



**A SENIOR RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
HARDEEVILLE, SOUTH CAROLINA**

Villas at River Pointe

*East side of Donegal Drive, north of Argent Boulevard
Hardeeville, South Carolina 29927*

March 2, 2013

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CERTIFICATE OF ACCURACY AND RELIABILITY

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



Steven R. Shaw
SHAW RESEARCH & CONSULTING

Date: March 2, 2013

INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Hardeeville area as it pertains to the market feasibility of Villas at River Pointe, a proposed 48-unit affordable rental housing development targeted for low-income senior households. The subject proposal is to be located within the eastern edge of the city of Hardeeville along the east side of Donegal Drive, just north of Argent Boulevard (NC 141). The site, which is approximately one-third mile east of U.S. 278 and 5¼ miles east of Interstate 95, is situated within a primarily residential area of Hardeeville, along with scattered retail, commercial, and vacant undeveloped property nearby.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Hardeeville market area. All fieldwork and community data collection was conducted on February 23rd, 2013 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Villas at River Pointe will feature a total of 48 units (12 one-bedroom and 36 two-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

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

- 1) The subject proposal is a 48-unit senior-only rental development targeting low-income senior households aged 55 years and over. The facility will consist of a mix of one and two bedroom units restricted to households at 50 and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Hardeeville PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable rental housing.
- 3) Occupancy rates for rental housing are quite positive throughout the Hardeeville market area at the current time. While no senior-only rental options were identified within the PMA, an overall occupancy rate of 97.5 percent was calculated from a February 2013 survey of 13 family-oriented rental developments identified and contacted within the PMA.
- 4) The nearest senior LIHTC property is Laurel Hills Apartments in Port Royal, approximately 20 miles away in Beaufort County. This development is a 72-unit complex targeted for senior households at 50 and 60 percent AMI. The leasing manager reported two vacancies in our survey, resulting in an occupancy rate of 97 percent. In addition, a small waiting list was being maintained for both one-bedroom (at 50 percent AMI) and two-bedroom units (at 60 percent AMI). In comparison to Laurel Hills, the subject proposal's affordability is clearly evident – with substantially lower rents and larger unit sizes.
- 5) Considering only the seven tax credit family developments within the survey (which includes two projects in Hardeeville, and five in Bluffton), an overall occupancy rate of 99.7 percent was calculated, with Jenny Greene Apartments (the most comparable project in Hardeeville) reporting a waiting list of over 100 names – providing a clear indication of the acceptance and need for affordable rental options locally.
- 6) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Hardeeville area have been extraordinarily strong since 1990. As such, the overall population within the PMA more than doubled between 2000 and 2012 – increasing by 109 percent and more than 22,600 persons during this time. Further, future projections indicate these gains will continue, albeit at a more modest rate, with an estimated increase of 14 percent (roughly 6,100 persons) anticipated between 2012 and 2017.

- 7) Senior demographic trends have been even more impressive, with the senior population (55 years and over) more than tripling between 2000 and 2012 – which can largely be attributed to the impact from the Sun City “active adult” development has had on the area as a retirement destination. .

- 8) Based on the lack of a similar tax credit rental option locally for seniors, and also considering the subject’s proposed targeting, affordable rental rates, and competitive unit sizes and development features, the introduction of Villas at River Pointe should prove successful. Based on extremely strong demographic patterns, as well as quite positive occupancy levels throughout the local rental stock (albeit family-oriented), the development of a senior-only rental development should be successful within the Hardeeville PMA. As such, evidence presented within the market study suggests a normal lease-up period (between eight and ten months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2013 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	VILLAS AT RIVER POINTE	Total # Units:	48
Location:	East side of Donegal Drive, north of Argent Boulevard	# LIHTC Units:	48
PMA Boundary:	Savannah River/Coleman Run to west; SC-336/White Hall Rd to north; Buck Island Rd to east; Georgia to south		
Development Type:	Family <u>XX</u> Older Persons	Farthest Boundary Distance to Subject:	15 miles

RENTAL HOUSING STOCK (found on page 59)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	1,941	49	97.5%
Market-Rate Housing	5	1,237	44	96.5%
Assisted/Subsidized Housing not to include LIHTC	1	48	3	93.8%
LIHTC (All that are stabilized)*	7	656	2	99.7%
Stabilized Comps**	7	656	2	99.7%
Non-stabilized Comps	0	0	0	NA

*Stabilized occupancy of at least 94% (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
6	1 BR	1.0	840	\$325	\$822	\$0.98	60.5%	\$998	\$1.20
6	1 BR	1.0	840	\$415	\$822	\$0.98	49.5%	\$998	\$1.20
6	2 BR	2.0	970	\$385	\$999	\$1.03	61.5%	\$1,190	\$1.04
6	2 BR	2.0	970	\$385	\$999	\$1.03	61.5%	\$1,190	\$1.04
24	2 BR	2.0	970	\$495	\$999	\$1.03	50.5%	\$1,190	\$1.04
Gross Potential Rent Monthly*				\$20,940	\$45,839		54.32%		

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

DEMOGRAPHIC DATA (found on page 34)

	2010		2012		2015	
Renter Households	679	10.5%	729	7.0%	805	7.0%
Income-Qualified Renter HHs (LIHTC)	176	25.9%	189	25.9%	209	25.9%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Renter Household Growth	16	13				20
Existing Households (Overburd + Substand)	124	100				148
Homeowner Conversion (Seniors)	32	34				45
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-Qualified Renter HHs	173	147	0	0	0	213

CAPTURE RATES (found on page 52)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	9.3%	21.8%				22.5%

ABSORPTION RATE (found on page 54)

Absorption Period:	<u>8 to 10</u> months
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2013 S-2 RENT CALCULATION WORKSHEET						
# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
6	1 BR	\$325	\$1,950	\$822	\$4,934	
6	1 BR	\$415	\$2,490	\$822	\$4,934	
0	1 BR		\$0		\$0	
6	2 BR	\$385	\$2,310	\$999	\$5,995	
6	2 BR	\$385	\$2,310	\$999	\$5,995	
24	2 BR	\$495	\$11,880	\$999	\$23,980	
0	3 BR		\$0		\$0	
0	3 BR		\$0		\$0	
0	3 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
Totals	48		\$20,940		\$45,839	54.32%

A. PROJECT DESCRIPTION

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

Project Name: VILLAS AT RIVER POINTE									
Project Address: East side of Donegal Drive, north of Argent Boulevard									
Project City: Hardeeville, South Carolina									
County: Jasper County									
Total Units: 48									
Occupancy Type: Older Persons									
Construction Type: New Construction									
Income Targeting*: Overall - \$13,230 to \$25,140									
50% AMI - \$13,230 to \$20,950									
60% AMI - \$15,930 to \$25,140									
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Avg. Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Includes PBRA
One-Bedroom Units									
	12								
50% of Area Median Income	6	Apt	1.0	840	\$325	\$116	\$441	\$456	No
60% of Area Median Income	6	Apt	1.0	840	\$415	\$116	\$531	\$548	No
Two-Bedroom Units									
	36								
50% of Area Median Income	6	Apt	2.0	970	\$385	\$145	\$530	\$548	No
60% of Area Median Income	6	Apt	2.0	970	\$385	\$145	\$530	\$658	No
60% of Area Median Income	24	Apt	2.0	970	\$495	\$145	\$640	\$658	No

*Maximum LIHTC Rents and Income Limits are based on 2013 Income & Rent Limits for Rural Developments (effective 12/11/2012) obtained from SCSHFDA website (www.schousing.com).

Project Description:

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

Project Size:

Total Development Size.....	48 units
Number of Affordable Units.....	48 units
Number of Market Rate Units.....	0 units
Number of PBRA Units	0 units
Number of Employee Units	0 unit

Development Characteristics:

Number of Total Units	48 units
Number of Garden Apartments.....	48 units
Number of Townhouses	0 units
Number of Residential Buildings.....	1 (maximum three story)
Number of Community Buildings	0
Exterior Construction.....	70% Brick/30% Hardiplank

Unit Amenities:

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

Development Amenities:

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

Additional Assumptions:

- Only trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for late 2014/early 2015;
- On-site full-time management/staffing, including a professional management company with experience in similar rental housing alternatives, will be contracted to operate the facility, with pre-leasing activities beginning as soon as possible.

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on February 23rd, 2013 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the eastern edge of the city of Hardeeville along the east side of Donegal Drive, just north of Argent Boulevard (NC 141). In addition, the site is approximately one-third mile east of U.S. 278, and 5¼ miles east of Interstate 95. While the site is currently surrounded by undeveloped, densely wooded property, characteristics of the immediate neighborhood are predominantly residential (multi-family and single-family), along with scattered retail, commercial, and vacant undeveloped property nearby. The proposed development is situated just east of Courtney Bend Apartments (family market rental property is located at the end and west side of Donegal Drive), and adjacent to the east of the proposed River Pointe Apartments (a 56-unit family development submitted to the Authority for the 2013 funding round).

While no other development can be found along Donegal Drive, a newer retail concentration (with a Walmart Supercenter) is located at the southeast corner of Argent Boulevard and U.S. 278, as well as several commercial properties found along Argent Boulevard to the east. In addition, substantial growth can be seen locally with several newer single-family subdivisions and condominium developments situated throughout the nearby area (along both Argent Boulevard and U.S. 278) – including the large Del Webb - Sun City of Hilton Head active adult community located approximately two miles from the subject property.

The subject property consists of approximately 5.5 acres of flat, densely wooded, undeveloped property. Situated within Census Tract 9502.01 of Jasper County (2010 tract delineation), the site is currently zoned as M-U (Mixed Use – which allows for the development of multi-family units). Based on current usages, current zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** Undeveloped, densely wooded property
South: Access Drive/Undeveloped, densely wooded property
West: Proposed family LIHTC apartments/currently undeveloped and densely wooded
East: Undeveloped, densely wooded property

The subject property's location provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential, retail, and commercial) in generally good condition. Primary access to the site will be from an access drive to be extended from Donegal Drive, representing a lightly-traveled two-lane residential street less than ¼ mile in length. Although the proposed facility will not have visibility from a more highly-traveled roadway (Argent Boulevard or U.S. 278), it is a short distance from both these corridors, providing ready access to most necessary retail, medical, and recreational locales.

3. Nearby Retail

Hardeeville is a small community with limited retail opportunities. While older, smaller retail outlets can be found near downtown Hardeeville, the area's most significant retail concentration is located less than ¼ mile south of the subject property at the southeast corner of Argent Boulevard and U.S. 278 – consisting of a Walmart Supercenter, Publix grocery, and Dollar Tree among others. Additional nearby retail areas can be found to the southeast along U.S. 278, including the Okatie Village shopping Center (with a Food Lion) as well as other opportunities closer to Bluffton. Although retail options in Hardeeville are rather limited, the proximity of I-95, U.S. 17, U.S. 278, and NC 141 allows relatively convenient access to larger retail areas in Bluffton, Hilton Head, Beaufort, and Savannah.

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area as well. While the nearest full-service hospital to the subject property is the Coastal Carolina Hospital situated along U.S. 278 near I-95 (approximately 5¼ miles west of the site), additional medical services and specialty offices can be found scattered throughout the area. Locally, a medical complex is located roughly two-thirds of a mile away along New River Parkway, while the Bluffton-Okatie Outpatient Center and Legacy Medical Clinic are just over three miles to the southeast.

5. Other PMA Services

Additional services of note within the market area include a library and several parks. In addition, there are numerous golf courses throughout the area, as well as the Hardeeville Senior Center situated in downtown Hardeeville. There is currently no scheduled fixed-route bus/transit service offered locally. The following identifies pertinent locations and features within the Hardeeville market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

Retail

- 1. Walmart Supercenter0.1 mile south
- 2. Publix grocery0.4 miles south
- 3. Dollar Tree, Great Clips, Color Me Nails and Spa0.3 miles south
- 4. Heart to Home Thrift Store3.3 miles northeast
- 5. Okatie Village shopping center.....2.8 miles southeast
(includes Food Lion grocery, No. 1 China Restaurant, The UPS Store, Sports Clips, Books ‘n Brew, and several other restaurants)
- 6. Walgreens pharmacy.....2.6 miles southeast
- 7. Goodwill4.2 miles southeast
- 8. Publix grocery6.4 miles southeast
- 9. Family Dollar7.2 miles southwest
- 10. Price-Wise Food grocery6.9 miles southwest

Education

- 11. Jasper County School South Campus (*elementary and middle*)6.1 miles west
- 12. Ridgeland-Hardeeville High School19.8 miles north
- 13. Technical College of the Lowcountry – New River Campus1.4 miles southeast
- 14. University of South Carolina – Beaufort Campus0.9 miles southeast

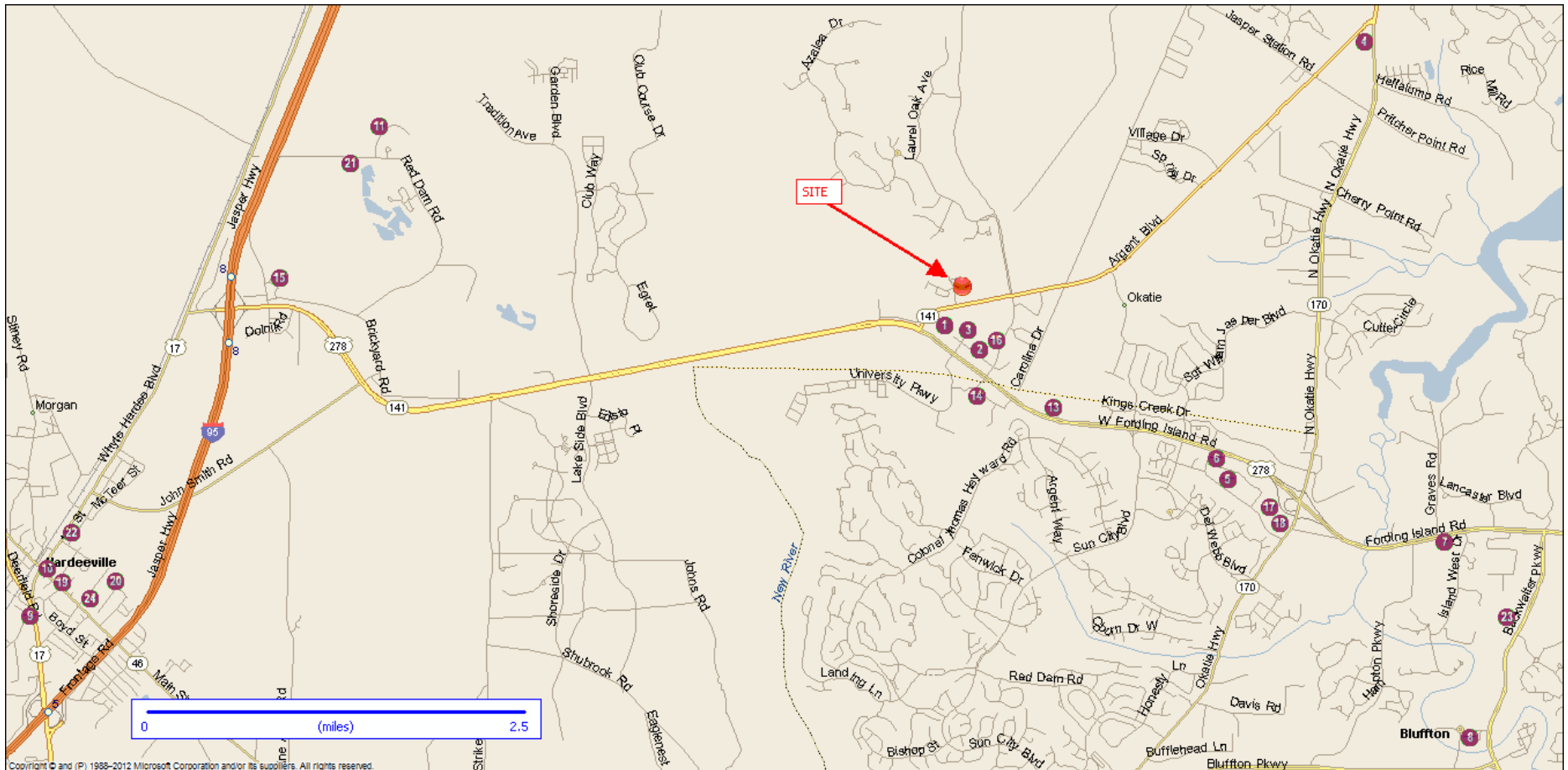
Medical

- 15. Coastal Carolina Hospital (*and medical plaza*).....5.2 miles west
- 16. Medical office complex0.7 miles south
- 17. Bluffton-Okatie Outpatient Center3.1 miles southeast
- 18. Legacy Medical Clinic3.3 miles southeast

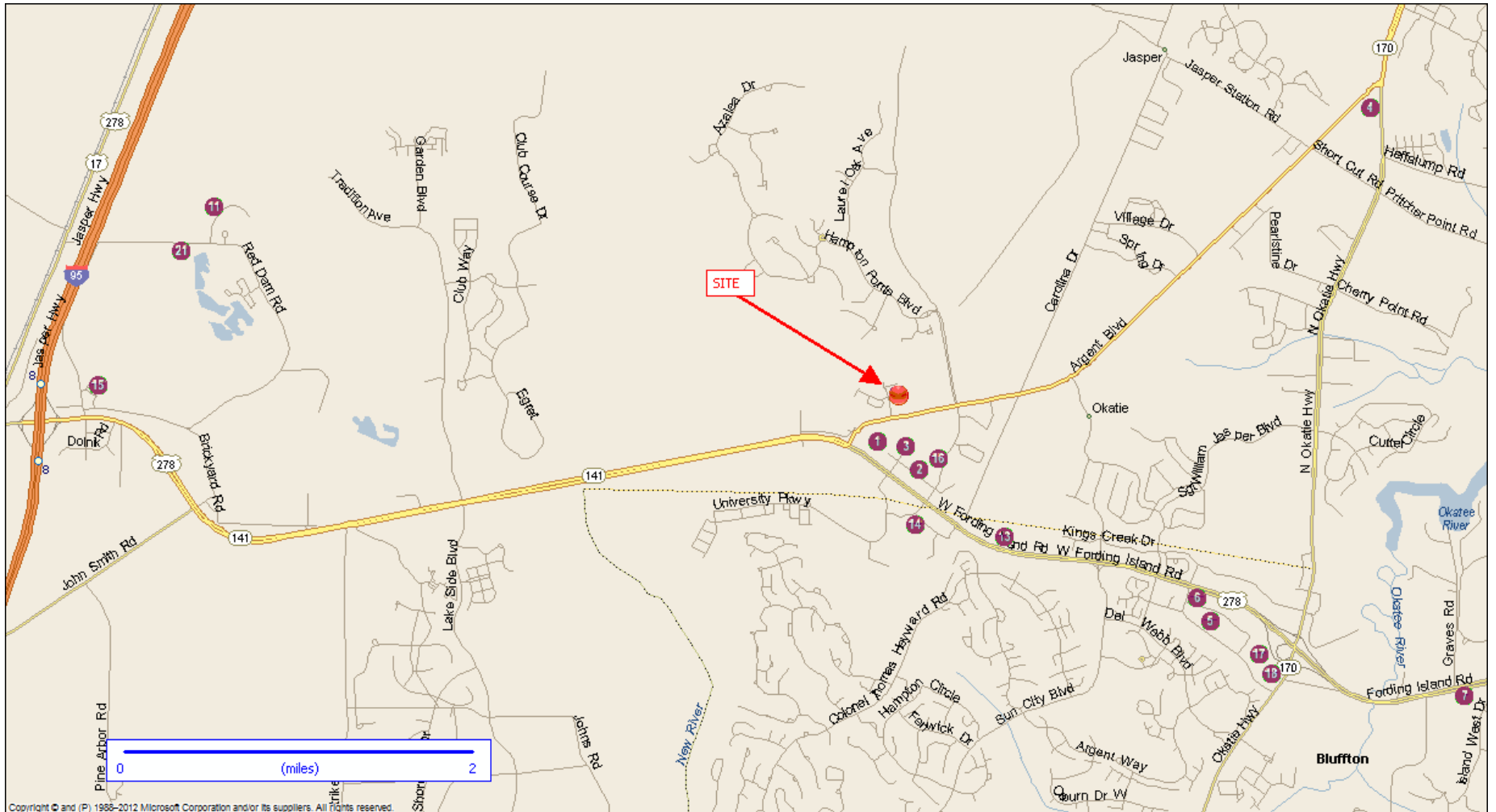
Recreation/Other

- 19. Hardeeville Community Library7.1 miles southwest
- 20. Hardeeville Municipal Stadium and Recreation Complex7.4 miles southwest
- 21. Sergeant Jasper Park6.2 miles west
- 22. Hardeeville Post Office6.6 miles southwest
- 23. Cinemark Bluffton Theater5.6 miles southeast
- 24. Hardeeville Senior Center7.3 miles southwest

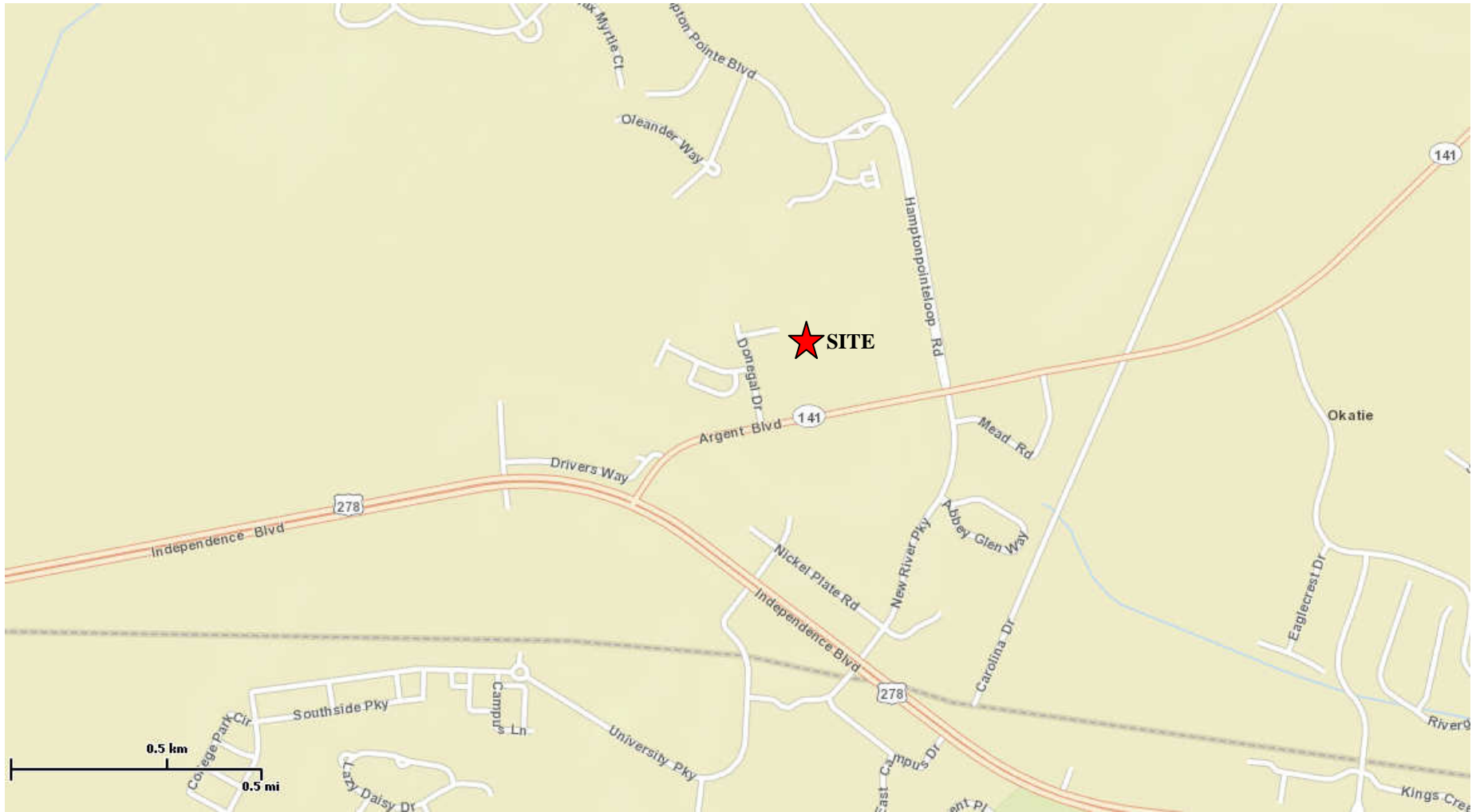
Map 1: Local Features/Amenities – Hardeeville Area



Map 2: Local Features/Amenities – Close View



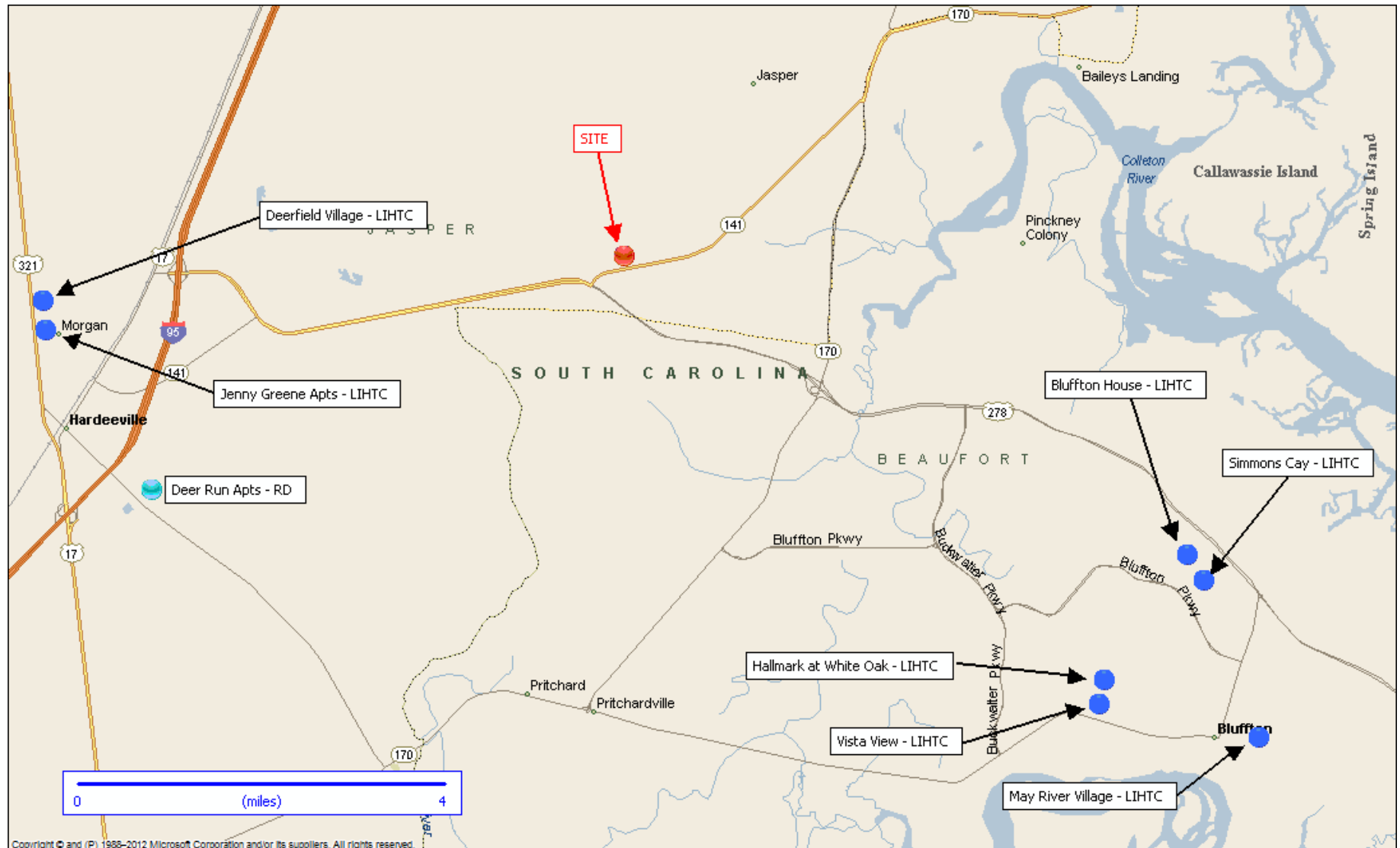
Map 3: Site Location - Neighborhood Map



Map 4: Site Location - Aerial Photo/Site Plan



Map 5: Affordable Rental Housing



Site/Neighborhood Photos





Facing west from access drive to site
Courtney Bend Apartments in background



Courtney Bend Apartments just west of site



6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is notably above both state and national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29927) had a 2010 Total Crime Risk index of 207 – as compared to 122 for the state (whereas an index of 100 is the national average). According to index values, Murder Risk was by far the highest (at 442), followed by Rape Risk and Assault Risk (at 264 and 261, respectively). Conversely, Automotive Theft Risk (at 87) was the lowest of all factors. However, despite the elevated crime values (all were above state averages), there does not appear to be any noticeable security concerns within the immediate neighborhood, or community as a whole.

Table 1: Crime Risk Index (2010)

	Zip: 29927	State
	<u>Index*</u>	<u>Index*</u>
Total 2010 Crime Risk Index	207	122
Personal Crime Index		
Murder Risk	442	132
Rape Risk	264	129
Robbery Risk	174	91
Assault Risk	261	201
Property Crime Index		
Burglary Risk	146	132
Larceny Risk	128	125
Automotive Theft Risk	87	84
*Values are represented as an index, where the value 100 represents the national average.		
Source: CLResearch.com - Data by Zip Code		

7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the Hardeeville market, the only road and/or infrastructure improvements observed near the subject property involve the widening of U.S. 278 from four to six lanes from Okatie Highway (SC 170) to Simmonsville Road – representing a five-mile stretch which begins approximately three miles east of the subject property.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with schools, retail centers (including a Walmart Supercenter, Publix grocery, and Dollar Tree roughly one-third mile away), medical offices, parks, and other various services all located within the immediate area. Based on a site visit conducted February 23rd, 2013, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location is readily accessible to the U.S. 278 corridor, offering easy access to Bluffton, Hilton Head, and I-95. Although the access drive to the site has not yet been constructed, the subject property will have a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition.

C. PRIMARY MARKET AREA DELINEATION

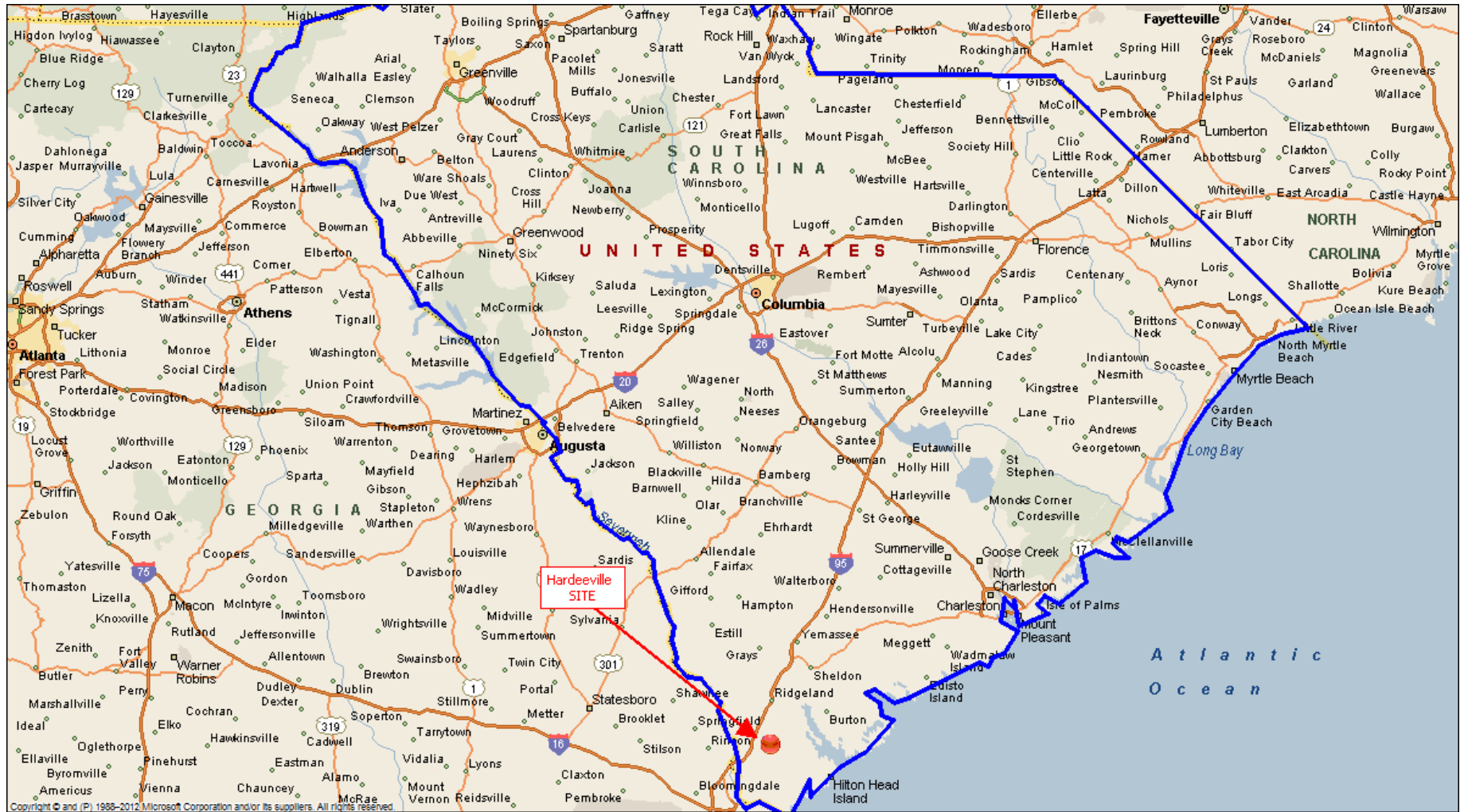
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Hardeeville PMA consists of the city of Hardeeville and the immediate surrounding area, including a portion of Bluffton. More specifically, the PMA is comprised of a total of seven census tracts (two in southeastern Jasper County, and five in western Beaufort County), and reaches approximately six miles to the east of the site, ten miles to the north, 11 miles to the west, and 15 miles to the south. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on the rural characteristics of Hardeeville and the immediate area, the site’s location less than two-thirds mile of the Beaufort County line, as well as its proximity to U.S. 278, SC 170, U.S. 17, and I-95 – each providing relatively convenient transportation throughout the region.

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

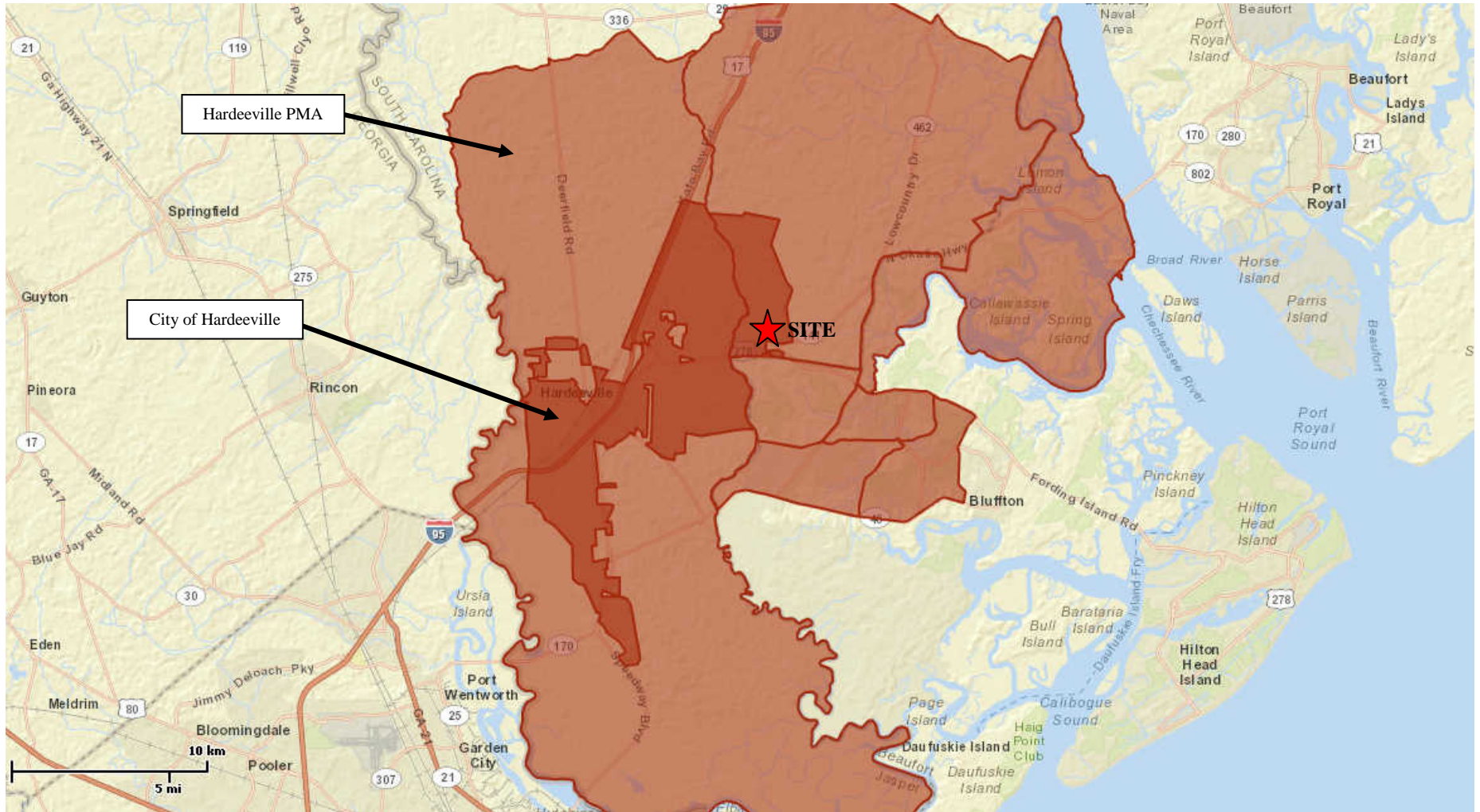
Jasper County:	• Tract 9502.01	• Tract 9503	
Beaufort County:	• Tract 21.03	• Tract 21.05	• Tract 22.02
	• Tract 21.04	• Tract 21.06	

While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market Area (SMA), and primarily include persons currently residing within nearby communities, including Bluffton, Ridgeland, Beaufort, and Hilton Head, among others. However, please keep in mind that secondary market considerations will not be included in the following market analysis or demand calculations. A visual representation of the PMA can be found in the maps on the following pages. Furthermore, the city of Hardeeville and Jasper County have also been utilized throughout the analysis for local and regional comparisons.

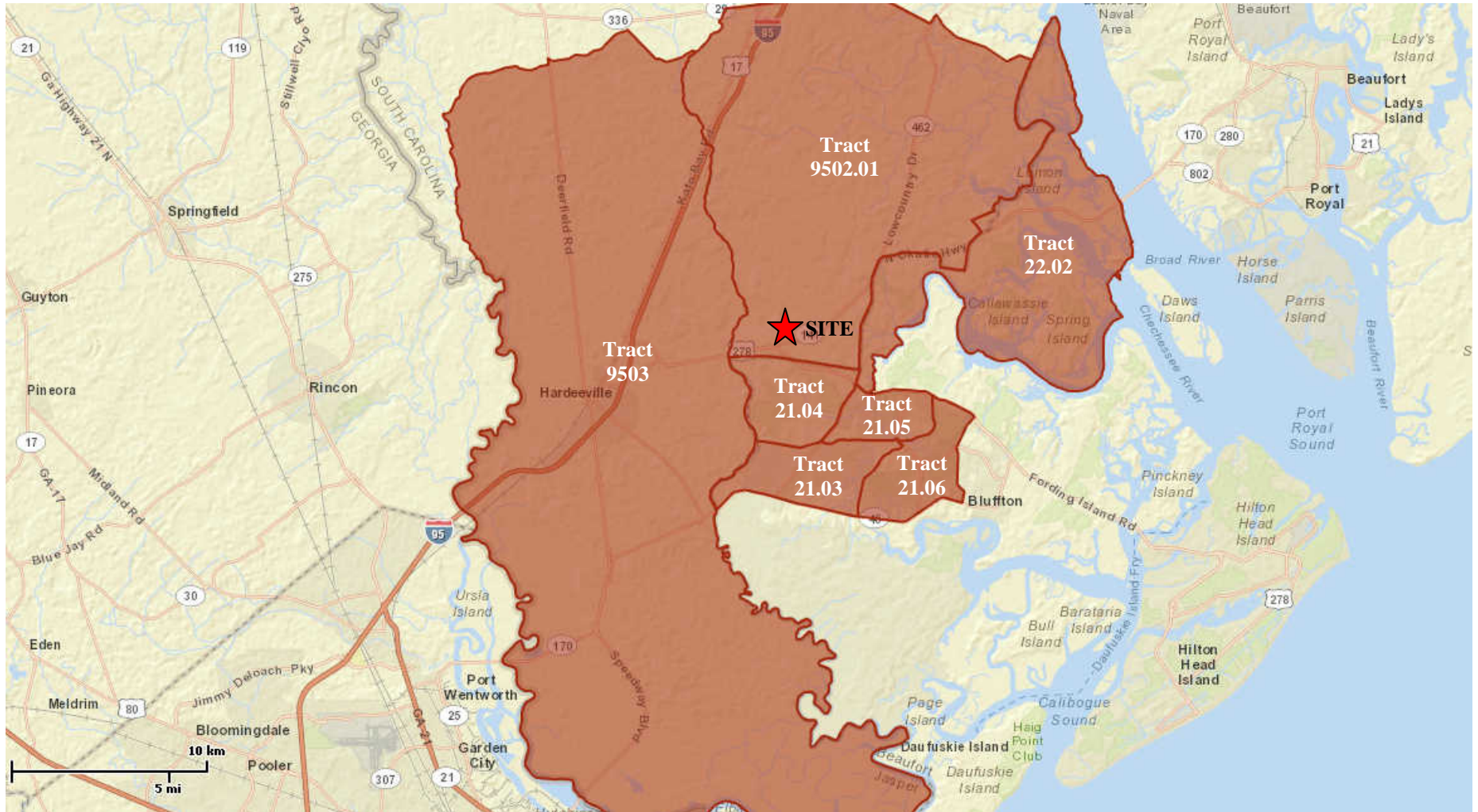
Map 6: State of South Carolina



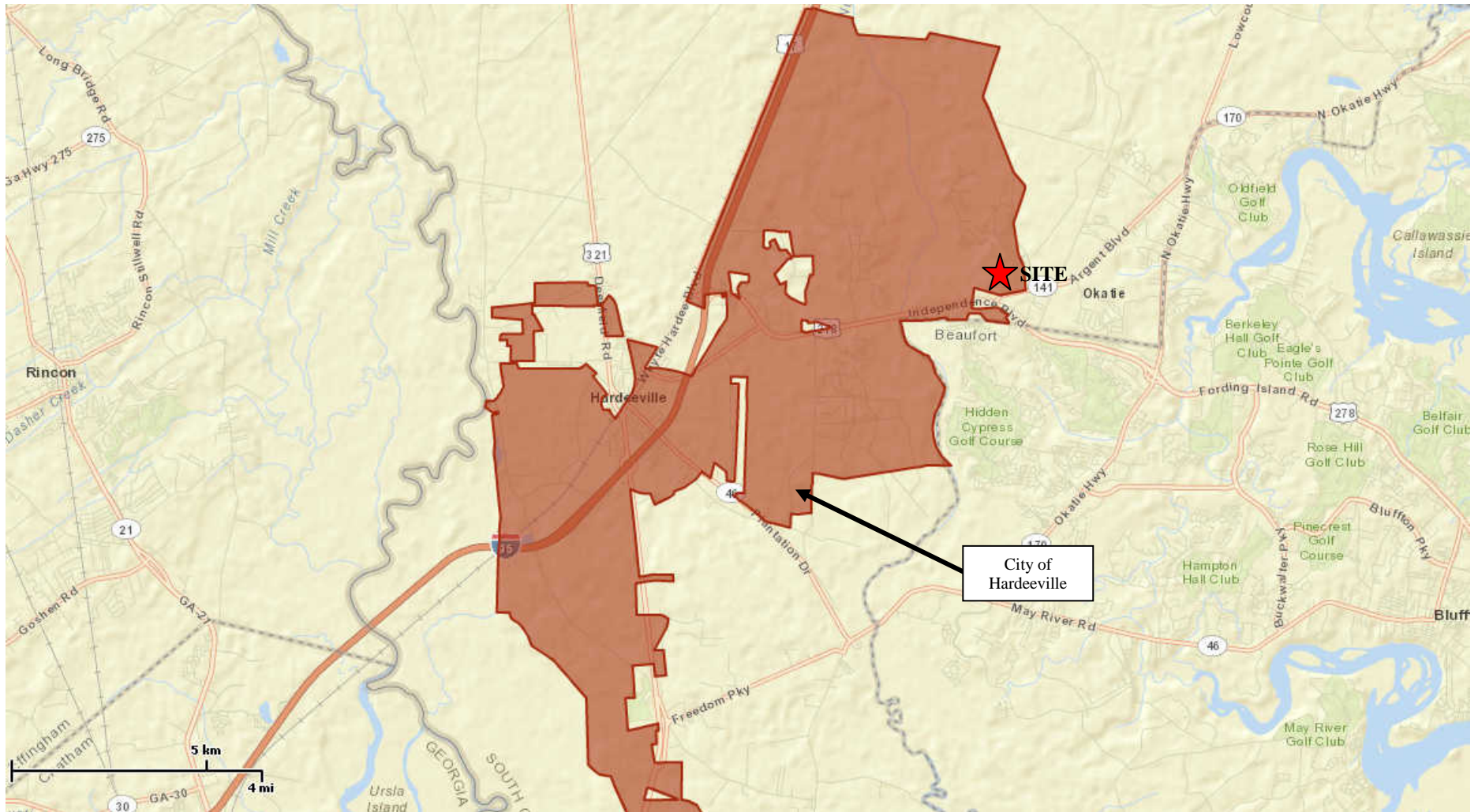
Map 7: Hardeeville Primary Market Area



Map 8: Primary Market Area – Census Tracts



Map 9: City of Hardeeville



D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within the private sector in Jasper County was retail trade (19 percent of all jobs), followed by persons employed in health care/social assistance (18 percent), public administration (12 percent), and accommodation/food services (at 9 percent). Based on a comparison of employment by industry from 2007, just half of industry sectors recorded an increase in the number of jobs. As such, the two largest industries within the county experienced significant increases between 2007 and 2012 (real estate grew by 126 percent, while retail trade increased by 73 percent), along with several other sectors reporting solid gains. In contrast, construction recorded the largest declines during this time (71 percent loss), followed closely by manufacturing and transportation/warehousing industries (declines of 59 percent and 50 percent, respectively).

Table 2: Employment by Industry – Jasper County (2Q 2012)

Industry	2012 (2Q)		2007		Change from 2007
	Number Employed	Percent	Employed	Percent	
Agriculture, forestry, fishing and hunting	145	2.0%	179	2.2%	-19.0%
Mining	*	*	*	*	*
Utilities	*	*	*	*	*
Construction	559	7.8%	1,920	23.8%	-70.9%
Manufacturing	243	3.4%	593	7.4%	-59.0%
Wholesale trade	168	2.3%	196	2.4%	-14.3%
Retail trade	1,355	18.9%	785	9.7%	72.6%
Transportation and warehousing	125	1.7%	249	3.1%	-49.8%
Information	14	0.2%	*	*	*
Finance and insurance	78	1.1%	120	1.5%	-35.0%
Real estate and rental and leasing	52	0.7%	23	0.3%	126.1%
Professional and technical services	99	1.4%	86	1.1%	15.1%
Management of companies and enterprises	*	*	*	*	*
Administrative and waste services	334	4.7%	362	4.5%	-7.7%
Educational services	*	*	*	*	*
Health care and social assistance	1,274	17.8%	1,101	13.7%	15.7%
Arts, entertainment, and recreation	85	1.2%	74	0.9%	14.9%
Accommodation and food services	653	9.1%	524	6.5%	24.6%
Other services, exc. public administration	200	2.8%	163	2.0%	22.7%
Public administration	886	12.4%	839	10.4%	5.6%
Unclassified	*	*	*	*	*
Public Administration - Federal Government	35	0.5%	21	0.3%	66.7%
Public Administration - State Government	384	5.4%	391	4.9%	-1.8%
Public Administration - Local Government	467	6.5%	427	5.3%	9.4%

* - Data Not Available
 Source: South Carolina Department of Employment & Workforce - Jasper County, SC (2007 - 2012)

2. Commuting Patterns

Overall, far more workers commute away from Jasper County than commute to the county for employment, according to U.S. Census information. As such, a total of 4,719 Jasper County residents commuted to areas outside of the county for employment in 2000, while 1,652 persons commuted to Jasper County. Not surprisingly, the most significant interaction is with the Beaufort and Savannah areas. Based on place of employment (using 2011 American Community Survey data), 72 percent of PMA residents are employed within Jasper County, while 17 percent work outside of the county (with nearly 11 percent working in Georgia).

An overwhelming majority of workers throughout Jasper County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to 2011 ACS data, approximately 80 percent of workers within the PMA drove alone to their place of employment, while 14 percent carpooled in some manner. Only a very small number (just three percent) utilized public transportation, walked, or used some other means to get to work.

Table 3: Place of Work/ Means of Transportation (2011)

EMPLOYMENT BY PLACE OF WORK						
	City of Hardeeville		Hardeeville PMA		Jasper County	
Total	1,548	100.0%	15,292	100.0%	10,445	100.0%
Worked in State of Residence	1,281	82.8%	13,663	89.3%	9,424	90.2%
Worked in County of Residence	605	39.1%	11,000	71.9%	5,256	50.3%
Worked Outside County of Residence	676	43.7%	2,663	17.4%	4,168	39.9%
Worked Outside State of Residence	267	17.2%	1,629	10.7%	1,021	9.8%

MEANS OF TRANSPORTATION TO WORK						
	City of Hardeeville		Hardeeville PMA		Jasper County	
Total	1,548	100.0%	15,292	100.0%	9,602	100.0%
Drove Alone - Car, Truck, or Van	1,128	72.9%	12,295	80.4%	7,295	76.0%
Carpooled - Car, Truck, or Van	352	22.7%	2,068	13.5%	1,503	15.7%
Public Transportation	0	0.0%	17	0.1%	0	0.0%
Walked	31	2.0%	81	0.5%	136	1.4%
Other Means	8	0.5%	297	1.9%	93	1.0%
Worked at Home	29	1.9%	534	3.5%	575	6.0%

Source: U.S. Census Bureau; 2006-2010 American Community Survey

Table 4: Employment Commuting Patterns (2000)

Persons Commuting TO JASPER COUNTY		
Commuters Living In:	Number	Percent
Total Persons	1,652	
Beaufort County	533	32.3%
Hampton County	416	25.2%
Chatham County (Georgia)	201	12.2%
Collegon County	168	10.2%
Effingham County (Georgia)	119	7.2%

Persons Commuting FROM JASPER COUNTY		
Commuters Working In :	Number	Percent
Total Persons	4,719	
Beaufort County	3,501	74.2%
Chatham County (Georgia)	820	17.4%
Hampton County	193	4.1%
Effingham County (Georgia)	42	0.9%
Allendale County	23	0.5%

Source: U.S. Census of Population and Housing (SF3) - 2000

3. Largest Employers

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

Jasper County Top Employers (Listed Alphabetically)	
Bairds Truck & Auto Sales, Inc.	Beaufort/Jasper Comprehensive Health
Caring Hands Healthcare, Inc.	CBM Enterprises LLC
City of Hardeeville	Cleland Site Prep Inc.
Coastal Carolina Medical Center, Inc.	Compassion Healthcare, Inc.
County of Jasper	Jasper County Board of Disabilities
Jasper County School District	Key Nissan LLC
OC Welch Ford Lincoln Mercury Inc.	Palmetto Electric Co-op Inc.
Publix Supermarket Inc.	Ridgeland Nursing Center Inc.
SC Department of Corrections	Wal-Mart Associates, Inc.
<i>Source: SC Department of Employment & Workforce – 2012 Q1</i>	

According to U.S. Census data for the first quarter of 2012, there were approximately 889 new jobs created by either new businesses in Jasper County or the expansion by existing firms. Additionally, there were notably more hires than separations during the quarter – a positive trend considering separations were typically greater than new hires during the three prior quarters.

	2012 Quarter 1	Average: 3 Prior Quarters
Job Creation	889	524
New Hires	1,026	1,123
Separations	913	1,227
Turnover	9.6%	11.1%
Avg. Monthly Earnings	\$3,466	\$3,059
Avg. New Hire Earnings	\$2,061	\$2,082
<i>Source: QWI Online - U.S. Census Bureau</i>		

4. Employment and Unemployment Trends

The overall economy throughout Jasper County has historically been relatively stable, with an unemployment rate typically below the state average, but slightly above national norms. While small job gains have been recorded for the county in each of the last three years (2010 through 2012), job losses were recorded in the previous three years (2007 through 2009) due to effects of a nationwide recession. According to information obtained from SC Works, approximately 660 jobs were lost within Jasper County between 2007 and 2009, representing a decrease of seven percent. However, nearly 600 jobs have been added to the county's workforce between 2010 and 2012 (an increase of seven percent), clearly demonstrating an improving trend.

The latest annual employment figures indicate the local economy has appeared to continue to improve, increasing by more than 250 jobs in 2012 and an annual unemployment rate of 8.3 percent (representing a decrease from 9.8 percent in 2011). According to December 2012 figures, an increase of approximately 220 jobs was reported from December 2011, along with the unemployment declining to 8.2 percent - remaining below the state average (8.4 percent). As such, the county's economic situation coupled with its employment distribution and prevailing average incomes are clearly reflective of the need for affordable housing locally.

Figure 1: Employment Growth

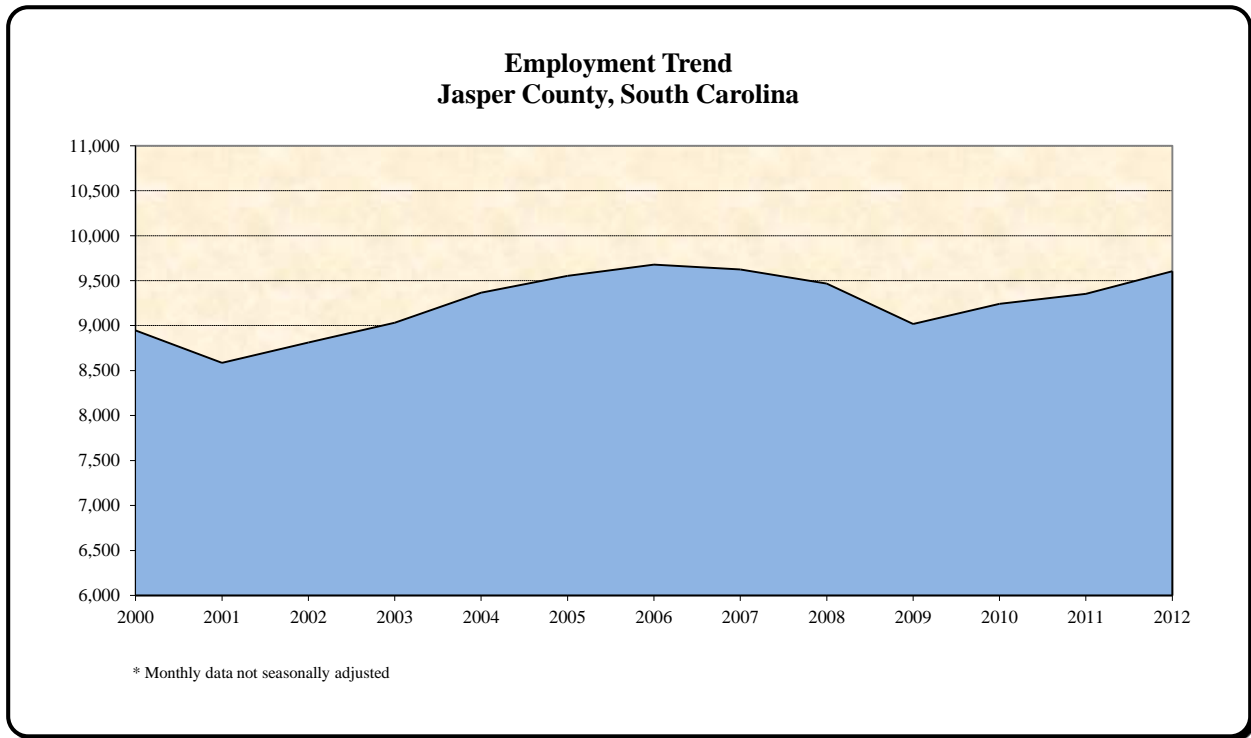


Figure 2: Historical Unemployment Rate

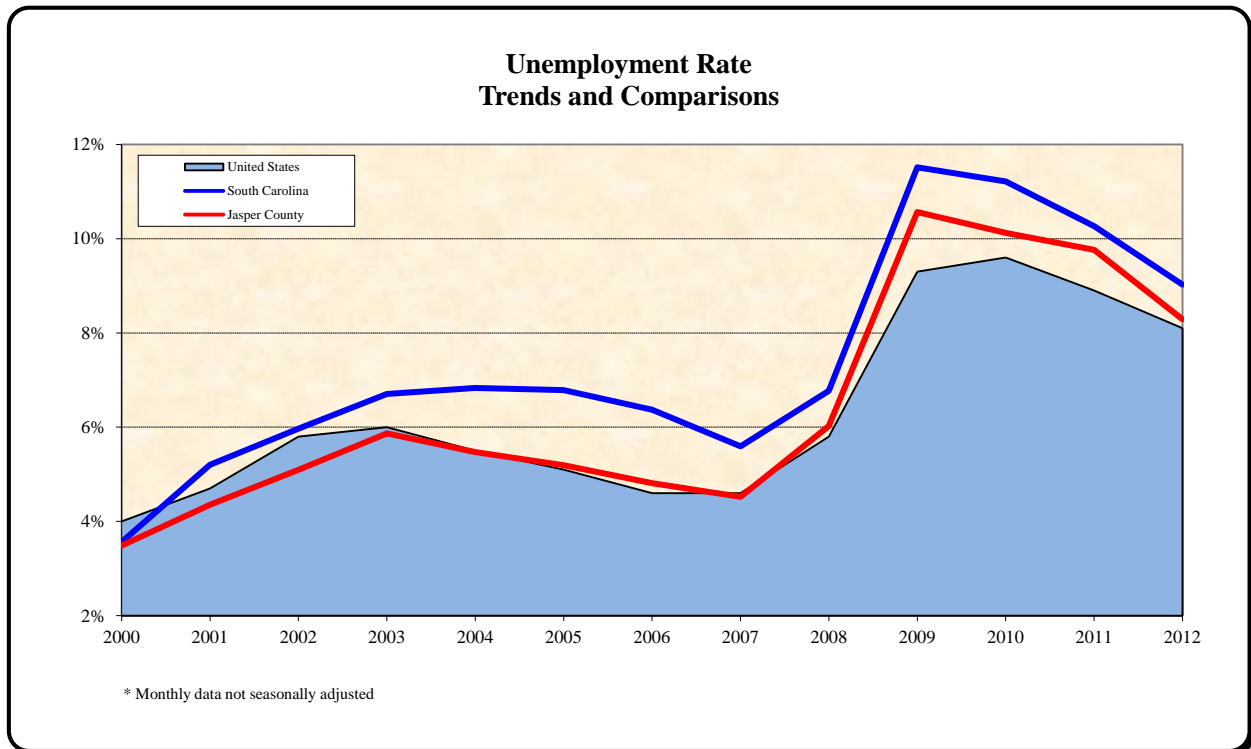


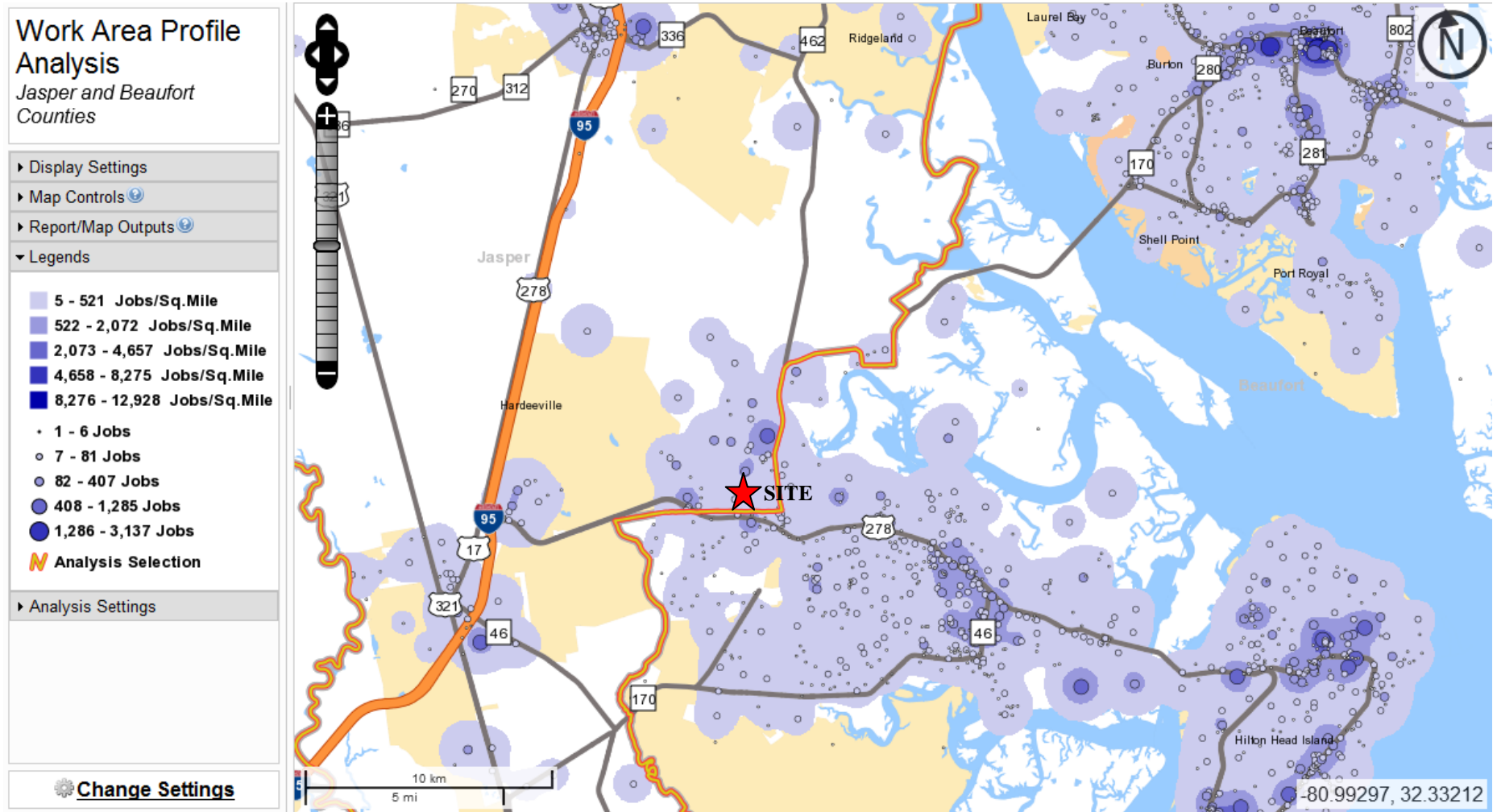
Table 5: Historical Employment Trends

Year	Jasper County				Employment Change Annual			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Jasper County	South Carolina	United States	Jasper County	South Carolina	United States
2000	9,269	8,946	---	---	---	---	---	3.5%	3.6%	4.0%
2001	8,977	8,586	(360)	-4.0%	-4.0%	-4.3%	0.0%	4.4%	5.2%	4.7%
2002	9,285	8,812	226	2.6%	2.6%	-0.5%	-0.3%	5.1%	6.0%	5.8%
2003	9,595	9,032	220	2.5%	2.5%	1.5%	0.9%	5.9%	6.7%	6.0%
2004	9,908	9,366	334	3.7%	3.7%	1.8%	1.1%	5.5%	6.8%	5.5%
2005	10,076	9,553	187	2.0%	2.0%	1.8%	1.8%	5.2%	6.8%	5.1%
2006	10,167	9,678	125	1.3%	1.3%	2.5%	1.9%	4.8%	6.4%	4.6%
2007	10,080	9,624	(54)	-0.6%	-0.6%	2.0%	1.1%	4.5%	5.6%	4.6%
2008	10,074	9,467	(157)	-1.6%	-1.6%	-0.5%	-0.5%	6.0%	6.8%	5.8%
2009	10,083	9,018	(449)	-4.7%	-4.7%	-4.9%	-3.8%	10.6%	11.5%	9.3%
2010	10,283	9,242	224	2.5%	2.5%	0.3%	-0.6%	10.1%	11.2%	9.6%
2011	10,365	9,353	111	1.2%	1.2%	1.4%	0.6%	9.8%	10.3%	8.9%
2012	10,472	9,604	251	2.7%	2.7%	0.9%	1.9%	8.3%	9.0%	8.1%
Dec-11*	10,365	9,478	---	---	---	---	---	8.6%	9.6%	8.3%
Dec-12*	10,569	9,700	222	2.3%	2.3%	0.9%	1.7%	8.2%	8.4%	7.6%

Jasper County				South Carolina		
	Number	Percent	Ann. Avg.		Percent	Ann. Avg.
Change (2000-Present):	754	8.4%	0.7%	Change (2000-Present):	2.7%	0.2%
Change (2005-Present):	147	1.5%	0.2%	Change (2005-Present):	2.5%	0.4%
Change (2010-Present):	458	5.0%	2.5%	Change (2010-Present):	3.1%	1.6%
Change (2000-2005):	607	6.8%	1.4%	Change (2000-2005):	0.3%	0.1%
Change (2005-2010):	(311)	-3.3%	-0.7%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2012):	362	3.9%	2.0%	Change (2010-2012):	2.3%	1.1%

*Monthly data not seasonally adjusted

Map 10: Employment Concentrations – Jasper and Beaufort Counties



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, the Hardeeville area has experienced extraordinarily positive demographic growth since 2000, much of which has occurred in southeastern Beaufort County, just east of the site. Overall, the PMA had an estimated population of 43,409 persons in 2012, representing an increase of 109 percent from 2000 (a gain of more than 22,600 persons). Similarly, the city increased by 73 percent since 2000 (approximately 1,300 additional persons), while Jasper County as a whole grew by a more modest, but still sizeable, 25 percent between 2000 and 2012.

Future projections indicate continued steady growth (albeit at more modest rates than the previous decade), with an estimated increase of 14 percent expected within the PMA between 2012 and 2017 (nearly 6,100 persons), and a similar 12 percent gain for Hardeeville proper (roughly 360 persons). In comparison, Jasper County is also expected to increase by 11 percent between 2012 and 2017.

Table 6: Population Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	1,793	2,952	3,096	3,313	3,457
Hardeeville PMA	20,801	40,971	43,409	47,065	49,503
Jasper County	20,678	24,777	25,890	27,560	28,673
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		64.6%	4.9%	7.0%	11.6%
Hardeeville PMA		97.0%	5.9%	8.4%	14.0%
Jasper County		19.8%	4.5%	6.4%	10.7%
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Hardeeville		5.1%	2.4%	2.3%	2.2%
Hardeeville PMA		7.0%	2.9%	2.7%	2.7%
Jasper County		1.8%	2.2%	2.1%	2.1%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 27 percent of all persons. In comparison, this age cohort represented a much greater 41 percent of persons within the city, and 36 percent of the county. Older persons also accounted for a relatively large portion of the population within the PMA. As such, 24 percent of the total PMA population was between 45 and 64 years, and just under 27 percent was over the age of 65. In comparison to Hardeeville and Jasper County, the PMA has a notably larger elderly population.

When reviewing distribution patterns between 2000 and 2017, the aging of the population is clearly evident within all three areas analyzed, but especially within the PMA. The proportion of persons under the age of 45 has steadily declined since 2000, and is expected to decrease further through 2017. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons over the age of 55 years, which represented 27 percent of the population in 2000, is expected to increase to account for 43 percent of all persons by 2017 – while in part this aging trend can be explained by the aging of the baby boom generation, another cause is the substantial influx of retirement communities and resorts within the area.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Hardeeville and the PMA (67 percent and 48 percent of all persons in 2017, respectively) signify positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 7: Age Distribution (2000 to 2017)

	City of Hardeeville				Hardeeville PMA				Jasper County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2017 Percent</u>
Under 20 years	865	33.4%	29.3%	30.1%	9,075	26.9%	22.1%	21.5%	6,867	29.7%	27.7%	27.1%
20 to 24 years	354	9.0%	12.0%	8.6%	1,997	5.8%	4.9%	4.5%	1,969	7.4%	7.9%	7.4%
25 to 34 years	520	16.0%	17.6%	16.6%	4,737	14.3%	11.6%	11.7%	3,685	14.8%	14.9%	15.0%
35 to 44 years	332	14.3%	11.2%	11.8%	4,437	15.5%	10.8%	10.3%	3,217	15.9%	13.0%	12.3%
45 to 54 years	358	9.6%	12.1%	11.7%	3,973	10.6%	9.7%	8.7%	3,542	12.3%	14.3%	12.9%
55 to 59 years	155	3.8%	5.3%	5.3%	2,240	5.4%	5.5%	5.6%	1,428	5.0%	5.8%	6.2%
60 to 64 years	136	3.0%	4.6%	5.1%	3,658	6.0%	8.9%	9.2%	1,300	3.9%	5.2%	5.9%
65 to 74 years	146	6.8%	4.9%	7.3%	7,247	10.5%	17.7%	20.3%	1,671	6.2%	6.7%	8.7%
75 to 84 years	64	3.4%	2.2%	2.7%	3,020	4.3%	7.4%	6.9%	785	3.6%	3.2%	3.3%
85 years and older	22	0.7%	0.7%	0.8%	587	0.8%	1.4%	1.4%	313	1.2%	1.3%	1.4%
Under 20 years	865	33.4%	29.3%	30.1%	9,075	26.9%	22.1%	21.5%	6,867	29.7%	27.7%	27.1%
20 to 44 years	1,206	39.3%	40.9%	37.0%	11,171	35.5%	27.3%	26.6%	8,871	38.1%	35.8%	34.7%
45 to 64 years	649	16.3%	22.0%	22.2%	9,871	22.0%	24.1%	23.4%	6,270	21.2%	25.3%	24.9%
65 years and older	232	10.9%	7.9%	10.7%	10,854	15.6%	26.5%	28.6%	2,769	11.0%	11.2%	13.3%
55 years and older	523	17.7%	17.7%	21.2%	16,752	27.0%	40.9%	43.3%	5,497	19.9%	22.2%	25.4%
75 years and older	86	4.1%	2.9%	3.5%	3,607	5.1%	8.8%	8.3%	1,098	4.8%	4.4%	4.7%
Non-Elderly (<65)	2,720	89.1%	92.1%	89.3%	30,117	84.4%	73.5%	71.4%	22,008	89.0%	88.8%	86.7%
Elderly (65+)	232	10.9%	7.9%	10.7%	10,854	15.6%	26.5%	28.6%	2,769	11.0%	11.2%	13.3%

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

2. Household Trends

Similar to population patterns, the Hardeeville area has experienced extremely positive household creation since 2000. As such, occupied households within the PMA numbered 17,705 units in 2012, representing an increase of 117 percent from 2000 (a gain of more than 9,500 households). ESRI forecasts for 2017 indicate this number will continue to increase at a steady rate, with forecasted growth of 14 percent (roughly 2,400 additional households) anticipated between 2012 and 2017.

Furthermore, the number of households within Hardeeville itself increased by 74 percent between 2000 and 2012 and is anticipated to increase an additional ten percent through 2017. In comparison, the number of households grew by 27 percent within Jasper County as a whole since 2000, demonstrating relatively strong demographic patterns throughout the region.

Table 8: Household Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	642	1,068	1,115	1,184	1,231
Hardeeville PMA	8,163	16,736	17,705	19,159	20,128
Jasper County	7,042	8,517	8,927	9,541	9,951
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		66.4%	4.4%	6.3%	10.4%
Hardeeville PMA		105.0%	5.8%	8.2%	13.7%
Jasper County		20.9%	4.8%	6.9%	11.5%

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

Average household sizes experienced a notable decline within the PMA since 2000, a pattern generally consistent with an aging population (or an influx of elderly residents). For the PMA, the average household size was 2.44 persons in 2012, representing a decrease of approximately five percent from 2000’s average of 2.55 persons. However, ESRI forecasts indicate the average household size within the market area will stabilize and remain similar through 2017.

Overall, the PMA contains somewhat smaller household sizes than both Jasper County and Hardeeville individually. In comparison to the PMA average of 2.44 persons per household in 2012, Hardeeville had an average household size of 2.78 persons, while the county had an average of 2.73 persons per household.

Table 9: Average Household Size (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	2.78	2.76	2.78	2.80	2.81
Hardeeville PMA	2.55	2.43	2.44	2.44	2.45
Jasper County	2.75	2.73	2.73	2.73	2.73
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		-0.7%	0.5%	0.7%	1.1%
Hardeeville PMA		-4.5%	0.2%	0.2%	0.4%
Jasper County		-0.4%	0.0%	0.0%	-0.1%

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

Renter-occupied households throughout the Hardeeville market area have also exhibited considerable gains. According to U.S. Census figures and ESRI estimates, a total of 3,501 renter-occupied households are estimated within the PMA for 2012, representing an increase of 71 percent from 2000 figures (a gain of 1,450 additional rental units). In addition, substantial gains in the number of renter households have also occurred in both Hardeeville proper (115 percent) and Jasper County (76 percent) during this time, as well.

Overall, a somewhat moderate ratio of renter households exists throughout the Hardeeville market area. For the PMA, the renter household percentage was calculated at 20 percent in 2012, notably lower than the city and county’s renter representation (52 percent and 31 percent, respectively).

Table 10: Renter Household Trends (2000 to 2017)

	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2017</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2012</u> <u>Change</u>	<u>2012-2017</u> <u>Change</u>
City of Hardeeville	271	616	583	499	127.3%	-5.4%	-14.3%
Hardeeville PMA	2,048	3,288	3,501	4,034	60.5%	6.5%	15.2%
Jasper County	1,573	2,646	2,767	3,070	68.2%	4.6%	10.9%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2017</u>			
City of Hardeeville	42.2%	57.7%	52.3%	40.5%			
Hardeeville PMA	25.1%	19.6%	19.8%	20.0%			
Jasper County	22.3%	31.1%	31.0%	30.9%			

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

In contrast to overall households, renter household sizes for the Hardeeville PMA were generally larger than those reported for Hardeeville and Jasper County, on average. In addition, average renter sizes increased over the past decade in the PMA – from 2.65 persons per unit in 2000 to 3.06 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (49 percent), with three persons occupying 17 percent of units, and 34 percent of units with four or more persons.

Table 11: Rental Units by Size (2010)

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	Median Persons Per Rental Unit	
						<u>2000</u>	<u>2010</u>
City of Hardeeville	185	164	95	82	90	2.94	2.69
Hardeeville PMA	729	896	548	528	587	2.65	3.06
Jasper County	720	626	451	384	465	2.76	2.89
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	Median Change	
City of Hardeeville	30.0%	26.6%	15.4%	13.3%	14.6%	-8.5%	
Hardeeville PMA	22.2%	27.3%	16.7%	16.1%	17.9%	15.1%	
Jasper County	27.2%	23.7%	17.0%	14.5%	17.6%	4.7%	

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

3. Senior-Specific Demographic Data

As noted earlier, the senior population cohort is anticipated to experience sizeable growth through 2017 as compared to other age segments. As such, a total of 18,091 seniors (55 years and over) are estimated in the PMA for 2012, more than tripling from 2000 figures (nearly 12,500 additional seniors) – clearly reflecting the impact that the Sun City development has had on the area as a retirement destination. The 2012 figure represents 42 percent of the overall population, which is an increase from a representation of 27 percent in 2000. Furthermore, this extremely strong trend is anticipated to continue (albeit at a somewhat more reasonable pace), with an increase of 19 percent (nearly 3,350 seniors) forecast between 2012 and 2017.

Future population trends for the older senior segment (65 years and older) are similar to those exhibited by the 55 and older age group, representing strong growth throughout the entire senior segment. As can be seen, overall senior growth and propensities are an encouraging indication of the long-term viability of the subject proposal. Additionally, while considering senior population counts have experienced extraordinary increases over the past decade and are expected to continue in the future, the demand for additional senior housing will likely escalate as well. As such, more than 40 percent of all persons in the PMA was over 55 years old in 2012, and is representative of a steady source of potential renters as this group continues to age in place.

Table 12: Senior Population Trends (2000 to 2017)

55+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	317	523	583	673	733
Hardeeville PMA	5,616	16,752	18,091	20,099	21,438
Jasper County	4,125	5,497	6,005	6,767	7,275
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		65.0%	11.5%	15.4%	25.7%
Hardeeville PMA		198.3%	8.0%	11.1%	18.5%
Jasper County		33.3%	9.2%	12.7%	21.1%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	17.7%	17.7%	18.8%	20.3%	21.2%
Hardeeville PMA	27.0%	40.9%	41.7%	42.7%	43.3%
Jasper County	19.9%	22.2%	23.2%	24.6%	25.4%
65+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	196	232	272	331	371
Hardeeville PMA	3,250	10,854	11,792	13,200	14,138
Jasper County	2,269	2,769	3,071	3,523	3,825
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		18.4%	17.1%	21.9%	36.5%
Hardeeville PMA		234.0%	8.6%	11.9%	19.9%
Jasper County		22.0%	10.9%	14.7%	24.6%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	10.9%	7.9%	8.8%	10.0%	10.7%
Hardeeville PMA	15.6%	26.5%	27.2%	28.0%	28.6%
Jasper County	11.0%	11.2%	11.9%	12.8%	13.3%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

As with senior population patterns, senior household trends (age 55 years and older) have been equally as impressive within the PMA and are also expected to continue to increase through 2017. According to Census and ESRI data, the number of senior households within the PMA more than tripled between 2000 and 2012 (adding roughly 7,000 additional senior households), while ESRI estimates a further gain of 17 percent (more than 1,800 senior households) between 2012 and 2017 – representing more than one-half (at 61 percent) of all PMA households in 2017, and clearly demonstrating the senior influence throughout the Hardeeville/Bluffton area.

Table 13: Senior Household Trends (2000 to 2017)

55+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	214	324	368	434	478
Hardeeville PMA	3,384	9,720	10,440	11,521	12,241
Jasper County	2,598	3,421	3,706	4,133	4,418
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		51.4%	13.6%	17.9%	29.9%
Hardeeville PMA		187.2%	7.4%	10.3%	17.2%
Jasper County		31.7%	8.3%	11.5%	19.2%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	33.3%	30.3%	33.0%	36.6%	38.8%
Hardeeville PMA	41.5%	58.1%	59.0%	60.1%	60.8%
Jasper County	36.9%	40.2%	41.5%	43.3%	44.4%
65+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	141	152	179	220	247
Hardeeville PMA	2,093	6,650	7,174	7,960	8,484
Jasper County	1,531	1,791	1,969	2,235	2,413
		2000-2010	2010-2012	2012-2015	2012-2017
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		7.8%	17.9%	22.7%	37.9%
Hardeeville PMA		217.7%	7.9%	11.0%	18.3%
Jasper County		17.0%	9.9%	13.5%	22.6%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	22.0%	14.2%	16.1%	18.6%	20.1%
Hardeeville PMA	25.6%	39.7%	40.5%	41.5%	42.2%
Jasper County	21.7%	21.0%	22.1%	23.4%	24.2%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

Despite the substantial growth in the senior population throughout the area, the percentage of senior renter households is significantly smaller than the overall renter household percentage – a trend demonstrating that most of this senior growth is within the primarily owner-occupied “active adult” retirement communities throughout the area. As such, senior renter households (55 and over) within the PMA numbered 729 units in 2012, representing just seven percent of all senior-occupied households within the market area. In comparison, Hardeeville itself contained 115 senior renter households, which was a more typical 31 percent of all senior households within the community in 2012.

Table 14: Senior Renter Household Trends (2000 to 2012)

Senior Renter HHs - 55+					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2012</u> <u>Change</u>
City of Hardeeville	59	101	115	71.2%	13.6%
Hardeeville PMA	356	679	729	90.7%	7.4%
Jasper County	357	585	634	63.9%	8.3%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>		
	<u>2000</u>	<u>2010</u>	<u>2012</u>		
City of Hardeeville	27.6%	31.2%	31.2%		
Hardeeville PMA	10.5%	7.0%	7.0%		
Jasper County	13.7%	17.1%	17.1%		
Senior Renter HHs - 65+					
	<u>2000</u>	<u>2010</u>	<u>2012</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2012</u> <u>Change</u>
City of Hardeeville	37	43	51	16.2%	17.9%
Hardeeville PMA	203	354	382	74.4%	7.9%
Jasper County	193	291	320	50.8%	9.9%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>		
	<u>2000</u>	<u>2010</u>	<u>2012</u>		
City of Hardeeville	26.2%	28.3%	28.3%		
Hardeeville PMA	9.7%	5.3%	5.3%		
Jasper County	12.6%	16.2%	16.2%		
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

4. Household Income Trends

Income levels throughout the Hardeeville area have experienced somewhat modest gains over the past decade. Overall, much of the county recorded annual increases of between one and two percent between 1999 and 2012, and it is anticipated that income appreciation will continue to remain sluggish through 2017. In 2012, the median household income was estimated at \$54,817 for the PMA, which was significantly greater than that estimated for both Hardeeville (\$34,440) and Jasper County (\$37,606) – this disparity can largely be explained by the large influx of retirees and high-end residential developments over the past decade. Furthermore, the PMA figure represents an increase of 18 percent from 1999 (an average annual increase of 1.5 percent), while the city increased at a similar rate during this period (1.2 percent annually).

According to ESRI data, the rate of income growth is forecast to remain somewhat sluggish through 2017. As such, it is projected that the median income within the PMA will increase by 0.5 percent annually between 2012 and 2017, as compared to 1.9 percent and 0.3 percent for the city and county, respectively.

Table 15: Median Household Incomes (1999 to 2017)

	<u>1999</u>	<u>2010</u>	<u>2012</u>	<u>2015</u>	<u>2017</u>
City of Hardeeville	\$28,977	\$33,088	\$34,440	\$35,791	\$37,819
Hardeeville PMA	\$46,091	\$54,274	\$54,817	\$55,360	\$56,175
Jasper County	\$30,727	\$37,393	\$37,606	\$37,819	\$38,139
		<u>1999-2010</u>	<u>2010-2012</u>	<u>2012-2015</u>	<u>2012-2017</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Hardeeville		14.2%	4.1%	4.1%	9.8%
Hardeeville PMA		17.8%	1.0%	1.0%	2.5%
Jasper County		21.7%	0.6%	0.6%	1.4%
		<u>1999-2010</u>	<u>2010-2012</u>	<u>2012-2015</u>	<u>2012-2017</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Hardeeville		1.2%	2.0%	1.3%	1.9%
Hardeeville PMA		1.5%	0.5%	0.3%	0.5%
Jasper County		1.8%	0.3%	0.2%	0.3%

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

According to the U.S. Census Bureau, approximately 26 percent of all households within the Hardeeville PMA had an annual income of less than \$35,000 in 2011 – the portion of the population with the greatest need for affordable housing options. In comparison, a much larger 47 percent of county households also had incomes within this range, and an even larger 53 percent of city households had incomes less than \$35,000. As such, with more than one out of every four households within the Hardeeville market area (and approximately one-half of households within Jasper County) earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 16: Overall Household Income Distribution (2011)

	City of Hardeeville		Hardeeville PMA		Jasper County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	169	17.1%	569	3.6%	866	11.1%
\$10,000 to \$14,999	78	7.9%	849	5.3%	716	9.2%
\$15,000 to \$19,999	45	4.6%	550	3.5%	383	4.9%
\$20,000 to \$24,999	105	10.6%	722	4.5%	586	7.5%
\$25,000 to \$29,999	77	7.8%	836	5.3%	580	7.4%
\$30,000 to \$34,999	54	5.5%	545	3.4%	556	7.1%
\$35,000 to \$39,999	113	11.4%	969	6.1%	602	7.7%
\$40,000 to \$44,999	31	3.1%	963	6.1%	565	7.2%
\$45,000 to \$49,999	38	3.8%	1,099	6.9%	360	4.6%
\$50,000 to \$59,999	71	7.2%	1,707	10.7%	619	7.9%
\$60,000 to \$74,999	44	4.4%	1,596	10.0%	478	6.1%
\$75,000 to \$99,999	72	7.3%	2,233	14.0%	865	11.1%
\$100,000 to \$124,999	21	2.1%	1,501	9.4%	160	2.0%
\$125,000 to \$149,999	2	0.2%	890	5.6%	199	2.5%
\$150,000 to \$199,999	34	3.4%	440	2.8%	129	1.7%
\$200,000 and Over	35	3.5%	434	2.7%	147	1.9%
TOTAL	989	100.0%	15,903	100.0%	7,811	100.0%
Less than \$34,999	528	53.4%	4,071	25.6%	3,687	47.2%
\$35,000 to \$49,999	182	18.4%	3,031	19.1%	1,527	19.5%
\$50,000 to \$74,999	115	11.6%	3,303	20.8%	1,097	14.0%
\$75,000 to \$99,999	72	7.3%	2,233	14.0%	865	11.1%
\$100,000 and Over	92	9.3%	3,265	20.5%	635	8.1%

Source: 2011 American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$13,230 to \$25,140 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a moderate percentage of low-income senior households throughout the area. As such, roughly 20 percent of the PMA's senior owner-occupied household number, and 26 percent of the senior renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for more than one out of five senior households (at 21 percent) within the PMA. Considering the relative density of the PMA, this equates to more than 2,308 potential senior income-qualified households for the proposed development, including 315 income-qualified senior renter households.

Table 17: Senior Household Income by Tenure – Hardeeville PMA (2015)

	Number of 2015 Households (55+)			Percent of 2015 Households (55+)		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$13,200	2,779	2,412	367	24.3%	23.4%	30.3%
\$13,201 to \$19,800	1,565	1,314	250	13.8%	12.7%	20.7%
\$19,801 to \$26,400	1,017	936	81	8.7%	9.1%	6.6%
\$26,401 to \$33,000	1,332	1,296	36	11.3%	12.6%	3.0%
\$33,001 to \$39,600	927	846	81	8.0%	8.2%	6.6%
\$39,601 to \$46,200	573	510	63	5.0%	4.9%	5.2%
\$46,201 to \$52,800	802	636	165	7.2%	6.2%	13.7%
\$52,801 to \$66,000	654	654	0	5.5%	6.3%	0.0%
\$66,001 and Over	1,874	1,704	170	16.2%	16.5%	14.0%
Total	11,521	10,309	1,212	100.0%	100.0%	100.0%

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

The 2011 American Community Survey shows that approximately 39 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. Furthermore, ACS data shows that approximately 74 percent of senior renter households (aged 65 and over) are overburdened within the PMA, while 54 percent of seniors within Hardeeville are overburdened. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 18a: Renter Overburdened Households (2011)

Gross Rent as a % of Household Income	City of Hardeeville		Hardeeville PMA		Jasper County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	489	100.0%	3,062	100.0%	2,084	100.0%
Less than 10.0 Percent	17	3.8%	27	0.9%	117	6.9%
10.0 to 14.9 Percent	20	4.4%	153	5.1%	81	4.8%
15.0 to 19.9 Percent	45	10.0%	432	14.5%	207	12.2%
20.0 to 24.9 Percent	64	14.2%	538	18.1%	194	11.4%
25.0 to 29.9 Percent	20	4.4%	334	11.2%	132	7.8%
30.0 to 34.9 Percent	61	13.5%	326	11.0%	201	11.9%
35.0 to 39.9 Percent	23	5.1%	165	5.5%	69	4.1%
40.0 to 49.9 Percent	71	15.7%	353	11.9%	206	12.2%
50 Percent or More	130	28.8%	648	21.8%	488	28.8%
Not Computed	38	--	86	--	389	--
35 Percent or More	224	49.7%	1,166	39.2%	763	45.0%
40 Percent or More	201	44.6%	1,001	33.6%	694	40.9%

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

Table 18b: Senior Renter Overburdened Households (2011)

Gross Rent as a % of Household Income	City of Hardeeville		Hardeeville PMA		Jasper County	
	Number	Percent	Number	Percent	Number	Percent
Householder 65+ Years:	52	100.0%	369	100.0%	254	100.0%
Less than 20.0 Percent	0	0.0%	26	8.0%	39	22.3%
20.0 to 24.9 Percent	13	29.5%	31	9.5%	13	7.4%
25.0 to 29.9 Percent	7	15.9%	19	5.8%	10	5.7%
30.0 to 34.9 Percent	0	0.0%	9	2.8%	0	0.0%
35.0 Percent or More	24	54.5%	242	74.0%	113	64.6%
Not Computed	8	--	42	--	79	--

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

F. DEMAND ANALYSIS

1. Senior Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from four key sources: household growth, substandard housing, rent-overburdened households, and elderly homeowners converting to renting. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 40 percent rent-to-income ratio, and a maximum income of \$25,140 (the 2-person income limit at 60 percent AMI for Rural Developments within Jasper County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
50 percent of AMI	\$13,230	\$20,950
60 percent of AMI	\$15,930	\$25,140
Overall	\$13,230	\$25,140

By applying the income-qualified range and 2015 household forecasts to the current-year household income distribution by tenure (adjusted from census data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 26 percent of all senior renter households within the PMA are estimated to fall within the stated LIHTC qualified income range.

Based on U.S. Census data and projections from ESRI, approximately 75 additional senior renter households are anticipated between 2012 and 2015. By applying the income-qualified percentage to the overall eligible figure, a demand for 20 senior tax credit rental units can be calculated as a result of new rental household growth.

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

incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the senior renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 18 units within the PMA.

Potential demand for the subject proposal may also arise from those senior households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the 2011 ACS, the percentage of senior renter households within this overburdened range is reported at approximately 74 percent. Applying this rate to the number of renter households yields a total demand of 130 additional units as a result of rent overburden.

And lastly, another source of demand is elderly homeowners converting to rental housing. It is conservatively estimated that approximately 2.5 percent of senior homeowners would convert to a rental property, should an affordable option become readily available. Utilizing 2010 household figures, it is calculated that 20 percent of all senior owner households within the PMA are estimated to fall within the stated LIHTC qualified income range. Considering the income-qualified owner households and estimated conversion, a demand of 45 units has been determined arising from existing elderly owner households.

There have been no comparable LIHTC properties within the Hardeeville PMA that have been allocated credits or placed in service since 2012, or are currently under construction. As such, no units need to be deducted from the sources of demand listed previously. Combining all above factors results in an overall demand of 213 LIHTC units for 2015. Calculations by individual bedroom size are also provided utilizing the same methodology, and are presented in the following tables.

Table 19: Senior Demand Calculation – by Income Targeting (2015)

2010 Total Occupied Households 55+	9,720		
2010 Owner-Occupied Households 55+	9,041		
2010 Renter-Occupied Households 55+	679		
		Income Targeting	
		50%	60%
		AMI	AMI
			Total
QUALIFIED-INCOME RANGE			LIHTC
Minimum Annual Income		\$13,230	\$15,930
Maximum Annual Income		\$20,950	\$25,140
			\$13,230
			\$25,140
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2012-2014		75	75
Percent Income Qualified Renter Households		21.7%	17.5%
Total Demand From New Households		16	13
			75
			25.9%
			20
DEMAND FROM EXISTING RENTER HOUSEHOLDS			
Percent of Renters in Substandard Housing		10.2%	10.2%
Percent Income Qualified Renter Households		21.7%	17.5%
Total Demand From Substandard Renter Households		15	12
			10.2%
			25.9%
			18
Percent of Renters Rent-Overburdened		74.0%	74.0%
Percent Income Qualified Renter Households		21.7%	17.5%
Total Demand From Overburdened Renter Households		109	88
			74.0%
			25.9%
			130
DEMAND FROM EXISTING OWNER HOUSEHOLDS			
Owner to Renter Conversion Rate		2.5%	2.5%
Percent Income Qualified		14.3%	14.8%
Total Demand from Owner Households		32	34
			2.5%
			20.0%
			45
Total Demand From Existing Households		157	134
			194
TOTAL DEMAND		173	147
			213
LESS: Total Comparable Activity Since 2012		0	0
			0
TOTAL NET DEMAND		173	147
			213
PROPOSED NUMBER OF UNITS		16	32
			48
CAPTURE RATE		9.3%	21.8%
			22.5%
Note: Totals may not sum due to rounding			

Table 20: Senior Demand Calculation – by Bedroom Size (2015)

2010 Total Occupied Households 55+	9,720						
2010 Owner-Occupied Households 55+	9,041						
2010 Renter-Occupied Households 55+	679						
		One-Bedroom Units			Two-Bedroom Units		
		50%	60%	Total	50%	60%	Total
		AMI	AMI	LIHTC	AMI	AMI	LIHTC
QUALIFIED-INCOME RANGE							
Minimum Annual Income		\$13,230	\$15,930	\$13,230	\$15,900	\$15,900	\$15,900
Maximum Annual Income		\$20,950	\$25,140	\$25,140	\$20,950	\$25,140	\$25,140
DEMAND FROM NEW HOUSEHOLD GROWTH							
Renter Household Growth, 2012-2014		75	75	75	75	75	75
Percent Income Qualified Renter Households		21.7%	17.5%	25.9%	13.4%	17.6%	17.6%
Total Demand From New Households		16	13	20	10	13	13
DEMAND FROM EXISTING RENTER HOUSEHOLDS							
Percent of Renters in Substandard Housing		10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Percent Income Qualified Renter Households		21.7%	17.5%	25.9%	13.4%	17.6%	17.6%
Total Demand From Substandard Renter Households		15	12	18	9	12	12
Percent of Renters Rent-Overburdened		74.0%	74.0%	74.0%	74.0%	74.0%	74.0%
Percent Income Qualified Renter Households		21.7%	17.5%	25.9%	13.4%	17.6%	17.6%
Total Demand From Overburdened Renter Households		109	88	130	67	88	88
DEMAND FROM EXISTING OWNER HOUSEHOLDS							
Owner to Renter Conversion Rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Percent Owner Households Income Qualified		14.3%	14.8%	20.0%	9.1%	14.9%	14.9%
Total Demand from Owner Households		32	34	45	21	34	34
Total Demand From Existing Households		157	134	194	97	134	134
TOTAL DEMAND		173	147	213	107	147	147
LESS: Total Comparable Activity Since 2012		0	0	0	0	0	0
TOTAL NET DEMAND		173	147	213	107	147	147
PROPOSED NUMBER OF UNITS		6	6	12	6	24	30
CAPTURE RATE		3.5%	4.1%	5.6%	5.6%	16.3%	20.3%
Note: Totals may not sum due to rounding							

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 22.5 percent was determined based on the demand calculation (including renter household growth, substandard and overburdened units among existing renter households, potential senior owner households, and excluding any comparable activity since 2012), providing a generally positive indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 9.3 percent, while the 60 percent AMI capture rate was at 21.8 percent. As such, these capture rates provide an overall positive indication of the need for affordable senior rental options locally and are within acceptable industry thresholds.

Taking into consideration the clear lack of any comparable affordable senior housing throughout the Hardeeville PMA, the success of existing LIHTC developments (in both Hardeeville and Bluffton), and also the proposed features and affordable rental rates within the subject, an estimate of the overall absorption period to reach 93 percent occupancy is conservatively estimated at eight to ten months. This determination also takes into consideration a market entry in late 2014/early 2015; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Hardeeville PMA Senior Rental Market Characteristics

According to local and SCSHFDA information, there are no affordable senior-oriented rental communities within the Hardeeville PMA. The only senior tax credit communities identified within Jasper and Beaufort Counties are Devenwood Apartments (24 units in Ridgeland) and Laurel Hills Apartments (72 units in Port Royal). Since Devenwood Apartments contains 100 percent Rental Assistance, the project cannot be considered as comparable to the subject proposal. However, Laurel Hills received a LIHTC allocation in 2003 and was constructed in 2005 and can perhaps provide some insight into the senior rental market locally. A breakdown summary for Laurel Hills is provided below:

Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Rent/ Square Foot	Includes PBRA
One-Bedroom Units	53						
50% of Area Median Income	14	Apt	1.0	660	\$538	\$0.82	No
60% of Area Median Income	39	Apt	1.0	660	\$599	\$0.91	No
Two-Bedroom Units	19						
60% of Area Median Income	19	Apt	2.0	900	\$699	\$0.78	No

According to the leasing manager at Laurel Hills, the facility had two vacancies, resulting in an occupancy rate of 97 percent. In addition, a small waiting list was being maintained for both one-bedroom (at 50 percent AMI) and two-bedroom units (at 60 percent AMI). In comparison to Laurel Hills, the subject proposal’s affordability is clearly evident – with substantially lower rents and larger unit sizes. A comparison is provided in the table below:

Targeting/Mix	Laurel Hills - Port Royal, SC					Villas at River Pointe - Hardeeville, SC				
	Units	Baths	Square Feet	Rent	Rent/ Square Foot	Units	Baths	Square Feet	Rent	Rent/ Square Foot
One-Bedroom Units	53					12				
50% of AMI	14	1.0	660	\$538	\$0.82	6	1.0	840	\$325	\$0.39
60% of AMI	39	1.0	660	\$599	\$0.91	6	1.0	840	\$415	\$0.49
Two-Bedroom Units	19					36				
50% of AMI	0	NA	NA	NA	NA	6	2.0	970	\$385	\$0.40
60% of AMI	0	NA	NA	NA	NA	6	2.0	970	\$385	\$0.40
60% of AMI	19	2.0	900	\$699	\$0.78	24	2.0	970	\$495	\$0.51

2. Hardeeville PMA Overall Rental Market Characteristics

As part of the rental analysis for the Hardeeville PMA, a survey of existing rental projects within the Hardeeville primary market area was completed by Shaw Research & Consulting in February 2013. In addition several properties within Bluffton were included based on proximity to the site. As such, a total of 13 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Hardeeville area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 1,941 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 27 percent of all units had one bedroom, 46 percent had two bedrooms, and 27 percent of units contained three bedrooms. There were no efficiency and few four-bedroom units reported in the survey. The average age of the rental properties was just nine years old (an average build date of 2004), quite reflective of a relatively modern rental stock with ten of the 13 properties built since 2000 (and eight since 2007). In addition, eight of the facilities reported to have some sort of income eligibility requirements – with seven tax credit developments and one Rural Development project with mostly Rental Assistance.

Overall conditions for the Hardeeville rental market appear to be extremely strong at the current time. Among the properties included in the survey, the overall occupancy rate was calculated at 97.5 percent – with ten of the 13 developments at 97 percent occupancy or better. When breaking down occupancy rates by financing type, the five market rate developments were a combined 97 percent occupied, while the seven tax credit properties averaged 99.7 percent occupied – clearly demonstrating extremely positive conditions throughout the Hardeeville rental market.

2. LIHTC Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits, Shaw Research has identified four similar tax credit facilities as being most comparable – one in Hardeeville and three in Bluffton. Based on survey results, just two vacancies were reported among a combined 470 units, resulting in an occupancy rate of 99.6 percent. In addition, the only project in Hardeeville proper, Jenny Greene Apartments, noted over 100 persons on a waiting list.

Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$496 per month with an average size of 715 square feet – the resulting average rent per square foot ratio is \$0.69. Further, the average tax credit rent for a two-bedroom unit was \$650 with an average size of 1,031 square feet (an average rent per square foot ratio of \$0.63), while three-bedroom units averaged \$692 and 1,187 square feet (\$0.58 per square foot). In comparison to tax credit averages, the subject proposal's rental rates are considerably lower (between 16 and 24 percent) with competitive unit sizes. When taking into account unit sizes and rent-per-square foot averages, the proposal is extremely affordable as compared to both market and other tax credit options. As such, the subject has a rent per square foot ratio ranging between \$0.39 and \$0.51, quite competitive with Jenny Greene Apartments and clearly superior than all other tax credit projects throughout the Hardeeville rental market.

The most comparable property within the PMA is Jenny Greene Apartments, a 50-unit LIHTC development constructed in 2011 in the west side of Hardeeville. The project consists of one, two, and three bedroom units at 50 and 60 percent AMI. The manager reported no vacancies and a waiting list of more than 100 persons – clearly demonstrating demand for affordable housing. Overall, the subject proposal is quite competitive in regards to rental rates and unit sizes. From a market standpoint, it is evident that sufficient demand is present for the development of affordable tax credit units within the Hardeeville market area targeting low-income senior households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the Hardeeville rental market.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, there is no comparable multi-family rental activity (other than the subject proposal) within the Hardeeville PMA at the current time.

4. Impact on Existing Tax Credit Properties

Based on the extremely strong occupancy rates among all LIHTC developments included in the survey, and most notably within Jenny Greene Apartments (the only tax credit project within Hardeeville proper), the construction of the proposal will not have any adverse impact on existing affordable rental properties. Considering future demographic growth anticipated for the PMA, as well as the lack of a comparable senior tax credit option locally, pent-up demand for affordable senior housing is likely within the immediate area.

5. Competitive Environment

According to Realtor.com, price points are relatively affordable within the immediate area as compared to the surrounding communities, which is largely a reflection of the age and condition of the homes and neighborhood in which they are situated. However, considering recessionary conditions throughout much of the nation, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who have a greater likelihood of having credit issues and/or require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 21: Rental Housing Survey - Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Auston Chase Apts	2009	300	0	136	140	24	0	No	ELE	No	96%	Open	Ridgeland
Bluffton House Apartment Homes	2000	280	0	0	104	176	0	No	ELE	No	100%	Open	Bluffton
Courtney Bend Apts	2008	254	0	120	132	2	0	No	ELE	No	97%	Open	Hardeeville
Crowne at Old Carolina	2010	199	0	56	111	32	0	No	ELE	No	100%	Open	Bluffton
Deer Run Apts	1980	48	0	15	33	0	0	No	ELE	No	94%	Open	Hardeeville
Deerfield Village Apts	2007	26	0	0	NA	NA	NA	No	ELE	No	100%	Open	Hardeeville
Hallmark at White Oak	2007	72	0	0	52	20	0	No	ELE	No	97%	Open	Bluffton
Jenny Greene Apts	2011	50	0	12	14	12	12	No	ELE	No	100%	Open	Hardeeville
May River Village	2012	68	0	22	28	18	0	No	ELE	No	100%	Open	Bluffton
Oldfield Mews	2009	184	0	NA	NA	NA	0	No	ELE	No	98%	Open	Bluffton
Old South Apartments	1997	300	0	NA	NA	NA	0	No	ELE	No	93%	Open	Bluffton
Simmons Cay Apartments	2001	88	0	0	0	NA	0	No	ELE	No	100%	Open	Bluffton
Vista View Apts	1997	72	0	0	0	72	0	No	ELE	No	100%	Open	Bluffton
Totals and Averages <i>Unit Distribution</i>	2004	1,941	0 0%	361 27%	614 46%	356 27%	12 1%				97.5%		
SUBJECT PROJECT													
VILLAS A RIVER POINTE APTS	2014/2015		0	12	36	0	0	No	ELE	No		Open	Hardeeville
SUMMARY													
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.				
Total Developments	13	2004	1,941	0	361	614	356	12	97.5%				
Market Rate Only	5	2007	1,237	0	312	383	58	0	96.5%				
LIHTC Only	7	2005	656	0	34	198	298	12	99.7%				
Other Affordable (Non-LIHTC)	1	1980	48	0	15	33	0	0	93.8%				

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

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Auston Chase Apts	Market	0	\$789	\$909	684	970	\$1.15	\$0.94	\$869	\$977	1,036	1,211	\$0.84	\$0.81
Bluffton House Apartment Homes	LIHTC	0							\$689		943		\$0.73	
Courtney Bend Apts	Market	0	\$910	\$998	759	1,008	\$1.20	\$0.99	\$1,130	\$1,190	1,084	1,197	\$1.04	\$0.99
Crowne at Old Carolina	Market	0	\$830	\$865	838	928	\$0.99	\$0.93	\$1,025	\$1,155	1,134	1,271	\$0.90	\$0.91
Deer Run Apts	RD	40	\$382	\$507	618		\$0.62	\$0.82	\$461	\$601	734		\$0.63	\$0.82
Deerfield Village Apts	LIHTC	0							\$340					
Hallmark at White Oak	LIHTC	0							\$666	\$827	1,008		\$0.66	\$0.82
Jenny Greene Apts	LIHTC	0	\$380	\$435	706		\$0.54	\$0.62	\$435	\$505	1,151		\$0.38	\$0.44
May River Village	LIHTC	0	\$528	\$640	714	726	\$0.74	\$0.88	\$637	\$794	983	1,069	\$0.65	\$0.74
Oldfield Mews	Market	0	\$730	\$754	790		\$0.92	\$0.95	\$860	\$1,049	1,087	1,424	\$0.79	\$0.74
Old South Apartments	Market	0	\$865		750		\$1.15		\$1,029		1,000	1,145	\$1.03	\$0.90
Simmons Cay Apartments	LIHTC	0												
Vista View Apts	LIHTC	0												
Totals and Averages		40		\$701		791		\$0.89		\$802		1,092		\$0.73
SUBJECT PROPERTY														
VILLAS A RIVER POINTE APTS	LIHTC	0	\$325	\$415		840	\$0.39	\$0.49	\$385	\$495		970	\$0.40	\$0.51
SUMMARY														
Overall				\$701		791		\$0.89		\$802		1,092		\$0.73
Market Rate Only				\$850		841		\$1.01		\$1,032		1,159		\$0.89
LIHTC Only				\$496		715		\$0.69		\$612		1,031		\$0.59
Other Affordable (Non-LIHTC)				\$445		618		\$0.72		\$531		734		\$0.72

Table 23: Project Amenities - Overall

Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/ Balcony	Fireplace	Hi-Speed Internet	Club/ Comm. Room	Computer Center	Exercise Room
Auston Chase Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Bluffton House Apartment Homes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Courtney Bend Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Crowne at Old Carolina	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Deer Run Apts	Yes	No	No	No	No	No	Yes	Yes	No	No	No	No	No
Deerfield Village Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No
Hallmark at White Oak	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Jenny Greene Apts	Yes	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes
May River Village	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Oldfield Mews	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Old South Apartments	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Simmons Cay Apartments	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Vista View Apts	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Totals and Averages	100%	92%	92%	46%	69%	85%	100%	92%	8%	69%	85%	69%	54%
SUBJECT PROJECT													
VILLAS A RIVER POINTE APTS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes
SUMMARY													
Overall	100%	92%	92%	46%	69%	85%	100%	92%	8%	69%	85%	69%	54%
Market Rate Only	100%	100%	100%	60%	100%	100%	100%	100%	20%	60%	80%	80%	100%
LIHTC Only	100%	100%	100%	43%	57%	86%	100%	86%	0%	86%	100%	71%	29%
Other Affordable (non-LIHTC)	100%	0%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	0%

Table 24: Project Amenities - Overall

Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Auston Chase Apts	Yes	Yes	Yes	Yes	No	No	No	No	No	No	Yes	No	Yes
Bluffton House Apartment Homes	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No
Courtney Bend Apts	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No	Yes	No	Yes
Crowne at Old Carolina	Yes	No	No	No	No	Yes	No	No	No	No	Yes	No	Yes
Deer Run Apts	No	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
Deerfield Village Apts	No	Yes	No	No	No	No	No	No	No	Yes	No	No	No
Hallmark at White Oak	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	No
Jenny Greene Apts	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No
May River Village	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Oldfield Mews	Yes	Yes	No	No	No	Yes	No	No	No	Yes	No	No	Yes
Old South Apartments	Yes	Yes	No	Yes	No	Yes	No	No	No	No	Yes	No	Yes
Simmons Cay Apartments	Yes	Yes	No	Yes	No	Yes	No	No	Yes	Yes	No	No	No
Vista View Apts	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
Totals and Averages	62%	92%	38%	31%	23%	85%	8%	15%	54%	62%	31%	0%	38%
SUBJECT PROJECT													
VILLAS A RIVER POINTE APTS	No	No	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
SUMMARY													
Overall	62%	92%	38%	31%	23%	85%	8%	15%	54%	62%	31%	0%	38%
Market Rate Only	100%	80%	40%	40%	0%	80%	20%	0%	0%	20%	80%	0%	100%
LIHTC Only	43%	100%	43%	29%	43%	86%	0%	29%	86%	100%	0%	0%	0%
Other Affordable (non-LIHTC)	0%	100%	0%	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%

Table 25: Rental Housing Survey - LIHTC

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Bluffton House Apartment Homes	2000	280	0	0	104	176	0	No	ELE	No	100%	Open	Bluffton
Hallmark at White Oak	2007	72	0	0	52	20	0	No	ELE	No	97%	Open	Bluffton
Jenny Greene Apts	2011	50	0	12	14	12	12	No	ELE	No	100%	Open	Hardeeville
May River Village	2012	68	0	22	28	18	0	No	ELE	No	100%	Open	Bluffton
Totals and Averages <i>Unit Distribution</i>	2008	470	0 0%	34 7%	198 42%	226 48%	12 3%				99.6%		
SUBJECT PROJECT													
VILLAS A RIVER POINTE APTS	2014/2015		0	12	36	0	0	No	ELE	No		Open	Hardeeville

Table 26: Rent Range for 1 & 2 Bedrooms - LIHTC

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Bluffton House Apartment Homes	LIHTC	0							\$689		943			\$0.73
Hallmark at White Oak	LIHTC	0							\$666	\$827	1,008			\$0.66 \$0.82
Jenny Greene Apts	LIHTC	0	\$380	\$435	706		\$0.54 \$0.62		\$435	\$505	1,151			\$0.38 \$0.44
May River Village	LIHTC	0	\$528	\$640	714	726	\$0.74 \$0.88		\$637	\$794	983	1,069		\$0.65 \$0.74
Totals and Averages		0		\$496		715		\$0.69		\$650		1,031		\$0.63
SUBJECT PROPERTY														
VILLAS A RIVER POINTE APTS	LIHTC	0	\$325	\$415		840		\$0.39 \$0.49		\$385	\$495		970	\$0.40 \$0.51

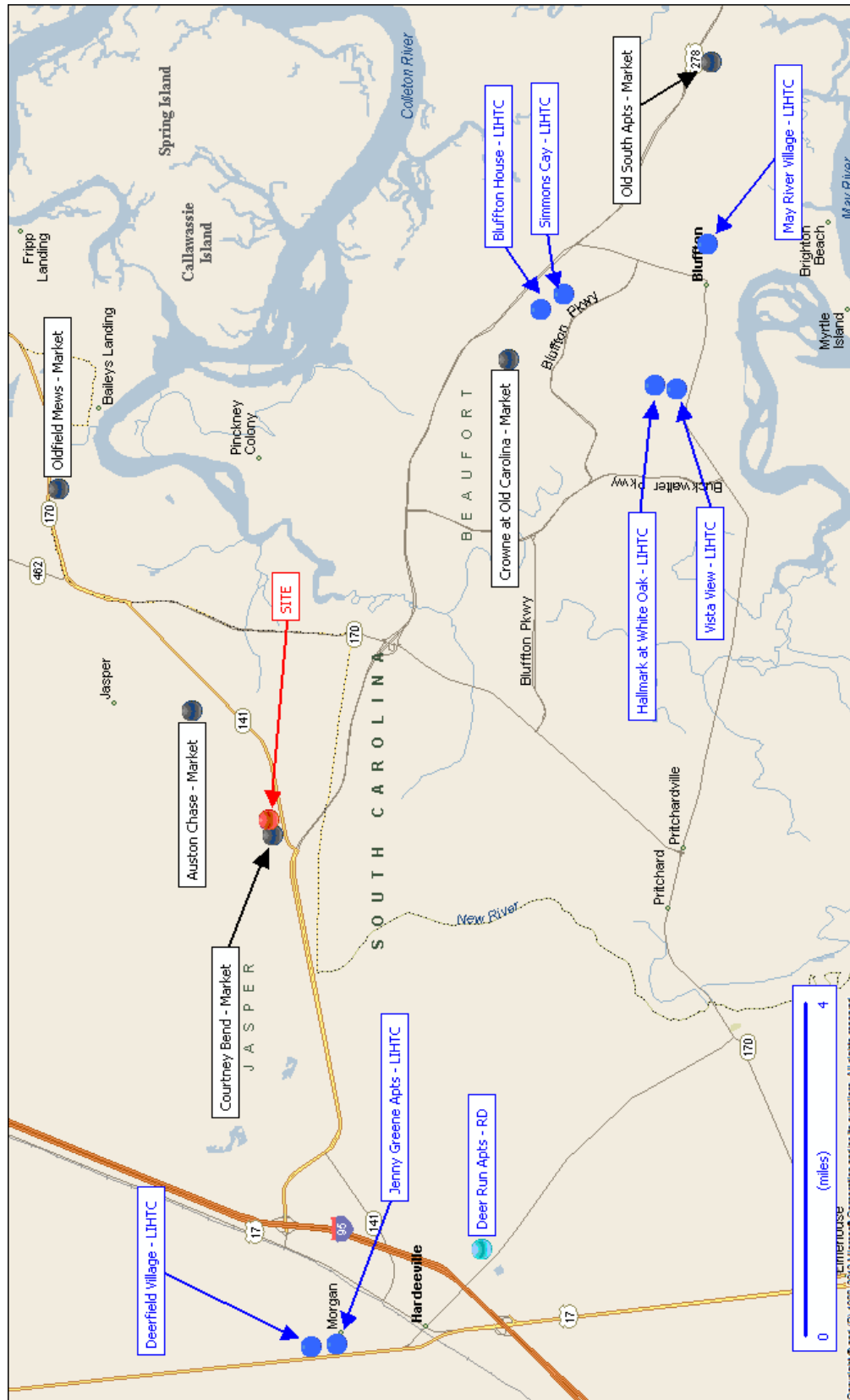
Table 27: Project Amenities - LIHTC

Project Name	Central Air	Garbage Disposal	Dish Washer	Micro-wave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Fireplace	Hi-Speed Internet	Club/Comm. Room	Computer Center	Exercise Room
Bluffton House Apartment Homes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Hallmark at White Oak	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No
Jenny Greene Apts	Yes	Yes	Yes	No	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes
May River Village	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
Totals and Averages	100%	100%	100%	50%	50%	75%	100%	75%	0%	100%	100%	75%	25%
SUBJECT PROJECT													
VILLAS A RIVER POINTE APTS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes

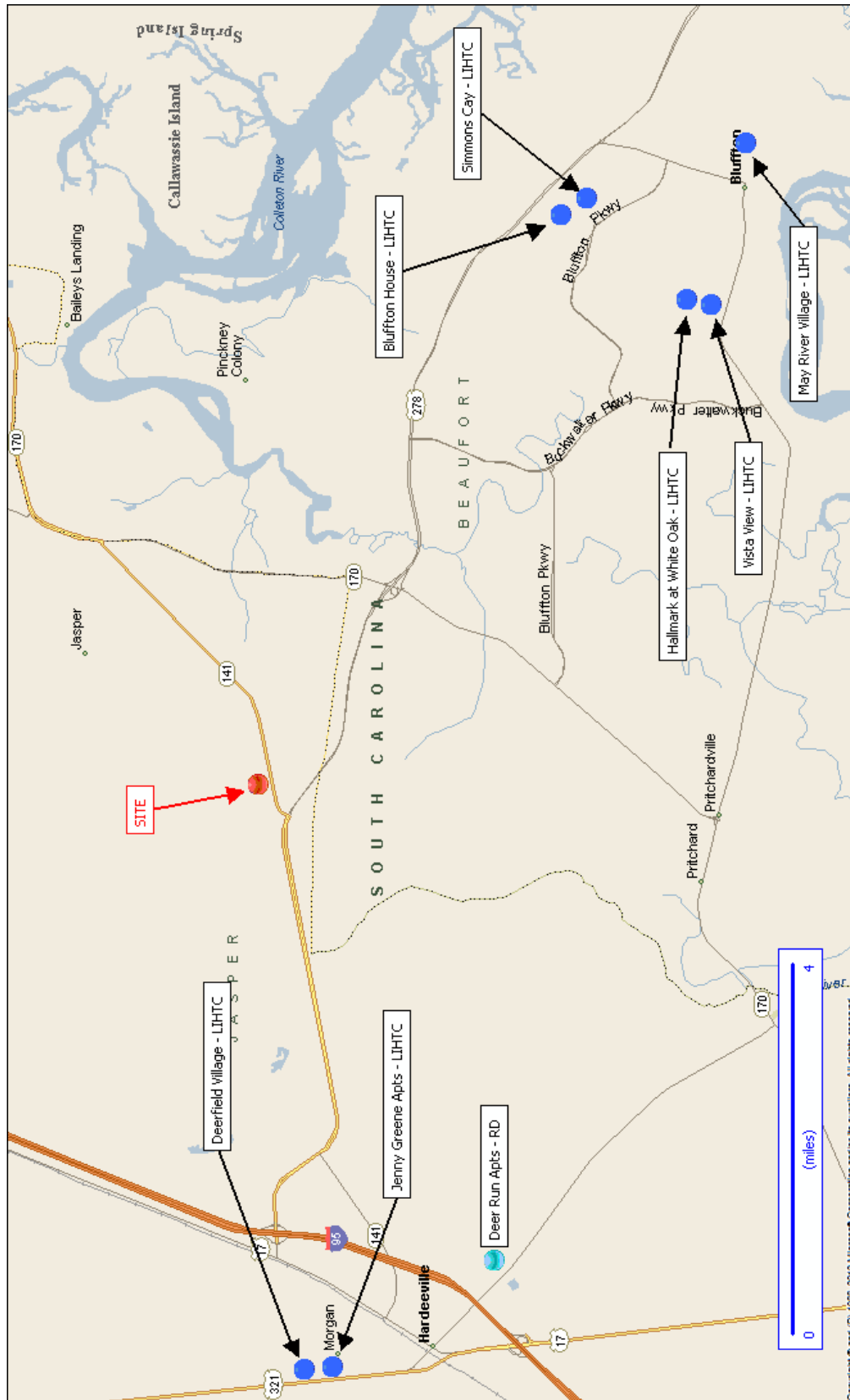
Table 28: Project Amenities - LIHTC


Project Name	Pool	Play-ground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carpport	Garage
Bluffton House Apartment Homes	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No
Hallmark at White Oak	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	No
Jenny Greene Apts	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No
May River Village	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No
Totals and Averages	50%	100%	50%	25%	75%	100%	0%	50%	100%	100%	0%	0%	0%
SUBJECT PROJECT													
	No	No	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No


Map 11: Hardeeville Rental Developments



Map 12: Affordable Rental Developments



COMPARABLE PROJECT INFORMATION											
Project Name: Bluffton House Apartment Homes Address: 20 Simmonsville Road City: Bluffton State: SC Zip Code: 29910 Phone Number: (843) 815-5900 Contact Name: Gwendolyn Contact Date: 03/04/13 Current Occup: 100.0%											
DEVELOPMENT CHARACTERISTICS											
Total Units:		280		Year Built:		2000					
Project Type:		Open		Floors:		2					
Program:		LIHTC		Accept Vouchers:		Yes					
PBRA Units*:		0		Voucher #:		NA					
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy											
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
TOTAL 2-BEDROOM UNITS				104					0	100.0%	Yes
2	2.0	40 to 49	Apt	NA	0				Enter	#VALUE!	
2	2.0	50	Apt	11	943		\$689		0	100.0%	
2	2.0	60	Apt	93	943		\$689		0	100.0%	
TOTAL 3-BEDROOM UNITS				176					0	100.0%	Yes
3	2.0	60	Apt	176	1,081	1,104	\$759		0	100.0%	
TOTAL DEVELOPMENT				280					0	100.0%	<10 Names
AMENITIES											
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input checked="" type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input checked="" type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer			

COMPARABLE PROJECT INFORMATION											
Project Name: Hallmark at White Oak Address: 102 Haigler Blvd City: Bluffton State: SC Zip Code: 29910 Phone Number: (843) 757-6350 Contact Name: Ann Marie Contact Date: 01/03/13 Current Occup: 97.2%											
DEVELOPMENT CHARACTERISTICS											
Total Units:		72		Year Built:		2007		Project Type:		Open	
Program:		LIHTC		Accept Vouchers:		Yes		PBRA Units*:		0	
Floors:		2		Voucher #:		NA					
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy											
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
TOTAL 2-BEDROOM UNITS				52					2	96.2%	No
2	2.0	50	Apt	24	1,008		\$666		0	100.0%	
2	2.0	60	Apt	28	1,008		\$827		2	92.9%	
TOTAL 3-BEDROOM UNITS				20					0	100.0%	No
3	2.0	50	Apt	20	1,204		\$758		0	100.0%	
TOTAL DEVELOPMENT				72					2	97.2%	0 Names
AMENITIES											
<u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet				<u>Development Amenities</u> <input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input checked="" type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer			


COMPARABLE PROJECT INFORMATION		
Project Name:	Jenny Greene Apts	
Address:	47 Thatcher Road	
City:	Hardeeville	
State:	SC	Zip Code: 29927
Phone Number:	(843) 208-2213	
Contact Name:	Dionne	
Contact Date:	02/15/13	
Current Occup:	100.0%	
DEVELOPMENT CHARACTERISTICS		
Total Units:	50	Year Built: 2011
Project Type:	Open	Floors: 1 and 2
Program:	LIHTC	Accept Vouchers: Yes
PBRA Units*:	0	Voucher #: NA



* Including Section 8, Rental Assistance, and any other Project-Based Subsidy

UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
TOTAL 1-BEDROOM UNITS					12				0	100.0%	Yes	
1	1.0	50	Apt	6	706		\$380		0	100.0%		
1	1.0	60	Apt	6	706		\$435		0	100.0%		
TOTAL 2-BEDROOM UNITS					14				0	100.0%	Yes	
2	2.0	50	Apt	7	1,151		\$435		0	100.0%		
2	2.0	60	Apt	7	1,151		\$505		0	100.0%		
TOTAL 3-BEDROOM UNITS					12				0	100.0%	Yes	
3	2.0	50	Apt	6	1,244		\$510		0	100.0%		
3	2.0	60	Apt	6	1,244		\$555		0	100.0%		
TOTAL 4-BEDROOM UNITS					12				0	100.0%	Yes	
4	2.0	50	Apt	6	1,549		\$565		0	100.0%		
4	2.0	60	Apt	6	1,549		\$625		0	100.0%		
TOTAL DEVELOPMENT					50				0	100.0%	100+ Names	

AMENITIES		
<p>Unit Amenities</p> <p><input checked="" type="checkbox"/> - Central A/C</p> <p><input type="checkbox"/> - Wall A/C Unit</p> <p><input checked="" type="checkbox"/> - Garbage Disposal</p> <p><input checked="" type="checkbox"/> - Dishwasher</p> <p><input type="checkbox"/> - Microwave</p> <p><input type="checkbox"/> - Ceiling Fan</p> <p><input type="checkbox"/> - Walk-In Closet</p> <p><input checked="" type="checkbox"/> - Mini-Blinds</p> <p><input type="checkbox"/> - Draperies</p> <p><input checked="" type="checkbox"/> - Patio/Balcony</p> <p><input type="checkbox"/> - Basement</p> <p><input type="checkbox"/> - Fireplace</p> <p><input checked="" type="checkbox"/> - High-Speed Internet</p>	<p>Development Amenities</p> <p><input checked="" type="checkbox"/> - Clubhouse</p> <p><input type="checkbox"/> - Community Room</p> <p><input checked="" type="checkbox"/> - Computer Center</p> <p><input checked="" type="checkbox"/> - Exercise/Fitness Room</p> <p><input type="checkbox"/> - Community Kitchen</p> <p><input type="checkbox"/> - Swimming Pool</p> <p><input checked="" type="checkbox"/> - Playground</p> <p><input type="checkbox"/> - Gazebo</p> <p><input type="checkbox"/> - Elevator</p> <p><input type="checkbox"/> - Storage</p> <p><input checked="" type="checkbox"/> - Sports Courts</p> <p><input checked="" type="checkbox"/> - On-Site Management</p> <p><input type="checkbox"/> - Security - Access Gate</p> <p><input type="checkbox"/> - Security - Intercom</p>	<p>Laundry Type</p> <p><input checked="" type="checkbox"/> - Coin-Operated Laundry</p> <p><input checked="" type="checkbox"/> - In-Unit Hook-Up</p> <p><input type="checkbox"/> - In-Unit Washer/Dryer</p> <p>Parking Type</p> <p><input checked="" type="checkbox"/> - Surface Lot</p> <p><input type="checkbox"/> - Carport</p> <p><input type="checkbox"/> - Garage (att)</p> <p><input type="checkbox"/> - Garage (det)</p> <p>Utilities Included</p> <p><input type="checkbox"/> - Heat</p> <p><input type="checkbox"/> - Electricity</p> <p><input checked="" type="checkbox"/> - Trash Removal</p> <p><input checked="" type="checkbox"/> - Water/Sewer</p>

COMPARABLE PROJECT INFORMATION															
Project Name: May River Village Address: 22 Hawkes Road City: Bluffton State: SC Zip Code: 29910 Phone Number: (843) 415-5568 Contact Name: Damaris Contact Date: 12/28/12 Current Occup: 100.0%															
DEVELOPMENT CHARACTERISTICS															
Total Units:		68		Year Built:		2012		Project Type:		Open		Floors:		2 and 3	
Program:		LIHTC		Accept Vouchers:		Yes		PBRA Units*:		0		Voucher #:		NA	
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy															
UNIT CONFIGURATION/RENTAL RATES															
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List				
					Low	High	Low	High							
TOTAL 1-BEDROOM UNITS									0	100.0%	Yes				
1	1.0	50	Apt	6	714	726	\$528		0	100.0%					
1	1.0	60	Apt	16	714	726	\$640		0	100.0%					
TOTAL 2-BEDROOM UNITS									0	100.0%	Yes				
2	2.0	50	Apt	7	983	1,069	\$637		0	100.0%					
2	2.0	60	Apt	21	983	1,069	\$794		0	100.0%					
TOTAL 3-BEDROOM UNITS									0	100.0%	Yes				
3	2.0	50	Apt	4	1,207	1,284	\$725		0	100.0%					
3	2.0	60	Apt	14	1,207	1,284	\$845		0	100.0%					
TOTAL DEVELOPMENT					68				0	100.0%	<10 Names				
AMENITIES															
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>							
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet				<input checked="" type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer							

6. Market Rent Calculations

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

Three properties were selected to determine the estimated market rate, based largely on construction date, location, and building type – these projects include Auston Chase Apartments, Courtney Bend Apartments (adjacent to the site), Crowne at Old Carolina Apartments, and Oldfield Mews Apartments – each of which has been constructed since 2008. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property’s corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
One-Bedroom Units			
50% AMI	\$325	\$822	60%
60% AMI	\$415	\$822	50%
Two-Bedroom Units			
50% AMI	\$385	\$999	61%
60% AMI	\$385	\$999	61%
60% AMI	\$495	\$999	50%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4	
Project Name		Auston Chase Apts		Courtney Bend Apts		Crowne at Old Carolina		Oldfield Mews	
Project City	Subject Data	Ridgeland		Hardeeville		Bluffton		Bluffton	
Date Surveyed		2/8/13		2/8/13		12/27/12		2/26/13	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apt	Apt		Apt				Apt/TH	
Yr. Built/Yr. Renovated	2013	2009	\$3	2008	\$4	2010	\$2	2009	\$3
Condition /Street Appeal	Exc	Exc		Exc				Exc	
Neighborhood	Exc	Exc		Exc				Exc	
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes	
Microwave	Yes	Yes		Yes		No	\$5	Yes	
Walk-In Closet	Yes	Yes		Yes		Yes		Yes	
Mini-Blinds	Yes	Yes		Yes		Yes		Yes	
Patio/Balcony	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Basement	No	No		No		No		No	
Fireplace	No	No		No		Yes	(\$10)	No	
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Community Room	Yes	No	\$5	No	\$5	No	\$5	No	\$5
Computer Center	Yes	Yes		Yes		Yes		Yes	
Exercise Room	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Playground	No	Yes		Yes		No		Yes	
Sports Courts	No	No		No		No		No	
On-Site Management	Yes	No	\$5	Yes		Yes		Yes	
Security - Access Gate	No	No		Yes	(\$5)	No		No	
Security - Intercom	No	No		No		No		No	
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	No	\$5	No	\$5	No	\$5	No	\$5
In-Unit Hook-Up	Yes	No	\$10	No	\$10	No	\$10	Yes	
In-Unit Washer/Dryer	No	Yes	(\$30)	Yes	(\$30)	Yes	(\$30)	No	
Carport	No	No		No		No		No	
Garage (attached)	No	No		No		No		Yes	(\$20)
Garage (detached)	No	Yes	(\$20)	Yes	(\$20)	Yes	(\$20)	Yes	(\$20)
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No	
Electric	No	No		No		No		No	
Trash Removal	Yes	No	XXX	No	XXX	No	XXX	No	XXX
Water/Sewer	No	No		No		No		No	
Heat Type	ELE	ELE		ELE		ELE		ELE	
Utility Adjustments									
Efficiency Units									
One-Bedroom Units			(\$10)		(\$10)		(\$10)		(\$10)
Two-Bedroom Units			(\$10)		(\$10)		(\$10)		(\$10)
Three-Bedroom Units									
Four-Bedroom Units									

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>	
Project Name		Auston Chase Apts		Courtney Bend Apts		Crowne at Old Carolina		Oldfield Mews	
Project City	Subject Data	Ridgeland		Hardeeville		Bluffton		Bluffton	
Date Surveyed		41313		41313		41270		41331	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units									
One-Bedroom Units	840	827	\$2	884	(\$7)	883	(\$6)	790	\$8
Two-Bedroom Units	970	1,124	(\$23)	1,141	(\$26)	1,203	(\$35)	1,256	(\$43)
Three-Bedroom Units		1,394		1,490		1,429		1,501	
Four-Bedroom Units									
G. Number of Bathrooms		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Efficiency Units									
One-Bedroom Units	1.0	1.0		1.0		1.0		1.0	
Two-Bedroom Units	2.0	2.0		2.0		2.0		2.5	(\$15)
Three-Bedroom Units		2.0		2.0		2.0		2.5	
Four-Bedroom Units									
G. Total Adjustments Recap									
Efficiency Units									
One-Bedroom Units			(\$50)		(\$68)		(\$69)		(\$50)
Two-Bedroom Units			(\$75)		(\$87)		(\$98)		(\$115)
Three-Bedroom Units									
Four-Bedroom Units									

		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>	
Project Name		Auston Chase Apts		Courtney Bend Apts		Crowne at Old Carolina		Oldfield Mews	
Project City	Subject Data	Ridgeland		Hardeeville		Bluffton		Bluffton	
Date Surveyed		41313		41313		41270		41331	
H. Rent/Adjustment Summary		Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent	Unadjusted Rent	Adjusted Rent
Market Rate Units									
One-Bedroom Units	\$822	\$909	\$859	\$998	\$930	\$865	\$796	\$754	\$705
Two-Bedroom Units	\$999	\$977	\$902	\$1,190	\$1,103	\$1,155	\$1,057	\$1,049	\$934

H. INTERVIEWS

Throughout the course of performing this analysis of the Hardeeville rental market, many individuals were contacted. Based on discussions with local government officials, no directly comparable multi-family rental activity was reported within the Hardeeville PMA. In addition, while the Hardeeville/Jasper County planner would not offer an opinion regarding the perceived demand for affordable housing in the area, the principal planner for Bluffton indicated a definite need for affordable rental housing throughout the entire county.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Hardeeville rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. It is worth noting that leasing agents throughout the local area did express a positive market, and occupancy levels are mostly satisfactory considering the economy and time of year. In addition, no widespread specials/concessions were reported within any surveyed development.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject proposal within the Hardeeville PMA. Positive factors include exceptionally strong demographic trends (especially among the senior cohort), relatively high occupancy rates throughout the PMA (averaging 97.5 percent occupied overall), an extremely strong affordable rental market (seven LIHTC properties averaged 99.7 percent occupied), and a positive statistical demand estimate. Also considering the lack of any affordable housing targeted specifically for seniors, the subject property's affordable proposed rental structure in relation to other LIHTC units, numerous amenities and features, and location within a growing region, support can clearly be demonstrated for the introduction of a newly constructed rental alternative targeting low-income senior households. As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

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



Steven R. Shaw
SHAW RESEARCH AND CONSULTING

Date: March 2, 2013

K. SOURCES

1990 U.S. Census of Population and Housing – U.S. Census Bureau

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

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

2007-2011 American Community Survey – 5-Year Estimates

2012/2017 Demographic Forecasts, ESRI Business Analyst Online

ESRI ArcView, Version 3.3

Microsoft Streets and Trips 2013

Labor Force Employment and Unemployment Statistics – SC Works Online Services

2013 Income & Rent Limits – South Carolina State Housing Finance & Development Authority

2012 Community Profile - Jasper County – South Carolina Department of Commerce

Jasper County Chamber of Commerce – www.jaspersc.org

Jasper County Government Information – www.jaspercountysc.org

Beaufort County Government Information – www.co.beaufort.sc.us

City of Hardeeville Government Information – www.cityofhardeeville.com

Interviews with managers and leasing specialists at local rental developments

Interviews with community planning officials

L. RESUME**STEVEN R. SHAW
SHAW RESEARCH & CONSULTING**

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

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

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

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