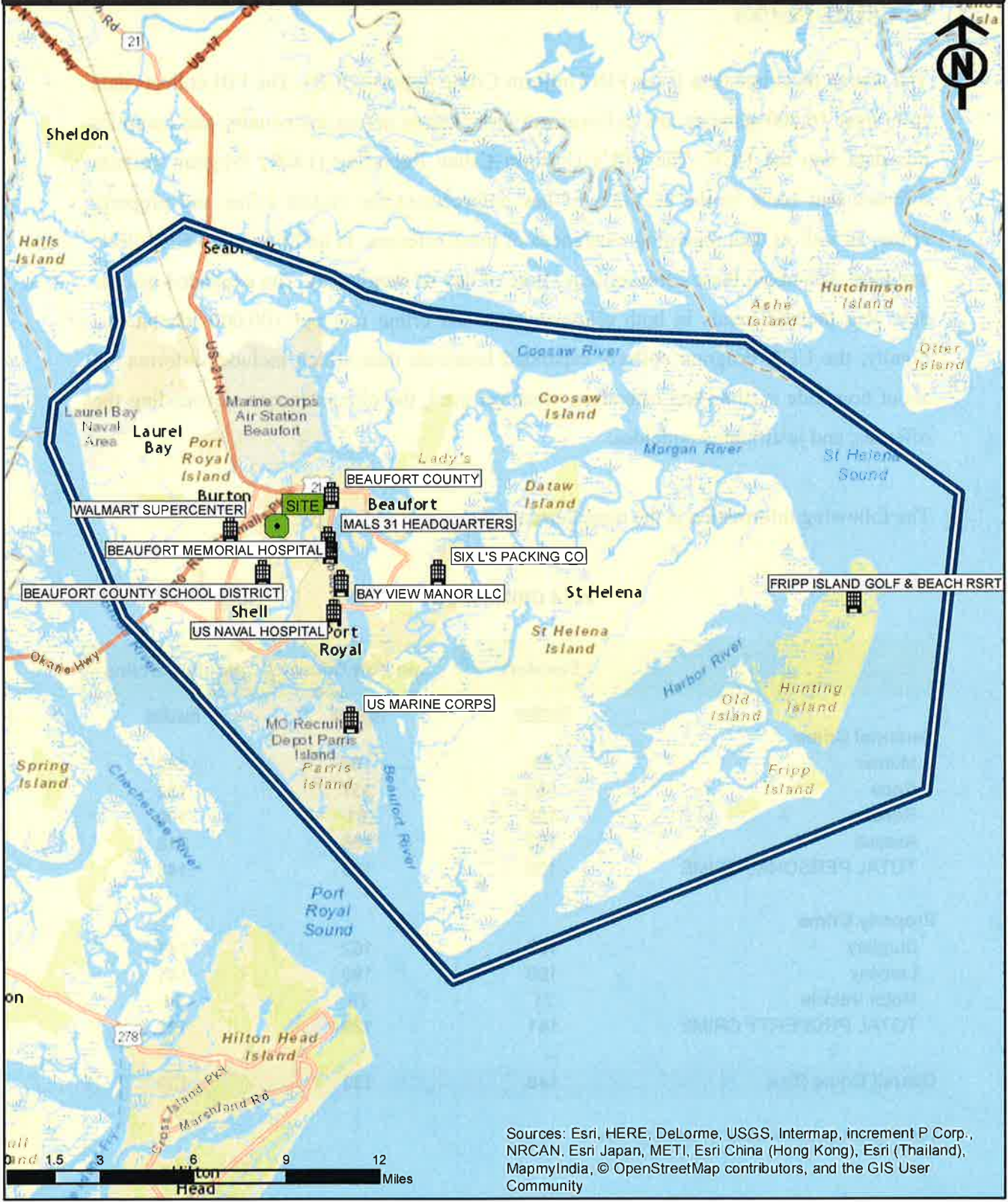
TABLE 16

AVERAGE WEEKLY EARNINGS
Beaufort County – South Carolina
3rd Quarter 2012 – 2015

Category	Beaufort County		South Carolina
	Average Wage <u>2012</u>	Average Wage <u>2015</u>	% Change <u>2012-2015</u>
Agriculture, Forestry, Fishing & Hunting	\$451	\$894	98.2%
Mining, Quarrying, & Oil & Gas Extraction	-	-	-
Utilities	\$1,224	\$1,249	2.0%
Construction	\$748	\$848	13.4%
Manufacturing	\$795	\$760	-4.4%
Wholesale Trade	\$937	\$1,045	11.5%
Retail Trade	\$453	\$493	8.8%
Transportation & Warehousing	\$639	\$683	6.9%
Information	\$600	\$869	44.8%
Finance & Insurance	\$1,174	\$1,339	14.1%
Real Estate & Rental & Leasing	\$700	\$734	4.9%
Professional, Scientific, & Technical Services	\$921	\$1,138	23.6%
Management of Companies & Enterprises	\$970	\$1,021	5.3%
Administrative & Support & Waste Mgmt Services	\$517	\$555	7.4%
Educational Services	\$609	\$556	-8.7%
Health Care & Social Assistance	\$840	\$880	4.8%
Arts, Entertainment, & Recreation	\$466	\$484	3.9%
Accommodation & Food Services	\$382	\$421	10.2%
Other Services (except Public Administration)	\$558	\$621	11.3%
Public Administration	\$914	\$959	4.9%
TOTAL, All Industries - Average Weekly Wage	\$621	\$673	8.4%
Federal Government - Total, All Industries	\$981	\$1,037	5.7%
State Government - Total, All Industries	\$702	\$694	-1.1%
Local Government - Total, All Industries	\$809	\$783	-3.2%
Private - Total, All Industries	\$579	\$644	11.2%

Source: Labor Market Information - State of South Carolina

Beaufort, SC: Map of Major Employers



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

-  Site
-  PMA
-  Major Employers

I. CRIME ISSUES

The source for crime data is the FBI Uniform Crime Report (UCR). The FBI collects data from over 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The FBI's Uniform Crime Reporting (UCR) Program collects offenses that come to the attention of law enforcement for violent crime and property crime, as well as data regarding clearances of these offenses. In addition, the FBI collects auxiliary data about these offenses (e.g., time of day of burglaries). The expanded offense data also include trends in both crime volume and crime rate per 100,000 inhabitants. Finally, the UCR Program collects expanded homicide data which includes information about homicide victims and offenders, weapons used, the circumstances surrounding the offenses, and justifiable homicides.

The following information is the most current, as reported to the FBI:

2014 CRIME RISK

	Beaufort	Beaufort County	South Carolina
	<u>Number</u>	<u>Number</u>	<u>Number</u>
Personal Crime			
Murder	93	109	142
Rape	189	137	132
Robbery	105	81	100
Assault	169	166	218
TOTAL PERSONAL CRIME	139	123	148
Property Crime			
Burglary	167	162	147
Larceny	186	199	141
Motor Vehicle	71	79	94
TOTAL PROPERTY CRIME	141	129	122
Overall Crime Risk	140	133	139

Source: Applied Geographic Solutions; FBI Uniform Crime Report

Crime Risk is a block group and higher level geographic database consisting of a series of standardized indexes for a range of serious crimes against both persons and property. It is derived from an extensive analysis of several years of crime reports from the vast majority of law enforcement jurisdictions nationwide. The crimes include murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft. These categories are the primary reporting categories used by the FBI in its Uniform Crime Report (UCR), with the exception of Arson, for which data is very inconsistently reported at the jurisdictional level.

In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately, as well as a total index. While this provides a useful measure of the relative “overall” crime rate in an area, it must be recognized that these are unweighted indexes, in that a murder is weighted no more heavily than a purse snatching in the computation. For this reason, caution is advised when using any of the aggregate index values.

V. HOUSING ANALYSIS

Information on building permits for the City of Beaufort area and Beaufort County has been reported back to 1990. In an analysis of multi-family housing starts by building permits since 2000, there has been new multi-family construction permitted almost every year within Beaufort County but sporadically for the City of Beaufort. Between 2012 and 2014, in the City of Beaufort there was no multi-family units authorized, while there were 46 multi-family permits authorized in the remainder of Beaufort County. During this period all of the multi-family units authorized in Beaufort County were built outside the city limits of Beaufort.

Over the past ten years, the City of Beaufort area has averaged 6.7 multi-family starts per year while Beaufort County has averaged 169.1 multi-family starts. Between 2012 and 2014, Beaufort County averaged 15.3 multi-family units per year. Recent years have indicated a significant decrease in growth activity of multi-family units to the City of Beaufort and Beaufort County base.

Single-family housing starts accounted for a majority of the overall starts in the City of Beaufort and Beaufort County. Since 2005, there have been single-family permits issued representing an average of 38.9 and 1,360.8 residences per year, in the City of Beaufort and Beaufort County, respectively. Between 2012 and 2014, single-family starts in Beaufort County averaged 846.7 residences per year, indicating a decrease in activity. During this same period, the City of Beaufort showed a decrease in building permit activity, with an average of 32.0 single-family residences per year.

Recent studies have indicated a net deficit of housing in Beaufort County, of which a portion would apply towards the City of Beaufort area. However, because of the current activity in building permit activity, deficits have increased slightly in recent years in comparison to the previous ten year period. Current preliminary totals, through December 2015, indicate an increase of building permit activity for multi-family residences in the

City of Beaufort and Beaufort County. In comparison, 2015 totals indicate a decrease of single-family building activity within the area.

Interviews with local building and zoning government officials indicated that many areas, within the City of Beaufort, have limited availability of zoned land appropriate for multi-family housing. The density range in the area has been from 4 to 16 units per acre, as prescribed in the zoning regulations. However, it should be noted, that while this land is vacant and zoned, not all the land is available for building.

The following is a summary of building permit activity for the City of Beaufort and Beaufort County:

TABLE 17
HOUSING UNITS AUTHORIZED
City of Beaufort – Beaufort County – South Carolina
1990 - 2015

Year	City of Beaufort			Beaufort County		
	Total	Single-Family	Multi-Family	Total	Single-Family	Multi-Family
1990	66	22	44	964	833	131
1991	25	25	0	878	735	143
1992	43	43	0	1,028	859	169
1993	53	53	0	1,205	956	249
1994	68	68	0	1,842	1,260	582
1995	57	45	12	2,073	1,453	620
1996	118	69	49	2,426	1,725	701
1997	144	92	52	2,390	1,749	641
1998	80	58	22	2,494	1,982	512
1999	109	85	24	2,952	2,290	662
2000	57	57	0	2,689	1,986	703
2001	71	37	34	2,095	1,808	287
2002	61	61	0	2,646	2,374	272
2003	67	67	0	2,802	2,730	72
2004	83	81	2	2,942	2,678	264
2005	136	69	67	4,650	3,996	654
2006	76	76	0	3,448	3,269	179
2007	48	48	0	2,224	1,903	321
2008	36	36	0	1,375	1,058	317
2009	9	9	0	317	299	18
2010	14	14	0	244	244	0
2011	41	41	0	455	299	156
2012	27	27	0	391	391	0
2013	37	37	0	998	952	46
2014	32	32	0	1,197	1,197	0
2015*	80	24	56	556	460	96

*Preliminary through December 2015
Source: U.S. Department of Commerce, C-40 Const. Reports

Based on 2010 Census decennial data, the vacancy rate for rental units, regardless of age or condition, was 12.4% in the City of Beaufort area and 44.8% in Beaufort County. The higher vacancy rate for Beaufort County is because of the seasonal housing market. The rental units surveyed include all rentals available whether in multi-family, single-family or mobile home structures, while the vacancies included the seasonal fluctuation of the market area. The vacancy rates while noted higher are a product of the second homes in the market area and the lack of year round occupancy. The overall vacancy rates are actually lower, below 11% as reported by the Census data for year round housing and owners and renters.

The vacancy rate for owned, non-rental units, again regardless of age or condition, was 5.2% in the City of Beaufort area and 4.3% in Beaufort County.

TABLE 18
VACANCY RATES
AND
HOUSING CONDITIONS
City of Beaufort – Beaufort County – South Carolina
Census 2010

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	5,630	100.0%	93,023	100.0%	2,137,683	100.0%
Occupied Housing	4,883	86.7%	64,945	69.8%	1,801,181	84.3%
Owner Occupied	2,629	53.8%	45,868	70.6%	1,248,805	69.3%
Vacant for Sale	136	5.2%	1,965	4.3%	36,523	2.9%
Vacant Sold, Not Occupied	11	0.4%	282	0.6%	8,519	0.7%
Renter Occupied	2,254	46.2%	19,077	29.4%	552,376	30.7%
Vacant for Rent	280	12.4%	8,548	44.8%	92,758	16.8%
Rented, Not Occupied	16	0.7%	224	1.2%	3,957	0.7%
For Seasonal/Recreational/Occasional Use	153	2.7%	14,867	16.0%	112,531	5.3%
For Migrant Workers	0	0.0%	35	<0.1%	370	<0.1%
Other Vacant	151	2.7%	2,157	2.3%	81,844	3.8%
Total Vacancy Rate	13.3%		30.2%		15.7%	

**"Other Vacant" category includes those neither for sale nor for rent, usually unrentable or dilapidated.

Source: U.S. Census Bureau, 2010 Census Summary File 1

As would be expected for owner-occupied housing, approximately 91.5% of the housing units within the City of Beaufort are single-family detached or attached units, compared to 82.9% for Beaufort County. Within renter-occupied housing, the City of Beaufort has approximately 11.5% in 2 to 4 unit structures and 10.4% in structures of 10 units or more. The City of Beaufort has a total of 45.7% in renter-occupied detached units, somewhat more than Beaufort County at 38.9%.

TABLE 19
HOUSING UNITS
BY TYPE OF STRUCTURE
City of Beaufort – Beaufort County – South Carolina
 American Community Survey 2009-2013

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
1 Unit, Detached	2,351	87.2%	36,393	79.1%	972,916	79.1%
1, Unit Attached	116	4.3%	1,745	3.8%	31,100	2.5%
2 Units	14	0.5%	82	0.2%	2,481	0.2%
3-4 Units	8	0.3%	422	0.9%	4,825	0.4%
5-9 Units	53	2.0%	914	2.0%	7,859	0.6%
10-19 Units	17	0.6%	346	0.8%	4,641	0.4%
20-49 Units	0	0.0%	589	1.3%	2,535	0.2%
50 or More Units	0	0.0%	280	0.6%	2,379	0.2%
Mobile Home	132	4.9%	5,160	11.2%	200,502	16.3%
Other	6	0.2%	88	0.2%	943	0.1%
TOTAL	2,697	100.0%	46,019	100.0%	1,230,181	100.0%
Renter-Occupied Housing Units						
1 Unit, Detached	839	45.7%	7,150	38.9%	190,241	34.6%
1, Unit Attached	121	6.6%	1,197	6.5%	17,880	3.3%
2 Units	106	5.8%	602	3.3%	34,363	6.2%
3-4 Units	105	5.7%	1,324	7.2%	42,135	7.7%
5-9 Units	471	25.7%	2,076	11.3%	67,472	12.3%
10-19 Units	120	6.5%	1,758	9.6%	48,714	8.9%
20-49 Units	41	2.2%	1,136	6.2%	31,448	5.7%
50 or More Units	32	1.7%	948	5.2%	19,713	3.6%
Mobile Home	0	0.0%	2,207	12.0%	97,380	17.7%
Other	0	0.0%	0	0.0%	724	0.1%
TOTAL	1,835	100.0%	18,398	100.0%	550,070	100.0%

Source: U.S. Census Bureau, American Community Survey 2009-2013 (Table B25032)

In 2013, the median gross rent for specified renter-occupied housing units was \$819 in the City of Beaufort area as compared to \$1,039 in Beaufort County and \$768 for the State of South Carolina. The median gross rents for the City of Beaufort and Beaufort County have increased 37.4% and 50.6%, respectively, from the 2000 median gross rents. It's interesting to note that approximately one-third of the units, (33.8%) within the City of Beaufort are in the \$800 to \$1,249 price range. while Beaufort County has nearly one-half (47.9%) in the gross rents range of \$900 to \$1,499.

TABLE 20
DISTRIBUTION OF
GROSS RENT
City of Beaufort – Beaufort County – South Carolina
American Community Survey 2009-2013

GROSS RENT	Beaufort		Beaufort County		South Carolina	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$100	0	0.0%	0	0.0%	1,174	0.2%
\$100-\$149	0	0.0%	27	0.1%	2,414	0.4%
\$150-\$199	0	0.0%	41	0.2%	5,021	0.9%
\$200-\$249	45	2.5%	79	0.4%	9,175	1.7%
\$250-\$299	131	7.1%	223	1.2%	9,377	1.7%
\$300-\$349	13	0.7%	41	0.2%	8,904	1.6%
\$350-\$399	11	0.6%	57	0.3%	10,321	1.9%
\$400-\$449	9	0.5%	107	0.6%	15,150	2.8%
\$450-\$499	44	2.4%	228	1.2%	17,725	3.2%
\$500-\$549	105	5.7%	347	1.9%	23,118	4.2%
\$550-\$599	22	1.2%	265	1.4%	29,764	5.4%
\$600-\$649	59	3.2%	357	1.9%	32,377	5.9%
\$650-\$699	103	5.6%	456	2.5%	34,695	6.3%
\$700-\$749	126	6.9%	770	4.2%	36,200	6.6%
\$750-\$799	115	6.3%	668	3.6%	32,694	5.9%
\$800-\$899	244	13.3%	1,938	10.5%	59,879	10.9%
\$900-\$999	137	7.5%	2,270	12.3%	47,708	8.7%
\$1,000-\$1,249	239	13.0%	4,138	22.5%	67,606	12.3%
\$1,250-\$1,499	167	9.1%	2,414	13.1%	24,799	4.5%
\$1,500-\$1,999	80	4.4%	1,931	10.5%	18,559	3.4%
\$2,000 or More	9	0.5%	686	3.7%	8,307	1.5%
No Cash Rent	176	9.6%	1,356	7.4%	55,103	10.0%
TOTAL	1,835	100.0%	18,399	100.0%	550,070	100.0%
Median Rent - 2000	\$596		\$690		\$510	
Median Rent - 2009-2013	\$819		\$1,039		\$768	
Percent Change 2000 - 2013	37.4%		50.6%		50.6%	

Source: U.S. Census Bureau, Census 2000, American Community Survey 2009-2013 (Tables B25063, B25064)

In reference to the number of rent-overburdened households for 2013, the City of Beaufort has 705 households or 38.4% contributing 35% or more of their household income to gross rent. Therefore, approximately one-third of the income-qualified households in the City of Beaufort would be considered overburdened. In reference to the number of rent-overburdened households in Beaufort County, there are 6,814 households or 37.0% contributing 35% or more of their household income to gross rent. Therefore, approximately one-third of the income-qualified households in Beaufort County would be considered overburdened.

TABLE 21
**DISTRIBUTION OF GROSS RENT
AS A PERCENTAGE OF
HOUSEHOLD INCOME**
City of Beaufort – Beaufort County – South Carolina
American Community Survey 2009-2013

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Less Than 10 Percent	99	5.4%	303	1.6%	17,842	3.2%
10 to 14 Percent	186	10.1%	1,249	6.8%	41,095	7.5%
15 to 19 Percent	179	9.8%	2,186	11.9%	58,093	10.6%
20 to 24 Percent	152	8.3%	2,299	12.5%	56,984	10.4%
25 to 29 Percent	150	8.2%	2,188	11.9%	54,007	9.8%
30 to 34 Percent	188	10.2%	1,750	9.5%	41,606	7.6%
35 to 39 Percent	8	0.4%	1,258	6.8%	33,871	6.2%
40 to 49 Percent	242	13.2%	1,698	9.2%	46,730	8.5%
50 Percent or More	455	24.8%	3,858	21.0%	131,063	23.8%
Not Computed	176	9.6%	1,609	8.7%	68,779	12.5%
TOTAL	1,835	100.0%	18,398	100.0%	550,070	100.0%

Source: U.S. Census Bureau, American Community Survey 2009-2013 (Table B25070)

According to the 2009-2013 American Community Survey, less than 2.0% of the renter-occupied housing units in the City of Beaufort lack complete plumbing and / or kitchen facilities. Within Beaufort County, 0.6% of the renter-occupied housing units lack complete plumbing facilities, while 2.7% lack kitchen facilities. The median number of rooms for the City of Beaufort area and Beaufort County ranges from 6.2 to 6.3, approximately a four-bedroom unit within owner-occupied housing; and from 4.3 to 4.6 median rooms, or approximately a two-bedroom unit within renter-occupied housing.

TABLE 22
HOUSING QUALITY
City of Beaufort – Beaufort County – South Carolina
American Community Survey 2009-2013

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Lacking Plumbing Facilities	0	0.0%	127	0.3%	3,302	0.3%
Lacking Kitchen Facilities	0	0.0%	116	0.3%	3,571	0.3%
Number of Rooms						
Three or less	51	1.9%	1,428	3.1%	24,127	2.0%
Four	314	11.6%	4,198	9.1%	102,367	8.3%
Five	480	17.8%	9,144	19.9%	272,402	22.1%
Six or more	<u>1,852</u>	<u>68.7%</u>	<u>31,249</u>	<u>67.9%</u>	<u>831,285</u>	<u>67.6%</u>
TOTAL	2,697	100.0%	46,019	100.0%	1,230,181	100.0%
Median Rooms	6.2		6.3		6.2	
Renter-Occupied Housing Units						
Lacking Plumbing Facilities	25	1.4%	119	0.6%	3,780	0.7%
Lacking Kitchen Facilities	0	0.0%	496	2.7%	8,206	1.5%
Number of Rooms						
Three or less	243	13.2%	4,491	24.4%	101,493	18.5%
Four	832	45.3%	4,081	22.2%	163,921	29.8%
Five	377	20.5%	4,736	25.7%	144,795	26.3%
Six or more	<u>383</u>	<u>20.9%</u>	<u>5,090</u>	<u>27.7%</u>	<u>139,861</u>	<u>25.4%</u>
TOTAL	1,835	100.0%	18,398	100.0%	550,070	100.0%
Median Rooms	4.3		4.6		4.6	

* Rooms excluding bathrooms, porches, balconies, foyers, hallways or half-rooms

† Three rooms = 1 or less bedroom, Four rooms - 2 bedrooms, Five rooms - 3 bedrooms, etc.

Source: U.S. Census Bureau, American Community Survey 2009-2013

Mobility patterns from the 2009-2013 American Community Survey revealed that within the City of Beaufort area, 6.3% of the occupants in owner-occupied housing units and 41.7% of the occupants in renter-occupied housing units have moved within the past five years. For Beaufort County, 10.5% of the occupants in owner-occupied units and 42.9% of the occupants in renter-occupied units have moved within the past five years. In the City of Beaufort area, the average occupancy period for renter-occupied housing is 7.6 years, as compared to 6.5 years in Beaufort County. The average occupancy period for owner-occupied housing is 18.3 years in the City of Beaufort and somewhat less in Beaufort County at 13.5 years.

TABLE 23

**MOBILITY PATTERNS
BY HOUSING UNIT**

City of Beaufort – Beaufort County – South Carolina

American Community Survey 2009-2013

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Moved in 2010 or Later	170	6.3%	4,839	10.5%	83,272	6.8%
Moved in 2000-2009	1,157	42.9%	25,590	55.6%	554,649	45.1%
Moved in 1990-1999	736	27.3%	10,182	22.1%	275,989	22.4%
Moved in 1980-1989	270	10.0%	3,297	7.2%	134,776	11.0%
Moved in 1970-1979	86	3.2%	978	2.1%	100,088	8.1%
Moved in 1969 or earlier	<u>278</u>	<u>10.3%</u>	<u>1,133</u>	<u>2.5%</u>	<u>81,407</u>	<u>6.6%</u>
TOTAL	2,697	100.0%	46,019	100.0%	1,230,181	100.0%
Average Years	18.3		13.5		18.0	
Renter-Occupied Housing Units						
Moved in 2010 or Later	766	41.7%	7,892	42.9%	212,759	38.7%
Moved in 2000-2009	917	50.0%	9,595	52.2%	281,612	51.2%
Moved in 1990-1999	81	4.4%	681	3.7%	32,798	6.0%
Moved in 1980-1989	16	0.9%	111	0.6%	11,483	2.1%
Moved in 1970-1979	13	0.7%	42	0.2%	5,662	1.0%
Moved in 1969 or earlier	<u>42</u>	<u>2.3%</u>	<u>77</u>	<u>0.4%</u>	<u>5,756</u>	<u>1.0%</u>
TOTAL	1,835	100.0%	18,398	100.0%	550,070	100.0%
Average Years	7.6		6.5		7.8	

Source: U.S. Census Bureau, American Community Survey 2009-2013 (Table B25038)

The average age of householders in 2010 was 43.3 years for renter-occupied housing in the City of Beaufort, with 43.5% of the renter base below the age of 35. In Beaufort County, the average age of householders for renter-occupied housing was 42.0 years.

TABLE 24
HOUSING UNITS
BY AGE OF HOUSEHOLDER
City of Beaufort – Beaufort County – South Carolina
Census 2010

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Under 25 Years	25	1.0%	462	1.0%	17,132	1.4%
25 to 34 Years	243	9.2%	3,456	7.5%	127,978	10.2%
35 to 44 Years	342	13.0%	5,498	12.0%	208,648	16.7%
45 to 54 Years	474	18.0%	7,488	16.3%	271,475	21.7%
55 to 59 Years	310	11.8%	4,450	9.7%	138,407	11.1%
60 to 64 Years	343	13.0%	5,949	13.0%	139,143	11.1%
65 to 74 Years	462	17.6%	11,073	24.1%	200,422	16.0%
75 to 84 Years	328	12.5%	5,886	12.8%	111,323	8.9%
85 Years and Older	102	3.9%	1,606	3.5%	34,277	2.7%
TOTAL	2,629	100.0%	45,868	100.0%	1,248,805	100.0%
Average Age	57.6		59.2		54.9	
Renter-Occupied Housing Units						
Under 25 Years	381	16.9%	2,642	13.8%	71,339	12.9%
25 to 34 Years	599	26.6%	5,660	29.7%	139,948	25.3%
35 to 44 Years	339	15.0%	3,752	19.7%	107,375	19.4%
45 to 54 Years	342	15.2%	2,882	15.1%	96,611	17.5%
55 to 59 Years	147	6.5%	1,085	5.7%	37,837	6.8%
60 to 64 Years	105	4.7%	852	4.5%	29,875	5.4%
65 to 74 Years	146	6.5%	1,008	5.3%	35,816	6.5%
75 to 84 Years	102	4.5%	614	3.2%	21,381	3.9%
85 Years and Older	93	4.1%	582	3.1%	12,194	2.2%
TOTAL	2,254	100.0%	19,077	100.0%	552,376	100.0%
Average Age	43.3		42.0		43.5	

Source: U.S. Census Bureau, 2010 Census Summary File 1

In 2010, households with one or two people totaled 69.8% for owner-occupied units and 64.4% for renter-occupied units within the City of Beaufort. Beaufort County households with one or two people totaled 72.3% for units occupied by owners and 55.2% for units occupied by renters. The average number of persons per household in renter-occupied units was 2.30 and 2.66, for the City of Beaufort and Beaufort County, respectively. Within owner-occupied units, the average number of persons per household was slightly lower in the City of Beaufort at 2.27 compared to 2.31 in Beaufort County.

TABLE 25
HOUSING UNITS
BY PER PERSON
City of Beaufort – Beaufort County – South Carolina
Census 2010

	Beaufort		Beaufort County		South Carolina	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Owner-Occupied Housing Units						
1-Person Household	757	28.8%	10,388	22.6%	289,689	23.2%
2-Person Household	1,077	41.0%	22,782	49.7%	477,169	38.2%
3-Person Household	354	13.5%	5,489	12.0%	210,222	16.8%
4-Person Household	278	10.6%	4,161	9.1%	164,774	13.2%
5-Person Household	115	4.4%	1,959	4.3%	69,110	5.5%
6-Person Household	30	1.1%	708	1.5%	24,016	1.9%
7-Person Household	<u>18</u>	<u>0.7%</u>	<u>381</u>	<u>0.8%</u>	<u>13,825</u>	<u>1.1%</u>
TOTAL	2,629	100.0%	45,868	100.0%	1,248,805	100.0%
AVERAGE	2.27		2.31		2.51	
Renter-Occupied Housing Units						
1-Person Household	820	36.4%	5,421	28.4%	188,205	34.1%
2-Person Household	630	28.0%	5,108	26.8%	146,250	26.5%
3-Person Household	392	17.4%	3,417	17.9%	93,876	17.0%
4-Person Household	248	11.0%	2,656	13.9%	67,129	12.2%
5-Person Household	98	4.3%	1,407	7.4%	33,904	6.1%
6-Person Household	45	2.0%	618	3.2%	13,817	2.5%
7-Person Household	<u>21</u>	<u>0.9%</u>	<u>450</u>	<u>2.4%</u>	<u>9,195</u>	<u>1.7%</u>
TOTAL	2,254	100.0%	19,077	100.0%	552,376	100.0%
AVERAGE	2.30		2.66		2.45	

Source: U.S. Census Bureau, 2010 Census Summary File 1

A review of the cost burden analysis, for the City of Beaufort and Beaufort County, indicates a majority of the households have cost burdens of less than 30% in both owner-occupied and rental occupied households. However, it should be noted that roughly 31% of the rental households in the City of Beaufort and 22% in Beaufort County have cost burdens exceeding 50%. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

TABLE 26
HOUSING COST BURDEN
BY PERCENTAGE
City of Beaufort – Beaufort County – South Carolina
 CHAS 2008-2012 American Community Survey

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Cost Burden <=30%	1,895	68.4%	30,370	66.0%	923,690	75.2%
Cost Burden >30% to <=50%	525	19.0%	8,895	19.3%	171,675	14.0%
Cost Burden >50%	290	10.5%	6,430	14.0%	120,830	9.8%
Cost Burden not available	<u>60</u>	<u>2.2%</u>	<u>350</u>	<u>0.8%</u>	<u>12,000</u>	<u>1.0%</u>
TOTAL	2,770	100.0%	46,045	100.0%	1,228,195	100.0%
Renter-Occupied Housing Units						
Cost Burden <=30%	840	45.7%	9,255	51.4%	287,285	53.2%
Cost Burden >30% to <=50%	434	23.6%	4,510	25.1%	113,065	20.9%
Cost Burden >50%	564	30.7%	3,985	22.2%	122,490	22.7%
Cost Burden not available	<u>0</u>	<u>0.0%</u>	<u>240</u>	<u>1.3%</u>	<u>17,215</u>	<u>3.2%</u>
TOTAL	1,838	100.0%	17,990	100.0%	540,055	100.0%

Source: huduser.gov - Comprehensive Housing Affordability Strategy data, 2008-2012 ACS

VI. MODERN APARTMENT SURVEY

A. RENTAL MARKET

The following information and analysis is data collected from a field survey of the modern apartments in the City of Beaufort, South Carolina PMA in February 2016, Dave Meier, field analysts with National Land Advisory Group. Every family and senior, market-rate and LIHTC apartment development with 12-units (+/-) or more were surveyed by age, unit amenities, square feet (when available), vacancies, rents, utilities, deposits, project amenities and tenant mix. The collected data includes the following:

- ◆ A distribution of both market rate and government subsidized developments by unit mix and vacancy.
- ◆ An analysis of apartment building trends, which includes the number of units, percent distribution, cumulative units, and vacancy rate by year built.
- ◆ A rent and vacancy analysis for studio, 1, 2, 3 and 4 bedroom units, which contains a distribution of units and vacancies by net rent ranges, when available.
- ◆ A project information analysis on each project, listed individually.
- ◆ There are some duplexes in the market area that have not been included in this survey analysis.
- ◆ The project rating given to each apartment development surveyed is a direct relationship between the physical characteristics and three common variables found at each development: unit amenities, development amenities and physical appearance (subjective in nature). For reference, the analysis will summarize these factors to a total of 1 to 10, with 1 being low quality and 10 being an excellent quality rating.

- ◆ The following is a breakdown of the surveyed developments:

TABLE 27

**DISTRIBUTION OF
MARKET RATE, TAX CREDIT AND GOVERNMENT SUBSIDIZED
APARTMENT UNITS AND VACANCIES
Beaufort, South Carolina PMA
February 2016**

<u>MARKET RATE</u>	<u>UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	-	-
One-Bedroom	377	26.1%	6	1.6%
Two-Bedroom	896	62.0%	17	1.9%
Three-Bedroom	173	12.0%	5	2.9%
Four-Bedroom	-	-	-	-
TOTAL	1,446	100.0%	28	1.9%

<u>TAX CREDIT</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	-	-
One-Bedroom	73	14.8%	0	0.0%
Two-Bedroom	200	40.6%	1	0.5%
Three-Bedroom	186	37.7%	3	1.6%
Four-Bedroom	34	6.9%	1	2.9%
TOTAL	493	100.0%	5	1.0%

<u>GOVERNMENT SUBSIDIZED</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	-	-
One-Bedroom	149	28.0%	0	0.0%
Two-Bedroom	282	52.9%	5	1.8%
Three-Bedroom	98	18.4%	0	0.0%
Four-Bedroom	4	0.8%	0	0.0%
TOTAL	533	100.0%	5	0.9%

- ◆ The Beaufort market area consists of market-rate, LIHTC and government subsidized rental housing units. Approximately (58.5%) of the units are market-rate with a low vacancy rate of 1.9%. Approximately 19.9% of the units are under the LIHTC program and 37.7% are under a government subsidized program, both with a vacancy rates of 1.0% or less.

- ◆ The Beaufort area had minimal construction of the units built before 1985, representing approximately 21.8%. The majority of the units have been built between 1995 and 2005. The most recent units have been built in 2016, representing 4.5% of the rental unit base surveyed.
- ◆ The Beaufort area has a 46.8 average annual release over the past ten years.

TABLE 28

MULTI-FAMILY CONSTRUCTION TRENDS
Beaufort, South Carolina PMA
1970-2016

<u>YEAR OF PROJECT OPENING</u>	<u>NUMBER OF UNITS</u>	<u>PERCENT DISTRIBUTION</u>	<u>CUMULATIVE UNITS</u>
Before 1970	-	-	-
1970 – 1974	222	9.0%	222
1975 – 1979	-	-	222
1980 – 1984	316	12.8%	538
1985 – 1989	100	4.0%	638
1990 – 1994	68	2.8%	706
1995 – 1999	255	10.3%	961
2000 – 2004	704	28.5%	1,665
2005	227	9.2%	1,892
2006	24	1.0%	1,916
2007	-	-	1,916
2008	240	9.7%	2,156
2009	144	5.8%	2,300
2010	-	-	2,300
2011	-	-	2,300
2012	60	2.4%	2,360
2013	-	-	2,360
2014	-	-	2,360
2015	-	-	2,360
<u>2016</u>	<u>112</u>	<u>4.5%</u>	<u>2,472</u>
TOTAL	2,472	100.0%	

AVERAGE ANNUAL RELEASE OF UNITS: 2006-2015

46.8

- ◆ The following is a distribution of market-rate and LIHTC unit net rents. Net rents for market rate units include water, sewer, and trash removal. The adjusted net rent is determined by subtracting the owner-paid utilities such as gas, electric, heat and cable TV from the quoted rents, as well as adding tenant-paid water, sewer, and trash removal.

TABLE 29

**RENT AND VACANCY ANALYSIS
ONE-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2016**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$1009 - \$1138	115	25.6%	2	1.7%
\$872 - \$997	205	45.6%	2	1.0%
\$665 - \$780	60	13.3%	2	3.3%
\$575 - \$599	70	15.6%	0	0.0%
TOTAL	450	100.0%	6	1.3%

MEDIAN RENT: \$930

TABLE 30

**RENT AND VACANCY ANALYSIS
TWO-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2016**

<u>Net Rent</u>	<u>TOTAL UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$1074 - \$1155	440	40.1%	9	2.0%
\$895 - \$935	98	8.9%	4	4.1%
\$820 - \$875	172	15.7%	4	2.3%
\$675 - \$797	146	13.3%	1	0.7%
\$600 - \$659	150	13.7%	0	0.0%
\$550 - \$580	90	8.2%	0	0.0%
TOTAL	1,096	100.0%	18	1.6%

MEDIAN RENT: \$872

TABLE 31

**RENT AND VACANCY ANALYSIS
THREE-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2016**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
\$1025 - \$1326	77	21.4%	3	3.9%
\$936 - \$964	125	34.8%	4	3.2%
\$800 - \$879	81	22.6%	1	1.2%
\$650 - \$750	<u>76</u>	<u>21.2%</u>	<u>0</u>	<u>0.0%</u>
TOTAL	359	100.0%	8	2.2%

MEDIAN RENT: \$941

TABLE 32

**RENT AND VACANCY ANALYSIS
FOUR-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2016**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
	-	-	-	-
\$1,075	<u>34</u>	<u>100.0%</u>	<u>1</u>	<u>2.9%</u>
TOTAL	34	100.0%	1	2.9%

MEDIAN RENT: \$1,075

- ◆ The Beaufort area median rents are \$930 for a one-bedroom unit, \$872 for a two-bedroom unit, \$941 for a three-bedroom unit and \$1,075 for a four-bedroom unit.

- ◆ The Beaufort area has no specific market-rate elderly-orientated developments. However, several of the area developments have an elderly base of tenants in the units. The other surveyed government subsidized, LIHTC and market-rate developments are family-orientated.

- ◆ The vacancies for family-orientated units are somewhat low in the market area, with a majority of the developments having a 97% or greater occupancy rates.
- ◆ Interview were conducted with apartment community managers, Realtors and property owners regarding the rent ranges of rental units scattered throughout the Beaufort. There are some rental units located in the Beaufort area which are not part of the traditional apartment communities. In a review of these housing alternatives within the Beaufort market area, it was noted that there are several alternative rentals, including duplexes, tri-plexus, units above commercial store fronts and single-family residences.
- ◆ Additionally, Beaufort because of its resort orientation housing; has several alternative rental opportunities (either short tern or year round) in condominium units throughout the Island. There are several Realtors that handle these exclusive rentals. These rentals are typically at a much higher rent, as the monthly cost at the resorts are above the mortgage costs. While the units impact the market, the will impact at the luxury end of the market. Also, several early rental developments have converted to condominiums because of the income possibilities in a strong seasonal resort area.
- ◆ The following is an estimation of the rents for these types of facilities:

Studio	\$600-\$1,100
One-Bedroom	\$800-\$1,200
Two-Bedroom	\$900-\$2,100
Three-Bedroom	\$1,700 - \$3,000

- ◆ The following is the modern apartment survey; a summary of this survey has been included in the conclusion section of this report.

B. LOW INCOME HOUSING TAX CREDIT PROJECTS

- ◆ Under the South Carolina SHFDA guidelines, fifteen development within the Beaufort market area that has received LIHTC allocations since 2000, and has been included within this analysis, if within our market area. The following is the LIHTC development:

<u>DEVELOPMENT</u>	<u>YEAR</u>	<u>TYPE</u>	<u>UNITS</u>
123 Club (#1)	1996	Family	40
Ashley Pointe (#2)	2016	Family	56
Cross Creek (#7)	2009	Family	86 (58 MR)
Lady Pointe I (#9) *	1988	Family	48
Lady Pointe II (#10) *	1991	Family	44
Magnolia Park (#12)	1981	Family	56
Mossy Oak Village (#14) *	2016	Family	96
Sea Pointe (#19)	2016	Family	56
Spanish Terrace (#20) *	1980	Family	88
Wilderness Cove (#23) *	2005	Family	48
Wilderness Too (#24) *	2006	Family	24
Fairfield Estates (25)	1996	Family	55
Laurel Hill (#26)	2005	Senior	72
Port Royal Apartments (#27) *	2012-13	Family	60
Shell Pointe (#29)	2005	Family	72

* Additional government subsidizes

- ◆ All of these senior and family LIHTC developments, which have been included within our field survey section; are inside the Beaufort PMA. One of the developments is also the subject site, 123 Club Apartments.
- ◆ Overall, the fourteen family developments contain 829 LIHTC units, of which there are 8 vacant or a 99.0% occupancy rate. Several of the LIHTC developments contain additional government subsidies in either RDA or HUD subsidy. The senior development consists of 72-units and no vacancies for 100% occupancy.
- ◆ In a review of the existing development, 123 Club, the following information was gathered about the current occupancy to assist in the direction of the demand analysis calculations.
- ◆ The household support can be supported by reviewing the existing development and the current tenant household characteristics at 123 Club. As noted below there is a good variety of family types in these existing units:

Occupants	Bedrooms		
	<u>1</u>	<u>2</u>	<u>3</u>
1	-	36.8%	15.8%
2	-	42.1%	26.3%
3	-	21.1%	36.8%
4	-	-	15.8%
5+	-	-	5.3%

- ◆ In a recent review of the current gross incomes indicate that over **50% of the occupied units have tenants at or below the \$20,000**. The following is a current distribution of incomes for current tenants at the 123 Club Apartments:

GROSS INCOMES	
\$ 0 - \$10,000	26.3%
\$10,000-\$20,000	39.5%
\$20,000-\$30,000	28.9%
\$30,000-\$40,000	5.3%
\$40,000 or higher	-

- ◆ In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **24% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the 123 Club Apartments:

GROSS INCOMES	
Below 50%	23.7%
50% - 60%	-
Above 60%	76.3%

C. PUBLIC HOUSING AGENCY SURVEY

- ◆ Interviews were conducted with staff members at the Beaufort County Housing Authority (which oversees Beaufort), covering the HUD programs for Beaufort County.
- ◆ An interview with David Lavendol and staff at the Beaufort County Housing Authority office indicated that they have allocated over 533 households in the Section 8 Certificate and Voucher programs for Beaufort County, of which a majority are leased. Additionally, an interview with the Beaufort County Housing Authority staff indicated that there are over 350 family and elderly (one-bedroom) participants on a waiting list for housing. The list has been screened to include only qualified individuals and families.
- ◆ The general consensus is the demand for affordable family housing is great in Beaufort County. When told this proposed development will be for family housing, the authority was receptive to the idea noting such a development might fill a specific demand for the waiting list in the market. However, when told it was an existing development, they said “preserve” the housing.

D. PLANNED OR PROPOSED DEVELOPMENT

Additionally, according to local governmental officials, no other rental developments have submitted formal plans for development for the subject site area of the City of Beaufort. It must be noted that the City of Beaufort has been active in the multi-family rental development area, but in “for-sale” activity, specifically condominiums.

E. AREA INTERVIEWS

In conducting the field analysis of the rental housing market in the City of Beaufort, South Carolina interviews were conducted with an array of government officials, the Chamber of Commerce, several realtors, the Housing Authority and some of the apartment managers. Telephone interviews were conducted over a period of time between February 15, 2016 and March 7, 2016. A visit to the site and to the comparable rental properties was made on the week of February 22, 2016.

The mayor of Beaufort, South Carolina, Bill Keyserling (843-592-0400) was recently interviewed regarding his thoughts on the addition of LIHTC rental housing units to the community. Mayor Keyserling is in favor of the proposed project. He feels the need for such housing is overwhelming. He noted that while Beaufort County as a whole has a very high median income, the City of Beaufort is comparatively poor. But with the perception being what it is, landlords have increased rents to a level which many people cannot afford to live here. Thus the community is losing some residents who have been priced out of the rental market. These residents include professionals such as teachers, medical personnel and police officers, people one would associate with comfortable incomes. Perhaps the addition of affordable housing would be the catalyst to motivate these people to stay, to live, work and become an integral part of Beaufort’s continued growth and prosperity.

Several apartment managers were interviewed during the site visits. It was determined that there affordable housing in the market has positive acceptance. A majority of the housing is market-rate housing. Maria, the leasing agent of the new Ashley Pointe apartments and

Tina, the leasing agent for Shell Pointe apartments, both new LIHTC communities were interviewed as to their take on the market conditions. They both pointed out that their respective apartment complexes were virtually 100% leased-up upon opening. This would seem to be a good indication for the pent-up demand for additional tax credit rental units in the area.

Denise, the manager of Cross Creek apartments, also a LIHTC community, shared Maria and Tina's thoughts. Noting she has vacancies due to normal turnover, she also said those units are being filled as soon as the units are cleaned and any repairs are made to the units. She unequivocally said "yes" there is a definite need for more LIHTC units in the Beaufort and the economy is vibrant enough to support additional units. Bridget, a leasing agent with Laurel Hill apartments, a senior LIHTC community, feels the need for additional affordable rental housing in the area is substantial. She stated she is 100% occupied and has been this way since opening. She said many seniors are migrating to the area as it has all the desired and essential attributes of the more popular retirement communities without the high prices. She also noted the school system attracts a lot of families to the area and affordable rental housing offers a great alternative to higher priced single-family homes. She said demand is high for both affordable senior and family rental housing based on their collective waiting lists.

In an interview with (Jamie Dailey-Vergara and Joan Brynes) of the Beaufort Regional Chamber of Commerce (843-525-8500), they noted that there is several area Realtors that specialize in rentals. However, these are typically with resort orientated developments and individuals looking to have a second home in the area. The strong need for rental housing was noted because of all the service jobs associated with the market area. The need for affordable housing is also very important. Many of the employees live in the great Beaufort County area. However, they noted that even housing in this area is difficult to obtain. Area Realtors gave information on available rentals, typically in the higher rental range. These rents include both multi-family and single-family residences. They mentioned a stronger demand for rental housing in recent months, with very little affordable. Realtors noted in the above information include: Weichart Realtors (843-379-3010), Carolina

Realty of the Lowcountry (843-379-6012) and Wallace Thomas of Century 21 (843-521-2121).

During the visit to Beaufort, no signs of any new infrastructure, repairs or additions were noted. This would include new roads and or water/sewer lines, landscaping or any other beautification projects. However, because of the minimal major transportation routes, traffic is always congested.

Contact was made with Mr. David Lavendol (843-525-7059) of the Beaufort County Housing Authority. The general consensus is the demand for affordable elderly and family housing is great for Beaufort County. When told this proposed development will be for the renovation of existing family housing, the authority was receptive to the idea noting such a development will continue to fill a specific demand for the waiting list in the market.

F. COMPARABLE PROPERTIES AND ACHIEVABLE RENTS

In a review of comparable properties and achievable rent adjustments in the Beaufort Primary Market Area, it was noted that there are four family developments that would be considered as most comparable to the product. The following are a review of these developments and rent adjustments to the proposed subject site.

<u>Project #</u>	<u>Name</u>	<u># Units</u>	<u>Occupancy</u>	<u>Type</u>	<u>Year</u>
7.	Cross Creek	58 (MR)	87.9% (MR)	MR/TC	2009
15.	Oaks at Broad River Landing	248	97.6%	MR	2001
17.	Parris Island Gate	24	100.0%	MR	1991
21.	Waterford Cove	160	98.1%	MR	1998

As noted, within the four competitive developments, a total of 490 market-rate units exist with 16 vacant units or an overall 96.7% occupancy rate.

The rent comparisons for the competitive analysis were based on the following: building structure, year built or renovated, overall quality rating, area/neighborhood rating, square footage, number of bathrooms, appliances, unit amenities, project amenities, utilities, on-site management, furnished units, etc. (see Rent Comparison Chart):

<u>RENT ADJUSTMENTS</u>			
<u>Project #</u>	<u>Name</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
7.	Cross Creek	\$873	\$943
15.	Oaks at Broad River Landing	\$896	\$1,223
17.	Parris Island Gate	\$750	-
21.	Waterford Cove	865	\$936
Average (Net)		\$846	\$1,034
Subject Site		\$606	\$695

It should be noted that the average of the achievable comparable net two-bedroom unit is \$846, somewhat higher than the adjusted proposed \$606 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 71.6% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is \$1,034, somewhat higher than the adjusted proposed \$695 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 67.5% of the average comparable three-bedroom rent in the market area. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

Rent Comparability Grid

Unit Type →

Two-Bedroom

Subject's FHA #:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		
Project Name		Cross Creek		Oaks at Broad River		Parris Island Gate		Waterford Cove		
Street Address		325 Ambrose		100 River Chase		402 Battery Lane		22 Colony Gardens		
City County		Beaufort, SC		Beaufort, SC		Beaufort, SC		Beaufort, SC		
Subject		Subject		Subject		Subject		Subject		
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
1	\$ Last Rent / Restricted?	\$895		\$935		\$750		\$875		
2	Date Last Leased (mo/yr)									
3	Rent Concessions									
4	Occupancy for Unit Type	92%		98%		100%		99%		
5	Effective Rent & Rent/ sq. ft	\$895	0.942105	\$935	0.87	\$750	0.68	\$875	0.88	
In Parts B thru E, adjust only for differences the subject's market values.										
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	1 & 2	3	\$5	3	\$5	2		2	
7	Yr. Built/Yr. Renovated	2018	2009	\$9	2001	\$17	1991	\$27	1998	\$20
8	Condition /Street Appeal	G	G		G		G		G	
9	Neighborhood	G	G		G		G		G	
10	Same Market? Miles to Subj	G	G		G		G		G	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	Adj	Data	\$ Adj	Data	\$ Adj	
11	# Bedrooms	2	2		2		2		2	
12	# Baths	1.75	2		2		2		2	
13	Unit Interior Sq. Ft.	890	950	(\$6)	1070	(\$18)	1100	(\$21)	990	(\$10)
14	Balcony/ Patio	X	X	(\$5)	X	(\$5)	X	(\$5)		
15	AC: Central/ Wall	X	X		X		X		X	
16	Range/ refrigerator	X	X		X		X		X	
17	Microwave/ Dishwasher	X	X		XX	(\$8)	X		X	
18	Washer/Dryer Hook-up	X	X		X		X		X	
19	Washer/Dryer	X	X	(\$10)			X	(\$10)		
20	Floor Coverings	X	X			\$5	X		X	
21	Window Coverings	X	X		X		X		X	
22	Cable/ Satellite/Internet									
23	Special Features	X	X	(\$5)	X	(\$5)			X	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
24	Parking (\$ Fee)				X	(\$10)				
25	Extra Storage				X	(\$5)				
26	Security									
27	Clubhouse/ Meeting Rooms	X	X	(\$5)	XX	(\$10)			XX	(\$10)
28	Pool/ Recreation Areas	XX	XX		XX		\$15		XX	
29	Laundry Room	X	X	(\$5)	X	(\$5)			X	(\$5)
30	On Site Mgmt Office	X	X		X		\$5		X	
31	Other									
32	Neighborhood Networks									
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
33	Heat (in rent?/ type)	T-E	T-E		T-E		T-E		T-E	
34	Cooling (in rent?/ type)	T-E	T-E		T-E		T-E		T-E	
35	Cooking (in rent?/ type)	T-G	T-E		T-E		T-E		T-E	
36	Hot Water (in rent?/ type)	T-G	T-E		T-E		T-E		T-E	
37	Other Electric									
38	Cold Water/ Sewer	L	L		L		T	(\$11)	L	
39	Trash /Recycling	L	L		L		L		L	
F. Adjustments Recap		Pos	Neg		Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	6		3	8	3	3	1	4
41	Sum Adjustments B to D	\$14	(\$36)		\$27	(\$66)	\$47	(\$36)	\$20	(\$30)
42	Sum Utility Adjustments							(\$11)		
43 Net/ Gross Adjmts B to E		Net	Gross		Net	Gross	Net	Gross	Net	Gross
		(\$22)	\$50		(\$39)	\$93		\$94	(\$10)	\$50
G. Adjusted & Market Rents		Adj. Rent			Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$873			\$896		\$750		\$865	
45	Adj Rent/Last rent		98%			96%		100%		99%
46	Estimated Market Rent	\$846	\$0.95	←	Estimated Market Rent/ Sq. Ft					

Appraiser's Signature _____ Date _____

Attached are explanations of:

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents

Rent Comparability Grid

Unit Type →

Three-Bedroom

Subject's FHA #: _____

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Project Name		Cross Creek		Oaks at Broad River		Parris Island Gate		Waterford Cove	
Street Address		325 Ambrose		100 River Chase		402 Battery Lane		22 Colony Gardens	
City County		Beaufort, SC		Beaufort, SC		Beaufort, SC		Beaufort, SC	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$964		\$1,275				\$950	
2	Date Last Leased (mo/yr)								
3	Rent Concessions								
4	Occupancy for Unit Type	89%		98%		%		98%	
5	Effective Rent & Rent/ sq. ft	\$964	0.838261	\$1,275	0.90			\$950	0.77
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	1 & 2	\$5	3	\$5	2		2	
7	Yr. Built/Yr. Renovated	2018	\$9	2001	\$17	1991		1998	\$20
8	Condition /Street Appeal	G		G		G		G	
9	Neighborhood	G		G		G		G	
10	Same Market? Miles to Subj	G		G		G		G	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3				3	
12	# Baths	2		2				2	
13	Unit Interior Sq. Ft.	1100	(\$5)	1414	(\$31)			1236	(\$14)
14	Balcony/ Patio	X	(\$5)	X	(\$5)	X			
15	AC: Central/ Wall	X		X		X		X	
16	Range/ refrigerator	X		X		X		X	
17	Microwave/ Dishwasher	X		XX	(\$8)	X		X	
18	Washer/Dryer Hook-up	X		X		X		X	
19	Washer/Dryer	X	(\$10)			X			
20	Floor Coverings	X			\$5	X		X	
21	Window Coverings	X		X		X		X	
22	Cable/ Satellite/Internet								
23	Special Features	X	(\$5)	X	(\$5)			X	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)			X	(\$10)				
25	Extra Storage			X	(\$5)				
26	Security								
27	Clubhouse/ Meeting Rooms	X	(\$5)	XX	(\$10)			XX	(\$10)
28	Pool/ Recreation Areas	XX		XX				XX	
29	Laundry Room	X	(\$5)	X	(\$5)			X	(\$5)
30	On Site Mgmt Office	X		X				X	
31	Other								
32	Neighborhood Networks								
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	T-E		T-E		T-E		T-E	
34	Cooling (in rent?/ type)	T-E		T-E		T-E		T-E	
35	Cooking (in rent?/ type)	T-G		T-E		T-E		T-E	
36	Hot Water (in rent?/ type)	T-G		T-E		T-E		T-E	
37	Other Electric								
38	Cold Water/ Sewer	L		L		T		L	
39	Trash /Recycling	L		L		L		L	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	6	3	8			1	4
41	Sum Adjustments B to D	\$14	(\$35)	\$27	(\$79)			\$20	(\$34)
42	Sum Utility Adjustments								
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$21)	\$49	(\$52)	\$106			(\$14)	\$54
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$943		\$1,223				\$936	
45	Adj Rent/Last rent		98%		96%				99%
46	Estimated Market Rent	\$1,034	\$0.94	← Estimated Market Rent/ Sq. Ft					

Appraiser's Signature Date

Attached are explanations of :

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents



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APARTMENT FIELD SURVEY

INDIVIDUAL SUMMARY

PROJECT DESCRIPTION AND INFORMATION

Beaufort, South Carolina PMA

February 2016

Apartment Project #	Project Name	Address	City, State	Phone Number	Contact	Year Built	Project Type	Quality Rating	Total Units	Total Vacant	Percent Occupied
1	123 Club	123 Old Salem Rd	Beaufort, SC	(843) 982-0101	Heather	1996	LIHTC	6.5	40	0	100.0%
2	Ashley Pointe	Greenlawn Drive	Beaufort, SC	(843) 379-9746	Marla	2016	LIHTC	8.5	56	0	100.0%
3	Ashton Pointe	100 Ashton Pointe Blvd	Beaufort, SC	(843) 379-5110	Callie	2008	MR	8.5	240	9	96.3%
4	Bay South	2201 Mossy Oaks Rd	Beaufort, SC	(843) 476-4842	Cathy	1984	MR	7.5	132	4	97.0%
5	Cottages at Beaufort I	2304 Southside Blvd	Beaufort, SC	(843) 470-1600	Donna	2005	Gov't	8.0	17	0	100.0%
6	Cottages at Beaufort II	2306 Southside Blvd	Beaufort, SC	(843) 470-1600	Donna	2005	Gov't	8.0	18	0	100.0%
7	Cross Creek	325 Ambrose Run	Beaufort, SC	(843) 982-6381	Denise	2009	LIHTC / MR	7.5	144	7	95.1%
8	Dogwood	2807 Waddel Rd	Beaufort, SC	(843) 524-2207	Cindy	1986	MR	7.5	22	0	100.0%
9	Lady's Pointe I	1800 Salem Rd	Beaufort, SC	(843) 525-6797	Nicole	1988	LIHTC / Gov't	7.5	48	0	100.0%
10	Lady's Pointe II	1800 Salem Rd	Beaufort, SC	(843) 525-6797	Nicole	1991	LIHTC / Gov't	7.5	44	0	100.0%
11	Lafayette Square	2200 Lafayette Sq	Beaufort, SC	(843) 986-4437	Jay (tenant)	1972	MR	7.0	40	0	100.0%
12	Magnolia Park	314 Laurel Bay Rd	Beaufort, SC	(843) 770-0380	Anna	2001	LIHTC	7.0	56	0	100.0%
13	Marsh Point	1730 Greenlawn Cir	Beaufort, SC	(843) 525-7059	Dave	1989	Gov't	6.5	30	0	100.0%
14	Mossy Oaks Village Townhouses	27 Johnny Morrall Cir	Beaufort, SC	(843) 524-2922	Johnny	1981	LIHTC / Gov't	7.0	96	0	100.0%
15	Oaks at Broad River Landing	100 River Chase Blvd	Beaufort, SC	(843) 470-9090	Ashley	2001	MR	8.5	248	6	97.6%
16	Parkview Apartments	2500 Duke St	Beaufort, SC	(843) 524-7815	Nicole	1974	Gov't	7.0	60	0	100.0%
17	Parris Island Gate	402 Battery Lane	Beaufort, SC	(843) 524-2207	Cindy	1991	MR	7.0	24	0	100.0%
18	Sea Island	1813 Remount Rd	Beaufort, SC	(843) 524-2207	Cindy	1974	MR	6.0	50	0	100.0%
19	Sea Pointe	61 Hazel Farm Rd	Beaufort, SC	(843) 379-9129	Jenny	2016	LIHTC	8.5	56	0	100.0%
20	Spanish Trace	2400 Southside Blvd	Beaufort, SC	(843) 524-1629	Margaret	1980	LIHTC / Gov't	6.5	88	0	100.0%
21	Waterford Cove	22 Colony Gardens Rd	Beaufort, SC	(843) 770-0380	Kayla	1998	MR	7.5	160	3	98.1%
22	Waterford Place	2205 Southside Blvd	Beaufort, SC	(843) 524-2207	Anna	1972	MR	8.0	72	0	100.0%
23	Wilderness Cove	1305 Talbird Rd	Beaufort, SC	(843) 522-9500	Melissa	2005	LIHTC / Gov't	6.5	48	3	93.8%
24	Wilderness Too	1305 Talbird Rd	Beaufort, SC	(843) 522-9500	Melissa	2006	LIHTC / Gov't	6.5	24	2	91.7%
25	Fairfield Estates	2 Brindlewood Dr	Lady's Island, SC	(843) 379-5775	Tisha	1996	LIHTC	8.0	55	3	94.5%
26	Laurel Hill	1640 Ribaut Rd	Port Royal, SC	(843) 524-2568	Iris	2005	LIHTC	8.0	72	0	100.0%
27	Port Royal Apartments	548 Parris Island Gtwy	Port Royal, SC	(843) 379-0315	Jeanette	2012-13	LIHTC / Gov't	8.0	60	0	100.0%
28	Preserve at Port Royal	1 Preserve Ave West	Port Royal, SC	(843) 525-9999	Dallas	2004	MR	8.5	400	1	99.8%
29	Shell Pointe	297 Midtown Dr	Port Royal, SC	(843) 379-8400	Tina	2005	LIHTC	8.0	72	0	100.0%

RENT AND VACANCY ANALYSIS by ONE-BEDROOM UNITS
Beaufort, South Carolina PMA
February 2016

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Sq. Ft.
1	123 Club						
2	Ashley Pointe						
3	Ashton Pointe	G	88	1	\$1009		699-777
4	Bay South	G	36	1	\$760-800		660
5	Cottages at Beaufort I	G	17	0	*		540
6	Cottages at Beaufort II	G	18	0	*		540
7	Cross Creek	G: TC (19) / MR (5)	24	1	\$665 (TC) / \$749-\$755 (MR)		750
8	Dogwood						
9	Lady's Pointe I	G	16	0	\$505-635*		
10	Lady's Pointe II	G	14	0	\$505-635*		
11	Lafayette Square						
12	Magnolia Park						
13	Marsh Point						
14	Mossy Oaks Village Townhouses	G	48	0	*		556
15	Oaks at Broad River Landing	G (24/32/16)	72	2	\$872-1011/\$698-1011/\$1015-1138		660 / 771 / 934
16	Parkview Apartments						
17	Parris Island Gate						
18	Sea Island						
19	Sea Pointe						
20	Spanish Trace	G	36	0	*		628
21	Waterford Cove						
22	Waterford Place	G	16	0	\$575		
23	Wilderness Cove						
24	Wilderness Too						
25	Fairfield Estates						
26	Laurel Hill	G	54	0	\$599		686
27	Port Royal Apartments						
28	Preserve at Port Royal	G	160	1	\$923-997		693-850
29	Shell Pointe						

RENT AND VACANCY ANALYSIS by TWO-BEDROOM UNITS

Beaufort, South Carolina PMA

February 2016

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	123 Club	G	20	0			\$700	850-900
2	Ashley Pointe	G (6/34)	40	0			\$580	1100
3	Ashton Pointe	G	152	8			\$1155	931 / 1136
4	Bay South	G	96	3	\$852 (48)		\$872 (48)	865 / 960
5	Cottages at Beaufort I							
6	Cottages at Beaufort II							
7	Cross Creek	G: TC (34/1) / MR (26/2)	60	3			\$797 (TC) / \$890-\$900 (MR)	950
8	Dogwood	G	22	0		\$675		950
9	Lady's Pointe I	G	32	0	\$556-655*			
10	Lady's Pointe II	G	30	0	\$556-655*			
11	Lafayette Square	G	40	0	\$600			
12	Magnolia Park	G	24	0			\$659	990
13	Marsh Point							
14	Mossy Oaks Village Townhouses	G	40	0	*			777
15	Oaks at Broad River Landing	G (72/48)	120	3			\$935-1126	1070 / 1192
16	Parkview Apartments	G (24/16)	40	0	*(24)		*(16)	872 (24) / 906 (16)
17	Parris Island Gate	G	24	0			\$750	1100
18	Sea Island	G	50	0	\$550-575			
19	Sea Pointe	G (7/21)	28	0			\$714	1200
20	Spanish Trace	G	32	0	*			797
21	Waterford Cove	G	70	1			\$865-885	990
22	Waterford Place	G (40/16)	56	0	\$650			
23	Wilderness Cove	G	48	3	\$563-637*			
24	Wilderness Too	G	24	2	\$579-729*			
25	Fairfield Estates							
26	Laurel Hill	G	18	0			\$699	902
27	Port Royal Apartments	G (7/29)	36	0			\$525-540*	1039
28	Preserve at Port Royal	G	240	0	\$1074		\$1144	1027-1151
29	Shell Pointe	G (30/6)	36	0			\$659-820	1153

RENT AND VACANCY ANALYSIS by THREE-BEDROOM UNITS
Beaufort, South Carolina PMA
February 2016

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	123 Club	G	20	0			\$800	1000-1200
2	Ashley Pointe	G (8/8)	16	0			\$650	1250
3	Ashton Pointe							
4	Bay South							
5	Cottages at Beaufort I							
6	Cottages at Beaufort II							
7	Cross Creek	G: TC (33) / MR (27)	60	3			\$879 (TC) / \$959-\$969 (MR)	1150
8	Dogwood							
9	Lady's Pointe I							
10	Lady's Pointe II							
11	Lafayette Square							
12	Magnolia Park	G	32	0			\$750	1189
13	Marsh Point	G	30	0	*			
14	Mossy Oaks Village Townhouses	TH	8	0		*		1102
15	Oaks at Broad River Landing	G	56	1			\$1223-1326	1414
16	Parkview Apartments	G	20	0			*	1075
17	Parris Island Gate							
18	Sea Island							
19	Sea Pointe	G (7/21)*	28	0	\$804		\$804	1300
20	Spanish Trace	G	16	0	*			1004
21	Waterford Cove	G	90	2			\$940-960	1189-1282
22	Waterford Place							
23	Wilderness Cove							
24	Wilderness Too							
25	Fairfield Estates	G	21	2			\$1025	1235 / 1264
26	Laurel Hill							
27	Port Royal Apartments	G (5/19)	24	0			\$625-648*	1211
28	Preserve at Port Royal							
29	Shell Pointe	G (28/8)	36	0			\$730-936	1348

RENT AND VACANCY ANALYSIS by FOUR-BEDROOM UNITS

Beaufort, South Carolina PMA

February 2016

Apartment Project #	Project Name	Style	Number	Vacant	Rent 1.0 Bath	Rent 1.5 Bath	Rent 2.0+ Bath	Sq. Ft.
1	123 Club							
2	Ashley Pointe							
3	Ashton Pointe							
4	Bay South							
5	Cottages at Beaufort I							
6	Cottages at Beaufort II							
7	Cross Creek							
8	Dogwood							
9	Lady's Pointe I							
10	Lady's Pointe II							
11	Lafayette Square							
12	Magnolia Park							
13	Marsh Point							
14	Mossy Oaks Village Townhouses							
15	Oaks at Broad River Landing							
16	Parkview Apartments							
17	Parris Island Gate							
18	Sea Island							
19	Sea Pointe							
20	Spanish Trace	G	4	0				1230
21	Waterford Cove							
22	Waterford Place							
23	Wilderness Cove							
24	Wilderness Too							
25	Fairfield Estates	G	34	1			\$1075	1343 / 1365
26	Laurel Hill							
27	Port Royal Apartments							
28	Preserve at Port Royal							
29	Shell Pointe							

UNIT AMENITIES
Beaufort, South Carolina PMA
February 2016

Apartment Project #	Project Name	Kitchen Appliances							Unit Amenities										Other	
		Range / Stove	Refrigerator	Dishwasher	Garbage Disposal	Microwave	Breakfast Bar	Other	Air Conditioning	Drapes / Blinds	Carpeting	Fireplace	Washer / Dryer	Washer / Dryer Hookups	Patio or Balcony	Ceiling Fans	Security Alarm	Walk-in Closet(s)		Handicapped Design
1	123 Club	X	X	X	X	X			X	X	X			X						
2	Ashley Pointe	X	X	X	X	X		pantry	X	X	X			X						storage
3	Ashton Pointe	X	X	X	X	X	X		X	X	X			X						
4	Bay South	X	X	X	X	X			X	X	X			X						
5	Cottages at Beaufort I	X	X						X	X	X									
6	Cottages at Beaufort II	X	X						X	X	X									
7	Cross Creek	X	X	X	X				X	X	X			X						
8	Dogwood	X	X	X		X			X	X	X									
9	Lady's Pointe I	X	X						X	X	X			X						
10	Lady's Pointe II	X	X						X	X	X			X						
11	Lafayette Square	X	X						X	X	X			X						
12	Magnolia Park	X	X	X	X				X	X	X			X						
13	Marsh Point	X	X						X	X	X									
14	Mossy Oaks Village Townhouses	X	X			X			X		X			X						
15	Oaks at Broad River Landing	X	X	X	X	X	X		X		S			X						
16	Parkview Apartments	X	X	X	X				X	X	X			X						
17	Parris Island Gate	X	X	X	X	X			X	X	X			X						
18	Sea Island	X	X	X	X	X			X	X	X			X						
19	Sea Pointe	X	X	X	X	X	X		X	X	X			X						sunroom
20	Spanish Trace	X	X	X	X				X	X	X									
21	Waterford Cove	X	X	X	X	X			X	X	X			X						
22	Waterford Place	X	X	X	X	X			X	X	X			X						
23	Wilderness Cove	X	X						X	X	X			X						
24	Wilderness Too	X	X											X						
25	Fairfield Estates	X	X	X	X	X		X	pantry	X	X			X						vaulted ceiling
26	Laurel Hill	X	X	X	X	X	X		X	X	X			X						
27	Port Royal Apartments	X	X	X	X	X	X							X						
28	Preserve at Port Royal	X	X	X	X	X	X				S			X						
29	Shell Pointe	X	X	X	X	X	X							X						

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PROJECT AMENITIES
Beaufort, South Carolina PMA
February 2016

Apartment Project #	Project Name	Garages	Carports	Club House	Rental Office / Management	Activity / Community Room	Laundry Room	Playground	Sauna / Jacuzzi	Tennis Court	Basketball / Volleyball Court	Computer / Office Room	Swimming Pool	Exercise Room	Security Guardhouse / Gate	Elevator	Storage Areas	Picnic Area	Lake / Water Feature	Other
1	123 Club			X	X	X	X	X			X									
2	Ashley Pointe			X	X	X	X	X				X		X						
3	Ashton Pointe	X		X	X	X	X	X				X	X	X						Internet café, game room
4	Bay South				X	X	X						X							
5	Cottages at Beaufort I				X	X	X													
6	Cottages at Beaufort II				X	X	X													
7	Cross Creek			X	X	X	X							X						
8	Dogwood				X	X	X													
9	Lady's Pointe I				X	X	X													
10	Lady's Pointe II				X	X	X													
11	Lafayette Square				X	X	X													
12	Magnolia Park			X	X	X	X							X						
13	Marsh Point																			
14	Mossy Oaks Village Townhouses				X	X	X													
15	Oaks at Broad River Landing	X		X	X	X	X				X	X	X	X						X
16	Parkview Apartments				X	X	X													
17	Parris Island Gate						X													
18	Sea Island						X													
19	Sea Pointe			X	X	X	X					X								
20	Spanish Trace				X	X	X													
21	Waterford Cove			X	X	X	X			X		X	X	X						media room, coffee café
22	Waterford Place				X	X	X						X							
23	Wilderness Cove				X	X	X													
24	Wilderness Too				X	X	X													
25	Fairfield Estates	X			X	X	X													
26	Laurel Hill			X	X	X	X													
27	Port Royal Apartments			X	X	X	X					X		X						gazebo
28	Preserve at Port Royal	\$ (\$50-99)		X	X	X	X					X	X	X						
29	Shell Pointe			X	X	X	X					X								gazebo

UTILITY ANALYSIS
Beaufort, South Carolina PMA
February 2016

Apartment Project #	Project Name	Electric	Heat			Water	Sewer	Trash	Cable	Internet Wired
			Gas	Electric	Hot Water					
1	123 Club	T		T		L	L	L	T	
2	Ashley Pointe	T		T		T	T	L	T	
3	Ashton Pointe	T		T		T	T	L	T	
4	Bay South	T		T		L	L	L	T	
5	Cottages at Beaufort I	T		L		L	L	L		
6	Cottages at Beaufort II	T		L		L	L	L		
7	Cross Creek	L		L		L	L	L	T	
8	Dogwood	T		T		L	L	L	T	
9	Lady's Pointe I	T		T		L	L	L	T	
10	Lady's Pointe II	T		T		L	L	L	T	
11	Lafayette Square	T		T		T	T	L	T	
12	Magnolia Park	T		T		L	L	L	T	
13	Marsh Point	T		T		L	L	L	T	
14	Mossy Oaks Village Townhouses	T	T			L	L	L	T	
15	Oaks at Broad River Landing	T		T		L	L	L	T	
16	Parkview Apartments	T		T		L	L	L	T	
17	Parris Island Gate	T		T		T	T	L	T	
18	Sea Island	T		T		T	T	L	T	
19	Sea Pointe	T		T		T	T	L	T	
20	Spanish Trace	T		T		L	L	L	T	
21	Waterford Cove	T		T		L	L	L	T	
22	Waterford Place	T		T		L	L	L	T	
23	Wilderness Cove	T		T		L	L	L	T	
24	Wilderness Too	T		T		L	L	L	T	
25	Fairfield Estates	T		T		L	L	L	T	
26	Laurel Hill	T		T		L	L	L	T	
27	Port Royal Apartments	T		T		T	T	L	T	
28	Preserve at Port Royal	T		T		L	L	L	T	T
29	Shell Pointe	T		T		L	L	L	T	

T=Tenant
L=Landlord

PROJECT FEES AND COMMENTS

Beaufort, South Carolina PMA

February 2016

Apartment Project #	Project Name	Pets	Security	Application Fee	Comments
1	123 Club		1 month		TC (40%, 60%)
2	Ashley Pointe		1 month		LIHTC community - opened January 2016 - All units occupied
3	Ashton Pointe		1 month		
4	Bay South		1 month		
5	Cottages at Beaufort I		1 month		*Government Subsidized - HUD Section 202 - Senior - Waiting list: 1 year
6	Cottages at Beaufort II		1 month		*Government Subsidized - HUD Section 202 - Senior - Waiting list: 1 year
7	Cross Creek	\$300	1 month		TC (60%) - MR 58 units
8	Dogwood		1 month		
9	Lady's Pointe I		1 month		*Government Subsidized - RD Section 515 - Family - LIHTC property
10	Lady's Pointe II		1 month		*Government Subsidized - RD Section 515 - Family - LIHTC property
11	Lafayette Square		1 month		
12	Magnolia Park		\$400-1 month		TC (60%)
13	Marsh Point		1 month		*Government Subsidized - Public Housing
14	Mossy Oaks Village Townhouses		1 month		*Government Subsidized - HUD Section 8 & 202 - TC 2013 rehab
15	Oaks at Broad River Landing		1 month		
16	Parkview Apartments		1 month		*Government Subsidized - HUD Section 8 - Family - Long waiting list
17	Parris Island Gate		1 month		
18	Sea Island		1 month		
19	Sea Pointe		1 month		LIHTC property - Opened February 2016 - All units leased, pre-leased or have pending applications
20	Spanish Trace		1 month		*Government Subsidized - HUD Section 8 - Family - TC Bond
21	Waterford Cove		\$400		
22	Waterford Place		1 month		
23	Wilderness Cove		\$250		*Government Subsidized - RD Section 515 - Family - TC 2003 - Special: \$99 deposit
24	Wilderness Too		\$250		*Government Subsidized - RD Section 515 - Family - TC 2005 - Special: \$99 deposit
25	Fairfield Estates		\$600	\$35	TC (60%) - Single family homes
26	Laurel Hill		1 month		TC (60%) - Senior
27	Port Royal Apartments		1 month		TC (50%, 60%) - RD 515
28	Preserve at Port Royal	\$300	\$300		
29	Shell Pointe		\$300-1 month		TC (50%, 60%)

Apartment Map



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**APARTMENT
FIELD SURVEY**

**PHOTOGRAPHS
(SELECTED)**



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1. 123 Club Apartments



2. Ashtley Pointe



3. Ashton Pointe



4. Bay South



5. Cottages at Beaufort I



6. Cottages at Beaufort II
VI-28



7. Cross Creek



8. Dogwood



9. Lady Pointe I



10. Lady Pointe II



11. Lafayette Square



12. Magnolia Park
VI-29



13. Marsh Point



14. Mossy Oaks Village



15. Oaks at Broad River Landing



16. Parkview Apartments



17. Parris Island Gate



18. Sea Island
VI-30



19. Sea Pointe



20. Spanish Trace



21. Waterford Cove



22. Waterford Place



23. Wilderness Cove



24. Wilderness Too



25. Fairfield Estates



26. Laurel Hill



27. Port Royal Apartments



28. Preserve at Port Royal



29. Shell Pointe

VII. CONCLUSIONS

A. INTRODUCTION

These conclusions are based upon the income qualification standards of the South Carolina State Housing Finance and Development Authority's Low Income Tax Credit Program; economic and demographic statistics; area perception and growth; an analysis of supply and demand characteristics, absorption trends of residential construction; survey of the multi-family rental market in the City of Beaufort, South Carolina. The tax credit program, for rental housing, is a function of household size and income limitations based on area median incomes. In addition, previous experience, based on analysis of existing rental housing developments, aided in identifying family trends which enabled us to develop support criteria for the recommendations.

B. MARKET SUMMARY

The following is a summary of the demographic, economic and housing criteria that affect the level of support for the proposed tax credit family rental development.

Total households are an important housing indicator. The population of the Beaufort Primary Market Area was 67,394 in 2010. In 2015, the newly published population number is 70,520, an increase of 4.6%. Population is expected to number 73,642 by 2018, increasing 4.4% from 2015. The Beaufort PMA households numbered 24,801 in 2010. In 2015, households number 26,623, an increase of 7.3%. Households are expected to number 28,036 by 2018, increasing 5.3% by 2015.

In the Beaufort Primary Market Area, family households (under the age of 55) increased 17.5% for renter households and decreased 16.2% for owner households from 2010 to 2015. Between 2015 and 2018, family renter households (under the age of 55) are projected to increase 5.3%, while the owner households are estimated to decrease 1.2%.

In the Beaufort Primary Market Area, households (aged to 55 to 64) decreased 5.1% for renter households and increased 12.7% for owner households from 2010 to 2015. Between 2015 and 2018, renter households (aged 55 to 64) are projected to decrease 8.9%, while the owner households are estimated to increase 4.7%.

In the Beaufort Primary Market Area, senior households (aged 65 years and older) increased 9.0% for renter households and 23.8% for owner households from 2010 to 2015. Between 2015 and 2018, senior renter households (aged 65 years and older) are projected to increase 17.8%, while the owner households are estimated to increase 12.5%.

The median per household income in the Beaufort Primary Market Area is \$47,844 in 2015 and is projected to increase to \$51,389 in 2018.

Employment in Beaufort County increased 9.4%, from 58,579 in 2005 to 64,625 in 2014. In recent years, the employment levels in Beaufort County and the City of Beaufort has been stable, around the 62,000 number, which is an attribute for today's economy. Total overall employment in 2014 has increased slightly in the Beaufort County area. The employment base of Beaufort County is dominated by the following industries or categories: accommodation and food service, retail, military and healthcare as reflected by the area's largest employers.

At the end of 2014, the unemployment rate of Beaufort County was 5.7%, somewhat lower than previous year of analysis. Between 2010 and 2014, the unemployment rate has ranged from 5.7% to 8.7%. The unemployment rate for Beaufort County has typically been lower than the state average. The unemployment rate is estimated to decrease for 2015.

Beaufort has always been a center for medical and accommodations and food service operations; this is especially true within the immediate subject site area. The area's larger employers consist of: Department of Defense (three locations), Beaufort County School District, Beaufort County, Beaufort Memorial Hospital, US Naval Hospital, Hilton Head Regional Medical Center, Mals 31 Headquarters, Westin Beaufort Resort, Wal-Mart Supercenter and Beaufort County Sheriff.

Additionally, the Beaufort employment base has had some recent employment gains, with the improvement of the economy and the resort orientated business in the immediate area. The immediate Beaufort area is heavily influenced by the tourist trade in the area, offering many secondary employment positions in housekeeping, gardening and tourist related retail trade. The food and service industry, as well as the medical services are major benefactor of this tourist trade. Additionally, the overall area is influenced by the area's three military bases. These bases employ military, civilian, non-civilian and medical positions. Northern Beaufort County is home to Marine Corps Air Station Beaufort, (MCAS-Beaufort) Parris Island and Naval Hospital - Beaufort, which have a significant impact on the local economy. The largest of these military bases, MCAS-Beaufort is expected to expand over the next two years; however one company has gone through changes in 2015 resulting in a loss of 200 jobs. The proximity to the employment base of Savannah, Hilton Head and Beaufort is a big advantage for the area. The Beaufort area is currently poised for expansion at any of the area's industrial parks, some in the immediate site area.

Of the four area counties, Beaufort County ranks last in the percentage of persons employed outside their county of residence, 8.7%. This very low percentage can be contributed to the accessibility and proximity of solid and diverse employment opportunities offered in the immediate area. Additionally, because of the strong bases of several employment sections in these areas, any increase or decrease in the immediate employment center would have limited effect on mobility patterns of residents within this market area. The accessibility to other employment areas can help maintain Beaufort as a viable housing option and alternative.

Housing activity has been active in the City of Beaufort and Beaufort County in the ten year period surveyed, with some growth in both the single-family and multi-family markets. The City of Beaufort has had minimal activity over the past ten years. Overall, there has been an average of 45.6 permits for the City of Beaufort, with an average of 38.9 single-family and 6.7 multi-family permits. Over the past ten years, the overall housing units authorized in Beaufort County have averaged 1,529.9 units per year, averaging 169.1 for multi-family units and 1,360.8 for single-family units per year. However, within recent years, construction has been weighted heavily towards single-family permits again, with a three year average of 15.3 for multi-family

permits in Beaufort County and non-existent for the City of Beaufort and 32.0 and 846.7 single-family permits for the City of Beaufort and Beaufort County, respectively.

In 2010, nearly one-half (45.1%) of the total housing units in Beaufort were rental units, offering an established base of rental units. The reported vacancy rate was 12.4% for all the rental units. In Beaufort County, multi-family units represented 29.9% of all the housing units in 2010. The reported vacancy rate was 44.8%, again for all rental unit types. The rental units surveyed include all rentals available whether in multi-family, single-family or mobile home structures, while the vacancies included the seasonal fluctuation of the market area. The vacancy rates while noted higher are a product of the second homes in the market area and the lack of year round occupancy. The overall vacancy rates are actually lower, below 11% as reported by the Census data for year round housing and owners and renters. The median number of occupants in renter-occupied living units in Beaufort was 2.30 in 2010, somewhat lower than the 2.66 for renter-occupied units only in Beaufort County.

The 2013 American Community Survey reports a total of 1,836 specified renter-occupied housing units in the City of Beaufort and 18,399 in Beaufort County. The median rent in 2013 for the City of Beaufort was \$819, somewhat lower than Beaufort County at \$1,039. All rents in the City of Beaufort ranged from \$200 to \$2,000 or more. The largest percentage of units was in the \$800 - \$1,249 range, representing 33.8% of the units. Median gross rents in both the City of Beaufort and Beaufort County are estimated to increase approximately 37.4% and 50.6% in 2013 from 2000.

At the time of this study, in the Beaufort market area, a comparable survey of family LIHTC, government subsidized and market-rate units was conducted in the market area. There are 1,446 market-rate units in the area in ten developments. There are eight low income housing tax credit (LIHTC) family and senior developments with 493-units that was surveyed with 5 vacancies for a 1.0% vacancy rate. An additional 533 government subsidized development units in eleven developments (including developments with LIHTC units) with a low vacancy rate, were located and surveyed in the Beaufort market area. Vacancies for the market rate units are also low at 1.9% (28-units). When vacancies are available, it is due to natural turnover in the market area.

Reviewing the LIHTC units, the market still appears limited by supply rather than demand. The Beaufort market-rate apartment base contains a disproportionately higher ratio of three-bedroom market-rate and LIHTC units in the market area. These units have a lower vacancy rate.

It should be noted that the Beaufort rental market has been experiencing apartment growth in the past several years. Some of the multi-family growth has been in the “for-sale” market. Between 2012 and 2016, there have been 172 LIHTC or market-rate units added to the Beaufort rental market. The Beaufort area has several smaller sized developments. Management indicated that the vacancies, when existing, are somewhat seasonal and typically being higher in the fall/winter season.

Additionally, Beaufort because of its resort housing; has several alternative rental opportunities (either short term or year round) in condominium units throughout the island. There are several Realtors that handle these exclusive rentals. These rentals are typically at a much higher rent, as the monthly costs include resort fees and mortgage costs. While the units impact the market; they will impact at the luxury end of the market. Also, several early rental developments have converted to condominiums because of the income possibilities in a strong seasonal resort area.

Median rents are high; additionally there is a good base of higher-priced market-rate units in the Beaufort market area. One-bedroom units have a median rent of \$930, with 25.6% of the one-bedroom units in the upper-rent range of \$1,009-\$1,138. Two-bedroom units have a median rent of \$872, with 40.1% of the two-bedroom units in the upper-rent range of \$1,074-\$1,155. Three-bedroom units have a median rent of \$941. Market rate rents have been able to increase at a yearly rate of more than 1.5%, because of the new construction of market-rate and LIHTC rental units, having an impact on both the area rental market and rents and the strong market conditions. The median rents for units are driven somewhat higher, because of the large base of newer multi-family units in the market area that typically obtain lower rents per unit. Only 21.8% of the units were built before 1985.

Under the SCSHFDA guidelines, fifteen developments have received LIHTC allocations in the Beaufort area since 2000. There is one senior development and fourteen family developments, including the subject site, in the market area. The developments offers 50% and 60% rents of AMI's. Overall, the one senior development contains 72 LIHTC units, of which none are vacant or a 100.0% occupancy rate. Additionally, within the family developments, seven developments have additional government subsidies associated with thee rents. Overall, the fourteen family developments contain 829 LIHTC units, of which there are 8 vacant units or a 99.0% occupancy rate.

In a review of comparable properties and rent adjustments in the Beaufort PMA, it was noted that there are four family developments in the immediate area that would be the most comparable to the product. All of these developments are market-rate family developments with market segment associated to the product and tenant base. As noted, within the four competitive developments, a total of 490-units exist with 16 vacant units or an overall 96.7% occupancy rate.

It should be noted that the average of the achievable comparable net two-bedroom unit is \$846, somewhat higher than the adjusted proposed \$606 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 71.6% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is \$1,034, somewhat higher than the adjusted proposed \$695 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 67.5% of the average comparable three-bedroom rent in the market area. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

In a review of the government subsidized rental units in the immediate market area, it was noted that vacancies are non-existent. An interview with the Beaufort Housing Authority office, which services the Beaufort area, indicated that they have over 533 families (elderly and family) under the Section 8 Certificate and Voucher program for the overall area. Additionally, there are over 350 individuals on a waiting list. As in previous experiences with local housing authorities, it is expected that additional support for the proposed development could be generated from these prospective tenants, as well as the tenants currently on area developments waiting lists.

C. TAX CREDIT PROGRAM INCOME QUALIFICATIONS

The City of Beaufort/Beaufort County support for the Low Income Tax Credit Housing Program units is based upon the household size and the appropriate income limits supported by a proposed base rent. However, rent restrictions are based on the number of bedrooms per unit rather than the actual family size as follows:

<u>BEDROOM PER UNIT</u>	<u>PERSONS PER BEDROOM (BASIS)</u>
STUDIO	1.0
ONE-BEDROOM	1.5
TWO-BEDROOM	3.0
THREE-BEDROOM	4.5
FOUR-BEDROOM	6.0

The development, in order to be a qualified tax credit rental project, must meet the needs of one of the following occupancy and rent restrictions:

- ◆ At least 20.0% of the rental units must be reserved for tenants at 50.0% or less of the area median income adjusted for family size or
- ◆ At least 40.0% of the rental units must be reserved for tenants at 60.0% or less of the area median income adjusted for family size or
- ◆ Deep Rent skewing option.

Based on the United States Department of Housing and Urban Development estimates, the median income for the Beaufort, South Carolina (Beaufort County) area, the following is a distribution by person, of the maximum allowable income and rent available under the 50% and 60% program (non-metro), proposed for this development:

**50% AND 60% PROGRAM OPTION
MAXIMUM INCOME/RENT LEVEL**

	50%	60%
ONE-PERSON	\$23,600	\$28,320
TWO-PERSON	\$27,000	\$32,400
THREE-PERSON	\$30,350	\$36,420
FOUR-PERSON	\$33,700	\$40,440
FIVE-PERSON	\$36,400	\$43,680
SIX-PERSON	\$39,100	\$46,920

The following is the adjusted annual income range specified appropriate by the tax credit 50% and 60% program for low to moderate-income family households for the Beaufort PMA. The income range is calculated using the SCSHFDA guidelines and the proposed gross rents by unit type, **excluding any income overlap on the overall range**. The following is a summary of **renter-occupied** households in the PMA of the proposed site within this income range for 2015:

Family Households Beaufort, South Carolina PMA					
	Income Range	Persons	2015 Renter- Occupied	2018 Renter- Occupied	Change 13-16
50%	\$25,406-\$30,210	1 – 5	857	820	(37)
60%	\$30,211-\$42,060	1 – 5	1,724	1,739	15
Overall	\$25,406-\$42,060	1 – 5	2,581	2,559	(22)

Overall (excluding any overlap of income ranges), the adjusted annual income range specified appropriate by the tax credit program for low to moderate-income households is \$25,406 (lower end of one-person household moderate-income) to \$42,060 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2015, there are 2,581 households in the Beaufort Primary Market Area of the proposed site was within this income range.

The following is a summary of **renter-occupied larger** households in the PMA of the proposed site within this income range for 2015:

Larger Family Households Beaufort, South Carolina PMA					
	Income Range	Persons	2015 Renter- Occupied	2018 Renter- Occupied	Change 13-16
50%	\$25,406-\$30,210	3 – 5	379	362	(17)
60%	\$30,211-\$42,060	3 – 5	768	773	5
Overall	\$25,406-\$42,060	3 – 5	1,147	1,135	(12)

Overall (excluding any overlap of income ranges), the adjusted annual income range specified appropriate by the tax credit program for low to moderate-income households is \$25,406 (lower end of three-person household moderate-income) to \$42,060 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2015, there are 1,147 households in the Beaufort Primary Market Area of the proposed site was within this income range.

The following chart is derived by following the tax credit program's guidelines for calculating gross and net rents, by the number of bedrooms in each rental unit, for the Beaufort, South Carolina area:

TYPE OF UNIT	AMI	GROSS RENT PER MONTH	UTILITY COST	NET RENT
TWO-BEDROOM	50%	\$758	\$131	\$627
	60%	\$910	\$131	\$779

TYPE OF UNIT	AMI	GROSS RENT PER MONTH	UTILITY COST	NET RENT
THREE-BEDROOM	50%	\$876	\$164	\$712
	60%	\$1,051	\$164	\$887

These rents are the maximum allowable gross rents for the LIHTC Program. It should be noted that utility calculations are estimates provided by the local housing agency and developer, and are based on the current statistics available for one and two story units with similar utility rates.

D. DEMAND ANALYSIS

The following demand estimates are based on any applicable income restrictions and requirements set forth by the South Carolina State Housing Finance and Development Authority, current households, proposed households, turnover ratios of units in the market area and the percent of renter qualified households within the Primary Market Area. Additionally, when needed, previous experiences and/or proprietary research completed by our organization was used in the calculation of appropriate Primary Market Area demand analysis percentages.

The projected number of new rental households is the difference of household growth in the Primary Market Area from 2015 to the estimated 2018 households statistics as follows: 2,559 (2018) – 2,581 (2015) = (22) total households.

PRIMARY MARKET AREA DEMAND FROM EXISTING AND PROJECTED HOUSEHOLDS:

	50%	60%	Overall
New Projected HH (2015-2018)	(37)	15	(22)
Demand of Projected Renter HH (2015-2018)	(37)	15	(22)
Total Qualified Rental HH	857	1,724	2,581
Rent Overburdened Households (%)	38.4%	38.4%	38.4%
Total Qualified Renter HH	329	662	991
Total Qualified Rental HH	857	1,724	2,581
Substandard Housing (%)	2.0%	2.0%	2.0%
Total Qualified Renter HH	17	35	52

<i>Estimated Annual Demand</i>	309	712	1,021
<i>Supply</i> (comparable, u/c or proposed units)	107	200	307
<i>Net Demand</i>	202	512	714

The rent burden is estimated from the analysis of Table 21 - Distribution of Gross Rent of Household Income. We take a conservation approach and use the number of the City of Beaufort only, not the Primary Market Area, which typically would be higher (noted by the Beaufort County) statistic. Additionally, substandard housing is combination of the previous analysis acceptability, the housing quality on Table 22 and the type of housing on Table 19.

Because of the many factors required in the Demand and Affordability Analyses the information is combined from several sources throughout the entire analysis, followed-up by Section IX - Market Study Terminology.

Based on the above analysis for 2015, the annual net demand for the 50% and 60% median income households in the Primary Market Area is estimated at 202 and 512 units per year, respectively. Within the above analysis for 2015, the annual net demand for the overall development based on the median income households in the Primary Market Area is estimated at 714 units per year.

The Beaufort Primary Market Area penetration factor for tax credit units is based on the number of renter households in the appropriate income ranges supporting the proposed rents. The capture rate factor, calculated by dividing the number of proposed units within a specific program and the number of net demand of households in the appropriate income ranges.

<u>Bedroom & % AMI</u>	<u>Total Demand</u>	<u>Supply</u>		<u>Net Demand</u>	<u>Proposed Units</u>	<u>Capture Rate</u>
		<u>Existing</u>	<u>Pipeline</u>			
Two-Bedroom						
50%	185	57	-	128	4	3.1%
60%	427	105	-	322	16	5.0%
Three-Bedroom						
50%	124	50	-	74	4	5.4%
60%	285	95	-	190	16	8.4%
Overall	1,021	307	-	714	40	5.6%

* Excluding any overlap of incomes.

Penetration Factor: Proposed & Existing LIHTC Units/Age & Income Qualified

$$40 + 307 / 2,581 = 13.4\%$$

Because **over 20% of the units are three-bedroom units**, the projected number of new larger rental households was computed. The difference of household growth in the Primary Market Area from 2015 to the estimated 2018 households statistics as follows: 1,135 (2018) – 1,147 (2015) = (12) total larger households.

PRIMARY MARKET AREA DEMAND
FROM EXISTING AND PROJECTED FOR LARGER HOUSEHOLDS (3+):

	50%	60%	Overall
New Projected HH (2015-2018)	(17)	5	(12)
Demand of Projected Renter HH (2015-2018)	(17)	5	(12)
Total Qualified Rental HH	379	768	1,147
Rent Overburdened Households (%)	38.4%	38.4%	38.4%
Total Qualified Renter HH	146	295	441
Total Qualified Rental HH	379	768	1,147
Substandard Housing (%)	2.0%	2.0%	2.0%
Total Qualified Renter HH	8	15	23
<i>Estimated Annual Demand</i>	137	315	452
<i>Supply</i> (comparable, u/c or proposed units)	50	95	145
<i>Net Demand</i>	87	220	307

Based on the above analysis for 2015, the annual net demand for the 50% and 60% median income larger households in the Primary Market Area is estimated at 87 and 220 units per year, respectively. Within the above analysis for 2015, the annual net demand for the overall development based on the median income larger households in the Primary Market Area is estimated at 307 units per year.

The Beaufort Primary Market Area penetration factor for tax credit units is based on the number of renter households in the appropriate income ranges supporting the proposed rents. The capture rate factor, calculated by dividing the number of proposed units within a specific program and the number of net demand of **larger** households in the appropriate income ranges.

Bedroom & % AMI	Total Demand	Supply		Net Demand	Proposed Units	Capture Rate
		Existing	Pipeline			
Three-Bedroom						
50%	137	50	-	87	4	4.6%
60%	315	95	-	220	16	7.3%
Overall	452	145	-	307	20	6.5%

* Excluding any overlap of incomes.

Penetration Factor: Proposed & Existing LIHTC Units/Age & Income Qualified

$$20 + 145 / 1,633 = 10.1\%$$

Within these competitive rent ranges, the market can support the existing 40-unit tax credit development for family occupancy under the 50% and 60% programs. In 2015, based on the proposed and competitive product in the Beaufort market area, the existing 40-unit family development of LIHTC units represents an overall 5.6% capture rate within the market area. When including any surveyed existing family LIHTC units (including the additional subsidies) within the Beaufort PMA, the penetration factor is 13.4%. Within the **larger income households** in 2015, based on the proposed and competitive product in the Beaufort market area, the existing 20-unit family development of LIHTC units represents an overall 6.5% capture rate within the market area. When including any surveyed existing family LIHTC units (including the additional subsidies) within the Beaufort PMA, the penetration factor is 10.1%.

All of these calculations are appropriate capture and penetration factors, especially with the factor of the development being rehabilitated. Combined with sensitivity to market rents and a quality construction, these renter households' percentages represent a good base of appropriate income family households. Because of the regional nature of the subject site area and the proposed product and targeted market, the actual market area could be larger than the proposed Primary Market Area.

E. RECOMMENDATIONS

This study has established that a market exists for the rehabilitation of a 40-unit family rental housing project, 123 Club Apartments, to be renovated within the criteria set forth by the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit Program.

With the proposed plans to develop 8-units (20.0%) available to households with incomes at or below the 50% of the area income and 32-units (80.0%) available to households with incomes at or below the 60% of the area income, the subject site located in the City of Beaufort, South Carolina is proposed as follows:

UNIT BY TYPE AND BEDROOM

BEDROOM	TWO	THREE
BATHROOMS	2.0	2.0
NUMBER OF UNITS		
50%	4	4
60%	16	16
SQUARE FEET (approx.)	890	1,100
GROSS RENT	\$741	\$858
UTILITY ALLOWANCE *	\$135	\$163
NET RENT	\$606	\$695

* estimated by developer and local housing agency

The existing development consists of a one-story and two-story flats and for family occupancy. The development consists of 8 buildings located on approximately 5.0 acres. The existing 40-unit family development is estimated to begin rehabilitation in the Spring 2017, to be completed in the Spring 2018. The development consists of parking for a total of 80 surface spaces within the development.

The development rehabilitation will follow the mandatory design criteria set forth by SCSHFDA. However, there have been proposed additional development design criteria which will be included in the development rehabilitation process.

Each unit in the existing development will be upgraded and would contain energy star appliances, including a self-cleaning range, refrigerator, dishwasher, disposal, air conditioning, carpeting or wood floors, blinds, extra storage, patio, washer/dryer hook-ups and two full bathrooms. Additionally, the units will be pre-wired for high speed internet.

Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: on-site rental management office, laundry room, security, playground and a park setting.

The units will include the following utilities: electric, gas, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of \$135 for a two-bedroom unit and \$163 for a three-bedroom unit is estimated. The units will be cable-ready.

A plan for relocation of the existing tenants has been included as an addendum to this report. A relocation plan has been proposed and detailed in the 123 Club Apartments Relocation Plan submitted on February 25, 2016. In summary the development will start with on one building and relocated tenants within the development, thereby keeping them part of the project as rehabilitation is undertaken and completed. Each apartment will take 4 to 6 weeks to complete, so tenants will have minimal time being physically removed from their units. The average costs per tenant or family for relocation is \$2,212.75. Finally, these will be only temporary relocations and no permanent relocation is anticipated.

The development will upgrade and maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front door image. From a marketing point of view, it would be beneficial if the proposed sites would be able to continue to use some natural settings, if possible, to develop an environment within this development. The City of Beaufort area apartment developments have done a good job in creating a complete development theme or environment.

The upgraded and existing development and unit plans were reviewed. The proposed rental units are appropriate for the Beaufort market area. The unit and project amenities are adequate for the targeted family market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants. Additional upgrades will be made to the exterior and landscaping. Additionally, extensive landscaping should take place between any other existing developments, when appropriate.

Because of the high percentage of family units, a strong marketing plan and development layout should focus on family needs. The area has excellent accessibility to the entire area, as well as having good visibility. Because of the existing apartment and rental base located in the City of Beaufort area and specifically the subject site, this rental base will help create a synergism effect of established renters. Because of the good accessibility to major arteries in the City of Beaufort area, detail should be given to marketing the development and the procedure for transportation routes to the proposed site. Superior signage and advertising will be an advantage, because of the amount of traffic associated with the proposed site.

In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **24% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

GROSS INCOMES	
Below 50%	23.7%
50% - 60%	-
Above 60%	76.3%

Additionally, the proposed net rents need to be viewed as competitive or a value within the Beaufort rental market area in order to achieve an appropriate market penetration. The proposed gross rents are within the guidelines established for the low-income tax credit program as summarized as below:

Two-Bedroom						
AMI	Proposed Gross Rent	Max. LIHTC Gross Rent	Median Market Rent*	Achievable Rent*	Fair Market Rent (FMR)	90% of FMR
50%	\$741	\$758	\$1,003	\$977	\$910	\$819
	Percent (%)	97.8%	73.9%	75.8%	81.4%	90.5%
60%	\$741	\$910	\$1,003	\$977	\$910	\$819
	Percent (%)	81.4%	73.9%	75.8%	81.4%	90.5%
Three-Bedroom						
AMI	Proposed Gross Rent	Max. LIHTC Gross Rent	Median Market Rent*	Achievable Rent*	Fair Market Rent (FMR)	90% of FMR
50%	\$858	\$876	\$1,105	\$1,198	\$1,192	\$1,073
	Percent (%)	97.9%	77.6%	71.6%	72.0%	80.0%
60%	\$858	\$1,051	\$1,105	\$1,198	\$1,192	\$1,073
	Percent (%)	81.6%	77.6%	71.6%	72.0%	80.0%

Based on the current rental market conditions, and the proposed gross rent of \$741 for a two-bedroom unit and \$858 for a three-bedroom unit, combined with a development of quality construction, the proposed development will be perceived as a value in the Beaufort market area. Additionally, the minimal market-rate and LIHTC product in the market area will be an added rental value. We anticipate that a good portion (95.0%) of the support for the units will be generated from the existing rental base.

The step-up opportunity for tenants in the City of Beaufort area secondary rental market, based on the proposed net rent for a two-bedroom and three-bedroom is good, with the majority of the existing rents higher than the proposed rents. The proposed rents are in the lower quartile of the market area rents. However, and more importantly, there is a good base of units at net rents higher than the proposed net rents of the development.

The design features, specifically the style and square footage, will create a potential product value in the rental market. More specifically, the area competition is not as much of a concern, because of the lack of quality units in the area. Additionally, previous experiences of rental developments in the City of Beaufort area indicate that the two-bedroom and three-bedroom proposed rents are in line with the alternative rental markets. Therefore, the proposed rents are targeted properly for not only immediate step-up opportunities, but market acceptability.

The absorption potential for tenants in the Beaufort rental market, based on the proposed net rent is excellent. Additionally, in the past, existing and newer product in the Beaufort area has had positive acceptability and absorption patterns, with a product at a higher market rent. The existing 40-unit family rental development will create a strong pre-leasing activity program based on the current tenant characteristics. Absorption, while traditionally viewed as a function of the market-rate housing market, must also consider the impact of income and household size criteria set forth by the tax credit competitive rental developments within the Beaufort market area.

The rental market in the Beaufort area has historically been more a function of demand rather than supply, thereby affecting absorption. Factors, other than the existing rental market that affect absorption, would include: demographic characteristics, employment opportunities, area growth and proposed product acceptability. The Beaufort market area has successfully absorbed on average 8 to 18 units per month at selected comparable developments. It is anticipated, because of the criteria set forth by the income and household size for units for the Low-Income Tax Credit Program, the depth of the market demand for units, assumption of renovated product, as well as the design associated with this product, absorption is expected to be equal to the area average of 6 to 8 units per month, resulting in a 5.0 to 6.7 month absorption period for the 40-unit LIHTC development.

VIII. COMPANY PROFILE

NATIONAL LAND ADVISORY GROUP

National Land Advisory Group is a multi-faceted corporation engaged in the market research and consulting of various real estate activities. National Land Advisory Group supplies consulting services to real estate and finance professionals and state housing agencies through conducting market feasibility studies. Areas of concentration include residential housing and commercial developments. Research activity has been conducted on a national basis.

The National Land Advisory Group has researched residential and commercial markets for growth potential and investment opportunities, prepared feasibility studies for conventional and assisted housing developments, and determined feasibility for both family and elderly facilities. Recent income-assisted housing analyses have been conducted for Low Income Housing Tax Credit (LIHTC) program, as well as developments associated with the Housing and Urban Development and Rural Housing Development Programs. The associates of National Land Advisory Group have performed market feasibility analyses for rental, condominium, and single-family subdivision developments, as well as, commercial, recreational, hotel/motel and industrial developments in numerous communities throughout the United States.

Additionally, National Land Advisory Group evaluates land acquisitions, specializing in helping developers capitalize on residential and commercial opportunities. National Land's investment methodology has resulted in the successful acquisition of numerous parcels of undeveloped land which are either completed or under development by an associated developer or client. National Land's acquisition task includes market research, formal development planning, working with professional planning consultants and local government planning officials.

An independent market analyst, Richard Barnett, President of National Land Advisory Group specializes in both the residential and commercial sectors. Combining over twenty years of professional experience in the housing field with a degree in Real Estate and Urban Development from The Ohio State University, Mr. Barnett brings a wealth of information and insight into his analyses of housing markets. Between 1978 and 1987, Mr. Barnett served as a real estate consultant and market analyst, in the capacity of vice-president of a national real estate research firm. Since 1987, with the establishment of National Land Advisory Group, Mr. Barnett has been associated with hundreds of market studies for housing and commercial developments throughout the United States.

Richard Barnett of the National Land Advisory Group was a charter member of the National Council of Housing Market Analysts, as well as members or speakers of the Multi-Family World Conference, Ohio Housing Capital Corporation's Annual Housing Conference, Ohio Housing Council, Ohio Housing Finance Agency's Advisory Committee, Council of Rural Housing and Development and the National Housing Rehabilitation Association. Mr. Barnett is also a graduate of the Wexner Heritage Foundation Leadership Program.

Recently, real estate market analysis studies have been completed in the following states:

Alabama	Arkansas	California	Colorado
Florida	Georgia	Idaho	Illinois
Indiana	Iowa	Kentucky	Louisiana
Michigan	Minnesota	Mississippi	Missouri
Nebraska	Nevada	New Jersey	New Mexico
New York	North Carolina	Ohio	Pennsylvania
South Carolina	Tennessee	Texas	Utah
Virginia	Washington DC	West Virginia	Wisconsin

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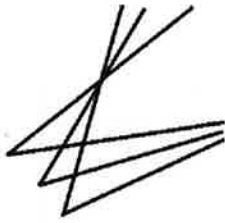
IX. MARKET STUDY INDEX

NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

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6. Public programs included	VII – E
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10. Reference to review/status of project plans	VII – E
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12. Concise description of the site and adjacent parcels	III – A
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21. Five-year employment growth	IV – H
22. Typical wages by occupation	IV – H
23. Discussion of commuting patterns of area workers	IV – H
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24. Population and household estimates and projections	IV – F
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26. Distribution of income	IV – G
27. Households by tenure	IV – F & G

Competitive Environment	
28. Comparable property profiles	VI – E
29. Map of comparable properties	VI – E
30. Comparable property photos	VI – E
31. Existing rental housing evaluation	VI
32. Comparable property discussion	VI
33. Area vacancy rates, including rates for Tax Credit and Government-Subsidized	VI
34. Comparison of subject property to comparable properties	VI – E
35. Availability of Housing Choice Vouchers	VI – C
36. Identification of waiting lists	VI
37. Description of overall rental market including share of Market-Rate and affordable properties	VI
38. List of existing a LIHTC properties	VI – B
39. Discussion of future changes in housing stock	V & VI
40. Including homeownership	V
41. Tax credit and other planned or under construction rental communities in market area	VI – D
Analysis / Conclusions	
42. Calculation and analysis of Capture Rate	VII – D
43. Calculation and analysis of Penetration Rate	VII – D
44. Evaluation of proposed rent levels	VI – E, VII – E
45. Derivation of Achievable Market Rent and Market Advantage	VI – E, VII – E
46. Derivation of Achievable Restricted Rent	VI – E, VII – E
47. Precise statement of key conclusions	II, VII – E
48. Market strengths and weaknesses impacting project	VII
49. Recommendations and/or modification to project discussion	II
50. Discussion of subject property's impact on existing housing	II
51. Absorption projection with issues impacting performance	VII – E
52. Discussion of risks or other mitigating circumstances impacting project	II
53. Interviews with area housing stakeholders	VI
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54. Preparation date of report	Cover
55. Date of field work	VI
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58. Sources of data not otherwise identified	I – B
59. Utility allowance schedule	VII – E



NATIONAL LAND ADVISORY GROUP

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ADDENDUM

123 Club Apartments

123 Old Salem Road

Beaufort, SC 22902

TENANT-OCCUPIED PROPERTIES

Relocation Staging Plan

February 25, 2016

123 Club Apartments consists of eight buildings containing 20-two bedroom units and 20-three bedroom units. The building mix is specified below:

Building B 4-three bedroom units	Building E 2-two bedroom units 2-three bedroom units	Building G 8-two bedroom units
Building C 8-two bedroom units	Building F 2-two bedroom units 2-three bedroom units	Building H 4-three bedroom units
Building D 4-three bedroom units		Building J 4-three bedroom units

To achieve 100% vacant buildings for construction purposes prior to the start of the rehabilitation vacant units will not be re-rented. In preparation of the start of construction tenants will be transferred within the property to like size units to fully vacant a building or buildings. Buildings B & C will be the first to be renovated. If necessary, tenants from Buildings B & C will be relocated with either friends or family or temporarily moved into a suitable apartment offsite. Tenants who are handicapped will be temporarily moved into an assisted living facility or other such living arrangements that can accommodate the tenant's needs. The remaining buildings will be completed in the following order:

- Buildings B & C – Vacant - first to be renovated
- Buildings D & G - will move into Buildings B & C when renovations are complete
- Buildings E & H - will move into Buildings D & G when renovations are complete. Six of the two bedroom units will either have tenants from offsite permanently relocate into the units or will be leased up to applicants on the waiting list. If there have not been at least two move outs of the three bedroom units in the first two phases a maximum of two households will be temporarily relocated offsite.
- Building F & J - will move into Buildings E & H when renovations are complete.
- Building F & J - will house any remaining offsite residents when renovations are complete. Any remaining units will be leased to applicants on the waiting list.

Temporary Relocation Cost Estimates

Moving Cost

Transfer to temporary unit of \$750 X 12 transfers	\$9,000.00
Transfer to rehabbed unit of \$750 X 40 transfers	\$30,000.00

Electric

Transfer fee of \$20 X 52 transfers	\$1,040.00
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Cable TV

Transfer fee of \$30 X 52 transfers	\$1,560.00
-------------------------------------	------------

Telephone

Transfer fee of \$20 X 52 transfers	\$1,040.00
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Offsite Rent Difference

Average \$175/mo. X 12 units X 12 months	\$25,200.00
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Offsite Security Deposits

Average \$850 X 12 units	\$10,200.00
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TOTAL TEMPORARY RELOCATION COST ESTIMATE \$78,040.00

Permanent Relocation Cost Estimates

Any household that is deemed to be over the income limit for the household size will be incentivized to permanently relocate. Management will work with the tenant to find a suitable unit to relocate to and will pay all utility transfer fees, moving fees and the difference in rent between their current unit's monthly rent and the new unit's monthly rent times sixty (five years) in one lump sum at the time of their permanent move. Based on the rates above, this would be around \$10,470 per household. Currently we believe there is one household currently over the max income limit on site. The breakdown is listed below:

Moving Cost

Transfer to permanent unit of \$900 X 1 transfer	\$900.00
--	----------

Electric

Transfer fee of \$20 X 1 transfer	\$20.00
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Cable TV

Transfer fee of \$30 X 1 transfer	\$30.00
-----------------------------------	---------

Telephone

Transfer fee of \$20 X 1 transfer	\$20.00
-----------------------------------	---------

Offsite Rent Difference

\$145/mo. X 1 unit X 60 months	\$8,700.00
Offsite Security Deposits	
Average \$800 X 1 unit	\$800.00
TOTAL PERMANENT RELOCATION COST ESTIMATE	\$10,470.00
TOTAL RELOCATION COST ESTIMATE	\$88,510.00

All relocation costs will be funded through the construction loan.

The relocation coordinator will be Mark Shaffer. He can be reached at 614-396-3200.

Form 3

**2016 Developer Relocation Certification and Tenant Profile Form
For Acquisition/Rehabilitation Developments Only**

Development Name: 123 Club Apartments

Development Address: 123 Old Salem Road

City: Beaufort County: Beaufort

Total number of units in the development: 40

Total number of units currently occupied: 37

Total number of units currently vacant: 3

1. Will there be **permanent** relocation of tenants? Yes or No

Number of tenants to be permanently relocated: 1

Percentage of tenants to be permanently relocated: 2.7 %

NOTE: No more than 10% of the existing tenants may be displaced permanently.

2. Will there be **temporary** relocation of tenants? Yes or No

Number of tenants to be temporarily relocated: 36

Percentage of tenants to be temporarily relocated: 97.3 %

If there is to be temporary or permanent displacement of tenants in the proposed development then a relocation plan **must** be submitted with this certification. The following items must be clearly outlined in the plan:

- (1) Relocation coordinator's name and phone number;
- (2) How the tenants will be relocated;
- (3) Average cost per tenant and/or family for relocation;
- (4) Total relocation cost to be incurred; and
- (5) Source of funds paying for relocation.

Applicant: 123 Club Limited Partnership

Date: 3/7/2016

By: _____

Exhibit S-2
Primary Market Area
Analysis Summary

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	123 Club Apartments	Total # Units:	40
Location:	Beaufort, South Carolina	# LIHTC Units:	40
PMA Boundary:	See Section III-B		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	15.0 Miles

RENTAL HOUSING STOCK (found on page VI)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	29	2,472	38	98.5%
Market-Rate Housing	11	1,446	28	98.1%
Assisted/Subsidized Housing not to include LIHTC	4	125	0	100%
LIHTC (All that are stabilized)*	15	901	8	99.1%
Stabilized Comps**	4	490	16	96.7%
Non-stabilized Comps	-			%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
4	2	2	890	\$606	\$846	\$.95	28.3%	\$896	\$.84
16	2	2	890	\$606	\$846	\$.95	28.3%	\$896	\$.84
4	3	2	1,100	\$695	\$1,034	\$.94	32.8%	\$1,223	\$.86
16	3	2	1,100	\$695	\$1,034	\$.94	32.8%	\$1,223	\$.86
				\$	\$	\$	%	\$	\$
Gross Potential Rent Monthly*					\$26,020	\$37,600	30.8%		

*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 IV)

	2010		2015		2018	
Renter Households	9,454	38.3%	10,894	40.9%	11,468	40.9%
Income-Qualified Renter HHs (LIHTC)	2,421	25.6%	2,581	23.7%	2,559	22.3%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	(37)	15				(22)
Existing Households (Overburd + Substand)	346	697				1,043
Homeowner conversion (Seniors)	-	-				-
Other:	-	-				-
Less Comparable/Competitive Supply	107	200				307
Net Income-qualified Renter HHs	202	512				714

CAPTURE RATES (found on page VII-D)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	4.0%	6.25%				5.6%

ABSORPTION RATE (found on page VII-E)

Absorption Period	5.0-6.7	months
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**Exhibit S-2
Rent Calculation
Worksheet**

D. MARKET STUDY CRITERIA ANALYSIS

- ◆ Based on the SCSHFDA QAP Market Criteria, the subject property needs to be measured on four levels: Capture Rate, Market Advantage, Overall Vacancy Rate and the Absorption/Lease-Up Periods. The following are charts evaluating the desired criteria:

a) Capture Rate

The capture rate for income qualified households in the market area for the project is at or below 30.0%.

- ✓ The proposed development capture rate is 5.6%.

b) Market Advantage

The developments must have a minimal market advantage of 10%.

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Adjusted Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
4	2 BR	\$606	\$2,424	\$846	\$3,384	
16	2 BR	\$606	\$9,696	\$846	\$13,536	
	2 BR		\$0		\$0	
4	3 BR	\$695	\$2,780	\$1,034	\$4,136	
16	3 BR	\$695	\$11,120	\$1,034	\$16,544	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$26,020		\$37,600	30.80%

- ✓ The proposed market advantage is 30.80%.