



REAL PROPERTY **RESEARCH** GROUP

WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

## Palmetto Senior Village

Marion, Marion County, South Carolina

Prepared for:

**Peachtree Housing Co.**

Site Inspection: February 20, 2013

Effective Date: February 20, 2013



10400 Little Patuxent Parkway ■ Suite 450 ■ Columbia, Maryland 21044 ■ 410.772.1004 ■ Fax 866.243.5057

3227 South Cherokee Lane ■ Suite 1360 ■ Woodstock, Georgia 30188 ■ 770.517.2666 ■ Fax 866.243.5057



**TABLE OF CONTENTS**

**EXECUTIVE SUMMARY ..... 1**

**1. INTRODUCTION ..... 2**

A. Overview of Subject.....2

B. Purpose of Report.....2

C. Format of Report .....2

D. Client, Intended User, and Intended Use .....2

E. Applicable Requirements.....2

F. Scope of Work .....2

G. Report Limitations .....3

H. Other Pertinent Remarks.....3

**2. PROJECT DESCRIPTION ..... 4**

A. Project Overview .....4

B. Project Type and Target Market.....4

C. Building Types and Placement.....4

D. Detailed Project Description.....4

    1. Project Description.....4

    2. Other Proposed Uses .....6

    3. Pertinent Information on Zoning and Government Review.....6

    4. Proposed Timing of Construction.....6

**3. SITE AND NEIGHBORHOOD ANALYSIS ..... 7**

A. Site Analysis .....7

    1. Site Location.....7

    2. Existing Uses.....7

    3. Size, Shape, and Topography .....7

    4. General Description of Land Uses Surrounding the Subject Site .....7

    5. Specific Identification of Land Uses Surrounding the Subject Site.....7

B. Neighborhood Analysis.....12

    1. General Description of Neighborhood .....12

    2. Neighborhood Investment and Planning Activities.....12

    3. Public Safety.....12

C. Site Visibility and Accessibility .....13

    1. Visibility.....13

    2. Vehicular Access.....14

    3. Availability of Public Transit .....14

    4. Inter Regional Transit.....14

    5. Pedestrian Access.....14

    6. Accessibility Improvements under Construction and Planned .....14

D. Residential Support Network.....14

    1. Key Facilities and Services near the Subject Sites .....14

    2. Essential Services .....15

    3. Commercial Goods and Services .....15

**4. ECONOMIC CONTEXT ..... 18**

A. Introduction.....18

B. Labor Force, Resident Employment, and Unemployment.....18

    1. Trends in County Labor Force and Resident Employment.....18

    2. Trends in County Unemployment Rate.....18

C. Commutation Patterns .....18

D. At-Place Employment .....20

    1. Trends in Total At-Place Employment.....20

    2. At-Place Employment by Industry Sector.....20



3. Major Employers.....	20
4. Wages.....	20
<b>5. HOUSING MARKET AREA .....</b>	<b>26</b>
A. Introduction.....	26
B. Delineation of Market Area.....	26
<b>6. DEMOGRAPHIC ANALYSIS.....</b>	<b>28</b>
A. Introduction and Methodology.....	28
B. Trends in Population and Households.....	28
1. Recent Past Trends.....	28
2. Projected Trends.....	28
3. Building Permit Trends.....	28
4. Senior Household Trends.....	28
5. Building Permit Trends.....	29
C. Demographic Characteristics.....	32
1. Age Distribution and Household Type.....	32
2. Renter Household Characteristics.....	33
3. Income Characteristics.....	36
<b>7. COMPETITIVE HOUSING ANALYSIS .....</b>	<b>37</b>
A. Introduction and Sources of Information.....	37
B. Overview of Market Area Housing Stock.....	37
C. Survey of Competitive Rental Communities.....	40
1. Introduction to the Rental Housing Survey.....	40
2. Location.....	40
3. Age of Communities.....	40
4. Structure Type.....	40
5. Size of Communities.....	40
6. Vacancy Rates.....	40
7. Rent Concessions.....	41
8. Absorption History.....	41
D. Analysis of Rental Pricing and Product.....	44
1. Payment of Utility Costs.....	44
2. Unit Features.....	44
3. Parking.....	44
4. Community Amenities.....	44
5. Distribution of Units by Bedroom Type.....	44
6. Effective Rents.....	45
E. Housing Authority Data / Subsidized Housing List.....	47
F. Potential Competition from For-Sale Housing.....	47
G. Proposed and Under Construction Rental Communities.....	47
H. Estimate of Market Rent.....	49
<b>8. FINDINGS AND CONCLUSIONS .....</b>	<b>53</b>
A. Key Findings.....	53
1. Site and Neighborhood Analysis.....	53
2. Economic Context.....	53
3. Demographic Analysis.....	54
4. Competitive Housing Analysis.....	54
B. Affordability Analysis.....	56
1. Methodology.....	56
2. Affordability Analysis.....	58
C. Derivation of Demand.....	60
1. Demand Methodology.....	60
2. Demand Analysis.....	62



D. Target Markets ..... 63

E. Product Evaluation ..... 63

F. Price Position ..... 64

G. Absorption Estimate ..... 65

H. Impact on Existing Market..... 65

I. Final Conclusion and Recommendation ..... 65

**APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS ..... 66**

**APPENDIX 2 ANALYST CERTIFICATIONS ..... 68**

**APPENDIX 3 ANALYST RESUMES ..... 69**

**APPENDIX 4 NCHMA CHECKLIST ..... 71**

**APPENDIX 5 MARKET AREA RENTAL COMMUNITY PROFILES ..... 73**

**TABLES, FIGURES AND MAPS**

Table 1 Palmetto Senior Village Project Summary ..... 6

Table 2 Key Facilities and Services ..... 15

Table 3 Labor Force and Unemployment Rates..... 19

Table 4 Commutation Data..... 19

Table 5 2011 Q1 Major Employers, Marion County ..... 23

Table 6 Average Annual Pay and Annualized Wage Data by Sector, Marion County ..... 24

Table 7 Population and Household Projections..... 29

Table 8 Building Permits by Structure Type, Tri-County Market Area ..... 30

Table 9 Senior Household Projections, Marion Market Area ..... 31

Table 10 2012 Age Distribution ..... 32

Table 11 2010 Households by Household Type..... 33

Table 12 Households by Tenure ..... 34

Table 13 Senior Households by Tenure, 55+ ..... 34

Table 14 Renter Households by Age of Householders ..... 35

Table 15 2010 Renter Occupied Persons Per Household ..... 35

Table 16 2012 Household Income, Marion Market Area ..... 36

Table 17 2012 Household Income by Tenure (55+), Marion Market Area ..... 36

Table 18 Dwelling Units by Structure and Tenure ..... 38

Table 19 Dwelling Units by Year Built and Tenure..... 39

Table 20 Value of Owner Occupied Housing Stock..... 39

Table 21 Rental Summary, Surveyed Rental Communities ..... 41

Table 22 Vacancy by Floor Plan and Historical Occupancy, Surveyed Rental Communities ..... 42

Table 23 Historical Occupancy, LIHTC Communities ..... 42

Table 24 Overall LIHTC Occupancy, Surveyed Rental Communities ..... 42

Table 25 Utility Arrangement and Unit Features, Surveyed Rental Communities ..... 44

Table 26 Community Amenities, Surveyed Rental Communities ..... 45

Table 27 Unit Distribution, Size and Pricing, Surveyed Rental Communities ..... 46

Table 28 LIHTC and Subsidized Rental Communities..... 47

Table 29 Estimate of Market Rent, One Bedroom Units ..... 50

Table 30 Estimate of Market Rent, Two Bedroom Units ..... 51

Table 31 Rent Advantage Summary..... 52

Table 32 Estimate of Market Rent Adjustments Summary ..... 52

Table 33 2015 Income Distribution by Tenure, Households 55+..... 57

Table 34 Affordability Analysis for Palmetto Senior Village. HH 55+..... 59

Table 35 Substandard and Cost Burdened Calculations, Marion Market Area ..... 61

Table 36 Senior Homeowner Conversion ..... 61

Table 37 Demand by AMI Level ..... 62

Table 38 Demand by Floor Plan..... 63



Figure 1 Satellite Image of Subject Site ..... 9

Figure 2 Views of Subject Site..... 10

Figure 3 Views of Surrounding Land Uses ..... 11

Figure 4 At-Place Employment ..... 21

Figure 5 Total Employment and Employment Change by Sector 2001 to 2011 (Q2) ..... 22

Figure 6 Price Position of Palmetto Senior Village, One and Two Bedroom Units ..... 64

Map 1 Site Location. .... 8

Map 2 Crime Index Map ..... 13

Map 3 Location of Key Facilities and Services ..... 17

Map 4 Major Employers ..... 25

Map 5 Marion Market Area ..... 27

Map 6 Surveyed Rental Communities ..... 43

Map 7 LIHTC and Subsidized Rental Communities ..... 48



**EXECUTIVE SUMMARY**

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:		
Development Name:	Palmetto Senior Village	Total # Units: 42
Location:	Marion, Marion County, SC 29571	# LIHTC Units: 42
PMA Boundary:	North: Dillon County., East: Horry County, South: State Highway S-34-46, West: Florence County	
Development Type :	Senior 55+	Farthest Boundary Distance to Subject: 10.9 miles

RENTAL HOUSING STOCK (found on page 6, 41, 49-52)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	3	102	4	96.1%
Market-Rate Housing				
Assisted/Subsidized Housing not to include LIHTC				
<b>LIHTC (All that are stabilized)*</b>	3	102	4	96.1%
Stabilized Comps**	3	102	4	96.1%
Non-stabilized Comps				

\*Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).  
 \*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	850	\$310	\$434	\$0.51	28.49%	\$347	N/A
2	1	1	850	\$350	\$434	\$0.51	19.26%	\$347	N/A
9	2	1 3/4	1,100	\$370	\$563	\$0.51	34.22%	\$407	\$.49
29	2	1 3/4	1,100	\$394	\$563	\$0.51	29.96%	\$407	\$.49
<b>Gross Potential Rent Monthly*</b>				<b>\$16,076</b>	<b>\$23,130</b>		<b>30.50%</b>		

\*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 31, 34, 59)						
	2000		2012		2015	
Renter Households	959	21.9%	1,257	21.9%	1,326	22.2%
Income-Qualified Renter HHs (LIHTC)	251	26.2%	329	26.2%	326	24.6%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 62)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	8	10				12
Existing Households (Overburd + Substand)	92	112				133
Homeowner conversion (Seniors)	11	13				16
Other:						
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-qualified Renter HHs</b>	<b>111</b>	<b>135</b>				<b>160</b>

CAPTURE RATES (found on page 62)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	9.9	22.9				26.2

ABSORPTION RATE (found on page 65)	
Absorption Period	9-10 months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Potential Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
2	1 BR	\$310	\$620	\$434	\$868	
2	1 BR	\$350	\$700	\$434	\$868	
9	2 BR	\$370	\$3,330	\$563	\$5,067	
29	2 BR	\$394	\$11,426	\$563	\$16,327	
<b>Totals</b>	<b>42</b>		<b>\$16,076</b>		<b>\$23,130</b>	<b>30.50%</b>



## 1. INTRODUCTION

### A. Overview of Subject

The subject of this report is Palmetto Senior Village, a proposed senior oriented rental community to be constructed in Marion, Marion County, South Carolina. Palmetto Senior Village will be restricted to households with householders age 55 and older and is expected to apply for Low Income Housing Tax Credits (LIHTC) from the South Carolina State Housing Finance Development Authority (SCSHFDA). The proposed development will contain 42 units, all of which will be reserved for senior renters earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size.

### B. Purpose of Report

The purpose of this market study is to perform a market feasibility analysis through an examination of the economic context, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of demand, and an affordability analysis. RPRG expects this study to be submitted along with an application for Low Income Housing Tax Credits to the South Carolina State Housing Finance Development Authority.

### C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2013 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

### D. Client, Intended User, and Intended Use

The Client is Peachtree Housing Co.. Along with the Client, the intended users are SCSHFDA and potential investors.

### E. Applicable Requirements

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

- SCSHFDA's 2013 Market Study Requirements
- The National Council of the Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Index.

### F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Tad Scepaniak (Principal), conducted visits to the subject site, neighborhood, and market area on February 20, 2013.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property



managers, Pam Jones of the Marion Planning and Zoning Department, and LeVonne Powell with the Marion County Planning Department.

- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

### **G. Report Limitations**

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

### **H. Other Pertinent Remarks**

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





## 2. PROJECT DESCRIPTION

### A. Project Overview

Palmetto Senior Village will contain 42 rental units, all of which will benefit from Low Income Housing Tax Credits. The LIHTC units will be subject to maximum allowable rents and prospective renters will be subject to maximum income limits.

### B. Project Type and Target Market

Palmetto Senior Village will target low to moderate income senior renters (55+) earning at or below 50 percent and 60 percent of the AMI, adjusted for household size. The subject property will offer one and two bedroom floor plans, which will appeal to single person households, couples, or roommates. All householders must be age 55+.

### C. Building Types and Placement

Palmetto Senior Village's 42 units will be housed in six single-story residential buildings. Building characteristics will include wood frames with brick/stone and HardiPlank siding exteriors. Community amenities and a management office will be located in a separate community building. Surface parking will be available in adjacent lots, including at least 63 spaces, and free for all residents.

### D. Detailed Project Description

#### 1. Project Description

- Palmetto Senior Village will offer four one bedroom units and 38 two bedroom units with 850 and 1,100 gross square feet of living space, respectively (Table 1). One bedroom units will contain one bathroom while two bedroom units will contain one and three quarter bathroom. The three quarter bathroom means that there will be a shower in one of the bathrooms as opposed to a bath tub.
- By floor plan and income type, the proposed rents are as follows:
  - \$310 for 50 percent one bedroom LIHTC units
  - \$350 for 60 percent one bedroom LIHTC units
  - \$370 for 50 percent two bedroom LIHTC units
  - \$394 for 60 percent two bedroom LIHTC units
- The proposed rents will include the cost of trash removal. Tenants will bear the cost of all other utilities.

The following **unit features** are planned:

- Kitchens with a refrigerator, range, dishwasher, disposal, and microwave.
- Central heat and air-conditioning.
- Wall-to-wall carpeting in all living areas and vinyl floors in kitchens and bathrooms.
- Ceiling fans



- Washer/dryer connections
- Patios
- Sunrooms
- Window blinds
- High speed internet and cable connections

The following **community amenities** are planned:

- Club house/community room
- Fitness center
- Computer center
- Management office
- Laundry facility
- Library



**Table 1 Palmetto Senior Village Project Summary**

Palmetto Senior Village							
U.S. Highway 76 at Metal Street							
Marion, Marion County, SC 29571							
Unit Mix/Rents							
Bed	Bath	Income Target	Size (sqft)	Quantity	Gross Rent	Utility	Net Rent
1	1	50%	850	2	\$433	\$123	\$310
1	1	60%	850	2	\$473	\$123	\$350
2	1 3/4	50%	1,100	9	\$526	\$156	\$370
2	1 3/4	60%	1,100	29	\$550	\$156	\$394
<b>Total</b>				<b>42</b>			
Project Information				Additional Information			
<b>Number of Residential Buildings</b>		Six		<b>Construction Start Date</b>		11/2013	
<b>Building Type</b>		Garden		<b>Date of First Move-In</b>		2014	
<b>Number of Stories</b>		One		<b>Construction Finish Date</b>		2014	
<b>Construction Type</b>		New Const.		<b>Parking Type</b>		Surface	
<b>Design Characteristics (exterior)</b>		Brick, Stone, Hardi		<b>Parking Cost</b>		None	
<b>Community Amenities</b>	Management Office, Club House, Computer/Business Center, Fitness Center, Laundry Facility, Library			<b>Kitchen Amenities</b>			
				<b>Dishwasher</b>		Yes	
				<b>Disposal</b>		Yes	
				<b>Microwave</b>		Yes	
				<b>Range</b>		Yes	
<b>Refrigerator</b>		Yes					
<b>Unit Features</b>	Range, Refrigerator, Dishwasher, Garbage Disposal, Microwave, Sunroom or Balcony, Ceiling Fans, Carpet, Central A/C, Washer/Dryer Connections, Window Blinds			<b>Utilities Included</b>			
				<b>Water/Sewer</b>		Tenant	
				<b>Trash</b>		Owner	
				<b>Heat</b>		Tenant	
				<b>Heat Source</b>		Elec	
				<b>Hot/Water</b>		Tenant	
				<b>Electricity</b>		Tenant	
<b>Other:</b>							

**2. Other Proposed Uses**

None

**3. Pertinent Information on Zoning and Government Review**

The subject site is zoned GDD, which allows for multi-family development. We are not aware of any other land use regulations that would impact the proposed development.

**4. Proposed Timing of Construction**

Palmetto Senior Village is expected to begin construction November 2013. The estimated date of construction completion and first move-ins is projected in 2014.



### 3. SITE AND NEIGHBORHOOD ANALYSIS

#### A. Site Analysis

##### 1. Site Location

The proposed site for Palmetto Senior Village is located on the north side of United States Highway 76, just east of its intersection with Metal Road in Marion, Marion County, South Carolina. Situated behind (north) an existing Advance Auto Parts store and west of a strip shopping center, the site is located approximately one-half mile east of downtown Marion and approximately one-mile west of U.S. Highway 501 (which serves as a by-pass around downtown Marion) (Map 1, Figure 1).

##### 2. Existing Uses

The subject site consists of undeveloped grassy land with thick tree lines along its northern and eastern borders. At the time of our site visit, we did not observe any environmental conditions that would restrict the properties use.

##### 3. Size, Shape, and Topography

According to plans provided by the developer and field observations, the subject site encompasses approximately 6.5 acres within a loosely rectangular shape with a generally flat topography.

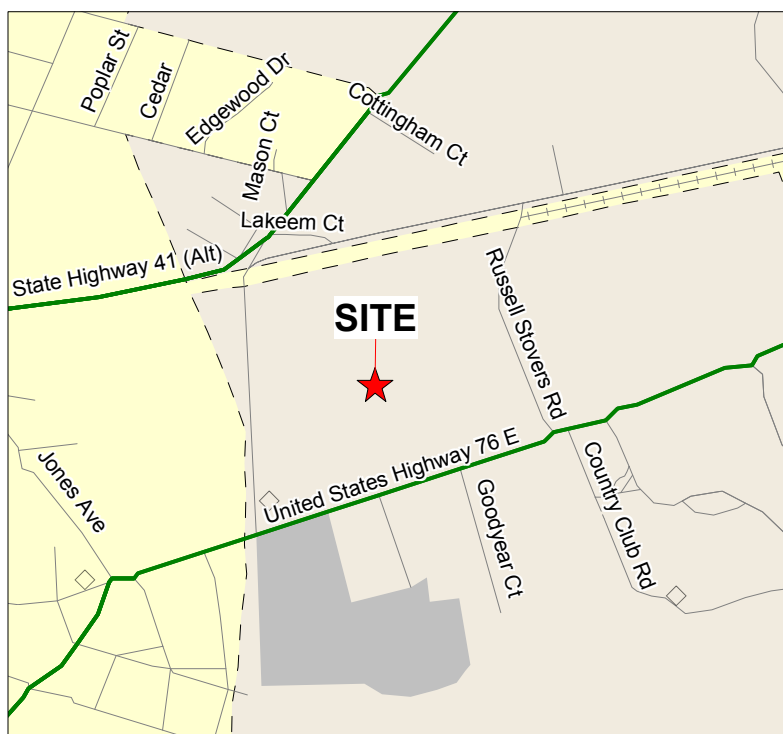
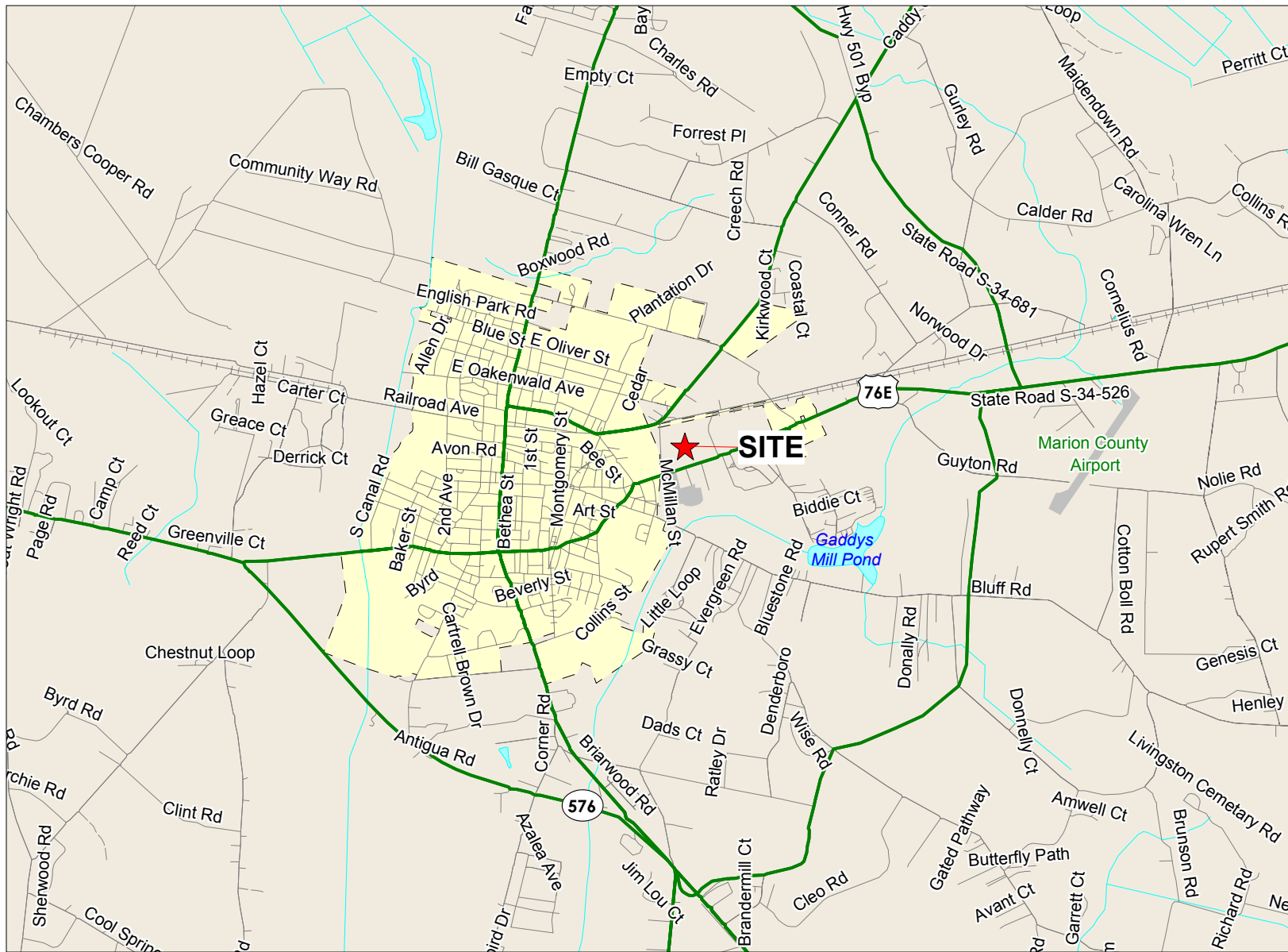
##### 4. General Description of Land Uses Surrounding the Subject Site

The site for Palmetto Senior Village is primarily surrounded by commercial land uses, most of which are located along U.S. Highway 76 immediately to the south. Heavily wooded land is also present to the north and east of the site, with scattered single-family detached homes in good to fair condition interspersed throughout the surrounding area. Other nearby land uses include the Marion-Dillon fairgrounds, a cemetery, Dusty Hills Country Club, and light industrial uses.

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

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

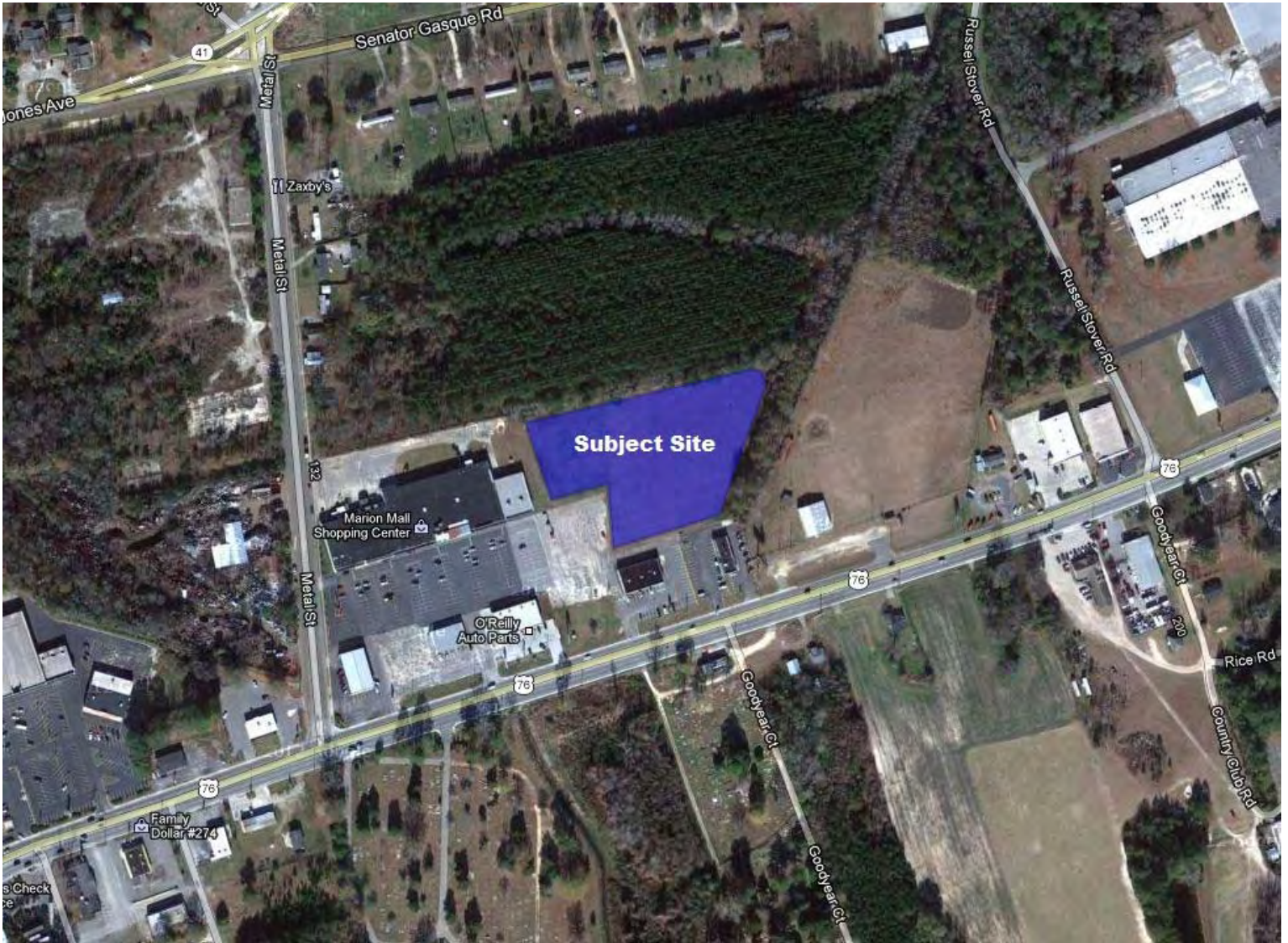
- **North:** Wooded land / Single-family detached homes
- **East:** Wooded land / Marion-Dillon Fairgrounds
- **South:** Advance Auto Parts / U.S. Highway 76
- **West:** Marion Mall Shopping Center



**Map 1**  
**Site Location**  
**Marion County, SC**



Figure 1 Satellite Image of Subject Site



**Figure 2 Views of Subject Site**



View of the subject site facing north



View of the subject site facing northeast



View of the subject site facing east



View of subject site facing southeast toward Advance Auto Parts



View of subject site facing southwest



**Figure 3 Views of Surrounding Land Uses**



View of AutoZone, just east of the site on U.S. Highway 76



View of Advance Auto Parts bordering the site to the south



View of Factory Furniture just east of the site on U.S. Highway 76



View of retail shops in the Marion Mall Shopping Center bordering the site to the west



View of a single-family detached home just south of the site on Dogwood Drive





## **B. Neighborhood Analysis**

### **1. General Description of Neighborhood**

The subject site is located in eastern Marion, a small rural community approximately 20 miles east of Florence. Marion is the largest municipality in Marion County, consisting primarily of low-density residential development surrounding a small downtown corridor. The City is conveniently located near the intersection of two U.S. Highways, which provide access to the City of Florence and Interstates 95 and 20 within 25 miles. Residential land uses typically consist of older single-family detached homes in good to fair condition and smaller multi-family rental communities most of which are heavily subsidized through the USDA Rural Development or HUD Section 8 programs. Outside of the downtown area, the largest contingent of commercial development is located along U.S. Highway 76 between downtown Marion and U.S. 501.

### **2. Neighborhood Investment and Planning Activities**

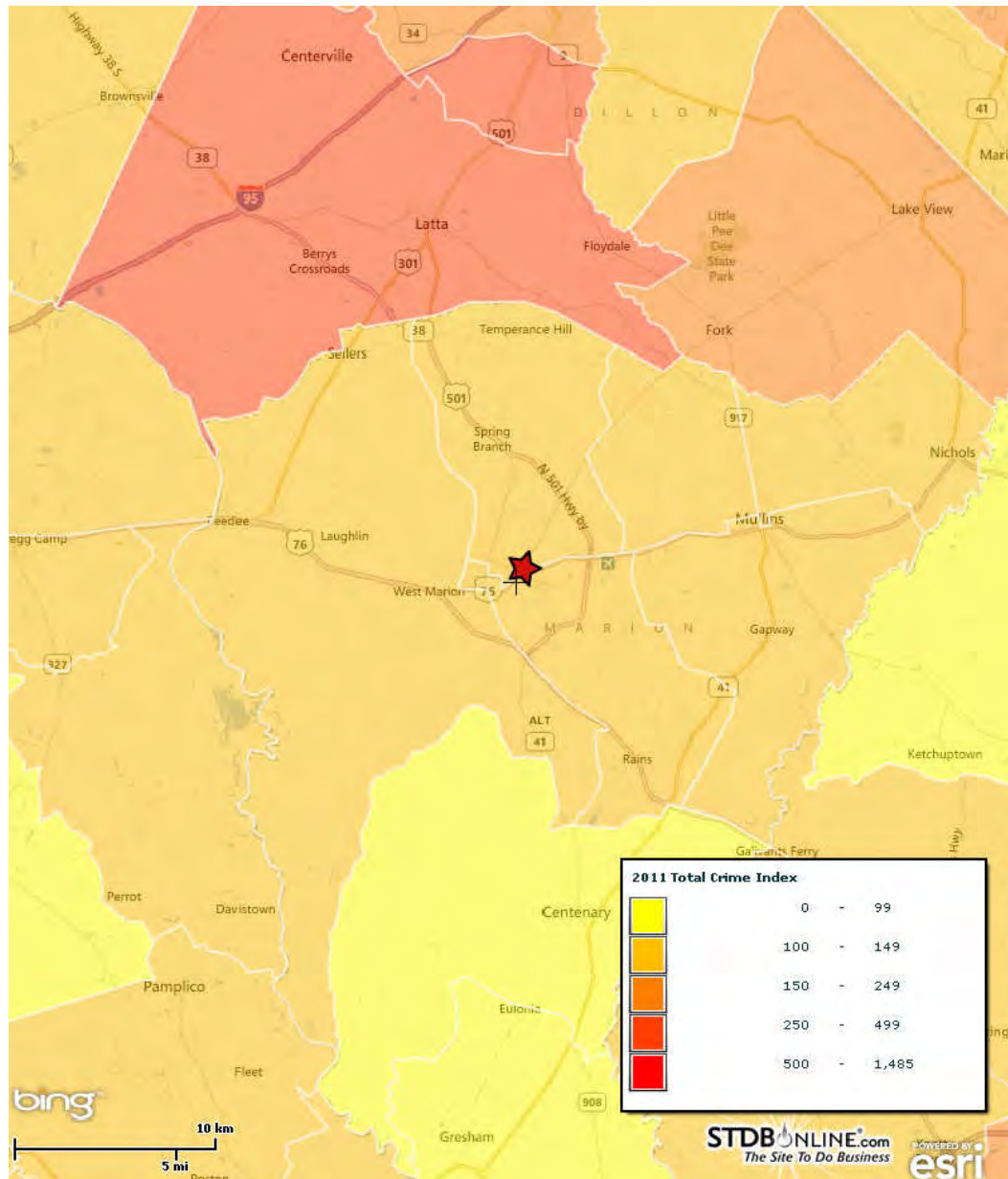
According to our research, including field observations at the time of the site visit, no current neighborhood investment / development activities were noted in the subject site's immediate area.

### **3. Public Safety**

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 2 displays the 2011 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The tracts containing the subject site and the immediate area have a crime risk just above the national average and comparable with area in and around Marion.

**Map 2 Crime Index Map**



**C. Site Visibility and Accessibility**

**1. Visibility**

Palmetto Senior Village will have excellent visibility from its frontage just north of U.S. Highway 76, a four-lane divided highway running east to west through southern and eastern Marion. The subject property will also benefit from traffic generated by adjacent commercial development.



## **2. Vehicular Access**

Palmetto Senior Village will be accessible from an entrance on U.S. Highway 76, which provides convenient access to southern Marion and U.S. Highway 501 within one-half mile. U.S. Highway 76 also serves as the primary connection to the Cities of Florence and Mullins as well as the area's most prominent commercial corridor. While U.S. Highway 76 experiences moderate to heavy traffic volumes throughout the day, traffic flow is facilitated by numerous stop lights and a center turn lane. No problems with ingress or egress are anticipated.

## **3. Availability of Public Transit**

The City of Marion is served by the Pee Dee Regional Transportation Authority (PDRTA), which provides public transportation in the six county Pee Dee Region of South Carolina. These six counties include Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro. From Marion, deviated fixed-route bus service is available to the City of Florence and "The Grand Strand," a long stretch of beaches spanning the South Carolina coast from Little River to Georgetown. PDRTA also offers Para transit/Demand-Response service for the elderly and disabled throughout the region. The closest PDRTA bus stop the subject site is located on East Liberty Street, just 0.4 mile to the west and within walking distance.

## **4. Inter Regional Transit**

Marion is located within 25 miles of Interstates 95 and 20 as well as numerous U.S. and State highways. From these major thoroughfares, the Cities of Florence, Mullins, Dillon, Lake City, Darlington, Johnsonville, Conway, and Myrtle Beach, are all easily accessible within 50 miles. The closest major airport to Palmetto Senior Village is the Myrtle Beach International Airport, forty-five miles to the southeast.

## **5. Pedestrian Access**

The site for Palmetto Senior Village is located within a short walking distance (1/2 mile) of numerous community amenities, retail establishments, and neighborhoods. Pedestrian access will be facilitated by existing sidewalks on the north and south sides of U.S. Highway 76.

## **6. Accessibility Improvements under Construction and Planned**

### ***Roadway Improvements under Construction and Planned***

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects affecting road, transit, or pedestrian access to the subject site are currently underway or likely to commence within the next few years. Observations made during the site visit contributed to this process. Through this research, no major roadway improvements were identified that would have a direct impact on this market.

### ***Transit and Other Improvements Under Construction and/or Planned***

None identified.

## **D. Residential Support Network**

### **1. Key Facilities and Services near the Subject Sites**

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



**Table 2 Key Facilities and Services**

Establishment	Type	Address	City	Driving Distance
PDRTA Bus Stop	Public Transit	1401 E Liberty St.	Marion	0.4 mile
Kangaroo Express	Convenience Store	1401 E Liberty St.	Marion	0.4 mile
Save-A-Lot	Grocery	1105 E Godbold St.	Marion	0.5 mile
Subway	Restaurant	1914 E Godbold St.	Marion	0.5 mile
Dollar General	General Retail	2433 E Highway 76	Marion	0.7 mile
Piggly Wiggly	Grocery	2435 E Highway 76	Marion	0.7 mile
Pee Dee Federal Savings Bank	Bank	106 Ne Court St.	Marion	1.2 miles
Marion Fire Departments	Fire	107 E Bond St.	Marion	1.3 miles
Marion County Library	Library	101 Se Court St.	Marion	1.3 miles
CVS	Pharmacy	700 N Main St.	Marion	1.4 miles
Marion County Council on Aging	Senior Center	307 W Dozier St.	Marion	1.5 miles
Marion Medical Group	Doctor/Medical	1115 N Main St.	Marion	1.8 miles
Marion Police Department	Police	1024 N Main St.	Marion	1.8 miles
Fowler Rural Medical Clinic	Doctor/Medical	1106 Lombardy St.	Marion	2 miles
Wal-Mart	General Retail	305 Commerce Dr.	Mullins	2.4 miles
Marion County Medical Center	Hospital	2829 E Highway 76	Mullins	3.2 miles

**2. Essential Services**

**Health Care**

The Marion Regional Healthcare System serves Marion and Marion County. Marion Regional Hospital, the center of the healthcare system, is a 216 bed facility located approximately three miles from the subject site. Marion Regional Hospital offers a wide range of services including family practice/general medicine, pediatrics, general surgery, and emergency care. Numerous specialties are also provided.

Marion is also served by a number of smaller medical clinics and doctor’s offices. The closest of these facilities, Marion Medical Group, is located 1.8 miles from the subject site on North Main Street.

**Senior Services**

The primary provider of senior services throughout Marion County is the Marion County Council on Aging, a not-for-profit agency serving residents age 60 and older. The Marion Council on Aging offers a wide variety of services to seniors living in Marion County including on-site group and home-delivered meals, social and recreational activities, exercise and nutrition classes, and help with home chores. The Marion Senior Center, which offers transportation to and from meals and activities, is located on West Dozer Street 1.5 miles from the subject site.

**3. Commercial Goods and Services**

**Convenience Goods**

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



Palmetto Senior Village is located within one-half mile of several retailers, nearly all of which are situated along U.S. Highway 76 to the south, east, and west. Retailers, restaurants, and service providers in this area include Family Dollar, Advance Auto Parts, Fred's, Piggly Wiggly, McDonald's, Goody's, Zaxby's, Pizza Hut, Huddle House, Save-a-lot, and Dollar General (among others). Piggly Wiggly and CVS are the closest full-service grocery store and pharmacy to the subject site at 0.7 mile and 1.4 miles, respectively.

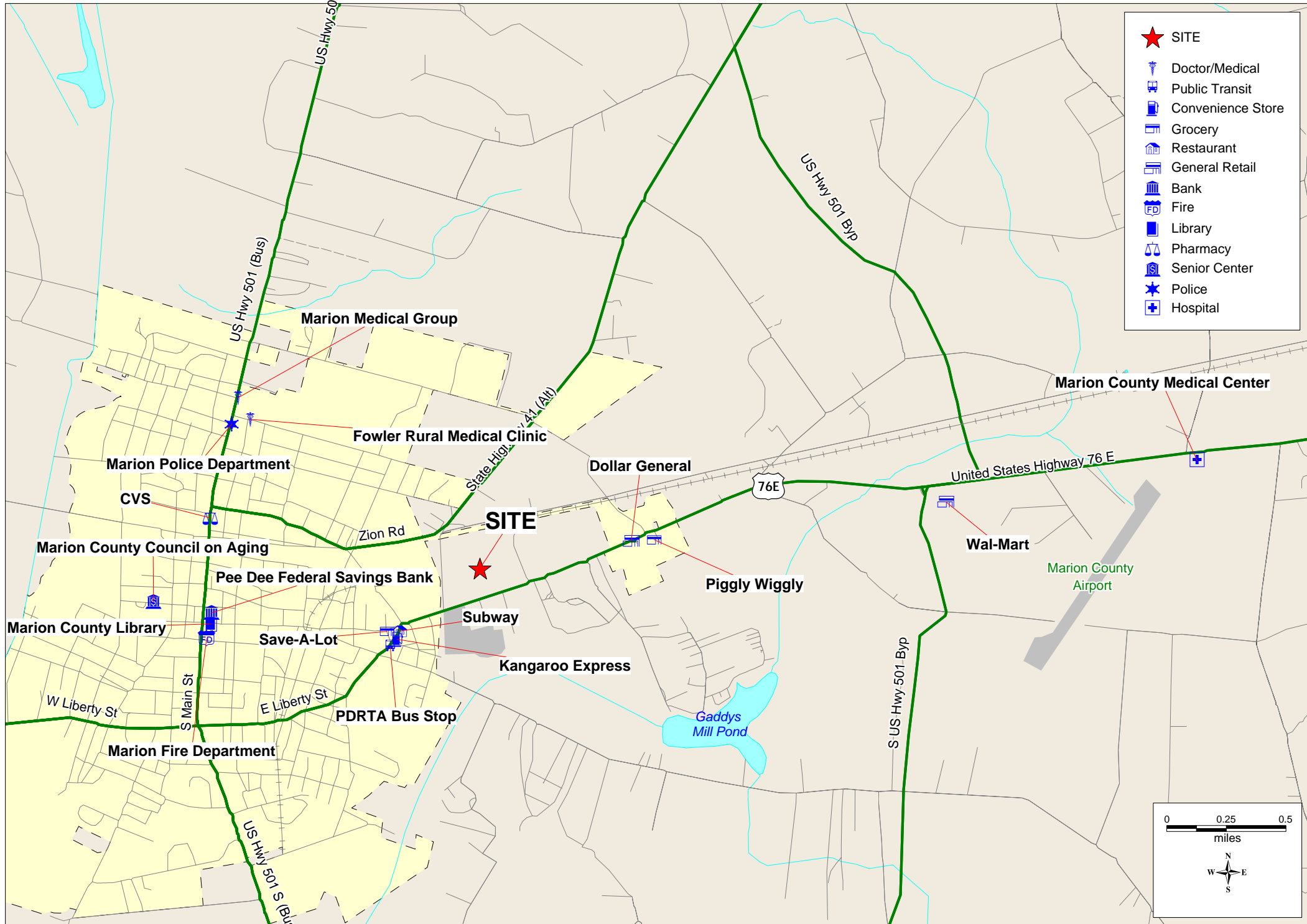
### ***Shoppers Goods***

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

In addition to being located near the heaviest concentration of commercial development in Marion, the subject site is also in close proximity to the largest comparison good retailer Wal-Mart. The Wal-Mart Supercenter is located on the eastern side of U.S. Highway 501, just over two miles east of the subject site. Outside of this immediate area, a variety of specialty stores and service providers are also available in downtown Marion and in the neighboring cities of Florence and Mullins.

### ***Recreation Amenities***

Palmetto Senior Village will be convenient to a variety of recreational amenities in and around Marion, the closest of which is the Wastonia Recreation Center (0.7 mile). The Wastonia Recreation Center houses the City of Marion's Parks and Recreation Department as well as a playground and the Dixie Youth Baseball League. Other nearby recreational amenities include Harmon and Green Street Parks, Marion's Hike/Bike trail, Withlacoochee Park and Lion's Club Picnic Shelter (includes tennis courts and a playground), Grices Recreation Center and Swimming Pool, Tollison Gymnasium, Tilghman Park, and the Marion County Library.



**Map 3**  
**Neighborhood Amenities**  
**Marion County, SC**





## 4. ECONOMIC CONTEXT

### A. Introduction

This section of the report focuses primarily on economic trends and conditions in Marion County, the jurisdiction in which Palmetto Senior Village is located. For purposes of comparison, economic trends in the State of South Carolina and the nation are also discussed.

### B. Labor Force, Resident Employment, and Unemployment

#### 1. Trends in County Labor Force and Resident Employment

Marion County's labor force declined in ten of the past twelve years, reaching a low point of 11,954 in 2012 (Table 3). From an annual total of 15,585 in 2000, the county's labor force has experienced a net loss of 3,631 workers or 23.3 percent in the past twelve years. While the portion of the labor force identified as "unemployed" has decreased by nearly 623 over the past three years, this is due to unemployed workers leaving the labor force rather than an increase in employment. Total "employed" workers declined by 358 during the same time period.

#### 2. Trends in County Unemployment Rate

Marion County's unemployment rate reached double digits in every year since 2001 and exceeded both state and national levels five to nine percentage points. Unemployment rates ranged from 11 to 13.6 percent from 2001 to 2008 before the full effects of the recent national recession began to impact the local economy. Beginning in 2009, Marion County's unemployment rate surged, reaching as high as 20.8 percent in 2009 before receding to 17.3 percent in 2012.

### C. Commutation Patterns

According to 2007-2011 American Community Survey (ACS) data, 35.0 percent of the workers residing in the Marion Market Area spent less than 15 minutes commuting to work (Table 4). Another 26.3 percent of workers spent 15-29 minutes or more commuting to work, while 34.1 percent of market area workers commuted 30 minutes or more.

Approximately 62 percent of all workers residing in the Marion Market Area worked in Marion County, compared to 35.6 percent who worked in another South Carolina county. Two and half percent of market area residents worked outside the State of South Carolina.

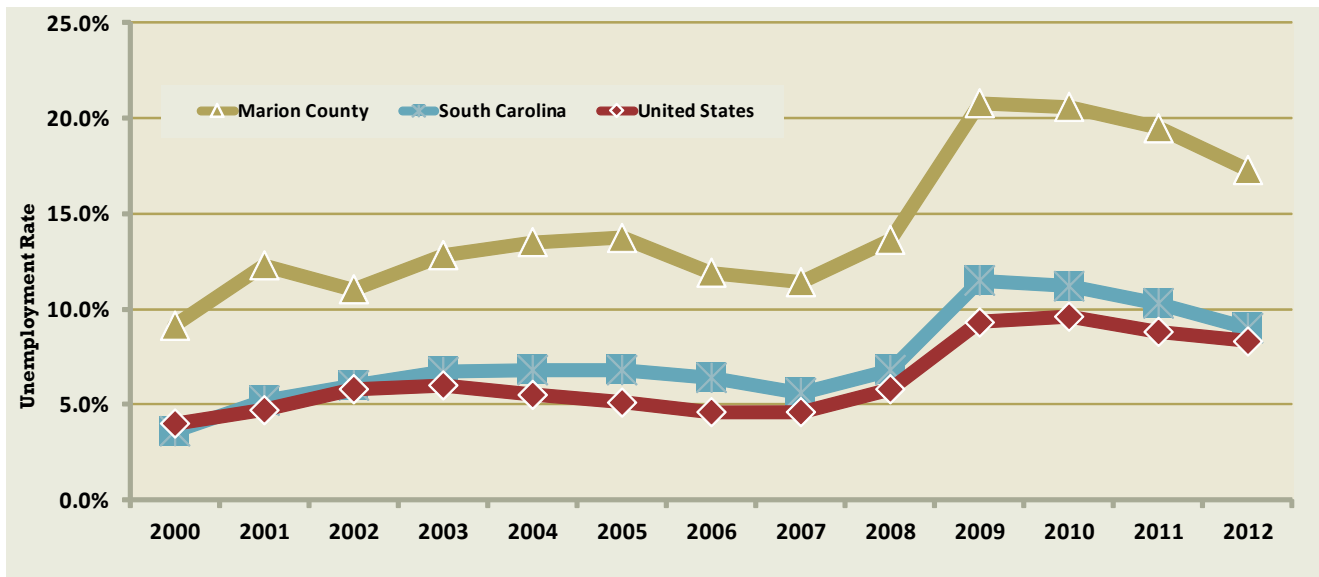


**Table 3 Labor Force and Unemployment Rates**

**Annual Unemployment Rates - Not Seasonally Adjusted**

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Labor Force	15,585	14,451	13,908	14,236	14,142	13,749	13,356	12,866	12,779	12,935	12,576	12,206	11,954
Employment	14,163	12,675	12,373	12,410	12,232	11,862	11,766	11,398	11,038	10,246	9,986	9,829	9,888
Unemployment	1,422	1,776	1,535	1,826	1,910	1,887	1,590	1,468	1,741	2,689	2,590	2,377	2,066
<b>Unemployment Rate</b>													
Marion County	9.1%	12.3%	11.0%	12.8%	13.5%	13.7%	11.9%	11.4%	13.6%	20.8%	20.6%	19.5%	17.3%
South Carolina	3.6%	5.2%	6.0%	6.7%	6.8%	6.8%	6.4%	5.6%	6.8%	11.5%	11.2%	10.3%	9.0%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%

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



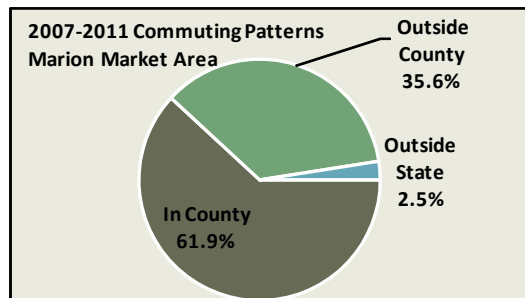
**Table 4 Commutation Data**

Travel Time to Work		
Workers 16 years+	#	%
Did not work at home	10,898	95.4%
Less than 5 minutes	550	4.8%
5 to 9 minutes	1,228	10.8%
10 to 14 minutes	2,222	19.5%
15 to 19 minutes	1,454	12.7%
20 to 24 minutes	1,129	9.9%
25 to 29 minutes	422	3.7%
30 to 34 minutes	1,035	9.1%
35 to 39 minutes	188	1.6%
40 to 44 minutes	496	4.3%
45 to 59 minutes	1,325	11.6%
60 to 89 minutes	640	5.6%
90 or more minutes	209	1.8%
Worked at home	522	4.6%
<b>Total</b>	<b>11,420</b>	

Source: American Community Survey 2007-2011

Place of Work		
Workers 16 years and over	#	%
Worked in state of residence:	11,137	97.5%
Worked in county of residence	7,068	61.9%
Worked outside county of residence	4,069	35.6%
Worked outside state of residence	283	2.5%
<b>Total</b>	<b>11,420</b>	<b>100%</b>

Source: American Community Survey 2007-2011







## **D. At-Place Employment**

### **1. Trends in Total At-Place Employment**

Marion County's at-place employment steadily declined each year from 2000 to 2011, including significant losses in 2000-2001, 2005, and 2009 (Figure 4). From an annual total of 11,933 in 2000, Marion County lost 5,053 jobs or 42.3 percent of its 2000 employment base, reaching an eleven year employment low of 6,880 in 2011. Through the first half of 2012, at-place employment continued to decline with the loss of an additional 287 jobs.

### **2. At-Place Employment by Industry Sector**

Marion County's employment is primarily concentrated in the Government, Education-health, and trade-transportation-utilities sectors, which account for a combined 69.9 percent of all jobs within the county (Figure 5). By comparison, these three sectors constitute 50.3 percent of total employment nationally. Compared to the nation, Marion County has a noticeably smaller percentage of its jobs in the Leisure-Hospitality, Professional-Business, and Information sectors.

Between 2001 and the second quarter of 2012, eight of eleven industry sectors in Marion County experienced a net loss in jobs. On a percentage basis, Manufacturing was hit the hardest with an annual decline of 13.3 percent; however, yearly losses of 3.5 percent in Government and 2.8 percent in Trade-Transportation-Utilities were also significant as these are two of the county's largest sectors. The two industry sectors to add jobs were Education-Health and Information with annual growth rates of 6.4 percent and 10.6 percent, respectively. In terms of total jobs, growth in the Education-Health sector was most notable as Information only accounts for 0.3 percent of total employment within the county.

### **3. Major Employers**

Marion County major employers are dominated by companies in its three largest industries, which include government, education-health, and trade-transportation-utilities (Table 5). Government employers primarily consist of county / municipal offices and two major school districts while education-health employers are comprised of the major medical providers in the region. Trade-transportation-utilities companies in the county include retail giants Wal-Mart Associates, Inc. and Piggly Wiggly Mullins Inc. as well as AWA Inc. and Unaka Company. Rounding out the Marion County major employers are three major manufacturers (AVM Industries, LLC, Beneteau USA Inc., and Supremes Hygienic Products, LLC), Anderson Brothers Bank (financial activities), and Olsten Staffing Services Corporation (professional business). Overall, the subject site is conveniently located within ten miles of these major area employers, in addition to several local retail outlets, service providers, and small businesses.

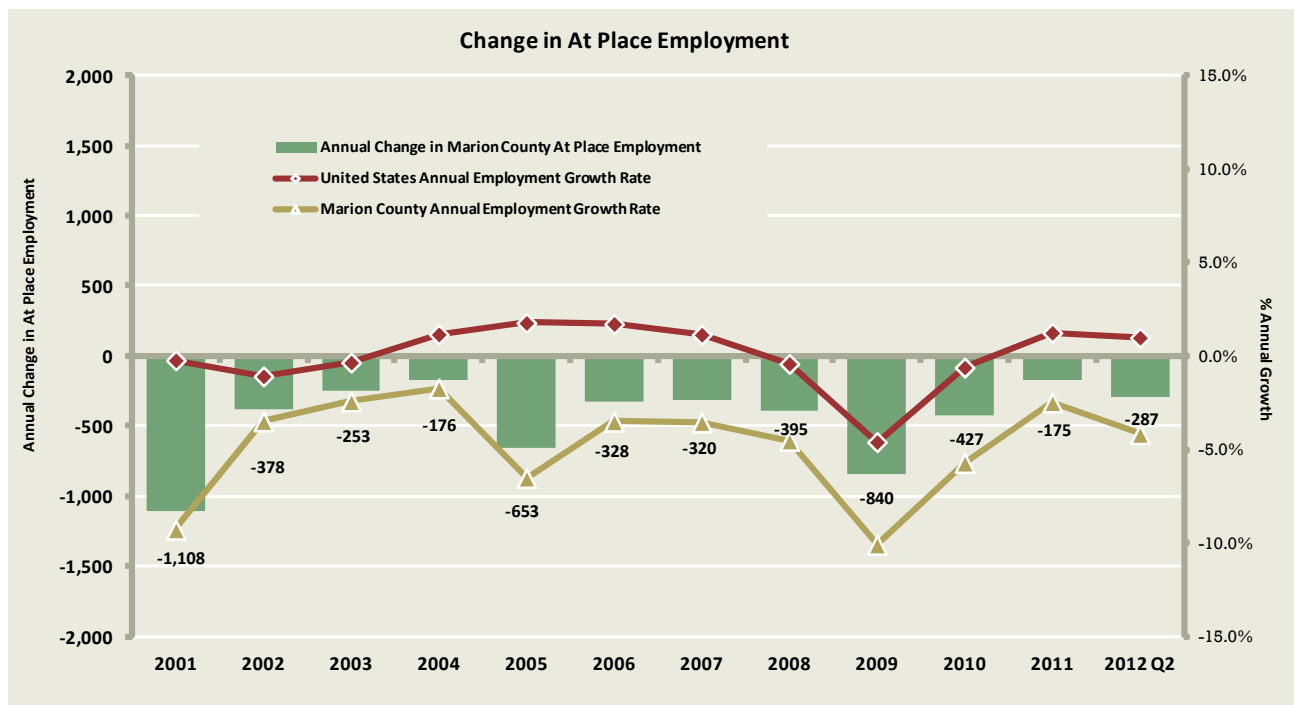
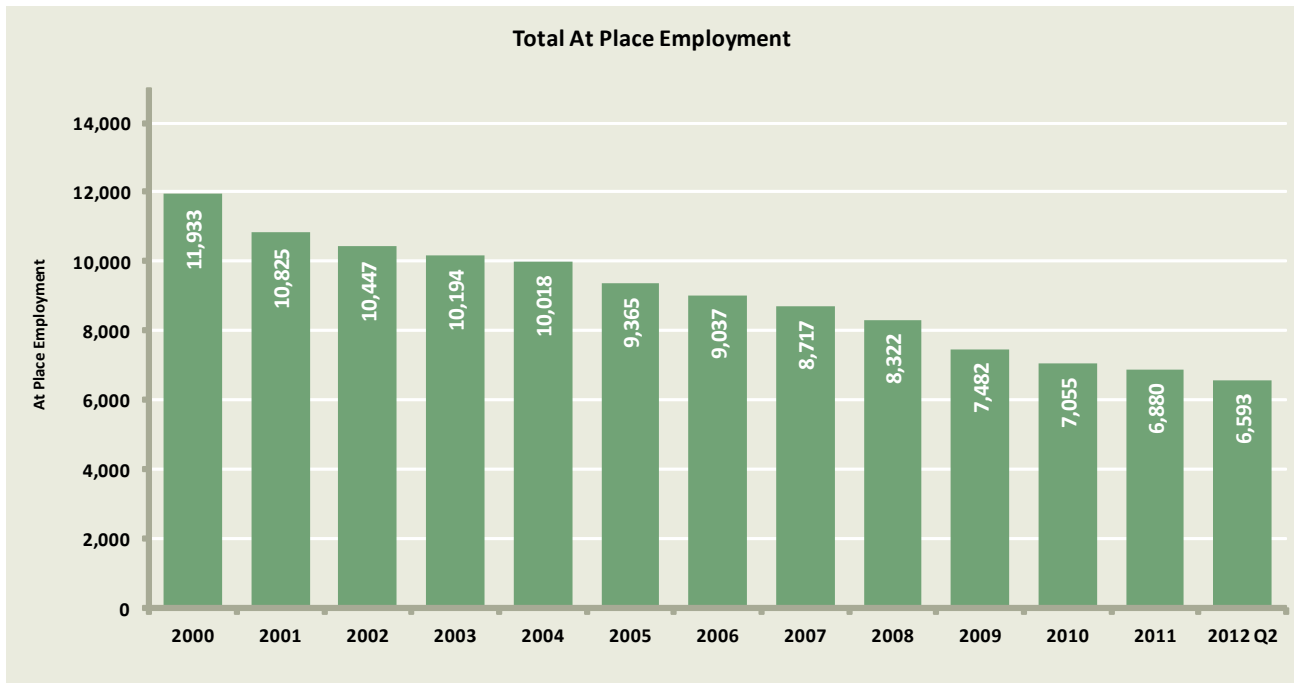
### **4. Wages**

The average annual wage in 2011 for Marion County was \$28,658 or 25.4 percent lower than the \$38,427 average in the State of South Carolina (Table 6). The state's average wage is \$9,613 or twenty percent below the national average. Marion County's average annual wage in 2011 represents an increase of \$5,366 or 23 percent since 2001.

The average wage in Marion County falls below the national average for every economic sector. The highest paying sectors in Marion County are information, financial activities, and professional business.



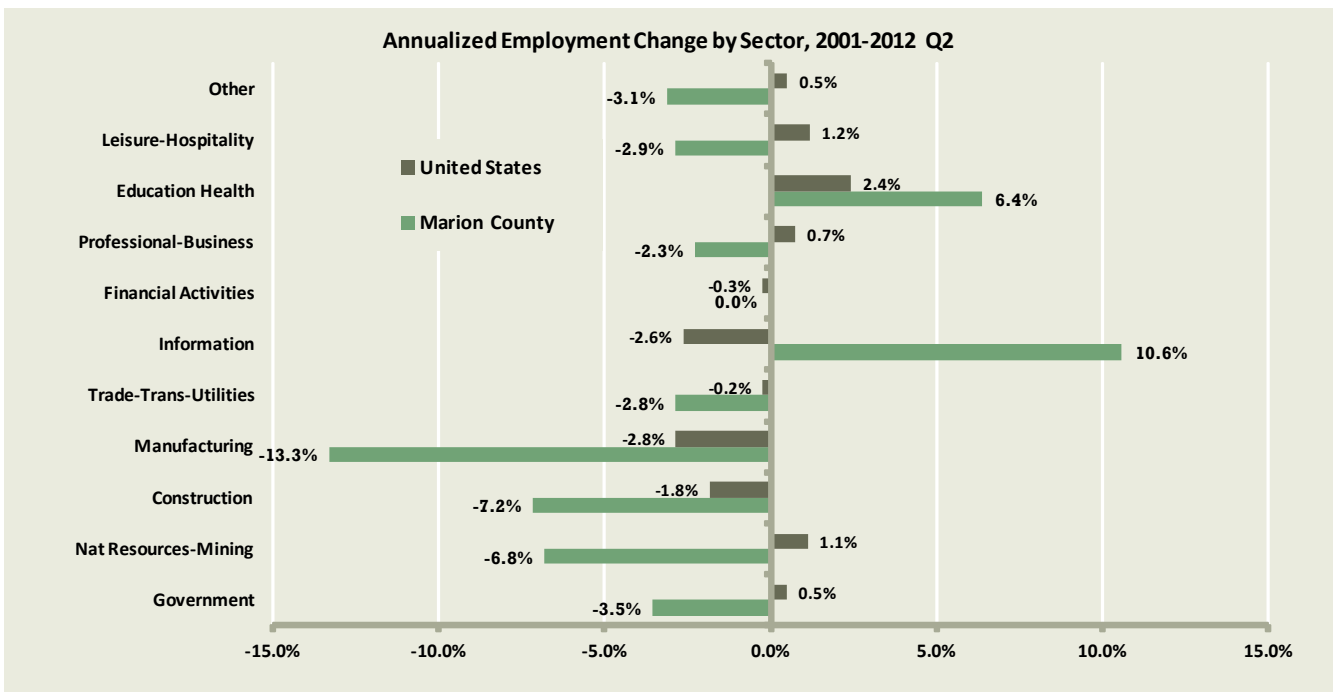
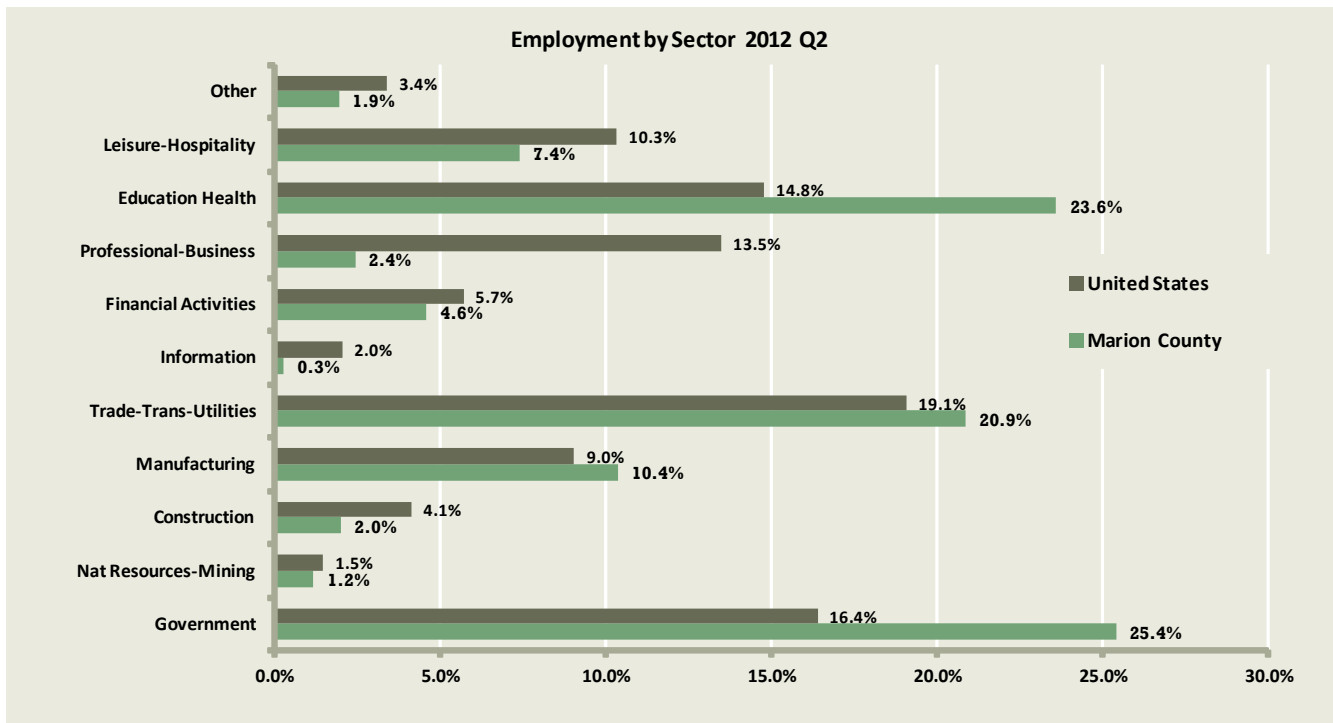
**Figure 4 At-Place Employment**



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



**Figure 5 Total Employment and Employment Change by Sector 2001 to 2011 (Q2)**



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



**Table 5 2011 Q1 Major Employers, Marion County**

Name	Industry
Anderson Brothers Bank	Financial Activities
AVM Industries LLC	Manufacturing
AWA Inc	Trade-Transportation-Utilities
Beneteau USA Inc.	Manufacturing
City of Marion	Government
City of Mullins	Government
Marion County	Government
Marion County Medical Center	Education-Health
Marion County School District No 7	Government
Marion Dillion Board of Disabilities	Government
Marion Nursing Center Inc	Education-Health
Marion Physician Services Inc	Education-Health
Marion School District #1	Government
McLeod Physician Associates II	Education-Health
Mullins School District #2	Government
Olsten Staffing Services Corporation	Professional Business
Piggly Wiggly Mullins Inc	Trade-Transportation-Utilities
Supremes Hygienic Products LLC	Manufacturing
Unaka Company Inc.	Trade-Transportation-Utilities
Wal-Mart Associates Inc	Trade-Transportation-Utilities

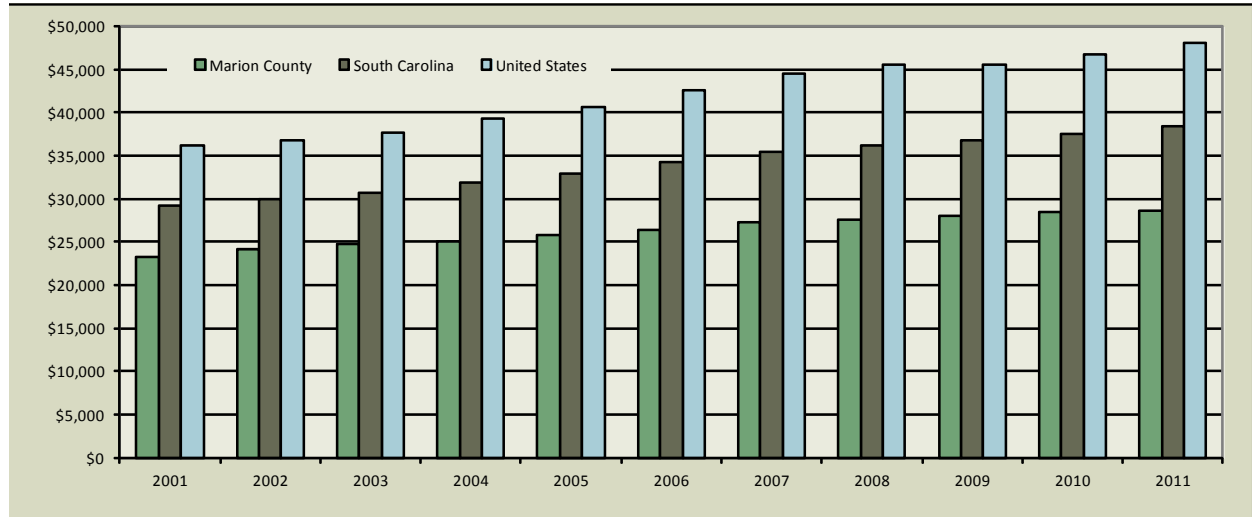
Source: S.C. Department of Employment & Workforce



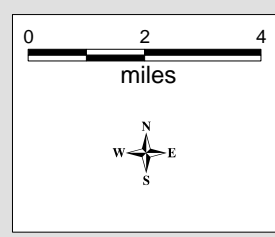
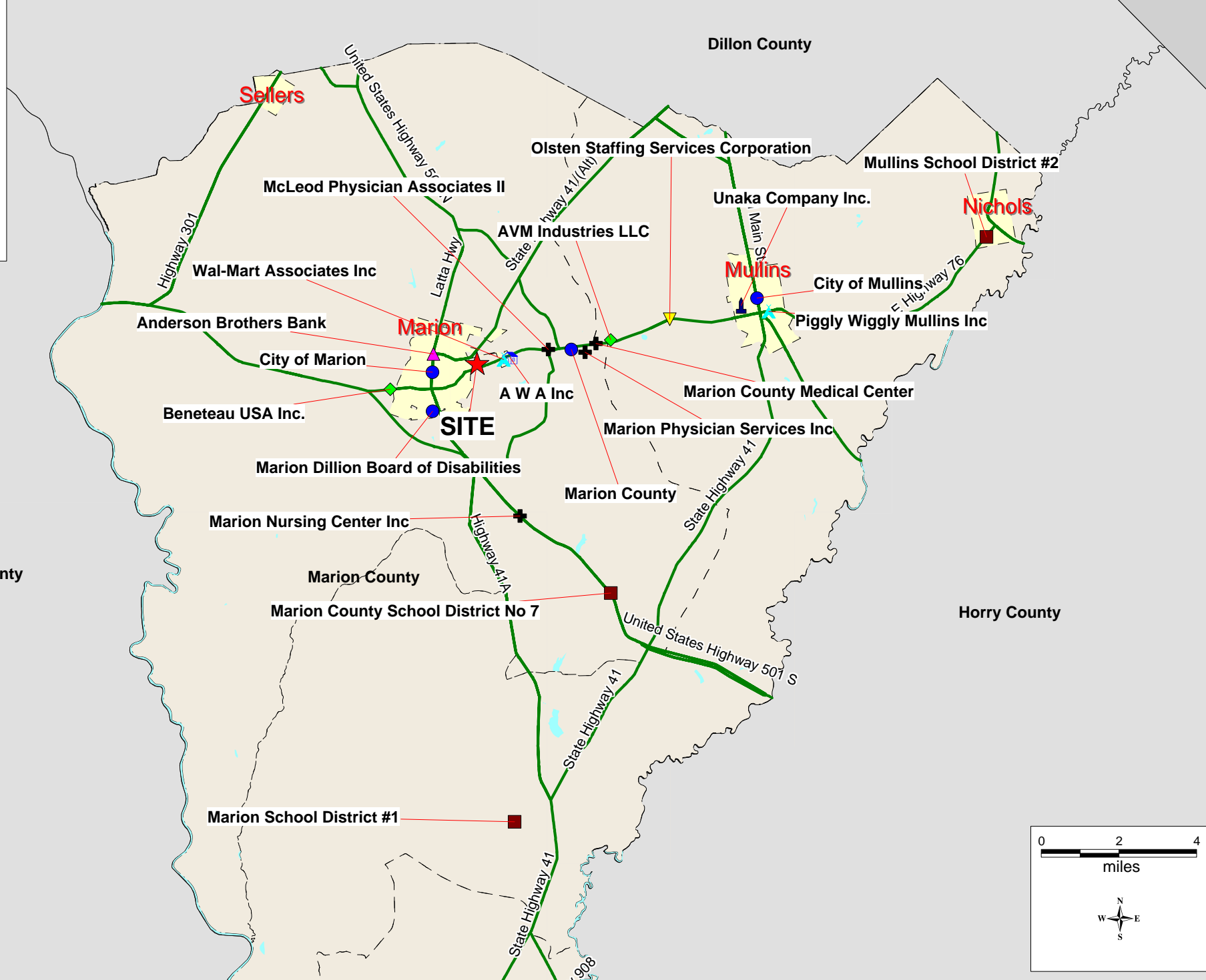
**Table 6 Average Annual Pay and Annualized Wage Data by Sector, Marion County**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Marion County	\$23,292	\$24,126	\$24,698	\$25,141	\$25,864	\$26,409	\$27,306	\$27,571	\$27,972	\$28,535	\$28,658
South Carolina	\$29,255	\$30,003	\$30,750	\$31,839	\$32,927	\$34,281	\$35,393	\$36,252	\$36,759	\$37,553	\$38,427
United States	\$36,219	\$36,764	\$37,765	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,040

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



- ★ SITE
- Government
- ◆ Manufacturing
- Education
- ⊕ Healthcare
- ▼ Business Services
- ▲ Financial Services
- 🏠 Restaurant
- 🏪 Retail
- 📦 Packaging



**Map 4**  
**Major Employers**  
**Marion County, SC**



## 5. HOUSING MARKET AREA

### A. Introduction

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

### B. Delineation of Market Area

The primary market area for Palmetto Senior Village consists of six of the eight 2010 Census tracts in Marion County. While the majority of the tracts are located in and around the city of Marion, the smaller municipalities of Mullins and Nichols are also included in the primary market area. The boundaries of the Marion Market Area and their approximate distance from the subject site are:

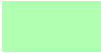
- North:** Dillon County ..... (8.2 miles)
- East:** Horry County ..... (10.3 miles)
- South:** State Highway S-34-46 ..... (8.2 miles)
- West:** Florence County ..... (10.9 miles)

As the subject property will be located in Marion, the county seat of the relatively rural Marion County, the Marion Market Area is defined as the majority of the county. The only two Marion County tracts not included in the Marion Market Area extend far to the south and the inclusion of these two tracts would have increased the distance to the southern border by nearly 30 miles. It is reasonable to assume residents of this Marion Market Area would consider the subject site as an option for housing.

The Marion Market Area is depicted in Map 5 and the 2010 Census tracts that comprise the Marion Market Area are listed on the edge of the map. As appropriate for this analysis, this primary market area is compared to a tri-county market area consisting of Dillon, Marion, and Marlboro Counties, which is considered the secondary market area. Demand estimates, however, are based solely on the Marion Market Area.



SITE



Marion Market Area

Tracts

9501

9502

9503

9504

9505

9506

Dillon County

Sellers

Nichols

Mullins

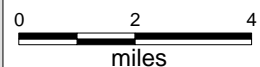
Marion

SITE

Florence County

Marion County

Horry County



Map 5  
Marion Market Area  
Marion County, SC



## 6. DEMOGRAPHIC ANALYSIS

### A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Marion Market Area and Marion County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered. Table 7 presents a series of panels that summarize these Census data, estimates, and projections.

### B. Trends in Population and Households

#### 1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Marion Market Area decreased by 6.7 percent, falling from 31,129 to 29,041 people. This equates to an annual decline of 0.7 percent or 209 people. During the same time period, the number of households in the Marion Market Area decreased by 1.9 percent, from 11,750 to 11,525 households, an annual decline of 0.2 percent or 23 households.

In comparison to the Marion Market Area, the tri-county market area remained relatively stagnant with minimal changes to its population and household bases during the past decade. Overall, the population of the tri-county market area declined by 1.0 percent from 2000 to 2010 (0.1 percent annually), while the number of households in the tri-county market area grew by 1.1 percent (0.1 percent annually).

#### 2. Projected Trends

Based on Esri's projections, the Marion Market Area increased by 59 people and decreased by ten households between 2010 and 2012. RPRG further projects that the market area's population will decrease by 62 people between 2012 and 2015, bringing the total population to 29,038 people in 2015. This represents an annual decrease of 0.1 percent or 21 people. The number of households will remain the same from 2012 to 2015, resulting in a total of 11,515 households.

The tri-county market area's population and households are projected to increase by 0.1 percent each year between 2012 and 2015 which is comparable to the Marion Market Area.

#### 3. Building Permit Trends

RPRG examines building permit trends to help determine if the housing supply is meeting demand, as measured by new households. Over the last decade, an average of 117 new housing units was authorized annually in the tri-county market area compared to household growth of 39 (Table 8). This disparity in household growth is likely due to the replacement of existing substandard or functionally obsolescent housing units.

#### 4. Senior Household Trends

From 2010 to 2012, the number of senior households in the Marion Market Area with householders 55 and older increased by 83 households a year, of which 53 or 63.9 percent were householders 62 and older. Over the next three years, senior household growth is projected to outpace overall household growth in the Marion Market Area with growth of 221 households or 3.8 percent among householders 55+ and 199 households or 5.2 percent among householders 62+. Households age 65-74 are projected to account for 77.6 percent of the senior household growth over the next three years (Table 9).



### 5. Building Permit Trends

From 2000 to 2007, tri-county market area building permit activity generally ranged from 125 to 155 units per year. Due to the downturn in the for-sale housing market and national recession, permit activity dropped from 137 permits in 2007 to 43 permits in 2011. From 2000 to 2011, 88 percent of all residential permits issued in the tri-county market area were for single-family detached homes. Multi-family structures (5+ units) accounted for ten percent of units permitted while buildings with 2-4 units comprised four percent of permitted units.

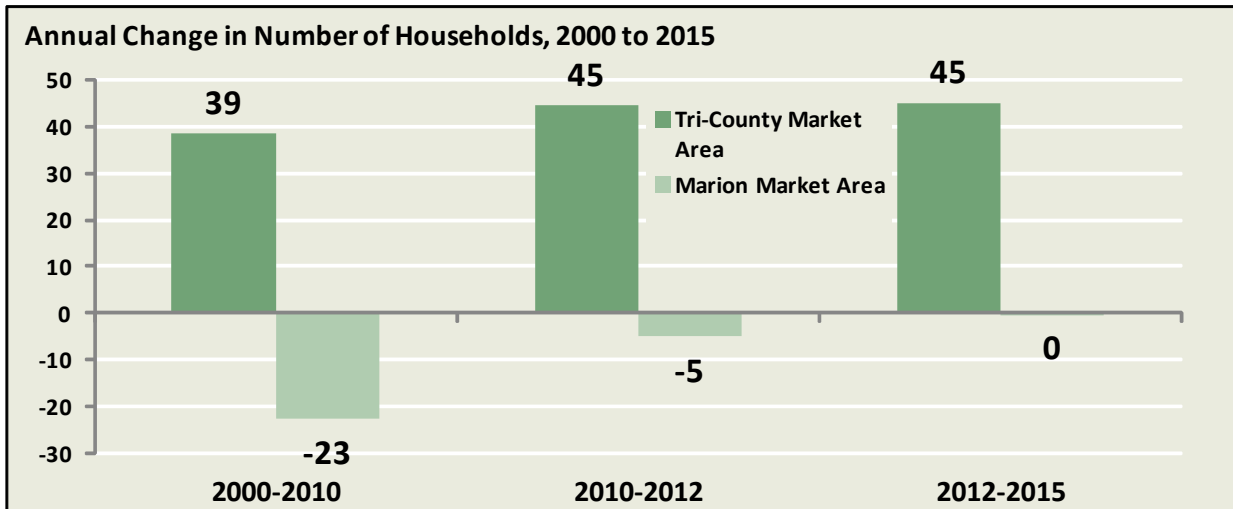
**Table 7 Population and Household Projections**

		Tri-County Market Area				Marion Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	95,006					31,129				
2010	94,057	-949	-1.0%	-95	-0.1%	29,041	-2,088	-6.7%	-209	-0.7%
2012	94,693	636	0.7%	318	0.3%	29,100	59	0.2%	29	0.1%
2015	94,976	283	0.3%	94	0.1%	29,038	-62	-0.2%	-21	-0.1%

Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	34,978					11,750				
2010	35,364	386	1.1%	39	0.1%	11,525	-225	-1.9%	-23	-0.2%
2012	35,453	89	0.3%	45	0.1%	11,515	-10	-0.1%	-5	0.0%
2015	35,588	135	0.4%	45	0.1%	11,515	0	0.0%	0	0.0%

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





**Table 8 Building Permits by Structure Type, Tri-County Market Area**

Tri-County Market Area														
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2000-2011	Annual Average
Single Family	102	110	124	127	135	125	129	107	81	49	41	43	1,173	98
Two Family	4	2	4	0	0	0	0	0	2	0	0	0	12	1
3 - 4 Family	3	0	0	0	0	0	0	30	3	0	0	0	36	3
5+ Family	31	43	0	0	0	0	0	0	0	40	0	0	114	10
<b>Total</b>	<b>140</b>	<b>155</b>	<b>128</b>	<b>127</b>	<b>135</b>	<b>125</b>	<b>129</b>	<b>137</b>	<b>86</b>	<b>89</b>	<b>41</b>	<b>43</b>	<b>1,335</b>	<b>111</b>

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

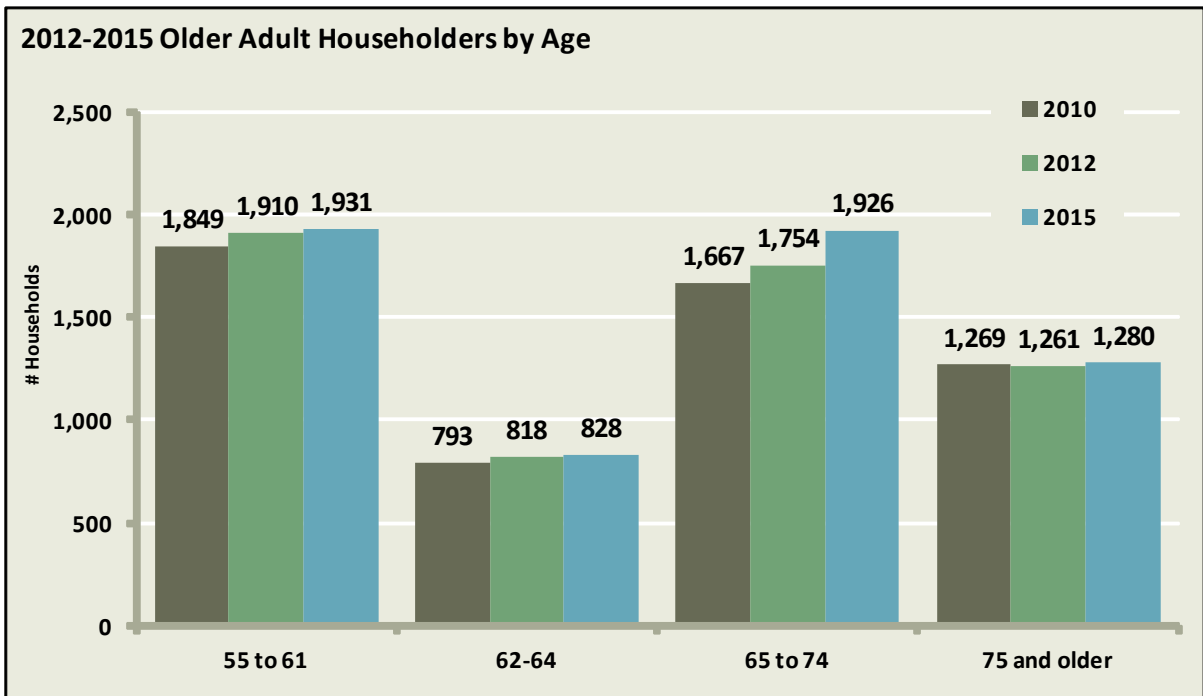




**Table 9 Senior Household Projections, Marion Market Area**

Marion Market Area							Change 2012 to 2015			
	2010		2012		2015		Total		Annual	
	Age of						#	%	#	%
55 to 61	1,849	33.2%	1,910	33.2%	1,931	32.4%	22	1.1%	7	0.4%
62-64	793	14.2%	818	14.2%	828	13.9%	9	1.1%	3	0.4%
65 to 74	1,667	29.9%	1,754	30.5%	1,926	32.3%	171	9.8%	57	3.2%
75 and older	1,269	22.8%	1,261	22.0%	1,280	21.5%	19	1.5%	6	0.5%
<b>Householders 55+</b>	<b>5,578</b>	<b>100.0%</b>	<b>5,744</b>	<b>100.0%</b>	<b>5,965</b>	<b>100.0%</b>	<b>221</b>	<b>3.8%</b>	<b>74</b>	<b>1.3%</b>
<b>Householders 62+</b>	<b>3,729</b>		<b>3,834</b>		<b>4,033</b>		<b>199</b>	<b>5.2%</b>	<b>66</b>	<b>1.7%</b>

Source: 2010 Census; Esri; RPRG





## C. Demographic Characteristics

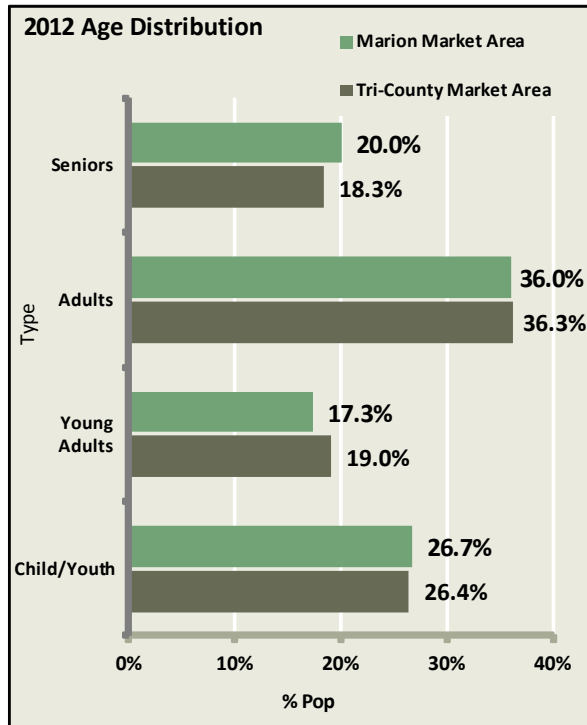
### 1. Age Distribution and Household Type

Based on Esri estimates, the population is slightly older in the Marion Market Area than the tri-county market area with median population ages of 39 and 38, respectively (Table 10). Adults age 35-61 comprise the largest percentage of the population in both areas, at 36 percent in the market area and 36.3 percent in the tri-county market area. Children/Youth under 20 years account for 26.7 percent of all people in the market area compared to 26.4 percent in the tri-county market area. Seniors age 55+ account for 30.9 percent of the market area’s population and 28.1 percent of the tri-county market area’s population.

Children are present in 33.4 percent of Marion Market Area households and 34.5 percent of tri-county market area households (Table 11). Single person households comprise 28.9 percent of Marion Market Area households and 28.3 percent of tri-county market area households.

**Table 10 2012 Age Distribution**

	Tri-County Market Area		Marion Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>24,981</b>	<b>26.4%</b>	<b>7,764</b>	<b>26.7%</b>
Under 5 years	6,286	6.6%	1,988	6.8%
5-9 years	6,191	6.5%	1,886	6.5%
10-14 years	6,149	6.5%	1,896	6.5%
15-19 years	6,354	6.7%	1,993	6.9%
<b>Young Adults</b>	<b>18,011</b>	<b>19.0%</b>	<b>5,037</b>	<b>17.3%</b>
20-24 years	5,779	6.1%	1,681	5.8%
25-34 years	12,232	12.9%	3,356	11.5%
<b>Adults</b>	<b>34,358</b>	<b>36.3%</b>	<b>10,480</b>	<b>36.0%</b>
35-44 years	11,685	12.3%	3,288	11.3%
45-54 years	13,351	14.1%	4,012	13.8%
55-61 years	9,323	9.8%	3,180	10.9%
<b>Seniors</b>	<b>17,344</b>	<b>18.3%</b>	<b>5,819</b>	<b>20.0%</b>
62-64 years	3,995	4.2%	1,363	4.7%
65-74 years	7,981	8.4%	2,635	9.1%
75-84 years	3,880	4.1%	1,337	4.6%
85 and older	1,487	1.6%	484	1.7%
<b>TOTAL</b>	<b>94,693</b>	<b>100%</b>	<b>29,100</b>	<b>100%</b>
<b>Median Age</b>	<b>38</b>		<b>39</b>	



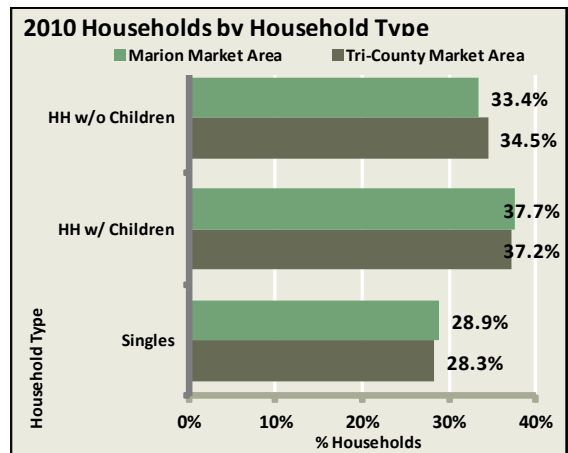
Source: Esri; RPRG, Inc.



**Table 11 2010 Households by Household Type**

Households by Household Type	Tri-County Market Area		Marion Market Area	
	#	%	#	%
Married w/Children	5,505	15.6%	1,677	14.6%
Other w/ Children	6,686	18.9%	2,178	18.9%
<b>Households w/ Children</b>	<b>12,191</b>	<b>34.5%</b>	<b>3,855</b>	<b>33.4%</b>
Married w/o Children	8,075	22.8%	2,672	23.2%
Other Family w/o Children	3,963	11.2%	1,308	11.3%
Non-Family w/o Children	1,127	3.2%	362	3.1%
<b>Households w/o Children</b>	<b>13,165</b>	<b>37.2%</b>	<b>4,342</b>	<b>37.7%</b>
Singles Living Alone	10,008	28.3%	3,328	28.9%
<b>Singles</b>	<b>10,008</b>	<b>28.3%</b>	<b>3,328</b>	<b>28.9%</b>
<b>Total</b>	<b>35,364</b>	<b>100%</b>	<b>11,525</b>	<b>100%</b>

Source: 2010 Census; RPRG, Inc.



## 2. Renter Household Characteristics

Based on 2010 Census data, approximately two-thirds (67.2 percent) of the households in the Marion Market Area owned their home, compared to 67 percent of the households in the tri-county market area (Table 12). Esri estimates and projections indicate that both areas lost owner households but gained renters between the 2000 and 2010 census. The renter percentages have increased in the Marion Market Area and the tri-county market area with 2012 renter percentages of 33.1 percent and 33.2 percent, respectively. Over the next three years, the renter percentage is projected to remain stable in both regions.

Among householders age 55 and older, the renter percentages in both geographies are lower than for all households. The 2012 renter percentages for households with householders 55+ as estimated by Esri are 21.9 percent in the Marion Market Area and 22.4 percent in the tri-county market area (Table 13).

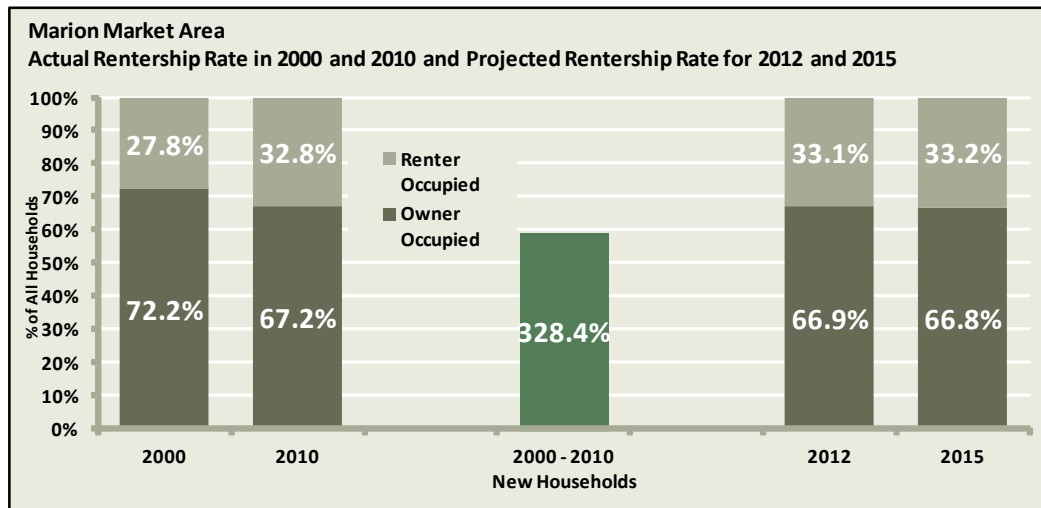


**Table 12 Households by Tenure**

Tri-County Market Area	2000		2010		Change 2000-2010		2012		2015	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	25,254	72.2%	23,685	67.0%	-1,569	-406.5%	23,694	66.8%	23,758	66.8%
Renter Occupied	9,724	27.8%	11,679	33.0%	1,955	506.5%	11,759	33.2%	11,831	33.2%
<b>Total Occupied</b>	<b>34,978</b>	<b>100%</b>	<b>35,364</b>	<b>100%</b>	<b>386</b>	<b>100%</b>	<b>35,453</b>	<b>100%</b>	<b>35,588</b>	<b>100%</b>
Total Vacant	4,738		5,403				4,699		4,717	
<b>TOTAL UNITS</b>	<b>39,716</b>		<b>40,767</b>				<b>40,152</b>		<b>40,305</b>	

Marion Market Area	2000		2010		Change 2000-2010		2012		2015	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	8,484	72.2%	7,745	67.2%	-739	328.4%	7,708	66.9%	7,687	66.8%
Renter Occupied	3,266	27.8%	3,780	32.8%	514	-228.4%	3,807	33.1%	3,828	33.2%
<b>Total Occupied</b>	<b>11,750</b>	<b>100%</b>	<b>11,525</b>	<b>100%</b>	<b>-225</b>	<b>100%</b>	<b>11,515</b>	<b>100%</b>	<b>11,515</b>	<b>100%</b>
Total Vacant	1,524		1,578				1,387		1,387	
<b>TOTAL UNITS</b>	<b>13,274</b>		<b>13,103</b>				<b>12,902</b>		<b>12,902</b>	

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



**Table 13 Senior Households by Tenure, 55+**

Senior Households 55+	Tri-County Market Area		Marion Market Area	
	Number	Percent	Number	Percent
2012 Households				
Owner Occupied	13,270	77.6%	4,487	78.1%
Renter Occupied	3,840	22.4%	1,257	21.9%
<b>Total Occupied</b>	<b>17,110</b>	<b>100.0%</b>	<b>5,744</b>	<b>100.0%</b>

Source: 2000 Census; 2010 Census; ESRI; RPRG





Young working age households form the core of the market area’s renters, as 41.2 percent of all renter householders are ages 25-44 (Table 14). The Marion Market Area also has a sizable proportion (33 percent) of older adult and senior renter householders ages 55 and older.

Over half (56.9 percent) of all renter households in the Marion Market Area contain one or two persons compared to 56.6 percent in the tri-county market area (Table 15). An additional 17.9 percent of Marion Market Area renter households and 17.5 percent of tri-county market area renter households contain three persons. Households with four or more persons account for 25.2 percent and 25.9 percent of renter households in the Marion Market Area and tri-county market area, respectively.

**Table 14 Renter Households by Age of Householders**

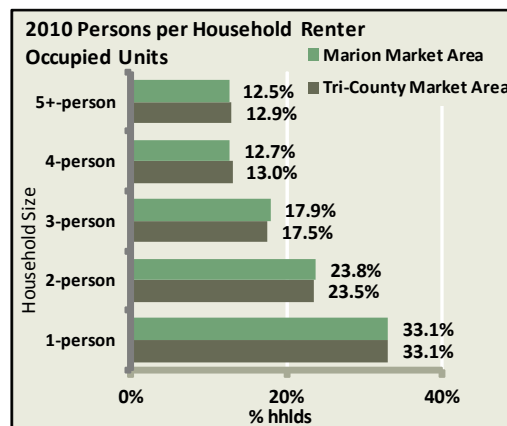
Renter Households	Tri-County Market Area		Marion Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	880	7.5%	283	7.4%
25-34 years	2,634	22.4%	883	23.2%
35-44 years	2,173	18.5%	686	18.0%
45-54 years	2,231	19.0%	698	18.3%
55-64 years	1,921	16.3%	626	16.5%
65-74 years	1,135	9.7%	378	9.9%
75+ years	784	6.7%	253	6.6%
<b>Total</b>	<b>11,759</b>	<b>100%</b>	<b>3,807</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.

**Table 15 2010 Renter Occupied Persons Per Household**

Renter Occupied	Tri-County Market Area		Marion Market Area	
	#	%	#	%
1-person household	3,865	33.1%	1,251	33.1%
2-person household	2,744	23.5%	899	23.8%
3-person household	2,048	17.5%	677	17.9%
4-person household	1,513	13.0%	480	12.7%
5+-person household	1,509	12.9%	473	12.5%
<b>TOTAL</b>	<b>11,679</b>	<b>100%</b>	<b>3,780</b>	<b>100%</b>

Source: 2010 Census





### 3. Income Characteristics

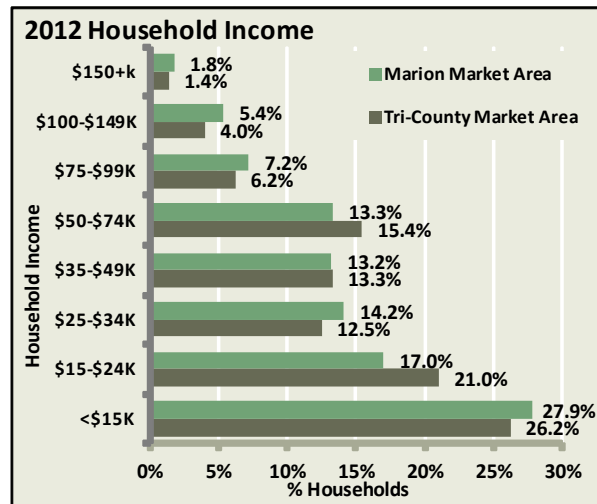
Based on estimates supplied by Esri, RPRG estimates that the 2012 median household income in the Marion Market Area is \$28,623, which is \$1,363 or 5 percent higher than the \$27,260 median income in the tri-county market area (Table 16). Nearly one-third (31.2 percent) of all households in the market area reported an annual income from \$15,000 and \$34,999.

Among householders age 55+, 2012 median incomes by tenure are \$16,327 among renter households and \$30,259 among owner households. Nearly half (47.4 percent) of senior renter households earn less than \$15,000 and 19.6 percent earn \$15,000 to \$24,999 (Table 17). By comparison, only 42.3 percent of owner households earn less than \$25,000.

**Table 16 2012 Household Income, Marion Market Area**

	Tri-County Market Area		Marion Market Area	
	#	%	#	%
less than \$15,000	9,284	26.2%	3,208	27.9%
\$15,000 \$24,999	7,442	21.0%	1,959	17.0%
\$25,000 \$34,999	4,422	12.5%	1,630	14.2%
\$35,000 \$49,999	4,706	13.3%	1,524	13.2%
\$50,000 \$74,999	5,474	15.4%	1,535	13.3%
\$75,000 \$99,999	2,201	6.2%	833	7.2%
\$100,000 \$149,999	1,424	4.0%	620	5.4%
\$150,000 Over	499	1.4%	207	1.8%
<b>Total</b>	<b>35,453</b>	<b>100%</b>	<b>11,515</b>	<b>100%</b>
<b>Median Income</b>	<b>\$27,260</b>		<b>\$28,623</b>	

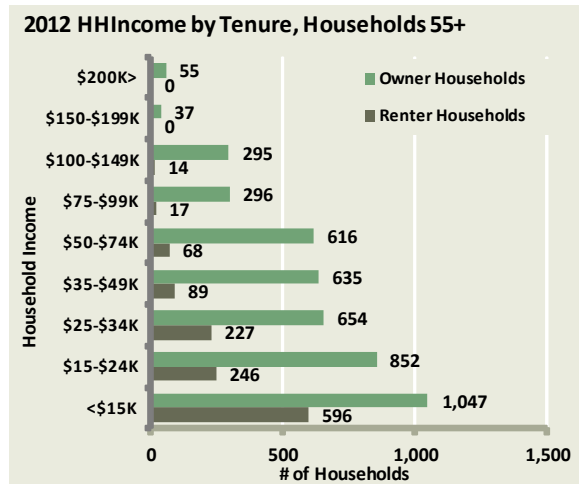
Source: Esri; Real Property Research Group, Inc.



**Table 17 2012 Household Income by Tenure (55+), Marion Market Area**

	Renter Households		Owner Households	
	#	%	#	%
less than \$15,000	596	47.4%	1,047	23.3%
\$15,000 \$24,999	246	19.6%	852	19.0%
\$25,000 \$34,999	227	18.1%	654	14.6%
\$35,000 \$49,999	89	7.1%	635	14.2%
\$50,000 \$74,999	68	5.4%	616	13.7%
\$75,000 \$99,999	17	1.4%	296	6.6%
\$100,000 \$149,999	14	1.1%	295	6.6%
\$150,000 \$199,999	0	0.0%	37	0.8%
\$200,000 over	0	0.0%	55	1.2%
<b>Total</b>	<b>1,257</b>	<b>100%</b>	<b>4,487</b>	<b>100%</b>
<b>Median Income</b>	<b>\$16,327</b>		<b>\$30,259</b>	

Source: American Community Survey 2007-2011 Estimates, RPRG, Inc.



## 7. COMPETITIVE HOUSING ANALYSIS

### A. Introduction and Sources of Information

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

### B. Overview of Market Area Housing Stock

Based on the 2007-2011 ACS survey, low density unit types, such as single-family homes, townhomes, and mobile homes, accounted for approximately 75 percent of the rental stock in both regions; however, rental housing in the Marion Market Area is slightly denser relative to the tri-county market area. Multi-family structures (i.e., buildings with five or more units) accounted for 9.1 percent of all rental units in the Marion Market Area, compared to 8.6 percent in the tri-county market area (Table 18). Virtually all (over 98 percent) of owner occupied units in both the Marion Market Area and tri-county market area consist of single-family detached homes or mobile homes.

The housing stock in both the Marion Market Area and the tri-county market area is of an older vintage. Among rental units, the Marion Market Area is slightly older than the tri-county market area with median years built of 1974 and 1975, respectively (Table 19). The owner occupied housing stock in the Marion Market Area and the tri-county market area both have a median year built of 1976. In the Marion Market Area, 4.1 percent of rental units were built since 2000 and 32.0 percent were built during the 1990s or 1980s. Approximately 64 percent of rental units in the Marion Market Area were built prior to 1980.

According to ACS data, the median value among owner-occupied housing units in the Marion Market Area was \$88,993, which is \$15,853 or 21.7 percent higher than the tri-county market area median of \$73,140 (Table 20). ACS estimates home values based upon homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.



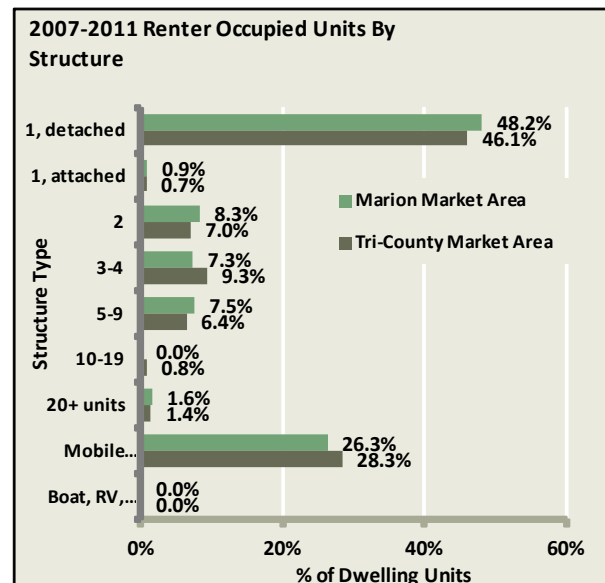
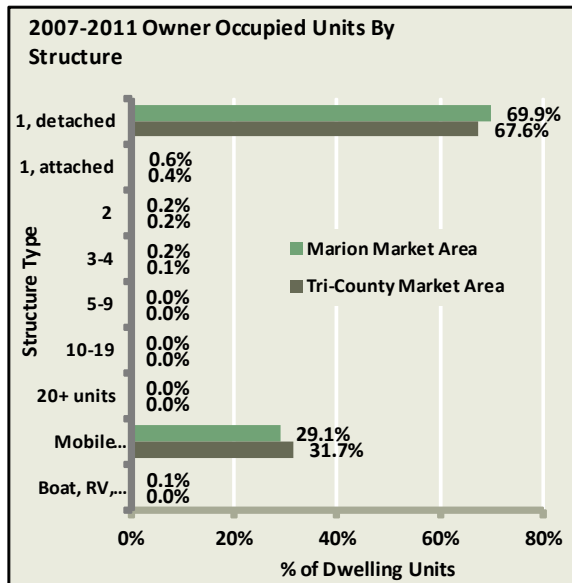
**Table 18 Dwelling Units by Structure and Tenure**

Owner Occupied	Tri-County Market Area		Marion Market Area	
	#	%	#	%
1, detached	14,756	67.6%	4,926	69.9%
1, attached	89	0.4%	40	0.6%
2	49	0.2%	11	0.2%
3-4	25	0.1%	13	0.2%
5-9	0	0.0%	0	0.0%
10-19	0	0.0%	0	0.0%
20+ units	0	0.0%	0	0.0%
Mobile home	6,913	31.7%	2,048	29.1%
Boat, RV, Van	10	0.0%	10	0.1%
<b>TOTAL</b>	<b>21,842</b>	<b>100%</b>	<b>7,048</b>	<b>100%</b>

Source: American Community Survey 2007-2011

Renter Occupied	Tri-County Market Area		Marion Market Area	
	#	%	#	%
1, detached	5,468	46.1%	1,857	48.2%
1, attached	89	0.7%	33	0.9%
2	828	7.0%	319	8.3%
3-4	1,105	9.3%	283	7.3%
5-9	759	6.4%	291	7.5%
10-19	91	0.8%	0	0.0%
20+ units	168	1.4%	60	1.6%
Mobile home	3,366	28.3%	1,013	26.3%
Boat, RV, Van	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>11,874</b>	<b>100%</b>	<b>3,856</b>	<b>100%</b>

Source: American Community Survey 2007-2011





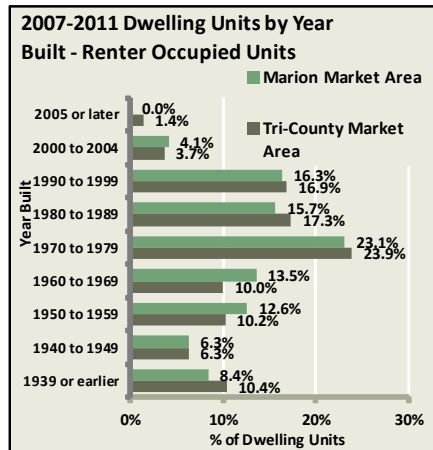
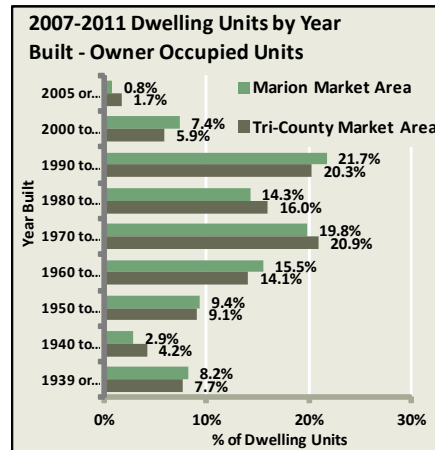
**Table 19 Dwelling Units by Year Built and Tenure**

	Tri-County Market Area		Marion Market Area	
	#	%	#	%
<b>Owner Occupied</b>				
2005 or later	381	1.7%	57	0.8%
2000 to 2004	1,297	5.9%	522	7.4%
1990 to 1999	4,436	20.3%	1,530	21.7%
1980 to 1989	3,493	16.0%	1,005	14.3%
1970 to 1979	4,574	20.9%	1,399	19.8%
1960 to 1969	3,078	14.1%	1,094	15.5%
1950 to 1959	1,988	9.1%	659	9.4%
1940 to 1949	916	4.2%	204	2.9%
1939 or earlier	1,679	7.7%	578	8.2%
<b>TOTAL</b>	<b>21,842</b>	<b>100%</b>	<b>7,048</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1976</b>		<b>1976</b>	

Source: American Community Survey 2007-2011

	Tri-County Market Area		Marion Market Area	
	#	%	#	%
<b>Renter Occupied</b>				
2005 or later	170	1.4%	0	0.0%
2000 to 2004	434	3.7%	158	4.1%
1990 to 1999	2,001	16.9%	630	16.3%
1980 to 1989	2,058	17.3%	604	15.7%
1970 to 1979	2,833	23.9%	890	23.1%
1960 to 1969	1,188	10.0%	522	13.5%
1950 to 1959	1,211	10.2%	486	12.6%
1940 to 1949	748	6.3%	243	6.3%
1939 or earlier	1,231	10.4%	323	8.4%
<b>TOTAL</b>	<b>11,874</b>	<b>100%</b>	<b>3,856</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1975</b>		<b>1974</b>	

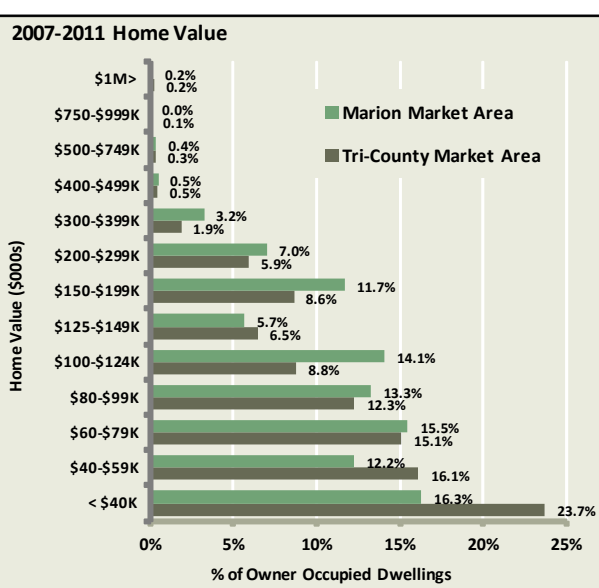
Source: American Community Survey 2007-2011



**Table 20 Value of Owner Occupied Housing Stock**

	Tri-County Market Area		Marion Market Area	
	#	%	#	%
less than \$40,000	4,838	23.7%	1,088	16.3%
\$40,000 - \$59,000	3,292	16.1%	817	12.2%
\$60,000 - \$79,999	3,083	15.1%	1,034	15.5%
\$80,000 - \$99,999	2,506	12.3%	885	13.3%
\$100,000 - \$124,999	1,795	8.8%	939	14.1%
\$125,000 - \$149,999	1,319	6.5%	380	5.7%
\$150,000 - \$199,999	1,761	8.6%	778	11.7%
\$200,000 - \$299,999	1,212	5.9%	469	7.0%
\$300,000 - \$399,999	380	1.9%	216	3.2%
\$400,000 - \$499,999	95	0.5%	32	0.5%
\$500,000 - \$749,999	67	0.3%	25	0.4%
\$750,000 - \$999,999	13	0.1%	0	0.0%
\$1,000,000 over	51	0.2%	11	0.2%
<b>Total</b>	<b>20,412</b>	<b>100%</b>	<b>6,674</b>	<b>100%</b>
<b>Median Value</b>	<b>\$73,140</b>		<b>\$88,993</b>	

Source: American Community Survey 2007-2011



## **C. Survey of Competitive Rental Communities**

### **1. Introduction to the Rental Housing Survey**

For the purposes of this analysis, RPRG identified one HUD Section 8 senior rental community (Little Pee Dee Manor) in the Marion Market Area; however, we were not able to survey this community despite repeated attempts. As this community contains additional project based rental subsidies on all units, it is not considered comparable to the proposed Palmetto Senior Village and will not impact conclusions reached in this market study.

In the absence of true senior-oriented comparables, RPRG also surveyed three general occupancy rental communities in the Marion Market Area; all of these properties were funded in part by Low Income Housing Tax Credits (LIHTC). Although not considered direct competition for the subject property, these general occupancy rental communities do represent an alternative rental housing option for seniors in the market area. Accordingly, we believe these communities can have some impact on the pricing and positioning of the subject community. Their performance also lends insight into the overall health and competitiveness of the rental environment in the area.

While additional general occupancy rental communities were identified in the Marion Market Area during our research, all of these communities contain PBRA through either the HUD Section 8 or USDA Section 515 programs. As such, they are not reflection of current market conditions and are not relevant to this analysis. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5.

### **2. Location**

Of the three rental communities surveyed for this report, two are located in Marion and one is located in Mullins. Relative to the subject site, the two rental communities in Marion are located within two miles. The remaining property in Mullins (Anderson Center) is located approximately eight miles east of the subject site. The location of each community relative to the subject site is shown on Map 6.

### **3. Age of Communities**

All three general occupancy rental communities surveyed were constructed since 1998 and have an average year built of 2000.

### **4. Structure Type**

Southern Forest and Cedar Creek both consist of two-story garden-style apartments with brick and HardiPlank siding exteriors. Anderson Center is an adaptive reuse project in downtown Mullins and consists of second story walk-up apartments over retail space.

### **5. Size of Communities**

The general occupancy rental communities surveyed range in size from 22 units at Anderson Center to 40 units at both Cedar Creek and Southern Forest. The average community size is 34 units.

### **6. Vacancy Rates**

The three general occupancy LIHTC communities combine to offer 102 units, of which four units or 3.9 percent were reported vacant (Table 21). Three of the four vacant units occurred at one property, Cedar Creek.



By floor plan, two of the four vacant units were three bedroom units at Cedar Creek. The remaining vacant units were a one bedroom at Anderson Center and a two bedroom unit at Cedar Creek (Table 22). Given the low number of one bedroom units at the three properties surveyed, the vacant one bedroom unit at Anderson Center skews the vacancy rate for one bedroom units on a percentage basis.

Based on historical vacancy rates provided by SCSHFDA, the three general occupancy LIHTC properties surveyed reported average occupancy rates ranging from 93.75 percent to 98.75 percent from the second and fourth quarters of 2012; the overall average of all three properties for both quarters was 96.08 percent (Table 23).

**7. Rent Concessions**

None of the surveyed rental communities were offering rent concessions or incentives at the time of this report.

**8. Absorption History**

The most recently constructed rental community in the Marion Market Area was Anderson Center in 2003. Property management could not provide any information on the community’s initial lease-up.

**Table 21 Rental Summary, Surveyed Rental Communities**

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1 BR Rent (1)	Avg 2 BR Rent (1)	Incentive
	<b>Subject* 50%</b>		Single Story	11			\$310	\$370	
	<b>Subject* 60%</b>		Single Story	31			\$350	\$394	
1	Anderson Center*	2003	Gar	22	1	4.5%	\$347	\$407	None
2	Cedar Creek*	2000	Gar	40	3	7.5%		\$380	None
3	Southern Forest*	1998	Gar	40	0	0.0%		\$375	None
	<b>Total</b>			<b>102</b>	<b>4</b>	<b>3.9%</b>			
	<b>Average</b>	<b>2000</b>		<b>34</b>			<b>\$347</b>	<b>\$387</b>	

**Tax Credit Communities\***

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

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





**Table 22 Vacancy by Floor Plan and Historical Occupancy, Surveyed Rental Communities**

Property	Vacant Units by Floorplan										
	Total	Units	One Bedroom			Two Bedroom			Three Bedroom		
	Units	Vacant	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate
Anderson Center*	22	1	16	1	6.3%	6	0	0.0%			
Cedar Creek*	40	3				24	1	4.2%	16	2	12.5%
Southern Forest*	40	0				24	0	0.0%	16	0	0.0%
<b>Total</b>	<b>102</b>	<b>4</b>									
<b>Total Reporting Breakdown</b>	<b>102</b>	<b>4</b>	<b>16</b>	<b>1</b>	<b>6.3%</b>	<b>54</b>	<b>1</b>	<b>1.9%</b>	<b>32</b>	<b>2</b>	<b>6.3%</b>
<b>Total Percentage</b>		<b>100.0%</b>	<b>15.7%</b>	<b>25.0%</b>		<b>52.9%</b>	<b>25.0%</b>		<b>31.4%</b>	<b>50.0%</b>	

LIHTC Community\*

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

**Table 23 Historical Occupancy, LIHTC Communities**

Community	City	County	Total Units	6/30/2012		12/31/2012		Avg. Occupancy	Type
				Occupied Units	Occupancy Rate	Occupied Units	Occupancy Rate		
Anderson Center	Mullins	Marion	22	21	95.45%	21	95.45%	95.45%	Family
Cedar Creek	Marion	Marion	40	38	95.00%	37	92.50%	93.75%	Family
Southern Forest	Marion	Marion	40	39	97.50%	40	100.00%	98.75%	Family
<b>Grand Total</b>			<b>102</b>	<b>98</b>	<b>96.08%</b>	<b>98</b>	<b>96.08%</b>	<b>96.08%</b>	

Source: SC Public Analysis 2012

**Table 24 Overall LIHTC Occupancy, Surveyed Rental Communities**

LIHTC Communities					
Community	City	County	Total Units	Occupied Units	Occupancy Rate
Anderson Center	Mullins	Marion	22	21	95.45%
Cedar Creek	Marion	Marion	40	37	92.50%
Southern Forest	Marion	Marion	40	40	100.00%
<b>Grand Total</b>			<b>102</b>	<b>98</b>	<b>96.08%</b>

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



SITE

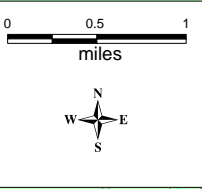
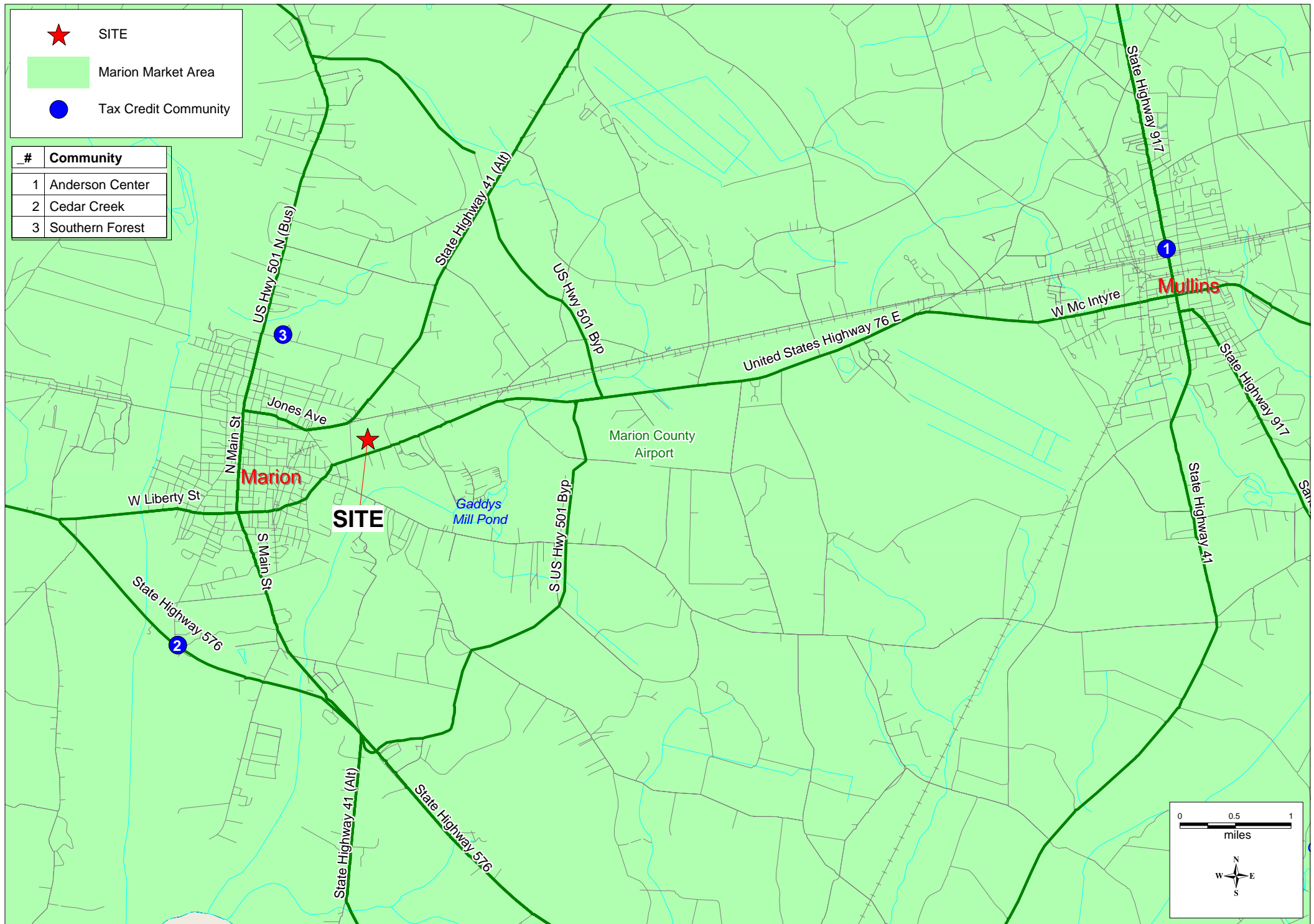


Marion Market Area



Tax Credit Community

#	Community
1	Anderson Center
2	Cedar Creek
3	Southern Forest



**Map 6**  
**Surveyed General Occupancy Communities**  
**Marion Market Area**



## D. Analysis of Rental Pricing and Product

### 1. Payment of Utility Costs

At Cedar Creek and Southern Forest, utility expenses associated with trash removal are the responsibility of the landlord and included in rent, while the balance of utility expenses (water/sewer, cooking, heat, hot water, electricity) are the responsibility of the tenant (Table 25). Anderson Center includes the cost of water/sewer and trash removal in rent.

### 2. Unit Features

Two of the three surveyed general occupancy rental communities include dishwashers and one includes washer/dryer connections in all units. None of the properties offer microwaves. In addition to these basic unit features, patios/balconies and central laundry facilities are available at all communities. Palmetto Senior Village will be competitive with surveyed rental communities as features will include dishwashers, disposals, microwaves, washer/dryers connections, patios, and sunrooms.

### 3. Parking

All communities include free surface parking as their standard parking option.

### 4. Community Amenities

The Marion Market Area’s surveyed rental stock offers minimal community amenities, the most common of which are a club house (three properties) and a playground (two properties). Anderson Center also offers a fitness center. Palmetto Senior Village will include a community room, fitness center, library, and computer center which will meet or exceed those offered among all surveyed rental communities.

### 5. Distribution of Units by Bedroom Type

RPRG was able to obtain full unit distributions by bedroom type for all three surveyed general occupancy communities (Table 27). The overall unit distribution of these communities includes 15.7 percent one bedroom units, 52.9 percent two bedroom units, and 31.4 percent three bedroom units. Two bedroom units are offered at all surveyed communities while one and three bedroom units are offered at one and two, respectively.

**Table 25 Utility Arrangement and Unit Features, Surveyed Rental Communities**

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
<b>Subject</b>	<b>Elec</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>Std.</b>	<b>Std.</b>	<b>Surface</b>	<b>Hook Ups</b>
Southern Forest	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	Hook Ups
Cedar Creek	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	
Anderson Center	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std.		Surface	

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



**Table 26 Community Amenities, Surveyed Rental Communities**

Community	Clubhouse	Fitness Room	Pool	Playground	Library	Business Center	Gated Entry
<b>Subject</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Anderson Center	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cedar Creek	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southern Forest	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**6. Effective Rents**

Unit rents presented in Table 27 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply downward adjustments to street rents at some communities in order to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where only trash removal is included in monthly rents at all communities, with tenants responsible for other utility costs (water/sewer, electricity, heat, hot water, and cooking fuel).

Among all of the communities, the average rents are:

- One-bedroom effective rents were \$332 per month. The only community with one-bedroom units (Anderson Center) was unable to provide information on square footage.
- Two-bedroom effective rents averaged \$385 per month. The average two-bedroom square footage was 893 square feet, resulting in a net rent per square foot of \$0.43. The range for two-bedroom effective rents was \$375 for 50 percent units at Southern Forest to \$399 for 60 percent units at Cedar Creek.
- The average three-bedroom effective rent was \$470 for 1,166 square feet, amounting to an average rent per square foot of \$0.40. Three-bedroom rents ranged from \$452 for 50% units at Cedar Creek to \$480 for 50 percent units at Southern Forest.

Palmetto Senior Village’s units will be positioned comparable to existing LIHTC communities in the rental market. Given the average unit size of 850 square feet for one bedroom units, which is only 43 square feet smaller than the average of comparable two bedroom units, and 1,100 square feet for two bedroom units; the subject property will also be competitive on a price per square foot basis.



**Table 27 Unit Distribution, Size and Pricing, Surveyed Rental Communities**

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	\$/SF	Units	Rent(1)	SF	\$/SF	Units	Rent(1)	SF	\$/SF
Subject* 50% AMI	Single Story	11	2	\$310	850	\$0.36	9	\$370	1,100	\$0.34				
Subject* 60% AMI	Single Story	31	2	\$350	850	\$0.41	29	\$394	1,100	\$0.36				
Cedar Creek* 60% AMI	Gar	3					1	\$399	954	\$0.42	2	\$479	1,254	\$0.38
Anderson Center* 50% & 60% AMI	Gar	22	16	\$332	N/A	N/A	6	\$387	N/A	N/A				
Cedar Creek* 50% AMI	Gar	37					23	\$379	954	\$0.40	14	\$452	1,254	\$0.36
Southern Forest* 50% AMI	Gar	40					24	\$375	770	\$0.49	16	\$480	990	\$0.48
<b>Total/Average</b>		<b>102</b>	<b>\$332</b>				<b>\$385 893 \$0.43</b>				<b>\$470 1,166 \$0.40</b>			
<b>Unit Distribution</b>		<b>102</b>	<b>16</b>				<b>54</b>				<b>32</b>			
<b>% of Total</b>		<b>100.0%</b>	<b>15.7%</b>				<b>52.9%</b>				<b>31.4%</b>			

**Tax Credit Communities\***

**(1) Rent is adjusted to include only Trash and incentives**

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



**E. Housing Authority Data / Subsidized Housing List**

The Housing Authority of Marion operates public housing units and administers the Housing Choice Voucher Section 8 program in Marion. According to housing authority officials, Marion has 375 public housing units which are occupied with a waiting list of 100 people. Among the 153 vouchers managed by the Housing Authority of Marion, the waiting list is approximately 25 people. A list of all subsidized communities in the market area is detailed in Table 28 and the location relative to the site is shown on Map 7.

**Table 28 LIHTC and Subsidized Rental Communities**

Property	Subsidy	Type	Address	City
Greenfield Manor	Rural Development	Family	105 Greenfield Ct.	Mullins
Northside Place	Rural Development	Family	1002 E Northside Ave.	Marion
Silver Trace	Rural Development	Family	106 Silver Trace Ct.	Marion
Meadow Park	Rural Development	Family / Senior	301 W Dogwood Dr.	Mullins
Genesis II	Section 8	Disabled	Hayes St. & Weeks St.	Mullins
Lou Pearl	Section 8	Disabled	1003 Leitner Ct.	Marion
Little Pee Dee Manor	Section 8	Senior	3907 Hwighway 76	Mullins
Anderson Center	Tax Credit	Family	135 N Main St.	Mullins
Cedar Creek	Tax Credit	Family	1510 Mill St.	Marion
Southern Forest	Tax Credit	Family	2800 Plaza Ct.	Marion

**F. Potential Competition from For-Sale Housing**

Given the low proposed rents, income ranges targeted, and senior-oriented design, we do not believe for-sale housing will compete with Palmetto Senior Village. Furthermore, while such properties can affect the demand for new multi-family rental housing in some markets, the impact on senior oriented communities is typically minor. In most instances, senior householders “downsize” living accommodations (move from a larger unit to a smaller unit) due to the higher upkeep and long-term cost. As such, the convenience of on-site amenities and the more congregate style living offered at age restricted communities is preferable to lower density unit types, such as single-family detached homes.

**G. Proposed and Under Construction Rental Communities**

According to planning/zoning officials with the City of Marion and Marion County, no new rental communities are planned or under construction in the Marion Market Area. In addition, no allocations for tax credits have been made in the Marion Market Area over the past three years.



SITE



Primary Market Area



Tax Credit Family Community



Rural Development Family Community



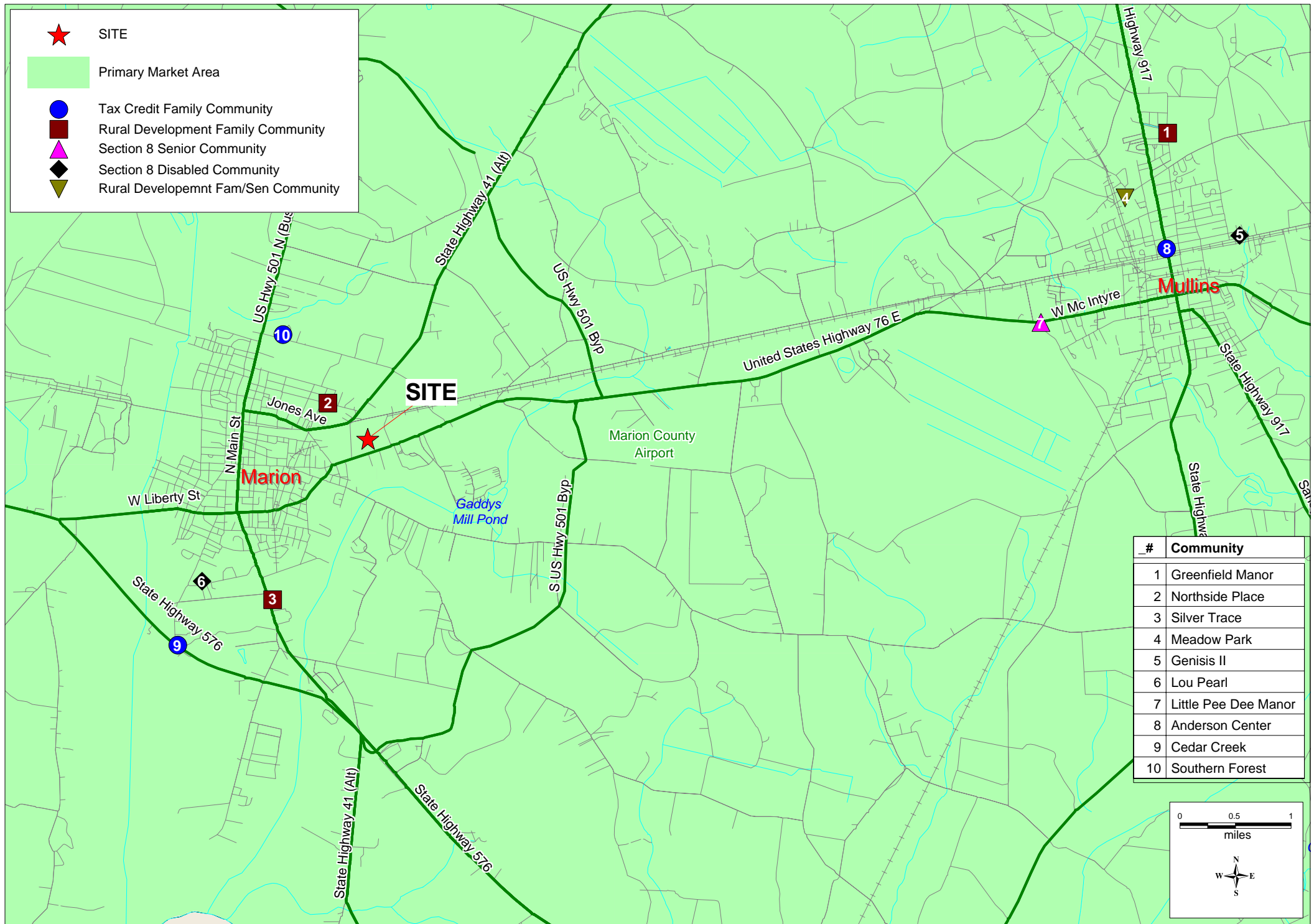
Section 8 Senior Community



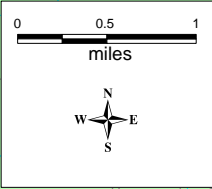
Section 8 Disabled Community



Rural Development Fam/Sen Community



#	Community
1	Greenfield Manor
2	Northside Place
3	Silver Trace
4	Meadow Park
5	Genesis II
6	Lou Pearl
7	Little Pee Dee Manor
8	Anderson Center
9	Cedar Creek
10	Southern Forest



**Map 7**  
**Subsidized Communities**  
**Marion Market Area**



## H. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. In this instance, no comparable market rate rental communities were identified in the Marion Market Area. As a result, RPRG surveyed two additional rental communities in the nearby City of Dillon (outside the Marion Market Area) for the purposes of this analysis. Of these properties, one (Interstate) is market rate while the other (Hunter's Run) is a newer LIHTC community. Typically, LIHTC communities are not used in an estimate of market rent; however, in rural markets such as Dillon and Marion, rents at newer tax credit properties are often the highest in the rental market and act as defacto market rate rents. Given the lack of comparable market rate rental housing in and around the Marion Market Area, these rental communities are appropriate for this analysis. It should also be noted no numerical adjustment was made for differences in location, as Dillon and Marion have similar economic and demographic characteristics.

The adjustments made in this analysis are broken down into five classifications. These classifications and an explanation of the adjustments made follows:

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
  - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition.
  - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
  - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. A conservative adjustment of \$10 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was also \$10 per numerical variance.
  - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$30 for each amenity. An additional adjustment of \$25 was made to general occupancy communities to account for senior design and amenities.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$10 for each amenity.
- Bedrooms – as neither of the comparable communities offer one bedroom units, an adjustment of \$50 was made to the two bedroom rents at these communities. This bedroom adjustment is combined with the square footage adjustment.

According to our adjustment calculations, the estimated market rents for one and two bedroom units at Palmetto Senior Village are \$434 and \$563, respectively (Table 29 and Table 30). All of the proposed rents fall below these estimated market rents and result in rent advantages of at least 19 percent. The overall weighted average rent advantage for all units is 30.5 percent (Table 31). The maximum achievable/restricted rent for the 50 percent units is equal to the maximum LIHTC rent.



For the 60 percent units, the maximum restricted rent is the lesser of the estimate of market rent or appropriate maximum LIHTC rent.

**Table 29 Estimate of Market Rent, One Bedroom Units**

One Bedroom Units					
Subject Property		Comparable Property #1		Comparable Property #2	
Palmetto Senior Village U.S. Highway 76 at Metal Road Marion, Marion County, SC 29571		Hunters Crossing		Interstate	
		621 S 9th Street		Enterprise Road	
		Dillon	Dillon	Dillon	Dillon
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$350	\$430	\$0	\$425	\$0
Utilities Included	T	T	\$0	T	\$0
Rent Concessions	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$350</b>	<b>\$430</b>		<b>\$425</b>	
<i>In parts B thru D, adjustments were made only for differences</i>					
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Single Story	Garden / 2	\$0	Garden / 2	\$0
Year Built / Condition	2014	2005	\$7	1982	\$24
Quality/Street Appeal	Above Average	Above Average	\$0	Average	\$10
Location	Average	Average	\$0	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	1	2	(\$50)	2	(\$50)
Number of Bathrooms	1	2	(\$30)	1	\$0
Unit Interior Square Feet	850	964	(\$29)	750	\$25
Balcony / Patio / Porch	Yes	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / No	\$10
Washer / Dryer: In Unit	No	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Surface (\$0)	Surface (\$0)	\$0	Surface (\$0)	\$0
Senior Design/Amenities	Yes	No	\$25	No	\$25
Club House	Yes	Yes	\$0	No	\$10
Pool	No	No	\$0	No	\$0
Computer Room	Yes	No	\$5	No	\$5
Fitness Center	Yes	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative
Total Number of Adjustments		4	3	9	1
Sum of Adjustments B to D		\$47	(\$109)	\$124	(\$50)
F. Total Summary					
Gross Total Adjustment		\$156		\$174	
Net Total Adjustment		(\$62)		\$74	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent	
Adjusted Rent		\$368		\$499	
% of Effective Rent		85.6%		117.4%	
<b>Estimated Market Rent</b>	<b>\$434</b>				
<b>Rent Advantage \$</b>	<b>\$84</b>				
<b>Rent Advantage %</b>	<b>19.3%</b>				



**Table 30 Estimate of Market Rent, Two Bedroom Units**

Two Bedroom Units						
Subject Property		Comparable Property #1		Comparable Property #2		
Palmetto Senior Village U.S. Highway 76 at Metal Road Marion, Marion County, SC 29571		Hunters Crossing		Interstate		
		621 S 9th Street		Enterprise Road		
		Dillon	Dillon	Dillon	Dillon	
A. Rents Charged		Subject	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$394	\$485	\$0	\$425	\$0	
Utilities Included	T	T	\$0	T	\$0	
Rent Concessions	\$0	None	\$0	None	\$0	
<b>Effective Rent</b>		<b>\$394</b>	<b>\$485</b>	<b>\$425</b>	<b>\$0</b>	
<i>In parts B thru D, adjustments were made only for differences</i>						
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	
Structure / Stories	Single Story	Garden / 2	\$0	Garden / 2	\$0	
Year Built / Condition	2014	2005	\$7	1982	\$24	
Quality/Street Appeal	Above Average	Above Average	\$0	Average	\$10	
Location	Average	Average	\$0	Average	\$0	
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	
Number of Bedrooms	2	2	\$0	2	\$0	
Number of Bathrooms	1.75	2	(\$8)	1	\$23	
Unit Interior Square Feet	1,100	1,236	(\$34)	750	\$88	
Balcony / Patio / Porch	Yes	Yes	\$0	No	\$5	
AC: (C)entral / (W)all / (N)one	Central	Central	\$0	Central	\$0	
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / No	\$10	
Washer / Dryer: In Unit	No	No	\$0	No	\$0	
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	
Parking (\$ Fee)	Surface (\$0)	Surface (\$0)	\$0	Surface (\$0)	\$0	
Senior Design/Amenities	Yes	No	\$25	No	\$25	
Club House	Yes	Yes	\$0	No	\$10	
Pool	No	No	\$0	No	\$0	
Computer Room	Yes	No	\$5	No	\$5	
Fitness Center	Yes	No	\$10	No	\$10	
E. Adjustments Recap		Positive	Negative	Positive	Negative	
Total Number of Adjustments		4	2	10	0	
Sum of Adjustments B to D		\$47	(\$42)	\$210	\$0	
F. Total Summary						
Gross Total Adjustment		\$89		\$210		
Net Total Adjustment		\$6		\$210		
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		
Adjusted Rent		\$491		\$635		
% of Effective Rent		101.1%		149.3%		
<b>Estimated Market Rent</b>		<b>\$563</b>				
<b>Rent Advantage \$</b>		<b>\$169</b>				
<b>Rent Advantage %</b>		<b>30.0%</b>				



**Table 31 Rent Advantage Summary**

<b>60% AMI Units</b>	<b>One Bedroom</b>	<b>Two Bedroom</b>
Subject Rent	\$350	\$394
Estimated Market Rent	\$434	\$563
Rent Advantage (\$)	\$84	\$169
Rent Advantage (%)	19.26%	29.96%
Proposed Units	2	29
<b>50% AMI Units</b>	<b>One Bedroom</b>	<b>Two Bedroom</b>
Subject Rent	\$310	\$370
Estimated Market Rent	\$434	\$563
Rent Advantage (\$)	\$124	\$193
Rent Advantage (%)	28.49%	34.22%
Proposed Units	2	9
<b>Total/Weighted Avg. Mkt. Advantage</b>		<b>30.50%</b>

**Table 32 Estimate of Market Rent Adjustments Summary**

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

## 8. FINDINGS AND CONCLUSIONS

### A. Key Findings

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

#### 1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has ample access to amenities, services, and transportation arteries.

- The site for Palmetto Senior Village is located on the north side of United States Highway 76, just east of its intersection with Metal Road in Marion, Marion County, South Carolina. Bordering land uses include heavily wooded land, commercial buildings, retail establishments, and single-family detached homes.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within two to three miles.
- Palmetto Senior Village will have excellent visibility and accessibility from U.S. Highway 76, a four-lane heavily traveled thoroughfare. From this roadway, residents of Palmetto Senior Village will have convenient access to U.S. Highway 501 and downtown Marion within two miles.
- No negative land uses were identified at the time of the site visit that would negatively impact the proposed development's viability in the marketplace.

#### 2. Economic Context

Since 2000, Marion County has lost jobs in eleven straight years and maintained unemployment rates well above both State and national levels. While economic conditions have deteriorated in the county since 2000, a significant number of households living in the Marion Market Area commute outside Marion County for work. As such, the economies of neighboring counties have acted as a stabilizing force as Marion County has lost jobs over the past decade. Furthermore, economic conditions will have a much more limited impact on a senior-oriented rental community, as the majority of prospective tenants are unlikely to be part of the labor force.

- As the full effects of the recent national recession began to impact the local economy (2009), Marion County's unemployment rate surged, reaching as high as 20.8 percent in 2009 before settling back down to 17.3 percent in 2012. Marion County's unemployment rate has been in double digits each year since 2001 and exceeded both state and national levels by averages of five to nine percentage points.
- From an annual total of 11,933 in 2000, Marion County lost 5,053 jobs or 42.3 percent of its 2000 employment base, reaching a twelve year employment low of 6,880 in 2011. Through the first half of 2012, at-place employment continued to decline with the loss of an additional 287 jobs.
- At-place employment in Marion County is concentrated in the government, education-health, and trade-transportation-utilities sectors, which combined account for 69.9 percent of all jobs based in the county.

### 3. Demographic Analysis

The Marion Market Area experienced modest population and household loss during the most recent decade (2000 to 2010), a trend that is expected to continue at a slower pace for the population over the next three years. However, household numbers are expected to remain the same from 2012 to 2015. Conversely, senior households are projected to growth at a steady pace through 2015, significantly outpacing total household growth on a percentage basis.

- The household base of the Marion Market Area decreased by 0.2 percent (23 households) per year between 2000 and 2010. Based on Esri projections, RPRG estimates that the market area will have the same number of households in 2015 as it does in 2012.
- Between 2000 and 2012, households with a householder age 55+ increased by 166 (3 percent) while households with a householder age 62 and older increased by 105 (2.8 percent). Household growth was greatest among the senior householders (age 65 to 74), though all age cohorts experienced growth except senior householders ages 75+.
- Over the next three years, the Marion Market Area's senior household base is expected to increase by 3.8 percent (1.3 percent annually) among households with a householder age 55+ and 5.2 percent (1.7 percent annually) among households with a householder age 62+.
- The population of the Marion Market Area is slightly older than that of tri-county market area with a median age of 39 versus 38, respectively. While Adults (persons age 35-61 years) constitute the largest age group, 30.9 percent of all persons in the Marion Market Area are age 55 or older.
- Approximately one-third (33.4 percent) of all households in the Marion Market Area contain children.
- Esri estimates 2012 renter percentages of 33.1 percent and 33.2 percent in the Marion Market Area and the tri-county market area, respectively. Among householders age 55 and older, the 2012 renter percentages for households with householders 55+ as estimated are 21.9 percent in the Marion Market Area and 22.4 percent in the tri-county market area.
- While young working age households form the core of the market area's renters, the Marion Market Area also has a sizable proportion (33 percent) of older adult and senior renter households ages 55 and older.
- RPRG estimates that the 2012 median household income in the Marion Market Area is \$28,623, which is \$1,363 or 5 percent higher than the \$27,260 median income in the tri-county market area. Nearly one-third (31.2 percent) of all households in the market area reported an annual income from \$15,000 and \$34,999.
- The 2012 median income for renter households 55+ in the Marion Market Area is estimated to be \$16,327. This is 54 percent of the median income for homeowner households of the same age cohort of \$30,259. Approximately 38 percent of senior renter households (age 55 and older) report an annual income from \$15,000 to \$34,999.

### 4. Competitive Housing Analysis

As no comparable senior-oriented rental communities were identified in the Marion Market Area, RPRG surveyed three comparable general occupancy properties all of which were funded with Low Income Housing Tax Credits. On average, these general occupancy rental communities are doing well with limited vacancies.



- The three general occupancy LIHTC communities combine to offer 102 units, of which four or 3.9 percent were reported vacant. Three of the four vacant units occurred at one property, Cedar Creek.
- Net rents, unit sizes, and rents per square foot among the surveyed communities are as follows:
  - One-bedroom effective rents were \$332 per month. The only community with one-bedroom units (Anderson Center) was unable to provide information on square footage.
  - Two-bedroom effective rents averaged \$385 per month. The average two-bedroom square footage was 893 square feet, resulting in a net rent per square foot of \$0.43.
  - The average three-bedroom effective rent was \$470 for 1,166 square feet, amounting to an average rent per square foot of \$0.40.
- Palmetto Senior Village's units will be positioned comparable to or slightly above existing LIHTC communities, at or near the top of the rental market.
  - Proposed 50 percent one bedroom rents are \$22 less than the only one bedroom units offered among surveyed rental communities (50 percent and 60% units at Anderson Center).
  - Proposed 60 percent one bedroom rents and the only 60 percent one bedroom units surveyed will be priced nearly identical. It should be noted, the proposed unit sizes of one bedroom units at Palmetto Senior Village are 80 square feet larger than two bedroom units offered at Southern Forest despite the lack of an additional bedroom.
  - Proposed 60 percent two bedroom rents are \$5 below the 60 percent units at Cedar Creek. Relative to the three bedroom units, the proposed 60 percent two bedroom rent will be positioned \$58 below the lowest priced three bedroom unit.
  - Palmetto Senior Village's units will be positioned comparable to existing LIHTC communities in the rental market. Given the average unit size of 850 square feet for one bedroom units, which is only 43 square feet smaller than the average of comparable two bedroom units, and 1,100 square feet for two bedroom units; the subject property will also be competitive on a price per square foot basis.
- The estimated market rents for one and two bedroom units at Palmetto Senior Village are \$434 and \$563, respectively. All of the proposed rents fall below these estimated market rents and result in rent advantages of at least 19 percent. The overall weighted average market advantage for all units is 30.5 percent.
- No new senior-oriented rental communities are currently planned or under construction in the Marion Market Area. In addition, according to planning officials with Marion, no new multi-family apartment communities are planned in the Marion Market Area.





## **B. Affordability Analysis**

### **1. Methodology**

The Affordability Analysis tests the percent of age and income-qualified households (55+) in the Marion Market Area that the subject property must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among primary market area households (55+) for the target year of 2015. RPRG calculated the income distribution for both total households (55+) and renter households (55+) based on the relationship between owner and renter household incomes by income cohort from the 2007-2011 American Community Survey along with estimates and projected income growth by Esri (Table 33).

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

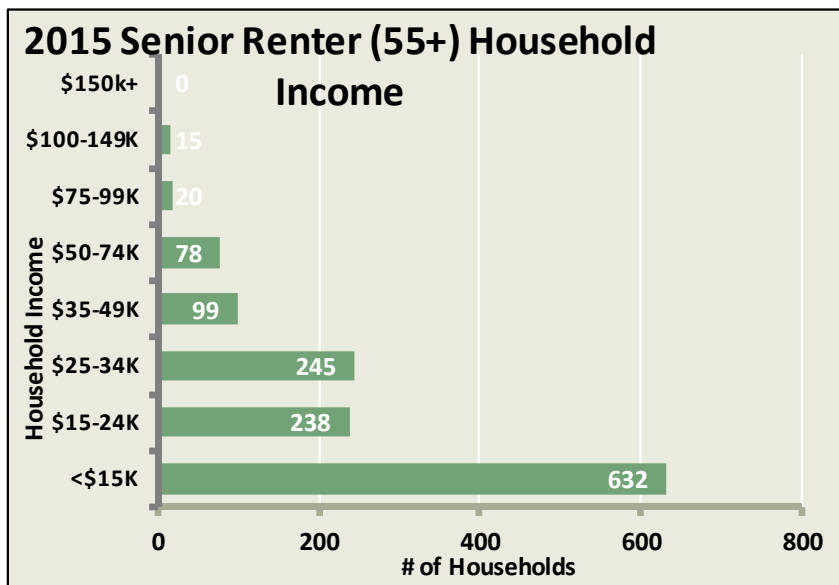
The proposed LIHTC units at Palmetto Senior Village will target renter households (55+) earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2013 National Non-metro income limits as computed by the USDA and are based on average of 1.5 persons for one bedroom units and a maximum of 2.0 persons for two bedroom units.



**Table 33 2015 Income Distribution by Tenure, Households 55+**

		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	1,694	28.4%	632	47.7%
	\$15,000 - \$24,999	1,033	17.3%	238	17.9%
	\$25,000 - \$34,999	922	15.5%	245	18.5%
	\$35,000 - \$49,999	786	13.2%	99	7.5%
	\$50,000 - \$74,999	757	12.7%	78	5.9%
	\$75,000 - \$99,999	353	5.9%	20	1.5%
	\$100,000 - \$149,999	327	5.5%	15	1.1%
	\$150,000 Over	92	1.5%	0	0.0%
<b>Total</b>		<b>5,965</b>	<b>100%</b>	<b>1,326</b>	<b>100%</b>
<b>Median Income</b>		<b>\$27,765</b>		<b>\$16,311</b>	

Source: American Community Survey 2007-2011 Projections, RPRG, Inc.



## 2. Affordability Analysis

The steps in the affordability analysis (Table 34) are as follows:

- Looking at the 50 percent one bedroom units, the overall shelter cost at the proposed rent would be \$433 (\$310 net rent plus a \$123 allowance to cover all utilities except trash removal).
- By applying a 40 percent rent burden to this gross rent, we determined that a 50 percent one bedroom unit would be affordable to households (55+) earning at least \$12,990 per year. The projected number of market area households (55+) earning at least this amount in 2015 is 4,497.
- Based on an average household size of 1.5 persons for one bedroom units, the maximum income limit for a one bedroom unit at 50 percent of the AMI is \$19,650. According to the interpolated income distribution for 2015, there will be 3,790 households (55+) in the Marion Market Area with incomes exceeding this 50 percent LIHTC income limit.
- Subtracting the 3,790 households with incomes above the maximum income limit from the 4,497 households (55+) that could afford to rent this unit, RPRG computes that there are an estimated 707 households (55+) in the Marion Market Area within the band of affordability for the subject site's one bedroom 50 percent units.
- The subject property would need to capture 0.3 percent of these age and income-qualified households to absorb the two one bedroom 50 percent LIHTC units.
- RPRG next tested the range of qualified households (55+) that are currently renters and determined that 779 renter households can afford to rent a one bedroom 50 percent unit at the subject property. Of these, 584 have incomes above our maximum income of \$19,650. The net result is that 195 renter households (55+) are qualified within our income band. To absorb the two 50 percent one bedroom units, the subject property would need to capture 1.0 percent of age and income-qualified renter households.
- Using the same methodology, we determined the band of qualified households for remaining floor plan types and income levels offered in the community. We also computed the capture rates for all units.
- The remaining renter capture rates by floor plan range from 0.8 percent for 60 percent one bedroom units to 14.1 percent for 60 percent two bedroom units.
- By income level, renter capture rates are 4.9 percent for 50 percent units, 11.3 percent for 60 percent units, and 12.9 percent for the project as a whole.
- All of these capture rates are within reasonable and achievable levels, indicating sufficient age and income qualified renter households exist in the Marion Market Area to support the 42 units proposed at the subject property.



**Table 34 Affordability Analysis for Palmetto Senior Village. HH 55+**

50% Units	One Bedroom		Two Bedroom	
	Min.	Max.	Min.	Max.
Number of Units	2		9	
Net Rent	\$310		\$370	
Gross Rent	\$433		\$526	
% Income for Shelter	40%		40%	
Income Range (Min, Max)	\$12,990	\$19,650	\$15,780	\$20,950
<b>Total Households</b>				
Range of Qualified Hslds	4,497	3,790	4,190	3,656
# Qualified Households		707		534
<b>Total HH Capture Rate</b>		<b>0.3%</b>		<b>1.7%</b>
<b>Renter Households</b>				
Range of Qualified Hhlds	779	584	676	553
# Qualified Hhlds		195		123
<b>Renter HH Capture Rate</b>		<b>1.0%</b>		<b>7.3%</b>

60% Units	One Bedroom		Two Bedroom	
Number of Units	2		29	
Net Rent	\$350		\$394	
Gross Rent	\$473		\$550	
% Income for Shelter	40%		40%	
Income Range (Min, Max)	\$14,190	\$23,580	\$16,500	\$25,140
<b>Total Households</b>				
Range of Qualified Hslds	4,362	3,384	4,115	3,225
# Qualified Households		978		891
<b>Unit Total HH Capture Rate</b>		<b>0.2%</b>		<b>3.3%</b>
<b>Renter Households</b>				
Range of Qualified Hhlds	728	490	659	453
# Qualified Hhlds		238		205
<b>Renter HH Capture Rate</b>		<b>0.8%</b>		<b>14.1%</b>

Income Target	Units	All Households = 5,965				Renter Households = 1,326				
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
50% Units	11	<i>Income</i>	\$12,990	\$20,950	842	1.3%	\$12,990	\$20,950	226	4.9%
		<i>Households</i>	4,497	3,656			779	553		
60% Units	31	<i>Income</i>	\$14,190	\$25,140	1,137	2.7%	\$14,190	\$25,140	275	11.3%
		<i>Households</i>	4,362	3,225			728	453		
Total Units	42	<i>Income</i>	\$12,990	\$25,140	1,273	3.3%	\$12,990	\$25,140	326	12.9%
		<i>Households</i>	4,497	3,225			779	453		

Source: 2010 U.S. Census, Esri, Estimates, RPRG, Inc.



## C. Derivation of Demand

### 1. Demand Methodology

The South Carolina State Housing Finance and Development Authority's LIHTC demand methodology for senior-oriented communities (55+) consists of four components:

- The first component of demand is household growth. This number is the number of age and income qualified renter households anticipated to move into the market area between the base year (2012) and the projected placed-in-service year (2015).
- The second component is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2007-2011 American Community Survey (ACS) data, the percentage of renter occupied households in the Marion Market Area that are "substandard" is 6.3 percent (Table 35). This percentage is applied to current senior household estimates.
- The third component of demand is cost burdened renters, which is defined as those renter households paying more than 40 percent of household income for housing costs. According to 2007-2011 American Community Survey Data, the percentage of senior rental units in the Marion Market Area that are cost burdened is 36.8 percent. Based on this data, 36.8 percent of senior renter households pay more than 40 percent of income on rent (Table 35). This percentage is for 65+ year old households but is applied to current 55+ year old senior household estimates.
- The final component of demand is from homeowners converting to rental housing. There is a lack of detailed local or regional information regarding the movership of elderly homeowners to rental housing. According to the American Housing Survey conducted for the U.S. Census Bureau in 2007, 2.5 percent of elderly households move each year in the U.S. Of those moving within the past twelve months, 43.9 percent moved from owned to rental housing (Table 36). This equates to 1.1 percent of all senior households converting from owners to renters. Given the lack of local information, this source is considered to be the most current and accurate.



**Table 35 Substandard and Cost Burdened Calculations, Marion Market Area**

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	202	5.2%
10.0 to 14.9 percent	192	5.0%
15.0 to 19.9 percent	378	9.8%
20.0 to 24.9 percent	377	9.8%
25.0 to 29.9 percent	339	8.8%
30.0 to 34.9 percent	166	4.3%
35.0 to 39.9 percent	200	5.2%
40.0 to 49.9 percent	270	7.0%
50.0 percent or more	897	23.3%
Not computed	835	21.7%
<b>Total</b>	<b>3,856</b>	<b>100%</b>
<b>&gt; 35% income on rent</b>	<b>1,367</b>	<b>45.2%</b>

Households 65+		
Total Households	#	%
Less than 20.0 percent	88	13.1%
20.0 to 24.9 percent	65	9.6%
25.0 to 29.9 percent	108	16.0%
30.0 to 34.9 percent	14	2.1%
35.0 percent or more	208	30.9%
Not computed	191	28.3%
<b>Total</b>	<b>674</b>	<b>100%</b>
<b>&gt; 35% income on rent</b>	<b>208</b>	<b>43.1%</b>
<b>&gt; 40% income on rent</b>		<b>36.8%</b>

Substandardness	
Total Households	
<b>Owner occupied:</b>	
Complete plumbing facilities:	7,028
1.00 or less occupants per room	6,894
1.01 or more occupants per room	134
Lacking complete plumbing facilities:	20
Overcrowded or lacking plumbing	154
<b>Renter occupied:</b>	
Complete plumbing facilities:	3,813
1.00 or less occupants per room	3,615
1.01 or more occupants per room	198
Lacking complete plumbing facilities:	43
Overcrowded or lacking plumbing	241
<b>Substandard Housing</b>	<b>395</b>
<b>% Total Stock Substandard</b>	<b>3.6%</b>
<b>% Rental Stock Substandard</b>	<b>6.3%</b>

Source: American Community Survey 2007-2011

**Table 36 Senior Homeowner Conversion**

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

Source: American Housing Survey, 2007



**2. Demand Analysis**

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

The overall demand capture rates by AMI level are 9.9 percent for 50 percent units, 22.9 percent for 60 percent units, and 26.2 percent for the project as a whole. By floor plan, capture rates range from 1.7 percent for 60 percent one bedroom units to 28.7 percent for 60 percent two bedroom units. All of these demand capture rates are within the range of acceptability and below SCSHFDA’s threshold for viability of 30 percent. As such, sufficient demand exists to support the proposed 42 units at Palmetto Senior Village.

**Table 37 Demand by AMI Level**

	<i>Income Target</i>	<b>50% Units</b>	<b>60% Units</b>	<b>Total Units</b>
	<i>Minimum Income Limit</i>	\$12,990	\$14,190	\$12,990
	<i>Maximum Income Limit</i>	\$20,950	\$25,140	\$25,140
	<i>(A) Renter Income Qualification Percentage</i>	17.0%	20.8%	24.6%
Demand from New Renter Households (55+)		8	10	12
<i>Calculation: (C-B) * A * F</i>				
<b>Plus</b>				
Demand from Substandard Housing (55+)		13	16	19
<i>Calculation: B * D * F * A</i>				
<b>Plus</b>				
Demand from Rent Over-Burdened Households (55+)		79	96	114
<i>Calculation: B * E * F * A</i>				
<b>Plus</b>				
Owners Converting to Renters (55+)		11	13	16
<i>Calculation: B * G * A</i>				
<b>Equals</b>				
<b>Total PMA Demand</b>		<b>111</b>	<b>135</b>	<b>160</b>
<b>Less</b>				
Comparable Units		0	0	0
<b>Equals</b>				
<b>Net Demand</b>		<b>111</b>	<b>135</b>	<b>160</b>
Proposed Units		11	31	42
<b>Capture Rate</b>		<b>9.9%</b>	<b>22.9%</b>	<b>26.2%</b>

<b>Demand Calculation Inputs</b>	
(B) 2012 HH (55+)	5,744
(C) 2015 HH (55+)	5,965
(D) ACS Substandard Percentage	6.3%
(E) ACS Rent Over-Burdened Percentage (Senior)	36.8%
(F) 2012 Renter Percentage (55+)	21.9%
(G) Owners Converting	1.1%





**Table 38 Demand by Floor Plan**

One Bedroom Units	50% Units	60% Units
<i>Minimum Income Limit</i>	\$12,990	\$14,190
<i>Maximum Income Limit</i>	\$19,650	\$23,580
<i>Renter Income Qualification Percentage</i>	14.7%	17.9%
<b>Total Demand (55+)</b>	96	117
Supply	0	0
<b>Net Demand (55+)</b>	<b>96</b>	<b>117</b>
Units Proposed	2	2
<b>Capture Rate</b>	<b>2.1%</b>	<b>1.7%</b>

Two Bedroom Units	50% Units	60% Units
<i>Minimum Income Limit</i>	\$15,780	\$16,500
<i>Maximum Income Limit</i>	\$20,950	\$25,140
<i>Renter Income Qualification Percentage</i>	9.3%	15.5%
<b>Total Demand (55+)</b>	60	101
Supply	0	0
<b>Net Demand (55+)</b>	<b>60</b>	<b>101</b>
Units Proposed	9	29
<b>Capture Rate</b>	<b>14.9%</b>	<b>28.7%</b>

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

#### D. Target Markets

Palmetto Senior Village will offer one and two bedroom floor plans, which will appeal to single person households, couples, and roommates. All householders must be age 55+.

#### E. Product Evaluation

Considered in the context of the competitive environment, the relative position of Palmetto Senior Village is as follows:

- **Site:** The subject site is appropriate for a rental housing development targeted to low and moderate income senior households. The subject property is located in a residential/commercial area and is compatible with surrounding land uses. The subject site will also have excellent access to local neighborhood amenities and prominent visibility from adjacent thoroughfares.
- **Unit Distribution:** The unit mix at the subject property will include four one bedroom units and 38 two bedroom units. These rental units will appeal to a wide variety of senior households and are appropriate for a senior-oriented housing community.
- **Unit Size:** Palmetto Senior Village will offer one and two bedroom floor plans with 850 and 1,100 square feet of living space, respectively. Relative to surveyed rental communities, the proposed units will be among the largest offered in market area. Combined with reasonable rents, the units at Palmetto Senior Village will offer significant value to prospective residents.
- **Unit Features:** The newly constructed units at the subject property will offer fully equipped kitchens with new energy star appliances (refrigerator, garbage disposal, range, dishwasher,



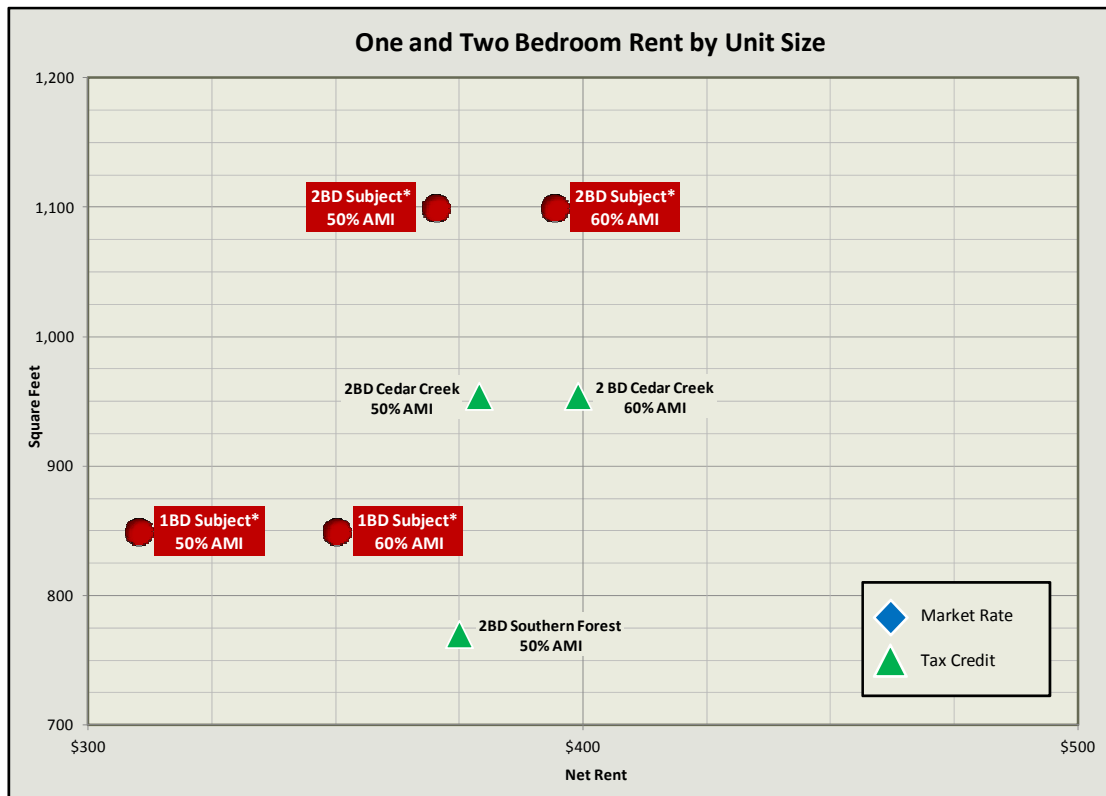
and microwave). Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen / bathrooms. In addition, all units will include high speed internet access, cable TV connections, ceiling fans, washer/dryer connections, patios or sunrooms, and window blinds. The proposed unit features at Palmetto Senior Village will meet or exceed that of the existing rental stock in the market area, including properties funded with tax credits.

- **Community Amenities:** Palmetto Senior Village’s amenity package, which includes a community room, fitness center, library, and computer center will surpass those offered at the Marion Market Area’s existing rental stock. Palmetto Senior Village’s senior-oriented amenities will also be more appealing to senior households than those offered at general occupancy communities.
- **Marketability:** Palmetto Senior Village will offer an attractive product that will be reasonably priced and competitive with existing market rate and LIHTC general occupancy rental communities in the Marion Market Area.

### F. Price Position

As shown in Figure 6, Palmetto Senior Village will offer units priced comparable to or just above existing LIHTC rental communities in the market with unit sizes well above average. Taking into account the attractive product to be constructed and the lack of true senior-oriented rental units in the Marion Market Area, the subject property appears to be priced appropriately. In addition, the proposed 50 and 60 percent rents will also have rent advantages of at least 19 percent for all floor plans.

**Figure 6 Price Position of Palmetto Senior Village, One and Two Bedroom Units**





## **G. Absorption Estimate**

As recent lease up history among comparable communities was not available, absorption rates are based on the overall depth of demand and the appeal of the proposed units. Based on reasonable demand estimates, projected senior household growth, the product to be constructed, and the proposed rents, we estimate that Palmetto Senior Village will lease an average of at least four units per month. At this rate, Palmetto Senior Village will reach a stabilized occupancy of 93 percent in an approximate nine to ten month time period.

## **H. Impact on Existing Market**

Overall, the rental market in the Marion Market Area is doing well with modest vacancies (3.9 percent) among general occupancy properties surveyed. Based on steady senior household growth projections and current demographic characteristics, demand for affordable senior rental housing is likely to increase over the next three years.

The subject property will target a segment of the Marion Market Area's household base underserved by the existing rental stock. As such, RPRG believes the construction of Palmetto Senior Village's 42 units will not have a negative impact on any of the existing rental communities in the market area, including those financed by Low Income Housing Tax Credits.

## **I. Final Conclusion and Recommendation**

Based on an analysis of projected household growth trends, overall affordability and demand estimates, current rental market conditions, and socio-economic and demographic characteristics of the Marion Market Area, RPRG believes that the proposed Palmetto Senior Village will be able to successfully reach and maintain a stabilized occupancy of at least 93 percent following entrance into the rental market. Given the product to be constructed, the subject property will be competitively positioned with existing LIHTC communities in the Marion Market Area and the units will be well received by the target market. We recommend proceeding with the project as proposed.

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

Tad Scepianiak  
Principal



## **APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



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

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



## APPENDIX 2 ANALYST CERTIFICATIONS

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

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

February 20, 2013

Tad Scepaniak  
Principal  
Real Property Research Group, Inc.

Date

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



## APPENDIX 3 ANALYST RESUMES

### ROBERT M. LEFENFELD

Mr. Lefenfeld is the Managing Principal of the firm with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in February, 2001, Bob served as an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob oversees the execution and completion of all of the firm's research assignments, ranging from a strategic assessment of new development and building opportunities throughout a region to the development and refinement of a particular product on a specific site. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

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

#### **Areas of Concentration:**

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

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

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

#### **Education:**

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





## **TAD SCEPANIAK**

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

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

### **Areas of Concentration:**

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

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

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

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

### **Education:**

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



## APPENDIX 4 NCHMA CHECKLIST

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

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	1
<b>Scope of Work</b>		
2	Scope of Work	2
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	6
4	Utilities (and utility sources) included in rent	6
5	Target market/population description	4
6	Project description including unit features and community amenities	6
7	Date of construction/preliminary completion	6
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
<b>Location</b>		
9	Concise description of the site and adjacent parcels	7
10	Site photos/maps	10,8
11	Map of community services	17
12	Site evaluation/neighborhood including visibility, accessibility, and crime	7-14
<b>Market Area</b>		
13	PMA description	26
14	PMA MAP	27
<b>Employment and Economy</b>		
15	At-Place employment trends	20
16	Employment by sector	20
17	Unemployment rates	18
18	Area major employers/employment centers and proximity to site	20,25
19	Recent or planned employment expansions/reductions	N/A
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	29,31
21	Area building permits	30
22	Population and household characteristics including income, tenure, and size	34-36
23	For senior or special needs projects, provide data specific to target market	28



<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	43
26	Existing rental housing evaluation including vacancy and rents	41
27	Comparison of subject property to comparable properties	44
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	47
29	Rental communities under construction, approved, or proposed	47
30	For senior or special needs populations, provide data specific to target market	44
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	62,63
32	Affordability analysis with capture rate	59
33	Penetration rate analysis with capture rate	N/A
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	65
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	49
36	Precise statement of key conclusions	65
37	Market strengths and weaknesses impacting project	65
38	Recommendations and/or modification to project discussion	65
39	Discussion of subject property's impact on existing housing	65
40	Discussion of risks or other mitigating circumstances impacting project projection	65
41	Interviews with area housing stakeholders	2
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	N/A



**APPENDIX 5 MARKET AREA RENTAL COMMUNITY PROFILES**

Community	Address	City	Phone Number	Date Surveyed	Contact
Anderson Center	135 N Main St.	Mullins	843-464-6789	3/1/2013	Property Manager
Cedar Creek	1510 Mill St.	Marion	843-423-1111	3/1/2013	Property Manager
Hunters Crossing	621 S 9th St.	Dillon	843-774-1625	3/1/2013	Property Manager
Interstate	Enterprise Rd.	Dillon	843-479-7946	3/1/2013	Property Manager
Silver Trace	106 Silver Trace Ct.	Marion	843-423-5538	3/1/2013	Property Manager
Southern Forest	2800 Plaza Ct.	Marion	843-423-4441	3/1/2013	Property Manager

# Anderson Center

## Multifamily Community Profile

135 N Main St.  
Mullins, SC

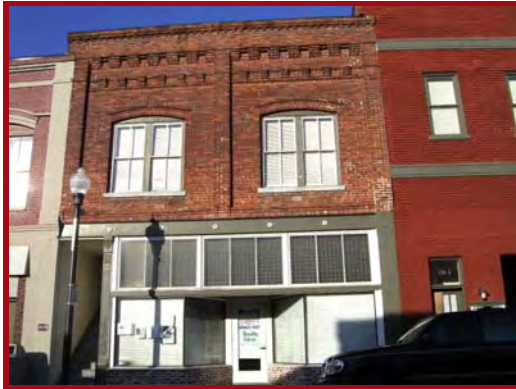
Community Type: LIHTC - General

Structure Type: Garden

22 Units

4.5% Vacant (1 units vacant) as of 3/1/2013

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	72.7%	\$347	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	27.3%	\$407	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>

### Features

Standard: Dishwasher; Ceiling Fan; Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking  
Fee: --

Parking 2: --  
Fee: --

Property Manager: --  
Owner: --

### Comments

50% & 60% AMI rents are the same

### Floorplans (Published Rents as of 3/1/2013) (2) | Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	16	\$347	--	--	LIHTC	3/1/13	4.5%	\$347	\$407	--
Garden	--	2	1	6	\$407	--	--	LIHTC	3/5/12	13.6%	\$329	\$389	--

3/26/09 0.0% \$329 \$389 --

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Cedar Creek

Multifamily Community Profile

1510 Mill St.  
Marion, SC

CommunityType: LIHTC - General

Structure Type: Garden

40 Units

7.5% Vacant (3 units vacant) as of 3/1/2013

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	60.0%	\$400	954	\$0.42	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	40.0%	\$480	1,254	\$0.38	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features

Standard: Central A/C; Patio/Balcony

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking  
Fee: --

Parking 2: --  
Fee: --

Property Manager: --  
Owner: --

Comments

Waitlist of 6 people

Floorplans (Published Rents as of 3/1/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	23	\$379	954	\$0.40	LIHTC/ 50%	3/1/13	7.5%	--	\$400	\$480
Garden	--	2	1	1	\$399	954	\$0.42	LIHTC/ 60%	3/5/12	2.5%	--	\$400	\$480
Garden	--	3	2	14	\$452	1,254	\$0.36	LIHTC/ 50%	3/26/09	2.5%	--	\$373	\$450
Garden	--	3	2	2	\$479	1,254	\$0.38	LIHTC/ 60%					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Cedar Creek

SC067-012071

# Hunters Crossing

## Multifamily Community Profile

621 S 9th St.  
Dillon, SC

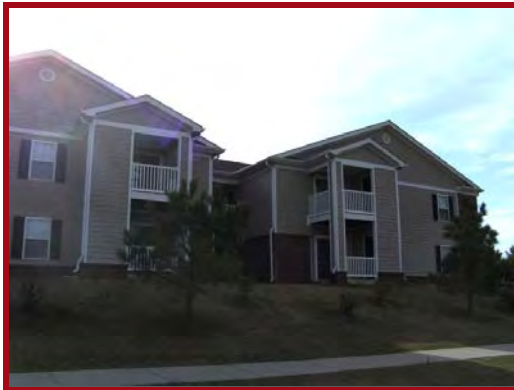
CommunityType: LIHTC - General

Structure Type: Garden

40 Units

0.0% Vacant (0 units vacant) as of 3/1/2013

Opened in 2005



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$433	964	\$0.45	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	50.0%	\$490	1,236	\$0.40	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

### Features

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

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking  
Fee: --

Parking 2: --  
Fee: --

Property Manager: --  
Owner: --

### Comments

Waitlist of 10 people

Floorplans (Published Rents as of 3/1/2013) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	14	\$405	964	\$.42	LIHTC/ 50%	3/1/13	0.0%	--	\$433	\$490
Garden	--	2	2	6	\$430	964	\$.45	LIHTC/ 60%	3/14/12	0.0%	--	\$433	\$490
Garden	--	3	2	10	\$445	1,236	\$.36	LIHTC/ 50%	4/5/11	2.5%	--	\$433	\$490
Garden	--	3	2	10	\$485	1,236	\$.39	LIHTC/ 60%	3/25/09	0.0%	--	\$433	\$495

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

Hunters Crossing

SC033-012065

© 2013 Real Property Research Group, Inc.

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



Interstate

Multifamily Community Profile

Enterprise Rd.  
Dillon, SC

Community Type: Market Rate - General

Structure Type: Garden

40 Units 12.5% Vacant (5 units vacant) as of 3/1/2013

Last Major Rehab in 2009 Opened in 1982



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm:	Basketball:
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	100.0%	\$445	750	\$0.59	Centrl Lndry:	Tennis:
Two/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	Elevator:	Volleyball:
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					Fitness:	CarWash:
					<input type="checkbox"/>	<input type="checkbox"/>
					Hot Tub:	BusinessCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Sauna:	ComputerCtr:
					<input type="checkbox"/>	<input type="checkbox"/>
					Playground:	<input type="checkbox"/>
					<input type="checkbox"/>	

Features

Standard: In Unit Laundry (Hook-ups); Central A/C

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking  
Fee: --

Parking 2: --  
Fee: --

Property Manager: --  
Owner: --

Comments

Floorplans (Published Rents as of 3/1/2013) (2) Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	40	\$425	750	\$0.57	Market	3/1/13	12.5%	--	\$445	--
									3/14/12	2.5%	--	\$437	--
									4/5/11	10.0%	--	\$441	--
									3/25/09	60.0%	--	\$445	--

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

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

# Southern Forest

## Multifamily Community Profile

2800 Plaza Ct.  
Marion, SC

Community Type: LIHTC - General

Structure Type: 2-Story Garden

40 Units

0.0% Vacant (0 units vacant) as of 3/1/2013

Opened in 1998



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	60.0%	\$395	770	\$0.51	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	40.0%	\$505	990	\$0.51	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

### Features

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

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking

Parking 2: --

Fee: --

Fee: --

Property Manager: --

Owner: --

### Comments

Waitlist of 5 people

### Floorplans (Published Rents as of 3/1/2013) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	1	24	\$375	770	\$4.9	LIHTC/ 50%	3/1/13	0.0%	--	\$395	\$505
Garden	--	3	1.5	16	\$480	990	\$4.8	LIHTC/ 50%	3/5/12	0.0%	--	\$380	\$495

### Historic Vacancy & Eff. Rent (1)

	3/26/09	0.0%	--	\$380	\$495
--	---------	------	----	-------	-------

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

Southern Forest

SC067-012070

© 2013 Real Property Research Group, Inc.

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

**Tab 19**

**Exhibit S-2 Primary Market Study Analysis Summary**



**EXECUTIVE SUMMARY**

2013 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:		
Development Name:	Palmetto Senior Village	Total # Units: 42
Location:	Marion, Marion County, SC 29571	# LIHTC Units: 42
PMA Boundary:	North: Dillon County., East: Horry County, South: State Highway S-34-46, West: Florence County	
Development Type :	Senior 55+	Farthest Boundary Distance to Subject: 10.9 miles

RENTAL HOUSING STOCK (found on page 6, 41, 49-52)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	3	102	4	96.1%
Market-Rate Housing				
Assisted/Subsidized Housing not to include LIHTC				
<b>LIHTC (All that are stabilized)*</b>	3	102	4	96.1%
Stabilized Comps**	3	102	4	96.1%
Non-stabilized Comps				

\*Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).  
 \*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	850	\$310	\$434	\$0.51	28.49%	\$347	N/A
2	1	1	850	\$350	\$434	\$0.51	19.26%	\$347	N/A
9	2	1 3/4	1,100	\$370	\$563	\$0.51	34.22%	\$407	\$.49
29	2	1 3/4	1,100	\$394	\$563	\$0.51	29.96%	\$407	\$.49
<b>Gross Potential Rent Monthly*</b>				<b>\$16,076</b>	<b>\$23,130</b>		<b>30.50%</b>		

\*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 31, 34, 59)						
	2000		2012		2015	
Renter Households	959	21.9%	1,257	21.9%	1,326	22.2%
Income-Qualified Renter HHs (LIHTC)	251	26.2%	329	26.2%	326	24.6%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 62)						
Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	8	10				12
Existing Households (Overburd + Substand)	92	112				133
Homeowner conversion (Seniors)	11	13				16
Other:						
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-qualified Renter HHs</b>	<b>111</b>	<b>135</b>				<b>160</b>

CAPTURE RATES (found on page 62)						
Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	9.9	22.9				26.2

ABSORPTION RATE (found on page 65)		
Absorption Period	9-10	months

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent by Bedroom Type	Adjusted Market Rent	Gross Potential Market Rent by Bedroom Type	Tax Credit Gross Rent Advantage
2	1 BR	\$310	\$620	\$434	\$868	
2	1 BR	\$350	\$700	\$434	\$868	
9	2 BR	\$370	\$3,330	\$563	\$5,067	
29	2 BR	\$394	\$11,426	\$563	\$16,327	
<b>Totals</b>	<b>42</b>		<b>\$16,076</b>		<b>\$23,130</b>	<b>30.50%</b>

**Tab 19**

**Exhibit S-2 Rent Calculation Worksheet**

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
2	1 BR	\$310	\$620	\$434	\$868	
2	1 BR	\$350	\$700	\$434	\$868	
9	2 BR	\$370	\$3,330	\$563	\$5,067	
29	2 BR	\$394	\$11,426	\$563	\$16,327	
Totals	42		\$16,076		\$23,130	30.50%