NATIONAL LAND ADVISORY GROUP

2404 East Main Street • Columbus, Ohio 43209
Phone: 614.545.3900 • Fax: 614.545.4900

# AN APARTMENT ANALYSIS IN THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA FOR AN EXISTING FAMILY APARTMENT DEVELOPMENT UNDER THE LOW INCOME HOUSING TAX CREDIT PROGRAM (NINETY DILLON APARTMENTS)

**PREPARED FOR:**

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY &

MR. STEVE BOONE
BUCKEYE COMMUNITY HOPE FOUNDATION
3021 EAST DUBLIN-GRANVILLE ROAD
COLUMBUS, OHIO 43231

**PREPARED BY:**

NATIONAL LAND ADVISORY GROUP
2404 E. MAIN STREET
COLUMBUS, OHIO 43209
(614) 545-3900

MARCH 20, 2015

AN AFFILIATE OF NATIONAL HOUSING & REHABILITATION ASSOCIATION
National Council of Housing Market Analysts ®

# TABLE OF CONTENTS

## List of Tables

# I. INTRODUCTION

## A. OBJECTIVES

This study analyzes the market feasibility for the rehabilitation of an existing family rental development, Ninety Dillon Apartments, in the Town of Hilton Head Island, Beaufort County, South Carolina in association with the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit program. After fully discussing the scope and area of the survey with Mr. Steve Boone, President of The Buckeye Community Hope Foundation; National Land Advisory Group undertook the analysis.

## B. METHODOLOGY & LIMITATIONS

The methodology we use in our studies is centered on three analytical principles: the Primary Market Area (PMA), a field survey of the modern apartments and rental housing in the primary and secondary (if necessary) market areas, and the application and analysis generated for demographic and economic purposes.

A complete analysis for new construction within the rental market requires five considerations: a field survey of modern apartments; an analysis of area housing; an analysis of the area economy; a demographic analysis; and recommendations for development. Information is gathered from many internal and external sources, including, but not limited to: real estate owners, property managers, state and public government officials, public records, real estate professionals, U.S. Census Bureau, major employers, local chamber or development organizations and secondary demographic services. National Land Advisory Group accepts the materials and data from these sources as correct information, and assumes no liability for inaccurate data or analysis.

An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a Primary Market Area is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied. When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis is used in the compilation of data.

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at national, state and county levels, as well as third party suppliers. Market information has been obtained from sources presumed to be reliable, including developers, owners and representatives. However, this information cannot be warranted by National Land Advisory Group. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

The data in this report is derived from several sources: the U.S. Census Bureau, the American Community Survey, Applied Geographic Solutions/FBI UCR, Nielsen Claritas, and Ribbon Demographics. The data is apportioned to the various geographies using a Geospatial Information System (GIS). The GIS allocates data points such as population, households, and housing units, using Census block group apportionment or Census tract apportionment - depending on the availability of data. The GIS will apportion the data based on the location of Census block points as they relate to the geography that the data is being apportioned for. In other words, the GIS will examine the data associated with the block points that lie within a geographical boundary (PMA, place, county, or state) and will then proportionally allocate associated data from a block group or census tract, to the principal geographical boundary that is receiving the data. Official geographic boundaries are provided by the U.S. Census Bureau and reflect the official boundaries as of July, 2010. The data in this report that utilizes Census and American Community Survey data may differ slightly from data that is aggregated using the American Factfinder tool. The potential differences in the data can be attributed to rounding, apportioning, and access to masked data that is not provided to the general public. The differences, if any, are generally less than 1%. However, smaller geographies such as places with less than 2,000 people are susceptible to greater variations between data points.

The U.S. Census no longer collects detailed housing and demographic information - data that was formerly collected by the long form of the Decennial Census. This data is now collected by the American Community Survey (ACS). The ACS is conducted more frequently (quarterly) but utilizes a much smaller sample size; therefore there can be high margins of error in some instances. The margins of error will decrease proportionally as the population base increases and the size of the geography increases. This report utilizes data from the 2006-2010 ACS, which is an average of estimates taken over a five year period and eventually weighted back to the official 2010 Census. The ACS recommends that its data only be compared to other, non-overlapping ACS datasets. Please use caution when examining any data derived from the ACS, especially in less populated areas.

The objective of this report is to gather, analyze, and present as many market components as reasonably possible within the time constraints agreed upon. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated. It is our function to provide our best effort in data collection, and to express opinions based on our evaluations. National Land Advisory Group, at all times, has remained an unbiased, third party principal.

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

According to the South Carolina State Housing Finance and Development Authority's 2015 Low-Income Housing Tax Credit Program, specific requirements needed for analysis of market viability have been completed and incorporated into the market feasibility study prepared by National Land Advisory Group, in the sections as follows:

| DESCRIPTION | STUDY |
|---|---|
| I. Executive Summary | Section II |
| A. Market Statement | Section II-A, Section VII-E |
| B. Recommendations/Modifications | Section II |
| C. Vacancy Rate | Section II-A |
| 1. Explanation >7% | Section II-A |
| D. Absorption | Section II-A, Section VII-E |
| 1. Explanation > 1 year | Section II-A, Section VII-E |
| II. Project Description | Section II-A, Section VII-E |
| III. Primary Market Area (PMA) Description | Section III-B |
| A. PMA Map | Section III |
| B. Methodology | Section III-B |
| C. Explanation of Market Area | Section III |
| D. Health of Rental Market | Section VI |
| IV. Rent Comparison Table | Section VI |
| A. Proposed Project Rent | Section II-A & B, Section VII-E |
| B. Market Rents & Methodology | Section VI |
| V. Number of Income-Eligible Renter Households | Section II-D, Section VII-C |
| A. Capture Rate | Section II-D, Section VII-E |
| 1. Explanation >10% | Section II-D, Section VII-E |

## D. CONSULTANT'S STATEMENT & MARKET STUDY CERTIFICATION

### CONSULTANT'S STATEMENT & LIMITATIONS

This market study has been prepared by National Land Advisory Group, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

National Land Advisory Group is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. National Land Advisory Group is an independent market analyst. No principal or employee of National Land Advisory Group has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies National Land Advisory Group the certification is always signed by the individual completing the study and attesting to the certification.

## MARKET STUDY CERTIFICATION

The undersigned, a recognized firm of independent market analysts knowledgeable and experienced in the development of affordable rental properties, completed this Market Study of Ninety Dillon Apartments (project name) for Mr. Steve Boone of The Buckeye Community Hope Foundation (developer/owner name).

The market analyst does hereby state, in our best judgment that a market exists for the proposed project as of March 20, 2015. The market analyst makes no guarantees or assurances that projections or conclusions in the study will be realized as stated.

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

By: National Land Advisory Group
**(Market Analyst Company/Firm)**

By: Richard Bassett / President
**(Authorized Representative)**

By: David M Miea / Field Analyst
**(Authorized Representative)**

Date: March 20, 2015

## II. EXECUTIVE SUMMARY

### A. DEVELOPMENT RECOMMENDATIONS

- This study has established that a market exists for the rehabilitation of a 48-unit multi-family rental housing project, Ninety Dillon Apartments, to be developed within the criteria set forth by the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit Program.

- With the proposed plans to develop 10-units (20.8%) available to households with incomes at or below the 50% of the area income and 38-units (79.2%) available to households with incomes at or below the 60% of the area income, the subject site located in the Town of Hilton Head Island, South Carolina is proposed as follows:

**UNIT BY TYPE AND BEDROOM**

| BEDROOM | **TWO** | **THREE** |
|---|---|---|
| BATHROOMS | 1.5 | 1.5 |
| NUMBER OF UNITS | | |
| 50% | 5 | 5 |
| 60% | 19 | 19 |
| SQUARE FEET (approx.) | 835-966 | 950-1,050 |
| GROSS RENT | $754-$889 | $871-$1,021 |
| UTILITY ALLOWANCE * | $129 | $161 |
| NET RENT | $625-$760 | $710-$860 |

* estimated by developer and local housing agency

- The existing development consists of a one-story and two-story flats and townhomes for family occupancy. The development consists of 10 buildings located on approximately 6.67 acres. The existing 48-unit family development is estimated to begin rehabilitation in the Spring 2016, to be completed in the Spring 2017. The development consists of parking for a total of 103 surface spaces within the development.

- The development rehabilitation will follow the mandatory design criteria set forth by SCSHFDA. However, there have been proposed additional development design criteria which will be included in the development rehabilitation process.

- Each unit in the existing development will be upgraded and would contain energy star appliances, including a self-cleaning range, refrigerator, dishwasher, disposal, air conditioning, carpeting or wood floors, blinds, extra storage, patio, washer/dryer hook-ups and one full and one-half bathrooms. Additionally, the units will be pre-wired for high speed internet.

- Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: on-site rental management office, laundry room, security, playground and a park setting.

- The units will include the following utilities: electric, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of $129 for a two-bedroom unit and $161 for a three-bedroom unit is estimated. The units will be cable-ready.

- The development will maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front door image. From a marketing point of view, it would be beneficial if the proposed sites to continue to use some natural settings, if possible, to develop an environment within this development. The Town of Hilton Head Island area apartment developments have done a good job in creating a complete development theme or environment.

- The development and unit plans were reviewed. The family rental units are appropriate for the Town of Hilton Head Island. The unit amenities are adequate for the targeted market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants.

- The subject site is adequately located within three miles of all essential resident services, including but not limited to: government, educational, shopping, employment and medical facilities. There is no public transportation available in the subject site area.

- In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **70% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

**GROSS INCOMES**

| | |
|---|---|
| Below 50% | 33 (68.7%) |
| 50% - 60% | 14 (29.2%) |
| Above 60% | 1 (2.1%) |

- The proposed rents combined with the current rental market absorption pattern would result in an overall vacancy rate of less than 2.0% for the proposed development. Within the overall LIHTC market, the vacancy rate would result in a rate of 2.0% or less.

- ♦ The absorption potential for tenants in the Hilton Head Island rental market, based on the proposed net rent is excellent. It is anticipated, because of the criteria set forth by the income and household size for units for the Low Income Tax Credit Program, the depth of the market demand for units, assumption of renovated product, as well as the design associated with this product, absorption is expected to be equal to the area average of 8 to 10 units per month, resulting in a 4.8 to 6.0 month absorption period for the 48-unit LIHTC development. The absorption rate may be higher in the initial months of rent-up.

## B. HOUSING MARKET SUMMARY

- ♦ At the time of this study, in the Hilton Head Island market area, a comparable survey of family LIHTC, government subsidized and market-rate units was conducted in the market area. There are 192 market-rate units in the area in two developments. There is one low income housing tax credit (LIHTC) family development with 48-units that was surveyed with no vacancies. An additional 234 government subsidized development units in four developments with a non-existent vacancy rate, were located and surveyed in the Hilton Head Island market area. Vacancies for the market rate units are also non-existent. When vacancies are available, it is due to natural turnover in the market area. Reviewing the LIHTC units, the market still appears limited by supply rather than demand.

- ♦ The Hilton Head Island market-rate apartment base contains a well balanced ratio of one-bedroom and two-bedroom units in the market area. All of these units have a non-existent vacancy rate.

- ♦ Median rents are high; additionally there is a good base of higher-priced market-rate units in the Hilton Head Island market area. One-bedroom units have a median rent of $975, with all of the one-bedroom units in the upper-rent range of $950-$1,000. Two-bedroom units have a median rent of $1,008, with 54.1% of the two-bedroom units in the upper-rent range of $1,000-$1,100. Three-bedroom units have a median rent of $806. Market rate rents have been able to increase at a yearly rate of more than 2.0%, because of the lack of new construction of market-rate rental units, having an impact on both the area rental market and rents and the strong market conditions.

- ♦ Under the SCSHFDA guidelines, one development has received LIHTC allocations in the Hilton Head Island area since 1998. This one development is for family housing. The development offers 50% and 60% rents of AMI's.

- ♦ Overall, the one family development (subject site) contains 48 LIHTC units, of which none are vacant or a 100.0% occupancy rate.

- ♦ In a review of comparable properties and rent adjustments in the Hilton Head Island PMA, it was noted that there are two family developments in the immediate area that would be the most comparable to the product. Therefore, additional developments outside the immediate area (Bluffton - secondary market) were reviewed.

- There are four family developments are market-rate, with a potential to attract the proposed market segment associated to the product and tenant base. All of these developments are market-rate family developments with market segment associated to the product and tenant base. As noted, within the four competitive developments, a total of 852-units exist with 18 vacant units or an overall 97.9% occupancy rate.

- It should be noted that the average of the achievable comparable net two-bedroom unit is $912, somewhat higher than the adjusted proposed $625-$760 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 68.5%-83.3% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is $1,028, somewhat higher than the adjusted proposed $710-$860 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 69.1%-83.7% of the average comparable three-bedroom rent in the market area.

- When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

## C. DEMAND ANALYSIS AND CAPTURE RATE

- The following demand estimates are based on any applicable income restrictions and requirements set forth by the South Carolina State Housing Finance and Development Authority, current family households, proposed households, turnover ratios of units in the market area and the percent of renter qualified family households within the Primary Market Area.

- Overall (excluding any overlap of income ranges), the adjusted annual income range specified appropriate by the tax credit program for low to moderate-income households is $30,160 (lower end of one-person household moderate-income) to $43,680 (five-person household moderate-income) for the Hilton Head Island Primary Market Area. In 2014, there are 1,318 households in the Hilton Head Island Primary Market Area of the proposed site was within this income range.

- Within these competitive rent ranges, the market can support the proposed 48-unit tax credit development for family occupancy under the 50% and 60% programs. In 2014, based on the proposed and competitive product in the Hilton Head Island market area, the proposed 48-unit family development of LIHTC units represents an overall 6.7% capture rate within the market area.

- All of these calculations are appropriate capture and penetration factors, especially with the factor of the development being rehabilitation construction. Combined with sensitivity to market rents and a quality construction, these renter households' percentages represent a good base of appropriate income family households.

## D. MARKET STUDY CRITERIA ANALYSIS

- Based on the SCSHFDA QAP Market Criteria, the subject property needs to be measured on four levels: Capture Rate, Market Advantage, Overall Vacancy Rate and the Absorption/Lease-Up Periods. The following are charts evaluating the desired criteria:

### a) Capture Rate

The capture rate for income qualified households in the market area for the project is at or below 30.0%.

✓ The proposed development capture rate is 6.7**%.**

### b) Market Advantage

The developments must have a minimal market advantage of 10%.

2015 S-2 RENT CALCULATION WORKSHEET

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent by Bedroom Type | Adjusted Market Rent | Gross Adjusted Market Rent by Bedroom Type | Tax Credit Gross Rent Advantage |
|---|---|---|---|---|---|---|
| | 0 BR | | $0 | | $0 | [redacted] |
| | 0 BR | | $0 | | $0 | |
| | 0 BR | | $0 | | $0 | |
| | 1 BR | | $0 | | $0 | |
| | 1 BR | | $0 | | $0 | |
| | 1 BR | | $0 | | $0 | |
| 5 | 2 BR | $625 | $3,125 | $912 | $4,560 | |
| 19 | 2 BR | $760 | $14,440 | $912 | $17,328 | |
| | 2 BR | | $0 | | $0 | |
| 5 | 3 BR | $710 | $3,550 | $1,028 | $5,140 | |
| 19 | 3 BR | $860 | $16,340 | $1,028 | $19,532 | |
| | 3 BR | | $0 | | $0 | |
| | 4 BR | | $0 | | $0 | |
| | 4 BR | | $0 | | $0 | |
| | 4 BR | | $0 | | $0 | |
| Totals | 48 | [redacted] | $37,455 | [redacted] | $46,560 | 19.56% |

✓ The proposed market advantage is **19.56%.**

### c) Overall Occupancy Rate

The overall existing vacancy rate for stabilized LIHTC developments is less than 10.0%.

- ✓ The LIHTC vacancy rate in the market area is estimated at **0.0%.**

### d) Absorption/Lease Up Periods

Estimated lease-up time for the project is less than one year.

- ✓ The estimated absorption period for the proposed development is **4.8 – 6.0 months.**

## 2015 Exhibit S – 2 SCSHFDA Primary Market Area Analysis Summary:

Development Name: Ninety Dillon — Total # Units: 48

Location: Hilton Head Island, Beaufort County — # LIHTC Units: **48**

PMA Boundary: See Section III-B

Development Type: _X___Family ____Older Persons — Farthest Boundary Distance to Subject: 18.0 miles

### Rental Housing Stock (found on page VI)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|---|---|---|---|---|
| All Rental Housing | 7 | 474 | 0 | 100.0% |
| Market-Rate Housing | 2 | 192 | 0 | 100.0% |
| Assisted/Subsidized Housing not to include LIHTC | 4 | 234 | 0 | 100.0% |
| **LIHTC (All that are stabilized)*** | 1 | 48 | 0 | 100.0% |
| Stabilized Comps** | 4 | 852 | 18 | 97.9% |
| Non-stabilized Comps | | | | % |

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

| Subject Development | | | | | Adjusted Market Rent | | | Highest Unadjusted Comp Rent | |
|---|---|---|---|---|---|---|---|---|---|
| # Units | # Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 5 | 2 | 1/1.5 | 900-950 | **$625** | **$912** | **$.89** | **32.6%** | **$1,100** | **$1.12** |
| 19 | 2 | 1/1.5 | 900-950 | **$760** | **$912** | **$.89** | **16.7%** | **$1,100** | **$1.12** |
| 5 | 3 | 1.5 | 950-1050 | **$710** | **$1028** | **$.80** | **30.9%** | **$1,250** | **$.87** |
| 19 | 3 | 1.5 | 950-1050 | **$860** | **$1028** | **$.80** | **16.3%** | **$1,250** | **$.87** |
| | | | | $ | $ | $ | % | $ | $ |
| **Gross Potential Rent Monthly*** | | | | **$37455** | **$46560** | | 19.56% | | |

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

### Demographic Data (found on page IV)

| | 2000 | | 2014 | | 2017 | |
|---|---|---|---|---|---|---|
| Renter Households | 3847 | 21.8% | 7851 | 29.4% | 8280 | 29.5% |
| Income-Qualified Renter HHs (LIHTC) | 789 | 20.5% | 1318 | 16.8% | 1430 | 17.2% |
| Income-Qualified Renter HHs (MR) | (if applicable) | % | | % | | % |

### Targeted Income-Qualified Renter Household Demand (found on page VII-D)

| Type of Demand | 50% | 60% | Market-rate | Other:__ | Other:__ | Overall |
|---|---|---|---|---|---|---|
| Renter Household Growth | 59 | 53 | | | | 112 |
| Existing Households (Overburd + Substand) | 277 | 326 | | | | 603 |
| Homeowner conversion (Seniors) | - | - | | | | - |
| Other: | - | - | | | | - |
| Less Comparable/Competitive Supply | - | - | | | | - |
| **Net Income-qualified Renter HHs** | 336 | 379 | | | | **715** |

### Capture Rates (found on page VII-D)

| Targeted Population | 50% | 60% | Market-rate | Other:__ | Other:__ | Overall |
|---|---|---|---|---|---|---|
| Capture Rate | 3.0% | 10.0% | | | | 6.7% |

### Absorption Rate (found on page VII-E)

Absorption Period _____4.8-6.0_____months

## III. SITE

### A. DESCRIPTION

The subject site is the existing Ninety Dillon Apartments located at 90 Dillon Road in the Town of Hilton Head Island, South Carolina. The subject property is a 48-unit apartment complex under the Low Income Housing Tax Credit Program. The 11 building complex sits on 6.67 acres and contains 24 two-bedroom and 24 three-bedroom townhouses and flats. Parking is available throughout the development. The development was built in 1994. The development is located at 90 Dillon Road, approximately one mile northeast of the Dillon Road and U.S. Route 278 Business (William Hilton Parkway) intersection. The subject site is located on the east side of Dillon Road in the north and east area of the Town of Hilton Head Island, South Carolina.

NORTH

Located north of the subject site, on the west side of Dillon Road, are heavily wooded areas of the north and east side of Hilton Head Island. Located along Dillon Road are scattered commercial establishments and single-family residences. Located farther north, along Dillon Road, are additional scattered single-family and multi-family residences. The area of Mitchellville and the Fish Hall Park are located farther north. Located further north is the Port Royal Sound that connects with the Atlantic Ocean.

EAST

Located to the east of the subject site are wooded areas and scattered single-family and multi-family residences. Included in the area are the homes and golf courses associated with the Port Royal Plantation. The Atlantic Ocean is located within one and one-half miles to the east.

WEST

Located on the east and west sides of Dillon Road are smaller commercial and scattered single-family development and mobile homes. Located farther west is the Hilton Head Airport. The Hilton Head Airport is a small airport facility for private airplanes. Farther west are many scattered commercial facilities located in the vicinity of the airport. Also located further west is Beach City Road and Main Street with many residential, commercial and retail establishments. The North Ridge Plaza is located in this immediate area. Additionally, the Hilton Head Regional Medical Center is located approximately one and one-half miles west of the subject site. Farther west is Main Street Village, Publix Supermarket, Festival Center, consisting of many retail establishments. Located farther west, approximately three and one-half miles are the Hilton Head Island Elementary, Middle and High Schools. There are several private schools located within this immediate area. Farther west is Hilton Head Plantation, a residential and golf community. Locate farther west is Skull Creek and the City of Bluffton, South Carolina. Many commercial and retail establishments are located within the City of Bluffton, including the Tanger Outlet Centers.

SOUTH

Located to the south, along Dillon Road, are scattered single-family residences and the Legend Condominium Villas located along Union Cemetery Road. Farther south, located along Dillon Road are smaller commercial and single-family homes. Farther south, approximately one mile is the William Hilton Parkway (U.S. Route 278 Business), the major east/west and north/south artery for the area. Located at this intersection is the Hampton Inn and Port Royal Plaza. This area consists of many retail developments, including Mid Island Plaza and Pineland Station. Several fast food and smaller retail stores are located within these centers. However, also located within this immediate area is the Bi-Lo Grocery store, Sam's Club, CVS Pharmacy, McDonald's and the Wells Fargo Bank. Farther south is the south side of Hilton Head Island which includes the Palmetto Dunes Plantation, Shipyard Plantation and Sea Pines Plantation.

GENERAL

In general the existing site, Ninety Dillon, is located in a residential area with many commercial and retail establishments located nearby. The subject site, located on the east side of Dillon Road has limited visibility to the area. The subject site contains an existing 48-unit. The subject site has excellent ingress and egress as it has frontage on Dillon

Road. Accessibility to major roadways is a positive for this area, especially being nearby to William Hilton Parkway (U.S. Route 278 Business). All essential resident services are located within four miles of the subject site.

## B. PRIMARY MARKET AREA

The Primary Market Area (PMA) is defined by and includes the immediate population base and part of the surrounding urban populations. An important consideration in identifying support (supply and demand characteristics) is to determine the Primary Market Area (PMA). The establishment of a PMA is typically the smallest geographic area from which the proposed development is expected to draw a majority of its potential residents. The market area generally relates to the natural, socioeconomic and/or manmade characteristics and boundaries of the subject site area.

Additionally, input into defining the PMA includes interviews with area government officials; transportation alternatives; and the evaluation of existing housing, demographic and socioeconomic trends and patterns. Of course, personal site visits and the interaction with nearby neighborhoods or communities are strongly applied. When defining the specific development opportunities, National Land Advisory Group will not comprise any market or sub-market area larger than the subject site area defined by this report. No radius analysis was used in the compilation of data.

The Hilton Head Island PMA consists of all of Hilton Head Island, as well as portions of the surrounding townships in Beaufort County. The Primary Market Area is roughly bounded by Port Royal Sound to the north, Tybee Island and the Atlantic Ocean to the south, City of Bluffton and Colleton River Drive to the west and the Atlantic Ocean to the east. The Hilton Head Island PMA includes all or part of the following census tracts: 21.01, 21.02, 21.06, 21.07, 21.08, 22.01, 101.00, 102.00, 103.00, 104.00, 105.00, 106.00, 107.00, 108.00, 109.00, 110.00, 111.00, 112.00, 113.00, and 9901.00 which are located in Beaufort County.

The Town of Hilton Head Island which is located in the southeast portion of Beaufort County; has excellent access to major arteries, including: U.S. Route 278 and Interstate 95. State and Federal branch offices are located in the City of Charleston, located approximately 80 miles north of the subject site.

## C. SITE AND LOCATION ANALYSIS

| Community Amenities | Name | Driving Distance From Site (Miles) |
|---|---|---|
| Transit | Palmetto Breeze Transit | 0.7 Southwest |
| Major Employers/<br>Employment Centers | Marriott Resorts<br>Cypress Club of Hilton Head | 2.7 Southeast<br>4.7 West |
| Convenience Store | Kangaroo Express<br>Sunoco<br>Hilton Head Shell | 0.9 Southwest<br>1.0 West<br>1.3 Southwest |
| Grocery | Bi-Lo<br>Sam's Club | 1.0 Southwest<br>1.0 Southwest |
| Discount Department Store | Goodwill<br>Dollar General<br>Sam's Club<br>Ace Hardware of Hilton Head<br>Stein Mart | 0.9 Southwest<br>0.9 Southwest<br>1.0 Southwest<br>1.1 West<br>1.1 Southwest |
| Schools: | | |
| Elementary | Hilton Head Elementary School | 3.2 West |
| Middle/Junior High | Hilton Head Island Middle School | 3.1 West |
| Senior High | Hilton Head High School | 3.1 West |
| Private | Hilton Head Christian Academy (K-12) | 1.6 West |
| Hospital | Hilton Head Regional Med Center | 2.0 West |
| Police | Beaufort County Sheriff | 3.2 Southwest |
| Fire | Hilton Head Fire Department | 0.3 Northwest |
| Post Office | US Post Office | 3.0 West |
| Bank | Wells Fargo Bank<br>First Citizens Bank & Trust | 0.9 Southwest<br>1.1 West |
| Recreational Facilities | Island Recreation Center | 3.3 West |
| Gas Station | BP<br>Sunoco<br>Hilton Head Shell | 0.8 Southwest<br>1.0 West<br>1.3 Southwest |
| Pharmacy | CVS Pharmacy<br>Stephen Compound Pharmacy | 0.9 Southwest<br>1.1 Southwest |

| | | |
|---|---|---|
| Restaurant | McDonald's<br>Pizza Hut<br>Ihop Restaurant<br>Subway | 0.7 Southwest<br>0.7 Southwest<br>0.9 Southwest<br>0.9 Southwest |
| Day Care | Toddler University Learning | 0.9 Southwest |
| Community Center | Island Recreation Center | 3.3 West |
| Library | Hilton Head Island Library | 1.6 West |
| Cinema/Theatre | Northridge Cinema 10 | 0.9 Southwest |
| Fitness Center | Beach City Health & Fitness | 1.8 West |
| Golf | Oyster Reef Golf Club<br>Heritage Collection On Hilton<br>Port Royal Golf Club | 1.7 Southeast<br>1.7 Southeast<br>1.7 Southeast |
| Park | Mitchellville Beach Park<br>Driessen Beach Park<br>Jarvis Creek Park | 1.3 North<br>2.1 South<br>3.0 West |
| Church | Refuge<br>New Horizon Christian Center | 0.9 Southwest<br>1.0 Southwest |
| Shopping Center/Mall | Port Royal Plaza<br>Pineland Station | 0.8 Southwest<br>1.0 Southwest |

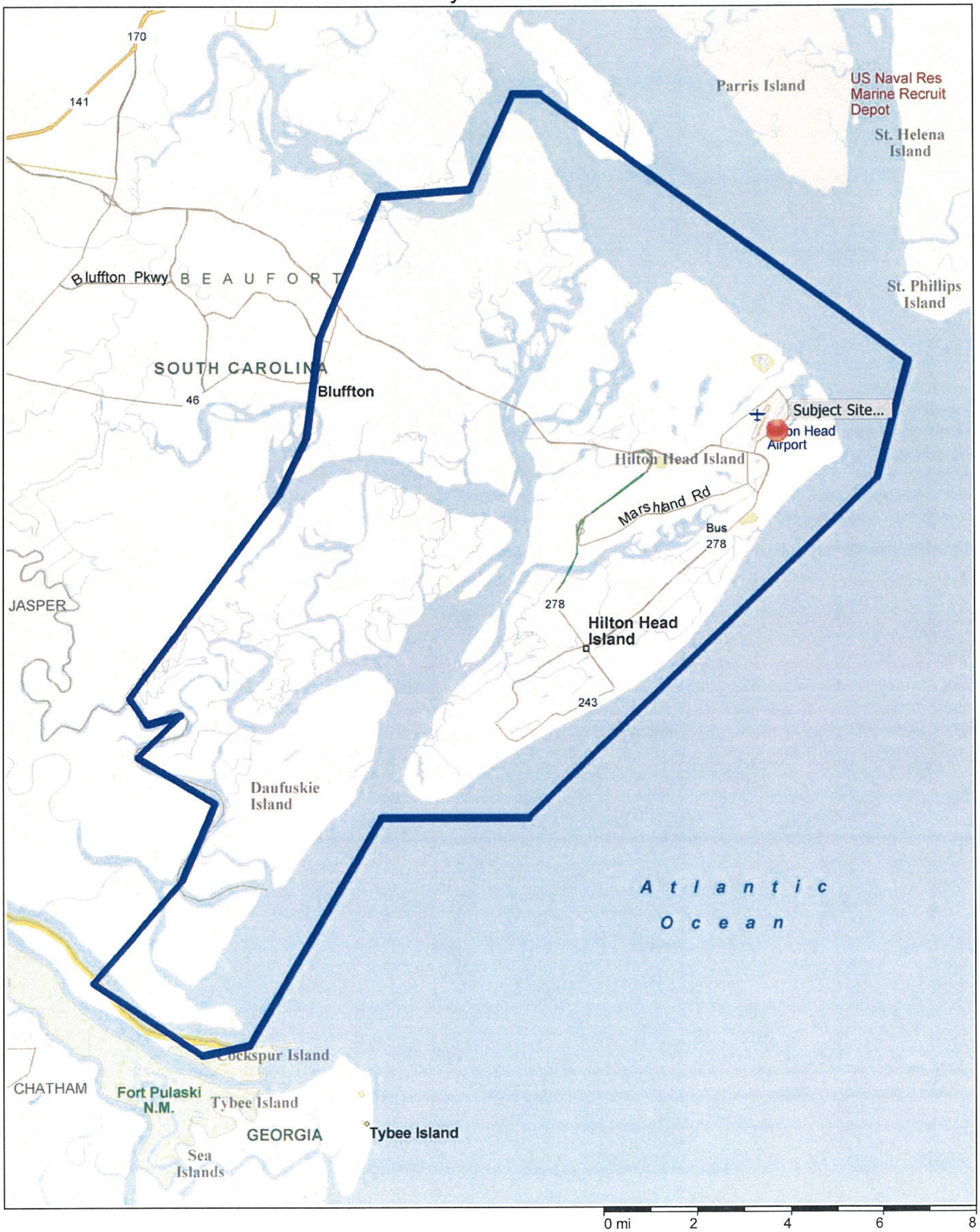
**SUBJECT SITE**
**HILTON HEAD ISLAND**


**NORTH - SOUTH**
**EAST - WEST**

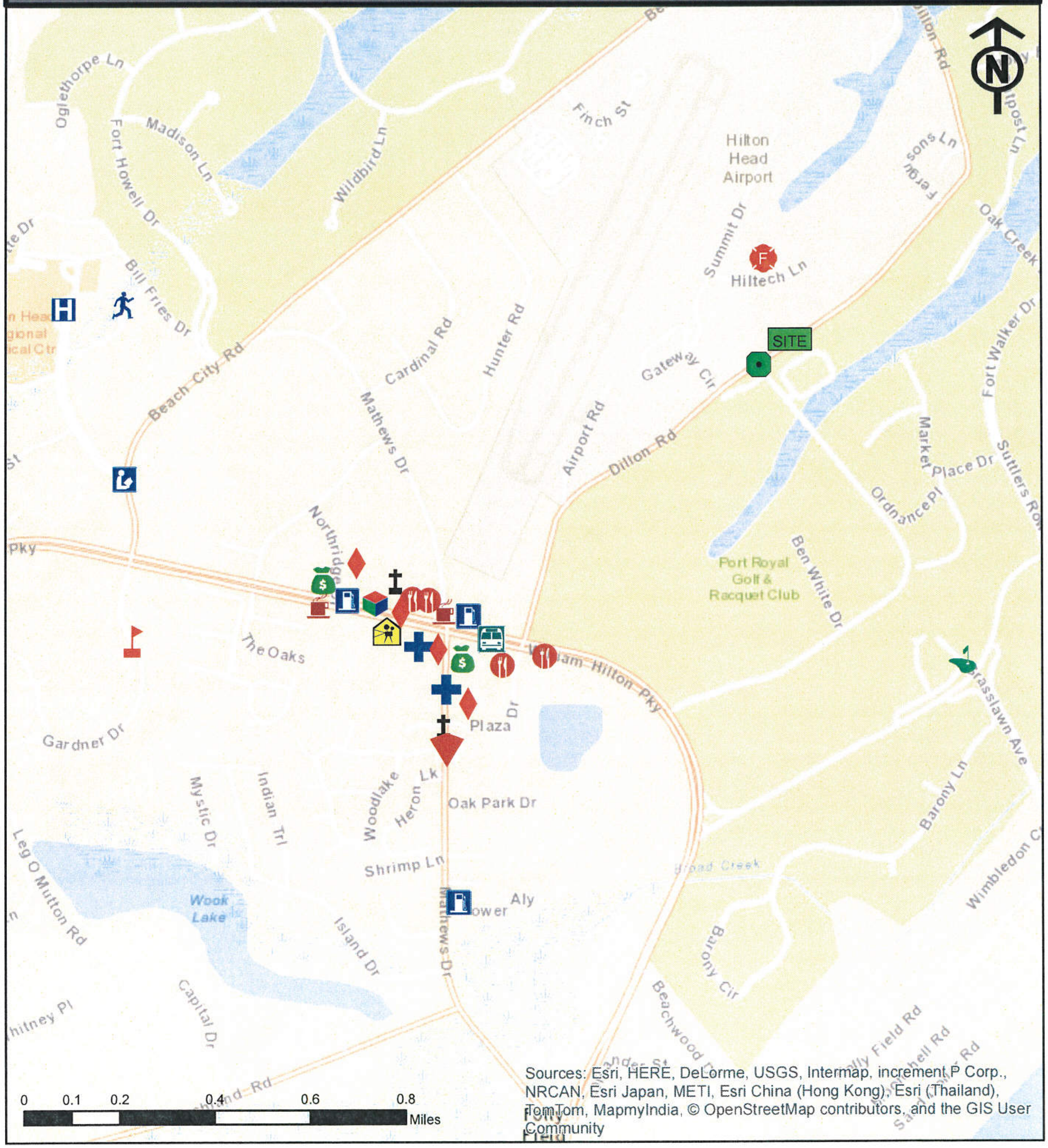
# Area Map

Springdale
Cayce
RICHLAND
Eastover
SUMTER
Turbeville
Scranton
MARION
Brittons Neck
SALUDA
Batesburg
LEXINGTON
Hopkins
Privateer
Sardinia
FLORENCE
Johnsonville
Johnston
Ridge Spring
Cades
Edgefield
Trenton
S O U T H C A R O L I N A
Alcolu
Indiantown
Manning
Kingstree
Nesmith
EDGEFIELD
Fort Motte
CALHOUN
CLARENDON
WILLIAMSBURG
Wagener
Salley
North
North Fork Edisto
Elloree
Greeleyville
Lane
Martinez
Augusta
A I K E N
Orangeburg
Trio
Andrews
Grovetown
Beech Island
Springfield
Santee
Norway
ORANGEBURG
Eutawville
St. Stephen
Fort Gordon
Williston
Blackville
Bowman
RICHMOND
Holly Hill
Cross
Francis Marion National Forest
GEORGETOWN
Jackson
BARNWELL
Bamberg
Branchville
Moncks Corner
Hilda
Barnwell
BAMBERG
St. George
Harleyville
Kline
Olar
Cordesville
DORCHESTER
Waynesboro
Ehrhardt
McClellanville
B U R K E
ALLENDALE
BERKELEY
Allendale
Salkehatchie
Summerville
Cape Island
Sardis
Ladson
Goose Creek
Bulls Bay
Fairfax
COLLETON
Ashley
Wando
Hilltonia
Brunson
North Charleston
Hampton
Walterboro
Wando
Gifford
Varnville
Midville
Millen
Hendersonville
St. Andrews
Mount Pleasant
Sylvania
HAMPTON
Charleston
JENKINS
SCREVEN
Estill
CHARLESTON
Yemassee
Kiawah
Grays
Folly Beach
EMANUEL
Sheldon
Edisto Island
Wadmalaw Island
Ogeechee
Portal
BULLOCH
Ridgeland
Stillmore
Statesboro
EFFINGHAM
Laurel Bay
Metter
JASPER
BEAUFORT
Hunting Island
Springfield
CANDLER
Brooklet
Guyton
Port Royal
Rincon
Hardeeville
Subject Site...
Collins
G E O R G I A
Claxton
Bloomingdale
Hilton Head Island
EVANS
Reidsville
Pembroke
Pooler
Savannah
Canoochee
BRYAN
CHATHAM
Tybee Island
TATTNALL
Richmond Hill
Glennville
Montgomery
Isle of Hope
Wassaw Sound
Fort Stewart
Hinesville
Allenhurst
Ossabaw Sound
LONG
Ludowici
Riceboro
APPLING
LIBERTY
Atlantic Ocean
Jesup
WAYNE
Townsend
Sea Islands
Bristol
Screven
MCINTOSH
Everett
Darien
PIERCE
Hortense
Thalmann
Waynesville
GLYNN
Nahunta
Brunswick
BRANTLEY
Satilla
St. Simons Island
CAMDEN
Woodbine
CHARLTON
0 mi
20
40
60

## Primary Market Area



# Hilton Head Island, SC: Map of Neighborhood Services




| | | | |
|---|---|---|---|
| Site | convenience store | grocery | pharmacy |
| bank | fire | high school | post office |
| child care | fitness center | hospital | restaurant |
| church | gas | library | shopping |
| cinema | golf | park | transit |

## IV. DEMOGRAPHIC & ECONOMIC INFORMATION

The following is a summary of the demographics and economic situation in the Town of Hilton Head Island, South Carolina. Information on population, area income analysis, crime, employment, unemployment and existing housing conditions was compiled for the Town of Hilton Head Island, Hilton Head Island Primary Market Area (PMA) and Beaufort County. This information will show past, current, and future trends.

### A. LOCATION

The Town of Hilton Head Island is located in the southeast area of Beaufort County, in the southern part of the State of South Carolina at the crossroad of U.S. Route 278. Interstate 95 is located approximately twenty miles northwest of the area. The City of Bluffton, South Carolina is located approximately three miles west of the Town of Hilton Head Island area, while the City of Charleston is located eighty miles north. The City of Savannah, Georgia is located approximately thirty-eight miles south. The subject site area is located in the north central portion of Hilton Head Island.

### B. UTILITIES

Electric service is provided by Palmetto Electric Cooperative and the Santee Cooper Company. No gas service is available to the area. Water, storm and sewer services are provided by Hilton Head Public Service District. Telephone service is provided by Hargray.

### C. FINANCIAL SOURCES

There are five banking and savings and loan institutions in the Town of Hilton Head Island area. Additional financial and banking services can be obtained in nearby communities, including the Bluffton and Savannah areas.

## D. MEDIA

There is one local cable television station serving the Town of Hilton Head Island. Additional television stations are received from the Savannah area. Radio service is provided by four local radio stations in the Towns of Hilton Head Island and Bluffton. Additional radio service outlets are received from the Savannah area. Cable TV is available for the Hilton Head Island area through Hargray and Time Warner.

The Island Packet is the daily and Sunday newspaper. The Hilton Head Sun and The Bluffton Sun are the weekly newspapers. Other newspapers are distributed from the Savannah area. Several smaller weekly and local newspapers are also available and distributed in the area.

## E. EDUCATION

The education system serving the proposed site area is the Beaufort County Public School District consisting of one elementary, one middle and one high school in the Hilton Head Island area. There are several private elementary and secondary schools in the area. Several institutions of higher education are located within the immediate area, including University of South Carolina Beaufort - Bluffton.

## F. POPULATION & HOUSEHOLDS

The population of the Town of Hilton Head Island was 37,099 in 2010. In 2014, the newly published population number is 38,619, an increase of 4.1%. Population is expected to number 39,954 by 2017, increasing 3.5% from 2014. The Town of Hilton Head Island households numbered 16,535 in 2010 and increased 7.2% to 17,723 in 2014. Households are expected to number 18,527 by 2017, increasing 4.5% from 2014.

The population of the Hilton Head Island Primary Market Area was 58,242 in 2010. In 2014, the newly published population number is 62,174, an increase of 6.8%. Population is expected to number 65,126 by 2017, increasing 4.7% from 2014. The Hilton Head Island PMA households numbered 24,617 in 2010. In 2014, households numbered 26,666, an increase of 8.3%. Households are expected to number 28,067 by 2017, increasing 5.3% from 2014.

Beaufort County population was 162,233 in 2010. The most recent population number is 174,225 for 2014, an increase of 7.4%. Population is expected to number 182,778 by 2017, increasing 4.9% from 2014. In 2010, Beaufort County households numbered 64,945 and 70,826 in 2014, an increase of 9.1%. Households are projected to number 74,741 by 2017, increasing 5.5% from 2014.

TABLE 1

**POPULATION AND HOUSEHOLDS**

**Town of Hilton Head Island – Hilton Head Island PMA – Beaufort County**

2000 – 2010 – 2014 – 2017 (Projected)

| **Population** | **Hilton Head Island** | **Hilton Head Island PMA** | **Beaufort County** |
|---|---|---|---|
| 2000 | 33,897 | 45,323 | 120,937 |
| 2010 | 37,099 | 58,242 | 162,233 |
| Change 2000-2010 | 9.4% | 28.5% | 34.1% |
| 2014 | 38,619 | 62,174 | 174,225 |
| Change 2010-2014 | 4.1% | 6.8% | 7.4% |
| 2017 | 39,954 | 65,126 | 182,778 |
| Change 2014-2017 | 3.5% | 4.7% | 4.9% |

| **Households** | **Hilton Head Island** | **Hilton Head Island PMA** | **Beaufort County** |
|---|---|---|---|
| 2000 | 14,402 | 18,969 | 45,532 |
| 2010 | 16,535 | 24,617 | 64,945 |
| Change 2000-2010 | 14.8% | 29.8% | 42.6% |
| 2014 | 17,723 | 26,666 | 70,826 |
| Change 2010-2014 | 7.2% | 8.3% | 9.1% |
| 2017 | 18,527 | 28,067 | 74,741 |
| Change 2014-2017 | 4.5% | 5.3% | 5.5% |

*Sources: U.S. Census Bureau; Nielsen Claritas*

In 2017, the estimated population per household in the Town of Hilton Head Island is 2.16, compared to 2.32 for the Hilton Head Island PMA and 2.45 in Beaufort County. The population per household for 2014 was 2.18 in the Town of Hilton Head Island, 2.33 for the Hilton Head Island PMA and 2.46 in Beaufort County. In 2010, the population per household was 2.24 for the Town of Hilton Head Island, 2.37 in the Hilton Head Island PMA and 2.50 in Beaufort County.

Within the group quarters, a small percentage of the population is in group quarters, 0.5% in the Town of Hilton Head Island and 3.2% in Beaufort County. A majority of the households in the Town of Hilton Head Island and Beaufort County are in traditional family households. The average household size for the Town of Estill is 2.23 compared to 2.42 for Hampton County.

TABLE 2

**GROUP QUARTERS AND HOUSEHOLDS**

**Town of Hilton Head Island – Beaufort County**

Census 2010

| | Hilton Head Island | | Beaufort County | |
|---|---|---|---|---|
| | Number | Percent | Number | Percent |
| Total Population | 37,099 | 100.0% | 162,233 | 100.0% |
| In Group Quarters | 202 | 0.5% | 5,265 | 3.2% |
| Institutionalized | 202 | 0.5% | 650 | 0.4% |
| Noninstitutionalized | 0 | 0.0% | 4,615 | 2.8% |
| In Households | 36,897 | 99.5% | 156,968 | 96.8% |
| Family | 29,468 | 79.4% | 132,398 | 81.6% |
| Nonfamily | 7,429 | 20.0% | 24,570 | 15.1% |
| Total Households | 16,535 | | 64,945 | |
| Average Household Size | 2.23 | | 2.42 | |

*Source: U.S. Census Bureau, 2010 Census Summary File 1*

In the Hilton Head Island Primary Market Area, family households (under the age of 55) increased 9.6% for renter households and decreased 16.5% for owner households from 2010 to 2014. Between 2014 and 2017, family renter households (under the age of 55) are projected to increase 3.9%, while the owner households are estimated to increase 1.3%.

In the Hilton Head Island Primary Market Area, senior households (ages to 55 to 61) increased 10.2% for renter households and 27.8% for owner households from 2010 to 2014. Between 2014 and 2017, senior renter households (ages 55 to 61) are projected to increase 7.2%, while the owner households are estimated to decrease 0.6%.

In the Hilton Head Island Primary Market Area, senior households (ages 62 years and older) increased 18.6% for renter households and 26.8% for owner households from 2010 to 2014. Between 2014 and 2017, senior renter households (age 62 years and older) are projected to increase 10.7%, while the owner households are estimated to increase 9.1%.

TABLE 3

**RENTER & OWNER HOUSEHOLD TRENDS**

**Hilton Head Island PMA**

2010 (2006-2010 ACS) – 2014 (Estimated) – 2017 (Projected)

| **Renter Households** | **Under 55 Years** | **55-61 Years** | **62+ Years** |
|---|---|---|---|
| 2010 | 5,235 | 569 | 1,255 |
| 2014 | 5,736 | 627 | 1,488 |
| Change 2010-2014 | 9.6% | 10.2% | 18.6% |
| 2017 | 5,961 | 672 | 1,647 |
| Change 2014-2017 | 3.9% | 7.2% | 10.7% |
| **Owner Households** | **Under 55 Years** | **55-61 Years** | **62+ Years** |
| 2010 | 6,974 | 2,352 | 7,878 |
| 2014 | 5,826 | 3,006 | 9,991 |
| Change 2010-2014 | -16.5% | 27.8% | 26.8% |
| 2017 | 5,904 | 2,988 | 10,897 |
| Change 2014-2017 | 1.3% | -0.6% | 9.1% |

*Sources: U.S. Census Bureau; Nielsen Claritas*

In 2010 the median age for Hilton Head Island PMA residents was 45.7 years. An analysis of age groups determined that 21.7% were under the age of 21; 55.0% were 21 to 64 years old; and 23.3% were 65 years or older.

In 2014 the median age for Hilton Head Island PMA residents was 47.1 years. An analysis of age groups determined that 21.5% were under the age of 21; 52.9% were 21 to 64 years old; and 25.5% were 65 years or older.

In 2017 the median age for Hilton Head Island PMA residents is projected to be 47.5 years. An analysis of age groups determined that 22.0% will be under the age of 21; 51.3% will be 21 to 64 years old; and 26.7% will be 65 years or older.

For reference, the average age in the Hilton Head Island PMA was 44.0 in 2010 and increased to 44.2 in 2014. The average age is projected to be 44.3 in 2017.

TABLE 4

**POPULATION BY AGE & SEX**

**Hilton Head Island PMA**

| | *Census 2000* | | | *Census 2010* | | | *Current Year Estimates - 2014* | | | *Three-Year Projections - 2017* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Age | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 0 to 4 Years | 1,220 | 1,142 | **2,362** | 1,717 | 1,596 | **3,313** | 1,708 | 1,626 | **3,334** | 1,795 | 1,713 | **3,508** |
| 5 to 9 Years | 1,276 | 1,211 | **2,487** | 1,563 | 1,598 | **3,161** | 1,726 | 1,594 | **3,320** | 1,800 | 1,681 | **3,481** |
| 10 to 14 Years | 1,261 | 1,250 | **2,511** | 1,478 | 1,384 | **2,862** | 1,597 | 1,678 | **3,275** | 1,753 | 1,735 | **3,487** |
| 15 to 17 Years | 689 | 636 | **1,325** | 916 | 909 | **1,825** | 944 | 838 | **1,782** | 1,025 | 985 | **2,010** |
| 18 to 20 Years | 466 | 381 | **847** | 806 | 661 | **1,467** | 907 | 777 | **1,684** | 955 | 876 | **1,831** |
| 21 to 24 Years | 1,102 | 830 | **1,932** | 1,359 | 1,076 | **2,435** | 1,266 | 1,131 | **2,397** | 1,286 | 1,161 | **2,448** |
| 25 to 34 Years | 3,115 | 2,696 | **5,811** | 3,805 | 3,264 | **7,069** | 3,928 | 3,302 | **7,230** | 3,943 | 3,302 | **7,244** |
| 35 to 44 Years | 3,118 | 3,116 | **6,234** | 3,475 | 3,331 | **6,806** | 3,534 | 3,366 | **6,900** | 3,759 | 3,548 | **7,308** |
| 45 to 54 Years | 2,731 | 3,315 | **6,046** | 3,385 | 3,774 | **7,159** | 3,632 | 3,839 | **7,471** | 3,743 | 3,818 | **7,561** |
| 55 to 64 Years | 2,841 | 3,226 | **6,067** | 3,813 | 4,736 | **8,549** | 3,901 | 4,992 | **8,893** | 3,859 | 5,010 | **8,869** |
| 65 to 74 Years | 2,882 | 2,848 | **5,730** | 3,771 | 3,932 | **7,703** | 4,499 | 4,742 | **9,241** | 5,065 | 5,373 | **10,438** |
| 75 to 84 Years | 1,473 | 1,647 | **3,120** | 2,107 | 2,060 | **4,167** | 2,381 | 2,277 | **4,658** | 2,469 | 2,361 | **4,829** |
| 85 Years and Up | 328 | 523 | **851** | 636 | 1,088 | **1,724** | 747 | 1,236 | **1,984** | 810 | 1,301 | **2,111** |
| **Total** | **22,502** | **22,821** | **45,323** | **28,831** | **29,409** | **58,240** | **30,771** | **31,399** | **62,170** | **32,261** | **32,863** | **65,124** |
| Median Age | 41.8 | 45.4 | 43.6 | 45.0 | 46.4 | 45.7 | 46.3 | 47.8 | 47.1 | 46.7 | 48.2 | 47.5 |
| Average Age | 42.1 | 44.1 | 43.1 | 42.9 | 45.1 | 44.0 | 43.5 | 44.7 | 44.2 | 43.6 | 44.9 | 44.3 |

*Source: Nielsen Claritas*

## PERCENT POPULATION BY AGE & SEX

### Hilton Head Island PMA

| | *Census 2000* | | | *Census 2010* | | | *Current Year Estimates - 2014* | | | *Three-Year Projections - 2017* | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Age | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 0 to 4 Years | 2.7% | 2.5% | **5.2%** | 2.9% | 2.7% | **5.7%** | 2.7% | 2.6% | **5.4%** | 2.8% | 2.6% | **5.4%** |
| 5 to 9 Years | 2.8% | 2.7% | **5.5%** | 2.7% | 2.7% | **5.4%** | 2.8% | 2.6% | **5.3%** | 2.8% | 2.6% | **5.3%** |
| 10 to 14 Years | 2.8% | 2.8% | **5.5%** | 2.5% | 2.4% | **4.9%** | 2.6% | 2.7% | **5.3%** | 2.7% | 2.7% | **5.4%** |
| 15 to 17 Years | 1.5% | 1.4% | **2.9%** | 1.6% | 1.6% | **3.1%** | 1.5% | 1.3% | **2.9%** | 1.6% | 1.5% | **3.1%** |
| 18 to 20 Years | 1.0% | 0.8% | **1.9%** | 1.4% | 1.1% | **2.5%** | 1.5% | 1.3% | **2.7%** | 1.5% | 1.3% | **2.8%** |
| 21 to 24 Years | 2.4% | 1.8% | **4.3%** | 2.3% | 1.8% | **4.2%** | 2.0% | 1.8% | **3.9%** | 2.0% | 1.8% | **3.8%** |
| 25 to 34 Years | 6.9% | 5.9% | **12.8%** | 6.5% | 5.6% | **12.1%** | 6.3% | 5.3% | **11.6%** | 6.1% | 5.1% | **11.1%** |
| 35 to 44 Years | 6.9% | 6.9% | **13.8%** | 6.0% | 5.7% | **11.7%** | 5.7% | 5.4% | **11.1%** | 5.8% | 5.4% | **11.2%** |
| 45 to 54 Years | 6.0% | 7.3% | **13.3%** | 5.8% | 6.5% | **12.3%** | 5.8% | 6.2% | **12.0%** | 5.7% | 5.9% | **11.6%** |
| 55 to 64 Years | 6.3% | 7.1% | **13.4%** | 6.5% | 8.1% | **14.7%** | 6.3% | 8.0% | **14.3%** | 5.9% | 7.7% | **13.6%** |
| 65 to 74 Years | 6.4% | 6.3% | **12.6%** | 6.5% | 6.8% | **13.2%** | 7.2% | 7.6% | **14.9%** | 7.8% | 8.3% | **16.0%** |
| 75 to 84 Years | 3.3% | 3.6% | **6.9%** | 3.6% | 3.5% | **7.2%** | 3.8% | 3.7% | **7.5%** | 3.8% | 3.6% | **7.4%** |
| 85 Years and Up | 0.7% | 1.2% | **1.9%** | 1.1% | 1.9% | **3.0%** | 1.2% | 2.0% | **3.2%** | 1.2% | 2.0% | **3.2%** |
| **Total** | **49.6%** | **50.4%** | **100.0%** | **49.5%** | **50.5%** | **100.0%** | **49.5%** | **50.5%** | **100.0%** | **49.5%** | **50.5%** | **100.0%** |

*Source: Nielsen Claritas*

TABLE 5

## POPULATION
## BY RACE AND HISPANIC OR LATINO ORIGIN
### Census Tract 109, Beaufort County, South Carolina – South Carolina

Census 2010

| | 109 | |
|---|---|---|
| | Number | Percent |
| **Race** | | |
| One Race | 1,762 | 98.2% |
| White | 1,528 | 85.2% |
| Black or African American | 55 | 3.1% |
| American Indian & Alaska Native | 0 | 0.0% |
| American Indian, specified[1] | 0 | 0.0% |
| Alaska Native, specified[1] | 0 | 0.0% |
| Both American Indian & Alaska Native, specified[1] | 0 | 0.0% |
| American Indian or Alaska Native, not specified | 0 | 0.0% |
| Asian | 14 | 0.8% |
| Native Hawaiian & Other Pacific Islander | 0 | 0.0% |
| Some Other Race | 165 | 9.2% |
| Two or More Races | 32 | 1.8% |
| Two races with Some Other Race | 25 | 1.4% |
| Two races without Some Other Race | 6 | 0.3% |
| Three or more races with Some Other Race | 0 | 0.0% |
| Three or more races without Some Other Race | 1 | 0.1% |
| TOTAL POPULATION | 1,794 | 100.0% |
| **Hispanic or Latino** | | |
| Hispanic or Latino (of any race) | 301 | 16.8% |
| Mexican | 108 | 6.0% |
| Puerto Rican | 3 | 0.2% |
| Cuban | 1 | 0.1% |
| Other Hispanic or Latino[2] | 189 | 10.5% |
| Not Hispanic or Latino | 1,493 | 83.2% |
| TOTAL POPULATION | 1,794 | 100.0% |
| **Race & Hispanic or Latino** | | |
| One Race | 1,762 | 98.2% |
| Hispanic or Latino | 279 | 15.6% |
| Not Hispanic or Latino | 1,483 | 82.7% |
| Two or More Races | 32 | 1.8% |
| Hispanic or Latino | 22 | 1.2% |
| Not Hispanic or Latino | 10 | 0.6% |
| TOTAL POPULATION | 1,794 | 100.0% |

[1] "American Indian, specified" includes people who provided a specific American Indian tribe, such as Navajo or Blackfeet. "Alaska Native, specified" includes people who provided a specific Alaska Native group, such as Inupiat or Yup'ik.
[2] This category is comprised of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

*Source: U.S. Census Bureau, 2010 Census Summary File 1 (Table QT-P3)*

In a 2010 analysis of household composition in the Town of Hilton Head Island and Beaufort County, there were 16,535 and 64,945 total households respectively. A distribution of family makeup, compared with each other is as follows:

TABLE 6

**DISTRIBUTION OF HOUSEHOLDS BY TENURE**

**Town of Hilton Head Island & Beaufort County, South Carolina**

Census 2010

| | Hilton Head Island | | | | Beaufort County | | | |
|---|---|---|---|---|---|---|---|---|
| | Owner-Occupied | | Renter-Occupied | | Owner-Occupied | | Renter-Occupied | |
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| **Households** | | | | | | | | |
| Married Couples | 7,669 | 63.7% | 1,379 | 30.7% | 28,926 | 63.1% | 7,040 | 36.9% |
| Families w/ Male Head Only | 212 | 1.8% | 320 | 7.1% | 1,191 | 2.6% | 1,197 | 6.3% |
| Families w/ Female Head Only | 544 | 4.5% | 576 | 12.8% | 3,588 | 7.8% | 3,380 | 17.7% |
| Non-Family Households | | | | | | | | |
| Living Alone | 3,143 | 26.1% | 1,538 | 34.2% | 10,388 | 22.6% | 5,421 | 28.4% |
| Not Living Alone | 471 | 3.9% | 683 | 15.2% | 1,775 | 3.9% | 2,039 | 10.7% |
| TOTAL Households | 12,039 | 100.0% | 4,496 | 100.0% | 45,868 | 100.0% | 19,077 | 100.0% |
| **Householders 65 Years & Older** | | | | | | | | |
| Married Couples | 3,854 | 64.7% | 191 | 24.5% | 11,843 | 63.8% | 499 | 22.6% |
| Families w/ Male Head Only | 41 | 0.7% | 13 | 1.7% | 193 | 1.0% | 53 | 2.4% |
| Families w/ Female Head Only | 129 | 2.2% | 26 | 3.3% | 783 | 4.2% | 135 | 6.1% |
| Non-Family Households | | | | | | | | |
| Living Alone | 1,798 | 30.2% | 523 | 67.0% | 5,274 | 28.4% | 1,436 | 65.2% |
| Not Living Alone | 132 | 2.2% | 28 | 3.6% | 472 | 2.5% | 81 | 3.7% |
| TOTAL Households 65+ | 5,954 | 100.0% | 781 | 100.0% | 18,565 | 100.0% | 2,204 | 100.0% |

| **Hilton Head Island PMA** | **2000** | | **2006-2010** | | **2014** | | **2017** | |
|---|---|---|---|---|---|---|---|---|
| Households | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 13,812 | 78.2% | 17,204 | 70.9% | 18,823 | 70.6% | 19,789 | 70.5% |
| Renter-Occupied | 3,847 | 21.8% | 7,059 | 29.1% | 7,851 | 29.4% | 8,280 | 29.5% |

*Sources: U.S. Census Bureau, 2010 Census Summary File 1; Nielsen Claritas and Ribbon Demographics*

## G. INCOME

In the Town of Hilton Head Island, median per household income was $60,257 for 2014 and is projected to increase to $60,887 in 2017. The median per household income in the Hilton Head Island Primary Market Area was $58,439 in 2014 and is projected to increase to $59,051 in 2017. The median per household income in Beaufort County for 2014 was $52,616 and is projected to increase to $53,252 in 2017.

TABLE 7

**MEDIAN HOUSEHOLD INCOME TRENDS**

**Town of Hilton Head Island – Hilton Head Island PMA – Beaufort County**

2000 (Census) – 2014 (Estimated) – 2017 (Projected)

| Median Household Income | Hilton Head Island | Hilton Head Island PMA | Beaufort County |
|---|---|---|---|
| 2000 | $59,835 | $57,626 | $48,436 |
| 2014 | $60,257 | $58,439 | $52,616 |
| Change 2000 - 2014 | 0.7% | 1.4% | 8.6% |
| 2017 | $60,887 | $59,051 | $53,252 |
| Change 2014 - 2017 | 1.0% | 1.0% | 1.2% |

*Sources: U.S. Census Bureau; Nielsen Claritas*

By age group, the 2014 household income for Hilton Head Island PMA households was largest in the 65 to 74 age range. For 2017, the largest projected income is in the 65 to 74 age range. Between 2014 and 2017 in the Hilton Head Island PMA, the largest percent change is projected to be in the 65 to 74 age group and the $125,000 to $149,999 income range.

TABLE 8
## DISTRIBUTION OF INCOME BY HOUSEHOLD SIZE, TENURE AND AGE
### Hilton Head Island PMA
*Census 2000*

**Renter Households**
Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 90 | 64 | 29 | 28 | 24 | **236** |
| $10,000 - 20,000 | 93 | 62 | 40 | 38 | 39 | **272** |
| $20,000 - 30,000 | 194 | 108 | 110 | 60 | 66 | **538** |
| $30,000 - 40,000 | 140 | 136 | 93 | 70 | 77 | **515** |
| $40,000 - 50,000 | 45 | 164 | 70 | 84 | 69 | **432** |
| $50,000 - 60,000 | 29 | 142 | 67 | 62 | 38 | **338** |
| $60,000+ | 71 | 320 | 234 | 157 | 142 | **924** |
| **Total** | **662** | **996** | **643** | **499** | **455** | **3,255** |

**Renter Households**
Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 1 | 4 | 1 | 1 | 0 | **7** |
| $10,000 - 20,000 | 10 | 11 | 3 | 1 | 2 | **28** |
| $20,000 - 30,000 | 2 | 4 | 0 | 1 | 1 | **8** |
| $30,000 - 40,000 | 14 | 13 | 1 | 2 | 1 | **32** |
| $40,000 - 50,000 | 0 | 0 | 1 | 1 | 1 | **3** |
| $50,000 - 60,000 | 19 | 21 | 3 | 7 | 4 | **54** |
| $60,000+ | 14 | 8 | 46 | 0 | 0 | **68** |
| **Total** | **61** | **61** | **55** | **13** | **9** | **199** |

**Renter Households**
Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 39 | 2 | 0 | 0 | 0 | **42** |
| $10,000 - 20,000 | 65 | 11 | 15 | 0 | 0 | **91** |
| $20,000 - 30,000 | 56 | 18 | 0 | 0 | 0 | **74** |
| $30,000 - 40,000 | 46 | 21 | 0 | 1 | 0 | **68** |
| $40,000 - 50,000 | 14 | 11 | 1 | 9 | 0 | **35** |
| $50,000 - 60,000 | 0 | 11 | 0 | 0 | 0 | **11** |
| $60,000+ | 33 | 40 | 0 | 0 | 0 | **73** |
| **Total** | **253** | **114** | **16** | **10** | **0** | **394** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE
### Hilton Head Island PMA

*Census 2000*

**Owner Households**

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 60 | 27 | 6 | 11 | 2 | **107** |
| $10,000 - 20,000 | 101 | 87 | 3 | 17 | 56 | **265** |
| $20,000 - 30,000 | 199 | 67 | 76 | 81 | 64 | **487** |
| $30,000 - 40,000 | 157 | 112 | 47 | 83 | 34 | **433** |
| $40,000 - 50,000 | 107 | 124 | 82 | 79 | 80 | **474** |
| $50,000 - 60,000 | 64 | 180 | 82 | 108 | 63 | **497** |
| $60,000+ | 146 | 990 | 702 | 726 | 354 | **2,918** |
| **Total** | **835** | **1,588** | **998** | **1,105** | **654** | **5,180** |

**Owner Households**

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 26 | 35 | 0 | 0 | 1 | **62** |
| $10,000 - 20,000 | 15 | 24 | 2 | 1 | 2 | **44** |
| $20,000 - 30,000 | 24 | 33 | 12 | 13 | 1 | **83** |
| $30,000 - 40,000 | 71 | 54 | 2 | 1 | 0 | **129** |
| $40,000 - 50,000 | 39 | 110 | 23 | 1 | 1 | **174** |
| $50,000 - 60,000 | 19 | 82 | 26 | 4 | 3 | **134** |
| $60,000+ | 153 | 1,167 | 182 | 52 | 40 | **1,594** |
| **Total** | **347** | **1,506** | **247** | **73** | **48** | **2,220** |

**Owner Households**

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 168 | 51 | 0 | 1 | 0 | **219** |
| $10,000 - 20,000 | 220 | 152 | 18 | 15 | 3 | **408** |
| $20,000 - 30,000 | 269 | 238 | 11 | 0 | 0 | **518** |
| $30,000 - 40,000 | 280 | 441 | 2 | 0 | 4 | **727** |
| $40,000 - 50,000 | 179 | 471 | 23 | 0 | 1 | **674** |
| $50,000 - 60,000 | 165 | 417 | 8 | 0 | 1 | **591** |
| $60,000+ | 503 | 2,604 | 140 | 9 | 17 | **3,273** |
| **Total** | **1,783** | **4,375** | **202** | **25** | **26** | **6,411** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

TABLE 9

## DISTRIBUTION OF INCOME BY HOUSEHOLD SIZE, TENURE AND AGE

**Hilton Head Island PMA**

*Base Year: 2006 - 2010 Estimates*

**Renter Households**

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 116 | 107 | 20 | 25 | 10 | **278** |
| $10,000 - 20,000 | 132 | 65 | 109 | 17 | 47 | **370** |
| $20,000 - 30,000 | 176 | 254 | 160 | 39 | 100 | **729** |
| $30,000 - 40,000 | 225 | 179 | 118 | 42 | 195 | **759** |
| $40,000 - 50,000 | 195 | 160 | 172 | 67 | 34 | **628** |
| $50,000 - 60,000 | 98 | 184 | 96 | 164 | 63 | **605** |
| $60,000+ | 137 | 569 | 407 | 300 | 453 | **1,866** |
| **Total** | **1,079** | **1,518** | **1,082** | **654** | **902** | **5,235** |

**Renter Households**

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 10 | 4 | 6 | 4 | 0 | **24** |
| $10,000 - 20,000 | 12 | 28 | 1 | 1 | 1 | **43** |
| $20,000 - 30,000 | 26 | 2 | 27 | 2 | 0 | **57** |
| $30,000 - 40,000 | 12 | 12 | 19 | 4 | 0 | **47** |
| $40,000 - 50,000 | 59 | 5 | 3 | 18 | 3 | **88** |
| $50,000 - 60,000 | 25 | 8 | 17 | 2 | 2 | **54** |
| $60,000+ | 107 | 120 | 18 | 6 | 5 | **256** |
| **Total** | **251** | **179** | **91** | **37** | **11** | **569** |

**Renter Households**

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 37 | 10 | 4 | 6 | 1 | **58** |
| $10,000 - 20,000 | 93 | 27 | 13 | 30 | 10 | **173** |
| $20,000 - 30,000 | 45 | 16 | 9 | 23 | 11 | **104** |
| $30,000 - 40,000 | 96 | 41 | 12 | 19 | 8 | **176** |
| $40,000 - 50,000 | 44 | 73 | 6 | 17 | 5 | **145** |
| $50,000 - 60,000 | 31 | 19 | 8 | 10 | 6 | **74** |
| $60,000+ | 139 | 211 | 52 | 90 | 33 | **525** |
| **Total** | **485** | **397** | **104** | **195** | **74** | **1,255** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE
### Hilton Head Island PMA

*Base Year: 2006 - 2010 Estimates*

**Owner Households**

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 71 | 129 | 52 | 13 | 10 | **275** |
| $10,000 - 20,000 | 103 | 140 | 35 | 45 | 54 | **377** |
| $20,000 - 30,000 | 107 | 147 | 29 | 47 | 80 | **410** |
| $30,000 - 40,000 | 151 | 110 | 77 | 29 | 44 | **411** |
| $40,000 - 50,000 | 305 | 234 | 28 | 104 | 98 | **769** |
| $50,000 - 60,000 | 61 | 245 | 52 | 127 | 71 | **556** |
| $60,000+ | 737 | 1,247 | 937 | 768 | 487 | **4,176** |
| **Total** | **1,535** | **2,252** | **1,210** | **1,133** | **844** | **6,974** |

**Owner Households**

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 65 | 54 | 5 | 1 | 1 | **126** |
| $10,000 - 20,000 | 43 | 44 | 9 | 2 | 2 | **100** |
| $20,000 - 30,000 | 36 | 59 | 23 | 1 | 1 | **120** |
| $30,000 - 40,000 | 95 | 31 | 19 | 0 | 1 | **146** |
| $40,000 - 50,000 | 24 | 98 | 18 | 0 | 0 | **140** |
| $50,000 - 60,000 | 46 | 109 | 23 | 4 | 1 | **183** |
| $60,000+ | 224 | 1,059 | 185 | 51 | 18 | **1,537** |
| **Total** | **533** | **1,454** | **282** | **59** | **24** | **2,352** |

**Owner Households**

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 121 | 52 | 3 | 1 | 2 | **179** |
| $10,000 - 20,000 | 310 | 202 | 12 | 8 | 6 | **538** |
| $20,000 - 30,000 | 492 | 358 | 3 | 9 | 4 | **866** |
| $30,000 - 40,000 | 292 | 324 | 10 | 8 | 9 | **643** |
| $40,000 - 50,000 | 194 | 437 | 1 | 5 | 16 | **653** |
| $50,000 - 60,000 | 235 | 334 | 4 | 21 | 3 | **597** |
| $60,000+ | 790 | 3,339 | 111 | 119 | 43 | **4,402** |
| **Total** | **2,434** | **5,046** | **144** | **171** | **83** | **7,878** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

TABLE 10

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE

**Hilton Head Island PMA**

*Current Year Estimates - 2014*

### Renter Households

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 80 | 167 | 19 | 51 | 17 | **334** |
| $10,000 - 20,000 | 159 | 93 | 128 | 52 | 78 | **511** |
| $20,000 - 30,000 | 246 | 239 | 161 | 71 | 122 | **839** |
| $30,000 - 40,000 | 160 | 111 | 151 | 34 | 284 | **740** |
| $40,000 - 50,000 | 230 | 185 | 200 | 102 | 22 | **739** |
| $50,000 - 60,000 | 157 | 250 | 118 | 227 | 76 | **827** |
| $60,000+ | 142 | 454 | 396 | 308 | 444 | **1,745** |
| **Total** | **1,173** | **1,500** | **1,173** | **845** | **1,045** | **5,736** |

### Renter Households

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 24 | 7 | 8 | 1 | 0 | **40** |
| $10,000 - 20,000 | 17 | 33 | 1 | 2 | 1 | **54** |
| $20,000 - 30,000 | 38 | 1 | 29 | 4 | 1 | **74** |
| $30,000 - 40,000 | 13 | 13 | 21 | 0 | 0 | **47** |
| $40,000 - 50,000 | 66 | 8 | 2 | 20 | 1 | **97** |
| $50,000 - 60,000 | 43 | 11 | 14 | 4 | 1 | **73** |
| $60,000+ | 79 | 118 | 18 | 16 | 12 | **243** |
| **Total** | **279** | **191** | **93** | **48** | **16** | **627** |

### Renter Households

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 68 | 18 | 8 | 7 | 5 | **106** |
| $10,000 - 20,000 | 161 | 27 | 10 | 58 | 16 | **272** |
| $20,000 - 30,000 | 76 | 17 | 14 | 18 | 9 | **134** |
| $30,000 - 40,000 | 136 | 35 | 18 | 10 | 7 | **206** |
| $40,000 - 50,000 | 34 | 64 | 3 | 12 | 9 | **123** |
| $50,000 - 60,000 | 30 | 24 | 15 | 14 | 4 | **86** |
| $60,000+ | 205 | 188 | 62 | 75 | 32 | **561** |
| **Total** | **710** | **373** | **129** | **194** | **81** | **1,488** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE
### Hilton Head Island PMA

*Current Year Estimates - 2014*

**Owner Households**

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 34 | 38 | 53 | 11 | 15 | **152** |
| $10,000 - 20,000 | 113 | 46 | 46 | 56 | 98 | **359** |
| $20,000 - 30,000 | 195 | 88 | 30 | 28 | 131 | **471** |
| $30,000 - 40,000 | 122 | 80 | 92 | 29 | 61 | **384** |
| $40,000 - 50,000 | 242 | 115 | 25 | 89 | 94 | **564** |
| $50,000 - 60,000 | 100 | 85 | 70 | 174 | 75 | **503** |
| $60,000+ | 581 | 846 | 841 | 726 | 398 | **3,392** |
| **Total** | **1,387** | **1,298** | **1,157** | **1,113** | **871** | **5,826** |

**Owner Households**

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 64 | 39 | 5 | 6 | 0 | **114** |
| $10,000 - 20,000 | 67 | 49 | 12 | 3 | 0 | **131** |
| $20,000 - 30,000 | 51 | 125 | 30 | 3 | 1 | **210** |
| $30,000 - 40,000 | 113 | 47 | 19 | 5 | 0 | **183** |
| $40,000 - 50,000 | 23 | 79 | 26 | 4 | 0 | **132** |
| $50,000 - 60,000 | 46 | 151 | 20 | 5 | 2 | **224** |
| $60,000+ | 276 | 1,385 | 274 | 55 | 23 | **2,013** |
| **Total** | **639** | **1,875** | **385** | **81** | **26** | **3,006** |

**Owner Households**

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 187 | 122 | 3 | 6 | 1 | **320** |
| $10,000 - 20,000 | 500 | 221 | 10 | 8 | 3 | **741** |
| $20,000 - 30,000 | 628 | 408 | 3 | 4 | 3 | **1,046** |
| $30,000 - 40,000 | 303 | 391 | 10 | 5 | 9 | **718** |
| $40,000 - 50,000 | 192 | 337 | 2 | 9 | 20 | **560** |
| $50,000 - 60,000 | 258 | 358 | 3 | 18 | 3 | **640** |
| $60,000+ | 1,085 | 4,554 | 198 | 88 | 41 | **5,966** |
| **Total** | **3,153** | **6,390** | **229** | **139** | **80** | **9,991** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

TABLE 11

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE

**Hilton Head Island PMA**

*Three-Year Projections - 2017*

### Renter Households

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 81 | 175 | 19 | 54 | 17 | **346** |
| $10,000 - 20,000 | 157 | 98 | 134 | 51 | 80 | **520** |
| $20,000 - 30,000 | 249 | 240 | 166 | 80 | 127 | **862** |
| $30,000 - 40,000 | 172 | 114 | 166 | 37 | 307 | **797** |
| $40,000 - 50,000 | 238 | 185 | 201 | 106 | 25 | **754** |
| $50,000 - 60,000 | 157 | 250 | 115 | 236 | 79 | **838** |
| $60,000+ | 164 | 474 | 408 | 323 | 476 | **1,844** |
| **Total** | **1,218** | **1,537** | **1,208** | **886** | **1,112** | **5,961** |

### Renter Households

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 27 | 7 | 8 | 1 | 0 | **43** |
| $10,000 - 20,000 | 15 | 36 | 1 | 2 | 1 | **54** |
| $20,000 - 30,000 | 38 | 3 | 32 | 3 | 1 | **78** |
| $30,000 - 40,000 | 16 | 16 | 24 | 0 | 0 | **57** |
| $40,000 - 50,000 | 69 | 11 | 2 | 23 | 1 | **106** |
| $50,000 - 60,000 | 43 | 11 | 17 | 4 | 1 | **76** |
| $60,000+ | 91 | 122 | 21 | 15 | 9 | **258** |
| **Total** | **299** | **206** | **105** | **48** | **14** | **672** |

### Renter Households

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 69 | 21 | 5 | 9 | 6 | **110** |
| $10,000 - 20,000 | 171 | 30 | 10 | 64 | 16 | **289** |
| $20,000 - 30,000 | 90 | 17 | 12 | 21 | 9 | **148** |
| $30,000 - 40,000 | 162 | 39 | 15 | 13 | 7 | **236** |
| $40,000 - 50,000 | 42 | 76 | 5 | 15 | 9 | **148** |
| $50,000 - 60,000 | 30 | 28 | 15 | 12 | 4 | **89** |
| $60,000+ | 238 | 212 | 60 | 81 | 35 | **627** |
| **Total** | **803** | **421** | **123** | **214** | **87** | **1,647** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

## DISTRIBUTION OF INCOME
## BY HOUSEHOLD SIZE, TENURE AND AGE
### Hilton Head Island PMA

*Three-Year Projections - 2017*

**Owner Households**

Under Age 55 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 36 | 41 | 58 | 9 | 14 | **159** |
| $10,000 - 20,000 | 116 | 46 | 43 | 62 | 98 | **365** |
| $20,000 - 30,000 | 192 | 88 | 31 | 25 | 134 | **470** |
| $30,000 - 40,000 | 131 | 79 | 98 | 29 | 67 | **404** |
| $40,000 - 50,000 | 252 | 109 | 25 | 92 | 95 | **572** |
| $50,000 - 60,000 | 97 | 82 | 73 | 175 | 70 | **497** |
| $60,000+ | 596 | 840 | 853 | 728 | 419 | **3,437** |
| **Total** | **1,419** | **1,286** | **1,181** | **1,119** | **898** | **5,904** |

**Owner Households**

Aged 55-61 Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 64 | 39 | 5 | 6 | 0 | **114** |
| $10,000 - 20,000 | 62 | 52 | 12 | 3 | 0 | **129** |
| $20,000 - 30,000 | 45 | 116 | 31 | 3 | 1 | **196** |
| $30,000 - 40,000 | 117 | 44 | 17 | 5 | 0 | **183** |
| $40,000 - 50,000 | 22 | 83 | 24 | 4 | 0 | **133** |
| $50,000 - 60,000 | 44 | 151 | 19 | 4 | 2 | **221** |
| $60,000+ | 274 | 1,397 | 261 | 55 | 26 | **2,013** |
| **Total** | **627** | **1,881** | **369** | **80** | **30** | **2,988** |

**Owner Households**

Aged 62+ Years

| | 1-Person Household | 2-Person Household | 3-Person Household | 4-Person Household | 5+-Person Household | Total |
|---|---|---|---|---|---|---|
| $0 - 10,000 | 205 | 134 | 5 | 6 | 1 | **351** |
| $10,000 - 20,000 | 542 | 228 | 8 | 14 | 3 | **795** |
| $20,000 - 30,000 | 655 | 444 | 6 | 4 | 3 | **1,112** |
| $30,000 - 40,000 | 336 | 436 | 10 | 10 | 6 | **799** |
| $40,000 - 50,000 | 207 | 361 | 2 | 6 | 16 | **593** |
| $50,000 - 60,000 | 281 | 364 | 3 | 25 | 3 | **676** |
| $60,000+ | 1,208 | 5,022 | 193 | 99 | 50 | **6,572** |
| **Total** | **3,435** | **6,989** | **226** | **163** | **83** | **10,897** |

*Sources: U.S. Bureau of the Census, 2006-2010 American Community Survey; Ribbon Demographics (Nielsen Claritas)*

TABLE 12
## HOUSEHOLDS BY INCOME AND AGE
### Hilton Head Island PMA
*Census Data - 2000*

| Income | Age 15 - 24 Years | Age 25 - 34 Years | Age 35 - 44 Years | Age 45 - 54 Years | Age 55 - 64 Years | Age 65 - 74 Years | Age 75 - 84 Years | Age 85+ Years | Total | *Percent* |
|---|---|---|---|---|---|---|---|---|---|---|
| Less than $15,000 | 51 | 148 | 216 | 172 | 152 | 191 | 221 | 82 | **1,233** | ***6.5%*** |
| $15,000 - $24,999 | 132 | 330 | 351 | 232 | 141 | 204 | 227 | 58 | **1,675** | ***8.8%*** |
| $25,000 - $34,999 | 95 | 413 | 399 | 312 | 233 | 353 | 219 | 50 | **2,074** | ***10.9%*** |
| $35,000 - $49,999 | 100 | 532 | 494 | 416 | 347 | 504 | 412 | 101 | **2,906** | ***15.3%*** |
| $50,000 - $74,999 | 198 | 601 | 875 | 692 | 610 | 617 | 376 | 81 | **4,050** | ***21.4%*** |
| $75,000 - $99,999 | 10 | 270 | 401 | 498 | 620 | 463 | 261 | 53 | **2,576** | ***13.6%*** |
| $100,000 - $124,999 | 26 | 105 | 196 | 300 | 323 | 313 | 162 | 26 | **1,451** | ***7.6%*** |
| $125,000 - $149,999 | 9 | 78 | 127 | 236 | 228 | 218 | 64 | 20 | **980** | ***5.2%*** |
| $150,000 - $199,999 | 0 | 32 | 92 | 233 | 212 | 157 | 137 | 32 | **895** | ***4.7%*** |
| $200,000 and up | 0 | 29 | 160 | 248 | 313 | 278 | 83 | 18 | **1,129** | ***6.0%*** |
| **Total** | **621** | **2,538** | **3,311** | **3,339** | **3,179** | **3,298** | **2,162** | **521** | **18,969** | ***100.0%*** |
| ***Percent*** | ***3.3%*** | ***13.4%*** | ***17.5%*** | ***17.6%*** | ***16.8%*** | ***17.4%*** | ***11.4%*** | ***2.7%*** | ***100.0%*** | |

*Source: U.S. Census Bureau; Nielsen Claritas*

## HOUSEHOLDS BY INCOME AND AGE
### Hilton Head Island PMA
*Current Year Estimates - 2014*

| Income | Age 15 - 24 Years | Age 25 - 34 Years | Age 35 - 44 Years | Age 45 - 54 Years | Age 55 - 64 Years | Age 65 - 74 Years | Age 75 - 84 Years | Age 85+ Years | Total | *Percent* |
|---|---|---|---|---|---|---|---|---|---|---|
| Less than $15,000 | 89 | 289 | 264 | 277 | 339 | 327 | 274 | 190 | **2,050** | ***7.7%*** |
| $15,000 - $24,999 | 201 | 303 | 282 | 223 | 286 | 335 | 349 | 209 | **2,188** | ***8.2%*** |
| $25,000 - $34,999 | 74 | 405 | 391 | 404 | 471 | 524 | 421 | 240 | **2,931** | ***11.0%*** |
| $35,000 - $49,999 | 187 | 640 | 662 | 404 | 451 | 417 | 324 | 141 | **3,226** | ***12.1%*** |
| $50,000 - $74,999 | 85 | 787 | 899 | 922 | 1,053 | 977 | 547 | 218 | **5,488** | ***20.6%*** |
| $75,000 - $99,999 | 66 | 293 | 398 | 513 | 564 | 827 | 409 | 141 | **3,210** | ***12.0%*** |
| $100,000 - $124,999 | 4 | 179 | 287 | 365 | 388 | 631 | 229 | 114 | **2,196** | ***8.2%*** |
| $125,000 - $149,999 | 2 | 56 | 93 | 190 | 250 | 333 | 147 | 62 | **1,133** | ***4.2%*** |
| $150,000 - $199,999 | 1 | 46 | 117 | 311 | 382 | 427 | 174 | 38 | **1,496** | ***5.6%*** |
| $200,000 and up | 2 | 65 | 206 | 579 | 797 | 771 | 280 | 48 | **2,749** | ***10.3%*** |
| **Total** | **711** | **3,062** | **3,599** | **4,189** | **4,982** | **5,567** | **3,155** | **1,401** | **26,666** | ***100.0%*** |
| ***Percent*** | ***2.7%*** | ***11.5%*** | ***13.5%*** | ***15.7%*** | ***18.7%*** | ***20.9%*** | ***11.8%*** | ***5.3%*** | ***100.0%*** | |

*Source: U.S. Census Bureau; Nielsen Claritas*

## HOUSEHOLDS BY INCOME AND AGE
### Hilton Head Island PMA

*Three-Year Projections - 2017*

| Income | Age 15 - 24 Years | Age 25 - 34 Years | Age 35 - 44 Years | Age 45 - 54 Years | Age 55 - 64 Years | Age 65 - 74 Years | Age 75 - 84 Years | Age 85+ Years | Total | *Percent* |
|---|---|---|---|---|---|---|---|---|---|---|
| Less than $15,000 | 94 | 282 | 273 | 295 | 345 | 372 | 289 | 205 | **2,156** | ***7.7%*** |
| $15,000 - $24,999 | 201 | 295 | 309 | 226 | 283 | 371 | 364 | 224 | **2,272** | ***8.1%*** |
| $25,000 - $34,999 | 79 | 403 | 413 | 415 | 471 | 590 | 432 | 260 | **3,063** | ***10.9%*** |
| $35,000 - $49,999 | 202 | 637 | 710 | 417 | 465 | 496 | 351 | 152 | **3,429** | ***12.2%*** |
| $50,000 - $74,999 | 88 | 779 | 958 | 931 | 1,059 | 1,098 | 556 | 233 | **5,701** | ***20.3%*** |
| $75,000 - $99,999 | 69 | 296 | 417 | 515 | 573 | 948 | 427 | 153 | **3,398** | ***12.1%*** |
| $100,000 - $124,999 | 4 | 170 | 311 | 359 | 383 | 719 | 241 | 120 | **2,307** | ***8.2%*** |
| $125,000 - $149,999 | 2 | 65 | 102 | 196 | 259 | 387 | 159 | 69 | **1,238** | ***4.4%*** |
| $150,000 - $199,999 | 2 | 46 | 119 | 310 | 379 | 482 | 183 | 42 | **1,562** | ***5.6%*** |
| $200,000 and up | 3 | 68 | 221 | 585 | 802 | 903 | 304 | 54 | **2,939** | ***10.5%*** |
| **Total** | **744** | **3,041** | **3,833** | **4,249** | **5,019** | **6,365** | **3,306** | **1,512** | **28,067** | ***100.0%*** |
| ***Percent*** | ***2.6%*** | ***10.8%*** | ***13.7%*** | ***15.1%*** | ***17.9%*** | ***22.7%*** | ***11.8%*** | ***5.4%*** | ***100.0%*** | |

*Source: U.S. Census Bureau; Nielsen Claritas*

## HOUSEHOLDS BY INCOME AND AGE
### Hilton Head Island PMA

*Projected Change - 2014 to 2017*

| Income | Age 15 - 24 Years | Age 25 - 34 Years | Age 35 - 44 Years | Age 45 - 54 Years | Age 55 - 64 Years | Age 65 - 74 Years | Age 75 - 84 Years | Age 85+ Years | Total | *Percent Change* |
|---|---|---|---|---|---|---|---|---|---|---|
| Less than $15,000 | 5 | -7 | 10 | 18 | 6 | 44 | 15 | 16 | **106** | ***5.2%*** |
| $15,000 - $24,999 | -1 | -8 | 27 | 2 | -4 | 37 | 15 | 16 | **85** | ***3.9%*** |
| $25,000 - $34,999 | 5 | -2 | 22 | 11 | 0 | 66 | 11 | 20 | **133** | ***4.5%*** |
| $35,000 - $49,999 | 14 | -3 | 47 | 13 | 14 | 79 | 27 | 11 | **203** | ***6.3%*** |
| $50,000 - $74,999 | 2 | -8 | 59 | 8 | 5 | 121 | 10 | 15 | **213** | ***3.9%*** |
| $75,000 - $99,999 | 4 | 3 | 19 | 2 | 10 | 121 | 18 | 11 | **188** | ***5.8%*** |
| $100,000 - $124,999 | 1 | -8 | 24 | -6 | -5 | 88 | 12 | 6 | **112** | ***5.1%*** |
| $125,000 - $149,999 | 0 | 10 | 9 | 6 | 8 | 54 | 11 | 7 | **106** | ***9.3%*** |
| $150,000 - $199,999 | 1 | -1 | 2 | -1 | -2 | 55 | 8 | 4 | **67** | ***4.5%*** |
| $200,000 and up | 1 | 2 | 14 | 7 | 5 | 131 | 24 | 5 | **190** | ***6.9%*** |
| **Total** | **32** | **-22** | **233** | **60** | **37** | **797** | **151** | **111** | **1,401** | ***5.3%*** |
| ***Percent Change*** | ***4.6%*** | ***-0.7%*** | ***6.5%*** | ***1.4%*** | ***0.7%*** | ***14.3%*** | ***4.8%*** | ***7.9%*** | ***5.3%*** | |

*Source: U.S. Census Bureau; Nielsen Claritas*

## H. EMPLOYMENT

Total employment in Beaufort County averaged 55,914 people in 2004 and 59,932 in 2013, an increase of 6.7%. The annual average unemployment rate for Beaufort County in 2013 was 6.8%, as compared to the State of South Carolina at 7.6%. The average unemployment rate has fluctuated over the past ten years, and the rate has typically been lower than the average for the State of South Carolina. The annual unemployment rate for Beaufort County peaked in 2011 at 9.1%, and dropped to its lowest level of 2.0% in 1998. The December 2014 preliminary unemployment rate of 5.9% is one of the lowest rates reported since 2008.

TABLE 13

**EMPLOYMENT**

**Beaufort County – Lowcountry WIA – South Carolina – USA**

**1995-2014**

| | Average Unemployment Rate | | | | Employment |
|---|---|---|---|---|---|
| Year | Beaufort County | Lowcountry WIA | South Carolina | USA | County |
| 1995 | **3.0%** | 4.4% | 5.2% | 5.6% | **42,215** |
| 1996 | **3.1%** | 4.4% | 5.8% | 5.4% | **44,602** |
| 1997 | **2.4%** | 3.3% | 4.6% | 4.9% | **46,569** |
| 1998 | **2.0%** | 2.8% | 3.8% | 4.5% | **48,208** |
| 1999 | **2.1%** | 3.1% | 4.3% | 4.2% | **50,242** |
| 2000 | **3.1%** | 3.3% | 3.8% | 4.0% | **49,939** |
| 2001 | **3.9%** | 4.4% | 5.2% | 4.7% | **48,937** |
| 2002 | **4.2%** | 4.9% | 5.8% | 5.8% | **51,130** |
| 2003 | **4.8%** | 5.7% | 6.9% | 6.0% | **53,259** |
| 2004 | **5.0%** | 5.8% | 6.8% | 5.5% | **55,914** |
| 2005 | **4.9%** | 5.6% | 6.7% | 5.1% | **58,372** |
| 2006 | **4.7%** | 5.2% | 6.4% | 4.6% | **59,786** |
| 2007 | **4.3%** | 4.8% | 5.7% | 4.6% | **61,256** |
| 2008 | **5.3%** | 6.1% | 6.8% | 5.8% | **60,421** |
| 2009 | **8.9%** | 10.3% | 11.2% | 9.3% | **57,428** |
| 2010 | **9.0%** | 10.2% | 11.2% | 9.6% | **57,868** |
| 2011 | **9.1%** | 10.4% | 10.5% | 8.9% | **56,631** |
| 2012 | **8.0%** | 8.9% | 9.2% | 8.1% | **58,357** |
| 2013 | **6.8%** | 7.6% | 7.6% | 7.4% | **59,932** |
| 2014* | **5.9%** | 6.2% | 6.4% | 5.4% | **62,852** |
| **Beaufort County Employment** | | | **Percent Change 2004 - 2013** | | **6.7%** |

*Preliminary data thru December 2014 for County & WIA

*Source: Labor Market Information - State of South Carolina; Not seasonally adjusted*

TABLE 14

## EMPLOYMENT TRENDS

### 1995-2014

**Beaufort County, South Carolina**

| Year | Civilian Labor Force Average | Civilian Labor Force % change | Employment Average | Employment % change | Unemployment Average | Unemployment % change |
|---|---|---|---|---|---|---|
| 1995 | 43,538 | - | 42,215 | - | 1,323 | - |
| 1996 | 46,023 | 5.7% | 44,602 | 5.7% | 1,421 | 7.4% |
| 1997 | 47,705 | 3.7% | 46,569 | 4.4% | 1,136 | -20.1% |
| 1998 | 49,194 | 3.1% | 48,208 | 3.5% | 986 | -13.2% |
| 1999 | 51,322 | 4.3% | 50,242 | 4.2% | 1,080 | 9.5% |
| 2000 | 51,513 | 0.4% | 49,939 | -0.6% | 1,574 | 45.7% |
| 2001 | 50,903 | -1.2% | 48,937 | -2.0% | 1,966 | 24.9% |
| 2002 | 53,372 | 4.9% | 51,130 | 4.5% | 2,242 | 14.0% |
| 2003 | 55,921 | 4.8% | 53,259 | 4.2% | 2,662 | 18.7% |
| 2004 | 58,830 | 5.2% | 55,914 | 5.0% | 2,916 | 9.5% |
| 2005 | 61,381 | 4.3% | 58,372 | 4.4% | 3,009 | 3.2% |
| 2006 | 62,759 | 2.2% | 59,786 | 2.4% | 2,973 | -1.2% |
| 2007 | 64,019 | 2.0% | 61,256 | 2.5% | 2,763 | -7.1% |
| 2008 | 63,780 | -0.4% | 60,421 | -1.4% | 3,359 | 21.6% |
| 2009 | 63,014 | -1.2% | 57,428 | -5.0% | 5,586 | 66.3% |
| 2010 | 63,578 | 0.9% | 57,868 | 0.8% | 5,710 | 2.2% |
| 2011 | 62,320 | -2.0% | 56,631 | -2.1% | 5,689 | -0.4% |
| 2012 | 63,409 | 1.7% | 58,357 | 3.0% | 5,052 | -11.2% |
| 2013 | 64,313 | 3.2% | 59,932 | 5.8% | 4,381 | -23.0% |
| 2014* | 66,781 | 5.3% | 62,852 | 7.7% | 3,929 | -22.2% |

**Lowcountry WIA, South Carolina**

| Year | Civilian Labor Force Average | Civilian Labor Force % change | Employment Average | Employment % change | Unemployment Average | Unemployment % change |
|---|---|---|---|---|---|---|
| 1995 | 74,704 | - | 71,430 | - | 3,274 | - |
| 1996 | 77,872 | 4.2% | 74,460 | 4.2% | 3,412 | 4.2% |
| 1997 | 79,543 | 2.1% | 76,891 | 3.3% | 2,652 | -22.3% |
| 1998 | 80,853 | 1.6% | 78,552 | 2.2% | 2,301 | -13.2% |
| 1999 | 83,268 | 3.0% | 80,682 | 2.7% | 2,586 | 12.4% |
| 2000 | 85,232 | 2.4% | 82,387 | 2.1% | 2,845 | 10.0% |
| 2001 | 83,536 | -2.0% | 79,894 | -3.0% | 3,642 | 28.0% |
| 2002 | 86,581 | 3.6% | 82,304 | 3.0% | 4,277 | 17.4% |
| 2003 | 89,632 | 3.5% | 84,500 | 2.7% | 5,132 | 20.0% |
| 2004 | 92,683 | 3.4% | 87,326 | 3.3% | 5,357 | 4.4% |
| 2005 | 95,554 | 3.1% | 90,196 | 3.3% | 5,358 | 0.0% |
| 2006 | 97,738 | 2.3% | 92,627 | 2.7% | 5,111 | -4.6% |
| 2007 | 97,987 | 0.3% | 93,249 | 0.7% | 4,738 | -7.3% |
| 2008 | 98,220 | 0.2% | 92,205 | -1.1% | 6,015 | 27.0% |
| 2009 | 98,347 | 0.1% | 88,220 | -4.3% | 10,127 | 68.4% |
| 2010 | 99,372 | 1.0% | 89,226 | 1.1% | 10,146 | 0.2% |
| 2011 | 97,181 | -2.2% | 87,104 | -2.4% | 10,077 | -0.7% |
| 2012 | 98,337 | 1.2% | 89,558 | 2.8% | 8,779 | -12.9% |
| 2013 | 99,358 | 2.2% | 91,837 | 5.4% | 7,521 | -25.4% |
| 2014* | 102,608 | 4.3% | 96,228 | 7.4% | 6,380 | -27.3% |

*Preliminary data for December 2014

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

In a distribution of employment for Third Quarter 2014 in Beaufort County there were three prominent industries; the largest category was Accommodation and Food Services which accounted for 19.7% of the employment base. The second largest category was Retail Trade at 16.4%, followed by Health Care and Social Assistance at 13.8%. When reviewing the immediate site area, the government and healthcare categories are a high percentage of the employment base.

TABLE 15

**DISTRIBUTION OF EMPLOYMENT**
**Beaufort County – South Carolina**
**3rd Quarter 2014**

| | Beaufort County | | South Carolina | |
|---|---|---|---|---|
| **Category** | Number | Percent | Number | Percent |
| Agriculture, Forestry, Fishing & Hunting | 615 | 1.0% | 11,389 | 0.6% |
| Mining, Quarrying, & Oil & Gas Extraction | - | - | 1,179 | 0.1% |
| Utilities | 337 | 0.5% | 17,486 | 0.9% |
| Construction | 3,320 | 5.4% | 82,930 | 4.4% |
| Manufacturing | 735 | 1.2% | 230,407 | 12.2% |
| Wholesale Trade | 719 | 1.2% | 68,257 | 3.6% |
| Retail Trade | 10,140 | 16.4% | 238,349 | 12.6% |
| Transportation & Warehousing | 945 | 1.5% | 61,911 | 3.3% |
| Information | 415 | 0.7% | 28,485 | 1.5% |
| Finance & Insurance | 1,464 | 2.4% | 66,668 | 3.5% |
| Real Estate & Rental & Leasing | 2,292 | 3.7% | 29,071 | 1.5% |
| Professional, Scientific, & Technical Services | 2,191 | 3.5% | 86,047 | 4.5% |
| Management of Companies & Enterprises | 890 | 1.4% | 17,154 | 0.9% |
| Administrative & Support & Waste Mgmt Services | 4,234 | 6.9% | 153,547 | 8.1% |
| Educational Services | 3,857 | 6.2% | 152,333 | 8.0% |
| Health Care & Social Assistance | 8,536 | 13.8% | 246,835 | 13.0% |
| Arts, Entertainment, & Recreation | 2,233 | 3.6% | 32,545 | 1.7% |
| Accommodation & Food Services | 12,169 | 19.7% | 207,229 | 10.9% |
| Other Services (except Public Administration) | 3,311 | 5.4% | 49,799 | 2.6% |
| Public Administration | 3,372 | 5.5% | 112,466 | 5.9% |
| TOTAL, All Industries | 61,775 | 100.0% | 1,894,087 | 100.0% |
| Federal Government - Total, All Industries | 2,265 | 3.7% | 32,115 | 1.7% |
| State Government - Total, All Industries | 966 | 1.6% | 89,119 | 4.7% |
| Local Government - Total, All Industries | 6,359 | 10.3% | 205,968 | 10.9% |
| Private - Total, All Industries | 52,185 | 84.5% | 1,566,887 | 82.7% |

*Source: Labor Market Information - State of South Carolina*

Several major employers exist within the greater Town of Hilton Head Island and the greater area, as follows:

| Employer | Location | # of Employees | Industry |
|---|---|---|---|
| Department of Defense | 3 locations | 8,220* | Government |
| Beaufort Memorial Hospital | Beaufort | 1,250 | Healthcare |
| US Naval Hospital | Beaufort | 1,000-4,999 | Military Base |
| Beaufort County School District | Beaufort County | 3,500 | Education |
| County of Beaufort | Beaufort | 1,340 | Government |
| Hilton Head Regional Medical Center | Hilton Head Island | 500-999 | Healthcare |
| Mals 31 Headquarters | Beaufort | 500-999 | Aircraft Servicing & Maintenance |
| The Westin Hilton Head Island Resort | Hilton Head Island | 500-999 | Resort |
| Robbers Row Grill | Hilton Head Island | 500-999 | Food Services |
| Wal-Mart Supercenter | Beaufort | 500-999 | Retail Trade |
| The Cypress of Hilton Head | Hilton Head Island | 250-499 | Retirement Community / Healthcare |
| Marine Corps Community Services | Beaufort | 250-499 | Government - National Security |
| Beaufort County Sheriff | Beaufort | 250-499 | Public Administration |
| Tenet Physician Services of Hilton Head | Hilton Head Island | 552 | Medical |
| Marriott Vacation Club International | Hilton Head Island | 250-499 | Resort |
| Marriott Resort Hilton Head | Hilton Head Island | 250-499 | Resort |
| Sea Pines Real Estate Co | Hilton Head Island | 250-499 | Real Estate |
| Sea Pines Resort | Hilton Head Island | 250-499 | Resort |
| Bluewater Resort | Hilton Head Island | 250-499 | Resort |
| Sonesta Resort Hilton Head Island | Hilton Head Island | 250-499 | Resort |
| Egret Point | Hilton Head Island | 250-499 | Resort |
| Preston Health Center | Hilton Head Island | 250-499 | Healthcare |
| Southwind Management Corp | Hilton Head Island | 250-499 | Real Estate |
| Bluffton Medical Services | Bluffton | 250-499 | Healthcare |
| Resort Services | Bluffton | 250-499 | Linen Supply Services |
| Oyster Reef Golf Club | Hilton Head Island | 250-499 | Recreation |
| Omni Hilton Head Oceanfront Resort | Hilton Head Island | 250-499 | Resort |

*Civilian employees

*Source: S.C. Department of Employment & Workforce*

Additionally, the Town of Hilton Head Island and Beaufort County area development officials are trying to secure new employment opportunities for the area, specifically for the area industrial parks. Especially within the progressive nature of the Town of Hilton Head Island and Beaufort County officials, working with the private and public sectors to facilitate retention or expansion of jobs for the area. There are several active industrial parks within the immediate area of the proposed site.

As noted by the major employers, the employment bases and suppliers associated with government, resort and medical services have a tremendous impact on the employment within the Town of Hilton Head Island market area. Interviews with local company officials and area governmental officials indicated that slight increases to the base employment will continue through this year. Several companies saw a turnaround with the nation's economic condition in 2014, especially in the tourist industry.

The immediate Hilton Head Island area is heavily influenced by the tourist trade n the area, offering many secondary employment positions in housekeeping, gardening and tourist related retail trade. The food and service industry, as well as the medical services are major benefactor of this tourist trade.

Additionally, the overall area is influenced by the area's three military bases. These bases employ military, civilian, non-civilian and medical positions. Northern Beaufort County is home to Marine Corps Air Station Beaufort, (MCAS-Beaufort) Parris Island and Naval Hospital -Beaufort, which have a significant impact on the local economy. The largest of these military bases, MCAS-Beaufort is expected to expand over the next two years. The current squadrons at MCAS–Beaufort will be replaced and expanded by the F35 B Joint Strike Force Fighters in 2014 and 2015. One quarter of the Navy's new fleet (F35 B Joint Force Striker) will be station at MCAS -Beaufort. Although no projections were provided regarding new permanent jobs as a result of the expansion, the number of annual takeoffs and landings is projected to nearly double from 55,000 to 99,880. Temporary construction jobs were estimated at 4,000. Each new squadron has an expected economic impact of $30million and five new squadrons will be located at MCAS-Beaufort.

The majority of the Beaufort County area employment base is a combination of government, resort and medical businesses, as in the above-mentioned employers. The diversity within its employment base is enough to maintain the employment base. In fact, according to the 2009-2013 American Community Survey data, only 8.4% of the county employment base worked outside the county, a very low percentage. This is typical in communities with strong metropolitan areas having a diverse employment base offering competitive opportunities. Additionally, the area transportation system combined with the location of nearby suburban communities is a function that will help maintain additional employment opportunities in other areas, while maintaining the Town of Hilton Head Island area as a viable housing alternative.

TABLE 16

**ANALYSIS OF**
**PLACE OF WORK**

**Residents of Beaufort and Adjacent Counties in South Carolina**

American Community Survey 2009-2013

| County | Total Workforce Number | % Employed In County of Residence | % Employed Outside County of Residence | Mean Travel Time (in Minutes) |
|---|---|---|---|---|
| **Beaufort*** | **72,284** | **91.6%** | **8.4%** | **20.9** |
| Colleton | 14,268 | 59.7% | 40.3% | 33.4 |
| Hampton | 7,311 | 59.4% | 40.6% | 28.9 |
| Jasper | 10,918 | 44.4% | 55.6% | 27.6 |

*SITE County

*Source: U.S. Census Bureau, American Community Survey 2009-2013 5-Year Estimates (Table S0801)*

Third Quarter average weekly earnings for Beaufort County had an increase of 2.7%; from $634 per week in 2011 to $651 per week in 2014. The largest gain in earnings was seen in the Agriculture, Forestry, Fishing and Hunting category, increasing 25.2% and averaging $551 per week in Third Quarter 2014.

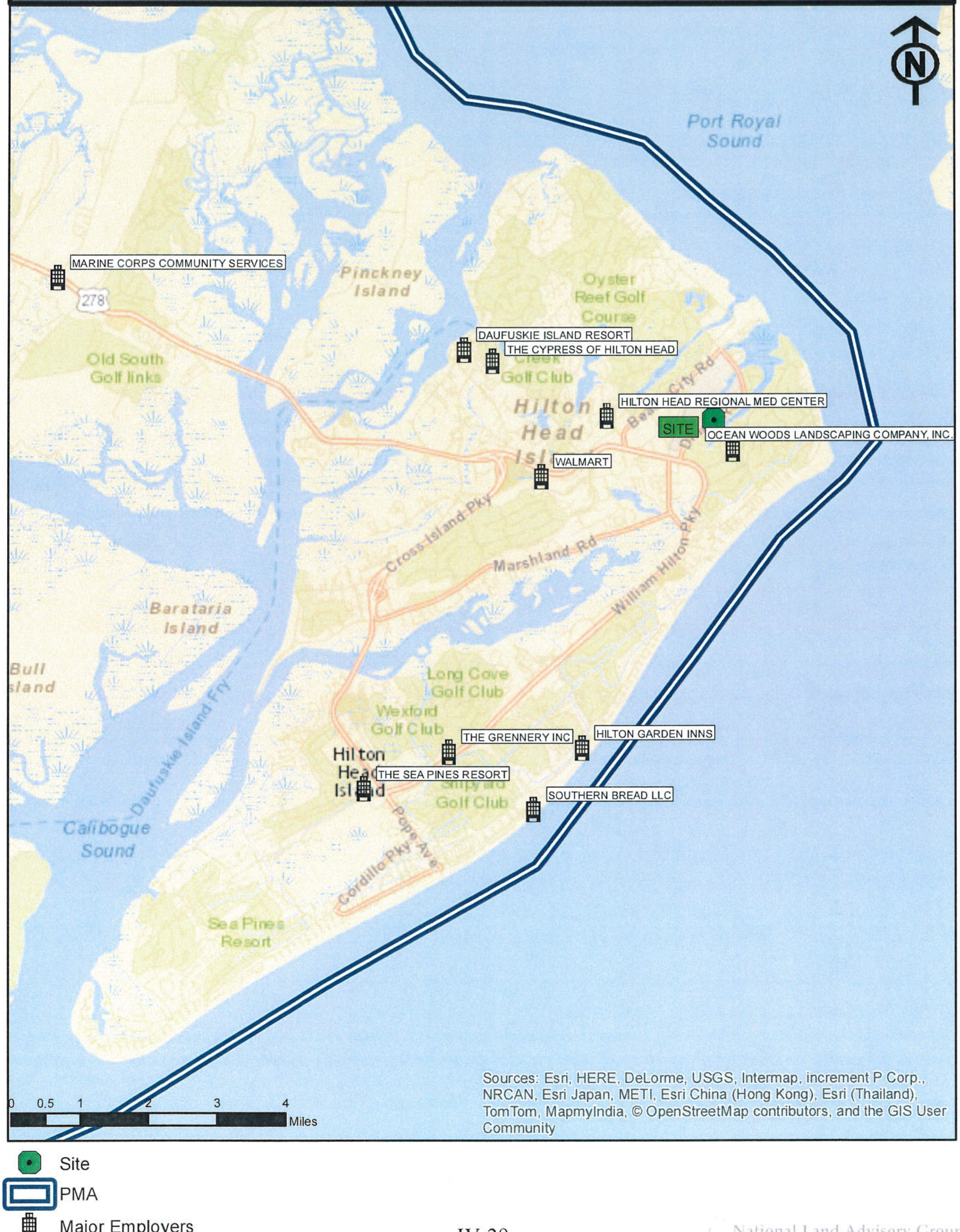
TABLE 17

**AVERAGE WEEKLY EARNINGS**
**Beaufort County – South Carolina**
**3rd Quarter 2011 – 2014**

| | **Beaufort County** | | | **South Carolina** |
|---|---|---|---|---|
| | Average Wage | | % Change | Average Wage |
| **Category** | 2011 | 2014 | 2011-2014 | 2014 |
| Agriculture, Forestry, Fishing & Hunting | $440 | $551 | **25.2%** | $604 |
| Mining, Quarrying, & Oil & Gas Extraction | - | - | **-** | $1,037 |
| Utilities | $1,276 | $1,243 | **-2.6%** | $1,360 |
| Construction | $737 | $831 | **12.8%** | $871 |
| Manufacturing | $768 | $829 | **7.9%** | $1,018 |
| Wholesale Trade | $1,002 | $1,043 | **4.1%** | $1,175 |
| Retail Trade | $464 | $479 | **3.2%** | $487 |
| Transportation & Warehousing | $658 | $668 | **1.5%** | $797 |
| Information | $909 | $610 | **-32.9%** | $996 |
| Finance & Insurance | $1,090 | $1,250 | **14.7%** | $1,059 |
| Real Estate & Rental & Leasing | $699 | $755 | **8.0%** | $737 |
| Professional, Scientific, & Technical Services | $1,187 | $1,059 | **-10.8%** | $1,178 |
| Management of Companies & Enterprises | $853 | $932 | **9.3%** | $1,207 |
| Administrative & Support & Waste Mgmt Services | $509 | $546 | **7.3%** | $615 |
| Educational Services | $636 | $554 | **-12.9%** | $789 |
| Health Care & Social Assistance | $827 | $854 | **3.3%** | $879 |
| Arts, Entertainment, & Recreation | $494 | $464 | **-6.1%** | $358 |
| Accommodation & Food Services | $389 | $409 | **5.1%** | $317 |
| Other Services (except Public Administration) | $553 | $609 | **10.1%** | $570 |
| Public Administration | $917 | $927 | **1.1%** | $807 |
| **TOTAL, All Industries - Average Weekly Wage** | **$634** | **$651** | 2.7% | **$768** |
| Federal Government - Total, All Industries | $980 | $1,016 | **3.7%** | $1,307 |
| State Government - Total, All Industries | $694 | $677 | **-2.4%** | $855 |
| Local Government - Total, All Industries | $796 | $766 | **-3.8%** | $777 |
| Private - Total, All Industries | $595 | $621 | **4.4%** | $751 |

*Source: Labor Market Information - State of South Carolina*

# Hilton Head Island, SC: Map of Major Employers



## I. CRIME ISSUES

The source for crime data is the FBI Uniform Crime Report (UCR).

The FBI collects data from over 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The FBI's Uniform Crime Reporting (UCR) Program collects offenses that come to the attention of law enforcement for violent crime and property crime, as well as data regarding clearances of these offenses. In addition, the FBI collects auxiliary data about these offenses (e.g., time of day of burglaries). The expanded offense data also include trends in both crime volume and crime rate per 100,000 inhabitants. Finally, the UCR Program collects expanded homicide data which includes information about homicide victims and offenders, weapons used, the circumstances surrounding the offenses, and justifiable homicides.

The following information is the most current, as reported to the FBI:

**2014 CRIME RISK**

| | Town of Hilton Head Island | Beaufort County | South Carolina |
|---|---|---|---|
| | Number | Number | Number |
| **Personal Crime** | | | |
| Murder | 118 | 109 | 142 |
| Rape | 117 | 137 | 132 |
| Robbery | 63 | 81 | 100 |
| Assault | 159 | 166 | 218 |
| TOTAL PERSONAL CRIME | 114 | 123 | 148 |
| **Property Crime** | | | |
| Burglary | 180 | 162 | 147 |
| Larceny | 231 | 199 | 141 |
| Motor Vehicle | 85 | 79 | 94 |
| TOTAL PROPERTY CRIME | 165 | 129 | 122 |
| **Overall Crime Risk** | **136** | **133** | **139** |

*Source: Applied Geographic Solutions; FBI Uniform Crime Report*

Crime Risk is a block group and higher level geographic database consisting of a series of standardized indexes for a range of serious crimes against both persons and property. It is derived from an extensive analysis of several years of crime reports from the vast majority of law enforcement jurisdictions nationwide. The crimes include murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft. These categories are the primary reporting categories used by the FBI in its Uniform Crime Report (UCR), with the exception of Arson, for which data is very inconsistently reported at the jurisdictional level.

In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately, as well as a total index. While this provides a useful measure of the relative "overall" crime rate in an area, it must be recognized that these are unweighted indexes, in that a murder is weighted no more heavily than a purse snatching in the computation. For this reason, caution is advised when using any of the aggregate index values.

## V. HOUSING ANALYSIS

Information on building permits for the Town of Hilton Head Island area and Beaufort County has been reported back to 1990. In an analysis of multi-family housing starts by building permits since 2000, there has been sporadic new multi-family construction permitted within Beaufort County and the Town of Hilton Head Island. Between 2012 and 2014, in the Town of Hilton Head Island there were 46 multi-family units authorized, while there were no multi-family permits authorized in the remainder of Beaufort County. During this period approximately all of the multi-family units authorized in Beaufort County were built inside the town limits of Hilton Head Island.

Over the past ten years, the Town of Hilton Head Island area has averaged 31.2 multi-family starts per year while Beaufort County has averaged 169.1 multi-family starts. However, within the recent building years, 2012 through 2014, multi-family units have averaged 15.3 units per year in the Town of Hilton Head Island and Beaufort County. Recent years have indicated a decrease in growth activity of multi-family units to the Town of Hilton Head Island and Beaufort County base.

Single-family housing starts accounted for a majority of the overall starts in the Town of Hilton Head Island and Beaufort County. Since 2005, there have been single-family permits issued representing an average of 114.6 and 1,351.7 residences per year, in the Town of Hilton Head Island and Beaufort County, respectively. Between 2012 and 2014, single-family starts in Beaufort County averaged 816.3 single-family residences per year, indicating a decrease in activity. During this same period, the Town of Hilton Head Island showed an increase in building permit activity, with an average of 123.3 single-family residences per year.

Recent studies have indicated a net deficit of housing in Beaufort County, of which a portion would apply towards the Town of Hilton Head Island area. However, because of the current activity in building permit activity, deficits have increased slightly in recent years in comparison to the previous ten year period. Current preliminary totals for January

2015 indicate an increase of building permit activity for multi-family residences in Beaufort County. In comparison, 2015 totals indicate a decrease of single-family building activity within the area.

Interviews with local building and zoning government officials indicated that many areas, within the Town of Hilton Head Island, have limited availability of zoned land appropriate for multi-family housing. The density range in the area has been from 4 to 16 units per acre, as prescribed in the zoning regulations. However, it should be noted, that while this land is vacant and zoned, not all the land is available for building.

The following is a summary of building permit activity for the Town of Hilton Head Island and Beaufort County:

TABLE 18

## HOUSING UNITS AUTHORIZED

**Town of Hilton Head Island – Beaufort County – South Carolina**

**1990 - 2015***

| | Town of Hilton Head Island | | | Beaufort County | | |
|---|---|---|---|---|---|---|
| Year | Total | Single-Family | Multi-Family | Total | Single-Family | Multi-Family |
| 1990 | **475** | 404 | 71 | **964** | 833 | 131 |
| 1991 | **422** | 285 | 137 | **878** | 735 | 143 |
| 1992 | **533** | 374 | 159 | **1,028** | 859 | 169 |
| 1993 | **670** | 441 | 229 | **1,205** | 956 | 249 |
| 1994 | **911** | 477 | 434 | **1,842** | 1,260 | 582 |
| 1995 | **943** | 461 | 482 | **2,073** | 1,453 | 620 |
| 1996 | **599** | 425 | 174 | **2,426** | 1,725 | 701 |
| 1997 | **693** | 444 | 249 | **2,390** | 1,749 | 641 |
| 1998 | **724** | 474 | 250 | **2,494** | 1,982 | 512 |
| 1999 | **716** | 494 | 222 | **2,952** | 2,290 | 662 |
| 2000 | **629** | 456 | 173 | **2,689** | 1,986 | 703 |
| 2001 | **632** | 459 | 173 | **2,095** | 1,808 | 287 |
| 2002 | **455** | 441 | 14 | **2,646** | 2,374 | 272 |
| 2003 | **362** | 292 | 70 | **2,802** | 2,730 | 72 |
| 2004 | **408** | 290 | 118 | **2,942** | 2,678 | 264 |
| 2005 | **444** | 362 | 82 | **4,650** | 3,996 | 654 |
| 2006 | **321** | 190 | 131 | **3,448** | 3,269 | 179 |
| 2007 | **96** | 93 | 3 | **2,224** | 1,903 | 321 |
| 2008 | **32** | 28 | 4 | **1,375** | 1,058 | 317 |
| 2009 | **39** | 21 | 18 | **317** | 299 | 18 |
| 2010 | **41** | 41 | 0 | **244** | 244 | 0 |
| 2011 | **69** | 41 | 28 | **455** | 299 | 156 |
| 2012 | **63** | 63 | 0 | **391** | 391 | 0 |
| 2013 | **207** | 161 | 46 | **998** | 952 | 46 |
| 2014 | **146** | 146 | 0 | **1,106** | 1,106 | 0 |
| 2015* | **0** | 0 | 0 | **69** | 29 | 40 |

*Preliminary through January 2015

*Source: U.S. Department of Commerce, C-40 Const. Reports*

Based on 2010 Census decennial data, the rental vacancy rate for rental units, regardless of age or condition, was 55.1% in the Town of Hilton Head Island area and 30.7% in Beaufort County. The rental units surveyed include all rentals available whether in multi-family, single-family or mobile home structures, while the vacancies included the seasonal fluctuation of the market area. The vacancy rates while noted higher are a product of the second homes in the market area and the lack of year round occupancy. The overall vacancy rates are actually lower, below 11% as reported by the Census data for year round housing and owners and renters.

The homeowner vacancy rate for owned, non-rental units, again regardless of age or condition, was 4.9% in the Town of Hilton Head Island area and 4.1% in Beaufort County.

TABLE 19

**VACANCY RATES AND HOUSING CONDITIONS**

**Town of Hilton Head Island – Beaufort County – South Carolina**

Census 2010

| | **Hilton Head Island** | | **Beaufort County** | | **South Carolina** | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| Total Housing Units | 33,306 | 100.0% | 93,023 | 100.0% | 2,137,683 | 100.0% |
| Occupied Housing | 16,535 | 49.6% | 64,945 | 69.8% | 1,801,181 | 84.3% |
| Owner Occupied | 12,039 | 36.1% | 45,868 | 49.3% | 1,248,805 | 58.4% |
| Vacant for Sale | 623 | 4.9% | 1,965 | 4.1% | 36,523 | 2.8% |
| Vacant Sold, Not Occupied | 96 | 0.8% | 282 | 0.6% | 8,519 | 0.7% |
| Total Owner Occupied Units | 12,758 | 38.3% | 48,115 | 51.7% | 1,293,847 | 60.5% |
| Renter Occupied | 4,496 | 13.5% | 19,077 | 20.5% | 552,376 | 25.8% |
| Vacant for Rent | 5,644 | 55.1% | 8,548 | 30.7% | 92,746 | 14.3% |
| Rented, Not Occupied | 106 | 1.0% | 224 | 0.8% | 3,957 | 0.6% |
| Total Renter Occupied Units | 10,246 | 30.8% | 27,849 | 29.9% | 649,079 | 30.4% |
| For Seasonal/Recreational/Occasional Use | 9,767 | 29.3% | 14,902 | 16.0% | 112,531 | 5.3% |
| For Migrant Workers | 2 | <0.1% | 34 | <0.1% | 370 | <0.1% |
| Other Vacant | 533 | 1.6% | 2,123 | 2.3% | 81,844 | 3.8% |
| **Total Vacancy Rate** | **50.4%** | | **30.2%** | | **15.7%** | |

*"Other Vacant" category includes those neither for sale nor for rent, usually unrentable or dilapidated.

*Source: U.S. Census Bureau, 2010 Census Summary File 1*

As would be expected in owner-occupied housing, approximately 80.5% of the housing units within the Town of Hilton Head Island are single-family detached or attached units, compared to 84.1% for Beaufort County. Within renter-occupied housing, the Town of Hilton Head Island has approximately 15.6% in 2 to 4 unit structures and 23.9% in structures of 20 units or more. The Town of Hilton Head Island has a total of 25.2% in renter-occupied detached units, somewhat less than Beaufort County at 36.8%.

TABLE 20

**HOUSING UNITS**
**BY TYPE OF STRUCTURE**
**Town of Hilton Head Island – Beaufort County – South Carolina**

American Community Survey 2006-2010

| | **Hilton Head Island** | | **Beaufort County** | | **South Carolina** | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| **Owner-Occupied Housing Units** | | | | | | |
| 1 Unit, Detached | 9,326 | 74.7% | 35,596 | 79.3% | 955,571 | 78.5% |
| 1, Unit Attached | 712 | 5.7% | 2,139 | 4.8% | 29,062 | 2.4% |
| 2 Units | 0 | 0.0% | 45 | 0.1% | 2,643 | 0.2% |
| 3-4 Units | 331 | 2.7% | 387 | 0.9% | 5,419 | 0.4% |
| 5-9 Units | 533 | 4.3% | 840 | 1.9% | 9,127 | 0.7% |
| 10-19 Units | 158 | 1.3% | 185 | 0.4% | 4,517 | 0.4% |
| 20-49 Units | 408 | 3.3% | 460 | 1.0% | 2,140 | 0.2% |
| 50 or More Units | 352 | 2.8% | 392 | 0.9% | 2,303 | 0.2% |
| Mobile Home | 657 | 5.3% | 4,760 | 10.6% | 205,694 | 16.9% |
| Other | 0 | 0.0% | 64 | 0.1% | 1,026 | 0.1% |
| TOTAL | 12,477 | 100.0% | 44,868 | 100.0% | 1,217,502 | 100.0% |
| **Renter-Occupied Housing Units** | | | | | | |
| 1 Unit, Detached | 1,091 | 25.2% | 6,835 | 36.8% | 182,549 | 34.8% |
| 1, Unit Attached | 298 | 6.9% | 1,289 | 6.9% | 15,307 | 2.9% |
| 2 Units | 231 | 5.3% | 609 | 3.3% | 33,783 | 6.4% |
| 3-4 Units | 448 | 10.3% | 1,347 | 7.2% | 43,316 | 8.3% |
| 5-9 Units | 622 | 14.4% | 2,273 | 12.2% | 69,071 | 13.2% |
| 10-19 Units | 343 | 7.9% | 1,172 | 6.3% | 42,889 | 8.2% |
| 20-49 Units | 357 | 8.2% | 1,066 | 5.7% | 24,418 | 4.7% |
| 50 or More Units | 680 | 15.7% | 942 | 5.1% | 16,914 | 3.2% |
| Mobile Home | 263 | 6.1% | 3,058 | 16.4% | 95,762 | 18.3% |
| Other | 0 | 0.0% | 0 | 0.0% | 483 | 0.1% |
| TOTAL | 4,333 | 100.0% | 18,591 | 100.0% | 524,492 | 100.0% |

Source: U.S. Census Bureau, American Community Survey 2006-2010 (Table B25032)

In 2010, the median gross rent for specified renter-occupied housing units was $1,064 in the Town of Hilton Head Island area as compared to $926 in Beaufort County and $701 for the State of South Carolina. The median gross rents for the Town of Hilton Head Island and Beaufort County have increased 10.0% and 19.4%, respectively, from the 2000 median gross rents. It's interesting to note that approximately one-half of all units, within the Town of Hilton Head Island (47.2%) and Beaufort County (44.7%), are in the $900 to $1,499 price range.

TABLE 21

**DISTRIBUTION OF**
**GROSS RENT**

**Town of Hilton Head Island – Beaufort County – South Carolina**

American Community Survey 2006-2010

| | Hilton Head Island | | Beaufort County | | South Carolina | |
|---|---|---|---|---|---|---|
| **GROSS RENT** | Number | Percent | Number | Percent | Number | Percent |
| Less than $100 | 0 | 0.0% | 0 | 0.0% | 1,806 | 0.3% |
| $100-$149 | 0 | 0.0% | 40 | 0.2% | 3,104 | 0.6% |
| $150-$199 | 0 | 0.0% | 24 | 0.1% | 7,756 | 1.5% |
| $200-$249 | 17 | 0.4% | 49 | 0.3% | 8,966 | 1.7% |
| $250-$299 | 0 | 0.0% | 81 | 0.4% | 8,940 | 1.7% |
| $300-$349 | 0 | 0.0% | 94 | 0.5% | 10,912 | 2.1% |
| $350-$399 | 35 | 0.8% | 103 | 0.6% | 13,079 | 2.5% |
| $400-$449 | 48 | 1.1% | 232 | 1.2% | 18,951 | 3.6% |
| $450-$499 | 69 | 1.6% | 275 | 1.5% | 23,968 | 4.6% |
| $500-$549 | 36 | 0.8% | 297 | 1.6% | 30,547 | 5.8% |
| $550-$599 | 155 | 3.6% | 517 | 2.8% | 33,537 | 6.4% |
| $600-$649 | 107 | 2.5% | 476 | 2.6% | 36,202 | 6.9% |
| $650-$699 | 123 | 2.8% | 657 | 3.5% | 35,062 | 6.7% |
| $700-$749 | 110 | 2.5% | 1,187 | 6.4% | 33,636 | 6.4% |
| $750-$799 | 111 | 2.6% | 722 | 3.9% | 30,874 | 5.9% |
| $800-$899 | 401 | 9.3% | 2,078 | 11.2% | 52,181 | 9.9% |
| $900-$999 | 665 | 15.3% | 2,060 | 11.1% | 37,179 | 7.1% |
| $1,000-$1,249 | 836 | 19.3% | 4,093 | 22.0% | 46,875 | 8.9% |
| $1,250-$1,499 | 544 | 12.6% | 2,153 | 11.6% | 17,686 | 3.4% |
| $1,500-$1,999 | 428 | 9.9% | 1,414 | 7.6% | 10,925 | 2.1% |
| $2,000 or More | 495 | 11.4% | 744 | 4.0% | 5,165 | 1.0% |
| No Cash Rent | 153 | 3.5% | 1,295 | 7.0% | 57,141 | 10.9% |
| TOTAL | 4,333 | 100.0% | 18,590 | 100.0% | 524,492 | 100.0% |
| Median Rent - 2000 | $967 | | $776 | | $510 | |
| Median Rent - 2010 | $1,064 | | $926 | | $701 | |
| **Percent Change 2000 - 2010** | **10.0%** | | **19.4%** | | **37.5%** | |

*Source: U.S. Census Bureau, Census 2000, American Community Survey 2006-2010 (Tables B25063, B25064)*

In reference to the number of rent-overburdened households, the Town of Hilton Head Island has 1,833 households or 42.3% contributing 35% or more of their household income to gross rent. Therefore, nearly one-half of the income-qualified households in the Town of Hilton Head Island would be considered overburdened. In reference to the number of rent-overburdened households in Beaufort County, there are 7,058 households or 38.0% contributing 35% or more of their household income to gross rent. Therefore, over one-third of the income-qualified households in Beaufort County would be considered overburdened.

TABLE 22

**DISTRIBUTION OF GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME**

**Town of Hilton Head Island – Beaufort County – South Carolina**

American Community Survey 2006-2010

| | Hilton Head Island | | Beaufort County | | South Carolina | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| Less Than 10 Percent | 110 | 2.5% | 485 | 2.6% | 19,368 | 3.7% |
| 10 to 14 Percent | 247 | 5.7% | 1,264 | 6.8% | 42,978 | 8.2% |
| 15 to 19 Percent | 651 | 15.0% | 1,952 | 10.5% | 59,375 | 11.3% |
| 20 to 24 Percent | 546 | 12.6% | 2,359 | 12.7% | 57,325 | 10.9% |
| 25 to 29 Percent | 464 | 10.7% | 2,656 | 14.3% | 52,746 | 10.1% |
| 30 to 34 Percent | 268 | 6.2% | 1,401 | 7.5% | 38,995 | 7.4% |
| 35 to 39 Percent | 355 | 8.2% | 1,262 | 6.8% | 31,457 | 6.0% |
| 40 to 49 Percent | 432 | 10.0% | 1,815 | 9.8% | 40,722 | 7.8% |
| 50 Percent or More | 1,046 | 24.1% | 3,981 | 21.4% | 112,717 | 21.5% |
| Not Computed | 214 | 4.9% | 1,416 | 7.6% | 68,809 | 13.1% |
| TOTAL | 4,333 | 100.0% | 18,590 | 100.0% | 524,492 | 100.0% |

*Source: U.S. Census Bureau, American Community Survey 2006-2010 (Table B25070)*

According to the 2006-2010 American Community Survey, less than 7.0% of the renter-occupied housing units in the Town of Hilton Head Island lack complete plumbing and / or kitchen facilities. Within Beaufort County, 0.5% of the renter-occupied housing units lack complete plumbing facilities, while 1.2% lack kitchen facilities. The median number of rooms for the Town of Hilton Head Island area and Beaufort County ranges from 6.3 to 6.6, approximately a four-bedroom unit within owner-occupied housing; and ranges from 4.3 to 4.7 median rooms, or approximately a two-bedroom unit within renter-occupied housing.

TABLE 23

**HOUSING QUALITY**

**Town of Hilton Head Island – Beaufort County – South Carolina**

American Community Survey 2006-2010

| | Hilton Head Island | | Beaufort County | | South Carolina | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| **Owner-Occupied Housing Units** | | | | | | |
| Lacking Plumbing Facilities | 13 | 0.1% | 30 | 0.1% | 4,511 | 0.4% |
| Lacking Kitchen Facilities | 39 | 0.3% | 72 | 0.2% | 3,973 | 0.3% |
| **Number of Rooms** | | | | | | |
| Three or less | 388 | 3.1% | 872 | 1.9% | 23,339 | 1.9% |
| Four | 1,099 | 8.8% | 3,422 | 7.6% | 105,521 | 8.7% |
| Five | 1,851 | 14.8% | 9,290 | 20.7% | 283,295 | 23.3% |
| Six or more | 9,139 | 73.2% | 31,284 | 69.7% | 805,347 | 66.1% |
| TOTAL | 12,477 | 100.0% | 44,868 | 100.0% | 1,217,502 | 100.0% |
| **Median Rooms** | **6.6** | | **6.3** | | **6.2** | |
| **Renter-Occupied Housing Units** | | | | | | |
| Lacking Plumbing Facilities | 74 | 1.7% | 158 | 0.5% | 3,837 | 0.7% |
| Lacking Kitchen Facilities | 278 | 6.4% | 386 | 1.2% | 6,344 | 1.2% |
| **Number of Rooms** | | | | | | |
| Three or less | 1,210 | 27.9% | 3,228 | 10.0% | 95,236 | 18.2% |
| Four | 1,245 | 28.7% | 4,686 | 14.5% | 165,863 | 31.6% |
| Five | 911 | 21.0% | 5,744 | 17.8% | 140,125 | 26.7% |
| Six or more | 967 | 22.3% | 18,591 | 57.6% | 123,268 | 23.5% |
| TOTAL | 4,333 | 100.0% | 32,249 | 100.0% | 524,492 | 100.0% |
| **Median Rooms** | **4.3** | | **4.7** | | **4.5** | |

* Rooms excluding bathrooms, porches, balconies, foyers, hallways or half-rooms

`Three rooms = 1 or less bedroom, Four rooms - 2 bedrooms, Five rooms - 3 bedrooms, etc.

*Source: U.S. Census Bureau, American Community Survey 2006-2010 (Tables B25020, B25021, B25049, B25053)*

Mobility patterns from the 2006-2010 American Community Survey revealed that within the Town of Hilton Head Island area, 19.4% of the occupants in owner-occupied housing units and 70.5% of the occupants in renter-occupied housing units have moved within the past five years. For Beaufort County, 30.1% of the occupants in owner-occupied units and 75.8% of the occupants in renter-occupied units have moved within the past five years. In the Town of Hilton Head Island area, the average occupancy period for renter-occupied housing is 4.4 years, as compared to 4.2 years in Beaufort County. The average occupancy period for owner-occupied housing is 11.8 years in the Town of Hilton Head Island and slightly lower in Beaufort County at 10.8 years.

TABLE 24

**MOBILITY PATTERNS BY HOUSING UNIT**

**Town of Hilton Head Island – Beaufort County – South Carolina**

American Community Survey 2006-2010

| | Hilton Head Island | | Beaufort County | | South Carolina | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| **Owner-Occupied Housing Units** | | | | | | |
| Moved in 2005 or Later | 2,421 | 19.4% | 13,498 | 30.1% | 270,544 | 22.2% |
| Moved in 2000-2004 | 3,738 | 30.0% | 13,545 | 30.2% | 279,744 | 23.0% |
| Moved in 1990-1999 | 4,635 | 37.1% | 11,608 | 25.9% | 312,278 | 25.6% |
| Moved in 1980-1989 | 1,283 | 10.3% | 3,541 | 7.9% | 148,150 | 12.2% |
| Moved in 1970-1979 | 334 | 2.7% | 1,603 | 3.6% | 112,214 | 9.2% |
| Moved in 1969 or earlier | 66 | 0.5% | 1,073 | 2.4% | 94,572 | 7.8% |
| TOTAL | 12,477 | 100.0% | 44,868 | 100.0% | 1,217,502 | 100.0% |
| **Average Years** | **11.8** | | **10.8** | | **15.5** | |
| **Renter-Occupied Housing Units** | | | | | | |
| Moved in 2005 or Later | 3,054 | 70.5% | 14,093 | 75.8% | 345,353 | 65.8% |
| Moved in 2000-2004 | 880 | 20.3% | 3,072 | 16.5% | 105,815 | 20.2% |
| Moved in 1990-1999 | 347 | 8.0% | 1,103 | 5.9% | 45,423 | 8.7% |
| Moved in 1980-1989 | 28 | 0.6% | 118 | 0.6% | 14,036 | 2.7% |
| Moved in 1970-1979 | 24 | 0.6% | 60 | 0.3% | 6,507 | 1.2% |
| Moved in 1969 or earlier | 0 | 0.0% | 145 | 0.8% | 7,358 | 1.4% |
| TOTAL | 4,333 | 100.0% | 18,591 | 100.0% | 524,492 | 100.0% |
| **Average Years** | **4.4** | | **4.2** | | **5.7** | |

*Source: U.S. Census Bureau, American Community Survey 2006-2010 (Table B25038)*

The average age of householders in 2010 was 46.7 years for renter-occupied housing in the Town of Hilton Head Island, with 32.4% of the renter base below the age of 35. In Beaufort County, the average age of householders for renter-occupied housing was 42.0 years.

TABLE 25

**HOUSING UNITS**
**BY AGE OF HOUSEHOLDER**
**Town of Hilton Head Island – Beaufort County – South Carolina**

Census 2010

| | **Hilton Head Island** | | **Beaufort County** | | **South Carolina** | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| **Owner-Occupied Housing Units** | | | | | | |
| Under 25 Years | 50 | 0.4% | 462 | 1.0% | 17,132 | 1.4% |
| 25 to 34 Years | 456 | 3.8% | 3,456 | 7.5% | 127,978 | 10.2% |
| 35 to 44 Years | 1,100 | 9.1% | 5,498 | 12.0% | 208,648 | 16.7% |
| 45 to 54 Years | 1,729 | 14.4% | 7,488 | 16.3% | 271,475 | 21.7% |
| 55 to 59 Years | 1,136 | 9.4% | 4,449 | 9.7% | 138,407 | 11.1% |
| 60 to 64 Years | 1,614 | 13.4% | 5,950 | 13.0% | 139,143 | 11.1% |
| 65 to 74 Years | 3,113 | 25.9% | 11,073 | 24.1% | 200,422 | 16.0% |
| 75 to 84 Years | 2,083 | 17.3% | 5,886 | 12.8% | 111,323 | 8.9% |
| 85 Years and Older | 758 | 6.3% | 1,606 | 3.5% | 34,277 | 2.7% |
| TOTAL | 12,039 | 100.0% | 45,868 | 100.0% | 1,248,805 | 100.0% |
| **Average Age** | **63.2** | | **59.2** | | **54.9** | |
| **Renter-Occupied Housing Units** | | | | | | |
| Under 25 Years | 364 | 8.1% | 2,642 | 13.8% | 71,339 | 12.9% |
| 25 to 34 Years | 1,093 | 24.3% | 5,660 | 29.7% | 139,948 | 25.3% |
| 35 to 44 Years | 915 | 20.4% | 3,752 | 19.7% | 107,375 | 19.4% |
| 45 to 54 Years | 815 | 18.1% | 2,882 | 15.1% | 96,611 | 17.5% |
| 55 to 59 Years | 285 | 6.3% | 1,085 | 5.7% | 37,837 | 6.8% |
| 60 to 64 Years | 243 | 5.4% | 852 | 4.5% | 29,875 | 5.4% |
| 65 to 74 Years | 296 | 6.6% | 1,008 | 5.3% | 35,816 | 6.5% |
| 75 to 84 Years | 224 | 5.0% | 614 | 3.2% | 21,381 | 3.9% |
| 85 Years and Older | 261 | 5.8% | 582 | 3.1% | 12,194 | 2.2% |
| TOTAL | 4,496 | 100.0% | 19,077 | 100.0% | 552,376 | 100.0% |
| **Average Age** | **46.7** | | **42.0** | | **43.5** | |

*Source: U.S. Census Bureau, 2010 Census Summary File 1*

In 2010, households with one or two people totaled 80.0% for owner-occupied units and 61.8% for renter-occupied units within the Town of Hilton Head Island. Beaufort County households with one or two people totaled 72.3% for units occupied by owners and 55.2% for units occupied by renters. The average number of persons per household in renter-occupied units was 2.54 and 2.66, for the Town of Hilton Head Island and Beaufort County, respectively. Within owner-occupied units, the average number of persons per household was slightly lower in the Town of Hilton Head Island at 2.12 compared to 2.31 in Beaufort County.

TABLE 26

**HOUSING UNITS**
**BY PER PERSON**
**Town of Hilton Head Island – Beaufort County – South Carolina**

Census 2010

| | Hilton Head Island | | Beaufort County | | South Carolina | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| **Owner-Occupied Housing Units** | | | | | | |
| 1-Person Household | 3,143 | 26.1% | 10,388 | 22.6% | 289,689 | 23.2% |
| 2-Person Household | 6,484 | 53.9% | 22,782 | 49.7% | 477,169 | 38.2% |
| 3-Person Household | 1,096 | 9.1% | 5,489 | 12.0% | 210,222 | 16.8% |
| 4-Person Household | 805 | 6.7% | 4,161 | 9.1% | 164,774 | 13.2% |
| 5-Person Household | 332 | 2.8% | 1,959 | 4.3% | 69,110 | 5.5% |
| 6-Person Household | 123 | 1.0% | 708 | 1.5% | 24,016 | 1.9% |
| 7-Person Household | 56 | 0.5% | 381 | 0.8% | 13,825 | 1.1% |
| TOTAL | 12,039 | 100.0% | 45,868 | 100.0% | 1,248,805 | 100.0% |
| **AVERAGE** | **2.12** | | **2.31** | | **2.51** | |
| **Renter-Occupied Housing Units** | | | | | | |
| 1-Person Household | 1,538 | 34.2% | 5,421 | 28.4% | 188,205 | 34.1% |
| 2-Person Household | 1,239 | 27.6% | 5,108 | 26.8% | 146,250 | 26.5% |
| 3-Person Household | 653 | 14.5% | 3,417 | 17.9% | 93,876 | 17.0% |
| 4-Person Household | 485 | 10.8% | 2,656 | 13.9% | 67,129 | 12.2% |
| 5-Person Household | 268 | 6.0% | 1,407 | 7.4% | 33,904 | 6.1% |
| 6-Person Household | 167 | 3.7% | 618 | 3.2% | 13,817 | 2.5% |
| 7-Person Household | 146 | 3.2% | 450 | 2.4% | 9,195 | 1.7% |
| TOTAL | 4,496 | 100.0% | 19,077 | 100.0% | 552,376 | 100.0% |
| **AVERAGE** | **2.54** | | **2.66** | | **2.45** | |

Source: U.S. Census Bureau, 2010 Census Summary File 1

## VI. MODERN APARTMENT SURVEY

### A. RENTAL MARKET

The following information and analysis is data collected from a field survey of the modern apartments in the Town of Hilton Head Island, South Carolina PMA in March 2015, Richard Barnett, field analysts with National Land Advisory Group. Every family and senior, market-rate and LIHTC apartment development with 12-units (+/-) or more were surveyed by age, unit amenities, square feet (when available), vacancies, rents, utilities, deposits, project amenities and tenant mix. The collected data includes the following:

- A distribution of both market rate and government subsidized developments by unit mix and vacancy.
- An analysis of apartment building trends, which includes the number of units, percent distribution, cumulative units, and vacancy rate by year built.
- A rent and vacancy analysis for studio, 1, 2, 3 and 4 bedroom units, which contains a distribution of units and vacancies by net rent ranges, when available.
- A project information analysis on each project, listed individually.
- There are some duplexes in the market area that have not been included in this survey analysis.
- The project rating given to each apartment development surveyed is a direct relationship between the physical characteristics and three common variables found at each development: unit amenities, development amenities and physical appearance (subjective in nature). For reference, the analysis will summarize these factors to a total of 1 to 10, with 1 being low quality and 10 being an excellent quality rating.

- The following is a breakdown of the surveyed developments:

TABLE 27

**DISTRIBUTION OF**
**MARKET RATE, TAX CREDIT AND GOVERNMENT SUBSIDIZED**
**APARTMENT UNITS AND VACANCIES**
**Hilton Head Island, South Carolina**
**March 2015**

| | UNITS | | VACANCIES | |
|---|---|---|---|---|
| MARKET RATE | Number | Percent | Number | Percent |
| Studio | - | - | - | - |
| One-Bedroom | 60 | 31.3% | 0 | 0.0% |
| Two-Bedroom | 124 | 64.6% | 0 | 0.0% |
| Three-Bedroom | 8 | 4.2% | 0 | 0.0% |
| Four-Bedroom | - | - | - | - |
| **TOTAL** | 192 | 100.0% | 0 | 0.0% |
| TAX CREDIT | Number | Percent | Number | Percent |
| Studio | - | - | - | - |
| One-Bedroom | - | - | - | - |
| Two-Bedroom | 24 | 50.0% | 0 | 0.0% |
| Three-Bedroom | 24 | 50.0% | 0 | 0.0% |
| Four-Bedroom | - | - | - | - |
| **TOTAL** | 48 | 100.0% | 0 | 0.0% |
| GOVERNMENT SUBSIDIZED | Number | Percent | Number | Percent |
| Studio | 16 | 6.8% | 0 | 0.0% |
| One-Bedroom | 36 | 15.4% | 0 | 0.0% |
| Two-Bedroom | 126 | 53.8% | 0 | 0.0% |
| Three-Bedroom | 48 | 20.5% | 0 | 0.0% |
| Four-Bedroom | 8 | 3.4% | 0 | 0.0% |
| **TOTAL** | 234 | 100.0% | 0 | 0.0% |

- The Hilton Head Island market area consists of market-rate, LIHTC and government subsidized rental housing units. Approximately (40.5%) of the units are market-rate with a non-existent vacancy rate. Approximately 10.1% of the units are under the LIHTC program and 49.4% are under a government subsidized program, both with a non-existent vacancy rates.

- The Hilton Head Island area had a large majority of the units built before 1985, representing approximately 55.3%. The most recent units have been built in 1994, representing 10.1% of the rental unit base surveyed.

- The Hilton Head Island area has a 0.0 average annual release over the past ten years.

TABLE 28

**MULTI-FAMILY CONSTRUCTION TRENDS**
**Hilton Head Island, South Carolina**
**1970-2015**

| YEAR OF PROJECT OPENING | NUMBER OF UNITS | PERCENT DISTRIBUTION | CUMULATIVE UNITS |
|---|---|---|---|
| Before 1970 | - | - | - |
| 1970 – 1974 | 52 | 11.0% | 52 |
| 1975 – 1979 | 112 | 23.6% | 164 |
| 1980 – 1984 | 98 | 20.7% | 262 |
| 1985 – 1989 | 140 | 29.5% | 402 |
| 1990 – 1994 | 72 | 15.2% | 474 |
| 1995 – 1999 | - | - | 474 |
| 2000 – 2004 | - | - | 474 |
| 2005 | - | - | 474 |
| 2006 | - | - | 474 |
| 2007 | - | - | 474 |
| 2008 | - | - | 474 |
| 2009 | - | - | 474 |
| 2010 | - | - | 474 |
| 2011 | - | - | 474 |
| 2012 | - | - | 474 |
| 2013 | - | - | 474 |
| 2014 | - | - | 474 |
| 2015 | - | - | 474 |
| TOTAL | 474 | 100.0% | |

AVERAGE ANNUAL RELEASE OF UNITS: 2005-2014 0.0

♦ The following is a distribution of market-rate and LIHTC unit net rents. Net rents for market rate units include water, sewer, and trash removal. The adjusted net rent is determined by subtracting the owner-paid utilities such as gas, electric, heat and cable TV from the quoted rents, as well as adding tenant-paid water, sewer, and trash removal.

TABLE 29

**RENT AND VACANCY ANALYSIS**
**ONE-BEDROOM MARKET RATE & LIHTC UNITS**
**Hilton Head Island, South Carolina**
**March 2015**

| | TOTAL UNITS | | VACANCIES | |
|---|---|---|---|---|
| Net Rent | Number | Percent | Number | Percent |
| $950 - $1000 | 60 | 100.0% | 0 | 0.0% |
| **TOTAL** | 60 | 100.0% | 0 | 0.0% |

**MEDIAN RENT:** $975

TABLE 30

**RENT AND VACANCY ANALYSIS**
**TWO-BEDROOM MARKET RATE & LIHTC UNITS**
**Hilton Head Island, South Carolina**
**March 2015**

| | TOTAL UNITS | | VACANCIES | |
|---|---|---|---|---|
| Net Rent | Number | Percent | Number | Percent |
| $1000 - $1100 | 80 | 54.1% | 0 | 0.0% |
| $730 - $750 | 46 | 31.1% | 0 | 0.0% |
| $700 | 22 | 14.9% | 0 | 0.0% |
| **TOTAL** | 148 | 100.0% | 0 | 0.0% |

**MEDIAN RENT:** $1,008

TABLE 31

**RENT AND VACANCY ANALYSIS**
**THREE-BEDROOM MARKET RATE & LIHTC UNITS**
**Hilton Head Island, South Carolina**
**March 2015**

| | TOTAL UNITS | | VACANCIES | |
|---|---|---|---|---|
| Net Rent | Number | Percent | Number | Percent |
| $850 | 4 | 12.5% | 0 | 0.0% |
| $800 - $825 | 16 | 50.0% | 0 | 0.0% |
| $795 | 12 | 37.5% | 0 | 0.0% |
| **TOTAL** | 32 | 100.0% | 0 | 0.0% |

**MEDIAN RENT:** $806

- The Hilton Head Island area median rents are $975 for a one-bedroom unit, $1,008 for a two-bedroom unit and $806 for a three-bedroom unit.

- The Hilton Head Island area has no elderly-orientated developments. However, several of the area developments have an elderly base of tenants in the units. The other surveyed government subsidized, LIHTC and market-rate developments are family-orientated.

- The vacancies for family-orientated units are somewhat low in the market area, with a majority of the developments having a 100.0% occupancy rates.

- Interview were conducted with apartment community managers, Realtors and property owners regarding the rent ranges of rental units scattered throughout the Hilton Head Island. There are some rental units located in the Hilton Head Island area which are not part of the traditional apartment communities. In a review of these housing alternatives within the Hilton Head Island market area, it was noted that there are several alternative rentals, including duplexes, tri-plexus, units above commercial store fronts and single-family residences.

- Additionally, Hilton Head Island because of its resort orientation housing; has several alternative rental opportunities (either short tern or year round) in condominium units throughout the Island. There are several Realtors that handle these exclusive rentals. These rentals are typically at a much higher rent, as the monthly cost at the resorts are above the mortgage costs. While the units impact the market, the will impact at the luxury end of the market. Also, several early rental developments have converted to condominiums because of the income possibilities in a strong seasonal resort area.

- The following is an estimation of the rents for these types of facilities:

| | |
|---|---|
| Studio | \$575-\$1,050 |
| One-Bedroom | \$840-\$1,400 |
| Two-Bedroom | \$975-\$2,300 |
| Three-Bedroom | \$1,750 - \$3,200 |

- The following is the modern apartment survey; a summary of this survey has been included in the conclusion section of this report.

## B. LOW INCOME HOUSING TAX CREDIT PROJECTS

- Under the South Carolina SHFDA guidelines, one development within the Hilton Head Island market area that has received LIHTC allocations since 1998, and has been included within this analysis, if within our market area. The following is the LIHTC development:

| DEVELOPMENT | YEAR | TYPE | UNITS |
|---|---|---|---|
| Ninety Dillon (#2) | 1994 | Family | 48 |

- This family LIHTC development, which has been included within our field survey section; are inside the Hilton Head Island PMA. This development is also the subject site.

- Overall, the family development contains 48 LIHTC units, of which there are no vacant or a 100.0% occupancy rate.

- In a review of the existing development, Ninety Dillon, the following information was gathered about the current occupancy to assist in the direction of the demand analysis calculations.

- The household support can be supported by reviewing the existing development and the current tenant household characteristics at Ninety Dillon. As noted below there is a good variety of family types in these existing units:

| | | **Bedrooms** | |
|---|---|---|---|
| **Occupants** | 1 | 2 | 3 |
| 1 | - | 4.2% | 6.3% |
| 2 | - | 8.3% | 8.3% |
| 3 | - | 25.0% | 10.4% |
| 4 | - | 10.4% | 12.5% |
| 5+ | - | 2.1% | 12.5% |

- In a recent review of the current gross incomes indicate that approximately **50% of the occupied units have tenants at or below the $30,000**. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

| **GROSS INCOMES** | |
|---|---|
| $ 0 - $10,000 | - |
| $10,000-$20,000 | 2.1% |
| $20,000-$30,000 | 45.8% |
| $30,000-$40,000 | 6.3% |
| $40,000 or higher | 22.9% |

- In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **70% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

| GROSS INCOMES | |
|---|---|
| Below 50% | 33 (68.7%) |
| 50% - 60% | 14 (29.2%) |
| Above 60% | 1 (2.1%) |

## C. PUBLIC HOUSING AGENCY SURVEY

- Interviews were conducted with staff members at the Beaufort County Housing Authority (which oversees Hilton Head Island), covering the HUD programs for Beaufort County.

- An interview with David Lavendol and staff at the Beaufort County Housing Authority office indicated that they have allocated over 474 households in the Section 8 Certificate and Voucher programs for Beaufort County, of which a majority are leased. Additionally, an interview with the Beaufort County Housing Authority staff indicated that there are over 966 family and elderly (one-bedroom) participants on a waiting list for housing. The list has been screened to include only qualified individuals and families.

- The general consensus is the demand for affordable family housing is great in Beaufort County. When told this proposed development will be for family housing, the authority was receptive to the idea noting such a development might fill a specific demand for the waiting list in the market. However, when told it was an existing development, they said "preserve" the housing.

## D. PLANNED OR PROPOSED DEVELOPMENT

- Additionally, according to local governmental officials, no other rental developments have submitted formal plans for development for the subject site area of the Town of Hilton Head Island. It must be noted that the Town of Hilton Head Island has not been active in the multi-family rental development area, but in "for-sale" activity, specifically condominiums.

## E. AREA INTERVIEWS

In conducting the field analysis of the rental housing market in the Town of Hilton Head Island, South Carolina interviews were conducted with an array of government officials, the Chamber of Commerce, several realtors, the Housing Authority and some of the apartment managers. Telephone interviews were conducted over a period of time between March 1, 2015 and March 20, 2015. A visit to the site and to the comparable rental properties was made on the week of March 9, 2015.

Several apartment managers were interviewed during the site visits. It was determined that there is a lack of affordable housing in the market. A majority of the housing is market-rate housing. While there is only one market-rate development, many of the condominium units have rental alternatives for year round renters. This information was noted in the field survey section. Steve Norman (843-689-5904), the manager at the subject site, Ninety Dillon Apartments, noted he has a constant flow of applications and individuals acquiring about rental housing. He noted with very little turnover, the units waiting list keeps getting longer. Debbie Carroll (843-681-2911), the property manager at the Hilton Head Gardens, also noted a long waiting list and a lack of alternatives for affordable housing. With little turnover the alternatives for affordable housing are limited. Many of the potential tenants are from outside the area, she noted. Debbie also noted that the only alternatives are to find housing 5 to 10 miles away from Hilton Head Island. Don (843-686-2150), the manager at the Chimney Cove Apartments noted that these units are below standard and in need of major renovation. The overall site is for sale with long term plans to tear down the existing housing units. The development is very ethnic driven with many island workers. He noted he could be renting units every day based on the flow of traffic. Liz (843-681-6550), a manger at Marsh Point, the other market-rate housing development also noted a heavy demand for housing, specifically with a 12 month option.

In an interview with Debbie Stracener and Lela Salazar with the Hilton Head Island Chamber of Commerce (843-785-3673), they noted that there is several area Realtors that specialize in rentals. However, these are typically with resort orientated developments and individuals looking to have a second home in the area. The strong need for rental housing was noted because of all the service jobs associated with the market area. The need for affordable housing is also very important. Many of the employees live in the great Bluffton area. However, they noted that even housing in this area is difficult to obtain. Area Realtors gave information on available rentals, typically in the higher rental range. These rents include both multi-family and single-family residences. They mentioned a stronger demand for rental housing in recent months, with very little affordable. Realtors noted in the above information include: Hilton Head Long Term Rentals (843-681-6100), David Lee of Miller Long Term Rentals (843-682-4310), Dan Jackson at Searchlight Realty (843-686-5146), Mark Taylor at Taylor Long Term rentals (843-342-5393) and Dana Colucci of Equitable Property Management (843-341-6800)

During the visit to Hilton Head Island, no signs of any new infrastructure, repairs or additions were noted. This would include new roads and or water/sewer lines, landscaping or any other beautification projects. However, because of the minimal major transportation routes, traffic is always congested.

Contact was made with Mr. David Lavendol (843-525-7059) of the Beaufort County Housing Authority. The general consensus is the demand for affordable elderly and family housing is great for Beaufort County. When told this proposed development will be for the renovation of existing family housing, the authority was receptive to the idea noting such a development will continue to fill a specific demand for the waiting list in the market.

## F. COMPARABLE PROPERTIES AND ACHIEVABLE RENTS

In a review of comparable properties and achievable rent adjustments in the Hilton Head Island Primary Market Area, it was noted that there are two family developments that would be considered as most comparable to the product. However, there are two family developments in the nearby City of Bluffton (5 miles) that have a significant family tenant base to review as comparables for the subject site. Because of the lack of product in the immediate area, these developments were also used for comparison purposes. The following are a review of these developments and rent adjustments to the proposed subject site.

| Project # | Name | # Units | Occupancy | Type | Year |
|---|---|---|---|---|---|
| 1. | Chimney Cove | 52 | 100.0% | MR | 1973 |
| 7. | Marsh Point | 140 | 100.0% | MR | 1989 |
| Bluffton | Old South | 300 | 98.6% | MR | 1996 |
| Bluffton | Lakes at Myrtle Park | 360 | 96.1% | MR | 2003 |

As noted, within the four competitive developments, a total of 852-units exist with 18 vacant units or an overall 97.9% occupancy rate.

The rent comparisons for the competitive analysis were based on the following: building structure, year built or renovated, overall quality rating, area/neighborhood rating, square footage, number of bathrooms, appliances, unit amenities, project amenities, utilities, on-site management, furnished units, etc. (see Rent Comparison Chart):

| RENT ADJUSTMENTS | | | |
|---|---|---|---|
| **Project #** | **Name** | **Two-Bedroom** | **Three-Bedroom** |
| 1. | Chimney Cove | $790-840 | $887-937 |
| 7. | Marsh Point | $966-1,066 | - |
| Bluffton | Old South | $880-935 | $1,082-1,132 |
| Bluffton | Lakes at Myrtle Park | $907 | $1,101 |
| **Average (Net)** | | **$912** | **$1,028** |
| Subject Site | | $625-$760 | $710-$860 |

It should be noted that the average of the achievable comparable net two-bedroom unit is $912, somewhat higher than the adjusted proposed $625-$760 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 68.5%-83.3% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is $1,028, somewhat higher than the adjusted proposed $710-$860 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 69.1%-83.7% of the average comparable three-bedroom rent in the market area. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

## Rent Comparability Grid

**Unit Type** ⟶ **Two Bedroom** **Subject's FHA #:**

| | Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Project Name | Data | Chimney Cove | | Marsh Point | | Old South | | Lakes at Myrtle Park | |
| | Street Address | on | 239 Wm. Hilton Pkwy | | 100 Marsh Point | | 4 Old South Ct | | 4921 Bluffton Pkwy | |
| | City County | Subject | Hilton Head | | Hilton Head | | Bluffton | | Bluffton | |
| A. | **Rents Charged** | | Data | $ Adj | Data | $ Adj | Data | $ Adj | Data | $ Adj |
| 1 | $ Last Rent / Restricted? | | 700-750 | | 1000-1100 | | 965-1020 | | $990 | |
| 2 | Date Last Leased (mo/yr) | | | | | | | | | |
| 3 | Rent Concessions | | | | | | | | | |
| 4 | Occupancy for Unit Type | | 100% | | 100% | | 99% | | 98% | |
| 5 | Effective Rent & Rent/ sq. ft | | 700-750 | .93-1.00 | 1000-1100 | 1.02-1.12 | 965-1020 | .89-.97 | $990 | 0.81 |
| | | *In Parts B thru E, adjust only for differences the subject's market values.* | | | | | | | | |
| B. | **Design, Location, Condition** | | Data | $ Adj | Data | $ Adj | Data | $ Adj | Data | $ Adj |
| 6 | Structure / Stories | 1 & 2 | 1 | | 2 | | 2 & 3 | ($5) | 3 | ($5) |
| 7 | Yr. Built/Yr. Renovated | 94/17 | 1973 | $21 | 1989 | $5 | 1996 | ($5) | 2003 | ($5) |
| 8 | Condition /Street Appeal | G | F | $5 | G | | G | | G | |
| 9 | Neighborhood | G | G | | G | | G | | G | |
| 10 | Same Market? Miles to Subj | | P | $10 | G | | G | | G | |
| C. | **Unit Equipment/ Amenities** | | Data | $ Adj | Data | Adj | Data | $ Adj | Data | $ Adj |
| 11 | # Bedrooms | 2 | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 1-1.5 | 1 | $5 | 2 | ($5) | 2 | ($5) | 2 | ($5) |
| 13 | Unit Interior Sq. Ft. | 835-966 | 750 | $18 | 980 | ($6) | 1000-1145 | ($15) | 1225 | ($30) |
| 14 | Balcony/ Patio | X | X | | X | | X | | X | |
| 15 | AC: Central/ Wall | X | X | | X | | X | | X | |
| 16 | Range/ refrigerator | XX | XX | | XX | | XX | | XX | |
| 17 | Microwave/ Dishwasher | X | | $5 | X | | X | | X | |
| 18 | Washer/Dryer Hook-up | X | | $5 | X | | X | | X | |
| 19 | Washer/Dryer | | | | X | ($15) | X | ($15) | X | ($15) |
| 20 | Floor Coverings | X | X | | X | | X | | X | |
| 21 | Window Coverings | X | X | | X | | X | | X | |
| 22 | Cable/ Satellite/Internet | | | | | | | | | |
| 23 | Special Features | | | | | | | | | |
| D | **Site Equipment/ Amenities** | | Data | $ Adj | Data | $ Adj | Data | $ Adj | Data | $ Adj |
| 24 | Parking ( $ Fee) | | | | | | G (S) | ($20) | G (S) | ($20) |
| 25 | Extra Storage | X | | $5 | | $5 | X | | | $5 |
| 26 | Security | | | | | | | | | |
| 27 | Clubhouse/ Meeting Rooms | | | | XX | ($12) | XXX | ($18) | XX | ($12) |
| 28 | Pool/ Recreation Areas | X | | $6 | XX | ($6) | XXX | ($12) | XX | ($6) |
| 29 | Laundry Room | X | | $10 | X | | | $10 | | $10 |
| 30 | On Site Mgnt Office | X | X | | X | | X | | X | |
| 31 | Other | | | | | | | | | |
| 32 | Neighborhood Networks | | | | | | | | | |
| E. | **Utilities** | | Data | $ Adj | Data | $ Adj | Data | $ Adj | Data | $ Adj |
| 33 | Heat (in rent?/ type) | T-E | T-E | | T-E | | T-E | | T-E | |
| 34 | Cooling (in rent?/ type) | T-E | T-E | | T-E | | T-E | | T-E | |
| 35 | Cooking (in rent?/ type) | T-E | T-E | | T-E | | T-E | | T-E | |
| 36 | Hot Water (in rent?/ type) | T-E | T-E | | T-E | | T-E | | T-E | |
| 37 | Other Electric | | | | | | | | | |
| 38 | Cold Water/ Sewer | L | L | | L | | L | | L | |
| 39 | Trash /Recycling | L | L | | L | | L | | L | |
| F. | **Adjustments Recap** | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | | 10 | | 2 | 5 | 1 | 8 | 2 | 8 |
| 41 | Sum Adjustments B to D | | $90 | | $10 | ($44) | $10 | ($95) | $15 | ($98) |
| 42 | Sum Utility Adjustments | | | | | | | | | |
| | | | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | *Net/ Gross Adjmts B to E* | | *$90* | *$90* | *($34)* | *$54* | *($85)* | *$105* | *($83)* | *$113* |
| G. | **Adjusted & Market Rents** | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | **Adjusted Rent** (5+ 43) | | 790-840 | | 966-1066 | | 880-935 | | $907 | |
| 45 | Adj Rent/Last rent | | | | | | | | | |
| 46 | **Estimated Market Rent** | | $912.00 ⟵ | Estimated Market Rent | | | | | | |

/ /

Appraiser's Signature — Date

**Attached are explanations of :**

*a. why & how each adjustment was made*
*b. how market rent was derived from adjusted rents*

Grid was prepared: ☐ Manually ☐ Using HUD's Excel form

This form is to be used for completing Rent Comparabilty Studies in accordance with Chapter 9 of the Section 8 Renewal Guide

form HUD-

## *Rent Comparability Grid*

*Unit Type* ⟶ **Three Bedroom**  *Subject's FHA #:*

| | Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Project Name | Data | Chimney Cove | | Marsh Point | | Old South | | Lakes at Myrtle Park | |
| | Street Address | on | 239 Wm. Hilton Pkwy | | 100 Marsh Point | | 4 Old South Ct | | 4921 Bluffton Pkwy | |
| | City County | Subject | Hilton Head | | Hilton Head | | Bluffton | | Bluffton | |
| **A.** | **Rents Charged** | | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** |
| 1 | **$ Last Rent / Restricted?** | | **800-850** | | | | **1200-1250** | | **$1,220** | |
| 2 | **Date Last Leased** (mo/yr) | | | | | | | | | |
| 3 | **Rent Concessions** | | | | | | | | | |
| 4 | **Occupancy for Unit Type** | | 100% | | | | 99% | | 99% | |
| 5 | **Effective Rent & Rent/ sq. ft** | | **800-850** | .94-1.00 | | | **1200-1250** | .84-.87 | **$1,220** | 0.78 |
| | | *In Parts B thru E, adjust only for differences the subject's market values.* | | | | | | | | |
| **B.** | **Design, Location, Condition** | | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** |
| 6 | **Structure / Stories** | **1 & 2** | 1 | | 2 | | 2 & 3 | ($5) | 3 | ($5) |
| 7 | **Yr. Built/Yr. Renovated** | **94/17** | 1973 | $21 | 1989 | | 1996 | ($5) | 2003 | ($5) |
| 8 | **Condition /Street Appeal** | **G** | F | $5 | G | | G | | G | |
| 9 | **Neighborhood** | **G** | G | | G | | G | | G | |
| 10 | **Same Market? Miles to Subj** | | P | $10 | G | | G | | G | |
| **C.** | **Unit Equipment/ Amenities** | | **Data** | **$ Adj** | **Data** | **Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** |
| 11 | **# Bedrooms** | **3** | 3 | | | | 3 | | 3 | |
| 12 | **# Baths** | **1.5** | 1 | $5 | | | 2.5 | ($10) | 3 | ($15) |
| 13 | **Unit Interior Sq. Ft.** | **967-1092** | 850 | $15 | | | 1428 | ($43) | 1562 | ($56) |
| 14 | **Balcony/ Patio** | **X** | X | | X | | X | | X | |
| 15 | **AC: Central/ Wall** | **X** | X | | X | | X | | X | |
| 16 | **Range/ refrigerator** | **XX** | XX | | XX | | XX | | XX | |
| 17 | **Microwave/ Dishwasher** | **X** | | $5 | X | | X | | X | |
| 18 | **Washer/Dryer Hook-up** | **X** | | $5 | X | | X | | X | |
| 19 | **Washer/Dryer** | | | | X | | X | ($15) | X | ($15) |
| 20 | **Floor Coverings** | **X** | X | | X | | X | | X | |
| 21 | **Window Coverings** | **X** | X | | X | | X | | X | |
| 22 | **Cable/ Satellite/Internet** | | | | | | | | | |
| 23 | **Special Features** | | | | | | | | | |
| **D** | **Site Equipment/ Amenities** | | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** |
| 24 | **Parking** ( $ Fee) | | | | | | G (S) | ($20) | G (S) | ($20) |
| 25 | **Extra Storage** | **X** | | $5 | | | X | | | $5 |
| 26 | **Security** | | | | | | | | | |
| 27 | **Clubhouse/ Meeting Rooms** | | | | XX | | XXX | ($18) | XX | ($12) |
| 28 | **Pool/ Recreation Areas** | **X** | | $6 | XX | | XXX | ($12) | XX | ($6) |
| 29 | **Laundry Room** | **X** | | $10 | X | | | $10 | | $10 |
| 30 | **On Site Mgnt Office** | **X** | X | | X | | X | | X | |
| 31 | **Other** | | | | | | | | | |
| 32 | **Neighborhood Networks** | | | | | | | | | |
| **E.** | **Utilities** | | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** | **Data** | **$ Adj** |
| 33 | **Heat** (in rent?/ type) | **T-E** | T-E | | T-E | | T-E | | T-E | |
| 34 | **Cooling** (in rent?/ type) | **T-E** | T-E | | T-E | | T-E | | T-E | |
| 35 | **Cooking** (in rent?/ type) | **T-E** | T-E | | T-E | | T-E | | T-E | |
| 36 | **Hot Water** (in rent?/ type) | **T-E** | T-E | | T-E | | T-E | | T-E | |
| 37 | **Other Electric** | | | | | | | | | |
| 38 | **Cold Water/ Sewer** | **L** | L | | L | | L | | L | |
| 39 | **Trash /Recycling** | **L** | L | | L | | L | | L | |
| **F.** | **Adjustments Recap** | | **Pos** | **Neg** | **Pos** | **Neg** | **Pos** | **Neg** | **Pos** | **Neg** |
| 40 | **# Adjustments B to D** | | 10 | | | | 1 | 8 | 2 | 8 |
| 41 | **Sum Adjustments B to D** | | $87 | | | | $10 | ($128) | $15 | ($134) |
| 42 | **Sum Utility Adjustments** | | | | | | | | | |
| | | | **Net** | **Gross** | **Net** | **Gross** | **Net** | **Gross** | **Net** | **Gross** |
| 43 | *Net/ Gross Adjmts B to E* | | *$87* | *$87* | | | *($118)* | *$138* | *($119)* | *$149* |
| **G.** | **Adjusted & Market Rents** | | **Adj. Rent** | | **Adj. Rent** | | **Adj. Rent** | | **Adj. Rent** | |
| 44 | **Adjusted Rent** (5+ 43) | | **887-937** | | | | **1082-1132** | | **$1,101** | |
| 45 | Adj Rent/Last rent | | | | | | | | | |
| 46 | **Estimated Market Rent** | | **$1,028** ⟵ | **Estimated Market Rent** | | | | | | |

/ /

Appraiser's Signature — Date

**Attached are explanations of :**

*a. why & how each adjustment was made*
*b. how market rent was derived from adjusted rents*

Grid was prepared: ☐ Manually ☐ Using HUD's Excel form.

This form is to be used for completing Rent Comparabilty Studies in accordance with Chapter 9 of the Section 8 Renewal Guide

form HUD-

NATIONAL LAND ADVISORY GROUP

2404 East Main Street • Columbus, Ohio 43209
Phone: 614.545.3900 • Fax: 614.545.4900

# APARTMENT
# FIELD SURVEY

# INDIVIDUAL SUMMARY

## PROJECT DESCRIPTION AND INFORMATION
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Address | City, State | Phone Number | Contact | Year Built | Project Type | Quality Rating | Total Units | Total Vacant | Percent Occupied |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | 839 Wm. Hilton Pkwy | Hilton Head Island, SC | (843) 686-2150 | Don | 1973 | MR | 5.0 | 52 | 0 | 100.0% |
| 2 | Ninety Dillon Apartments | 90 Dillon Rd | Hilton Head Island, SC | (843) 689-5904 | Steve | 1994 | LIHTC | 7.0 | 48 | 0 | 100.0% |
| 3 | Sandalwood Terrace | 8 Southwood Park | Hilton Head Island, SC | (843) 812-2014 | Tracey | 1980 | Gov't | 5.5 | 80 | 0 | 100.0% |
| 4 | Hilton Head Gardens | 11 Southwood Rd | Hilton Head Island, SC | (843) 681-2911 | Debbie | 1979-80 | Gov't | 6.0 | 112 | 0 | 100.0% |
| 5 | Cedar Well Apartments | 290 Squire Pope Rd | Hilton Head Island, SC | (843) 689-3070 | Daphne | 1990 | Gov't | 6.0 | 24 | 0 | 100.0% |
| 6 | Sylby Tub Apartments | 36 Ben White Dr | Hilton Head Island, SC | (843) 689-3070 | Bob | 1983 | Gov't | 6.0 | 18 | 0 | 100.0% |
| 7 | Marsh Point | 100 Marsh Point Dr | Hilton Head Island, SC | (843) 681-6550 | Liz | 1989 | MR | 7.0 | 140 | 0 | 100.0% |

## RENT AND VACANCY ANALYSIS BY
## STUDIO UNITS
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Style | # | Vacant | Rent | Sq. Ft. |
|---|---|---|---|---|---|---|
| 1 | Chimney Cove | | | | | |
| 2 | Ninety Dillon Apartments | | | | | |
| 3 | Sandalwood Terrace | | | | | |
| 4 | Hilton Head Gardens | G | 16 | 0 | $737* | 468 |
| 5 | Cedar Well Apartments | | | | | |
| 6 | Sylby Tub Apartments | | | | | |
| 7 | Marsh Point | | | | | |

RENT AND VACANCY ANALYSIS BY
ONE-BEDROOM UNITS
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Style | Number | Vacant | Rent 1.0 Bath | Rent 1.5 Bath | Sq. Ft. |
|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | | | | | | |
| 2 | Ninety Dillon Apartments | | | | | | |
| 3 | Sandalwood Terrace | G | 20 | 0 | * | | |
| 4 | Hilton Head Gardens | G | 16 | 0 | $762* | | 676 |
| 5 | Cedar Well Apartments | | | | | | |
| 6 | Sylby Tub Apartments | | | | | | |
| 7 | Marsh Point | G | 60 | 0 | $950-1000 | | 790 |

## RENT AND VACANCY ANALYSIS BY TWO-BEDROOM UNITS

Hilton Head Island, South Carolina

March 2015

| Apartment Project # | Project Name | Style | Number | Vacant | Rent 1.0 Bath | Rent 1.5 Bath | Rent 2.0+ Bath | Sq. Ft. |
|---|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | G | 44 | 0 | $700-750 | | | 750 |
| 2 | Ninety Dillon Apartments | G | 24 | 0 | $730 | $730 | | 900-950 |
| 3 | Sandalwood Terrace | G | 20 | 0 | * | | | |
| 4 | Hilton Head Gardens | G | 64 | 0 | $914* | | | 832 |
| 5 | Cedar Well Apartments | G | 24 | 0 | $742-955* | | | 788 |
| 6 | Sylby Tub Apartments | G | 18 | 0 | $819-1035* | | | |
| 7 | Marsh Point | G | 80 | 0 | | | $1000-1100 | 980 |

## RENT AND VACANCY ANALYSIS BY
## THREE-BEDROOM UNITS

Hilton Head Island, South Carolina

March 2015

| Apartment Project # | Project Name | Style | Number | Vacant | Rent 1.0 Bath | Rent 1.5 Bath | Rent 2.0+ Bath | Sq. Ft. |
|---|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | G | 8 | 0 | $800-850 | | | 850 |
| 2 | Ninety Dillon Apartments | G | 24 | 0 | | $795-825 | | 950-1050 |
| 3 | Sandalwood Terrace | G | 32 | 0 | * | | | |
| 4 | Hilton Head Gardens | G | 16 | 0 | $1118* | | | 1092 |
| 5 | Cedar Well Apartments | | | | | | | |
| 6 | Sylby Tub Apartments | | | | | | | |
| 7 | Marsh Point | | | | | | | |

## RENT AND VACANCY ANALYSIS BY FOUR-BEDROOM UNITS

Hilton Head Island, South Carolina

March 2015

| Apartment Project # | Project Name | Style | Number | Vacant | Rent 1.0 Bath | Rent 1.5 Bath | Rent 2.0+ Bath | Sq. Ft. |
|---|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | | | | | | | |
| 2 | Ninety Dillon Apartments | | | | | | | |
| 3 | Sandalwood Terrace | G | 8 | 0 | * | | | |
| 4 | Hilton Head Gardens | | | | | | | |
| 5 | Cedar Well Apartments | | | | | | | |
| 6 | Sylby Tub Apartments | | | | | | | |
| 7 | Marsh Point | | | | | | | |

UNIT AMENITIES
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Range / Stove | Refrigerator | Dishwasher | Garbage Disposal | Microwave | Breakfast Bar | Other | Air Conditioning | Drapes / Blinds | Carpeting | Fireplace | Washer / Dryer | Washer / Dryer Hookups | Patio or Balcony | Ceiling Fans | Security Alarm | Walk-in Closet(s) | Handicapped Design | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Kitchen Appliances | | | | | | | Unit Amenities | | | | | | | | | | | |
| 1 | Chimney Cove | X | X | | | | | | X | X | X | | | | | | | | | |
| 2 | Ninety Dillon Apartments | X | X | X | X | | | | X | X | S | | | X | | | | | | wood floors (S) |
| 3 | Sandalwood Terrace | X | X | | | | | | X | X | | | | | | | | | | |
| 4 | Hilton Head Gardens | X | X | | | | | | X | X | X | | | | | | | | | |
| 5 | Cedar Well Apartments | X | X | X | | | | | X | X | X | | | X | X | | | | | |
| 6 | Sylby Tub Apartments | X | X | X | X | | | | X | X | X | | | | X | | | | | |
| 7 | Marsh Point | X | X | X | X | | | | X | X | X | | X | | X | X | | | | |

# PROJECT AMENITIES
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Garages | Carports | Club House | Rental Office / Management | Community Room | Laundry Room | Playground | Sauna / Jacuzzi | Tennis Court | Basketball / Volleyball Court | Computer / Office Room | Swimming Pool | Exercise Room | Security Guardhouse / Gate | Elevator | Storage Areas | Picnic Area | Lake / Water Feature | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Chimney Cove | | | | X | | | | | | | | | | | | | | | |
| 2 | Ninety Dillon Apartments | | | | X | | X | X | | | | | | | | | X | | | |
| 3 | Sandalwood Terrace | | | X | X | | | X | | | X | | | | | | | | | |
| 4 | Hilton Head Gardens | | | | X | | X | X | | | | | | | | | | | | |
| 5 | Cedar Well Apartments | | | | X | | X | X | | | | | | | | | | | | |
| 6 | Sylby Tub Apartments | | | | X | | X | | | | | | | | | | | | | |
| 7 | Marsh Point | | | X | X | | X | | | | | | X | X | | | | X | X | |

## UTILITY ANALYSIS

Hilton Head Island, South Carolina

March 2015

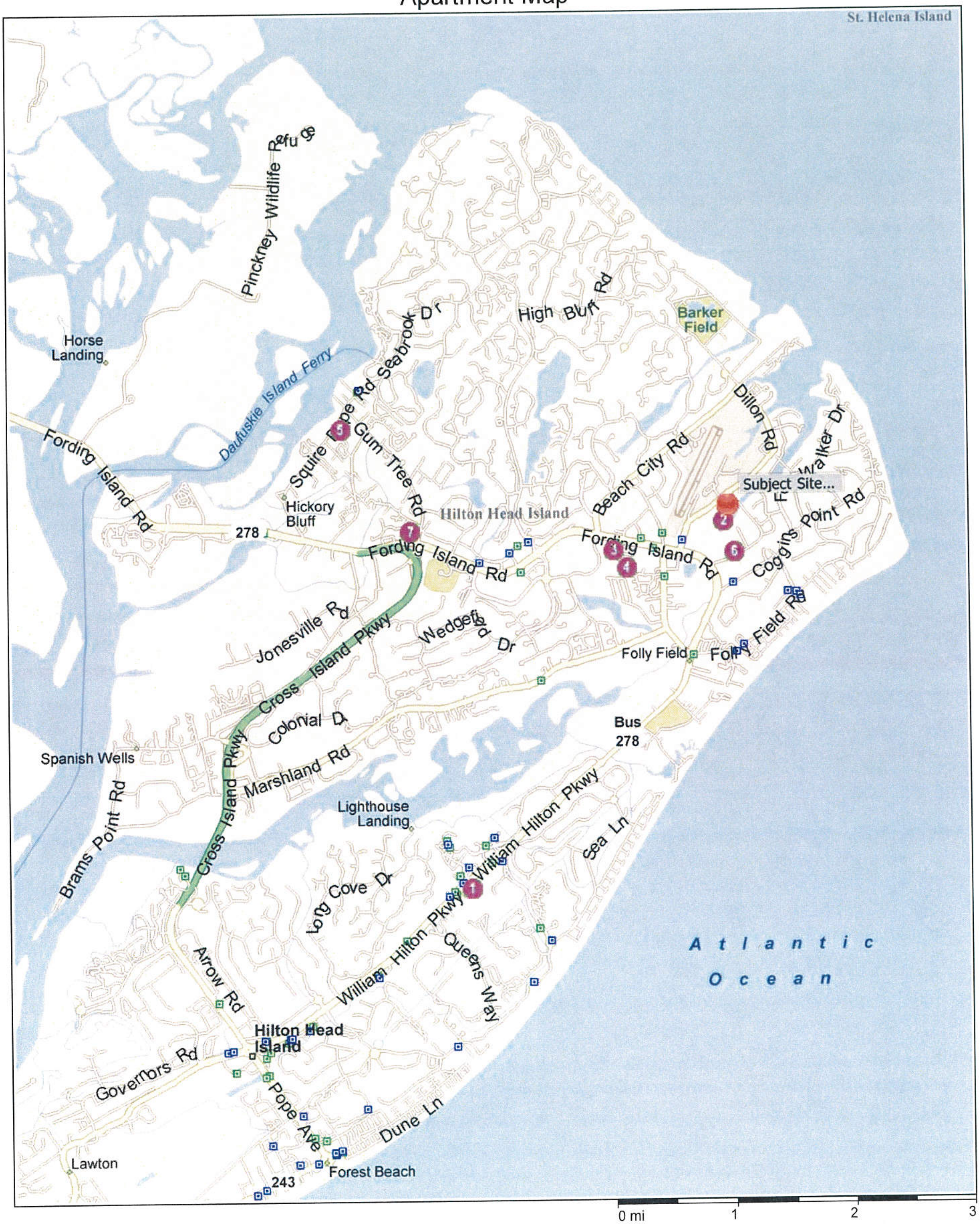
| Apartment Project # | Project Name | Electric | Heat | | | Water | Sewer | Trash | Cable | Internet Wired |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Gas | Electric | Hot Water | | | | | |
| 1 | Chimney Cove | T | | T | | L | L | L | | |
| 2 | Ninety Dillon Apartments | T | | T | | L | L | L | | |
| 3 | Sandalwood Terrace | T | | T | | L | L | L | | |
| 4 | Hilton Head Gardens | T | | T | | L | L | L | | |
| 5 | Cedar Well Apartments | T | | T | | T | L | L | | |
| 6 | Sylby Tub Apartments | T | | T | | T | L | L | | |
| 7 | Marsh Point | T | | T | | L | L | L | | |

T=Tenant
L=Landlord

## PROJECT FEES AND COMMENTS
Hilton Head Island, South Carolina
March 2015

| Apartment Project # | Project Name | Pets | Security | Application Fee | Comments |
|---|---|---|---|---|---|
| 1 | Chimney Cove | | 1 month | | Some units under rehab - Waiting list - Development for sale - 1 story |
| 2 | Ninety Dillon Apartments | | 1 month | | LIHTC Property - Waiting list - 1-2 stories |
| 3 | Sandalwood Terrace | | 1 month | | *Government Subsidized - HUD Section 8 - Family - Beaufort Housing Authority - Waiting list - 2 stories |
| 4 | Hilton Head Gardens | | 1 month | | *Government Subsidized - HUD Section 8 - Family - Waiting list (68) - 1-2 stories |
| 5 | Cedar Well Apartments | | 1 month | $25 | *Government Subsidized - RDA - Family - Waiting list - Under renovation - 1 story |
| 6 | Sylby Tub Apartments | | 1 month | $25 | *Government Subsidized - RDA - Family - Waiting list - 1 story |
| 7 | Marsh Point | $250 | 1 month | | 2 stories |

# Apartment Map



# APARTMENT FIELD SURVEY

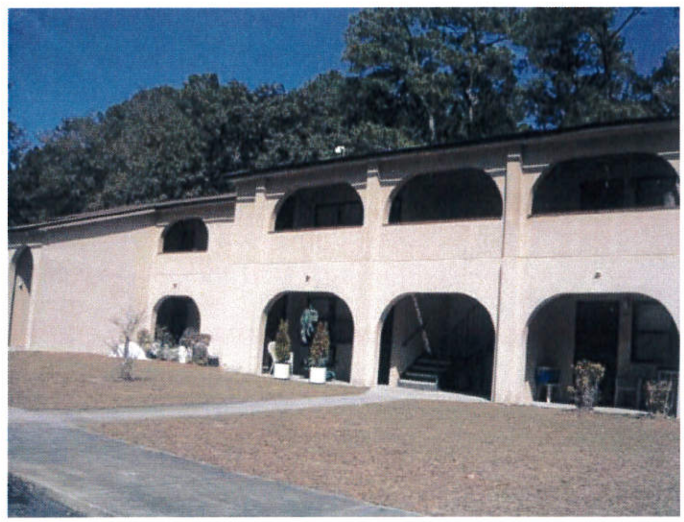
# PHOTOGRAPHS (SELECTED)

NATIONAL LAND ADVISORY GROUP
2404 East Main Street • Columbus, Ohio 43209
Phone: 614.545.3900 • Fax: 614.545.4900

#1 Chimney Cove

#2 Ninety Dillon

#2 Ninety Dillion



#3 Sandalwood Terrace

#4 Hilton Head Gardens

#5 Cedar Wells

#6 Sylby Tub

#7 Marsh Point

## VII. CONCLUSIONS

### A. INTRODUCTION

These conclusions are based upon the income qualification standards of the South Carolina State Housing Finance and Development Authority's Low Income Tax Credit Program; economic and demographic statistics; area perception and growth; an analysis of supply and demand characteristics, absorption trends of residential construction; survey of the multi-family rental market in the Town of Hilton Head Island, South Carolina. The tax credit program, for rental housing, is a function of household size and income limitations based on area median incomes. In addition, previous experience, based on analysis of existing rental housing developments, aided in identifying family trends which enabled us to develop support criteria for the recommendations.

### B. MARKET SUMMARY

The following is a summary of the demographic, economic and housing criteria that affect the level of support for the proposed tax credit family rental development.

Total households are an important housing indicator. The population of the Hilton Head Island Primary Market Area was 58,242 in 2010. In 2014, the newly published population number is 62,174, an increase of 6.8%. Population is expected to number 65,126 by 2017, increasing 4.7% from 2014. The Hilton Head Island PMA households numbered 24,617 in 2010. In 2014, households number 26,666, an increase of 8.3%. Households are expected to number 28,067 by 2017, increasing 5.3% by 2014.

In the Hilton Head Island Primary Market Area, family households (under the age of 55) increased 9.6% for renter households and decreased 16.5% for owner households from 2010 to 2014. Between 2014 and 2017, family renter households (under the age of 55) are projected to increase 3.9%, while the owner households are estimated to increase 1.3%.

In the Hilton Head Island Primary Market Area, senior households (ages to 55 to 61) increased 10.2% for renter households and 27.8% for owner households from 2010 to 2014. Between 2014 and 2017, senior renter households (ages 55 to 61) are projected to increase 7.2%, while the owner households are estimated to decrease 0.6%.

In the Hilton Head Island Primary Market Area, senior households (ages 62 years and older) increased 18.6% for renter households and 26.8% for owner households from 2010 to 2014. Between 2014 and 2017, senior renter households (age 62 years and older) are projected to increase 10.7%, while the owner households are estimated to increase 9.1%.

The median per household income in the Hilton Head Island Primary Market Area is $58,439 in 2014 and is projected to increase to $59,051 in 2017.

Employment in Beaufort County increased 6.7%, from 55,914 in 2004 to 59,932 in 2013. In recent years, the employment levels in Beaufort County and the Town of Hilton Head Island has been stable, around the 60,000 number, which is an attribute for today's economy. Total overall employment in 2014 has increased slightly in the Beaufort County area. The employment base of Beaufort County is dominated by the following industries or categories: accommodation and food service, retail and healthcare as reflected by the area's largest employers.

At the end of 2013, the unemployment rate of Beaufort County was 6.8%, somewhat lower than previous year of analysis. Between 2010 and 2013, the unemployment rate has ranged from 6.8% to 9.0%. The unemployment rate for Beaufort County has typically been lower than the state average. The unemployment rate is estimated to decrease for 2014.

Hilton Head Island has always been a center for medical and accommodations and food service operations; this is especially true within the immediate subject site area. The area's larger employers consist of: Department of Defense (three locations), Hilton Head Regional Medical Center, Westin Hilton Head Island Resort, The Cypress of Hilton Head, Tenet Physician Services of Hilton Head, Marriott Resort Hilton Head and Beaufort County School District. Additionally, the Hilton Head Island employment base has had some recent employment gains, with the improvement of the economy and the resort orientated business in the immediate area. The immediate Hilton Head Island area is heavily influenced by the tourist trade in the area, offering many secondary employment positions in housekeeping, gardening and tourist related retail trade. The food and service industry, as well as the medical services are major benefactor of this tourist trade. Additionally, the overall area is influenced by the area's three military bases. These bases employ military, civilian, non-civilian and medical positions. Northern Beaufort County is home to Marine Corps Air Station Beaufort, (MCAS-Beaufort) Parris Island and Naval Hospital -Beaufort, which have a significant impact on the local economy. The largest of these military bases, MCAS-Beaufort is expected to expand over the next two years; however one company has gone through changes in 2014 resulting in a loss of 200 jobs. The proximity to the employment base of Savannah, Hilton Head and Beaufort is a big advantage for the area. The Hilton Head Island area is currently poised for expansion at any of the area's industrial parks, some in the immediate site area.

Of the four area counties, Beaufort County ranks last in the percentage of persons employed outside their county of residence, 8.4%. This very low percentage can be contributed to the accessibility and proximity of solid and diverse employment opportunities offered in the immediate area. Additionally, because of the strong bases of several employment sections in these areas, any increase or decrease in the immediate employment center would have limited effect on mobility patterns of residents within this market area. The accessibility to other employment areas can help maintain Hilton Head Island as a viable housing option and alternative.

Housing activity has been active in the Town of Hilton Head Island and Beaufort County in the ten year period surveyed, with some growth in both the single-family and multi-family markets. The Town of Hilton Head Island has had minimal activity over the past ten years. Overall, there has been an average of 145.8 permits for the Town Of Hilton Head Island, with an average of 114.6 single-family and 31.2 multi-family permits. Over the past ten years, the overall housing units authorized in Beaufort County have averaged 1,520.8 units per year, averaging 169.1 for multi-family units and 1,351.7 for single-family units per year. However, within recent years, construction has been weighted heavily towards single-family permits again, with a three year average of 15.3 for multi-family permits in both the Town of Hilton Head Island and Beaufort County and 123.3 and 816.3 single-family permits for the Town of Hilton Head Island and Beaufort County, respectively.

In 2010, nearly one-third (30.8%) of the total housing units in Hilton Head Island were rental units, offering an established base of rental units. The reported vacancy rate was 55.1% for all the rental units. In Beaufort County, multi-family units represented 29.9% of all the housing units in 2010. The reported vacancy rate was 30.7%, again for all rental unit types. The rental units surveyed include all rentals available whether in multi-family, single-family or mobile home structures, while the vacancies included the seasonal fluctuation of the market area. The vacancy rates while noted higher are a product of the second homes in the market area and the lack of year round occupancy. The overall vacancy rates are actually lower, below 11% as reported by the Census data for year round housing and owners and renters. The median number of occupants in renter-occupied living units in Hilton Head Island was 2.54 in 2010, somewhat lower than the 2.66 for renter-occupied units only in Beaufort County.

The 2010 Census reports a total of 4,333 specified renter-occupied housing units in the Town of Hilton Head Island and 18,590 in Beaufort County. The median rent in 2010 for the Town of Hilton Head Island was $1,064, somewhat lower than Beaufort County at $926. All rents in the Town of Hilton Head Island ranged from less than $250 to $2,000 or more. The largest percentage of units was in the $900 - $1,499 range, representing 47.2% of the units. Median gross rents in both the Town of Hilton Head Island and Beaufort County are estimated to increase approximately 10.0% and 19.4% in 2010.

At the time of this study, in the Hilton Head Island market area, a comparable survey of family LIHTC, government subsidized and market-rate units was conducted in the market area. There are 192 market-rate units in the area in two developments. There is one low income housing tax credit (LIHTC) family development with 48-units that was surveyed with no vacancies. An additional 234 government subsidized development units in four developments with a non-existent vacancy rate, were located and surveyed in the Hilton Head Island market area. Vacancies for the market rate units are also non-existent. When vacancies are available, it is due to natural turnover in the market area. Reviewing the LIHTC units, the market still appears limited by supply rather than demand. The Hilton Head Island market-rate apartment base contains a well balanced ratio of one-bedroom and two-bedroom units in the market area. All of these units have a non-existent vacancy rate.

It should be noted that the Hilton Head Island rental market has been experiencing no apartment growth in the past several years. Any multi-family growth has been in the "for-sale" market. Between 2008 and 2014, there have been no LIHTC or market-rate units added to the Hilton Head Island rental market. The Hilton Head Island area has several smaller sized developments. Management indicated that the vacancies, when existing, are somewhat seasonal and typically being higher in the fall/winter season.

Additionally, Hilton Head Island because of its resort housing; has several alternative rental opportunities (either short tern or year round) in condominium units throughout the island. There are several Realtors that handle these exclusive rentals. These rentals are typically at a much higher rent, as the monthly costs include resort fees and mortgage costs. While the units impact the market; the will impact at the luxury end of the market. Also, several early rental developments have converted to condominiums because of the income possibilities in a strong seasonal resort area.

Median rents are high; additionally there is a good base of higher-priced market-rate units in the Hilton Head Island market area. One-bedroom units have a median rent of $975, with all of the one-bedroom units in the upper-rent range of $950-$1,000. Two-bedroom units have a median rent of $1,008, with 54.1% of the two-bedroom units in the upper-rent range of $1,000-$1,100. Three-bedroom units have a median rent of $806. Market rate rents have been able to increase at a yearly rate of more than 2.0%, because of the lack of new construction of market-rate rental units, having an impact on both the area rental market and rents and the strong market conditions. The median rents for units are driven somewhat lower, because of the large base of older multi-family units in the market area that typically obtain lower rents per unit. Approximately 55.3% of the units were built before 1985.

Under the SCSHFDA guidelines, one development has received LIHTC allocations in the Hilton Head Island area since 1998. This one development is for family housing and is the subject site. The development offers 50% and 60% rents of AMI's. Overall, the one family development contains 48 LIHTC units, of which none are vacant or a 100.0% occupancy rate.

In a review of comparable properties and rent adjustments in the Hilton Head Island PMA, it was noted that there are two family developments in the immediate area that would be the most comparable to the product. Therefore developments outside the immediate area (secondary market) were also reviewed. Market areas, including Bluffton (five miles) were surveyed, for market-rate housing opportunity. Two nearby additional developments were included in the analysis.

There are four family developments are market-rate, with a potential to attract the proposed market segment associated to the product and tenant base. All of these developments are market-rate family developments with market segment associated to the product and tenant base. As noted, within the four competitive developments, a total of 852-units exist with 18 vacant units or an overall 97.9% occupancy rate.

It should be noted that the average of the achievable comparable net two-bedroom unit is $912, somewhat higher than the adjusted proposed $625-$760 (50%-60% AMI) average net rent. The proposed two-bedroom rent represents 68.5%-83.3% of the average comparable two-bedroom rent in the market area. It should be noted that the average of the achievable comparable net three-bedroom unit is $1,028, somewhat higher than the adjusted proposed $710-$860 (50%-60% AMI) average net rent. The proposed three-bedroom rent represents 69.1%-83.7% of the average comparable three-bedroom rent in the market area. When reviewing the comparable developments, the proposed rents are within the appropriate rent differentials. Therefore, based on the current existing rental market, the proposed development would be a value in the market area.

In a review of the government subsidized rental units in the immediate market area, it was noted that vacancies are non-existent. An interview with the Beaufort Housing Authority office, which services the Hilton Head Island area, indicated that they have over 474 families (elderly and family) under the Section 8 Certificate and Voucher program for the overall area. Additionally, there are over 966 individuals on a closed waiting list. As in previous experiences with local housing authorities, it is expected that additional support for the proposed development could be generated from these prospective tenants, as well as the tenants currently on area developments waiting lists.

## C. TAX CREDIT PROGRAM INCOME QUALIFICATIONS

The Town of Hilton Head Island/Beaufort County support for the Low Income Tax Credit Housing Program units is based upon the household size and the appropriate income limits supported by a proposed base rent. However, rent restrictions are based on the number of bedrooms per unit rather than the actual family size as follows:

| BEDROOM PER UNIT | PERSONS PER BEDROOM (BASIS) |
|---|---|
| STUDIO | 1.0 |
| ONE-BEDROOM | 1.5 |
| TWO-BEDROOM | 3.0 |
| THREE-BEDROOM | 4.5 |
| FOUR-BEDROOM | 6.0 |

The development, in order to be a qualified tax credit rental project, must meet the needs of one of the following occupancy and rent restrictions:

- At least 20.0% of the rental units must be reserved for tenants at 50.0% or less of the area median income adjusted for family size **or**
- At least 40.0% of the rental units must be reserved for tenants at 60.0% or less of the area median income adjusted for family size **or**
- Deep Rent skewing option.

Based on the United States Department of Housing and Urban Development estimates, the median income for the Hilton Head Island, South Carolina (Beaufort County) area, the following is a distribution by person, of the maximum allowable income and rent available under 50% and 60% program (non-metro), proposed for this development:

**50% AND 60% PROGRAM OPTION**
MAXIMUM INCOME/RENT LEVEL

| | 50% | 60% |
|---|---|---|
| **ONE-PERSON** | $23,600 | $28,320 |
| **TWO-PERSON** | $27,000 | $32,400 |
| **THREE-PERSON** | $30,350 | $36,420 |
| **FOUR-PERSON** | $33,700 | $40,440 |
| **FIVE-PERSON** | $36,400 | $43,680 |
| **SIX-PERSON** | $39,100 | $46,920 |

The following is the adjusted annual income range specified appropriate by the tax credit 50% and 60% program for low to moderate-income family households for the Hilton Head Island PMA. The income range is calculated using the SCSHFDA guidelines and the proposed gross rents by unit type, **excluding any income overlap on the overall range**. The following is a summary of **renter-occupied** households in the PMA of the proposed site within this income range for 2014:

| **Family Households<br>Hilton Head Island, South Carolina PMA** | | | | | |
|---|---|---|---|---|---|
| | **Income Range** | **Persons** | **2014 Renter-Occupied** | **2017 Renter-Occupied** | **Change 13-16** |
| **50%** | $30,160-$35,980 | 1 – 5 | 606 | 665 | 59 |
| **60%** | $35,981-$43,680 | 1 – 5 | 712 | 765 | 53 |
| **Overall** | $30,160-$43,680 | 1 – 5 | 1,318 | 1,450 | 112 |

Overall (excluding any overlap of income ranges), the adjusted annual income range specified appropriate by the tax credit program for low to moderate-income households is $30,160 (lower end of one-person household moderate-income) to $43,680 (five-person household moderate-income) for the Hilton Head Island Primary Market Area. In 2014, there are 1,318 households in the Hilton Head Island Primary Market Area of the proposed site was within this income range.

The following chart is derived by following the tax credit program's guidelines for calculating gross and net rents, by the number of bedrooms in each rental unit, for the Hilton Head Island, South Carolina area:

| TYPE OF UNIT | AMI | GROSS RENT PER MONTH | UTILITY COST | NET RENT |
|---|---|---|---|---|
| TWO-BEDROOM | 50% | $758 | $129 | $629 |
| | 60% | $910 | $129 | $781 |

| TYPE OF UNIT | AMI | GROSS RENT PER MONTH | UTILITY COST | NET RENT |
|---|---|---|---|---|
| THREE-BEDROOM | 50% | $876 | $161 | $715 |
| | 60% | $1,051 | $161 | $890 |

These rents are the maximum allowable gross rents for the LIHTC Program. It should be noted that utility calculations are estimates provided by the local housing agency and developer, and are based on the current statistics available for one and two story units with similar utility rates.

## D. DEMAND ANALYSIS

The following demand estimates are based on any applicable income restrictions and requirements set forth by the South Carolina State Housing Finance and Development Authority, current households, proposed households, turnover ratios of units in the market area and the percent of renter qualified households within the Primary Market Area. Additionally, when needed, previous experiences and/or proprietary research completed by our organization was used in the calculation of appropriate Primary Market Area demand analysis percentages.

The projected number of new rental households is the difference of household growth in the Primary Market Area from 2014 to the estimated 2017 households statistics as follows: 1,430 (2017) – 1,318 (2014) = 112 total households.

PRIMARY MARKET AREA DEMAND
FROM EXISTING AND PROJECTED HOUSEHOLDS:

| | **50%** | **60%** | **Overall** |
|---|---|---|---|
| New Projected HH (2014-2017) | 59 | 53 | 112 |
| **Demand of Projected Renter HH (2014-2017)** | **59** | **53** | **112** |
| | | | |
| Total Qualified Rental HH | 606 | 712 | 1,318 |
| Rent Overburdened Households (%) | 42.3% | 42.3% | 42.3% |
| **Total Qualified Renter HH** | **256** | **301** | **557** |
| | | | |
| Total Qualified Rental HH | 606 | 712 | 1,318 |
| Substandard Housing (%) | 3.5% | 3.5% | 3.5% |
| **Total Qualified Renter HH** | **21** | **25** | **46** |
| | | | |
| ***Estimated Annual Demand*** | **336** | **379** | **715** |
| | | | |
| ***Supply*** (comparable, u/c or proposed units) | 0 | 0 | 0 |
| | | | |
| ***Net Demand*** | **336** | **379** | **715** |

The rent burden is estimated from the analysis of Table 22 - Distribution of Gross Rent of Household Income. We take a conservation approach and use the number of the Town of Hilton Head Island only, not the Primary Market Area, which typically would be higher (noted by the Beaufort County) statistic. Additionally, substandard housing is combination of the previous analysis acceptability, the housing quality on Table 23 and the type of housing on Table 20.

Because of the many factors required in the Demand and Affordability Analyses the information is combined from several sources throughout the entire analysis, followed-up by Section IX - Market Study Terminology.

Based on the above analysis for 2014, the annual net demand for the 50% and 60% median income households in the Primary Market Area is estimated at 336 and 379 units per year, respectively. Within the above analysis for 2014, the annual net demand for the overall development based on the median income households in the Primary Market Area is estimated at 715 units per year.

The Hilton Head Island Primary Market Area penetration factor for tax credit units is based on the number of renter households in the appropriate income ranges supporting the proposed rents. The capture rate factor, calculated by dividing the number of proposed units within a specific program and the number of net demand of households in the appropriate income ranges.

| | | **Supply** | | | | |
|---|---|---|---|---|---|---|
| **Bedroom & % AMI** | **Total Demand** | **Existing** | **Pipeline** | **Net Demand** | **Proposed Units** | **Capture Rate** |
| **Two-Bedroom** | | | | | | |
| 50% | 252 | - | - | 252 | 5 | 2.0% |
| 60% | 284 | - | - | 284 | 19 | 6.7% |
| **Three-Bedroom** | | | | | | |
| 50% | 84 | - | - | 84 | 5 | 6.0% |
| 60% | 95 | - | - | 95 | 19 | 20.0% |
| **Overall** | **715** | **-** | **-** | **715** | **48** | **6.7%** |

* Excluding any overlap of incomes.

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

40 + 0 / 1,318 = 3.0%

Within these competitive rent ranges, the market can support the existing 48-unit tax credit development for family occupancy under the 50% and 60% programs. In 2014, based on the proposed and competitive product in the Hilton Head Island market area, the existing 48-unit family development of LIHTC units represents an overall 5.6% capture rate within the market area. When including any surveyed existing family LIHTC units (including the additional subsidies) within the Hilton Head Island PMA, the penetration factor is 3.0%.

All of these calculations are appropriate capture and penetration factors, especially with the factor of the development being rehabilitated. Combined with sensitivity to market rents and a quality construction, these renter households' percentages represent a good base of appropriate income family households. Because of the regional nature of the subject site area and the proposed product and targeted market, the actual market area could be larger than the proposed Primary Market Area.

## E. RECOMMENDATIONS

This study has established that a market exists for the rehabilitation of a 48-unit family rental housing project, Ninety Dillon, to be renovated within the criteria set forth by the South Carolina State Housing Finance and Development Authority's Low Income Housing Tax Credit Program.

With the proposed plans to develop 10-units (20.8%) available to households with incomes at or below the 50% of the area income and 38-units (79.2%) available to households with incomes at or below the 60% of the area income, the subject site located in the Town of Hilton Head Island, South Carolina is proposed as follows:

## UNIT BY TYPE AND BEDROOM

| BEDROOM | TWO | THREE |
|---|---|---|
| BATHROOMS | 1.5 | 1.5 |
| NUMBER OF UNITS | | |
| 50% | 5 | 5 |
| 60% | 19 | 19 |
| SQUARE FEET (approx.) | 835-966 | 950-1,050 |
| GROSS RENT | $754-$889 | $871-$1,021 |
| UTILITY ALLOWANCE * | $129 | $161 |
| NET RENT | $625-$760 | $710-$860 |

* estimated by developer and local housing agency

The existing development consists of a one-story and two-story flats and townhomes for family occupancy. The development consists of 10 buildings located on approximately 6.67 acres. The existing 48-unit family development is estimated to begin rehabilitation in the Spring 2016, to be completed in the Spring 2017. The development consists of parking for a total of 103 surface spaces within the development.

The development rehabilitation will follow the mandatory design criteria set forth by SCSHFDA. However, there have been proposed additional development design criteria which will be included in the development rehabilitation process.

Each unit in the existing development will be upgraded and would contain energy star appliances, including a self-cleaning range, refrigerator, dishwasher, disposal, air conditioning, carpeting or wood floors, blinds, extra storage, patio, washer/dryer hook-ups and one full and one-half bathrooms. Additionally, the units will be pre-wired for high speed internet.

Project amenities associated with a family-orientated development are important to the success of the proposed facility, including: on-site rental management office, laundry room, security, playground and a park setting.

The units will include the following utilities: electric, water/sewer services and trash removal. The tenants will be responsible for electric; however a utility allowance of $129 for a two-bedroom unit and $161 for a three-bedroom unit is estimated. The units will be cable-ready.

A plan for relocation of the existing tenants has been included as an addendum to this report. A relocation plan has been proposed and detailed in the Ninety Dillon Apartments Relocation Plan submitted on March 18, 2015. In summary the development will start with on one building and relocated tenants within the development, thereby keeping them part of the project as rehabilitation is undertaken and completed. Each apartment will take 4 to 6 weeks to complete, so tenants will have minimal time being physically removed from their units. The average costs per tenant or family for relocation is $1,145.83. Finally, these will be only temporary relocations and no permanent relocation is anticipated.

The development will upgrade and maintain a consistent and effective landscaping plan throughout the site, especially maintaining a good front door image. From a marketing point of view, it would be beneficial if the proposed sites would be able to continue to use some natural settings, if possible, to develop an environment within this development. The Town of Hilton Head Island area apartment developments have done a good job in creating a complete development theme or environment.

The upgraded and existing development and unit plans were reviewed. The proposed rental units are appropriate for the Hilton Head Island market area. The unit and project amenities are adequate for the targeted family market, while the unit styles, specifically the design and square footage, will positively influence the absorption, offering a flexibility of living style for family occupants. Additional upgrades will be made to the exterior and landscaping. Additionally, extensive landscaping should take place between any other existing developments, when appropriate.

Because of the high percentage of family units, a strong marketing plan and development layout should focus on family needs. The area has excellent accessibility to the entire area, as well as having good visibility. Because of the existing apartment and rental base located in the Town of Hilton Head Island area and specifically the subject site, this rental base will help create a synergism effect of established renters. Because of the good accessibility to major arteries in the Town of Hilton Head Island area, detail should be given to marketing the development and the procedure for transportation routes to the proposed site. Superior signage and advertising will be an advantage, because of the amount of traffic associated with the proposed site.

In a recent Property Tax Credit Compliance Report, the current gross incomes indicate that approximately **70% of the occupied units have tenants at or below the 50% of AMI**. The new AMI's would qualify for a majority of the existing tenants. The following is a current distribution of incomes for current tenants at the Ninety Dillon Apartments:

**GROSS INCOMES**

| | |
|---|---|
| Below 50% | 33 (68.7%) |
| 50% - 60% | 14 (29.2%) |
| Above 60% | 1 (2.1%) |

Additionally, the proposed net rents need to be viewed as competitive or a value within the Hilton Head Island rental market area in order to achieve an appropriate market penetration. The proposed gross rents are within the guidelines established for the low-income tax credit program as summarized as below:

**Two-Bedroom**

| AMI | Proposed Gross Rent | Max. LIHTC Gross Rent | Median Market Rent* | Achievable Rent* | Fair Market Rent (FMR) |
|---|---|---|---|---|---|
| 50% | $754 | $758 | $1,137 | $1,041 | $940 |
| | Percent (%) | 99.5% | 66.3% | 72.4% | 80.2% |
| 60% | $889 | $910 | $1,137 | $1,041 | $940 |
| | Percent (%) | 97.7% | 78.2% | 85.4% | 94.6% |

| Three-Bedroom | | | | | |
|---|---|---|---|---|---|
| AMI | Proposed Gross Rent | Max. LIHTC Gross Rent | Median Market Rent* | Achievable Rent* | Fair Market Rent (FMR) |
| 50% | $871 | $876 | $967 | $1,189 | $1,192 |
| | Percent (%) | 99.4% | 90.1% | 73.3% | 73.1% |
| 60% | $1,021 | $1,051 | $967 | $1,189 | $1,192 |
| | Percent (%) | 97.1% | 105.6% | 85.9% | 85.7% |

Based on the current rental market conditions, and the proposed gross rent of $754-$889 for a two-bedroom unit and $871-$1,021 for a three-bedroom unit, combined with a development of quality construction, the proposed development will be perceived as a value in the Hilton Head Island market area. Additionally, the minimal market-rate and LIHTC product in the market area will be an added rental value. We anticipate that a good portion (95.0%) of the support for the units will be generated from the existing rental base.

The step-up opportunity for tenants in the Town of Hilton Head Island area secondary rental market, based on the proposed net rent for a two-bedroom and three-bedroom is minimal, as the proposed rents are in the lower quartile of the market area rents. However, and more importantly, there is a good base of units at net rents higher than the proposed net rents of the development.

The design features, specifically the style and square footage, will create a potential product value in the rental market. More specifically, the area competition is not as much as a concern, because of the lack of quality units in the area. Additionally, previous experiences of rental developments in the Town of Hilton Head Island area indicate that the two-bedroom and three-bedroom proposed rents are in line with the alternative rental markets. Therefore, the proposed rents are targeted properly for not only immediate step-up opportunities, but market acceptability.

The absorption potential for tenants in the Hilton Head Island rental market, based on the proposed net rent is excellent. Additionally, in the past, existing and newer product in the Hilton Head Island area has had positive acceptability and absorption patterns, with a product at a higher market rent. The existing 48-unit family rental development will create a strong pre-leasing activity program based on the current tenant characteristics. Absorption, while traditionally viewed as a function of the market-rate housing market, must also consider the impact of income and household size criteria set forth by the tax credit competitive rental developments within the Hilton Head Island market area.

The rental market in the Hilton Head Island area has historically been more a function of demand rather than supply, thereby affecting absorption. Factors, other than the existing rental market that affect absorption, would include: demographic characteristics, employment opportunities, area growth and proposed product acceptability. The Hilton Head Island market area has successfully absorbed on average 8 to 22 units per month at selected comparable developments. It is anticipated, because of the criteria set forth by the income and household size for units for the Low-Income Tax Credit Program, the depth of the market demand for units, assumption of renovated product, as well as the design associated with this product, absorption is expected to be equal to the area average of 8 to 10 units per month, resulting in a 4.8 to 6.0 month absorption period for the 48-unit LIHTC development.

## VIII. COMPANY PROFILE

# NATIONAL LAND ADVISORY GROUP

National Land Advisory Group is a multi-faceted corporation engaged in the market research and consulting of various real estate activities. National Land Advisory Group supplies consulting services to real estate and finance professionals and state housing agencies through conducting market feasibility studies. Areas of concentration include residential housing and commercial developments. Research activity has been conducted on a national basis.

The National Land Advisory Group has researched residential and commercial markets for growth potential and investment opportunities, prepared feasibility studies for conventional and assisted housing developments, and determined feasibility for both family and elderly facilities. Recent income-assisted housing analyses have been conducted for Low Income Housing Tax Credit (LIHTC) program, as well as developments associated with the Housing and Urban Development and Rural Housing Development Programs. The associates of National Land Advisory Group have performed market feasibility analyses for rental, condominium, and single-family subdivision developments, as well as, commercial, recreational, hotel/motel and industrial developments in numerous communities throughout the United States.

Additionally, National Land Advisory Group evaluates land acquisitions, specializing in helping developers capitalize on residential and commercial opportunities. National Land's investment methodology has resulted in the successful acquisition of numerous parcels of undeveloped land which are either completed or under development by an associated developer or client. National Land's acquisition task includes market research, formal development planning, working with professional planning consultants and local government planning officials.

An independent market analyst, Richard Barnett, President of National Land Advisory Group specializes in both the residential and commercial sectors. Combining over twenty years of professional experience in the housing field with a degree in Real Estate and Urban Development from The Ohio State University, Mr. Barnett brings a wealth of information and insight into his analyses of housing markets. Between 1978 and 1987, Mr. Barnett served as a real estate consultant and market analyst, in the capacity of vice-president of a national real estate research firm. Since 1987, with the establishment of National Land Advisory Group, Mr. Barnett has been associated with hundreds of market studies for housing and commercial developments throughout the United States.

Richard Barnett of the National Land Advisory Group was a charter member of the National Council of Housing Market Analysts, as well as members or speakers of the Multi-Family World Conference, Ohio Housing Capital Corporation's Annual Housing Conference, Ohio Housing Council, Ohio Housing Finance Agency's Advisory Committee, Council of Rural Housing and Development and the National Housing Rehabilitation Association. Mr. Barnett is also a graduate of the Wexner Heritage Foundation Leadership Program.

Recently, real estate market analysis studies have been completed in the following states:

| | | | |
|---|---|---|---|
| Alabama | Arkansas | California | Colorado |
| Florida | Georgia | Idaho | Illinois |
| Indiana | Iowa | Kentucky | Louisiana |
| Michigan | Minnesota | Mississippi | Missouri |
| Nebraska | Nevada | New Jersey | New Mexico |
| New York | North Carolina | Ohio | Pennsylvania |
| South Carolina | Tennessee | Texas | Utah |
| Virginia | Washington DC | West Virginia | Wisconsin |

National Land Advisory Group
2404 East Main Street
Columbus, OH 43209
(614) 545-3900

info@landadvisory.biz

## IX. MARKET STUDY INDEX

### NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

| | Page / Section Number(s) |
|---|---|
| **Executive Summary** | |
| 1. Executive Summary | II |
| **Project Description** | |
| 2. Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances | VII – E |
| 3. Utilities (and utility sources) included in rent. | VII – E |
| 4. Project design description | VII – E |
| 5. Unit and project amenities; parking | VII – E |
| 6. Public programs included | VII – E |
| 7. Target population description | VII – E |
| 8. Date of construction/preliminary completion | VII – E |
| 9. If rehabilitation, existing unit breakdown and rents. | VII – E |
| 10. Reference to review/status of project plans | VII – E |
| **Location and Market Area** | |
| 11. Market area/secondary market area description | III – B |
| 12. Concise description of the site and adjacent parcels | III – A |
| 13. Description of site characteristics | III – A |
| 14. Site photos/maps | III – C |
| 15. Map of community services | III – C |
| 16. Visibility and accessibility evaluation | III – A |
| 17. Crime information (if applicable) | IV – I |
| **Employment and Economy** | |
| 18. Employment by industry | IV – H |
| 19. Historical unemployment rate | IV – H |
| 20. Area major employers | IV – H |
| 21. Five-year employment growth | IV – H |
| 22. Typical wages by occupation | IV – H |
| 23. Discussion of commuting patterns of area workers | IV – H |
| **Demographic Characteristics** | |
| 24. Population and household estimates and projections | IV – F |
| 25. Area building permits | V |
| 26. Distribution of income | IV – G |
| 27. Households by tenure | IV – F & G |

| | |
|---|---|
| **Competitive Environment** | |
| 28. Comparable property profiles | VI – E |
| 29. Map of comparable properties | VI – E |
| 30. Comparable property photos | VI – E |
| 31. Existing rental housing evaluation | VI |
| 32. Comparable property discussion | VI |
| 33. Area vacancy rates, including rates for Tax Credit and Government-Subsidized | VI |
| 34. Comparison of subject property to comparable properties | VI – E |
| 35. Availability of Housing Choice Vouchers | VI – C |
| 36. Identification of waiting lists | VI |
| 37. Description of overall rental market including share of Market-Rate and affordable properties | VI |
| 38. List of existing a LIHTC properties | VI – B |
| 39. Discussion of future changes in housing stock | V & VI |
| 40. Including homeownership | V |
| 41. Tax credit and other planned or under construction rental communities in market area | VI – D |
| **Analysis / Conclusions** | |
| 42. Calculation and analysis of Capture Rate | VII – D |
| 43. Calculation and analysis of Penetration Rate | VII – D |
| 44. Evaluation of proposed rent levels | VI – E, VII – E |
| 45. Derivation of Achievable Market Rent and Market Advantage | VI – E, VII – E |
| 46. Derivation of Achievable Restricted Rent | VI – E, VII – E |
| 47. Precise statement of key conclusions | II, VII – E |
| 48. Market strengths and weaknesses impacting project | VII |
| 49. Recommendations and/or modification to project discussion | II |
| 50. Discussion of subject property's impact on existing housing | II |
| 51. Absorption projection with issues impacting performance | VII – E |
| 52. Discussion of risks or other mitigating circumstances impacting project | II |
| 53. Interviews with area housing stakeholders | VI |
| **Other Requirements** | |
| 54. Preparation date of report | Cover |
| 55. Date of field work | VI |
| 56. Certifications | I – D |
| 57. Statement of qualifications | I – D |
| 58. Sources of data not otherwise identified | I – B |
| 59. Utility allowance schedule | VII – E |

2404 East Main Street • Columbus, Ohio 43209
Phone: 614.545.3900 • Fax: 614.545.4900

# ADDENDUM

Burns, Bertsch & Harris, Inc.

COMMUNITY PLANNERS

Burns, Bertsch & Harris, Inc.

**90 DILLON APARTMENTS**

**Hilton Head Island, SC 29926**

**RELOCATION PLAN**

March 18, 2015

Relocation Coordinator's Name & Phone Number: Bruce Burns, Burns, Bertsch & Harris, Inc., 614-570-2726
How the tenants will be relocated: See below for a detailed discussion.
Average cost per tenant and/or family for relocation: $1,145.83. See below for cost breakdown
Total Relocation Cost to be incurred: $55,000.00
Source of Funds Paying for Relocation: Eligible basis cost in the Project Budget.

## Introduction

90 Dillon Apartments "The Project" is a Low Income Housing Tax Credit project under Section 42 of the U.S. Tax Code and will be funded. There are no federal funds in the project that trigger compliance with federal uniform relocation rules. Therefore, the project is ***not subject*** to the rules and regulations promulgated by the Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970, as amended (Uniform Act), nor Handbook 1378, entitled Tenant Assistance, Relocation, and Real Property Acquisition, most recently dated October 22, 2013, as amended (the "Handbook").

Nonetheless, because temporary relocation of some tenants *may* be necessary (depending on planned vacancies after move-outs prior to the start of the rehabilitation) during the rehabilitation of the project, the Owner will address the relocation needs of the tenants subject to relocation in accordance with this Plan.

The Project, known as 90 Dillon Apartments, consists of 48 total units. The project will be substantially rehabilitated to the extent that everyone will be required to move from their current apartment on a temporary basis consisting of 4 – 6 weeks each. Most tenants will be relocated within the project (See discussion below). At any point in time 12 units of the 48 will be unoccupied and being worked on.

This Plan and the project will provide for temporary relocation (two tenant moves), and for moves from tenants' current units to their newly-rehabbed units only which is not temporary relocation.

***There will be no permanent relocation.***

## **Staging the Rehab to Minimize Moves Offsite**

At a point prior to the start of the rehabilitation, and based on the average number of move-outs per month, we will stop filling vacancies to accommodate our moving all tenants from one or more whole building(s) into vacant units throughout the project.

These are the only tenants who will have to move twice. They are the only tenants who will be, by definition, temporarily relocated as the remaining tenants will move only once, into completely-rehabilitated apartments which will then be their permanent residences.

At the time of the start of the rehabilitation, having one or more complete building(s) vacant will enable our construction crew to complete the rehabilitation of those buildings. Once the rehabilitation of those buildings is completed, we will move other tenants from the project into those completed buildings from other buildings to empty out other buildings, taking into account the need to accommodate family size and handicaps.

As we proceed building-by-building we will pick up those who had to move first to empty out the first buildings. For those, this will be their second and final move. For everyone else this will be their only move, to a newly renovated unit.

In this way, most tenants will only move once and will not have to put their belongings in storage and move temporarily offsite. Because they will not move back to another unit in the project, i.e., move twice to and from a temporary dwelling, they are not considered temporarily displaced.

If necessary, tenants will be moved to nearby apartment communities where vacancies exist, for the purpose of accommodating both the rehabilitation process and the size of the family and handicapped persons. One can think of these as overflow units to keep everything on schedule and to minimize the time tenants are subject to construction within their development.

These moves and preliminary planning will allow the construction company to move quickly through to completion of the project.

A relocation fund has been established in the amount of $55,000 and will be used to fund the internal and any external moving and other relocation needs of each occupant in the project during the construction process. This amount will be supplemented if needed.

## A. Evaluation Procedures for Tenant-Occupied Units

All of the relocation activities under this plan will be implemented by the project's Management Agent/Developer/Sponsor. Burns, Bertsch & Harris, Inc. will provide oversight services to the Owner in carrying out those relocation activities. Burns, Bertsch & Harris, Inc. also authored this Plan based on information provided by and in conjunction with the Owner. RLJ Management, Inc. staff have received training in the above referenced relocation rules and regulations and have successfully administered these on other occupied projects that required relocation. Their site staff will provide the forms, letters, brochures, and informational materials necessary to keep tenants informed of their status in the schedule of activities and their move dates. Burns, Bertsch & Harris, Inc. will author templates of these documents for RLJ Management.

Some of these notices and forms will be taken from the Handbook even though 90 Dillon is not subject to the Uniform Act. It's just convenient to do so. For example, move notices will be adapted from HUD form letters. And a Frequently Asked Questions informational packet developed by Burns Bertsch & Harris, Inc. projects will be provided.

Early in the planning process, the Owner evaluated the overall needs and requirements of the relocation aspects of the project to establish the above cited relocation budget, ensuring that necessary funds, comparable replacement housing, and relocation staff are available to relocate tenants. Further evaluation will ensure that RLJ Management Inc. will implement relocation processes and procedures to minimize the inconvenience to tenants that two moves each will bring. Amounts budgeted will be used to hire local moving contractors to assist with the move. It's best to engage moving companies rather than hiring day workers because of the experience of moving companies, their range of insurance products protecting our tenants, their property, the project, and their own workers.

The relocation budget will pay for moving contractors and supplies (boxes, etc...), and tenants' out of pocket costs associated with these moves.

Should we find that any tenants must be moved off-site temporarily, a review of area apartment communities shows rents within $0-$100 above the 60% LIHTC rents, not including utilities which must be added to the rents. These additional costs have been included in our estimates.

Relocation Costs Breakdown

Moving costs, 36 units, one move within project: 36 X $500 = $18,000

Moving costs, 12 units (12-to-4 vacancies at start of construction) two moves: $4-$12,000

Unanticipated off-site temporary relocation, additional rent/utilities costs: $200 X 10 units X 9 months maximum = $18,000

Out-of-pocket costs and cable/phone hook-up charges: $6,000

Mailing, copying, supplies: $1,000

Total: $55,000.

## B. Relocation Process

It is the goal of the Owner to minimize or eliminate displacement of its tenants as it pursues this project in all occupied housing units. Burns, Bertsch & Harris, Inc. anticipates being able to successfully relocate the vast majority of existing residents within the development although some few may be required to move twice and are thus considered temporarily relocated. All moving and out of pocket costs, incurred by all tenants, associated with the move are provided for within the development budget.

As stated above, in most of the first movers, of which there will be twelve, tenants will stay in vacancies that are set aside at 90 Dillon as a temporary housing resource. In some instances they may wish to stay with family or friends in their homes during the rehabilitation of their building and RLJ Management, Inc. will offer them that option, because this project is not subject to the Uniform Act or the Handbook. In these cases, tenants will be offered a stipend related to the costs of food and other out-of-pocket expenses, as well as storage of their belongings. However, if these families or friends live in 90 Dillon that would present the following problems:

1. While relocation benefits are not considered income to the receiving tenants going through temporary relocation, if they were to contribute to the household expenses of the family living in 90 Dillon and offering them a place to stay, this would have to be reported to the management as income and may adversely affect their rents.
2. If the family temporarily stays with the other 90 Dillon family for more than 21 days, they would have to be reported as part of the family, causing management to have to recalculate their rents and to determine if the unit is over-crowded.

All tenants will shortly receive a General Informational Notice informing them of our plans and the fact that each of them will be required to move to keep them safe while the rehabilitation is completed. They will be told not to move until we notify them that we have a place for them to move, a date for them to move, and how they will be moved. They will be told which of their belongings to take with them and which we will move. They will also be given a list of Frequently Asked Questions and, most importantly, the name, address and phone number of a contact person to offer them advice and comfort by keeping them correctly informed and squelching rumors.

In all notices, tenants will be cautioned not to move until we can notify and assist them, not to arrange for their own moves without contacting us, and to continue paying their rents. Most will be informed that they will move once to a newly rehabbed dwelling. Depending on their family size, other needs such as handicap accessibility, and whether they remain eligible to live in the project based on their incomes, some adjustments may have to be made to some General Information Notices.

They will be required to continue paying their portion of the rents while they are moved throughout the construction of the project that affects them, as we will be ensuring that they have a suitable place to stay and because we will be paying for any additional and out-of-pocket costs.

Then, upon the closing of the financing of the loan on the project, when we know more about specific timing, each tenant will receive a notice similar to the HUD Notice of Non-Displacement. This notice will offer more specific detail as to the time frame or actual date of their move, and the location of the temporary or permanent accommodations. It will also notify them of the items that we will insist they take with them and/or those that they should take with them. These include cash, jewelry, keepsakes, mementoes, collectibles, clothing and other things they don't want strangers touching or that can't be replaced if lost or damaged. The rest will be moved by the moving company.

This Notice of Non-Displacement may well be split into two notices, especially for those moved later in the rehabilitation timeframe, to accommodate any changes in our schedule. If so, we will also provide a later Notice of Moving Dates which will provide more accurate move dates and information. Because of our Staging Plan the Notice of Moving Date will be sent separately, although the Notice of Non-Displacement will reference a general moving schedule. Should the construction schedule advance or become delayed, the general moving schedule will be modified accordingly.

The following is a general overview of the relocation process that will be followed for tenant-occupied units, where tenants will be moved within the project:

1. On or about April 1, 2015, RLJ Management, Inc. staff will send the General Informational Notices to the tenants of the dwelling, explaining what is being planned, that they are not being asked to move, that they should continue to pay their rent, and that they will be kept informed of the nature and dates of

any subsequent activity with regard to their dwellings. They will also be provided with the name and phone number of a staff person whom they are invited to call for further information or to get answers to their questions. The staff person will obtain either a written receipt on a copy of the notice itself, or a signed green U.S. Postal Service receipt for registered mail.

2. Relocation staff has evaluated the information provided by the tenants to determine if there are any obvious relocation related problems. A preliminary estimate of the cost for relocation has also been prepared totaling $55,000. This budget is based on the likely costs associated with moving some tenants twice, but most tenants only once; costs of securing unoccupied units; and possible increased insurance premiums because the units are unoccupied; possible other out-of-pocket costs; possible per diem costs for food (there will likely be little or no increased rent the owner to pay); and possible increased travel costs, if any. This budget is in line with other similar projects where each tenant is out of his unit only 4 – 6 weeks and the majority is to be relocated either within the project. The major costs will be to contract with a local moving company, which cost is estimated to be $500/unit. Additional costs include re-connecting tenants' phones and cable if they currently have them at $100/unit; treating furniture for bed bugs and other vermin; and out-of-pocket costs which must be approved by management in advance.
3. The results of the preliminary project evaluation and cost estimate indicate that project staff know of no obstacles to relocation and can handle the added workload.
4. Immediately after the execution of the funding agreement with the lender, within 3 days, the relocation staff of RLJ Management, Inc. will issue the a notice similar to HUD's Notice of Non-Displacement.
5. The relocation staff issues a "Notice of Non-Displacement" to the tenant which assures the tenants the opportunity to occupy a suitable, decent, safe, and sanitary dwelling in the same project after rehabilitation is completed. This notice also informs them that if a temporary move is required, of its start date and estimated duration, including eligible costs associated with the move and other out of pocket expenses. When appropriate, a "15-day Notice to Move" is issued along with, or after, this Notice of Non-Displacement to give tenants sufficient time to plan the move, to have utilities switched over to the replacement unit, if applicable, making arrangement for mail delivery, if applicable, etc. Project site staff will be notified of the date of the tenants' move for their scheduling purposes.
6. Payment of all moving and out of pocket expenses will be paid directly by the Owner. Where possible, any expenses that must be pre-paid by the tenant will be done so by the Owner prior to the move (moving costs, deposits for phone and cable service associated with their move into their units newly-rehabbed dwellings as necessary, etc.). The tenants will be fully informed of the required documentation needed to support out-of-pocket relocation expenses.
7. Assurance that both temporary living units and the tenants' move into units that are decent, safe, sanitary, and suitable for the tenant household will be the responsibility of RLJ Management, Inc. and the State of South Carolina

building inspection services. No tenants will be permitted to move into their homes before rehabilitation is completed and until a Certificate of Occupancy is issued by the appropriate building code enforcement agency (likely the State of South Carolina).

## C. Relocation Record Keeping

We find it advisable to require our relocation staff to adhere to the following basic record keeping measures:

1. Project Log Reports (anecdotal notes) and activity/date spread sheets will be maintained on the project as a whole. Occupied unit log reports will be maintained on each occupied unit.

2. Project files will be developed for each occupant within the Project which will contain copies of all notices, receipts, and other communications.

3. All notices will be sent in a timely manner and will be either hand-delivered or sent by registered mail (return receipt requested) to tenant occupants. Note: all notices must have the tenant's signature that he/she received them.