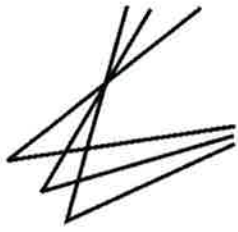


Market Study



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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 rehabilitation 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 rehabilitation or 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 local 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, Ribbon Demographics, Esri and Urban Decision Group. 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, (when available 2011-2015 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. This analysis has been conducted with direct consideration of the client's development objectives. For these reasons, the conclusions and recommendations in this study are applicable only to the purposes identified herein, and only for the potential uses as described to us by our client. Use of the conclusions and recommendations in this study by any other party or for any other purpose is strictly prohibited, unless otherwise specified in writing by National Land Advisory Group, LLC.

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

According to the South Carolina State Housing Finance and Development Authority's 2017 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:

<u>DESCRIPTION</u>	<u>STUDY</u>
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A. Market Statement.....	Section II-A, Section VII-E
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C. Vacancy Rate.....	Section II-A
D. Absorption.....	Section II-A, Section VII-E
II. Project Description.....	Section II-A, Section VII-E
III. Primary Market Area (PMA) Description.....	Section III-B
A. PMA Map.....	Section III
B. Methodology.....	Section III-B
C. Explanation of Market Area.....	Section III
D. Health of Rental Market.....	Section VI
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V. Number of Income-Eligible Renter Households	Section II, Section VII-C
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A. Copy of Letter/Certified Receipt or Interview	Section VI-C
B. Copy of Response(s) from PHA or Interview.....	Section VI-C
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XII. Market Study Certification	Section I-D
XIII. Listing of Data Sources & Terms	Section I-B, Chart Footnote

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, Inc. (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, 2017. 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, 2017

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	1.5 & 2.0	2.0
NUMBER OF UNITS		
50%	4	4
60%	16	16
SQUARE FEET (approx.)	717-1,005	934-1,043
GROSS RENT	\$667-\$685	\$820
UTILITY ALLOWANCE *	\$117-\$135	\$165
NET RENT	\$550	\$655

* 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 rental buildings and one community building located on approximately 5.0 acres. The existing 40-unit family development is estimated to begin rehabilitation in the Spring 2018, to be completed in the Fall 2019. 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 and one-half or 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, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of \$117-\$135 for a two-bedroom unit and \$165 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 3 vacancies for a 0.6% 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 2.2% (32-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 \$937, with 22.0% of the one-bedroom units in the upper-rent range of \$1,009-\$1,033. Two-bedroom units have a median rent of \$891, with 40.1% of the two-bedroom units in the upper-rent range of \$1,074-\$1,207. 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 thee rents.
- ◆ Overall, the fourteen family developments contain 829 LIHTC units, of which there are 5 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 14 vacant units or an overall 97.1% occupancy rate.
- ◆ It should be noted that the average of the achievable comparable net two-bedroom unit is \$864, somewhat higher than the adjusted proposed \$550 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 63.7% 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 \$994, somewhat higher than the adjusted proposed \$655 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 65.9% 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 \$22,869 (lower end of one-person household moderate-income) to \$43,500 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2016, there are 3,519 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 2016, based on the proposed and competitive product in the Beaufort market area, the proposed 40-unit family development of LIHTC units represents an overall 4.0% capture rate for all families and 4.7% 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 4.0%.

b) Market Advantage

The developments must have a minimal market advantage of 35%.

2017 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	\$550	\$2,200	\$864	\$3,456	
16	2 BR	\$550	\$8,800	\$864	\$13,824	
	2 BR		\$0		\$0	
4	3 BR	\$655	\$2,620	\$994	\$3,976	
16	3 BR	\$655	\$10,480	\$994	\$15,904	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$24,100		\$37,160	35.15%

- ✓ The proposed market advantage is 35.15%.

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**.

2017 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	2472	37	98.5%
Market-Rate Housing	11	1446	32	97.8%
Assisted/Subsidized Housing not to include LIHTC	4	125	0	100.0%
LIHTC (All that are stabilized)*	15	901	5	99.4%
Stabilized Comps**	4	490	14	97.1%
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	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
12	2	2	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
4	2	2	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
4	3	2	934-1043	\$655	\$994	\$.95-1.06	34.1%	\$1103	\$1.00
16	3	2	934-1043	\$655	\$994	\$.95-1.06	34.1%	\$1103	\$1.00
Gross Potential Rent Monthly*				\$24,100	\$37,160		35.14%		

*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	2016	2019
Renter Households	% 11,026	40.4%	11,721 40.4%
Income-Qualified Renter HHs (LIHTC)	% 3,519	31.9%	3,497 29.8%
Income-Qualified Renter HHs (MR)	%	%	%

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

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	21	(43)				(22)
Existing Households (Overburd + Substand)	446	891				1337
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	107	200				307
Net Income-qualified Renter HHs	360	648				1008

CAPTURE RATES (found on page VII-D)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	5.5%	3.1%				4.0%

ABSORPTION RATE (found on page VII-E)

Absorption Period 5.0-6.7 months

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 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	Walmart 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	Walmart 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	AFC Urgent Care	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

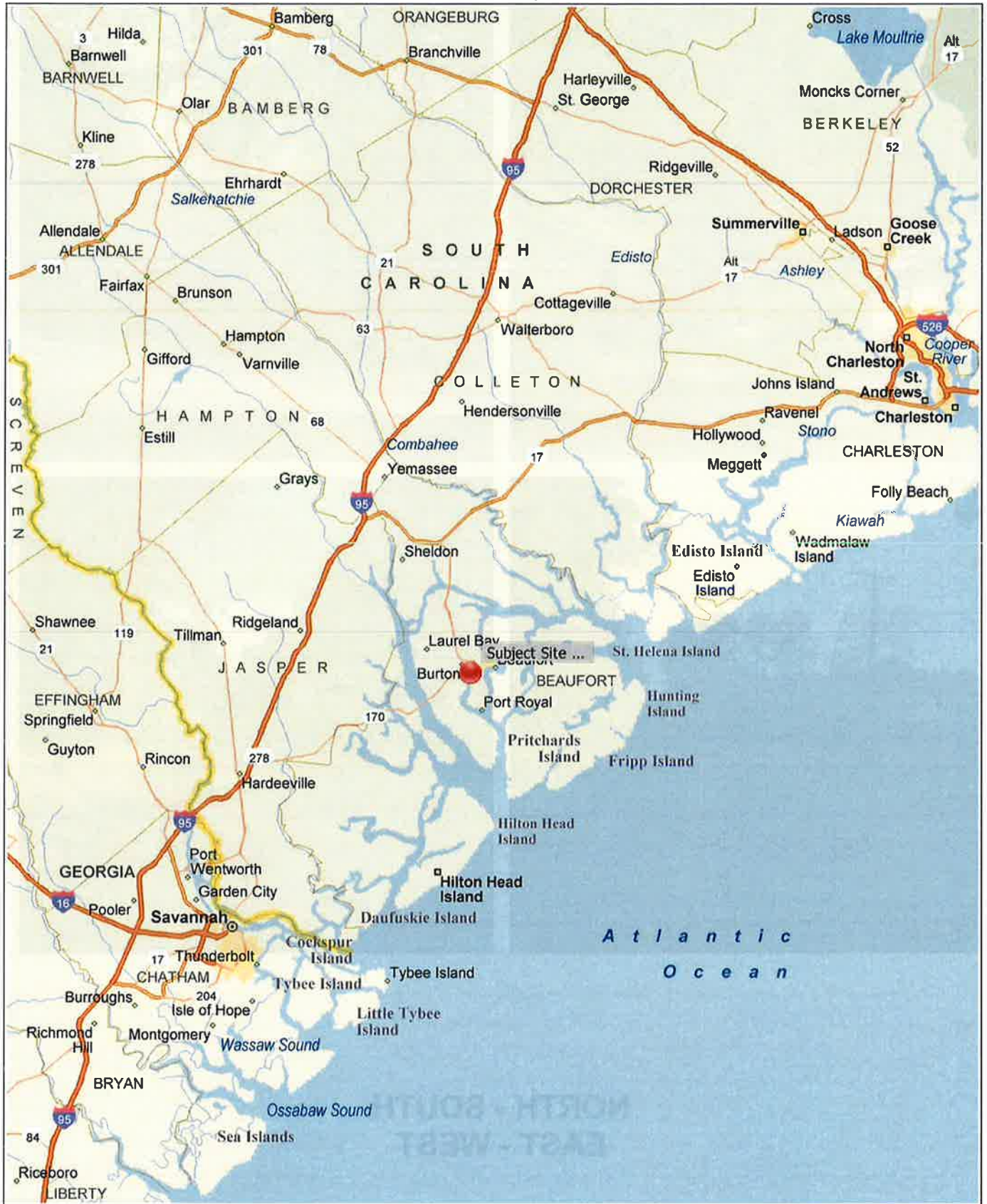


SUBJECT SITE



**NORTH - SOUTH
EAST - WEST**

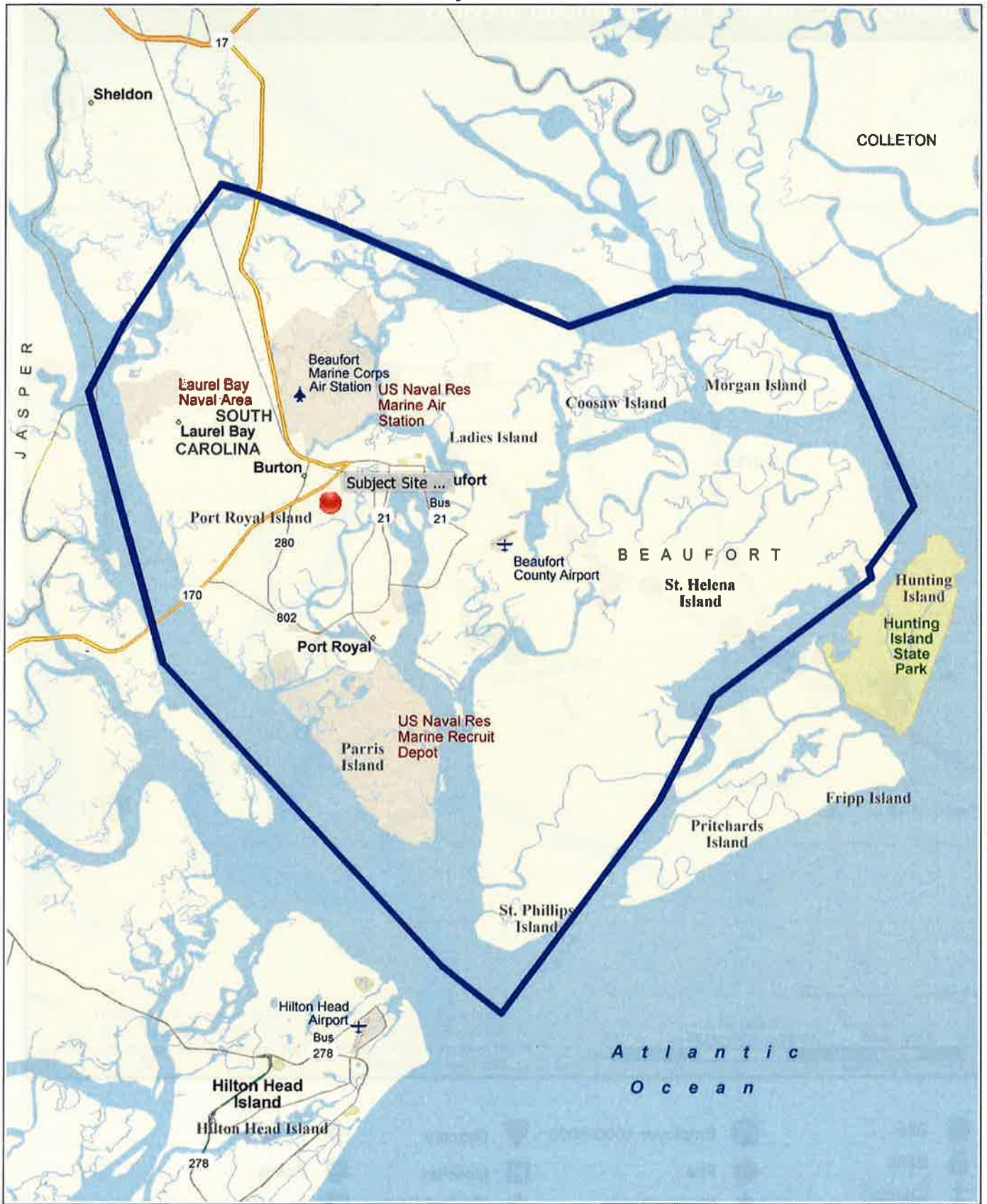
Area Map



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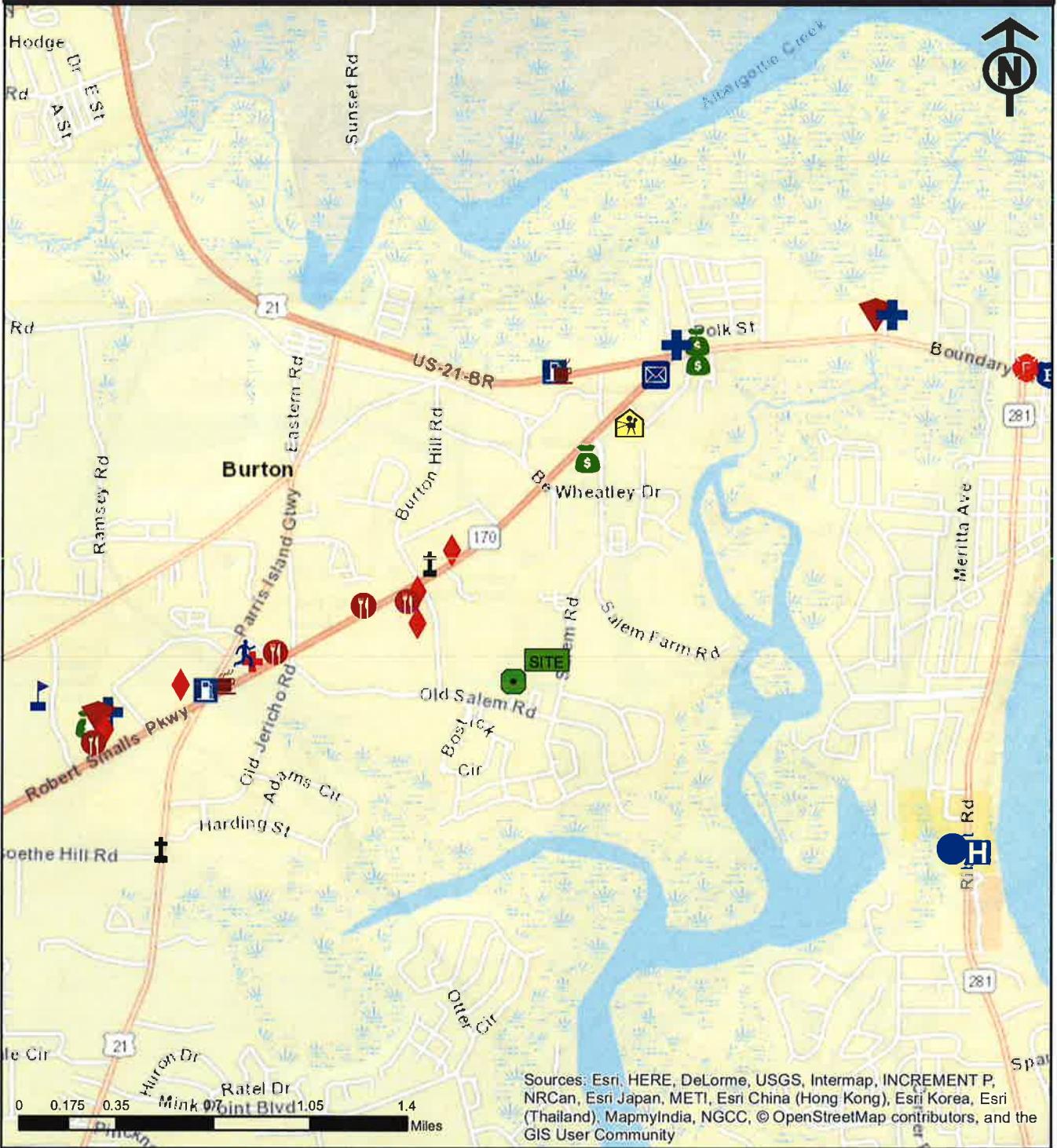
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Primary Market Area



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Beaufort, SC: Map of Neighborhood Services



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

- | | | | |
|-------------------|--------------------|----------------|-------------|
| Site | Employer 1000-5000 | Grocery | Pharmacy |
| Bank | Fire | Hospital | Police |
| Church | Fitness Center | Medical Center | Post Office |
| Cinema | Gas | Middle School | Restaurant |
| Convenience Store | | Shopping | |

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. Local 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 are the daily newspapers. 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 8.3% to number 13,389 in 2016. Population is expected to number 14,104 by 2019, increasing 5.3% from 2016. The City of Beaufort households numbered 4,883 in 2010 and increased 8.5% to number 5,299 in 2016. Households are expected to number 5,591 by 2019, increasing 5.5% from 2016.

The population of the Beaufort Primary Market Area was 67,394 in 2010 and increased 9.9% to number 74,059 in 2016. Population is expected to number 78,702 by 2019, increasing 6.3% from 2016. Beaufort PMA households numbered 24,801 in 2010 and increased 10.0% to number 27,284 in 2016. Households are expected to number 29,019 by 2019, increasing 6.4% from 2016.

Beaufort County population was 162,233 in 2010 and increased 11.3% to number 180,570 in 2016. Population is expected to number 192,444 by 2019, increasing 6.6% from 2016. Beaufort County households numbered 64,945 in 2010 and increased 10.3% to number 71,619 in 2016. Households are projected to number 76,117 by 2019, increasing 6.3% from 2016.

In 2019, the estimated population per household for the City of Beaufort is 2.52, compared to 2.71 for the Beaufort PMA and 2.53 in Beaufort County. The population per household for 2016 was 2.53 in the City of Beaufort, 2.71 for the Beaufort PMA and 2.52 in Beaufort County. In 2010, the population per household was 2.53 for the City of Beaufort, 2.72 in Beaufort County.

TABLE 1
POPULATION AND HOUSEHOLDS
City of Beaufort – Beaufort PMA – Beaufort County, South Carolina
 2000 – 2010 – 2016 – 2019 (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%
2016	13,389	74,059	180,570
Change 2010-2016	8.3%	9.9%	11.3%
2019	14,104	78,702	192,444
Change 2016-2019	5.3%	6.3%	6.6%
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%
2016	5,299	27,284	71,619
Change 2010-2016	8.5%	10.0%	10.3%
2019	5,591	29,019	76,117
Change 2016-2019	5.5%	6.4%	6.3%

Sources: U.S. Census Bureau; Esri

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 18.9% for renter households and decreased 13.1% for owner households from 2010 to 2016. Between 2016 and 2019, family renter households (under the age of 55) are projected to increase 6.7%, while the owner households are estimated to increase 0.6%.

In the Beaufort Primary Market Area, households (aged to 55 to 64) decreased 5.3% for renter households and increased 14.1% for owner households from 2010 to 2016. Between 2016 and 2019, renter households (aged 55 to 64) are projected to decrease 9.9%, while the owner households are estimated to increase 4.1%.

In the Beaufort Primary Market Area, senior households (aged 62 years and older) increased 8.0% for renter households and 26.5% for owner households from 2010 to 2016. Between 2016 and 2019, senior renter households (aged 62 years and older) are projected to increase 11.6%, while the owner households are estimated to increase 12.2%.

In the Beaufort Primary Market Area, senior households (aged 65 years and older) increased 12.0% for renter households and 29.5% for owner households from 2010 to 2016. Between 2016 and 2019, senior renter households (aged 65 years and older) are projected to increase 17.3%, while the owner households are estimated to increase 13.9%.

TABLE 3
RENTER & OWNER HOUSEHOLD TRENDS
Beaufort PMA
2010 (Census) – 2016 (Estimated) – 2019 (Projected)

RENTER HOUSEHOLDS	Under 55 Years	55-64 Years	62+ Years	65+ Years
2010	7,734	920	1,131	855
2016	9,197	871	1,221	958
Change 2010-2016	18.9%	-5.3%	8.0%	12.0%
2019	9,811	785	1,363	1,124
Change 2016-2019	6.7%	-9.9%	11.6%	17.3%
OWNER HOUSEHOLDS	Under 55 Years	55-64 Years	62+ Years	65+ Years
2010	6,992	3,675	5,728	4,625
2016	6,075	4,195	7,248	5,988
Change 2010-2016	-13.1%	14.1%	26.5%	29.5%
2019	6,109	4,368	8,131	6,821
Change 2016-2019	0.6%	4.1%	12.2%	13.9%

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 2016 the median age for Beaufort PMA residents was 33.1 years. An analysis of age groups determined that 30.3% were under the age of 21; 54.9% were 21 to 64 years old; and 14.8% were 65 years or older.

In 2019 the median age for Beaufort PMA residents is projected to be 33.7 years. An analysis of age groups determined that 30.2% will be under the age of 21; 53.7% will be 21 to 64 years old; and 16.1% will be 65 years or older.

For reference, the average age in the Beaufort PMA was 35.8 in 2010 and increased to 36.9 in 2016. The average age is projected to be 37.4 in 2019.

**TABLE 4
POPULATION BY AGE & SEX**

Beaufort PMA

<i>Census 2010</i>				<i>Current Year Estimates - 2016</i>				<i>Three-Year Projections - 2019</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	2,850	2,871	5,721	0 to 4 Years	3,002	3,013	6,015
5 to 9 Years	2,286	2,214	4,500	5 to 9 Years	2,509	2,550	5,059	5 to 9 Years	2,627	2,648	5,276
10 to 14 Years	2,037	1,966	4,003	10 to 14 Years	2,263	2,197	4,460	10 to 14 Years	2,459	2,432	4,891
15 to 17 Years	1,276	1,208	2,484	15 to 17 Years	1,267	1,187	2,454	15 to 17 Years	1,359	1,292	2,651
18 to 20 Years	3,053	1,710	4,763	18 to 20 Years	3,052	1,705	4,757	18 to 20 Years	3,131	1,780	4,911
21 to 24 Years	3,346	2,365	5,711	21 to 24 Years	3,215	2,285	5,500	21 to 24 Years	3,270	2,326	5,596
25 to 34 Years	4,754	4,619	9,373	25 to 34 Years	5,561	5,434	10,995	25 to 34 Years	5,779	5,630	11,410
35 to 44 Years	3,255	3,695	6,950	35 to 44 Years	3,650	3,962	7,612	35 to 44 Years	4,099	4,386	8,486
45 to 54 Years	3,692	4,322	8,014	45 to 54 Years	3,576	4,258	7,834	45 to 54 Years	3,609	4,250	7,859
55 to 64 Years	3,519	4,154	7,673	55 to 64 Years	3,974	4,733	8,707	55 to 64 Years	4,078	4,849	8,928
65 to 74 Years	2,333	2,656	4,989	65 to 74 Years	3,248	3,657	6,905	65 to 74 Years	3,639	4,202	7,840
75 to 84 Years	1,098	1,418	2,516	75 to 84 Years	1,384	1,648	3,032	75 to 84 Years	1,691	1,998	3,688
85 Years and Up	<u>278</u>	<u>586</u>	<u>864</u>	85 Years and Up	<u>343</u>	<u>680</u>	<u>1,023</u>	85 Years and Up	<u>412</u>	<u>740</u>	<u>1,152</u>
Total	33,693	33,701	67,394	Total	36,892	37,167	74,059	Total	39,156	39,547	78,702
Median Age	28.7	35.0	31.5	Median Age	30.4	35.9	33.1	Median Age	31.1	36.4	33.7
Average Age	34.2	37.4	35.8	Average Age	35.5	38.4	36.9	Average Age	35.9	38.8	37.4

Source: Census 2010; Esri

PERCENT POPULATION BY AGE & SEX

Beaufort PMA

<i>Census 2010</i>				<i>Current Year Estimates - 2016</i>				<i>Three-Year Projections - 2019</i>			
<i>Age</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Age</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Age</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
0 to 4 Years	4.1%	4.1%	8.2%	0 to 4 Years	3.8%	3.9%	7.7%	0 to 4 Years	3.8%	3.8%	7.6%
5 to 9 Years	3.4%	3.3%	6.7%	5 to 9 Years	3.4%	3.4%	6.8%	5 to 9 Years	3.3%	3.4%	6.7%
10 to 14 Years	3.0%	2.9%	5.9%	10 to 14 Years	3.1%	3.0%	6.0%	10 to 14 Years	3.1%	3.1%	6.2%
15 to 17 Years	1.9%	1.8%	3.7%	15 to 17 Years	1.7%	1.6%	3.3%	15 to 17 Years	1.7%	1.6%	3.4%
18 to 20 Years	4.5%	2.5%	7.1%	18 to 20 Years	4.1%	2.3%	6.4%	18 to 20 Years	4.0%	2.3%	6.2%
21 to 24 Years	5.0%	3.5%	8.5%	21 to 24 Years	4.3%	3.1%	7.4%	21 to 24 Years	4.2%	3.0%	7.1%
25 to 34 Years	7.1%	6.9%	13.9%	25 to 34 Years	7.5%	7.3%	14.8%	25 to 34 Years	7.3%	7.2%	14.5%
35 to 44 Years	4.8%	5.5%	10.3%	35 to 44 Years	4.9%	5.3%	10.3%	35 to 44 Years	5.2%	5.6%	10.8%
45 to 54 Years	5.5%	6.4%	11.9%	45 to 54 Years	4.8%	5.7%	10.6%	45 to 54 Years	4.6%	5.4%	10.0%
55 to 64 Years	5.2%	6.2%	11.4%	55 to 64 Years	5.4%	6.4%	11.8%	55 to 64 Years	5.2%	6.2%	11.3%
65 to 74 Years	3.5%	3.9%	7.4%	65 to 74 Years	4.4%	4.9%	9.3%	65 to 74 Years	4.6%	5.3%	10.0%
75 to 84 Years	1.6%	2.1%	3.7%	75 to 84 Years	1.9%	2.2%	4.1%	75 to 84 Years	2.1%	2.5%	4.7%
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>	85 Years and Up	<u>0.5%</u>	<u>0.9%</u>	<u>1.5%</u>
Total	50.0%	50.0%	100.0%	Total	49.8%	50.2%	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 for 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			
	Owner-Occupied		Renter-Occupied		Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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		2016		2019			
Households	<u>Number</u>	<u>Percent</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%	16,258	59.6%	17,298	59.6%		
Renter-Occupied	9,509	38.3%	11,026	40.4%	11,720	40.4%		

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

G. INCOME

In the City of Beaufort, median household income was \$46,700 for 2016 and is projected to increase to \$50,094 by 2019. The median household income for the Beaufort Primary Market Area was \$48,387 in 2016 and is projected to increase to \$51,436 by 2019. The median household income for Beaufort County in 2016 was \$56,902 and is projected to increase to \$60,653 by 2019.

TABLE 7
MEDIAN HOUSEHOLD INCOME TRENDS
City of Beaufort – Beaufort PMA – Beaufort County, South Carolina
 2000 (Census) – 2016 (Estimated) – 2019 (Projected)

MEDIAN HOUSEHOLD INCOME	Beaufort	Beaufort PMA	Beaufort County
2000	\$36,532	\$38,504	\$46,992
2016	\$46,700	\$48,387	\$56,902
Change 2000 - 2016	27.8%	25.7%	21.1%
2019	\$50,094	\$51,436	\$60,653
Change 2016 - 2019	7.3%	6.3%	6.6%

Sources: U.S. Census Bureau; Esri

By age group, the Beaufort PMA household income for 2016 was largest in the 25 to 34 age range. For 2019, the largest projected income is in the 25 to 34 age range. Between 2016 and 2019 in the Beaufort PMA, the largest percent change is projected to be in the 75 and over age group and the \$15,000 to \$24,999 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>	1,882
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>	139
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>	327
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 - 2016

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	278	460	301	246	106	36	1,427
\$15,000 - 25,000	220	362	239	194	83	29	1,127
\$25,000 - 35,000	313	517	339	277	118	40	1,604
\$35,000 - 50,000	390	647	423	345	148	51	2,004
\$50,000 - 75,000	324	528	346	282	122	41	1,643
\$75,000 - 100,000	154	255	167	136	59	21	792
\$100,000 - 150,000	80	133	87	71	31	9	411
\$150,000+	38	63	39	33	14	2	189
Total	1,797	2,965	1,941	1,584	681	229	9,197
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	117	57	37	30	13	4	258
\$15,000 - 25,000	60	29	19	15	7	3	133
\$25,000 - 35,000	66	32	21	17	7	3	146
\$35,000 - 50,000	69	33	22	18	8	3	153
\$50,000 - 75,000	36	18	12	9	4	1	80
\$75,000 - 100,000	30	14	9	8	3	1	65
\$100,000 - 150,000	10	5	3	3	1	0	22
\$150,000+	7	3	2	2	0	0	14
Total	395	191	125	102	43	15	871
Renter Households							
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	Household	Household	Household	Household	Household	Household	0
\$15,000 - 25,000	171	53	34	28	13	3	302
\$25,000 - 35,000	125	37	25	20	8	3	218
\$35,000 - 50,000	144	43	28	23	10	3	251
\$50,000 - 75,000	141	43	29	23	9	4	249
\$75,000 - 100,000	53	17	12	10	3	1	96
\$100,000 - 150,000	35	12	8	6	2	0	63
\$150,000+	14	5	3	3	1	0	26
Total	683	210	139	113	46	14	1,205
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	136	36	23	19	9	2	225
\$15,000 - 25,000	107	28	19	15	6	2	177
\$25,000 - 35,000	124	33	22	18	8	2	207
\$35,000 - 50,000	120	33	22	18	7	3	203
\$50,000 - 75,000	42	12	8	7	2	1	72
\$75,000 - 100,000	26	8	5	4	1	0	44
\$100,000 - 150,000	11	3	2	2	1	0	19
\$150,000+	6	2	2	1	0	0	11
Total	572	155	103	84	34	10	958

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 - 2016

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	50	156	47	39	16	12	320
\$15,000 - 25,000	50	156	47	40	16	12	321
\$25,000 - 35,000	61	192	57	48	19	15	392
\$35,000 - 50,000	109	335	99	84	34	26	687
\$50,000 - 75,000	263	816	241	204	84	64	1,672
\$75,000 - 100,000	139	435	128	109	45	34	890
\$100,000 - 150,000	163	511	151	127	52	39	1,043
\$150,000+	118	369	108	90	36	29	750
Total	953	2,970	878	741	302	231	6,075
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	113	183	54	46	19	14	429
\$15,000 - 25,000	81	132	39	33	13	10	308
\$25,000 - 35,000	92	148	44	37	15	12	348
\$35,000 - 50,000	130	211	62	52	21	16	492
\$50,000 - 75,000	248	401	118	100	41	31	939
\$75,000 - 100,000	171	277	82	69	28	21	648
\$100,000 - 150,000	149	241	71	60	25	19	565
\$150,000+	123	199	59	49	20	16	466
Total	1,107	1,792	529	446	182	139	4,195
Owner Households							
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	274	275	81	69	29	21	749
\$15,000 - 25,000	292	286	85	71	29	22	785
\$25,000 - 35,000	320	323	95	81	33	26	878
\$35,000 - 50,000	388	417	124	104	42	33	1,108
\$50,000 - 75,000	483	554	163	139	56	44	1,439
\$75,000 - 100,000	270	317	94	80	31	24	816
\$100,000 - 150,000	277	321	95	80	33	25	831
\$150,000+	207	253	75	62	25	20	642
Total	2,511	2,746	812	686	278	215	7,248
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	240	220	65	55	23	17	620
\$15,000 - 25,000	268	246	73	61	25	19	692
\$25,000 - 35,000	292	279	82	70	28	22	773
\$35,000 - 50,000	349	354	105	88	36	28	960
\$50,000 - 75,000	409	434	128	109	44	35	1,159
\$75,000 - 100,000	219	234	69	59	23	18	622
\$100,000 - 150,000	232	249	74	62	25	19	661
\$150,000+	170	193	57	47	19	15	501
Total	2,179	2,209	653	551	223	173	5,988

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 - 2019

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	310	519	340	277	119	41	1,607
\$15,000 - 25,000	246	406	266	217	94	33	1,262
\$25,000 - 35,000	314	519	340	277	119	41	1,609
\$35,000 - 50,000	379	627	410	334	143	50	1,943
\$50,000 - 75,000	329	539	353	289	124	42	1,677
\$75,000 - 100,000	194	320	210	171	74	25	994
\$100,000 - 150,000	96	157	103	84	36	12	488
\$150,000+	46	75	48	41	18	4	232
Total	1,915	3,162	2,069	1,690	727	248	9,811
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	118	56	36	29	13	4	257
\$15,000 - 25,000	50	24	16	13	6	2	111
\$25,000 - 35,000	56	27	17	14	6	2	121
\$35,000 - 50,000	58	28	18	15	7	2	128
\$50,000 - 75,000	26	13	8	7	3	1	58
\$75,000 - 100,000	35	17	11	9	4	1	77
\$100,000 - 150,000	9	4	3	2	1	0	20
\$150,000+	6	3	2	2	0	0	13
Total	360	172	112	91	39	11	785
Renter Households							
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	202	61	40	32	15	4	354
\$15,000 - 25,000	125	37	25	20	9	2	218
\$25,000 - 35,000	146	43	29	23	11	4	256
\$35,000 - 50,000	145	44	30	24	10	4	258
\$50,000 - 75,000	51	16	11	9	4	1	91
\$75,000 - 100,000	71	23	14	12	4	1	125
\$100,000 - 150,000	22	6	4	4	1	0	37
\$150,000+	14	4	4	3	1	0	25
Total	775	235	156	127	54	16	1,363
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	167	44	29	23	11	3	277
\$15,000 - 25,000	110	30	20	16	7	1	184
\$25,000 - 35,000	129	35	24	19	9	3	219
\$35,000 - 50,000	128	36	24	19	8	3	219
\$50,000 - 75,000	43	12	8	7	3	1	73
\$75,000 - 100,000	60	18	11	9	3	1	102
\$100,000 - 150,000	19	5	3	3	1	0	31
\$150,000+	12	3	3	2	1	0	20
Total	667	184	121	98	42	12	1,124

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 - 2019

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	46	152	45	37	15	12	307
\$15,000 - 25,000	60	193	57	49	20	15	393
\$25,000 - 35,000	59	187	56	46	19	14	381
\$35,000 - 50,000	102	325	96	81	33	26	664
\$50,000 - 75,000	275	885	261	221	91	70	1,803
\$75,000 - 100,000	115	368	108	92	37	29	748
\$100,000 - 150,000	161	518	153	129	53	40	1,054
\$150,000+	116	374	109	92	37	30	759
Total	934	3,002	885	748	304	236	6,109
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	119	202	60	51	21	16	469
\$15,000 - 25,000	97	162	48	40	17	12	376
\$25,000 - 35,000	93	154	46	38	16	12	358
\$35,000 - 50,000	131	218	64	54	22	17	506
\$50,000 - 75,000	252	421	124	105	43	32	977
\$75,000 - 100,000	161	269	80	67	27	21	626
\$100,000 - 150,000	150	251	74	62	26	20	582
\$150,000+	122	204	60	51	21	16	474
Total	1,125	1,881	556	469	192	146	4,368
Owner Households							
Aged 62+ Years							
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6+-Person Household	Total
\$0 - 15,000	298	303	89	75	31	24	819
\$15,000 - 25,000	350	348	103	86	35	28	950
\$25,000 - 35,000	327	333	98	83	34	27	902
\$35,000 - 50,000	378	417	123	103	43	32	1,097
\$50,000 - 75,000	537	619	182	154	63	49	1,604
\$75,000 - 100,000	304	360	106	90	36	28	925
\$100,000 - 150,000	344	404	119	101	41	31	1,041
\$150,000+	254	313	93	78	31	24	794
Total	2,791	3,098	914	770	315	243	8,131
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	262	242	71	60	25	19	678
\$15,000 - 25,000	321	299	89	74	30	24	837
\$25,000 - 35,000	299	287	84	72	29	23	794
\$35,000 - 50,000	339	352	104	87	36	27	946
\$50,000 - 75,000	461	493	145	123	50	39	1,311
\$75,000 - 100,000	256	279	82	70	28	22	738
\$100,000 - 150,000	299	329	97	82	33	25	866
\$150,000+	217	252	75	63	25	19	652
Total	2,453	2,534	748	631	257	198	6,821

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 - 2016

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	260	536	454	497	687	409	436	3,279	12.0%
\$15,000 - 24,999	236	470	349	393	441	403	466	2,758	10.1%
\$25,000 - 34,999	405	709	465	417	494	518	462	3,470	12.7%
\$35,000 - 49,999	406	1,007	682	596	645	738	425	4,499	16.5%
\$50,000 - 74,999	386	1,212	861	856	1,019	847	384	5,565	20.4%
\$75,000 - 99,999	101	559	457	565	713	462	204	3,061	11.2%
\$100,000 - 149,999	76	422	421	535	587	479	201	2,721	10.0%
\$150,000 - 199,999	12	150	123	194	234	207	65	985	3.6%
\$200,000 and up	<u>6</u>	<u>83</u>	<u>149</u>	<u>222</u>	<u>246</u>	<u>200</u>	<u>40</u>	946	3.5%
Total	1,888	5,148	3,961	4,275	5,066	4,263	2,683	27,284	100.0%
Percent	6.9%	18.9%	14.5%	15.7%	18.6%	15.6%	9.8%	100.0%	

Source: Esri

HOUSEHOLDS BY INCOME AND AGE

Beaufort PMA

Three-Year Projections - 2019

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	266	606	526	517	725	452	503	3,595	12.4%
\$15,000 - 24,999	249	560	425	421	487	459	562	3,162	10.9%
\$25,000 - 34,999	371	731	494	395	480	523	490	3,483	12.0%
\$35,000 - 49,999	380	925	728	574	634	741	423	4,405	15.2%
\$50,000 - 74,999	468	1,229	927	856	1,035	902	482	5,899	20.3%
\$75,000 - 99,999	123	570	507	543	703	577	263	3,285	11.3%
\$100,000 - 149,999	96	442	474	529	603	617	280	3,041	10.5%
\$150,000 - 199,999	14	158	141	198	240	268	93	1,112	3.8%
\$200,000 and up	<u>9</u>	<u>87</u>	<u>166</u>	<u>218</u>	<u>247</u>	<u>252</u>	<u>59</u>	1,037	3.6%
Total	1,975	5,308	4,388	4,250	5,154	4,790	3,155	29,019	100.0%
Percent	6.8%	18.3%	15.1%	14.6%	17.8%	16.5%	10.9%		

Source: Esri

HOUSEHOLDS BY INCOME AND AGE

Beaufort PMA

Projected Change - 2016 to 2019

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	6	70	72	20	38	43	67	316	9.6%
\$15,000 - 24,999	13	90	76	28	46	56	96	404	14.7%
\$25,000 - 34,999	-34	22	29	-22	-14	5	28	13	0.4%
\$35,000 - 49,999	-26	-82	46	-22	-11	3	-2	-94	-2.1%
\$50,000 - 74,999	82	17	66	0	16	55	98	334	6.0%
\$75,000 - 99,999	22	11	50	-22	-10	115	59	224	7.3%
\$100,000 - 149,999	20	20	53	-6	16	138	79	320	11.8%
\$150,000 - 199,999	2	8	18	4	6	61	28	127	12.9%
\$200,000 and up	<u>3</u>	<u>4</u>	<u>17</u>	<u>-4</u>	<u>1</u>	<u>52</u>	<u>19</u>	91	9.6%
Total	87	160	427	-25	88	527	472	1,735	6.4%
Percent Change	4.6%	3.1%	10.8%	-0.6%	1.7%	12.4%	17.6%		

Source: Esri

H. EMPLOYMENT

Total employment in Beaufort County averaged 59,859 people in 2006 and 67,467 in 2015, an increase of 11.3%. The annual average unemployment rate for Beaufort County in 2015 was 5.4%, as compared to the State of South Carolina at 6.0%. 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 2016 preliminary unemployment rate of 3.9% is one of the lowest rates reported in the past ten years.

TABLE 12
EMPLOYMENT
Beaufort County – Lowcountry WIR – South Carolina – USA
1995-2016

Year	Average Unemployment Rate				Employment	
	Beaufort County	Lowcountry WIR	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%	10.6%	8.9%	59,779	
2012	7.5%	8.7%	9.2%	8.1%	60,876	
2013	6.4%	7.2%	7.6%	7.4%	62,910	
2014	5.7%	6.1%	6.4%	6.2%	65,329	
2015	5.4%	5.9%	6.0%	5.3%	67,467	
2016*	3.9%	4.0%	4.1%	4.5%	68,753	
Beaufort County Employment					Percent Change 2006 - 2015	11.3%

*Preliminary data for December 2016
Source: Labor Market Information - State of South Carolina; Not seasonally adjusted

TABLE 13
EMPLOYMENT TRENDS
 1995-2016

Beaufort County, South Carolina							Lowcountry WIR, 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	65,471	0.2%	59,779	0.2%	5,692	0.7%	2011	101,761	-0.1%	91,508	-0.2%	10,253	0.9%
2012	65,840	0.6%	60,876	1.8%	4,964	-12.8%	2012	101,633	-0.1%	92,821	1.4%	8,812	-14.1%
2013	67,196	2.1%	62,910	3.3%	4,286	-13.7%	2013	103,032	1.4%	95,584	3.0%	7,448	-15.5%
2014	69,251	3.1%	65,329	3.8%	3,922	-8.5%	2014	105,541	2.4%	99,073	3.7%	6,468	-13.2%
2015	71,344	3.0%	67,467	3.3%	3,877	-1.1%	2015	108,145	2.5%	101,793	2.7%	6,352	-1.8%
2016*	71,573	0.3%	68,753	1.9%	2,820	-27.3%	2016*	108,780	0.6%	104,403	2.6%	4,377	-31.1%

*Preliminary data for December 2016

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

In a distribution of employment for Beaufort County in Second Quarter 2016, there were three prominent industries; the largest category was Accommodation and Food Services which accounted for 19.8% of the employment base. The second largest category was Retail Trade at 15.8%, followed by Health Care and Social Assistance at 14.4%. 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
2nd Quarter 2016

Category	Beaufort County		South Carolina	
	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing & Hunting	673	1.0%	11,400	0.6%
Mining, Quarrying, & Oil & Gas Extraction	-	-	1,437	0.1%
Utilities	347	0.5%	17,450	0.9%
Construction	3,472	5.4%	94,249	4.7%
Manufacturing	627	1.0%	237,772	11.8%
Wholesale Trade	590	0.9%	71,865	3.6%
Retail Trade	10,206	15.8%	248,124	12.4%
Transportation & Warehousing	953	1.5%	69,126	3.4%
Information	445	0.7%	29,452	1.5%
Finance & Insurance	1,592	2.5%	68,221	3.4%
Real Estate & Rental & Leasing	2,275	3.5%	30,569	1.5%
Professional, Scientific, & Technical Services	2,562	4.0%	95,076	4.7%
Management of Companies & Enterprises	918	1.4%	17,655	0.9%
Administrative & Support & Waste Mgmt Services	4,254	6.6%	158,797	7.9%
Educational Services	4,148	6.4%	170,387	8.5%
Health Care & Social Assistance	9,292	14.4%	261,264	13.0%
Arts, Entertainment, & Recreation	2,749	4.2%	34,736	1.7%
Accommodation & Food Services	12,829	19.8%	224,855	11.2%
Other Services (except Public Administration)	3,463	5.4%	51,859	2.6%
Public Administration	<u>3,328</u>	<u>5.1%</u>	<u>113,812</u>	<u>5.7%</u>
TOTAL, All Industries	64,723	100.0%	2,008,106	100.0%
Federal Government - Total, All Industries	2,200	3.4%	33,326	1.7%
State Government - Total, All Industries	994	1.5%	91,487	4.6%
Local Government - Total, All Industries	6,692	10.3%	223,510	11.1%
Private - Total, All Industries	54,837	84.7%	1,659,783	82.7%

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 2016, 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. 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 2011-2015 American Community Survey data, only 8.8% 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 2011-2015

County	Total Workforce Number	% Employed In County of Residence	% Employed Outside County of Residence	Mean Travel Time (in Minutes)
Beaufort*	74,380	91.2%	8.8%	21.9
Colleton	14,496	64.3%	35.7%	32.8
Hampton	7,604	61.3%	38.7%	32.2
Jasper	11,595	42.3%	57.7%	28.4

*SITE County

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates (Table S0801)

Second Quarter average weekly earnings for Beaufort County had a good increase of 10.3%; from \$651 per week in 2013 to \$718 per week in 2016. The largest gain in earnings was seen in the Professional, Scientific, and Technical Services category, increasing 20.4% and averaging \$1,223 per week in Second Quarter 2016.

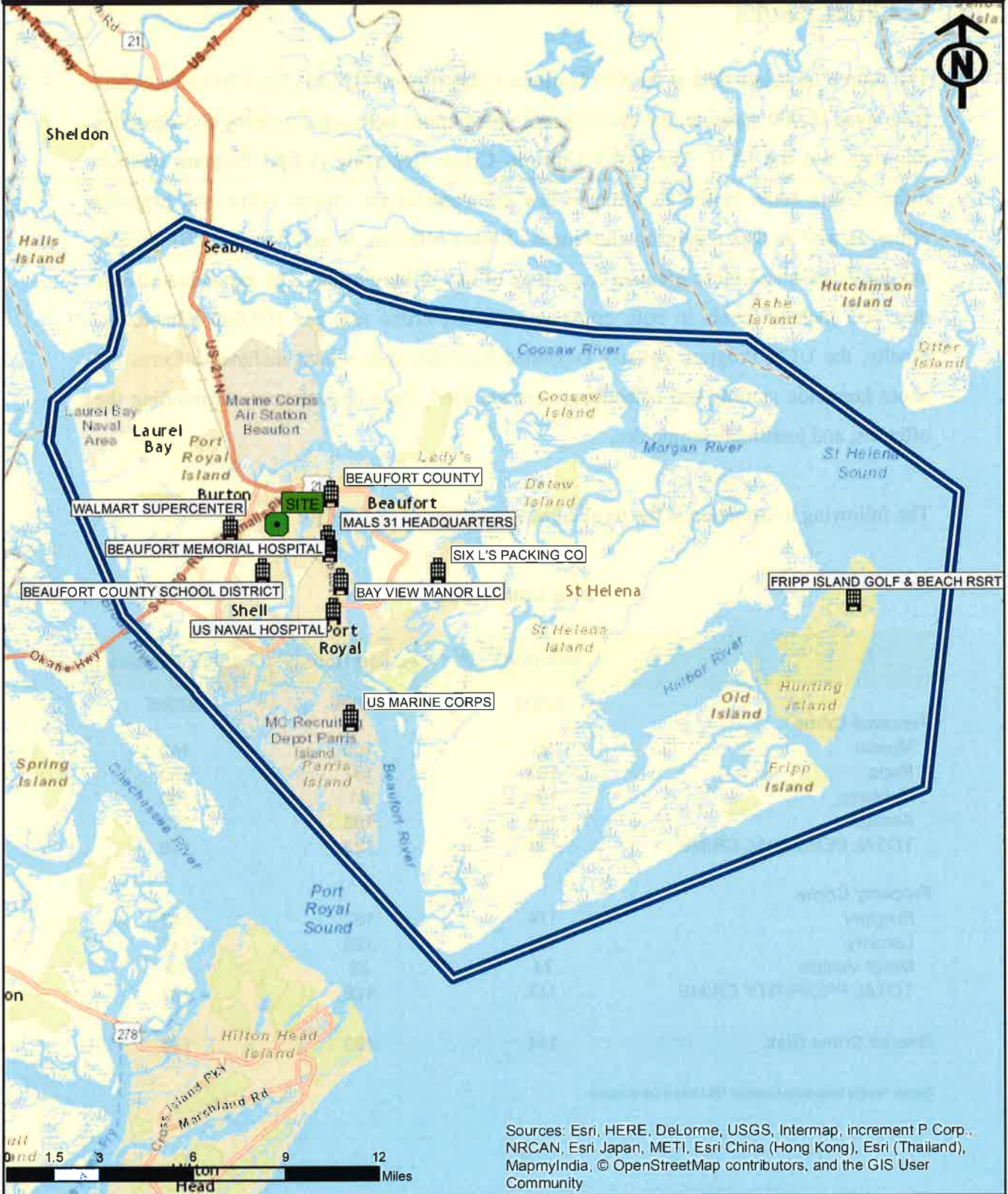
TABLE 16

AVERAGE WEEKLY EARNINGS
Beaufort County – South Carolina
2nd Quarter 2013 – 2nd Quarter 2016

<u>Category</u>	Beaufort County			South Carolina
	Average Wage		% Change	Average Wage
	2013	2016	2013-2016	2016
Agriculture, Forestry, Fishing & Hunting	\$490	\$556	13.5%	\$640
Mining, Quarrying, & Oil & Gas Extraction	-	-	-	\$1,139
Utilities	\$1,060	\$1,118	5.5%	\$1,525
Construction	\$772	\$885	14.6%	\$926
Manufacturing	\$818	\$884	8.1%	\$1,105
Wholesale Trade	\$979	\$1,132	15.6%	\$1,196
Retail Trade	\$464	\$492	6.0%	\$513
Transportation & Warehousing	\$654	\$705	7.8%	\$793
Information	\$633	\$724	14.4%	\$1,046
Finance & Insurance	\$1,238	\$1,381	11.6%	\$1,163
Real Estate & Rental & Leasing	\$703	\$745	6.0%	\$780
Professional, Scientific, & Technical Services	\$1,016	\$1,223	20.4%	\$1,250
Management of Companies & Enterprises	\$1,037	\$1,034	-0.3%	\$1,388
Administrative & Support & Waste Mgmt Services	\$531	\$598	12.6%	\$641
Educational Services	\$991	\$1,075	8.5%	\$827
Health Care & Social Assistance	\$806	\$914	13.4%	\$888
Arts, Entertainment, & Recreation	\$439	\$464	5.7%	\$358
Accommodation & Food Services	\$365	\$407	11.5%	\$327
Other Services (except Public Administration)	\$589	\$634	7.6%	\$601
Public Administration	\$917	\$978	6.7%	\$815
TOTAL, All Industries - Average Weekly Wage	\$651	\$718	10.3%	\$804
Federal Government - Total, All Industries	\$835	\$888	6.3%	\$1,179
State Government - Total, All Industries	\$690	\$674	-2.3%	\$879
Local Government - Total, All Industries	\$1,005	\$1,118	11.2%	\$818
Private - Total, All Industries	\$596	\$663	11.2%	\$791

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	96	109	142
Rape	183	137	132
Robbery	109	81	100
Assault	176	166	218
TOTAL PERSONAL CRIME	141	123	148
Property Crime			
Burglary	174	162	147
Larceny	194	199	141
Motor Vehicle	74	79	94
TOTAL PROPERTY CRIME	147	129	122
Overall Crime Risk	144	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 2006, there has been new multi-family construction permitted almost every year within Beaufort County but sporadically for the City of Beaufort. Between 2013 and 2015 there were 56 multi-family units authorized in the City of Beaufort, while there were 332 multi-family permits authorized in the remainder of Beaufort County. During this period, 14.4% of the multi-family units authorized in Beaufort County were built inside the city limits of Beaufort.

Over the past ten years, the City of Beaufort area has averaged 5.6 multi-family starts per year while Beaufort County has averaged 137.9. Between 2013 and 2015, multi-family starts averaged 18.7 and 129.3 units per year in the City of Beaufort and Beaufort County, respectively. Recent years have indicated a decrease in growth activity of multi-family units to the Beaufort County base.

Single-family housing starts accounted for a majority of the overall starts in the City of Beaufort and Beaufort County. Since 2006, there have been single-family permits issued representing an average of 34.4 and 1,105.3 residences per year, in the City of Beaufort and Beaufort County, respectively. Between 2013 and 2015, single-family starts in Beaufort County averaged 1,196.7 residences per year, indicating an increase in activity. During this same period, the City of Beaufort showed a decrease in building permit activity, with an average of 31.0 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 2016, indicate a decrease of building permit activity for multi-family residences in the City

of Beaufort and Beaufort County. In comparison, 2016 totals indicate an increase of single-family building activity in the City of Beaufort.

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 - 2016

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	1,783	1,441	342
2016*	35	35	0	487	378	109

*Preliminary through December 2016
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 due to 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%	14,902	16.0%	112,531	5.3%
For Migrant Workers	0	0.0%	34	0.0%	370	0.017%
Other Vacant	151	2.7%	2,123	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

When reviewing the housing in 2015 by type of structure, approximately 93.7% of the housing units within the City of Beaufort and 84.5% in Beaufort County are single-family detached or attached units. Within renter-occupied housing, the City of Beaufort has approximately 11.8% in 2 to 4 unit structures and 31.8% in structures of 5 to 19 units. The City of Beaufort has a total of 41.5% in renter-occupied detached units, slightly more than Beaufort County at 37.9%.

TABLE 19
HOUSING UNITS
BY TYPE OF STRUCTURE
City of Beaufort – Beaufort County – South Carolina
 American Community Survey 2011-2015

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
1 Unit, Detached	2,268	88.8%	37,028	80.1%	987,448	79.3%
1, Unit Attached	126	4.9%	2,034	4.4%	32,602	2.6%
2 Units	9	0.4%	124	0.3%	2,885	0.2%
3-4 Units	7	0.3%	411	0.9%	4,948	0.4%
5-9 Units	15	0.6%	703	1.5%	7,809	0.6%
10-19 Units	15	0.6%	412	0.9%	4,515	0.4%
20-49 Units	5	0.2%	696	1.5%	2,956	0.2%
50 or More Units	0	0.0%	221	0.5%	2,392	0.2%
Mobile Home	93	3.6%	4,541	9.8%	198,714	16.0%
Other	<u>17</u>	<u>0.7%</u>	<u>34</u>	<u>0.1%</u>	<u>729</u>	<u>0.1%</u>
TOTAL	2,555	100.0%	46,204	100.0%	1,244,998	100.0%
Renter-Occupied Housing Units						
1 Unit, Detached	862	41.5%	7,498	37.9%	196,220	34.4%
1, Unit Attached	105	5.1%	1,513	7.7%	20,970	3.7%
2 Units	141	6.8%	538	2.7%	35,645	6.3%
3-4 Units	104	5.0%	1,351	6.8%	43,914	7.7%
5-9 Units	459	22.1%	2,466	12.5%	69,552	12.2%
10-19 Units	201	9.7%	2,120	10.7%	52,286	9.2%
20-49 Units	164	7.9%	1,507	7.6%	32,851	5.8%
50 or More Units	37	1.8%	905	4.6%	20,741	3.6%
Mobile Home	2	0.1%	1,873	9.5%	97,318	17.1%
Other	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>	<u>599</u>	<u>0.1%</u>
TOTAL	2,075	100.0%	19,771	100.0%	570,096	100.0%

Source: U.S. Census Bureau, American Community Survey 2011-2015 (Table B25032)

In 2015, the median gross rent for specified renter-occupied housing units was \$805 in the City of Beaufort area as compared to \$1,048 in Beaufort County and \$790 for the State of South Carolina. The median gross rents for the City of Beaufort and Beaufort County have increased 35.1% and 51.9%, respectively, from the 2000 median gross rents. It's interesting to note that approximately one-third of the units, (35.7%) within the City of Beaufort are in the \$800 to \$1,249 price range. while Beaufort County has nearly one-half (46.4%) 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 2011-2015

GROSS RENT	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Less than \$100	0	0.0%	0	0.0%	1,141	0.2%
\$100-\$149	0	0.0%	0	0.0%	2,623	0.5%
\$150-\$199	17	0.8%	77	0.4%	4,889	0.9%
\$200-\$249	199	9.6%	269	1.4%	9,091	1.6%
\$250-\$299	47	2.3%	234	1.2%	9,408	1.7%
\$300-\$349	26	1.3%	115	0.6%	9,521	1.7%
\$350-\$399	26	1.3%	69	0.3%	9,965	1.7%
\$400-\$449	10	0.5%	76	0.4%	13,479	2.4%
\$450-\$499	58	2.8%	335	1.7%	16,573	2.9%
\$500-\$549	105	5.1%	317	1.6%	23,550	4.1%
\$550-\$599	44	2.1%	137	0.7%	28,238	5.0%
\$600-\$649	40	1.9%	489	2.5%	31,059	5.4%
\$650-\$699	111	5.3%	385	1.9%	34,886	6.1%
\$700-\$749	170	8.2%	814	4.1%	35,982	6.3%
\$750-\$799	87	4.2%	621	3.1%	34,166	6.0%
\$800-\$899	291	14.0%	1,842	9.3%	62,643	11.0%
\$900-\$999	183	8.8%	2,596	13.1%	51,761	9.1%
\$1,000-\$1,249	268	12.9%	4,292	21.7%	73,181	12.8%
\$1,250-\$1,499	70	3.4%	2,294	11.6%	30,211	5.3%
\$1,500-\$1,999	118	5.7%	2,170	11.0%	22,191	3.9%
\$2,000 or More	38	1.8%	1,277	6.5%	11,245	2.0%
No Cash Rent	<u>167</u>	<u>8.0%</u>	<u>1,362</u>	<u>6.9%</u>	<u>54,293</u>	<u>9.5%</u>
TOTAL	2,075	100.0%	19,771	100.0%	570,096	100.0%
Median Rent - 2000	\$596		\$690		\$510	
Median Rent - 2011-2015	\$805		\$1,048		\$790	
Percent Change 2000 - 2015	35.1%		51.9%		54.9%	

Source: U.S. Census Bureau, Census 2000, American Community Survey 2011-2015 (Tables B25063, B25064)

In reference to the number of rent-overburdened households for 2015, the City of Beaufort has 734 households or 35.5% 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 7,280 households or 36.7% 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 2011-2015

	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 10 Percent	23	1.1%	357	1.8%	18,150	3.2%
10 to 14 Percent	179	8.6%	1,252	6.3%	41,880	7.3%
15 to 19 Percent	298	14.4%	2,402	12.1%	63,269	11.1%
20 to 24 Percent	234	11.3%	2,566	13.0%	61,986	10.9%
25 to 29 Percent	236	11.4%	2,238	11.3%	55,602	9.8%
30 to 34 Percent	204	9.8%	2,090	10.6%	44,619	7.8%
35 to 39 Percent	72	3.5%	1,471	7.4%	34,045	6.0%
40 to 49 Percent	221	10.7%	1,926	9.7%	49,469	8.7%
50 Percent or More	441	21.3%	3,883	19.6%	132,549	23.3%
Not Computed	<u>167</u>	<u>8.0%</u>	<u>1,586</u>	<u>8.0%</u>	<u>68,527</u>	<u>12.0%</u>
TOTAL	2,075	100.0%	19,771	100.0%	570,096	100.0%

Source: U.S. Census Bureau, American Community Survey 2011-2015 (Table B25070)

According to the 2011-2015 American Community Survey, less than 3.0% of the renter-occupied housing units in the City of Beaufort lack complete plumbing and/or kitchen facilities. Within Beaufort County, 0.7% of the renter-occupied housing units lack complete plumbing facilities, while 2.6% lack kitchen facilities. The median number of rooms for the City of Beaufort area and Beaufort County is 6.3, approximately four bedrooms within owner-occupied housing; and ranges from 4.4 to 4.6 median rooms, or approximately two bedrooms within renter-occupied housing.

TABLE 22
HOUSING QUALITY
City of Beaufort – Beaufort County – South Carolina
American Community Survey 2011-2015

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Lacking Plumbing Facilities	0	0.0%	120	0.3%	3,325	0.3%
Lacking Kitchen Facilities	0	0.0%	160	0.3%	3,627	0.3%
Number of Rooms						
Three or less	38	1.5%	1,536	3.3%	24,345	2.0%
Four	286	11.2%	4,813	10.4%	100,389	8.1%
Five	404	15.8%	8,918	19.3%	273,734	22.0%
Six or more	1,827	71.5%	30,937	67.0%	846,530	68.0%
TOTAL	2,555	100.0%	46,204	100.0%	1,244,998	100.0%
Median Rooms	6.3		6.3		6.3	
Renter-Occupied Housing Units						
Lacking Plumbing Facilities	49	2.4%	136	0.7%	3,982	0.7%
Lacking Kitchen Facilities	19	0.9%	508	2.6%	9,361	1.6%
Number of Rooms						
Three or less	326	15.7%	4,709	23.8%	105,912	18.6%
Four	826	39.8%	4,858	24.6%	166,990	29.3%
Five	550	26.5%	4,850	24.5%	151,142	26.5%
Six or more	373	18.0%	5,354	27.1%	146,052	25.6%
TOTAL	2,075	100.0%	19,771	100.0%	570,096	100.0%
Median Rooms	4.4		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 2011-2015

Mobility patterns from the 2011-2015 American Community Survey revealed that within the City of Beaufort area, 15.9% of the occupants in owner-occupied housing units and 69.4% of the occupants in renter-occupied housing units have moved since 2010. Within Beaufort County, 21.1% of the occupants in owner-occupied units and 73.8% of the occupants in renter-occupied units have moved since 2010. In the City of Beaufort area, the average occupancy period for renter-occupied housing is 7.2 years, as compared to 6.5 years in Beaufort County. The average occupancy period for owner-occupied housing is 18.6 years in the City of Beaufort and somewhat less in Beaufort County at 14.7 years.

TABLE 23

**MOBILITY PATTERNS
BY HOUSING UNIT**
City of Beaufort – Beaufort County – South Carolina
American Community Survey 2011-2015

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Moved in 2015 or Later	5	0.2%	327	0.7%	7,921	0.6%
Moved in 2010-2014	401	15.7%	9,434	20.4%	185,371	14.9%
Moved in 2000-2009	1,012	39.6%	22,573	48.9%	502,376	40.4%
Moved in 1990-1999	632	24.7%	8,611	18.6%	258,329	20.7%
Moved in 1980-1989	194	7.6%	3,250	7.0%	125,699	10.1%
Moved in 1979 or earlier	<u>311</u>	<u>12.2%</u>	<u>2,009</u>	<u>4.3%</u>	<u>165,302</u>	<u>13.3%</u>
TOTAL	2,555	100.0%	46,204	100.0%	1,244,998	100.0%
Average Years	18.6		14.7		19.1	
Renter-Occupied Housing Units						
Moved in 2015 or Later	97	4.7%	924	4.7%	19,139	3.4%
Moved in 2010-2014	1,342	64.7%	13,665	69.1%	346,534	60.8%
Moved in 2000-2009	509	24.5%	4,315	21.8%	159,262	27.9%
Moved in 1990-1999	81	3.9%	634	3.2%	25,263	4.4%
Moved in 1980-1989	14	0.7%	106	0.5%	9,649	1.7%
Moved in 1979 or earlier	<u>32</u>	<u>1.5%</u>	<u>127</u>	<u>0.6%</u>	<u>10,249</u>	<u>1.8%</u>
TOTAL	2,075	100.0%	19,771	100.0%	570,096	100.0%
Average Years	7.2		6.5		8.0	

Source: U.S. Census Bureau, American Community Survey 2011-2015 (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	<u>102</u>	<u>3.9%</u>	<u>1,606</u>	<u>3.5%</u>	<u>34,277</u>	<u>2.7%</u>
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	<u>93</u>	<u>4.1%</u>	<u>582</u>	<u>3.1%</u>	<u>12,194</u>	<u>2.2%</u>
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	
	Number	Percent	Number	Percent	Number	Percent
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 approximately 24.8% of the rental households in the City of Beaufort and 20.5% 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 2009-2013 American Community Survey

	Beaufort		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied Housing Units						
Cost Burden <=30%	1,905	70.6%	30,420	66.1%	926,950	75.4%
Cost Burden >30% to <=50%	395	14.6%	8,840	19.2%	170,075	13.8%
Cost Burden >50%	320	11.9%	6,315	13.7%	119,900	9.7%
Cost Burden not available	<u>80</u>	<u>3.0%</u>	<u>445</u>	<u>1.0%</u>	<u>13,265</u>	<u>1.1%</u>
TOTAL	2,700	100.0%	46,020	100.0%	1,230,190	100.0%
Renter-Occupied Housing Units						
Cost Burden <=30%	945	51.5%	9,665	52.5%	287,940	52.3%
Cost Burden >30% to <=50%	435	23.7%	4,630	25.2%	117,045	21.3%
Cost Burden >50%	455	24.8%	3,775	20.5%	126,835	23.1%
Cost Burden not available	<u>0</u>	<u>0.0%</u>	<u>325</u>	<u>1.8%</u>	<u>18,260</u>	<u>3.3%</u>
TOTAL	1,835	100.0%	18,395	100.0%	550,080	100.0%

Source: huduser.gov - Comprehensive Housing Affordability Strategy data, 2009-2013 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 2017, David 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 2017**

<u>MARKET RATE</u>	<u>UNITS</u>		<u>VACANCIES</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	0	-
One-Bedroom	377	26.1%	8	2.1%
Two-Bedroom	896	62.0%	22	2.5%
Three-Bedroom	173	12.0%	2	1.2%
Four-Bedroom	-	-	0	-
TOTAL	1,446	100.0%	32	2.2%

<u>TAX CREDIT</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	0	-
One-Bedroom	73	14.8%	0	0.0%
Two-Bedroom	200	40.6%	0	0.0%
Three-Bedroom	186	37.7%	2	1.1%
Four-Bedroom	34	6.9%	1	2.9%
TOTAL	493	100.0%	3	0.6%

<u>GOVERNMENT SUBSIDIZED</u>	<u>Number</u>		<u>Percent</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Studio	-	-	0	-
One-Bedroom	149	28.0%	0	0.0%
Two-Bedroom	282	52.9%	2	0.7%
Three-Bedroom	98	18.4%	0	0.0%
Four-Bedroom	4	0.8%	0	0.0%
TOTAL	533	100.0%	2	0.4%

- ◆ 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 2.2%. Approximately 19.9% of the units are under the LIHTC program and 21.6% 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 were built between 1995 and 2005. The most recent units were built in 2016, representing 4.5% of the rental unit base surveyed.
- ◆ The Beaufort area has had an average annual release of 55.6 over the past ten years.

TABLE 28

MULTI-FAMILY CONSTRUCTION TRENDS
Beaufort, South Carolina PMA
1970-2017

<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	30	1.2%	2,330
2013	30	1.2%	2,360
2014	-	-	2,360
2015	-	-	2,360
2016	112	4.5%	2,472
2017	-	-	2,472
TOTAL	2,472	100.0%	

AVERAGE ANNUAL RELEASE OF UNITS: 2007-2016 **55.6**

- ◆ 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 2017**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
\$1009 - \$1033	99	22.0%	2	2.0%
\$872 - \$999	221	49.1%	5	2.3%
\$665 - \$800	60	13.3%	1	1.7%
\$575 - \$599	70	15.6%	0	0.0%
TOTAL	450	100.0%	8	1.8%

MEDIAN RENT: \$927

TABLE 30

**RENT AND VACANCY ANALYSIS
TWO-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2017**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
\$1074 - \$1297	440	40.1%	13	3.0%
\$900 - \$1005	98	8.9%	2	2.0%
\$820 - \$895	172	15.7%	7	4.1%
\$675 - \$797	146	13.3%	0	0.0%
\$600 - \$659	150	13.7%	0	0.0%
\$550 - \$580	90	8.2%	0	0.0%
TOTAL	1,096	100.0%	22	2.0%

MEDIAN RENT: \$891

TABLE 31

**RENT AND VACANCY ANALYSIS
THREE-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2017**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
\$1025 - \$1191	77	21.4%	2	2.6%
\$936 - \$964	125	34.8%	1	0.8%
\$800 - \$879	81	22.6%	1	1.2%
\$650 - \$750	76	21.2%	0	0.0%
TOTAL	359	100.0%	4	1.1%

MEDIAN RENT: \$941

TABLE 32

**RENT AND VACANCY ANALYSIS
FOUR-BEDROOM MARKET RATE & LIHTC UNITS
Beaufort, South Carolina PMA
February 2017**

Net Rent	TOTAL UNITS		VACANCIES	
	Number	Percent	Number	Percent
-	-	-	0	-
\$1,075	34	100.0%	1	2.9%
TOTAL	34	100.0%	1	2.9%

MEDIAN RENT: \$1,075

- ◆ The Beaufort area median rents are \$927 for a one-bedroom unit, \$891 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.
- ◆ Interviews 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, triplexes, units above commercial store fronts and single-family residences.
- ◆ Additionally, Beaufort because of its resort orientation 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 cost at the resorts are above the 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.
- ◆ 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 and updated over a period of time between February 15, 2017 and March 1, 2017. A visit to the site and to the comparable rental properties was made on the week of February 13, 2017.

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)	93.1% (MR)	MR/TC	2009
15.	Oaks at Broad River Landing	248	96.8%	MR	2001
17.	Parris Island Gate	24	100.0%	MR	1991
21.	Waterford Cove	160	98.8%	MR	1998

As noted, within the four competitive developments, a total of 490 market-rate units exist with 14 vacant units or an overall 97.1% 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	\$966	\$1,103
17.	Parris Island Gate	\$750	-
21.	Waterford Cove	\$865	\$936
Average (Net)		\$864	\$994
Subject Site		\$550	\$655

It should be noted that the average of the achievable comparable net two-bedroom unit is \$864, somewhat higher than the adjusted proposed \$550 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 63.7% 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 \$994, somewhat higher than the adjusted proposed \$655 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 65.9% 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	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged									
1	\$ Last Rent / Restricted?	\$895		\$1,005		\$750		\$875	
2	Date Last Leased (mo/yr)								
3	Rent Concessions								
4	Occupancy for Unit Type	95%		97%		100%		99%	
5	Effective Rent & Rent/ sq. ft	\$895	0.942105	\$1,005	0.94	\$750	0.68	\$875	0.88
<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	2019	\$9	2001	\$17	1991	\$27	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	2		2		2		2	
12	# Baths	1.5 & 2		2		2		2	
13	Unit Interior Sq. Ft.	717-1005	(\$6)	1070	(\$18)	1100	(\$21)	990	(\$10)
14	Balcony/ Patio	X	(\$5)	X	(\$5)	X	(\$5)		
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	(\$10)		
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 (\$ Fec)			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		\$15		XX	
29	Laundry Room	X	(\$5)	X	(\$5)			X	(\$5)
30	On Site Mgmt Office	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	
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	(\$11)	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	3	3	1	4
41	Sum Adjustments B to D	\$14	(\$36)	\$27	(\$66)	\$47	(\$36)	\$20	(\$30)
42	Sum Utility Adjustments						(\$11)		
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$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		\$966		\$750		\$865	
45	Adj Rent/Last rent		98%		96%		100%		99%
46	Estimated Market Rent	\$864	#VALUE! ←	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	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$964		\$1,155				\$950	
2	Date Last Leased (mo/yr)								
3	Rent Concessions								
4	Occupancy for Unit Type	98%		98%		%		98%	
5	Effective Rent & Rent/ sq. ft	\$964	0.838261	\$1,155	0.82			\$950	0.77
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
B. Design, Location, Condition	Data	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	1 & 2	3	\$5	3	\$5		2	
7	Yr. Built/Yr. Renovated	2019	2009	\$9	2001	\$17		1991	\$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	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	3		3			3	
12	# Baths	2	2		2			2	
13	Unit Interior Sq. Ft.	934-1043	1150	(\$5)	1414	(\$31)		1236	(\$14)
14	Balcony/ Patio	X	X	(\$5)	X	(\$5)	X		
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		
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	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fec)				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			XX	
29	Laundry Room		X	(\$5)	X	(\$5)		X	(\$5)
30	On Site Mgmt Office	X	X		X			X	
31	Other								
E. Utilities	Data	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	L	
39	Trash /Recycling	L	L		L		L	L	
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos
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	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent	Adj. Rent
44	Adjusted Rent (5+ 43)	\$943		\$1,103				\$936	
45	Adj Rent/Last rent		98%		95%				99%
46	Estimated Market Rent	\$994	#VALUE!←						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 2017

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	Maria	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	6	97.5%
4	Bay South	2201 Mossy Oaks Rd	Beaufort, SC	(843) 476-4842	Cathy	1984	MR	7.5	132	6	95.5%
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	Denlse	2009	LIHTC / MR	7.5	144	4	97.2%
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	8	96.8%
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	2	98.8%
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	2	95.8%
24	Wilderness Too	1305 Talbird Rd	Beaufort, SC	(843) 522-9500	Melissa	2006	LIHTC / Gov't	6.5	24	0	100.0%
25	Fairfield Estates	2 Brindlewood Dr	Lady's Island, SC	(843) 379-5775	Tisha	1996	LIHTC	8.0	55	2	96.4%
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	7	98.3%
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 2017

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	\$979-1033		699-777
4	Bay South	G	36	1	\$798		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	0	\$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	72	3	\$909-999		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	3	\$943-997		693-850
29	Shell Pointe						

RENT AND VACANCY ANALYSIS by TWO-BEDROOM UNITS
Beaufort, South Carolina PMA
February 2017

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	5	\$1200-1210		\$1175-1297	931 / 1136
4	Bay South	G	96	5	\$840 (48)		\$895 (48)	865 / 960
5	Cottages at Beaufort I							
6	Cottages at Beaufort II							
7	Cross Creek	G: TC (34) / MR (26)	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	4			\$1005-1201	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	2	\$563-637*			
24	Wilderness Too	G	24	0	\$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	4	\$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 2017

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	C: TC (33) / MR (27)	60	1			\$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			\$1155-1191	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	1			\$940-960	1189-1282
22	Waterford Place							
23	Wilderness Cove							
24	Wilderness Too							
25	Fairfield Estates	G	21	1			\$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 2017

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 2017

Apartment Project #	Project Name	Kitchen Appliances							Other	Unit Amenities										Other				
		Range / Stove	Refrigerator	Dishwasher	Garbage Disposal	Microwave	Breakfast Bar	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											
2	Ashley Pointe	X	X	X	X	X					X	X	X	X										storage
3	Ashton Pointe	X	X	X	X	X						X	X	X										
4	Bay South	X	X	X	X	X						X	X	X										
5	Cottages at Beaufort I	X	X	X								X	X	X										
6	Cottages at Beaufort II	X	X	X								X	X	X										
7	Cross Creek	X	X	X	X							X	X	X										
8	Dogwood	X	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										
13	Marsh Point	X	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						S	X	X	X									
16	Parkview Apartments	X	X	X								X	X	X										
17	Parris Island Gate	X	X	X	X	X						X	X	X										
18	Sea Island	X	X	X	X	X						X	X	X										
19	Sea Pointe	X	X	X	X	X						X	X	X										sunroom
20	Spanish Trace	X	X	X								X	X	X										
21	Waterford Cove	X	X	X	X	X						X	X	X										
22	Waterford Place	X	X	X	X	X						X	X	X										
23	Wilderness Cove	X	X	X								X	X	X										
24	Wilderness Too	X	X	X								X	X	X										
25	Fairfield Estates	X	X	X	X	X						X	X	X										vaulted ceiling
26	Laurel Hill	X	X	X	X	X						X	X	X										
27	Port Royal Apartments	X	X	X	X	X						X	X	X										
28	Preserve at Port Royal	X	X	X	X	X						X	X	X										
29	Shell Pointe	X	X	X	X	X						X	X	X										

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PROJECT AMENITIES
Beaufort, South Carolina PMA
February 2017

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	X						X	
3	Ashton Pointe	X			X							X	X	X						X	Internet café, game room
4	Bay South				X	X	X	X		X			X								
5	Cottages at Beaufort I				X	X	X	X													
6	Cottages at Beaufort II				X	X	X	X													
7	Cross Creek			X	X	X	X	X						X						X	
8	Dogwood																				
9	Lady's Pointe I				X	X	X	X													
10	Lady's Pointe II				X	X	X	X													
11	Lafayette Square				X	X	X	X													
12	Magnolia Park			X	X	X	X	X			X		X								
13	Marsh Point																				
14	Mossy Oaks Village Townhouses				X	X	X	X												X	
15	Oaks at Broad River Landing	X		X	X	X	X	X			X	X	X	X					X	X	X
16	Parkview Apartments				X																
17	Parris Island Gate																				
18	Sea Island						X														
19	Sea Pointe			X	X	X	X	X				X									X
20	Spanish Trace			X	X	X	X	X													X
21	Waterford Cove			X	X	X	X	X		X		X	X	X						X	media room, coffee café
22	Waterford Place				X	X	X	X					X								
23	Wilderness Cove				X	X	X	X													
24	Wilderness Too				X	X	X	X													
25	Fairfield Estates	X			X																
26	Laurel Hill			X	X	X	X	X													
27	Port Royal Apartments			X	X	X	X	X				X		X						X	gazebo
28	Preserve at Port Royal	S (\$50-99)		X	X	X	X	X				X	X	X						S	
29	Shell Pointe			X	X	X	X	X				X								X	gazebo

UTILITY ANALYSIS
Beaufort, South Carolina PMA
February 2017

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 2017

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)**



NATIONAL LAND ADVISORY GROUP

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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



7. Cross Creek



8. Dogwood



9. Lady Pointe I



10. Lady Pointe II



11. Lafayette Square



12. Magnolia Park



13. Marsh Point



14. Mossy Oaks Village



15. Oaks at Broad River Landing



16. Parkview Apartments



17. Parris Island Gate



18. Sea Island



19. Sea Pointe



20. Spanish Trace



21. Waterford Cove



22. Waterford Place



23. Widerness 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 and increased 9.9% to number 74,059 in 2016. Population is expected to number 78,702 by 2019, increasing 6.3% from 2016. The Beaufort PMA households numbered 24,801 in 2010 and increased 10.0% to number 27,284 in 2016. Households are expected to number 29,019 by 2019, increasing 6.4% from 2016.

In the Beaufort Primary Market Area, family households (under the age of 55) increased 18.9% for renter households and decreased 13.1% for owner households from 2010 to 2016. Between 2016 and 2019, family renter households (under the age of 55) are projected to increase 6.7%, while the owner households are estimated to increase 0.6%.

In the Beaufort Primary Market Area, households (aged to 55 to 64) decreased 5.3% for renter households and increased 14.1% for owner households from 2010 to 2016. Between 2016 and

2019, renter households (aged 55 to 64) are projected to decrease 9.9%, while the owner households are estimated to increase 4.1%.

In the Beaufort Primary Market Area, senior households (aged 65 years and older) increased 12.0% for renter households and 29.5% for owner households from 2010 to 2016. Between 2016 and 2019, senior renter households (aged 65 years and older) are projected to increase 17.3%, while the owner households are estimated to increase 13.9%.

The median per household income in the Beaufort Primary Market Area is \$48,387 in 2016 and is projected to increase to \$51,436 in 2019.

Employment in Beaufort County increased 11.3%, from 59,859 in 2006 to 67,467 in 2015. In recent years, the employment levels in Beaufort County and the City of Beaufort has been stable, around the 65,000 number, which is an attribute for today's economy. Total overall employment in 2015 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 2015, the unemployment rate of Beaufort County was 5.4%, somewhat lower than previous year of analysis. Between 2011 and 2015, the unemployment rate has ranged from 5.4% 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 2016.

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. 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, 8.8. 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 40.0 permits for the City of Beaufort, with an average of 34.4 single-family and 5.6 multi-family permits. Over the past ten years, the overall housing units authorized in Beaufort County have averaged 1,243.2 units per year, averaging 137.9 for multi-family units and 1,105.3 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 129.3 for multi-family permits in Beaufort County and 18.7 permits for the City of Beaufort and 31.0 and 1,196.7 single-family permits for the City of Beaufort and Beaufort County, respectively.

In 2010, nearly one-half (45.2%) 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 2011-2015 American Community Survey reports a total of 2,075 specified renter-occupied housing units in the City of Beaufort and 19,771 in Beaufort County. The median rent in 2015 for the City of Beaufort was \$805, somewhat lower than Beaufort County at \$1,048. All rents in the City of Beaufort ranged from \$150 to \$2,000 or more. The largest percentage of units was in the \$800 - \$1,249 range, representing 35.7% of the units. Median gross rents in both the City of Beaufort and Beaufort County are estimated to increase approximately 35.1% and 51.9% in 2015 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 3 vacancies for a 0.6% 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 2.2% (32-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 \$937, with 22.0% of the one-bedroom units in the upper-rent range of \$1,009-\$1,033. Two-bedroom units have a median rent of \$891, with 40.1% of the two-bedroom units in the upper-rent range of \$1,074-\$1,207. 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 the rents. Overall, the fourteen family developments contain 829 LIHTC units, of which there are 5 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 14 vacant units or an overall 97.1% occupancy rate.

It should be noted that the average of the achievable comparable net two-bedroom unit is \$864, somewhat higher than the adjusted proposed \$550 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 63.7% 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 \$994, somewhat higher than the adjusted proposed \$655 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 65.9% 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	\$23,500	\$28,200
TWO-PERSON	\$26,850	\$32,220
THREE-PERSON	\$30,200	\$36,240
FOUR-PERSON	\$33,550	\$40,260
FIVE-PERSON	\$36,250	\$43,500
SIX-PERSON	\$38,950	\$46,740

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 2016:

Family Households Beaufort, South Carolina PMA					
	Income Range	Persons	2016 Renter-Occupied	2019 Renter-Occupied	Change 2016-2019
50%	\$22,869-\$29,560	1 – 5	1,174	1,195	21
60%	\$29,561-\$43,500	1 – 5	2,345	2,302	(43)
Overall	\$22,869-\$43,500	1 – 5	3,519	3,497	(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 \$22,869 (lower end of one-person household moderate-income) to \$43,500 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2016, there are 3,519 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 2016:

Larger Family Households Beaufort, South Carolina PMA					
	Income Range	Persons	2016 Renter-Occupied	2019 Renter-Occupied	Change 2016-2019
50%	\$22,869-\$29,560	3 – 5	506	517	11
60%	\$29,561-\$43,500	3 – 5	1,023	1,003	(20)
Overall	\$22,869-\$43,500	3 – 5	1,529	1,520	(9)

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 \$22,869 (lower end of three-person household moderate-income) to \$43,500 (five-person household moderate-income) for the Beaufort Primary Market Area. In 2016, there are 1,529 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%	\$755	\$117	\$638
	60%	\$906	\$117-135	\$771-789

Type of Unit	AMI	Gross Rent Per Month	Utility Cost	Net Rent
Three-Bedroom	50%	\$872	\$165	\$707
	60%	\$1,047	\$165	\$882

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 2016 to the estimated 2019 households statistics as follows: 3,497 (2019) – 3,519 (2016) = (22) total households.

PRIMARY MARKET AREA DEMAND FROM EXISTING AND PROJECTED HOUSEHOLDS:

	50%	60%	Overall
New Projected HH (2016-2019)	21	(43)	(22)
Demand of Projected Renter HH (2016-2019)	21	(43)	(22)
Total Qualified Rental HH	1,174	2,345	3,519
Rent Overburdened Households (%)	35.5%	35.5%	35.5%
Total Qualified Renter HH	417	832	1,249
Total Qualified Rental HH	1,174	2,345	3,519
Substandard Housing (%)	2.5%	2.5%	2.5%
Total Qualified Renter HH	29	59	88

<i>Estimated Annual Demand</i>	467	848	1,315
<i>Supply</i> (comparable, u/c or proposed units)	107	200	307
<i>Net Demand</i>	360	648	1,008

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 2016, the annual net demand for the 50% and 60% median income households in the Primary Market Area is estimated at 360 and 648 units per year, respectively. Within the above analysis for 2016, the annual net demand for the overall development based on the median income households in the Primary Market Area is estimated at 1,008 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.

Bedroom & % AMI	Total Demand	Supply		Net Demand	Proposed Units	Capture Rate
		Existing	Pipeline			
Two-Bedroom						
50%	280	57	-	223	4	1.8%
60%	509	105	-	404	16	4.0%
Three-Bedroom						
50%	187	50	-	137	4	2.9%
60%	339	95	-	244	16	6.6%
Overall	1,315	307	-	1,008	40	4.0%

* Excluding any overlap of incomes.

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

$$40 + 307 / 3,519 = 9.8\%$$

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 2016 to the estimated 2019 households statistics as follows: 1,520 (2019) – 1,529 (2016) = (9) total larger households.

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

	50%	60%	Overall
New Projected HH (2016-2019)	11	(20)	(9)
Demand of Projected Renter HH (2016-2019)	11	(20)	(9)
Total Qualified Rental HH	506	1,023	1,529
Rent Overburdened Households (%)	35.5%	35.5%	35.5%
Total Qualified Renter HH	180	363	543
Total Qualified Rental HH	506	1,023	1,529
Substandard Housing (%)	2.5%	2.5%	2.5%
Total Qualified Renter HH	13	26	39
<i>Estimated Annual Demand</i>	204	369	573
<i>Supply</i> (comparable, u/c or proposed units)	50	95	145
<i>Net Demand</i>	154	274	428

Based on the above analysis for 2016, the annual net demand for the 50% and 60% median income larger households in the Primary Market Area is estimated at 154 and 274 units per year, respectively. Within the above analysis for 2016, the annual net demand for the overall development based on the median income larger households in the Primary Market Area is estimated at 428 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%	204	50	-	154	4	2.6%
60%	369	95	-	274	16	5.8%

Overall	573	145	-	428	20	4.7%
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* Excluding any overlap of incomes.

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

$$20 + 145 / 1,529 = 10.8\%$$

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 2016, based on the proposed and competitive product in the Beaufort market area, the existing 40-unit family development of LIHTC units represents an overall 4.0% 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 9.8%. Within the **larger income households** in 2016, based on the proposed and competitive product in the Beaufort market area, the existing 20-unit family development of LIHTC units represents an overall 4.7% 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 10.8%.

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:

	<u>UNIT BY TYPE AND BEDROOM</u>	
	TWO	THREE
BEDROOMS		
BATHROOMS	1.5 & 2.0	2.0
NUMBER OF UNITS		
50%	4	4
60%	16	16
SQUARE FEET (approx.)	717-1,005	934-1,043
GROSS RENT	\$667-\$685	\$820
UTILITY ALLOWANCE *	\$117-\$135	\$165
NET RENT	\$550	\$655

* 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 rental buildings and one community building located on approximately 5.0 acres. The existing 40-unit family development is estimated to begin rehabilitation in the Spring 2018, to be completed in the Fall 2019. 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 and one-half or 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, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of \$117-\$135 for a two-bedroom unit and \$165 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 March 3, 2017. 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 \$749.50. 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. 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%	\$667	\$755	\$1,008	\$981	\$949	\$854
	Percent (%)	88.3%	66.2%	68.0%	70.3%	78.1%
60%	\$667	\$906	\$1,008	\$981	\$949	\$854
	Percent (%)	75.6%	66.2%	68.0%	70.3%	78.1%
60%	\$685	\$906	\$1,026	\$999	\$949	\$854
	Percent (%)	75.6%	66.8%	68.6%	72.2%	80.2%
Three-Bedroom						
AMI	Proposed Gross Rent	Max. LIHTC Gross Rent	Median Market Rent*	Achievable Rent*	Fair Market Rent (FMR)	90% of FMR
50%	\$820	\$872	\$1,106	\$1,159	\$1,245	\$1,121
	Percent (%)	94.0%	74.1%	70.8%	65.9%	73.2%
60%	\$820	\$1,047	\$1,006	\$1,159	\$1,245	\$1,121
	Percent (%)	78.3%	81.5%	70.8%	65.9%	73.2%

Based on the current rental market conditions, and the proposed gross rent of \$667-\$685 for a two-bedroom unit and \$820 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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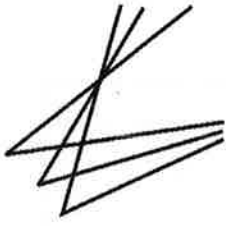
IX. MARKET STUDY INDEX

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.

	Page / Section Number(s)
Executive Summary	
1. Executive Summary	II
Project Description	
2. Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	VII – E
3. Utilities (and utility sources) included in rent.	VII – E
4. Project design description	VII – E
5. Unit and project amenities; parking	VII – E
6. Public programs included	VII – E
7. Target population description	VII – E
8. Date of construction/preliminary completion	VII – E
9. If rehabilitation, existing unit breakdown and rents.	VII – E
10. Reference to review/status of project plans	VII – E
Location and Market Area	
11. Market area/secondary market area description	III – B
12. Concise description of the site and adjacent parcels	III – A
13. Description of site characteristics	III – A
14. Site photos/maps	III – C
15. Map of community services	III – C
16. Visibility and accessibility evaluation	III – A
17. Crime information (if applicable)	IV – I
Employment and Economy	
18. Employment by industry	IV – H
19. Historical unemployment rate	IV – H
20. Area major employers	IV – H
21. Five-year employment growth	IV – H
22. Typical wages by occupation	IV – H
23. Discussion of commuting patterns of area workers	IV – H
Demographic Characteristics	
24. Population and household estimates and projections	IV – F
25. Area building permits	V
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
Other Requirements	
54. Preparation date of report	Cover
55. Date of field work	VI
56. Certifications	I – D
57. Statement of qualifications	I – D
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

March 3, 2017

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, the 12 households 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 \$285 X 12 transfers	\$3,420.00
Transfer to rehabbed unit of \$285 X 40 transfers	\$11,400.00

Electric

Transfer fee of \$10 X 52 transfers	\$520.00
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Cable TV

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

Telephone

Transfer fee of \$10 X 52 transfers	\$520.00
-------------------------------------	----------

Offsite Rent Difference

Average \$50/mo. X 12 units X 12 months	\$7,200.00
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Offsite Security Deposits

Average \$490 X 12 units	\$5,880.00
--------------------------	------------

TOTAL RELOCATION COST ESTIMATE **\$29,980.00**

AVERAGE RELOCATION COST PER HOUSEHOLD EST. \$749.50

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.

Exhibit S-2 PMA

2017 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	2472	37	98.5%
Market-Rate Housing	11	1446	32	97.8%
Assisted/Subsidized Housing not to include LIHTC	4	125	0	100.0%
LIHTC (All that are stabilized)*	15	901	5	99.4%
Stabilized Comps**	4	490	14	97.1%
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	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
12	2	2	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
4	2	2	717-1005	\$550	\$864	\$.86-1.20	36.3%	\$966	\$1.08
4	3	2	934-1043	\$655	\$994	\$.95-1.06	34.1%	\$1103	\$1.00
6	3	2	934-1043	\$655	\$994	\$.95-1.06	34.1%	\$1103	\$1.00
Gross Potential Rent Monthly*				\$24,100	\$37,160		35.14%		

*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	2016	2019
Renter Households	%	11,026 40.4%	11,721 40.4%
Income-Qualified Renter HHs (LIHTC)	%	3,519 31.9%	3,497 29.8%
Income-Qualified Renter HHs (MR)	%		%

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	21	(43)				(22)
Existing Households (Overburd + Substand)	446	891				1337
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	107	200				307
Net Income-qualified Renter HHs	360	648				1008

CAPTURE RATES (found on page VII-D)

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	5.5%	3.1%				4.0%

ABSORPTION RATE (found on page VII-E)

Absorption Period	5.0-6.7 months
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Exhibit S-2 Rent Cal. 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 4.0%.

b) Market Advantage

The developments must have a minimal market advantage of 35%.

2017 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	\$550	\$2,200	\$864	\$3,456	
16	2 BR	\$550	\$8,800	\$864	\$13,824	
	2 BR		\$0		\$0	
4	3 BR	\$655	\$2,620	\$994	\$3,976	
16	3 BR	\$655	\$10,480	\$994	\$15,904	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	40		\$24,100		\$37,160	35.15%

- ✓ The proposed market advantage is 35.15%.

