

Market Analysis
for
Oakside Apartments

Tax Credit (Sec. 42) Apartments
in
Charleston, South Carolina
Charleston County

Prepared For:

Oakside Apartments SC LLC

By:

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Formerly known as
National Council of Affordable
Housing Market Analysts

1 FOREWORD

1.1 QUALIFICATIONS STATEMENT

John Wall and Associates has done over 2,500 market analyses, the majority of these being for apartment projects (conventional and government). However, the firm has done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis and GIS projects. Clients include private developers, government officials, syndicators, and lending institutions.

Prior to founding John Wall and Associates, Mr. Wall was the Planning Director for a city of 30,000 where he supervised the work of the Planning Department, including coordinating the activities of and making presentations to both the Planning and Zoning Commission and the Zoning Board of Adjustment and Appeals. His duties included site plan approval, subdivision review, annexation, downtown revitalization, land use mapping program, and negotiation of realistic, workable solutions with various groups.

While in the public and private sectors, Mr. Wall served on the Appalachian Regional Council of Governments Planning and Economic Development Committee for more than seven years.

Mr. Wall has also taught site analysis and site planning part-time at the graduate level for several semesters as a visiting professor at Clemson University College of Architecture, Planning Department.

Mr. Wall holds a Master's degree in City and Regional Planning and a BS degree in Pre-Architecture. In addition, he has studied at the Clemson College of Architecture Center for Building Research and Urban Studies at Genoa, Italy, and at Harvard University in the Management of Planning and Design Firms, Real Estate Finance, and Real Estate Development.

1.2 RELEASE OF INFORMATION

This report shall not be released by John Wall and Associates to persons other than the client and his/her designates for a period of at least sixty (60) days. Other arrangements can be made upon the client's request.

1.3 TRUTH AND ACCURACY

It is hereby attested to that the information contained in this report is true and accurate. The report can be relied upon as a true assessment of the low income housing rental

market. However, no assumption of liability is being made or implied.

1.4 IDENTITY OF INTEREST

The market analyst will receive no fees contingent upon approval of the project by any agency or lending institution, before or after the fact, and the market analyst will have no interest in the housing project.

1.5 CERTIFICATIONS

1.5.1 CERTIFICATION OF PHYSICAL INSPECTION

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and that information has been used in the full assessment of the need and demand for new rental units.

1.5.2 REQUIRED STATEMENT

The statement below is required precisely as worded by some clients. It is, in part, repetitious of some of the other statements in this section, which are required by other clients *exactly as they are worded*.

I affirm that I, or an individual employed by my company, have made a physical inspection of the market area, and the information derived from that inspection has been used in the full study of the need and demand for new rental units.

To the best of my knowledge: the market can support the project to the extent shown in the study; the study was written according to *The Client's Market Study Guide*; the information is accurate; and the report can be relied upon by The Client to present a true assessment of the low-income rental housing market.

I understand that any misrepresentation of this statement may result in the denial of further participation in The Client's rental housing programs. I affirm that I have no interest in the project. I have no relationship with the ownership entity that has not been disclosed to The Client in accordance with the certifications in the *Proposal for Market Studies*. My compensation is not contingent on this project being funded.

1.5.3 NCHMA MEMBER CERTIFICATION

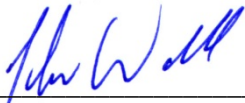
This market study has been prepared by John Wall and Associates, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard 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.

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(Note: Information on the National Council of Housing Market Analysts including *Standard Definitions of Key Terms and Model Content Standards* may be obtained by visiting <http://www.housingonline.com/mac/machome.htm>)

Submitted and attested to by:

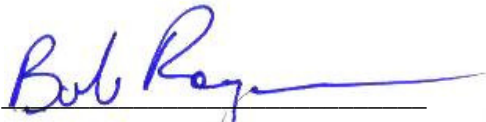


John Wall, President

JOHN WALL and ASSOCIATES

3-1-16

Date



Bob Rogers, Market Analyst

JOHN WALL and ASSOCIATES

3-1-6

Date

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3 INTRODUCTION

3.1 PURPOSE

The purpose of this report is to analyze the apartment market for a specific site in Charleston, South Carolina.

3.2 SCOPE

Considered in this report are market depth, bedroom mix, rental rates, unit size, and amenities. These items are investigated principally through a field survey conducted by John Wall and Associates. Unless otherwise noted, all charts and statistics are the result of this survey.

In general, only complexes of 30 units or more built since 1980 are considered in the field survey. Older or smaller projects are sometimes surveyed when it helps the analysis. Projects with rent subsidized units are included, if relevant, and noted.

3.3 METHODOLOGY

Three separate approaches to the analysis are used in this report; each is a check on the other. By using three generally accepted approaches, reasonable conclusions can be drawn. The three approaches used are:

- (1) Statistical
- (2) Like-Kind Comparison
- (3) Interviews

The Statistical approach uses Census data and local statistics; 2010 is used as a base year. The population that would qualify for the proposed units is obtained from these figures.

The Like-Kind Comparison approach collects data on projects similar in nature to that which is being proposed and analyzes how they are doing. This approach assesses their strong points, as well as weak points, and compares them with the subject.

The last section, Interviews, assesses key individuals' special knowledge about the market area. While certainly subjective and limited in perspective, their collective knowledge, gathered and assessed, can offer valuable information.

Taken individually, these three approaches give a somewhat restricted view of the market. However, by examining them together, knowledge sufficient to draw reasonable conclusions can be achieved.

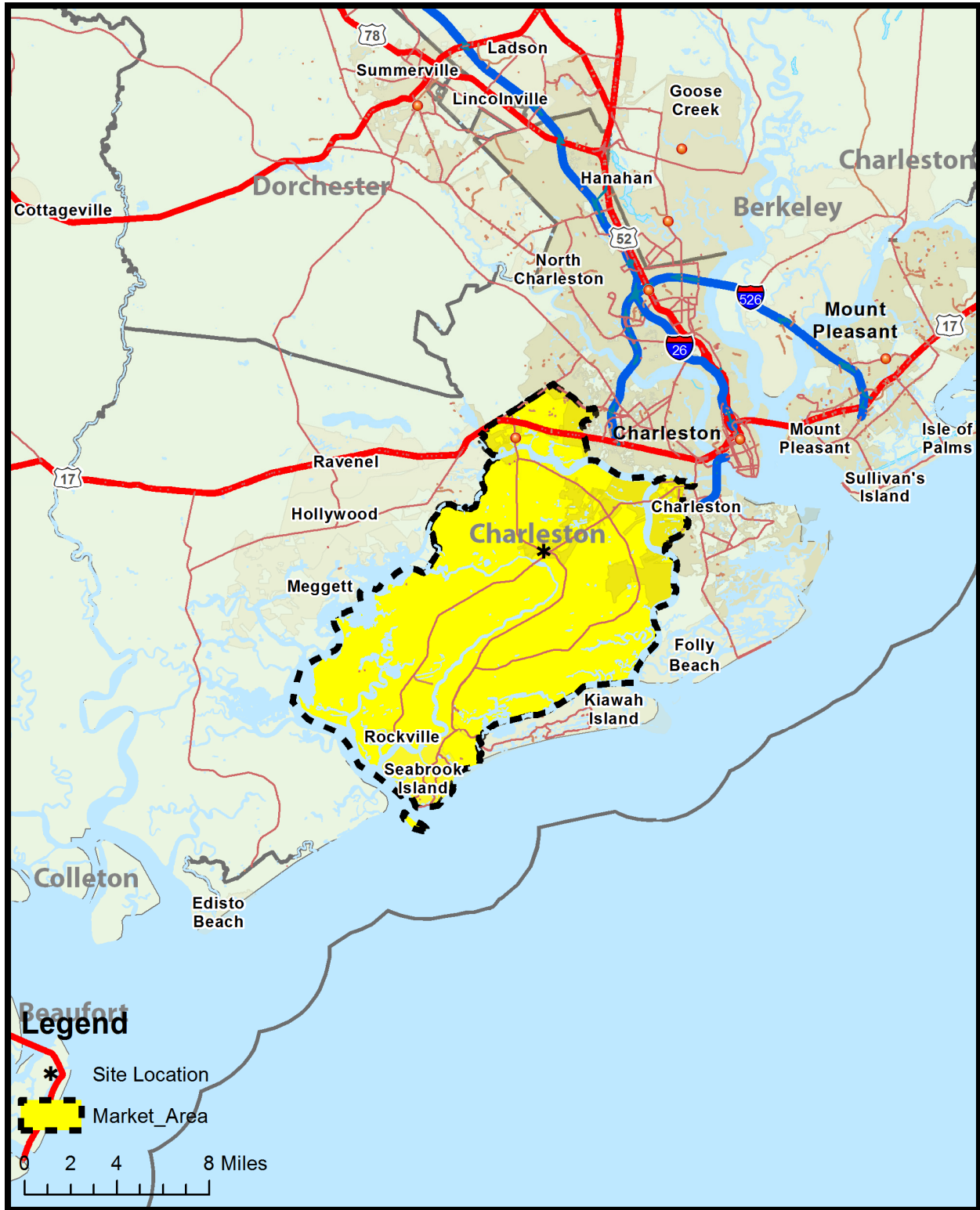
3.4 LIMITATIONS

This market study was written according to the SCSHFDA *Market Study Guide*. To the extent this guide differs from the NCHMA *Standard Definitions of Key Terms or Model Content Standards*, the guide has prevailed.

REGIONAL LOCATOR MAP



AREA LOCATOR MAP



4 EXECUTIVE SUMMARY

The projected completion date of the proposed project is on or before 12/31/2018.

The market area (conservative) consists of Census tracts 19.01, 21.01, 21.03, 21.05, 22, and 56 (60%) in Charleston County.

The proposed project consists of 38 units of new construction.

The proposed project is for family households with incomes at 50% and 60% of AMI. Rents range from \$400 to \$675.

4.1 DEMAND

	50% AMI: \$17,860 to \$32,725	60% AMI: \$21,290 to \$39,270	Overall Tax Credit: \$17,860 to \$39,270
New Housing Units Required	73	71	98
Rent Overburden Households	294	268	363
Substandard Units	19	19	26
Demand	386	358	487
Less New Supply	0	0	0
NET DEMAND	386	358	487

4.1.1 OPTIMAL BEDROOM MIX

The following bedroom mix will keep the market in balance over the long term. Individual projects can vary from it.

Bedrooms	Optimal Mix
1	30%
2	50%
3	20%
4	0%
Total	100%

4.1.2 ABSORPTION

Given reasonable marketing and management, the project should be able to rent up to 93% occupancy within 5-7 months – a few months longer if the project is completed in November, December, or January. The absorption rate determination considers such factors

as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The absorption period is considered to start as soon as the first units are released for occupancy. With advance marketing and preleasing, the absorption period could be less.

4.2 CAPTURE RATE

Capture Rate by Unit Size (Bedrooms) and Targeting

50% AMI: \$17,860 to \$32,725				Capture
	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Rate</u>
1-Bedroom	116	30%	0	0.0%
2-Bedrooms	193	50%	4	2.1%
3-Bedrooms	77	20%	2	2.6%
4 or More Bedrooms	0	0%	0	—
Total	386	100%	6	1.6%

60% AMI: \$21,290 to \$39,270				Capture
	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Rate</u>
1-Bedroom	107	30%	0	0.0%
2-Bedrooms	179	50%	20	11.2%
3-Bedrooms	72	20%	8	11.1%
4 or More Bedrooms	0	0%	0	—
Total	358	100%	28	7.8%

Overall Tax Credit: \$17,860 to \$39,270				Capture
	<u>Demand</u>	<u>%</u>	<u>Proposal</u>	<u>Rate</u>
1-Bedroom	146	30%	0	0.0%
2-Bedrooms	244	50%	24	9.8%
3-Bedrooms	97	20%	10	10.3%
4 or More Bedrooms	0	0%	0	—
Total	487	100%	34	7.0%

* Numbers may not add due to rounding.

The capture rate is not intended to be used in isolation. A low capture rate does not guarantee a successful project, nor does a high capture rate assure failure; the capture rate should be considered in the context of all the other indicators presented in the study. It is one of many factors considered in reaching a conclusion.

4.3 NCHMA CAPTURE RATE

NCHMA defines capture rate as:

The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The capture rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area. See penetration rate for rate for entire market area.

This definition varies from the capture rate used above.

NCHMA Capture Rate

	<u>Income Qualified Renter Households</u>	<u>Proposal</u>	<u>Capture Rate</u>
50% AMI: \$17,860 to \$32,725	577	8	1.4%
60% AMI: \$21,290 to \$39,270	563	30	5.3%
Overall Tax Credit: \$17,860 to \$39,270	779	0	0.0%

4.4 CONCLUSIONS

4.4.1 SUMMARY OF FINDINGS

- The **site** appears suitable for the project. It is flat with some trees at the rear.
- The **neighborhood** is compatible with the project. It is mostly single family and undeveloped with commercial close by.
- The **location** is suitable to the project. It is close to a school and a shopping center.
- The **population and household growth** in the market area is good. The market area will grow by 1,232 households from 2015 to 2018.
- The **economy** has been improving.
- The **demand** for the project is reasonable. Overall demand is 487.
- The **capture rates** for the project are reasonable. The overall tax credit capture rate is 7.0%.
- The **most comparable** apartments are Marsh View Place and Sea Island.
- Total **vacancy rates** of the most comparable projects are both 0.0%.
- The **average vacancy** rate reported at **comparable projects** is 0.0%.
- The **average LIHTC vacancy rate** for units surveyed without PBRA is 0.0%.
- The overall **vacancy rate** in the market for units surveyed without PBRA is 4.4%.
- There are no **concessions** in the comparables.
- The **rents**, given prevailing rents, vacancy rates, and concessions in the market area, are reasonable.
- The proposed **bedroom mix** is reasonable for the market.
- The **unit sizes** are appropriate for the project.
- The subject's **amenities** are good and comparable or superior to similarly priced apartments.
- The subject's **value** should be perceived as good.
- The subject's **affordability** is good from a programmatic gross rent standpoint.
- Most of those **interviewed** felt the project should be successful.
- The proposal would have no long term **impact** on existing LIHTC projects.

4.4.2 RECOMMENDATIONS

None.

4.4.3 NOTES

Strong performance of Marsh View Place.

4.4.3.1 STRENGTHS

Demand, 0.0% vacancy in tax credit units in the market area.

4.4.3.2 WEAKNESSES

Rush hour traffic on Maybank Highway.

4.4.4 CONCLUSION

The project should be very successful.

4.5 SCSHFDA EXHIBIT S-2

10/19/15

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	Oakside Apartments	Total # Units:	38
Location:	Charleston, South Carolina	# LIHTC Units:	38
PMA Boundary:	Johns Island plus a small portion of James Island		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	13 miles

RENTAL HOUSING STOCK (found on page 53)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	10	774	34	95.6%
Market-Rate Housing	5	328	4	98.8%
Assisted/Subsidized Housing not to include LIHTC	N/A	N/A	N/A	N/A
LIHTC (All that are stabilized)*	4	218	3	98.6%
Stabilized Comps**	2	101	0	100%
Non-stabilized Comps	N/A	N/A	N/A	N/A

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1	1	750	\$400	\$994	\$1.33	59.8%	1150	\$1.28
4	2	2	1,100	\$500	\$1186	\$1.08	57.8%	1250	\$1.19
2	3	2	1,250	\$600	\$1364	\$1.09	56.0%	1675	\$1.21
2	1	1	750	\$500	\$994	\$1.33	49.7%	1150	\$1.28
20	2	2	1,100	\$620	\$1186	\$1.08	47.7%	1250	\$1.19
8	3	2	1,250	\$675	\$1364	\$1.09	50.5%	1675	\$1.21
Gross Potential Rent Monthly*				\$22,800			50.52%		

*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 9, 29)					
	2000	2015	2018		
Renter Households	%	3,801	27.1%	4,134	27.1%
Income-Qualified Renter HHs (LIHTC)	%	1,113	29.3%	1,211	29.3%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 8)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	73	71				98
Existing Households (Overburd)	294	268				363
Existing Households (Substand)	19	19				26
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	386	358				487

CAPTURE RATES (found on page 9)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	1.6%	7.8%				7.0%

ABSORPTION RATE (found on page 8)	
Absorption Period	5-7 months

4.6 RENT CALCULATION WORKSHEET

2016 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
2	1 BR	\$400	\$800	\$994	\$1,988	
2	1 BR	\$500	\$1,000	\$994	\$1,988	
	1 BR		\$0		\$0	
4	2 BR	\$500	\$2,000	\$1,186	\$4,744	
20	2 BR	\$620	\$12,400	\$1,186	\$23,720	
	2 BR		\$0		\$0	
2	3 BR	\$600	\$1,200	\$1,364	\$2,728	
8	3 BR	\$675	\$5,400	\$1,364	\$10,912	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	38		\$22,800		\$46,080	50.52%

5 PROJECT DESCRIPTION

The project description is provided by the developer.

5.1 DEVELOPMENT LOCATION

The site is on Johns Island in Charleston, South Carolina. It is located at the intersection of Main Road and Brownswood Road.

5.2 CONSTRUCTION TYPE

New construction

5.3 OCCUPANCY

The proposal is for occupancy by family households.

5.4 TARGET INCOME GROUP

Low income

5.5 SPECIAL POPULATION

Two units designed for mobility impaired tenants

5.6 STRUCTURE TYPE

Garden; the subject has two buildings. The residential buildings have three floors.

Floor plans and elevations were not available at the time the study was conducted.

5.7 UNIT SIZES, RENTS AND TARGETING

AMI	Bedrooms	Baths	Number of Units	Square Feet	Net Rent	Utility Allow.	Gross Rent	Target Population
50%	1	1	2	750	400	121	521	Tax Credit
50%	2	2	4	1,100	500	157	657	Tax Credit
50%	3	2	2	1,250	600	193	793	Tax Credit
60%	1	1	2	750	500	121	621	Tax Credit
60%	2	2	20	1,100	620	157	777	Tax Credit
60%	3	2	8	1,250	675	193	868	Tax Credit
Total Units			38					
Tax Credit Units			38					
PBRA Units			0					
Mkt. Rate Units			0					

These *pro forma* rents will be evaluated in terms of the market in the Supply section of the study.

5.8 DEVELOPMENT AMENITIES

Laundry room, clubhouse, and fitness center

5.9 UNIT AMENITIES

Refrigerator, stove, microwave, dishwasher, garbage disposal, washer/dryer connections, ceiling fan, HVAC, and blinds

5.10 UTILITIES INCLUDED

Trash

5.11 PROJECTED CERTIFICATE OF OCCUPANCY DATE

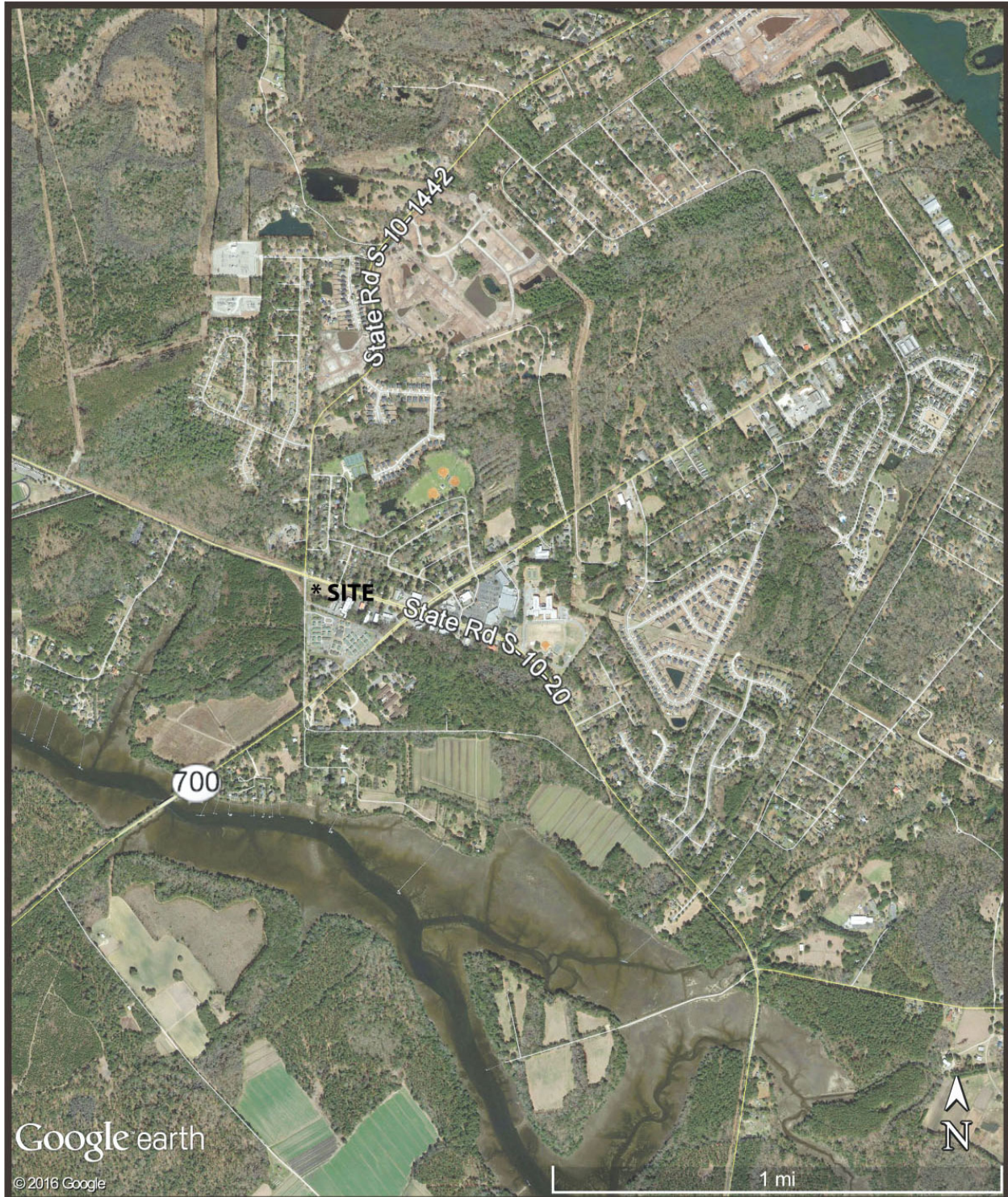
It is anticipated that the subject will have its final certificates of occupancy on or before 12/31/2018.

6 SITE EVALUATION

SITE LOCATION MAP



NEIGHBORHOOD MAP



Neighborhood Map

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6.1 DATE OF SITE VISIT

John Wall visited the site on February 11 and 12, 2016.

6.2 DESCRIPTION OF SITE AND ADJACENT PARCELS

In addition to the following narrative, a visual description of the site and the adjacent parcels is provided in the maps on the preceding pages and the photographs on the following pages.

6.3 VISIBILITY AND CURB APPEAL

The site has excellent visibility from both Main Road and Brownswood Road. Main Road is a heavily traveled road.

6.4 ACCESS AND INGRESS

Access to the site is from Main Road. There are no problems with access and ingress.

6.5 PHYSICAL CONDITIONS

The site is a flat field with deciduous trees at the back.

6.6 ADJACENT LAND USES AND CONDITIONS

- N: Main road, then single family homes
- E: A Goodwill store
- S: Driveway, then subsidized apartments
- W: Brownswood Road, then field and woods

6.7 VIEWS

There are no views out from the site that could be considered negative.

6.8 NEIGHBORHOOD

The neighborhood is mostly single family and undeveloped land

6.9 SHOPPING, GOODS, SERVICES AND AMENITIES

One quarter mile from the site is a shopping center with a grocery, a pharmacy, a bank, a McDonalds, and many small shops. There is an elementary school, a middle school, and a high school all within ½ - 1 mile of the site. There is also a family medicine office ¼ mile from the site.

6.10 EMPLOYMENT OPPORTUNITIES

Employment opportunities in the immediate area are limited. Most people in the area commute in towards Charleston peninsula for work.

6.11 TRANSPORTATION

The site is near the intersection of Maybank Highway and Main Road. Both roads are heavily traveled, especially Maybank Highway at rush hour.

Two bus routes operated by the TriCounty Link system serve Johns Island. The proposed site is adjacent to the nearest bus stop on the Green Route, which runs from 5:45am until

6:30pm Monday through Friday. The transfer to the Blue Route, which operates from 6:15am until 6:15pm Monday through Friday, is just 0.5 miles away from the site. One-way tickets can be purchased for \$2.25. Weekly and monthly passes are also available for \$18 and \$70 respectively.

6.12 OBSERVED VISIBLE ENVIRONMENTAL OR OTHER CONCERNS

There were no environmental or other concerns observed.

6.13 CRIME

According to the FBI, in 2014 the following crimes were reported to police:

Crimes Reported to Police

	<u>City</u>	<u>County</u>
Population:	129,867	—
Violent Crime	270	556
Murder	8	7
Rape	25	17
Robbery	70	74
Assault	167	458
Property Crime	2,971	1,704
Burglary	350	487
Larceny	2,442	1,061
Motor Vehicle Theft	179	156
Arson	6	5

Source: 2014 Table 8 and Table 10, *Crime in the United States 2014*

https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-8/Table_8_Offenses_Known_to_Law_Enforcement_by_State_by_City_2014.xls

https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-10/Table_10_Offenses_Known_to_Law_Enforcement_by_State_by_Metropolitan_and_Nonmetropolitan_Counties_2014.xls

Detailed crime statistics for the neighborhood are not available. The site does not appear to be in a problematic area.

6.14 CONCLUSION

The site is suitable for the proposed development.

SITE AND NEIGHBORHOOD PHOTOS AND ADJACENT LAND USES MAP



Google earth

© 2018 Google



Site Photos & Adjacent Land Uses

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Anderson, South Carolina – 864/261-3147

6.15 SITE AND NEIGHBORHOOD PHOTOS



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



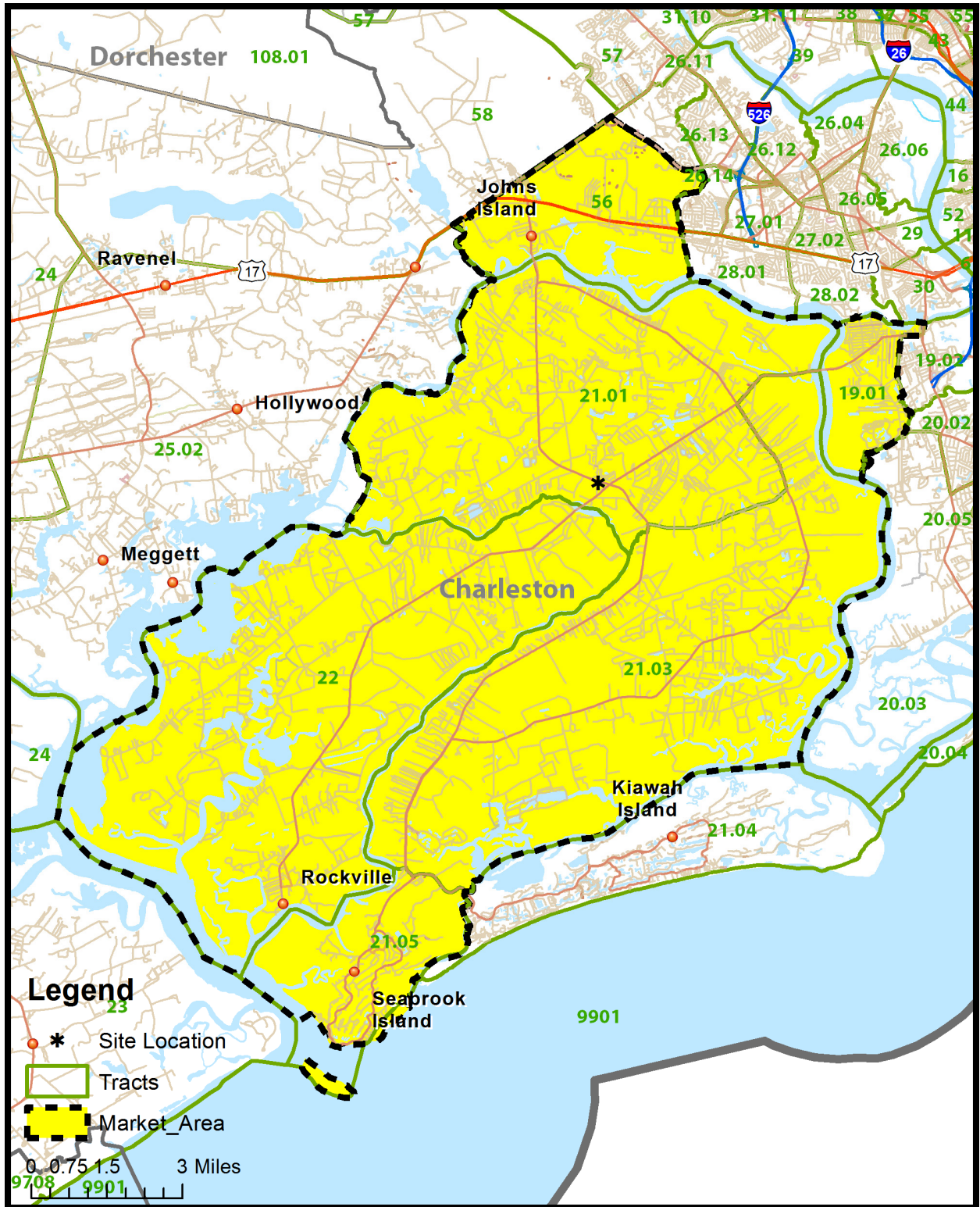
Photo 6



Photo 7

7 MARKET AREA

MARKET AREA MAP



7.1 MARKET AREA DETERMINATION

The market area is the community where the project will be located and only those outlying rural areas that will be significantly impacted by the project, generally excluding other significant established communities. The market area is considered to be the area from which most of the prospective tenants will be drawn. Some people will move into the market area from nearby towns, while others will move away. These households are accounted for in the "Household Trends" section. The border of the market area is based on travel time, commuting patterns, the gravity model, physical boundaries, and the distribution of renters in the area. The analyst visits the area before the market area definition is finalized.

Housing alternatives and local perspective will be presented in the Development Comparisons section of this report.

7.2 DRIVING TIMES AND PLACE OF WORK

Commuter time to work is shown below:

Workers' Travel Time to Work for the Market Area (Time in Minutes)

	State	%	County	%	Market Area	%	City	%
Total:	1,914,792		160,100		12,852		57,451	
Less than 5 minutes	61,660	3.2%	3,629	2.3%	106	0.8%	1,264	2.2%
5 to 9 minutes	199,805	10.4%	15,931	10.0%	1,069	8.3%	6,863	11.9%
10 to 14 minutes	289,667	15.1%	23,106	14.4%	1,187	9.2%	9,244	16.1%
15 to 19 minutes	333,122	17.4%	27,662	17.3%	1,632	12.7%	10,493	18.3%
20 to 24 minutes	314,842	16.4%	32,311	20.2%	2,945	22.9%	12,037	21.0%
25 to 29 minutes	120,838	6.3%	12,194	7.6%	1,273	9.9%	4,765	8.3%
30 to 34 minutes	262,448	13.7%	24,133	15.1%	2,392	18.6%	6,976	12.1%
35 to 39 minutes	51,510	2.7%	3,712	2.3%	445	3.5%	1,074	1.9%
40 to 44 minutes	56,004	2.9%	3,577	2.2%	285	2.2%	864	1.5%
45 to 59 minutes	126,794	6.6%	8,315	5.2%	826	6.4%	1,704	3.0%
60 to 89 minutes	65,409	3.4%	3,118	1.9%	502	3.9%	1,227	2.1%
90 or more minutes	32,693	1.7%	2,412	1.5%	190	1.5%	940	1.6%

Source: 2011-5yr ACS (Census)

7.3 MARKET AREA DEFINITION

The market area for this report has been defined as Census tracts 19.01, 21.01, 21.03, 21.05, 22, and 56 (60%) in Charleston County (2010 Census). The market area is defined in terms of standard US Census geography so it will be possible to obtain accurate, verifiable information about it. The Market Area Map highlights this area.

7.3.1 SECONDARY MARKET AREA

The secondary market area for this report has been defined as Charleston County. Demand will neither be calculated for, nor derived from, the secondary market area.

8 DEMOGRAPHIC ANALYSIS

8.1 POPULATION

8.1.1 POPULATION TRENDS

Housing demand is most closely associated with population trends. While no population projection presently exists for the market area, one is calculated from existing figures and shown below.

Population Trends and Projections

	State	County	Market Area	City
2000	4,012,012	309,969	19,815	96,650
2008	4,511,428	342,434	26,093	116,347
2010	4,625,364	350,209	28,555	120,083
2015	4,932,040	370,329	32,925	131,800
2018	5,116,046	382,401	35,547	138,829

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

As seen in the table above, the population in the market area was 32,925 in 2015 and is projected to increase by 2,622 persons from 2015 to 2018.

8.1.2 AGE

Population is shown below for several age categories. The percent figures are presented in such a way as to easily compare the market area to the state, which is a "norm." This will point out any peculiarities in the market area.

Persons by Age

	State	%	County	%	Market Area	%	City	%
Total	4,625,364		350,209		28,554		120,083	
Under 20	1,224,425	26.8%	83,910	24.2%	5,906	21.4%	27,050	22.8%
20 to 34	924,550	20.2%	87,366	25.2%	6,498	23.6%	37,108	31.3%
35 to 54	1,260,720	27.6%	91,153	26.3%	7,623	27.6%	27,979	23.6%
55 to 61	418,651	9.1%	30,944	8.9%	2,968	10.8%	9,449	8.0%
62 to 64	165,144	3.6%	12,115	3.5%	1,234	4.5%	3,797	3.2%
65 plus	631,874	13.8%	44,721	12.9%	4,327	15.7%	14,700	12.4%
55 plus	1,215,669	26.6%	87,780	25.3%	8,529	30.9%	27,946	23.6%
62 plus	797,018	17.4%	56,836	16.4%	5,561	20.2%	18,497	15.6%

Source: 2010 Census

8.1.3 RACE AND HISPANIC ORIGIN

The racial composition of the market area does not factor into the demand for units; the information below is provided for reference.

Note that "Hispanic" is not a racial category. "White," "Black," and "Other" represent 100% of the population. Some people in each of those categories also consider themselves "Hispanic." The percent figures allow for a comparison between the state ("norm") and the market area.

Race and Hispanic Origin

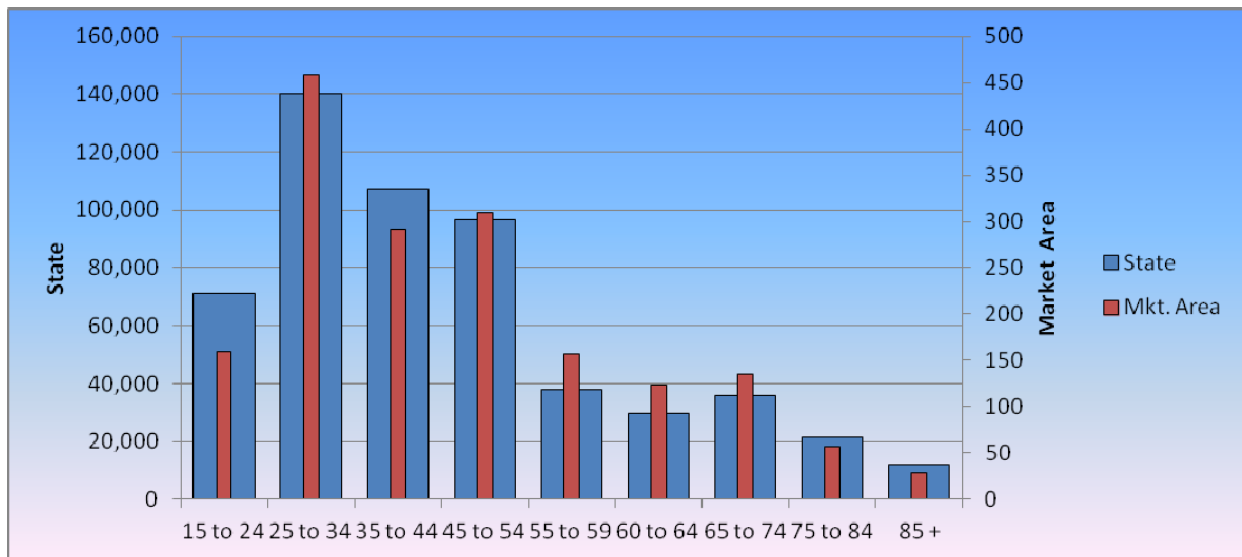
	State	%	County	%	Market Area	%	City	%
Total	4,625,364		350,209		28,555		120,083	
Not Hispanic or Latino	4,389,682	94.9%	331,332	94.6%	26,419	92.5%	116,632	97.1%
White	2,962,740	64.1%	217,260	62.0%	18,402	64.4%	82,427	68.6%
Black or African American	1,279,998	27.7%	103,479	29.5%	7,386	25.9%	30,288	25.2%
American Indian	16,614	0.4%	838	0.2%	66	0.2%	235	0.2%
Asian	58,307	1.3%	4,660	1.3%	260	0.9%	1,950	1.6%
Native Hawaiian	2,113	0.0%	246	0.1%	11	0.0%	111	0.1%
Some Other Race	5,714	0.1%	471	0.1%	22	0.1%	142	0.1%
Two or More Races	64,196	1.4%	4,378	1.3%	272	1.0%	1,479	1.2%
Hispanic or Latino	235,682	5.1%	18,877	5.4%	2,135	7.5%	3,451	2.9%
White	97,260	2.1%	7,650	2.2%	873	3.1%	1,831	1.5%
Black or African American	10,686	0.2%	760	0.2%	41	0.1%	203	0.2%
American Indian	2,910	0.1%	230	0.1%	23	0.1%	36	0.0%
Asian	744	0.0%	59	0.0%	2	0.0%	21	0.0%
Native Hawaiian	593	0.0%	53	0.0%	9	0.0%	11	0.0%
Some Other Race	107,750	2.3%	9,006	2.6%	1,077	3.8%	1,063	0.9%
Two or More Races	15,739	0.3%	1,119	0.3%	111	0.4%	286	0.2%

Source: 2010 Census

Note that the "Native Hawaiian" category above also includes "Other Pacific Islander" and the "American Indian" category also includes "Alaska Native."

8.2 HOUSEHOLDS

Renter Households by Age of Householder



Source: 2010 Census

The graph above shows the relative distribution of households by age in the market area as compared to the state.

8.2.1 HOUSEHOLD TRENDS

The following table shows the change in the number of households between the base year and the projected year of completion.

Household Trends and Projections

	<u>State</u>	<u>County</u>	<u>Market Area</u>	<u>City</u>
2000	1,533,854	123,326	7,880	40,791
2008	1,741,994	137,844	10,851	49,288
2010	1,801,181	144,309	11,986	52,341
2015	1,934,845	154,801	14,039	58,116
2018	2,015,043	161,095	15,271	61,581
Growth 2015 to 2018	80,198	6,295	1,232	3,465

Sources: 2000 Census; 2010 5yr ACS (Census); 2010 Census; others by John Wall and Associates from figures shown

In 2000, the market area had 7,880 households and thus a demand for the same number of housing units (because each household lives in its own housing unit). Similarly, there were 14,039 households in 2015, and there will be 15,271 in 2018. These figures indicate that the market area needs to provide 1,232 housing units from 2015 to 2018.

8.2.2 HOUSEHOLD TENURE

The tables below show how many units are occupied by owners and by renters. The percent of the households in the market area that are occupied by renters will be used later in determining the demand for new rental housing.

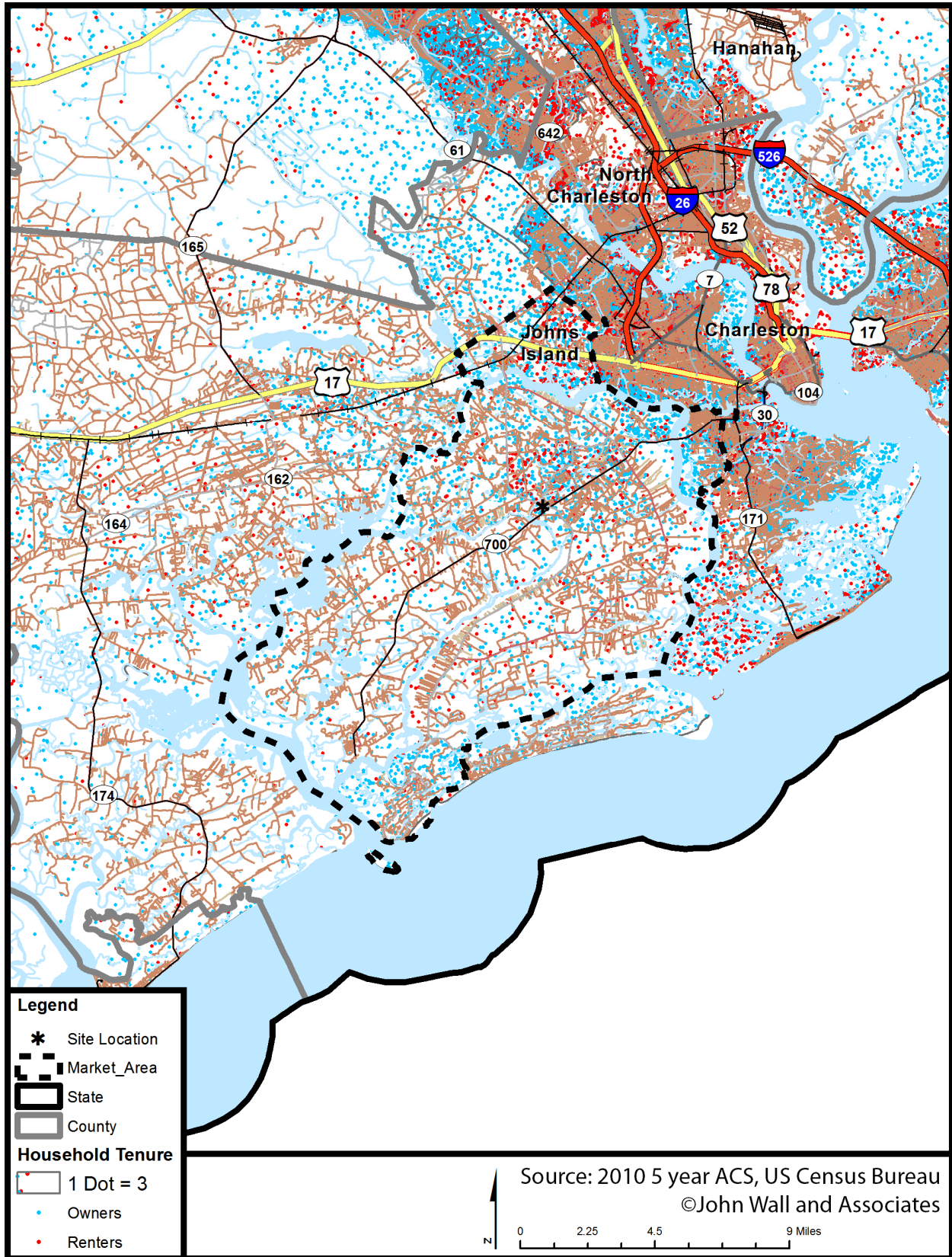
Occupied Housing Units by Tenure

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Households	1,801,181	—	144,309	—	11,986	—	52,341	—
Owner	1,248,805	69.3%	87,068	60.3%	8,741	72.9%	27,288	52.1%
Renter	552,376	30.7%	57,241	39.7%	3,245	27.1%	25,053	47.9%

Source: 2010 Census

From the table above, it can be seen that 27.1% of the households in the market area rent. This percentage will be used later in the report to calculate the number of general occupancy units necessary to accommodate household growth.

TENURE MAP



8.2.3 HOUSEHOLD SIZE

Household size is another characteristic that needs to be examined. The household size of those presently renting can be used as a strong indicator of the bedroom mix required. Renters and owners have been shown separately in the tables below because the make-up of owner-occupied units is significantly different from that of renters. A comparison of the percent figures for the market area and the state (“norm”) is often of interest.

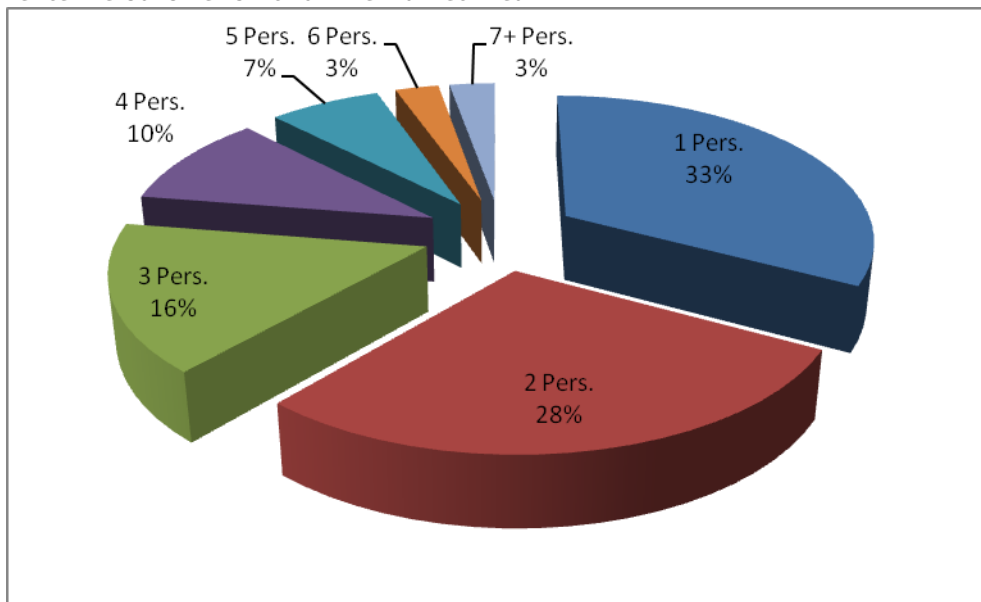
Housing Units by Persons in Unit

	<u>State</u>		<u>County</u>		<u>Market Area</u>		<u>City</u>	
Owner occupied:	1,248,805	—	87,068	—	8,741	—	27,288	—
1-person	289,689	23.2%	22,238	25.5%	2,060	23.6%	7,625	27.9%
2-person	477,169	38.2%	33,868	38.9%	3,700	42.3%	10,726	39.3%
3-person	210,222	16.8%	13,954	16.0%	1,408	16.1%	4,212	15.4%
4-person	164,774	13.2%	10,681	12.3%	970	11.1%	3,134	11.5%
5-person	69,110	5.5%	4,151	4.8%	368	4.2%	1,109	4.1%
6-person	24,016	1.9%	1,379	1.6%	131	1.5%	314	1.2%
7-or-more	13,825	1.1%	797	0.9%	104	1.2%	168	0.6%
Renter occupied:	552,376	—	57,241	—	3,245	—	25,053	—
1-person	188,205	34.1%	21,247	37.1%	1,167	36.0%	10,502	41.9%
2-person	146,250	26.5%	17,136	29.9%	1,041	32.1%	7,879	31.4%
3-person	93,876	17.0%	8,824	15.4%	488	15.0%	3,612	14.4%
4-person	67,129	12.2%	5,469	9.6%	276	8.5%	1,840	7.3%
5-person	33,904	6.1%	2,677	4.7%	156	4.8%	785	3.1%
6-person	13,817	2.5%	1,093	1.9%	61	1.9%	253	1.0%
7-or-more	9,195	1.7%	795	1.4%	55	1.7%	182	0.7%

Source: 2010 Census

The percent and number of large (5 or more persons) households in the market is an important fact to consider in projects with a significant number of 3 or 4 bedroom units. In such cases, this fact has been taken into account and is used to refine the analysis. It also helps to determine the upper income limit for the purpose of calculating demand. In the market area, 8.4% of the renter households are large, compared to 10.3% in the state.

Renter Persons Per Unit For The Market Area



8.2.4 HOUSEHOLD INCOMES

The table below shows the number of households (both renter and owner) that fall within various income ranges for the market area.

Number of Households in Various Income Ranges

	State	%	County	%	Market Area	%	City	%
Total:	1,758,732		139,262		11,036		49,741	
Less than \$10,000	161,299	9.2%	12,791	9.2%	660	6.0%	5,436	10.9%
\$10,000 to \$14,999	114,539	6.5%	7,457	5.4%	444	4.0%	2,679	5.4%
\$15,000 to \$19,999	111,169	6.3%	7,501	5.4%	684	6.2%	2,619	5.3%
\$20,000 to \$24,999	109,908	6.2%	7,849	5.6%	629	5.7%	2,448	4.9%
\$25,000 to \$29,999	102,925	5.9%	7,390	5.3%	560	5.1%	2,497	5.0%
\$30,000 to \$34,999	102,087	5.8%	7,207	5.2%	420	3.8%	2,433	4.9%
\$35,000 to \$39,999	95,708	5.4%	6,455	4.6%	455	4.1%	1,957	3.9%
\$40,000 to \$44,999	88,704	5.0%	6,631	4.8%	604	5.5%	2,321	4.7%
\$45,000 to \$49,999	76,909	4.4%	6,171	4.4%	622	5.6%	2,026	4.1%
\$50,000 to \$59,999	148,132	8.4%	11,405	8.2%	1,128	10.2%	4,128	8.3%
\$60,000 to \$74,999	174,323	9.9%	13,171	9.5%	1,072	9.7%	4,317	8.7%
\$75,000 to \$99,999	199,795	11.4%	15,878	11.4%	1,362	12.3%	6,135	12.3%
\$100,000 to \$124,999	116,342	6.6%	10,570	7.6%	880	8.0%	3,779	7.6%
\$125,000 to \$149,999	61,272	3.5%	6,076	4.4%	441	4.0%	2,289	4.6%
\$150,000 to \$199,999	51,528	2.9%	6,060	4.4%	422	3.8%	2,086	4.2%
\$200,000 or more	44,092	2.5%	6,650	4.8%	652	5.9%	2,591	5.2%

Source: 2011-5yr ACS (Census)

9 MARKET AREA ECONOMY

The economy of the market area will have an impact on the need for apartment units.

Occupation of Employed Persons Age 16 Years And Over

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Total	1,999,063		167,617		13,608		59,899	
Management, business, science, and arts occupations:	639,009	32%	62,857	38%	4,675	34%	25,750	43%
Management, business, and financial occupations:	249,209	12%	23,934	14%	2,212	16%	9,570	16%
Management occupations	173,854	9%	16,983	10%	1,563	11%	7,065	12%
Business and financial operations occupations	75,355	4%	6,951	4%	649	5%	2,505	4%
Computer, engineering, and science occupations:	80,373	4%	8,150	5%	509	4%	3,203	5%
Computer and mathematical occupations	31,483	2%	3,520	2%	188	1%	1,342	2%
Architecture and engineering occupations	37,922	2%	3,586	2%	215	2%	1,331	2%
Life, physical, and social science occupations	10,968	1%	1,044	1%	107	1%	530	1%
Education, legal, community service, arts, and media occupations:	198,264	10%	18,800	11%	1,067	8%	8,017	13%
Community and social service occupations	34,337	2%	2,711	2%	140	1%	1,194	2%
Legal occupations	19,246	1%	2,604	2%	166	1%	1,283	2%
Education, training, and library occupations	117,367	6%	9,630	6%	649	5%	3,947	7%
Arts, design, entertainment, sports, and media occupations	27,314	1%	3,855	2%	112	1%	1,593	3%
Healthcare practitioners and technical occupations:	111,163	6%	11,973	7%	887	7%	4,960	8%
Health diagnosing and treating practitioners and other technical occupations	72,155	4%	8,343	5%	665	5%	3,601	6%
Health technologists and technicians	39,008	2%	3,630	2%	222	2%	1,359	2%
Service occupations:	353,430	18%	30,913	18%	2,858	21%	11,860	20%
Healthcare support occupations	44,181	2%	3,167	2%	280	2%	1,264	2%
Protective service occupations:	44,364	2%	3,226	2%	416	3%	1,303	2%
Fire fighting and prevention, and other protective service workers including supervisors	23,591	1%	1,905	1%	272	2%	703	1%
Law enforcement workers including supervisors	20,773	1%	1,321	1%	144	1%	600	1%
Food preparation and serving related occupations	120,050	6%	11,698	7%	511	4%	4,602	8%
Building and grounds cleaning and maintenance occupations	83,748	4%	6,881	4%	953	7%	2,097	4%
Personal care and service occupations	61,087	3%	5,941	4%	698	5%	2,594	4%
Sales and office occupations:	504,216	25%	42,777	26%	3,107	23%	14,456	24%
Sales and related occupations	233,729	12%	22,282	13%	1,538	11%	8,202	14%
Office and administrative support occupations	270,487	14%	20,495	12%	1,570	12%	6,254	10%
Natural resources, construction, and maintenance occupations:	209,357	10%	15,330	9%	1,585	12%	3,527	6%
Farming, fishing, and forestry occupations	10,636	1%	543	0%	105	1%	151	0%
Construction and extraction occupations	115,943	6%	8,992	5%	953	7%	1,969	3%
Installation, maintenance, and repair occupations	82,778	4%	5,795	3%	526	4%	1,407	2%
Production, transportation, and material moving occupations:	293,051	15%	15,740	9%	1,383	10%	4,306	7%
Production occupations	168,826	8%	6,579	4%	559	4%	1,946	3%
Transportation occupations	67,832	3%	5,544	3%	524	4%	1,596	3%
Material moving occupations	56,393	3%	3,617	2%	300	2%	764	1%

Source: 2011-5yr ACS (Census)

Occupation for the State and Market Area



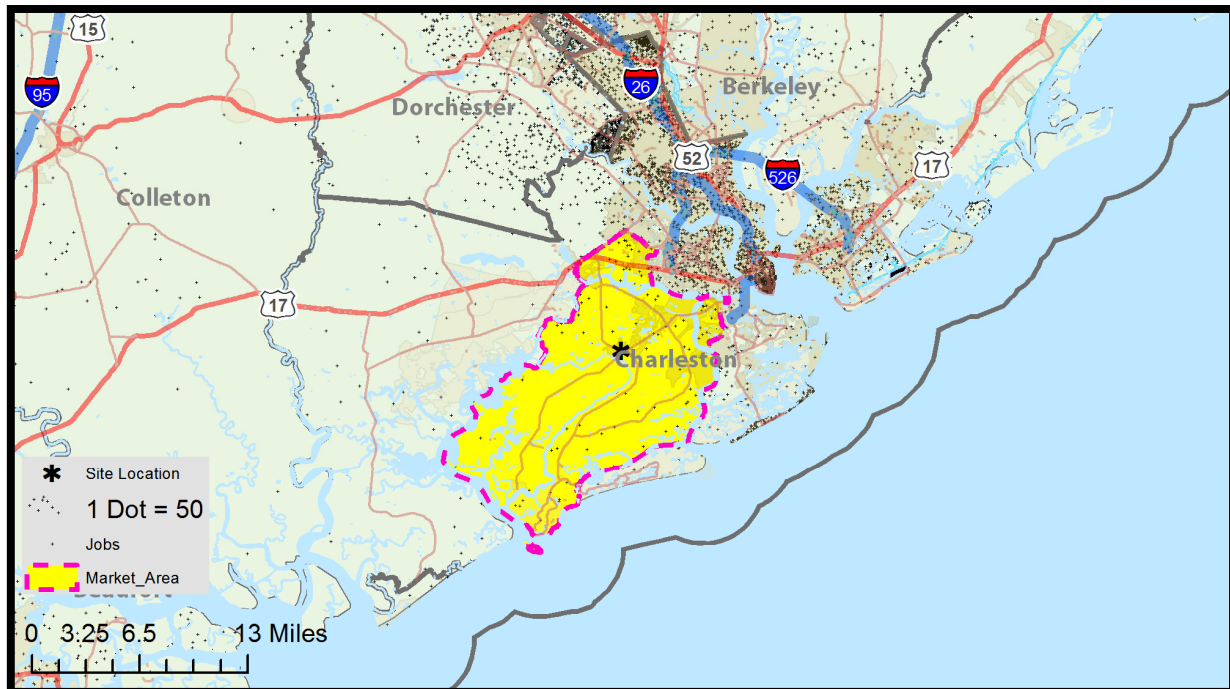
Industry of Employed Persons Age 16 Years And Over

	State	%	County	%	Market Area	%	City	%
Total:	1,999,063		167,617		13,608		59,899	
Agriculture, forestry, fishing and hunting, and mining:	21,131	1%	801	0%	208	2%	214	0%
Agriculture, forestry, fishing and hunting	19,990	1%	776	0%	208	2%	214	0%
Mining, quarrying, and oil and gas extraction	1,141	0%	25	0%	0	0%	0	0%
Construction	153,713	8%	12,701	8%	1,438	11%	3,298	6%
Manufacturing	275,557	14%	9,844	6%	803	6%	2,959	5%
Wholesale trade	55,080	3%	4,112	2%	185	1%	1,470	2%
Retail trade	241,558	12%	20,130	12%	1,531	11%	6,232	10%
Transportation and warehousing, and utilities:	97,956	5%	8,624	5%	525	4%	2,568	4%
Transportation and warehousing	72,582	4%	7,209	4%	392	3%	2,308	4%
Utilities	25,374	1%	1,415	1%	132	1%	260	0%
Information	36,010	2%	3,981	2%	293	2%	1,555	3%
Finance and insurance, and real estate and rental and leasing:	119,303	6%	10,649	6%	852	6%	4,247	7%
Finance and insurance	80,723	4%	5,947	4%	382	3%	2,360	4%
Real estate and rental and leasing	38,580	2%	4,702	3%	470	3%	1,887	3%
Professional, scientific, and management, and administrative and waste management services:	181,854	9%	20,745	12%	1,648	12%	7,522	13%
Professional, scientific, and technical services	95,168	5%	13,425	8%	977	7%	5,297	9%
Management of companies and enterprises	967	0%	50	0%	0	0%	10	0%
Administrative and support and waste management services	85,719	4%	7,270	4%	670	5%	2,215	4%
Educational services, and health care and social assistance:	426,188	21%	37,367	22%	2,963	22%	14,892	25%
Educational services	180,113	9%	13,373	8%	836	6%	5,888	10%
Health care and social assistance	246,075	12%	23,994	14%	2,127	16%	9,004	15%
Arts, entertainment, and recreation, and accommodation and food services:	193,760	10%	21,539	13%	1,407	10%	8,976	15%
Arts, entertainment, and recreation	33,014	2%	4,565	3%	352	3%	2,056	3%
Accommodation and food services	160,746	8%	16,974	10%	1,055	8%	6,920	12%
Other services, except public administration	98,073	5%	8,257	5%	1,039	8%	2,965	5%
Public administration	98,880	5%	8,867	5%	717	5%	3,001	5%

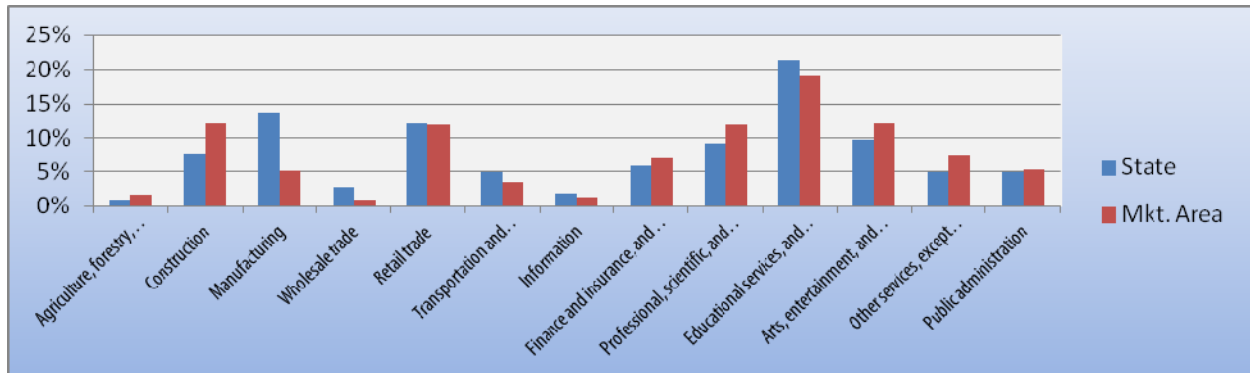
Source: 2011-5yr ACS (Census)

Note: Bold numbers represent category totals and add to 100%

EMPLOYMENT CONCENTRATIONS MAP



Industry for the State and Market Area



Source: 2011-5yr ACS (Census)

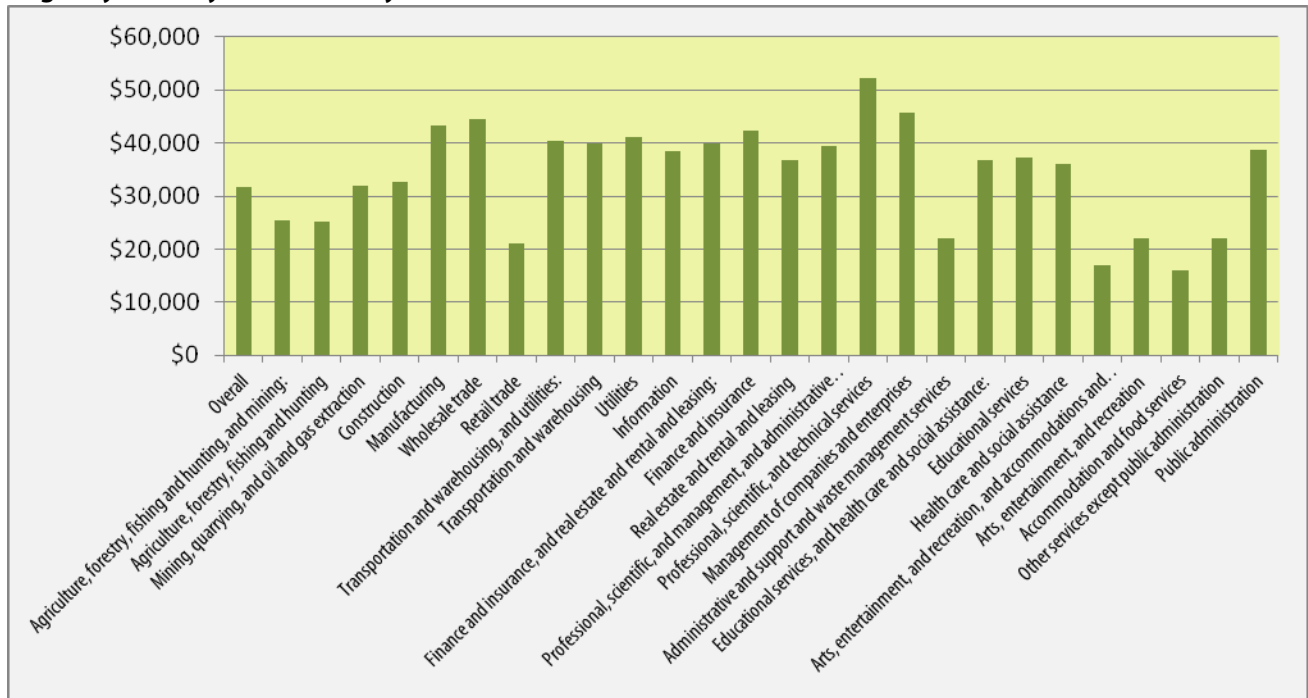
Median Wages by Industry

	<u>State</u>	<u>County</u>	<u>City</u>
Overall	\$30,192	\$31,744	\$34,258
Agriculture, forestry, fishing and hunting, and mining:	\$24,671	\$25,374	\$25,227
Agriculture, forestry, fishing and hunting	\$23,726	\$25,052	\$25,227
Mining, quarrying, and oil and gas extraction	\$45,804	\$31,838	—
Construction	\$30,393	\$32,593	\$37,764
Manufacturing	\$38,068	\$43,350	\$43,071
Wholesale trade	\$36,945	\$44,482	\$44,825
Retail trade	\$20,083	\$21,003	\$19,242
Transportation and warehousing, and utilities:	\$41,296	\$40,364	\$48,500
Transportation and warehousing	\$38,416	\$39,966	\$49,958
Utilities	\$51,732	\$41,176	\$26,833
Information	\$37,154	\$38,485	\$38,517
Finance and insurance, and real estate and rental and leasing:	\$35,816	\$40,032	\$42,760
Finance and insurance	\$37,425	\$42,441	\$45,971
Real estate and rental and leasing	\$31,764	\$36,760	\$39,710
Professional, scientific, and management, and administrative and waste management services:	\$32,299	\$39,447	\$41,104
Professional, scientific, and technical services	\$46,916	\$52,337	\$51,495
Management of companies and enterprises	\$42,423	\$45,625	—
Administrative and support and waste management services	\$21,812	\$22,004	\$25,406
Educational services, and health care and social assistance:	\$31,598	\$36,773	\$38,870
Educational services	\$33,823	\$37,295	\$37,738
Health care and social assistance	\$30,305	\$36,083	\$40,152
Arts, entertainment, and recreation, and accommodations and food services:	\$13,970	\$16,878	\$20,085
Arts, entertainment, and recreation	\$17,237	\$22,009	\$22,551
Accommodation and food services	\$13,513	\$16,070	\$18,525
Other services except public administration	\$21,979	\$21,998	\$21,687
Public administration	\$37,768	\$38,754	\$41,406

Source: 2011-5yr ACS (Census)

Note: Dashes indicate data suppressed by Census Bureau; no data is available for the market area.

Wages by Industry for the County



2011-5yr ACS (Census)

9.2 MAJOR EMPLOYERS

The following is a list of major employers in the county:

Company	Employees
Joint Base Charleston	22,000
Medical University of South Carolina	11,000
Charleston County School District	7,200
Boeing South Carolina	5,000
Roper St. Francis Healthcare	4,800
JEM Restaurant Group, Inc.	3,000
Trident Health System	2,500
Walmart Stores, Inc.	2,300
Charleston County Government	2,150
Piggly Wiggly Carolina Co Inc.	1,900

Source: Charleston County Economic Development

9.3 NEW OR PLANNED CHANGES IN WORKFORCE

If there are any, they will be discussed in the Interviews section of the report.

9.4 EMPLOYMENT (CIVILIAN LABOR FORCE)

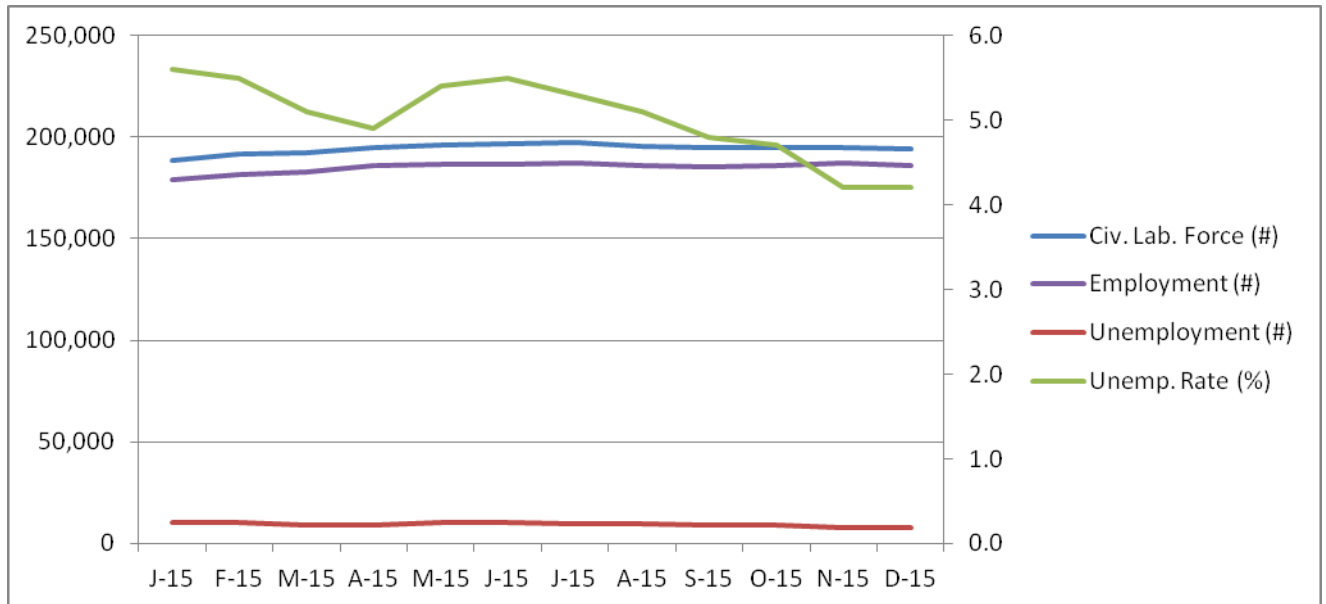
In order to determine how employment affects the market area and whether the local economy is expanding, declining, or stable, it is necessary to inspect employment statistics for several years. The table below shows the increase or decrease in employment and the percentage of unemployed at the county level. This table also shows the change in the size of the labor force, an indicator of change in housing requirements for the county.

Employment Trends

Year	Civilian Labor			Employment Change			Annual Change	
	Force	Unemployment	Rate (%)	Employment	Number	Pct.	Number	Pct.
2000	154,529	5,081	3.4	149,448	—	—	—	—
2012	184,956	12,422	7.2	172,534	23,086	15.4%	1,924	1.1%
2013	186,012	10,363	5.9	175,649	3,115	1.8%	3,115	1.8%
2014	189,140	9,178	5.1	179,962	4,313	2.5%	4,313	2.5%
J-15	188,775	10,011	5.6	178,764	-1,198	-0.7%		
F-15	191,634	9,990	5.5	181,644	2,880	1.6%		
M-15	192,029	9,318	5.1	182,711	1,067	0.6%		
A-15	194,904	9,104	4.9	185,800	3,089	1.7%		
M-15	196,389	10,062	5.4	186,327	527	0.3%		
J-15	196,561	10,247	5.5	186,314	-13	0.0%		
J-15	197,149	9,923	5.3	187,226	912	0.5%		
A-15	195,730	9,498	5.1	186,232	-994	-0.5%		
S-15	194,526	8,910	4.8	185,616	-616	-0.3%		
O-15	194,906	8,749	4.7	186,157	541	0.3%		
N-15	194,869	7,855	4.2	187,014	857	0.5%		
D-15	194,067	7,822	4.2	186,245	-769	-0.4%		

Source: State Employment Security Commission

County Employment Trends



Source: State Employment Security Commission

9.5 WORKFORCE HOUSING

The subject is not located in an area that is drawn from for some other area (e.g., a resort area) so this topic is not relevant.

9.6 ECONOMIC SUMMARY

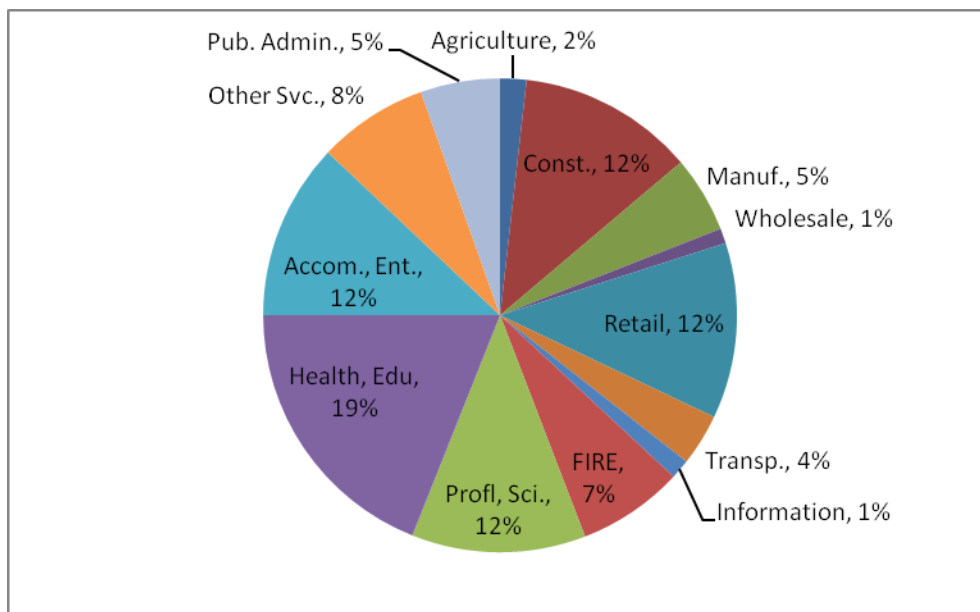
The largest number of persons in the market area is employed in the "Management, professional, and related occupations" occupation category and in the "Educational services, and health care and social assistance" industry category.

A change in the size of labor force frequently indicates a corresponding change in the need for housing. The size of the labor force has been increasing over the past several years.

Employment has been increasing over the past several years. For the past 12 months the unemployment rate has varied from 4.2% to 5.6%; in the last month reported it was 4.2%.

A downturn in the economy and thus a corresponding increase in unemployment will impact LIHTC properties without rental assistance. LIHTC properties without rental assistance require tenants who either earn enough money to afford the rent or have a rent subsidy voucher. When there is an increase in unemployment, there will be households where one or more employed persons become unemployed. Some households that could afford to live in the proposed units will no longer have enough income. By the same token, there will be other households that previously had incomes that were too high to live in the proposed units that will now be income qualified.

Percent of Workers by Occupation for the Market Area



Source: 2011-5yr ACS (Census)

10 INCOME RESTRICTIONS AND AFFORDABILITY

Several economic factors need to be examined in a housing market study. Most important is the number of households that would qualify for apartments on the basis of their incomes. A variety of circumstances regarding restrictions and affordability are outlined below.

These minimum and maximum incomes are used to establish the income *range* for households entering the project. Only households whose incomes fall within the range are considered as a source of demand.

Income data have been shown separately for owner and renter households. Only the renter household income data are used for determining demand for rental units.

Gross rent includes utilities, but it excludes payments of rental assistance by federal, state, and local entities. In this study, gross rent is always monthly.

10.1 HOUSEHOLDS RECEIVING HUD RENTAL ASSISTANCE

The lower limit of the acceptable income range for units with rental assistance is zero income. The upper limit of the acceptable income range for units with HUD rental assistance is established by the HUD guidelines. HUD allows very low income households (50% AMI or less) to receive rental assistance in the general case, and low income households (80% AMI or less) in some cases. HUD also requires that 75% of rental assistance to go to households at or below the 30% AMI level. For the purpose of this study, the tax credit set aside will be used to compute the income limits.

10.2 HOUSEHOLDS NOT RECEIVING RENTAL ASSISTANCE

Most households do not receive rental assistance. With respect to estimating which households may consider the subject a possible housing choice, we will evaluate the gross rent as a percent of their income according to the following formula:

$$\text{gross rent} \div X\% \times 12 \text{ months} = \text{annual income}$$

X% in the formula will vary, depending on the circumstance, as outlined in the next two sections.

10.3 HOUSEHOLDS QUALIFYING FOR TAX CREDIT UNITS

Households who earn less than a defined percentage (usually 50% or 60%) of the county or MSA median income as adjusted by HUD (AMI) qualify for low income housing tax credit (LIHTC) units. Therefore, feasibility for projects expecting to receive tax credits will be based in part on the incomes required to support the tax credit rents.

For those tax credit units occupied by low income households, the monthly gross rent should not realistically exceed 35% of the household income.

10.4 HOUSEHOLDS LIVING IN MARKET RATE UNITS

Minimum incomes for low (and sometimes moderate) income households in market rate units have been calculated the same as low income households in tax credit units (*i.e.*, 35% of income for gross rent).

The maximum likely income for market rate units is established by using 20% of income to be spent on gross rent.

Households in luxury/upscale apartments typically spend less than 30% of their income on rent plus utilities. In other words, the percent of income spent on rent goes down as the income goes up.

10.5 ESTABLISHING TAX CREDIT QUALIFYING INCOME RANGES

It is critical to establish the number of households that qualify for apartments under the tax credit program based on their incomes. The income ranges are established in two stages. First, the maximum incomes allowable are calculated by applying the tax credit guidelines. Then, minimum incomes required are calculated. According to United States Code, either 20% of the units must be occupied by households who earn under 50% of the area median gross income (AMI), OR 40% of the units must be occupied by households who earn under 60% of the AMI. Sometimes units are restricted for even lower income households. In many cases, the developer has chosen to restrict the rents for 100% of the units to be for low income households.

Maximum Income Limit (HUD FY 2015)

Pers.	VLIL	50%	60%
1	22,050	22,050	26,460
2	25,200	25,200	30,240
3	28,350	28,350	34,020
4	31,450	31,450	37,740
5	34,000	34,000	40,800
6	36,500	36,500	43,800
7	39,000	39,000	46,800
8	41,550	41,550	49,860

Source: Very Low Income (50%) Limit and 60% limit: HUD, Low and Very-Low Income Limits by Family Size
Others: John Wall and Associates, derived from HUD figures

The table above shows the maximum tax credit allowable incomes for households moving into the subject based on household size and the percent of area median gross income (AMI).

After establishing the maximum income, the lower income limit will be determined. The lower limit is the income a household must have in order to be able to afford the rent and utilities. The realistic lower limit of the income range is determined by the following formula:

Gross rent ÷ 35% [or 30% or 40%, as described in the subsections above] x 12 months = annual income

This provides for up to 35% [or 30% or 40%] of adjusted annual income (AAI) to be used for rent plus utilities.

The proposed gross rents, as supplied by the client, and the minimum incomes required to maintain 35% [or 30% or 40%] or less of income spent on gross rent are:

Minimum Incomes Required and Gross Rents

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Gross Rent</u>	<u>Minimum Income Required</u>	<u>Target Population</u>
50%	1	2	400	521	\$17,863	Tax Credit
50%	2	4	500	657	\$22,526	Tax Credit
50%	3	2	600	793	\$27,189	Tax Credit
60%	1	2	500	621	\$21,291	Tax Credit
60%	2	20	620	777	\$26,640	Tax Credit
60%	3	8	675	868	\$29,760	Tax Credit

Source: John Wall and Associates from data provided by client

From the tables above, the practical lower income limits for units *without* rental assistance can be established. Units *with* rental assistance will use \$0 as their lower income limit.

When the minimum incomes required are combined with the maximum tax credit limits, the income *ranges* for households entering the project can be established. Only households whose incomes fall within the ranges can be considered as a source of demand. Note that *both* the income limits *and* the amount of spread in the ranges are important.

10.6 QUALIFYING INCOME RANGES

The most important information from the tables above is summarized in the table below. Income requirements for any PBRA units will be calculated for the contract rent.

Qualifying Income Ranges by Bedrooms and Persons Per Household

<u>AMI</u>	<u>Bedrooms</u>	<u>Persons</u>	<u>Gross Rent</u>	<u>Income Based Lower Limit</u>	<u>Spread Between Limits</u>	<u>Upper Limit</u>
50%	1	1	521	17,860	4,190	22,050
50%	1	2	521	17,860	7,340	25,200
50%	2	2	657	22,530	2,670	25,200
50%	2	3	657	22,530	5,820	28,350
50%	2	4	657	22,530	8,920	31,450
50%	3	3	793	27,190	1,160	28,350
50%	3	4	793	27,190	4,260	31,450
50%	3	5	793	27,190	6,810	34,000
50%	3	6	793	27,190	9,310	36,500
60%	1	1	621	21,290	5,170	26,460
60%	1	2	621	21,290	8,950	30,240
60%	2	2	777	26,640	3,600	30,240
60%	2	3	777	26,640	7,380	34,020
60%	2	4	777	26,640	11,100	37,740
60%	3	3	868	29,760	4,260	34,020
60%	3	4	868	29,760	7,980	37,740
60%	3	5	868	29,760	11,040	40,800
60%	3	6	868	29,760	14,040	43,800

Sources: Gross rents: client; Limits: tables on prior pages; Spread: calculated from data in table

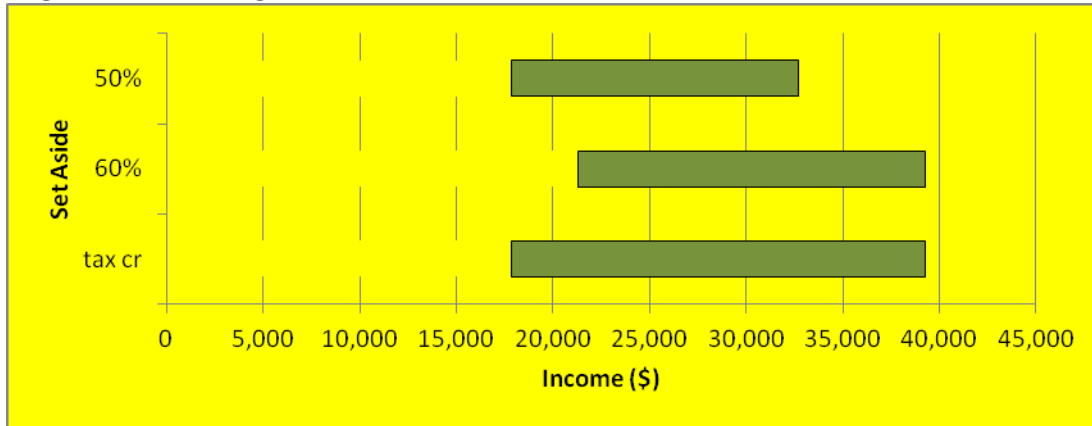
10.7 PROGRAMMATIC AND PRO FORMA RENT ANALYSIS

The table below shows a comparison of programmatic rent and *pro forma* rent.

Qualifying and Proposed and Programmatic Rent Summary

	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>
50% Units			
Number of Units	2	4	2
Max Allowable Gross Rent	\$590	\$708	\$818
Pro Forma Gross Rent	\$521	\$657	\$793
Difference (\$)	\$69	\$51	\$25
Difference (%)	11.7%	7.2%	3.1%
60% Units			
Number of Units	2	20	8
Max Allowable Gross Rent	\$708	\$850	\$981
Pro Forma Gross Rent	\$621	\$777	\$868
Difference (\$)	\$87	\$73	\$113
Difference (%)	12.3%	8.6%	11.5%

Targeted Income Ranges



An income range of \$17,860 to \$32,725 is reasonable for the 50% AMI units.

An income range of \$21,290 to \$39,270 is reasonable for the 60% AMI units.

An income range of \$17,860 to \$39,270 is reasonable for the tax credit units (overall).

10.8 HOUSEHOLDS WITH QUALIFIED INCOMES

The table below shows income levels for renters and owners separately. The number and percent of income qualified *renter* households is calculated from this table.

Number of Specified Households in Various Income Ranges by Tenure

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,226,873		86,111		8,391		26,558	
Less than \$5,000	27,356	2.2%	1,629	1.9%	158	1.9%	501	1.9%
\$5,000 to \$9,999	35,300	2.9%	2,112	2.5%	119	1.4%	434	1.6%
\$10,000 to \$14,999	60,463	4.9%	2,972	3.5%	332	4.0%	695	2.6%
\$15,000 to \$19,999	60,462	4.9%	2,957	3.4%	330	3.9%	690	2.6%
\$20,000 to \$24,999	64,197	5.2%	3,865	4.5%	376	4.5%	845	3.2%
\$25,000 to \$34,999	127,190	10.4%	7,575	8.8%	757	9.0%	1,865	7.0%
\$35,000 to \$49,999	178,235	14.5%	10,977	12.7%	1,147	13.7%	3,166	11.9%
\$50,000 to \$74,999	252,114	20.5%	16,027	18.6%	1,847	22.0%	4,673	17.6%
\$75,000 to \$99,999	170,124	13.9%	12,360	14.4%	1,204	14.3%	4,482	16.9%
\$100,000 to \$149,999	161,380	13.2%	14,015	16.3%	1,126	13.4%	4,912	18.5%
\$150,000 or more	90,052	7.3%	11,622	13.5%	995	11.9%	4,295	16.2%
Renter occupied:	531,859		53,151		2,645		23,183	
Less than \$5,000	44,306	8.3%	3,947	7.4%	124	4.7%	2,022	8.7%
\$5,000 to \$9,999	54,337	10.2%	5,103	9.6%	259	9.8%	2,479	10.7%
\$10,000 to \$14,999	54,076	10.2%	4,485	8.4%	112	4.2%	1,984	8.6%
\$15,000 to \$19,999	50,707	9.5%	4,544	8.5%	354	13.4%	1,929	8.3%
\$20,000 to \$24,999	45,711	8.6%	3,984	7.5%	253	9.6%	1,603	6.9%
\$25,000 to \$34,999	77,822	14.6%	7,022	13.2%	223	8.4%	3,065	13.2%
\$35,000 to \$49,999	83,086	15.6%	8,280	15.6%	534	20.2%	3,138	13.5%
\$50,000 to \$74,999	70,341	13.2%	8,549	16.1%	353	13.3%	3,772	16.3%
\$75,000 to \$99,999	29,671	5.6%	3,518	6.6%	158	6.0%	1,653	7.1%
\$100,000 to \$149,999	16,234	3.1%	2,631	5.0%	195	7.4%	1,156	5.0%
\$150,000 or more	5,568	1.0%	1,088	2.0%	80	3.0%	382	1.6%

Source: 2011 5yr ACS (Census)

The percent of renter households in the appropriate income ranges will be applied to the renter household growth figures to determine the number of new renter households that will be income qualified to move into each of the different unit types the subject will offer.

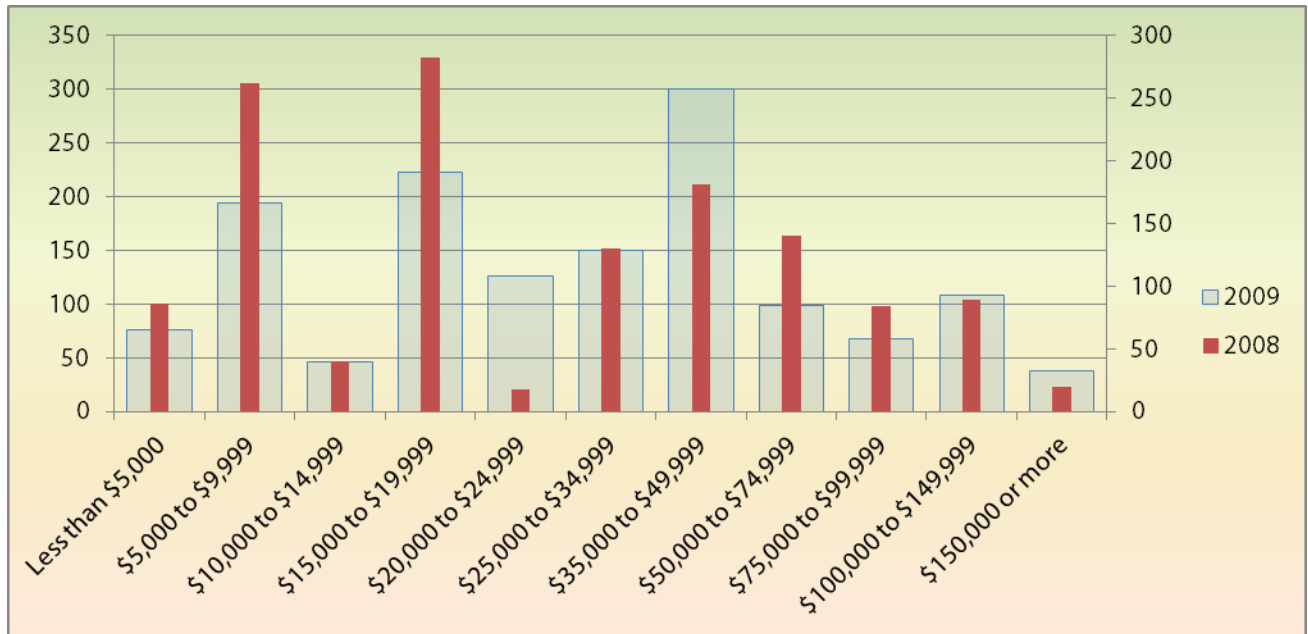
Percent of Renter Households in Appropriate Income Ranges for the Market Area

AMI		<u>50%</u>		<u>60%</u>		<u>Tx. Cr.</u>	
Lower Limit		17,860		21,290		17,860	
Upper Limit		32,725		39,270		39,270	
	<u>Mkt. Area</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>
Renter occupied:							
Less than \$5,000	124	—	0	—	0	—	0
\$5,000 to \$9,999	259	—	0	—	0	—	0
\$10,000 to \$14,999	112	—	0	—	0	—	0
\$15,000 to \$19,999	354	0.43	151	—	0	0.43	151
\$20,000 to \$24,999	253	1.00	253	0.74	188	1.00	253
\$25,000 to \$34,999	223	0.77	172	1.00	223	1.00	223
\$35,000 to \$49,999	534	—	0	0.28	152	0.28	152
\$50,000 to \$74,999	353	—	0	—	0	—	0
\$75,000 to \$99,999	158	—	0	—	0	—	0
\$100,000 to \$149,999	195	—	0	—	0	—	0
\$150,000 or more	80	—	0	—	0	—	0
Total	2,645		577		563		779
Percent in Range			21.8%		21.3%		29.5%

Source: John Wall and Associates from figures above

The table above shows how many renter households are in each income range. The number and percent are given in the last two rows (e.g., 577, or 21.8% of the renter households in the market area are in the 50% range.)

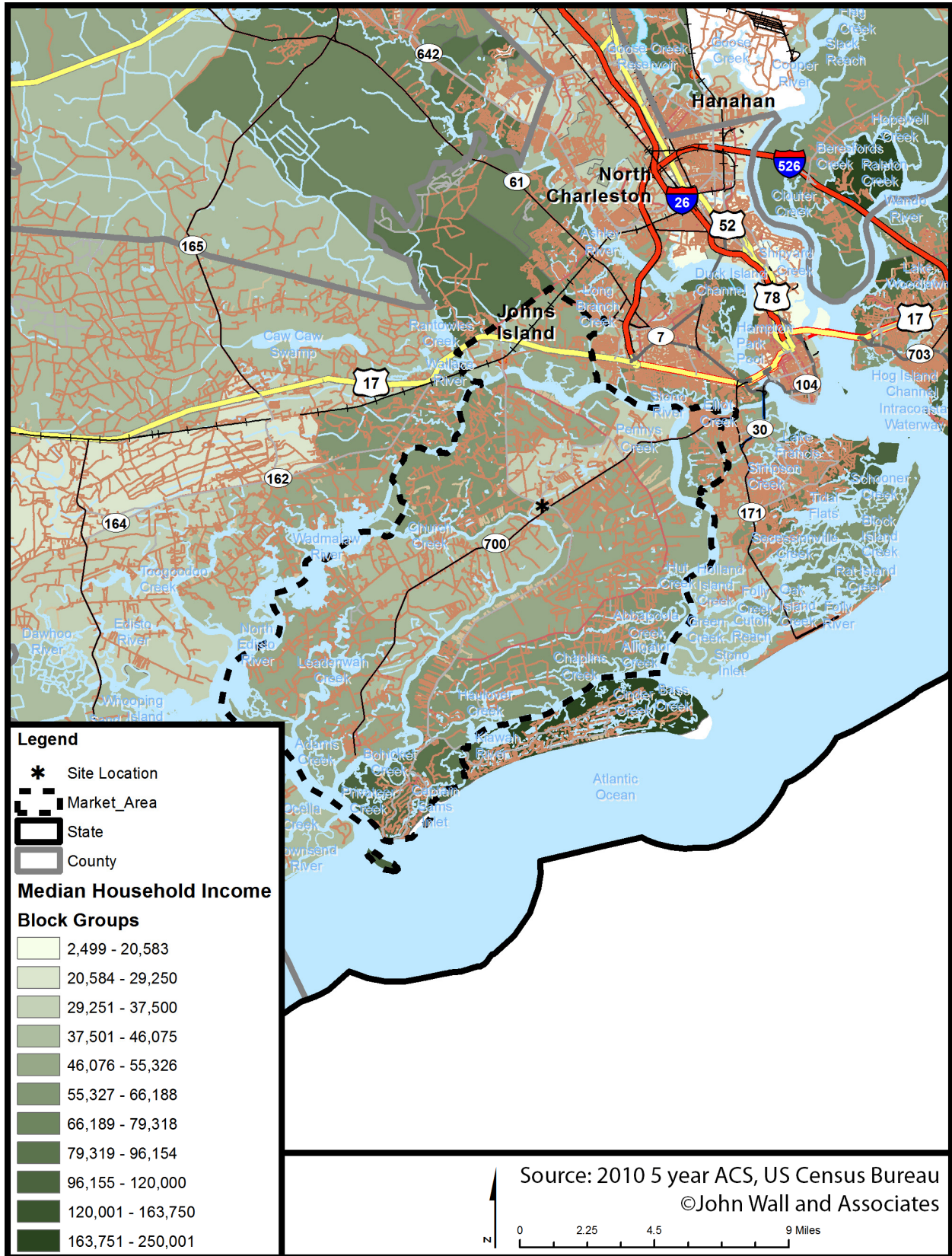
Change in Renter Household Income



Sources: 2010 and 2011-5yr ACS (Census)

The above table shows the change in renter households in various income ranges. The more current data is reflected on the left axis.

MEDIAN HOUSEHOLD INCOME MAP



11 DEMAND

11.1 DEMAND FROM NEW HOUSEHOLDS

11.1.1 NEW HOUSEHOLDS

It was shown in the Household Trends section of this study that 1,232 new housing units will be needed by the year of completion. It was shown in the Tenure section that the area ratio of rental units to total units is 27.1%. Therefore, 334 of these new units will need to be rental.

The table "Percent of Renter Households in Appropriate Income Ranges for the Market Area" shows the percentage of renter households in various income ranges. These percentages are applied to the total number of new rental units needed to arrive at the *number* of new rental units needed in the relevant income categories:

New Renter Households in Each Income Range for the Market Area

	New Renter Households	Percent Income Qualified	Demand due to new Households
50% AMI: \$17,860 to \$32,725	334	21.8%	73
60% AMI: \$21,290 to \$39,270	334	21.3%	71
Overall Tax Credit: \$17,860 to \$39,270	334	29.5%	98

Source: John Wall and Associates from figures above

11.2 DEMAND FROM EXISTING HOUSEHOLDS

11.2.1 DEMAND FROM RENT OVERBURDEN HOUSEHOLDS

A household is defined as rent overburdened when it pays 30% or more of its income on gross rent (rent plus utilities). Likewise, the household is *severely* rent overburdened if it pays 35% or more of its income on gross rent.

For tax credit units *without* rental assistance, households may pay 35% of their incomes for gross rent. Therefore, up to 35% of income for gross rent is used in establishing affordability in the "Demand from New Households" calculations. Hence, only *severely* (paying in excess of 35%) rent overburdened households are counted as a source of demand for tax credit units without rental assistance.

For units *with* rental assistance (tenants pay only 30% of their income for gross rent), any households paying more than 30% for gross rent would benefit by moving into the unit so all overburdened households in the relevant income range are counted as a source of demand.

The following table presents data on rent overburdened households in various income ranges.

Percentage of Income Paid For Gross Rent (Renter Households in Specified Housing Units)

	State		County		Market Area		City	
Less than \$10,000:	98,643		9,050		383		4,501	
30.0% to 34.9%	2,529	2.6%	259	2.9%	0	0.0%	202	4.5%
35.0% or more	61,392	62.2%	6,304	69.7%	179	46.7%	3,071	68.2%
\$10,000 to \$19,999:	104,783		9,029		466		3,913	
30.0% to 34.9%	6,758	6.4%	579	6.4%	42	9.0%	215	5.5%
35.0% or more	74,143	70.8%	7,236	80.1%	337	72.3%	3,071	78.5%
\$20,000 to \$34,999:	123,533		11,006		476		4,668	
30.0% to 34.9%	19,478	15.8%	1,820	16.5%	87	18.3%	865	18.5%
35.0% or more	47,803	38.7%	6,103	55.5%	261	54.8%	2,723	58.3%
\$35,000 to \$49,999:	83,086		8,280		534		3,138	
30.0% to 34.9%	7,875	9.5%	1,064	12.9%	36	6.7%	382	12.2%
35.0% or more	8,356	10.1%	1,364	16.5%	105	19.7%	731	23.3%
\$50,000 to \$74,999:	70,341		8,549		353		3,772	
30.0% to 34.9%	2,094	3.0%	516	6.0%	11	3.1%	307	8.1%
35.0% or more	2,477	3.5%	751	8.8%	50	14.2%	213	5.6%
\$75,000 to \$99,999:	29,671		3,518		158		1,653	
30.0% to 34.9%	325	1.1%	71	2.0%	0	0.0%	0	0.0%
35.0% or more	393	1.3%	151	4.3%	0	0.0%	86	5.2%
\$100,000 or more:	21,802		3,719		275		1,538	
30.0% to 34.9%	135	0.6%	121	3.3%	0	0.0%	51	3.3%
35.0% or more	244	1.1%	182	4.9%	6	2.2%	10	0.7%

Source: 2011-5yr ACS (Census)

From the table above, the number of rent overburdened households in each appropriate income range can be estimated in the table below.

35%+ Overburden		50%		60%		Tx. Cr.	
AMI							
Lower Limit		17,860		21,290		17,860	
Upper Limit	Mkt. Area	32,725		39,270		39,270	
	Households	%	#	%	#	%	#
Less than \$10,000:	179	—	0	—	0	—	0
\$10,000 to \$19,999:	337	0.21	72	—	0	0.21	72
\$20,000 to \$34,999:	261	0.85	221	0.91	239	1.00	261
\$35,000 to \$49,999:	105	—	0	0.28	30	0.28	30
\$50,000 to \$74,999:	50	—	0	—	0	—	0
\$75,000 to \$99,999:	0	—	0	—	0	—	0
\$100,000 or more:	6	—	0	—	0	—	0
Column Total	938		294		268		363

Source: John Wall and Associates from figures above

11.2.2 DEMAND FROM SUBSTANDARD CONDITIONS

The Bureau of the Census defines substandard conditions as 1) lacking plumbing, or 2) 1.01 or more persons per room.

Substandard Occupied Units

	<u>State</u>	<u>%</u>	<u>County</u>	<u>%</u>	<u>Market Area</u>	<u>%</u>	<u>City</u>	<u>%</u>
Owner occupied:	1,226,873		86,111		8,391		26,558	
Complete plumbing:	1,222,823	100%	85,827	100%	8,338	99%	26,442	100%
1.00 or less	1,210,054	99%	85,117	99%	8,286	99%	26,298	99%
1.01 to 1.50	9,845	1%	557	1%	52	1%	118	0%
1.51 or more	2,924	0%	153	0%	0	0%	26	0%
Lacking plumbing:	4,050	0%	284	0%	53	1%	116	0%
1.00 or less	3,955	0%	275	0%	53	1%	116	0%
1.01 to 1.50	54	0%	9	0%	0	0%	0	0%
1.51 or more	41	0%	0	0%	0	0%	0	0%
Renter occupied:	531,859		53,151		2,645		23,183	
Complete plumbing:	527,765	99%	52,791	99%	2,595	98%	23,122	100%
1.00 or less	505,927	95%	51,438	97%	2,558	97%	22,680	98%
1.01 to 1.50	13,642	3%	1,026	2%	37	1%	256	1%
1.51 or more	8,196	2%	327	1%	0	0%	186	1%
Lacking plumbing:	4,094	1%	360	1%	50	2%	61	0%
1.00 or less	3,927	1%	360	1%	50	2%	61	0%
1.01 to 1.50	88	0%	0	0%	0	0%	0	0%
1.51 or more	79	0%	0	0%	0	0%	0	0%

Total Renter Substandard

87

Source: 2011-5yr ACS (Census)

From these tables, the need from substandard rental units can be drawn. There are 87 substandard rental units in the market area.

From the figures above the number of substandard units in each appropriate income range can be estimated in the table below.

Substandard Conditions in Each Income Range for the Market Area

	<u>Total Substandard Units</u>	<u>Percent Income Qualified</u>	<u>Demand due to Substandard</u>
50% AMI: \$17,860 to \$32,725	87	21.8%	19
60% AMI: \$21,290 to \$39,270	87	21.3%	19
Overall Tax Credit: \$17,860 to \$39,270	87	29.5%	26

Source: John Wall and Associates from figures above

12 DEMAND FOR NEW UNITS

The demand components shown in the previous section are summarized below.

	50% AMI: \$17,860 to \$32,725	60% AMI: \$21,290 to \$39,270	Overall Tax Credit: \$17,860 to \$39,270
New Housing Units Required	73	71	98
Rent Overburden Households	294	268	363
Substandard Units	19	19	26
Demand	386	358	487
Less New Supply	0	0	0
NET DEMAND	386	358	487

* Numbers may not add due to rounding.

Because more than 20% of the units are 3-bedroom, additional analysis is required by the State Housing market study guide. First the demand components are reduced to correspond to the number of 3- and 4-person+ (i.e., large) households. For example, there are 334 units required for new households (section 11.1.1). Since 31.9% of the renter households in the market area are large (section 8.2.3), it means 106 units are needed for large households. This component is then allocated to the income ranges for three person households in the table below.

Large Household Demand by Targeted Income

	50% AMI: \$27,017 to \$32,725	60% AMI: \$29,589 to \$39,270	Overall Tax Credit: \$27,017 to \$39,270
New Housing Units Required	5	11	11
Rent Overburden Households	2	4	5
Substandard Units	4	9	9
Demand	11	24	25
Less New Supply	0	0	0
NET DEMAND	11	24	25

The large-household demand calculated above is used to calculate 3 bedroom capture rates below.

Large Household Capture Rate by Income Level

50% AMI: \$27,017 to \$32,725			
	<u>Demand</u>	<u>Proposal</u>	<u>Capture Rate</u>
3-Bedrooms	11	2	18.4%
60% AMI: \$29,589 to \$39,270			
	<u>Demand</u>	<u>Proposal</u>	<u>Capture Rate</u>
3-Bedrooms	24	8	33.1%
Overall Tax Credit: \$27,017 to \$39,270			
	<u>Demand</u>	<u>Proposal</u>	<u>Capture Rate</u>
3-Bedrooms	25	10	40.0%

This capture rate reflects only those large-households that are income qualified for the three-bedroom units. Even though the capture rate is fairly high the subject should not have difficulty achieving it. Daniel, the manager of Marsh View Place (Tax Credit Family), said that the subject could use even more three-bedroom units because many families that rent in the area are looking for them. Only one of the 175 large bedroom units surveyed is vacant.

13 SUPPLY ANALYSIS (AND COMPARABLES)

This section contains a review of statistical data on rental property in the market area and an analysis of the data collected in the field survey of apartments in the area.

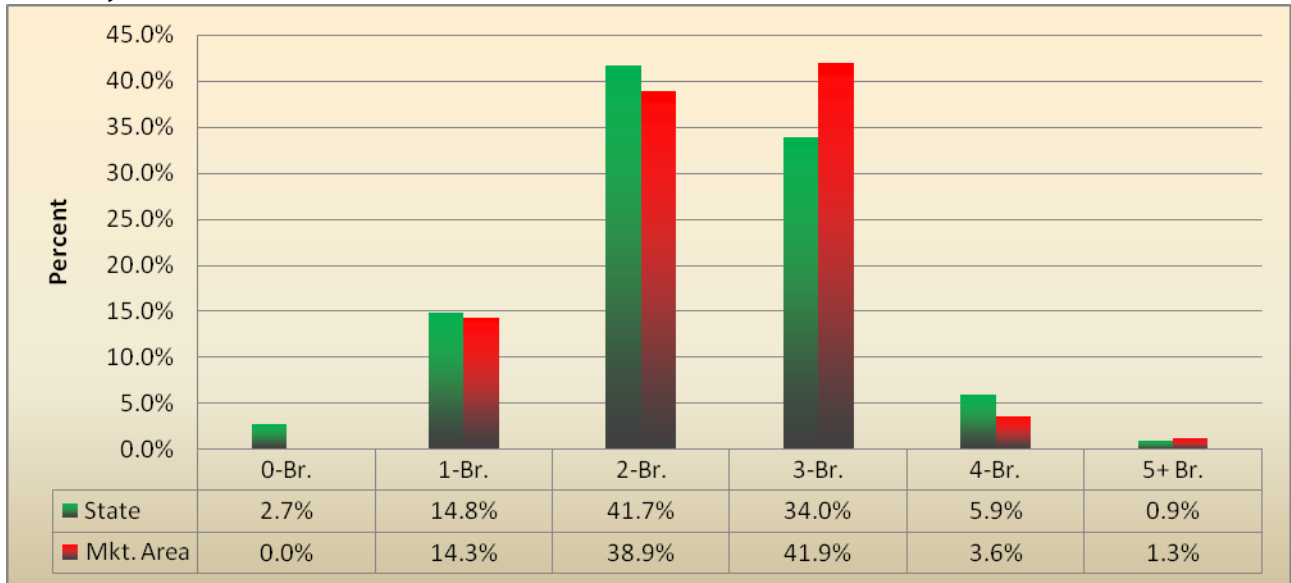
13.1 TENURE

Tenure by Bedrooms

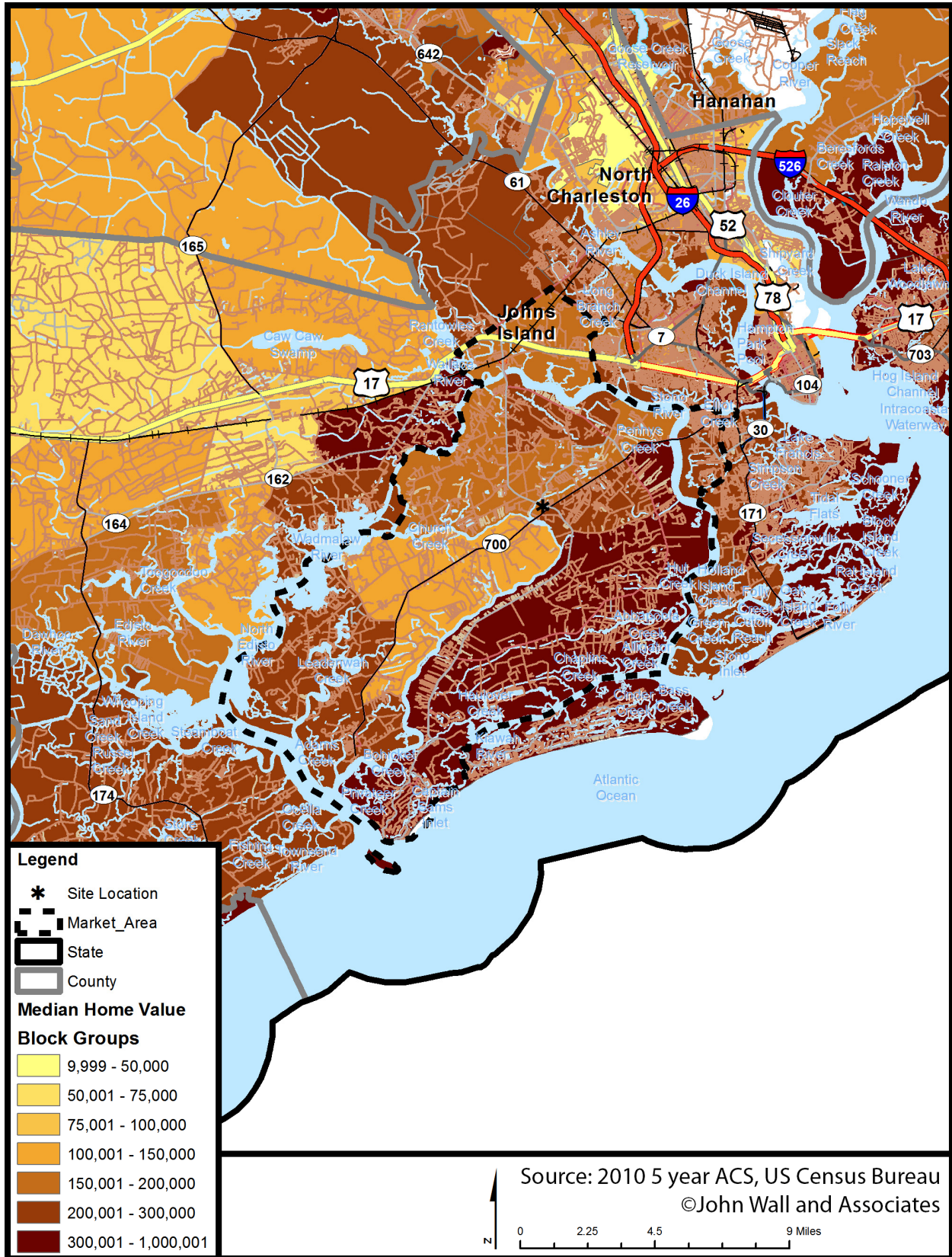
	State	%	County	%	Market Area	%	City	%
Owner occupied:	1,226,873		86,111		8,391		26,558	
No bedroom	3,158	0.3%	170	0.2%	0	0.0%	52	0.2%
1 bedroom	14,610	1.2%	1,424	1.7%	242	2.9%	812	3.1%
2 bedrooms	194,718	15.9%	12,130	14.1%	1,031	12.3%	4,265	16.1%
3 bedrooms	722,029	58.9%	48,256	56.0%	5,394	64.3%	14,586	54.9%
4 bedrooms	240,190	19.6%	19,594	22.8%	1,428	17.0%	5,627	21.2%
5 or more bedrooms	52,168	4.3%	4,537	5.3%	296	3.5%	1,216	4.6%
Renter occupied:	531,859		53,151		2,645		23,183	
No bedroom	14,446	2.7%	1,068	2.0%	0	0.0%	790	3.4%
1 bedroom	78,663	14.8%	10,631	20.0%	382	14.4%	5,901	25.5%
2 bedrooms	221,773	41.7%	23,277	43.8%	1,156	43.7%	10,412	44.9%
3 bedrooms	180,686	34.0%	14,753	27.8%	993	37.5%	4,918	21.2%
4 bedrooms	31,438	5.9%	2,839	5.3%	95	3.6%	897	3.9%
5 or more bedrooms	4,853	0.9%	583	1.1%	18	0.7%	265	1.1%

Source: 2011-5yr ACS (Census)

Tenure by Bedrooms for the State and Market Area



MEDIAN HOME VALUE MAP



13.2 BUILDING PERMITS ISSUED

Building permits are an indicator of the economic strength and activity of a community. While permits are never issued for a market area, the multi-family permits issued for the county and town are an indicator of apartments recently added to the supply:

Building Permits Issued

Year	County			City		
	Total	Single Family	Multi-Family	Total	Single Family	Multi-Family
2000	4,086	2,776	1,310	1,411	790	621
2001	3,152	2,415	737	926	782	144
2002	3,848	3,181	667	1,433	1,053	380
2003	4,635	3,272	1,363	1,724	1,003	721
2004	4,844	4,284	560	1,528	1,122	406
2005	6,388	4,374	2,014	2,187	1,176	1,011
2006	5,347	3,958	1,389	1,381	888	493
2007	3,973	2,857	1,116	1,119	878	241
2008	3,178	1,761	1,417	1,071	508	563
2009	1,288	1,087	201	561	399	162
2010	1,361	1,181	180	564	400	164
2011	2,346	1,258	1,088	615	392	223
2012	2,868	1,613	1,255	815	477	338
2013	3,429	2,071	1,358	927	576	351
2014	3,123	2,088	1,035	978	600	378

Source: C-40, U.S. Dept. of Commerce, Bureau of the Census, "Housing Units Authorized by Building Permits"

13.3 SURVEY OF APARTMENTS

John Wall and Associates conducted a survey of apartments in the area. All of the LIHTC apartments in the market area were surveyed along with any other apartments of interest are surveyed. Some of them are included because they are close to the site, or because they help in understanding the context of the segment where the subject will compete. The full details of the survey are contained in the apartment photo sheets later in this report. A summary of the data focusing on rents is shown in the apartment inventory, also later in this report. A summary of vacancies sorted by rent is presented in the schedule of rents, units, and vacancies.

List of Apartments Surveyed

Name	Units	Vacancy Rate	Type	Comments
Crowne at Live Oak Square	282	UC	Conventional	
Groves at Fenwick	72	1.4%	Conventional	
James Towne Village	112	2.7%	Conventional	
Marsh View Place	53	0.0%	TC (50%,60%)	Comparable
Palmilla (fka St. Andrews Gardens I and II and Ashley Arms on Crull Rd.)	328	11.9%	TC(50%); market rate	
Pinecrest Greene	46	0.0%	TC (50%,60%)	
Sawgrass	144	0.0%	Conventional	
Sea Island	48	0.0%	TC (50%)	Comparable
Shires	71	4.2%	TC (50%)	
The Apartments at Shade Tree	248	RU	Conventional	

13.4 NEW "SUPPLY"

SCSHFDA requires comparable units built since 2015 and comparable units built in previous years that are not yet stabilized to be deducted from demand. Only comparable units within comparable complexes will be deducted from demand, as indicated by the asterisks.

Apartment Units Built or Proposed Since the Base Year

Project Name	Year Built	Units With Rental Assistance	30% AMI, No Rental Assistance	50% AMI, No Rental Assistance	60% AMI, No Rental Assistance	Above Moderate Income	TOTAL
NONE							

* Units that will be deducted from demand; parenthetical numbers indicate partial comparability. I.e., 100(50*) indicates that there are 100 new units of which only half are comparable.

Palmilla Apartments is listed in the inventory but it is out of the market area.

13.5 SCHEDULE OF PRESENT RENTS, UNITS, AND VACANCIES

The present housing situation is examined in this section. The rents, number of units, and vacancies of the apartments listed in the apartment inventory (shown separately later) are summarized in the tables below. Rents, units, and vacancies are tabulated separately for the various bedroom sizes, a necessary step in making bedroom mix recommendations.

The table below shows surveyed apartment complexes *without* rent subsidy in or near the market area. The *pro forma* rents, as given by the developer, are shown in orange in the table below. These rents will be compared to the other apartments in the area, and especially the comparable apartments to determine if they are reasonable. In addition to seeing how the *pro forma* rents compare in terms of absolute rents in the following table, it will be important to consider the amenities and locations of the other apartments.

Schedule of Rents, Number of Units, and Vacancies for Unassisted Apartment Units

1-Bedroom Units			2-Bedroom Units			3-Bedroom Units			4-Bedroom Units		
Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies	Rents	Units	Vacancies
400	2	Subj. 50%	500	4	Subj. 50%	600	2	Subj. 50%	720	1	0
400	2	0	500	12	0	658	4	0	800	3	0
490	2	0	579	5	0	669	12	0			
493	12	0	590	24	0	669	24	1			
493	12	0	590	35	2	675	8	Subj. 60%			
500	2	Subj. 60%	595	24	0	695	15	0			
535	6	0	620	20	Subj. 60%	750	12	0			
632	48	2	680	13	0	819	24	0			
845	20	6	731	156	25	985	28	0			
890	36	RU	930	52	6	1265	40	0			
950	48	RU	1049	72	1	1298	40	0			
980	24	2	1080	48	1	1375	16	RU			
990	40	0	1140	64	0	1675	28	UC			
1024	112	UC	1241	142	UC						
1150	16	RU	1250	132	RU						

Orange = Subject

Green = Tax Credit

Tax Credit Median Rent

	<u>1-Bedroom</u>	<u>2-Bedrooms</u>	<u>3-Bedrooms</u>	<u>4-Bedrooms</u>	<u>TOTAL</u>
Vacant Units	4	29	1	0	34
Total Units	146	453	171	4	774
Vacancy Rate	2.7%	6.4%	0.6%	0.0%	4.4%
Median Rent	\$845	\$731	\$985	\$800	
Vacant Tax Credit Units*	0	2	1	0	3
Total Tax Credit Units*	34	113	67	4	218
Tax Credit Vacancy Rate*	0.0%	1.8%	1.5%	0.0%	1.4%
Tax Credit Median Rent*	\$493	\$590	\$669	\$800	

Underline=Elderly/Older Persons; b = basic rent; *italics* = average rent; UR = under rehabilitation; UC = under construction; RU= in rent up; PL = planned; N/A = information unavailable

Source: John Wall and Associates

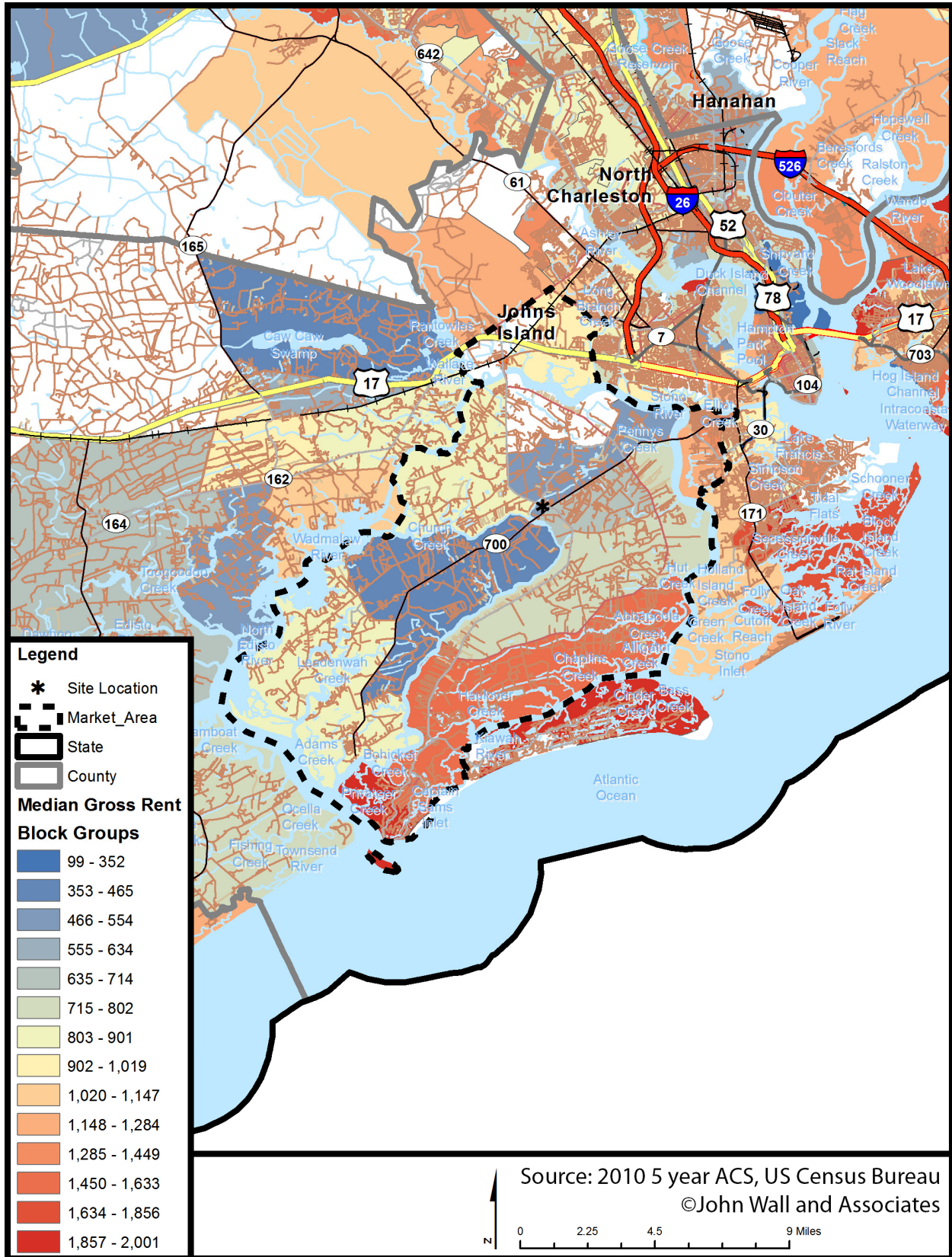
A vacancy rate of 7.0% is considered normal. The overall vacancy rate in the market is 4.4%. The overall tax credit vacancy rate is 1.4%.

*Note: These figures do not include Palmilla (FKA St. Andrews Gardens I and II and Ashley Arms Apts.), which are being rehabbed & rented up.

13.6 OTHER AFFORDABLE HOUSING ALTERNATIVES

The market area contains other apartments with comparable rents. These other apartments would be the primary other affordable housing alternatives. There are no reasons to believe the single family home and/or condominium market conditions will adversely impact the project. According to the 2009 American Housing Survey (US Census Bureau), 70.8% of households living in apartments did not consider any other type of housing choice. Similar percentages apply to households who chose to live in single family homes and mobile homes. Based on these statistics, it is reasonable to conclude that for most households, apartments, single family homes, and mobile home are not interchangeable options.

MEDIAN GROSS RENT MAP



13.7 COMPARABLES

The apartments in the market most comparable to the subject are listed below:

Comparison of Comparables to Subject

<u>Project Name</u>	<u>Approximate Distance</u>	<u>Reason for Comparability</u>	<u>Degree of Comparability</u>
Sea Island	Under ½ mi.	TC, 50% AMI	95%
Marsh View Place	About 6 mi.	TC, 50% AMI, 60% AMI	95%

Both properties were built recently and have no vacancies.

13.8 PUBLIC HOUSING

Because the subject does not have PBRA units and because the subject will not require section 8 voucher support the housing authority was not surveyed regarding the number of available vouchers.

13.9 LONG TERM IMPACT OF THE SUBJECT ON EXISTING TAX CREDIT UNITS

The proposed housing units will have little to no impact on existing tax credit apartments.

13.10 APARTMENT INVENTORY

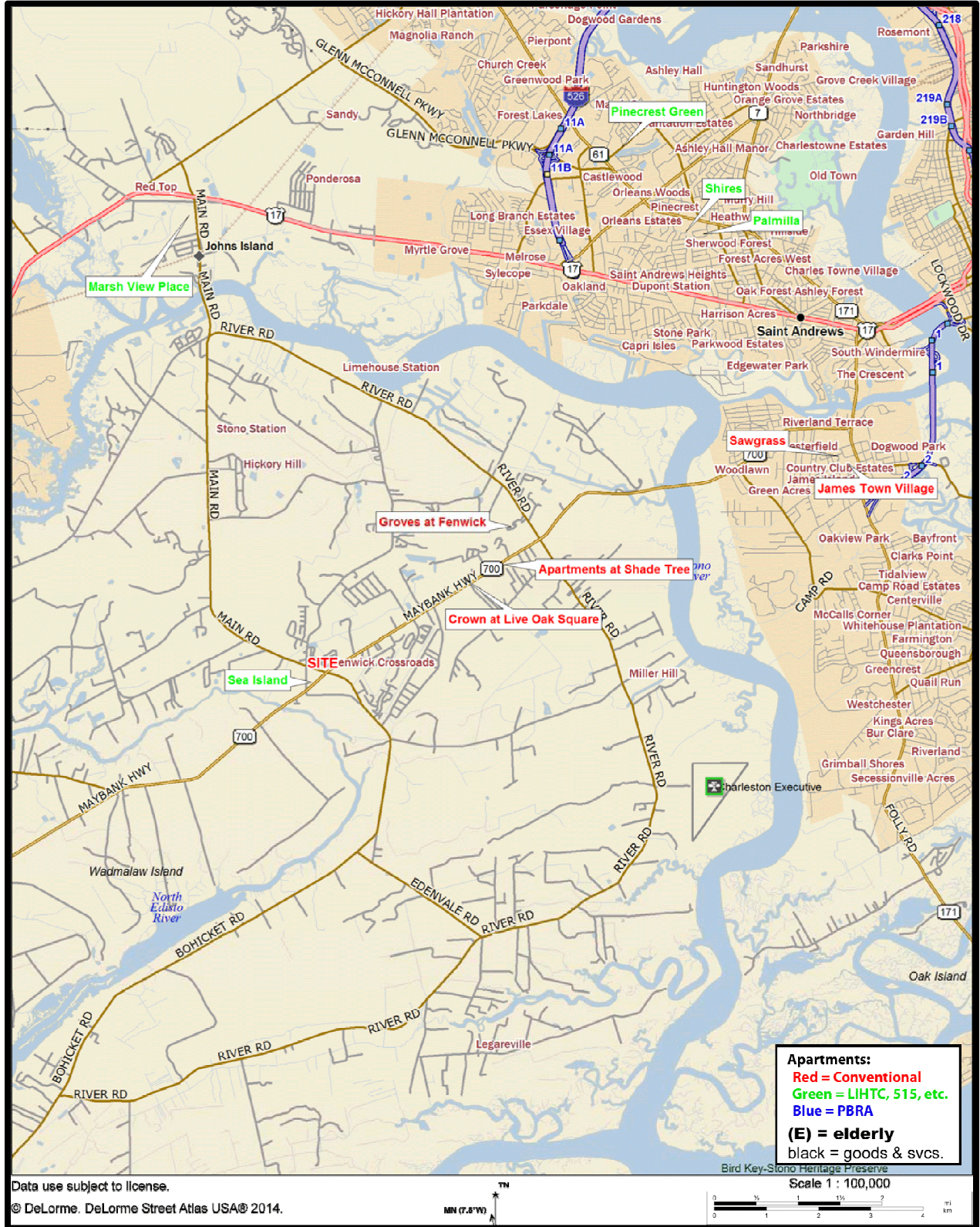
The apartment inventory follows this page. Summary information is shown for each apartment surveyed and detailed information is provided on individual property photo sheets.

13.11 MARKET ADVANTAGE

	<u>Bedrooms</u>	<u>Number of Units</u>	<u>Net Rent</u>	<u>Market Rent</u>	<u>Market Advantage</u>
50%	1	2	400	994	59.8%
50%	2	4	500	1186	57.8%
50%	3	2	600	1364	56.0%
60%	1	2	500	994	49.7%
60%	2	20	620	1186	47.7%
60%	3	8	675	1364	50.5%










The subject was compared to several conventional properties in or near the market area. The calculations show all of the subject’s proposed rents to have market advantages greater than 10%.

APARTMENT LOCATIONS MAP



APARTMENT INVENTORY

Charleston (Johns Island), SC PCN: 16-041

ID#	Apartment Name	Year Built vac%	Efficiency/Studio (e) One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			COMMENTS
			Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	Units	Vacant	Rent	
	16-041 Subject Oaksid Apartments Johns Island Charleston	Proposed	2 2	P P	400 500	4 20	P P	500 620	2 8	P P	600 675				TC (50%,60%)
	Crown at Live Oak Square Maybank Hwy Johns Island Ingrid (2-11-16) 205-521-6335	2016	112	UC	847-1200	142	UC	1007-1475	28	UC	1675				Conventional just started const
	Groves at Fenwick 15 Stardust Rd Johns Island 2/8/16 843-628-1042	2005 1.4%				72	1	1049							WL=0 Conventional; Sec 8=not accepted Units can be purchased as well
	26 James Towne Village 3 Sawgrass Rd James Island 2-6-16 843-795-9232	1980 2.7%	24	2	980	48	1	1080	40	0	1280-1315				Specials: See 3BR rents above WL=0 Conventional; Sec 8= Not accepted *9 ft ceilings, ceiling fans, and picnic area.
	Marsh View Place 516 McLernon Tr Johns Island 843-972-0123 Danielle (2-15-16)	2015 0%	2	0	400	12 24	0 0	500 595	15	0	695				Tax Credit 50%, 60% Funded 2013; SC 13040
	Palmilla (fka St. Andrews Gardens I and II and Ashley Arms on Crull Rd.) 1385 Ashley River Rd. Charleston Jerome (2-18-16) 843-556-5072	1968 2014 Rehab 11.9%	48 20*	2 0	632 845	156 52*	25 0	731 930	24 28*	0 0	819 985				TC(50%); market rate 228 total units; Rehab of both Ashley Arms Apts and St. Andrews Gardens Apts I and II in 2014 - combined they are now known as Palmilla. 100 of the units rehabbed, are now called Palmilla Parkside and are market rate. Formerly had HUD low interest loan. *market rate units TC vacancies are for units not currently being renovated
	Pinecrest Greene 1750 Raoul Wallenberg Rd. Charleston Samatha 2/10/16 843-766-4254	2011 0%	2 6	0 0	490 535	5 13	0 0	579 680	4 12	0 0	658 750	1 3	0 0	720 800	WL=long TC (50%,60%); Sec 8=10 Funded 2009; *Community building with manager's office, large community room with big- screen TV and gathering spaces, kitchen, restrooms, equipped computer center, outside patio area, tot lot, basketball court, gazebo, picnic area
	Sawgrass 35 Cross Creek Dr. Charleston Becky 2/8/16 843-261-5656	1978 2016 rehab 0%	40	0	990	64	0	1140	40	0	1265				WL=62 Conventional; Sec 8=Not accepted *Patio/balcony, undergoing rehab now, rolling rehab.
	Sea Island 3672 Maybank Hwy Johns Island Kim (2-5-16) 843-559-1593	2004 0%	12	0	493	24	0	590	12	0	669				WL=7 TC (50%); Sec 8=14 Funded 2002
	Shires 1020 Little John Dr. Charleston Krissy 2/10/16 843-353-0969 (mgt. co.) 843-852-5298 (property)	2006 4.2%	12	0	493	35	2	590	24	1	669				WL=several TC (50%); PBRA=0; Sec 8=several Funded 2004; Short on parking *food pantry, patio

Map Number	Complex:	Year Built:	Amenities								Appliances								Unit Features								Two-Bedroom				
			Laundry Facility	Tennis Court	Swimming Pool	Club House	Garages	Playground	Access/Security Gate	Other	Other	Refrigerator	Range/Oven	Dishwasher	Garbage Disposal	W/D Connection	Washer, Dryer	Microwave Oven	Other	Other	Fireplace	Free Cable	Furnished	Air Conditioning	Drapes/Blinds	Cable Pre-Wired	Utilities Included	Other	Other	Size (s.f.)	Rent
	16-041 Subject	Proposed	x		x				x				x	x	x	x	x					x	x		t			1100	500		
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								TC (50%,60%)								1100	620								
	Crowne at Live Oak Square	2016					x	x		x		x	x	x	x		x	x	x				x	x	x			1113-1210	1007-1475		
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								Conventional																	
	Groves at Fenwick	2005				x	x					x	x	x	x	x		x				x		x	ws			950	1049		
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								Conventional; Sec 8=not accepted																	
						1.4%																									
26	James Towne Village	1980				x	x	x	x		x	*		x	x	x	x	x		x			x	x	x	t			900	1080	
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								Specials: See 3BR rents above								Conventional; Sec 8= Not accepted									
						2.7%																									
	Marsh View Place	2015				x		x				x	x	x	x	x		x	x				x	x	x	t			1100	500	
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								Tax Credit 50%, 60%								1100	595								
						0.0%																									
	Palmilla (fka St. Andrews	1968				x		x	x	x		x		*		x	*						x	x	x	ws			840	731	
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								TC(50%); market rate								840	930								
						11.9%																									
	Pinecrest Greene	2011				x						x	x	x	x	x		x	x				x	x	x	ws			1293	579	
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								TC (50%,60%); Sec 8=10								1293	680								
						0.0%																									
	Sawgrass	1978				x	x	x																					1100	1140	
	Vacancy Rates:	1 BR	2 BR	3 BR	4 BR	overall								Conventional; Sec 8=Not accepted																	
						0.0%																									

	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	2	1	P	750	400
1 BR vacancy rate	2	1	P	750	500
Two-Bedroom					
2 BR vacancy rate	20	2	P	1100	620
Three-Bedroom					
3 BR vacancy rate	8	2	P	1250	675
Four-Bedroom					
4 BR vacancy rate					
TOTALS	38		0		

Complex:
 16-041 Subject
 Oakside Apartments
 Johns Island
 Charleston

Map Number:

Year Built:
 Proposed

Last Rent Increase

Specials

Waiting List

Subsidies
 TC (50%,60%)

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments:



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom 1 BR vacancy rate	112	1	UC	728-795	847-1200
Two-Bedroom 2 BR vacancy rate					
Two-Bedroom	142	2	UC	1113-1210	1007-1475
Three-Bedroom 3 BR vacancy rate					
Three-Bedroom	28	2	UC	1390	1675
Four-Bedroom 4 BR vacancy rate					
TOTALS	282		0		

Complex: Crowne at Live Oak Square

Map Number: Maybank Hwy
Johns Island
Ingrid (2-11-16)
205-521-6335

Year Built: 2016

Last Rent Increase

Specials

Waiting List

Subsidies
Conventional

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: just started const



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom					
1 BR vacancy rate					
Two-Bedroom					
2 BR vacancy rate	72	2	1	950	1049
1.4%					
Three-Bedroom					
3 BR vacancy rate					
Four-Bedroom					
4 BR vacancy rate					
TOTALS	1.4%	72	1		

Complex:

Groves at Fenwick
 15 Stardust Rd
 Johns Island
 2/8/16
 843-628-1042

Map Number:

Year Built:
 2005

Last Rent Increase

Specials

Waiting List

WL=0

Subsidies

Conventional; Sec 8=not
 accepted

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Units can be purchased as well



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	24	1	2	700	980
1 BR vacancy rate	8.3%				
Two-Bedroom					
2 BR vacancy rate	2.1%				
Three-Bedroom					
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	2.7%	112	3		

Complex:

James Towne Village
 3 Sawgrass Rd
 James Island
 2-6-16
 843-795-9232

Map Number: 26

Year Built:

1980

Last Rent Increase

Specials

Specials: See 3BR rents above

Waiting List

WL=0

Subsidies

Conventional; Sec 8= Not accepted

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *9 ft ceilings, ceiling fans, and picnic area.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	2	1	0	850	400
1 BR vacancy rate	0.0%				
Two-Bedroom					
	12	2	0	1100	500
2 BR vacancy rate	0.0%	24	2	1100	595
Three-Bedroom					
	15	2	0	1250	695
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	53	0		

Complex:
 Marsh View Place
 516 McLernon Tr
 Johns Island
 843-972-0123
 Danielle (2-15-16)

Map Number:

Year Built:
 2015

Last Rent Increase

Specials

Waiting List

Subsidies
 Tax Credit 50%, 60%

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Funded 2013; SC 13040



	No. of Units	Baths	Vacant	Size (s.f.)	Rent	
Efficiency/Studio						
One-Bedroom	48	1	2	750	632	
1 BR vacancy rate	11.8%	20*	1	6	750	845
Two-Bedroom						
	156	1	25	840	731	
2 BR vacancy rate	14.9%	52*	1	6	840	930
Three-Bedroom						
	24	1	0	924	819	
3 BR vacancy rate	0.0%	28*	1	0	924	985
Four-Bedroom						
4 BR vacancy rate						
TOTALS	11.9%	328	39			

Complex: Palmilla (fka St. Andrews Gardens I and II and Ashley Arms on Crull Rd.)
 1385 Ashley River Rd.
 Charleston
 Jerome (2-18-16)
 843-556-5072

Year Built:
 1968
 2014 Rehab

Last Rent Increase

Specials

Waiting List

Subsidies
 TC(50%); market rate

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: 228 total units; Rehab of both Ashley Arms Apts and St. Andrews Gardens Apts I and II in 2014 - combined they are now known as Palmilla. 100 of the units rehabbed, are now called Palmilla Parkside and are market rate.

Formerly had HUD low interest loan.

*market rate units

TC vacancies are for units not currently being renovated



	No. of Units	Baths	Vacant	Size (s.f.)	Rent	
Efficiency/Studio						
One-Bedroom	2	1	0	862	490	
1 BR vacancy rate	0.0%	6	1	0	862	535
Two-Bedroom						
2 BR vacancy rate	0.0%	5	2	0	1293	579
		13	2	0	1293	680
Three-Bedroom						
3 BR vacancy rate	0.0%	4	2	0	1465	658
		12	2	0	1465	750
Four-Bedroom						
4 BR vacancy rate	0.0%	1	2.5	0	1648	720
		3	2.5	0	1648	800
TOTALS	0.0%	46	0			

Complex: Pinecrest Greene **Map Number:**

1750 Raoul Wallenberg Rd.
Charleston
Samatha 2/10/16
843-766-4254

Year Built:
2011

Last Rent Increase

Specials

Waiting List
WL=long

Subsidies
TC (50%,60%); Sec 8=10

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- wst Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Funded 2009; *Community building with manager's office, large community room with big-screen TV and gathering spaces, kitchen, restrooms, equipped computer center, outside patio area, tot lot, basketball court, gazebo, picnic area



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	40	1	0	800	990
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate	0.0%				
Three-Bedroom					
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	144	0		

Complex:

Sawgrass
 35 Cross Creek Dr.
 Charleston
 Becky 2/8/16
 843-261-5656

Map Number:

Year Built:

1978
 2016 rehab

Last Rent Increase

Specials

Waiting List

WL=62

Subsidies

Conventional; Sec 8=Not
 accepted

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: *Patio/balcony, undergoing rehab now,rolling rehab.



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	12	1	0	732	493
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate	0.0%				
Three-Bedroom					
3 BR vacancy rate	0.0%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	0.0%	48	0		

Complex:

Sea Island
 3672 Maybank Hwy
 Johns Island
 Kim (2-5-16)
 843-559-1593

Map Number:

Year Built:

2004

Last Rent Increase

Specials

Waiting List

WL=7

Subsidies

TC (50%); Sec 8=14

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Funded 2002



	No. of Units	Baths	Vacant	Size (s.f.)	Rent
Efficiency/Studio					
One-Bedroom	12	1	0	705	493
1 BR vacancy rate	0.0%				
Two-Bedroom					
2 BR vacancy rate	5.7%				
Three-Bedroom					
3 BR vacancy rate	4.2%				
Four-Bedroom					
4 BR vacancy rate					
TOTALS	4.2%	71	3		

Complex:

Shires
 1020 Little John Dr.
 Charleston
 Krissy 2/10/16
 843-353-0969 (mgt. co.)
 843-852-5298 (property)

Map Number:

Year Built:

2006

Last Rent Increase

Specials

Waiting List

WL=several

Subsidies

TC (50%); PBRA=0; Sec

8=several

Amenities

- Laundry Facility
- Tennis Court
- Swimming Pool
- Club House
- Garages
- Playground
- Access/Security Gate
- Fitness Center
- * Other

Appliances

- Refrigerator
- Range/Oven
- Microwave Oven
- Dishwasher
- Garbage Disposal
- W/D Connection
- Washer, Dryer
- Ceiling Fan
- Other

Unit Features

- Fireplace
- wst Utilities Included
- Furnished
- Air Conditioning
- Drapes/Blinds
- Cable Pre-Wired
- Free Cable
- Free Internet
- Other

Comments: Funded 2004; Short on parking *food pantry, patio

14 INTERVIEWS

The following interviews were conducted regarding demand for the subject.

14.1 APARTMENT MANAGERS

Kim, manager of Sea Island (Tax Credit Family), said the proposed location is good and that plenty of demand exists for more affordable housing units in the area. She said that the bedroom mix and amenities seem about right and the rent is reasonable. Overall, she believes the subject should rent up well.

Stacy, manager of Shires (Tax Credit Family), said she is not too familiar with the location but believes demand should be there for the subject because there are many working-class jobs in the Charleston area. She said that the bedroom mix and rents are appropriate for new apartments in the area. The amenities are good, and overall the project should do well.

Danielle, manager at Marsh View Place (Tax Credit Family), said that although the proposed site is at a very busy intersection and possibly not the best for children, the location is close to many goods and services. She said that the bedroom mix is okay, but the project could use more three bedroom units because this is what many families that rent in the area are looking for. The amenities are decent and the rents are about right. Overall, she said the proposed project should rent up well since it is not very many units.

14.2 ECONOMIC DEVELOPMENT

According to the Charleston Regional Development Alliance, five companies in the past year have announced an expansion or location in Charleston County, resulting in 2,790 new jobs. Limehouse Produce Co. has announced an \$8.3 million expansion of its North Charleston warehouse, resulting in 40 new jobs. Alkane Truck Company will create 300 new jobs with the production of a new line of alternative fuel vehicles. Sea Pac LLC will create 50 new jobs with a \$32 million investment to relocate its warehouse to Charleston. Volvo Cars of North America announced it will locate its first North American manufacturing plant in the Charleston region, investing \$500 million and creating 2,000 new jobs. Money Penny will open a call center in Charleston, resulting in 400 new jobs.

According to SC Works WARN notices, four companies have announced layoffs or closures in the past year in Charleston County, which will result in the loss of 372 jobs. Dial America laid off 150 employees. Hill-Rom Holdings, Pillar Hotels & Resorts, and UTI announced closures, resulting in the loss of 70, 52, and 100 jobs respectively.

15 APPENDIX A – MARKET RENTS

UNRESTRICTED MARKET RENT ANALYSIS USING CONVENTIONAL PROJECTS
 Oakside Apartments — PCN: 16-041
 Charleston, SC

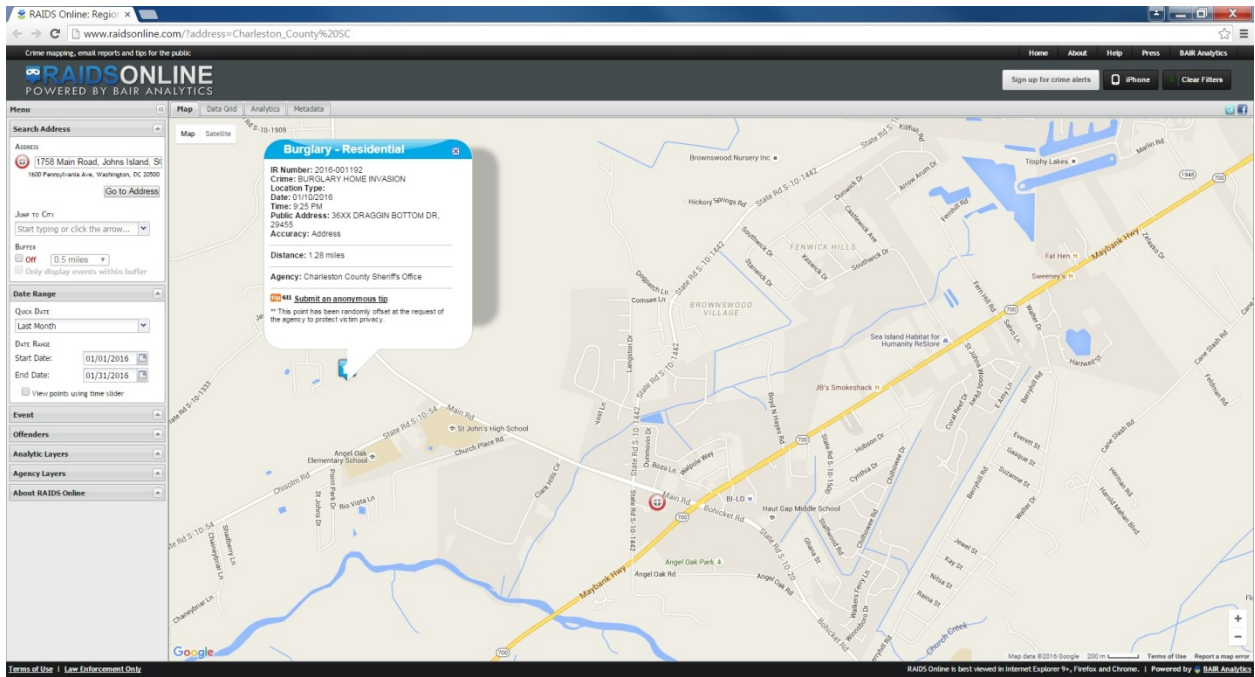
Project Name	FACTOR:										Total Points 1BR	Total Points 2BR	Total Points 3BR	Rent			Comparability Factor	COMMENTS	
	Year Built	Number Of Units	Vacancy Rate	Location/Neighborhood	Design/Layout	Appearance/Condition	Amenities	Unit Size 1BR	Unit Size 2BR	Unit Size 3BR				Age	1BR	2 BR			3 BR
Groves at Fenwick	2005	72	1.4	8	9	9	4		9.5		5	84.0			980	1049	1298 *	1.0	
James Towne Village	1980	112	2.7	9	8	8	7	7.0	9.0	11.5	0	78.0	82.0	87.0	980	1080	1265	1.0	
Sawgrass	78 16	144	0.0	9	7	7	5	8.0	11.0	12.0	4	76.0	82.0	84.0	990	1140	1265	1.0	
Shade Tree	2016	248	RU	8	8	8	6	7.3 *	10.5	11.4	9	83.6	90.0	91.8	997 *	1250	1375	1.0	
SUBJECT	2018	38	N/A	8	8	8	4	7.5	11.0	12.5	10	81.0	88.0	91.0	500	620	675	N/A	60% AMI rents
Weighted average market rents for subject															994	1186	1364		
Market advantage for subject's highest rent															49.7%	47.7%	50.5%		
0 = Poor; 10 = Excellent: Points are relative and pertain to this market only																			
m = FmHa Market rent; * = Average; a = Approximate; Points for the age of a project represent an average of the original construction and the rehabilitation																			
Where information is unattainable, points may be awarded based on an estimate. This is also denoted by an "a"																			
g = garden; t = townhouse																			
b = adjusted age considering proposed renovations																			
©2009 John Wall and Associates																			
market - subject = % mkt adv															400	500	600	50% AMI rents	
market															59.7%	57.8%	56.0%	mkt adv for 50% rents	

The four properties selected as rent comps are all market rate properties near the subject. Groves at Fenwick and The Apartments at Shade Tree are closer (4 miles from subject) than Sawgrass and James Towne Village (about 9 miles from subject).

The Apartments at Shade Tree and Groves at Fenwick are A class properties. They are both similar in terms of location (Johns Island). The Apartments at Shade Tree's design and appearance are similar to those of the subject, while its amenities are superior. Their unit sizes are inferior to those of the subject. Groves at Fenwick's design, appearance and amenities are very similar to the subject. Its unit sizes are inferior to the subject's. James Towne Village and Sawgrass are B class properties. They are less similar in terms of location (James Island). James Towne Village's design and appearance are similar to those of the subject, while its amenities are superior. Its unit sizes are inferior to those of the subject. Sawgrass' design and appearance, and amenities are similar to those of the subject. Its unit sizes are superior. The planned construction at the subject will look good in comparison to the rent comps. The subject will have larger three bedroom units than any of the comps, while the two bedroom units will equal the largest of the comps.

The street rents for one bedroom units range from \$980 to \$997. The calculated market rent of \$994 is within the range. The street rents for two bedroom units range from \$1049 to \$1250. The calculated market rent of \$1185 is within that range. The street rents for three bedroom units range from \$1265 to \$1375. The calculated market rent of \$1364 is within the range. The subject's proposed rents are significantly lower than any of the rent comps, despite doing very similar in terms of housing choice.

16 APPENDIX B — CRIMES REPORTED TO POLICE



17 NCHMA MARKET STUDY INDEX/CHECKLIST

A. Introduction: Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies.

B. Description and Procedure for Completing: The following components have been addressed in this market study. The page number of each component is noted below. Each component is fully discussed on that page or pages. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'V' (variation) with a comment explaining the conflict. (More detailed notations or explanations also acceptable)

C. Checklist:

1. Executive Summary	8	31. Existing rental housing discussion	51
2. Concise description of the site and adjacent parcels	12	32. Area building permits	53
3. Project summary	12	33. Comparable property discussion	*
4. Precise statement of key conclusions	11	34. Comparable property profiles	*
5. Recommendations and/or modification to project discussion	10	35. Area vacancy rates, including rates for Tax Credit and government-subsidized	53
6. Market strengths and weaknesses impacting project	10	36. Comparable property photos	*
7. Lease-up projection with issues impacting performance	8	37. Identification of waiting lists	*
8. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	12	38. Narrative of subject property compared to comparable properties	V
9. Utilities (and utility sources) included rent and paid by landlord or tenant?	12	39. Discussion of other affordable housing options including homeownership	54
10. Project design description	12	40. Discussion of subject property on existing housing	54
11. Unit and project amenities; parking	12	41. Map of comparable properties	57
12. Public programs included	12	42. Description of overall rental market including share of market-rate and affordable properties	53
13. Date of construction/preliminary completion	15	43. List of existing and proposed LIHTC properties	53, V
14. Reference to review/status of project plans	14	44. Interviews with area housing stakeholders	58
15. Target population description	14	45. Availability of Housing Choice Vouchers	58
16. Market area/secondary market area description	26	46. Income levels required to live at subject site	41
17. Description of site characteristics	16	47. Market rent and programmatic rent for subject	NA, 42
18. Site photos/maps	16	48. Capture rate for property	9
19. Map of community services	57	49. Penetration rate for area properties	9 V
20. Visibility and accessibility evaluation	18	50. Absorption rate discussion	8
21. Crime information	19	51. Discussion of future changes in housing population	27
22. Population and household counts	27	52. Discussion of risks or other mitigating circumstances impacting project projection	10
23. Households by tenure	29	53. Preparation date of report	2
24. Distribution of income	31	54. Date of field work	18
25. Employment by industry	33	55. Certification	8
26. Area major employers	35	56. Statement of qualifications	16
27. Historical unemployment rate	37	57. Sources of data	**
28. Five-year employment growth	37	58. Utility allowance schedule	14
29. Typical wages by occupation	37		
30. Discussion of commuting patterns of area workers	26		

* Information on comparable properties, including profiles, and photographs, appear on the unnumbered photosheets, following page 57.

38(V): Some textual comparison is made on page 10, while numeric comparisons are made on page 53 and on the apartment inventory.

43(V) The page referenced shows proposed and newly constructed properties. Other existing properties are identified on the unnumbered inventory.

49(V) The client market study guide defines capture rate the way NCHMA defines penetration rate.

** Data are sourced where they are used throughout the study.

18 BUSINESS REFERENCES

Ms. Laura Nicholson
SC State Housing Finance & Development Authority
Attn: Housing Development
300-C Outlet Pointe Boulevard
Columbia, South Carolina 29210
803/896-9194

Mr. Jay Ronca
Vantage Development
1544 S. Main Street
Fyffe, Alabama 35971
256/417-4920 ext. 224

Mr. Scott Farmer
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 37609
919/877-5700

19 RÉSUMÉS

JOHN WALL

EXPERIENCE

PRESIDENT

JWA, Inc., Anderson, South Carolina (June 1990 to Present)

JWA, Inc. is an information services company providing demographic and other types of data, as well as geographic information system services, mapping, and research to market analysts and other clients.

PRESIDENT

John Wall & Associates, Anderson, South Carolina (December 1982 to Present)

John Wall & Associates is a planning and analysis firm specializing in real estate market analysis and land development consultation. Initially, the firm concentrated on work in the southeastern portion of the United States. In 1990, the work was expanded to the entire United States. John Wall & Associates (Anderson, South Carolina office) has completed over 2,500 market analyses, the majority of these being for apartment projects (both government and conventional). The firm has also done many other types of real estate market analyses, shopping center master plans, industrial park master plans, housing and demographic studies, land planning projects, site analysis, location analysis, and GIS projects. Clients have included private developers, governments, syndicators, and lending institutions.

CHURCHILL STATESIDE GROUP INVESTMENT COMMITTEE, *(March 2011 to Present)*

MIDLAND MORTGAGE INVESTMENT COMMITTEE, MMI *(October 1992 to November 2001)*

MIDLAND ADVISORY SERVICES COMMITTEE, MAS *(October 1992 to November 2001)*

MIDLAND EQUITY COMMITTEE, MEC *(March 1995 to November 2001)*

VISITING PROFESSOR OF SITE PLANNING (Part-time)

Clemson University College of Architecture, Planning Dept., Clemson, South Carolina (1985 & 1986)

PLANNING DIRECTOR

Planning Department, City of Anderson, South Carolina (September 1980 to December 1982)

PLANNER

Planning Department, City of Anderson, South Carolina (December 1978 to September 1980)

CARTOGRAPHER

Oconee County Tax Assessors' Office, Walhalla, South Carolina (October 1976 to January 1977)

ASSISTANT ENGINEER

American Concrete Pipe Association, Vienna, Virginia (January 1969 to March 1969)

Professional Organization

Member Delegate, *National Council of Housing Market Analysts (NCHMA) (2002-Present)*

PUBLICATIONS

Conducting Market Studies in Rural Areas, NCHMA Publications

EDUCATION

Continuing Education, *National Council of Housing Market Analysts (2002-Present)*

Multifamily Accelerated Processing (MAP) Certificate, *HUD (May 2012)*

Real Estate Development, *Harvard University, Cambridge, Massachusetts (July 1989)*

Fundamentals of Real Estate Finance, *Harvard University, Cambridge, Massachusetts (July 1989)*

Management of Planning & Design Firms, *Harvard University, Cambridge, Massachusetts (August 1984)*

Master of City & Regional Planning, *Clemson University, Clemson, South Carolina (May 1980)*

BS Pre-Architecture, *Clemson University, Clemson, South Carolina (May 1978)*

Graduate of Manlius Military Academy, *Manlius, New York (June 1965)*

MILITARY

U.S. Navy, Interim Top Secret Clearance *(April 1969 to October 1973; Honorable Discharge)*

BOB ROGERS

EXPERIENCE

SENIOR MARKET ANALYST

John Wall and Associates, Anderson, South Carolina (1992 to Present)

Responsibilities include: development of housing demand methodology; development of computer systems and technologies; analysis of demographic trends; creation and production of analytic maps and graphics; CRA compliance; courtroom presentation graphics.

MANAGER

Institute for Electronic Data Analysis, Knoxville, Tennessee (1990 to 1992)

Responsibilities included marketing, training new employees and users of US Bureau of the Census data products, and custom research.

CONSULTANT

Sea Ray Boats, Inc., Knoxville, Tennessee (1991)

Project included using various statistical techniques to create customer profiles that the senior management team used to create a marketing strategy.

CONSULTANT

Central Transport, High Point, North Carolina (1990)

Project included research and analysis in the area of driver retention and how to improve the company's turnover ratio.

PROFESSIONAL ORGANIZATION

National Council of Housing Market Analysts (NCHMA)

Executive Committee Member (2004-2010)

Standards Committee Co-Chair (2006-2010)

Standards Committee Vice Chair (2004-2006)

Member delegate (2002-Present)

PUBLICATIONS

Senior Housing Options, NCHMA White Paper draft

Field Work for Market Studies, NCHMA White Paper, 2011

Ten Things Developers Should Know About Market Studies, Affordable Housing Finance Magazine, 2007

Selecting Comparable Properties (best practices), NCHMA publication 2006

EDUCATION

Continuing education, National Council of Housing Market Analysts (2002 to present)

Multifamily Accelerated Processing (MAP) Certificate, HUD (May 2012)

MBA Transportation and Logistics, The University of Tennessee, Knoxville, Tennessee (1991)

BS Business Logistics, Penn State, University Park, Pennsylvania (1989)

CHRIS PILLITERE

EXPERIENCE

RESEARCH ASSOCIATE

John Wall & Associates, Anderson, South Carolina (2015 to present)

Responsibilities include: Compile information for reports, interview city and economic development officials and apartment managers. Assist with various types of other research. Collect multifamily rental housing information (both field and census); conduct site and location research.

RESEARCH ASSISTANT

Clemson University, Clemson, South Carolina (2014 to 2015)

Responsibilities included: Assisting faculty members with data collection and preparation of current research projects.

INTRAMURAL SPORTS SUPERVISOR

University of Texas at Dallas, Richardson, Texas (2012 to 2014)

Responsibilities included: Overseeing intramural sports referees and supervising league and tournament play

EDUCATION

MA Economics, *Clemson University, Clemson, South Carolina (2015)*

BS Economics, *magna cum laude, University of Texas at Dallas, Richardson, Texas (2014)*