



**A RENTAL HOUSING  
MARKET FEASIBILITY ANALYSIS  
FOR**

**BEAUFORT, SOUTH CAROLINA**  
*(Lady's Island - Beaufort County)*

*Sea Pointe Apartments*

*South side of Ferry Road, east of Lady's Island Drive  
Beaufort, South Carolina 29907*

**March 4, 2014**

***Prepared for:***

Brad Queener  
**Bradley Beaufort, LLC**  
100 2<sup>nd</sup> Avenue South  
Suite 330  
North Myrtle Beach, SC 29582

***Prepared by:***

Steven Shaw  
**Shaw Research & Consulting**  
P.O. Box 38  
Bad Axe, MI 48413  
Phone: (989) 415-3554

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**CERTIFICATE OF ACCURACY AND RELIABILITY**

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



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Steven R. Shaw  
**SHAW RESEARCH & CONSULTING**

Date: March 4, 2014

## INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Beaufort/Lady's Island area as it pertains to the market feasibility of Sea Pointe Apartments, a proposed 56-unit affordable rental housing development targeted for low-income family households. The subject proposal is to be located within the eastern edge of the city of Beaufort on Lady's Island, approximately one mile east of the Beaufort River along the south side of Ferry Road. The site, which is less than one-eighth mile east of Lady's Island Drive (U.S. 21/NC 802) and approximately ¼ mile south of Sea Island Parkway (U.S. 21), is situated within a relatively residential area, along with a restaurant, retail, commercial, and vacant undeveloped property nearby.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Beaufort/Lady's Island market area. All fieldwork and community data collection was conducted on February 28<sup>th</sup>, 2014 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Sea Pointe Apartments will feature a total of 56 units (28 two-bedroom and 28 three-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

## EXECUTIVE SUMMARY

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

- 1) The subject proposal is a 56-unit family-oriented rental development targeting low-income family households. The facility will consist of a mix of two and three bedroom units restricted to households at 50 and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Beaufort PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable rental housing.
- 3) Occupancy rates for rental housing are quite positive throughout the Beaufort market area at the current time. As such, an overall occupancy rate of 94.6 percent was calculated from a February 2014 survey of 14 family-oriented rental developments identified and contacted within the PMA.
- 4) Considering only the three tax credit developments within the survey, an overall occupancy rate of 97.4 percent was calculated, with each reporting a small waiting list – providing a clear indication of the acceptance and need for affordable rental options locally.
- 5) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Beaufort area have been generally positive since 2000. As such, the overall population within the PMA increased by 21 percent between 2000 and 2013, representing more than 6,600 additional persons during this time. Further, future projections indicate these gains will continue, with an estimated increase of seven percent (roughly 2,775 persons) anticipated between 2013 and 2018.
- 6) Considering the above information, as well as the subject's proposed targeting, rental rates, unit sizes, and development features, the introduction of Sea Pointe Apartments should prove successful. Based on continued positive demographic patterns and positive occupancy levels within the affordable properties throughout the PMA (along with small waiting lists within each LIHTC project), additional family-oriented rental units would undoubtedly be successful within the Beaufort/Lady's Island PMA – even considering Ashley Pointe which was allocated tax credits in 2013. As such, evidence presented within the market study suggests a normal lease-up period (between five and seven months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

**2014 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:**

Development Name:	SEA POINTE APARTMENTS	Total # Units:	56
Location:	Ferry Road	# LIHTC Units:	56
PMA Boundary:	West = Broad River; North = Broad River Blvd/Coosaw River; East = Lucky Point Creek/Cowen Creek; South = Cat Island Creek/Archers Creek		
Development Type:	XX Family	Older Persons	Farthest Boundary Distance to Subject: 7.5 Miles

**RENTAL HOUSING STOCK (found on page 51)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	14	1,827	99	94.6%
Market-Rate Housing	6	1,235	83	93.3%
Assisted/Subsidized Housing not to include LIHTC	2	156	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>3</b>	<b>272</b>	<b>7</b>	<b>97.4%</b>
Stabilized Comps**	3	272	7	97.4%
Non-stabilized Comps	0	0	0	NA

\*Stabilized occupancy of at least 94% (Excludes projects still in initial lease up).

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
0	1 BR	1.0	NA	\$0	\$0	NA	NA	NA	NA
0	1 BR	1.0	NA	\$0	\$0	NA	NA	NA	NA
7	2 BR	2.0	1,079 (avg)	\$535	\$886	\$0.84	39.6%	\$1,088	\$0.99
21	2 BR	2.0	1,079 (avg)	\$645	\$886	\$0.84	27.2%	\$1,088	\$0.99
7	3 BR	2.0	1,220 (avg)	\$605	\$974	\$0.76	37.9%	\$1,318	\$0.93
21	3 BR	2.0	1,220 (avg)	\$725	\$974	\$0.76	25.5%	\$1,318	\$0.93
<b>Gross Potential Rent Monthly*</b>				<b>\$36,750</b>	<b>\$52,066</b>		<b>29.42%</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 35)**

	2010		2013		2016	
Renter Households	5,667	38.9%	6,066	39.6%	6,466	40.1%
Income-Qualified Renter HHs (LIHTC)	1,263	22.3%	1,352	22.3%	1,441	22.3%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 46)**

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Renter Household Growth	56	63				89
Existing Households (Overburd + Substand)	413	471				662
Homeowner Conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	14	42				56
<b>Net Income-Qualified Renter HHs</b>	<b>454</b>	<b>492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>695</b>

**CAPTURE RATES (found on page 48)**

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	3.1%	8.5%				8.1%

**ABSORPTION RATE (found on page 50)**

Absorption Period:	5 to 7	months
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<b>2014 S-2 RENT CALCULATION WORKSHEET</b>						
<b># Units</b>	<b>Bedroom Type</b>	<b>Proposed Tenant Paid Rent</b>	<b>Gross Potential Tenant Rent</b>	<b>Adjusted Market Rent</b>	<b>Gross Potential Market Rent</b>	<b>Tax Credit Gross Rent Advantage</b>
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	1 BR		\$0	\$0	\$0	
0	1 BR		\$0	\$0	\$0	
0	1 BR		\$0		\$0	
7	2 BR	\$535	\$3,745	\$886	\$6,202	
21	2 BR	\$645	\$13,545	\$886	\$18,605	
0	2 BR		\$0		\$0	
7	3 BR	\$605	\$4,235	\$974	\$6,815	
21	3 BR	\$725	\$15,225	\$974	\$20,445	
0	3 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
<b>Totals</b>	<b>56</b>		<b>\$36,750</b>		<b>\$52,066</b>	<b>29.42%</b>

## A. PROJECT DESCRIPTION

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

<b>Project Name:</b>	<b>SEA POINTE APARTMENTS</b>								
<b>Project Address:</b>	<b>Ferry Road</b>								
<b>Project City:</b>	<b>Beaufort, South Carolina</b>								
<b>County:</b>	<b>Beaufort County</b>								
<b>Total Units:</b>	<b>56</b>								
<b>Occupancy Type:</b>	<b>Family</b>								
<b>Construction Type:</b>	<b>New Construction</b>								
<b>Income Targeting*:</b>	<i>Overall - \$24,549 to \$39,750</i> <i>50% AMI - \$24,549 to \$33,125</i> <i>60% AMI - \$28,320 to \$39,750</i>								
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
<b>Two-Bedroom Units</b>	<b>28</b>								
50% of Area Median Income	7	Apt	2.0	1,079	<b>\$535</b>	\$181	\$716	\$717	No
60% of Area Median Income	21	Apt	2.0	1,079	<b>\$645</b>	\$181	\$826	\$861	No
<b>Three-Bedroom Units</b>	<b>28</b>								
50% of Area Median Income	7	Apt	2.0	1,220	<b>\$605</b>	\$223	\$828	\$828	No
60% of Area Median Income	21	Apt	2.0	1,220	<b>\$725</b>	\$223	\$948	\$993	No

\***Maximum LIHTC Rents and Income Limits** are based on 2014 *Income & Rent Limits* (effective 12/18/2013) obtained from SCSHFDA website ([www.schousing.com](http://www.schousing.com)).



**Project Description:**

Development Location.....	Beaufort, South Carolina
Construction Type.....	New construction
Occupancy Type .....	Family ( <i>open</i> )
Target Income Group.....	100% LIHTC (50% and 60% AMI)
Special Population Group .....	N/A
Number of Units by Unit Type .....	See previous page
Unit Sizes .....	See previous page
Rents and Utility Information .....	See previous page
Proposed Rental Assistance (PBRA) .....	None

**Project Size:**

Total Development Size.....	56 units
Number of Affordable Units.....	56 units
Number of Market Rate Units.....	0 units
Number of PBRA Units .....	0 units
Number of Employee Units .....	0 unit

**Development Characteristics:**

Number of Total Units .....	56 units
Number of Garden Apartments.....	56 units
Number of Townhouses .....	0 units
Number of Residential Buildings.....	3 ( <i>maximum three story</i> )
Number of Community Buildings .....	1
Exterior Construction.....	Minimum 70% Brick

**Unit Amenities:**

- |  |                                 |
|--|---------------------------------|
| ➤ Frost Free Refrigerator w/ Ice Maker | ➤ Washer/Dryer Hook-Up          |
| ➤ Oven/Range                           | ➤ Mini-Blinds/Vertical Blinds   |
| ➤ Dishwasher                           | ➤ Central Heat/Air Conditioning |
| ➤ Garbage Disposal                     | ➤ Walk-In Closet                |
| ➤ Microwave                            | ➤ Sunroom                       |
| ➤ Ceiling Fans                         |                                 |

**Development Amenities:**

- |  |                                     |
|--|-------------------------------------|
| ➤ Community Building                   | ➤ On-Site Laundry Facility          |
| ➤ Multi-Purpose Room w/ Kitchenette    | ➤ Playground                        |
| ➤ Equipped Computer Center w/ Internet | ➤ Covered Picnic Shelter and Grills |
| ➤ Video Camera Security System         | ➤ On-Site Management Office         |

**Additional Assumptions:**

- Only trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for mid-2015

## B. SITE DESCRIPTION

### 1. Site Visit Date

All fieldwork and community data collection was conducted on February 28<sup>th</sup>, 2014 by Steven Shaw.

### 2. Site Neighborhood and Overview

The subject property is located within the eastern edge of the city of Beaufort along the south side of Ferry Drive, just east of Lady's Island Drive (U.S. 21/NC 802). As such, the site is situated on Lady's Island, and is approximately ¼ mile south of Sea Island Parkway (U.S. 21) and one mile east of the Beaufort River. Characteristics of the immediate neighborhood are somewhat mixed, but are mostly residential (single-family), along with retail, commercial, a church, and vacant undeveloped property nearby. Single-family homes are situated adjacent to the east and south of the subject property, while a church (with a day care) is to the west and a restaurant (currently closed, but in good condition), vacant undeveloped property, and Publix grocery store (under construction) can be found directly to the north.

The subject property consists of approximately 4.49 acres of generally flat, lightly-wooded, undeveloped property. Situated within Census Tract 9.03 of Beaufort County, the site is currently zoned as General Commercial (which allows for the development of multi-family units). Based on current usages, current zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** Restaurant (*currently closed*)/undeveloped property
- South:** Single-family home/Mobile home/Undeveloped, densely wooded property
- West:** Church
- East:** Single-family homes (*fair to good condition*)

Access to the site will be from Ferry Drive, a lightly-travelled secondary residential street providing access to Lady's Island Drive to the west, and Sea Island Parkway to the northeast. It should be noted that the subject will not have direct frontage along Ferry Drive, but will be connected via an existing paved access drive (which also serves as an access drive to the adjacent restaurant. Overall, the subject property's location along a seemingly quiet residential street

provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in fair to good condition. Although the site does not have good visibility from a well-travelled roadway, its location is within ¼ mile of two well-travelled thoroughfares offering abundant retail opportunities, and should be considered a positive attribute and suitable for multi-family housing. In addition, Sea Island Parkway (U.S. 21/Branch U.S. 21) provides access to downtown Beaufort to the northwest, as well as much of the area's retail, medical, educational, and employment locales.

### **3. Nearby Retail**

The subject property is situated within walking distance to various retail opportunities. As such, the site is within ½ mile of several shopping centers – with a Food Lion grocery, Publix grocery, Dollar General, Walgreens, Rite-Aid Pharmacy, and Grayco Hardware all near the site. It should also be mentioned that a new Publix grocery store is under construction along the south side of Ferry Road, enhancing shopping convenience for potential residents of the subject property. Located approximately ¼ mile north of the site, Sea Island Parkway represents one of the foremost retail/commercial corridors on Lady's Island, and also provides a direct route to downtown Beaufort (approximately two miles northwest of the site). In addition to various retail opportunities near the downtown area, other retail areas in the southern portion of Beaufort can be accessed via Lady's Island Drive (just west of the site).

### **4. Medical Offices and Hospitals**

Numerous medical services and physician offices can be found throughout the immediate area as well. The nearest full-service hospital to the subject property is Beaufort Memorial Hospital, which is situated west of the Beaufort River along Ribaut Road south of the downtown area (approximately 4¼ miles west of the site). In addition, the Beaufort Medical Plaza and Hospital Medical Park are adjacent to the hospital, offering various medical services and specialty offices. Closer to the site, two medical offices can be found less than ½ mile from the subject, including Lowcountry Urgent Care (at the southwest corner of Ferry Road and Sea Island Parkway) and Primecare Health Center along Lady's Island Drive.

**5. Other PMA Services**

Additional services of note within the market area include a library, boys and girls club, and several parks and recreational facilities. The Beaufort County Library and the Boys and Girls Club of Beaufort are both located near downtown and within three miles north of the site, providing activities for all ages. Bus/transit services are provided locally through Palmetto Breeze Transit, which offers fixed-route and dial-a-ride services throughout Allendale, Beaufort, Colleton, Hampton, and Jasper Counties. As such, the nearest fixed bus route is less than ¼ mile from the site along both Lady's Island Drive and Sea Island Parkway.

The following identifies pertinent locations and features within the Beaufort market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

### **Retail**

1. Publix grocery (*under construction*) .....adjacent to north
2. Publix grocery .....0.3 miles north
3. Dollar General.....0.3 miles northeast
4. Food Lion grocery.....0.3 miles northeast
5. Walgreens pharmacy.....0.3 miles north
6. Island Square shopping center .....0.4 miles northwest  
(*includes Rite-Aid Pharmacy, Island Meat Market, and Grayco Hardware*)
7. CVS/Pharmacy.....2.7 miles southwest
8. Piggly Wiggly/Sears/Maxway .....3.1 miles southwest
9. Family Dollar .....3.3 miles southwest
10. Dollar General.....3.7 miles west
11. Bi-Lo grocery .....5.7 miles southwest
12. Cross Creek Plaza shopping center .....6.4 miles northwest  
(*includes Belk, JC Penney, Best Buy, TJ Maxx, PetSmart, Hibbett Sports, Radio Shack, Rue21, Cato Fashions, The Shoe Dept, Rent-A-Center, UPS Store*)
13. Walmart Supercenter .....6.6 miles west

### **Education**

14. Lady’s Island Elementary School .....2.2 miles southeast
15. Lady’s Island Middle School .....0.7 miles northeast
16. Beaufort High School .....0.8 miles west
17. University of South Carolina – Beaufort Campus .....2.4 miles northwest
18. Technical College of the Lowcountry – Beaufort Campus .....4.5 miles west
19. Sea Island Presbyterian Day School .....adjacent to west

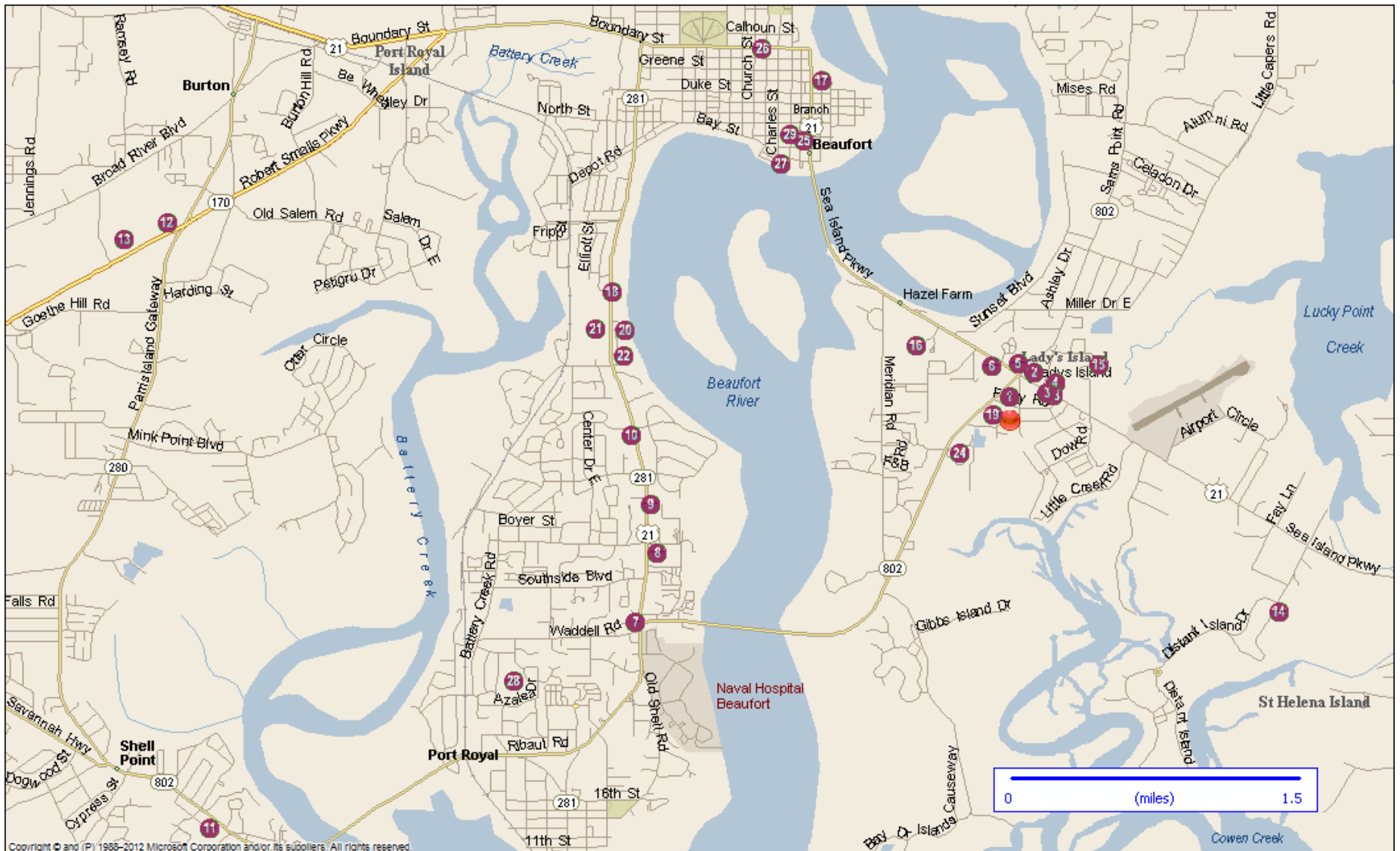
### **Medical**

20. Beaufort Memorial Hospital .....4.3 miles west
21. Hospital Medical Park.....4.3 miles west
22. Beaufort Medical Plaza.....4.2 miles west
23. Lowcountry Urgent Care .....0.3 miles northeast
24. Primecare Health Center .....0.4 miles southwest

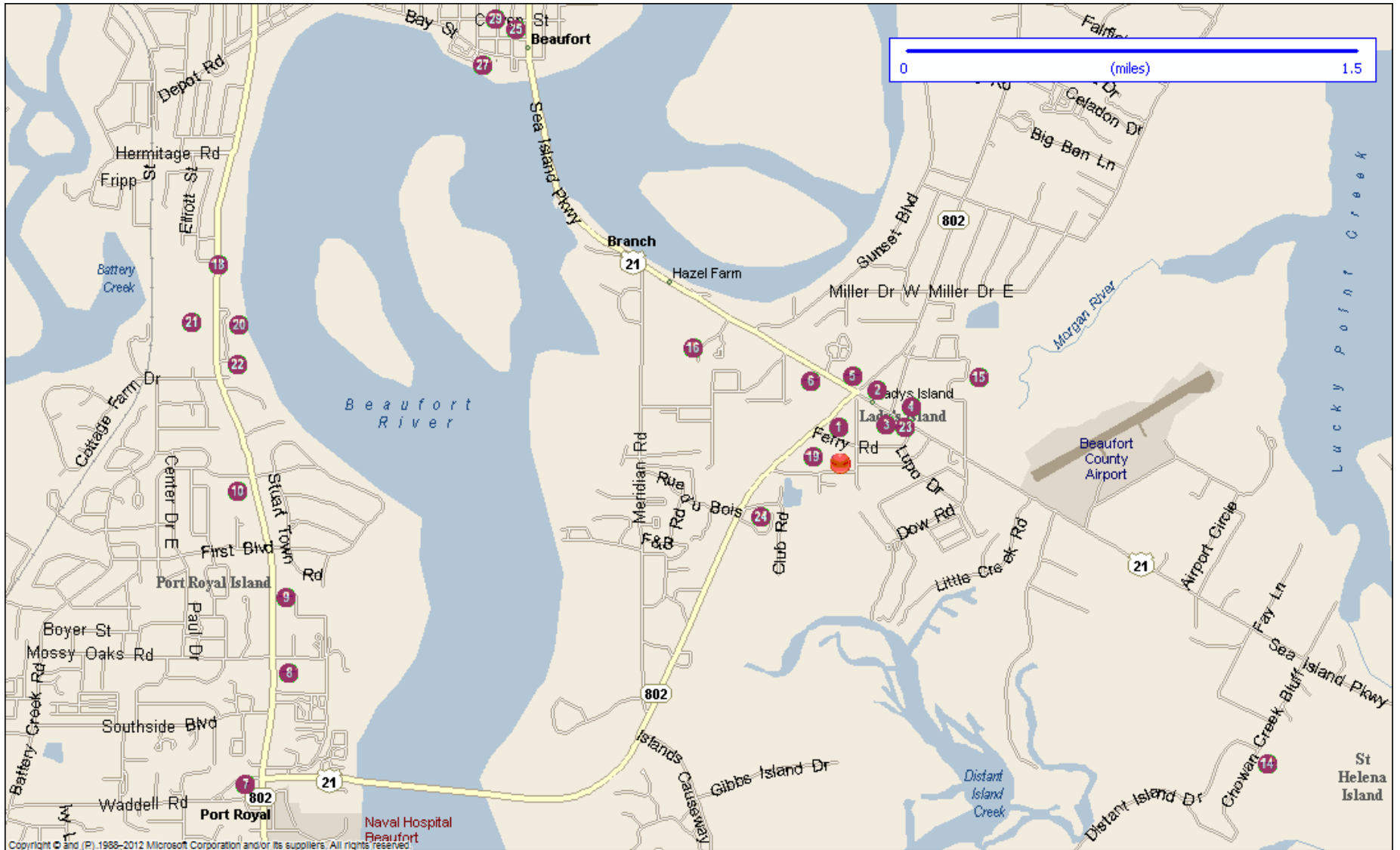
### **Recreation/Other**

25. Beaufort County Library .....2.1 miles northwest
26. Boys and Girls Club of Beaufort .....2.8 miles northwest
27. Chambers Waterfront Park .....2.1 miles northwest
28. Arthur Horne Nature Park.....3.6 miles southwest
29. Downtown Beaufort.....2.0 miles northwest

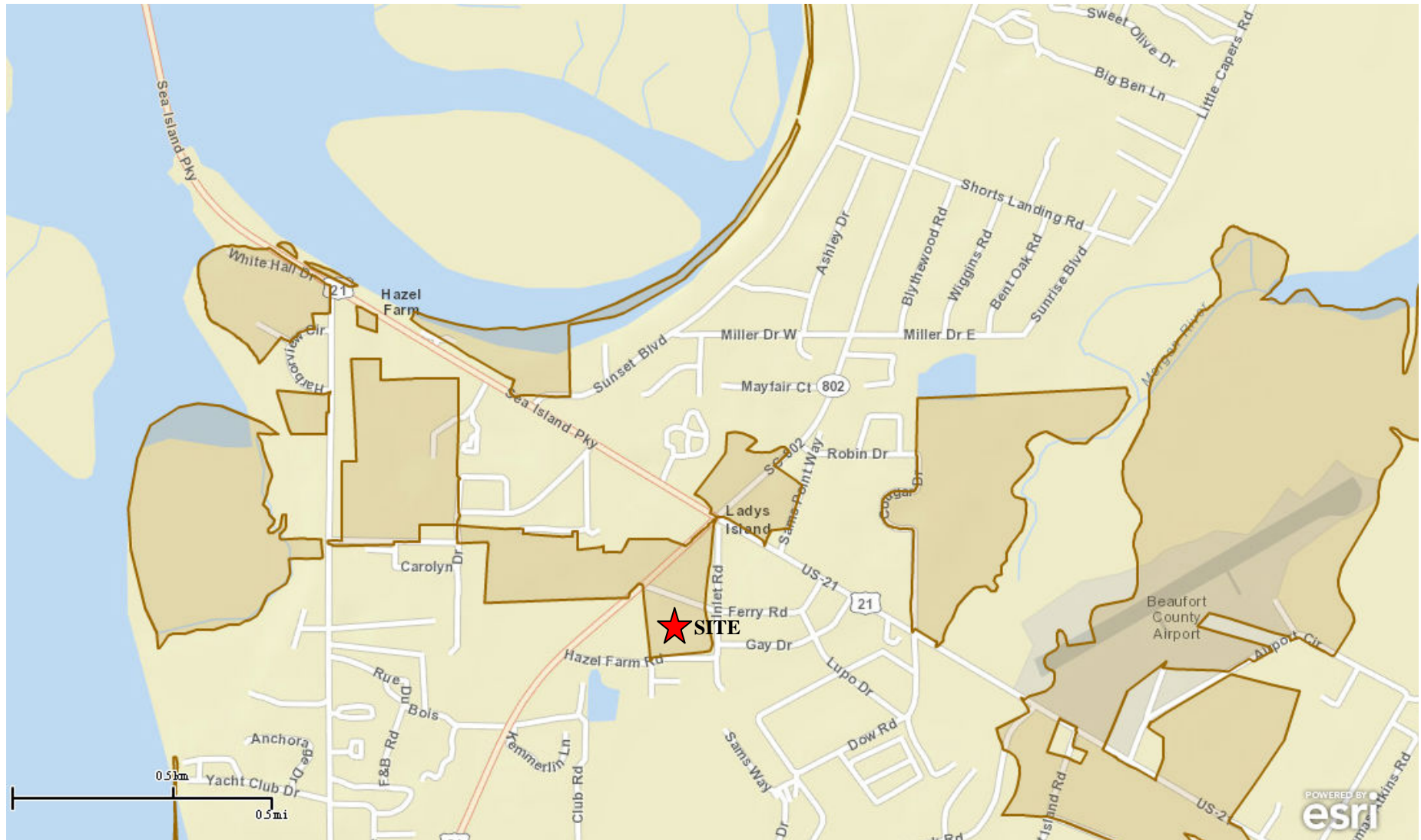
Map 1: Local Features/Amenities – Beaufort/Lady’s Island Area



Map 2: Local Features/Amenities – Close View



Map 3: Site Location - Neighborhood Map



NOTE: Shaded area is city of Beaufort



Map 4: Site Location - Aerial Photo



Map 5: Affordable Rental Housing



Site/Neighborhood Photos



**SITE – Facing south from end of access drive  
Beaufort, SC**



**SITE – Facing west from Inlet Road  
Beaufort, SC**



**SITE – Access drive facing north from site  
Restaurant on left; undeveloped property on right**



**SITE – Access drive facing south from Ferry Drive  
Site is at end of access drive  
Restaurant on right; undeveloped property on left**



**Vacant, undeveloped property adjacent to north of site  
Facing north from site**



**Restaurant parking lot adjacent to north of site  
Facing north from site**



**Single-family home adjacent to south of site  
Facing south from site**



**Mobile home adjacent to south of site  
Facing south from Hazel Farm Road**



Facing west from interior of site



Church day school adjacent to west of site



Single-family home adjacent to east of site  
Facing south along Gay Street



Facing east along Gay Street from Inlet Road



**Restaurant adjacent to north of site  
Facing west from site's access drive**



**Facing east along Ferry Drive  
Publix grocery under construction on left  
Site's access drive is on right**



**Facing south along Inlet Road  
Site is on right**



**Facing east along Hazel Farm Road  
Site is on left**

### 6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is comparable to state norms, but somewhat above national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29907) had a 2010 Total Crime Risk index of 120 – as compared to 122 for the state (whereas an index of 100 is the national average). According to index values, Larceny Risk was the highest (at 184) followed by Rape Risk (170). Conversely, Robbery Risk and Automotive Theft Risk (at 43 and 55, respectively) were the lowest of all factors, and also well below state and national averages. Overall, five of the seven risk factors for the neighborhood are below state norms. Considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site, or community as a whole.

**Table 1: Crime Risk Index (2010)**

	<b>Zip: 29907</b>	<b>State</b>
	<b><u>Index*</u></b>	<b><u>Index*</u></b>
<b>Total 2010 Crime Risk Index</b>	<b>120</b>	<b>122</b>
<b>Personal Crime Index</b>		
<b>Murder Risk</b>	109	132
<b>Rape Risk</b>	170	129
<b>Robbery Risk</b>	43	91
<b>Assault Risk</b>	117	201
<b>Property Crime Index</b>		
<b>Burglary Risk</b>	123	132
<b>Larceny Risk</b>	184	125
<b>Automotive Theft Risk</b>	55	84
*Values are represented as an index, where the value 100 represents the national average.		
Source: CLResearch.com - Data by Zip Code		

**7. Road/Infrastructure Improvements**

Based on the site visit and evaluation of the Beaufort/Lady's Island market, no significant road and/or infrastructure improvements were observed near the subject property.

**8. Overall Site Conclusions**

Overall, the majority of necessary services are situated within a short distance of the site, with schools, retail centers (with a Food Lion, Publix, Dollar General, Walgreens, and Rite Aid Pharmacy all within ½ mile), medical offices, parks, and other various services all located within the immediate area. Based on a site visit conducted February 28<sup>th</sup>, 2014, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location is readily accessible to Lady's Island Drive (U.S. 21/NC 802) and Sea Island Parkway (U.S. 21), offering easy access to downtown Beaufort and most local retail/commercial areas. The subject property has a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in fair to good condition.



### C. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Beaufort PMA consists of Beaufort, Lady's Island, and the immediate surrounding area, including a portion of the community of Port Royal. More specifically, the PMA is comprised of a total of eight census tracts within central Beaufort County, reaching approximately two miles to the east of the site, 5½ miles to the north, four miles to the south, and roughly seven miles to the west. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on the characteristics of the Beaufort area as well as the site's location less than ¼ mile from Lady's Island Drive (U.S. 21/NC 802) and Sea Island Parkway (U.S. 21) – each providing relatively convenient transportation throughout the region.

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

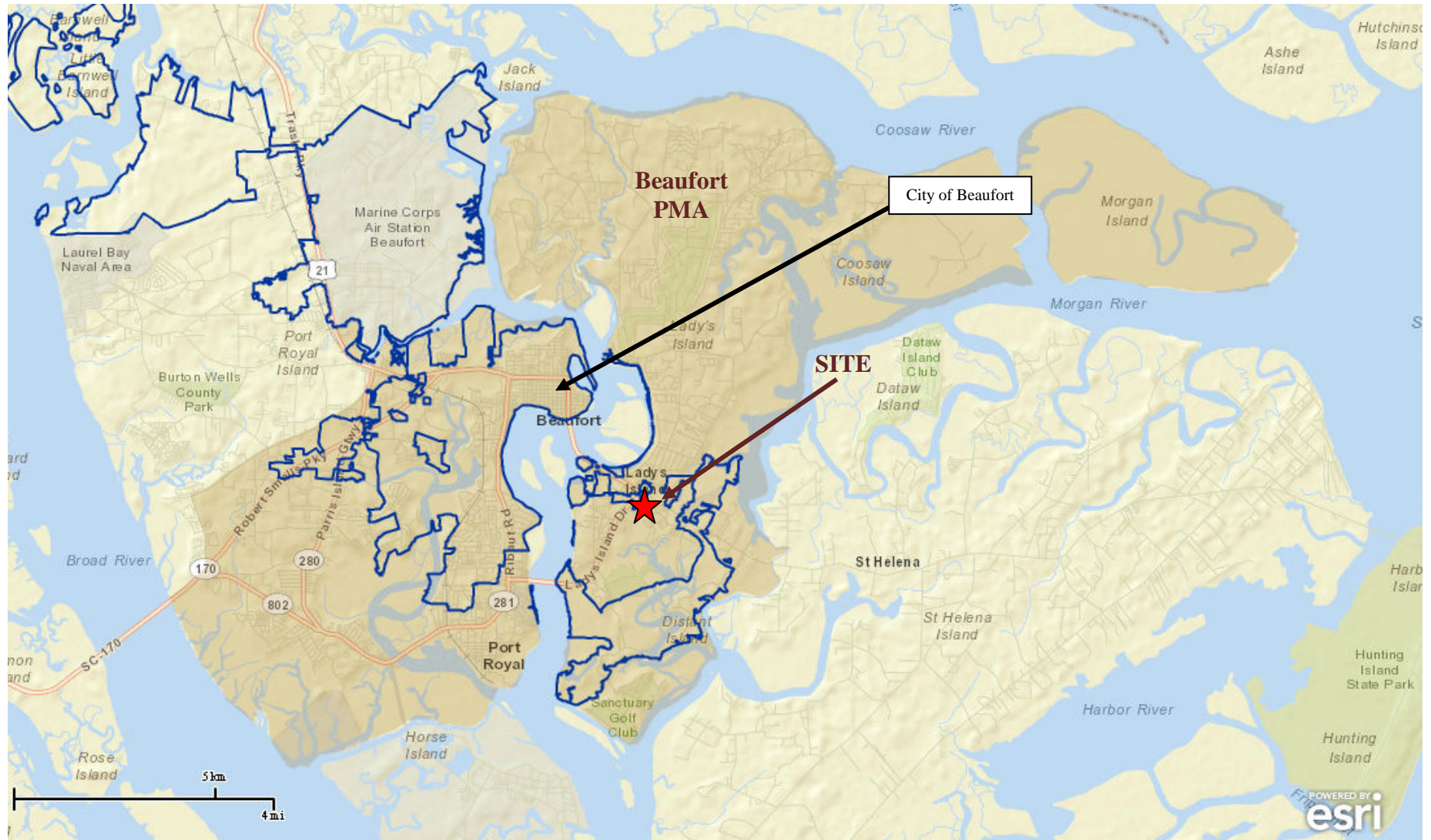
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While not included within the actual analysis throughout this report, it is important to note that neighboring areas close to the PMA could also yield potential residents for the proposed rental community. These areas comprise the Secondary Market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

Map 6: State of South Carolina

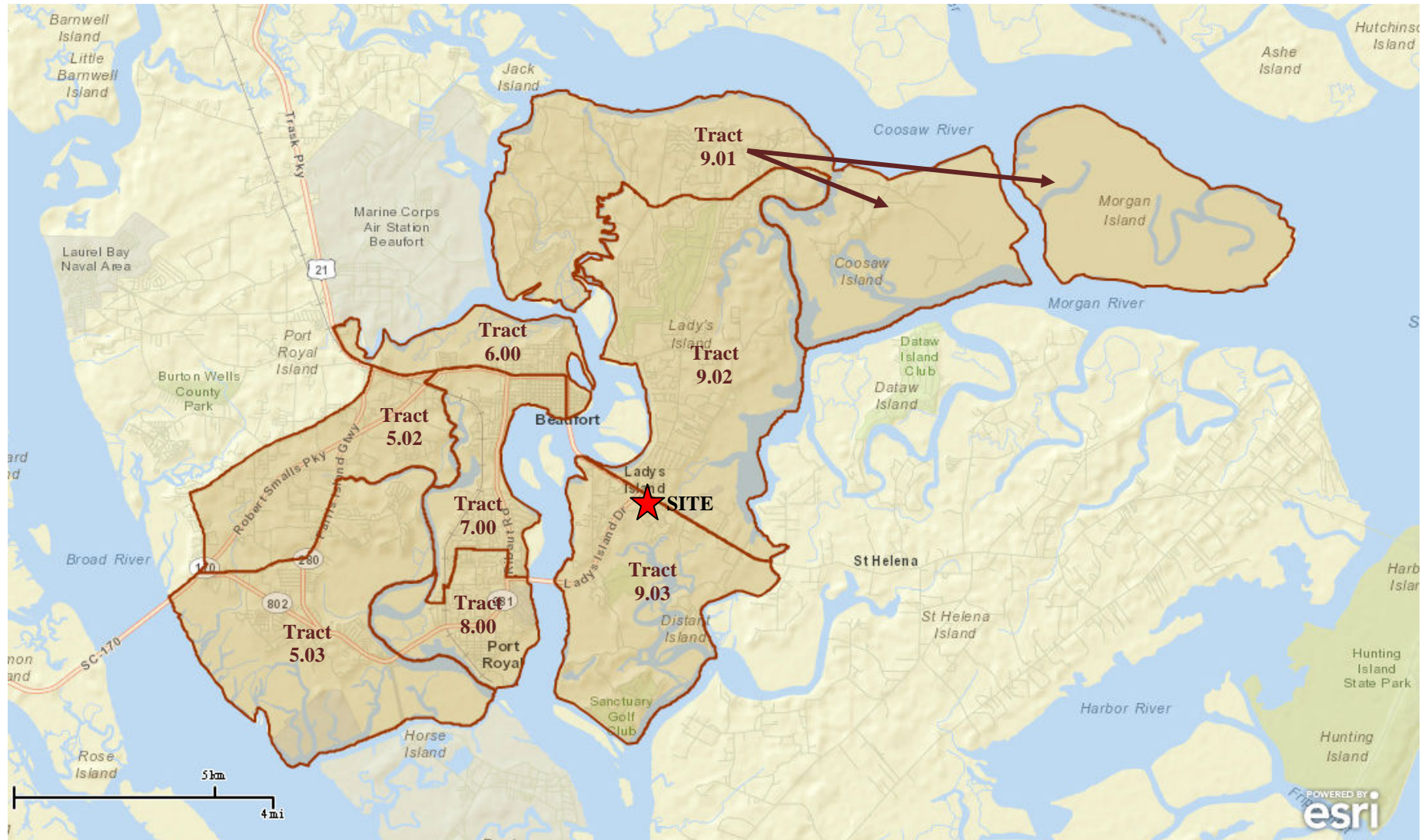


Map 7: Lady's Island Primary Market Area

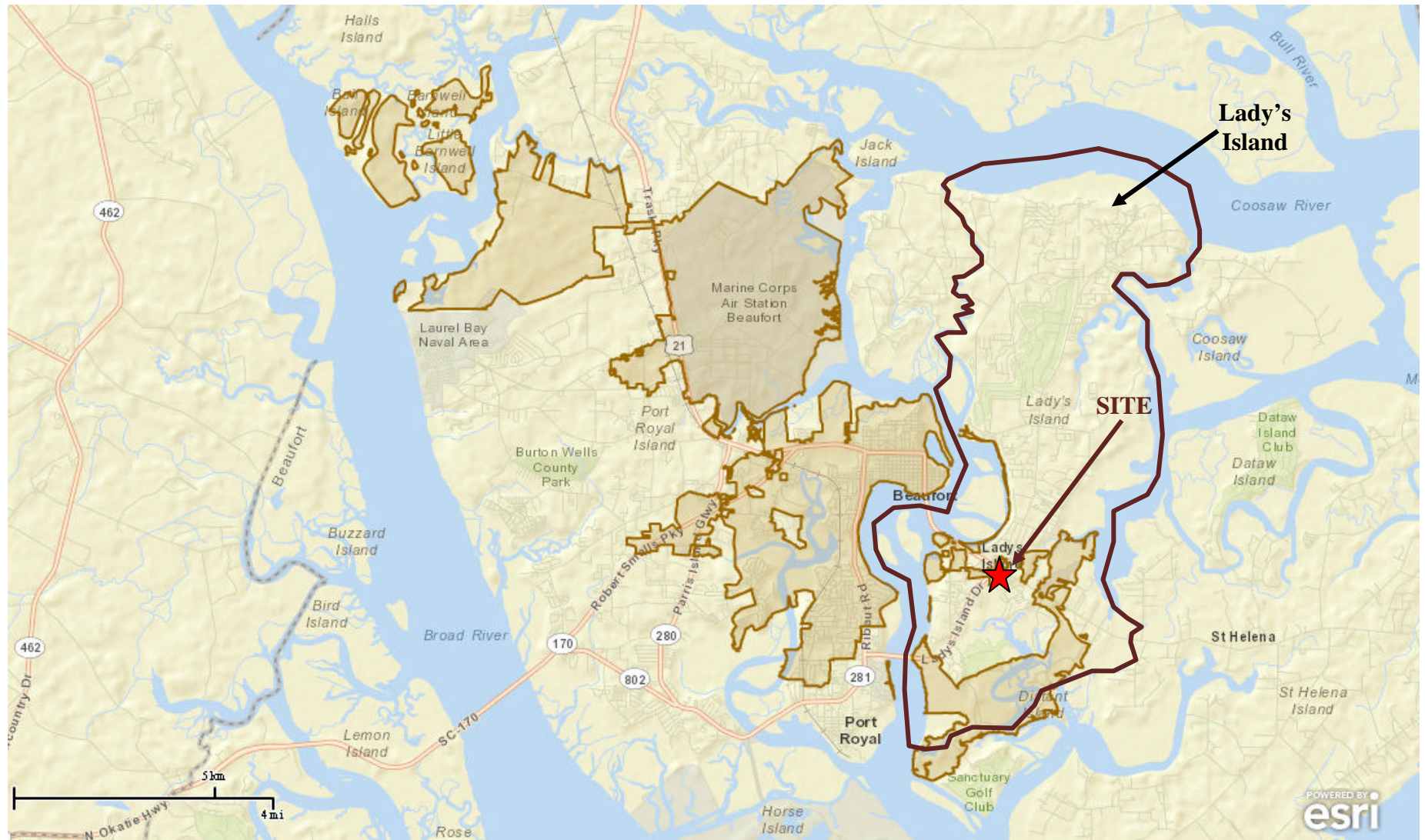


NOTE: Light shaded area is PMA; Blue outline is City of Beaufort

Map 8: Primary Market Area – Census Tracts



Map 9: Lady's Island / City of Beaufort



NOTE: Light shaded area is City of Beaufort; Dark Red outline is Lady's Island

## D. MARKET AREA ECONOMY

### 1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within the private sector in Beaufort County was accommodation/food services (20 percent of all jobs), followed by persons employed in retail trade (16 percent), and health care/social assistance (10 percent). Local government jobs were also significant, at 11 percent of all jobs within the county. Based on a comparison from 2008 figures, the majority of industry sectors recorded a decrease in the number of jobs. As such, the industries exhibiting the largest employment gains within the county between 2007 and 2013 are health care/social assistance (22 percent increase), utilities (7 percent), and educational services (5 percent). In contrast, information, construction, and professional/technical services each decreased by greater than 25 percent over the last five years.

**Table 2: Employment by Industry – Beaufort County (2Q 2013)**

<u>Industry</u>	<u>2013 (2Q)</u>		<u>2008</u>		<u>Change from 2008</u>
	<u>Number Employed</u>	<u>Percent</u>	<u>Employed</u>	<u>Percent</u>	
Agriculture, forestry, fishing and hunting	517	0.9%	*	*	*
Mining	*	*	*	*	*
Utilities	157	0.3%	147	0.2%	6.8%
Construction	3,090	5.2%	4,748	7.8%	-34.9%
Manufacturing	722	1.2%	940	1.5%	-23.2%
Wholesale trade	675	1.1%	703	1.2%	-4.0%
Retail trade	9,439	15.9%	9,782	16.1%	-3.5%
Transportation and warehousing	657	1.1%	723	1.2%	-9.1%
Information	473	0.8%	757	1.2%	-37.5%
Finance and insurance	1,431	2.4%	1,607	2.6%	-11.0%
Real estate and rental and leasing	2,119	3.6%	2,734	4.5%	-22.5%
Professional and technical services	1,879	3.2%	2,596	4.3%	-27.6%
Management of companies and enterprises	794	1.3%	*	*	*
Administrative and waste services	3,942	6.7%	3,786	6.2%	4.1%
Educational services	589	1.0%	561	0.9%	5.0%
Health care and social assistance	5,899	10.0%	4,822	7.9%	22.3%
Arts, entertainment, and recreation	2,146	3.6%	2,179	3.6%	-1.5%
Accommodation and food services	11,688	19.7%	11,535	18.9%	1.3%
Other services, exc. public administration	3,340	5.6%	3,937	6.5%	-15.2%
Unclassified	*	*	*	*	*
Federal Government	2,377	4.0%	2,150	3.5%	10.6%
State Government	1,004	1.7%	1,004	1.6%	0.0%
Local Government	6,308	10.6%	6,186	10.2%	2.0%
Private	<u>49,557</u>	<u>83.6%</u>	<u>51,557</u>	<u>84.7%</u>	<u>-3.9%</u>
<b>TOTAL</b>	<b>59,246</b>	<b>100.0%</b>	<b>60,897</b>	<b>100.0%</b>	<b>-2.7%</b>

\* - Data Not Available  
Source: South Carolina Department of Employment & Workforce - Beaufort County, SC (2008 - 2013)

## **2. Commuting Patterns**

Based on an economy dependent largely on the tourism industry, far more workers commute to Beaufort County than commute away from the county for employment, according to U.S. Census information. Overall, the vast majority of PMA residents stay within the county to work. Based on place of employment (using 2012 American Community Survey data), 95 percent of PMA residents are employed within Beaufort County, while just five percent work outside of the county (including only one percent working in Georgia).

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

**Table 3: Place of Work/ Means of Transportation (2012)**

<b>EMPLOYMENT BY PLACE OF WORK</b>						
	<b>City of Beaufort</b>		<b>Beaufort/Lady's Island PMA</b>		<b>Beaufort County</b>	
<b>Total</b>	<b>6,147</b>	<b>100.0%</b>	<b>15,812</b>	<b>100.0%</b>	<b>71,616</b>	<b>100.0%</b>
<b>Worked in State of Residence</b>	6,067	98.7%	15,603	98.7%	68,363	95.5%
<b>Worked in County of Residence</b>	5,894	95.9%	15,092	95.4%	65,489	91.4%
<b>Worked Outside County of Residence</b>	173	2.8%	511	3.2%	2,874	4.0%
<b>Worked Outside State of Residence</b>	80	1.3%	209	1.3%	3,253	4.5%

<b>MEANS OF TRANSPORTATION TO WORK</b>						
	<b>City of Beaufort</b>		<b>Beaufort/Lady's Island PMA</b>		<b>Beaufort County</b>	
<b>Total</b>	<b>6,147</b>	<b>100.0%</b>	<b>15,812</b>	<b>100.0%</b>	<b>69,095</b>	<b>100.0%</b>
<b>Drove Alone - Car, Truck, or Van</b>	4,330	70.4%	12,690	80.3%	50,809	73.5%
<b>Carpooled - Car, Truck, or Van</b>	797	13.0%	1,630	10.3%	8,210	11.9%
<b>Public Transportation</b>	101	1.6%	110	0.7%	385	0.6%
<b>Walked</b>	274	4.5%	246	1.6%	2,567	3.7%
<b>Other Means</b>	263	4.3%	532	3.4%	2,176	3.1%
<b>Worked at Home</b>	382	6.2%	604	3.8%	4,948	7.2%

Source: U.S. Census Bureau; 2008-2012 American Community Survey

**Table 4: Employment Commuting Patterns (2010)**

<b>Persons Commuting TO Beaufort County</b>		<b>Persons Commuting FROM Beaufort County</b>	
<b>Commuters Living In:</b>	<b>Number</b>	<b>Commuters Working In :</b>	<b>Number</b>
Jasper County, SC	3,787	Jasper County, SC	1,756
Hampton County, SC	1,398	Chatham County, GA	1,608
Chatham County, GA	1,373	Charleston County, SC	194
Colleton County, SC	734	Hampton County, SC	186
Effingham County, GA	323	Richland County, SC	175
Liberty County, GA	177	Lexington County, SC	110
Allendale County, SC	157	District of Columbia, DC	99

Source: U.S. Census Bureau - 2010



**3. Largest Employers**

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

<b>Beaufort County Top Employers (Listed Alphabetically)</b>	
ARSC Service Corporation	Atlantic Personnel, Inc.
Beaufort County School District	Beaufort Memorial Hospital
Carecore National, LLC	County of Beaufort
Cypress Club, Inc.	U.S. Department of Defense
Hargray Communications Group, Inc.	Lowes Home Centers, Inc.
Marine Corps Community Services	Marriott Resorts Hospitality Corp.
OS Restaurant Services, Inc.	Publix Supermarkets, Inc.
Sea Pines Resort LLC	Southern Bread, LLC
Technical College of the Lowcountry	Tenet Physician Services of Hilton Head
The Greenery, Inc.	Wal-Mart Associates, Inc.
<i>Source: SC Department of Employment &amp; Workforce – 2013 Q2</i>	

#### **4. Employment and Unemployment Trends**

The overall economy throughout Beaufort County has historically been relatively stable, with an unemployment rate typically below both the state and national averages. Employment gains have been recorded for the county in seven of the last ten years, including sizeable gains over the last two years. According to information obtained from SC Works, after losing nearly 5,000 jobs between 2007 and 2011 (a decrease of eight percent), the economy has rebounded with a gain of 4,700 jobs between 2011 and 2013 (an increase of eight percent), clearly demonstrating improving patterns.

The latest annual employment figures indicate the local economy has appeared to continue to improve, increasing by nearly 2,500 jobs in 2013 and an annual unemployment rate of 6.8 percent (representing a decrease from 7.9 percent in 2012). According to December 2013 figures, an increase of approximately 1,900 jobs was reported from December 2012, along with the unemployment declining to 5.5 percent - remaining below the state and national averages (6.6 percent and 6.5 percent, respectively). As such, the county's economic situation coupled with its employment distribution and prevailing average incomes are clearly reflective of the need for affordable housing locally.

Figure 1: Employment Growth

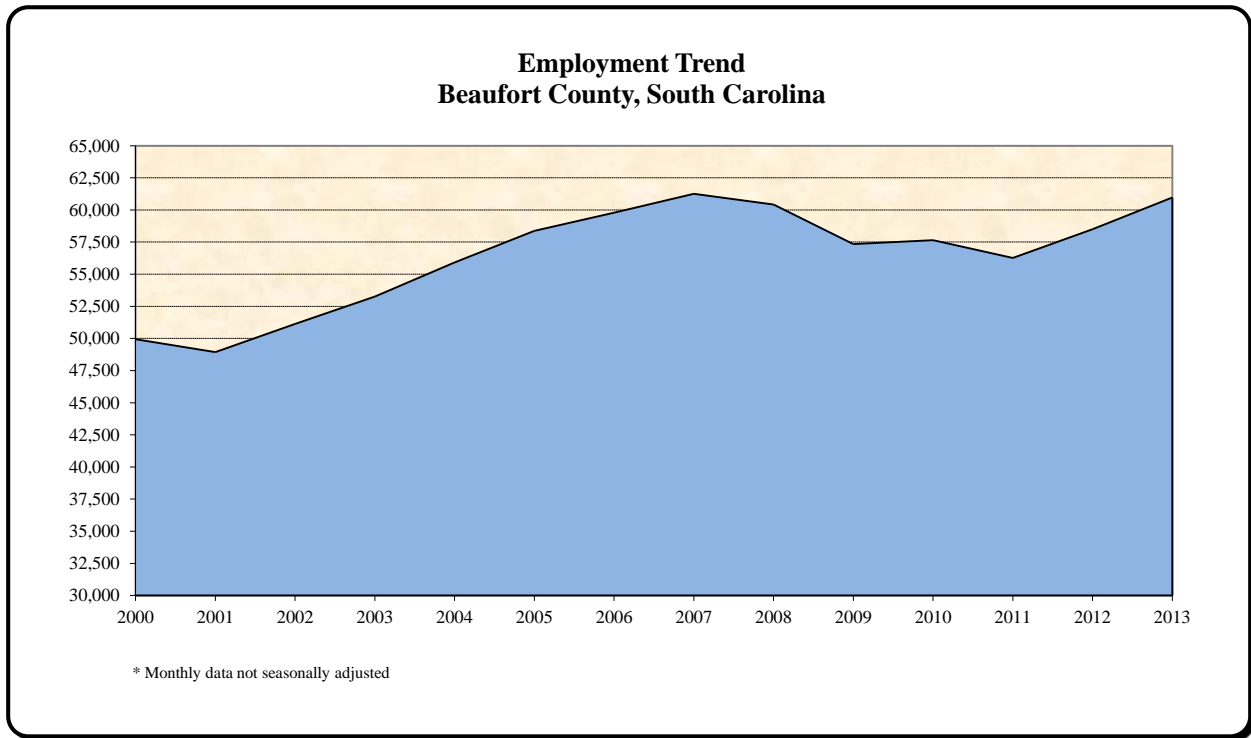
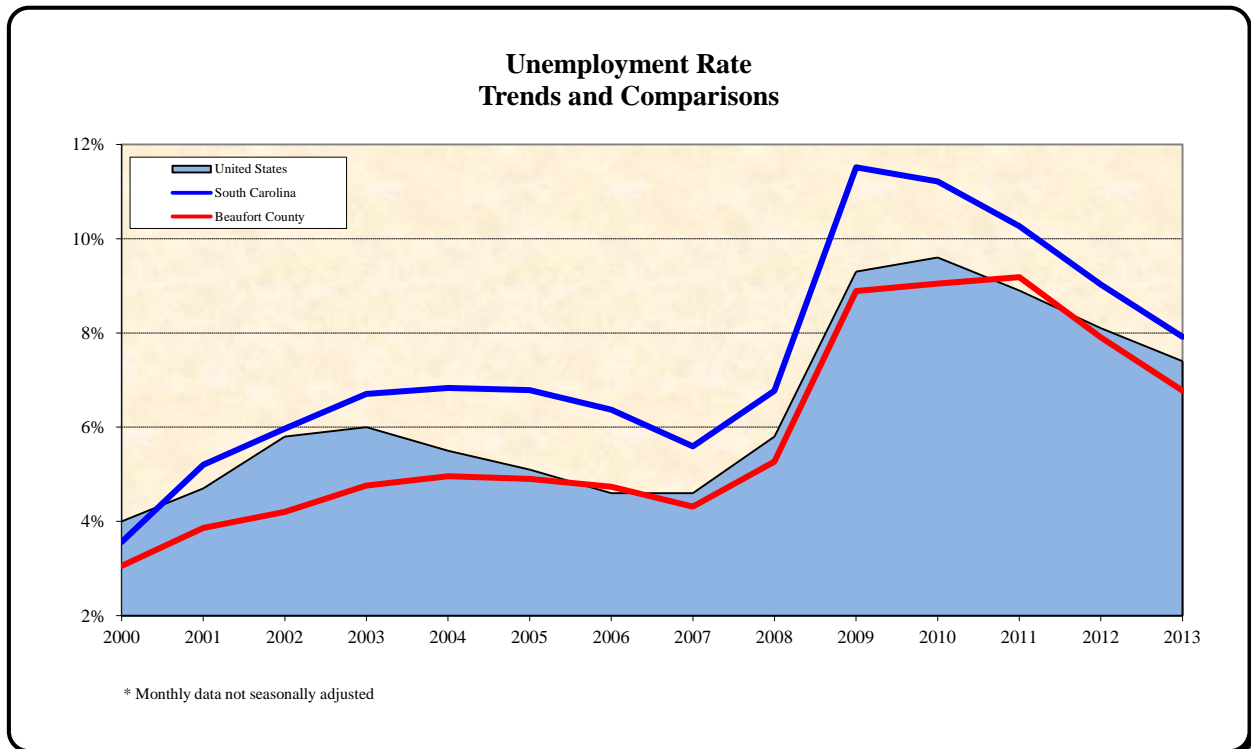


Figure 2: Historical Unemployment Rate



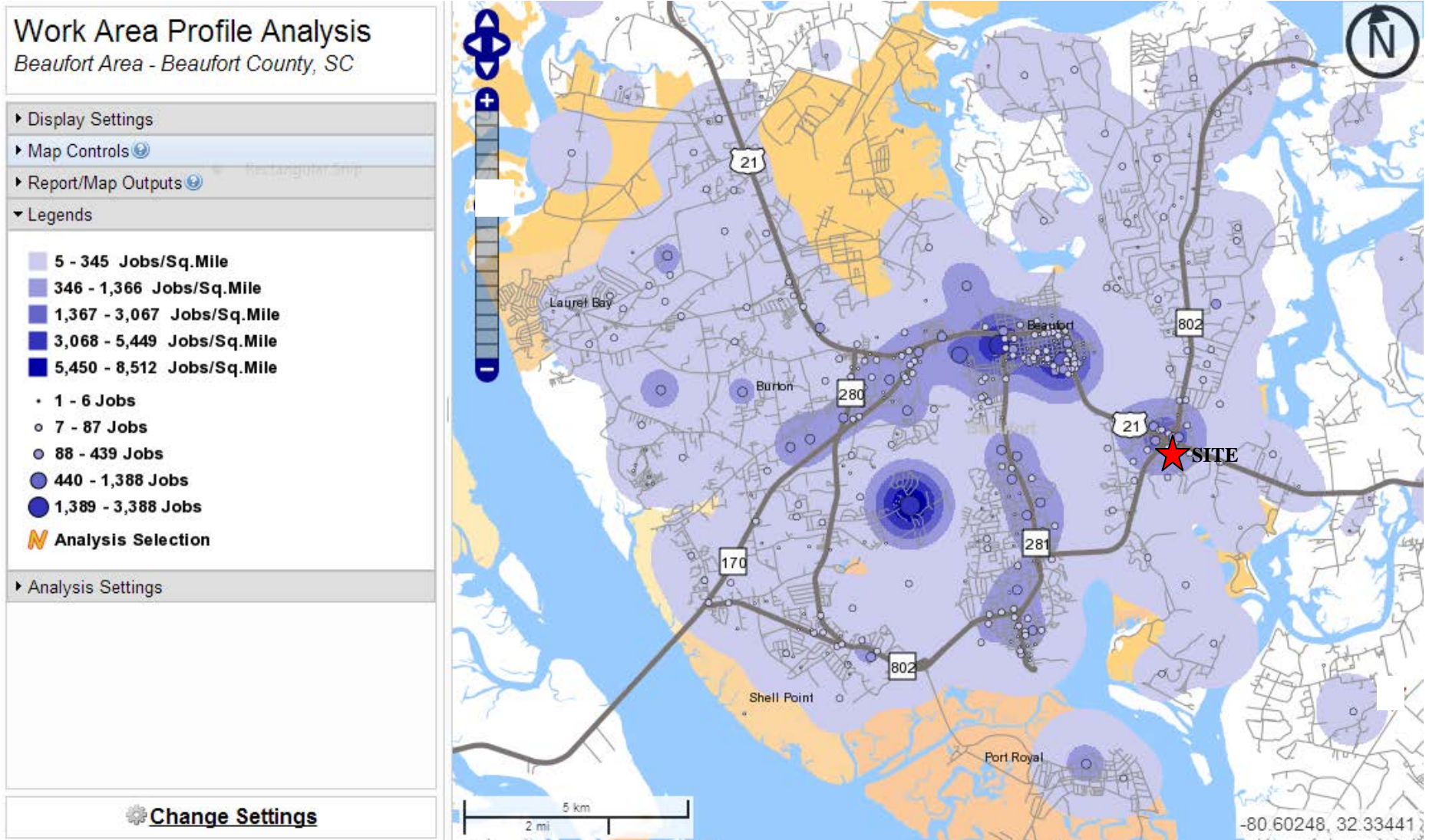
**Table 5: Historical Employment Trends**

Year	Beaufort County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Beaufort County	South Carolina	United States	Beaufort County	South Carolina	United States
2000	51,513	49,939	---	---	---	---	---	3.1%	3.6%	4.0%
2001	50,903	48,937	(1,002)	-2.0%	-2.0%	-4.3%	0.0%	3.9%	5.2%	4.7%
2002	53,372	51,130	2,193	4.5%	4.5%	-0.5%	-0.3%	4.2%	6.0%	5.8%
2003	55,921	53,259	2,129	4.2%	4.2%	1.5%	0.9%	4.8%	6.7%	6.0%
2004	58,830	55,914	2,655	5.0%	5.0%	1.8%	1.1%	5.0%	6.8%	5.5%
2005	61,381	58,372	2,458	4.4%	4.4%	1.8%	1.8%	4.9%	6.8%	5.1%
2006	62,759	59,786	1,414	2.4%	2.4%	2.5%	1.9%	4.7%	6.4%	4.6%
2007	64,019	61,256	1,470	2.5%	2.5%	2.0%	1.1%	4.3%	5.6%	4.6%
2008	63,780	60,421	(835)	-1.4%	-1.4%	-0.5%	-0.5%	5.3%	6.8%	5.8%
2009	62,940	57,344	(3,077)	-5.1%	-5.1%	-4.9%	-3.8%	8.9%	11.5%	9.3%
2010	63,382	57,647	303	0.5%	0.5%	0.3%	-0.6%	9.0%	11.2%	9.6%
2011	61,954	56,264	(1,383)	-2.4%	-2.4%	1.4%	0.6%	9.2%	10.3%	8.9%
2012	63,521	58,500	2,236	4.0%	4.0%	0.9%	1.9%	7.9%	9.0%	8.1%
2013	65,401	60,968	2,468	4.2%	4.2%	2.1%	0.9%	6.8%	7.9%	7.4%
Dec-12*	64,390	59,668	---	---	---	---	---	7.3%	8.6%	7.6%
Dec-13*	65,162	61,582	1,914	3.2%	3.2%	1.4%	0.9%	5.5%	6.6%	6.5%

Beaufort County				South Carolina		
	<u>Number</u>	<u>Percent</u>	<u>Ann. Avg.</u>		<u>Percent</u>	<u>Ann. Avg.</u>
Change (2000-Present):	11,643	23.3%	1.8%	Change (2000-Present):	4.9%	0.4%
Change (2005-Present):	3,210	5.5%	0.7%	Change (2005-Present):	4.6%	0.6%
Change (2010-Present):	3,935	6.8%	2.3%	Change (2010-Present):	5.3%	1.8%
Change (2000-2005):	8,433	16.9%	3.4%	Change (2000-2005):	0.3%	0.1%
Change (2005-2010):	(725)	-1.2%	-0.2%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2013):	3,321	5.8%	1.9%	Change (2010-2013):	4.4%	1.5%

\*Monthly data not seasonally adjusted

Map 10: Largest Employment Concentrations – Beaufort Area



**E. COMMUNITY DEMOGRAPHIC DATA**

***1. Population Trends***

Based on U.S. Census data and ESRI forecasts, the Beaufort area has experienced relatively positive demographic growth since 2000 although the city itself recorded a population decline between 2000 and 2010. Overall, the PMA had an estimated population of 37,591 persons in 2013, representing an increase of five percent from 2010 (a gain of more than 1,650 persons). Similarly, the city increased by four percent since 2010 (nearly 500 additional persons), while Beaufort County as a whole grew by a similar five percent between 2010 and 2013.

Future projections indicate continued steady growth, with an estimated increase of seven percent expected within the PMA between 2013 and 2018 (nearly 2,775 additional persons), and a similar six percent gain for Beaufort proper (roughly 800 persons). In comparison, Beaufort County is also expected to increase by seven percent between 2013 and 2018.

**Table 6: Population Trends (2000 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
City of Beaufort	13,616	12,361	12,843	13,326	13,647
Beaufort/Lady's Island PMA	30,973	35,930	37,591	39,253	40,360
Beaufort County	120,937	162,233	169,512	176,791	181,644
		<b>2000-2010</b>	<b>2010-2013</b>	<b>2013-2016</b>	<b>2013-2018</b>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		-9.2%	3.9%	3.8%	6.3%
Beaufort/Lady's Island PMA		16.0%	4.6%	4.4%	7.4%
Beaufort County		34.1%	4.5%	4.3%	7.2%
		<b>2000-2010</b>	<b>2010-2013</b>	<b>2013-2016</b>	<b>2013-2018</b>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Beaufort		-1.0%	1.3%	1.2%	1.2%
Beaufort/Lady's Island PMA		1.5%	1.5%	1.5%	1.4%
Beaufort County		3.0%	1.5%	1.4%	1.4%

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

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 34 percent of all persons. In comparison, this age cohort represented a somewhat greater 36 percent of persons within the city, and a slightly lower 31 percent of the county. Younger persons also accounted for a relatively large portion of the population within the PMA. As such, 27 percent of the total PMA population was under the age of 20 years, slightly greater than both the city and county's ratio.

When reviewing distribution patterns between 2000 and 2018, the aging of the population is clearly evident within all three areas analyzed, but especially within the PMA. The proportion of persons under the age of 45 has steadily declined since 2000, and is expected to decrease further through 2018. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons over the age of 55 years, which represented 20 percent of the population in 2000, is expected to increase to account for 29 percent of all persons by 2018 – while in part this aging trend can be explained by the aging of the baby boom generation, another cause is the substantial influx of retirement communities and resorts within the area.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Beaufort and the PMA (59 percent and 60 percent of all persons in 2018, respectively) signifies positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 7: Age Distribution (2000 to 2017)

	City of Beaufort				Beaufort/Lady's Island PMA				Beaufort County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2018 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2018 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2018 Percent</u>
Under 20 years	<b>3,061</b>	25.2%	24.8%	23.9%	<b>9,759</b>	29.3%	27.2%	27.0%	<b>39,035</b>	27.0%	24.1%	23.6%
20 to 24 years	<b>1,478</b>	15.9%	12.0%	10.9%	<b>2,700</b>	7.8%	7.5%	6.0%	<b>11,756</b>	8.3%	7.2%	6.3%
25 to 34 years	<b>1,744</b>	15.7%	14.1%	14.2%	<b>5,185</b>	15.3%	14.4%	14.6%	<b>20,137</b>	13.6%	12.4%	12.1%
35 to 44 years	<b>1,255</b>	13.2%	10.2%	10.4%	<b>4,219</b>	15.4%	11.7%	12.1%	<b>17,534</b>	13.6%	10.8%	10.6%
45 to 54 years	<b>1,454</b>	10.6%	11.8%	10.0%	<b>4,687</b>	12.5%	13.0%	11.0%	<b>18,580</b>	11.6%	11.5%	10.1%
55 to 59 years	<b>743</b>	3.8%	6.0%	6.0%	<b>2,315</b>	4.4%	6.4%	6.3%	<b>9,886</b>	5.3%	6.1%	6.0%
60 to 64 years	<b>715</b>	3.4%	5.8%	6.1%	<b>2,108</b>	3.7%	5.9%	6.1%	<b>12,273</b>	5.2%	7.6%	7.1%
65 to 74 years	<b>971</b>	5.9%	7.9%	10.2%	<b>2,827</b>	6.1%	7.9%	10.1%	<b>20,137</b>	9.4%	12.4%	14.9%
75 to 84 years	<b>640</b>	4.7%	5.2%	5.6%	<b>1,514</b>	4.2%	4.2%	4.9%	<b>9,698</b>	4.9%	6.0%	7.0%
85 years and older	<b>300</b>	1.6%	2.4%	2.7%	<b>616</b>	1.2%	1.7%	1.9%	<b>3,197</b>	1.3%	2.0%	2.3%
Under 20 years	<b>3,061</b>	25.2%	24.8%	23.9%	<b>9,759</b>	29.3%	27.2%	27.0%	<b>39,035</b>	27.0%	24.1%	23.6%
20 to 44 years	<b>4,477</b>	44.8%	36.2%	35.5%	<b>12,104</b>	38.5%	33.7%	32.6%	<b>49,427</b>	35.4%	30.5%	29.0%
45 to 64 years	<b>2,912</b>	17.8%	23.6%	22.1%	<b>9,110</b>	20.6%	25.4%	23.4%	<b>40,739</b>	22.1%	25.1%	23.3%
65 years and older	<b>1,911</b>	12.2%	15.5%	18.5%	<b>4,957</b>	11.5%	13.8%	16.9%	<b>33,032</b>	15.5%	20.4%	24.2%
55 years and older	<b>3,369</b>	19.4%	27.3%	30.6%	<b>9,380</b>	19.7%	26.1%	29.3%	<b>55,191</b>	26.0%	34.0%	37.3%
75 years and older	<b>940</b>	6.3%	7.6%	8.3%	<b>2,130</b>	5.4%	5.9%	6.8%	<b>12,895</b>	6.1%	7.9%	9.3%
Non-Elderly (<65)	<b>10,450</b>	87.8%	84.5%	81.5%	<b>30,973</b>	88.5%	86.2%	83.1%	<b>129,201</b>	84.5%	79.6%	75.8%
Elderly (65+)	<b>1,911</b>	12.2%	15.5%	18.5%	<b>4,957</b>	11.5%	13.8%	16.9%	<b>33,032</b>	15.5%	20.4%	24.2%

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



**2. Household Trends**

Similar to population patterns, the Beaufort area has experienced positive household creation since 2000. As such, occupied households within the PMA numbered 15,338 units in 2013, representing an increase of five percent from 2010 (a gain of 780 households). ESRI forecasts for 2018 indicate this number will continue to increase at a steady rate, with forecasted growth of nine percent (1,300 additional households) anticipated between 2013 and 2018.

Despite a population loss between 2000 and 2010, the number of households within the city of Beaufort increased slightly (one percent) during this time. Furthermore, the number of households within Beaufort increased by five percent between 2010 and 2013 and is anticipated to increase an additional eight percent through 2018 – similar to the PMA. In comparison, the number of households grew by five percent within Beaufort County as a whole since 2010, demonstrating relatively solid demographic patterns throughout the region.

**Table 8: Household Trends (2000 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
<b>City of Beaufort</b>	4,851	4,883	5,122	5,362	5,521
<b>Beaufort/Lady's Island PMA</b>	12,105	14,558	15,338	16,118	16,638
<b>Beaufort County</b>	45,532	64,945	68,226	71,506	73,693
		<u>2000-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
<b>City of Beaufort</b>		0.7%	4.9%	4.7%	7.8%
<b>Beaufort/Lady's Island PMA</b>		20.3%	5.4%	5.1%	8.5%
<b>Beaufort County</b>		42.6%	5.1%	4.8%	8.0%

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

Average household sizes have experienced a continuous decline within the PMA since 2000, a pattern generally consistent with an aging population (or an influx of elderly residents). For the PMA, the average household size was 2.41 persons in 2013, representing a decrease of approximately four percent from 2000’s average of 2.51 persons. However, ESRI forecasts indicate the average household size within the market area will stabilize and decline only marginally through 2018.

Overall, the PMA contains somewhat larger household sizes than Beaufort proper, and more in line with Beaufort County as a whole. In comparison to the PMA average of 2.41 persons per household in 2013, Beaufort had an average household size of 2.27 persons, while the county also had an average of 2.41 persons per household.

**Table 9: Average Household Size (2000 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
<b>City of Beaufort</b>	2.39	2.28	2.27	2.26	2.25
<b>Beaufort/Lady's Island PMA</b>	2.51	2.43	2.41	2.40	2.39
<b>Beaufort County</b>	2.51	2.42	2.41	2.40	2.39
		<u>2000-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
<b>City of Beaufort</b>		-4.3%	-0.5%	-0.5%	-0.8%
<b>Beaufort/Lady's Island PMA</b>		-3.2%	-0.6%	-0.6%	-0.9%
<b>Beaufort County</b>		-3.7%	-0.4%	-0.4%	-0.6%

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

Renter-occupied households throughout the market area have also exhibited quite positive gains, increasing at rates slightly stronger than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 6,066 renter-occupied households are estimated within the PMA for 2013, representing an increase of seven percent from 2010 figures (a gain of nearly 400 additional rental units). In addition, strong gains in the number of renter households have also occurred in both the city (five percent) and county (seven percent) during this time, as well.

Overall, a relatively sizeable ratio of renter households exists throughout the local market area. For the PMA, the renter household percentage was calculated at 40 percent in 2013, slightly lower than the city’s renter representation (46 percent), but notably larger than the county as a whole (30 percent).

**Table 10: Renter Household Trends (2000 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2018</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2013</u> <u>Change</u>	<u>2013-2018</u> <u>Change</u>
<b>City of Beaufort</b>	2,127	2,254	2,373	2,571	6.0%	5.3%	8.3%
<b>Beaufort/Lady's Island PMA</b>	4,205	5,667	6,066	6,732	34.8%	7.0%	11.0%
<b>Beaufort County</b>	12,194	19,077	20,328	22,412	56.4%	6.6%	10.3%
	<u>% Renter</u> <u>2000</u>	<u>% Renter</u> <u>2010</u>	<u>% Renter</u> <u>2013</u>	<u>% Renter</u> <u>2018</u>			
<b>City of Beaufort</b>	43.8%	46.2%	46.3%	46.6%			
<b>Beaufort/Lady's Island PMA</b>	34.7%	38.9%	39.6%	40.5%			
<b>Beaufort County</b>	26.8%	29.4%	29.8%	30.4%			

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

Similar to overall households, renter household sizes for the Beaufort/Lady's Island PMA were generally larger than those reported for Beaufort, on average. In addition, average renter sizes increased over the past decade in the PMA (from 2.43 persons per unit in 2000 to 2.46 persons per unit in 2010), while average owner sizes decreased (2.57 persons to 2.45 persons). Despite the increase in average size, the majority of rental units locally contained just one or two persons (61 percent), with three persons occupying 18 percent of units, and 21 percent of units with four or more persons.

**Table 11: Rental Units by Size (2010)**

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	<b>Median Persons Per Rental Unit</b>	
						<b>2000</b>	<b>2010</b>
<b>City of Beaufort</b>	820	630	392	248	164	2.33	2.30
<b>Beaufort/Lady's Island PMA</b>	1,885	1,568	1,020	694	500	2.43	2.46
<b>Beaufort County</b>	5,421	5,108	3,417	2,656	2,475	2.71	2.66
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	<b>Median Change</b>	
<b>City of Beaufort</b>	36.4%	28.0%	17.4%	11.0%	7.3%	-1.3%	
<b>Beaufort/Lady's Island PMA</b>	33.3%	27.7%	18.0%	12.2%	8.8%	1.3%	
<b>Beaufort County</b>	28.4%	26.8%	17.9%	13.9%	13.0%	-1.8%	

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

**3. Household Income Trends**

Income levels throughout the Beaufort area have experienced somewhat modest gains over the past decade. Overall, much of the county recorded gains of between one and three percent annually between 2000 and 2010, but it is anticipated that income appreciation will remain quite sluggish in the future with annual increases of less than one percent through 2018. In 2013, the median household income was estimated at \$53,317 for the PMA, which was eight percent greater than that estimated for Beaufort proper (\$49,332), but seven percent less than Beaufort County overall (\$57,460). Furthermore, the PMA figure represents an increase of just two percent from 2010 (an average annual increase of 0.6 percent), while the city increased at an even slower rate during this period (0.2 percent annually).

According to ESRI data, the rate of income growth is forecast to remain generally lackluster through 2018. As such, it is projected that the median income within the PMA will increase by 0.9 percent annually between 2013 and 2018, as compared to 0.3 percent and 0.8 percent for the city and county, respectively.

**Table 12: Median Household Incomes (1999 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2013</u>	<u>2016</u>	<u>2018</u>
City of Beaufort	\$36,858	\$49,056	\$49,332	\$49,608	\$50,022
Beaufort/Lady's Island PMA	\$41,179	\$52,340	\$53,317	\$54,293	\$55,758
Beaufort County	\$46,886	\$56,581	\$57,460	\$58,339	\$59,657
		<u>2000-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		33.1%	0.6%	0.6%	1.4%
Beaufort/Lady's Island PMA		27.1%	1.9%	1.9%	4.6%
Beaufort County		20.7%	1.6%	1.6%	3.8%
		<u>2000-2010</u>	<u>2010-2013</u>	<u>2013-2016</u>	<u>2013-2018</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Beaufort		2.6%	0.2%	0.2%	0.3%
Beaufort/Lady's Island PMA		2.2%	0.6%	0.6%	0.9%
Beaufort County		1.7%	0.5%	0.5%	0.8%

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

According to the U.S. Census Bureau, approximately 34 percent of all households within the Beaufort/Lady's Island PMA had an annual income of less than \$35,000 in 2012 – the portion of the population with the greatest need for affordable housing options. In comparison, a much larger 41 percent of city households also had incomes within this range, while 29 percent of county households had incomes less than \$35,000. As such, with more than one out of every three households within the market area (and almost one-half of households within the city of Beaufort) earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

**Table 13: Overall Household Income Distribution (2012)**

	City of Beaufort		Beaufort/Lady's Island PMA		Beaufort County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>Less than \$10,000</b>	632	13.7%	1,160	8.7%	3,485	5.4%
<b>\$10,000 to \$14,999</b>	223	4.8%	607	4.6%	2,672	4.2%
<b>\$15,000 to \$19,999</b>	173	3.8%	395	3.0%	2,393	3.7%
<b>\$20,000 to \$24,999</b>	139	3.0%	689	5.2%	2,745	4.3%
<b>\$25,000 to \$29,999</b>	384	8.3%	949	7.1%	3,877	6.1%
<b>\$30,000 to \$34,999</b>	310	6.7%	760	5.7%	3,473	5.4%
<b>\$35,000 to \$39,999</b>	153	3.3%	458	3.4%	2,953	4.6%
<b>\$40,000 to \$44,999</b>	147	3.2%	872	6.5%	3,601	5.6%
<b>\$45,000 to \$49,999</b>	174	3.8%	553	4.1%	2,945	4.6%
<b>\$50,000 to \$59,999</b>	418	9.1%	1,120	8.4%	5,453	8.5%
<b>\$60,000 to \$74,999</b>	466	10.1%	1,274	9.6%	7,167	11.2%
<b>\$75,000 to \$99,999</b>	465	10.1%	1,704	12.8%	8,168	12.8%
<b>\$100,000 to \$124,999</b>	259	5.6%	1,049	7.9%	5,096	8.0%
<b>\$125,000 to \$149,999</b>	196	4.3%	628	4.7%	3,119	4.9%
<b>\$150,000 to \$199,999</b>	282	6.1%	565	4.2%	2,805	4.4%
<b>\$200,000 and Over</b>	178	3.9%	553	4.1%	4,090	6.4%
<b>TOTAL</b>	<b>4,599</b>	<b>100.0%</b>	<b>13,336</b>	<b>100.0%</b>	<b>64,042</b>	<b>100.0%</b>
<b>Less than \$34,999</b>	1,861	40.5%	4,560	34.2%	18,645	29.1%
<b>\$35,000 to \$49,999</b>	474	10.3%	1,883	14.1%	9,499	14.8%
<b>\$50,000 to \$74,999</b>	884	19.2%	2,394	18.0%	12,620	19.7%
<b>\$75,000 to \$99,999</b>	465	10.1%	1,704	12.8%	8,168	12.8%
<b>\$100,000 and Over</b>	915	19.9%	2,795	21.0%	15,110	23.6%

Source: 2008 - 2012 American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$24,549 to \$39,750 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a number of low-income households throughout the area. As such, roughly 15 percent of the PMA's owner-occupied household number, and 22 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for 18 percent of all households within the PMA. Considering the relative density of the PMA, this equates to nearly 2,880 potential income-qualified households for the proposed development, including 1,425 income-qualified renter households.

**Table 14: Household Income by Tenure – Beaufort PMA (2016)**

	Number of 2016 Households			Percent of 2016 Households		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$5,100	394	166	228	2.4%	1.7%	3.6%
\$5,101 to \$10,200	1,098	288	810	6.3%	3.0%	12.7%
\$10,201 to \$15,300	768	292	476	4.6%	3.0%	7.5%
\$15,301 to \$20,400	496	206	290	3.0%	2.1%	4.6%
\$20,401 to \$25,500	903	196	707	5.2%	2.0%	11.1%
\$25,501 to \$35,700	2,101	1,092	1,009	12.8%	11.2%	15.8%
\$35,701 to \$51,000	2,305	1,247	1,059	14.1%	12.8%	16.6%
\$51,001 to \$76,500	2,843	1,969	874	18.0%	20.2%	13.7%
\$76,500 and Over	5,210	4,287	922	33.7%	44.0%	14.5%
<b>Total</b>	<b>16,118</b>	<b>9,743</b>	<b>6,375</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing (SF 3) - 2000; BLS CPI Calculator; Shaw Research & Consulting

The 2012 American Community Survey shows that approximately 45 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

**Table 15: Renter Overburdened Households (2012)**

<b>Gross Rent as a % of Household Income</b>	<b>City of Beaufort</b>		<b>Beaufort/Lady's Island PMA</b>		<b>Beaufort County</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
<b>Total Rental Units</b>	<b>1,832</b>	<b>100.0%</b>	<b>4,637</b>	<b>100.0%</b>	<b>17,999</b>	<b>100.0%</b>
<b>Less than 10.0 Percent</b>	101	6.0%	100	2.3%	312	1.9%
<b>10.0 to 14.9 Percent</b>	106	6.3%	353	8.1%	1,112	6.7%
<b>15.0 to 19.9 Percent</b>	191	11.4%	572	13.2%	2,068	12.5%
<b>20.0 to 24.9 Percent</b>	167	10.0%	516	11.9%	2,217	13.4%
<b>25.0 to 29.9 Percent</b>	118	7.0%	347	8.0%	2,192	13.2%
<b>30.0 to 34.9 Percent</b>	205	12.2%	494	11.4%	1,577	9.5%
<b>35.0 to 39.9 Percent</b>	17	1.0%	131	3.0%	1,341	8.1%
<b>40.0 to 49.9 Percent</b>	208	12.4%	424	9.8%	1,654	10.0%
<b>50 Percent or More</b>	562	33.6%	1,401	32.3%	4,129	24.9%
<b>Not Computed</b>	157	--	299	--	1,397	--
<b>35 Percent or More</b>	787	47.0%	1,956	45.1%	7,124	42.9%
<b>40 Percent or More</b>	770	46.0%	1,825	42.1%	5,783	34.8%

Source: U.S. Census Bureau; 2008-2012 American Community Survey



**F. DEMAND ANALYSIS**

**1. Demand for Tax Credit Rental Units**

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of \$39,750 (the 4.5-person income limit at 60 percent AMI for Beaufort County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
<b>50 percent of AMI</b> .....	\$24,549 .....	\$33,125
<b>60 percent of AMI</b> .....	\$33,125 .....	\$39,750
<b>Overall</b> .....	<b>\$24,549</b> .....	<b>\$39,750</b>

By applying the income-qualified range and 2016 household forecasts to the current-year household income distribution by tenure (adjusted from 2010 data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 22 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 14 percent of all renter households are income-qualified for units at 50 percent of AMI, while 16 percent of renters are income-eligible for units restricted at 60 percent of AMI.

Based on U.S. Census data and projections from ESRI, approximately 399 additional renter households are anticipated between 2013 and 2016. By applying the income-qualified percentage to the overall eligible figure, a demand for 89 tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately seven percent of all renter households within the Beaufort PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 94 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the 2012 ACS, the percentage of renter households within this overburdened range is reported at approximately 45 percent. Applying this rate to the number of renter households yields a total demand of 579 additional units as a result of rent overburden.

There is one comparable LIHTC multi-family rental development within the Beaufort/Lady's Island PMA that was placed in service in 2013, or received an allocation in 2013. Therefore, units from Ashley Pointe Apartments (a 56-unit family proposal allocated tax credits in 2013) need to be deducted from the three sources of demand listed previously. As such, combining all above factors results in an overall demand of 706 LIHTC units for 2016.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income households should receive a positive response due to the strong demographic growth within the Beaufort area coupled with positive occupancy levels within existing local affordable rental developments.

**Table 16: Demand Calculation – by Income Targeting (2016)**

<b>2010 Total Occupied Households</b>	<b>14,558</b>			
<b>2010 Owner-Occupied Households</b>	<b>8,891</b>			
<b>2010 Renter-Occupied Households</b>	<b>5,667</b>			
		<b>Income Targeting</b>		
		<b>50%</b>	<b>60%</b>	<b>Total</b>
		<b>AMI</b>	<b>AMI</b>	<b>LIHTC</b>
<b>QUALIFIED-INCOME RANGE</b>				
Minimum Annual Income		\$24,549	\$28,320	\$24,549
Maximum Annual Income		\$33,125	\$39,750	\$39,750
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>				
Renter Household Growth, 2013-2016		399	399	399
Percent Income Qualified Renter Households		13.9%	15.8%	22.3%
<b>Total Demand From New Households</b>		<b>56</b>	<b>63</b>	<b>89</b>
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>				
Percent of Renters in Substandard Housing		7.3%	7.3%	7.3%
Percent Income Qualified Renter Households		13.9%	15.8%	22.3%
<b>Total Demand From Substandard Renter Households</b>		<b>58</b>	<b>66</b>	<b>93</b>
Percent of Renters Rent-Overburdened		45.1%	45.1%	45.1%
Percent Income Qualified Renter Households		13.9%	15.8%	22.3%
<b>Total Demand From Overburdened Renter Households</b>		<b>355</b>	<b>405</b>	<b>570</b>
<b>Total Demand From Existing Households</b>		<b>413</b>	<b>471</b>	<b>662</b>
<b>TOTAL DEMAND</b>		<b>468</b>	<b>534</b>	<b>751</b>
<b>LESS: Total Comparable Activity Since 2013/Under Construction</b>		14	42	56
<b>TOTAL NET DEMAND</b>		<b>454</b>	<b>492</b>	<b>695</b>
<b>PROPOSED NUMBER OF UNITS</b>		14	42	56
<b>CAPTURE RATE</b>		3.1%	8.5%	8.1%
Note: Totals may not sum due to rounding				

**Table 17: Demand Calculation – by Bedroom Size (2016)**

<b>2010 Total Occupied Households</b>	<b>14,558</b>						
<b>2010 Owner-Occupied Households</b>	<b>8,891</b>						
<b>2010 Renter-Occupied Households</b>	<b>5,667</b>						
		<b>Two-Bedroom Units</b>			<b>Three-Bedroom Units</b>		
		<b>50% AMI</b>	<b>60% AMI</b>	<b>Total LIHTC</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>Total LIHTC</b>
<b>QUALIFIED-INCOME RANGE</b>							
Minimum Annual Income		\$24,549	\$28,320	<b>\$24,549</b>	\$28,389	\$32,503	<b>\$28,389</b>
Maximum Annual Income		\$28,700	\$34,440	<b>\$34,440</b>	\$33,125	\$39,750	<b>\$39,750</b>
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>							
Renter Household Growth, 2013-2016		399	399	<b>399</b>	399	399	<b>399</b>
Percent Income Qualified Renter Households		7%	9%	<b>16%</b>	7%	9%	<b>16%</b>
<b>Total Demand From New Households</b>		<b>28</b>	<b>38</b>	<b>64</b>	<b>29</b>	<b>37</b>	<b>63</b>
<b>DEMAND FROM EXISTING HOUSEHOLDS</b>							
Percent of Renters in Substandard Housing		7.3%	7.3%	<b>7.3%</b>	7.3%	7.3%	<b>7.3%</b>
Percent Income Qualified Renter Households		7%	9%	<b>16%</b>	7%	9%	<b>16%</b>
<b>Total Demand From Substandard Renter Households</b>		<b>29</b>	<b>39</b>	<b>66</b>	<b>31</b>	<b>39</b>	<b>65</b>
Percent of Renters Rent-Overburdened		45.1%	45.1%	<b>45.1%</b>	45.1%	45.1%	<b>45.1%</b>
Percent Income Qualified Renter Households		7%	9%	<b>16%</b>	7%	9%	<b>16%</b>
<b>Total Demand From Overburdened Renter Households</b>		<b>180</b>	<b>243</b>	<b>407</b>	<b>188</b>	<b>239</b>	<b>402</b>
<b>Total Demand From Existing Households</b>		<b>209</b>	<b>282</b>	<b>474</b>	<b>218</b>	<b>278</b>	<b>468</b>
<b>TOTAL DEMAND</b>		<b>237</b>	<b>320</b>	<b>537</b>	<b>248</b>	<b>315</b>	<b>531</b>
<b>LESS: Total Comparable Activity Since 2013/Under Construction</b>		6	34	<b>40</b>	8	8	<b>16</b>
<b>TOTAL NET DEMAND</b>		<b>231</b>	<b>286</b>	<b>497</b>	<b>240</b>	<b>307</b>	<b>515</b>
<b>PROPOSED NUMBER OF UNITS</b>		7	21	<b>28</b>	7	21	<b>28</b>
<b>CAPTURE RATE</b>		<b>3.0%</b>	<b>7.3%</b>	<b>5.6%</b>	<b>2.9%</b>	<b>6.8%</b>	<b>5.4%</b>
<b>Note: Totals may not sum due to rounding</b>							

## 2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 7.9 percent was determined based on the demand calculation (including renter household growth, substandard and/or overburdened units among existing renter households, and excluding any comparable activity since 2013), providing an indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 3.0 percent, while the 60 percent AMI capture rate was at 8.4 percent. As such, these capture rates provide an extremely positive indication of the need for affordable rental options locally and are well within acceptable industry thresholds.

Taking into consideration the overall occupancy rates for the Beaufort/Lady's Island PMA (most importantly the success of existing LIHTC developments), the proposed features and rental rates within the subject, and also the proposed development of Ashley Pointe (56 tax credit units allocated in 2013), an estimate of the overall absorption period to reach 93 percent occupancy is estimated at five to seven months. This is a relatively conservative estimate based on the likelihood that Ashley Pointe will be fully absorbed before the subject proposal enters the market. This determination also takes into consideration a market entry in late 2015/early 2016; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

## G. SUPPLY/COMPARABLE RENTAL ANALYSIS

### 1. Beaufort PMA Rental Market Characteristics

As part of the rental analysis for the Beaufort PMA, a survey of existing rental projects within the Beaufort/Lady's Island primary market area was completed by Shaw Research & Consulting in February 2014. As such, a total of 14 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Beaufort area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 1,827 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 27 percent of all units had one bedroom, 57 percent had two bedrooms, and 17 percent of units contained three bedrooms. There were no efficiency or four-bedroom units reported in the survey. The average age of the rental properties was just 11 years old (an average build date of 2003) – reflective of a relatively modern rental stock with eight of the 14 properties built or rehabbed since 2004 (and five since 2009). In addition, eight of the facilities reported to have some sort of income eligibility requirements – with three non-subsidized tax credit developments, three Rural Development projects, and two subsidized properties (it should be noted that all RD and subsidized developments utilized tax credits when constructed and/or rehabbed).

Overall conditions for the Beaufort/Lady's Island rental market appear to be relatively positive at the current time. Among the properties included in the survey, the overall occupancy rate was calculated at 94.6 percent – with eight developments at 96 percent occupancy or better. When breaking down occupancy rates by financing type, the six market rate developments were a combined 93 percent occupied, Rural Development properties averaged 94.5 percent occupied, both subsidized projects were 100 percent occupied, and tax credit properties averaged 97.4 percent occupancy – clearly demonstrating quite positive conditions throughout the local market for affordable rental housing.

## 2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits, Shaw Research has identified three tax credit facilities as being most comparable. According to survey results, the combined occupancy rate for these developments was calculated at 97.4 percent, with all three at 96 percent occupancy or better. Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent for a one-bedroom unit was calculated at \$619 per month with an average size of 750 square feet – the resulting average rent per square foot ratio is \$0.83. Further, the average tax credit rent for a two-bedroom unit was \$725 with an average size of 1,064 square feet (an average rent per square foot ratio of \$0.68), while three-bedroom units averaged \$809 and 1,229 square feet (\$0.66 per square foot). In comparison to tax credit averages, the subject proposal's rental rates are very competitive with slightly larger unit sizes. When taking into account utilities (the subject will not include water/sewer, while all three existing tax credit projects do) unit sizes and rent-per-square foot averages, the proposal is quite affordable as compared to both market and other tax credit options (when comparing 60 percent AMI rents). As such, the proposed rental rates at 60 percent AMI (including water/sewer allowances of \$65 for a two-bedroom, and \$80 for a three-bedroom unit) are extremely competitive, and in most cases superior, averaging between five and seven percent lower than other tax credit projects (units at 60 percent AMI) within the local market area.

From a market standpoint, it is evident that sufficient demand is present for the development of additional affordable tax credit units targeting low-income family households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the local rental market, and should be considered a positive factor.

It should also be noted that the most recently developed tax credit property, Port Royal Apartments (consisting of 60 two and three-bedroom units which opened in 2012), contains 100 percent PBRA. As such, the project cannot be considered as comparable to the subject proposal.

### **3. Comparable Pipeline Units**

According to SCSHFDA information and local government officials, there is one comparable multi-family rental development within the Beaufort PMA that has recently been awarded tax credits. This project, Ashley Pointe, is a 56-unit family development which received a LIHTC allocation in 2013. Considering the positive rental conditions within existing tax credit projects, coupled with positive demographic growth and strong demand calculations, adequate demand is present for both Ashley Pointe and the subject proposal.

### **4. Impact on Existing Tax Credit Properties**

Based on the relatively strong occupancy rates among all LIHTC developments included in the survey (all three above 96 percent occupancy with small waiting lists), the construction of the proposal will not have any adverse impact on existing affordable rental properties, including Ashley Pointe which will open in late 2014/early 2015. Considering future demographic growth anticipated for the PMA, as well as the positive characteristics of the immediate area, affordable housing will undoubtedly continue to be in demand locally.

### **5. Competitive Environment**

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



Table 18: Rental Housing Survey - Overall

Project Name	Year Built/Rehab	Total Units	Studio/Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Ashton Pointe	2009	240	0	88	152	0	0	No	ELE	No	95%	Open	Beaufort
Bay South Apts	1989	132	0	48	84	0	0	No	ELE	No	93%	Open	Beaufort
Cross Creek Apts	2009	144	0	24	60	60	0	No	ELE	No	98%	Open	Beaufort
Fairfield Estates	1993	55	0	0	0	NA	NA	No	ELE	No	96%	Open	Beaufort
Lady's Pointe Apts I/II	1988	92	0	30	62	0	0	No	ELE	No	98%	Open	Beaufort
Magnolia Park	2001	56	0	0	24	32	0	No	ELE	No	96%	Open	Beaufort
Mossy Oaks Village	2013	96	0	48	40	8	0	Yes	Gas	Yes	100%	Mixed	Beaufort
Port Royal Apts	2012	60	0	0	36	24	0	No	ELE	No	100%	Open	Beaufort
Preserve at Port Royal	2007	400	0	160	240	0	0	No	ELE	No	94%	Open	Port Royal
Shell Pointe Apts	2005	72	0	0	36	36	0	No	ELE	No	97%	Open	Beaufort
The Oaks at Broad River Landing	2001	248	0	72	120	56	0	No	ELE	No	93%	Open	Beaufort
Waterford Cove I/II	1998	160	0	0	80	80	0	No	ELE	No	89%	Open	Beaufort
Wilderness Cove	2004	48	0	0	48	0	0	No	ELE	No	88%	Open	Beaufort
Wilderness Too	2010	24	0	0	24	0	0	No	ELE	No	96%	Open	Beaufort
<b>Totals and Averages</b> <i>Unit Distribution</i>	<b>2003</b>	<b>1,827</b>	<b>0</b> <b>0%</b>	<b>470</b> <b>27%</b>	<b>1,006</b> <b>57%</b>	<b>296</b> <b>17%</b>	<b>0</b> <b>0%</b>				<b>94.6%</b>		
<b>SUBJECT PROJECT</b>													
<b>SEA POINTE APARTMENTS</b>	<b>2015</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>No</b>	<b>ELE</b>	<b>No</b>		<b>Open</b>	<b>Beaufort</b>
<b>SUMMARY</b>													
	<b>Number of Dev.</b>	<b>Year Built</b>	<b>Total Units</b>	<b>Studio/Eff.</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>	<b>Average Occup.</b>				
<b>Total Developments</b>	<b>14</b>	<b>2003</b>	<b>1,827</b>	<b>0</b>	<b>470</b>	<b>1,006</b>	<b>296</b>	<b>0</b>	<b>94.6%</b>				
<b>Market Rate Only</b>	<b>6</b>	<b>2000</b>	<b>1,235</b>	<b>0</b>	<b>368</b>	<b>676</b>	<b>136</b>	<b>0</b>	<b>93.3%</b>				
<b>LIHTC Only</b>	<b>3</b>	<b>2005</b>	<b>272</b>	<b>0</b>	<b>24</b>	<b>120</b>	<b>128</b>	<b>0</b>	<b>97.4%</b>				
<b>Other Affordable (Rural Dev)</b>	<b>3</b>	<b>2001</b>	<b>164</b>	<b>0</b>	<b>30</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>94.5%</b>				
<b>Subsidized Only</b>	<b>2</b>	<b>2013</b>	<b>156</b>	<b>0</b>	<b>48</b>	<b>76</b>	<b>32</b>	<b>0</b>	<b>100.0%</b>				

Table 19: Rent Range for 1 &amp; 2 Bedrooms - Overall

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Ashton Pointe	Market	0	\$827	\$982	699	777	\$1.18	\$1.26	\$922	\$1,088	931	1,136	\$0.99	\$0.96
Bay South Apts	Market	0	\$689	\$729	668		\$1.03	\$1.09	\$729	\$799	960		\$0.76	\$0.83
Cross Creek Apts	LIHTC/Mrkt	0	\$619	\$695	750		\$0.83	\$0.93	\$755	\$835	950		\$0.79	\$0.88
Fairfield Estates	Market	0												
Lady's Pointe Apts I/II	RD/LIHTC	0	\$492	\$663					\$520	\$692				
Magnolia Park	LIHTC	0							\$656	\$720	1,090		\$0.60	\$0.66
Mossy Oaks Village	LIHTC/BOI	96												
Port Royal Apts	LIHTC/BOI	60									1,039			
Preserve at Port Royal	Market	0	\$750	\$820	693	850	\$1.08	\$0.96	\$875	\$970	1,017	1,151	\$0.86	\$0.84
Shell Pointe Apts	LIHTC	0							\$666	\$827	1,153		\$0.58	\$0.72
The Oaks at Broad River Landing	Market	0	\$703	\$968	660	934	\$1.07	\$1.04	\$828	\$1,028	1,070	1,192	\$0.77	\$0.86
Waterford Cove I/II	Market	0							\$775		990		\$0.78	
Wilderness Cove	RD/LIHTC	0							\$563	\$637	700		\$0.80	\$0.91
Wilderness Too	RD/LIHTC	0							\$572	\$722	700		\$0.82	\$1.03
<b>Totals and Averages</b>		<b>156</b>		<b>\$745</b>		<b>754</b>		<b>\$0.99</b>		<b>\$770</b>		<b>1,006</b>		<b>\$0.77</b>
<b>SUBJECT PROPERTY</b>														
SEA POINTE APARTMENTS	LIHTC	0							\$535	\$645	1,050	1,100	\$0.51	\$0.59
<b>SUMMARY</b>														
Overall				\$745		754		\$0.99		\$770		1,006		\$0.77
Market Rate Only				\$809		754		\$1.07		\$890		1,056		\$0.84
LIHTC Only				\$657		750		\$0.88		\$743		1,064		\$0.70
Other Affordable (Rural Dev)				\$578		NA		NA		\$618		700		\$0.88
Subsidized Only				NA		NA		NA		NA		1,039		NA

Table 20: Rent Range for 3 &amp; 4 Bedrooms - Overall

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH			LOW	HIGH	LOW	HIGH		
Ashton Pointe	Market												
Bay South Apts	Market												
Cross Creek Apts	LIHTC/Mrkt	\$869	\$915	1,150		\$0.76	\$0.80						
Fairfield Estates	Market	\$925		1,240		\$0.75		\$925		1,350		\$0.69	
Lady's Pointe Apts I/II	RD/LIHTC												
Magnolia Park	LIHTC	\$758	\$810	1,189		\$0.64	\$0.68						
Mossy Oaks Village	LIHTC/BOI												
Port Royal Apts	LIHTC/BOI			1,211									
Preserve at Port Royal	Market												
Shell Pointe Apts	LIHTC	\$758	\$850	1,348		\$0.56	\$0.63						
The Oaks at Broad River Landing	Market	\$1,037	\$1,318	1,414		\$0.73	\$0.93						
Waterford Cove I/II	Market	\$825		1,190		\$0.69							
Wilderness Cove	RD/LIHTC												
Wilderness Too	RD/LIHTC												
<b>Totals and Averages</b>			<b>\$907</b>		<b>1,249</b>		<b>\$0.73</b>		<b>\$925</b>		<b>1,350</b>		<b>\$0.69</b>
<b>SUBJECT PROPERTY</b>													
<b>SEA POINTE APARTMENTS</b>	<b>LIHTC</b>	<b>\$605</b>	<b>\$725</b>	<b>1,200</b>	<b>1,250</b>	<b>\$0.50</b>	<b>\$0.58</b>						
<b>SUMMARY</b>													
<b>Overall</b>			<b>\$907</b>		<b>1,249</b>		<b>\$0.73</b>		<b>\$925</b>		<b>1,350</b>		<b>\$0.69</b>
Market Rate Only			<b>\$1,026</b>		<b>1,281</b>		<b>\$0.80</b>		<b>\$925</b>		<b>1,350</b>		<b>\$0.69</b>
LIHTC Only			<b>\$827</b>		<b>1,229</b>		<b>\$0.67</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>
Other Affordable (Rural Dev)			<b>NA</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>
Subsidized Only			<b>NA</b>		<b>1,211</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>

Table 21a: Project Amenities - Overall

Project Name	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Basement	Club House	Computer Center	Exercise Room
Ashton Pointe	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Bay South Apts	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No
Cross Creek Apts	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes
Fairfield Estates	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	No	No	No
Lady's Pointe Apts I/II	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No
Magnolia Park	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No
Mossy Oaks Village	Yes	No	No	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No
Port Royal Apts	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Preserve at Port Royal	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Shell Pointe Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No
The Oaks at Broad River Landing	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Waterford Cove I/II	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	No	Yes
Wilderness Cove	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No
Wilderness Too	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No	No
<b>Totals and Averages</b>	<b>100%</b>	<b>0%</b>	<b>71%</b>	<b>71%</b>	<b>29%</b>	<b>50%</b>	<b>57%</b>	<b>100%</b>	<b>57%</b>	<b>0%</b>	<b>71%</b>	<b>43%</b>	<b>43%</b>
<b>SUBJECT PROJECT</b>													
<b>SEA POINTE APARTMENTS</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>
<b>SUMMARY</b>													
Overall	100%	0%	71%	71%	29%	50%	57%	100%	57%	0%	71%	43%	43%
Market Rate Only	100%	0%	100%	100%	33%	33%	83%	100%	67%	0%	83%	50%	67%
LIHTC Only	100%	0%	100%	100%	33%	100%	67%	100%	33%	0%	100%	33%	33%
Other Affordable (Rural Dev)	100%	0%	0%	0%	33%	0%	0%	100%	33%	0%	0%	0%	0%
Subsidized Only	100%	0%	50%	50%	0%	100%	50%	100%	100%	0%	100%	100%	50%

Table 21b: Project Amenities - Overall

Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage
Ashton Pointe	Yes	No	No	No	No	Yes	No	No	No	No	Yes	No	Yes
Bay South Apts	Yes	No	No	No	Yes	Yes	No	No	No	Yes	No	No	No
Cross Creek Apts	No	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No
Fairfield Estates	No	No	No	No	No	No	No	No	No	Yes	No	No	Yes
Lady's Pointe Apts I/II	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Magnolia Park	Yes	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
Mossy Oaks Village	No	Yes	No	No	No	Yes	No	Yes	Yes	No	Yes	No	No
Port Royal Apts	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	No	No
Preserve at Port Royal	Yes	Yes	No	Yes	No	Yes	No	No	Yes	Yes	No	No	Yes
Shell Pointe Apts	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
The Oaks at Broad River Landing	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	No	Yes
Waterford Cove I/II	Yes	No	No	No	No	Yes	No	No	Yes	No	No	No	No
Wilderness Cove	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Wilderness Too	No	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No
<b>Totals and Averages</b>	<b>43%</b>	<b>71%</b>	<b>14%</b>	<b>21%</b>	<b>14%</b>	<b>93%</b>	<b>0%</b>	<b>7%</b>	<b>64%</b>	<b>50%</b>	<b>29%</b>	<b>0%</b>	<b>29%</b>
<b>SUBJECT PROJECT</b>													
<b>SEA POINTE APARTMENTS</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>SUMMARY</b>													
Overall	43%	71%	14%	21%	14%	93%	0%	7%	64%	50%	29%	0%	29%
Market Rate Only	83%	33%	0%	33%	33%	83%	0%	0%	50%	67%	17%	0%	67%
LIHTC Only	33%	100%	33%	0%	0%	100%	0%	0%	67%	33%	33%	0%	0%
Other Affordable (Rural Dev)	0%	100%	0%	0%	0%	100%	0%	0%	67%	67%	33%	0%	0%
Subsidized Only	0%	100%	50%	50%	0%	100%	0%	50%	100%	0%	50%	0%	0%

Table 22: Rental Housing Survey - Comparable

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Cross Creek Apts	2009	144	0	24	60	60	0	No	ELE	No	98%	Open	Beaufort
Magnolia Park	2001	56	0	0	24	32	0	No	ELE	No	96%	Open	Beaufort
Shell Pointe Apts	2005	72	0	0	36	36	0	No	ELE	No	97%	Open	Beaufort
<b>Totals and Averages</b>	<b>2005</b>	<b>272</b>	<b>0</b>	<b>24</b>	<b>120</b>	<b>128</b>	<b>0</b>				<b>97.4%</b>		
<i>Unit Distribution</i>			<b>0%</b>	<b>9%</b>	<b>44%</b>	<b>47%</b>	<b>0%</b>						
<b>SUBJECT PROJECT</b>													
SEA POINTE APARTMENTS	2015	56	0	0	28	28	0	No	ELE	No		Open	Beaufort

**Table 23: Rent Range for 1 & 2 Bedrooms - Comparable**

Project Name	Program	PBRA Units	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Cross Creek Apts	LIHTC/Mrkt	0	\$619		750		\$0.83		\$755		950		\$0.79	
Magnolia Park	LIHTC	0							\$656	\$720	1,090		\$0.60	\$0.66
Shell Pointe Apts	LIHTC	0							\$666	\$827	1,153		\$0.58	\$0.72
<b>Totals and Averages</b>		<b>0</b>		<b>\$619</b>		<b>750</b>		<b>\$0.83</b>		<b>\$725</b>		<b>1,064</b>		<b>\$0.68</b>
<b>SUBJECT PROPERTY</b>														
SEA POINTE APARTMENTS	LIHTC	0							\$535	\$645	1,050	1,100	\$0.51	\$0.59

**Table 24: Rent Range for 3 & 4 Bedrooms - Comparable**

Project Name	Program	3BR Rent		3BR Square Feet		Rent per Square Foot Range		4BR Rent		4BR Square Feet		Rent per Square Foot Range	
		LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Cross Creek Apts	LIHTC/Mrkt	\$869		1,150		\$0.76							
Magnolia Park	LIHTC	\$758	\$810	1,189		\$0.64	\$0.68						
Shell Pointe Apts	LIHTC	\$758	\$850	1,348		\$0.56	\$0.63						
<b>Totals and Averages</b>			<b>\$809</b>		<b>1,229</b>		<b>\$0.66</b>		<b>NA</b>		<b>NA</b>		<b>NA</b>
<b>SUBJECT PROPERTY</b>													
SEA POINTE APARTMENTS	LIHTC	\$605	\$725	1,200	1,250	\$0.50	\$0.58						

**Table 25a: Project Amenities - Comparable**

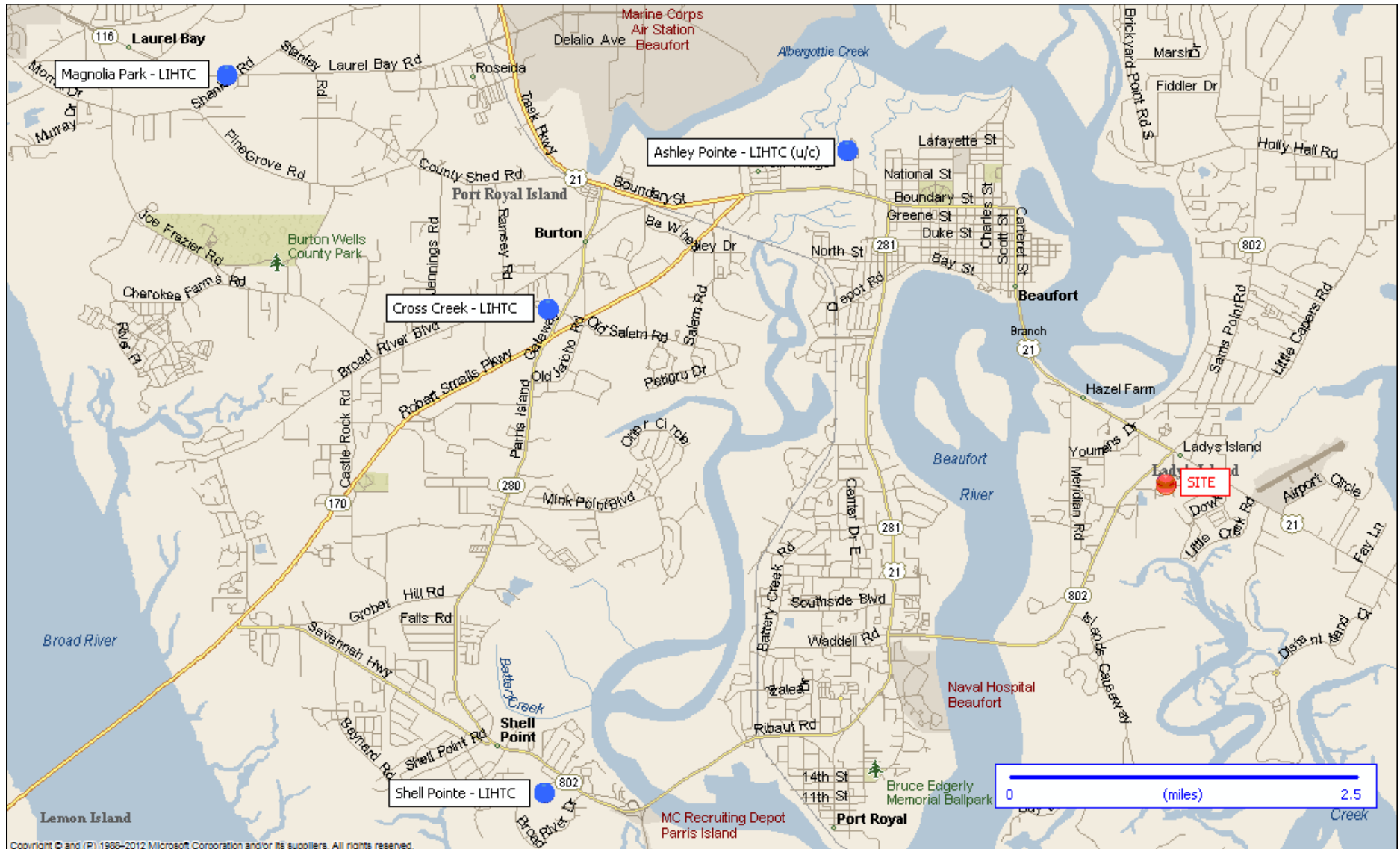
Project Name	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Basement	Club House	Computer Center	Exercise Room
Cross Creek Apts	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes
Magnolia Park	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes	No	No
Shell Pointe Apts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No
<b>Totals and Averages</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	<b>33%</b>	<b>100%</b>	<b>67%</b>	<b>100%</b>	<b>33%</b>	<b>0%</b>	<b>100%</b>	<b>33%</b>	<b>33%</b>
<b>SUBJECT PROJECT</b>													
SEA POINTE APARTMENTS	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No


**Table 25b: Project Amenities - Comparable**


Project Name	Pool	Playground	Gazebo	Exterior Storage	Sports Courts	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Detach Garage
Cross Creek Apts	No	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No
Magnolia Park	Yes	Yes	No	No	No	Yes	No	No	Yes	No	No	No	No
Shell Pointe Apts	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No
<b>Totals and Averages</b>	<b>33%</b>	<b>100%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>67%</b>	<b>33%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>
<b>SUBJECT PROJECT</b>													
SEA POINTE APARTMENTS	No	Yes	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No




Map 11: Comparable Rental Developments



COMPARABLE PROJECT INFORMATION												
<b>Project Name:</b> Cross Creek Apts <b>Address:</b> 325 Ambrose Run <b>City:</b> Beaufort <b>State:</b> SC <b>Zip Code:</b> 29906  <b>Phone Number:</b> (843) 982-6381 <b>Contact Name:</b> Angela <b>Contact Date:</b> 02/14/14 <b>Current Occup:</b> 97.9%												
DEVELOPMENT CHARACTERISTICS												
<b>Total Units:</b>		144		<b>Year Built:</b>		2009						
<b>Project Type:</b>		Open		<b>Floors:</b>		3						
<b>Program:</b>		LIHTC/Mrkt		<b>Accept Vouchers:</b>		Yes						
<b>PBRA Units*:</b>		0		<b>Voucher #:</b>		NA						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
<b>TOTAL 1-BEDROOM UNITS</b>				<b>24</b>					<b>NA</b>		<b>NA</b>	
1	1.0	60	Apt	NA	750		\$619					
1	1.0	Mrkt	Apt	NA	750		\$695					
<b>TOTAL 2-BEDROOM UNITS</b>				<b>60</b>					<b>NA</b>		<b>NA</b>	
2	2.0	60	Apt	NA	950		\$755					
2	2.0	Mrkt	Apt	NA	950		\$835					
<b>TOTAL 3-BEDROOM UNITS</b>				<b>60</b>					<b>NA</b>		<b>NA</b>	
3	2.0	60	Apt	NA	1,150		\$869					
3	2.0	Mrkt	Apt	NA	1,150		\$915					
<b>TOTAL DEVELOPMENT</b>				<b>144</b>					<b>3</b>	<b>97.9%</b>	<b>&lt; 5 Names</b>	
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet				<input checked="" type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<input type="checkbox"/> - Coin-Operated Laundry <input type="checkbox"/> - In-Unit Hook-Up <input checked="" type="checkbox"/> - In-Unit Washer/Dryer  <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport                      \$0 <input type="checkbox"/> - Garage (att)                      \$0 <input type="checkbox"/> - Garage (det)                      \$0  <u>Utilities Included</u> <input type="checkbox"/> - Heat                      ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer				

COMPARABLE PROJECT INFORMATION											
<b>Project Name:</b> Magnolia Park <b>Address:</b> 314 Laurel Bay Road <b>City:</b> Beaufort <b>State:</b> SC <b>Zip Code:</b> 29906  <b>Phone Number:</b> (843) 846-1138 <b>Contact Name:</b> Tim <b>Contact Date:</b> 02/14/14 <b>Current Occup:</b> 96.4%											
DEVELOPMENT CHARACTERISTICS											
<b>Total Units:</b> 56		<b>Year Built:</b> 2001		<b>Project Type:</b> Open		<b>Floors:</b> 2		<b>Program:</b> LIHTC		<b>Accept Vouchers:</b> Yes	
<b>PBRA Units*:</b> 0		<b>Voucher #:</b> NA		<small>* Including Section 8, Rental Assistance, and any other Project-Based Subsidy</small>							
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
<b>TOTAL 2-BEDROOM UNITS</b>				<b>24</b>					<b>0</b>	<b>100.0%</b>	<b>NA</b>
2	2.0	50	Apt	NA	1,090		\$656				
2	2.0	60	Apt	NA	1,090		\$720				
<b>TOTAL 3-BEDROOM UNITS</b>				<b>32</b>					<b>2</b>	<b>93.8%</b>	<b>NA</b>
3	2.0	50	Apt	NA	1,189		\$758		0		
3	2.0	60	Apt	NA	1,189		\$810		2		
<b>TOTAL DEVELOPMENT</b>				<b>56</b>					<b>2</b>	<b>96.4%</b>	<b>&lt; 5 Names</b>
AMENITIES											
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>			
<input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input checked="" type="checkbox"/> - High-Speed Internet				<input checked="" type="checkbox"/> - Clubhouse <input type="checkbox"/> - Community Room <input type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input checked="" type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer  <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport                      \$0 <input type="checkbox"/> - Garage (att)                      \$0 <input type="checkbox"/> - Garage (det)                      \$0  <u>Utilities Included</u> <input type="checkbox"/> - Heat                      ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer			

COMPARABLE PROJECT INFORMATION											
<b>Project Name:</b> Shell Pointe Apts <b>Address:</b> 297 Midtown Drive <b>City:</b> Beaufort <b>State:</b> SC <b>Zip Code:</b> 29906  <b>Phone Number:</b> (843) 379-8402 <b>Contact Name:</b> Ben <b>Contact Date:</b> 02/17/14 <b>Current Occup:</b> 97.2%											
DEVELOPMENT CHARACTERISTICS											
<b>Total Units:</b>		72		<b>Year Built:</b>		2005					
<b>Project Type:</b>		Open		<b>Floors:</b>		3					
<b>Program:</b>		LIHTC		<b>Accept Vouchers:</b>		Yes					
<b>PBRA Units*:</b>		0		<b>Voucher #:</b>		25					
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy											
UNIT CONFIGURATION/RENTAL RATES											
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List
					Low	High	Low	High			
<b>TOTAL 2-BEDROOM UNITS</b>				<b>36</b>					<b>1</b>	<b>97.2%</b>	<b>NA</b>
2	2.0	50	Apt	NA	1,153		\$666		0		
2	2.0	60	Apt	NA	1,153		\$827		1		
<b>TOTAL 3-BEDROOM UNITS</b>				<b>36</b>					<b>1</b>	<b>97.2%</b>	<b>NA</b>
3	2.0	50	Apt	NA	1,348		\$758		0		
3	2.0	60	Apt	NA	1,348		\$850		1		
<b>TOTAL DEVELOPMENT</b>				<b>72</b>					<b>2</b>	<b>97.2%</b>	<b>&lt; 5 Names</b>
AMENITIES											
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>			
<input checked="" type="checkbox"/> - Central A/C				<input checked="" type="checkbox"/> - Clubhouse				<input checked="" type="checkbox"/> - Coin-Operated Laundry			
<input type="checkbox"/> - Wall A/C Unit				<input checked="" type="checkbox"/> - Community Room				<input checked="" type="checkbox"/> - In-Unit Hook-Up			
<input checked="" type="checkbox"/> - Garbage Disposal				<input checked="" type="checkbox"/> - Computer Center				<input type="checkbox"/> - In-Unit Washer/Dryer			
<input checked="" type="checkbox"/> - Dishwasher				<input type="checkbox"/> - Exercise/Fitness Room							
<input checked="" type="checkbox"/> - Microwave				<input type="checkbox"/> - Community Kitchen				<u>Parking Type</u>			
<input checked="" type="checkbox"/> - Ceiling Fan				<input type="checkbox"/> - Swimming Pool				<input checked="" type="checkbox"/> - Surface Lot			
<input checked="" type="checkbox"/> - Walk-In Closet				<input checked="" type="checkbox"/> - Playground				<input type="checkbox"/> - Carport                      \$0			
<input checked="" type="checkbox"/> - Mini-Blinds				<input checked="" type="checkbox"/> - Gazebo				<input type="checkbox"/> - Garage (att)                      \$0			
<input type="checkbox"/> - Draperies				<input type="checkbox"/> - Elevator				<input type="checkbox"/> - Garage (det)                      \$0			
<input type="checkbox"/> - Patio/Balcony				<input type="checkbox"/> - Storage							
<input type="checkbox"/> - Basement				<input type="checkbox"/> - Sports Courts				<u>Utilities Included</u>			
<input type="checkbox"/> - Fireplace				<input checked="" type="checkbox"/> - On-Site Management				<input type="checkbox"/> - Heat                      ELE			
<input checked="" type="checkbox"/> - High-Speed Internet				<input type="checkbox"/> - Security - Access Gate				<input type="checkbox"/> - Electricity			
				<input type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Trash Removal			
								<input checked="" type="checkbox"/> - Water/Sewer			

**6. Market Rent Calculations**

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

Five properties were selected to determine the estimated market rate, based largely on construction date, location, and building type – these projects include Ashton Pointe, Preserve at Port Royal, The Oaks at Broad River Landing, Waterford Cove, and Cross Creek (market rate units only). Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property’s corresponding market advantage:

	<b>Proposed Net Rent</b>	<b>Estimated Market Rent</b>	<b>Market Advantage</b>
<b>Two-Bedroom Units</b>			
50% AMI	\$535	\$886	<b>40%</b>
60% AMI	\$645	\$886	<b>27%</b>
<b>Three-Bedroom Units</b>			
50% AMI	\$605	\$974	<b>38%</b>
60% AMI	\$725	\$974	<b>26%</b>

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		Ashton Pointe		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	Subject	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed	Data	2/14/14		2/14/14		2/17/14		2/14/14		2/14/14	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apt	Apt		Apt		Apt		Apt		Apt	
Yr. Built/Yr. Renovated	2015	2009	\$5	2007	\$6	2001	\$11	1998	\$13	2009	\$5
Condition /Street Appeal	Good	Good		Good		Good		Good		Good	
Neighborhood	Good	Good		Good		Good		Good		Good	
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
Microwave	Yes	Yes		No	\$5	Yes		No	\$5	No	\$5
Walk-In Closet	Yes	Yes		Yes		Yes		Yes		No	\$3
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	No		Yes	(\$3)
Basement	No	No		No		No		No		No	
Fireplace	No	No		No		No		No		No	
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	Yes	Yes		Yes		Yes		Yes		Yes	
Community Room	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
Computer Center	Yes	Yes		Yes		Yes		No	\$3	No	\$3
Exercise Room	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	
Playground	Yes	No	\$3	Yes		Yes		No	\$3	Yes	
Sports Courts	No	No		No		Yes	(\$3)	No		No	
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		No		No		No		No	
Security - Intercom	No	No		No		No		No		No	
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	No	\$5	Yes		Yes		Yes		No	\$5
In-Unit Hook-Up	Yes	No	\$10	Yes		Yes		No	\$10	No	\$10
In-Unit Washer/Dryer	No	Yes	(\$20)	No		No		No		Yes	(\$20)
Carport	No	No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No	
Garage (detached)	No	Yes		Yes		Yes		No		No	
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No		No	
Electric	No	No		No		No		No		No	
Trash Removal	Yes	Yes		Yes		Yes		Yes		Yes	
Water/Sewer	No	No		No		No		Yes		Yes	
Heat Type	ELE	ELE		ELE		ELE		ELE		ELE	
Utility Adjustments											
Efficiency Units											
One-Bedroom Units											
Two-Bedroom Units									(\$65)		(\$65)
Three-Bedroom Units									(\$80)		(\$80)
Four-Bedroom Units											

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Project Name		Ashton Pointe		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	<b>Subject Data</b>	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed		41684		41684		41687		41684		41684	
<b>F. Average Unit Sizes</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
Efficiency Units											
One-Bedroom Units		738	NA	772	NA	797	NA			750	NA
Two-Bedroom Units	<b>1,079</b>	1,034	\$7	1,084	(\$1)	1,131	(\$8)	990	\$13	950	\$19
Three-Bedroom Units	<b>1,220</b>					1,414	(\$29)	1,190	\$5	1,150	\$11
Four-Bedroom Units											
<b>G. Number of Bathrooms</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
Efficiency Units											
One-Bedroom Units		1.0		1.0		1.0				1.0	
Two-Bedroom Units	<b>2.0</b>	2.0	\$0	1.0	\$30	2.0	\$0	2.0	\$0	2.0	\$0
Three-Bedroom Units	<b>2.0</b>					2.0	\$0	2.0	\$0	2.0	\$0
Four-Bedroom Units											
<b>G. Total Adjustments Recap</b>											
Efficiency Units											
One-Bedroom Units											
Two-Bedroom Units			\$3		\$29		(\$11)		(\$21)		(\$36)
Three-Bedroom Units							(\$33)		(\$45)		(\$60)
Four-Bedroom Units											

		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Project Name		Ashton Pointe		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	<b>Subject Data</b>	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed		41684		41684		41687		41684		41684	
<b>H. Rent/Adjustment Summary</b>		<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>
Market Rate Units											
Two-Bedroom Units	<b>\$886</b>	\$1,005	\$1,008	\$923	\$952	\$928	\$917	\$775	\$754	\$835	\$799
Three-Bedroom Units	<b>\$974</b>					\$1,318	\$1,285	\$825	\$780	\$915	\$855

## H. INTERVIEWS

Throughout the course of performing this analysis of the Beaufort rental market, many individuals were contacted. Based on discussions with local government officials, the only directly comparable rental activity identified was the development of Ashley Pointe, which received a tax credit allocation in 2013. No other multi-family rental activity was reported. In addition, all three officials noted a definite need for affordable housing, as the area has been greatly underserved. The following planning departments were contacted:

1. Beaufort County -  
Contact: Barbara Childs, Administrative Assistant  
Phone: 843-255-2140  
Date: 2/21/2014
  
2. Beaufort, SC -  
Contact: Julie Bachety, Administrative Assistant, Planning  
Phone: 843-525-7011  
Date: 2/21/2014
  
3. Port Royal, SC -  
Contact: Linda Bridges, Administrator  
Phone: 843-986-2207  
Date: 2/21/2014

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Beaufort rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.



## I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject property, as proposed, within the Beaufort/Lady's Island PMA. Factors supporting the introduction of a newly constructed rental alternative targeted for low-income family households include the following:

1. Strong demographic patterns between 2000 and 2018 throughout the PMA;
2. Overall positive occupancy levels among properties within our survey (an overall occupancy rate of 94.6 percent);
3. Strong occupancy rates within the area's affordable properties (three LIHTC projects averaged 97.4 percent occupancy), with all three reporting small waiting lists;
4. A positive site location near retail, medical, schools, and employment;
5. The proposal represents a modern product with numerous amenities and features at a generally affordable rental level; and
6. A sufficient statistical demand calculation, with an estimated absorption of approximately five to seven months.

As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

**J. SIGNED STATEMENT REQUIREMENTS**

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



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Steven R. Shaw  
**SHAW RESEARCH AND CONSULTING**

Date: March 4, 2014

## K. SOURCES

2000 U.S. Census of Population and Housing - U.S. Census Bureau  
2010 U.S. Census of Population and Housing – U.S. Census Bureau  
2008-2012 American Community Survey – 5-Year Estimates – U.S. Census Bureau  
2013/2018 Demographic Forecasts, ESRI Business Analyst Online  
Apartment Listings – LIHTC – <http://lihtc.findthedata.org>  
Apartment Listings – [www.socialserve.com](http://www.socialserve.com)  
Apartment Listings – Yahoo! Local – <http://local.yahoo.com>  
Community Info – Beaufort Regional Chamber of Commerce – [www.beaufortchamber.org](http://www.beaufortchamber.org)  
Community Info – Beaufort, SC Official Visitor Site – [www.beaufortsc.org](http://www.beaufortsc.org)  
Community Profile 2014 – Beaufort County – SC Department of Employment & Workforce  
CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor  
Crime Data – CLRsearch.com  
Crime Data – ESRI Business Analyst Online  
ESRI ArcView, Version 3.3  
ESRI Business Analyst Online  
Government Info – Beaufort County – [www.co.beaufort.sc.us](http://www.co.beaufort.sc.us)  
Government Info – City of Beaufort – [www.cityofbeaufort.org](http://www.cityofbeaufort.org)  
Income & Rent Limits 2014 – South Carolina State Housing Finance & Development Authority  
Interviews with community planning officials  
Interviews with managers and leasing specialists at local rental developments  
South Carolina Industry Data – SC Works Online Services  
South Carolina Labor Market Information – U.S. Bureau of Labor Statistics  
South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority  
Microsoft Streets and Trips 2013  
Single-Family Home Sales – [www.realtor.com](http://www.realtor.com)

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

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

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

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

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