



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

Harbor Apartments

Charleston, Charleston County, South Carolina

Prepared for:

Volunteers of America

Site Inspection: January 22, 2013

Effective Date: January 22, 2013



Formerly known as
National Council of Affordable
Housing Market Analysts



TABLE OF CONTENTS

1. EXECUTIVE SUMMARY 1

2. INTRODUCTION 2

A. Overview of Subject 2

B. Purpose 2

C. Format of Report 2

D. Client, Intended User, and Intended Use 2

E. Applicable Requirements 2

F. Scope of Work 2

G. Report Limitations 3

H. Other Pertinent Remarks 3

3. PROJECT DESCRIPTION 4

A. Project Overview 4

B. Project Type and Target Market 4

C. Building Types and Placement 4

D. Detailed Project Description 4

 1. Project Description 4

 2. Current Rents and Vacancies 5

 3. Rehabilitation Efforts 5

 4. Other Proposed Uses 7

 5. Pertinent Information on Zoning and Government Review 7

 6. Proposed Timing of Development 7

4. SITE AND NEIGHBORHOOD ANALYSIS 8

A. Site Analysis 8

 1. Site Location 8

 2. Existing Uses 8

 3. Size, Shape, and Topography 8

 4. General Description of Land Uses Surrounding the Subject Site 8

 5. Specific Identification of Land Uses Surrounding the Subject Site 8

B. Neighborhood Analysis 14

 1. General Description of Neighborhood 14

 2. Neighborhood Investment and Planning Activities 14

C. Site Visibility and Accessibility 14

 1. Visibility 14

 2. Vehicular Access 14

 3. Availability of Public Transit 14

 4. Availability of Inter Regional Transit 14

 5. Pedestrian Access 14

 6. Accessibility Improvements under Construction and Planned 15

 7. Crime Index 15

D. Residential Support Network 16

 1. Key Facilities and Services near the Subject Site 16

 2. Essential Services 17

 3. Commercial Goods and Services 17

 4. Recreational Amenities 17

5. ECONOMIC CONTEXT 19



A.	Introduction	19
B.	Labor Force, Resident Employment, and Unemployment	19
1.	Trends in County Labor Force and Resident Employment.....	19
2.	Trends in County Unemployment Rate.....	19
C.	Commutation Patterns	19
D.	County At-Place Employment	21
1.	Trends in Total At-Place Employment.....	21
2.	At-Place Employment by Industry Sector	21
3.	Major Employers.....	21
E.	Employment Expansions	26
F.	Wage Data	27
6.	HOUSING MARKET AREA	29
A.	Introduction	29
B.	Delineation of Market Area	29
7.	DEMOGRAPHIC ANALYSIS	31
A.	Introduction and Methodology	31
B.	Trends in Population and Households	31
1.	Recent Past Trends	31
2.	Projected Trends.....	31
3.	Senior Household Trends.....	31
4.	Building Permit Trends.....	34
C.	Demographic Characteristics	34
1.	Age Distribution and Household Type	34
2.	Renter Household Characteristics.....	34
3.	Income Characteristics.....	41
8.	COMPETITIVE HOUSING ANALYSIS	45
A.	Introduction and Sources of Information	45
B.	Overview of Market Area Housing Stock	45
C.	Surveyed Rental Market	49
1.	Introduction to the Rental Housing Survey.....	49
2.	Vacancy Rates, General Occupancy and Senior Communities.....	49
D.	Analysis of Rental Pricing and Product	52
1.	Payment of Utility Costs.....	52
2.	Unit Features	52
3.	Parking	52
4.	Community Amenities	52
5.	Effective Rents	53
E.	Housing Authority Data/Subsidized Community List	56
F.	Potential Competition from For-Sale Housing	56
G.	Proposed and Under Construction Rental Communities	58
H.	Estimate of Market Rent	58
9.	FINDINGS AND CONCLUSIONS	62
A.	Key Findings	62
1.	Site and Neighborhood Analysis	62
2.	Economic Context	62
3.	Demographic Analysis.....	63
4.	Competitive Housing Analysis.....	63



B.	Affordability Analysis	64
1.	Methodology.....	64
2.	Affordability Analysis	66
C.	Demand Estimates and Capture Rates	68
1.	Methodology.....	68
2.	Demand Analysis.....	68
D.	Product Evaluation	71
E.	Price Position	72
F.	Absorption Estimate	73
G.	Impact on Existing Market	74
H.	Final Conclusion and Recommendation	74
	APPENDIX 1 UNDERLYING ASSUMPTIONS & LIMITING CONDITIONS	75
	APPENDIX 2 SC ANALYST CERTIFICATION	77
	APPENDIX 3 RESUMES	78
	APPENDIX 4 NCHMA CHECKLIST	80
	APPENDIX 5 COMMUNITY PHOTOS AND PROFILES	82



TABLES, FIGURES, AND MAPS

Table 1 Harbor Apartments Project Summary	7
Table 2 Key Facilities and Services	16
Table 3 Labor Force and Unemployment Rates	20
Table 4 Commutation Data, Harbor Market Area	20
Table 5 Major Employers, Charleston Area	24
Table 6 Recent Expansions and Reductions, Charleston Area Employers	26
Table 7 Wage Data, Charleston County	27
Table 8 Population and Household Projections	32
Table 9 Senior Household Trends	33
Table 10 Building Permits by Structure Type	35
Table 11 2012 Age Distribution	36
Table 12 2010 Households by Household Type	37
Table 13 Households by Tenure	38
Table 14 Senior Households by Tenure	39
Table 15 2012 Households by Tenure and Age of Householder	39
Table 16 2010 Renter Households by Household Size	40
Table 17 2012 Household Income	42
Table 18 2012 & 2015 Senior Household Income	43
Table 19 2012 Senior Household Income by Tenure	44
Table 20 Renter Occupied Units by Structure	46
Table 21 Dwelling Units by Year Built and Tenure	47
Table 22 Value of Owner Occupied Housing Stock	48
Table 23 Rental Communities Summary - Senior Communities	50
Table 24 Rental Communities Summary - General Occupancy Communities	50
Table 25 Vacancy by Floor Plan, Surveyed Communities	51
Table 26 Historical LIHTC Occupancy	51
Table 27 Overall LIHTC Occupancy	51
Table 28 Utility Arrangement and Unit Features - General Occupancy Rental Communities	52
Table 29 Community Amenities - General Occupancy Rental Communities	53
Table 30 Salient Characteristics – General Occupancy Rental Communities	54
Table 31 Subsidized Rental Communities, Harbor Market Area	56
Table 32 Adjusted Rent Comparison, One Bedroom Units	59
Table 33 Adjusted Rent Comparison, Two Bedroom Units	60
Table 34 Market Rent and Rent Advantage Summary	61
Table 35 Estimate of Market Rent Adjustments	61
Table 36 2015 Total and Renter Income Distribution, HH Age 55+.	65
Table 37 Affordability Analysis, HH Age 55+	67
Table 38 Cost Burdened and Substandard Calculation, Harbor Market Area	69
Table 39 Senior Homeownership to Rental Housing Conversion	69
Table 40 Overall Demand Estimates and Capture Rates	70
Table 41 Demand and Capture Rates by Floor Plan	70



Figure 1 Satellite Image of Site and Surrounding Land Uses	10
Figure 2 Views of the Subject Site, Exteriors	11
Figure 3 Views of the Subject Site, Interior	12
Figure 4 Views of Surrounding Land Uses	13
Figure 5 At-Place Employment, Charleston County	22
Figure 6 Total Employment and Employment Change by Sector, 2000-2012(Q2)	23
Figure 7 Employment Change by Sector, 2007-2012(Q2)	24
Figure 8 Wage by Sector, Charleston County	28
Figure 9 Price Position of Harbor Apartments, One Bedroom Units	72
Figure 10 Price Position of Harbor Apartments, Two Bedroom Units	73
Map 1 Site Location.	9
Map 2 Crime Index Map	16
Map 3 Location of Key Facilities and Services	18
Map 4 Major Employers	25
Map 5 Primary Market Area	30
Map 6 Surveyed Rental Communities	55
Map 7 Subsidized Rental Communities, Harbor Market Area	57



1. EXECUTIVE SUMMARY

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	Harbor Senior Apartments	Total # Units:	50
Location:	801 Affirmation Boulevard, Charleston SC	# LIHTC Units:	50
PMA Boundary:	North: U.S. Highway 17, East: Charleston Harbor, South: Atlantic Ocean/Folly Beach, West: Bohicket Creek		
Development Type :	Senior	Farthest Boundary Distance to Subject:	8.3 miles

RENTAL HOUSING STOCK (found on page 7, 50, 58-61)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	9	1,151	79	93.1%
Market-Rate Housing	7	1,042	79	92.4%
Assisted/Subsidized Housing not to include LIHTC	1	61	0	100.0%
LIHTC (All that are stabilized)*	1	48	0	100.0%
Stabilized Comps**	9	1,151	79	93.1%
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
12	1	1	437	\$435	\$713	\$1.63	38.95%	\$977	\$1.27
33	1	1	437	\$435	\$713	\$1.63	38.95%	\$977	\$1.27
1	2	2	683	\$515	\$806	\$1.18	36.12%	\$1,267	\$1.11
4	2	2	683	\$515	\$806	\$1.18	36.12%	\$1,267	\$1.11
Gross Potential Rent Monthly*				\$22,150	\$36,093		38.63%		

*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 32-33, 38-39, 67)						
	2000		2012		2015	
Renter Households	1,432	15.2%	2,055	15.2%	2,245	15.3%
Income-Qualified Renter HHs (LIHTC)	311	21.7%	445	21.7%	431	19.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 70)						
Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	21	33				33
Existing Households (Overburd + Substand)	108	172				172
Homeowner conversion (Seniors)	18	29				29
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	148	234				234

CAPTURE RATES (found on page 70)						
Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	8.8	15.8				21.4

ABSORPTION RATE (found on page 73-74)
 Absorption Period 2 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Potential Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
12	1 BR	\$435	\$5,220	\$713	\$8,550	
33	1 BR	\$435	\$14,355	\$713	\$23,513	
1	2 BR	\$515	\$515	\$806	\$806	
4	2 BR	\$515	\$2,060	\$806	\$3,225	
Totals	50		\$22,150		\$36,093	38.63%

2. INTRODUCTION

A. Overview of Subject

The subject of this report is the renovation of Harbor Apartments in Charleston, Charleston County, South Carolina. The subject property contains 50 units, all of which were developed under the Low Income Housing Tax Credit (LIHTC) program. The existing community will be renovated and remain affordable with the continuation of LIHTC income and rent restrictions. All units are contained with one H-Shaped building with two stories.

B. Purpose

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis.

C. Format of Report

The report format is Comprehensive. Accordingly, the market analyst has considered NCHMA Model Content and Checklist. The market study also conforms to the South Carolina State Housing Finance and Development Authority's market study guidelines.

D. Client, Intended User, and Intended Use

The Client is Volunteers of America. Along with the Client, the Intended User is The South Carolina State Housing Finance and Development Authority and the Intended Use is submittal along with an application for Low Income Housing Tax Credits.

E. Applicable Requirements

This market study is intended to conform to the requirements of the following:

- South Carolina State Housing and Finance Development Authority's market study requirements.
- National Council of Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Checklist.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Tad Scepaniak (Principal) conducted visits to the subject site, neighborhood, and market area on January 22, 2013.



- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Amy Sutherland with the City of Charleston’s Planning, Preservation, and Sustainability Department, and Lonnie Hamilton with Charleston County Planning Department.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix I of this report.

H. Other Pertinent Remarks

The demand methodology used in this analysis is based on South Carolina State Housing and Finance Development’s market study guide. The minimum age requirement for the proposed units is 55 years per this methodology.



3. PROJECT DESCRIPTION

A. Project Overview

Harbor Apartments is an existing 50 unit affordable apartment community restricted to senior households with householder age 55 and older. The community was developed under the Low Income Housing Tax Credit (LIHTC) program and built in 1996. The developer, Volunteers of America, plans to renovate the community with an additional allocation of tax credits to preserve this affordable housing asset. The basic configuration of the community including income targeting and tenant-paid rents will not be altered as a result of the proposed renovation.

B. Project Type and Target Market

Harbor Apartments will target low to moderate income senior renter households (55+). Income targeting among the units includes 13 units at 50 percent AMI and 37 units at 60 percent AMI plus one manager's unit. Although the income limits for the majority of the units at Harbor Apartments will be based on 60 percent AMI, all proposed rents will be positioned lower than the maximum allowable LIHTC rent based on 50 percent AMI. The proposed rents of \$435 for a one bedroom unit and \$515 for a two bedroom unit are equivalent to the current rents. The unit mix of one and two bedroom units is appropriate as these unit types are the most common among senior renter households. These unit types will appeal to a range of households including single-persons, couples, and roommates.

C. Building Types and Placement

Harbor Apartments consists of a single H-shaped building with two stories. The center portion of the building is secure and contains the community amenities including the management office, lobby, and central elevator. Residential units are contained in the wings of the building, which feature open breezeways, staircases, and corridors. A wide walkway leads from the parking lot to the front of the building and includes mature and attractive landscaping. The exterior of the buildings features wood siding, patios and balconies, and gables.

D. Detailed Project Description

1. Project Description

- The 50 units at Harbor Apartments include 45 one-bedroom units and 5 two-bedroom units (Table 1).
- The unit sizes are 437 square feet for one bedroom units and 683 square feet for two bedroom units. One bedroom units will contain three-quarters bathroom (shower but no tub in bathroom) and two bedroom units will contain one and three-quarters bathroom (shower but no tub in second bathroom).
- The proposed rent for one bedroom units is \$435 for both 50 percent units and 60 percent units.
- The proposed rent for two bedroom units is \$515 for both 50 percent units and 60 percent units.



- Proposed rents include the cost of water, sewer, and trash removal. Tenants bear the cost of all remaining utilities.

2. Current Rents and Vacancies

At the time of our site visit and field survey, all of the units at the subject property were leased. The current rents at Harbor Apartments are the same as those proposed post renovations. Given the stability of income targeting and the rent levels, all existing residents will remain income-eligible and qualified for the proposed units.

3. Rehabilitation Efforts

The development budget for Harbor Apartments includes \$2,085,402 for rehabilitation/construction costs. With 50 residential units, the proposed cost per unit of the renovation is \$41,708 which is substantial. A summary of the scope of work provided by the developer includes:

General

- General Conditions
- Coordination
- Demolition
- Clean Premises

Site Work

- New Mailboxes, Enclosed Dumpsters, and Seven Additional Parking Spaces
- New Exercise Room, Laundry Facility, Community Building with Computer Systems, Picnic Areas with grills, and Gazebo
- Asphalt Repairs and Striping and Repair and Build New Sidewalks
- New Fencing, Landscaping, and Signage
- New Video Security

Buildings

- General Building Improvements
- Repaint existing wood patio and balcony railings
- Provide metal security fence at ends of corridors
- Repair or Replace Kitchen Cabinets, Vanities, Trim & Sheathing, Door Hardware, Siding and Shutters, Roofing, Windows, Wallboard and all Doors
- Repair or Replace Bath Fixtures
- Upgrade Insulation
- New Vinyl Flooring and Carpet
- Painting Exterior and Interior

Furnishings

- New Range/Oven, Bathroom Accessories, Refrigerator, Microwave, Blinds, Ceiling Fan, and Dishwasher
- Provide Fire Extinguishers
- New Grab Bars in the Bathroom

Plumbing, Mechanical, Electrical

- Replace Water Heaters
- Repair or Replace Plumbing
- Repair or Replace Electrical Systems



- New HVAC Systems
- Update Emergency Call Systems

This renovation will not only preserve one of the few affordable housing resources for seniors in the market area, it will improve the overall appeal of the community. In addition to addressing areas in need of repair/replacement, the scope of work includes a large number of additions to both community amenities and individual unit features.

The following **unit features** are planned:

- Kitchens with stove, refrigerator, dishwasher, microwave, disposal.
- Central Air Conditioning.
- Emergency Call Systems.
- Grab Bars.
- Ceiling Fans.
- Wall-to-wall carpeting in all living areas and vinyl flooring in the kitchen and bathrooms.
- Patios or balconies.

The following **community amenities** are planned:

- Management office.
- Central laundry area.
- Community room.
- Computer area.
- Small lobby.
- Elevator.
- Playground.
- Picnic areas with grills and gazebos



Table 1 Harbor Apartments Project Summary

Harbor Senior Apartments							
801 Affirmation Boulevard							
Charleston, South Carolina 29412							
Unit Mix/Rents							
Bed	Bath	Income Target	Size (sqft)	Quantity	Gross Rent	Utility	Net Rent
1	.75	50%	437	12	\$526	\$91	\$435
1	.75	60%	437	33	\$526	\$91	\$435
2	1.75	50%	683	1	\$626	\$111	\$515
2	1.75	60%	683	4	\$626	\$111	\$515
Project Information				Additional Information			
Number of Residential Buildings			One		Construction Start Date		2014
Building Type			Garden		Date of First Move-In		2014
Number of Stories			Two		Construction Finish Date		2014
Construction Type			Rehab.		Parking Type		Surface
Design Characteristics (exterior)			Siding, Gables, Porches		Parking Cost		\$0
Community Amenities	Community Room, Picnic Area with Grills, Playground, Laundry Facility, Computer Area, Walking Trails, and Gazebo				Kitchen Amenities		
					Dishwasher		Yes
					Disposal		Yes
					Microwave		Yes
					Range		Yes
Refrigerator		Yes					
Unit Features	Range, Refrigerator, Microwave, Dishwasher, Garbage Disposal, Patio/Balconies, Carpet, Central A/C, Grab Bars, Ceiling Fans, Window Blinds				Utilities Included		
					Water/Sewer		Owner
					Trash		Owner
					Heat		Tenant
					Heat Source		Elec
					Hot/Water		Tenant
Electricity		Tenant					
Other:							

4. Other Proposed Uses

None.

5. Pertinent Information on Zoning and Government Review

The proposed rehabilitation of Harbor Apartments complies with current zoning requirements. We are not aware of any other land use regulations that would affect the property.

6. Proposed Timing of Development

The community is projected to commence construction in 2014 with completion in 2014. The first move-in is projected for 2014.



4. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

Harbor Apartments is located on the west side of Affirmation Boulevard roughly one-quarter mile south of its intersection with Harbor View Road and has a physical address of 801 Affirmation Boulevard in Charleston, Charleston County (Map 1). The site is located in the eastern portion of James Island, which is south of Charleston's West Ashley and Downtown neighborhoods.

James Island is generally a suburban community positioned between more densely developed Charleston neighborhoods to the north and the resort area of Folly Beach to the south.

2. Existing Uses

Harbor Apartments is an existing senior apartment community (Figure 2) and (Figure 3).

3. Size, Shape, and Topography

The subject site comprises approximately 6.26 acres and is considered flat. The shape of the site is roughly rectangular.

4. General Description of Land Uses Surrounding the Subject Site

Surrounding land uses of the subject property are generally residential as Affirmation Boulevard is a secondary residential corridor. Well maintained single-family detached homes are the most common residential use within one-half mile of the subject site, although a rental community, St. James Place, is located directly east. St. James Place is a deeply subsidized senior rental community with 61 units contained within single-story buildings.

5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows:

- **North:** A wooded lot and the Harbor View Shopping Center. A cell phone tower is located to the northeast of the site along Affirmation Boulevard south of Harbor View Road, but is not visible from the subject site.
- **East:** Single-family detached homes and St. James Place affordable senior apartments along Affirmation Boulevard and smaller side streets.
- **South:** Single-family detached homes along Cecilia Cove Drive.
- **West:** Single-family detached homes along Nabors Drive. Further west is the James Island Recreation Complex, which includes baseball fields, a public swimming pool and a gym.



Map 1
Site Location
Charleston County, SC

Figure 1 Satellite Image of Site and Surrounding Land Uses

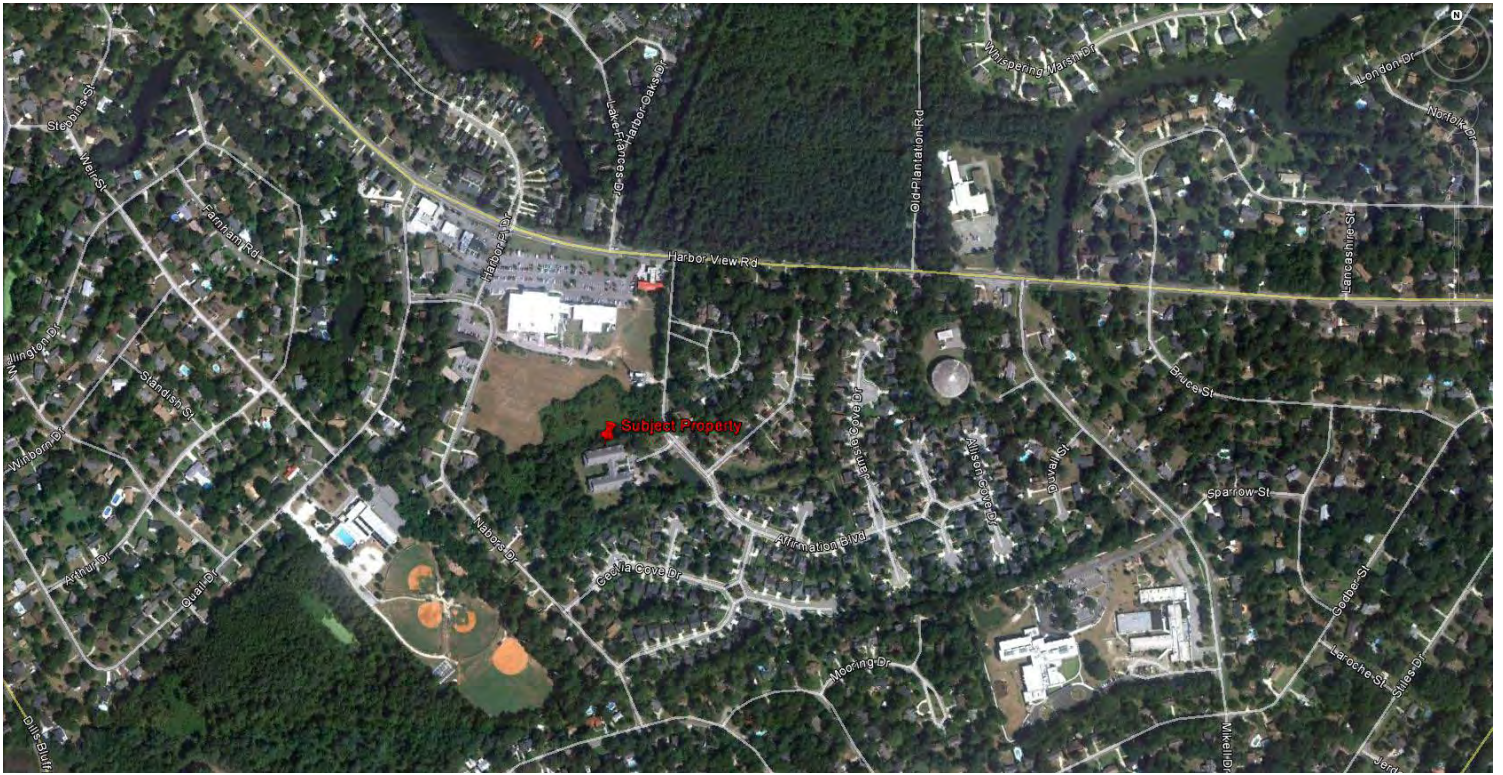


Figure 2 Views of the Subject Site, Exteriors



View of subject property from parking lot.



View of subject property from parking lot.



View of end of building wing with staircase.



View of rear courtyard.



View of patio at rear of building.



View of corridor on residential wings.

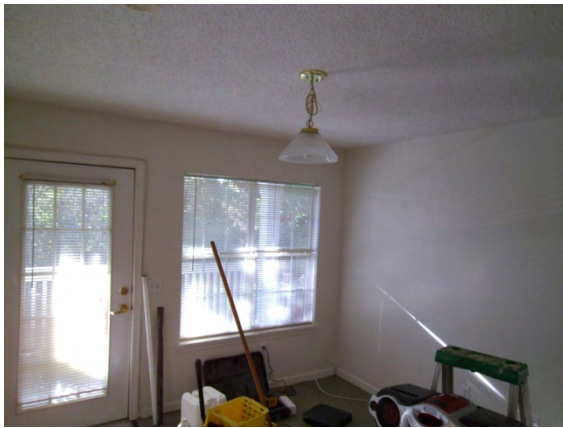
Figure 3 Views of the Subject Site, Interior



Bedroom.



Kitchen.



Living Area.



Rear patio.



Community room.



Secondary community room.

Figure 4 Views of Surrounding Land Uses



Single-family detached homes.



Piggly Wiggly in Harbor View Shopping Center.



St. James Place.



Entrance to Lawton Harbor neighborhood, south of site.



B. Neighborhood Analysis

1. General Description of Neighborhood

Harbor Apartments is located in the eastern portion of James Island, which is south of Charleston's West Ashley and Downtown neighborhoods. James Island is generally a suburban community positioned between more densely developed Charleston neighborhoods to the north and the resort area of Folly Beach to the south.

2. Neighborhood Investment and Planning Activities

Harbor Apartments is located in an established residential neighborhood. There has not been much recent development activity in the surrounding neighborhood.

C. Site Visibility and Accessibility

1. Visibility

Harbor Apartments does not have significant visibility as the property can only be seen from Affirmation Boulevard, which has minimal traffic. Given the high occupancy of the community, the lack of high visibility has not been an impediment to attracting tenants.

2. Vehicular Access

Harbor Apartments is accessible via a single entrance on Affirmation Boulevard, a secondary residential artery. Affirmation Boulevard provides access to Harbor View Road to the north and Nabors Drive and ultimately Quail Drive to the west and northwest. Accessibility problems are not anticipated for residents of Harbor Apartments.

3. Availability of Public Transit

The Charleston Area Regional Transit Authority (CARTA) offers fixed route and para-transit service throughout the Charleston Metropolitan area, including DASH service in the Historic Peninsula area of Charleston. While Bus Routes 1 and 31 serve James Island, the subject site is not within walking distance of a bus stop. The closest bus stops are located approximately one mile to the west of the subject site.

4. Availability of Inter Regional Transit

Greater Charleston is served by an extensive highway system. Interstate 26 is the primary thoroughfare traffic artery in the region, connecting the Charleston area to Columbia. Interstate 526 provides access from I-26 to West Ashley and Mount Pleasant. The region is also served by several U.S. and S.C. State Highways including Highways 52, 61, 78, and 642.

5. Pedestrian Access

The subject site and Affirmation Boulevard are served by sidewalks. Harbor Apartments is within walking distance of the Harbor View Shopping Center, which is located one-quarter mile to the north at the intersection of Harbor View Road and Affirmation Boulevard.



6. Accessibility Improvements under Construction and Planned

Roadway Improvements under Construction and Planned

RPRG reviewed information from local stakeholders to determine whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to the process. There is a plan to improve Harbor View Road which is approximately a quarter mile to the north of Harbor Apartments. The project proposes to improve Harbor View Road between North Shore Drive and Fort Johnson Road (2.1 miles) by providing a center two-way left-turn lane, adding right turn lanes at major intersections, and adding pedestrian and bicycle facilities for the length of the project. The purpose of the project is to improve traffic flow and safety on Harbor View Road and to provide adequate bicycle and pedestrian facilities. A large, but long term improvement being considered is the expansion of Interstate 526 from its terminus at Savannah Highway to Highway 30 on James Island. While this expansion has been recommended by SCDOT, it has not been formerly approved or funded.

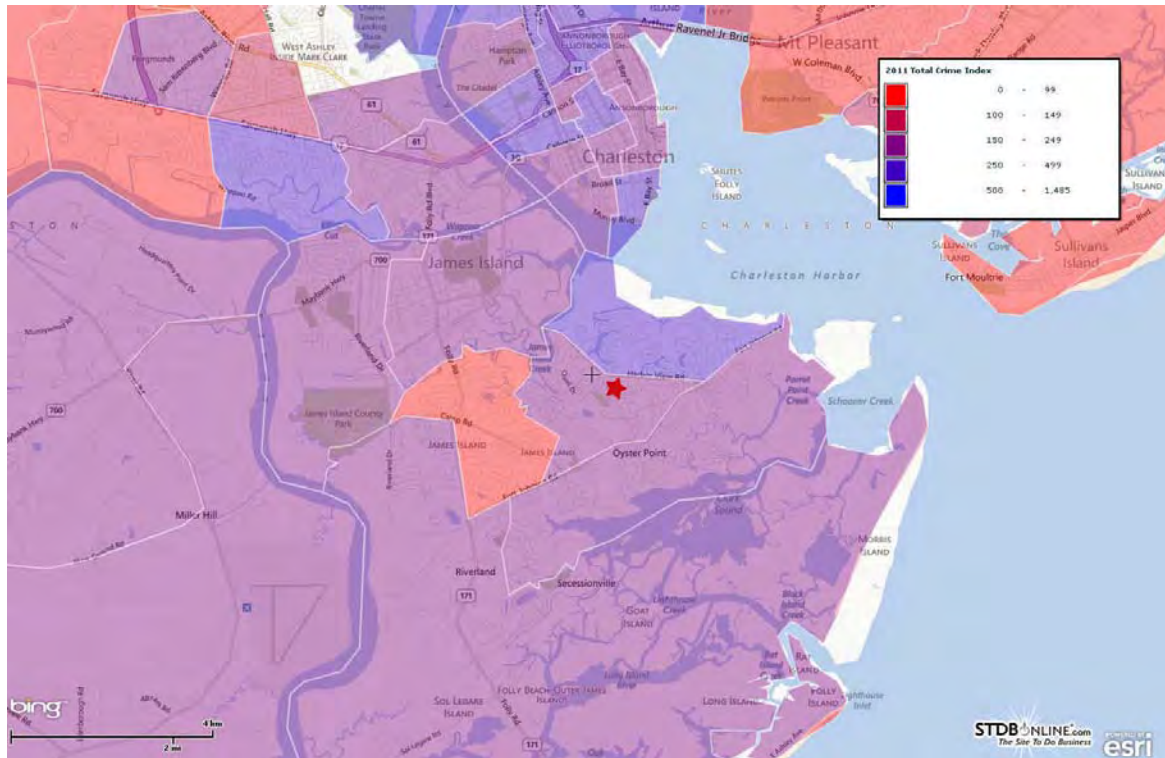
Transit and Other Improvements Under Construction and Planned

None Identified.

7. Crime Index

Map 2 displays the 2011 CrimeRisk Index for the census tracts in the general vicinity of the subject. The relative risk of crime is displayed in gradations from red (least risk) to blue (most risk). The tract containing Harbor Apartments is shaded purple, which is above the national average crime risk. Relative to the region, the subject site is located in an area of moderate crime risk. The crime index for the surrounding area is greater towards downtown Charleston to the north and comparable to the subject site for the rest of James Island and Johns Island to the south and west of the site.

Map 2 Crime Index Map



D. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part to its proximity to those facilities and services required on a daily basis. Key facilities and services and their distances from the subject site are listed in Table 2. The location of those facilities is plotted on Map 3.

Table 2 Key Facilities and Services

Establishment	Type	Address	Driving Distance
CVS	Pharmacy	983 Harbor View Rd.	0.1 mile
Exxon	Convenience Store	971 Harbor View Rd.	0.1 mile
Latabella	Restaurant	979 Harbor View Rd.	0.1 mile
Piggly Wiggly	Grocery	1005 Harbor View Rd.	0.2 mile
First Federal Savings & Loan	Bank	1011 Harbor View Rd.	0.3 mile
James Island Family Practice	Doctor/Medical	571 White Chapel Cir.	0.7 mile
James Island Library	Library	1248 Camp Rd.	2 miles
Dollar General	General Retail	1238 Camp Rd.	2 miles
James Island Fire Department	Fire	1622 Camp Rd.	3.2 miles
Wal-Mart	General Retail	1231 Folly Rd.	3.4 miles
Roper Hospital	Hospital	316 Calhoun St.	4 miles
Charleston County Sheriff's Department	Police	617 Riverland Dr.	4 miles
Lowcountry Senior Center	Senior Center	865 Riverland Dr.	4.3 miles
Charleston Police Department	Police	180 Lockwood Blvd.	4.8 miles



2. Essential Services

Health Care

Roper Hospital is located in downtown Charleston, four miles north of Harbor Apartments. Roper Hospital is the largest facility in the Roper St. Francis Healthcare System and features 368 beds. The hospital offers a wide range of services including general medicine, surgery, and 24-hour emergency care. Charleston is also served by the Medical University of Charleston and Charleston Medical Center, both of which are located near downtown within ten miles of the subject property.

In addition to major medical centers, several smaller medical clinics and independent practitioners serve James Island. The closest medical provider is James Island Family Practice located within one mile of Harbor Apartments.

Senior Centers

The Low Country Senior Center is operated by Charleston Area Senior Citizens and located within five miles of Harbor Apartments. The senior center provides regular scheduled activities and services for tri-county residents age 55 and older. In addition to the senior center, services include case management, meals on wheels, companion service, and referral resources.

3. Commercial Goods and Services

Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, fast food, health and beauty aids, household cleaning products, newspapers, and gasoline.

Harbor Apartments is within walking distance of the Harbor View Shopping Center, which is located less than one-quarter mile to the north at the intersection of Harbor View Road and Affirmation Boulevard. This shopping center is home to a Piggly Wiggly grocery store and pharmacy, a CVS Pharmacy, several restaurants, a nail salon, and a beauty salon.

Shoppers Goods

The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

The largest retailer on James Island is a Wal-Mart Supercenter located 3.4 miles west of the subject site on Folly Road. The closest regional shopping center is the Citadel Mall, located in Charleston’s West Ashley neighborhood approximately ten miles of the site to the northwest. The mall is anchored by Belk, Dillard’s, Sears, Target, and JCPenney.

4. Recreational Amenities

James Island is served by a number of recreation parks with the closest being James Island Recreation Complex, which includes baseball fields, a public swimming pool and a gym. Additional recreation parks within one mile of Harbor Apartments are Stephens Washington Park and James Island Youth Soccer Club to the south.



Map 3
Neighborhood Amenities
Charleston County, SC

5. ECONOMIC CONTEXT

A. Introduction

This section focuses on economic trends and conditions in Charleston County, South Carolina, the county in which the subject site is located. For purposes of comparison, economic trends in the State of South Carolina and the nation are also discussed.

B. Labor Force, Resident Employment, and Unemployment

1. Trends in County Labor Force and Resident Employment

The labor force in Charleston County has increased steadily from 2000 including the past several years during the national economic recession and downturn. The most recent labor force of 177,192 is the highest level reported in the county (Table 3). The employed portion of the labor force has increased by approximately 8,000 people since 2010.

2. Trends in County Unemployment Rate

Charleston County's unemployment rate has been consistently lower than that of South Carolina and comparable with national unemployment rates since 2000. The unemployment rate in Charleston County ranged from 3.2 percent to 5.5 percent between 2000 and 2008 before increasing significantly in 2009 to 9.0 percent. The unemployment rate in Charleston County increased further to 9.2 percent in 2010, compared to 11.2 percent in South Carolina and 9.6 percent in the U.S. The county's unemployment rate decreased in 2011 to 8.3 percent, compared to 10.3 percent in the state, and 8.8 in the country. Through the first three quarters of 2012, the decreasing unemployment rate has continued with an unemployment rate of 7.4 percent.

C. Commutation Patterns

According to 2007-2011 American Community Survey (ACS) data, 48.8 percent of the workers residing in the Harbor Market Area spent 10-24 minutes commuting to work (Table 4). Approximately 12 percent of the workers in the market area commuted less than ten minutes to work and 27.3 percent commuted 30 minutes or more.

The vast majority (91.8 percent) of workers residing in the Harbor Market Area worked in Charleston County and 6.1 percent worked in another South Carolina County. Only 2.2 percent worked in another state.



Table 3 Labor Force and Unemployment Rates

Annual Unemployment Rates - Not Seasonally Adjusted

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Q3
Labor Force	154,250	148,820	152,798	158,463	164,057	166,789	169,456	173,830	174,587	173,297	172,671	176,222	177,192
Employment	149,351	142,652	145,682	150,115	155,199	157,666	161,035	166,348	165,370	157,756	156,864	161,629	164,019
Unemployment	4,899	6,168	7,116	8,348	8,858	9,123	8,421	7,482	9,217	15,541	15,807	14,593	13,173
Unemployment Rate													
Charleston County	3.2%	4.1%	4.7%	5.3%	5.4%	5.5%	5.0%	4.3%	5.3%	9.0%	9.2%	8.3%	7.4%
South Carolina	3.6%	5.2%	6.0%	6.7%	6.8%	6.8%	6.4%	5.6%	6.8%	11.5%	11.2%	10.3%	9.2%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%

Source: U.S. Department of Labor, Bureau of Labor Statistics

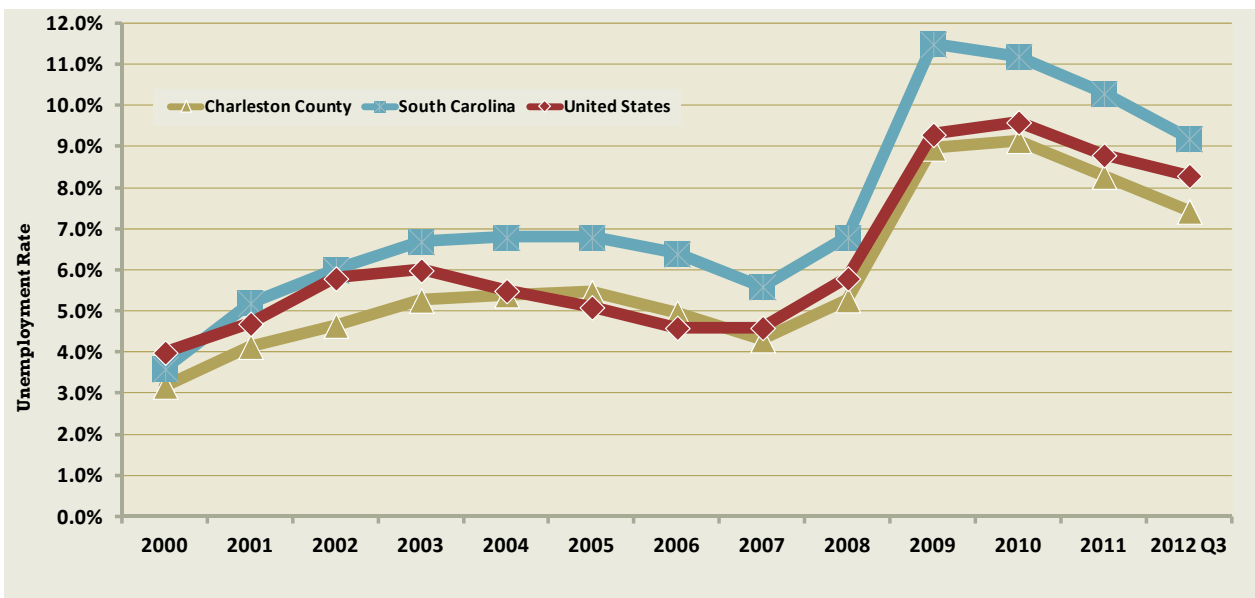


Table 4 Commutation Data, Harbor Market Area

Travel Time to Work		
Workers 16 years and over	Number	Percent
Did not work at home:	32,629	96.0%
Less than 5 minutes	964	2.8%
5 to 9 minutes	3,055	9.0%
10 to 14 minutes	4,431	13.0%
15 to 19 minutes	5,558	16.3%
20 to 24 minutes	6,586	19.4%
25 to 29 minutes	2,765	8.1%
30 to 34 minutes	4,697	13.8%
35 to 39 minutes	975	2.9%
40 to 44 minutes	881	2.6%
45 to 59 minutes	1,718	5.1%
60 to 89 minutes	509	1.5%
90 or more minutes	490	1.4%
Worked at home	1,365	4.0%
Total	33,994	

Source: American Community Survey, 2007-2011.

Place of Work		
Workers 16 years and over	Number	Percent
Worked in state of residence:	33,255	97.8%
Worked in county of residence	31,193	91.8%
Worked outside county of residence	2,062	6.1%
Worked outside state of residence	739	2.2%
Total	33,994	100.0%

Source: American Community Survey, 2007-2011.



D. County At-Place Employment

1. Trends in Total At-Place Employment

Overall, Charleston County's employment base increased steadily between 2000 and 2008 with net growth during seven of eight years. The net growth during this period was 29,652 jobs or 16.2 percent. Job growth during this period peaked in 2007 with more than 7,500 jobs added, although the national economic recession limited job growth to only 1,761 jobs in 2008. Charleston County experienced its first recent annual loss in At-Place Employment in 2009 with a net loss of 11,340 jobs or 5.3 percent of the annual average At-Place Employment in 2008, which resulted in the lowest job total since 2005 (Figure 5). Over the past ten quarters, Charleston County has added 14,346 jobs or 3,006 more jobs than the net loss in 2009 from the recession.

2. At-Place Employment by Industry Sector

Charleston County's percentages of jobs in the leisure-hospitality, professional-business, and government sectors are significantly higher than the national figures. These three sectors account for 49.9 percent of the jobs in Charleston County and 40.2 percent of the jobs in the nation (Figure 6). Conversely, Charleston County has much smaller percentages of its jobs in the education-health and manufacturing sectors. The county's largest economic sectors are government (20.3 percent) and trade-transportation-utilities (18.3 percent).

Between 2001 and the second quarter of 2012, nine of eleven employment sectors in Charleston County reported a net increase in jobs. The fastest growing sectors on a percentage basis were education health, manufacturing, and professional-business, which all grew at 2.9-4.4 percent per year. Four additional sectors grew at annual rates of 1.0 to 2.0 percent. The only two sectors to lose jobs since 2001 were natural resources-mining and construction, which combine for less than five percent of the county's total jobs. Specifically, the 4.7 percent annual job loss among natural resources-mining jobs is misleading as this sector accounts for 0.1 percent of the county's total jobs.

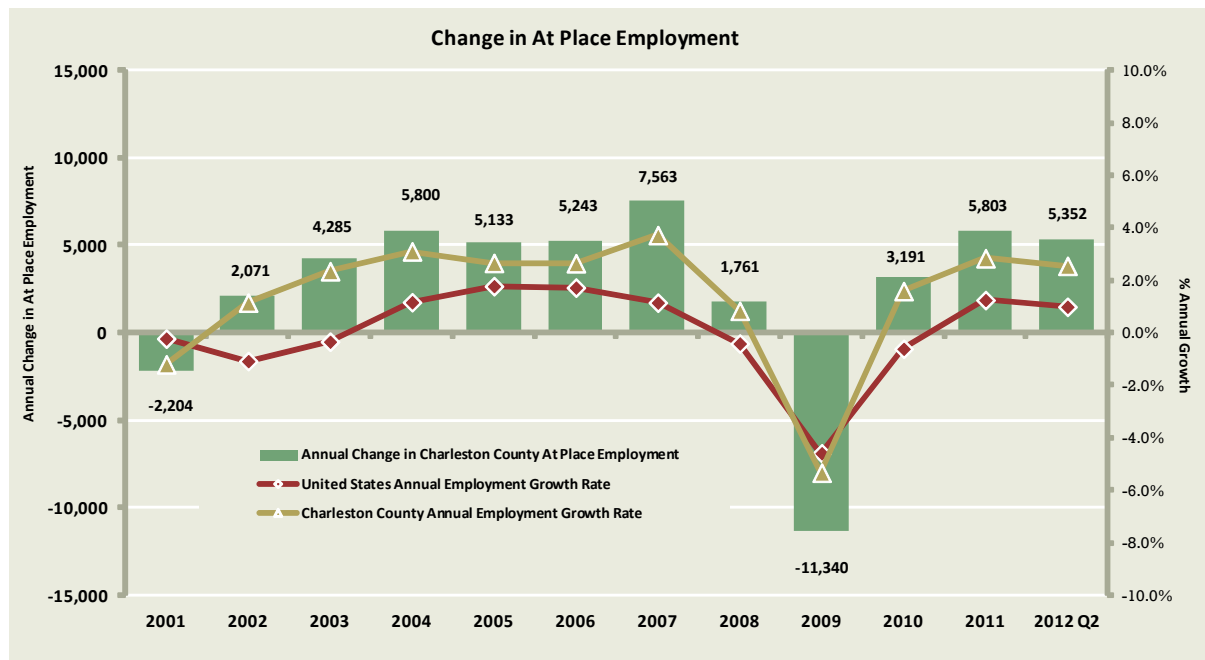
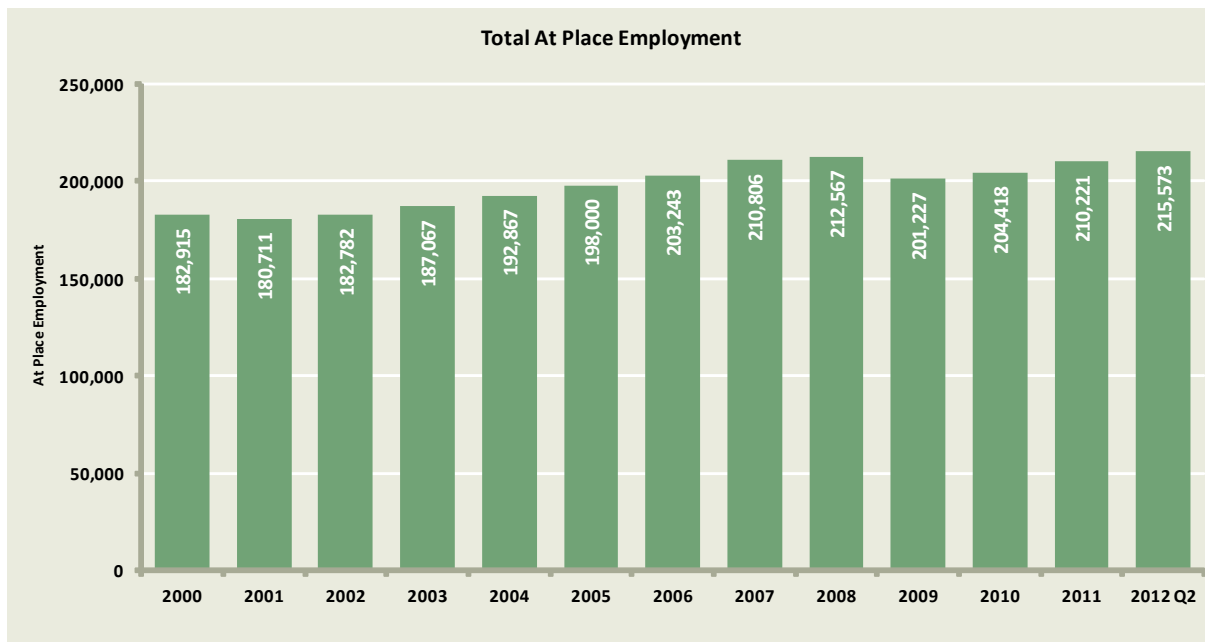
In order to gain insight on how the recent economic downturn has affected the local job base, we examined employment changes by sector from 2007 through 2012 (Q2) (Figure 7). Five of 11 economic sectors lost jobs in Charleston County since 2007, compared to six sectors nationally. The construction and natural resources-mining sectors lost 33.3 percent and 26.3 percent of the 2007 job base through 2012 (Q2), respectively. Over this four+ year period, the largest economic sector (government) grew by 8.1 percent. The second largest sector (trade-transportation-utilities) lost four percent of its jobs over this time. The 27.5 percent increase in manufacturing is in stark contrast to the 15.1 percent loss among manufacturing jobs nationally.

3. Major Employers

The 20 largest employers in Charleston County cover a range of industries per the Charleston Metro Chamber of Commerce (Table 5). The Charleston Military Base is the largest employer and its estimated employment of 22,000 is nearly twice that of the next largest employer. Boeing is relatively new to the region, but is already the county's fifth largest employer with plans to expand further. While the top 20 employers represent a variety of economic sectors, seven of the top ten employers are education or healthcare institutions. The large representation of these sectors in the major employers is common as jobs tend to be clustered in large campuses, unlike professional-business or trade-transportation-utilities.



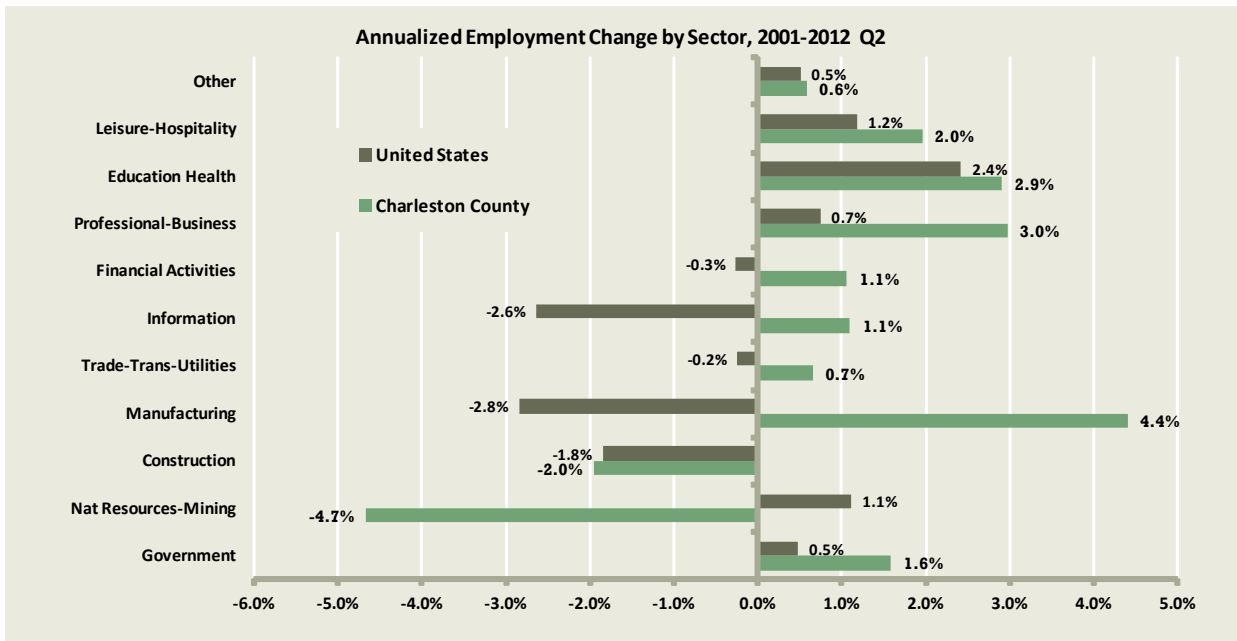
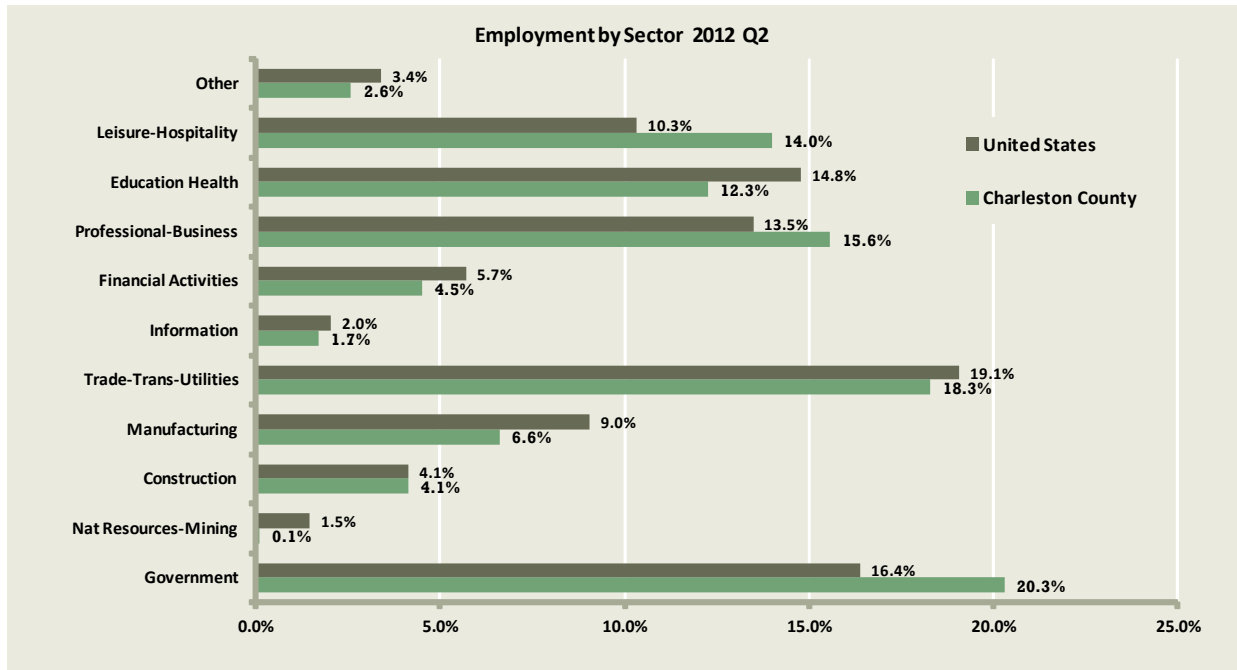
Figure 5 At-Place Employment, Charleston County



Source: US Department of Labor Bureau of Labor Statistics, Covered Employment and Wages (NAICS)



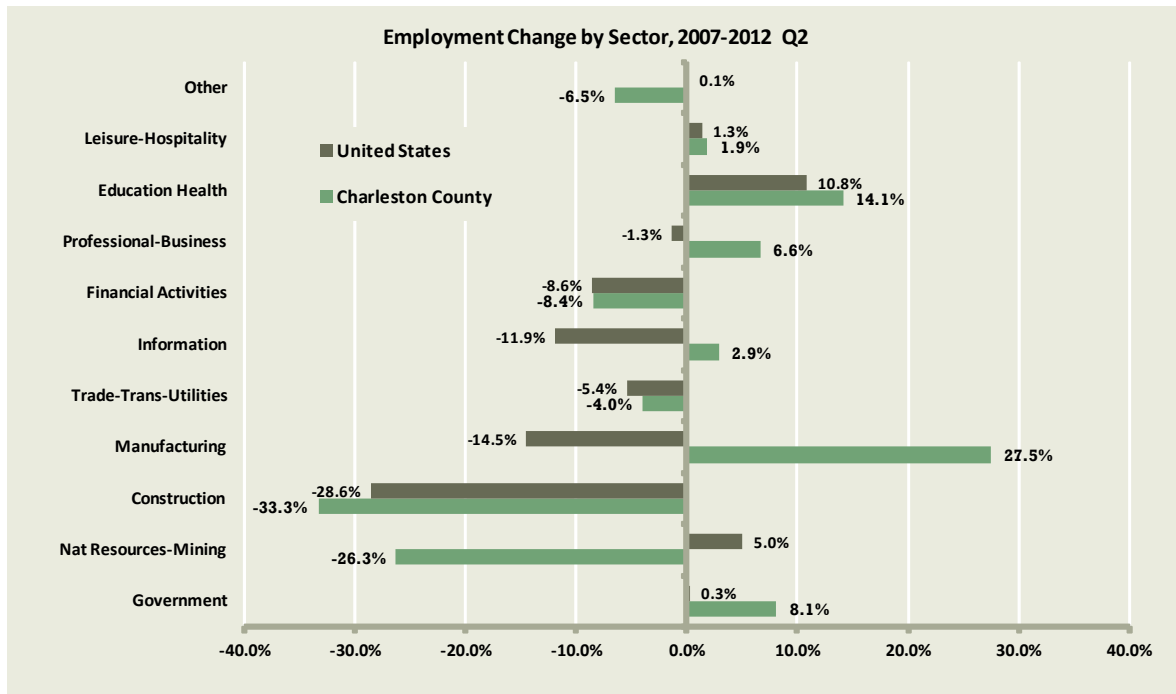
Figure 6 Total Employment and Employment Change by Sector, 2000-2012(Q2)



Source: US Department of Labor Bureau of Labor Statistics, Covered Employment and Wages (NAICS)



Figure 7 Employment Change by Sector, 2007-2012(Q2)

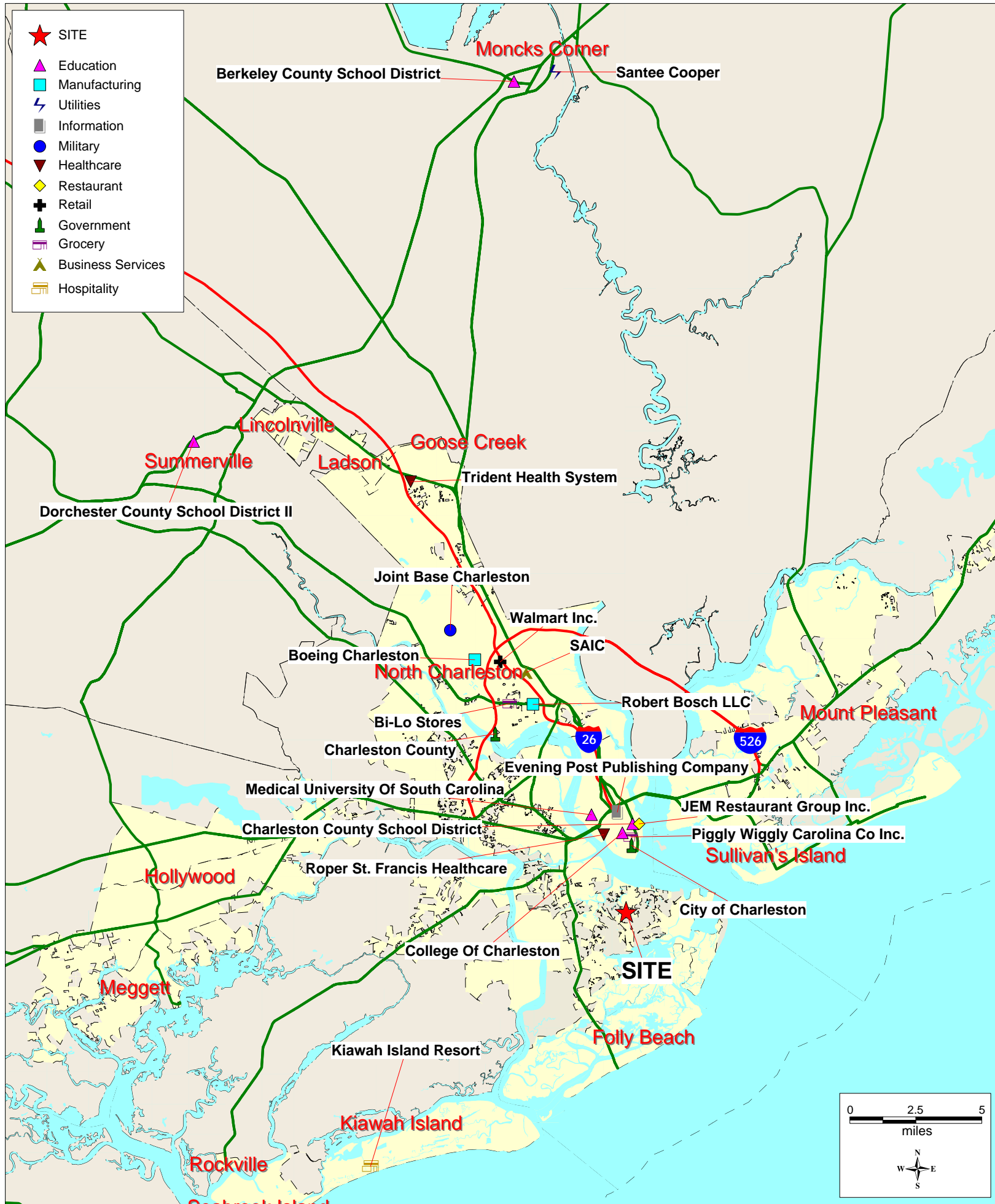


Source: US Department of Labor Bureau of Labor Statistics, Covered Employment and Wages (NAICS)

Table 5 Major Employers, Charleston Area

Rank	Name	Industry	Employment
1	Joint Base Charleston	Government	22,000
2	Medical University Of South Carolina	Education-Health	13,000
3	Charleston County School District	Government	5,300
4	Roper St. Francis Healthcare	Education-Health	5,100
5	Boeing Charleston	Manufacturing	5,000
6	Berkeley County School District	Government	3,700
7	JEM Restaurant Group Inc.	Trade-Transportation-Utilities	3,000
8	Dorchester County School District II	Government	2,900
9	Trident Health System	Education-Health	2,500
10	College Of Charleston	Education-Health	2,400
11	Walmart Inc.	Trade-Transportation-Utilities	2,300
12	Charleston County	Government	2,300
13	Robert Bosch LLC	Manufacturing	2,100
14	Piggly Wiggly Carolina Co Inc.	Trade-Transportation-Utilities	1,800
15	SAIC	Professional Business	1,800
16	City of Charleston	Government	1,600
17	Evening Post Publishing Company	Information	1,500
18	Kiawah Island Golf Resort	Tourism	1,500
19	Bi-Lo Stores	Trade-Transportation-Utilities	1,300
20	Santee Cooper	Trade-Transportation-Utilities	1,200

Source: Charleston Metro Chamber of Commerce



Map 4
Major Employers
Charleston Metro Area

E. Employment Expansions

Information provided by The Charleston Metro Chamber of Commerce shows 25 new companies and 12 expansions announced since 2011. Combined, these 37 companies will conservatively add an estimated 2,351 jobs, as some of the companies did not provide an estimate of job creation associated with the expansion (Table 6). Conversely, seven companies have announced layoffs totaling 526 employees. As these job gains and losses are for the entire Charleston Region, they do not correlate with the at-place employment for Charleston County. Total employment among the new and expanding companies is likely to occur over a several year period.

Table 6 Recent Expansions and Reductions, Charleston Area Employers

New Companies			
Announced	Company Name	New Jobs	Capital Investment (Million)
12/21/2012	SPARC	310	\$11.1
12/19/2012	Millard Refrigerated Services	87	\$45.0
11/19/2012	Advanced Inventory Solutions	35	\$0.3
8/15/2012	Morgan Olson LLC	119	\$1.0
8/14/2012	Clemson University Zucker Family Graduate Education Center		\$20.0
6/27/2012	Pyrotec, Inc.	75	\$10.0
5/10/2012	Green Cloud Technologies		
3/21/2012	Nexans	200	\$85.0
2/7/2012	Hannah Solar Government Services		
1/31/2012	Key Logistics Solutions	26	
1/23/2012	ModernTech		
12/21/2011	Sportsman Boats Manufacturing	30	\$20.0
12/8/2011	Cargo Composites	40	\$0.7
11/19/2011	Agilex Technologies, LLC		
10/26/2011	Sunoco Recycling	15	\$1.0
10/25/2011	PeopleMatter	265	\$18.8
10/10/2011	Mesco		
9/14/2011	Tightco	350	\$30.0
8/19/2011	Immedion	20	\$6.0
8/16/2011	Fantzer	6	
6/29/2011	Tire International	150	\$25.0
6/25/2011	Cooper BioAG LLC		
2/14/2011	Le Creuset of America		\$12.0
1/4/2011	Odjell Holdings	12	\$37.0
1/1/2011	Geocent	40	
Total		1,780	\$322.9

Expansions			
Announced	Company Name	New Jobs	Capital Investment (Million)
10/11/2012	McGill	15	
8/14/2012	iQor	90	
7/12/2012	Shimano American Corp.		
6/20/2012	Cummins Turbo Technologies	76	\$19.5
12/21/2011	TWL Precision	35	\$5.0
11/17/2011	Streit USA Amoring, LLC	50	\$5.8
11/16/2011	Cummins Technical Center	31	\$24.3
7/25/2011	Coastal Corrugated Inc.	26	\$1.5
4/21/2011	TAM Energy	100	
3/8/2011	Interwrap, Inc.	48	\$15.0
2/9/2011	Showa Denko Carbon	100	\$236.0
1/31/2011	New Breed Logistics		
Total		571	\$307.1

Source: Charleston Metro Chamber of Commerce

Downsizing		
Announced	Company Name	Lost Jobs
8/20/2012	Asahi Kasei Spandex America	132
2/28/2012	Force Protection, Inc.	155
9/10/2011	Roseburg Forest Products	100
7/30/2011	Georgia-Pacific Chemical Plant	8
5/30/2011	Scientific Research Corp.	25
4/30/2011	Gildan USA	6
2/25/2011	Force Protection, Inc.	100
Total		526

Source: Charleston Metro Chamber of Commerce



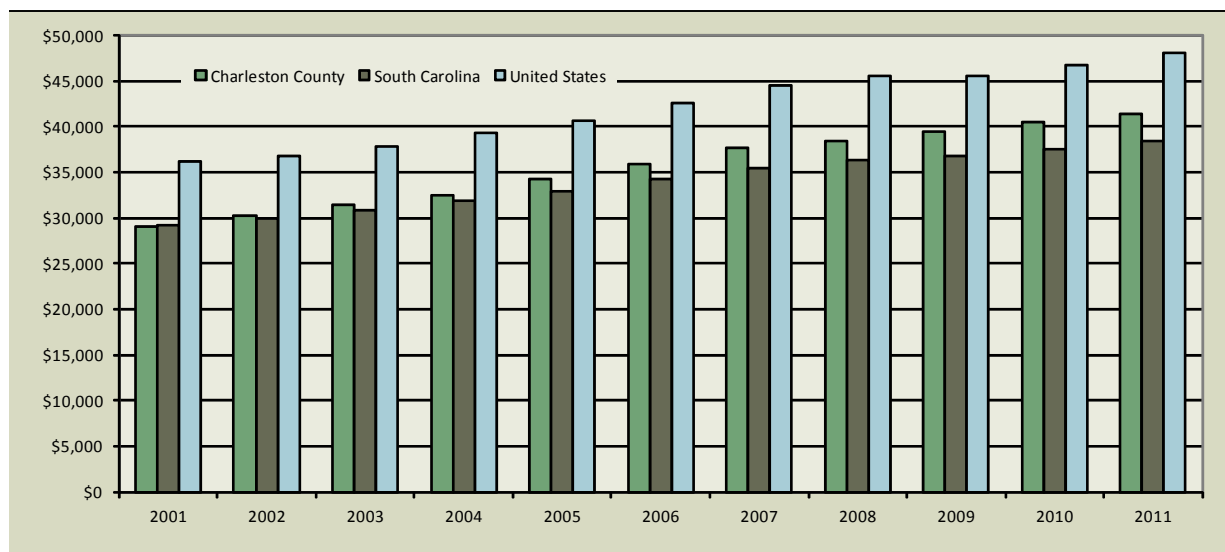
F. Wage Data

The average annual wage in 2011 for Charleston County was \$41,432, which is \$3,005 or 7.8 percent above the \$38,427 average in the state. The state’s average wage is approximately \$9,600 or 20 percent below the national average (Table 7). Charleston County’s average annual wage in 2011 represents an increase of \$12,419 or 42.8 percent since 2001.

The average wage in Charleston County is lower than the national average for most economic sectors with Education-Health and Manufacturing being the only exceptions (Figure 8), although several additional sectors are comparable with the national averages. The highest paying sectors in Charleston County are financial activities and manufacturing.

Table 7 Wage Data, Charleston County

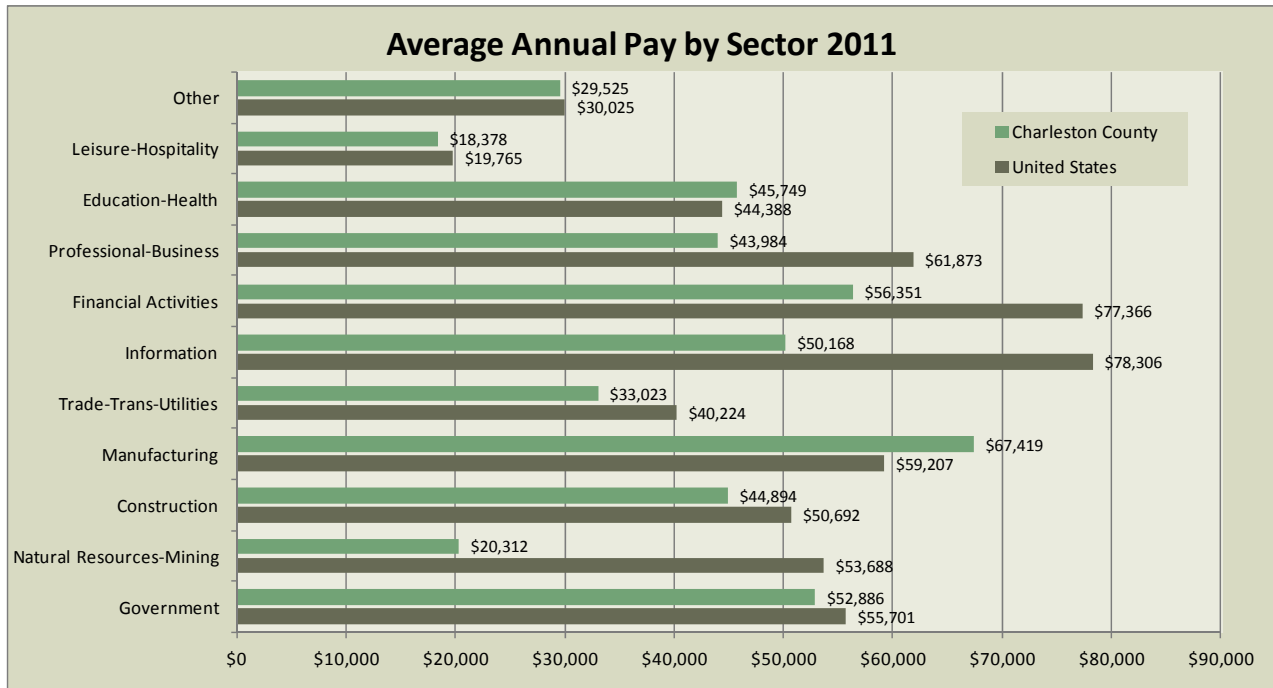
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Charleston County	\$29,013	\$30,223	\$31,429	\$32,430	\$34,307	\$35,799	\$37,692	\$38,369	\$39,375	\$40,470	\$41,432
South Carolina	\$29,255	\$30,003	\$30,750	\$31,839	\$32,927	\$34,281	\$35,393	\$36,252	\$36,759	\$37,553	\$38,427
United States	\$36,219	\$36,764	\$37,765	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,040



Source: Bureau of Labor Statistics, Covered Employment and Wages (NAICS)



Figure 8 Wage by Sector, Charleston County





6. HOUSING MARKET AREA

A. Introduction

The primary market area, referred to as the Harbor Market Area for the purposes of this report, is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Harbor Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The Harbor Market Area consists of the census tracts on James Island, Johns Island, and the southernmost portion of Charleston's West Ashley neighborhood. This is the portion of Charleston County most similar to the area immediately surrounding the subject site. This is also the area from which the majority of the demand for the subject property is expected to be drawn. Borders of the PMA and the distance from the site are:

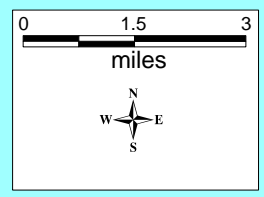
North:	U.S. Highway 17 in West Ashley	(2.7 miles)
East:	Charleston Harbor	(3.0 miles)
South:	Atlantic Ocean / Folly Beach	(6.2 miles)
West:	Bohicket Creek on Johns Island	(8.3 miles)

The Harbor Market Area contains the portions of the Charleston County that are most comparable to the subject site's surrounding area. This primary market is the area from which most residents of Harbor Apartments will originate and the area that contains the most comparable and competitive rental communities to the subject property.

The census tracts located in the primary market area are listed on the map on the following page. The Harbor Market Area will be compared to Charleston County as a whole. This secondary market area is only used for comparison purposes as demand is limited to the Harbor Market Area.



Map 5
Harbor Market Area
Charleston County, SC



7. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Harbor Market Area and Charleston County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered. Table 8 presents a series of panels that summarize these Census data, estimates, and projections.

B. Trends in Population and Households

1. Recent Past Trends

Between 2000 and 2010, the population of the Harbor Market Area increased from 56,830 to 67,116 for an increase of 10,286 people or 18.1 percent (Table 8). During the same time period, the Harbor Market Area added 5,418 households to reach a total of 29,336 households. Average annual rates of change were 1.7 percent for population and 2.1 percent for households.

The growth rates in Charleston County were slower than the Harbor Market Area. Between 2000 and 2010, Charleston County added 40,240 people and 20,983 households for growth of 13.0 percent and 17.0 percent, respectively. Annual rates of growth were 1.2 percent and 1.6 percent for population and households, respectively.

2. Projected Trends

By applying Esri's projected growth rates to the 2010 census counts, the Harbor Market Area increased by 1,554 people and 626 households between 2010 and 2012. RPRG further projects that the market area's population will increase by 2,556 people between 2012 and 2015, bringing the total population to 71,226 people in 2015. This represents an annual increase of 1.2 percent or 852 people. The number of households will increase at a faster rate, gaining 1.3 percent or 392 new households per annum and resulting in a total of 31,137 households in 2015.

Charleston County's population and households are projected to increase by 1.3 percent and 1.4 percent respectively each year between 2012 and 2015 which is comparable to the Harbor Market Area.

3. Senior Household Trends

From 2010 to 2012, the number of senior households with householders 55 and older increased by 359 households a year, of which 258 or 71.8 percent were householders 62 and older. Over the next three years, senior household growth is projected to outpace overall household growth in the Harbor Market Area on an annual percentage basis with growth of 380 households or 2.7 percent among householders 55+ and 305 households or 3.1 percent among householders 62+. Households age 65-74 are projected to account for 54.9 percent of the senior household growth over the next three years (Table 9).



Table 8 Population and Household Projections

		Charleston County				Harbor Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	309,969					56,830				
2010	350,209	40,240	13.0%	4,024	1.2%	67,116	10,286	18.1%	1,029	1.7%
2012	358,852	8,643	2.5%	4,321	1.2%	68,670	1,554	2.3%	777	1.2%
2015	372,557	13,705	3.8%	4,568	1.3%	71,226	2,556	3.7%	852	1.2%

		Charleston County				Harbor Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	123,326					23,918				
2010	144,309	20,983	17.0%	2,098	1.6%	29,336	5,418	22.7%	542	2.1%
2012	147,912	3,603	2.5%	1,801	1.2%	29,962	626	2.1%	313	1.1%
2015	154,292	6,380	4.3%	2,127	1.4%	31,137	1,175	3.9%	392	1.3%

Source: 2000 Census; 2010 Census; ESRI; and Real Property Research Group, Inc.

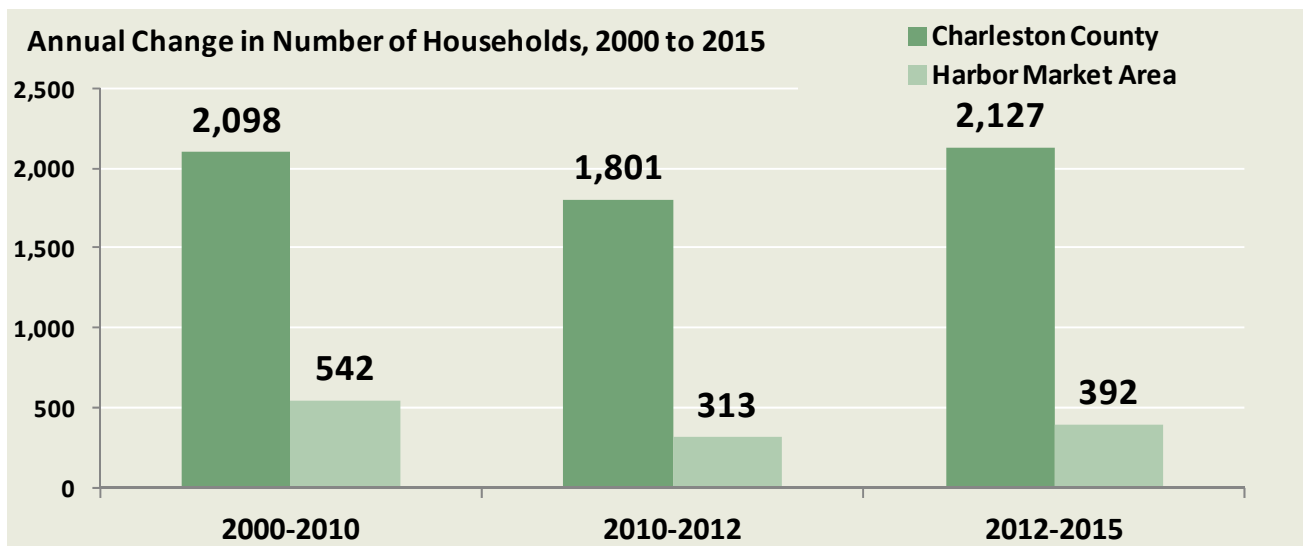
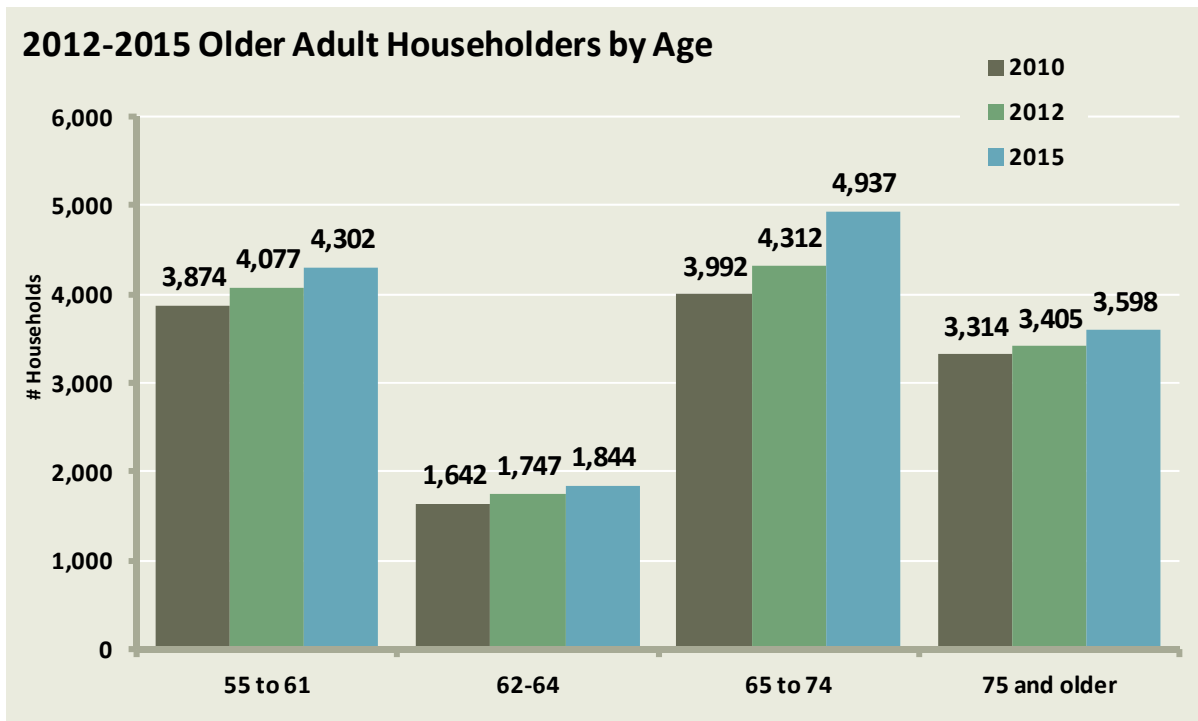




Table 9 Senior Household Trends

Harbor Market Area							Change 2012 to 2015			
							Total		Annual	
Age of Householder	2010		2012		2015		#	%	#	%
55 to 61	3,874	30.2%	4,077	30.1%	4,302	29.3%	225	5.5%	75	1.8%
62-64	1,642	12.8%	1,747	12.9%	1,844	12.6%	96	5.5%	32	1.8%
65 to 74	3,992	31.1%	4,312	31.8%	4,937	33.6%	625	14.5%	208	4.6%
75 and older	3,314	25.8%	3,405	25.1%	3,598	24.5%	193	5.7%	64	1.9%
Householders 55+	12,822	100.0%	13,540	100.0%	14,680	100.0%	1,139	8.4%	380	2.7%
Householders 62+	8,948	69.8%	9,464	69.9%	10,378	70.7%	914	9.7%	305	3.1%

Source: 2010 Census; ESRI; RPRG



4. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. Over the last 12 years, an average of 3,704 units was permitted each year in Charleston County compared to annual household growth of 2,049 over the same time period (Table 10). More than 4,500 units were permitted in 2003-2006 with a peak of 6,388 units permitted in 2005. Permit activity decreased each year from 2005 to 2009 with a low of 1,288 in 2009. Although well below historical trends, the 1,361 units permitted in 2010 and increase to 2,346 units permitted in 2011 is indicative of stabilization of building permit activity in Charleston County. Although the permit activity exceeds household growth in Charleston County over the past 12 years, it is also likely a significant portion of these units were vacation homes or replaced substandard or functionally obsolete housing.

Seventy-three percent of all residential units permitted since 2000 have been for single-family detached homes. Multi-family structures with five or more units contain 24 percent of all housing units permitted since 2000.

C. Demographic Characteristics

1. Age Distribution and Household Type

Based on Esri estimates, the population is older in the Harbor Market Area than the county with median population ages of 40 and 35, respectively (Table 11). Adults age 35-61 comprise the largest percentage of the population in both areas, at 35.6 percent in the market area and 34.2 percent in the county. Children/Youth under 20 years account for 18.7 percent of all people in the market area compared to 23.5 percent in the county. Seniors age 55+ account for 31.8 percent of the market area's population and 26.1 percent of the county's population.

Children are present in 23.3 percent of the Harbor Market Area households and 27.8 percent of Charleston County households (Table 12). Single person households comprise 28.6 percent of the Harbor Market Area households and 30.1 percent of Charleston County households.

2. Renter Household Characteristics

Just over one quarter (28.5 percent) of the householders in the Harbor Market Area were renters in 2010 compared to 39.7 percent of the households in Charleston County (Table 13). Renters accounted for a disproportionate percentage of household growth between 2000 and 2010 at 44 percent in the market area and 43.8 percent in the county. Based on Esri projections, RPRG estimates that the renter percentages have increased slightly in both the Harbor Market Area and Charleston County in 2012. The renter household percentage in the market area is projected to remain stable at 28.5 percent between 2010 and 2015. The projected renter household percentage is expected to increase to 40.1 percent in Charleston County.

The renter percentage among households with householder age 55+ is lower in both the county and the market area. The estimated 2012 renter percentages among seniors age 55+ are 15.2 percent in the Harbor Market Area and 23.2 percent in Charleston County (Table 14).

Young working age households form the core of the market area's renters, as 48.4 percent of the renter occupied households are between the ages of 25 and 44 (Table 15) and another 14 percent are age 45-54 years. Young renters (under 25) comprise 13.6 percent of all renter householders and older adults age 55+ account for 24 percent of all renters. Owner householders are decidedly older than renters in both the market area and county. Over 50 percent of the owners in both the Harbor Market Area and Charleston County are age 55+.



Approximately two-thirds of the renter households in the Harbor Market Area and Charleston County have one or two persons (Table 16). Three and four persons comprise 24.8 percent of renter households in the market area and 5.9 percent of renter households have five or more members.

Table 10 Building Permits by Structure Type

Charleston County														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2000-2011	Annual
Single Family	2,776	2,415	3,181	3,272	4,284	4,374	3,958	2,857	1,761	1,087	1,181	1,258	32,404	2,700
Two Family	128	158	28	28	14	152	58	6	14	2	16	0	604	50
3 - 4 Family	37	51	98	114	33	116	84	18	45	4	0	0	600	50
5 or more Family	1,145	528	541	1,221	513	1,746	1,247	1,092	1,358	195	164	1,088	10,838	903
Total	4,086	3,152	3,848	4,635	4,844	6,388	5,347	3,973	3,178	1,288	1,361	2,346	44,446	3,704

Source: U.S. Census Bureau, C-40 Building Permit Reports.

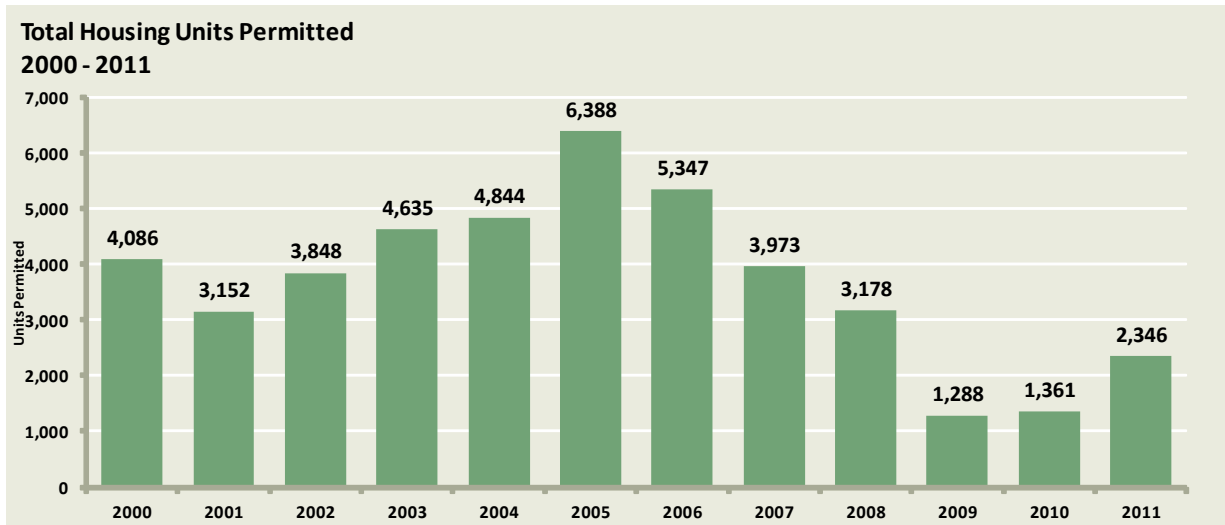




Table 11 2012 Age Distribution

	Charleston County		Harbor Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Children/Youth	84,204	23.5%	12,868	18.7%
Under 5 years	23,300	6.5%	3,674	5.4%
5-9 years	20,375	5.7%	3,231	4.7%
10-14 years	18,505	5.2%	2,912	4.2%
15-19 years	22,024	6.1%	3,051	4.4%
Young Adults	90,550	25.2%	16,554	24.1%
20-24 years	33,074	9.2%	4,798	7.0%
25-34 years	57,476	16.0%	11,756	17.1%
Adults	122,646	34.2%	24,421	35.6%
35-44 years	42,900	12.0%	7,992	11.6%
45-54 years	47,566	13.3%	9,398	13.7%
55-61 years	32,181	9.0%	7,032	10.2%
Seniors	61,452	17.1%	14,826	21.6%
62-64 years	13,792	3.8%	3,014	4.4%
65-74 years	27,293	7.6%	6,901	10.0%
75-84 years	14,105	3.9%	3,431	5.0%
85 and older	6,262	1.7%	1,481	2.2%
TOTAL	358,852	100.0%	68,670	100.0%
Median Age	35		40	

Source: ESRI; Real Property Research Group, Inc.

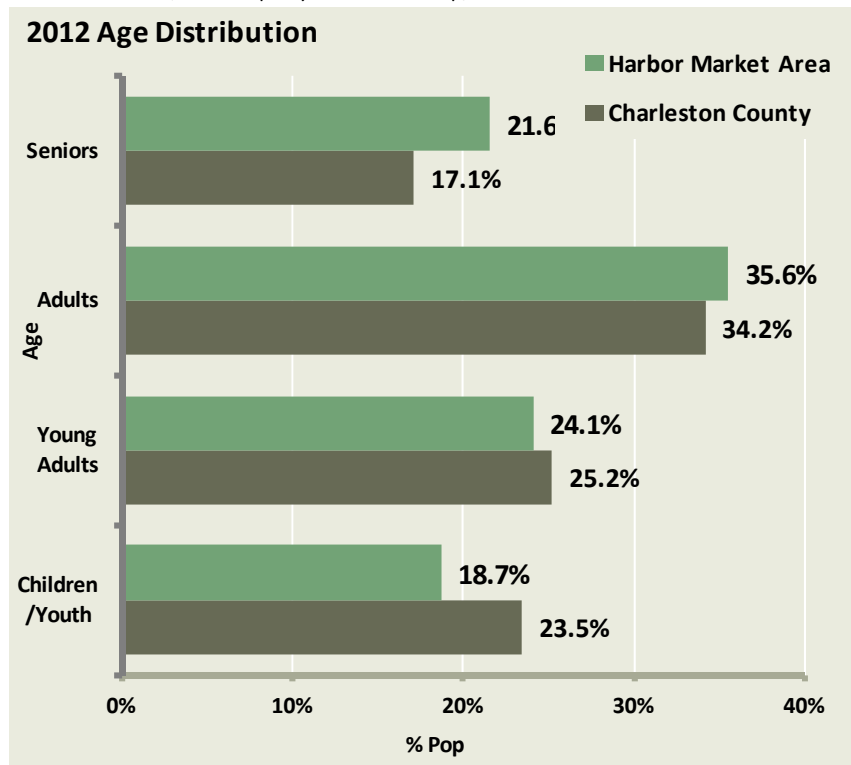




Table 12 2010 Households by Household Type

Households by Household Type	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
Married w/Children	23,231	16.1%	4,580	15.6%
Other w/ Children	16,816	11.7%	2,259	7.7%
Households w/ Children	40,047	27.8%	6,839	23.3%
Married w/o Children	35,150	24.4%	8,856	30.2%
Other Family w/o Children	10,818	7.5%	1,943	6.6%
Non-Family w/o Children	14,809	10.3%	3,321	11.3%
Households w/o Children	60,777	42.1%	14,120	48.1%
Singles Living Alone	43,485	30.1%	8,377	28.6%
Singles	43,485	30.1%	8,377	28.6%
Total	144,309	100.0%	29,336	100.0%

Source: 2010 Census; Real Property Research Group, Inc.

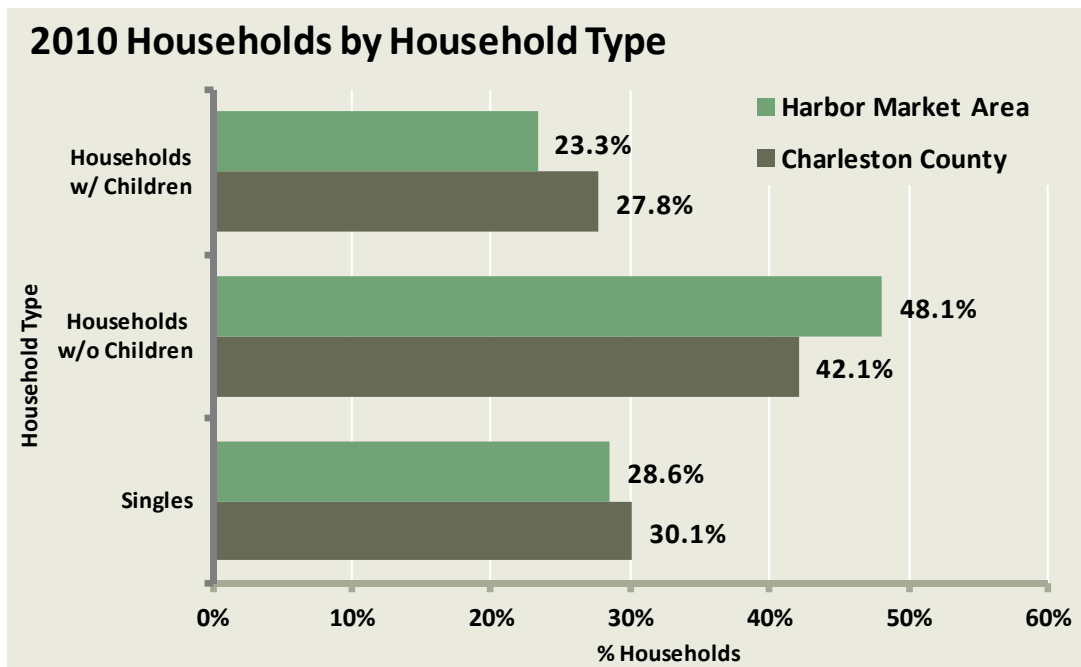




Table 13 Households by Tenure

Charleston County	2000		2010		Change 2000-2010		2012		2015	
Housing Units	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	75,267	61.0%	87,068	60.3%	11,801	56.2%	88,828	60.1%	92,449	59.9%
Renter Occupied	48,059	39.0%	57,241	39.7%	9,182	43.8%	59,084	39.9%	61,843	40.1%
Total Occupied	123,326	100.0%	144,309	100.0%	20,983	100.0%	147,912	100.0%	154,292	100.0%
Total Vacant	17,705		25,675				22,341		23,305	
TOTAL UNITS	141,031		169,984				170,253		177,597	

Harbor Market Area	2000		2010		Change 2000-2010		2012		2015	
Housing Units	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	17,943	75.0%	20,975	71.5%	3,032	56.0%	21,399	71.4%	22,263	71.5%
Renter Occupied	5,975	25.0%	8,361	28.5%	2,386	44.0%	8,563	28.6%	8,874	28.5%
Total Occupied	23,918	100.0%	29,336	100.0%	5,418	100.0%	29,962	100.0%	31,137	100.0%
Total Vacant	5,244		7,531				6,120		6,360	
TOTAL UNITS	29,162		36,867				36,083		37,497	

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG

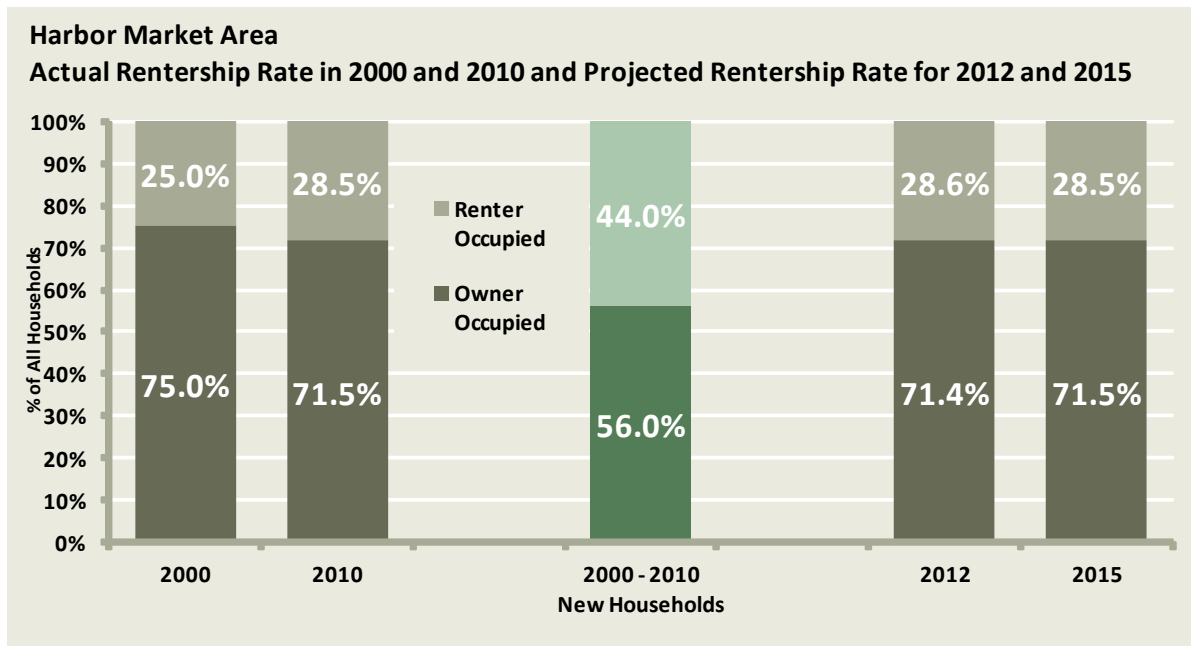


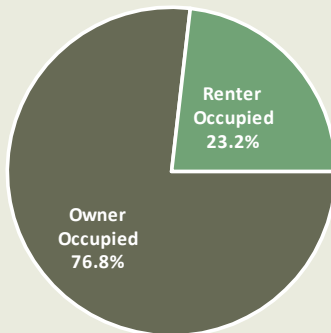


Table 14 Senior Households by Tenure

Senior Households 55+	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
2012 Households				
Owner Occupied	45,607	76.8%	11,485	84.8%
Renter Occupied	13,759	23.2%	2,055	15.2%
Total Occupied	59,366	100.0%	13,540	100.0%

Source: 2000 Census; 2010 Census; ESRI; RPRG

2012 Senior HHlds Tenure Breakdown Charleston County



2012 Senior HHlds Tenure Breakdown Harbor Market Area

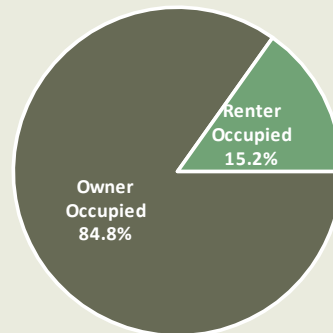


Table 15 2012 Households by Tenure and Age of Householder

Owner Households	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
Age of HHldr				
15-24 years	1,061	1.2%	276	1.3%
25-34 years	10,529	11.9%	2,723	12.7%
35-44 years	13,736	15.5%	2,945	13.8%
45-54 years	17,896	20.1%	3,971	18.6%
55-64 years	20,673	23.3%	4,896	22.9%
65-74 years	14,374	16.2%	3,810	17.8%
75+ years	10,560	11.9%	2,779	13.0%
Total	88,828	100.0%	21,399	100.0%

Renter Households	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
Age of HHldr				
15-24 years	9,445	16.0%	1,167	13.6%
25-34 years	17,726	30.0%	2,866	33.5%
35-44 years	9,308	15.8%	1,274	14.9%
45-54 years	8,846	15.0%	1,200	14.0%
55-64 years	6,913	11.7%	927	10.8%
65-74 years	3,327	5.6%	502	5.9%
75+ years	3,519	6.0%	626	7.3%
Total	59,084	100.0%	8,563	100.0%

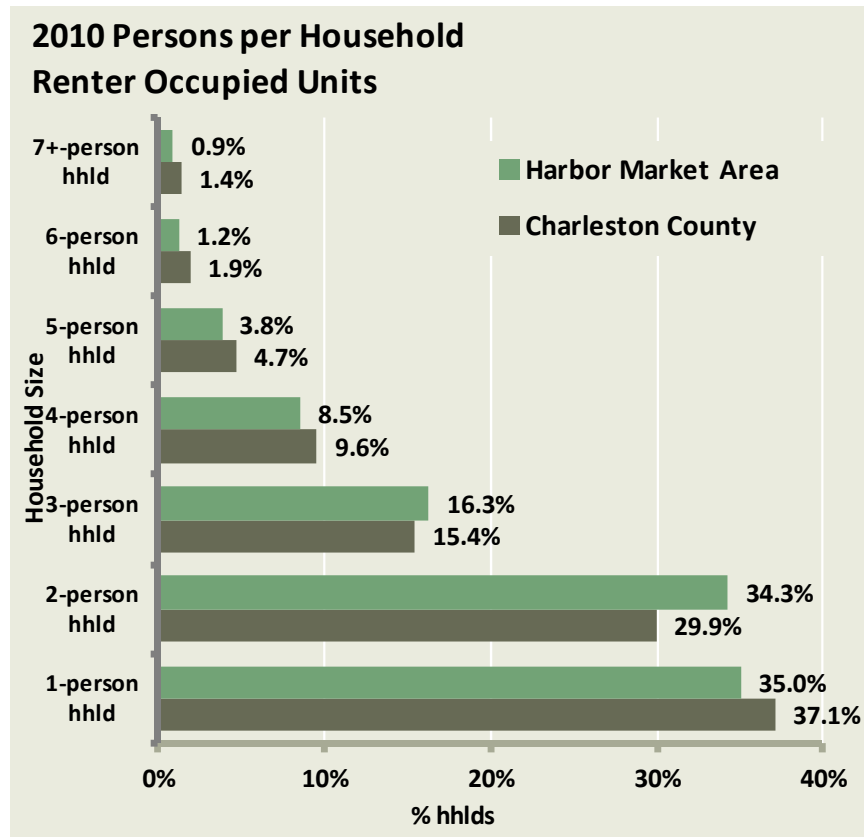
Source: ESRI, Real Property Research Group, Inc.



Table 16 2010 Renter Households by Household Size

Renter Occupied	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
1-person household	21,247	37.1%	2,928	35.0%
2-person household	17,136	29.9%	2,864	34.3%
3-person household	8,824	15.4%	1,362	16.3%
4-person household	5,469	9.6%	712	8.5%
5-person household	2,677	4.7%	317	3.8%
6-person household	1,093	1.9%	103	1.2%
7+ person household	795	1.4%	75	0.9%
TOTAL	57,241	100.0%	8,361	100.0%

Source: 2010 Census





3. Income Characteristics

Based on Esri estimates, the Harbor Market Area's 2012 median income of \$52,968 is \$6,586 or 14.2 percent higher than the \$46,382 median in Charleston County (Table 17). Just above twenty percent (21.4 percent) of the households earn less than \$25,000 in the Harbor Market Area, compared to 27.9 percent of Charleston County's households. Approximately thirty-six percent (35.7 percent) of the households in the Harbor Market Area earn \$35,000 to \$75,000.

Among senior households, the 2012 median income in the Harbor Market Area is \$48,885, which is projected to increase by \$4,820 or 9.9 percent to \$53,705 in 2015 (Table 18). In 2012, 23.8 percent of senior households (55+) earn less than \$25,000. Just over half (27.4 percent) of senior households earn \$25,000 to \$49,999 and 48.8 percent earn \$50,000 or more.

Based on the ACS data income projections, the breakdown of tenure, and household estimates, RPRG estimates that the median income of senior renters in the Harbor Market Area as of 2012 is \$32,621 (Table 19). This renter median income is 61.2 percent of the median among owner households of \$53,284. Among renter households, 22.1 percent earn less than \$15,000 and 37.9 percent earn less than \$25,000. Renters earning \$25,000 to \$49,999 account for 34.1 percent of all senior renter households in the Harbor Market Area.



Table 17 2012 Household Income

		Charleston County		Harbor Market Area	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$15,000	23,681	16.0%	3,434	11.5%
	\$15,000 - \$24,999	17,594	11.9%	2,977	9.9%
	\$25,000 - \$34,999	16,444	11.1%	3,107	10.4%
	\$35,000 - \$49,999	21,396	14.5%	4,757	15.9%
	\$50,000 - \$74,999	25,366	17.1%	5,946	19.8%
	\$75,000 - \$99,999	15,999	10.8%	3,807	12.7%
	\$100,000 - \$149,999	14,571	9.9%	3,144	10.5%
	\$150,000 - \$199,999	5,556	3.8%	1,271	4.2%
	\$200,000 over	7,305	4.9%	1,519	5.1%
Total		147,912	100.0%	29,962	100.0%
Median Income		\$46,382		\$52,968	

Source: ESRI; Real Property Research Group, Inc.

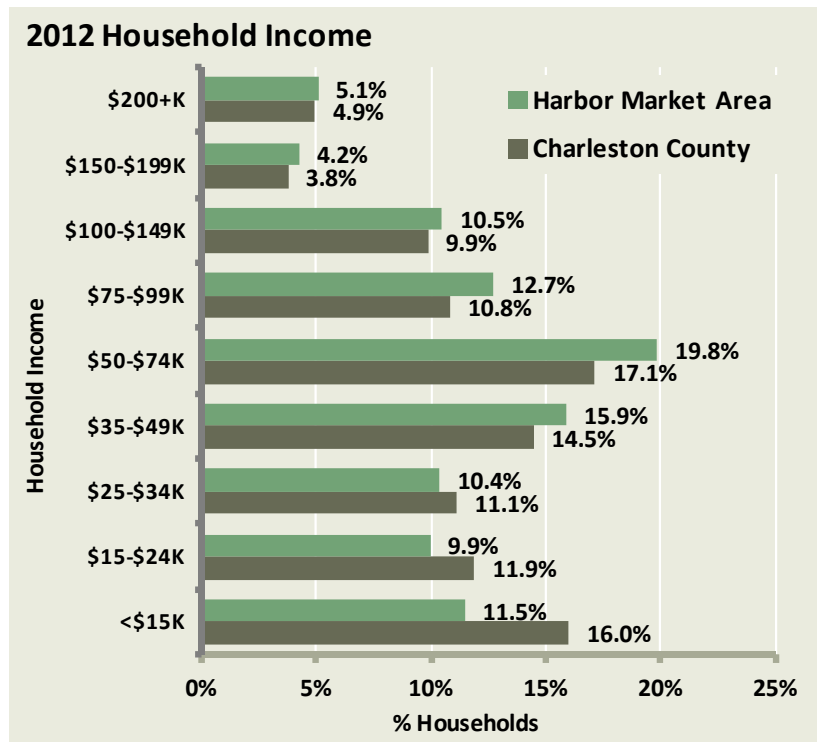




Table 18 2012 & 2015 Senior Household Income

		2012 Household Income		2015 Household Income	
		Number	Percent	Number	Percent
less than	\$15,000	1,760	13.0%	1,826	12.4%
	\$15,000	1,469	10.8%	1,349	9.2%
	\$25,000	1,476	10.9%	1,404	9.6%
	\$35,000	2,231	16.5%	2,318	15.8%
	\$50,000	2,489	18.4%	2,987	20.3%
	\$75,000	1,529	11.3%	1,853	12.6%
	\$100,000	1,288	9.5%	1,480	10.1%
	\$150,000	591	4.4%	685	4.7%
	\$200,000 over	706	5.2%	777	5.3%
Total		13,540	100.0%	14,680	100.0%
Median Income		\$48,885		\$53,705	

Source: ESRI; 2006-2010 American Community Survey; Real Property Research Group, Inc.

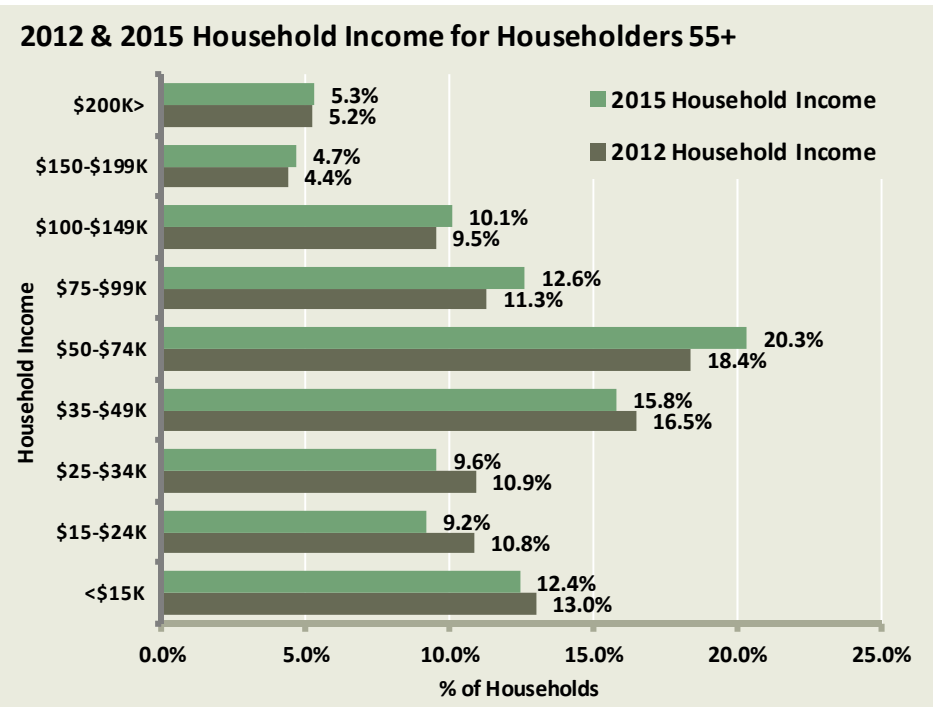
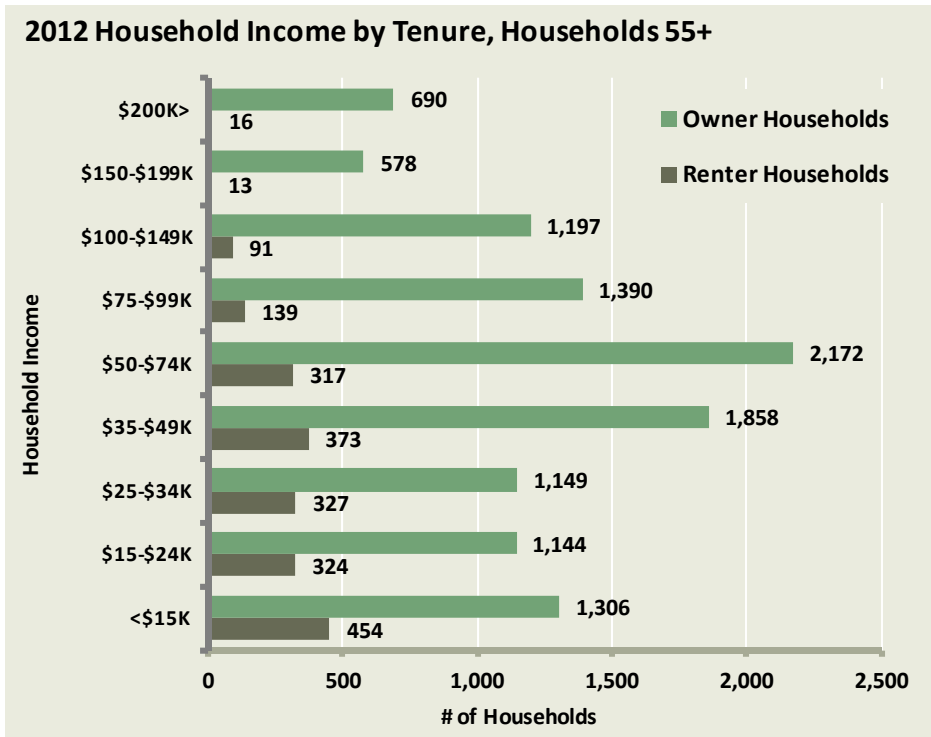




Table 19 2012 Senior Household Income by Tenure

		Renter Households		Owner Households	
		Number	Percent	Number	Percent
less than	\$15,000	454	22.1%	1,306	11.4%
	\$15,000 - \$24,999	324	15.8%	1,144	10.0%
	\$25,000 - \$34,999	327	15.9%	1,149	10.0%
	\$35,000 - \$49,999	373	18.2%	1,858	16.2%
	\$50,000 - \$74,999	317	15.4%	2,172	18.9%
	\$75,000 - \$99,999	139	6.8%	1,390	12.1%
	\$100,000 - \$149,999	91	4.5%	1,197	10.4%
	\$150,000 - \$199,999	13	0.6%	578	5.0%
	\$200,000 over	16	0.8%	690	6.0%
Total		2,055	100.0%	11,485	100.0%
Median Income		\$32,621		\$53,284	

Source: ESRI; 2007-2011 American Community Survey; Real Property Research Group, Inc.



8. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Harbor Market Area. We pursued several avenues of research in an attempt to identify residential rental projects that are actively being planned or that are currently under construction within the Harbor Market Area. Site visit observations and past RPRG work in the region also informed this process. The rental survey of competitive projects was conducted in February 2013.

B. Overview of Market Area Housing Stock

Based on the 2007-2011 ACS survey, much of the rental housing in the Harbor Market Area includes a variety of structure types (Table 20). Single-family detached homes and mobile homes account for 44.2 percent of all rentals and structures with 2-4 units contained 22.2 percent of all renter occupied units. Multi-family structures with 5+ units contain 28.4 percent of the market area's rental units. Compared to the market area, Charleston County's rental units are contained in more dense structure types. Single-family detached homes and mobile homes contain 34.1 percent of the rentals in the county, while multi-family structures with 5+ units contain 41.1 percent of the county's rentals.

The renter occupied units in the Harbor Market Area are younger than those in Charleston County with median years built of 1984 and 1979, respectively. Among owner occupied units, the market area's housing stock is slightly older with a median year built of 1980, compared to 1982 in Charleston County (Table 21). Over twenty percent (21.5 percent) of the rental units in the Harbor Market Area were built since 2000 compared to 16 percent in Charleston County.

According to ACS data, the median value among owner-occupied housing units in the Harbor Market Area was \$284,828, which is \$31,378 or 12.4 percent higher than the Charleston County median of \$253,450 (Table 22). Homes valued between \$100,000 and \$200,000 accounted for 19.7 percent in the market area and 24.9 percent in the county. Homes valued at more than \$300,000 account for 39.7 percent of homes in the county, but account for 45.7 percent of homes in the market area. ACS estimates home values based upon homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.



Table 20 Renter Occupied Units by Structure

Renter Occupied	Charleston County		Harbor Market Area	
	Number	Percent	Number	Percent
1, detached	14,574	27.6%	2,667	37.1%
1, attached	1,965	3.7%	370	5.1%
2	4,735	9.0%	447	6.2%
3-4	6,402	12.1%	1,154	16.0%
5-9	9,949	18.8%	662	9.2%
10-19	6,385	12.1%	677	9.4%
20+ units	5,364	10.2%	708	9.8%
Mobile home	3,437	6.5%	513	7.1%
Boat, RV, Van	14	0.0%	0	0.0%
TOTAL	52,825	100.0%	7,198	100.0%

Source: American Community Survey, 2007-2011.

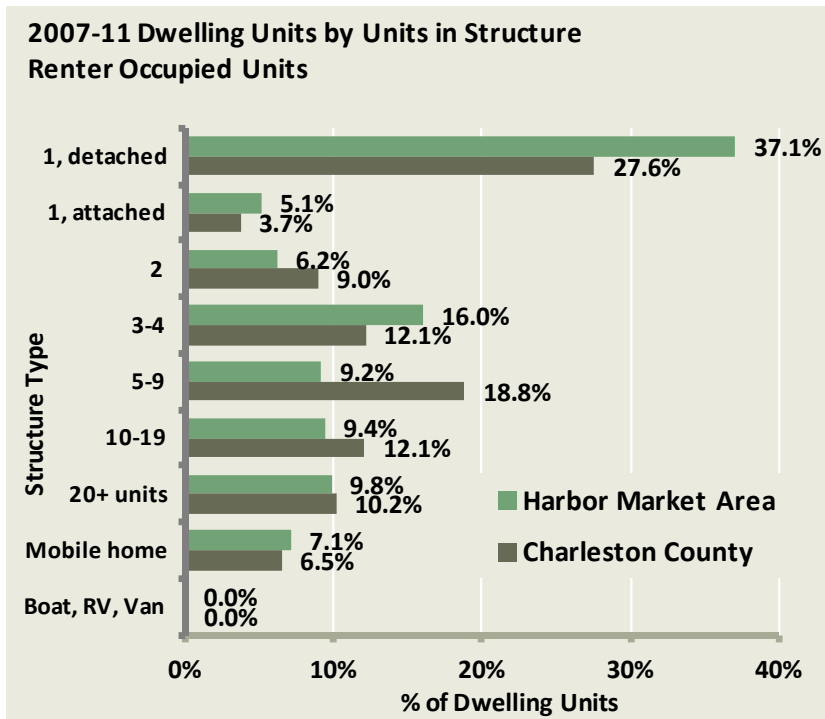


Table 21 Dwelling Units by Year Built and Tenure

Renter Occupied	Charleston County		Harbor Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
2005 or later	3,155	6.0%	622	8.6%
2000 to 2004	5,270	10.0%	928	12.9%
1990 to 1999	7,263	13.7%	1,285	17.9%
1980 to 1989	10,652	20.2%	1,296	18.0%
1970 to 1979	9,532	18.0%	1,192	16.6%
1960 to 1969	5,265	10.0%	643	8.9%
1950 to 1959	4,569	8.6%	513	7.1%
1940 to 1949	2,387	4.5%	481	6.7%
1939 or earlier	4,732	9.0%	238	3.3%
TOTAL	52,825	100.0%	7,198	100.0%
MEDIAN YEAR BUILT	1979		1984	

Source: American Community Survey, 2007-2011.

Owner Occupied	Charleston County		Harbor Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
2005 or later	5,772	6.8%	1,336	6.2%
2000 to 2004	11,442	13.5%	2,565	11.8%
1990 to 1999	15,743	18.5%	3,886	17.9%
1980 to 1989	13,200	15.5%	3,232	14.9%
1970 to 1979	11,341	13.3%	2,555	11.8%
1960 to 1969	10,546	12.4%	3,502	16.1%
1950 to 1959	8,035	9.5%	2,477	11.4%
1940 to 1949	4,283	5.0%	1,556	7.2%
1939 or earlier	4,657	5.5%	595	2.7%
TOTAL	85,019	100.0%	21,704	100.0%
MEDIAN YEAR BUILT	1982		1980	

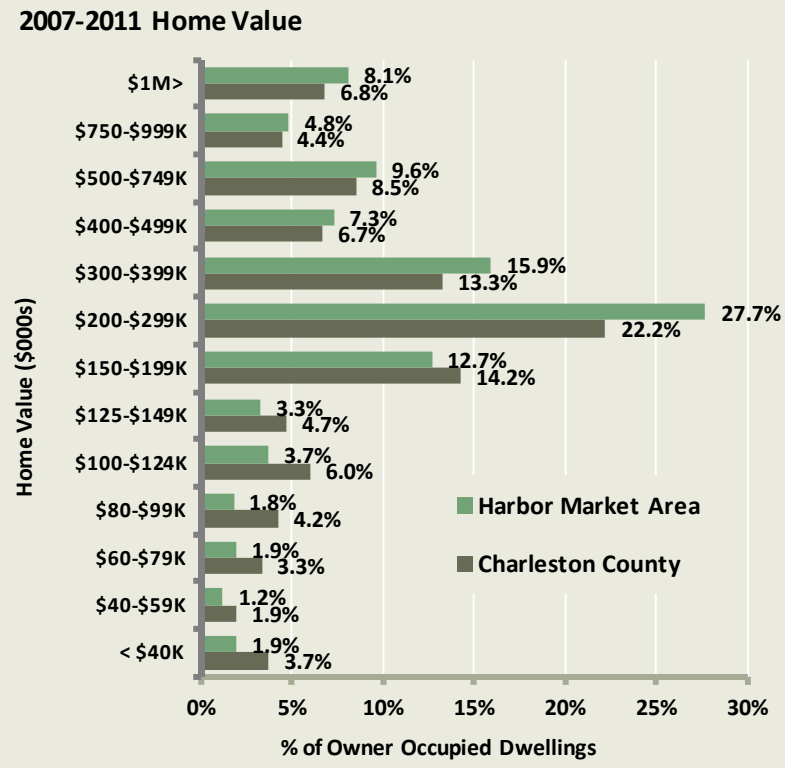
Source: American Community Survey, 2007-2011.



Table 22 Value of Owner Occupied Housing Stock

		Charleston County		Harbor Market Area	
		Number	Percent	Number	Percent
less than	\$40,000	3,122	3.7%	420	1.9%
	\$40,000 - \$59,000	1,618	1.9%	262	1.2%
	\$60,000 - \$79,999	2,787	3.3%	415	1.9%
	\$80,000 - \$99,999	3,543	4.2%	385	1.8%
	\$100,000 - \$124,999	5,021	6.0%	800	3.7%
	\$125,000 - \$149,999	3,924	4.7%	702	3.3%
	\$150,000 - \$199,999	11,923	14.2%	2,734	12.7%
	\$200,000 - \$299,999	18,617	22.2%	5,985	27.7%
	\$300,000 - \$399,999	11,104	13.3%	3,439	15.9%
	\$400,000 - \$499,999	5,583	6.7%	1,576	7.3%
	\$500,000 - \$749,999	7,134	8.5%	2,077	9.6%
	\$750,000 - \$999,999	3,701	4.4%	1,047	4.8%
	\$1,000,000 over	5,701	6.8%	1,748	8.1%
Total		83,778	100.0%	21,590	100.0%
Median Value		\$253,450		\$284,828	

Source: 2007-2011 American Community Survey



C. Surveyed Rental Market

1. Introduction to the Rental Housing Survey

To provide an overview of the rental conditions in the Harbor Market Area, RPRG surveyed one senior oriented rental community and eight general occupancy rental communities in the market area. Although not directly comparable to the subject property's senior rental units, the general occupancy communities provide an overview of market conditions. Furthermore, these communities represent rental alternatives for senior renters, especially in markets with a shortage of senior oriented rental communities. The lone senior rental community is deeply subsidized with project based Section 8 available for all units. As such, the rents at this community are not comparable with the proposed LIHTC rents at Harbor Apartments as tenants pay only a percentage of their income for housing. The eight general occupancy communities include seven market rate communities and one LIHTC community. Given the difference in target market and income restrictions associated with PBRA, the lone senior community is summarized independently of the general occupancy communities. A profile sheet of each community is attached as Appendix 5. The location of each community is shown on Map 6.

2. Vacancy Rates, General Occupancy and Senior Communities

The lone senior community on James Island is St. James Place. Built in 1988, the community comprises 61 one-bedroom units arranged in single-story plex style buildings. At the time of our survey, all units were occupied and the waiting list was seven people. The reported contract rent for the 532 square foot one bedroom unit was \$372.

Table 23). As all units have Section 8 assistance, tenants pay only a percentage of income for housing without minimum income or tenant-paid rent limits. One additional deeply subsidized community (Johns Island Rural Housing) was identified, but not surveyed give the lack of comparability.

Among the eight surveyed general occupancy rental communities in the Harbor Market Area, seven communities reported 79 of 1,090 units vacant for a rate of 7.2 percent (Table 24). Management at Sawgrass Apartments refused occupancy information when surveyed. The lone LIHTC community reported zero of 48 units vacant for an occupancy rate of one hundred percent and had a waiting list of six people. The two communities with more than 10 percent vacancy are middle of the road market rate communities with rents in between the LIHTC rents and the higher priced market rate units.

Among the seven properties reporting vacancy data, the vacancy rate by floor plan was 1.4 percent among one bedroom units, seven percent among two bedroom units, and 16.7 percent among three bedroom units (Table 25). Three bedroom units account for a disproportionate percentage of the vacancies as these units account for only 16.7 percent of all surveyed units, but 40.5 percent of all reported vacancies. Conversely, one bedroom units account for only 6.3 percent of the vacancies reported but account for 31 percent of all surveyed units. The average historical occupancy rate among the two LIHTC communities was 98.5 percent for the second and fourth quarter of 2012. The subject property reported an average of 98 percent occupancy for 2012. The historical occupancy rates of LIHTC properties in the Harbor Market



Area can be found in Table 26. The overall occupancy of both LIHTC communities surveyed was one hundred percent Table 27.

Table 23 Rental Communities Summary - Senior Communities

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1 BR Rent (1)	Waitlist
9	St. James Place**	1988	Garden	61	0	0.0%	\$372	7 people
Total				61	0	0.0%		
Average		1988		61			\$372	

Deep Subsidy Community**

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. February 2013.

Table 24 Rental Communities Summary - General Occupancy Communities

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1 BR Rent (1)	Avg 2 BR Rent (1)	Incentive
	Subject Site* 50% AMI		Garden	13			\$435	\$515	
	Subject Site* 60% AMI		Garden	37			\$435	\$515	
1	Colonial Grand at Quarterdeck	1986	Garden	230	3	1.3%	\$977	\$1,267	None
2	Riverland Woods	2000	Garden	288	20	6.9%	\$915	\$1,148	\$200 off lease
3	The Islands	2002	Garden/TH	320	29	9.1%	\$865	\$1,014	1 month free
4	James Towne Village	1979	Garden	112	16	14.3%	\$795	\$895	Reduced 2 BD units
5	The Grove at Fenwick	2005	Garden	72	11	15.3%		\$875	None
6	Sawgrass		Garden	144	N/A	N/A	\$750	\$850	None
7	Parkdale	1985	Townhouse	20	0	0.0%		\$650	None
8	Sea Island*	2004	Garden	48	0	0.0%	\$499	\$597	None
Total				1,234					
Reporting Total				1,090	79	7.2%			
Average		1994		154			\$800	\$912	
LIHTC Total				48	0	0.0%			
LIHTC Average		2004		48			\$499	\$597	

LIHTC Community*

Management refused occupancy information

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. February 2013.



Table 25 Vacancy by Floor Plan, Surveyed Communities

Property	Total Units	Units Vacant	Vacant Units by Floorplan								
			One Bedroom			Two Bedroom			Three Bedroom		
			Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate
Colonial Grand at Quarterdeck	230	3	120	0	0.0%	110	3	2.7%	-	-	-
James Towne Village	112	18	24	2	8.3%	48	10	20.8%	40	4	10.0%
Parkdale	20	0	-	-	-	20	0	0.0%	-	-	-
Riverland Woods	288	20	108	3	2.8%	108	14	13.0%	72	3	4.2%
Sawgrass	144	N/A									
Sea Island*	48	0	12	0	0.0%	24	0	0.0%	12	0	0.0%
The Grove at Fenwick Plantation	72	11	-	-	-	72	11	15.0%	-	-	-
The Islands	320	29	32	0	0.0%	220	4	1.8%	68	25	36.8%
St. James Place**	61	0	61	0	0.0%	-	-	-	-	-	-
Total/Average Reporting Breakdown	1,286	78	367	6	1.4%	802	42	7.0%	182	32	18.7%
Total/Average Percentage	1,161	100.0%	31.0%	6.3%		52.3%	53.2%		16.7%	40.6%	

Community Refused Occupancy Information

LIHTC Communities*

Deep Subsidy Senior Communities**

Source: Field Survey, Real Property Research Group, Inc. February, 2013

Table 26 Historical LIHTC Occupancy

Community	City	County	Total Units	6/30/2012		12/31/2012		Avg. Occupancy	Type
				Occupied Units	Occupancy Rate	Occupied Units	Occupancy Rate		
Sea Island	Charleston	Charleston	48	47	97.92%	48	100.00%	98.96%	Family
Family Total			48	47	97.92%	48	100.00%	98.96%	
Harbor	Charleston	Charleston	50	49	98.00%	49	98.00%	98.00%	Older
Senior Total			50	49	98.00%	49	98.00%	98.00%	
Grand Total			98	96	97.96%	97	98.98%	98.47%	

Source: SC Public Analysis 2012

Table 27 Overall LIHTC Occupancy

LIHTC Communities					
Community	City	County	Total Units	Occupied Units	Occupancy Rate
Sea Island	Charleston	Charleston	48	48	100.00%
Family Total			48	48	100.00%
Harbor	Charleston	Charleston	50	50	100.00%
Senior Total			50	50	100.00%
Grand Total			98	98	100.00%

Source: Field Survey, Real Property Research Group, Inc. February 2013.



D. Analysis of Rental Pricing and Product

1. Payment of Utility Costs

Among the surveyed general occupancy communities, four include the cost of water, sewer, and trash removal and four include only the cost of trash removal in the price of rent (Table 28). Harbor Apartments will also include water/sewer and trash removal in the monthly rent.

2. Unit Features

Four of eight surveyed communities offer kitchens equipped with stoves, refrigerators, dishwashers, and microwaves. Four of the communities include dishwashers but do not include microwaves. All communities with the exception of one include washer/dryer connections. Colonial Grand at Quarterdeck includes full size washers and dryers in each of the units. Harbor Apartments will include a dishwasher and microwave, but will not include in-unit laundry amenities. The community will however include senior oriented features of grab bars and emergency pull cords.

3. Parking

All of the surveyed communities offer free surface parking.

4. Community Amenities

The most common amenities among the surveyed general occupancy communities are community rooms, fitness rooms, swimming pools, and playgrounds as each of these amenities is offered by a minimum of four communities (Table 29). Post renovation, Harbor Apartments will feature most of these amenities with the exception of a swimming pool. Given the target market, smaller project size, and affordable rents, the lack of a swimming pool will not affect its marketability.

Table 28 Utility Arrangement and Unit Features - General Occupancy Rental Communities

Community	Heat Type	Utilities Included in Rent						Dish washer	Micro wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
Subject Site	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Surface	None
Colonial Grand at Quarterdeck	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	Full
James Towne Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	Hook Ups
Parkdale	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	Hook Ups
Riverland Woods	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Surface	Hook Ups
Sawgrass	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Surface	Hook Ups
Sea Island	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Surface	Hook Ups
The Grove at Fenwick Plantation	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.	Std.	Surface	Hook Ups
The Islands	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. February 2013.



Table 29 Community Amenities - General Occupancy Rental Communities

Community	Clubhouse	Fitness Room	Pool	Playground	Tennis Court	Business Center
Subject Site	☒	☒	☐	☒	☐	☒
Colonial Grand at Quarterdeck	☒	☒	☒	☒	☒	☐
James Towne Village	☒	☐	☒	☒	☒	☒
Parkdale	☐	☐	☐	☐	☐	☐
Riverland Woods	☒	☒	☒	☒	☒	☒
Sawgrass	☐	☐	☒	☒	☒	☐
Sea Island	☒	☐	☐	☐	☐	☐
The Grove at Fenwick Plantation	☒	☒	☒	☒	☐	☐
The Islands	☒	☒	☒	☒	☐	☒

Source: Field Survey, Real Property Research Group, Inc. February 2013.

5. Effective Rents

Unit rents presented in Table 30 are net or effective rents, as opposed to street or advertised rents. We applied downward adjustments to street rents at many communities to reflect current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where water/sewer and trash removal utility costs are included in monthly rents at all communities, with tenants responsible for other utility costs (electricity, heat, hot water, and cooking fuel).

Among all of communities, the average rents are:

- \$795 for one bedroom units. With an average unit size of 777 square feet, the average price per foot among one bedroom units is \$1.02.
- \$897 for two bedroom units. With an average unit size of 1,047 square feet, the average price per foot among two bedroom units is \$0.86
- \$1,025 for three bedroom units. With an average unit size of 1,278 square feet, the average price per foot among three bedroom units is \$0.80.
- The overall average rents include LIHTC units at 50 percent of the Area Median Income at Sea Island Apartments.

The rents at Harbor Apartments are well below the overall averages. In fact, the proposed rents are lower than all surveyed general occupancy communities. Although the unit sizes are well below average compared to general occupancy communities, the rents per square foot are well within the range of surveyed communities. As such, the proposed rents appear

reasonable and appropriate. It is important to note that the proposed rents do not represent and increase relative to those currently being charged.

Table 30 Salient Characteristics – General Occupancy Rental Communities

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	\$/SF	Units	Rent(1)	SF	\$/SF	Units	Rent(1)	SF	\$/SF
Subject Site* 50% AMI	Gar	13	12	\$435	437	\$1.00	1	\$515	683	\$0.75				
Subject Site* 60% AMI	Gar	37	33	\$435	437	\$1.00	4	\$515	683	\$0.75				
Colonial Grand at Quarterdeck	Gar	230	120	\$992	768	\$1.29	110	\$1,287	1,140	\$1.13				
Riverland Woods	Gar	288	108	\$913	857	\$1.07	108	\$1,151	1,123	\$1.03	72	\$1,308	1,341	\$0.98
The Islands	Gar/TH	320	32	\$808	790	\$1.02	220	\$949	1,144	\$0.83	68	\$1,169	1,400	\$0.84
The Grove at Fenwick Plantation	Gar	72					72	\$875	950	\$0.92				
Sawgrass	Gar	144		\$750	800	\$0.94		\$850	1,100	\$0.77		\$950	1,200	\$0.79
James Towne Village	Gar	112	24	\$810	738	\$1.10	48	\$820	938	\$0.87	40	\$1,020	1,308	\$0.78
Parkdale	TH	20					20	\$650	1,050	\$0.62				
Sea Island* 50% AMI	Gar	48	12	\$499	710	\$0.70	24	\$597	932	\$0.64	12	\$680	1,142	\$0.60
Total/Average		1,234		\$795	777	\$1.02		\$897	1,047	\$0.86		\$1,025	1,278	\$0.80
Unit Distribution		1,090	296				602				192			
% of Total		88.3%	27.2%				55.2%				17.6%			

LIHTC Community*

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. February 2013.

E. Housing Authority Data/Subsidized Community List

The Housing Authority of the City of Charleston operates 1,407 Public Housing Units and manages approximately 1,300 Section 8 Housing Choice Vouchers. The waiting list for public housing units is approximately 400 people and the waiting list for the Section 8 housing choice voucher program is approximately 1,000 people. A list of all subsidized communities in the market area is detailed in Table 31 and their location relative to the site is shown on Map 7.








Table 31 Subsidized Rental Communities, Harbor Market Area

Property	Subsidy	Type	Address
Charleston Housing Opportunities 1993	Section 8	Disabled	850 Fort Johnson Rd.
Secessionville	Section 8	Disabled	1217 Secessionville Rd.
E M B E	Section 8	Family	1815 Central Park Rd.
John's Island Rural Housing	Section 8	Senior	3624 Maybank Hwy.
St. James Place	Section 8	Senior	800 Affirmation Blvd.
Sea Island	Tax Credit	Family	3672 Maybank Hwy.
Harbor	Tax Credit	Senior	801 Affirmation Blvd.

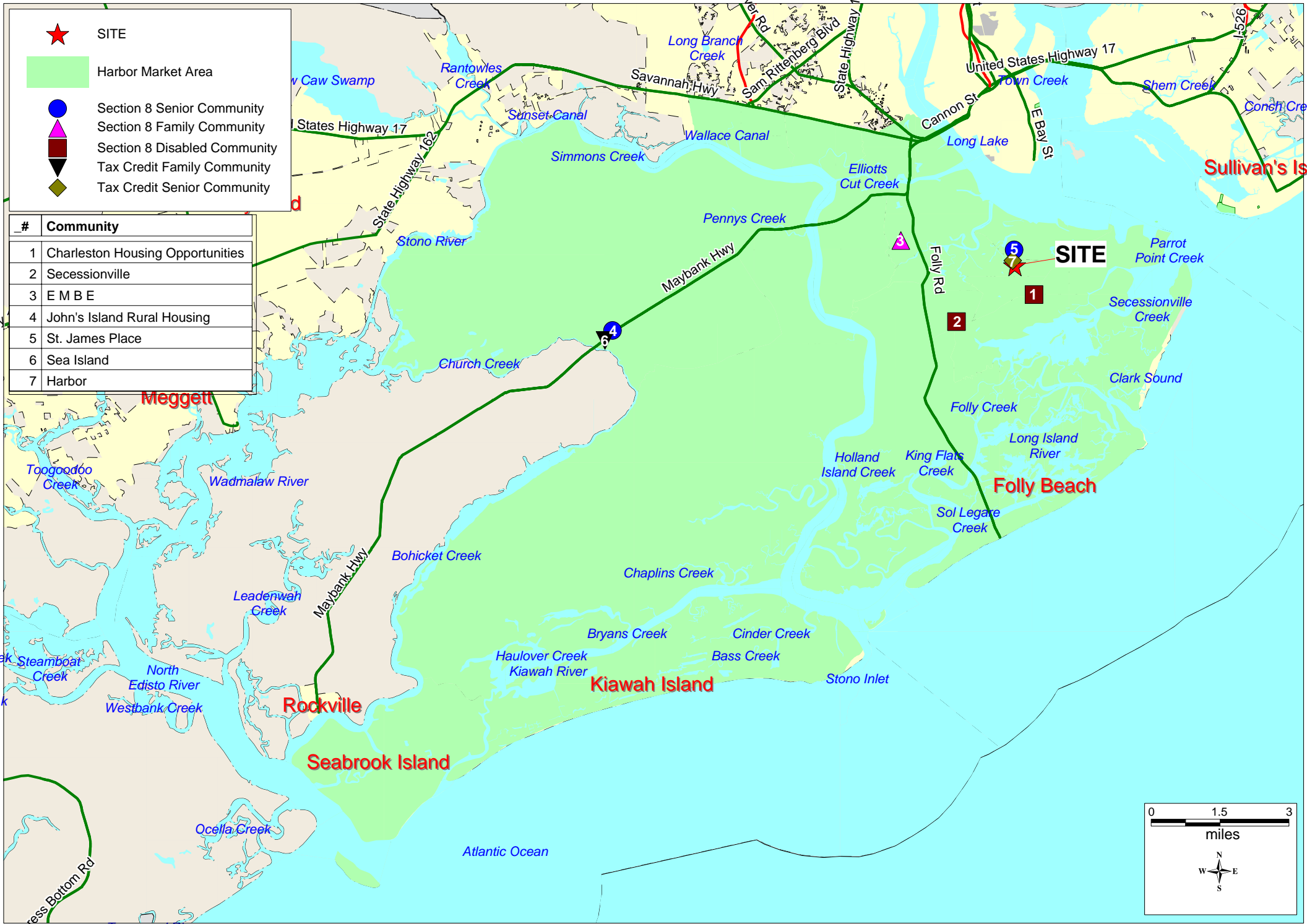
F. Potential Competition from For-Sale Housing

While single-family detached homes and mobile homes account for 44.2 percent of the rental units in the market area per the American Community Survey, these units are not directly comparable to rental units in multi-family structure. The senior target market of the subject property further reduces the compatibility with these scattered site rentals. The only rental options available among these property types are older individual rentals that do not offer the modern construction characteristics and amenities proposed for the rehabilitation of Harbor Apartments.

Given the low rent levels plus the current economic and mortgage environments, renter households are unlikely to consider a transition to homeownership over the next two years. The proposed development will not be impacted by the availability for home ownership units.

-  SITE
-  Harbor Market Area
-  Section 8 Senior Community
-  Section 8 Family Community
-  Section 8 Disabled Community
-  Tax Credit Family Community
-  Tax Credit Senior Community

#	Community
1	Charleston Housing Opportunities
2	Secessionville
3	E M B E
4	John's Island Rural Housing
5	St. James Place
6	Sea Island
7	Harbor



Map 7
Subsidized Communities
Harbor Market Area



G. Proposed and Under Construction Rental Communities

No new or proposed age restricted rental communities were identified in the Harbor Market Area. There have been no LIHTC communities approved in the market area since 2010. Based on our research and the best available information, we identified two communities in the market area considered to have average or above average chances of being developed including:

- Shade Tree will be a 248 unit general occupancy community located on Johns Island west of the subject property. At the time of our research, this community was under architectural review and had not been formally approved for construction.
- Wood Partners has received approval for a 261-unit general occupancy community in eastern West Ashley just north of James Island and just west of downtown Charleston.

As these projects will have a different target market (families) and significantly higher rents than that of Harbor Apartments, the development of these communities will not result in direct competition.

H. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. In total, three market rate communities were used in this analysis. The adjustments made in this analysis are broken down into four classifications. Given the lack of market rate senior communities, general occupancy communities are used in this analysis. These classifications and an explanation of the adjustments made follows:

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
 - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition.
 - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
 - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. A conservative adjustment of \$10 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was also \$10 per numerical variance.
 - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.



- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$30 for each amenity. An additional adjustment of \$25 was made to general occupancy communities to account for senior design and amenities.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$10 for each amenity.

According to our adjustment calculations, the estimated market rents for the units at Harbor Apartments are \$713 for one bedroom units (Table 32) and \$806 for two bedroom units (Table 33). The proposed rents are well below the estimated market rents and result in rent advantages of 36.12 to 38.95 percent. The overall/weighted average market advantage is 38.63 percent (Table 34). The maximum achievable/restricted rent for the 50 percent units is equal to the maximum LIHTC rent. For the 60 percent units, the maximum restricted rent is the lesser of the estimate of market rent or appropriate maximum LIHTC rent.

Table 32 Adjusted Rent Comparison, One Bedroom Units

One Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Harbor Apartments 801 Affirmation Boulevard Charleston, Charleston County, SC 29412	James Towne Village		Sawgrass		The Islands		
	3 Sawgrass Road		35 Cross Creek Drive		1150 Aruba Circle		
	Charleston	Charleston	Charleston	Charleston	Charleston	Charleston	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$435	\$795	\$0	\$750	\$0	\$865	\$0
Utilities Included	W,S,T	T	\$15	W,S,T	\$0	T	\$15
Rent Concessions	\$0	None	\$0	None	\$0	1 month free	(\$72)
Effective Rent	\$435	\$810		\$750		\$808	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden / 2	Garden / 2	\$0	Garden / 2	\$0	Garden / 2	\$0
Year Built / Condition	2014	1979	\$26	2000	\$11	2002	\$9
Quality/Street Appeal	Average	Average	\$0	Average	\$0	Above Average	(\$10)
Location	Average	Above Average	(\$10)	Above Average	(\$10)	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	1	\$0	1	\$0	1	\$0
Number of Bathrooms	0.75	1	(\$8)	1	(\$8)	1	(\$8)
Unit Interior Square Feet	437	738	(\$75)	800	(\$91)	790	(\$88)
Balcony / Patio / Porch	No	No	\$0	Yes	(\$5)	Yes	(\$5)
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	Yes / Yes	\$0	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Surface (\$0)	Surface (\$0)	\$0	Surface (\$0)	\$0	Surface (\$0)	\$0
Senior Design/Amenities	Yes	No	\$25	No	\$25	No	\$25
Club House	Yes	Yes	\$0	No	\$10	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	No	No	\$0	No	\$0	Yes	(\$10)
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		3	5	3	6	3	7
Sum of Adjustments B to D		\$56	(\$108)	\$46	(\$129)	\$39	(\$136)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$164		\$175		\$175	
<i>Net Total Adjustment</i>		(\$52)		(\$83)		(\$97)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$759		\$668		\$712	
% of Effective Rent		93.6%		89.0%		88.1%	
Estimated Market Rent	\$713						
Rent Advantage \$	\$278						
Rent Advantage %	38.9%						



Table 33 Adjusted Rent Comparison, Two Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Harbor Apartments 801 Affirmation Boulevard Charleston, Charleston County, SC 29412	James Towne Village 3 Sawgrass Road Charleston		Sawgrass 35 Cross Creek Drive Charleston		The Islands 1150 Aruba Circle Charleston		
	Charleston	Charleston	Charleston	Charleston	Charleston	Charleston	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$515	\$895	\$0	\$850	\$0	\$1,010	\$0
Utilities Included	W,S,T	T	\$20	W,S,T	\$0	T	\$20
Rent Concessions	\$0	Reduced	(\$95)	None	\$0	1 month free	(\$84)
Effective Rent	\$515	\$820		\$850		\$946	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden / 2	Garden / 2	\$0	Garden / 2	\$0	Garden / 2	\$0
Year Built / Condition	2014	1979	\$26	2000	\$11	2002	\$9
Quality/Street Appeal	Average	Average	\$0	Average	\$0	Above Average	(\$10)
Location	Average	Above Average	(\$10)	Above Average	(\$10)	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	1.75	1	\$23	1.5	\$8	2	(\$8)
Unit Interior Square Feet	683	938	(\$64)	1,100	(\$104)	1,074	(\$98)
Balcony / Patio / Porch	No	No	\$0	Yes	(\$5)	Yes	(\$5)
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	Yes / Yes	\$0	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Surface (\$0)	Surface (\$0)	\$0	Surface (\$0)	\$0	Surface (\$0)	\$0
Senior Design/Amenities	Yes	No	\$25	No	\$25	No	\$25
Club House	Yes	Yes	\$0	No	\$10	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	No	No	\$0	No	\$0	Yes	(\$10)
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	4	4	5	3	7
Sum of Adjustments B to D		\$79	(\$89)	\$54	(\$134)	\$39	(\$146)
F. Total Summary							
Gross Total Adjustment		\$168		\$188		\$185	
Net Total Adjustment		(\$11)		(\$81)		(\$107)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$810		\$770		\$840	
% of Effective Rent		98.7%		90.5%		88.7%	
Estimated Market Rent	\$806						
Rent Advantage \$	\$291						
Rent Advantage %	36.1%						



Table 34 Market Rent and Rent Advantage Summary

60% AMI Units	One Bedroom	Two Bedroom
Subject Rent	\$435	\$515
Estimated Market Rent	\$713	\$806
Rent Advantage (\$)	\$278	\$291
Rent Advantage (%)	38.95%	36.12%
Proposed Units	33	4
50% AMI Units	One Bedroom	Two Bedroom
Subject Rent	\$435	\$515
Estimated Market Rent	\$713	\$806
Rent Advantage (\$)	\$278	\$291
Rent Advantage (%)	38.95%	36.12%
Proposed Units	12	1
Total/Weighted Avg. Mkt. Advantage		38.63%

Table 35 Estimate of Market Rent Adjustments

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	
Year Built / Condition	\$0.75
Quality/Street Appeal	\$10.00
Location	\$10.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$25.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Parking (\$ Fee)	
Senior Design/Amenities	\$10.00
Club House	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00

9. FINDINGS AND CONCLUSIONS

A. Key Findings

Based on the preceding review of the subject project and demographic and competitive housing trends in the Harbor Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

Harbor Apartments is located in an established residential area of James Island, a suburb of Charleston. The existing community is compatible with surrounding residential and commercial land uses including single-family homes, apartments, and local businesses. As the proposed project is a rehabilitation of an existing rental community, it will not alter the land use composition of the immediate area.

- The neighborhood surrounding Harbor Apartments includes a combination of commercial and residential uses.
- The subject site is located within a mile of a variety of community amenities/services including a grocery store, pharmacy, bank, and medical care.

2. Economic Context

Charleston County has experienced significant job growth along with an expansion of its workforce over the past decade. While the county was affected by the national recession, severe job loss was limited to one year and the local economy appears stable.

- The labor force in Charleston County has steadily increased since 2000 with growth recorded in nine of twelve years between 2000 and the third quarter of 2012. The net growth in Charleston County's labor force during this period was 22,942 people or 14.9 percent.
- Charleston County's unemployment rate has historically been below the state's rate of unemployment. The county's unemployment rate ranged from 4.3 percent to 5.5 percent between 2002 and 2008. Charleston County's unemployment rate more than doubled from 4.3 percent in 2007 to 9.0 percent in 2009. The unemployment rate increased slightly in 2010 before receding to 7.4 percent in the third quarter of 2012, compared to 9.2 percent in the state and 8.3 percent in the nation.
- Total at-place employment in Charleston County increased by 31,856 jobs between 2001 and 2008 before a loss of 11,340 jobs in 2009. This single-year job loss represented 5.3 percent of the average annual at-place employment in 2008. Charleston County has added 14,346 jobs over the past ten quarters or 3,006 more jobs than the net loss in 2009 from the recession. As such, the economy appears recovered from the recent economic downturn. This level of recovery far exceeds most counties in the state and nation.
- According to information provided by the Charleston Chamber of Commerce, 25 new companies and 12 expansions have been announced since 2011. These companies will conservatively add 2,351 jobs to the local economy over the next several years.

3. Demographic Analysis

Senior household growth is projected to outpace overall household growth over the next three years. The market area's demographic composition reflects its suburban nature.

- The Harbor Market Area's population is projected to increase by 2,556 people between 2012 and 2015, bringing the total population to 71,226 people in 2015. This represents an annual increase of 1.2 percent or 852 people. The number of households will increase at a slightly faster rate, gaining 1.3 percent or 392 new households per annum and resulting in a total of 31,137 households in 2015.
- Senior household growth is projected to outpace overall household growth on a percentage basis in the Harbor Market Area with annual growth of 380 households or 2.7 percent among householders 55+ and 305 households or 3.2 percent among householders 62+. Households age 65-74 are projected to account for 54.9 percent of the household growth over the next three years.
- Based on Esri estimates, the population is older in the Harbor Market Area than the county with median population ages of 40 and 35, respectively. Adults age 35-61 comprise the largest percentages of the population in both areas, at 35.6 percent in the market area and 34.2 percent in the county. Seniors age 55+ account for 31.8 percent of the market area's population and 26.1 percent of the county's population.
- Just over one quarter (28.5 percent) of the householders in the Harbor Market Area were renters in 2010 compared to 39.7 percent of the households in Charleston County. The renter proportion of household growth in the market area was 44 percent from 2000 to 2010 compared to 43.8 percent in the county. Based on Esri projections, RPRG estimates that the renter percentages have increased slightly in both the Harbor Market Area and Charleston County in 2012. The renter household percentage is expected to decrease slightly in the Harbor Market Area as the projected renter percentage is 28.5 percent in 2015. The projected renter household percentage is expected to increase to 40.1 percent in Charleston County. The estimated 2012 renter percentages among seniors age 55+ are 15.2 percent in the Harbor Market Area and 23.2 percent in Charleston County.
- Based on Esri estimates, the Harbor Market Area's 2012 median income of \$52,968 is \$6,586 or 14.2 percent higher than the \$46,382 median in Charleston County.
- Among senior households, the 2012 median income in the Harbor Market Area is \$48,885, which is projected to increase by \$4,820 or 9.9 percent to \$53,705 in 2015.
- The median income by senior tenure in the Harbor Market Area is \$32,621 for renter households and \$53,284 for owners.

4. Competitive Housing Analysis

The lone senior oriented community in the market area was surveyed and had zero vacancies and a waitlist. The general occupancy stock is also stable with a reported occupancy just under 93 percent.

- Among the eight surveyed general occupancy rental communities in the Harbor Market Area, seven communities reported 79 of 1,090 units vacant for a rate of 7.2 percent. The

lone LIHTC community reported zero of 48 units vacant for an occupancy rate of one hundred percent and a waiting list consisting of six people.

- The average effective rents (adjusted for utilities and incentives) among the general occupancy communities are \$795, \$897, and \$1,025 for one, two, and three bedroom units, respectively. The effective rents for the only general occupancy LIHTC community in the Harbor Market Area are \$499 for one bedroom units, \$597 for two bedroom units, and \$680 for three bedroom units.
- The lone senior oriented community in the market area was surveyed and had zero vacancies and a waitlist. As all units have Section 8 assistance, tenants pay only a percentage of income for housing without minimum income or tenant-paid rent limits.
- The average historical occupancy rate among the two LIHTC communities was 98.5 percent for the second and fourth quarter of 2012. The subject property reported an average of 98 percent occupancy for 2012.
- Among the general occupancy communities surveyed, the average rents are:
 - \$795 for one bedroom units. With an average unit size of 777 square feet, the average price per foot among one bedroom units is \$1.02.
 - \$897 for two bedroom units. With an average unit size of 1,047 square feet, the average price per foot among two bedroom units is \$0.86.
- No new or proposed age restricted rental communities were identified in the Harbor Market Area. There have been no LIHTC communities approved in the market area since 2010. There have been a couple of general occupancy communities approved or planned that have an average or above average chance of being developed in the market area, but they will not compete directly with the affordable senior oriented units at Harbor Apartments.

B. Affordability Analysis

1. Methodology

The Affordability Analysis tests the percent of income-qualified households in the market area that the subject community must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among primary market area households age 55+ for the target year of 2015. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2007-2011 American Community Survey along with estimates and projected income growth as projected by Esri (Table 36).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. For the Affordability Analyses, RPRG employs a 40 percent gross rent burden.

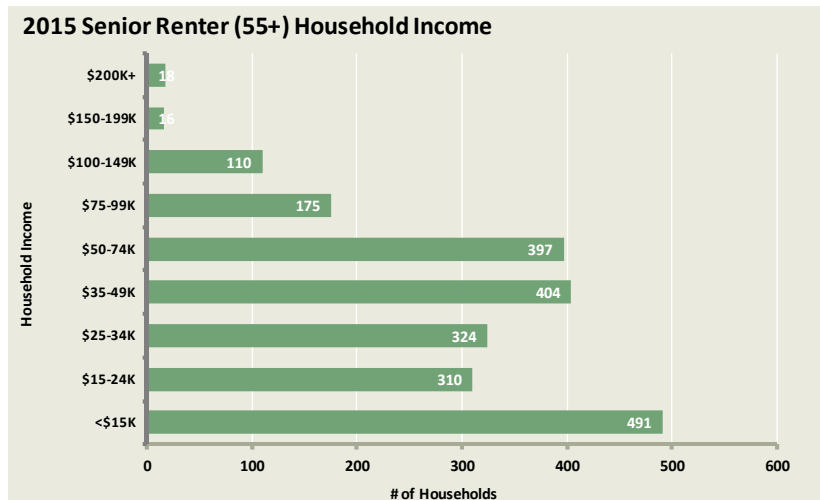


LIHTC units will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2013 income limits for the Charleston MSA as computed by HUD and are based on average household size of 1.5 persons for one bedroom units and a maximum household size of 2.0 persons for two bedroom units.

Table 36 2015 Total and Renter Income Distribution, HH Age 55+.

		Total Households		Renter Households	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$15,000	1,826	12.4%	491	21.9%
	\$15,000 - \$24,999	1,349	9.2%	310	13.8%
	\$25,000 - \$34,999	1,404	9.6%	324	14.4%
	\$35,000 - \$49,999	2,318	15.8%	404	18.0%
	\$50,000 - \$74,999	2,987	20.3%	397	17.7%
	\$75,000 - \$99,999	1,853	12.6%	175	7.8%
	\$100,000 - \$149,999	1,480	10.1%	110	4.9%
	\$150,000 - \$199,999	685	4.7%	16	0.7%
	\$200,000 over	777	5.3%	18	0.8%
Total		14,680	100.0%	2,245	100.0%
Median Income		\$53,705		\$34,911	

Source: 2007-2011 ACS, Projections Real Property Research Group, Inc.



2. Affordability Analysis

The steps in the affordability analysis (Table 37) are as follows:

- Looking at the one bedroom units, the overall shelter cost for a 50 percent AMI one bedroom unit at the proposed rent would be \$526 (\$435 net rent plus \$91 allowance to cover all utilities except water/sewer and trash removal).
- By applying a 40 percent rent burden to this gross rent, we determined that the minimum income limit to afford one bedroom unit is \$15,780. The projected number of market area senior households (55+) earning at least this amount in 2015 is 12,748.
- The maximum income limit for a one bedroom unit at 50 percent AMI is \$23,025 based on an average household size of 1.5 persons. According to the interpolated income distribution for 2015, the market area will have 11,771 senior households (55+) with incomes above this maximum income in 2015.
- Subtracting the 11,771 senior households (55+) with incomes above the maximum income limit from the 12,748 senior households (55+) that could afford to rent this unit, RPRG computes that an estimated 977 households in the area are within the target income segment for the one bedroom units at 50 percent AMI.
- The capture rate for the 12 one-bedroom units at 50 percent AMI is 1.2 percent for all senior households (55+).
- We then determined that 225 senior renter households (55+) with incomes between the minimum income required and maximum income allowed will reside in the market in 2015. The community will need to capture 5.3 percent of these senior renter households to lease up 12 units.
- Capture rates are also calculated for other floor plans, each AMI level, and for the project overall. The renter capture rates by income level are 4.8 percent for 50 percent units and 8.6 percent for the 60 percent units. Overall, 431 senior renter households are income-qualified for one or more floor plan at Harbor Apartments, resulting in an overall senior renter capture rate of 11.6 percent.



Table 37 Affordability Analysis, HH Age 55+

	One Bedroom Units			Two Bedroom Units		
	Min.	Max.		Min.	Max.	
50% Units	Number of Units	12		Number of Units	1	
	Net Rent	\$435		Net Rent	\$515	
	Gross Rent	\$526		Gross Rent	\$626	
	% Income Spent for Shelter	40%		% Income Spent for Shelter	40%	
	Income Range	\$15,780	\$23,025	Income Range	\$18,780	\$24,550
	Range of Qualified Hslds	12,748	11,771	Range of Qualified Hslds	12,343	11,565
	# Qualified Households	977		# Qualified Households	778	
	Unit Total HH Capture Rate		1.2%	Unit Total HH Capture Rate		0.1%
	Range of Qualified Renters	1,730	1,505	Range of Qualified Renters	1,637	1,458
	# Qualified Renter Households	225		# Qualified Renter Households	179	
Unit Renter HH Capture Rate		5.3%	Unit Renter HH Capture Rate		0.6%	
60% Units	Number of Units	33		Number of Units	4	
	Net Rent	\$435		Net Rent	\$515	
	Gross Rent	\$526		Gross Rent	\$626	
	% Income Spent for Shelter	40%		% Income Spent for Shelter	40%	
	Income Range	\$15,780	\$27,630	Income Range	\$18,780	\$29,460
	Range of Qualified Hslds	12,748	11,135	Range of Qualified Hslds	12,343	10,879
	# Qualified Households	1,613		# Qualified Households	1,465	
	Unit Total HH Capture Rate		2.0%	Unit Total HH Capture Rate		0.3%
	Range of Qualified Renters	1,730	1,359	Range of Qualified Renters	1,637	1,299
	# Qualified Renter Households	371		# Qualified Renter Households	338	
Unit Renter HH Capture Rate		8.9%	Unit Renter HH Capture Rate		1.2%	

	# of Units	All Households =14,680			
		Income Hs	Band of Qualified Hhlds	# Qualified HHs	Capture Rate
50% Units	13	\$15,780 12,748	\$24,550 11,565	1,183	1.1%
60% Units	37	\$15,780 12,748	\$29,460 10,879	1,869	2.0%
LIHTC Units	50	\$15,780 12,748	\$29,460 10,879	1,869	2.7%
Total Units	50	\$15,780 12,748	\$29,460 10,879	1,869	2.7%

	Income Renter Hs	Renter Households =2,245		
		Band of Qualified Hhlds	# Qualified	Capture Rate
Income Renter Hs	\$15,780 1,730	\$24,550 1,458	272	4.8%
Income Renter Hs	\$15,780 1,730	\$29,460 1,299	431	8.6%
Income Renter Hs	\$15,780 1,730	\$29,460 1,299	431	11.6%
Income Renter Hs	\$15,780 1,730	\$29,460 1,299	431	11.6%

Source: Estimates, Real Property Research Group, Inc.

C. Demand Estimates and Capture Rates

1. Methodology

SCSHFDA's demand methodology for senior oriented developments consists of four components.

- The first component of demand is household growth. This number is the number of age and income qualified renter households projected to move into the primary market area between the base year of 2012 and the year of market-entry of 2015.
- The second component of demand is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2007-2011 American Community Survey Data, the percentage of rental units in the primary market area that are "substandard" is 2.1 percent (Table 38). This percentage is applied to current senior household estimates.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 40 percent of household income for housing costs. According to 2007-2011 American Community Survey Data, the percentage of senior rental units in the primary market area that are cost burdened is 41.5 percent. Based on this data, 41.5 percent of senior renter households pay more than 40 percent of income on rent (Table 38). This percentage is for 65+ year old households but is applied to current 55+ year old senior household estimates.
- The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2007, 2.5 percent of elderly households move each year in the U.S. Of those moving within the past twelve months, 43.9 percent moved from owned to rental housing (Table 39). This equates to 1.1 percent of all senior households converting from owners to renters. Given the lack of local information, this source is considered to be the most current and accurate.

2. Demand Analysis

Directly comparable units built or approved in the Harbor Market Area since the base year are subtracted from the demand estimates. There are no units that meet these criteria.

The overall demand capture rate for the project is 21.4 percent (Table 40). By floor plan, capture rates range from one percent to 16.4 percent. The capture rates for all units and units by floor plan are well within acceptable levels (35 percent).

Table 38 Cost Burdened and Substandard Calculation, Harbor Market Area

Rent Cost Burden		
Total Households		
Less than 10.0 percent	108	1.5%
10.0 to 14.9 percent	316	4.4%
15.0 to 19.9 percent	832	11.6%
20.0 to 24.9 percent	778	10.8%
25.0 to 29.9 percent	838	11.6%
30.0 to 34.9 percent	686	9.5%
35.0 to 39.9 percent	759	10.5%
40.0 to 49.9 percent	660	9.2%
50.0 percent or more	1,523	21.2%
Not computed	698	9.7%
Total	7,198	100.0%
> 35% income on rent	2,942	45.3%

Households 65+		
Less than 20.0 percent	115	14.6%
20.0 to 24.9 percent	26	3.3%
25.0 to 29.9 percent	100	12.7%
30.0 to 34.9 percent	29	3.7%
35.0 percent or more	343	43.7%
Not computed	172	21.9%
Total	785	100.0%
> 35% income on rent	343	56.0%
> 40% income on rent		41.5%

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	21,593
1.00 or less occupants per room	21,560
1.01 or more occupants per room	33
Lacking complete plumbing facilities:	111
Overcrowded or lacking plumbing	144
Renter occupied:	
Complete plumbing facilities:	7,126
1.00 or less occupants per room	7,046
1.01 or more occupants per room	80
Lacking complete plumbing facilities:	72
Overcrowded or lacking plumbing	152
Substandard Housing	296
% Total Stock Substandard	1.0%
% Rental Stock Substandard	2.1%

Source: American Community Survey 2007-2011

Table 39 Senior Homeownership to Rental Housing Conversion

Senior Households 65 and over	United States	
	Number	Percent
Total Households	22,864,000	
Total Owner Households	18,271,000	79.9%
Total Renter Households	4,594,000	20.1%
Tenure of Previous Residence - Renter Occupied Units	<i>Number</i>	<i>Percent</i>
Total Moved from Home, Apartment, Manufactured/Mobile Home	576,000	
Owner Occupied	253,000	43.9%
Renter Occupied	324,000	56.3%
% of Senior Households Moving Within the Past Year		2.5%
% of Senior Movers Converting from Homeowners to Renters		43.9%
% of Senior Households Converting from Homeowners to Renters		1.1%

Source: American Housing Survey, 2007



Table 40 Overall Demand Estimates and Capture Rates

<i>Income Target</i>	HH at 50% AMI	HH at 60% AMI	Project Total
<i>Minimum Income Limit</i>	\$15,780	\$15,780	\$15,780
<i>Maximum Income Limit</i>	\$24,550	\$29,460	\$29,460
<i>(A) Renter Income Qualification Percentage</i>	12.1%	19.2%	19.2%
Demand from New Renter Households (55+) <i>Calculation: (C-B) * A * F</i>	21	33	33
Plus			
Demand from Substandard Housing (55+) <i>Calculation: B * D * F * A</i>	5	8	8
Plus			
Demand from Rent Over-Burdened Households (55+) <i>Calculation: B * E * F * A</i>	103	164	164
Plus			
Owners Converting to Renters (55+) <i>Calculation: B * G * A</i>	18	29	29
Equals			
Total PMA Demand	148	234	234
Less			
Comparable Units	0	0	0
Equals			
Net Demand	148	234	234
Proposed Units	13	37	50
Capture Rate	8.8%	15.8%	21.4%

Demand Calculation Inputs	
(B) 2012 HH (55+)	13,540
(C) 2015 HH (55+)	14,680
(D) ACS Substandard Percentage	2.1%
(E) ACS Rent Over-Burdened Percentage (Senior)	41.5%
(F) 2012 Renter Percentage (55+)	15.2%
(G) Owners Converting	1.1%

Table 41 Demand and Capture Rates by Floor Plan

One Bedroom Units	HH at 50% AMI	HH at 60% AMI	Project Total
<i>Minimum Income Limit</i>	\$15,780	\$15,780	\$15,780
<i>Maximum Income Limit</i>	\$23,025	\$27,630	\$27,630
<i>Renter Income Qualification Percentage</i>	10.0%	16.5%	16.5%
Total Demand (55+)	122	202	202
Supply	0	0	0
Net Demand (55+)	122	202	202
Units Proposed	12	33	45
Capture Rate	9.8%	16.4%	22.3%

Two Bedroom Units	HH at 50% AMI	HH at 60% AMI	Project Total
<i>Minimum Income Limit</i>	\$18,780	\$18,780	\$18,780
<i>Maximum Income Limit</i>	\$24,550	\$29,460	\$29,460
<i>Renter Income Qualification Percentage</i>	8.0%	15.0%	15.0%
Total Demand (55+)	97	183	183
Supply	0	0	0
Net Demand (55+)	97	183	183
Units Proposed	1	4	5
Capture Rate	1.0%	2.2%	2.7%

Demand by floor plan is based on gross demand multiplied by each floor plan's income



D. Product Evaluation

Considered in the context of the competitive environment and in light of the planned scope of renovations for the subject, the relative position of Harbor Apartments is as follows:

- **Site:** The subject site is appropriate for the proposed rehabilitation. The subject's neighborhood is suburban in nature with commercial and residential uses common within one mile. Numerous amenities including shopping, banks, public parks, and healthcare are within one mile of the subject site.
- **Unit Distribution:** The proposed unit mix includes one and two bedroom units, which is appropriate given the target market of senior renters. The unit mix includes a much greater percentage of one bedroom units, which is appropriate for senior renters. The community will also include a manager's unit.
- **Unit Size:** The proposed unit sizes are 437 square feet for one bedroom units and 683 square feet for two bedroom units. These unit sizes are smaller in comparison with existing general occupancy communities in the market area.
- **Unit Features:** The rehabbed units at Harbor Apartments will offer fully equipped kitchens with new appliances (refrigerator, range, garbage disposal, microwave, and dishwasher). Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen / bathrooms. Units will also feature ceiling fans, patios or balconies, grab bars, and emergency pull cords. The features will be competitive in the market area.
- **Community Amenities:** The community amenities at Harbor Apartments will include a community room, picnic area with grills, playground, laundry facility, walking trails, gazebo, and computer center. These amenities are appropriate given the target market and are comparable with existing communities in the market area. The building will have a centrally located elevator.
- **Marketability:** The proposed units at Harbor Apartments will be well received in the market area. The rehabbed rental units will have rents below existing communities in the market area, including the LIHTC community. In fact, the rents at Harbor Apartments are the lowest in the market area.



E. Price Position

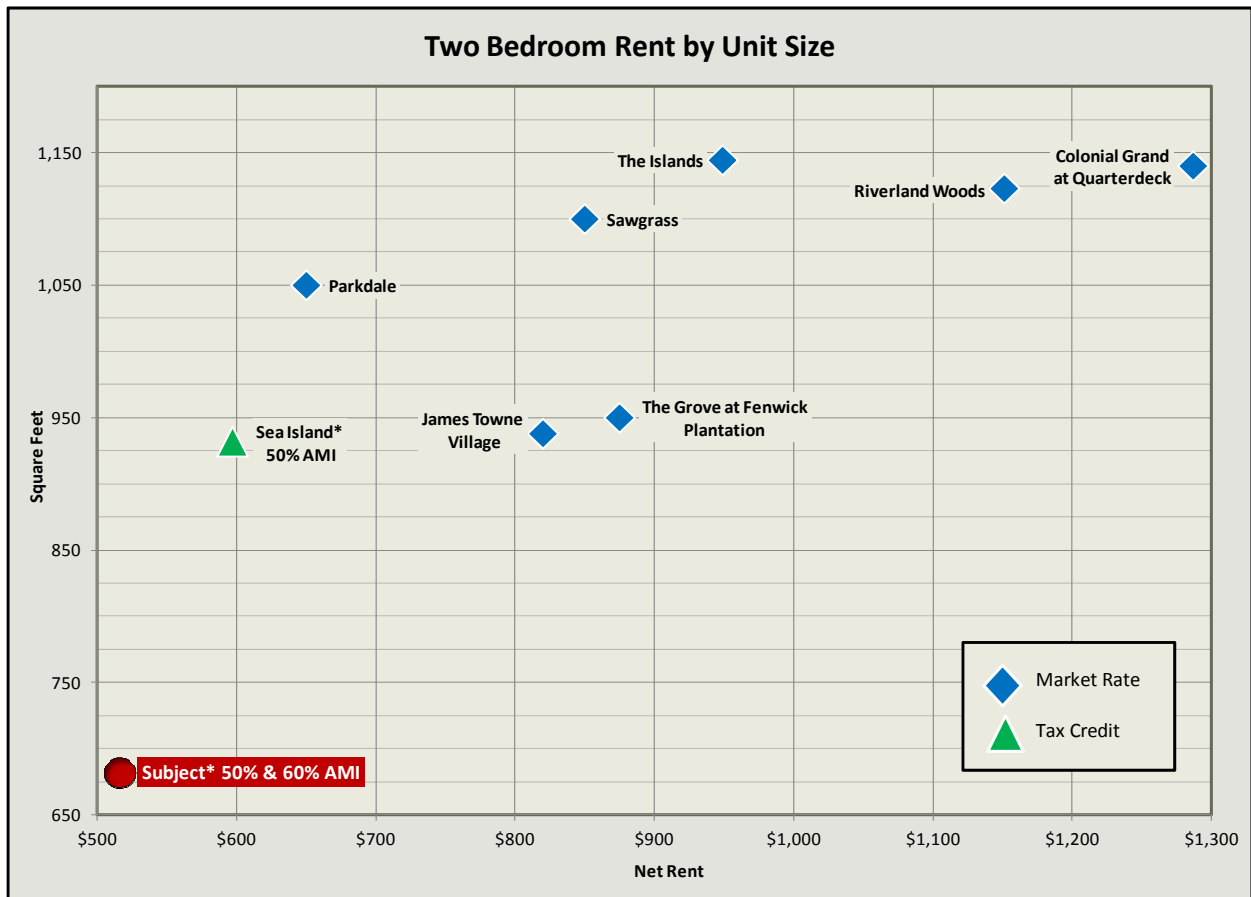
As show in Figure 9, the proposed rents for Harbor Apartments will be lower than all existing general occupancy communities in the market area (Figure 10). The proposed one and two bedroom square footages will be the smallest in the market area, but the rents will be the lowest in the market area as well. Combined with the lower rents the combination of results is a rent per square foot that is in line with the existing general occupancy communities in the market area.

Figure 9 Price Position of Harbor Apartments, One Bedroom Units





Figure 10 Price Position of Harbor Apartments, Two Bedroom Units



F. Absorption Estimate

As none of the comparable rental communities in the Harbor Market Area have been built in the past three years, absorption is based on a variety of factors including area vacancy rates, projected household growth, demand estimates for the proposed units, and the appropriateness of the proposed rent levels and product.

Over the next three years, the Harbor Market Area’s senior household base (55+) is expected to increase by 1,139 households or 8.4 percent. Annual increases are projected at 380 households (2.7 percent) with householder 55+.

Based on an affordability analysis, 438 senior renter households are income qualified for the units at Harbor Apartments without any direct competition in the primary market area.

The Harbor Market Area’s general occupancy rental stock is performing well with an overall vacancy rate just above seven percent. All existing senior rental units surveyed (including subject property) are 100 percent occupied.

The income restrictions and rents at Harbor Apartments will not change as a result of the proposed renovations. As such, all existing tenants will remain income qualified for the units.

The proposed scope of renovation is substantial and will significantly improve the quality of the subject property.

Based on a lack of comparable communities, reasonable demand estimates, the number of age and income qualified households in the primary market area, and the proposed scope of renovation, we believe Harbor Apartments will re-lease any vacant units as soon as they can realistically become available. Assuming no more than 25 percent of the units become vacant post rehabilitation, the subject property will attain a stabilized occupancy (93 percent) within two months (to allow processing time for applications). In the unlikely event that all units needed to be leased, property stabilization would still occur with three months, an approximate absorption rate of 15 units per month. Significant turnover is not anticipated as all existing residents are expected to remain income-eligible for the units post renovation.

G. Impact on Existing Market

Harbor Apartments is an existing rental community and no new units will be added to the rental supply in the primary market area. As a result, its proposed rehabilitation will not have a negative long-term impact on existing or planned senior LIHTC communities. In addition, the rehabilitation is not likely to draw tenants from existing communities as the subject property is 100 percent occupied with a waiting list.

H. Final Conclusion and Recommendation

Based on the stable competitive environment, reasonable demand estimates, and appropriate product positioning of the subject property, RPRG believes sufficient demand exists to support the proposed rehabilitation of Harbor Apartments. The modernization of the subject property will help to preserve an existing affordable housing resource serving low-income senior renter households in the market area.

We recommend proceeding with the project as planned. We hope this analysis is helpful in your decision making process.



Tad Scepaniak
Principal



APPENDIX 1 UNDERLYING ASSUMPTIONS & LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



APPENDIX 2 SC ANALYST CERTIFICATION

I affirm that I have made a physical inspection of the market and surrounding area and that the information obtained in the field has been used to determine the need and demand for new rental units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no interest in the project or 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.

A handwritten signature in black ink, appearing to read 'Tad Scepaniak', is written over a horizontal line.

January 22, 2013

Tad Scepaniak
Principal
Real Property Research Group, Inc.

Date

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.

APPENDIX 3 RESUMES

ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation. Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders, the National Council on Seniors' Housing and various local homebuilder associations. Bob serves as a visiting professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He has served as National Chair of the National Council of Affordable Housing Market Analysts (NCAHMA) and is currently a board member of the Baltimore chapter of Lambda Alpha Land Economics Society.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), facilitating the comprehensive integration of data.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



TAD SCEPANIAK

Tad Scepaniak directs the Atlanta office of Real Property Research Group and leads the firm's affordable housing practice. Tad directs the firm's efforts in the southeast and south central United States and has worked extensively in North Carolina, South Carolina, Georgia, Florida, Tennessee, Iowa, and Michigan. He specializes in the preparation of market feasibility studies for rental housing communities, including market-rate apartments developed under the HUD 221(d)(4) program and affordable housing built under the Low-Income Housing Tax Credit program. Along with work for developer clients, Tad is the key contact for research contracts with the North Carolina, South Carolina, Georgia, Michigan, and Iowa Housing Finance agencies. Tad is also responsible for development and implementation of many of the firm's automated systems.

Tad is Co-Chair of the Standards Committee of the National Council of Housing Market Analysts (NCHMA). He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Student Housing: Tad has conducted market analyses of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Completed campus studies include Southern Polytechnic University, University of Illinois Champaign-Urbana, North Georgia State College and University, and Abraham Baldwin Agricultural College.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia

MICHAEL RILEY

Michael Riley joined the Atlanta office of Real Property Research Group upon college graduation in 2006. Beginning as a Research Associate, Michael gathered economic, demographic, and competitive data for market feasibility analyses concentrating in family and senior affordable housing. Since transitioning to an Analyst position in 2007, he has performed market analyses for both affordable and market rate rental developments throughout the southeastern United States including work in Georgia, North Carolina, South Carolina, Iowa, Louisiana, Michigan and Tennessee.

Michael has also assisted in the development of research tools for the organization, including developing a rent comparability table that is now incorporated in many RPRG analyses.

Education:

Bachelor of Business Administration – Finance; University of Georgia

APPENDIX 4 NCHMA CHECKLIST

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	1
Scope of Work		
2	Scope of Work	2
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	7
4	Utilities (and utility sources) included in rent	7
5	Target market/population description	4
6	Project description including unit features and community amenities	7
7	Date of construction/preliminary completion	7
8	If rehabilitation, scope of work, existing rents, and existing vacancies	4
Location		
9	Concise description of the site and adjacent parcels	8
10	Site photos/maps	10-13
11	Map of community services	18
12	Site evaluation/neighborhood including visibility, accessibility, and crime	8-16
Market Area		
13	PMA description	29
14	PMA MAP	30
Employment and Economy		
15	At-Place employment trends	22
16	Employment by sector	23
17	Unemployment rates	20
18	Area major employers/employment centers and proximity to site	24
19	Recent or planned employment expansions/reductions	26
Demographic Characteristics		
20	Population and household estimates and projections	32,33
21	Area building permits	35
22	Population and household characteristics including income, tenure, and size	40-44
23	For senior or special needs projects, provide data specific to target market	31
Competitive Environment		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	55



26	Existing rental housing evaluation including vacancy and rents	49-51
27	Comparison of subject property to comparable properties	52-54
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	56
29	Rental communities under construction, approved, or proposed	58
30	For senior or special needs populations, provide data specific to target market	49-53
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	70
32	Affordability analysis with capture rate	67
33	Penetration rate analysis with capture rate	N/A
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	73
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	58-61, 72
36	Precise statement of key conclusions	74
37	Market strengths and weaknesses impacting project	74
38	Recommendations and/or modification to project discussion	74
39	Discussion of subject property's impact on existing housing	74
40	Discussion of risks or other mitigating circumstances impacting project projection	74
41	Interviews with area housing stakeholders	2
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	N/A



APPENDIX 5 COMMUNITY PHOTOS AND PROFILES

Community	Address	City	Phone Number	Date Surveyed	Contact
Colonial Grand at Quarterdeck	550 Harbor Cove Ln.	Charleston	843-762-1288	2/5/2013	Property Manager
James Towne Village	3 Sawgrass Rd.	Charleston	866-271-5292	2/5/2013	Property Manager
Parkdale	507 Parkdale Dr.	Charleston	843-571-5717	2/5/2013	Property Manager
Riverland Woods	1001 Riverland Woods Pl.	Charleston	843-795-3393	2/5/2013	Property Manager
Sawgrass	35 Cross Creek Dr.	Charleston	843-795-8466	2/5/2013	Property Manager
Sea Island	3672 Maybank Hwy.	Johns Island	843-559-1593	2/5/2013	Property Manager
The Grove at Fenwick Plantation	15 Stardust Way	Johns Island	843-557-0022	2/5/2013	Property Manager
The Islands	1150 Aruba Cir.	Charleston	843-406-0660	2/5/2013	Property Manager
St. James Place	800 Affirmation Blvd.	Charleston	843-762-7585	2/5/2013	Property Manager

Colonial Grand at Quarterdeck

Multifamily Community Profile

550 Harbor Cove Ln.
Charleston, SC

Community Type: Market Rate - General

Structure Type: Garden

230 Units

1.3% Vacant (3 units vacant) as of 2/5/2013

Opened in 1986



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	52.2%	\$992	768	\$1.29	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	47.8%	\$1,287	1,140	\$1.13	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit); Cable TV

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Cable included

Floorplans (Published Rents as of 2/5/2013) (2)										Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$	
Garden	--	1	1	120	\$977	768	\$1.27	Market	2/5/13	1.3%	\$992	\$1,287	--	
Garden	--	2	2	110	\$1,267	1,140	\$1.11	Market	11/1/12	0.0%	\$1,057	\$1,156	--	
									3/7/12	0.4%	\$887	\$982	--	
									12/12/11	2.6%	\$919	\$1,136	--	

Adjustments to Rent

Incentives:
None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

© 2013 Real Property Research Group, Inc.
(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

James Towne Village

Multifamily Community Profile

3 Sawgrass Rd.
Charleston, SC

CommunityType: Market Rate - General

Structure Type: Garden

112 Units 14.3% Vacant (16 units vacant) as of 2/5/2013

Opened in 1979



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	21.4%	\$810	738	\$1.10	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	42.9%	\$820	938	\$0.87	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	35.7%	\$1,020	1,308	\$0.78	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Storage (In Unit)

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 2/5/2013) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	24	\$795	738	\$1.08	Market	2/5/13	14.3%	\$810	\$820	\$1,020
Garden	--	2	1	48	\$895	938	\$0.95	Market	11/1/12	4.5%	\$810	\$840	\$1,065
Garden	--	3	1.5	40	\$995	1,308	\$0.76	Market	3/7/12	6.3%	\$765	\$762	\$864
									12/12/11	2.7%	\$740	\$830	\$895

Adjustments to Rent

Incentives:
Reduced 2 BD units
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

© 2013 Real Property Research Group, Inc.
(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

Parkdale

Multifamily Community Profile

507 Parkdale Dr.
Charleston, SC

Community Type: Market Rate - General

Structure Type: Townhouse

20 Units

0.0% Vacant (0 units vacant) as of 2/5/2013

Opened in 1985

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	Centrl Lndry:	Tennis:
Two	100.0%	\$650	1,050	\$0.62	Elevator:	Volleyball:
Two/Den	--	--	--	--	Fitness:	CarWash:
Three	--	--	--	--	Hot Tub:	BusinessCtr:
Four+	--	--	--	--	Sauna:	ComputerCtr:
					Playground:	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: --	
Owner: --	

Comments

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	1.5	20	\$650	1,050	\$0.62	Market	2/5/13	0.0%	--	\$650	--
									1/21/13	10.0%	--	\$650	--
									11/1/12	10.0%	--	\$650	--
									3/7/12	10.0%	--	\$650	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Riverland Woods

Multifamily Community Profile

1001 Riverland Woods Pl.
Charleston, SC

Community Type: Market Rate - General

Structure Type: 3-Story Garden

288 Units 6.9% Vacant (20 units vacant) as of 2/5/2013

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	37.5%	\$913	857	\$1.07	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	37.5%	\$1,151	1,123	\$1.03	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	25.0%	\$1,308	1,341	\$0.98	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: --
Optional(\$): --
Security: **Unit Alarms**
Parking 1: **Free Surface Parking** Parking 2: **Detached Garage**
Fee: -- Fee: **\$90**
Property Manager: --
Owner: --

Comments

Walking trails, Pet Park

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	108	\$915	857	\$1.07	Market	2/5/13	6.9%	\$913	\$1,151	\$1,308
Garden	--	2	2	72	\$1,225	1,200	\$1.02	Market	11/1/12	2.8%	\$983	\$1,210	\$1,334
Garden	--	2	2	36	\$995	969	\$1.03	Market	12/12/11	2.1%	\$955	\$1,177	\$1,350
Garden	--	3	2	72	\$1,300	1,341	\$.97	Market					

Adjustments to Rent

Incentives:

\$200 off lease

Utilities in Rent: Heat Fuel: **Electric**

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Riverland Woods

SC019-016225

Sawgrass

Multifamily Community Profile

35 Cross Creek Dr.
Charleston, SC

Community Type: Market Rate - General

Structure Type: Garden

144 Units

Occupancy data not currently available



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	--	\$750	800	\$0.94	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$850	1,100	\$0.77	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$950	1,200	\$0.79	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Management refused occupancy information

Floorplans (Published Rents as of 2/5/2013) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$750	800	\$0.94	Market	2/5/13	--	\$750	\$850	\$950
Garden	--	2	1.5	--	\$850	1,100	\$0.77	Market	12/12/11	--	\$715	\$815	\$915
Garden	--	3	2	--	\$950	1,200	\$0.79	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Sea Island

Multifamily Community Profile

3672 Maybank Hwy.
Johns Island, SC

Community Type: LIHTC - General

Structure Type: Garden

48 Units

0.0% Vacant (0 units vacant) as of 2/5/2013

Opened in 2004



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	25.0%	\$499	710	\$0.70	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$597	932	\$0.64	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	25.0%	\$680	1,142	\$0.60	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Property has 12 PBRA units
Waitlist of 6 people

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	12	\$499	710	\$0.70	LIHTC/ 50%	2/5/13	0.0%	\$499	\$597	\$680
Garden	--	2	2	24	\$597	932	\$0.64	LIHTC/ 50%	11/1/12	0.0%	\$507	\$606	\$692
Garden	--	3	2	12	\$680	1,142	\$0.60	LIHTC/ 50%	3/7/12	8.3%	\$507	\$606	\$692
									12/12/11	6.3%	\$500	\$598	\$681

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

The Grove at Fenwick Plantation

Multifamily Community Profile

15 Stardust Way
Johns Island, SC

Community Type: Market Rate - General

Structure Type: 2-Story Garden

72 Units

15.3% Vacant (11 units vacant) as of 2/5/2013

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	100.0%	\$875	950	\$0.92	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --
Property Manager: --
Owner: --

Comments

Converted from for sale to rental
8 units are privately owned, Total of 80 units on site

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	72	\$875	950	\$0.92	Market	2/5/13	15.3%	--	\$875	--
									11/1/12	12.5%	--	\$875	--
									3/7/12	9.7%	--	\$875	--
									12/12/11	5.6%	--	\$850	--

Adjustments to Rent

Incentives:
None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

© 2013 Real Property Research Group, Inc.
(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management

The Islands

Multifamily Community Profile

1150 Aruba Cir.
Charleston, SC

Community Type: Market Rate - General

Structure Type: Garden/TH

320 Units 9.1% Vacant (29 units vacant) as of 2/5/2013

Opened in 2002



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	10.0%	\$808	790	\$1.02	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	68.8%	\$949	1,144	\$0.83	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	21.3%	\$1,169	1,400	\$0.83	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit)

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: Detached Garage
Fee: \$85

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	32	\$865	790	\$1.09	Market	2/5/13	9.1%	\$808	\$949	\$1,169
Garden	--	2	2	56	\$1,010	1,074	\$.94	Market	12/12/11	10.0%	\$739	\$938	\$1,123
Townhouse	--	2	1.5	76	\$998	1,154	\$.86	Market					
Townhouse	--	2	2.5	88	\$1,030	1,181	\$.87	Market					
Townhouse	--	3	2.5	66	\$1,245	1,391	\$.90	Market					
Townhouse	Garage	3	2.5	2	\$1,350	1,691	\$.80	Market					

Adjustments to Rent

Incentives:

1 month free

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

St. James Place

Senior Community Profile

800 Affirmation Blvd.
Charleston, SC

CommunityType: Deep Subsidy-Elderly

Structure Type: 1-Story Garden

61 Units 0.0% Vacant (0 units vacant) as of 2/5/2013

Opened in 1988



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Gardening:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	100.0%	\$372	532	\$0.70	Comm Rm: <input checked="" type="checkbox"/>	Library: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Arts&Crafts: <input type="checkbox"/>
Two	--	--	--	--	Elevator: <input type="checkbox"/>	Health Rms: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	Guest Suite: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	Conv Store: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Walking Pth: <input type="checkbox"/>	Beauty Salon: <input type="checkbox"/>

Features

Standard: Grabbar; Emergency Response



Select Units: --

Optional(\$): --

Security: --

Parking: Free Surface Parking

Comments

Waitlist of 7 people

Section 8, rent is contract rent

Property Manager: --

Owner: --

Floorplans (Published Rents as of 2/5/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	61	\$372	532	\$0.70	Section 8	2/5/13	0.0%	\$372	--	--
									12/12/11	0.0%	\$372	--	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

St. James Place

SC019-016228

© 2013 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management