

NEED AND DEMAND ANALYSIS
FOR THE COOPER'S TRACE APARTMENTS
IN
IRMO, SOUTH CAROLINA

Prepared for
Connelly Builders
for submission to
the South Carolina State Housing Finance and Development Authority

February 2019

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INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the Cooper's Trace Apartments in Irmo, South Carolina. A total of 48 units are to be developed: 18 two-bedroom units, 24 three-bedroom units, and six four-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The data and analysis in this study are based on information relating to conditions in the town, market area, county, and state in which the project is to be located, and has been obtained from the most pertinent and current available sources. Likewise, every effort has been made to ensure its accuracy and reliability. However, we can assume no responsibility for inaccuracies in reporting by any local, regional, state, or federal agency cited, nor for any information withheld or erroneously reported by the sources cited during the normal course of our professional research. Consequently, we reserve the right to alter our findings and conclusions, if necessary, on the basis of any discovered material inaccuracies.

It is important to stress that coverage from the 2010 Census does not equate with the coverage provided in previous decennial Censuses. Thus, other sources - notably the Census Bureau's American Community Survey - is necessarily to be relied upon. The latter is based on a relatively small sample (compared with earlier sample-based Census reports) and therefore is subject to large statistical margins of error. Thus, use of these data is subject to the *caveat* that those data may not be as rigorous or as reliable as Census data prior to 2010. In this regard, if the data suggest outcomes at variance with our observations from other sources, these will be highlighted in our findings.

The site of the proposed apartments was visited (on February 19, 2019). In addition, interviews are held with persons with particular knowledge pertinent to the study.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

It is stated that we have no responsibility for opinions requiring expertise in other fields of expertise - these would include, for example, legal, environmental, architectural, and engineering matters.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

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Date:: February 28, 2019

EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

The proposed development will comprise the development of 48 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 50 and 60 percent of the local area median income.

The proposed development is to be located on the south side of Lake Murray Boulevard, to the west of Irmo, in northeastern Lexington County.

The market area for the proposed apartments is the northeastern part of Lexington County, and adjacent portions of northwestern Richland County.

Labor force and employment figures in Lexington County show significant increases over the last decade or so, with employment falling between 2008 and 2010. Since then, labor force and employment have increased - resulting in unemployment rates falling from a high of 8.2 percent in 2010, to only 3.6 percent in 2017.

The population of the Irmo market area is projected to increase from 71,389 in 2010, to 77,844 in 2018, to 79,811 in 2021. The number of households is projected to increase from 27,742 in 2010 to 30,534 in 2018, to 31,435 in 2021. There were 5,489 renter households in the market area in 2010: which is projected to increase - conservatively - to 6,041 by 2018, and to 6,220 by 2021.

There are many apartment complexes located in the Irmo area, as defined. There are two tax credit properties (one of which is fully rent-assisted), one HUD-financed rent-assisted project, and several market rate properties in this area.

The total potential need for tax credit units such as is proposed in the Irmo area by 2021 is calculated to be for 402 units. The corresponding figure for two-, three-, and four-bedroom units is seen to be for 292 units. Given the calculated need, the proposed 48-unit development amounts to 11.9 percent of the total net need, and equates to 16.4 percent of the net need for two-, three-, and four-bedroom units). The capture rate for the twelve units targeted at 50 percent of the median is 5.3 percent (or 7.4 percent for two-, three-, or four-bedroom units), with that for the 36 units targeted at 60 percent of the median determined to be 20.2 percent (or 27.9 percent for two- or more bedroom units only).

As noted, recorded tenure trends in the market area suggest that these projections are somewhat conservative.

Based on the above, the project could expect to lease-up over a period of up to three- or four months, or so.

2019 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:			
Development Name:	COOPER'S TRACE		Total # Units: 48
Location:	Lake Murray Boulevard, Irmo, SC		LIHTC Units: 48
PMA Boundary:	Northeastern Lexington County and adjacent portions of Richland County		
Development Type:	Family <input checked="" type="checkbox"/>	Older Persons <input type="checkbox"/>	Farthest Boundary Distance to Subject: 13 miles

RENTAL HOUSING STOCK (found on pages 46-66)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	15	3,325	270	91.9%
Market-Rate Housing	12	2,965	264	91.1%
Assisted/Subsidized Housing not to include LIHTC	1	80	0	100.0%
LIHTC (All that are stabilized)*	2	280	6	97.9%
Stabilized Comps**	1	180	3	98.3%
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
6	2	2	972	\$585	\$1,035	\$1.06	43.45%	\$3,008	\$3.09
12	2	2	972	\$750	\$1,035	\$1.06	27.50%	\$3,008	\$3.09
4	3	2	1,123	\$650	\$1,165	\$1.04	44.20%	\$2,716	\$2.42
20	3	2	1,123	\$840	\$1,165	\$1.04	27.88%	\$2,716	\$2.42
2	4	2	1,372	\$700	\$1,456	\$1.06	51.91%	n/a	n/a
4	4	2	1,372	\$875	\$1,456	\$1.06	39.89%	n/a	n/a
Gross Potential Rent Monthly*				\$36,810	\$55,310		33.45%		

*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 pages 33,41)						
	2010		2018		2021	
Renter Households	5,480	19.8%	6,041	19.8%	6,220	19.8%
Income-Qualified Renter HHs (LIHTC)	n/a	n/a	795	13.2%	819	13.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 43)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	11	12				23
Existing Households (Overburd + Substand)	213	166				379
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	225	178				402

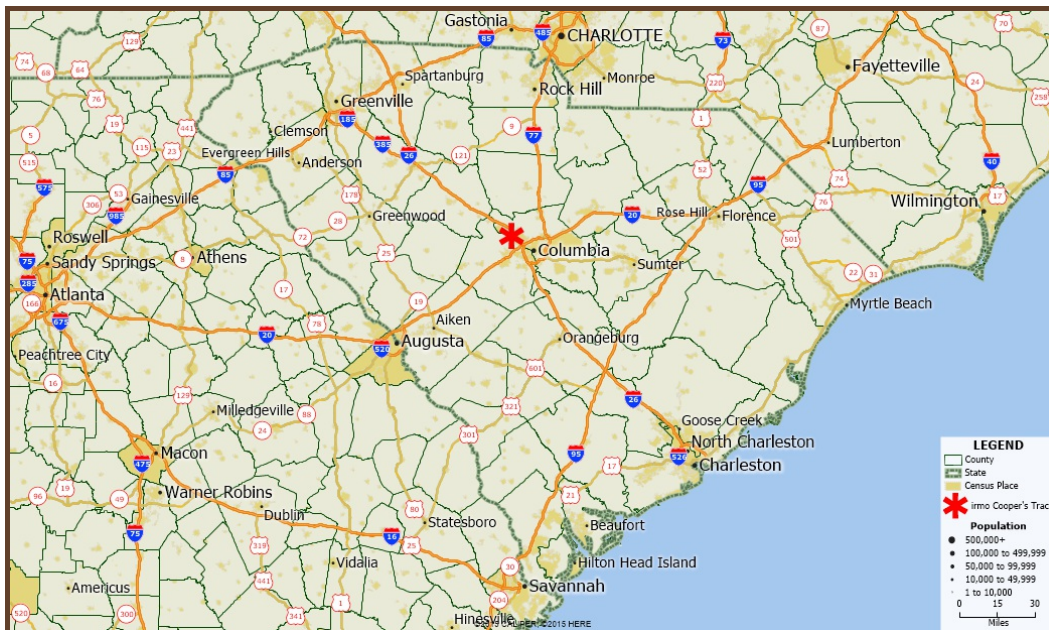
CAPTURE RATES (found on page 44)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	5.3%	20.2%				11.9%

ABSORPTION RATE (found on page 45)
 Three to four months, or so

A. PROJECT DESCRIPTION

Project Location

The proposed development is to be located on the south side of Lake Murray Boulevard, to the west of Irmo, in northeastern Lexington County.



Construction type: New construction

The property comprises two three-story residential buildings.

Occupancy type :Family

Target income group: 50 and 60 percent of the local area median income

Special population target: not applicable

Proposed unit mix, etc.

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
2 bedroom/2 bath	6	972	\$585	less than 50 percent
2 bedroom/2 bath	12	972	\$750	less than 60 percent
3 bedroom/2 bath	4	1,123	\$650	less than 50 percent
3 bedroom/2 bath	20	1,123	\$840	less than 60 percent
4 bedroom/2 bath	2	1,372	\$700	less than 50 percent
4 bedroom/2 bath	4	1,372	\$875	less than 60 percent
* percent of local area median income				

Rental Assistance: none

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$188 for a two-bedroom unit, \$244 for a three-bedroom unit, and \$295 for a four-bedroom unit.

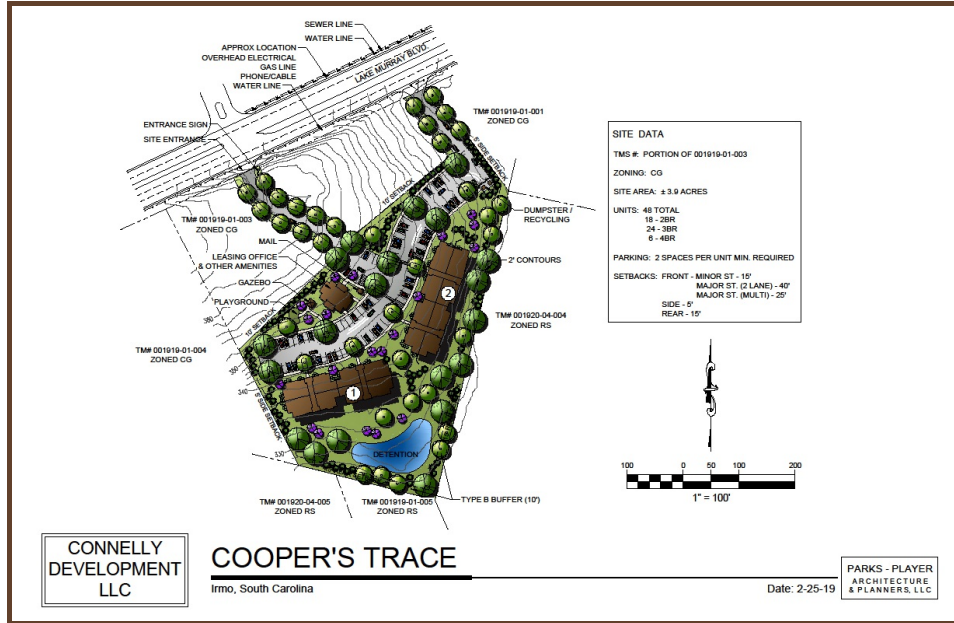
Project amenities include a site office, laundry, and community space - which includes a kitchen and a computer room. There will be a picnic area and playground on the property.

Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans and mini-blinds. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

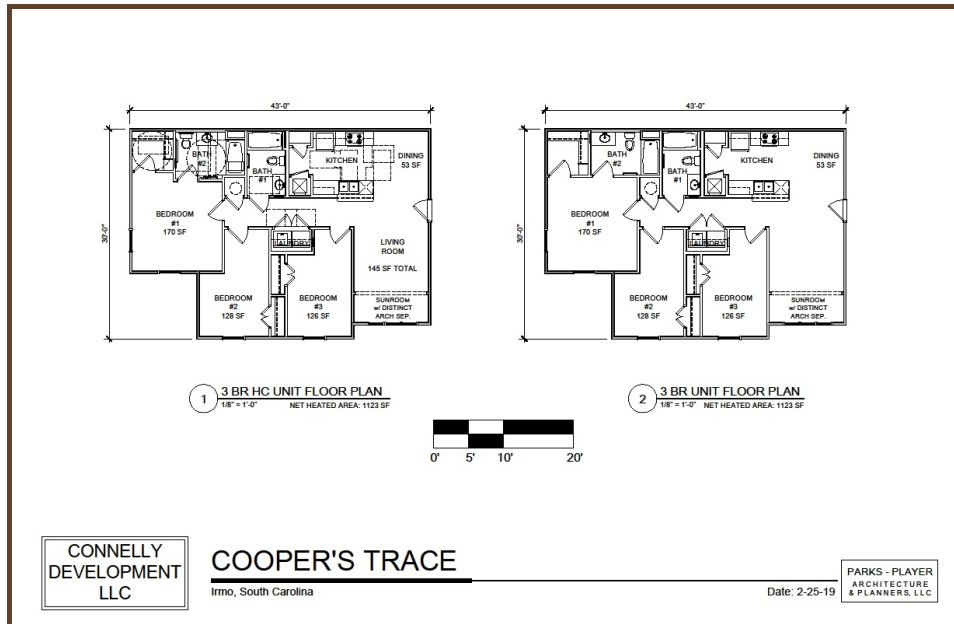
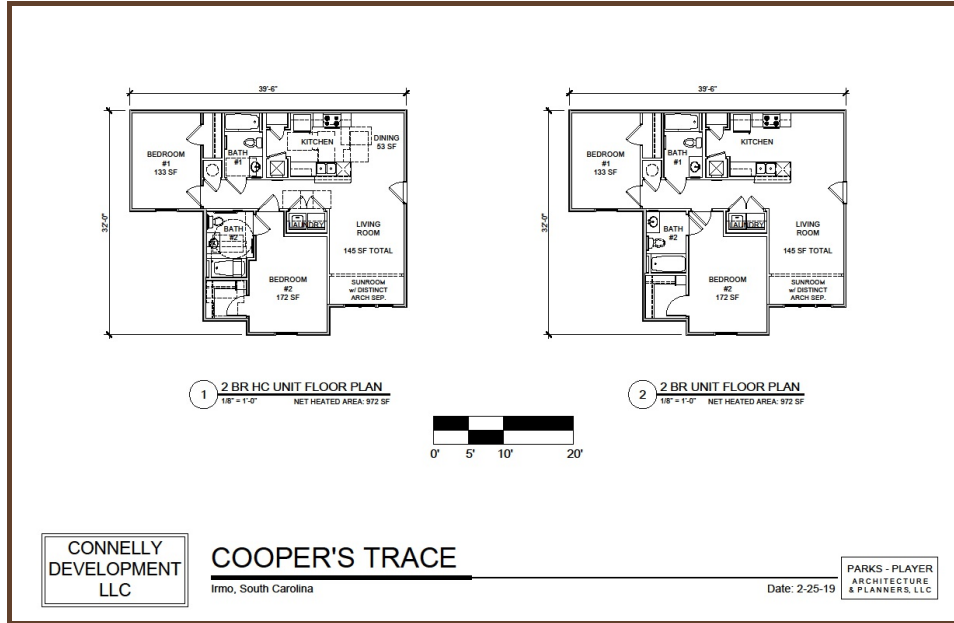
Representative architectural drawings/plans are set out on the following pages.

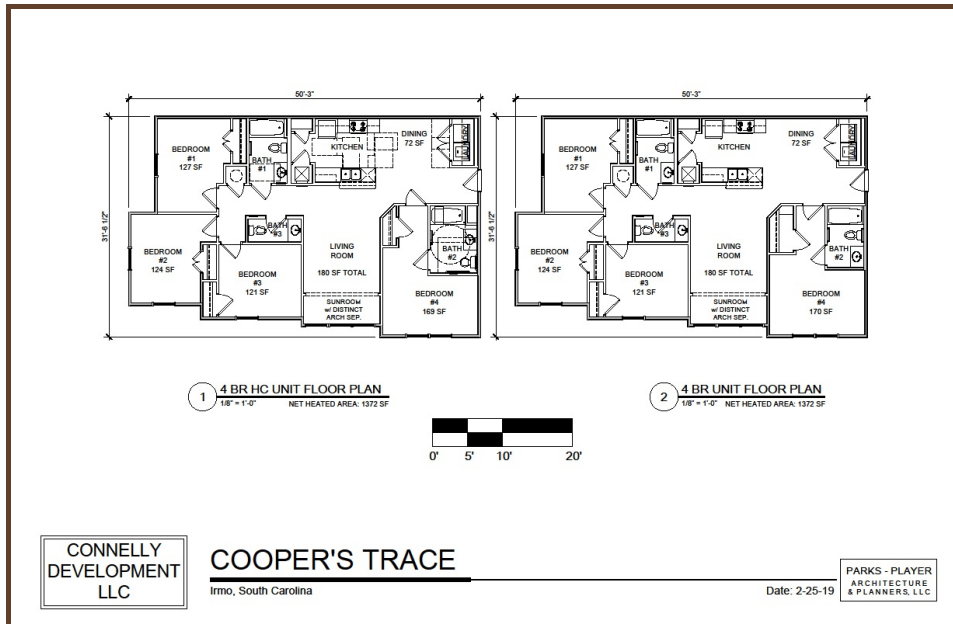
Rehabilitation information: n/a

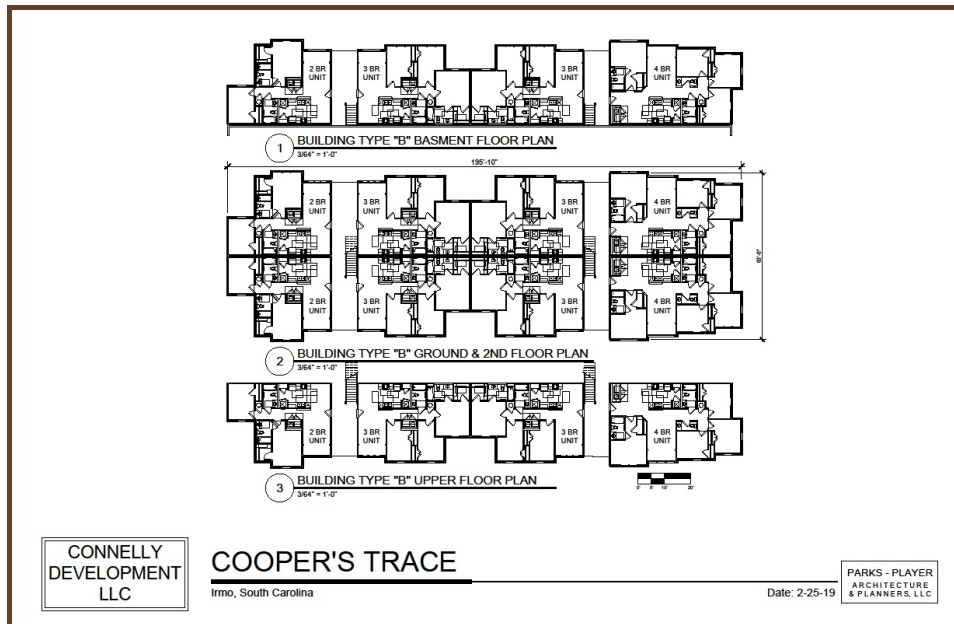
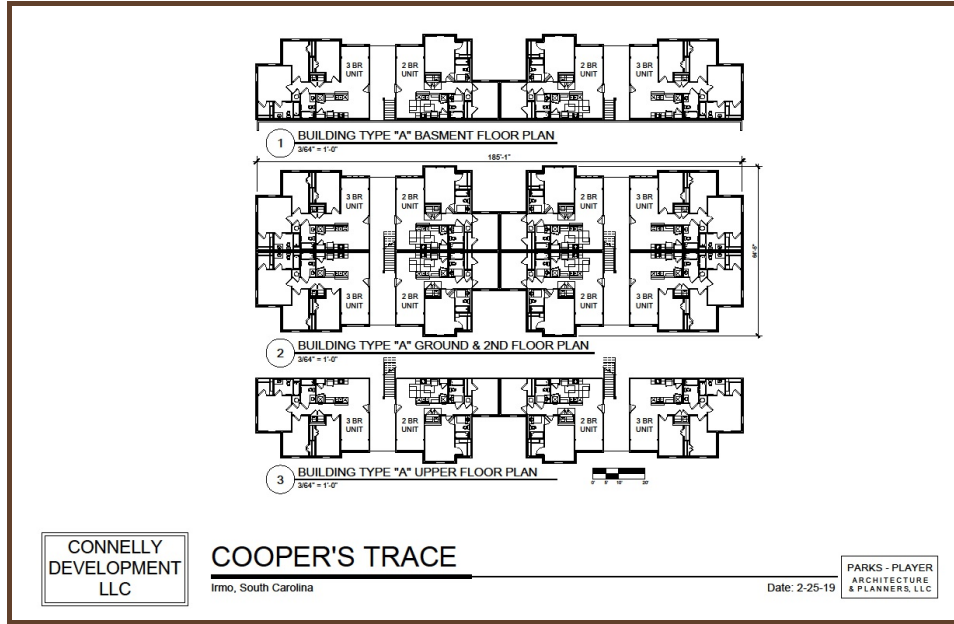
Site plan



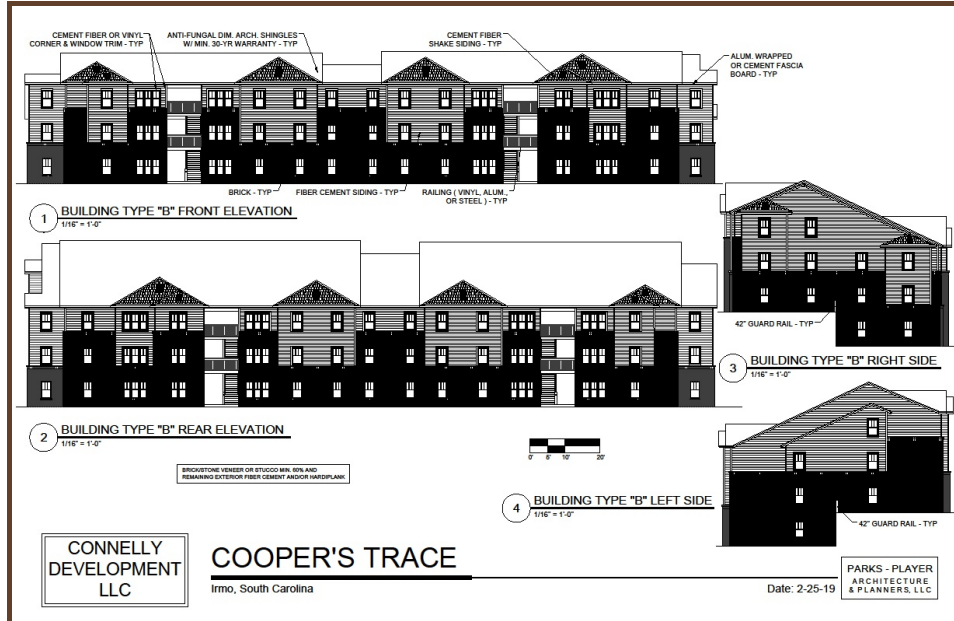
Floor plans







Elevations



B. SITE DESCRIPTION

The Cooper's Trace Apartments are to be located on the south Lake Murray Boulevard, to the west of downtown Irmo in northeastern Lexington County. Adjacent properties include a single family home, a self service car-wash, and undeveloped land. Other properties in the vicinity of the site include a fast-food restaurant, the Irmo Elementary School, and the Cineberry Pointe Apartments* (a new tax credit project for seniors).



The site is sloping and is mostly cleared, with a small creek to the east. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location, other than any imposed by topography.

*the aerial photograph, above, pre-dates this complex, which is accessed by way of Fork Avenue, to the south.



View across Lake Murray Blvd., to site



View across Lake Murray Blvd., to site



View on property



View on property



View on property



View east on Lake Murray Blvd., at site



View west on Lake Murray Blvd., at site



View across Lake Murray Blvd., from site



Cineberry Pointe Apartments

Access from the site to major thoroughfares, sources of employment, shopping, schools, healthcare, and other local services is very good.

The following distances from the site to various local services and amenities.

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	Interstate 26	1.4
	US 176 (Broad River Rd)	2.4
Retail - Grocery	Kroger	0.3
	Food Lion	2.4
	Aldi	2.9
	Publix	2.6
	Bi-Lo	3.1
Retail - Other	Dollar General	0.4
	Wal Mart	3.0
	Columbiana Station (Target, Publix)	2.3
	Columbiana Center (Belk, Dillards)	3.5
Gas/convenience	Circle K	0.3
Pharmacies *	Walgreens	0.2
Banks	BB & T	0.3
	Synovus Bank	0.3
	TD Bank	0.4
Restaurant	Wendys	0.2
	McDonalds	0.4
Entertainment, etc	Seven Oaks Park	3.5
	Harbison State Forest	3.4
Schools	Irmo Elementary School	0.3
	Irmo Middle School	1.6
	Irmo High School	1.7
Post Office	Irmo	1.2
	(contract)	1.3
Government	Town of Irmo	0.5
Library	Irmo	2.6
Hospital	Prisma Health Baptist Parkridge Hospital	1.9
	Lexington Medical Center Irmo	1.0

* excluding those in grocery stores, etc.

Access from the site to major thoroughfares, sources of employment, shopping, schools, healthcare, and other local services is very good.

The site is located on Lake Murray Boulevard (SC 60), a significant east-west route serving the area. The site is within one and one-half miles of the intersection of Lake Murray Boulevard and Interstate 26, and is within two and one-half miles of Broad River Road (US 176).

Lake Murray Boulevard is the focus for a significant proportion the local area's retail and other commercial development. The site is, for example, within one third of a mile of the Irmo Station shopping center which is anchored by a Kroger grocery store. Other services in this area include various banks and fast food restaurants. The site is within three miles of a Walmart Supercenter, and is within two and one-half miles of the Columbiana Station shopping center which has a Publix grocery store and a Target. The Columbiana Center Mall (which has, for example, a Belk and a Dillards department store, is three- and one-half miles from the site, off Interstate 26 at Harbison Boulevard.

The Lexington Medical Center, Irmo, is one mile from the site and the Parkridge Hospital is within two miles.

The site of the proposed apartments is one-third of a mile from the Irmo Elementary School, and is within two miles of both the Irmo Middle School and the Irmo High School.

Seven Oaks Park and the Harbison State Forest are each approximately three and one-half miles from the site.

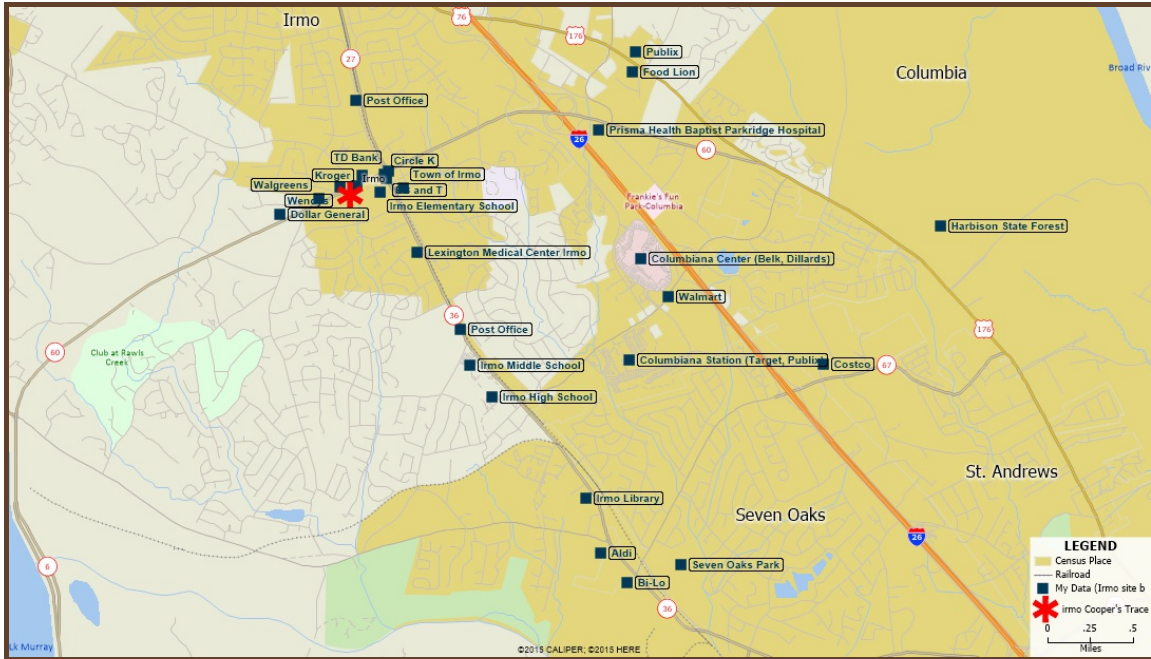
The site is within of ten miles, or so, of the government, shopping, health, and other services located in downtown Columbia.

It is understood that there are no significant road or other infrastructure projects under way or planned for this area.

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area. It is not expected that crime or the perception of crime in the area, would impact the project's marketability - nonetheless, as is prudent, security should be considered in the design and marketing of the project.

There are no apparent physical, environmental, or other constraints upon the construction and ongoing marketing of the proposed project at this location, other than any imposed by topography.

The locations of various amenities relative to the site of the proposed development are mapped, below.



C. MARKET AREA

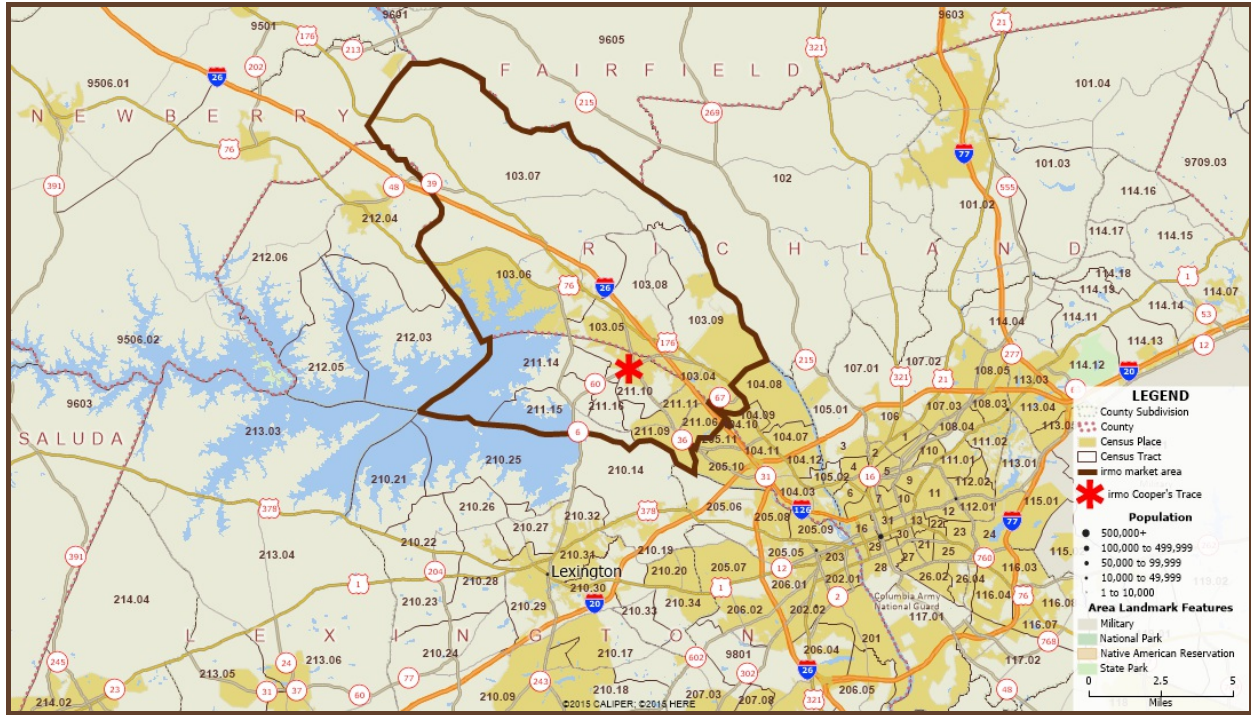
Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census tracts may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

Irmo is located in Lexington County in central South Carolina. The market area for the proposed development is the northeastern part of Lexington County, and adjacent portions of northwestern Richland County. This area is focused on the site of the proposed development and the community of Irmo, as defined by several census tracts. This area is centered on the site of the proposed development and extends up to an approximately three- to four-mile hinterland, except to the north where it extends to up to approximately twelve miles, along the Interstate 26 corridor.

The market area is irregularly shaped, with the Richland/Lexington County line forming most of the western boundary, the Richland/Newberry County line forming the northern boundary, with the Broad River being the eastern boundary. Lake Murray, a portion of the Saluda River, and portions of Kinley Creek, Tram Road, and Piney Woods Road, comprise the southern boundary of the area.

The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar character, and with residents, or potential residents, likely to be interested in the project.



The site is located in census tract 211.10. Market study guidelines require provision of the most recent (decennial Census) statistics on race available for the census tract in which the project is located. This information is set out in Table 1, below.

Table 1 - Statistics on Race, Tract 211.10

		<u>number</u>	<u>percent</u>
	Total	2,859	100.0
Race	One race	2,797	97.8
	White	2,243	78.5
	Black or African American	456	15.9
	American Indian and Alaska Native	11	0.4
	Asian	58	2.0
	Native Hawaiian/other Pacific	1	0.0
	Some other race	28	1.0
	Two or more races	62	2.2
	Two races, with some other race	6	0.2
	Two races without some other race	49	1.7
	Three races, with some other race	-	0.0
	Three races without some other race	7	0.2
Hispanic or Latino	Total population	2,859	100.0
	Hispanic or Latino (any race)	100	3.5
	Mexican	41	1.4
	Puerto Rican	10	0.3
	Cuban	7	0.2
	Other Hispanic or Latino	42	1.5
	Not Hispanic or Latino	2,759	96.5
Race and Hispanic or Latino	Total population	2,859	100.0
	One race	2,797	97.8
	Hispanic or Latino	83	2.9
	Not Hispanic or Latino	2,714	94.9
	Two or more races	62	2.2
	Hispanic or Latino	17	0.6
	Not Hispanic or Latino	45	1.6

Source: 2010 Census; T Ronald Brown: Research & Analysis

D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

This distribution of employment, by industry, for the Irmo market area is set out in Table 2, below. This information is from the 2013 to 2017 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest source of employment is health care which accounts for 14.1 percent of the total - which is slightly more than for retail trade (12.1 percent), and education (10.3 percent).

Table 2 - Employment by Industry, Market Area

	number	percent
Agriculture, etc	65	0.2
Construction	2,054	5.2
Manufacturing	3,037	7.7
Wholesale Trade	958	2.4
Retail Trade	4,781	12.1
Transp, Warehousing	1,109	2.8
Utilities	628	1.6
Information	929	2.3
Finance, Insurance, Real Estate	3,920	9.9
Professional, scientific, management	3,821	9.6
Educational Services	4,081	10.3
Health care	5,573	14.1
Arts, entertainment, recreation	675	1.7
Accommodation and food services	2,634	6.6
Other services	1,858	4.7
Public Administration	3,496	8.8

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in Lexington County are listed in Table 3, below. From this table it is seen that the largest employer in the area is the Lexington Medical Center. Other significant employers include Amazon.com, SCElectric and Gas, and Michelin. Each of the former employ more than 1,000 persons. Major employers in Columbia/Richland County include the State Government, Palmetto Health, Blue Cross Blue Shield of SC, and the University of South Carolina, the local school systems, and the City and County Governments.

Table 3 - Major Employers

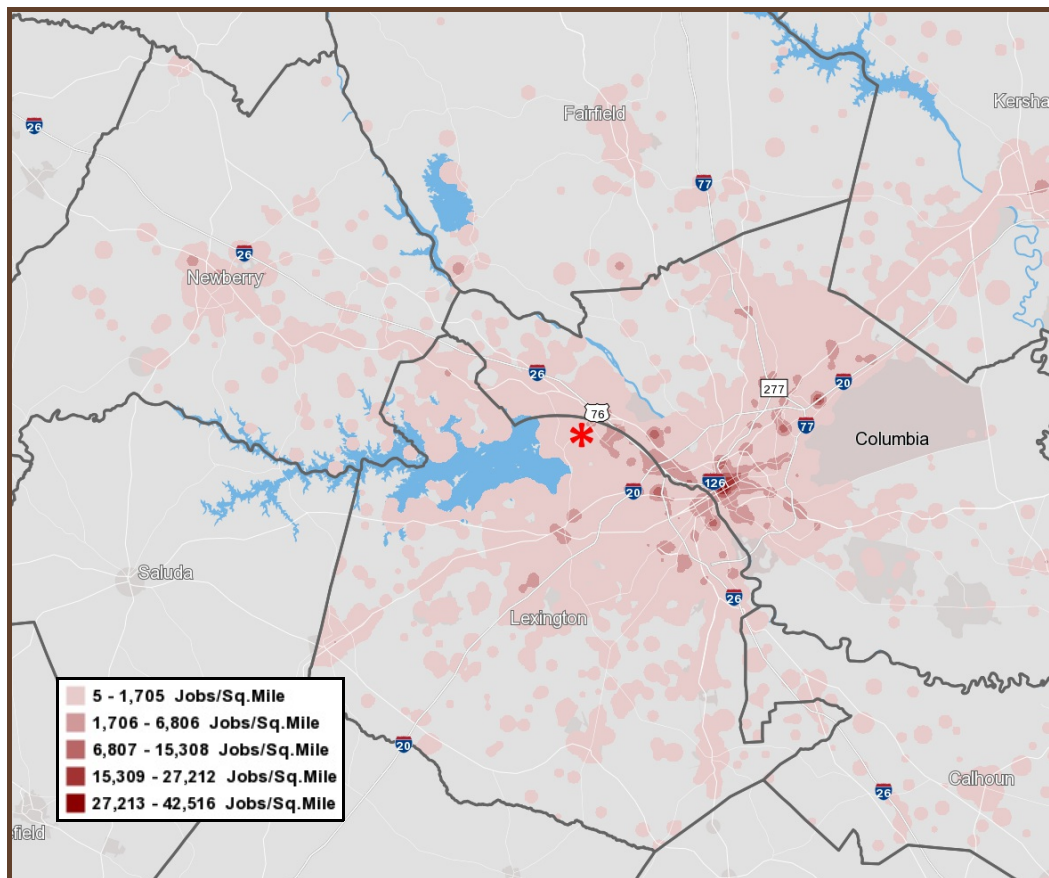
<u>Employer Name</u>	<u>Employees</u>
Lexington Medical Ctr	1,000 to 4,999
Women's Imaging Mammography	1,000 to 4,999
Amazon.com Inc	1,000 to 4,999
South Carolina Electric & Gas	1,000 to 4,999
Michelin North America Inc	1,000 to 4,999
General Information Svc Inc	500 to 999
Midlands Technical College	500 to 999
Walmart Supercenter	500 to 999
Lexington County Admin Bldg	500 to 999
Walmart Supercenter	500 to 999
Walmart Supercenter	250 to 499
Eagle Aviation Inc	250 to 499
Harsco Rail	250 to 499
Apex Tool Group	250 to 499
Southeastern Freight Lines Inc	250 to 499
Lexington Cnty Sheriff's Dept	250 to 499
CMC Steel	250 to 499
House of Raeford Farms Inc	250 to 499
Prysmian Cable & Systems USA	250 to 499
Heritage At Lowman	250 to 499
Walmart Supercenter	250 to 499
Flextronics International	250 to 499
Lexington Medical Ctr Extended	250 to 499
Jerman Personnel Svc Inc	250 to 499
Ansaldo STS USA	250 to 499
Nucor Building Systems	250 to 499
Revenue Department	250 to 499
Southeastern Freight Lines	250 to 499
United Sporting Co	250 to 499
White Knoll High	250 to 499
Hardy Corp	250 to 499

Source: SC Works

Some information is available from the South Carolina Department of Commerce as to new and expanding industries in Lexington County. For example, it is reported that over the last 18 months or so Nucor are planing to add 60 new jobs, Tidewater Boats are to add 100 new jobs, and Nephron Pharmaceuticals plan to add 125 jobs.

With respect to job losses, it is understood that the only notable major closings or layoffs reported in Lexington County over the last year or so include a total of 114 jobs lost with the closure of Family Medicine Centers of SC, and 237 jobs lost upon the closure of Reliable Management Solutions.

Based on information from the Census, the location of the site relative to the distribution of employment in the wider Columbia area is illustrated in the map, below.



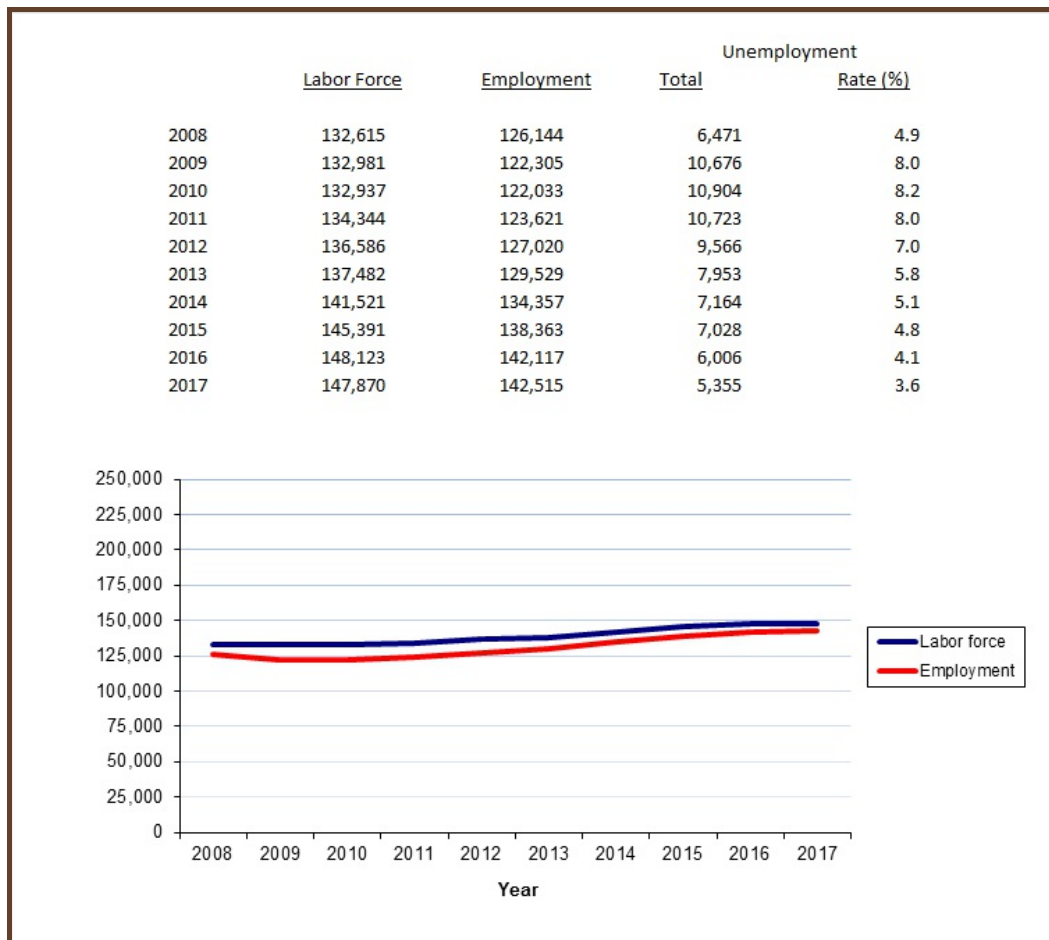
LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2017, the most recent year for which annualized data are available, the Lexington County labor force comprised an estimated 147,870 persons. Of this total, 142,515 were employed and 5,355 or 3.6 percent were unemployed.

Labor force and employment figures show significant increases over the last decade or so, with employment falling between 2008 and 2010. Since then, labor force and employment have increased - resulting in unemployment rates falling from a high of 8.2 percent in 2010, to only 3.6 percent in 2017. Under these circumstances it is difficult to predict labor force and employment levels in the short-term.

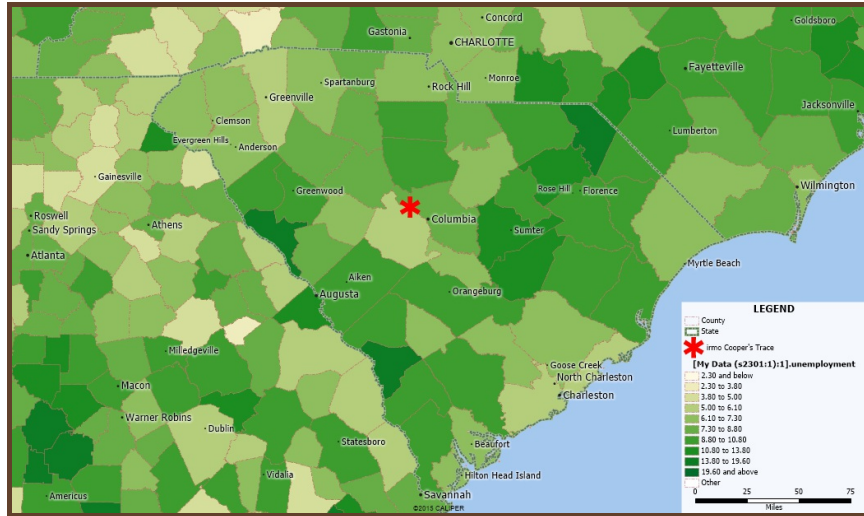
Between 2007 and 2017, the labor force showed a net increase of 15,255, or 1,695, annually, on average. Employment grew by an average of 1,819 jobs annually.

Table 4 - Lexington County Labor Force and Employment



Source: US Department of Labor

Recent levels of unemployment throughout South Carolina are illustrated, below



COMMUTING

Based on data from the American Community Survey, only 13.3 percent of workers resident in Irmo were employed in Irmo, with 58.7 percent employed in Lexington County as a whole. The average driving time to work for residents of Irmo was 25.9 minutes.

Table 5 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	6,050	100.0
Worked in Place of residence	805	13.3
Worked in County of residence	3,551	58.7
Worked outside Place of residence	5,245	86.7
Worked outside County of residence	2,499	41.3
Mean travel time to work (minutes)	25.9	

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

The most recent Census data for commuting patterns for persons who live and/or work in Lexington County area are illustrated, below.

Here it is seen that very many persons who work in Lexington County commute into the County from Richland County. Significant numbers also commute from, for example, Aiken, Newberry, Saluda, Orangeburg, and Calhoun Counties. Likewise, many residents of Lexington County commute to work in Richland County.

Table 6 - Commuting Patterns

<u>Place of work</u>	<u>Place of Residence</u>	<u>Workers</u>
Lexington County	Lexington County	71,890
Lexington County	Richland County	25,003
Lexington County	Aiken County	1,997
Lexington County	Newberry County	1,868
Lexington County	Saluda County	1,667
Lexington County	Orangeburg County	1,329
Lexington County	Calhoun County	1,049
Richland County	Lexington County	45,809
Orangeburg County	Lexington County	982
Saluda County	Lexington County	667
Fairfield County	Lexington County	546

Source: US County to County Commuting Flows; T.Ronald Brown: Research & Analysis

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2000, the population of Lexington County was 216,014, and in 2010 the population was recorded as 262,391. Population projections for Lexington County are based on South Carolina State Data Center projections. Based on these data, the population of the county is projected to be 293,190 by 2018, and to be 304,410 by 2021.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2000 to 2010, corrected for the county projections (for both Lexington County and Richland County). The projection is that in 2018 the project market area will have a population of around 77,844 and around 79,811 in 2021.

Information on population trends and changes between 2000 and 2021 are set out in Table 7, below.

Table 7 - Population Trends

	Irmo	Market Area	Lexington County
2000	11,039	59,851	216,014
2010	11,097	71,389	262,391
2018	n/a	77,844	293,190
2021	n/a	79,811	304,410
absolute change			
2000-2010	58	11,538	46,377
2010-2018	n/a	6,455	30,799
2018-2021	n/a	1,967	11,220
annual change			
2000-2010	6	1,154	4,638
2010-2018	n/a	807	3,850
2018-2021	n/a	656	3,740

Source: 2000 Census and 2010 Census; SC State Data Center; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Irmo, the Irmo market area, and for Lexington County are set out in Table 8, below. These data are from the 2010 Census. Here it is seen that the median age of the population of Irmo was recorded as 36.6 years, with that for Lexington County being 37.9 years.

Table 8 - Age Distribution

	Irmo		Market Area		Lexington County	
	number	percent	number	percent	number	percent
Under 5 years	776	7.0	4,394	6.2	17,472	6.7
5 to 9 years	715	6.4	4,955	6.9	17,684	6.7
10 to 14 years	782	7.0	5,309	7.4	17,987	6.9
15 to 19 years	837	7.5	5,228	7.3	17,581	6.7
20 to 24 years	648	5.8	3,490	4.9	16,313	6.2
25 to 29 years	796	7.2	4,179	5.9	17,570	6.7
30 to 34 years	759	6.8	4,364	6.1	16,750	6.4
35 to 39 years	774	7.0	5,042	7.1	18,023	6.9
40 to 44 years	739	6.7	5,364	7.5	18,534	7.1
45 to 49 years	835	7.5	5,956	8.3	20,242	7.7
50 to 54 years	903	8.1	5,720	8.0	19,604	7.5
55 to 59 years	730	6.6	4,942	6.9	17,214	6.6
60 to 64 years	671	6.0	4,454	6.2	15,306	5.8
65 to 69 years	426	3.8	3,060	4.3	11,293	4.3
70 to 74 years	299	2.7	1,892	2.7	7,554	2.9
75 to 79 years	182	1.6	1,347	1.9	5,593	2.1
80 to 84 years	121	1.1	888	1.2	3,947	1.5
85 years and over	104	0.9	805	1.1	3,724	1.4
55 and older	2,533	22.8	17,388	24.4	64,631	24.6
65 and older	1,132	10.2	7,992	11.2	32,111	12.2
median	36.6		n/a		37.9	

Source: 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Columbia, the project market area, and for Lexington County are out in Table 9, below. These projections are based on the population projections set out, above.

The projection is that in 2018 the project market area will have around 30,534 households, and around 31,435 in 2021. In 2000, there were 22,012 households in the market area.

Table 9 - Household Trends

	Irmo	Market Area	Lexington County
2000	3,911	22,012	83,240
2010	4,326	27,742	102,733
2018	n/a	30,534	115,948
2021	n/a	31,435	120,832
absolute change			
2000-2010	415	5,730	19,493
2010-2018	n/a	2,792	13,215
2018-2021	n/a	901	4,884
annual change			
2000-2010	42	573	1,949
2010-2018	n/a	349	1,652
2018-2021	n/a	300	1,628

Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

TENURE

Table 10, below, sets out the number and proportion of owner and renter households for Irmo, the Irmo market area, and for Lexington County. In the years beyond 2010, the tenure proportions are typically based on 2000 to 2010 trends - however, given that a similar proportion of market area households rented in 2000 and 2010, this proportion is projected to remain for 2018 and 2021. The latter may understate the demand for rental housing given that in many areas the proportion of renters is observed to be increasing (as for Lexington County as a whole). Thus, projections in this report are likely to be quite conservative.

In 2010, 19.8 percent of households in the market area were renters, compared with 17.8 percent for Irmo, and 26.2 percent for Lexington County.

Table 10 - Tenure

Irmo		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	11,039	3,911	2.82	3,347	85.6	564	14.4
2010	11,097	4,326	2.57	3,555	82.2	771	17.8
2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market Area		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	59,851	22,012	2.72	17,654	80.2	4,358	19.8
2010	71,389	27,742	2.57	22,253	80.2	5,489	19.8
2018	77,844	30,534	2.55	24,493	80.2	6,041	19.8
2021	79,811	31,435	2.54	25,215	80.2	6,220	19.8
Lexington County		persons per		Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	216,014	83,240	2.60	64,265	77.2	18,975	22.8
2010	262,391	102,733	2.55	75,791	73.8	26,942	26.2
2018	293,190	115,948	2.53	81,932	70.7	34,016	29.3
2021	304,410	120,832	2.52	83,861	69.4	36,971	30.6

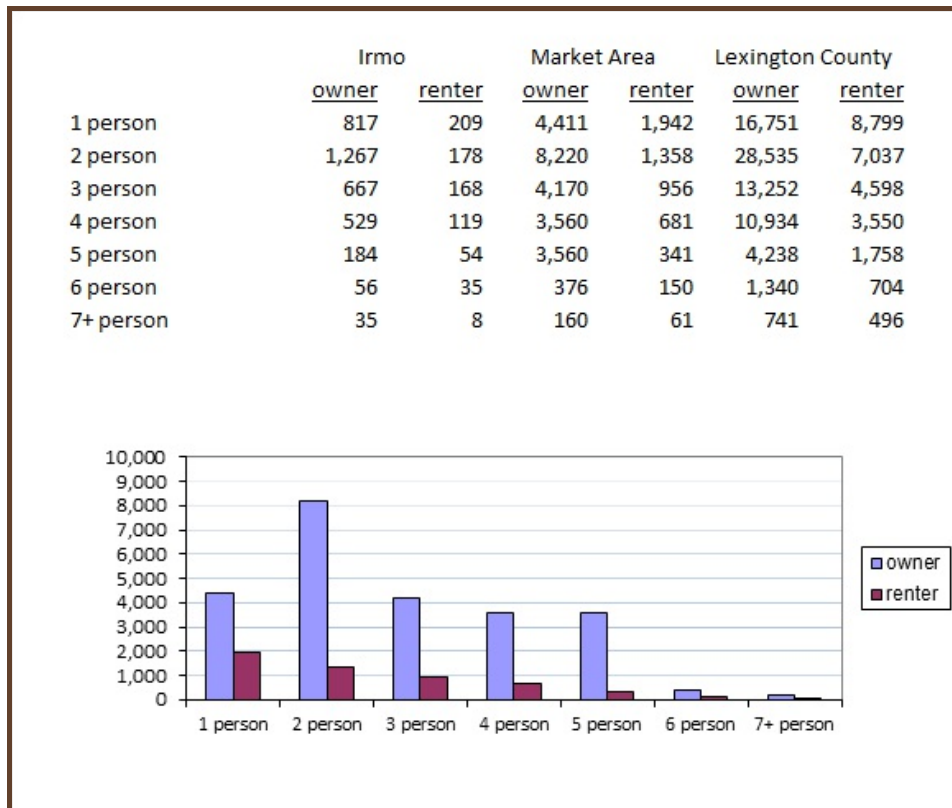
Source: 2000 Census and 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 11 below, sets out household size, by tenure, for households in Irmo, the project market area, and Lexington County.

The distribution of household sizes, by tenure, for the market area is also illustrated.

Table 11 - Household Size, by Tenure



Source: 2010 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Irmo, the market area, and for Lexington County are set out in Table 12, below. These figures are taken from the 2013 to 2017 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Irmo was \$59,470, and that for Lexington County as a whole was seen to be \$57,482.

Table 12 - Household Income

	Irmo		Market area		Lexington County	
	number	percent	number	percent	number	percent
less than \$10,000	203	4.7	1159	3.9	6,070	5.6
\$10,000 to \$14,999	75	1.7	476	1.6	4,762	4.4
\$15,000 to \$19,999	112	2.6	846	2.9	4,942	4.5
\$20,000 to \$24,999	127	2.9	787	2.7	4,991	4.6
\$25,000 to \$29,999	269	6.2	1,449	4.9	4,991	4.6
\$30,000 to \$34,999	229	5.3	1,115	3.8	5,551	5.1
\$35,000 to \$39,999	237	5.5	1,090	3.7	4,892	4.5
\$40,000 to \$44,999	168	3.9	1,264	4.3	5,025	4.6
\$45,000 to \$49,999	176	4.1	1,104	3.7	5,093	4.7
\$50,000 to \$59,999	673	15.6	3,116	10.5	10,051	9.2
\$60,000 to \$74,999	475	11.0	3,218	10.9	12,689	11.7
\$75,000 to \$99,999	756	17.5	4,839	16.4	14,773	13.6
\$100,000 to \$124,999	388	9.0	3,281	11.1	9,855	9.1
\$125,000 to \$149,999	287	6.6	2,089	7.1	5,561	5.1
\$150,000 to \$199,999	121	2.8	1,935	6.5	5,304	4.9
\$200,000 or more	29	0.7	1,780	6.0	4,296	3.9
median income	\$ 59,470		n/a		\$ 57,482	

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Irmo, the market area, and Lexington County set out in Table 13, below. These figures are also taken from the 2013 to 2017 American Community Survey.

Table 13 - Household Income, Renter Households

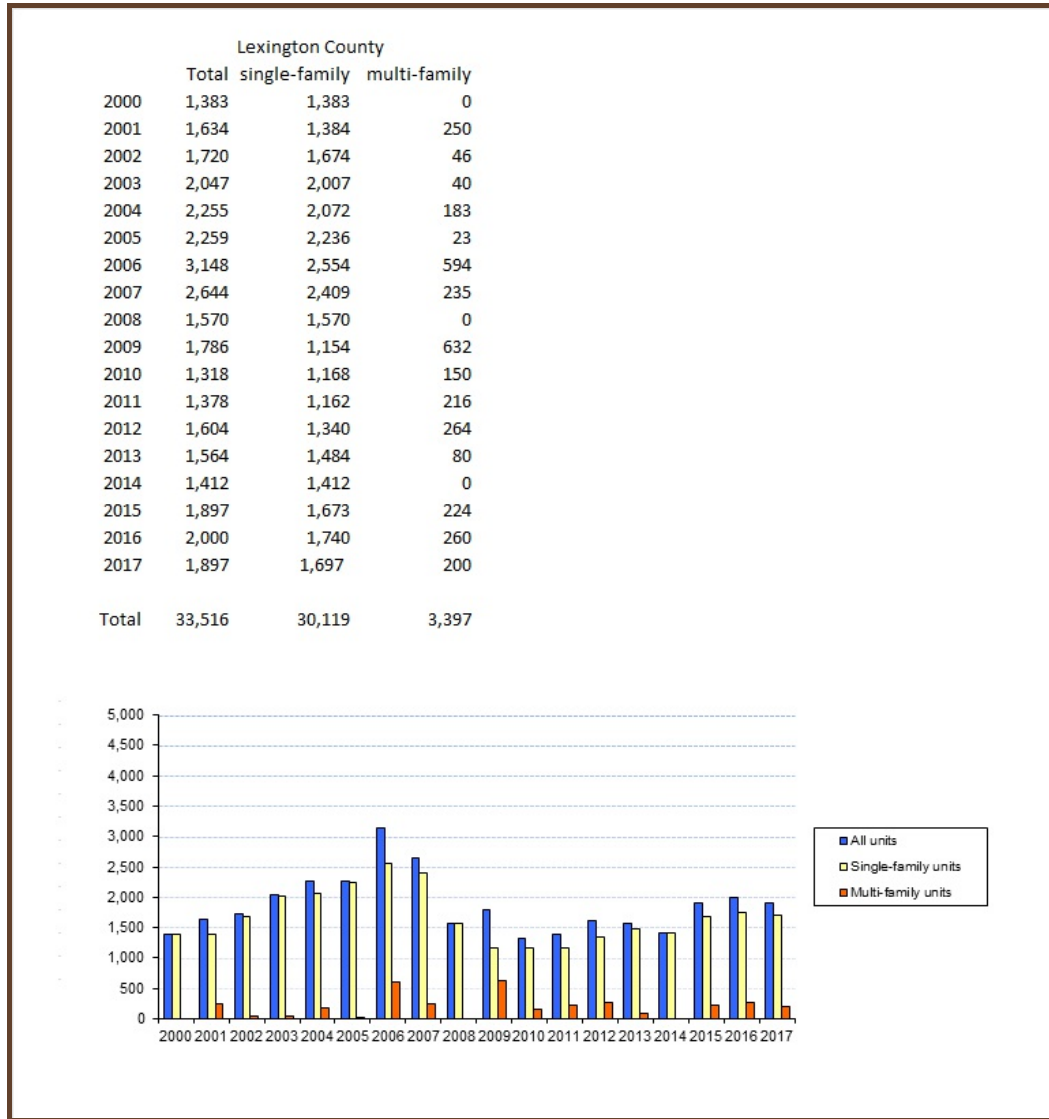
	Irmo		Market area		Lexington County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	121	33.6	561	8.3	3,222	22.4
\$10,000 to \$19,999	69	19.2	564	8.4	4,482	31.1
\$20,000 to \$34,999	44	12.2	1,385	20.5	2,322	16.1
\$35,000 to \$49,999	41	11.4	868	12.9	838	5.8
\$50,000 to \$74,999	58	16.1	1,574	23.3	884	6.1
\$75,000 to \$99,999	27	7.5	844	12.5	2,362	16.4
\$100,000 or more	0	0.0	948	14.1	280	1.9

Source: 2013 to 2017 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2000

Table 14 below gives details of residential construction in Lexington County since 2000. Where the data exist, it can be seen that a total of 33,516 units were added in Lexington County. No data are available for either Irmo or for the market area.

Table 14 - Residential Construction Since 2000



Source: Current Construction Reports, C-40; Bureau of the Census; T Ronald Brown: Research & Analysis

F. PROJECT SPECIFIC DEMAND ANALYSIS

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 48 units proposed, twelve will be targeted to households with incomes up to 50 percent of the median, with 36 targeted at 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of two-, three-, and four- bedroom units.

The income limits for Lexington County (the Columbia MSA) are set out below, along with maximum housing expenses. The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 15 - Income Limits and Maximum Housing Costs

Income Limits		
	<u>50 percent</u>	<u>60 percent</u>
1 person	\$24,500	\$29,400
2 person	\$28,000	\$33,600
3 person	\$31,500	\$37,800
4 person	\$34,950	\$41,940
5 person	\$37,750	\$45,300
6 person	\$40,550	\$48,660
Maximum Housing Costs		
	<u>50 percent</u>	<u>60 percent</u>
2 bedroom	\$788	\$945
3 bedroom	\$909	\$1,091
4 bedroom	\$1,014	\$1,217

Source: HUD

Information as to rents and income targeting, and qualifying income ranges are set out in Table 16, below

Table 16 - Rents and Income Targeting

proposed units			
	<u>50 percent</u>	<u>60 percent</u>	<u>Total</u>
2 bedroom	6	12	18
3 bedroom	4	20	24
4 bedroom	2	4	6
total	12	36	48
proposed rents			
	<u>50 percent</u>	<u>60 percent</u>	
2 bedroom	\$585	\$750	
3 bedroom	\$650	\$840	
4 bedroom	\$700	\$875	
proposed rents as a proportion (%) of maximum			
	<u>50 percent</u>	<u>60 percent</u>	
2 bedroom	97.6	99.1	
3 bedroom	97.8	99.2	
4 bedroom	97.4	95.0	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$188, \$244, and \$295 for two-, three-, and four-bedroom units, respectively

From the table above, it can be seen that housing expenses at the proposed apartments fall effectively at 98 percent of the maximum allowable for the units targeted at 50 percent level and at 95 to 99 percent of the maximum for those units at 60 percent of the median. This will serve to constrain the market somewhat.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom.

Table 17 - Qualifying Income Ranges

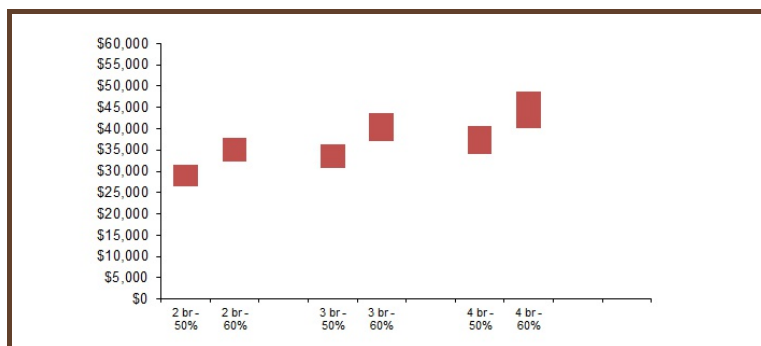
50 percent		
	lower	upper
2 bedroom	\$26,503	\$31,500
3 bedroom	\$30,651	\$36,350
4 bedroom	\$34,114	\$40,550
60 percent		
	lower	upper
2 bedroom	\$32,160	\$37,800
3 bedroom	\$37,166	\$43,620
4 bedroom	\$40,114	\$48,660

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$26,503 to \$48,660.

The table and the graph below show that the qualifying income ranges are quite narrow, given that the proposed rents are at or near the maximum allowable.

Any overlap between the target income ranges (and any gaps between them) will be taken into consideration in our calculations.



In our calculations, the qualifying income limits for one- bedroom units are based on the proposed rent levels relative to the maximum allowable .

The major variables to be examined are age, tenure, and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

Table 18 - Household Income, Renter Households

Income	All Renters		Overburdened Renters	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Up to \$10,000	561	8.3	332	19.7
\$10,000 - \$19,999	564	8.4	294	17.4
\$20,000 - \$34,999	1,385	20.5	899	53.3
\$35,000 - \$50,000	868	12.9	88	5.2
\$50,000 - \$75,000	1,574	23.3	73	4.3
\$75,000 - \$100,000	844	12.5	0	0.0
\$100,000 and over	948	14.1	0	0.0

Source: 2013 to 2017 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2013 to 2017 - and not for a specific year.

From this table it can be seen that 8.3 percent of the market area renter households have incomes less than \$10,000 and a further 8.4 percent have incomes between \$10,000 and \$20,000. Around 20.5 percent of renters are seen to be in the \$25,000 to \$35,000 income range. Around 25 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups - those below \$35,000.

Based on the income ranges set out in Table 17 and the income distribution set out in Table 18, it is found that around 6.4 percent of market area renter households qualify for units at 50 percent of the median, the corresponding figure for the units at 60 percent is 6.8 percent (and is 13.2 percent, overall).

Projections of need and demand are based upon a 2018 to 2021 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the - conservative - projections set out in Table 10, a total of 178 new rental units are needed between 2018 and 2021 - as noted above, this may be quiet conservative. A total of 23 units will be for households eligible for the proposed project: eleven households at the 50 percent level, and twelve households at the 60 percent level.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 819 renter households in the qualifying income ranges in the project market area - 398 for units at the 50 percent level and 421 for units at 60 percent of the median. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 51.8 percent of renters qualifying for units at the 50 percent level are rent overburdened and 37.5 percent of those at the 60 percent level are rent overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This substandard housing component is based on an annual average rate of 0.9 percent of the rental housing stock. This rate is based on data from the HUD American Housing Survey publication "Components of Inventory Change:2007-2009" published in May 2011. Based on the number of rental units in the project market area, this translates to a need for an additional 15 units, total.

Total demand is therefore seen to amount to 402 units: 225 qualifying for units at 50 percent, and 178 qualifying at and 60 percent of the median.

These figures are based on a 2018 to 2021 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. No directly comparable projects have been added in the project market area over the projection period, nor have any been funded or are under construction. The net need is therefore for 402 units

The preceding calculations are summarized in the table on the following page.

Table 18 - Demand Calculations

	<u>50 percent</u>	<u>60 percent</u>	<u>Total*</u>
(i) income eligible new renter households	11	12	23
(ii) income eligible existing renter households	398	421	819
(iii) existing households, likely to move	206	158	364
(iv) need from obsolete housing	7	8	15
Total demand (i)+(iii)+(iv)	225	178	402
Supply	0	0	0
Net demand	225	178	402
<i>* Excluding gap/overlap</i>			
<i>note: totals may not add due to rounding</i>			

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 27 percent of the total, two-bedroom units should account for 41 percent of the total, and three-bedroom units should account for 27 percent of the total with four- or more bedroom units accounting for 5 percent. Here, it is important to note that the need and demand for three- and four-bedroom units (which account for 50.0 percent and 12.5 percent of the 48-unit total, respectively) are based on renter households size - with a focus on four-or-more person households for the three-bedroom units and five-or-more person households for four-bedroom units.

Capture rates are illustrated in the table on the following page.

Table 19 - Capture Rates

	<u>50 percent</u>	<u>60 percent</u>	<u>Total*</u>
Total demand			
1 bedroom	61	49	110
2 bedroom	91	72	163
3 bedroom	61	48	109
4 bedroom	11	9	20
Total	225	178	402
Supply			
1 bedroom	0	0	0
2 bedroom	0	0	0
3 bedroom	0	0	0
4 bedroom	0	0	0
Total	0	0	0
Net demand			
1 bedroom	61	49	110
2 bedroom	91	72	163
3 bedroom	61	48	109
4 bedroom	11	9	20
Total	225	178	402
Units proposed			
1 bedroom	0	0	0
2 bedroom	6	12	18
3 bedroom	4	20	24
4 bedroom	2	4	6
Total	12	36	48
Capture rates			
1 bedroom	0.0%	0.0%	0.0%
2 bedroom	6.6%	16.6%	11.0%
3 bedroom	6.6%	41.4%	49.7%
4 bedroom	17.9%	45.2%	67.8%
Total	5.3%	20.2%	11.9%
<i>* Excluding gap/overlap</i>			

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 48-unit development amounts to 11.9 percent of the total net need. The development equates to 16.4 percent of the net need for 292 two-, three- and four-bedroom units.

The capture rate for the twelve units targeted at 50 percent of the median is 5.3 percent (or 7.4 percent for two-, three-, and four-bedroom units), with that for the 36 units targeted at 60 percent of the median determined to be 20.2 percent (or 27.9 percent for two-, three-, and four-bedroom units).

The capture rates, by bedroom, are determined to be 11.0 percent for the 18 two-bedroom units, 49.7 percent for the 24 three-bedroom units, and 67.8 percent for the six four-bedroom units.

These capture rates are considered to be relatively high (particularly for the three- and four-bedroom units at the 60 percent level) - but they are not considered unrealistic, all things considered.

As noted, recorded tenure trends in the market area suggest that these projections are somewhat conservative.

ABSORPTION RATES

As noted, the capture rates presented above are considered realistic - and reflect the impact of the size of the project, bedroom mix, and different target income ranges. Were the project to be developed as proposed it would expect to lease-up over a period of up three- to four- months, or so.

G. EXISTING RENTAL UNITS

There are many apartment complexes located in the Irmo area, as defined. There are two tax credit properties (one of which is fully rent-assisted), one HUD-financed rent-assisted project, and several market rate properties in this area. The various properties throughout the market area were identified and surveyed, and where useful information was provided to us, this is presented, below.

The unassisted tax credit property was developed in 1996. This complex - Harbison Gardens - offers a total of 180 units at a site near the Columbiana Center mall. Here, there are 20 two-bedroom units, 64 three-bedroom units, and as many as 96 four-bedroom units (which is significant). Rents range from \$829 for a two-bedroom unit, and \$860 to \$947 for a three-bedroom unit. The four-bedroom units are available from \$910 to \$1,050. Rents at this property do include water/sewer and trash pick-up. These rents are seen to translate to housing costs effectively at the maximum allowable when the current utility allowances are factored-in. Currently, three units are reported vacant - with the property staying fully occupied on an ongoing basis. There is a waiting list. This is noteworthy (particularly for the four-bedroom units) given the rent levels and age of this property.

The rent-assisted tax credit property is River Oaks. This is a 100-unit project originally developed in 1978. Currently, three units are reported to be vacant - with the property staying effectively fully occupied, with a waiting list.

As noted, there are several market rate properties in the Irmo area. These represent properties built between 1971 and 2018 - offering between 180 and 326 units. Currently, reported occupancy for these properties ranges between 75 and 96 percent - with most between 93 and 98 percent.

Given that the proposed development is planned to offer some four-bedroom units, it is noteworthy that, as noted, the Harbison Gardens tax credit property offers a significant number of four-bedroom units. However, no market rate properties in the market area, as defined, offer four-bedroom units.

The newest market rate property is York Woods - which is located on Lake Murray Boulevard, just under one and one-half miles to the west of the site of the proposed Cooper's Trace project. York Woods opened in 2018 and has a total of 244 units. Rents for one-bedrooms are in the \$1,009 to \$1,179 range, with two-bedroom units renting between \$1,179 and \$1,690. The three-bedroom units rent for \$1,319. There are currently 27 units that are vacant at this location - which represent the later stages of the initial lease-up program. York Woods exemplifies the several newer properties which are oriented to the upper end of the market and offer significant features and amenities (and include more resort-oriented properties focusing on Lake Murray). These sites command significantly higher rents than those properties that are older and more-established.

The closest property to the site of the proposed development is Irmo Village - an 80-unit HUD Section property dating from around 1990 that offers a mix of one-, two-, and three-bedroom units. This complex is fully occupied, which is typical.

Of the total number of apartments in our survey, current occupancy is 91.9 percent. The occupancy rate for the 280 units at the two tax credit properties in the area is seen to be 97.8 percent (and is at 98.3 percent for the one unassisted tax credit property). The occupancy at those market rate complexes in our survey reveals that 264 out of 2,965 units are vacant: a 91.1 percent occupancy level (or 91.3 percent if the non-stabilized York Woods property is excluded).

The potentially comparable developments are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
34 Crestmont	conventional	2004	250	39	84.4
Ardmore Ballentine	conventional	2012	315	23	92.7
Atlantic at Parkridge	conventional	2016	298	15	95.0
Grandview at Lake Murray	conventional	2009	328	20	93.9
Harbison Gardens	LIHTC	1996	180	3	98.3
Heights at Lake Murray	conventional	2004	230	24	89.6
Irmo Village	HUD §8	1990	80	0	100.0
KRC Foxfire	conventional	1971	208	52	75.0
Legends at Lake Murray	conventional	1996	180	10	94.4
Paces Brook	conventional	1990	260	15	94.2
Residences at Marina Bay	conventional	2012	216	15	93.1
River Oaks	LIHTC/HUD § 8	1978	100	3	97.0
Waters Edge Harbison	conventional	1996	204	9	95.6
Wellspring	conventional	1986	232	15	93.5
York Woods	conventional	2018	244	27	88.9

	0 br/1ba			1 br/1ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Cooper's Trace						
34 Crestmont				81	518-787	\$815-905
Ardmore Ballentine				90	740	\$875-910
Atlantic at Parkridge				n/a	708-803	\$953-1,191
Grandview at Lake Murray				140	780-993	\$1,000-3,008
Harbison Gardens						
Heights at Lake Murray				94	642-1,013	\$796-1,299
Irmo Village				32	576	boi
KRC Foxfire				24	752	\$699
Legends at Lake Murray						
Paces Brook				130	629-801	\$727
Residences at Marina Bay				44	853-1,151	\$1,099-1,559
River Oaks				28	574	boi
Waters Edge Harbison				56	715-819	\$891-973
Wellspring				24	690-710	\$759-909
York Woods				n/a	726-895	\$1,049-1,179

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Cooper's Trace				18	972	\$585-750
34 Crestmont				142	978-1,053	\$815-905
Ardmore Ballentine				180	1,055	\$975-1,050
Atlantic at Parkridge				n/a	1,130-1,229	\$1,176-1,646
Grandview at Lake Murray				148	1,154-1,242	\$1,245-3,008
Harbison Gardens				20	1,028	\$829
Heights at Lake Murray				100	1,131-1,211	\$1,106-1,316
Irmo Village	40	924	boi			
KRC Foxfire	128	1,062	\$799			
Legends at Lake Murray				88	954-1,036	\$1,040-1,160
Paces Brook				82	1,104	\$962
Residences at Marina Bay				140	1,148-1,250	\$1,445-1,950
River Oaks	30	769	boi			
Waters Edge Harbison				140	1,077-1,138	\$950-993
Wellspring				184	1,000	\$818
York Woods				n/a	1,126-1,260	\$1,179-1,490

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Cooper's Trace				24	1,123	\$650-840
34 Crestmont				27	1,229	\$985-1,035
Ardmore Ballentine				45	1,430	\$1,225-1,450
Atlantic at Parkridge				n/a	1,332	\$1,602-1,677
Grandview at Lake Murray				40	1,292	\$1,193-2,716
Harbison Gardens				64	1,224	\$860-947
Heights at Lake Murray				36	1,358-1,418	\$1,086-1,957
Irmo Village	8	1,148	boi			
KRC Foxfire				56	1,280	\$899
Legends at Lake Murray				90	1,048-1,309	\$1,250-1,260
Paces Brook				48	1,229	\$1,022
Residences at Marina Bay				32	1,415	\$1,825
River Oaks	42	1,033	boi			
Waters Edge Harbison				4	1,350	\$1,150
Wellspring				24	1,241-1,300	\$961-988
York Woods				n/a	1,405	\$1,319
	4br/2 ba					
	number	size (sq. ft.)	rent			
Cooper's Trace	6	1,372	\$700-875			
Harbison Gardens	96	1,386	\$910-1,050			

Several market rate apartment developments in the Irmo market area can be used in the determination of market rents. Information for the two- and three- bedroom units at these properties are summarized below. As noted, there are no four-bedroom units in the area - thus, the estimated market rent for such units will be based on three-bedroom units.

Table 20 - Market Rate Properties

<u>Property</u>	<u>Year built</u>	<u>Two-bedroom rents</u>	<u>Three-bedroom rents</u>
34 Crestmont	2004	\$875-1,015	\$985-1,035
Atlantic at Parkridge	2016	\$1,189-1,646	\$1,602-1,677
Grandview at Lake Murray	2009	\$1,245-3,008	\$1,193-2,760
Heights at Lake Murray	2004	\$1,016-1,316	\$1,086-1,957

Source: Apartment Managers; T Ronald Brown: Research & Analysis

The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$1,035 for a two-bedroom unit, and \$1,165 for a three-bedroom unit. Based on the relative values of three- and four-bedroom Fair Market Rents (\$1,035 and \$1,165, respectively), the assumed market rent for four-bedroom units at the subject is estimated to be \$1,456.

Based on the proposed rents at the proposed development, this rent is found to be significantly below the gross adjusted market rent (33.45 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
0	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
6	2 BR	\$585	\$3,510	\$1,035	\$6,207	
12	2 BR	\$750	\$9,000	\$1,035	\$12,414	
	3 BR		\$0		\$0	
4	3 BR	\$650	\$2,600	\$1,165	\$4,659	
20	3 BR	\$840	\$16,800	\$1,165	\$23,296	
	4 BR		\$0		\$0	
2	4 BR	\$700	\$1,400	\$1,456	\$2,911	
4	4 BR	\$875	\$3,500	\$1,456	\$5,823	
Totals	48		\$36,810		\$55,310	33.45%



34 Crestmont

Location: 34 Woodcross Drive, Columbia
 Year built: 2004

Total units: 250
 Typical occupancy: 93%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	81	142	27
Unit size (sq. ft.):	518-787	978-1,053	1,229
Rent:	\$815-905	\$865-1,015	\$985-1,035
Rent/sq. ft.:	\$1.32	\$0.93	\$0.82
Vacant units: 39, overall			

Management: Chartwell Management (Chelsea - 803.407.3332 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+)
 ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Ardmore Ballentine

Location: 114 Ballentine Crossing Lane, Irmo
 Year built: 2012

Total units: 315
 Typical occupancy: 93%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	90	180	45
Unit size (sq. ft.):	740	1,055	1,430
Rent:	\$875-910	975-1,050	\$1,225-1,450
Rent/sq. ft.:	\$1.21	\$0.96	\$0.94
Vacant units: 23, overall			

Management: Ardmore Residential (Carol - 803.445.1023 [2/14])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Atlantic at Parkridge

Location: 356 Lake Murray Boulevard, Irmo
 Year built: 2016

Total units: 298
 Typical occupancy: 95%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	n/a	n/a	n/a	n/a	n/a
Unit size (sq. ft.):	780	803	1,130	1,229	1,332
Rent:	\$953-1,073	\$1,047-1,191	\$1,176-1,457	\$1,189-1,646	\$1,602-1,677
Rent/sq. ft.:	\$1.43	\$1.39	\$1.17	\$1.15	\$1.23
Vacant units: 15, overall					

Management: Greystar (Tara - 803.470.1333 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Grandview at Lake Murray

Location: 2170 N. Lake Drive, Columbia
 Year built: 2009

Total units: 328
 Typical occupancy: 94%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	140	148	40
Unit size (sq. ft.):	780-993	1,154-1,242	1,292
Rent:	\$1,000-2,119	\$1,245-3,008	\$1,193-2,716
Rent/sq. ft.:	\$1.76	\$1.77	\$1.51
Vacant units: 20, overall			

Management: Greystar (Lynette - 803.749.7956 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Harbison Gardens

Location: 401 Columbiana Drive, Columbia
 Year built: 1996

Total units: 180
 Typical occupancy: 100% (waiting list)

	<u>2 br/1½ ba</u>	<u>3 br/2ba</u>	<u>4 br/2 ba</u>
Units:	20	64	96
Unit size (sq. ft.):	1,028	1,224	1,386
Rent:	\$829*	\$860-947*	\$910-1,050*
Rent/ sq. ft.:	\$0.81*	\$0.74*	\$0.71*
Vacant units: 3, overall			

Management: McCormick Barron (Natasha - 803.749.1255 [2/14])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

* tax credit



Heights at Lake Murray

Location: 100 Walden Heights Drive, Irmo
 Year built: 2004

Total units: 230
 Typical occupancy: 90-95%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	94	100	36
Unit size (sq. ft.):	542-1,013	1,131-1,211	1,358-1,418
Rent:	\$795-1,299	\$1,015-1,316	\$1,086-1,957
Rent/sq. ft.:	\$1.27	\$1.00	\$1.00
Vacant units: 24, overall			

Management: Greystar (Elizabeth - 833.200.28159 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Irmo Village

Location: 700 Chipwood Court, Irmo
 Financing: HUD § 8
 Year built: 1990±

Total units: 80
 Rental assistance
 Typical occupancy: 100%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	32	40	8
Unit size (sq. ft.):	576	924	1,148
Contract rent:	\$791	\$885	\$1,046
Vacant units:	0, overall		

Management: Westminster (Terri - 336.808.1277 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



KRC Foxfire

Location: 408 Foxfire Drive, Columbia
 Year built: 1971

Total units: 208
 Typical occupancy:

	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>
Units:	24	128	56
Unit size (sq. ft.):	752	1,062	1,280
Rent:	\$699	\$799	\$899
Rent/sq. ft.:			
Vacant units: 52, overall			

Management: SMP Management (Joyce - 803.772.8966 [2/14])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Legends at Lake Murray

Location: 1220 Meredith Drive, Columbia
 Year built: 1996

Total units: 180
 Typical occupancy: 93-95%

	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	2	38	50	4	86
Unit size (sq. ft.):	858	954	1,036	1,048	1,309
Rent:	\$1,200	\$1,040	\$1,160	\$1,250	\$1,260
Rent/sq. ft.:	\$1.40	\$1.09	\$1.12	\$1.19	\$0.96
Vacant units: 10, overall					

Management: Aspen Management (Jordan - 803.771.6900 [2/14])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+)
 ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Paces Brook

Location: 113 Paces Brook Avenue, Columbia
 Year built: 1990

Total units: 260
 Typical occupancy: 90%+

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	48	892	82	48
Unit size (sq. ft.):	629	801	1,104	1,229
Rent:	\$727	\$824	\$962	\$1,022
Rent/sq. ft.:	\$1.16	\$1.03	\$0.87	\$0.83
Vacant units: 15, overall				

Management: LMS Management (803.749.0757 [2/14])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Residence at Marina Bay

Location: 1600 Marina Road, Irmo
 Year built: 2012

Total units: 216
 Typical occupancy: 93-95%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	44	140	32
Unit size (sq. ft.):	853-1,151	1,148-1,250	1,415
Rent:	\$1,099-1,559	\$1,1445-1,950	\$1,825
Rent:	\$1.33	\$1.42	\$1.29
Vacant units: 15, overall			

Management: RKW Management (Mia - 803.732.1322 [2/15])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



River Oaks

Location: 5324 Bush River Road, Columbia
 Financing: HUD § 8
 Year built: 1978

Total units: 100
 Rental assistance
 Typical occupancy: 100% (waiting list)

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	28	30	42
Unit size (sq. ft.):	574	769	1,033
Contract rent:	\$684	\$765	\$905
Vacant units: 3, overall			

Management: AMCS Management (Ronnie - 803.798.8280 [2/15])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Wellspring

Location: 500 Harbison Boulevard, Columbia
 Year built: 1986

Total units: 232
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/3 ba</u>	<u>3 br/3 ba</u>
Units:	12	12	184	12	12
Unit size (sq. ft.):	690	710	1,000	1,241	1,300
Rent:	\$759	\$909	\$818	\$988	\$961
Rent/sq. ft.:	\$1.10	\$1.28	\$0.82	\$0.80	\$0.74
Vacant units: 15, overall					

Management: RAM Partners (Elizabeth - 803.781.9541 [2/14])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



Waters Edge Harbison

Location: 250 Crossbow Drive, Columbia
 Year built: 1996

Total units: 204
 Typical occupancy: 92-93%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	24	32	72	68	4
Unit size (sq. ft.):	715	819	1,077	1,138	1,350
Contract rent:	\$973	\$891	\$950	\$993	\$1,150
Rent/sq. ft.:	\$1.36	\$1.09	\$0.88	\$0.87	\$0.85
Vacant units: 9, overall					

Management: Lloyd Jones Management (Chris - 803.732.9909 [2/14])
 Telephone: on site management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'+ ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies



York Woods

Location: 2038 Lake Murray Boulevard, Irmo
 Year built: 2018

Total units: 244
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	n/a	n/a	n/a
Unit size (sq. ft.):	725-895	1,126-1,260	1,405
Rent:	\$1,009-1,179	\$1,179-1,690	\$1,319
Rent/sq. ft.:	\$1.37	\$1.12	\$0.94
Vacant units:	27 - in lease-up		

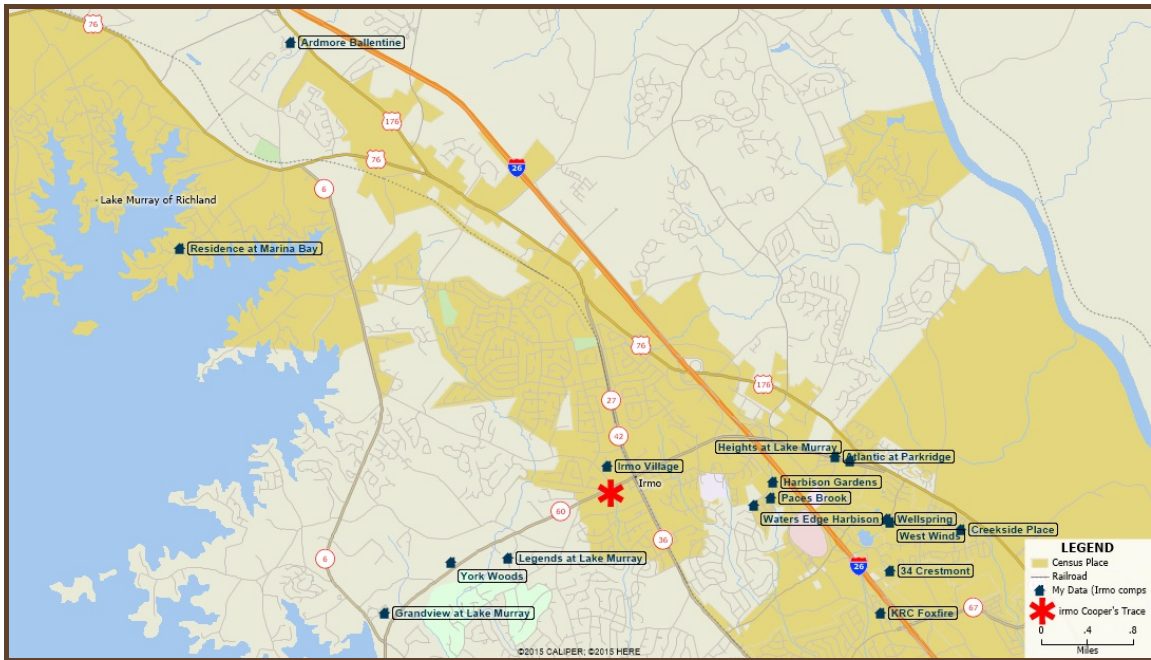
Management: Sterling Group (Diana (803.403.1530 [2/15])
 Telephone: on site / management site visit other

Utilities in rent: Water/Sewer Trash Heat Electricity

Amenities: Club House/Community Room Fitness center Pool Tennis Playground
 Business Center Controlled access/Security/gated Elevator Garages Storage Laundry

Unit features: Microwave Dishwasher 9'(+) ceilings High-end kitchen Washer/Dryer
 Washer/Dryer Hook-up Wood floor Fireplaces Patios/balconies

The locations of existing rental units in the Irmo area are mapped, below.



H. INTERVIEWS

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer an attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). Information from those person who stated their opinion are set out below.

Natasha, the manager at Harbison Gardens - the only unassisted tax credit property in the market - noted that she believes that a new tax credit project would be well-received. She states that her complex does well and that another property would do fine.

I. RECOMMENDATIONS

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

J. SIGNED STATEMENT

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 Low Income Housing Tax Credit units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina Housing Finance and 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.



Market Analyst

Date: February 28, 2019

MARKET STUDY TERMINOLOGY

Absorption period	The period of time necessary for a newly constructed or renovated property to achieve the <i>stabilized level of occupancy</i> . The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the <i>stabilized level of occupancy</i> has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.
Absorption rate	The average number of units rented each month during the <i>absorption period</i> .
Acceptable <i>rent burden</i>	The rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.
Achievable Rents	See <i>Market Rent, Achievable Restricted Rent</i> .
Affordable housing	Housing affordable to low or very low-income tenants.
Amenity	Tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.
Annual demand	The total estimated demand present to the market in any one year for the type of units proposed.
Assisted housing	Housing where federal, state or other programs <i>subsidize</i> the monthly costs to the tenants.
Bias	A proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.
Capture rate	The percentage of age, size, and income qualified renter households in the <i>primary market area</i> that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The <i>Capture Rate</i> is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the <i>primary market area</i> . See also: penetration rate.

Comparable property	A property that is representative of the rental housing choices of the subject's <i>primary market area</i> and that is similar in construction, size, amenities, location, and/or age. Comparable and <i>competitive</i> properties are generally used to derive market rent and to evaluate the subject's position in the market.
Competitive property	A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.
Comprehensive Market Study	NCAHMA defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCAHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'
Concession	Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).
Demand	The total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.
Effective rents	Contract rent less concessions.
Household trends	Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g. at marriage or separation), changes in average household size, and net <i>migration</i> .
Income band	The range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined <i>acceptable rent burden</i> percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.
Infrastructure	Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.
Market advantage	The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

Market analysis	A study of real estate market conditions for a specific type of property.
Market area	See <i>primary market area</i> .
Market demand	<p>The total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand.</p> <p>A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.</p>
Market rent	The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the <i>primary market area</i> considering its location, features and amenities. Market rent should be adjusted for <i>concessions</i> and owner paid utilities included in the rent.
Market study	A comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.
Marketability	The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.
Market vacancy rate, economic	Percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.
Market vacancy rate, physical	Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.
Migration	The movement of households into or out of an area, especially a <i>primary market area</i> .
Mixed income property	An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50% and 60%).
Mobility	The ease with which people move from one location to another.

Move-up demand	An estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to newer tax credit properties.
Multi-family	Structures that contain more than two housing units.
Neighborhood	An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.
Net rent (also referred to as contract rent or lease rent)	Gross rent less <i>tenant paid utilities</i> .
Penetration rate	The percentage of age and income qualified renter households in the <i>primary market area</i> that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the <i>stabilized level of occupancy</i> . Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100 See also: capture rate.
Pent-up demand	A market in which there is a scarcity of supply and vacancy rates are very low.
Population trends	Changes in population levels for a particular area over a specific period of time — which is a function of the level of births, deaths, and net <i>migration</i> .
Primary market area	A geographic area from which a property is expected to draw the majority of its residents.
Programmatic rents	See <i>restricted rents</i> .
Project based rent assistance	Rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.
Redevelopment	The redesign or rehabilitation of existing properties.
Rent burden	gross rent divided by adjusted monthly household income.
Rent burdened households	Households with <i>rent burden</i> above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.
Restricted rent	The rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, Achievable	The rents that the project can attain taking into account both market conditions and rent in the <i>primary market area</i> and income restrictions.
Saturation	The point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.
Secondary market area	The portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.
Special needs population	Specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs populations include: substance abusers, visually impaired person or persons with mobility limitations.
Stabilized level of occupancy	The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.
Subsidy	Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's <i>contract rent</i> and the amount paid by the tenant toward rent.
Substandard conditions	Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.
Target income band	The <i>income band</i> from which the subject property will draw tenants.
Target population	The market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.
Tenant paid utilities	The cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.
Turnover period	1. An estimate of the number of housing units in a market areas as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.
Unmet housing need	New units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.
Unrestricted rents	Rents that are not subject to <i>restriction</i> .
Unrestricted units	Units that are not subject to any income or rent restrictions.
Vacancy period	The amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic Maximum potential revenue less actual rent revenue divided by maximum vacancy rate - physical potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

Area Median Income (AMI)	100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.
Attached housing	Two or more dwelling units connected with party walls (e.g. townhouses or flats).
Basic Rent	The maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.
Below Market Interest Rate Program (BMIR)	Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.
Census Tract	A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.
Central Business District (CBD)	The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.
Community Development Corporation (CDC)	Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.
Condominium	A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent	1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).
Difficult Development Area (DDA)	an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.
Detached Housing	A freestanding dwelling unit, typically single-family, situated on its own lot.
Elderly or Senior Housing	Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 805 of the units in each building are restricted for occupancy by Households where at least one Household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.
Extremely Low Income	Person or Household with income below 30% of Area Median Income adjusted for Household size.
Fair Market Rent (FMR)	The estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50 th percentile of rents.
Garden Apartments	Apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.
Gross Rent	the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.
High-rise	A residential building having more than ten stories.
Household	One or more people who occupy a housing unit as their usual place of residence.
Housing Unit	House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.
Housing Choice Voucher (Section 8 Program)	Federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible Households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)	State or local agencies responsible for financing housing and administering Assisted Housing programs.
HUD Section 8 Program	Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenants' adjusted income.
HUD Section 202 Program	Federal Program, which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.
HUD Section 811 Program	Federal program, which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.
HUD Section 236 Program	Federal program which provides interest reduction payments for loans which finance housing targeted to Households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of th their adjusted income. All rents are capped at a HUD approved market rent.
Income Limits	Maximum Household income by county or Metropolitan Statistical Area, adjusted for Household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes Income Limits each year for 30% median. Very Low Income (50%), and Low-Income (80%), for households with 1 through 8 people.
Low Income	Person or Household with gross Household Income below 80% of Area Median Income adjusted for Household size.
Low Income Housing Tax Credit	A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.
Low Rise Building	A building with one to three stories.

Metropolitan Area (MSA)	Statistical	A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.
Mid-rise		A building with four to ten stories.
Moderate Income		Person or Household with gross household income between 80 and 120 percent of area median income adjusted for Household size.
Public Housing or Low Income Conventional Public Housing		HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.
Qualified Census Tract (QCT)		Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of Households have an income less than 60% of area Median Income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.
Rural Development (RD) Market Rent		A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD Property.
Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)		Federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.
Single-Family Housing		A dwelling unit, either attached or detached, designed for use by one Household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.
State Data Center (SDC)		A state agency or university facility identified by the governor of each state to participate in the Census bureau's cooperative network for the dissemination of the census data.

Tenant	One who rents real property from another.
Tenure	The distinction between owner-occupied and renter-occupied housing units.
Townhouse (or Row House)	Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.
Very Low Income	Person or Household whose gross household income does not exceed 50% of Area Median Income adjusted for Household size.
Zoning	Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.