



REAL PROPERTY RESEARCH GROUP  
WASHINGTON/BALTIMORE ■ ATLANTA

Market Feasibility Analysis

## Hunter Oaks Apartments

Seneca, Oconee County, South Carolina

Prepared for:

**Greenway Residential Development, LLC**

Site Inspection: February 11, 2016

Effective Date: February 17, 2016





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## EXECUTIVE SUMMARY

### ***Proposed Site***

- The neighborhood surrounding the proposed site for Hunter Oaks includes a mixture of land uses including commercial and residential uses common within one-half mile. Single-family detached homes are the most prominent residential use within one-half mile of the site.
- The subject site is within one-half mile of numerous commercial uses including grocery stores, shopping, banks, medical services, and a restaurant.
- The subject site is appropriate for the proposed use and is comparable with existing multi-family rental communities in the market area.

### ***Proposed Unit Mix and Rent Schedule***

- The 50 units at Hunter Oaks include 35 two-bedroom units and 15 three-bedroom units. Two bedroom units will have two bathrooms and 1,078 square feet. Three bedroom units will be 1,206 square feet in size and offer two bathrooms.
- The proposed 50 percent rents are \$485 for two bedroom units and \$553 for three bedroom units. Proposed 60 percent rents are \$600 for two bedroom units and \$675 for three bedroom units.
- The proposed rents result in an overall rent advantage of 26.12 percent relative to the estimate of market rent. All 50 percent rents have at least a 36 percent rent advantage and 60 percent rents have at least a 22 percent rent advantage.

### ***Proposed Amenities***

- The newly constructed units at Hunter Oaks will offer kitchens with new energy star appliances (refrigerator/freezer with ice maker, dishwasher, and microwave), stove with exhaust fan, and garbage disposal. In addition, all units will include ceiling fans, washer/dryer connections, patios/balconies, central heating and air conditioning, and window blinds. The proposed unit features at Hunter Oaks will be competitive with the existing rental stock in the market area, including properties funded with tax credits.
- Hunter Oaks' amenity package will include a community room, playground, gazebo, computer center, and laundry room which will be competitive with the Hunter Oaks Market Area's existing rental stock, including the two LIHTC communities.
- The proposed features and amenities will be competitive in the Hunter Oaks Market Area and are appropriate given the proposed rent levels.

### ***Economic Analysis***

- Oconee County's economy suffered job loss throughout much of the previous decade (2000-2009), but has shown signs of growth with job gains in four of the past five years including the addition of 1,184 jobs in 2014. Since 2009, the unemployment rate has decreased in six consecutive years to less than half of the peak in 2009 during the economic recession.



- Oconee County's unemployment rate nearly doubled from 7.3 percent in 2008 to 13.3 percent in 2009 during the national recession. The county's unemployment rate has decreased each year since 2009 with an unemployment rate of 5.9 percent in 2015, the lowest since 2004, which is between state and national unemployment rates of 6.1 percent and 5.3 percent, respectively.
- Following a loss of 3,675 total jobs from 2000 to 2006, the county added jobs for two years before losing 1,294 jobs in 2009 during the height of the national recession and prolonged economic downturn. Oconee County has since added over 2,000 net jobs from 2010 to the first half of 2015.
- According to media reports, five new companies and six expansions have been announced since late 2013. Combined, these 11 companies will add an estimated 453 jobs. Michelin North America has not officially been announced but could create an additional 150 to 170 jobs in Oconee County.

### ***Demographic Analysis***

- Between 2000 and 2010 Census counts, the population of the Hunter Oaks Market Area increased by 18.2 percent, rising from 21,937 to 25,923 people. Annual growth during this decade was 399 people or 1.7 percent. During the same time period, the number of households in the Hunter Oaks Market Area increased from 9,113 to 10,734 households, annual growth of 162 households or 1.7 percent.
- From 2015 to 2018, the market area is projected to add 503 people (1.9 percent) and 204 households (1.8 percent). Annual growth during this period is projected at 0.6 percent for both population and households.
- The population in the market area has a median age of 41 compared to 44 in Oconee County. The market area has a higher percentage of people under the age of 35 when compared to the county.
- Renters are more common in the market area as the 2015 renter percentages were 33.9 percent in the Hunter Oaks Market Area and 24.9 percent in Oconee County. The renter percentage is expected to increase to 36.8 percent in the market area by 2018; roughly 89 percent of net household growth is expected to be renters from 2015 to 2018.
- Working age households form the core of the market area's renters, as 57.4 percent of renter occupied households are between the ages of 25 and 54. Young renters (under 25) in the Hunter Oaks Market Area comprise 14.6 percent of total renters in the market area and older adults age 55+ account for 28.1 percent of all market area renters.
- RPRG estimates that the 2015 median household income in the Hunter Oaks Market Area is \$44,638, which is \$1,248 or 2.7 percent lower than the \$45,886 median in Oconee County.
- The market area's median income by tenure in 2015 is estimated at \$29,095 for renter households and \$58,876 for owner households. Among renter households, 43.4 percent earn less than \$25,000 and 30.8 percent earn \$25,000 to \$49,999.

### ***Affordability Analysis***

- As proposed, Hunter Oaks will target households earning at or below 50 percent and 60 percent of the Area Median Income.
- The proposed 50 percent units will target renter households earning from \$19,817 to \$28,125. With 540 renter households earning within this range, the capture rate for the 10 units at 50 percent of Area Median Income is 1.9 percent.



- The proposed 60 percent units will target renter households earning from \$23,760 to \$33,750. The 627 income qualified renter households within this range result in a capture rate of 6.4 percent for the 40 units at 60 percent overall.
- The overall capture rate for the 50 units is 5.6 percent, which is based on 890 renter households earning between \$19,817 and \$33,750.

### ***Demand and Capture Rates***

- By income target, demand capture rates are 3.6 percent for 50 percent units, 12.3 percent for 60 percent units, and 10.9 percent for all units.
- Capture rates by floor plan range from 4.5 percent to 14.6 percent.
- All capture rates are within acceptable ranges.

### ***Competitive Environment***

- The surveyed communities combined for just six vacancies among 433 units, a rate of 1.4 percent. The two LIHTC communities had four vacancies among 89 total units, a rate of 4.5 percent. Seneca Heights, a LIHTC community, was fully occupied and had a waiting list of one to two years. Vacancy rates by floorplan were 1.4 percent for one bedroom units, 1.9 percent for two bedroom units, and 0.7 percent for three bedroom units.
- The overall average historic vacancy rate among the Hunter Oaks Market Area's LIHTC communities was 3.3 percent for the second and fourth quarter of 2015.
- Among all surveyed rental communities, net rents, unit sizes, and rents per square foot are as follows:
  - **Two bedroom** rents average \$586 for 973 square feet or \$0.60 per square foot.
  - **Three bedroom** rents average \$638 for 1,177 square feet or \$0.54 per square foot.
- The proposed rents are higher than comparable LIHTC rents in the market area but are well below the top of the market. Although the proposed 50 percent and 60 percent rents are much higher than comparable rents at Seneca Heights, the newest LIHTC community in the market area, rents at this community are considered artificially low due to past QAP scoring/tiebreaker criteria. Our experience was that many developers set rents well below achievable levels for point scoring purposes.
- The estimated market rents for the units at Hunter Oaks are \$783 for two bedroom units and \$876 for three bedroom units. The proposed 50 percent rents result in market advantages of at least 36 percent and 60 percent units have market advantages of at least 22 percent. The overall weighted average market advantage is 26.12 percent.
- No new multi-family rental communities are planned in the Hunter Oaks Market Area.





***Final Conclusion/Recommendation***

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

**SCSHFDA 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
7	2 BR	\$485	\$3,395	\$783	\$5,481	
28	2 BR	\$600	\$16,800	\$783	\$21,924	
3	3 BR	\$553	\$1,659	\$876	\$2,628	
12	3 BR	\$675	\$8,100	\$876	\$10,512	
<b>Totals</b>	<b>50</b>		<b>\$29,954</b>		<b>\$40,545</b>	<b>26.12%</b>



**SCSHFDA Summary Form – Exhibit S-2**

2016 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	Hunter Oaks		Total # Units: 50
Location:	East North 1 <sup>st</sup> Street, Seneca SC		# LIHTC Units: 50
PMA Boundary:	North: Lake Keowee, East: Pickens County, South: Coneross Creek, West: Coneross Creek/Bountyland Road		
Development Type :	General Occupancy	Farthest Boundary Distance to Subject:	7.3 miles

RENTAL HOUSING STOCK (found on page 10, 41, 47-49)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	433	6	98.6%
Market-Rate Housing	3	344	2	99.6%
Assisted/Subsidized Housing not to include LIHTC				
<b>LIHTC (All that are stabilized)*</b>	2	89	4	95.5%
Stabilized Comps**	2	89	4	95.5%
Non-stabilized Comps				

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
7	2	2	1,078	\$485	\$783	\$0.73	38.06%	\$785	\$0.76
28	2	2	1,078	\$600	\$783	\$0.73	23.37%	\$785	\$0.76
3	3	2	1,206	\$553	\$876	\$0.73	36.85%	\$860	\$0.73
12	3	2	1,206	\$675	\$876	\$0.73	22.92%	\$860	\$0.73
<b>Gross Potential Rent Monthly*</b>				<b>\$29,954</b>	<b>\$40,545</b>		<b>26.12%</b>		

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

DEMOGRAPHIC DATA (found on page 33, 54)						
	2000		2015		2018	
Renter Households			3,983	35.8%	4,163	36.8%
Income-Qualified Renter HHs (LIHTC)			929	23.3%	890	21.4%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 56)						
Type of Demand	50%	60%				Overall
Renter Household Growth	9	11				16
Existing Households (Overburd + Substand)	269	313				444
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-qualified Renter HHs</b>	<b>279</b>	<b>324</b>				<b>460</b>

CAPTURE RATES (found on page 56)						
Targeted Population	50%	60%				Overall
Capture Rate	3.6%	12.3%				10.9%

ABSORPTION RATE (found on page 59)		
Absorption Period	3-4	months



## 1. INTRODUCTION

### A. Overview of Subject

The subject of this report is Hunter Oaks, a proposed multi-family rental community in Seneca, Oconee County, South Carolina. Hunter Oaks will be newly constructed and financed in part by Low Income Housing Tax Credits (LIHTC) allocated by the South Carolina State Housing Finance Development Authority (SCSHFDA). Upon completion, Hunter Oaks will contain 50 rental units reserved for households earning at or below 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size.

### B. Purpose of Report

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

### C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2016 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

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

The Client is Greenway Residential Development, LLC. Along with the Client, the intended users are SCSHFDA and potential lenders/investors.

### E. Applicable Requirements

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

- SCSHFDA's 2016 Market Study Requirements
- The National Council of the Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Index.

### F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Brett Welborn (Analyst), conducted visits to the subject site, neighborhood, and market area on February 11, 2016.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property



managers, Tracy Smith with the Seneca Planning and Development Department, and Mathew Anspach with the Oconee County Planning and Zoning Department.

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

### **G. Report Limitations**

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

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

None.



## 2. PROJECT DESCRIPTION

### A. Project Overview

Hunter Oaks will consist of 50 general occupancy rental units contained within six garden style buildings. All 50 units will benefit from Low Income Housing Tax Credits including 10 units at 50 percent of Area Median Income (AMI) and 40 units at 60 percent AMI, adjusted for household size.

### B. Project Type and Target Market

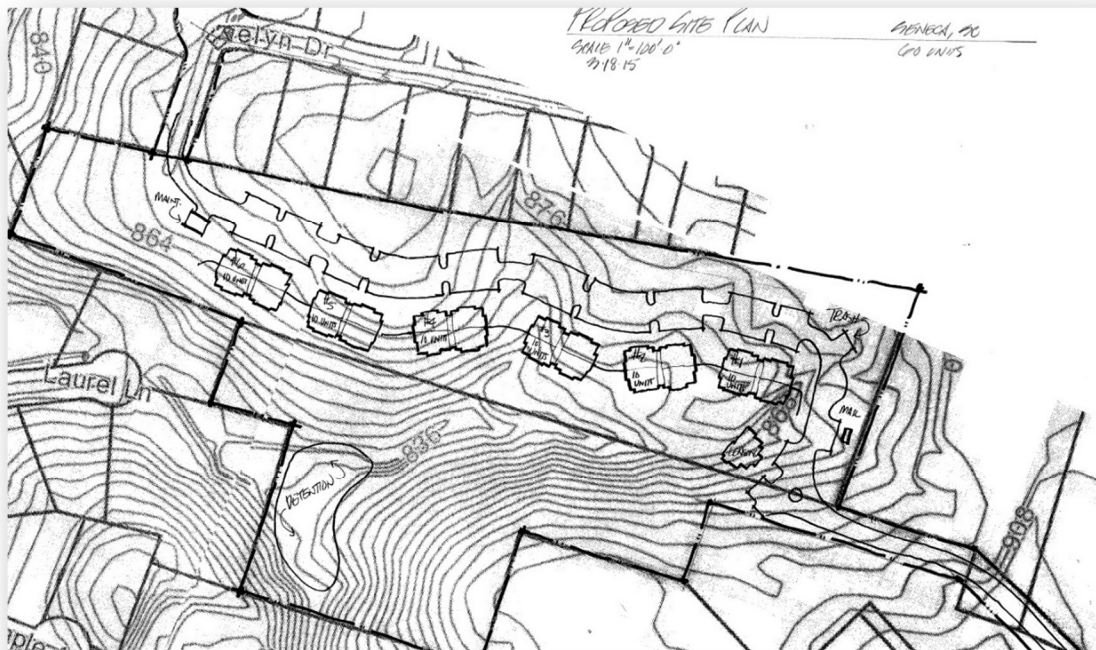
Hunter Oaks' LIHTC units will target low to moderate income renters earning up to 50 percent and 60 percent of the Area Median Income (AMI). The 50 proposed units include 35 two-bedroom units and 15 three-bedroom units. With a unit mix of two and three bedroom units, Hunter Oaks will target a wide range of household types including low to moderate income couples, roommates, and families.

### C. Building Type and Placement

Hunter Oaks will include six garden style buildings with two and three stories. Exteriors of the buildings will feature HardiPlank siding and brick. The residential buildings will be located along a parking lot that extends from an entrance on Evelyn Drive to an entrance on East North 1<sup>st</sup> Street. The community amenities and leasing office will be in a separate building near the entrance on East North 1<sup>st</sup> Street (Figure 1).

Hunter Oaks will be accessible via two entrances: East North 1<sup>st</sup> Street and Evelyn Drive.

**Figure 1 Proposed Site Plan**



Source: Greenway Residential Development, LLC



## D. Detailed Project Description

### 1. Project Description

- Two bedroom units will have 1,078 square feet and two bathrooms.
- Three bedroom units will have 1,206 square feet and two bathrooms (Table 1).
- The proposed rents will include the cost of water, sewer, and trash removal. Tenants will bear the cost of all other utilities.

The following **unit features** are planned:

- Kitchens with refrigerator with ice maker, range, dishwasher, disposal, and microwave.
- Washer and dryer connections.
- Ceiling fan in living room.
- Patio or balcony.
- Stove with exhaust fan.
- Wall-to-wall carpeting in all living areas.
- Central heating and air conditioning.

The following **community amenities** are planned:

- Community room.
- Playground.
- Central laundry room.
- Computer/business center.
- Gazebo.



**Table 1 Hunter Oaks Project Summary**

<b>Hunter Oaks</b> E North 1st Street Seneca, Oconee County, SC							
Unit Mix/Rents							
Bed	Bath	Income Target	Size (sqft)	Quantity	Gross Rent	Utility	Net Rent
2	2	50%	1,078	7	\$578	\$93	\$485
2	2	60%	1,078	28	\$693	\$93	\$600
3	2	50%	1,206	3	\$668	\$115	\$553
3	2	60%	1,206	12	\$790	\$115	\$675
<b>Total</b>				<b>50</b>			
Project Information				Additional Information			
<b>Number of Residential Buildings</b>		Six		<b>Construction Start Date</b>		2017	
<b>Building Type</b>		Garden		<b>Date of First Move-In</b>		2017	
<b>Number of Stories</b>		2-3		<b>Construction Finish Date</b>		2017	
<b>Construction Type</b>		New Const.		<b>Parking Type</b>		Surface	
<b>Design Characteristics (exterior)</b>		Brick, HardiPlank		<b>Parking Cost</b>		None	
<b>Community Amenities</b>	Community room, computer room, laundry room, playground, gazebo			<b>Kitchen Amenities</b>			
				<b>Dishwasher</b>		Yes	
				<b>Disposal</b>		Yes	
				<b>Microwave</b>		Yes	
				<b>Range</b>		Yes	
<b>Refrigerator</b>		Yes					
<b>Unit Features</b>	Energy star appliances (including refrigerator/freezer with ice maker and dishwasher); microwave; disposal; stove with exhaust fan; energy star ceiling fan w/ light fixture in living room; energy star lighting throughout; either balcony or patio; washer/dryer hookups			<b>Utilities Included</b>			
				<b>Water/Sewer</b>		Owner	
				<b>Trash</b>		Owner	
				<b>Heat</b>		Tenant	
				<b>Heat Source</b>		Elec	
				<b>Hot/Water</b>		Tenant	
				<b>Electricity</b>		Tenant	
<b>Other:</b>							

Source: Greenway Residential Development, LLC

**2. Other Proposed Uses**

None.

**3. Proposed Timing of Construction**

Hunter Oaks is expected to begin construction in early 2017 and the estimated construction completion is late 2017.



### 3. SITE AND NEIGHBORHOOD ANALYSIS

#### A. Site Analysis

##### 1. Site Location

The subject site is located on the west side of East North 1<sup>st</sup> Street, in northeast Seneca, Oconee County, South Carolina (Map 1, Figure 2).

##### 2. Existing Uses

The subject site consists of a combination of cleared land and wooded land without existing structures (Figure 3).

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

The subject site comprises approximately 13 acres, slopes down towards the northwest, and has a roughly rectangular shape.

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

The site for Hunter Oaks is in an established residential neighborhood in Seneca, a city of roughly 8,500 residents, with a mix of surrounding land uses. Existing uses within close proximity to the site include single-family detached homes, wooded land, and commercial uses including small businesses, retail, and a hotel along East North 1<sup>st</sup> Street. Numerous retail uses are located along U.S. Highway 123 within one-half mile of the site to the north (Figure 4). Single-family detached homes are the most common land use within one-half mile of the subject site to the east, west, and south.

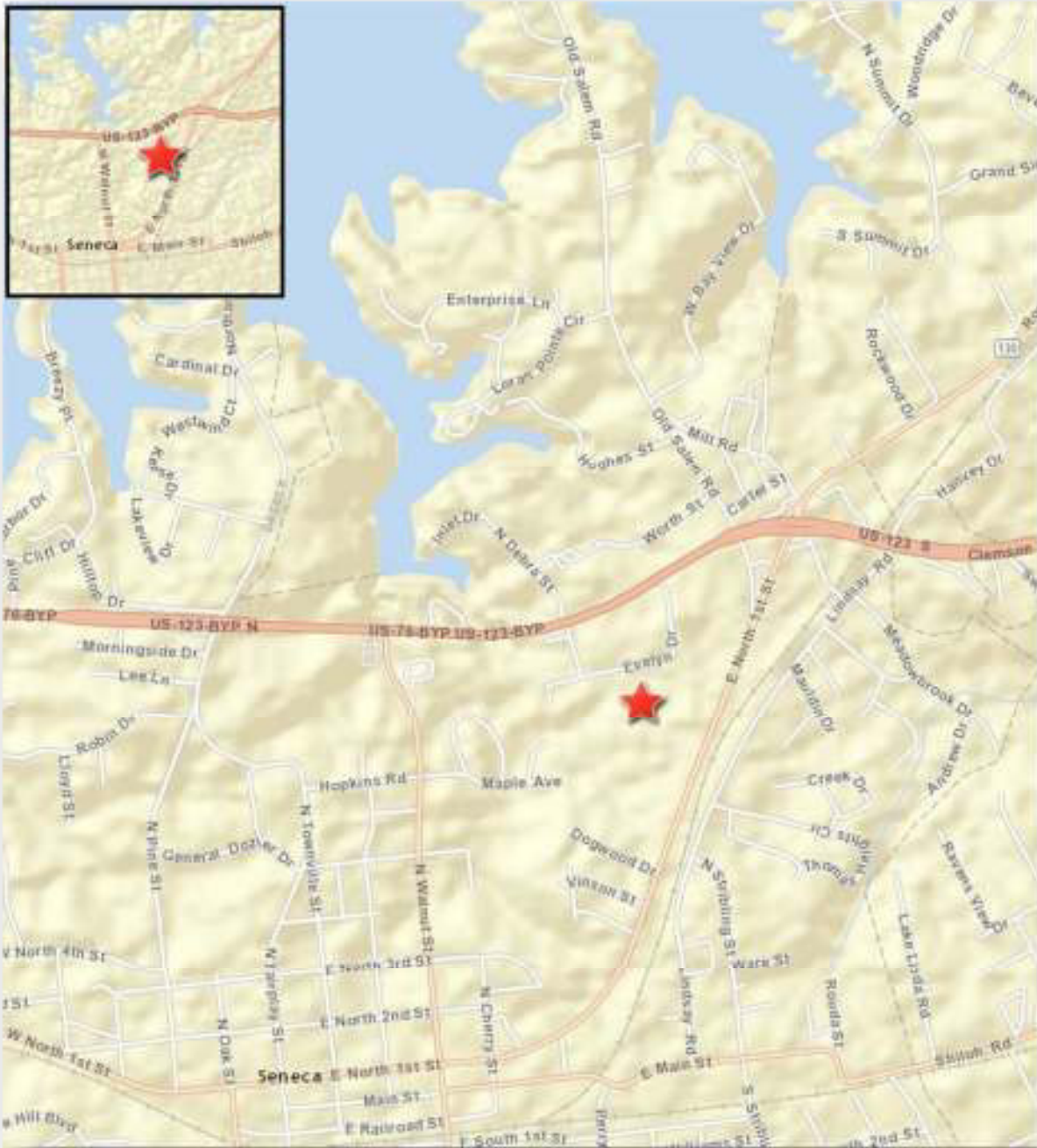
##### 5. Specific Identification of Land Uses Surrounding the Subject Site

The land uses directly bordering the subject property include:

- **North:** Single-family detached homes.
- **East:** Single-family detached home, ProVision Beauty Supply, and a U-Haul rental business (Grand Rental Station).
- **South:** Single-family detached homes, wooded land, and MDI Electrical Plumbing Supply.
- **West:** Single-family detached homes, and wooded land.



Map 1 Site Location



**Figure 2 Satellite Image of Subject Site**



**Figure 3 Views of Subject Site**



View of East North 1<sup>st</sup> Street looking northeast (site entrance on the left).



Site entrance facing west from East North 1<sup>st</sup> Street.



View of site facing west.



View of site facing northwest.

**Figure 4 Views of Surrounding Land Uses**



MDI Electrical Plumbing Supply to the south.



ProVision Beauty Supply to the east.



Grand Rental Station to the east.



Single-family detached home to the east.



Single-family detached home to the north on Evelyn Drive.



Single-family detached home to the west.

## B. Neighborhood Analysis

### 1. General Description of Neighborhood

The site for Hunter Oaks is in an established residential neighborhood with a mixture of surrounding land uses in northeast Seneca, Oconee County. Seneca is a moderate sized community with an established central business district. Land uses surrounding the site include single-family detached homes, wooded land, and commercial uses including small businesses, retail, and a hotel along East North 1<sup>st</sup> Street. Numerous retail uses are located to the north along U.S. Highway 123 near the site. Single-family detached homes are common within one mile of the site and multi-family rental communities are common within three miles. Downtown Seneca is approximately one mile southwest of the site featuring many smaller retailers and community services.

### 2. Neighborhood Investment and Planning Activities

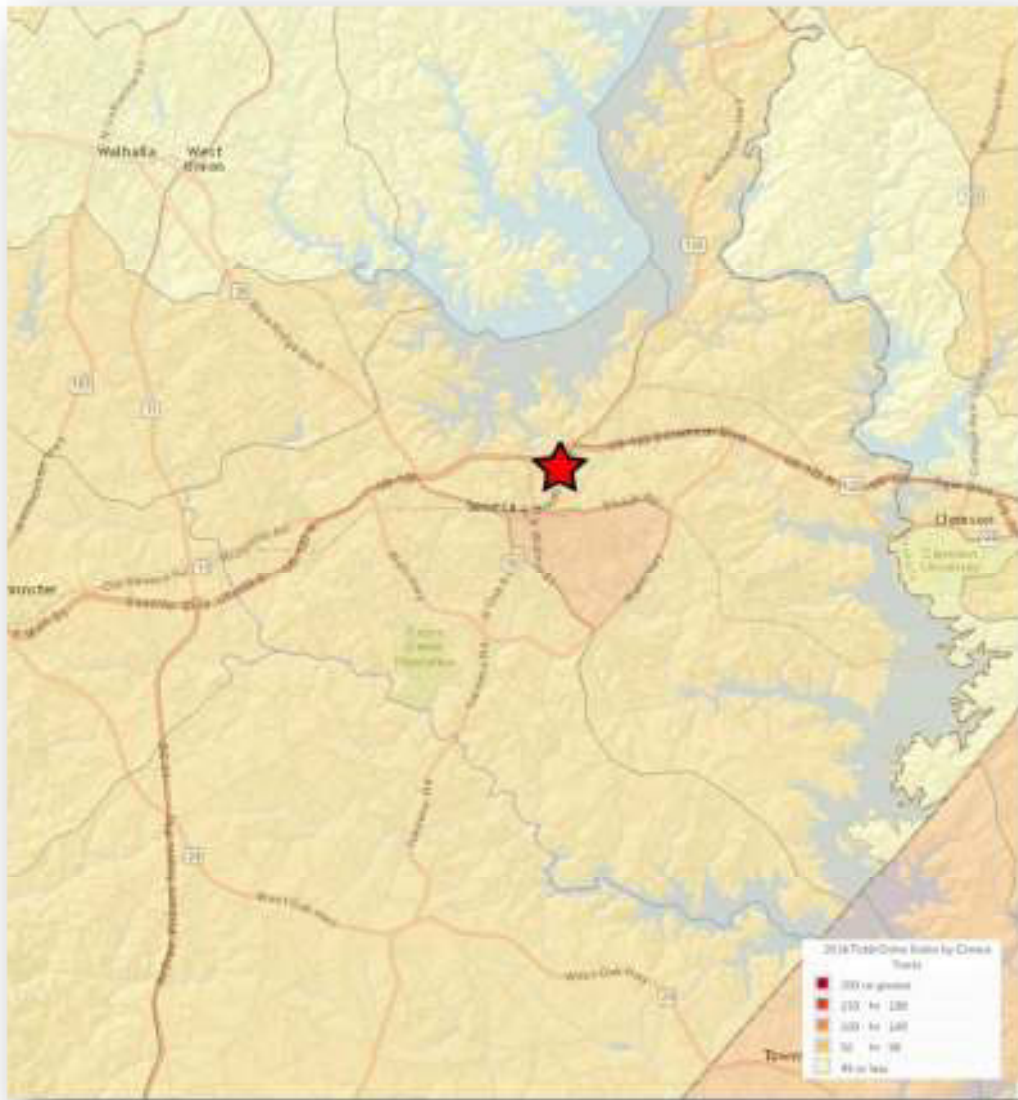
Significant planning or redevelopment efforts were not identified in the subject site's immediate area. One new for-sale single-family detached home neighborhood (The Crossing) is under construction in Seneca approximately four miles from the subject site with homes ranging from \$199,000 to \$255,000. A planned mixed-use development (retail and commercial) at the former Milliken textile property on U.S. Highway 123 in eastern Seneca is in the preliminary stages of planning. Many Keowee Lake communities are being developed north of the site. These communities offer lake lots and many floor plan options from several builders with a wide range of prices.

### 3. Crime Index

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

Map 2 displays the 2014 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject site’s census tract is light orange, indicating it has a below average crime risk (50-99) compared to the nation (100). The majority of the surrounding area has a low crime risk. We do not expect crime or the perception of crime to negatively impact the subject property’s marketability.

**Map 2 Crime Index Map**



## C. Site Visibility and Accessibility

### 1. Visibility

Hunter Oaks will benefit from good visibility along East North 1<sup>st</sup> Street. East North 1<sup>st</sup> Street supports moderate traffic in front of the site.



## 2. Vehicular Access

Hunter Oaks will be accessible via two entrances. One entrance will be on East North 1<sup>st</sup> Street to the east and the other will be on Evelyn Drive, west of the subject property. Traffic on East North 1<sup>st</sup> Street is moderate and traffic on Evelyn Drive, a residential side street, is light. East North 1<sup>st</sup> Street is a four lane highway with plenty of breaks in traffic and problems with accessibility are not expected.

## 3. Availability of Public Transit

Clemson Area Transit (CAT) offers fixed route service in Seneca. CAT offers bus service in Seneca, Clemson, Pendleton, and Central. The nearest bus stop is at a Subway, located at 105 U.S. 123, 0.4 mile northeast of the site.

## 4. Inter Regional Transit

Seneca is within roughly 15 miles of Interstate 85 to the south via State Highway 59. Interstate 85 is the primary traffic artery in the region, connecting the Greenville area to Atlanta and Charlotte. Seneca is served by U.S. Highway 123, which connects it to smaller towns to the west and Clemson to the east. State Highways 28, 59, and 130 connect Seneca to areas to the south and north.

The site is approximately 50 miles from the Greenville-Spartanburg International Airport.

## 5. Pedestrian Access

East North 1<sup>st</sup> Street is served by sidewalks and a number of retailers, banks, and restaurants are located within walking distance of the subject site. In addition, public transportation is considered in walking distance of the subject site.

## 6. Accessibility Improvements under Construction and Planned

### *Roadway Improvements under Construction and Planned*

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

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

None identified.

## D. Residential Support Network

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

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



**Table 2 Key Facilities and Services**

Establishment	Type	Address	Driving Distance
Rite Aid	Pharmacy	1020 East North 1st St.	0.3 mile
South State Bank	Bank	201 By Pass 123	0.3 mile
Medi Urgent Care Center	Doctor/Medical	111 Carter St.	0.4 mile
CAT Bus Stop	Public Transit	105 U.S. 123	0.4 mile
Alanzan Mexican Restaurant	Restaurant	111 Rochester Hwy.	0.4 mile
Ingles	Grocery	211 Ingles Pl.	0.5 mile
Bi-Lo	Grocery	115 Rochester Hwy.	0.5 mile
Family Dollar	General Retail	113 Rochester Hwy.	0.5 mile
Shell	Convenience Store	202 U.S. 123	0.5 mile
TD Bank	Bank	104 Mill Rd.	0.5 mile
Seneca Police Department	Police	205 N Depot St.	1 mile
Seneca Library	Library	300 East South 2nd St.	1.1 miles
Between Lakes Primary Care	Doctor/Medical	106 Ram Cat Alley	1.2 miles
Gignilliat Community Center	Community Center	621 N Townville St.	1.4 miles
Northside Elementary School	Public School	710 N Townville St.	1.7 miles
Seneca Fire Department	Fire	321 West South 4th St.	1.9 miles
Seneca Middle School	Public School	810 W South 4th St.	2.5 miles
Oconee Medical Center	Hospital	298 Memorial Dr.	3.2 miles
Kmart	General Retail	201 Applewood Center Pl.	3.3 miles
Seneca High School	Public School	100 Bobcat Ridge	3.8 miles
Walmart	General Retail	1636 Sandifer Blvd.	3.9 miles

Source: Field and Internet Research, RPRG, Inc.

**2. Essential Services**

**Health Care**

Oconee Medical Center is the largest medical provider in Seneca. This 169-bed medical center offers a wide range of services including emergency medicine and general medical care. Oconee Medical Center is located on Memorial Drive, 3.2 miles west of the subject site.

Outside of this major healthcare provider, smaller clinics and independent physicians are located in close proximity to Hunter Oaks. Medi Urgent Care Center and Between Lakes Primary Care are located 0.4 mile and 1.2 miles from the subject property, respectively.

**Education**

The primary market area is served by the School District of Oconee County, which includes 18 schools and has an approximate enrollment of 10,500 students. School age children residing at the subject property would attend Northside Elementary School (1.7 miles), Seneca Middle School (2.5 miles), and Seneca High School (3.8 miles).

Clemson University, one of the state’s largest universities, is approximately 10 minutes east of Seneca with an approximate enrollment of 23,000 students.



### 3. Commercial Goods and Services

#### ***Convenience Goods***

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

A number of retailers are located within one-half mile of the site to the north near U.S. Highway 123 including grocery stores (Ingles and Bi-Lo), a pharmacy (Rite Aid), banks, a restaurant, and a convenience store.

#### ***Shoppers Goods***

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

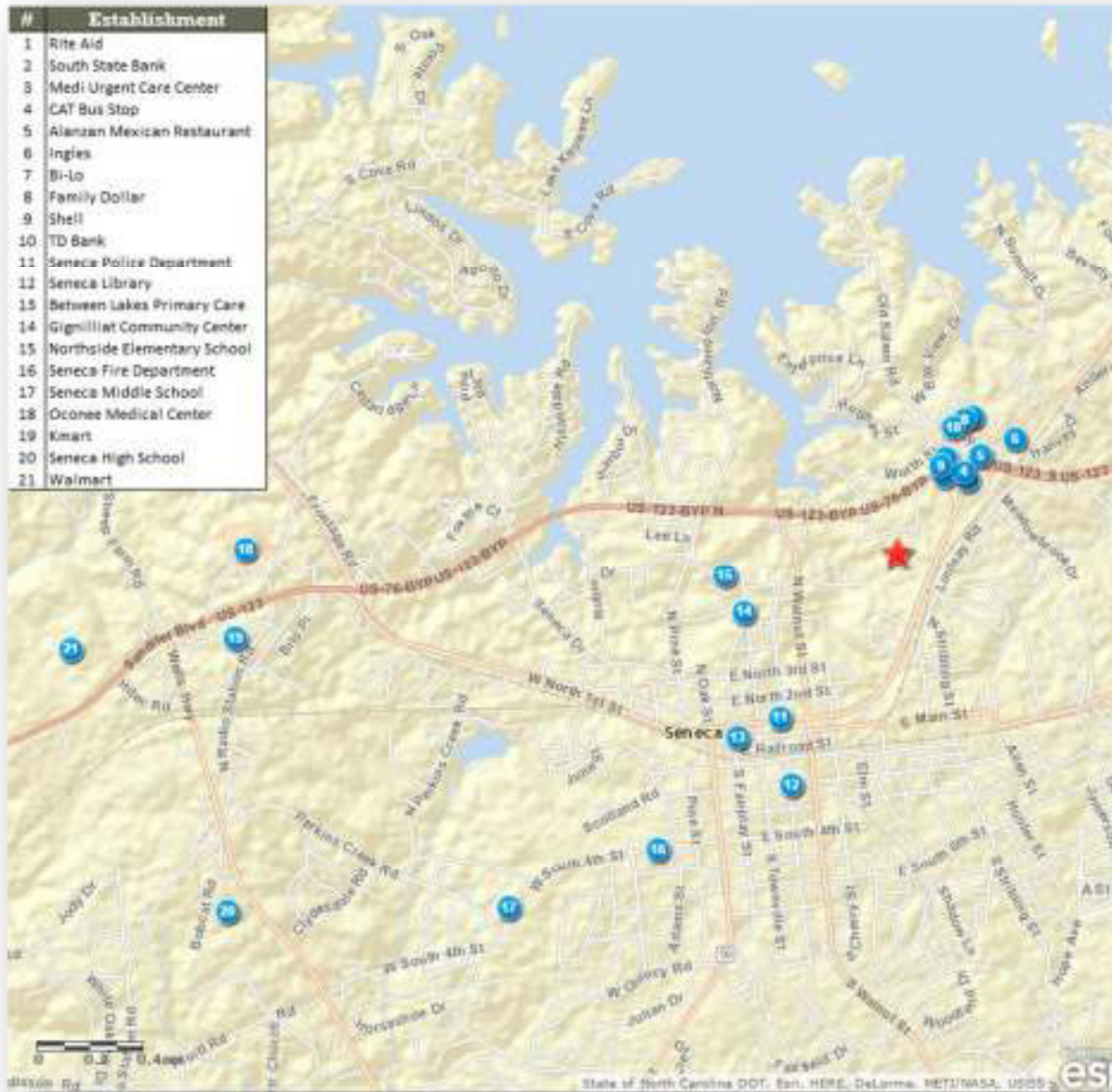
The closest general shopping opportunity is Family Dollar, one-half mile north of the site on Rochester Highway. Kmart and Walmart are three to four miles west of the site along U.S. Highway 123. Anderson Mall, the closest mall to the site, is roughly 22 miles southeast in Anderson. Belk, Dillard’s, Sears, and JCPenney serve as Anderson Mall’s anchors and the mall also features a large number of smaller retailers and a food court.

#### ***Recreation Amenities***

The closest recreation center to Hunter Oaks is Gignilliat Community Center, 1.4 miles from the site on North Townville Street. Seneca’s public library is located 1.1 miles from the site on East South 2<sup>nd</sup> Street. Residents in Seneca are provided Keowee Lake access at South Cove County Park, approximately five miles north of the site. South Cove County Park offers three boat ramps, four tennis courts, a basketball court, and volleyball court to residents without reservation.



**Map 3 Location of Key Facilities and Services**





## 4. ECONOMIC CONTEXT

### A. Introduction

This section of the report focuses primarily on economic trends and conditions in Oconee County, the jurisdiction in which Hunter Oaks is located. For purposes of comparison, economic trends in South Carolina and the nation are also discussed.

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

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

The labor force in Oconee County remained relatively unchanged from 2004 to 2009 with a net loss of 491 workers or 1.6 percent. The county added over 2,000 workers in 2010 and the labor force remained just above 33,000 workers for the next four years. Significant growth occurred in the labor force over the past two years with the addition of 2,251 total workers or 6.8 percent net growth since 2013. Since 2009, the overall labor force has grown by 4,069 workers while the employed portion of the labor force has grown by 6,140 employed workers (Table 3).

#### 2. Trends in County Unemployment Rate

The unemployment rate in Oconee County ranged from 6.9 percent to 8.9 percent from 2004 to 2008 before nearly doubling to 13.3 percent in 2009 during the national recession (Table 3). The county's unemployment rate has decreased each year since 2009 with an annual unemployment rate of 5.9 percent in 2015, the lowest rate since 2004. The county's unemployment rate in 2015 is between state (6.1 percent) and national (5.3 percent) unemployment rates.

### C. Commutation Patterns

According to 2010-2014 American Community Survey (ACS) data, approximately three-quarters of workers residing in the Hunter Oaks Market Area commuted less than 25 minutes to work, including 42 percent commuting less than 15 minutes (Table 4). Approximately 20 percent of workers in the market area commuted 30 minutes or more.

A majority of workers (65.2 percent) residing in the Hunter Oaks Market Area work in Oconee County while 33.5 percent work in another South Carolina county. Less than two percent of market area workers worked in another state.

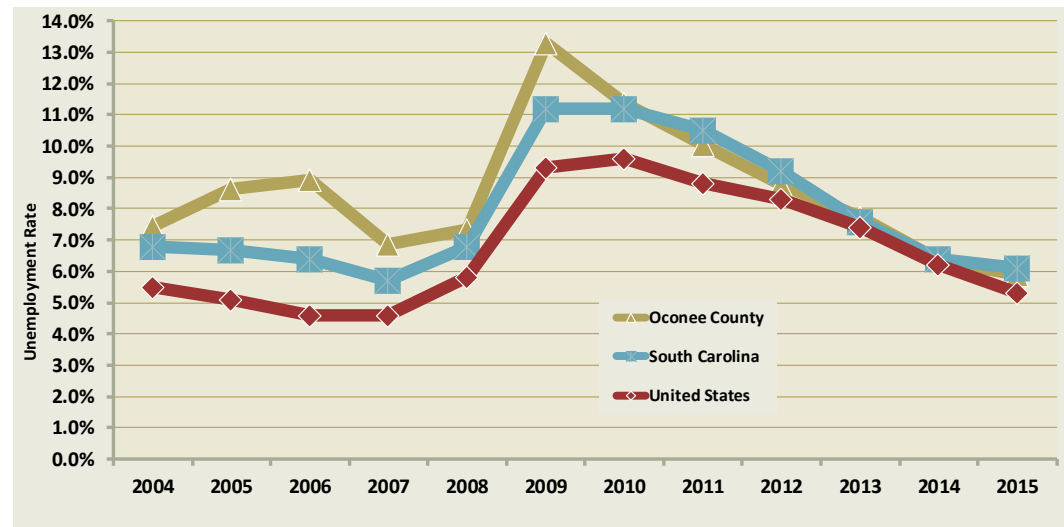


**Table 3 Labor Force and Unemployment Rates**

**Annual Unemployment Rates - Not Seasonally Adjusted**

Annual Unemployment	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Labor Force	31,718	31,781	30,834	30,225	30,608	31,227	33,315	33,206	33,264	33,045	33,963	35,296
Employment	29,357	29,035	28,085	28,149	28,369	27,082	29,523	29,878	30,341	30,493	31,809	33,222
Unemployment	2,361	2,746	2,749	2,076	2,239	4,145	3,792	3,328	2,923	2,552	2,154	2,074
<b>Unemployment Rate</b>												
Oconee County	7.4%	8.6%	8.9%	6.9%	7.3%	13.3%	11.4%	10.0%	8.8%	7.7%	6.3%	5.9%
South Carolina	6.8%	6.7%	6.4%	5.7%	6.8%	11.2%	11.2%	10.5%	9.2%	7.6%	6.4%	6.1%
United States	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%

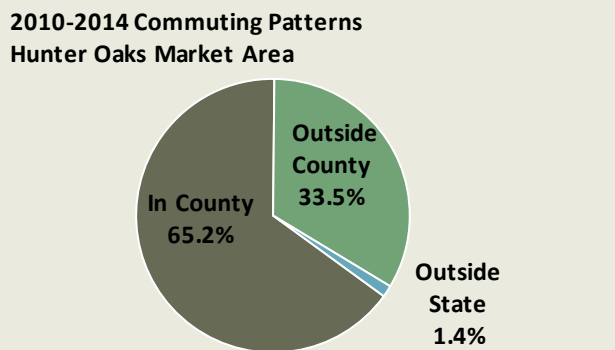
Source: U.S. Department of Labor, Bureau of Labor Statistics



**Table 4 Commutation Data**

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home	9,921	96.6%	Worked in state of residence:	10,129	98.6%
Less than 5 minutes	566	5.5%	Worked in county of residence	6,690	65.2%
5 to 9 minutes	1,675	16.3%	Worked outside county of residence	3,439	33.5%
10 to 14 minutes	2,072	20.2%	Worked outside state of residence	139	1.4%
15 to 19 minutes	1,738	16.9%	<b>Total</b>	<b>10,268</b>	<b>100%</b>
20 to 24 minutes	1,551	15.1%			
25 to 29 minutes	300	2.9%			
30 to 34 minutes	647	6.3%			
35 to 39 minutes	84	0.8%			
40 to 44 minutes	140	1.4%			
45 to 59 minutes	486	4.7%			
60 to 89 minutes	490	4.8%			
90 or more minutes	172	1.7%			
Worked at home	347	3.4%			
<b>Total</b>	<b>10,268</b>				

Source: American Community Survey 2010-2014



Source: American Community Survey 2010-2014



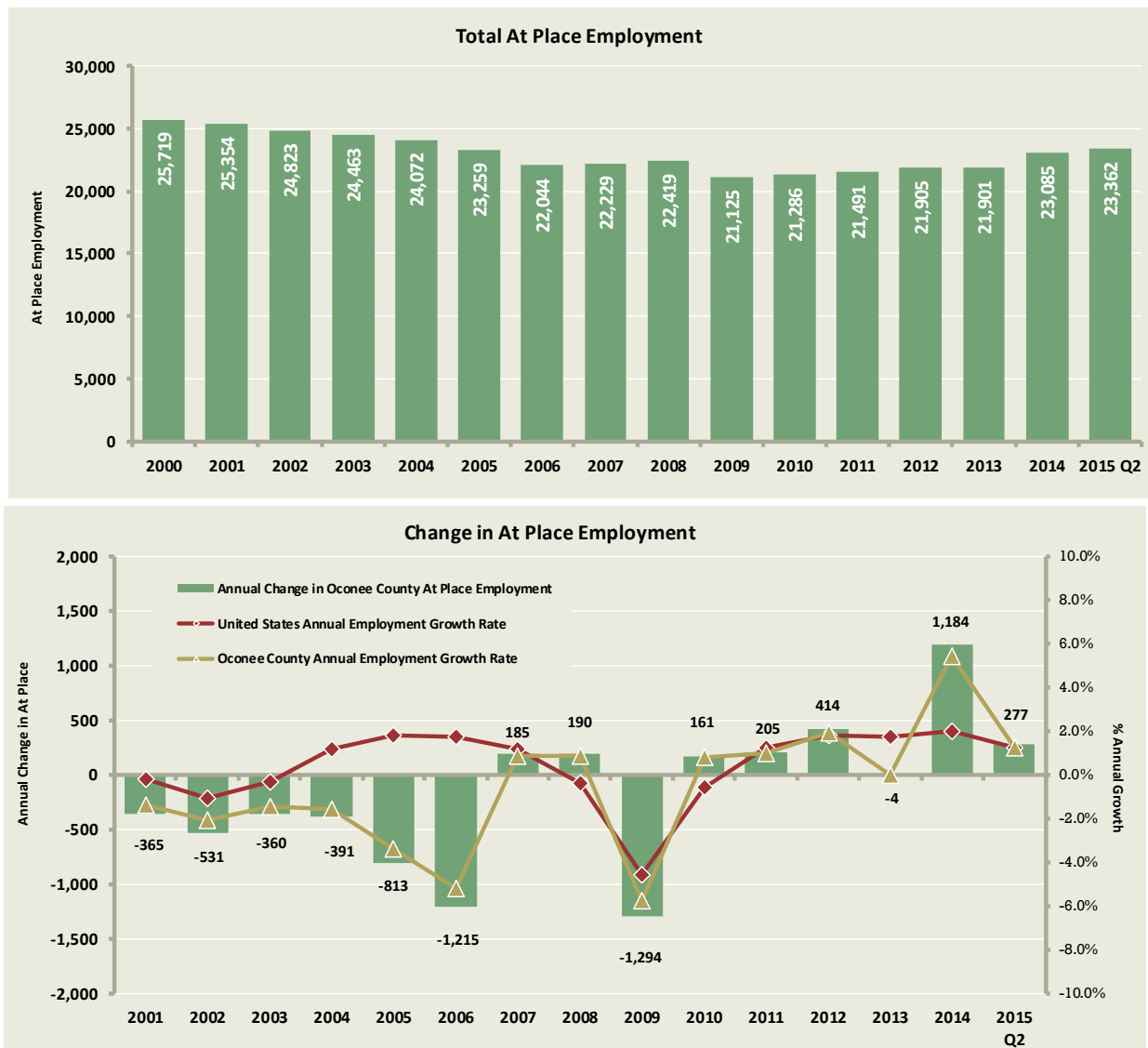
## D. At-Place Employment

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

Oconee County’s At-Place Employment declined in six straight years from 2000 to 2006, losing 3,675 total jobs or 14.3 percent of its jobs base. Following this period of decline, the county added jobs in six of the last eight years including the addition of 1,184 jobs in 2014, the largest single year growth since 2000. From a low of 21,125 jobs in 2009 during the recession, the county added a net 1,960 jobs over the next five years. Growth has continued through the first half of 2015 with the addition of 277 jobs (Figure 5).

As illustrated by the lines in the bottom portion of Figure 5, Oconee County has generally followed the national trend since 2007 with the exception of the past two years; the county remained relatively unchanged in 2013 but significantly outperformed the national growth rate in 2014.

**Figure 5 At-Place Employment**



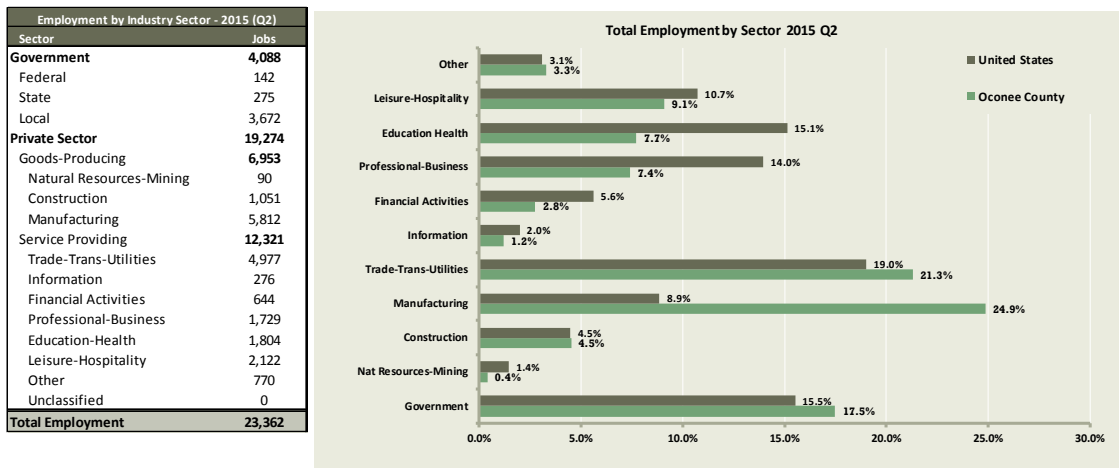
Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



## 2. At-Place Employment by Industry Sector

Oconee County’s largest economic sectors are Manufacturing (24.9 percent), Trade-Transportation-Utilities (21.3 percent), and Government (17.5 percent). These three sectors account for 63.7 percent of the jobs in Oconee County and only 43.4 percent of jobs in the nation (Figure 6). The county’s large percentage of jobs in the Manufacturing sector (24.9 percent) is significantly higher than the national percentage (8.9 percent). Conversely, the county has a much lower percentage of jobs in the Education-Health, Professional-Business, and Financial Activities sectors.

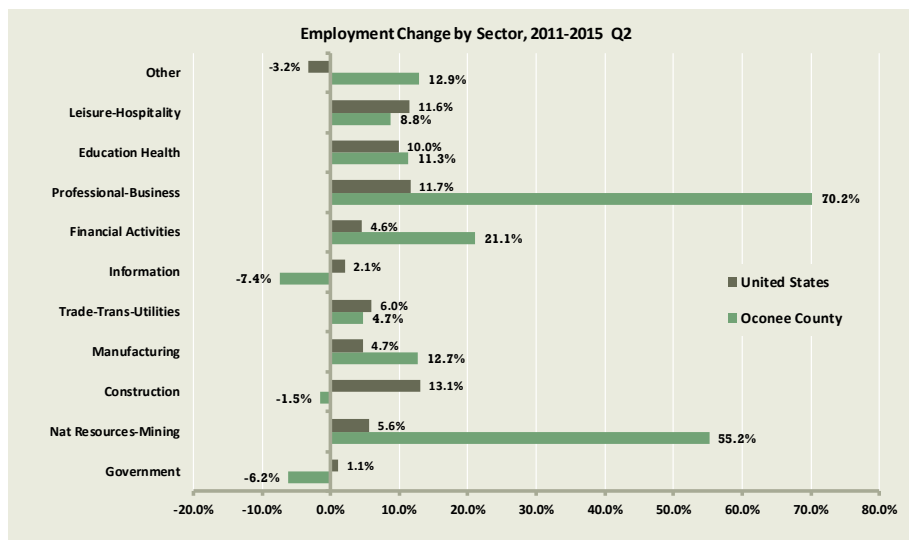
**Figure 6 Total Employment by Sector 2015 (Q2)**



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

From 2011 to 2015(Q2), eight of 11 economic sectors added jobs in Oconee County including the Manufacturing and Trade Transportation-Utilities sectors, the two largest sectors in the market area, with growth of 12.7 and 4.7 percent, respectively. Professional-Business grew the most on a percentage basis with 70.2 percent growth over this time period (Figure 7). Overall, six sectors grew by more than ten percent. The most notable loss was in the Government sector which lost 6.2 percent of its jobs. Although the Construction and Information sectors lost jobs at higher rates, these sectors combine for less than six percent of the county’s jobs.

**Figure 7 Change in Employment by Sector 2011-2015 (Q2)**



Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages



### 3. Major Employers

The 15 largest employers in Oconee County include nine manufacturing employers; however, the three largest employers in the county are the School District of Oconee County (1,605 employees), Duke Energy Corporation (1,500 employees), and Oconee Memorial Hospital (1,370 employees) (Table 5). Two major employers are in the Government sector. The subject site is conveniently located within 10 miles of all major employers (Map 4).

**Table 5 Major Employers, Oconee County**

Rank	Name	Industry	Employment
1	School District of Oconee County	Education	1,605
2	Duke Energy Corporation	Utilities	1,500
3	Oconee Memorial Hospital	Healthcare	1,370
4	BorgWarner	Manufacturing	700
5	U. S. Engine Valve Corp.	Manufacturing	640
6	Itron, Inc.	Manufacturing	640
7	Schneider Electric	Utilities	600
8	ITEKT/Koyo Bearings USA, LLC	Manufacturing	515
9	Oconee County Government	Government	450
10	Sandvik Inc.	Manufacturing	315
11	BASF Corp.	Manufacturing	300
12	Greenfield Industries, Inc.	Manufacturing	300
13	Johnson Controls, Inc.	Manufacturing	300
14	State of South Carolina	Government	286
15	Lift Technologies, Inc.	Manufacturing	210

Source: Oconee Economic Alliance

### 4. Recent Economic Expansions and Contractions

According to various media reports, five new companies and six expansions have been announced since late 2013. Combined, these 11 expansions will add an estimated 453 jobs (Table 6). Total employment among the new and expanding companies is likely to occur over a several year period. No recent major layoff announcements were identified in Oconee County.

According to The Anderson Independent-Mail, a local media outlet, a new Michelin North America plant is in the works near Fair Play, approximately 12 miles south of Seneca. No confirmation has come from the company or the county but it is believed that the company would invest up to \$250 million and create 150 to 170 new jobs.



**Table 6 Employment Expansions and Contractions**

**New Companies**

Announced	Company Name	New Jobs	Capital Investment (Million)
7/22/2015	US Building Innovations, Inc.	31	\$1.0
7/7/2015	CRM Global Manufacturing	10	
8/15/2014	ACI Plastics	25	\$4.1
5/29/2014	TDC Cutting Tools	38	\$8.2
5/21/2014	Plastics Products Company Inc.	69	\$3.2
<b>Total</b>		<b>173</b>	<b>\$16.5</b>

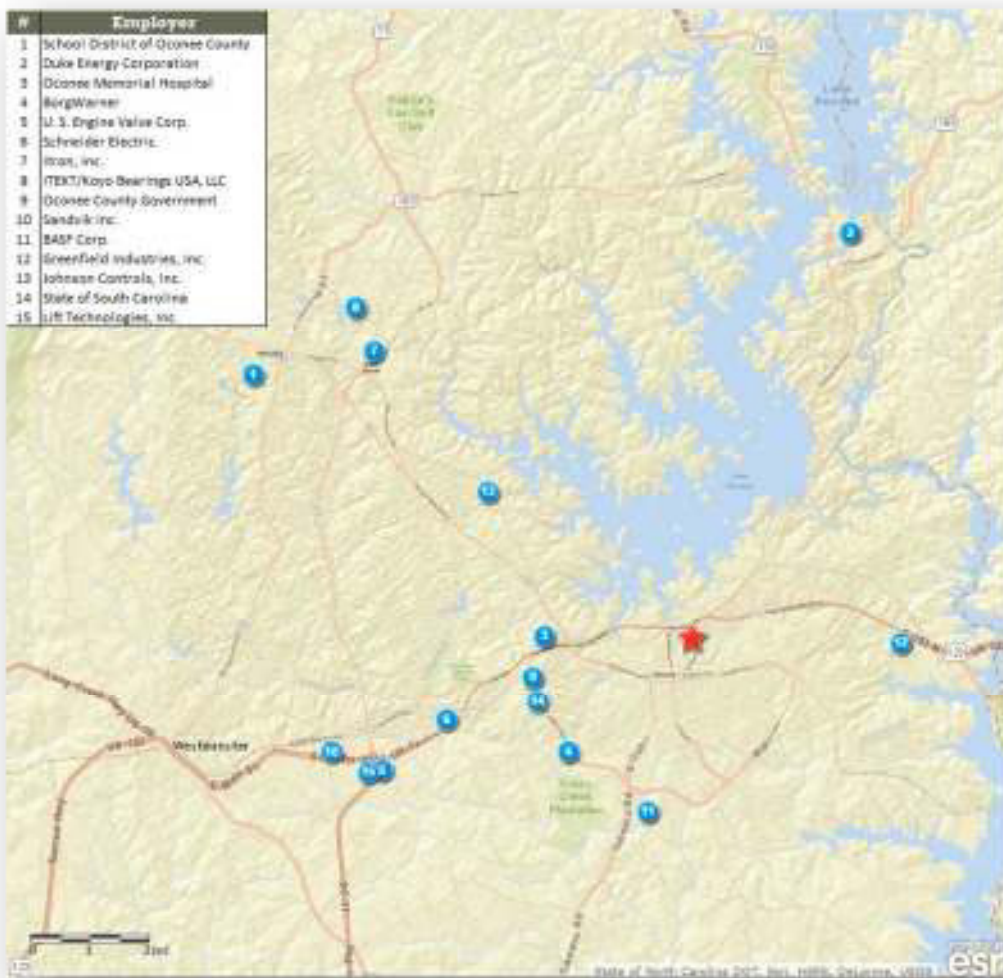
Source: Media reports

**Expansions**

Announced	Company Name	New Jobs	Capital Investment (Million)
5/28/2015	BorgWarner	50	\$13.3
5/21/2015	ITT Corporation		\$2.5
2/6/2014	US Engine Valve	125	\$30.0
1/21/2014	Sandvik, Inc.		\$12.0
12/9/2013	Ulbrich Precision Flat Wire Inc.		\$5.0
11/8/2013	BorgWarner	105	\$24.6
<b>Total</b>		<b>280</b>	<b>\$87.4</b>

Source: Media reports

**Map 4 Major Employers**





## 5. HOUSING MARKET AREA

### A. Introduction

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

### B. Delineation of Market Area

The Hunter Oaks Market Area is comprised of census tracts in and around Seneca which includes the eastern portion of Oconee County, south of Lake Keowee. This market area includes the portions of Oconee County most comparable with the city of Seneca. Based on our analysis, we believe residents of this market area would consider the subject site an acceptable location for affordable housing. The market area is split by U.S. Highway 123 and State Highways 130 and 59, thoroughfares connecting much of the market area. Locations in Oconee County including Walhalla and Westminster were not included in the market area due to distance from the subject site. Clemson is not included in the Hunter Oaks Market Area as it is located in Pickens County and is not comparable in population characteristics as a large portion of its population is made up of students at Clemson University.

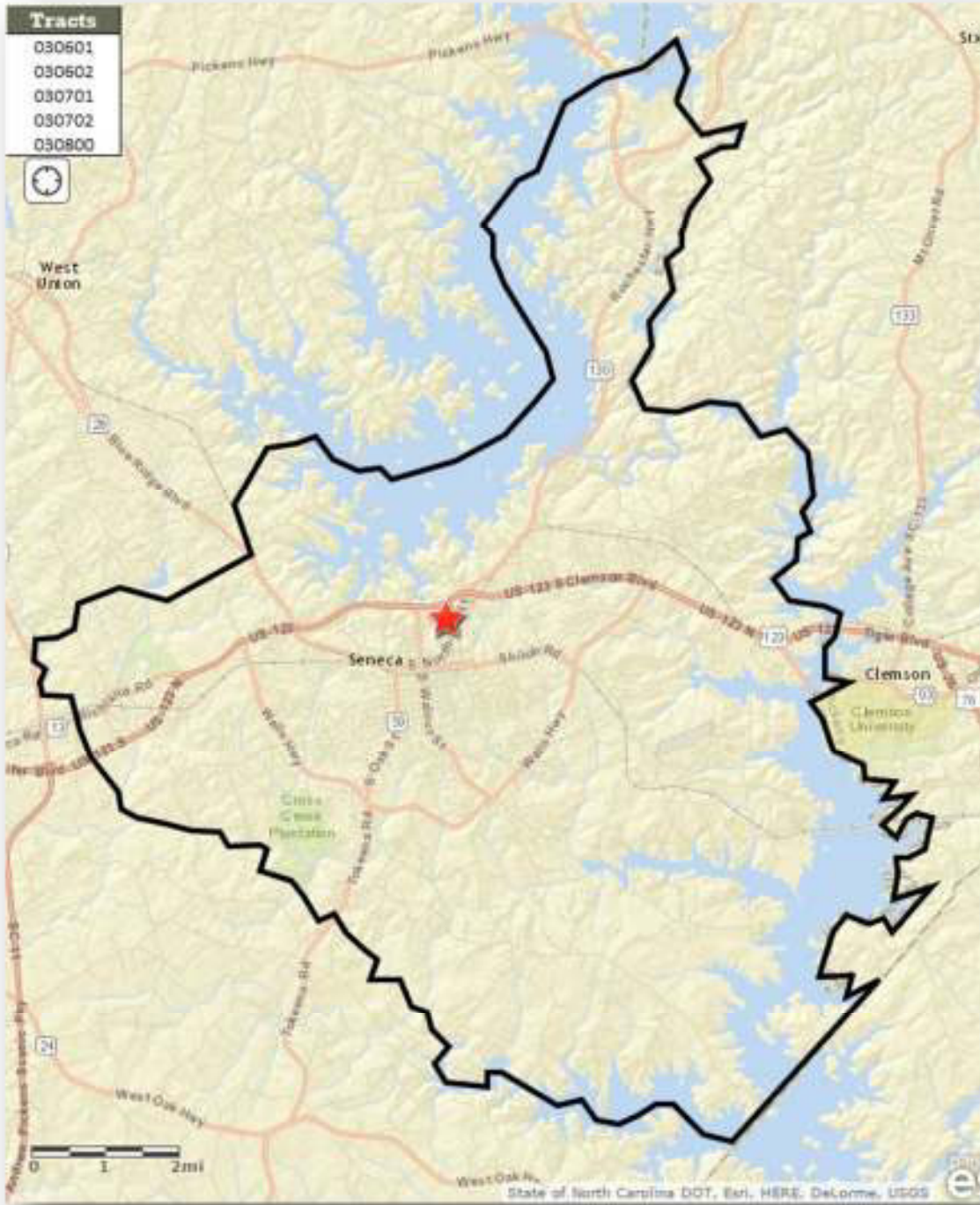
The boundaries of the Hunter Oaks Market Area and their approximate distance from the subject site are:

- **North:** Lake Keowee (7.3 miles)
- **East:** Pickens County (5.3 miles)
- **South:** Coneross Creek (6.3 miles)
- **West:** Coneross Creek / Bountyland Road (5.0 miles)

This market area is depicted in Map 5 and the census tracts that comprise the market area are listed on the edge of the map. As appropriate for this analysis, the Hunter Oaks Market Area is compared to Oconee County, which is considered as the secondary market area, although demand will be computed based only on the Hunter Oaks Market Area.



Map 5 Hunter Oaks Market Area





## 6. DEMOGRAPHIC ANALYSIS

### A. Introduction and Methodology

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

### B. Trends in Population and Households

#### 1. Recent Past Trends

Between 2000 and 2010 Census counts, the population of the Hunter Oaks Market Area grew by 18.2 percent, rising from 21,937 to 25,923 people (Table 7). The annual increase during this decade was 399 people or 1.7 percent. During the same time period, the number of households in the Hunter Oaks Market Area grew by 17.8 percent from 9,113 to 10,734 households with an annual increase of 162 households or 1.7 percent.

During the same decade, Oconee County had total growth of 8,058 people (12.2 percent) and 3,393 households (12.4 percent). Annual increases were 806 people (1.2 percent) and 339 households (1.2 percent).

#### 2. Projected Trends

Based on Esri growth rate projections, the Hunter Oaks Market Area added 899 people and 377 households from 2010 to 2015. RPRG further projects that the market area will add 503 people from 2015 to 2018, annual increases of 168 people or 0.6 percent. The number of households will increase at the same pace, adding 68 households (0.6 percent) per year from 2015 to 2018.

Oconee County's population and households base is projected to grow at a slightly slower pace. Annual growth in the county is projected at 401 people (0.5 percent) and 169 households (0.5 percent).

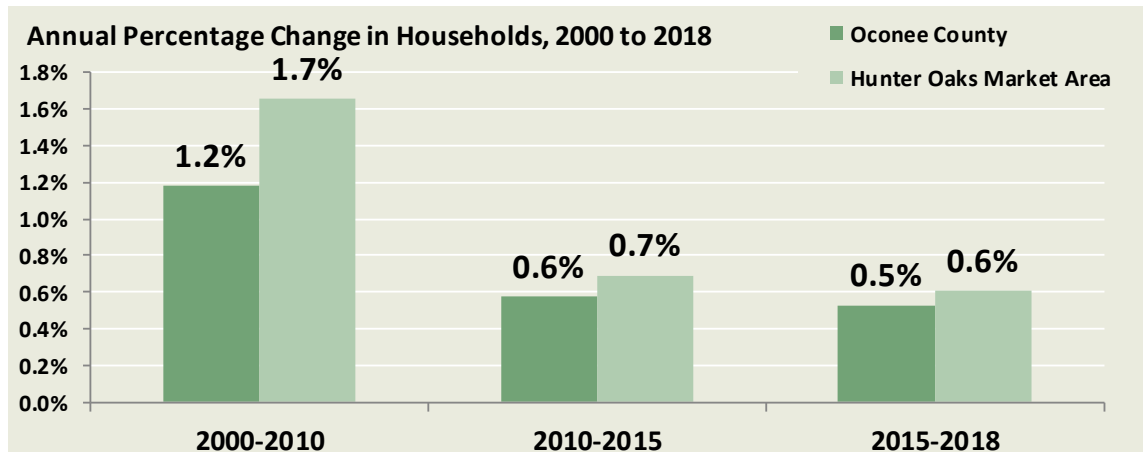
The average person per household is expected to increase slightly to 2.38 persons per household by 2018 from 2.37 persons in 2010 (Table 8).



**Table 7 Population and Household Projections**

		Oconee County				Hunter Oaks Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	66,215					21,937				
2010	74,273	8,058	12.2%	806	1.2%	25,923	3,986	18.2%	399	1.7%
2015	76,208	1,935	2.6%	387	0.5%	26,822	899	3.5%	180	0.7%
2018	77,411	1,203	1.6%	401	0.5%	27,325	503	1.9%	168	0.6%
		Oconee County				Hunter Oaks Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	27,283					9,113				
2010	30,676	3,393	12.4%	339	1.2%	10,734	1,621	17.8%	162	1.7%
2015	31,567	891	2.9%	178	0.6%	11,111	377	3.5%	75	0.7%
2018	32,073	506	1.6%	169	0.5%	11,315	204	1.8%	68	0.6%

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



**Table 8 Persons per Household, Hunter Oaks Market Area**

Persons per HH, Hunter Oaks Market Area			
Year	2010	2015	2018
Population	25,923	26,822	27,325
Group Quarters	433	433	433
Households	10,734	11,111	11,315
Households Size	2.37	2.38	2.38

Source: Census, Esri, RPRG

### 3. Building Permit Trends

Annual building permit activity in Oconee County increased steadily from 2000 to 2008 before decreasing significantly in 2009. Oconee County averaged 742 units permitted from 2000 to 2009, which was higher than the average annual household growth of 339 households in the county between the 2000 and 2010 census counts. This disparity in household growth relative to units permitted could indicate an overbuilt market; however, these figures also do not take the replacement of existing housing units into account or the number of second homes / vacation homes



at Lake Keowee. Including the significant drop in 2009, permit activity has remained relatively unchanged over the past six years, averaging 229 permits issued per year from 2009 to 2014 (Table 9).

Since 2000, 87 percent of all units permitted have been single-family detached homes and 12 percent have been in multi-family structures with five or more units. One percent of permitted units were contained within structures with 2-4 units.

**Table 9 Building Permits by Structure Type, Oconee County**

Oconee County																	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2000-2014	Annual Average
Single Family	473	490	520	626	711	830	849	975	642	255	186	143	177	279	243	7,399	493
Two Family	0	0	2	8	6	20	2	0	16	2	0	0	0	0	0	56	4
3 - 4 Family	0	0	0	15	0	0	0	20	0	0	0	0	0	0	0	35	2
5+ Family	0	0	49	256	122	11	0	137	367	13	0	26	0	48	0	1,029	69
<b>Total</b>	<b>473</b>	<b>490</b>	<b>571</b>	<b>905</b>	<b>839</b>	<b>861</b>	<b>851</b>	<b>1,132</b>	<b>1,025</b>	<b>270</b>	<b>186</b>	<b>169</b>	<b>177</b>	<b>327</b>	<b>243</b>	<b>8,519</b>	<b>568</b>

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



### C. Demographic Characteristics

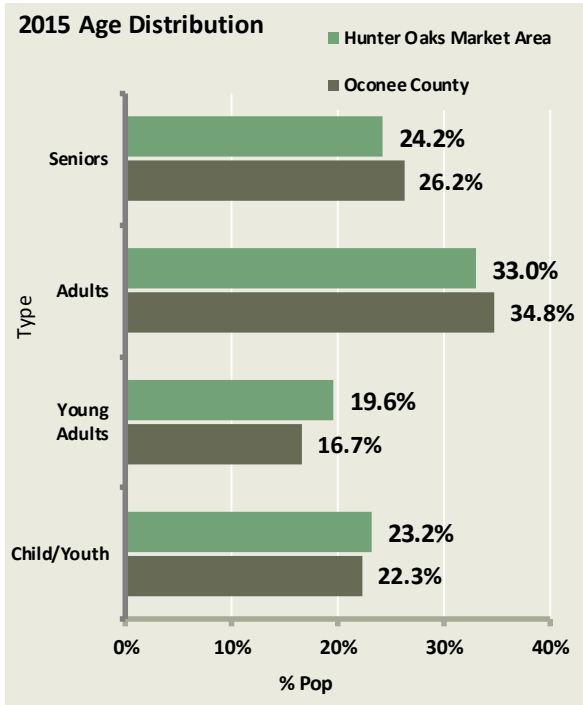
#### 1. Age Distribution and Household Type

The populations of the market area and county are both older with median ages of 41 and 44, respectively (Table 10). Adults age 35-61 comprise the largest percentage of the population in both areas at 33.0 percent in the market area and 34.8 percent in the county. The Hunter Oaks Market Area contains a higher percentage of Children/Youth under the age of 20 (23.2 percent versus 22.3 percent) and Young Adults age 20-34 (19.6 percent versus 16.7 percent). Nearly one-quarter (24.2 percent) of market area households are Seniors age 62 or older, indicating the market area is possibly influenced by a large number of retirees living on Lake Keowee.



**Table 10 2015 Age Distribution**

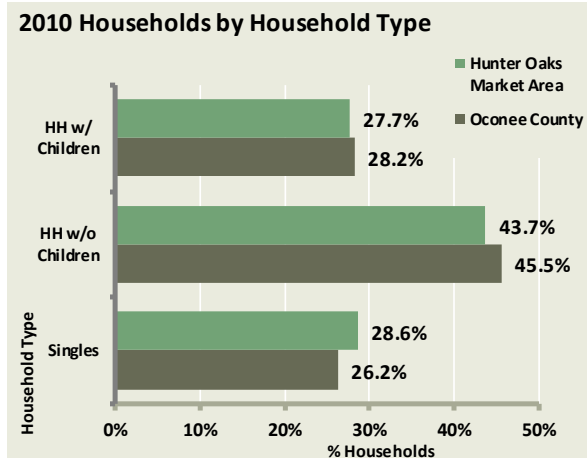
	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>17,019</b>	<b>22.3%</b>	<b>6,219</b>	<b>23.2%</b>
Under 5 years	4,030	5.3%	1,523	5.7%
5-9 years	4,278	5.6%	1,552	5.8%
10-14 years	4,323	5.7%	1,481	5.5%
15-19 years	4,388	5.8%	1,663	6.2%
<b>Young Adults</b>	<b>12,692</b>	<b>16.7%</b>	<b>5,250</b>	<b>19.6%</b>
20-24 years	4,218	5.5%	1,700	6.3%
25-34 years	8,474	11.1%	3,550	13.2%
<b>Adults</b>	<b>26,529</b>	<b>34.8%</b>	<b>8,853</b>	<b>33.0%</b>
35-44 years	8,620	11.3%	2,949	11.0%
45-54 years	9,981	13.1%	3,272	12.2%
55-61 years	7,928	10.4%	2,632	9.8%
<b>Seniors</b>	<b>19,968</b>	<b>26.2%</b>	<b>6,500</b>	<b>24.2%</b>
62-64 years	3,398	4.5%	1,128	4.2%
65-74 years	10,080	13.2%	3,119	11.6%
75-84 years	5,022	6.6%	1,661	6.2%
85 and older	1,468	1.9%	592	2.2%
<b>TOTAL</b>	<b>76,208</b>	<b>100%</b>	<b>26,822</b>	<b>100%</b>
<b>Median Age</b>	<b>44</b>		<b>41</b>	



Households with at least two adults but no children comprise 43.7 percent of households in the market area and 45.5 percent of households in the county, most of which are married couples. Children are present in 27.7 percent of households in the Hunter Oaks Market Area compared to 28.2 percent of the households in Oconee County (Table 11). Single person households account for 28.6 percent of households in the Hunter Oaks Market Area and 26.2 percent of the households in Oconee County.

**Table 11 2010 Households by Household Type**

Households by Household Type	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
Married w/Children	5,749	18.7%	1,801	16.8%
Other w/ Children	2,904	9.5%	1,167	10.9%
<b>Households w/ Children</b>	<b>8,653</b>	<b>28.2%</b>	<b>2,968</b>	<b>27.7%</b>
Married w/o Children	10,756	35.1%	3,300	30.7%
Other Family w/o Children	1,800	5.9%	646	6.0%
Non-Family w/o Children	1,415	4.6%	748	7.0%
<b>Households w/o Children</b>	<b>13,971</b>	<b>45.5%</b>	<b>4,694</b>	<b>43.7%</b>
Singles Living Alone	8,052	26.2%	3,072	28.6%
<b>Singles</b>	<b>8,052</b>	<b>26.2%</b>	<b>3,072</b>	<b>28.6%</b>
<b>Total</b>	<b>30,676</b>	<b>100%</b>	<b>10,734</b>	<b>100%</b>



Source: 2010 Census; RPRG, Inc.



## 2. Renter Household Characteristics

As of the 2010 Census, 33.9 percent of all households in the Hunter Oaks Market Area were renters compared to 24.9 percent in Oconee County (Table 12). Between the 2000 and 2010 census counts, renter households accounted for 65.4 percent of net household growth in the market area. Renter percentages are expected to increase significantly in both areas and are projected at 36.8 percent in the market area and 27.0 percent in Oconee County in 2018. Renter households are projected to account for 88.6 percent of net household change in the Hunter Oaks Market Area from 2015 to 2018.

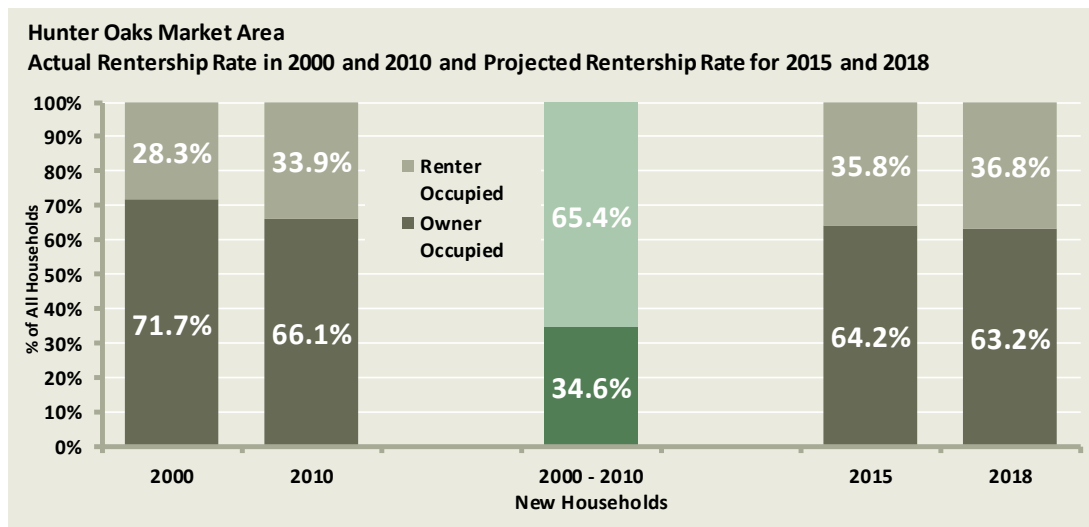
**Table 12 Households by Tenure**

Oconee County	2000		2010		Change 2000-2010		2015		2018		Change 2015-2018	
Housing Units	#	%	#	%	#	%	#	%	#	%	#	%
Owner Occupied	21,391	78.4%	23,042	75.1%	1,651	48.7%	23,246	73.6%	23,401	73.0%	156	30.8%
Renter Occupied	5,892	21.6%	7,634	24.9%	1,742	51.3%	8,321	26.4%	8,672	27.0%	350	69.2%
<b>Total Occupied</b>	<b>27,283</b>	<b>100%</b>	<b>30,676</b>	<b>100%</b>	<b>3,393</b>	<b>100%</b>	<b>31,567</b>	<b>100%</b>	<b>32,073</b>	<b>100%</b>	<b>506</b>	<b>100%</b>
Total Vacant	5,100		8,087				8,322		8,455			
<b>TOTAL UNITS</b>	<b>32,383</b>		<b>38,763</b>				<b>39,889</b>		<b>40,528</b>			

Hunter Oaks Market Area	2000		2010		Change 2000-2010		2015		2018		Change 2015-2018	
Housing Units	#	%	#	%	#	%	#	%	#	%	#	%
Owner Occupied	6,537	71.7%	7,098	66.1%	561	34.6%	7,128	64.2%	7,152	63.2%	23	11.4%
Renter Occupied	2,576	28.3%	3,636	33.9%	1,060	65.4%	3,983	35.8%	4,163	36.8%	181	88.6%
<b>Total Occupied</b>	<b>9,113</b>	<b>100%</b>	<b>10,734</b>	<b>100%</b>	<b>1,621</b>	<b>100%</b>	<b>11,111</b>	<b>100%</b>	<b>11,315</b>	<b>100%</b>	<b>204</b>	<b>100%</b>
Total Vacant	1,195		1,998				2,068		2,106			
<b>TOTAL UNITS</b>	<b>10,308</b>		<b>12,732</b>				<b>13,179</b>		<b>13,421</b>			

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



Roughly 62 percent of renter households in the Hunter Oaks Market Area have one or two people compared to 60.9 percent in Oconee County (Table 13). Three and four person households comprise 30.6 percent of renter households in the Hunter Oaks Market Area and 7.6 percent of renter households have five or more members.

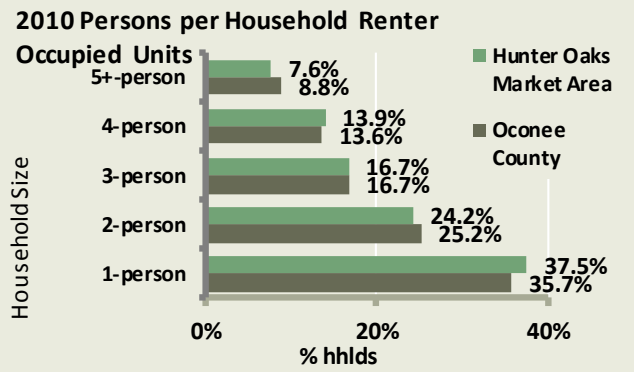


Working age households form the core of the market area’s renters, as 57.3 percent of renter occupied households are between the ages of 25 and 54 (Table 14). Young renters (under 25) in the Hunter Oaks Market Area comprise 14.6 percent of renters and older adults age 55+ account for 28.1 percent of all market area renters.

**Table 13 2010 Renter Households by Household Size**

Renter Occupied	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
1-person hhld	2,728	35.7%	1,365	37.5%
2-person hhld	1,920	25.2%	880	24.2%
3-person hhld	1,277	16.7%	606	16.7%
4-person hhld	1,036	13.6%	507	13.9%
5+-person hhld	673	8.8%	278	7.6%
<b>TOTAL</b>	<b>7,634</b>	<b>100%</b>	<b>3,636</b>	<b>100%</b>

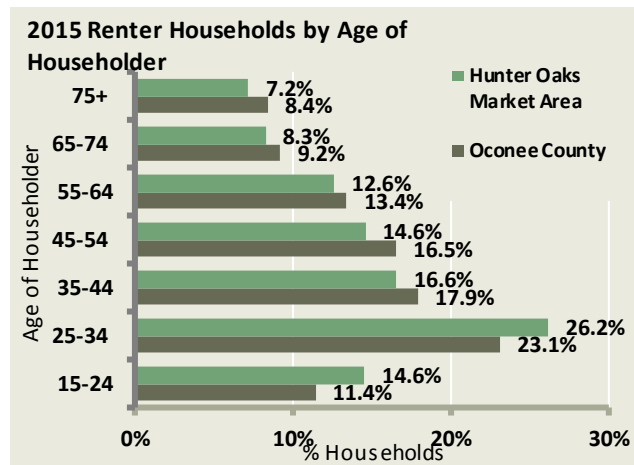
Source: 2010 Census



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

Renter Households	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	950	11.4%	580	14.6%
25-34 years	1,924	23.1%	1,043	26.2%
35-44 years	1,490	17.9%	660	16.6%
45-54 years	1,376	16.5%	581	14.6%
55-64 years	1,116	13.4%	503	12.6%
65-74 years	766	9.2%	329	8.3%
75+ years	699	8.4%	287	7.2%
<b>Total</b>	<b>8,321</b>	<b>100%</b>	<b>3,983</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.



### 3. Population by Race

SCSHFDA’s has requested population by race for the subject census tract. As detailed in Table 15, a large portion of the population (92.1 percent) in the subject’s census tract is white and 5.5 percent is black. The remaining 2.3 percent of the population reported another race or two races.



**Table 15 Population by Race, Tract 306.01**

Race	Tract 306.01	
	#	%
<b>Total</b>	<b>4,647</b>	<b>100.0%</b>
<b>Population Reporting One Race</b>	<b>4,543</b>	<b>97.8%</b>
White	4,282	92.1%
Black	255	5.5%
American Indian	0	0.0%
Asian	6	0.1%
Pacific Islander	0	0.0%
Some Other Race	0	0.0%
<b>Population Reporting Two Races</b>	<b>104</b>	<b>2.2%</b>

Source: American Community Survey 2010-2014

#### 4. Income Characteristics

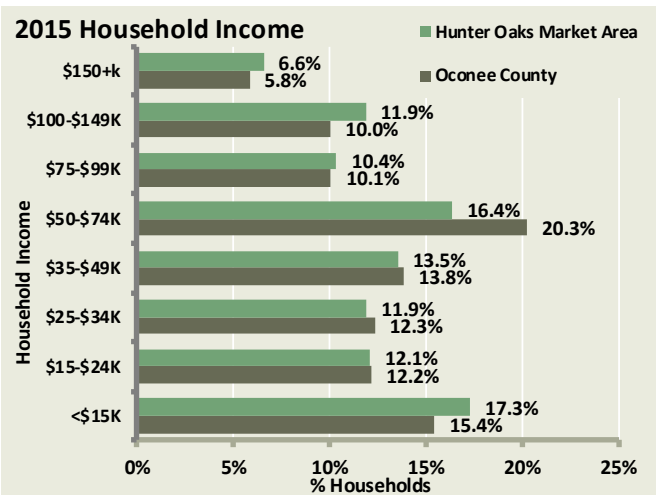
Based on Esri estimates, the Hunter Oaks Market Area’s 2015 median income of \$44,638 is \$1,248 or 2.7 percent lower than the \$45,886 median in Oconee County (Table 16). Incomes in the market area are fairly evenly distributed among income brackets. Roughly 29 percent of market area households earn less than \$25,000 including 17.3 percent earning less than \$15,000. Roughly one-quarter (25.4 percent) of households in the Hunter Oaks Market Area earn \$25,000 to \$49,999 and 26.8 percent earn \$50,000 to \$100,000.

Based on the ACS data income projections, the breakdown of tenure, and household estimates, RPRG estimates that the median income of renters in the Hunter Oaks Market Area as of 2015 is \$29,095 (Table 17). This renter median income is roughly half the median among owner households of \$58,876. Among renter households, 43.4 percent earn less than \$25,000 including 25.6 percent earning less than \$15,000. Approximately 31 percent of renters earn between \$25,000 and \$49,999.

**Table 16 2015 Household Income, Hunter Oaks Market Area**

Estimated 2015 Household Income		Oconee County		Hunter Oaks Market Area	
		#	%	#	%
less than	\$15,000	4,876	15.4%	1,923	17.3%
	\$15,000 - \$24,999	3,840	12.2%	1,343	12.1%
	\$25,000 - \$34,999	3,895	12.3%	1,323	11.9%
	\$35,000 - \$49,999	4,371	13.8%	1,504	13.5%
	\$50,000 - \$74,999	6,394	20.3%	1,818	16.4%
	\$75,000 - \$99,999	3,185	10.1%	1,152	10.4%
	\$100,000 - \$149,999	3,168	10.0%	1,318	11.9%
	\$150,000 - Over	1,838	5.8%	730	6.6%
<b>Total</b>		<b>31,567</b>	<b>100%</b>	<b>11,111</b>	<b>100%</b>
<b>Median Income</b>		<b>\$45,886</b>		<b>\$44,638</b>	

Source: Esri; Real Property Research Group, Inc.



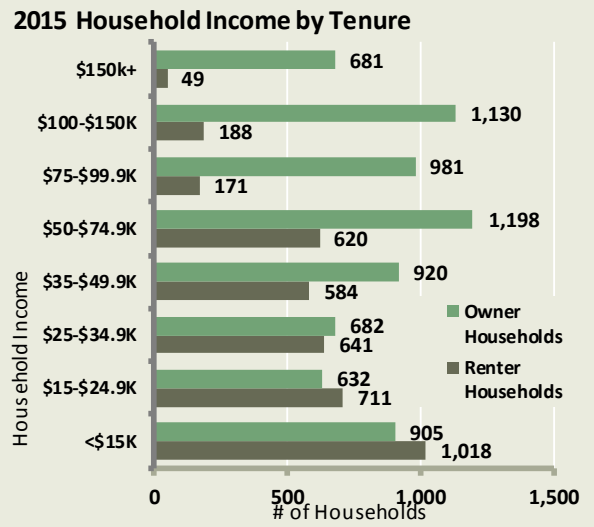




**Table 17 2015 Income by Tenure**

Hunter Oaks Market Area		Renter Households		Owner Households	
		#	%	#	%
less than \$15,000		1,018	25.6%	905	12.7%
\$15,000 \$24,999		711	17.8%	632	8.9%
\$25,000 \$34,999		641	16.1%	682	9.6%
\$35,000 \$49,999		584	14.7%	920	12.9%
\$50,000 \$74,999		620	15.6%	1,198	16.8%
\$75,000 \$99,999		171	4.3%	981	13.8%
\$100,000 \$149,999		188	4.7%	1,130	15.9%
\$150,000 over		49	1.2%	681	9.5%
<b>Total</b>		<b>3,983</b>	<b>100%</b>	<b>7,128</b>	<b>100%</b>
<b>Median Income</b>		<b>\$29,095</b>		<b>\$58,876</b>	

Source: American Community Survey 2010-2014 Estimates, RPRG, Inc.





## 7. COMPETITIVE HOUSING ANALYSIS

### A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Hunter Oaks Market Area. We pursued several avenues of research in an attempt to identify residential rental projects that are actively being planned or that are currently under construction within the Hunter Oaks Market Area. We contacted planning officials with the City of Seneca and Oconee County. Site visit observations and past RPRG work in the region also informed this process. The rental survey of competitive projects was conducted in February 2016.

### B. Overview of Market Area Housing Stock

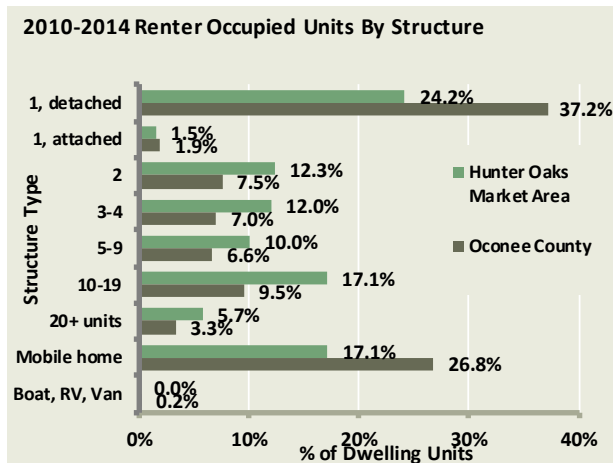
The renter occupied stock in both areas include a range of housing types with the market area containing a higher percentage of multi-family structures. Multi-family structures with five or more units contain 32.8 percent of rental units in the market area and 19.5 percent in the county. Single-family detached homes and mobile homes accounted for 41.3 percent of rentals in the Hunter Oaks Market Area compared to 63.9 percent of Oconee County rentals (Table 18). Roughly one-quarter (24.3 percent) of market area rentals are contained in structures with two to four units.

The renter-occupied housing stock in the Hunter Oaks Market Area is slightly younger than in Oconee County with a median year built of 1984 compared to 1982 in the county. Roughly 41 percent of the renter occupied units in the Hunter Oaks Market Area have been constructed since 1990 compared to 36.9 percent in Oconee County. Approximately one-quarter of rental units in the market area were constructed in the 1970's. The median year built of the owner-occupied units is 1984 in the market area and 1987 in the county (Table 19).

According to ACS data, the median value among owner-occupied housing units in the Hunter Oaks Market Area was \$146,959, which is \$2,603 or 1.8 percent higher than Oconee County's median of \$144,356 (Table 20). ACS estimates home values based upon homeowners' assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices in an area than actual sales data, but offers insight of relative housing values among two or more areas.

**Table 18 Renter Occupied Units by Structure**

Renter Occupied	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
1, detached	2,838	37.2%	877	24.2%
1, attached	145	1.9%	55	1.5%
2	575	7.5%	446	12.3%
3-4	533	7.0%	434	12.0%
5-9	507	6.6%	364	10.0%
10-19	728	9.5%	618	17.1%
20+ units	251	3.3%	208	5.7%
Mobile home	2,044	26.8%	621	17.1%
Boat, RV, Van	14	0.2%	0	0.0%
<b>TOTAL</b>	<b>7,635</b>	<b>100%</b>	<b>3,623</b>	<b>100%</b>



Source: American Community Survey 2010-2014



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

Owner Occupied	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
2010 or later	339	1.5%	162	2.3%
2000 to 2009	4,675	20.6%	1,440	20.4%
1990 to 1999	5,392	23.8%	1,423	20.1%
1980 to 1989	3,667	16.2%	888	12.6%
1970 to 1979	3,355	14.8%	984	13.9%
1960 to 1969	2,118	9.3%	978	13.8%
1950 to 1959	1,652	7.3%	681	9.6%
1940 to 1949	633	2.8%	265	3.8%
1939 or earlier	853	3.8%	242	3.4%
<b>TOTAL</b>	<b>22,684</b>	<b>100%</b>	<b>7,063</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1987</b>		<b>1984</b>	

Source: American Community Survey 2010-2014

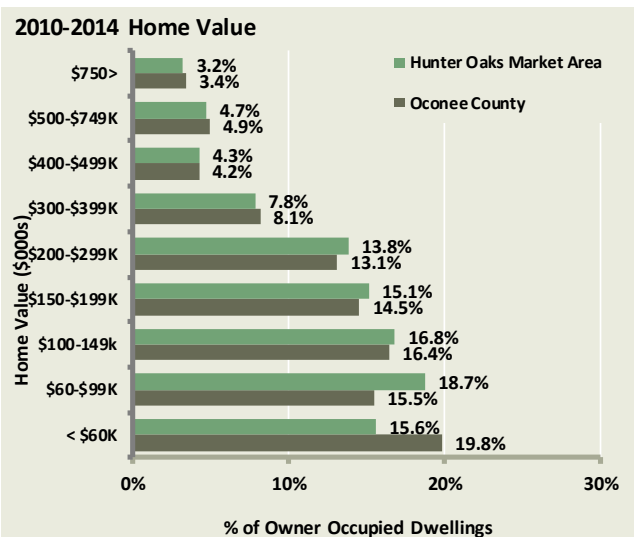
Renter Occupied	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
2010 or later	11	0.1%	0	0.0%
2000 to 2009	1,353	17.7%	808	22.3%
1990 to 1999	1,453	19.0%	675	18.6%
1980 to 1989	1,298	17.0%	580	16.0%
1970 to 1979	1,486	19.5%	914	25.2%
1960 to 1969	649	8.5%	235	6.5%
1950 to 1959	636	8.3%	179	4.9%
1940 to 1949	363	4.8%	110	3.0%
1939 or earlier	386	5.1%	122	3.4%
<b>TOTAL</b>	<b>7,635</b>	<b>100%</b>	<b>3,623</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1982</b>		<b>1984</b>	

Source: American Community Survey 2010-2014

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

2010-2014 Home Value	Oconee County		Hunter Oaks Market Area	
	#	%	#	%
less than \$60,000	4,347	19.8%	1,083	15.6%
\$60,000 - \$99,999	3,392	15.5%	1,301	18.7%
\$100,000 - \$149,999	3,602	16.4%	1,167	16.8%
\$150,000 - \$199,999	3,186	14.5%	1,050	15.1%
\$200,000 - \$299,999	2,879	13.1%	959	13.8%
\$300,000 - \$399,999	1,789	8.1%	543	7.8%
\$400,000 - \$499,999	928	4.2%	296	4.3%
\$500,000 - \$749,999	1,081	4.9%	327	4.7%
\$750,000 over	748	3.4%	224	3.2%
<b>Total</b>	<b>21,952</b>	<b>100%</b>	<b>6,950</b>	<b>100%</b>
<b>Median Value</b>	<b>\$144,356</b>		<b>\$146,959</b>	

Source: American Community Survey 2010-2014



## C. Survey of Competitive Rental Communities

### 1. Introduction to the Rental Housing Survey

As part of this analysis, RPRG surveyed five general occupancy communities in the Hunter Oaks Market Area including three market rate communities and two LIHTC communities. The two LIHTC communities are considered the most comparable communities to the proposed development of



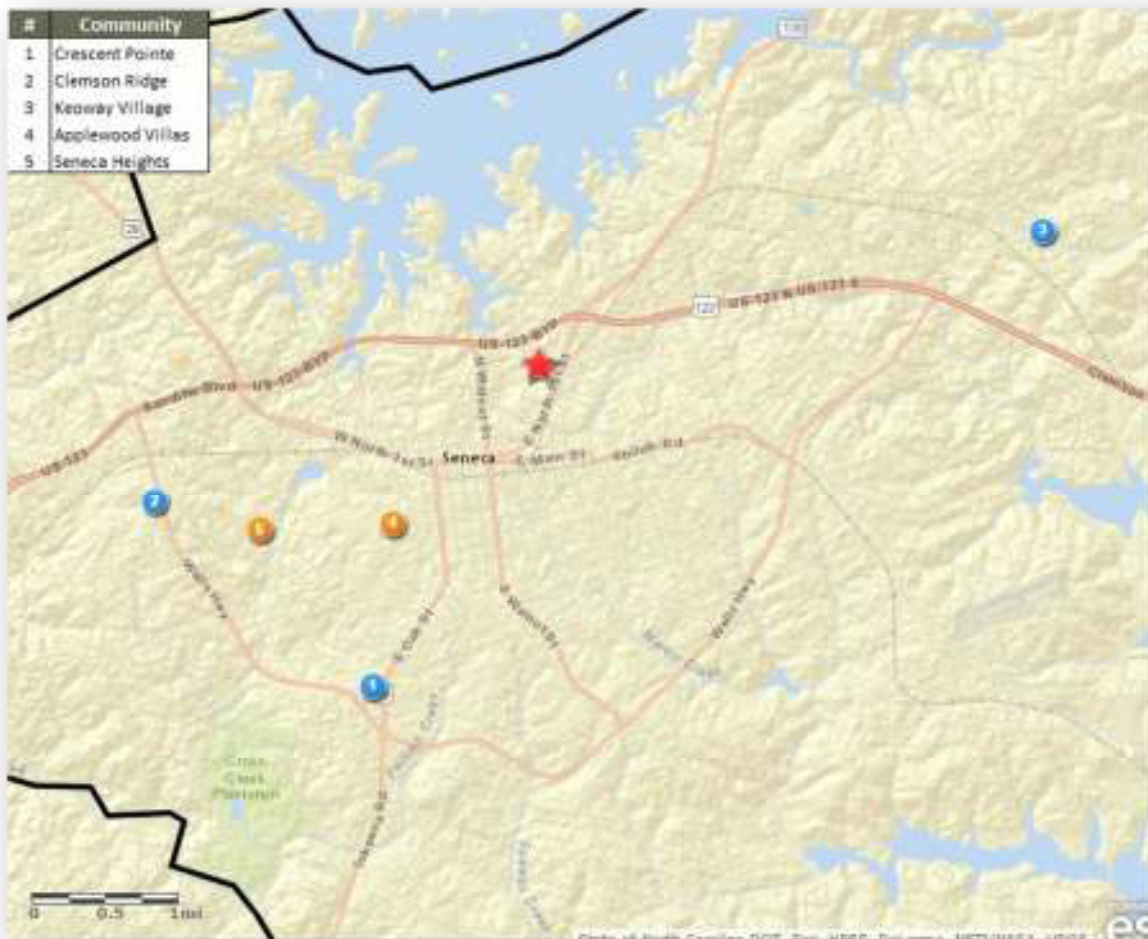
Hunter Oaks. We were unsuccessful in surveying one LIHTC community in the market area, Seneca Gardens, which has Project Based Rental Assistance (PBRA). As the subject property will not include PBRA, this community is not directly comparable and is not necessary for our analysis.

The five surveyed communities combine to offer 433 units including two LIHTC communities that have a combined 89 units (Table 21). Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5.

**2. Location**

All of the communities are located in Seneca including four communities located southwest of the site and one community (Keoway Village) located to the east (Map 6). All surveyed communities are located within four miles of the subject site. The subject site is considered comparable with locations of existing communities due to their proximity to the site and comparable neighborhoods.

**Map 6 Surveyed Rental Communities**





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

The average year built of all surveyed comparable communities in the market area is 1999. The two LIHTC communities had an average year built of 2012. The newest community in the Hunter Oaks Market Area is Seneca Heights, a LIHTC community built in 2013.

### **4. Structure Type**

The three market rate communities offer garden style units and the two LIHTC communities offer townhomes.

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

The average community size among all surveyed communities is 87 units. The largest community is a market rate property (Crescent Pointe) with 144 units. The LIHTC communities have an average of 45 units.

### **6. Vacancy Rates**

The surveyed communities combined for six vacancies among 433 units, a rate of just 1.4 percent. The LIHTC communities had four vacancies, all at Applewood Villas, among 89 total units for a vacancy rate of 4.5 percent. Seneca Heights, a LIHTC community, is fully occupied and has a waiting list of one to two years.

Vacancy rates by floorplan were 1.4 percent for one bedroom units, 1.9 percent for two bedroom units, and 0.7 percent for three bedroom units (Table 22). No vacant four bedroom units were reported.

The overall average historic vacancy rate among the Hunter Oaks Market Area's LIHTC communities was 3.3 percent for the second and fourth quarter of 2015 (Table 23).

The overall occupancy rate for all LIHTC communities was 95.5 percent (Table 24).

### **7. Rent Concessions**

No surveyed communities are currently offering incentives.

### **8. Absorption History**

The newest community in the market area is Seneca Heights, a LIHTC community, which contains 39 units. The community opened in October 2013 and was leased up prior to opening.



**Table 21 Rental Summary, Surveyed Communities**

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
	<b>Subject 50% AMI</b>		Gar	10				\$485	
	<b>Subject 60% AMI</b>		Gar	40				\$600	
1	Crescent Pointe	2003	Gar	144	0	0.0%	\$683	\$785	None
2	Clemson Ridge	1998	Gar	120	2	1.7%		\$755	None
3	Keoway Village	1972	Gar	80	0	0.0%	\$525	\$560	None
4	Applewood Villas*	2011	TH	50	4	8.0%	\$357	\$471	None
5	Seneca Heights*	2013	TH	39	0	0.0%		\$390	None
<b>Total</b>				<b>433</b>	<b>6</b>	<b>1.4%</b>			
<b>Average</b>		<b>1999</b>		<b>87</b>			<b>\$522</b>	<b>\$592</b>	
<b>LIHTC Total</b>				<b>89</b>	<b>4</b>	<b>4.5%</b>			
<b>LIHTC Average</b>		<b>2012</b>		<b>45</b>			<b>\$357</b>	<b>\$431</b>	

**Tax Credit Communities\***

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

Source: Field Survey, Real Property Research Group, Inc. February 2016.

**Table 22 Vacancy by Floor Plan**

Community	Total Units	Units Vacant	Vacant Units by Floorplan											
			One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom		
			Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate
Applewood Villas*	50	4	4	1	25.0%	32	3	9.4%	14	0	0.0%			
Clemson Ridge	120	2				60	1	1.7%	60	1	1.7%			
Crescent Pointe	144	0	38	0	0.0%	70	0	0.0%	36	0	0.0%			
Keoway Village	80	0	30	0	0.0%	40	0	0.0%	10	0	0.0%			
Seneca Heights*	39	0				4	0	0.0%	31	0	0.0%	4	0	0.0%
<b>Total</b>	<b>433</b>	<b>6</b>												
<b>Total Reporting Breakdown</b>	<b>433</b>	<b>6</b>	<b>72</b>	<b>1</b>	<b>1.4%</b>	<b>206</b>	<b>4</b>	<b>1.9%</b>	<b>151</b>	<b>1</b>	<b>0.7%</b>	<b>4</b>	<b>0</b>	<b>0.0%</b>

**LIHTC General Occupancy Community\***

Source: Field Survey, Real Property Research Group, Inc. February 2016.

**Table 23 Historical LIHTC Occupancy**

Community	City	County	Total Units	6/30/2015		12/31/2015		Avg. Occupancy	Type
				Occupied Units	Occupancy Rate	Occupied Units	Occupancy Rate		
Applewood Villas	Seneca	Oconee	50	45	90.00%	45	90.00%	90.00%	Family
Seneca Heights	Seneca	Oconee	39	39	100.00%	38	97.44%	98.72%	Family
Seneca Gardens*	Seneca	Oconee	76	76	100.00%	76	100.00%	100.00%	Family
<b>Grand Total</b>			<b>165</b>	<b>160</b>	<b>96.97%</b>	<b>159</b>	<b>96.36%</b>	<b>96.67%</b>	

**LIHTC/Deep Subsidy Community\***

Source: SC Public Analysis 2015



**Table 24 LIHTC Occupancy Rate**

LIHTC Communities					
Community	City	County	Total Units	Occupied Units	Occupancy Rate
Applewood Villas	Seneca	Oconee	50	46	92.00%
Seneca Heights	Seneca	Oconee	39	39	100.00%
Seneca Gardens*	Seneca	Oconee	76	N/A	N/A
<b>Grand Total</b>			<b>89</b>	<b>85</b>	<b>95.51%</b>

*LIHTC/Deep Subsidy Community\**

*Source: Field Survey, Real Property Research Group, Inc. February 2016.*

## D. Analysis of Rental Pricing and Product

### 1. Payment of Utility Costs

Among the surveyed communities, one includes the cost of water/sewer and trash removal, three include only the cost of trash removal, and one includes no utilities in the price of rent (Table 25). Hunter Oaks will include the cost of water/sewer and trash removal.

### 2. Unit Features

All surveyed communities offer units with kitchens equipped with stoves, refrigerators, and dishwashers. Three communities also include microwave ovens and four include washer/dryer connections. Hunter Oaks will be competitive with surveyed rental communities as features will include a dishwasher, a microwave, ceiling fans, washer and dryer connections, and a patio/balcony.

### 3. Parking

All surveyed comparable communities include free surface parking. Crescent Pointe offers detached garages for \$55 per month.

### 4. Community Amenities

The most common amenities in the market area are a playground (all properties), a clubhouse/community room (four properties), and a business/computer center (four properties). A swimming pool and fitness center are offered at three properties each (Table 26). A swimming pool is only offered at market rate communities. Hunter Oaks will include a community room, computer room, playground, laundry room, and gazebo. These amenities are comparable to existing communities in the market area, including the two LIHTC communities.



**Table 25 Utilities and Unit Features– Surveyed Rental Communities**

Community	Heat Type	Utilities Included in Rent						Dish-washer	Micro-wave	Parking	In-Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
<b>Subject</b>	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups
Crescent Pointe	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Clemson Ridge	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	Surface	Hook Ups
Keoway Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	
Applewood Villas	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups
Seneca Heights	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. February 2016.

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

Community	Clubhouse	Fitness Room	Pool	Playground	Business Center	Gated Entry
<b>Subject</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Crescent Pointe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Clemson Ridge	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Keoway Village	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Applewood Villas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seneca Heights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. February 2016.

**5. Distribution of Units by Bedroom Type**

Full unit distributions were available for all surveyed communities. Two bedroom units account for 47.6 percent of surveyed units and 34.9 percent are three bedroom units. Only 16.6 percent of units had one bedroom (Table 27).

**6. Effective Rents**

Unit rents presented in Table 27 are net or effective rents, as opposed to street or advertised rents. The net rents reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where water/sewer and





trash removal is included in monthly rents at all communities, with tenants responsible for other utility costs (electricity, heat, hot water, and cooking fuel).

Among all surveyed rental communities, net rents, unit sizes, and rents per square foot are as follows:

- **Two bedroom** units reported an average net rent of \$586 with a range from \$410 to \$805 per month. The average unit size is 973 square feet, which results in an average net rent per square foot of \$0.60.
- **Three bedroom** units reported an average net rent of \$638 with a range from \$475 to \$885 per month. The average unit size is 1,177 square feet, which results in an average net rent per square foot of \$0.54.

The average rents include market rents and LIHTC units at multiple AMI levels including 50 percent and 60 percent AMI. The proposed rents are higher than comparable LIHTC rents in the market area but are well below the top of the market. Although the proposed 50 percent and 60 percent rents are much higher than comparable rents at Seneca Heights, the newest LIHTC community in the market area, rents at this community are considered artificially low due to past QAP scoring/tiebreaker criteria. Our experience was that many developers set rents well below achievable levels for point scoring purposes.

**Table 27 Salient Characteristics, Surveyed Rental Communities**

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject 50% AMI	Gar	10					7	\$485	1,078	\$0.45	3	\$553	1,206	\$0.46
Subject 60% AMI	Gar	40					28	\$600	1,078	\$0.56	12	\$675	1,206	\$0.56
Crescent Pointe	Gar	144	38	\$698	742	\$0.94	70	\$805	1,062	\$0.76	36	\$885	1,246	\$0.71
Clemson Ridge	Gar	120					60	\$785	988	\$0.79	60	\$864	1,128	\$0.77
Keoway Village	Gar	80	30	\$525	772	\$0.68	40	\$560	987	\$0.57	10	\$650	1,067	\$0.61
Applewood Villas* 60% AMI	TH	31	2	\$372	600	\$0.62	21	\$519	800	\$0.65	8	\$595	1,060	\$0.56
Applewood Villas* 50% AMI	TH	19	2	\$372	600	\$0.62	11	\$437	800	\$0.55	6	\$495	1,060	\$0.47
Seneca Heights* 60% AMI	TH	29									25	\$500	1,340	\$0.37
Seneca Heights* 50% AMI	TH	10					4	\$410	1,200	\$0.34	6	\$475	1,340	\$0.35
<b>Total/Average</b>		<b>433</b>		<b>\$492</b>	<b>679</b>	<b>\$0.72</b>		<b>\$586</b>	<b>973</b>	<b>\$0.60</b>		<b>\$638</b>	<b>1,177</b>	<b>\$0.54</b>
<b>Unit Distribution</b>		<b>433</b>	<b>72</b>				<b>206</b>				<b>151</b>			
<b>% of Total</b>		<b>100.0%</b>	<b>16.6%</b>				<b>47.6%</b>				<b>34.9%</b>			

Tax Credit Communities\*

(1) Rent is adjusted to include only Water/Sewer and Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. February 2016.

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

The Section 8 Housing Assistance program for Seneca and Oconee County is administered by the South Carolina Regional Housing Authority #1. We attempted repeatedly to reach a representative with knowledge of voucher totals and waiting list information for Oconee County; however, we were unsuccessful in doing so. We do not know the exact number of vouchers administered in the county but historically the waiting lists are long. As the subject property will not include project based rental assistance, this information would not affect the conclusions of this analysis. As of March 2015, the housing authority managed 226 public housing units in Oconee County and had a waiting list of 6 to 12 months. A list of all subsidized communities in the market area is detailed in Table 28 and the location relative to the site is shown on Map 7.

**Table 28 Subsidized Rental Communities, Hunter Oaks Market Area**

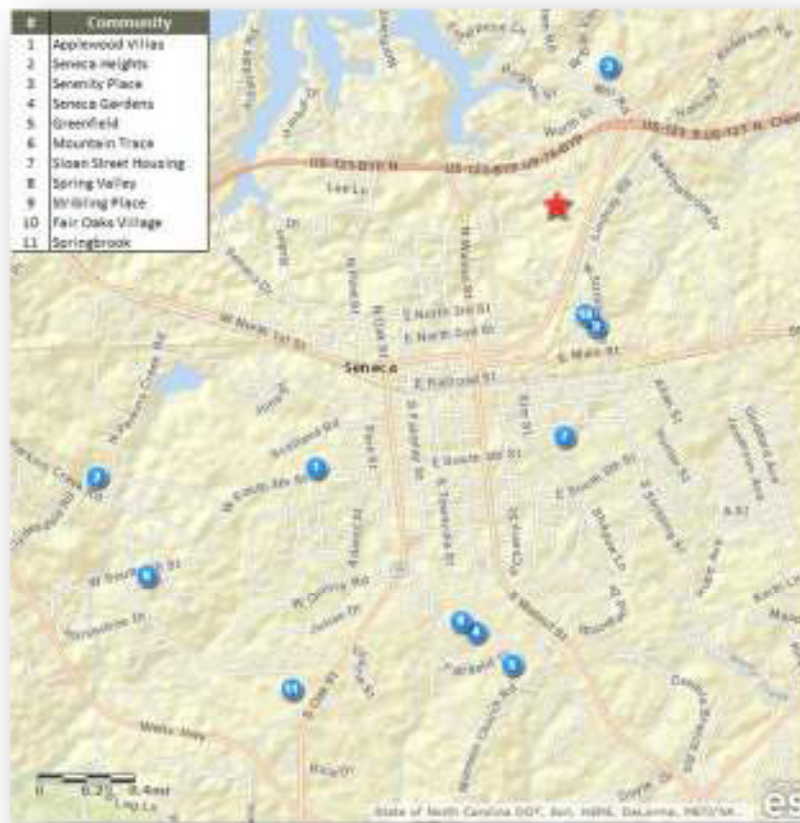
Community	Subsidy	Type	Address	City
Applewood Villas	LIHTC	Family	410 W South 4th St.	Seneca
Seneca Heights	LIHTC	Family	336 Maple Grove Rd.	Seneca
Serenity Place	LIHTC	Senior	117 Northside Cir.	Seneca
Seneca Gardens	LIHTC/Section 8	Family	819 Laing Ct.	Seneca
Greenfield	Section 8	Family	1096 Fairfield Dr.	Seneca
Mountain Trace	Section 8	Family	1000 Hillsborough Rd.	Seneca
Sloan Street Housing	Section 8	Senior	135 Seniors Way	Seneca
Spring Valley	Section 8	Senior	110 Field Village Dr.	Seneca
Stribling Place	Section 8	Senior	115 N Stribling St.	Seneca
Fair Oaks Village	USDA	Family	1200 Fair Oaks Cir.	Seneca
Springbrook	USDA	Family	115 Dalton Rd.	Seneca

Source: SCHFDA, HUD, USDA

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

Given the low proposed rents and income ranges targeted, we do not believe for-sale housing will compete with Hunter Oaks.

**Map 7 Subsidized Rental Communities, Hunter Oaks Market Area**





## G. Proposed and Under Construction Rental Communities

According to planning officials with the City of Seneca and Oconee County, no new multi-family rental communities are planned in the Hunter Oaks Market Area. Seneca Heights was the most recent general occupancy community to receive a LIHTC allocation in the market area.

## H. Estimate of Market Rent

To better understand how the proposed rents compare with the rental market, rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. The adjustments made in this analysis are broken down into four classifications. These classifications and an explanation of the adjustments made follows:

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
  - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition (Table 32).
  - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
  - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. An adjustment of \$20 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was also \$20 per numerical variance.
  - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$25 for each amenity. Adjustments of \$75 per bedroom and \$30 per bathroom were applied where applicable.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$10 for each amenity.

According to our adjustment calculations, the estimated market rents for the units at Hunter Oaks are \$783 for two bedroom units (Table 29), and \$876 for three bedroom units (Table 30). The proposed 50 percent rents result in market advantages of 36.85 percent and 38.06 percent. Market advantages for the 60 percent units are 22.92 percent and 23.37 percent. The overall weighted average market advantage is 26.12 percent (Table 31). The maximum achievable/restricted rent for LIHTC units would be LIHTC maximums.



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

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Hunter Oaks E North 1st Street Seneca, Oconee County	Clemson Ridge 116 Northwoods Dr. Seneca Oconee		Crescent Pointe 1500 S Oak St. Seneca Oconee		Keoway Village 50 Keoway Drive Seneca Oconee		
<b>A. Rents Charged</b>	<b>Subject</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Street Rent	\$600	\$755	\$0	\$785	\$0	\$560	\$0
Utilities Included	W,S,T	None	\$30	T	\$20	W,S,T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$600</b>	<b>\$785</b>		<b>\$805</b>		<b>\$560</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Structure / Stories	Garden / 3	Garden / 3	\$0	Garden / 3	\$0	Garden / 2	\$0
Year Built / Condition	2017	1998	\$14	2003	\$11	1972	\$34
Quality/Street Appeal	Above Average	Average	\$20	Average	\$20	Below Average	\$40
Location	Average	Average	\$0	Average	\$0	Average	\$0
<b>C. Unit Equipment / Amenities</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	1	\$30
Unit Interior Square Feet	1,078	988	\$23	1,062	\$4	987	\$23
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / Yes	\$5	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
<b>D. Site Equipment / Amenities</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	No	\$10
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	No	Yes	(\$10)	Yes	(\$10)	No	\$0
<b>E. Adjustments Recap</b>		<b>Positive</b>	<b>Negative</b>	<b>Positive</b>	<b>Negative</b>	<b>Positive</b>	<b>Negative</b>
Total Number of Adjustments		3	2	4	2	8	1
Sum of Adjustments B to D		\$57	(\$20)	\$40	(\$20)	\$152	(\$10)
<b>F. Total Summary</b>							
<i>Gross Total Adjustment</i>		\$77		\$60		\$162	
<i>Net Total Adjustment</i>		\$37		\$20		\$142	
<b>G. Adjusted And Achievable Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
Adjusted Rent		\$822		\$825		\$702	
% of Effective Rent		104.7%		102.5%		125.4%	
<b>Estimated Market Rent</b>	<b>\$783</b>						
<b>Rent Advantage \$</b>	<b>\$183</b>						
<b>Rent Advantage %</b>	<b>23.4%</b>						



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

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Hunter Oaks E North 1st Street Seneca, Oconee County	Clemson Ridge 116 Northwoods Dr. Seneca Oconee		Crescent Pointe 1500 S Oak St. Seneca Oconee		Keoway Village 50 Keoway Drive Seneca Oconee		
<b>A. Rents Charged</b>	<b>Subject</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Street Rent	\$675	\$829	\$0	\$860	\$0	\$650	\$0
Utilities Included	W,S,T	None	\$35	T	\$25	W,S,T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$675</b>	<b>\$864</b>		<b>\$885</b>		<b>\$650</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Structure / Stories	Garden / 3	Garden / 3	\$0	Garden / 3	\$0	Garden / 2	\$0
Year Built / Condition	2017	1998	\$14	2003	\$11	1972	\$34
Quality/Street Appeal	Above Average	Average	\$20	Average	\$20	Below Average	\$40
Location	Average	Average	\$0	Average	\$0	Average	\$0
<b>C. Unit Equipment / Amenities</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	1.5	\$15
Unit Interior Square Feet	1,206	1,128	\$20	1,050	\$39	1,067	\$35
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	No	\$5
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / Yes	\$5	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-ups	Yes	Yes	\$0	Yes	\$0	No	\$5
<b>D. Site Equipment / Amenities</b>		<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>	<b>Data</b>	<b>\$ Adj.</b>
Parking (\$ Fee)	Free Surface	Free Surface	\$0	Free Surface	\$0	Free Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	No	\$10
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Fitness Center	No	Yes	(\$10)	Yes	(\$10)	No	\$0
<b>E. Adjustments Recap</b>		<b>Positive</b>	<b>Negative</b>	<b>Positive</b>	<b>Negative</b>	<b>Positive</b>	<b>Negative</b>
Total Number of Adjustments		3	2	4	2	8	1
Sum of Adjustments B to D		\$54	(\$20)	\$75	(\$20)	\$149	(\$10)
<b>F. Total Summary</b>							
<i>Gross Total Adjustment</i>		\$74		\$95		\$159	
<i>Net Total Adjustment</i>		\$34		\$55		\$139	
<b>G. Adjusted And Achievable Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
Adjusted Rent		\$898		\$940		\$789	
% of Effective Rent		103.9%		106.2%		121.4%	
<b>Estimated Market Rent</b>	<b>\$876</b>						
<b>Rent Advantage \$</b>	<b>\$201</b>						
<b>Rent Advantage %</b>	<b>22.9%</b>						



**Table 31 Rent Advantage Summary**

<b>50% AMI Units</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>
Subject Rent	\$485	\$553
Estimated Market Rent	\$783	\$876
Rent Advantage (\$)	\$298	\$323
Rent Advantage (%)	38.06%	36.85%
Proposed Units	7	3
<b>60% AMI Units</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>
Subject Rent	\$600	\$675
Estimated Market Rent	\$783	\$876
Rent Advantage (\$)	\$183	\$201
Rent Advantage (%)	23.37%	22.92%
Proposed Units	28	12
<b>Weighted Average</b>		<b>26.12%</b>

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

<b>Rent Adjustments Summary</b>	
<b>B. Design, Location, Condition</b>	
Structure / Stories	
Year Built / Condition	\$0.75
Quality/Street Appeal	\$20.00
Location	\$20.00
<b>C. Unit Equipment / Amenities</b>	
Number of Bedrooms	\$75.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
<b>D. Site Equipment / Amenities</b>	
Parking (\$ Fee)	
Club House	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00



## 8. FINDINGS AND CONCLUSIONS

### A. Key Findings

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

#### 1. Site and Neighborhood Analysis

Hunter Oaks is located in an established neighborhood in northeast Seneca.

- The neighborhood surrounding the proposed site for Hunter Oaks includes a mixture of land uses including commercial and residential uses common within one-half mile. Single-family detached homes are the most prominent residential use within one-half mile of the site.
- The subject site is within one-half mile of numerous commercial uses including grocery stores, shopping, banks, medical services, and a restaurant.
- The subject site is appropriate for the proposed use and is comparable with existing multi-family rental communities in the market area.

#### 2. Economic Context

Oconee County's economy suffered job loss throughout much of the previous decade (2000-2009), but has shown signs of growth with job gains in four of the past five years including the addition of 1,184 jobs in 2014. Since 2009, the unemployment rate has decreased in six consecutive years to less than half of the peak in 2009 during the economic recession.

- Oconee County's unemployment rate nearly doubled from 7.3 percent in 2008 to 13.3 percent in 2009 during the national recession. The county's unemployment rate has decreased each year since 2009 with an unemployment rate of 5.9 percent in 2015, the lowest since 2004, which is between state and national unemployment rates of 6.1 percent and 5.3 percent, respectively.
- Following a loss of 3,675 total jobs from 2000 to 2006, the county added jobs for two years before losing 1,294 jobs in 2009 during the height of the national recession and prolonged economic downturn. Oconee County has since added over 2,000 net jobs from 2010 to the first half of 2015.
- According to media reports, five new companies and six expansions have been announced since late 2013. Combined, these 11 companies will add an estimated 453 jobs. Michelin North America has not officially been announced but could create an additional 150 to 170 jobs in Oconee County.

#### 3. Growth Trends

Both the Hunter Oaks Market Area and Oconee County grew steadily between the 2000 and 2010 Census counts with the market area outpacing the county's growth rate on a percentage basis. Growth in both areas is projected to continue through 2018, although at a slower pace.

- Between 2000 and 2010 Census counts, the population of the Hunter Oaks Market Area increased by 18.2 percent, rising from 21,937 to 25,923 people. Annual growth during this decade was 399 people or 1.7 percent. During the same time period, the number of households in the Hunter Oaks Market Area increased from 9,113 to 10,734 households, annual growth of 162 households or 1.7 percent.



- From 2015 to 2018, the market area is projected to add 503 people (1.9 percent) and 204 households (1.8 percent). Annual growth during this period is projected at 0.6 percent for both population and households.

#### 4. Demographic Trends

Compared to the county, the market area is younger and more likely to rent.

- The population in the market area has a median age of 41 compared to 44 in Oconee County. The market area has a higher percentage of people under the age of 35 when compared to the county.
- Renters are more common in the market area as the 2015 renter percentages were 33.9 percent in the Hunter Oaks Market Area and 24.9 percent in Oconee County. The renter percentage is expected to increase to 36.8 percent in the market area by 2018; roughly 89 percent of net household growth is expected to be renters from 2015 to 2018.
- Working age households form the core of the market area's renters, as 57.4 percent of renter occupied households are between the ages of 25 and 54. Young renters (under 25) in the Hunter Oaks Market Area comprise 14.6 percent of total renters in the market area and older adults age 55+ account for 28.1 percent of all market area renters.
- RPRG estimates that the 2015 median household income in the Hunter Oaks Market Area is \$44,638, which is \$1,248 or 2.7 percent lower than the \$45,886 median in Oconee County.
- The market area's median income by tenure in 2015 is estimated at \$29,095 for renter households and \$58,876 for owner households. Among renter households, 43.4 percent earn less than \$25,000 and 30.8 percent earn \$25,000 to \$49,999.

#### 5. Competitive Housing Analysis

The market area's surveyed multi-family rental market is performing well including two LIHTC communities.

- The surveyed communities combined for just six vacancies among 433 units, a rate of 1.4 percent. The two LIHTC communities had four vacancies among 89 total units, a rate of 4.5 percent. Seneca Heights, a LIHTC community, was fully occupied and had a waiting list of one to two years. Vacancy rates by floorplan were 1.4 percent for one bedroom units, 1.9 percent for two bedroom units, and 0.7 percent for three bedroom units.
- The overall average historic vacancy rate among the Hunter Oaks Market Area's LIHTC communities was 3.3 percent for the second and fourth quarter of 2015.
- Among all surveyed rental communities, net rents, unit sizes, and rents per square foot are as follows:
  - **Two bedroom** rents average \$586 for 973 square feet or \$0.60 per square foot.
  - **Three bedroom** rents average \$638 for 1,177 square feet or \$0.54 per square foot.
- The proposed rents are higher than comparable LIHTC rents in the market area but are well below the top of the market. Although the proposed 50 percent and 60 percent rents are much higher than comparable rents at Seneca Heights, the newest LIHTC community in the market area, rents at this community are considered artificially low due to past QAP scoring/tiebreaker criteria. Our experience was that many developers set rents well below achievable levels for point scoring purposes.
- The estimated market rents for the units at Hunter Oaks are \$783 for two bedroom units and \$876 for three bedroom units. The proposed 50 percent rents result in market advantages of





at least 36 percent and 60 percent units have market advantages of at least 22 percent. The overall weighted average market advantage is 26.12 percent.

- No new multi-family rental communities are planned in the Hunter Oaks Market Area.

## B. Affordability Analysis

### 1. Methodology

The Affordability Analysis tests the percent of income-qualified households in the Hunter Oaks Market Area that the subject property must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among primary market area households for the target year of 2018. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2010-2014 American Community Survey along with estimates and projected income growth by Esri (Table 33).

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For this analysis, RPRG employs a 35 percent gross rent burden.

The proposed LIHTC units at Hunter Oaks will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2015 National Non-Metro Income Limits and are based on an average of 1.5 persons per bedroom. Rent and income limits are detailed in Table 34 on the following page.

**Table 33 2018 Income Distribution by Tenure**

Hunter Oaks Market Area		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	1,832	16.2%	1,031	24.8%
	\$15,000 - \$24,999	1,185	10.5%	667	16.0%
	\$25,000 - \$34,999	1,207	10.7%	622	14.9%
	\$35,000 - \$49,999	1,555	13.7%	643	15.4%
	\$50,000 - \$74,999	1,972	17.4%	716	17.2%
	\$75,000 - \$99,999	1,352	11.9%	213	5.1%
	\$100,000 - \$149,999	1,387	12.3%	210	5.1%
	\$150,000 - Over	826	7.3%	61	1.5%
<b>Total</b>		<b>11,315</b>	<b>100%</b>	<b>4,163</b>	<b>100%</b>
<b>Median Income</b>		<b>\$48,832</b>		<b>\$31,158</b>	

Source: American Community Survey 2010-2014 Projections, RPRG, Inc.



**Table 34 LIHTC Income and Rent Limits**

HUD 2015 Median Household Income												
National Non-Metro												
Very Low Income for 4 Person Household												
2015 Computed Area Median Gross Income												
Utility Allowance:												
	2 Bedroom											
	3 Bedroom											
<b>LIHTC Household Income Limits by Household Size:</b>												
	Household Size	20%	40%	50%	60%	80%	100%	150%				
	1 Person	\$7,580	\$15,160	\$18,950	\$22,740	\$30,320	\$37,900	\$56,850				
	2 Persons	\$8,660	\$17,320	\$21,650	\$25,980	\$34,640	\$43,300	\$64,950				
	3 Persons	\$9,740	\$19,480	\$24,350	\$29,220	\$38,960	\$48,700	\$73,050				
	4 Persons	\$10,820	\$21,640	\$27,050	\$32,460	\$43,280	\$54,100	\$81,150				
	5 Persons	\$11,680	\$23,360	\$29,200	\$35,040	\$46,720	\$58,400	\$87,600				
	6 Persons	\$12,560	\$25,120	\$31,400	\$37,680	\$50,240	\$62,800	\$94,200				
<b>Imputed Income Limits by Number of Bedrooms:</b>												
<i>Assumes 1.5 persons per bedroom</i>	Persons	Bedrooms	20%	40%	50%	60%	80%	100%	150%			
	1	0	\$7,580	\$15,160	\$18,950	\$22,740	\$30,320	\$37,900	\$56,850			
	1.5	1	\$8,120	\$16,240	\$20,300	\$24,360	\$32,480	\$40,600	\$60,900			
	3	2	\$9,740	\$19,480	\$24,350	\$29,220	\$38,960	\$48,700	\$73,050			
	4.5	3	\$11,250	\$22,500	\$28,125	\$33,750	\$45,000	\$56,250	\$84,375			
	6	4	\$12,560	\$25,120	\$31,400	\$37,680	\$50,240	\$62,800	\$94,200			
<b>LIHTC Tenant Rent Limits by Number of Bedrooms:</b>												
<i>Assumes 1.5 Persons per bedroom</i>												
			20%		40%		50%		60%		80%	
# Persons			Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2 Bedroom			\$243	\$150	\$487	\$394	\$608	\$515	\$730	\$637	\$974	\$881
3 Bedroom			\$281	\$166	\$562	\$447	\$703	\$588	\$843	\$728	\$1,125	\$1,010

Source: U.S. Department of Housing and Urban Development

## 2. Affordability Analysis

The steps in the affordability analysis (Table 35) are as follows:

- Looking at the two bedroom units at 50 percent AMI, the overall shelter cost at the proposed rent would be \$578 (\$485 net rent plus a \$93 allowance to cover all utilities except water, sewer, and trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 50 percent two bedroom unit would be affordable to households earning at least \$19,817 per year. A projected 8,913 households in the market area will earn at least this amount in 2018.
- Based on an average household size of 1.5 persons per bedroom, the maximum income limit for a two bedroom unit at 50 percent of the AMI is \$24,350. According to the interpolated income distribution for 2018, 8,375 households in the Hunter Oaks Market Area will have incomes exceeding this 50 percent LIHTC income limit.
- Subtracting the 8,375 households with incomes above the maximum income limit from the 8,913 households that could afford to rent this unit, RPRG computes that an estimated 537 households in the Hunter Oaks Market Area fall within the band of affordability for the subject’s two bedroom units at 50 percent AMI. The subject property would need to capture 1.3 percent of these income-qualified households to absorb the proposed two bedroom units at 50 percent AMI.



- RPRG next tested the range of qualified households that are currently renters and determined that 2,811 renter households can afford to rent a two bedroom 50 percent unit at the subject property. Of these, 2,508 have incomes above our maximum income of \$24,350. The net result is 302 renter households within the income band. To absorb the proposed 50 percent two bedroom units, the subject property would need to capture 2.3 percent of income-qualified renter households.
- Using the same methodology, we determined the band of qualified households for the remaining floor plan types and income levels offered at the community. We also computed the capture rates for all units. The remaining renter capture rates by floor plan range from 0.9 percent to 8.1 percent.
- By income level, renter capture rates are 1.9 percent for 50 percent units, 6.4 percent for 60 percent units, and 5.6 percent for all units.

All of these capture rates are within reasonable and achievable levels, indicating sufficient income qualified renter households exist in the Hunter Oaks Market Area to support the 50 units proposed at Hunter Oaks.

**Table 35 Affordability Analysis for Hunter Oaks**

50% Units	Two Bedroom Units		Three Bedroom Units	
	Min.	Max.	Min.	Max.
Number of Units	7		3	
Net Rent	\$485		\$553	
Gross Rent	\$578		\$668	
% Income for Shelter	35%		35%	
Income Range (Min, Max)	\$19,817	\$24,350	\$22,903	\$28,125
<b>Total Households</b>				
Range of Qualified Hslds	8,913	8,375	8,547	7,921
# Qualified Households		537		626
<b>Total HH Capture Rate</b>		<b>1.3%</b>		<b>0.5%</b>
<b>Renter Households</b>				
Range of Qualified Hhlds	2,811	2,508	2,605	2,270
# Qualified Hhlds		302		334
<b>Renter HH Capture Rate</b>		<b>2.3%</b>		<b>0.9%</b>
<b>60% Units</b>				
Number of Units	28		12	
Net Rent	\$600		\$675	
Gross Rent	\$693		\$790	
% Income for Shelter	35%		35%	
Income Range (Min, Max)	\$23,760	\$29,220	\$27,086	\$33,750
<b>Total Households</b>				
Range of Qualified Hslds	8,445	7,789	8,047	7,242
# Qualified Households		656		804
<b>Unit Total HH Capture Rate</b>		<b>4.3%</b>		<b>1.5%</b>
<b>Renter Households</b>				
Range of Qualified Hhlds	2,548	2,202	2,335	1,920
# Qualified Hhlds		345		415
<b>Renter HH Capture Rate</b>		<b>8.1%</b>		<b>2.9%</b>

Income Target	# Units	All Households = 11,315					Renter Households = 4,163			
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate
50% Units	10	Income	\$19,817	\$28,125	991	1.0%	\$19,817	\$28,125	540	1.9%
		Households	8,913	7,921			2,811	2,270		
60% Units	40	Income	\$23,760	\$33,750	1,203	3.3%	\$23,760	\$33,750	627	6.4%
		Households	8,445	7,242			2,548	1,920		
Total Units	50	Income	\$19,817	\$33,750	1,670	3.0%	\$19,817	\$33,750	890	5.6%
Households	8,913	7,242	2,811	1,920						

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



## C. Derivation of Demand

### 1. Demand Methodology

The South Carolina State Housing Finance and Development Authority’s LIHTC demand methodology for general occupancy communities consists of three components:

- The first component of demand is household growth. This number is the number of income qualified renter households projected to move into the Hunter Oaks Market Area from the base year of 2015 to 2018.
- The second component of demand is income qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2010-2014 American Community Survey (ACS) data, 4.1 percent of the rental units in the Hunter Oaks Market Area are “substandard” (Table 36).
- The third and final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 48.0 percent of Hunter Oaks Market Area renter households are categorized as cost burdened.

**Table 36 Substandard and Cost Burdened Calculations, Hunter Oaks**

Rent Cost Burden			Substandardness	
Total Households	#	%	Total Households	
Less than 10.0 percent	91	2.5%	<b>Owner occupied:</b>	
10.0 to 14.9 percent	97	2.7%	Complete plumbing facilities:	7,063
15.0 to 19.9 percent	536	14.8%	1.00 or less occupants per room	6,999
20.0 to 24.9 percent	434	12.0%	1.01 or more occupants per room	64
25.0 to 29.9 percent	316	8.7%	Lacking complete plumbing facilities:	0
30.0 to 34.9 percent	263	7.3%	Overcrowded or lacking plumbing	64
35.0 to 39.9 percent	298	8.2%	<b>Renter occupied:</b>	
40.0 to 49.9 percent	246	6.8%	Complete plumbing facilities:	3,623
50.0 percent or more	1,061	29.3%	1.00 or less occupants per room	3,473
Not computed	281	7.8%	1.01 or more occupants per room	150
<b>Total</b>	<b>3,623</b>	<b>100.0%</b>	Lacking complete plumbing facilities:	0
			Overcrowded or lacking plumbing	150
			<b>Substandard Housing</b>	<b>214</b>
			<b>% Total Stock Substandard</b>	<b>2.0%</b>
			<b>% Rental Stock Substandard</b>	<b>4.1%</b>

Source: American Community Survey 2010-2014

### 2. Demand Analysis

Directly comparable units built or approved in the Hunter Oaks Market Area since the base year are subtracted from the demand estimates. No such communities exist in the market area.

The overall demand capture rates are 3.6 percent for 50 percent units, 12.3 percent for 60 percent units, and 10.9 percent for the project as a whole (Table 37). By floor plan, capture rates range from 4.5 percent to 15.7 percent (Table 38). All of these capture rates are within the range of acceptability.



**Table 37 Demand by AMI Level**

<i>Income Target</i>	<b>50% Units</b>	<b>60% Units</b>	<b>Total Units</b>
<i>Minimum Income Limit</i>	\$19,817	\$23,760	\$19,817
<i>Maximum Income Limit</i>	\$28,125	\$33,750	\$33,750
<i>(A) Renter Income Qualification Percentage</i>	13.0%	15.1%	21.4%
Demand from New Renter Households <i>Calculation: (C-B) * A</i>	9	11	16
<b>Plus</b>			
Demand from Substandard Housing <i>Calculation: B * D * F * A</i>	21	25	35
<b>Plus</b>			
Demand from Rent Over-burdened Households <i>Calculation: B * E * F * A</i>	248	288	409
<b>Equals</b>			
Total PMA Demand	279	324	460
<b>Less</b>			
Comparable Units	0	0	0
<b>Equals</b>			
<b>Net Demand</b>	<b>279</b>	<b>324</b>	<b>460</b>
Proposed Units	10	40	50
<b>Capture Rate</b>	<b>3.6%</b>	<b>12.3%</b>	<b>10.9%</b>

<b>Demand Calculation Inputs</b>	
(B) 2015 HH	11,111
(C) 2018 HH	11,315
(D) ACS Substandard Percentage	4.1%
(E) ACS Rent Over-Burdened Percentage	48.0%
(F) 2015 Renter Percent	35.8%



**Table 38 Demand by Floor Plan**

Two Bedroom Units	50% Units	60% Units	Total Units
<i>Minimum Income Limit</i>	\$19,817	\$23,760	\$19,817
<i>Maximum Income Limit</i>	\$24,350	\$29,220	\$29,220
<i>Renter Income Qualification Percentage</i>	7.3%	8.3%	14.6%
<b>Total Demand</b>	156	178	314
Supply	0	0	0
<b>Net Demand</b>	<b>156</b>	<b>178</b>	<b>314</b>
Units Proposed	7	28	35
<b>Capture Rate</b>	<b>4.5%</b>	<b>15.7%</b>	<b>11.1%</b>

Three Bedroom Units	50% Units	60% Units	Total Units
<i>Minimum Income Limit</i>	\$22,903	\$27,086	\$22,903
<i>Maximum Income Limit</i>	\$28,125	\$33,750	\$33,750
<i>Renter Income Qualification Percentage</i>	8.0%	10.0%	16.4%
<b>Total Demand</b>	173	214	353
Supply	0	0	0
<b>Net Demand</b>	<b>173</b>	<b>214</b>	<b>353</b>
<b>Large HH Size % (3+ Persons)</b>	<b>38.3%</b>	<b>38.3%</b>	<b>38.3%</b>
<b>Large HH Demand</b>	<b>66</b>	<b>82</b>	<b>135</b>
Units Proposed	3	12	15
<b>Capture Rate</b>	<b>4.5%</b>	<b>14.6%</b>	<b>11.1%</b>

*Demand by floor plan is based on gross demand multiplied by each floor*

**D. Target Markets**

With two and three bedroom units targeting households earning up to 50 percent and 60 percent of AMI, Hunter Oaks will target a wide range of renter households including low to moderate income couples, roommates, and families.

**E. Product Evaluation**

Considered in the context of the competitive environment and in light of the planned development, the relative position of Hunter Oaks is as follows:

- **Site:** The subject site is appropriate for the proposed development. The subject’s neighborhood includes both commercial and residential uses within one-half mile of the site. Amenities within one-half mile of the subject site include shopping, medical services, banks, public transportation, and restaurants. The site is comparable with existing LIHTC communities in the market area.
- **Unit Distribution:** The unit mix at the subject property will include 35 two-bedroom units and 15 three-bedroom units. Both two and three bedroom units are common in the market area – representing 47.6 percent and 34.9 percent of surveyed units, respectively. The proposed unit distribution is appropriate and will appeal to a range of households.
- **Unit Size:** The proposed unit sizes of 1,078 square feet for two bedroom units and 1,206 square feet for three bedroom units are both larger than averages in the market area. The proposed two bedroom units will be over 100 square feet larger than the market average and will be comparable to the highest priced market rate community (Crescent Pointe). The proposed three bedroom unit size will be approximately 30 square feet larger than the market average.

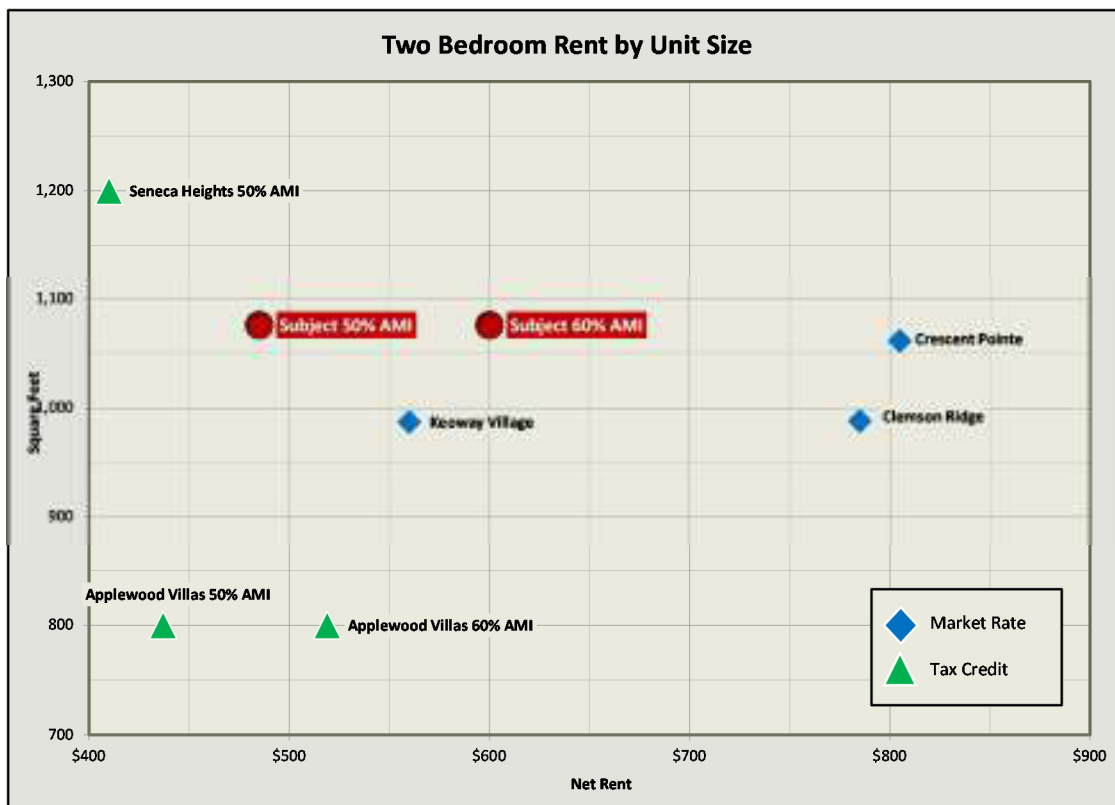


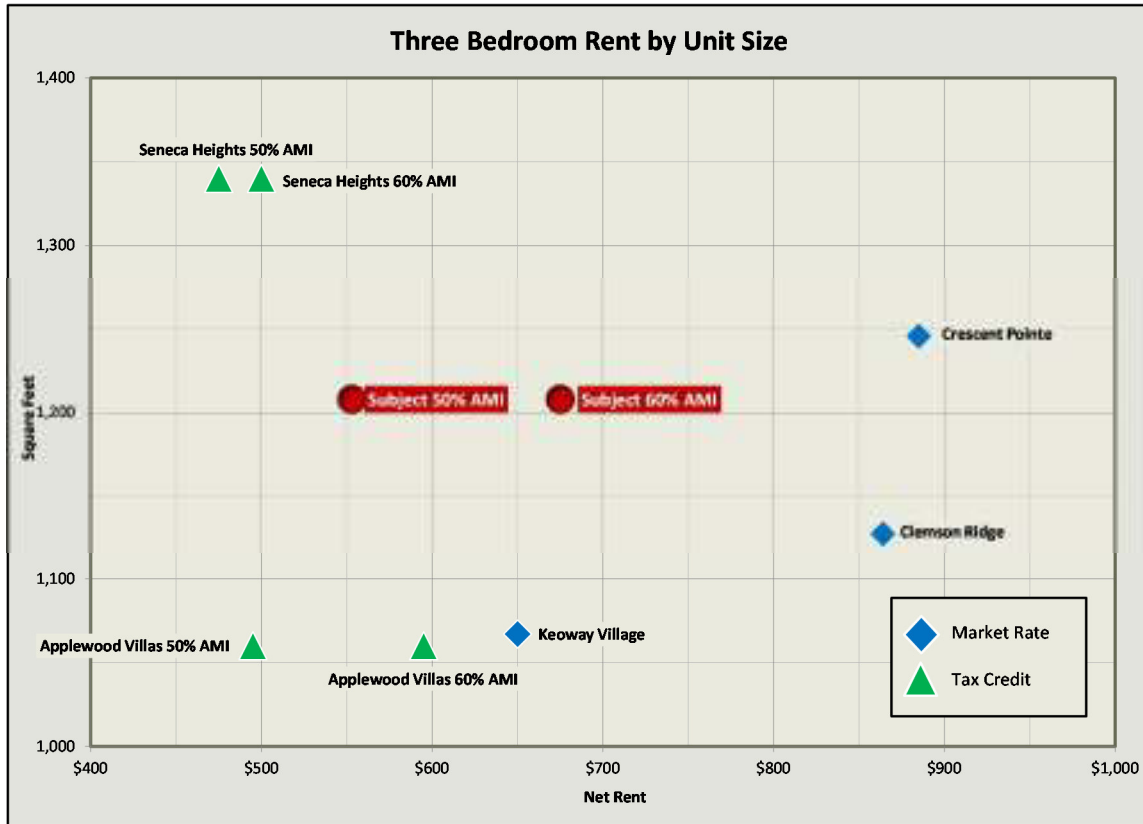
- Unit Features:** The newly constructed units at Hunter Oaks will offer kitchens with new energy star appliances (refrigerator/freezer with ice maker, dishwasher, and microwave), stove with exhaust fan, and garbage disposal. In addition, all units will include ceiling fans, washer/dryer connections, patios/balconies, central heating and air conditioning, and window blinds. The proposed unit features at Hunter Oaks will be competitive with the existing rental stock in the market area, including properties funded with tax credits.
- Community Amenities:** Hunter Oaks’ amenity package will include a community room, playground, gazebo, computer center, and laundry room which will be competitive with the Hunter Oaks Market Area’s existing rental stock, including the two LIHTC communities.
- Marketability:** The proposed units at Hunter Oaks will be well received in the market area. The proposed rents are reasonable and appropriate given the product to be constructed. All units will have at least a 25 percent rent advantage and the overall project will have a weighted average rent advantage of 28.35 percent.

**F. Price Position**

As shown in Figure 8, the proposed rents are higher than comparable LIHTC rents in the market area but are well below the top of the market. The proposed 60 percent rents are positioned between the existing LIHTC rents and the higher priced market rate communities. Although the proposed 50 percent and 60 percent rents are much higher than comparable rents at Seneca Heights, the newest LIHTC community in the market area, rents at this community are considered artificially low due to past QAP scoring/tiebreaker criteria. Seneca Heights is one hundred percent occupied with a long waiting list, indicating it could likely achieve higher rents. Additionally, rent per square foot at the subject property will be equal to or less than the units at Applewood Villas, a LIHTC community.

**Figure 8 Price Position of Hunter Oaks**





**G. Absorption Estimate**

The newest LIHTC community in the market area (Seneca Heights) completed construction in October 2013 and all 39 units were leased upon opening. In addition to the experience of past communities, absorption estimates are based on the following:

- Household growth of 68 households per year from 2015 to 2018.
- An increasing renter percentage to 36.8 percent by 2018; roughly 89 percent of net household growth from 2015 to 2018 will be renters.
- The overall vacancy rate among surveyed communities is 1.4 percent.
- The proposed rents will result in rent advantages of at least 22 percent on all floorplans with an overall rent advantage of 26.12 percent.
- Affordability and demand capture rates are all within acceptable levels.
- The proposed product will be competitive with existing communities and well received in the market.

Based on the factors listed above, we estimate that Hunter Oaks will lease a minimum of 14 units per month. At this rate, the community would achieve 93 percent occupancy in three to four months.

**H. Impact on Existing Market**

Given the small number of units and projected household growth, the construction of Hunter Oaks is not expected to have an adverse impact on existing rental communities in the Hunter Oaks Market Area. Overall, the rental market in the Hunter Oaks Market Area is performing well with limited vacancies. As the Hunter Oaks Market Area is projected to continue to experience steady population





and household growth over the next three years coupled with an increasing renter percentage, demand for rental housing is also likely to increase.

**I. Final Conclusion and Recommendation**

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

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Brett Welborn  
Analyst

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Tad Scepaniak  
Principal



## **9. APPENDIX 1 UNDERLYING ASSUMPTION AND LIMITING CONDITIONS**

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

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



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

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



**10. APPENDIX 2 ANALYST CERTIFICATIONS**

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

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Brett Welborn  
Analyst  
Real Property Research Group, Inc.

February 17, 2016

Date

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Tad Scepaniak  
Principal  
Real Property Research Group, Inc.

February 17, 2016

Date

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



## 11. APPENDIX 3 ANALYST RESUMES

### ROBERT M. LEFENFELD

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

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

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

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

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

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

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

#### **Education:**

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

**TAD SCEPANIAK**

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

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

**Areas of Concentration:**

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

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

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

Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas and Tennessee.

**Education:**

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



## **BRETT WELBORN**

### **Analyst**

Brett Welborn entered the field of Real Estate Market Research in 2008, joining Real Property Research Group's (RPRG) Atlanta office as a Research Associate upon college graduation. During Brett's time as a Research Associate, he gathered economic, demographic, and competitive data for market feasibility analyses and other consulting projects completed by the firm. Through his experience, Brett has progressed to serve as Analyst for RPRG.

### **Areas of Concentration:**

Low Income Housing Tax Credit Rental Housing: Brett has worked with the Low Income Housing Tax Credit program, evaluating general occupancy and senior oriented developments for State allocating agencies, lenders, and developers. His work with the LIHTC program has spanned a range of project types, including newly constructed communities and rehabilitations.

In addition to market analysis responsibilities, Brett has also assisted in the development of research tools for the organization.

### **Education:**

Bachelor of Business Administration – Real Estate; University of Georgia, Athens, GA



## 12. APPENDIX 4 NCHMA CHECKLIST

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

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	1
<b>Scope of Work</b>		
2	Scope of Work	6
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	10
4	Utilities (and utility sources) included in rent	10
5	Target market/population description	8
6	Project description including unit features and community amenities	10
7	Date of construction/preliminary completion	10
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
<b>Location</b>		
9	Concise description of the site and adjacent parcels	11
10	Site photos/maps	13,14
11	Map of community services	20
12	Site evaluation/neighborhood including visibility, accessibility, and crime	15-17
<b>Market Area</b>		
13	PMA description	27
14	PMA MAP	28
<b>Employment and Economy</b>		
15	At-Place employment trends	23
16	Employment by sector	24
17	Unemployment rates	21
18	Area major employers/employment centers and proximity to site	25, 26
19	Recent or planned employment expansions/reductions	26
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	30
21	Area building permits	31
22	Population and household characteristics including income, tenure, and size	33-36
23	For senior or special needs projects, provide data specific to target market	N/A
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	39
26	Existing rental housing evaluation including vacancy and rents	41
27	Comparison of subject property to comparable properties	42





28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	45
29	Rental communities under construction, approved, or proposed	46
30	For senior or special needs populations, provide data specific to target market	N/A
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	56
32	Affordability analysis with capture rate	54
33	Penetration rate analysis with capture rate	N/A
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	59
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	46
36	Precise statement of key conclusions	60
37	Market strengths and weaknesses impacting project	59
38	Recommendations and/or modification to project discussion	60
39	Discussion of subject property's impact on existing housing	59
40	Discussion of risks or other mitigating circumstances impacting project projection	60
41	Interviews with area housing stakeholders	6
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	N/A



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

Community	Address	Phone Number	Date Surveyed	Contact
Applewood Villas	410 W South St.	864-882-2182	3/20/2015	Property Manager
Clemson Ridge	116 Northwoods Dr.	864-882-3557	3/18/2015	Property Manager
Crescent Pointe	1500 S Oak St.	864-882-4377	3/18/2015	Property Manager
Keoway Village	50 Keoway Dr.	864-654-5135	3/18/2015	Property Manager
Seneca Heights	336 Maple Grove Rd.	864-882-0080	3/20/2015	Property Manager

# Applewood Villas

## Multifamily Community Profile

410 W South St.  
Seneca, SC

CommunityType: LIHTC - General  
Structure Type: 2-Story Townhouse

50 Units      8.0% Vacant (4 units vacant) as of 2/16/2016

Opened in 2011



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	8.0%	\$372	600	\$0.62	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	64.0%	\$491	800	\$0.61	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	28.0%	\$552	1,060	\$0.52	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking			Parking 2: --			
Fee: --			Fee: --			
Property Manager: --						
Owner: --						

### Comments

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Floorplans (Published Rents as of 2/16/2016) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	1	1	2	\$357	600	\$.60	LIHTC/ 50%	2/16/16	8.0%	\$372	\$491	\$552
Townhouse	--	1	1	2	\$357	600	\$.60	LIHTC/ 60%	3/20/15	0.0%	\$352	\$485	\$552
Townhouse	--	2	1.5	11	\$417	800	\$.52	LIHTC/ 50%					
Townhouse	--	2	1.5	21	\$499	800	\$.62	LIHTC/ 60%					
Townhouse	--	3	1.5	6	\$470	1,060	\$.44	LIHTC/ 50%					
Townhouse	--	3	1.5	8	\$570	1,060	\$.54	LIHTC/ 60%					

### Adjustments to Rent

Incentives:

None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Clemson Ridge

## Multifamily Community Profile

116 Northwoods Dr.  
Seneca, SC

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

120 Units 1.7% Vacant (2 units vacant) as of 2/16/2016

Opened in 1998



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$785	988	\$0.79	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	50.0%	\$864	1,128	\$0.77	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Storage (In Unit)	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

--	--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 2/16/2016) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	24	\$755	988	\$0.76	Market	2/16/16	1.7%	--	\$785	\$864
Garden	--	2	2	36	\$755	988	\$0.76	Market	3/18/15	8.3%	--	\$785	\$869
Garden	--	3	2	60	\$829	1,128	\$0.73	Market	2/9/12	0.0%	--	\$573	\$660

### Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat:  Cooking:  Wtr/Swr:

Hot Water:  Electricity:  Trash:

# Crescent Pointe

## Multifamily Community Profile

1500 S Oak St.  
Seneca, SC

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

144 Units 0.0% Vacant (0 units vacant) as of 2/16/2016

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	26.4%	\$698	742	\$0.94	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	48.6%	\$805	1,062	\$0.76	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	25.0%	\$885	1,246	\$0.71	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ice Maker; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit)	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$55
Property Manager: --	
Owner: --	

### Comments

--	--	--	--	--	--	--	--	--	--	--

Floorplans (Published Rents as of 2/16/2016) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	38	\$683	742	\$.92	Market	2/16/16	0.0%	\$698	\$805	\$885
Garden	--	2	2	70	\$785	1,062	\$.74	Market	3/18/15	4.9%	\$673	\$783	\$870
Garden	--	3	2	36	\$860	1,246	\$.69	Market	2/9/12	14.6%	\$620	\$666	\$763

--	--	--	--	--	--	--	--	--	--	--	--	--	--

### Adjustments to Rent

Incentives:	
None	
Utilities in Rent:	Heat Fuel: Electric
Heat: <input type="checkbox"/>	Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>
Hot Water: <input type="checkbox"/>	Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>

# Keoway Village

## Multifamily Community Profile

50 Keoway Dr.  
Seneca, SC

CommunityType: Market Rate - General

Structure Type: 2-Story Garden

80 Units      0.0% Vacant (0 units vacant) as of 2/16/2016

Opened in 1972



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	37.5%	\$525	772	\$0.68	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$560	987	\$0.57	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	12.5%	\$650	1,067	\$0.61	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

--	--

Floorplans (Published Rents as of 2/16/2016) (2)										Historic Vacancy & Eff. Rent (1)			
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	30	\$525	772	\$.68	Market	2/16/16	0.0%	\$525	\$560	\$650
Garden	--	2	1	40	\$560	987	\$.57	Market	3/18/15	2.5%	\$495	\$545	\$595
Garden	--	3	1.5	10	\$650	1,067	\$.61	Market	2/9/12	0.0%	\$425	\$460	\$510

### Adjustments to Rent

Incentives:  
None

Utilities in Rent:      Heat Fuel: Electric

Heat:       Cooking:       Wtr/Swr:

Hot Water:       Electricity:       Trash:

# Seneca Heights

## Multifamily Community Profile

336 Maple Grove Rd.  
Seneca, SC

CommunityType: LIHTC - General  
Structure Type: Townhouse

39 Units 0.0% Vacant (0 units vacant) as of 2/16/2016

Opened in 2013



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two	10.3%	\$410	1,200	\$0.34	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	79.5%	\$495	1,340	\$0.37	<input type="checkbox"/>	<input type="checkbox"/>
Four+	10.3%	\$530	1,500	\$0.35	<input type="checkbox"/>	<input checked="" type="checkbox"/>
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Features	
Standard: Dishwasher; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Hooks); Central A/C; Patio/Balcony	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager:	--
Owner:	--

### Comments

Waitlist of one to two years.  
Community opened in October 2013 and was pre-leased prior to opening.

Floorplans (Published Rents as of 2/16/2016) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Townhouse	--	2	2	4	\$390	1,200	\$0.33	LIHTC/ 50%	2/16/16	0.0%	--	\$410	\$495
Townhouse	--	3	2.5	6	\$450	1,340	\$0.34	LIHTC/ 50%	3/20/15	0.0%	--	\$410	\$470
Townhouse	--	3	2.5	25	\$475	1,340	\$0.35	LIHTC/ 60%					
Townhouse	--	4	3	4	\$500	1,500	\$0.33	LIHTC/ 60%					

### Adjustments to Rent

Incentives:  
None

Utilities in Rent: Heat Fuel: Electric

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