



**REAL PROPERTY RESEARCH GROUP**  
WASHINGTON/BALTIMORE ■ ATLANTA

## Market Feasibility Analysis

# Aberdeen Chase

**Easley, Pickens County, South Carolina**

Prepared for:

**Prestwick Development**

Site Inspection: February, 16 2014

Effective Date: February, 27 2014



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## EXECUTIVE SUMMARY

### *Proposed Site*

- The site for Aberdeen Chase is located on the eastern side of South Pendleton Street (SC Hwy 135), south of the intersection with Pendleton Court in Easley, Pickens County, South Carolina. Relative to the surrounding area, the subject site is positioned approximately 0.3 miles south of downtown Easley. Bordering land uses include a large public middle school, open space, medium density residential structures, and small commercial buildings.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within one to two miles.
- The site is just 0.5 miles from Pendleton Street's intersection with Calhoun Memorial Highway/Route 123, the most critical long distance transportation route serving Easley and the primary way to access larger employment nodes. To the east, Route 123 is the primary road into Greenville, and to the west, Route 123 offers access to Clemson University.
- The subject site is considered comparable with or superior to existing LIHTC communities in the market area.

### *Proposed Unit Mix and Rent Schedule*

- The 27 units at Aberdeen Chase include 15 two bedroom units and 12 three bedroom units. All units will be townhomes and unit sizes will be 1,038 square feet for two bedroom units and 1,172 square feet for three bedroom units. All units will have two bathrooms.
- The income targeting includes seven units targeting households at or below 50 percent of the Area Median Income and 20 units targeting households at or below 60 percent of the Area Median Income. Most of the units at 50 percent AMI will also have HOME Financing.
- The proposed two bedroom rents are \$450 for 50 percent units (HOME) and \$499 for 60 percent units. The proposed three bedroom rents are \$525 for 50 percent (HOME) and \$575 for 60 percent units.
- The proposed rents result in an overall rent advantage of 25.51 percent relative to the estimate of market rent. Individual rent advantages range from 22.24 percent to 32.23 percent.

### *Proposed Amenities*

- The newly constructed rents at the subject property will offer kitchens with new energy star appliances (refrigerator, range, microwave, and disposal). Flooring will be a combination of carpeting and vinyl. All units will include ceiling fans, patio/balcony, window blinds, central heat and air, and washer/dryer connections. The proposed unit features at Aberdeen Chase will be competitive with existing communities in the market area.
- Aberdeen Chase' amenity package will include a community building with management office, central laundry area, community room, computer center, and fitness room. The community will also feature a playground.
- The proposed features and amenities will be competitive in the Easley Market Area and are appropriate given the proposed rent levels.



### ***Economic Analysis***

- Pickens County's economy suffered job loss and increased unemployment rates through the recent national recession and prolonged economic downturn, but has recently shown signs of stabilization and job gain.
- Pickens County's unemployment rate peaked at 10.7 percent in 2009 compared to peaks of 11.5 percent in the state and 9.6 percent in the nation (2010).
- Between the advent of the national recession in 2007 and the end of 2010, Pickens County employers shed a net of roughly 3,500 jobs. The county's at-place employment trend turned positive during 2011, with a net gain of 438 jobs before declining by 1,009 jobs during 2012. As of second quarter 2013, employment trend data is positive again with a net gain of 125 jobs.
- The Government, Trade-Transportation-Utilities, and Manufacturing sectors account for 59.0 percent of the job base of Pickens County, compared with 35.6 percent of the job base nationally.

### ***Population and Household Trends***

- Between 2000 and 2010 Census counts, the population of the Easley Market Area increased by 6.2 percent, rising from 66,405 to 70,539 people. This equates to an annual growth rate of 0.6 percent or 413 people. During the same time period, the number of households in the Easley Market Area increased by 7.4 percent, from 25,926 to 27,849 households, an annual increase of 0.7 percent or 192 households.
- Between 2013 and 2016, the market area's population will increase by 392 people, bringing the total population to 71,373 people in 2016. This represents an annual increase of 0.2 percent or 131 people. The number of households will increase at the same rate, gaining 0.2 percent or 70 new households per annum resulting in a total of 28,309 households in 2016.

### ***Demographic Analysis***

- The median age is 39 in the market area and 34 in the county. While adults age 35-61 comprise the largest cohort in both areas, the market area has a higher concentration of senior adults while the county has as high concentration of young adults between the ages of 18 to 24 due to Clemson University located in the south of the Easley Market Area.
- The 2013 renter percentages were 26.7 percent in the Easley Market Area and 32 percent in Pickens County. These percentages are projected to increase slightly through 2016.
- Young working age households form the core of the market area's renters, as 41.9 percent of the renter occupied households are between the ages of 25 and 44 and 19.0 percent are age 45-54 years. Young renters (under 25) in the market area comprise 8.5 percent of all renter householders and older adults age 55+ account for 30.6 percent of all renters.
- RPRG estimates that the 2013 median household income in the Easley Market Area is \$43,806, which is 4.6 percent higher than the \$41,876 median income in Pickens County.
- The market area's median income for renter households in 2013 is estimated at \$26,527, roughly half of the median owner household income of \$52,850. Almost half (47.7 percent) of all renter households in the Easley Market Area have incomes less than \$25,000.

### ***Affordability Analysis***

- As proposed, Aberdeen Chase will target households earning at or below 50 percent and 60 percent of the Area Median.



- The proposed 50 percent units will target renter households earning from \$21,257 to \$30,275. With 974 renter households earning within this range, the capture rate for the seven units at 50 percent of Area Median Income is 0.7 percent.
- The proposed 60 percent units will target renter households earning from \$22,937 to \$36,330. The 1,232 income qualified renter households within this range result in a capture rate of 1.6 percent for the 20 units at 60 percent overall.
- The overall capture rate for the 27 units is 1.8 percent, which is based on 1,470 renter households earning between \$21,257 and \$36,330.

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

- By income target, demand capture rates are 1.2 percent for 50 percent units, 3.2 percent for 60 percent units, and 3.6 percent for all units.
- Capture rates by floor plan range from 1.2 percent to 3.7 percent.
- All capture rates are within acceptable ranges.

#### ***Competitive Environment***

- The 16 surveyed rental communities reporting occupancy data combine to offer 1,205 units, of which 22 or 1.8 percent were reported vacant. Among LIHTC communities, only four of 380 units were vacant at the time of our survey, a rate of 1.1 percent.
- Among general occupancy LIHTC communities, the average occupancy rate over the past two quarters per SCSHFDA's public analysis was 95.57 percent. The current occupancy rates among LIHTC communities (97.4 percent) are higher than fourth quarter figures per the SCSHFDA public analysis.
- Among the eighteen comparable rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
  - **One bedroom** units at \$443 for 741 square feet or \$0.60 per square foot.
  - **Two bedroom** units at \$530 for 976 square feet or \$0.54 per square foot.
  - **Three bedroom** units at \$594 for 1,258 square feet or \$0.47 per square foot.
- The proposed rents at Aberdeen Chase will be in the mid to lower range compared to existing rents in the market area for each floor plan. Proposed 50 and 60 percent AMI two-bedroom rents are less than the market average; proposed 50 percent three-bedroom rents are less than the market average while 60 percent rents are just six dollars higher than the average despite being new construction with generous amenities and features.
- Scattered site rentals are significantly higher priced than the three bedroom units at Aberdeen Chase and will not provided any direct competition.
- The estimated market rents for the units at Aberdeen Chase are \$664 for two-bedroom units and \$740 for three-bedroom units. The proposed rents are well below the estimated market rents and result in rent advantages of 24.8 percent for two-bedroom 60 percent AMI units (32.2 percent for 50 percent AMI/HOME units), and 22.2 percent for three-bedroom 60 percent AMI units (29.0 percent for 50 percent AMI/HOME units). The overall/weighted average market advantage is 25.5 percent).
- No new rental communities are currently planned or under construction in the market area.





**Final Conclusion/Recommendation**

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

**SCSHFDA S-2 Rent Calculation Worksheet**

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
12	2 BR	\$499	\$5,988	\$664	\$7,968	
3	2 BR	\$450	\$1,350	\$664	\$1,992	
8	3 BR	\$575	\$4,600	\$740	\$5,920	
1	3 BR	\$525	\$525	\$740	\$740	
3	3 BR	\$525	\$1,575	\$740	\$2,220	
<b>Totals</b>	<b>27</b>		<b>\$14,038</b>		<b>\$18,840</b>	<b>25.49%</b>



Revised 1/30/14

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

Development Name:	Aberdeen Chase	Total # Units:	27
Location:	510 S. Pendleton Street, Easley, SC	# LIHTC Units:	27
PMA Boundary:	North: Midway Road, Mount Tabor Church Road, Griffin Road and Raines Road; East: Greenville County border; South: Anderson County border; West: Twelve Mile Creek		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	8.1 miles

**RENTAL HOUSING STOCK (found on page \_\_)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,466	22	98.4%
Market-Rate Housing	11	1,009	18	98.2%
Assisted/Subsidized Housing not to include LIHTC				%
<b>LIHTC (All that are stabilized)*</b>	<b>8</b>	<b>457</b>	<b>4</b>	<b>99.8%</b>
Stabilized Comps**	7	380	4	98.9%
Non-stabilized Comps				%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
12	2	2	1,038	\$499	\$664	\$0.64	24.85%	\$721	\$0.69
3	2	2	1,038	\$450	\$664	\$0.64	32.23%	\$721	\$0.69
8	3	2	1,172	\$575	\$740	\$0.63	22.24%	\$845	\$0.72
1	3	2	1,172	\$525	\$740	\$0.63	29.01%	\$845	\$0.72
3	3	2	1,172	\$525	\$740	\$0.63	29.01%	\$845	\$0.72
<b>Gross Potential Rent Monthly*</b>				<b>\$14,038</b>	<b>\$18,840</b>		<b>25.51%</b>		

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

**DEMOGRAPHIC DATA (found on page \_\_)**

	2000		2013		2016	
Renter Households	5,649	21.8%	7,488	26.7%	7,667	27.1%
Income-Qualified Renter HHs (LIHTC)	1,305	23.1%	1,730	23.1%	1,470	19.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

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

Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	11	12				15
Existing Households (Overburd + Substand)	625	679				830
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	36	59				95
<b>Net Income-qualified Renter HHs</b>	<b>601</b>	<b>633</b>				<b>749</b>

**CAPTURE RATES (found on page \_\_)**

Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	1.2	3.2				3.6

**ABSORPTION RATE (found on page \_\_)**

Absorption Period	2-3	months
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## 1. INTRODUCTION

### A. Overview of Subject

The subject of this report is Aberdeen Chase, a proposed townhouse rental community in Easley, Pickens County, South Carolina. Aberdeen Chase will be newly constructed and is expected to be financed in part by Low Income Housing Tax Credits (LIHTC) allocated by the South Carolina State Housing Finance Development Authority (SCSHFDA). Upon completion, Aberdeen Chase will contain seven units at 50 percent AMI (one of which will be a standard LIHTC unit and six of which are HOME units) and 20 units at 60 percent AMI.

### B. Purpose of Report

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

### C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2014 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

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

The Client is Prestwick Development. Along with the Client, the intended users are SCSHFDA and potential investors.

### E. Applicable Requirements

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

- SCSHFDA's 2014 Market Study Requirements
- The National Council of Housing Market Analysts' (NCHMA) Model Content Standards and Market Study Index.

### F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Nicole Mathison (Analyst), conducted visits to the subject site, neighborhood, and market area on February 16, 2014.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Building Official Tommy Holcomb of the City of Easley's Planning and



Development Department, Appalachian Council of Governments Regional Planner Jennifer Vissage who provides planning services for the City of Pickens, and Planner Marshal Brown with the Pickens County Planning Department.

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

#### **G. Report Limitations**

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

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

None.



## 2. PROJECT DESCRIPTION

### A. Project Overview

Aberdeen Chase will contain 27 units, all of which will benefit from Low Income Housing Tax Credits and six of which will also have HOME funding. All units will be subject to maximum allowable rents and prospective renters will be subject to maximum income limits.

### B. Project Type and Target Market

Aberdeen Chase will target low to moderate income renter households. Income targeting includes seven units at 50 percent AMI (one of which will be a standard LIHTC unit and six of which are HOME units) and 20 units at 60 percent AMI. With a unit mix of two and three bedroom units, the property will target a wide range of renter households. The three-bedroom units will be especially appealing to households with children, while the two-bedroom will attract smaller renter households desiring additional space.

### C. Building Types and Placement

Aberdeen Chase will consist of four two-story, townhome style, residential buildings and a separate community building. Three residential buildings will be positioned on the north side of a central parking lot, while the other residential building will be located on the south side of the parking lot adjacent to a playground (Figure 1). The exterior of the buildings will feature brick and HardiPlank siding.



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## EXECUTIVE SUMMARY

### *Proposed Site*

- The site for Aberdeen Chase is located on the eastern side of South Pendleton Street (SC Hwy 135), south of the intersection with Pendleton Court in Easley, Pickens County, South Carolina. Relative to the surrounding area, the subject site is positioned approximately 0.3 miles south of downtown Easley. Bordering land uses include a large public middle school, open space, medium density residential structures, and small commercial buildings.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within one to two miles.
- The site is just 0.5 miles from Pendleton Street's intersection with Calhoun Memorial Highway/Route 123, the most critical long distance transportation route serving Easley and the primary way to access larger employment nodes. To the east, Route 123 is the primary road into Greenville, and to the west, Route 123 offers access to Clemson University.
- The subject site is considered comparable with or superior to existing LIHTC communities in the market area.

### *Proposed Unit Mix and Rent Schedule*

- The 27 units at Aberdeen Chase include 15 two bedroom units and 12 three bedroom units. All units will be townhomes and unit sizes will be 1,038 square feet for two bedroom units and 1,172 square feet for three bedroom units. All units will have two bathrooms.
- The income targeting includes seven units targeting households at or below 50 percent of the Area Median Income and 20 units targeting households at or below 60 percent of the Area Median Income. Most of the units at 50 percent AMI will also have HOME Financing.
- The proposed two bedroom rents are \$450 for 50 percent units (HOME) and \$499 for 60 percent units. The proposed three bedroom rents are \$525 for 50 percent (HOME) and \$575 for 60 percent units.
- The proposed rents result in an overall rent advantage of 25.51 percent relative to the estimate of market rent. Individual rent advantages range from 22.24 percent to 32.23 percent.

### *Proposed Amenities*

- The newly constructed rents at the subject property will offer kitchens with new energy star appliances (refrigerator, range, microwave, and disposal). Flooring will be a combination of carpeting and vinyl. All units will include ceiling fans, patio/balcony, window blinds, central heat and air, and washer/dryer connections. The proposed unit features at Aberdeen Chase will be competitive with existing communities in the market area.
- Aberdeen Chase' amenity package will include a community building with management office, central laundry area, community room, computer center, and fitness room. The community will also feature a playground.
- The proposed features and amenities will be competitive in the Easley Market Area and are appropriate given the proposed rent levels.



### ***Economic Analysis***

- Pickens County's economy suffered job loss and increased unemployment rates through the recent national recession and prolonged economic downturn, but has recently shown signs of stabilization and job gain.
- Pickens County's unemployment rate peaked at 10.7 percent in 2009 compared to peaks of 11.5 percent in the state and 9.6 percent in the nation (2010).
- Between the advent of the national recession in 2007 and the end of 2010, Pickens County employers shed a net of roughly 3,500 jobs. The county's at-place employment trend turned positive during 2011, with a net gain of 438 jobs before declining by 1,009 jobs during 2012. As of second quarter 2013, employment trend data is positive again with a net gain of 125 jobs.
- The Government, Trade-Transportation-Utilities, and Manufacturing sectors account for 59.0 percent of the job base of Pickens County, compared with 35.6 percent of the job base nationally.

### ***Population and Household Trends***

- Between 2000 and 2010 Census counts, the population of the Easley Market Area increased by 6.2 percent, rising from 66,405 to 70,539 people. This equates to an annual growth rate of 0.6 percent or 413 people. During the same time period, the number of households in the Easley Market Area increased by 7.4 percent, from 25,926 to 27,849 households, an annual increase of 0.7 percent or 192 households.
- Between 2013 and 2016, the market area's population will increase by 392 people, bringing the total population to 71,373 people in 2016. This represents an annual increase of 0.2 percent or 131 people. The number of households will increase at the same rate, gaining 0.2 percent or 70 new households per annum resulting in a total of 28,309 households in 2016.

### ***Demographic Analysis***

- The median age is 39 in the market area and 34 in the county. While adults age 35-61 comprise the largest cohort in both areas, the market area has a higher concentration of senior adults while the county has as high concentration of young adults between the ages of 18 to 24 due to Clemson University located in the south of the Easley Market Area.
- The 2013 renter percentages were 26.7 percent in the Easley Market Area and 32 percent in Pickens County. These percentages are projected to increase slightly through 2016.
- Young working age households form the core of the market area's renters, as 41.9 percent of the renter occupied households are between the ages of 25 and 44 and 19.0 percent are age 45-54 years. Young renters (under 25) in the market area comprise 8.5 percent of all renter householders and older adults age 55+ account for 30.6 percent of all renters.
- RPRG estimates that the 2013 median household income in the Easley Market Area is \$43,806, which is 4.6 percent higher than the \$41,876 median income in Pickens County.
- The market area's median income for renter households in 2013 is estimated at \$26,527, roughly half of the median owner household income of \$52,850. Almost half (47.7 percent) of all renter households in the Easley Market Area have incomes less than \$25,000.

### ***Affordability Analysis***

- As proposed, Aberdeen Chase will target households earning at or below 50 percent and 60 percent of the Area Median.



- The proposed 50 percent units will target renter households earning from \$21,257 to \$30,275. With 974 renter households earning within this range, the capture rate for the seven units at 50 percent of Area Median Income is 0.7 percent.
- The proposed 60 percent units will target renter households earning from \$22,937 to \$36,330. The 1,232 income qualified renter households within this range result in a capture rate of 1.6 percent for the 20 units at 60 percent overall.
- The overall capture rate for the 27 units is 1.8 percent, which is based on 1,470 renter households earning between \$21,257 and \$36,330.

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

- By income target, demand capture rates are 1.2 percent for 50 percent units, 3.2 percent for 60 percent units, and 3.6 percent for all units.
- Capture rates by floor plan range from 1.2 percent to 3.7 percent.
- All capture rates are within acceptable ranges.

#### ***Competitive Environment***

- The 16 surveyed rental communities reporting occupancy data combine to offer 1,205 units, of which 22 or 1.8 percent were reported vacant. Among LIHTC communities, only four of 380 units were vacant at the time of our survey, a rate of 1.1 percent.
- Among general occupancy LIHTC communities, the average occupancy rate over the past two quarters per SCSHFDA's public analysis was 95.57 percent. The current occupancy rates among LIHTC communities (97.4 percent) are higher than fourth quarter figures per the SCSHFDA public analysis.
- Among the eighteen comparable rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
  - **One bedroom** units at \$443 for 741 square feet or \$0.60 per square foot.
  - **Two bedroom** units at \$530 for 976 square feet or \$0.54 per square foot.
  - **Three bedroom** units at \$594 for 1,258 square feet or \$0.47 per square foot.
- The proposed rents at Aberdeen Chase will be in the mid to lower range compared to existing rents in the market area for each floor plan. Proposed 50 and 60 percent AMI two-bedroom rents are less than the market average; proposed 50 percent three-bedroom rents are less than the market average while 60 percent rents are just six dollars higher than the average despite being new construction with generous amenities and features.
- Scattered site rentals are significantly higher priced than the three bedroom units at Aberdeen Chase and will not provided any direct competition.
- The estimated market rents for the units at Aberdeen Chase are \$664 for two-bedroom units and \$740 for three-bedroom units. The proposed rents are well below the estimated market rents and result in rent advantages of 24.8 percent for two-bedroom 60 percent AMI units (32.2 percent for 50 percent AMI/HOME units), and 22.2 percent for three-bedroom 60 percent AMI units (29.0 percent for 50 percent AMI/HOME units). The overall/weighted average market advantage is 25.5 percent).
- No new rental communities are currently planned or under construction in the market area.



**Final Conclusion/Recommendation**

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

**SCSHFDA S-2 Rent Calculation Worksheet**

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
12	2 BR	\$499	\$5,988	\$664	\$7,968	
3	2 BR	\$450	\$1,350	\$664	\$1,992	
8	3 BR	\$575	\$4,600	\$740	\$5,920	
1	3 BR	\$525	\$525	\$740	\$740	
3	3 BR	\$525	\$1,575	\$740	\$2,220	
<b>Totals</b>	<b>27</b>		<b>\$14,038</b>		<b>\$18,840</b>	<b>25.49%</b>



Revised 1/30/14

2014 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:		
Development Name:	Aberdeen Chase	Total # Units: 27
Location:	510 S. Pendleton Street, Easley, SC	# LIHTC Units: 27
PMA Boundary:	North: Midway Road, Mount Tabor Church Road, Griffin Road and Raines Road; East: Greenville County border; South: Anderson County border; West: Twelve Mile Creek	
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons <input type="checkbox"/> Farthest Boundary Distance to Subject: 8.1 miles	

RENTAL HOUSING STOCK (found on page __)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	19	1,466	22	98.4%
Market-Rate Housing	11	1,009	18	98.2%
Assisted/Subsidized Housing not to include LIHTC				%
<b>LIHTC (All that are stabilized)*</b>	8	457	4	99.8%
Stabilized Comps**	7	380	4	98.9%
Non-stabilized Comps				%

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
12	2	2	1,038	\$499	\$664	\$0.64	24.85%	\$721	\$0.69
3	2	2	1,038	\$450	\$664	\$0.64	32.23%	\$721	\$0.69
8	3	2	1,172	\$575	\$740	\$0.63	22.24%	\$845	\$0.72
1	3	2	1,172	\$525	\$740	\$0.63	29.01%	\$845	\$0.72
3	3	2	1,172	\$525	\$740	\$0.63	29.01%	\$845	\$0.72
<b>Gross Potential Rent Monthly*</b>				<b>\$14,038</b>	<b>\$18,840</b>		<b>25.51%</b>		

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

DEMOGRAPHIC DATA (found on page __)						
	2000		2013		2016	
Renter Households	5,649	21.8%	7,488	26.7%	7,667	27.1%
Income-Qualified Renter HHs (LIHTC)	1,305	23.1%	1,730	23.1%	1,470	19.2%
Income-Qualified Renter HHs (MR)	(if applicable)	%		%		%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page __)						
Type of Demand	50%	60%	Market-rate	Other: __	Other: __	Overall
Renter Household Growth	11	12				15
Existing Households (Overburd + Substand)	625	679				830
Homeowner conversion (Seniors)						
Other:						
Less Comparable/Competitive Supply	36	59				95
<b>Net Income-qualified Renter HHs</b>	<b>601</b>	<b>633</b>				<b>749</b>

CAPTURE RATES (found on page __)						
Targeted Population	50%	60%	Market-rate	Other: __	Other: __	Overall
Capture Rate	1.2	3.2				3.6

ABSORPTION RATE (found on page __)	
Absorption Period	2-3 months



## 1. INTRODUCTION

### A. Overview of Subject

The subject of this report is Aberdeen Chase, a proposed townhouse rental community in Easley, Pickens County, South Carolina. Aberdeen Chase will be newly constructed and is expected to be financed in part by Low Income Housing Tax Credits (LIHTC) allocated by the South Carolina State Housing Finance Development Authority (SCSHFDA). Upon completion, Aberdeen Chase will contain seven units at 50 percent AMI (one of which will be a standard LIHTC unit and six of which are HOME units) and 20 units at 60 percent AMI.

### B. Purpose of Report

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

### C. Format of Report

The report format is comprehensive and conforms to SCSHFDA's 2014 Market Study Requirements. The market study also considered the National Council of Housing Market Analysts' (NCHMA) recommended Model Content Standards and Market Study Index.

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

The Client is Prestwick Development. Along with the Client, the intended users are SCSHFDA and potential investors.

### E. Applicable Requirements

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

- SCSHFDA's 2014 Market Study Requirements
- The National Council of Housing Market Analyst's (NCHMA) Model Content Standards and Market Study Index.

### F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Nicole Mathison (Analyst), conducted visits to the subject site, neighborhood, and market area on February 16, 2014.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community property managers, Building Official Tommy Holcomb of the City of Easley's Planning and





Development Department, Appalachian Council of Governments Regional Planner Jennifer Vissage who provides planning services for the City of Pickens, and Planner Marshal Brown with the Pickens County Planning Department.

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

#### **G. Report Limitations**

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

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

None.



## 2. PROJECT DESCRIPTION

### A. Project Overview

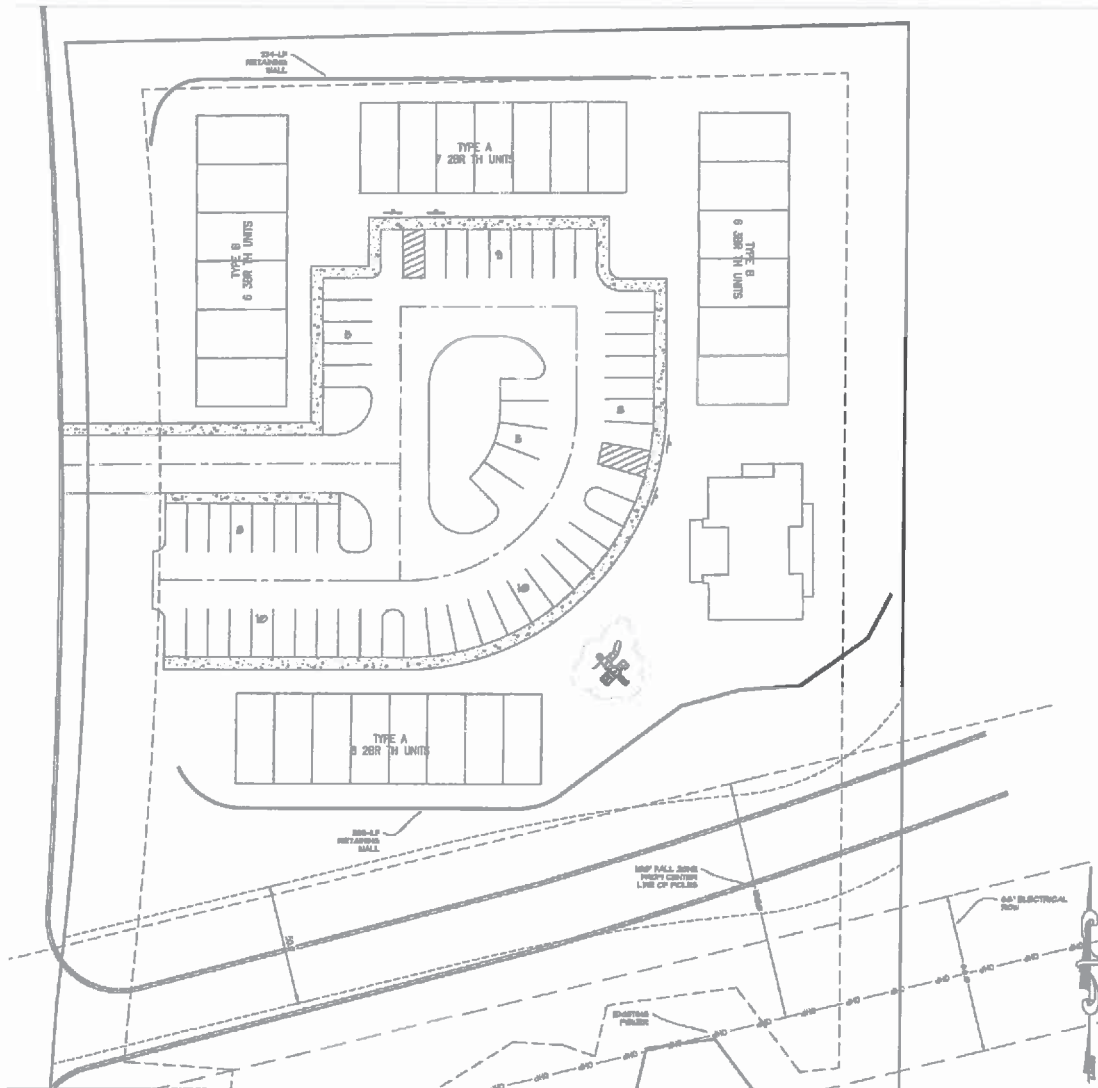
Aberdeen Chase will contain 27 units, all of which will benefit from Low Income Housing Tax Credits and six of which will also have HOME funding. All units will be subject to maximum allowable rents and prospective renters will be subject to maximum income limits.

### B. Project Type and Target Market

Aberdeen Chase will target low to moderate income renter households. Income targeting includes seven units at 50 percent AMI (one of which will be a standard LIHTC unit and six of which are HOME units) and 20 units at 60 percent AMI. With a unit mix of two and three bedroom units, the property will target a wide range of renter households. The three-bedroom units will be especially appealing to households with children, while the two-bedroom will attract smaller renter households desiring additional space.

### C. Building Types and Placement

Aberdeen Chase will consist of four two-story, townhome style, residential buildings and a separate community building. Three residential buildings will be positioned on the north side of a central parking lot, while the other residential building will be located on the south side of the parking lot adjacent to a playground (Figure 1). The exterior of the buildings will feature brick and HardiPlank siding.

**Figure 1 Site Plan, Aberdeen Chase**


## D. Detailed Project Description

### 1. Project Description

- The 27 units at Aberdeen Chase include 15 two-bedroom units and 12 three-bedroom units Table 1.
- The proposed unit sizes are 1,038 square feet for two bedroom units and 1,172 square feet for three bedroom units. All units will have two bathrooms.
- The proposed rents for Aberdeen Chase outlined in Table 1.
- All rents will include the cost of trash removal. Tenants will bear the cost of all other utilities.
- Monthly utility allowances are \$186 for two bedroom units and \$226 for three bedroom units.



The following **unit features** are planned:

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

The following **community amenities** are planned:

- Management office.
- Playground.
- Central laundry area.
- Community room.
- Computer/business center.
- Security cameras.
- Fitness room.



**Table 1 Aberdeen Chase Project Summary**

Unit Mix/Rents							
# Bed	# Bath	% AMI	Size (sqft)	Quantity	Net Rent	Utility Allowance	Gross Rent
2	2	60%	1,038	12	\$499	\$186	\$685
2	2	HOME	1,038	3	\$450	\$186	\$636
3	2	60%	1,172	8	\$575	\$226	\$801
3	2	50%	1,172	1	\$525	\$226	\$751
3	2	HOME	1,172	3	\$525	\$226	\$751
<b>Total/Average</b>			<b>1,098</b>	<b>27</b>	<b>\$520</b>		
Project Information				Additional Information			
<b>Number of Residential Buildings</b>		Townhome		<b>Construction Start Date</b>		3/2015	
<b>Building Type</b>		2		<b>Date of First Move-In</b>		10/2015	
<b>Number of Stories</b>		New Const.		<b>Construction Finish Date</b>		1/2016	
<b>Construction Type</b>		Hardi-Plank, Brick		<b>Parking Type</b>		Surface	
<b>Design Characteristics (exterior)</b>				<b>Parking Cost</b>		None	
<b>Community Amenities</b>	Community building with management office, community room, computer center, fitness center, and a laundry center. Perimeter fencing and security cameras. Playground.			Kitchen Amenities			
				<b>Dishwasher</b>		Yes	
				<b>Disposal</b>		Yes	
				<b>Microwave</b>		Yes	
				<b>In Unit Laundry</b>		No	
<b>W/D Connections</b>		Yes					
<b>Unit Features</b>	Kitchen with refrigerator, range/oven, dishwasher, and garbage disposal. Units will feature ceiling fans and patio/balcony. Flooring will include carpet in living areas and vinyl flooring in kitchen/bath.			Utilities Included			
				<b>Water/Sewer</b>		Tenant	
				<b>Trash</b>		Owner	
				<b>Heat</b>		Tenant	
				<b>Heat Source</b>		Elec	
				<b>Hot/Water</b>		Tenant	
				<b>Electricity</b>		Tenant	
<b>Other:</b>							

**2. Other Proposed Uses**

None

**3. Proposed Timing of Construction**

Aberdeen Chase is expected to begin construction in March 2015 and the estimated date of first movie-in is October 2015. Construction completion is expected in January 2016.



### 3. SITE AND NEIGHBORHOOD ANALYSIS

#### A. Site Analysis

##### 1. Site Location

The site for Aberdeen Chase is located on the eastern side of South Pendleton Street (SC Hwy 135), south of the intersection with Pendleton Court in Easley, Pickens County, South Carolina. Relative to the surrounding area, the subject site is positioned approximately 0.3 miles south of downtown Easley (Map 1, Figure 2).

##### 2. Existing Uses

The subject site primarily consists of grassy land. A small wooden structure formerly used by the local school's marching band is located in the middle of the site. At the time of our site visit, we did not observe any environmental conditions that would restrict the property's use.

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

According to plans provided by the developer and field observations, the subject site encompasses 3.03 acres and is roughly square in shape. The site has a generally flat topography.

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

The Aberdeen Chase site is located on the west side of Anderson, just outside its more densely developed downtown core. The largest and most visible surrounding use is Gettys Middle School; the school underwent a major renovation in 2013 and serves more than 1,300 students. Other surrounding land uses primarily consist of open space, medium density residential structures and small commercial buildings concentrated along South Pendleton Street. Other nearby land uses include single family neighborhoods, a church, and the Fort Hill Natural Gas Authority. Overall, the condition of development in the subject site's immediate area is generally good to poor.

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

The land uses directly bordering the subject site include:

- **North:** Single family home, for-sale townhome community on Pendleton Court
- **East:** Open space controlled by Fort Hill Natural Gas Authority
- **South:** Wooded lot
- **West:** Gettys Middle School



Map 1 Site Location and Location of Key Facilities and Services

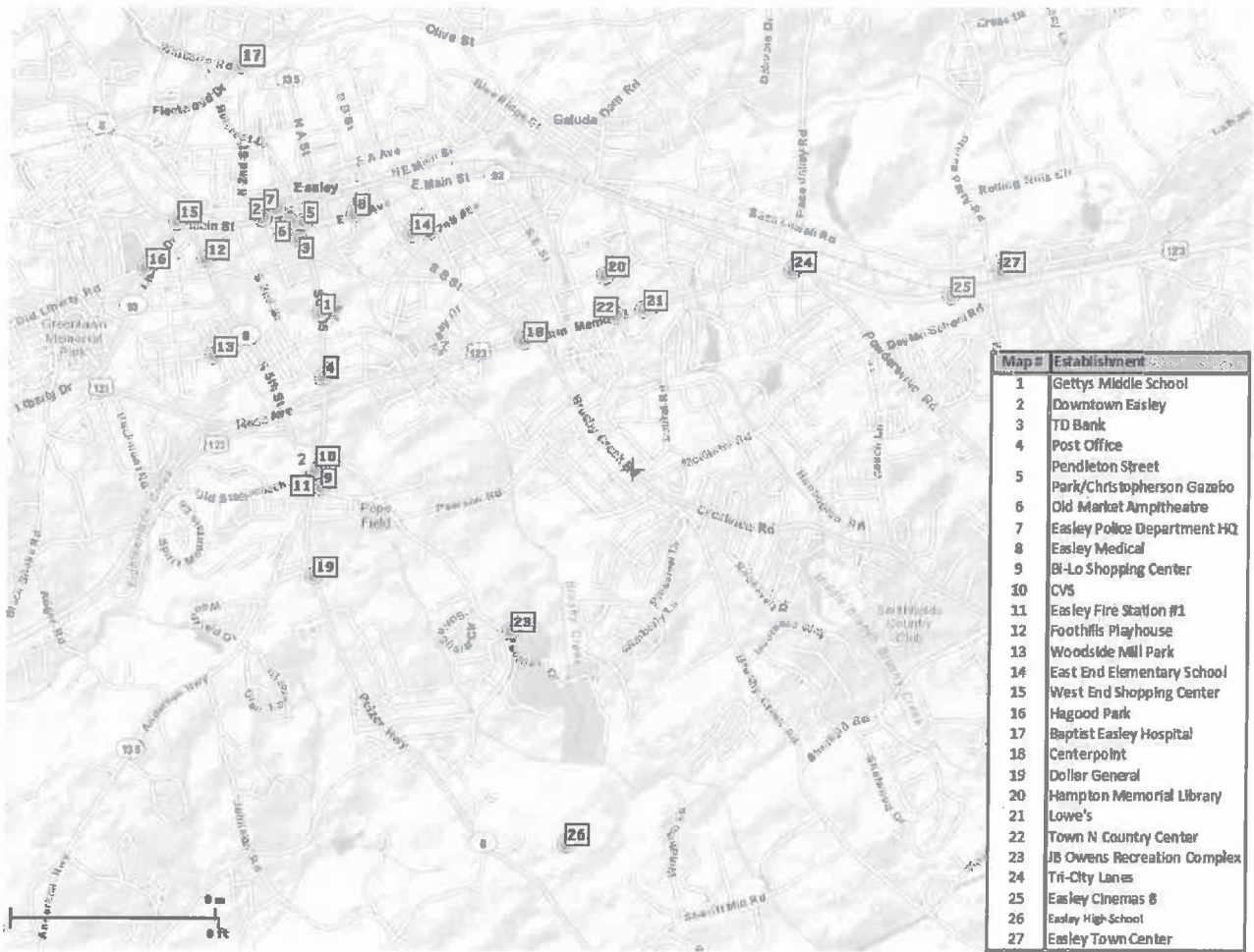
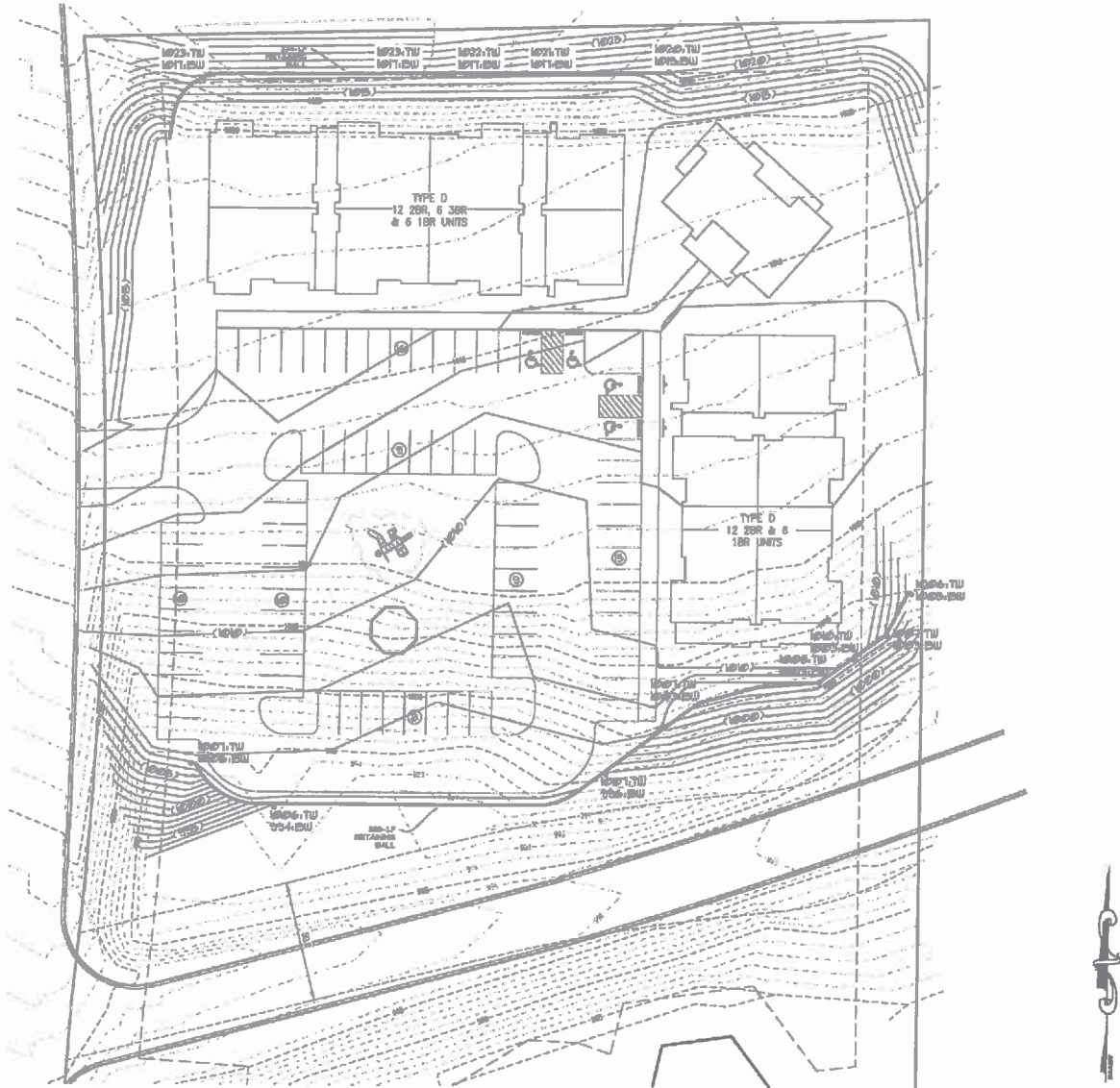




Figure 2 Site Plan





**Figure 3 Views of Subject Site**



**View of entire site from west side of Pendleton Street**



**Small wooden structure located in center of site**



**Signage located on site at Pendleton Street**



**View of southwest corner of site from private road along southern border of site**



**View of Pendleton Street facing north, site on right**



**View of Pendleton Street facing south, site on left**

**Figure 4 Views of Surrounding Land Uses**



**Single family home immediately north of site**



**For-sale townhome community north of site**



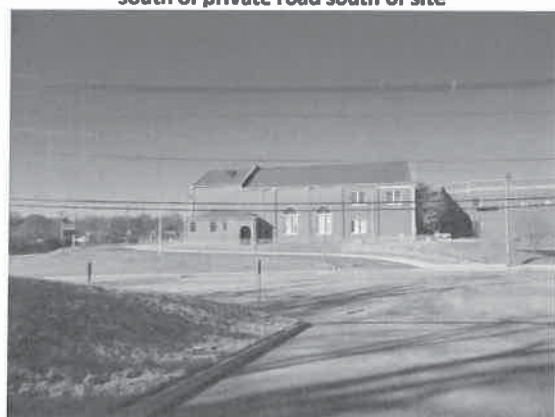
**Open space bordering the site to the north with Fort Hill Natural Gas Authority property to the rear**



**Small commercial building fronting Pendleton Street south of site beyond undeveloped lot immediately south of private road south of site**



**Meadow Creek Apartments located south of site**



**Gettys Middle School, west of site**



## **B. Neighborhood Analysis**

### **1. General Description of Neighborhood**

The subject neighborhood is located just to the southwest of the historic commercial core of Easley. The downtown core of attached and detached commercial structures covers roughly a half-dozen square blocks centered at the intersection of Main and Pendleton Streets, 0.3 miles north of the subject site. The downtown area is not particularly vibrant, though a number of retail shops and other businesses are available.

Easley's modern commercial development – in the form of suburban-style strip shopping centers and detached buildings – clusters most heavily along the Calhoun Memorial Highway/U.S. Highway 123 corridor. Calhoun Highway is one of the two primary east-west transportation routes through town, along with Main Street. Calhoun Highway passes one-half mile south of the subject site.

Easley Town Center, a \$14 million rehabilitation of a 66-acre brownfield site (once a textile mill), is located 3.4 miles east of the site on US Highway 123. Key tenants include Walmart Supercenter, Kohl's, PetSmart, Tractor Supply Company, Academy Sports, and Sam's Club. Once completed, this project will contain more than 500,000 square feet of retail.

The City of Easley is located in the western portion of the metropolitan area centered upon the City of Greenville. Downtown Greenville is located a reasonable commuting distance of 13 miles (20 minutes) east of the subject site via Calhoun Highway. Downtown Greenville offers a relatively high-density urban environment with a significant professional office core, retail uses, and an emerging residential population.

The City of Clemson and Clemson University are located at the southwest corner of Pickens County. The Clemson University campus is approximately 19 miles and 25 minutes southwest of the subject site via Calhoun Highway. Clemson University is a major institution of higher education, with an enrollment of approximately 17,200 full-time and 2,300 part-time students and more than 3,500 employees.

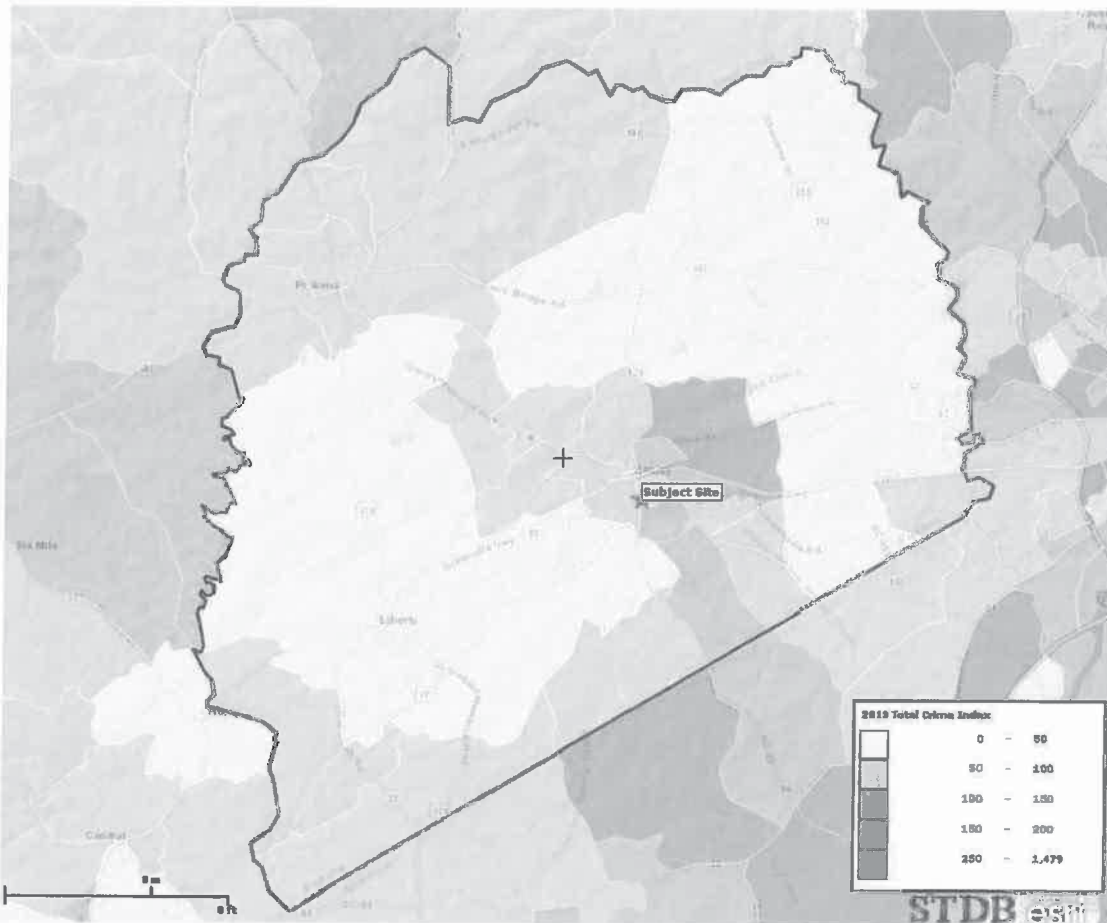
### **2. Neighborhood Investment and Planning Activities**

According to our research, including field observations at the time of the site visit, no current neighborhood investment / development activities were noted in the subject site's immediate area.

### **3. Crime Index**

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

Map 2 displays the 2013 CrimeRisk Index for the census tracts in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from yellow (least risk) to red (most risk). The subject sites' census tract and those in the immediately surrounding area are light orange, indicating they have a modest crime risk (50-150) comparable to the national average (100).

**Map 2 Crime Index Map**

This crime risk is comparable to areas in and around Easley including portions of the city that contain the existing multi-family rental stock. The only census tracts with a lower crime risk encompass rural areas with a significantly lower population density. Based on this data and field observations, we do not expect crime or the perception of crime to negatively impact the subject property's marketability.

### C. Site Visibility and Accessibility

#### 1. Visibility

Aberdeen Chase will have excellent visibility from its frontage on South Pendleton Street (SC Route 135) a heavily traveled four-lane road (with interior turn lane). The subject property will also benefit from traffic generated by surrounding land uses, including the middle school located across Pendleton Street.

#### 2. Vehicular Access

Aberdeen Chase will be accessible from South Pendleton Street. While traffic on South Pendleton Street is moderate throughout the day, visibility from the site is good and no problems with ingress or egress are anticipated.



As noted earlier, the site is just 0.5 miles from Pendleton Street's intersection with Calhoun Memorial Highway/Route 123, the most critical long distance transportation route serving Easley. To the east, Route 123 is the primary road into Greenville. To the southwest, Route 123 offers access to the City of Clemson and Clemson University. No interstate highways serve Easley or wider Pickens County.

### 3. Availability of Public Transit

Neither fixed-route nor door-to-door public transportation services are available in the City of Easley. Much of Pickens County does not have access to public transit.

### 4. Inter Regional Transit

The only passenger rail station in Pickens County is located in 17.7 miles from the subject site in Clemson, at the intersection of Calhoun Memorial Highway and College Avenue. A rail station at 1120 West Washington Street in Greenville offers the closest rail service to the subject site, at a distance of 12.0 miles. Both the Clemson and Greenville rail stations are served by one Amtrak route – the Crescent Route. The Crescent Route offers one train per day in each direction traveling between New York City and New Orleans via Philadelphia, Washington, DC, Charlotte, Atlanta, and Birmingham.

The most convenient passenger airport to the Aberdeen Chase site is Greenville-Spartanburg International Airport. Located at 2000 GSP Drive in the Greenville County community of Greer, the airport lies about 27 miles or 40 minutes east of the subject site. Carriers operating flights out of Greenville-Spartanburg International include Southwest, United, US Airways, Delta, American Eagle, and Allegiant. Common non-stop destinations from Greenville-Spartanburg International include Charlotte, Atlanta, Detroit, Houston, and Dallas.

### 5. Pedestrian Access

The site for Aberdeen Chase is located within a short walking distance of various community amenities and retail establishments. Pedestrian access will be facilitated by sidewalks already present where the subject fronts Pendleton Street.

### 6. Accessibility Improvements under Construction and Planned

#### *Roadway Improvements under Construction and Planned*

RPRG reviewed information from local stakeholders to assess whether any capital improvement projects impacting road, transit, or pedestrian access to the subject site are currently underway or likely to commence in the next few years. The primary documents considered were the Fiscal Year 2014 to 2019 South Carolina Statewide Transportation Improvement Program and the Fiscal Year 2014 to 2019 Greenville-Pickens Area Transportation Study (GPATS) Transportation Improvement Program. Observations made during the site visit also contributed to this process. Through this research, RPRG identified one major project with the potential to positively impact the overall accessibility of the Aberdeen Chase site over the medium- to long-term.

- **Calhoun Memorial Highway Widening.** A long-term proposal would upgrade Calhoun Memorial Highway between Pendleton Street (Route 135) and Main Street (Route 93) to a six-lane corridor with raised medians and turning lanes. The primary east-west transportation route and shopping corridor in Easley, Calhoun Memorial Highway is currently a four-lane roadway with at-grade medians over this stretch. A sum of \$100,000 has been set aside for preliminary engineering work for the proposed project in fiscal year 2015, but no additional funding is proposed until an undefined date beyond fiscal year 2019.

Planned changes will occur in coordination with an Access Management Plan to close curb cuts and create connectivity between parcels and encourage further connections with redevelopment. Subsequently, the State has put this project on indefinite hold pending the adoption of an Access Management Plan by the City of Easley.

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

None identified.

### **D. Residential Support Network**

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

The appeal of any given community is often based in part to its proximity to those facilities and services required on a daily basis. Key facilities and services and their driving distances from the subject site are listed in Table 2. The location of those facilities is plotted on Map 1.

**Table 2 Key Facilities and Services**

Establishment	Type	Address	Distance
Gettys Middle School	Public Education	510 S. Pendleton St.	0.1 mi
Downtown Easley	General Retail	Main St. b/t 2nd & Russell St.	0.3 mi
TD Bank	Bank	200 S. Pendleton St	0.3 mi
Post Office	Shipping	810 S. Pendleton St.	0.4 mi
Pendleton Street Park/Christopherson Gazebo	Recreation	119 S Pendleton St	0.4 mi
Old Market Ampitheatre	Cultural	116 S Pendleton St/Old Market Square	0.4 mi
Easley Police Department HQ	Emergency Services	220 NW Main St.	0.5 mi
Easley Medical	Medical Services	309 East First Ave	0.5 mi
Bi-Lo Shopping Center	Supermarket, General Retail	NE Corner S. 5th St & Pendleton St.	0.5 mi
CVS	Pharmacy	1063 S. Pendleton St.	0.5 mi
Easley Fire Station #1	Emergency Services	1089 S. Pendleton St.	0.5 mi
Foothills Playhouse	Cultural	201 S. 5th St.	0.6 mi
Woodside Mill Park	Recreation	200 S. 8th St.	0.7 mi
East End Elementary School	Public Education	505 E Second Ave	0.7 mi
West End Shopping Center (Thrift Store, Dollar General)	Comparison Shopping	504 W Main Street	0.9 mi
Hagood Park	Recreation	110 Old Liberty Rd.	1.1 mi
Baptist Easley Hospital	Medical Services	200 Fleetwood Dr.	1.3 mi
Centerpoint (Publix, Home Depot, Hibbett Sports)	Supermarket, Comparison Shopping	6525 Calhoun Memorial Hwy.	1.3 mi
Dollar General	Discount Retail	311 Pelzer Hwy.	1.4 mi
Hampton Memorial Library	Public Library	304 Biltmore Rd.	1.6 mi
Lowe's	Home Improvement	6068 Calhoun Memorial Hwy.	1.7 mi
Town N Country Center (JC Penney, Belk, Hobby Lobby)	Comparison Shopping	6101 Calhoun Memorial Hwy.	1.8 mi
JB Owens Recreation Complex	Recreation	111 Walkers Way	2.0 mi
Tri-City Lanes	Recreation	5515 Calhoun Memorial Hwy.	2.4 mi
Easley Cinemas 8	Recreation	5065 Calhoun Memorial Hwy.	3.0 mi
Easley High School	Public Education	154 Green Wave Blvd	3.3 mi
Easley Town Center (Walmart, Kohl's, PestSmart, Sams Club)	General Retail	115 Rolling Hills Circle	3.4 mi

Note: All establishments have Easley addresses.

Compiled by Real Property Research Group, Inc.



## 2. Essential Services

### *Health Care*

Baptist Easley Hospital – a 109-bed acute care hospital – is located 1.3 miles to the north of the Aberdeen Chase site in northwest Easley. The medical staff of nearly 250 at Baptist Easley Hospital specializes in inpatient and outpatient surgery, orthopedics, obstetrics, imaging and diagnostic services. The facility contains an emergency room. In addition to the medical services clustered in the hospital, small offices scattered throughout Easley’s commercial areas provide medical and dental services.

### *Education*

The subject site is located within the School District of Pickens County, which contains 25 schools and an estimated enrollment of 16,700 students. The districted schools for the subject site are East End Elementary School (505 E Second Ave, 0.7 miles), Gettys Middle School (510 S. Pendleton St, 0.1 miles), and Easley High School (154 Green Wave Blvd, 3.3 miles).

Pickens County is home to three institutions of higher education: Clemson University, Southern Wesleyan University, and Tri-County Technical College. All three colleges are within 20 miles of each other. The closest institution of higher learning to the subject site is the Easley campus of Tri-County Technical College (TCTC). The Easley campus is one of TCTC’s four regional sites and is located about 5.1 miles east of the subject site at 1774 Powdersville Road. Tri-County Technical College focuses on continuing education for working adults and instruction for younger students seeking associate degrees and offers courses for which credits can be transferred to four-year colleges and universities. Clemson University, one of three South Carolina research universities, is the state’s second largest university. Clemson has long been a leader in undergraduate and graduate education in engineering, architecture, and business and offers a wide range of programs leading to Bachelor’s and Master’s and Doctorate degrees. Clemson’s combined full-time and part-time enrollment totals roughly 19,500 students. Southern Wesleyan University is located in Central, SC and emphasizes a Christian education while continually expanding its programs for working adults.

## 3. Commercial Goods and Services

### *Convenience Goods*

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

The closest establishments offering convenience goods and/or services are the somewhat limited establishments of Downtown Easley which are located along Main Street just 0.3 miles north of the subject. A few restaurants, personal services establishments and antique or consignment shops are located downtown.

Suburban-style shopping centers in Easley are generally located to the south and east of the subject site. The closest center of significant size lies 0.7 mile to the south at the northeast corner of the 5<sup>th</sup> Street/Pendleton Street intersection. A Bi-Lo supermarket anchors the center and additional tenants include Atami Express, Cato, The Shoe Dept., E-Clips Salon, China Café, and a gas station/convenience store. A CVS pharmacy is located at the southeast corner of the same intersection, and other retailers near the Bi-Lo center include Waffle House, Pizza Inn, and Little Pigs BBQ. Many convenience establishments line the Calhoun Memorial Highway corridor to the east of Pendleton Street, among them a Publix supermarket.



### ***Shoppers Goods***

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

The Calhoun Memorial Highway corridor is Easley’s primary destination for comparison shopping establishments. JC Penney and Belk department stores are located in a shopping center named Town N County, 1.8 miles to the east of the subject site. As previously mentioned, Easley Town Center offers a Walmart Supercenter, Kohl’s, PetSmart, Tractor Supply Company, Academy Sports, and Marshalls with a Sam’s Club coming soon. Other key comparison retailers along Calhoun Memorial Highway include Home Depot, Lowe’s, Hibbett Sports, Hobby Lobby, and Staples.

### **4. Recreation Amenities**

The City of Easley maintains a number of public parks that are easily accessible from the subject site. The closest of these is Woodside Mill Park 0.7 miles to the southwest of the subject site. Woodside Mill Park features a baseball/softball field, a picnic pavilion, playground equipment, and a concession stand. Hagood Park, sited 1.1 mile to the west of the subject, is somewhat larger and contains softball and T-ball fields, picnic shelters, playgrounds, tennis courts, and a nature trail. The preeminent public recreation facility in Easley is the 104-acre JB Owens Recreation Complex, which features eight baseball/softball fields, a half dozen soccer/football fields, an 18-hole disc golf course, an outdoor basketball court, a gymnasium, playgrounds, picnic shelters, and a nature trail. The JB Owens Recreation Complex is 2.0 miles from the subject site.

Beyond the public parks, key recreational facilities include an 8-screen movie theater complex (Easley Cinemas 8) and a bowling alley (Tri-City Lanes). A community theater known as Foothills Playhouse is located just 0.6 miles west of the subject site along 5<sup>th</sup> Street.



## 4. ECONOMIC CONTEXT

### A. Introduction

This section focuses on economic trends and conditions in Pickens County, South Carolina, the county in which the subject site is located. For purposes of comparison, economic trends in the State of South Carolina and the nation are also discussed.

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

Between 2000 and 2006, annual unemployment rates in Pickens County and the State of South Carolina were markedly similar. County and state unemployment rates in 2002, 2003, and 2004 were identical at 6.0 percent, 6.7 percent, and 6.8 percent respectively. Since 2007, there has been more separation between unemployment rates in Pickens County and South Carolina, with the Pickens County rates on average a full percentage point lower than the statewide rates. Between 2001 and 2012, the annual unemployment rate in Pickens County was higher than the national unemployment rate. In 2013, the county's unemployment rate was below the national rate at 6.7 percent compared to the national rate of 7.4 percent.

The unemployment rate in Pickens County as of 2000 was a scant 3.0 percent. The county rate trended upward to 6.8 percent in 2004 before decreasing to 5.0 percent in 2007. As the national recession took hold, Pickens County's unemployment rate climbed to 10.7 percent in 2009. South Carolina's unemployment rate peaked at 11.5 percent in 2009. Both Pickens County and South Carolina recorded marked improvements in unemployment rates in 2010, 2011, 2012, and 2013. County unemployment dropped to 6.7 percent during 2013, down 4.0 percentage points from the 2009 peak. Statewide unemployment in 2013 (9.1 percent) was also 2.4 percentage points lower than the state's 2009 unemployment rate.

### C. Commutation Patterns

Commuting data from the 2008 to 2012 American Community Survey (ACS) highlight Pickens County's economic integration with nearby counties (Table 4). Only 50.5 percent of the resident workers in the primary market area for the subject project – labeled the Easley Market Area and defined in the next section – were employed at locations within Pickens County. A nearly equal segment of the workforce – 48.5 percent – was employed in other South Carolina counties. Presumably, many of these individuals work in Greenville and wider Greenville County.

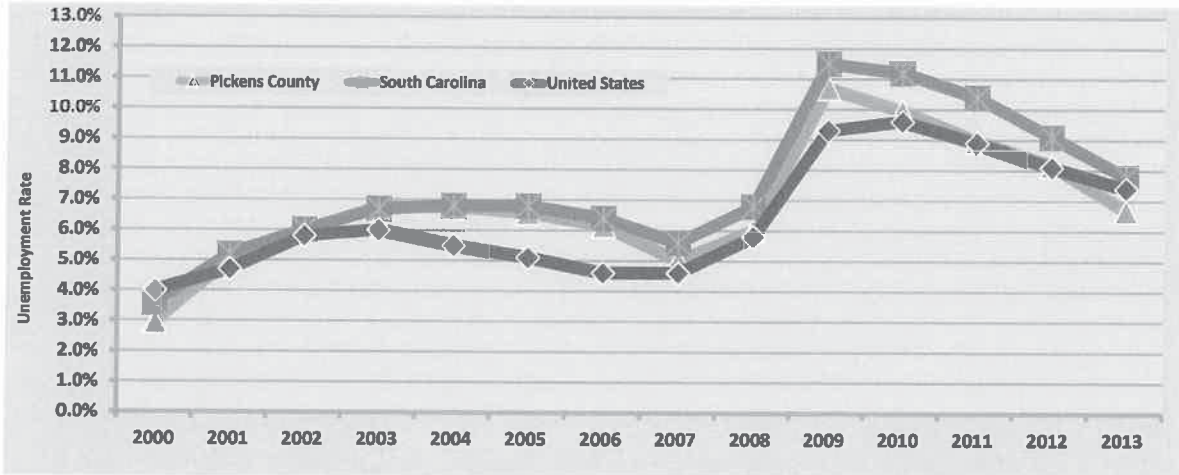
About 39 percent of workers in the Easley Market Area had commutes of less than 20 minutes. A similar 42 percent had 20- to 39-minute commutes. Those commuting from Easley to Greenville or Clemson likely fall into this 20- to 39-minute commute range.

**Table 3 Labor Force and Unemployment Rates**

**Annual Unemployment Rates - Not Seasonally Adjusted**

Annual Unemployment	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Labor Force	58,066	56,809	55,331	55,661	56,545	57,065	57,680	58,228	58,188	57,057	57,781	57,795	57,790	57,317
Employment	56,346	53,962	52,023	51,905	52,724	53,317	54,130	55,311	54,691	50,957	52,031	52,612	53,066	53,487
Unemployment	1,720	2,847	3,308	3,756	3,821	3,748	3,550	2,917	3,497	6,100	5,750	5,183	4,724	3,830
<b>Unemployment Rate</b>														
Pickens County	3.0%	5.0%	6.0%	6.7%	6.8%	6.6%	6.2%	5.0%	6.0%	10.7%	10.0%	9.0%	8.2%	6.7%
South Carolina	3.6%	5.2%	6.0%	6.7%	6.8%	6.8%	6.4%	5.6%	6.8%	11.5%	11.2%	10.4%	9.1%	7.8%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%

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

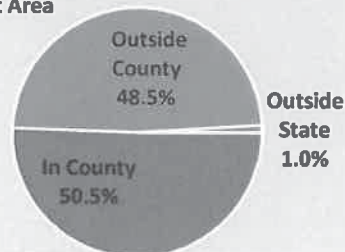


**Table 4 Commutation Data**

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	29,293	97.9%	Worked in state of residence:	29,618	99.0%
Less than 5 minutes	877	2.9%	Worked in county of residence	15,114	50.5%
5 to 9 minutes	2,710	9.1%	Worked outside county of residence	14,504	48.5%
10 to 14 minutes	4,014	13.4%	Worked outside state of residence	303	1.0%
15 to 19 minutes	4,193	14.0%	<b>Total</b>	<b>29,921</b>	<b>100%</b>
20 to 24 minutes	4,738	15.8%			
25 to 29 minutes	1,946	6.5%			
30 to 34 minutes	4,663	15.6%			
35 to 39 minutes	1,313	4.4%			
40 to 44 minutes	1,433	4.8%			
45 to 59 minutes	2,313	7.7%			
60 to 89 minutes	700	2.3%			
90 or more minutes	393	1.3%			
Worked at home	628	2.1%			
<b>Total</b>	<b>29,921</b>				

Source: American Community Survey 2008-2012

**2008-2012 Commuting Patterns  
Easley Market Area**



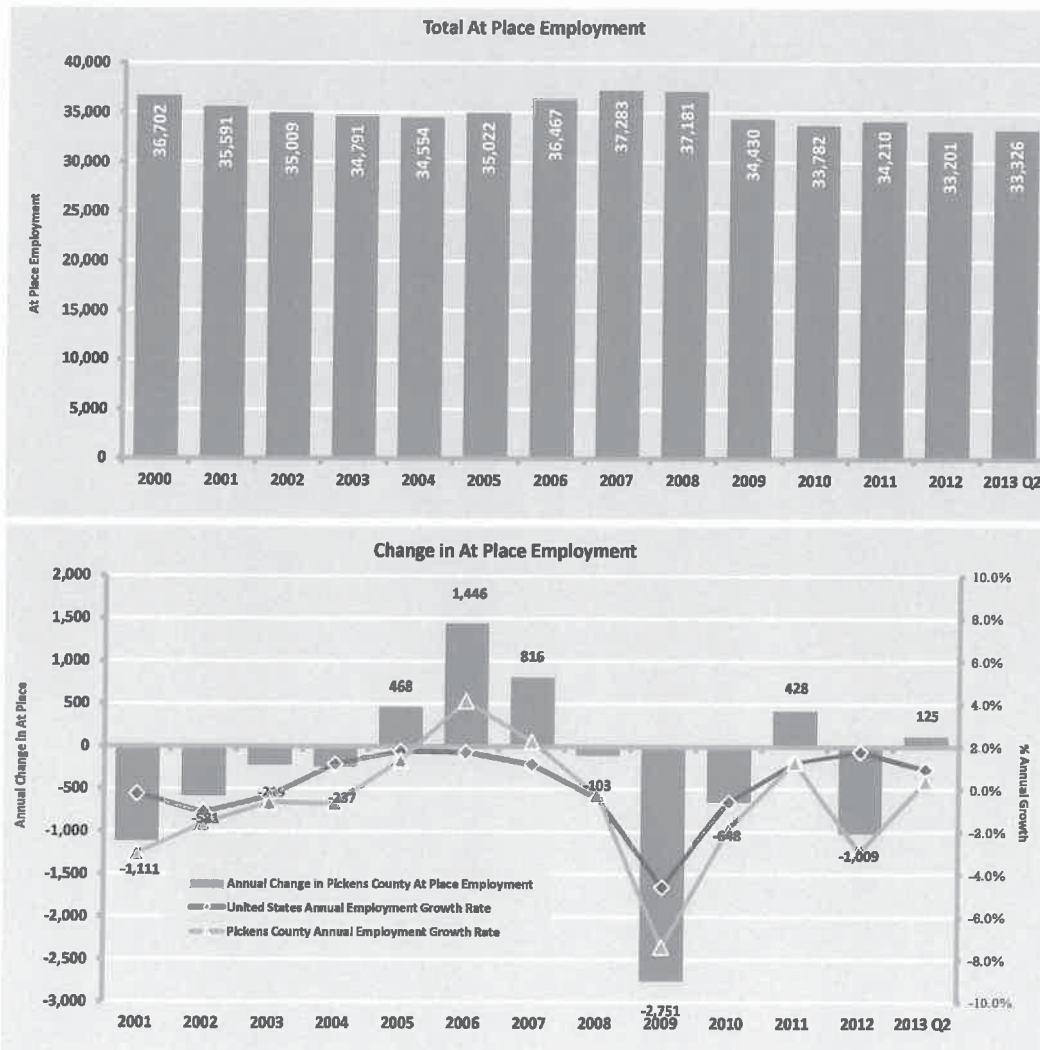
Source: American Community Survey 2008-2012

## D. At-Place Employment

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

In 2000, aggregate at-place employment in Pickens County – the total number of jobs located within the county’s boundaries – totaled 36,702 positions (Figure 5). The county’s job base decreased annually and by about 2,150 positions overall during the 2000 to 2004 period. Local employers more than made up for these losses during 2005, 2006, and 2007, adding more than 2,700 jobs. The national economic recession at the end of 2007 halted this trend toward net job growth in Pickens County. In 2008, the county lost about 100 net jobs. Job losses were much more substantial during 2009, with the net elimination of 2,751 positions. Job losses continued in 2010, as the county shed an additional 648 jobs. Net job growth of 438 positions in Pickens County during 2011 suggests that the local economy was beginning to emerge from the recession; however, employment fell by 1,000 jobs in 2012. As of second quarter 2013, employment is starting to rise again, adding 125 jobs in the first half of the year.

Figure 5 At-Place Employment



US Department of Labor

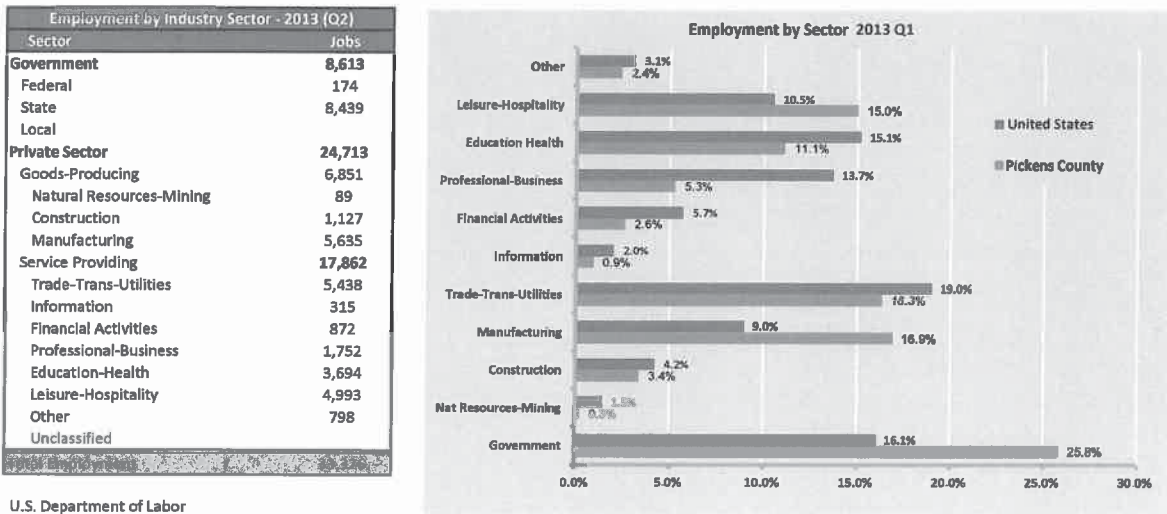
A comparison of the number of employed Pickens County residents and the county's at-place employment base adds emphasis to the county's role as a bedroom community within the Greenville metro area. As of 2012, there were 33,201 jobs based in Pickens County. This local job base was only about two-thirds as large as the county's 2012 base of employed residents. The fact that there are many more employed Pickens County workers than local jobs reflects the significant commuting to other jurisdictions.

**2. At-Place Employment by Industry Sector**

An examination of Pickens County's employment by industry sector for first quarter 2013 reveals that the local, state, and federal governments combined provide one-quarter of county jobs (Figure 6). The proportion of Government jobs locally exceeds the national average by nine percentage points (25.8 percent of all jobs versus 16.1 percent). Pickens County's second and third largest economic sectors in terms of job totals are Manufacturing and Trade-Transportation-Utilities. At 16.9 percent of employment, the proportion of Manufacturing jobs in the county exceeds the national average by 7.9 percentage points.

By contrast, the white-collar Professional-Business, Financial Activities, and Information sectors account for only 8.8 percent of the county's jobs, well below the representation of these sectors in the national economy where they account for 21.4 percent of employment. The Education-Health sector is also relatively small in Pickens County, representing 11.1 percent of the local job base as compared with 15.1 percent of the national job base.

**Figure 6 Total Employment by Sector 2013 (Q1)**



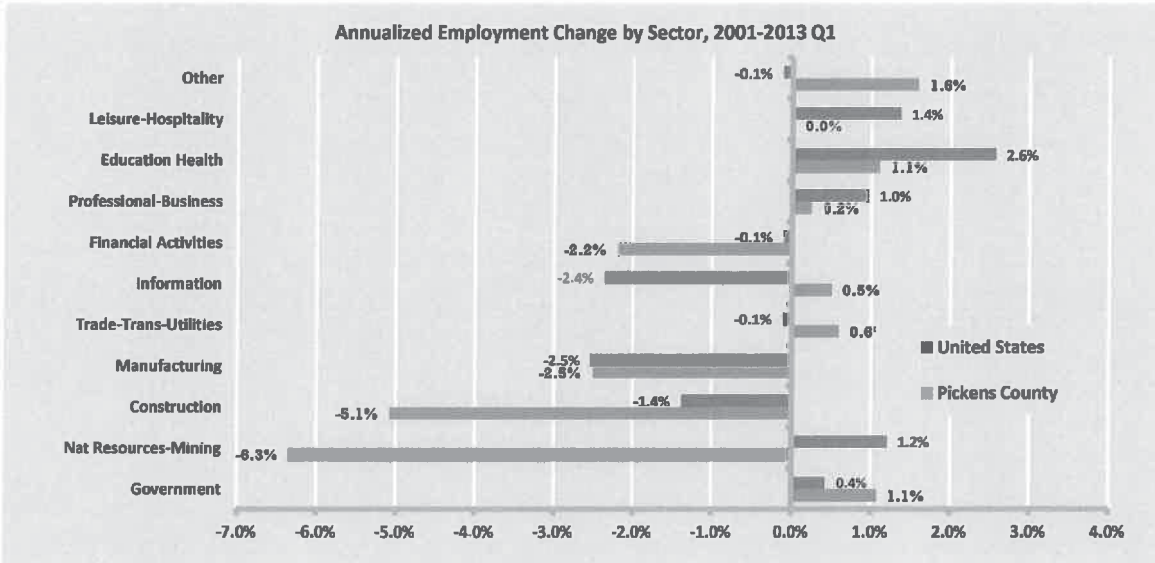
U.S. Department of Labor

Figure 7 details annualized employment change by industry sector within Pickens County and the United States between 2001 and Q1 2013. Pickens County recorded a net job loss of approximately 2,200 during this decade. Declining employment sectors over this period included Manufacturing (2.5 percent per year), Construction (5.1 percent per year), Financial Activities (2.2 percent per year), and the tiny Natural Resources-Mining sector (6.3 percent per year). Advancing Pickens County employment sectors during the decade were led by Government (1.1 percent annual growth), Other (1.6 percent), Trade-Transportation-Utilities (0.6 percent annual growth), and Education Health (1.1 percent annual growth).

In order to focus on the impacts of the national recession and ongoing economic recovery on the Pickens County job base, we next examined employment change by sector for the period between

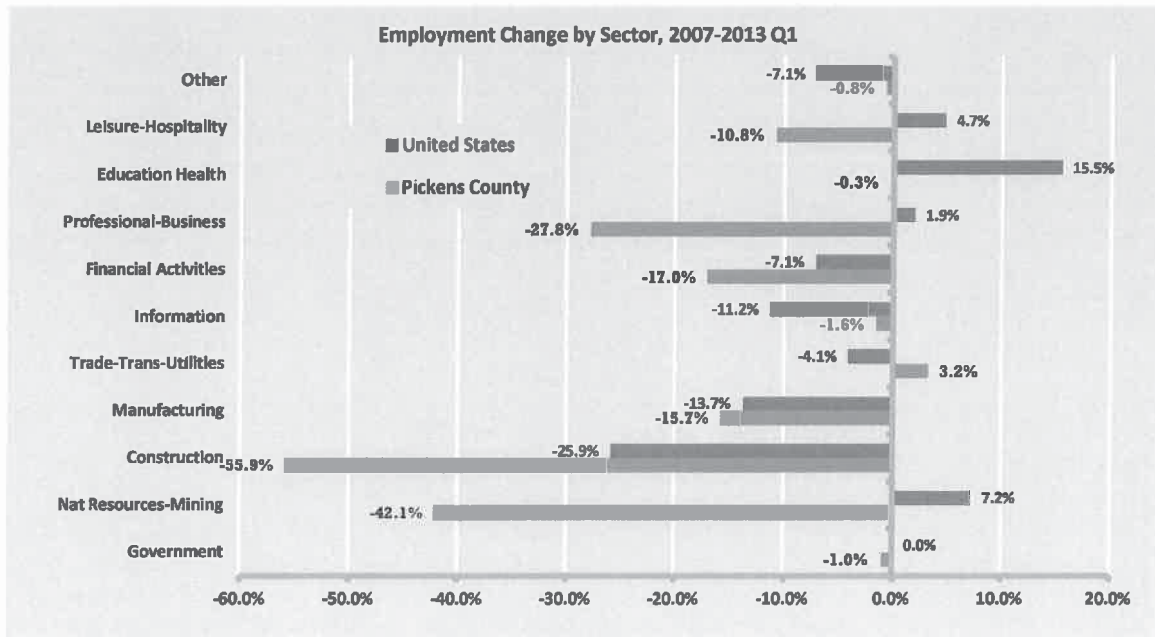
2007 and Q1 2013 (Figure 8). Despite the downturn, the Trade-Transportation-Utilities sector added jobs during this period, growing 3.2 percent. Meanwhile, employers in the county's Construction and Manufacturing sectors eliminated 55.9 percent and 15.7 percent of year 2007 employment respectively. The Natural Resources Mining and Professional Business also saw large reductions, however these sectors represent relatively small portions of the county economy.

**Figure 7 Change in Employment by Sector 2001-2013 (Q1)**



US Department of Labor

**Figure 8 Change in Employment by Sector 2007-2013 (Q1)**



US Department of Labor

### 3. Major Employers

A listing of the largest employers in Pickens County highlights the importance of government employment in the county (Table 5). The State of South Carolina employs almost 1,400 more people in the county than does any other employer. The 2<sup>nd</sup> and 3<sup>rd</sup> largest employers are also government entities – Clemson University and the School District of Pickens County. A business consulting company (Contract Environmental Services) and ARAMARK Services round out the top five employers in terms of number of employees.

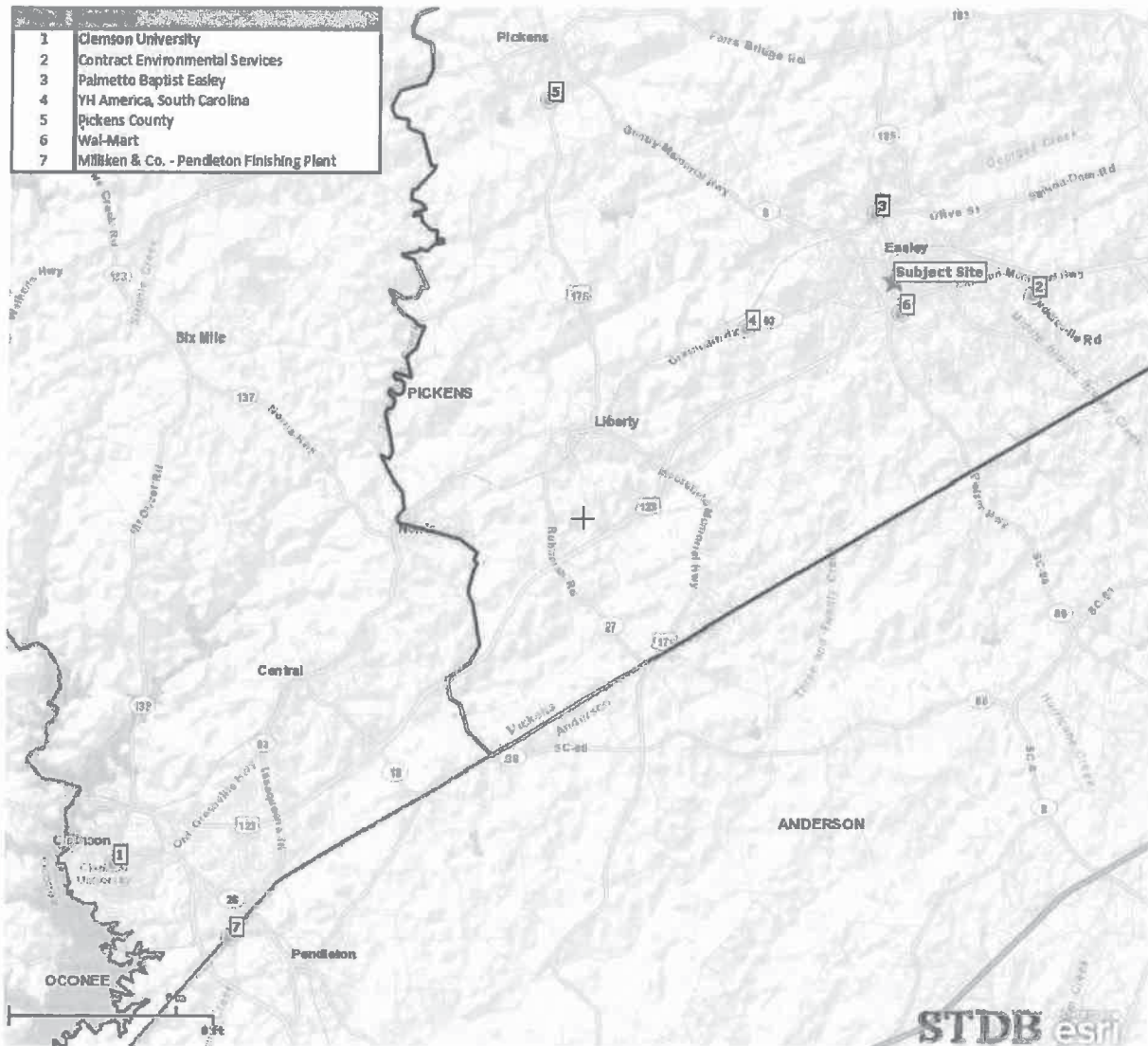
The major employers (except for the State government, ARAMARK Services, and the local school district which employee staff at various locations throughout the county) are noted on Map 3. Five of the seven are located within the market area and four of those are located in or near the city of Easley. As such, the residents at the subject would enjoy a relatively short commute to most of the major employers in the county. The two major employers located outside the market area are located in or near Clemson and residents will have easy access to Calhoun Highway should they be employed at those locations.

**Table 5 2013 Major Employers, Pickens County**

Rank	Name	Industry	Employment
1	State of South Carolina	State Government	4,881
2	Clemson University	Educational Services	3,529
3	School District of Pickens County	Public Education	1,893
4	Contract Environmental Services	Business Consulting Services	1,200
5	ARAMARK Services	Food Services	800
6	Palmetto Baptist Easley	Health Services	656
7	YH America, South Carolina	Motor Vehicle Parts and Accessories	619
8	Pickens County	County Government	592
9	Wal-Mart	Department Stores	544
10	Milliken & Co. - Pendleton Finishing	Broadwoven Fabrics	400

Source: InfoUSA, Dunn & Bradstreet, Local Economic Developers and Individual Employers

**Map 3 Major Employers**



**4. Wages**

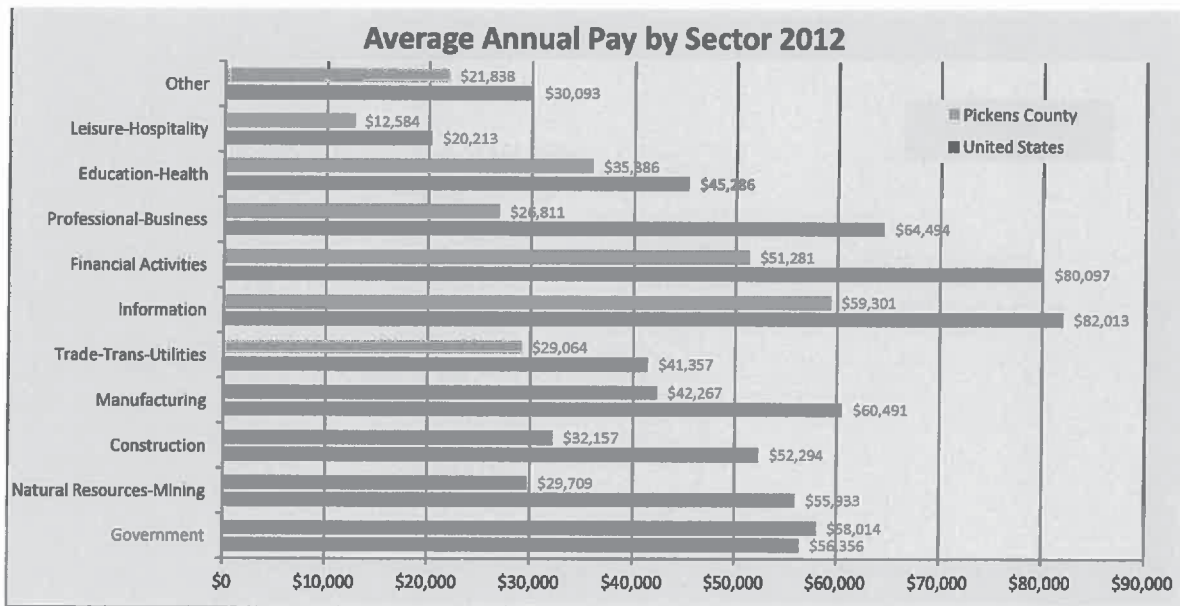
The average annual wage in 2012 for Pickens County was \$35,621 (Table 6). Pickens County’s average annual pay was more than \$3,600 below the average annual pay of \$39,286 throughout the State of South Carolina. The average pay in the county trailed the average pay nationally by a more substantial \$10,003 (20 percent). The average annual wage in Pickens County increased steadily between 2001 and 2012.

Table 6 compares the average annual wage by economic sector for Pickens County and the United States as of 2012. The average annual wage in the county is lower than the average wage nationally across every economic sector, except for Government. The largest wage discrepancy is in the Professional-Business sector, where the average worker in Pickens County earns about 42 percent as much as the average Professional-Business worker nationwide. For the Financial Activities sector, the average employee in Pickens County earns only 64 percent as much as his/her counterpart nationally. The highest-paying employment sectors in the county are information (with wages averaging over \$59,000) and government (with wages averaging over \$58,000).

**Table 6 Average Annual Pay and Annualized Wage Data by Sector, Pickens County**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pickens County	\$25,768	\$26,828	\$27,539	\$28,194	\$29,323	\$30,232	\$31,255	\$32,139	\$32,577	\$33,448	\$33,815	\$35,621
South Carolina	\$29,255	\$30,003	\$30,750	\$31,839	\$32,927	\$34,281	\$35,393	\$36,252	\$36,759	\$37,553	\$38,427	\$39,286
United States	\$36,219	\$36,764	\$37,765	\$39,354	\$40,677	\$42,535	\$44,458	\$45,563	\$45,559	\$46,751	\$48,043	\$49,289

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## 5. HOUSING MARKET AREA

### A. Introduction

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

### B. Delineation of Market Area

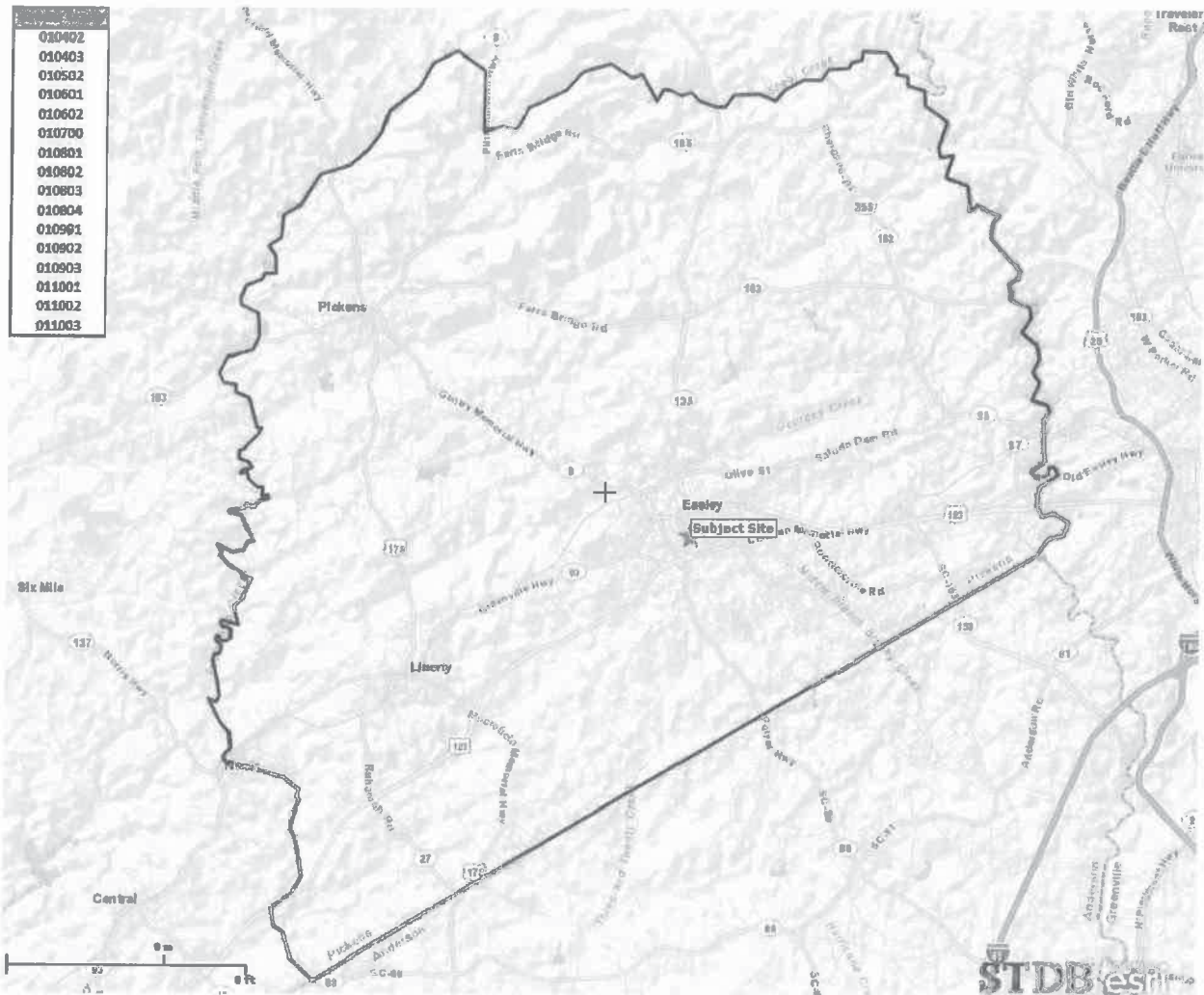
The Easley Market Area consists of sixteen 2010 Census tracts in Pickens County, including the cities of Pickens, Easley, and Liberty as well as the surrounding areas. The boundaries of the Easley Market Area and their approximate distance from the subject site are:

- **North:** An irregular course mirroring streets including Midway Road, Mount Tabor Church Road, Griffin Road and Raines Road ..... (8.1 miles)
- **East:** The Pickens County-Greenville County border..... (7.0 miles)
- **South:** The Pickens County-Anderson County border ..... (4.1 miles)
- **West:** Twelve Mile Creek..... (8.1 miles)

RPRG’s primary market area was drawn giving consideration to key factors such as development patterns/density, transportation infrastructure, accessibility to employment, and the locations of competitive rental communities. The subject site is located in Easley, a relatively small city of about 20,000 in the western segment of a region anchored by the City of Greenville, where the population is close to 60,000. The Easley Market Area incorporates Easley, the small cities of Liberty and Pickens, and surrounding unincorporated areas of Pickens County. The primary market area constitutes the southeast portion of Pickens County, the portion in closest proximity to Greenville. The northern and western segments of the county were excluded from the Easley Market Area due to significantly more rural development patterns. The southwest segment of the county was excluded due to its unique role as the home of Clemson University (enrollment 19,000+).

This market area is depicted in Map 4. As appropriate for this analysis, the Easley Market Area is compared to Pickens County, which is considered the secondary market area. Demand estimates, however, are based solely on the Easley Market Area.

Map 4 Easley Market Area





## 6. DEMOGRAPHIC ANALYSIS

### A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Easley Market Area and Pickens County using U.S. Census data and data from Esri, a national data vendor that prepares small area estimates and projections of population and households. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered. Table 7 presents a series of panels that summarize these Census data, estimates, and projections.

### B. Trends in Population and Households

#### 1. Recent Past Trends

At the time of the 2000 Census, 66,405 persons and 25,926 households resided in the Easley Market Area (Table 7). The Easley Market Area accounted for approximately 60 percent of the population base and nearly 63 percent of the household base of Pickens County in 2000.

Based on the 2010 Census, the population of the Easley Market Area stood at 70,539 in 2010, reflecting a moderate 6.2 percent increase since 2000. The primary market area's 2010 household base reflected a slightly larger percentage increase – 7.4 percent – versus the 2000 base. The annual rates of net population and household growth in the primary market area were 0.6 percent (413 persons) and 0.7 percent (192 households). Over the decade between 2000 and 2010, Pickens County in its entirety also experienced moderate population and household increases averaging 0.7 percent and 0.9 percent per year respectively).

#### 2. Projected Trends

By applying Esri's projected growth rates to the 2010 census counts, the Easley Market Area increased by 441 people and 249 households between 2010 and 2013. RPRG further projects that the market area's population will increase by 392 people between 2013 and 2016, bringing the total population to 71,373 people in 2016. This represents an annual increase of 0.2 percent or 131 people. The number of households will increase at the same rate, gaining 0.2 percent or 211 new households per annum resulting in a total of 28,309 households in 2016.

Pickens County's population and household base are projected to increase by 0.4 percent per year between 2013 and 2016.



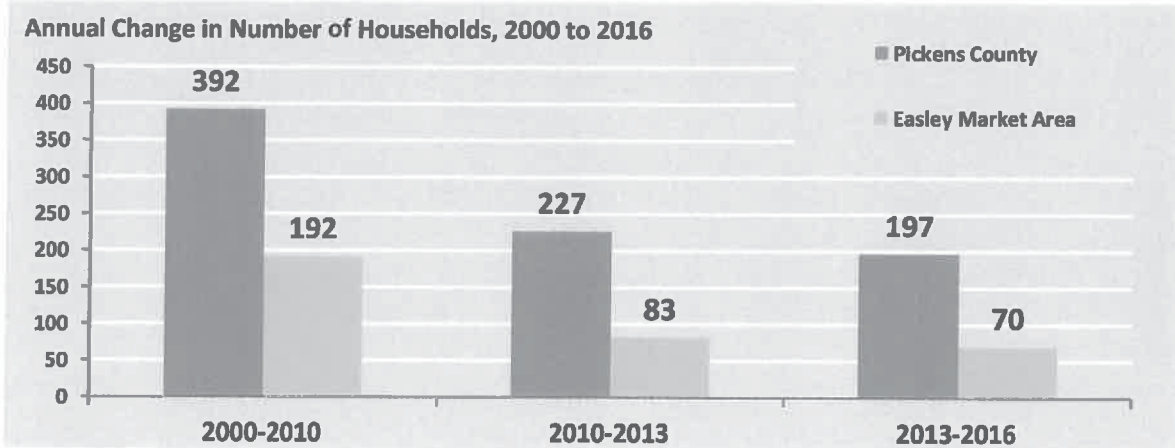
**Table 7 Population and Household Projections**

		Pickens County				Easley Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	110,757					66,405				
2010	119,224	8,467	7.6%	847	0.7%	70,539	4,134	6.2%	413	0.6%
2013	120,671	1,447	1.2%	482	0.4%	70,980	441	0.6%	147	0.2%
2016	121,956	1,284	1.1%	428	0.4%	71,373	392	0.6%	131	0.2%

		Pickens County				Easley Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	41,306					25,926				
2010	45,228	3,922	9.5%	392	0.9%	27,849	1,923	7.4%	192	0.7%
2013	45,910	682	1.5%	227	0.5%	28,098	249	0.9%	83	0.3%
2016	46,501	591	1.3%	197	0.4%	28,309	211	0.8%	70	0.2%

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





### 3. Building Permit Trends

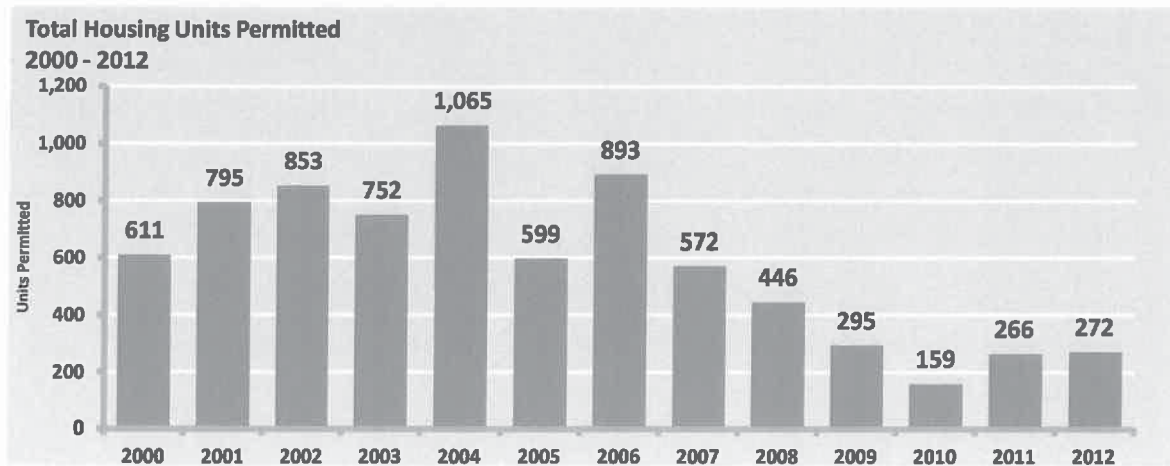
Building permit data for Pickens County shows intermittent periods of stronger growth and more modest growth in the market area over the past decade (Table 8). Since 2000, the county has permitted an average of 583 new residential units each year. This number masks a wide swing in the amount of permits issued each year that ranged from a high of 1,065 in 2004 to a low of 159 in 2010. Much of this growth, however, occurred during the first half of the decade with the average since 2008 at just 288 permits per year and finishing 2012 with 272 permits.

From 2000 to 2012, 82 percent of all residential permits issued in Pickens County have been for single-family detached homes and 18 percent were for multi-family structures with five or more units.

**Table 8 Building Permits by Structure Type, Pickens County**

Pickens County															2000-2012	Annual Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
Single Family	611	619	741	660	582	587	535	544	404	295	159	244	212	6,193	476	
Two Family	0	0	0	2	2	12	4	0	2	0	0	2	4	28	2	
3 - 4 Family	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5+ Family	0	176	112	90	481	0	354	28	40	0	0	20	56	1,357	104	
<b>Total</b>	<b>611</b>	<b>795</b>	<b>853</b>	<b>752</b>	<b>1,065</b>	<b>599</b>	<b>893</b>	<b>572</b>	<b>446</b>	<b>295</b>	<b>159</b>	<b>266</b>	<b>272</b>	<b>7,572</b>	<b>583</b>	

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





**C. Demographic Characteristics**

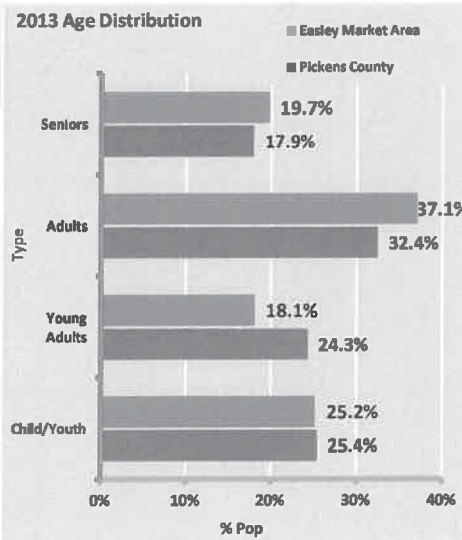
**1. Age Distribution and Household Type**

The population of the Easley Market Area is older than that of Pickens County, with median ages of 39 and 34, respectively (Table 9). The high concentration of young adults between the ages of 18 to 24 in the Clemson portion of Pickens County beyond the primary market is largely responsible for the lower median age countywide. Residents of the Easley Market Area are more likely to be between the ages of 35 and 61 or over the age of 62 than are residents of other sections of Pickens County.

**Table 9 2013 Age Distribution**

	Pickens County		Easley Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>30,658</b>	<b>25.4%</b>	<b>17,853</b>	<b>25.2%</b>
Under 5 years	6,276	5.2%	4,380	6.2%
5-9 years	6,569	5.4%	4,546	6.4%
10-14 years	6,743	5.6%	4,630	6.5%
15-19 years	11,069	9.2%	4,297	6.1%
<b>Young Adults</b>	<b>29,266</b>	<b>24.3%</b>	<b>12,814</b>	<b>18.1%</b>
20-24 years	15,201	12.6%	4,067	5.7%
25-34 years	14,065	11.7%	8,747	12.3%
<b>Adults</b>	<b>39,139</b>	<b>32.4%</b>	<b>26,300</b>	<b>37.1%</b>
35-44 years	13,440	11.1%	9,269	13.1%
45-54 years	15,463	12.8%	10,376	14.6%
55-61 years	10,236	8.5%	6,656	9.4%
<b>Seniors</b>	<b>21,609</b>	<b>17.9%</b>	<b>14,012</b>	<b>19.7%</b>
62-64 years	4,387	3.6%	2,853	4.0%
65-74 years	10,068	8.3%	6,513	9.2%
75-84 years	5,092	4.2%	3,358	4.7%
85 and older	2,062	1.7%	1,289	1.8%
<b>TOTAL</b>	<b>120,671</b>	<b>100%</b>	<b>70,980</b>	<b>100%</b>
<b>Median Age</b>	<b>34</b>		<b>39</b>	

Source: Esri; RPRG, Inc.



The market area has a higher proportion of households with children than Pickens County (Table 10). In 2010, all types of households with children accounted for 33.6 percent of households in the market area versus 30.0 percent in the County as a whole. Non-family households without children – a category that includes cohabitating couples and roommate living arrangements – account for four percent of market area households, compared with nine percent in the county.

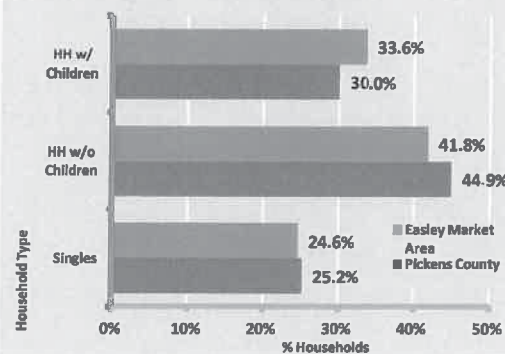


**Table 10 2010 Households by Household Type**

Households by Household Type	Pickens County		Easley Market Area	
	#	%	#	%
Married w/Children	9,219	20.4%	6,286	22.6%
Other w/ Children	4,336	9.6%	3,081	11.1%
<b>Households w/ Children</b>	<b>13,555</b>	<b>30.0%</b>	<b>9,367</b>	<b>33.6%</b>
Married w/o Children	13,378	29.6%	8,649	31.1%
Other Family w/o Children	2,767	6.1%	1,869	6.7%
Non-Family w/o Children	4,140	9.2%	1,117	4.0%
<b>Households w/o Children</b>	<b>20,285</b>	<b>44.9%</b>	<b>11,635</b>	<b>41.8%</b>
Singles Living Alone	11,388	25.2%	6,847	24.6%
<b>Singles</b>	<b>11,388</b>	<b>25.2%</b>	<b>6,847</b>	<b>24.6%</b>
<b>Total</b>	<b>45,238</b>	<b>100%</b>	<b>27,049</b>	<b>100%</b>

Source: 2010 Census; RPRG, Inc.

**2010 Households by Household Type**



**2. Renter Household Characteristics**

As of 2013, 26.7 percent of households in the primary market area and 32.0 percent of households in Pickens County are renters (Table 11). The overall renter rate trended upward as nearly 80 percent of net new households in the primary market area were renters between the 2000 and 2010 Censuses. At 32 percent, the County had a slightly higher rentership rate in 2013 than the market area.

The distribution of renter households by household size in the market and the county is similar. One-person households account for just over one-third of all renter households in the Easley Market Area as of 2010 (Table 12). An additional 25.7 percent of the primary market’s renter households contain two persons. The Easley Market Area exhibits a higher proportion of large 5+ person renter households (10.1 percent of all renters) than does Pickens County overall (7.3 percent).

Young working age households form the core of the market area’s renters, as 41.9 percent of the renter occupied households are between the ages of 25 and 44 (Table 13) and 19.0 percent are age 45-54 years. Young renters (under 25) in the market area comprise 8.5 percent of all renter householders and older adults age 55+ account for 30.6 percent of all renters.



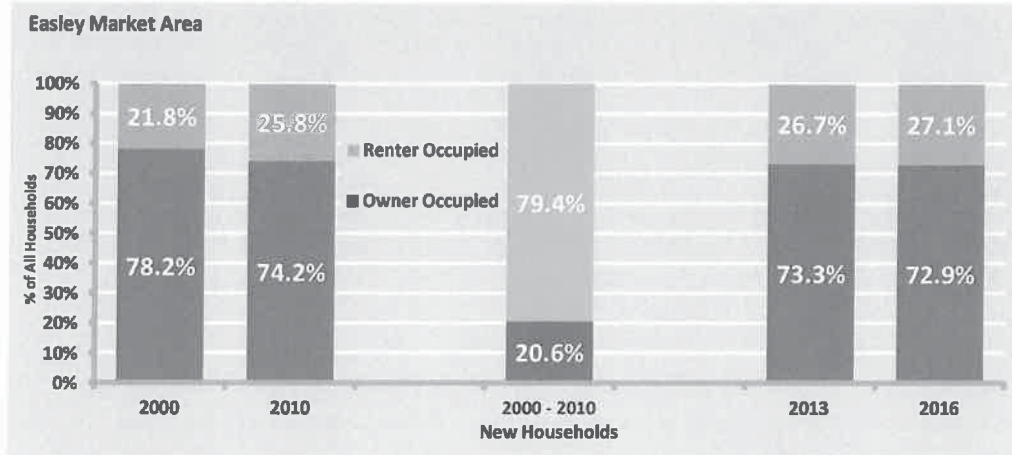
**Table 11 Households by Tenure**

Pickens County	2000		2010		Change 2000-2010		2013		2016	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	30,350	73.5%	31,161	68.9%	811	20.7%	31,205	68.0%	31,378	67.5%
Renter Occupied	10,956	26.5%	14,067	31.1%	3,111	79.3%	14,705	32.0%	15,123	32.5%
<b>Total Occupied</b>	<b>41,306</b>	<b>100%</b>	<b>45,228</b>	<b>100%</b>	<b>3,922</b>	<b>100%</b>	<b>45,910</b>	<b>100%</b>	<b>46,501</b>	<b>100%</b>
Total Vacant	4,694		6,016				6,107		6,185	
	<b>46,000</b>		<b>51,244</b>				<b>52,018</b>		<b>52,686</b>	

Easley Market Area	2000		2010		Change 2000-2010		2013		2016	
Housing Units	#	%	#	%	#	%	#	%	#	%
Owner Occupied	20,277	78.2%	20,673	74.2%	396	20.6%	20,610	73.3%	20,642	72.9%
Renter Occupied	5,649	21.8%	7,176	25.8%	1,527	79.4%	7,488	26.7%	7,667	27.1%
<b>Total Occupied</b>	<b>25,926</b>	<b>100%</b>	<b>27,849</b>	<b>100%</b>	<b>1,923</b>	<b>100%</b>	<b>28,098</b>	<b>100%</b>	<b>28,309</b>	<b>100%</b>
Total Vacant	2,288		2,806				2,831		2,852	
	<b>28,214</b>		<b>30,655</b>				<b>30,929</b>		<b>31,161</b>	

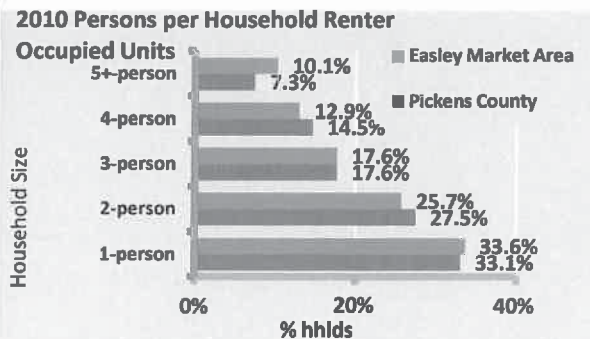
Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.



**Table 12 2010 Renter Households by Household Size**

Renter Occupied	Pickens County		Easley Market Area	
	#	%	#	%
1-person hhld	4,653	33.1%	2,414	33.6%
2-person hhld	3,863	27.5%	1,843	25.7%
3-person hhld	2,480	17.6%	1,266	17.6%
4-person hhld	2,042	14.5%	925	12.9%
5+-person hhld	1,029	7.3%	728	10.1%
<b>TOTAL</b>	<b>14,067</b>	<b>100%</b>	<b>7,176</b>	<b>100%</b>

Source: 2010 Census



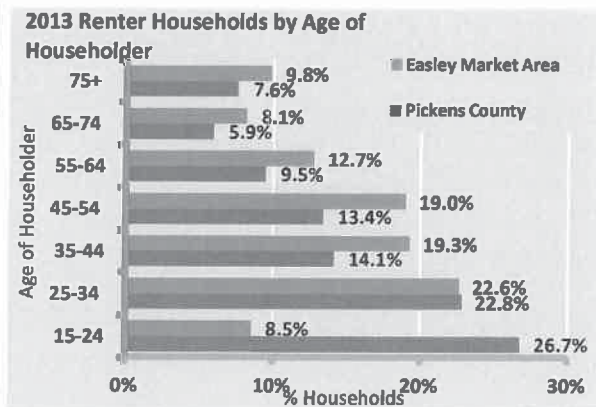




**Table 13 Renter Households by Age of Householder**

Renter Households Age of HHldr	Pickens County		Easley Market Area	
	#	%	#	%
15-24 years	3,932	26.7%	640	8.5%
25-34 years	3,354	22.8%	1,692	22.6%
35-44 years	2,076	14.1%	1,442	19.3%
45-54 years	1,966	13.4%	1,420	19.0%
55-64 years	1,394	9.5%	952	12.7%
65-74 years	871	5.9%	609	8.1%
75+ years	1,112	7.6%	734	9.8%
<b>Total</b>	<b>14,705</b>	<b>100%</b>	<b>7,488</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.



### 3. Income Characteristics

Household incomes estimates reflect a moderate- to middle-income market for both the Easley Market Area as well as Pickens County as a whole. As of 2013, the median household income in the Easley Market Area is estimated at \$43,806 (Table 14). This median is 4.6 percent higher than the median household income of \$41,876 in Pickens County as a whole.

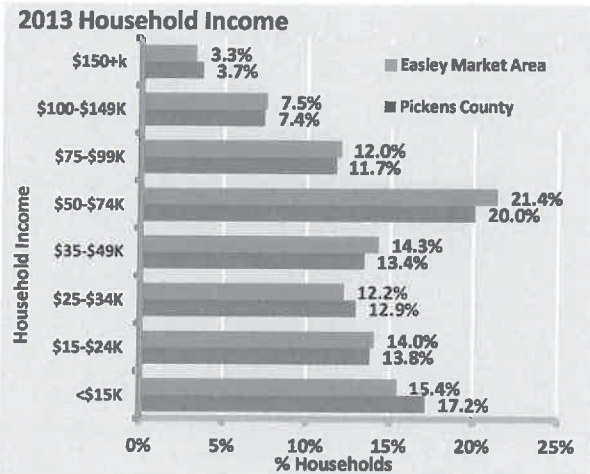
Table 15 presents distributions of 2013 household incomes for renter and homeowner households in the Easley Market Area. Based on income estimate data from the 2008-2012 ACS, the breakdown of tenure, and RPRG household estimates, RPRG estimates that the median annual income of renter households in the primary market area as of 2013 is a fairly modest \$26,527, roughly half of the median owner household income of \$52,850. Almost half (47.7 percent) of all renter households in the Easley Market Area have incomes less than \$25,000.



**Table 14 2013 Household Income, Easley Market Area**

Estimated 2013 Household Income		Pickens County		Easley Market Area	
		#	%	#	%
less than	\$15,000	7,876	17.2%	4,328	15.4%
	\$15,000	6,338	13.8%	3,947	14.0%
	\$25,000	5,920	12.9%	3,421	12.2%
	\$35,000	6,153	13.4%	4,009	14.3%
	\$50,000	9,204	20.0%	6,005	21.4%
	\$75,000	5,363	11.7%	3,364	12.0%
	\$100,000	3,379	7.4%	2,102	7.5%
	\$150,000	1,677	3.7%	922	3.3%
	Over				

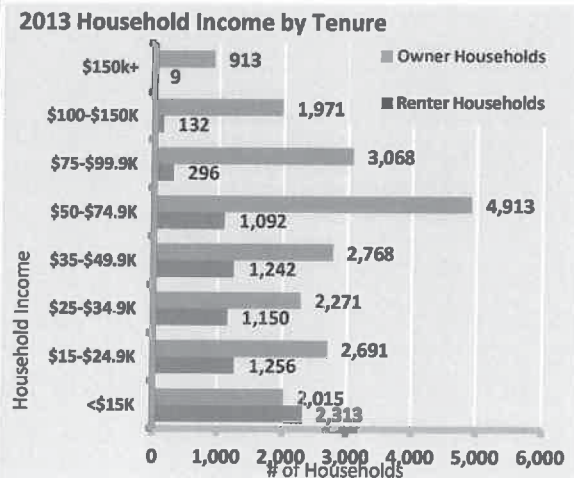
Source: Esri; Real Property Research Group, Inc.



**Table 15 2013 Income by Tenure**

Easley Market Area		Renter Households		Owner Households	
		#	%	#	%
less than	\$15,000	2,313	30.9%	2,015	9.8%
	\$15,000	1,256	16.8%	2,691	13.1%
	\$25,000	1,150	15.4%	2,271	11.0%
	\$35,000	1,242	16.6%	2,768	13.4%
	\$50,000	1,092	14.6%	4,913	23.8%
	\$75,000	296	4.0%	3,068	14.9%
	\$100,000	132	1.8%	1,971	9.6%
	\$150,000	9	0.1%	913	4.4%
<b>Total</b>		<b>7,488</b>	<b>100%</b>	<b>20,610</b>	<b>100%</b>
<b>Median Income</b>		<b>\$26,527</b>		<b>\$52,850</b>	

Source: American Community Survey 2008-2012 Estimates, RPRG, Inc.





## 7. COMPETITIVE HOUSING ANALYSIS

### A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Easley Market Area. We pursued several avenues of research in an attempt to identify residential rental projects that are actively being planned or that are currently under construction within the Easley Market Area, including corresponding with staff at the City of Easley’s Planning and Development Department, Appalachian Council of Governments, and the Pickens County Planning Department. Site visit observations and past RPRG work in the region also informed this process. The rental survey of competitive projects was conducted in February 2014.

### B. Overview of Market Area Housing Stock

Based on data from the 2008-2012 ACS, single-family units (the vast majority of them detached homes) are the most common type of rental housing, accounting for 41 percent of the primary market area’s rental stock (Table 16). Multifamily structures with at least three units contain 28 percent of rental units while 24 percent of renter-occupied units are mobile homes. Throughout Pickens County as a whole, rental units are much more likely to be located in multifamily structures (43 percent of the stock) and significantly less likely to be mobile homes (18 percent of the stock).

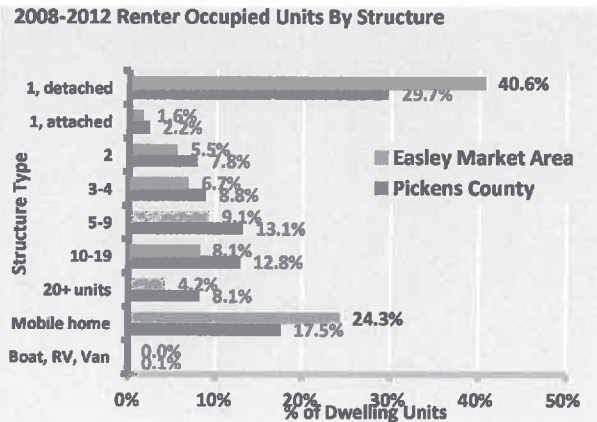
The median rental unit in the Easley Market Area as of the 2008-2012 ACS was constructed in 1979, while the median owner-occupied unit dated from 1984 (Table 17). The housing stock of Pickens County as a whole is similar in age, with the median renter- and owner-occupied units dating from 1983 for both. About 12 percent of the primary market area’s rental units have been built since 2000.

Based on the 2008-2012 ACS survey, the median value among owner-occupied housing units in Easley Market Area is \$120,273, five percent less than the countywide average of \$126,385 (Table 18). ACS home value estimates are based upon respondent’s assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices than actual sales data, but is typically a strong gauge of relative home values across two or more areas.

**Table 16 Renter Occupied Units by Structure**

Renter Occupied	Pickens County		Easley Market Area	
	#	%	#	%
1, detached	3,908	29.7%	2,704	40.6%
1, attached	295	2.2%	104	1.6%
2	1,023	7.8%	363	5.5%
3-4	1,156	8.8%	448	6.7%
5-9	1,721	13.1%	608	9.1%
10-19	1,689	12.8%	538	8.1%
20+ units	1,072	8.1%	277	4.2%
Mobile home	2,309	17.5%	1,618	24.3%
Boat, RV, Van	7	0.1%	0	0.0%
<b>TOTAL</b>	<b>13,180</b>	<b>100%</b>	<b>6,660</b>	<b>100%</b>

Source: American Community Survey 2008-2012



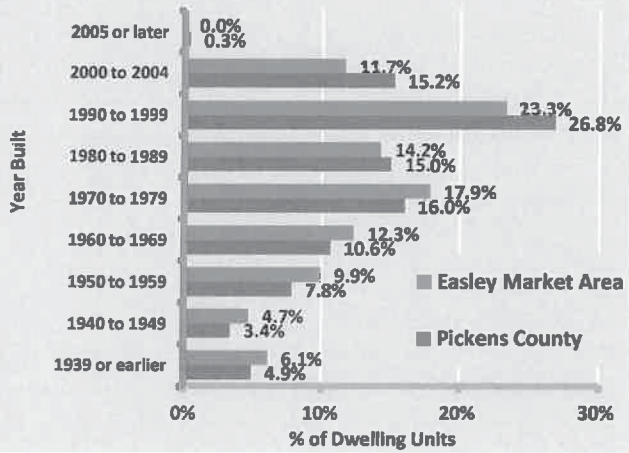


**Table 17 Dwelling Units by Year Built and Tenure**

Renter Occupied	Pickens County		Easley Market Area	
	#	%	#	%
2005 or later	44	0.3%	0	0.0%
2000 to 2004	2,004	15.2%	776	11.7%
1990 to 1999	3,531	26.8%	1,550	23.3%
1980 to 1989	1,973	15.0%	948	14.2%
1970 to 1979	2,111	16.0%	1,189	17.9%
1960 to 1969	1,396	10.6%	819	12.3%
1950 to 1959	1,031	7.8%	660	9.9%
1940 to 1949	442	3.4%	312	4.7%
1939 or earlier	648	4.9%	406	6.1%
<b>TOTAL</b>	<b>13,130</b>	<b>100%</b>	<b>6,660</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1994</b>		<b>1979</b>	

Source: American Community Survey 2008-2012

**2008-2012 Dwelling Units by Year Built Renter Occupied Units**

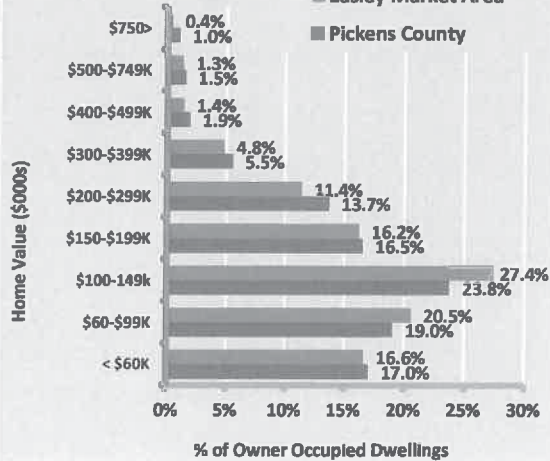


**Table 18 Value of Owner Occupied Housing Stock**

2008-2012 Home Value	Pickens County		Easley Market Area	
	#	%	#	%
less than \$60,000	5,175	17.0%	3,339	16.6%
\$60,000 - \$99,999	5,778	19.0%	4,126	20.5%
\$100,000 - \$149,999	7,216	23.8%	5,501	27.4%
\$150,000 - \$199,999	5,011	16.5%	3,254	16.2%
\$200,000 - \$299,999	4,153	13.7%	2,284	11.4%
\$300,000 - \$399,999	1,678	5.5%	964	4.8%
\$400,000 - \$499,999	578	1.9%	281	1.4%
\$500,000 - \$749,999	465	1.5%	267	1.3%
\$750,000 over	305	1.0%	75	0.4%
<b>Total</b>	<b>30,359</b>	<b>100%</b>	<b>20,091</b>	<b>100%</b>
<b>Median Value</b>	<b>\$126,385</b>		<b>\$120,273</b>	

Source: 2008-2012 American Community Survey

**2008-2012 Home Value**





## C. Survey of Competitive Rental Communities

### 1. Introduction to the Rental Housing Survey

For the purposes of this analysis, RPRG surveyed 19 general occupancy rental communities in the Easley Market Area. Of these 19 communities, eight were financed by Low Income Housing Tax Credits (LIHTC) and 11 are market rate. The LIHTC community Pickens Gardens also provides project based rental assistance (PBRA) for all units. As tenants receiving PBRA are not subject to minimum income limits, this deeply subsidized rental community is not considered comparable to Aberdeen Chase.

For reference purposes, data on the deeply subsidized LIHTC property is provided in Table 22; however, these communities are not included in the analysis of rents or vacancies as they are not reflective of current market conditions. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 5. The location of each community relative to the subject site is shown on Map 5.

### 2. Location

Map 5 highlights the locations of the 18 surveyed rental communities in relation to the subject site. The closest of the existing communities to the subject site is Meadowcreek, a small market rate community nearly adjacent to the site. Three LIHTC communities are located in Pickens, northwest of Easley and one LIHTC community is located in Liberty, southwest of Easley. The remaining communities are located in the city of Easley or just outside its boundaries. The properties with the highest published rents – Auston Woods and Shadowbrook – are the two easternmost properties in the market area, meaning that they are in closest proximity to Greenville. Three surveyed rental communities, including one LIHTC community, are located within one mile of the subject site. Overall, the subject site's location is comparable with existing market rate and LIHTC properties in the market area.

### 3. Age of Communities

The 18 comparable rental communities surveyed have an average year built of 1993. In comparison, the LIHTC rental stock is newer with an average year built of 2002. Four non-subsidized LIHTC communities have been built since 1997 with the two newest communities (Cedar Brook Townhomes and Pope Field Terrace) constructed in 2013.

### 4. Structure Type

Thirteen of the 18 comparable rental communities surveyed are comprised of garden style buildings. Four of the remaining properties consist of townhouse style units and one community is a mix of townhouse and garden style units. Exterior features at surveyed rental communities are generally dependent on the age and price point of the communities with newer market rate and recently constructed LIHTC communities being the most attractive.

### 5. Size of Communities

The average size of the 18 surveyed rental communities is 77 units. LIHTC communities are generally smaller than market rate communities and the average among LIHTC communities is 56 units.

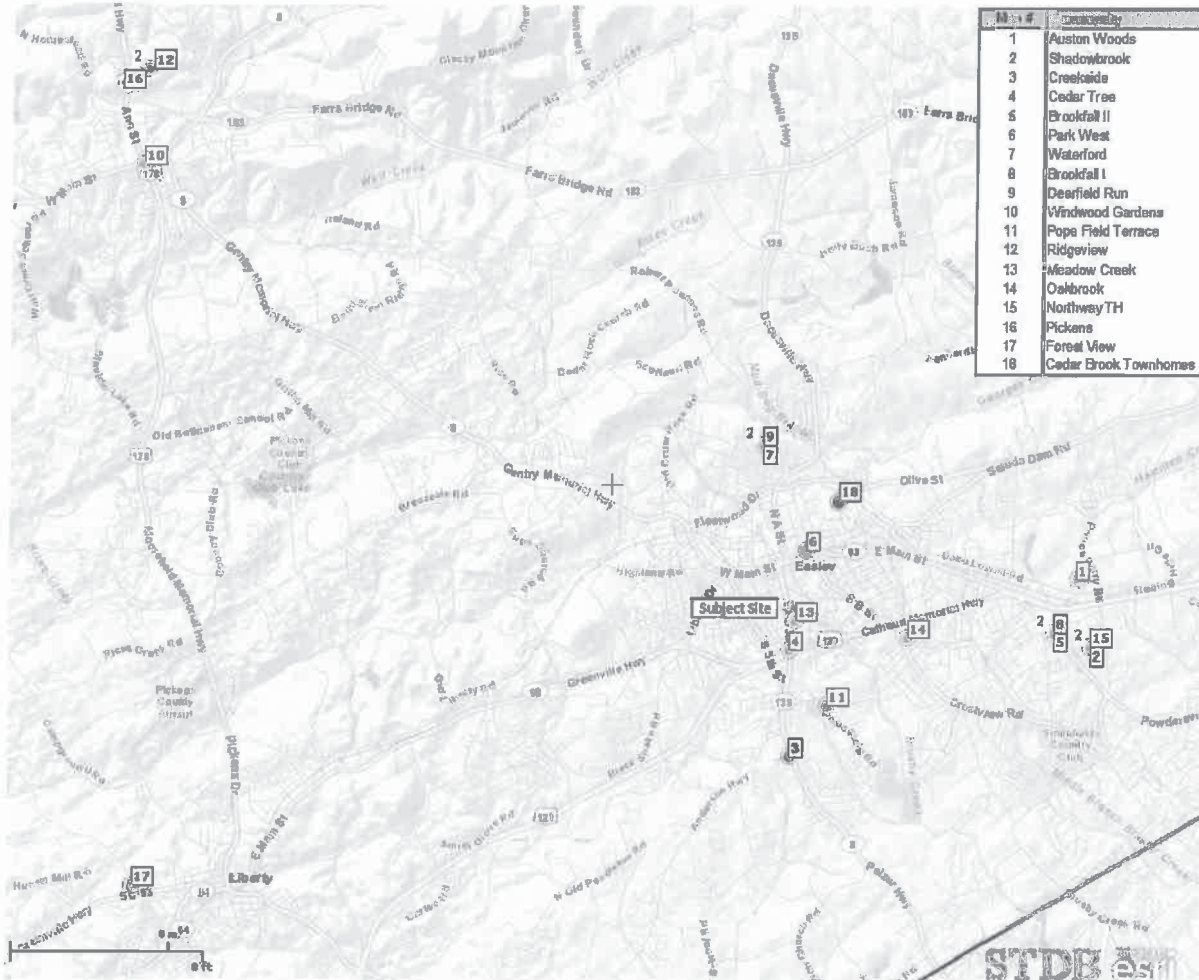
### 6. Vacancy Rates

Of the 18 surveyed rental communities, two market rate communities declined to provide occupancy data. The 16 communities reporting occupancy data combine to offer 1,205 units, of which 22 or 1.8 percent were reported vacant (Table 19). Among LIHTC communities, four of the



380 units were vacant at the time of our survey, a rate of 1.1 percent. Four of the seven comparable LIHTC communities were 100 percent occupied at the time of our survey.

**Map 5 Surveyed Rental Communities**



Sixteen of the 18 surveyed rental communities reported unit distributions and vacancy data by floor plan (Table 20). Overall, vacancies by floor plan are generally consistent with unit distributions in the market. One and three bedroom vacancies account for a slightly lower percentage of vacant units relative to their unit distribution while two bedroom vacancies account for a slightly higher percentage. Average vacancy rates were 1.9 percent for one bedroom units, 2.9 percent for two bedroom units, and 1.7 percent for three bedroom units. All four bedroom and studio units offered in the market were fully occupied. By floor plan:

- One bedroom units accounted for 20.0 percent of reported vacancies, lower than their proportion of total units (24.9 percent).
- Two bedroom units accounted for 66.7 percent of reported vacancies, higher than their proportion of total units (53.7 percent).
- Three bedroom units accounted for 13.3 percent of reported vacancies, lower than their proportion of total units (18.9 percent).



**Table 19 Rental Summary, Surveyed Rental Communities**

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive
1	Auston Woods	2007		Garden	194	3	1.5%	\$588	\$701	None
2	Shadowbrook	1997		Garden	248	2	0.8%	\$595	\$700	None
3	Creekside **	1997		Garden	132	0	0.0%		\$635	None
4	Cedar Tree	1989		Townhouse	39	0	0.0%		\$625	None
5	Brookfall II	1991		Garden	60	0	0.0%	\$525	\$595	None
6	Park West **	2003		Garden	60	1	1.7%		\$591	None
7	Waterford	1992		Garden	128	N/A	N/A		\$575	None
8	Brookfall I	1984		Garden	88	0	0.0%	\$475	\$525	None
9	Deerfield Run	1988		Garden	56	N/A	N/A		\$525	None
10	Windwood Gardens	1973	2014	Garden	80	8	10.0%	\$425	\$495	None
11	Pope Field Terrace **	2013		Garden	56	0	0.0%	\$374	\$440	None
12	Ridgeview **			Garden	24	2	8.3%	\$410	\$435	None
13	Meadow Creek			Garden	16	0	0.0%	\$385		None
14	Oakbrook	1982		Townhouse	60	1	1.7%	\$363	\$430	None
15	Northway TH	1980		Townhouse	40	4	10.0%	\$375	\$410	None
16	Pickens **			Garden/TH	24	1	4.2%	\$370	\$405	None
17	Forest View **	1986		Garden	45	0	0.0%	\$360	\$405	None
18	Cedar Brook Townhomes **	2013		Townhouse	39	0	0.0%		\$370	None
<b>Total</b>					<b>1,389</b>					
<b>Reporting Total</b>					<b>1,205</b>	<b>22</b>	<b>1.8%</b>			
<b>Reporting Average</b>					<b>1993</b>			<b>\$437</b>	<b>\$521</b>	
<b>LIHTC Total</b>					<b>380</b>	<b>4</b>	<b>1.1%</b>			
<b>LIHTC Average</b>					<b>2002</b>			<b>\$379</b>	<b>\$469</b>	

(\*\*) Tax Credit Communities      Community refused occupancy information

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

Source: Field Survey, Real Property Research Group, Inc. February 2014.

**Table 20 Vacancy by Floor Plan**

Property	Total Units		One Bedroom			Two Bedroom			Three Bedroom			Four Bedroom			Studio		
	Units	Vacant	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate	Units	Vacant	Vac. Rate
Auston Woods	194	3	88	2	2.3%	60	1	1.7%	46	0	0.0%	-	-	-	-	-	-
Brookfall I	88	0	28	0	0.0%	60	0	0.0%	-	-	-	-	-	-	-	-	-
Brookfall II	60	0	16	0	0.0%	44	0	0.0%	-	-	-	-	-	-	-	-	-
Cedar Brook Townhomes **	39	0	-	-	-	4	0	0.0%	31	0	0.0%	4	0	0.0%	-	-	-
Cedar Tree	39	0	-	-	-	39	0	0.0%	-	-	-	-	-	-	-	-	-
Creekside **	132	8	-	-	-	66	4	6.1%	66	4	6.1%	-	-	-	-	-	-
Deerfield Run	56	N/A	-	-	-	56	N/A	N/A	-	-	-	-	-	-	-	-	-
Forest View **	45	0	12	0	0.0%	33	0	0.0%	-	-	-	-	-	-	-	-	-
Meadow Creek	16	0	16	0	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Northway TH	40	4	4	0	0.0%	28	4	14.3%	8	0	0.0%	-	-	-	-	-	-
Oakbrook	60	1	10	0	0.0%	50	1	2.0%	-	-	-	-	-	-	-	-	-
Park West **	60	1	-	-	-	44	1	2.3%	16	0	0.0%	-	-	-	-	-	-
Pickens **	24	1	5	0	0.0%	7	1	14.3%	12	0	0.0%	-	-	-	-	-	-
Pickens Gardens †	77	0	37	0	0.0%	20	0	0.0%	12	0	0.0%	8	0	0.0%	-	-	-
Pope Field Terrace **	56	0	12	0	0.0%	28	0	0.0%	16	0	0.0%	-	-	-	-	-	-
Ridgeview **	24	2	16	1	6.3%	8	1	12.5%	-	-	-	-	-	-	-	-	-
Shadowbrook	248	2	55	2	3.6%	158	0	0.0%	35	0	0.0%	-	-	-	-	-	-
Waterford	128	N/A	-	-	-	96	N/A	N/A	32	N/A	N/A	-	-	-	-	-	-
Windwood Gardens	80	8	20	1	5.0%	40	7	17.5%	-	-	-	-	-	-	20	0	0.0%
<b>Total Reporting Breakdown</b>	<b>1,282</b>	<b>30</b>	<b>319</b>	<b>6</b>	<b>1.9%</b>	<b>689</b>	<b>20</b>	<b>2.9%</b>	<b>242</b>	<b>4</b>	<b>1.7%</b>	<b>12</b>	<b>0</b>	<b>0.0%</b>	<b>20</b>	<b>0</b>	<b>0.0%</b>
<b>Total Percentage</b>		<b>2.3%</b>		<b>24.9%</b>	<b>20.0%</b>		<b>53.7%</b>	<b>66.7%</b>		<b>18.9%</b>	<b>13.3%</b>		<b>0.9%</b>	<b>0.0%</b>		<b>1.6%</b>	<b>0.0%</b>

\*\* LIHTC Community      † Deep Subsidy Community

Source: Field Survey, Real Property Research Group, Inc. February, 2013



Among general occupancy LIHTC communities, the average occupancy rate over the past two quarters per SCSHFDA's public analysis was 95.57 percent (Table 21). The current occupancy rates among LIHTC communities (97.4 percent) are higher than fourth quarter figures per the SCSHFDA public analysis (Table 22).

**Table 21 Historical LIHTC Occupancy**

Community	City	County	Total Units	6/30/2013		12/31/2013		Avg. Occupancy	Type
				Occupied Units	Occupancy Rate	Occupied Units	Occupancy Rate		
Cedar Brook Townhomes **	Easley	Pickens	38			38	100.00%	100.00%	Family
Creekside Apartments **	Easley	Pickens	132	130	98.48%	130	98.48%	96.97%	Family
Park West Apartments **	Easley	Pickens	60	55	91.67%	49	81.67%	90.56%	Family
Pope Field Terrace **	Easley	Pickens	55			55	100.00%	100.00%	Family
Pickens Gardens †	Pickens	Pickens	77	74	96.10%	68	88.31%	94.81%	Family
New Forest View Apartments **	Liberty	Pickens	45	42	93.33%	44	97.78%	97.04%	Family
New Pickens Apartments **	Pickens	Pickens	24	24	100.00%	23	95.83%	97.22%	Family
New Ridgeview **	Pickens	Pickens	24	24	100.00%	24	100.00%	97.22%	Family
<b>Total</b>			<b>455</b>	<b>349</b>	<b>96.41%</b>	<b>431</b>	<b>94.73%</b>	<b>95.57%</b>	

\*\* LIHTC Community † Subsidized Community

Source: SC Public Analysis 2013

**Table 22 Overall LIHTC Occupancy**

LIHTC Communities					
Community	City	County	Total Units	Occupied Units	Occupancy Rate
Cedar Brook Townhomes	Easley	Pickens	39	39	100.00%
Creekside	Easley	Pickens	132	124	93.94%
Foreset View	Liberty	Pickens	45	45	100.00%
Park West	Easley	Pickens	60	59	98.33%
Pickens	Pickens	Pickens	24	23	95.83%
<b>Pickens Gardens*</b>	<b>Pickens</b>	<b>Pickens</b>	<b>77</b>	<b>77</b>	<b>100.00%</b>
Pope Field Terrace	Easley	Pickens	56	56	100.00%
Ridgeview	Pickens	Pickens	24	22	91.67%
<b>Grand Total</b>			<b>457</b>	<b>445</b>	<b>97.37%</b>

LIHTC/Deep Subsidy Community\*

Source: Field Survey, Real Property Research Group, Inc. February 2013.

## 7. Rent Concessions

None of the surveyed communities are offering rental incentives.

## 8. Absorption History

The two newest communities in the market area are Pope Field Terrace and Cedar Brooke Townhomes, both LIHTC communities that opened last year. Prior to the completion of construction on Pope Field Terrace, future residents were income certified and allowed to choose a floorplan. Upon receiving the certificate of occupancy all residents moved into the community within nine days for effectively immediate absorption. Cedar Brook Townhomes also completed lease up within one month of opening.





### D. Analysis of Rental Pricing and Product

#### 1. Payment of Utility Costs

At ten of the 18 comparable rental communities surveyed, utility expenses associated with trash removal are the responsibility of the landlord and included in rent, while the balance of utility expenses (water/sewer, cooking, heat, hot water, electricity) are the responsibility of the tenant (Table 23). All of the eight remaining properties also include the cost of water/sewer in the rent.

#### 2. Unit Features

Most of the comparable surveyed rental communities include dishwashers and washer/dryer connections, but limited other features (Table 23). Eleven communities include dishwashers. Thirteen offer washer/dryer connections and one community offers connections in select units. Only three communities offer microwaves. Aberdeen Chase will be competitive with surveyed rental communities as features will include dishwashers, microwaves, and washer/dryer connections standard in every unit.

**Table 23 Utilities and Unit Features— Surveyed Rental Communities**

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	Storage
		Heat	Hot Water	Cooking	Electric	Water					
<b>Subject</b>	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups
Auston Woods	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups STD - In Unit
Brookfall I	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Brookfall II	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups STD - In Unit
Cedar Brook Townhomes	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	
Cedar Tree	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Creekside	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Deerfield Run	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups
Forest View	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups
Meadow Creek	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	
Northway TH	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Select
Oakbrook	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	
Park West	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups
Pickens	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups
Pope Field Terrace	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups STD - In Unit
Ridgeview	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	Hook Ups
Shadowbrook	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD		Surface	Hook Ups STD - In Unit
Waterford	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	Surface	Hook Ups
Windwood Gardens	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Surface	

Source: Field Survey, Real Property Research Group, Inc. February 2014.

#### 3. Parking

Like all other surveyed communities, Aberdeen Chase will offer free surface parking with no covered parking option.



**4. Community Amenities**

Generally speaking, this is not a highly amenitized market area (Table 24). The most common recreational amenities in the market area are community rooms (five properties), swimming pools (seven properties), playgrounds (four properties), and fitness rooms (four properties). Two communities offer business/computer centers. Four of the eighteen comparable communities offer at least three recreation amenities. Aberdeen Chase will include a community room, playground, fitness center, and computer center which will be comparable with surveyed rental communities. While Aberdeen Chase will not offer a swimming pool, the proposed amenities are appropriate given the smaller size and lower price point proposed.

**Table 24 Community Amenities – Surveyed Rental Communities**

Community	Clubhouse	Fitness Room	Pool	Playground	Computer Center
<b>Subject</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Auston Woods	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Brookfall I	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brookfall II	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cedar Brook Townhomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cedar Tree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creekside	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deerfield Run	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forest View	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Meadow Creek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northway TH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oakbrook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Park West	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pickens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pope Field Terrace	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ridgeview	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shadowbrook	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Waterford	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Windwood Gardens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. February 2014.

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

RPRG was able to obtain full unit distributions for 17 of the 18 surveyed communities, constituting 87.5 percent of the surveyed rental stock (Table 25). The overall unit distribution of these communities includes 16.2 percent one bedrooms, 63.7 percent two bedrooms, and 18.1 percent three bedroom units. Cedar Brook Townhomes has four four-bedroom units and Winwood Gardens has 20 studio units not included in this table. Sixteen of 18 properties offer two bedroom units, while twelve offer one bedroom units and nine offer three bedroom units.

**6. Effective Rents**

Unit rents presented in Table 25 are net or effective rents, as opposed to street or advertised rents. To arrive at effective rents, we apply downward adjustments to street rents at some communities in



order to control for current rental incentives. The net rents further reflect adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where water/sewer and trash removal is included in monthly rents at all communities, with tenants responsible for other utility costs (electricity, heat, hot water, and cooking fuel).

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

- **One bedroom** units averaged a net rent of \$443 with a range from \$364 to \$610 per month. The average unit size is 741 square feet, which results in an average net rent per square foot of \$0.60.
- **Two bedroom** units averaged a net rent of \$530 with a range from \$390 to \$721 per month. The average unit size is 976 square feet, which results in an average net rent per square foot of \$0.54.
- **Three bedroom** units averaged a net rent of \$594 with a range from \$425 to \$845 per month. The average unit size is 1,258 square feet, which results in an average net rent per square foot of \$0.47.

**Table 25 Salient Characteristics, Surveyed Rental Communities**

Community	Type	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
			Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
SUBJECT SITE-50%/HOME		7				6	\$450	950	\$0.47	1	\$525	1,100	\$0.48	
SUBJECT SITE-60%		20				12	\$499	950	\$0.53	8	\$599	1,100	\$0.54	
Auston Woods	Garden	194		\$603	738	\$0.82		\$721	981	\$0.74		\$845	1,451	\$0.58
Shadowbrook	Garden	248	55	\$610	930	\$0.66	158	\$720	1,200	\$0.60	35	\$835	1,475	\$0.57
Park West ** 60%	Garden	30				22	\$660	986	\$0.67	8	\$710	1,193	\$0.60	
Cedar Tree	Townhouse	39				39	\$645	1,000	\$0.65					
Brookfall II	Garden	60	16	\$550	800	\$0.69	44	\$625	1,150	\$0.54				
Creekside ** 60%	Garden	132				66	\$609	899	\$0.68	66	\$652	1,106	\$0.59	
Waterford	Garden	128				96	\$575	1,000	\$0.58	32	\$675	1,200	\$0.56	
Brookfall I	Garden	88	28	\$475	650	\$0.73	60	\$525	830	\$0.63				
Deerfield Run	Garden	56				56	\$525	1,000	\$0.53					
Park West ** 50%	Garden	30				22	\$521	986	\$0.53	8	\$606	1,193	\$0.51	
Windwood Gardens ^	Garden	60	20	\$425	550	\$0.77	40	\$495	650	\$0.76				
Pope Field Terrace ** 60%	Garden	40	6	\$414	852	\$0.49	23	\$469	1,103	\$0.43	11	\$521	1,254	\$0.42
Ridgeview ** USDA RD	Garden	24	16	\$425			8	\$455						
Oakbrook	Townhouse	60	10	\$378	600	\$0.63	50	\$450	750	\$0.60				
Pickens ** USDA RD	Garden/TH	24	5	\$385			7	\$425		12	\$460			
Forest View ** USDA RD	Garden	45	12	\$375			33	\$425						
Pope Field Terrace ** 50%	Garden	16	6	\$364	852	\$0.43	5	\$419	1,103	\$0.38	5	\$474	1,254	\$0.38
Northway TH	Townhouse	40	4	\$375	700	\$0.54	28	\$410	1,000	\$0.41	8	\$475	1,200	\$0.40
Cedar Brook Townhomes ** 50% ^	Townhouse	20				4	\$390			16	\$425			
Cedar Brook Townhomes ** 60% ^	Townhouse	15								15	\$450			
Meadow Creek	Garden	16	16	\$385										
<b>Total/Average</b>		<b>1,365</b>		<b>\$443</b>	<b>741</b>	<b>\$0.60</b>		<b>\$530</b>	<b>976</b>	<b>\$0.54</b>		<b>\$594</b>	<b>1,258</b>	<b>\$0.47</b>
<b>Unit Distribution</b>		<b>1,195</b>	<b>194</b>			<b>761</b>				<b>216</b>				
<b>% of Total</b>		<b>87.5%</b>	<b>16.2%</b>			<b>63.7%</b>				<b>18.1%</b>				

(\*\*) Tax Credit Communities (A) Cedar Brook Townhomes has 4 four-bedroom units and Winwood Gardens has 20 studio units not reflected in table.

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

Source: Field Survey, Real Property Research Group, Inc. February 2014.



The proposed rents at Aberdeen Chase will be in the mid to lower range compared to existing rents in the market area for each floor plan. Proposed 50 and 60 percent AMI two-bedroom rents are less than the market average; proposed 50 percent three-bedroom rents are less than the market average while 60 percent rents are just six dollars higher than the average despite being new construction with generous amenities and features.

**E. Scattered Site Rentals**

Households desiring a larger home such as a three-bedroom unit, may look outside multifamily communities for housing options. Moreover, two-thirds of the rental stock in the market area is single family detached/attached units or mobile homes. As such, we searched for scattered site rentals in the market area to determine whether such options would be competitive with the subject. These communities would be alternatives for renters desiring larger units. Among these scattered site communities, the average rents were \$1,060 for three bedroom units (Table 26). Given the significantly higher rents, these communities will not compete with the units at Aberdeen Chase.

**Table 26 Scattered Site Rentals**

Scattered Site Rentals					
Type	Bed	Bath	Square	Rent	Location
Single Family	3	2	1700	\$1,050	Easley
Mobile Home	3	2	1850	\$700	Easley
Condo	3	2		\$1,475	Easley
Mobile Home	3	2		\$475	Easley
Single Family	3	2		\$1,050	Easley
Single Family	3	2.5	1544	\$1,100	Easley
Single Family	3	2.5	1750	\$1,195	Easley
Single Family	3	2.5	1505	\$1,300	Easley
Single Family	3	2		\$1,050	Easley
Condo	3	3		\$1,205	Easley
<b>Three Bedroom Average</b>			<b>1670</b>	<b>\$1,060</b>	

Source: Craigs List

**F. Housing Authority Data / Subsidized Housing List**

The South Carolina Regional Housing Authority No.1 (SCRHA) currently administers 198 Housing Choice Vouchers in Pickens County. According to SCRHA Assistant Executive Director Brian Griswell (phone number: 864.984.0578 ext. 276), the waiting list for vouchers is currently three to five years. The City of Easley Housing Authority operates 100 public housing units at one site (Westgate Apartments). According to Occupancy Specialist Gail Keech (phone number: 864.855.0629), the waiting list is 12 to 24 months for public housing units. A list of all subsidized communities in the market area is detailed in Table 27 and the location relative to the site is shown on Map 6.

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

Given the low proposed rents and income ranges targeted, we do not believe for-sale housing will compete with Aberdeen Chase. The community will include predominately one and two-bedroom units. For-sale housing is unlikely to be an option for residents of the community's six three-bedroom units, given the proposed rents are considerably lower than much of the market-rate rental housing. Thus, homeownership will not be a comparably priced alternative.

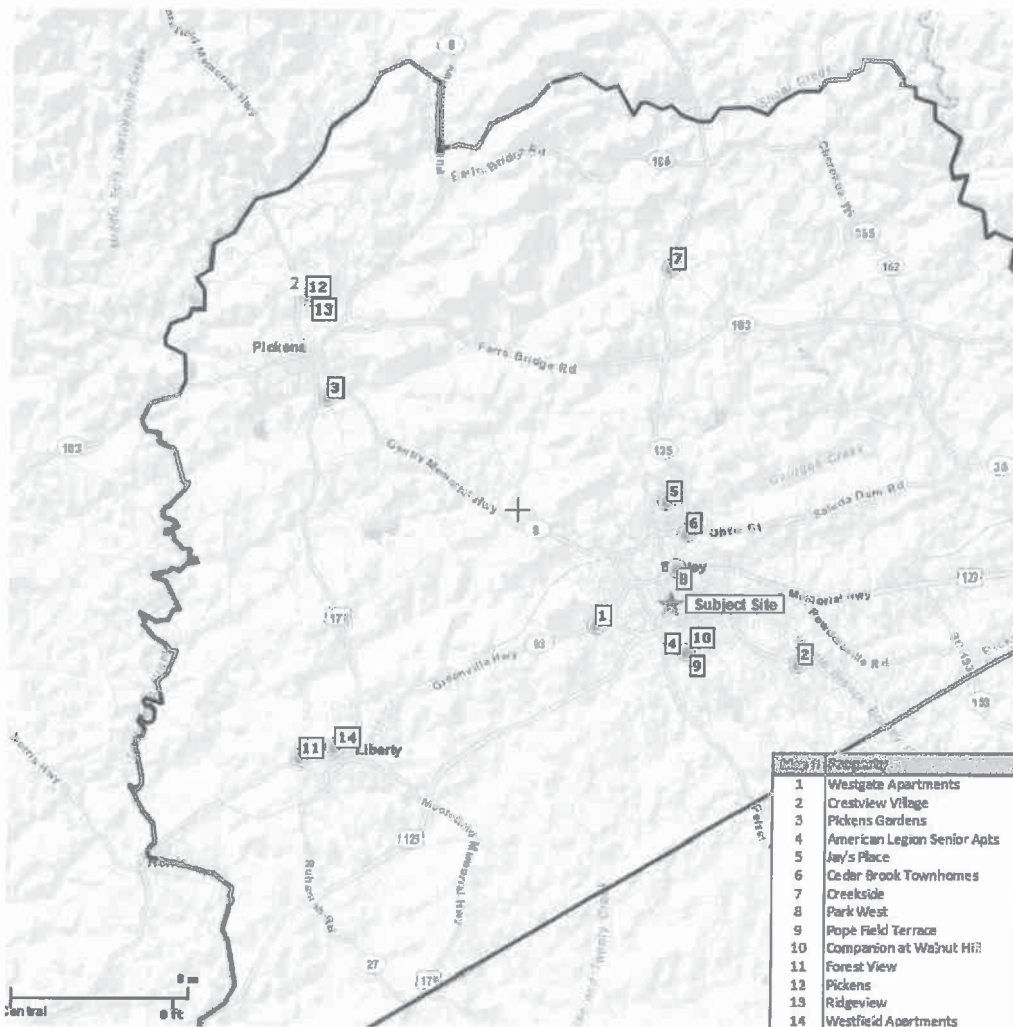


**Table 27 LIHTC and Subsidized Rental Communities**

Property	Subsidy	Type	Address
Westgate Apartments	Public Housing	Family	103 Wallace Dr, Easley
Crestview Village	Section 8	Family	908 Crestview Rd, Easley
Pickens Gardens	Section 8	Family	102 Garden Dr, Pickens
American Legion Senior Apts	Section 8	Senior	118 Legion St, Easley, SC
Jay's Place	Section 8	Senior	Burdine Drive, Easley, SC
Cedar Brook Townhomes	Tax Credit	Family	120 Beverly Drive, Easley
Creekside	Tax Credit	Family	100 Pebble Brook Ct, Easley
Park West	Tax Credit	Family	300 DuVall St, Easley
Pope Field Terrace	Tax Credit	Family	110 Pearson Terrace Dr, Easley
Companion at Walnut Hill	Tax Credit	Senior	201 Walnut Hill Dr, Easley
Forest View	Tax Credit / USDA	Family	101 Forest View Circle, Liberty
Pickens	Tax Credit / USDA	Family	105 India Dr, Pickens
Ridgeview	Tax Credit / USDA	Family	117 Ridgeview Dr, Pickens
Westfield Apartments	USDA	Family	201 Annie St, Liberty

Source: SC Public Analysis, HUD, and USDA

**Map 6 LIHTC and Subsidized Rental Communities**





## H. Proposed and Under Construction Rental Communities

According to Building Official Tommy Holcomb of the City of Easley's Planning and Development Department (phone number: 864-855-7908), Appalachian Council of Governments Regional Planner Jennifer Vissage who provides planning services for the City of Pickens (864-242-9733), and Planner Marshal Brown (864-898-5956) with the Pickens County Planning Department, no new apartment communities are planned within the market area. Two LIHTC communities received nine percent tax credit allocations in the past three years: both Cedar Brook Townhomes and Pope Field Terrace received an allocation in 2012. Both communities are completely constructed and 100 percent occupied. These units will be included in the demand calculation given that they were placed in service in 2013.

## I. Estimate of Market Rent

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

- Rents Charged – current rents charged, adjusted for utilities and incentives, if applicable.
- Design, Location, Condition – adjustments made in this section include:
  - Building Design - An adjustment was made, if necessary, to reflect the attractiveness of the proposed product relative to the comparable communities above and beyond what is applied for year built and/or condition (Table 31). The subject will have townhouse units while the comparable communities have garden-style units; an adjustment of \$10 was made to account for the premium placed on townhouse units.
  - Year Built/Rehabbed - We applied a value of \$0.75 for each year newer a property is relative to a comparable.
  - Condition and Neighborhood – We rated these features on a scale of 1 to 5 with 5 being the most desirable. A conservative adjustment of \$10 per variance was applied for condition as this factor is also accounted for in “year built.” The Neighborhood or location adjustment was also \$10 per numerical variance. In this instance, all four market rate communities are located in slightly more affluent and developed areas of Anderson than the subject site and are adjusted accordingly.
  - Square Footage - Differences between comparables and the subject property are accounted for by an adjustment of \$0.25 per foot.
- Unit Equipment/Amenities – Adjustments were made for amenities included or excluded at the subject property. The exact value of each specific value is somewhat subjective as particular amenities are more attractive to certain renters and less important to others. Adjustment values were between \$5 and \$30 for each amenity.
- Site Equipment – Adjustments were made in the same manner as with the unit amenities. Adjustment values were between \$5 and \$15 for each amenity.

According to our adjustment calculations, the estimated market rents for the units at Aberdeen Chase are \$664 for two-bedroom units (Table 28) and \$740 for three-bedroom units (Table 29). The proposed rents are well below the estimated market rents and result in rent advantages of 24.8 percent for two-bedroom 60 percent AMI units (32.2 percent for 50 percent AMI/HOME units), and 22.2 percent for three-bedroom 60 percent AMI units (29.0 percent for 50 percent AMI/HOME units). The overall/weighted average market advantage is 25.5 percent (Table 30). The maximum achievable/restricted rent for LIHTC units would be LIHTC maximums.



**Table 28 Estimate of Market Rent, Two-Bedroom Units**

Two Bedroom Units									
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		Comparable Property #4		
Aberdeen Chase 510 S. Pendleton Street Easley, SC	Auston Woods		Shadowbrook		Waterford		Brookfall II		
	107 Auston Woods Circle		219 Andrea Circle		122 Riverstone Court		103 Brookfall Drive		
	Easley	Pickens	Easley	Pickens	Easley	Pickens	Easley	Pickens	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$499	\$701	\$0	\$700	\$0	\$575	\$0	\$595	\$0
Utilities Included	T	T	\$0	T	\$0	W,S,T	(\$20)	T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0	None	\$0
		\$701		\$700		\$575		\$595	
<i>In parts B thru D, adjustments were made only for differences</i>									
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Townhome / 2	Garden / 3	\$10	Garden / 2	\$10	Garden / 2	\$10	Garden / 2	\$10
Year Built / Condition	2015	2007	\$6	1997	\$14	1992	\$17	1991	\$18
Quality/Street Appeal	Above Average	Excellent	(\$10)	Above Average	\$0	Average	\$10	Average	\$10
Location	Average	Average	\$0	Average	\$0	Below Average	\$10	Average	\$0
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,038	981	\$14	1,200	(\$41)	1,000	\$10	1,150	(\$28)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
AC Type:	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	No / Yes	\$5	Yes / Yes	\$0	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-up:	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Surface	Surface	\$0	Surface	\$0	Surface	\$0	Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	No	\$10	No	\$10
Pool	No	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	No	\$5	No	\$5
Fitness Center	Yes	Yes	\$0	Yes	\$0	No	\$10	No	\$10
Computer Center	Yes	Yes	\$0	No	\$10	No	\$10	No	\$10
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		4	2	4	2	9	1	8	2
Sum of Adjustments B to D		\$35	(\$25)	\$39	(\$56)	\$92	(\$15)	\$78	(\$43)
F. Total Summary									
Gross Total Adjustment		\$60		\$95		\$107		\$121	
Net Total Adjustment		\$10		(\$17)		\$77		\$35	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$711		\$683		\$632		\$630	
% of Effective Rent		101.4%		97.6%		113.9%		105.9%	
Estimated Market Rent	\$664								
Rent Advantage \$	\$165								
Rent Advantage %	24.8%								



**Table 29 Estimate of Market Rent, Three-Bedroom Units**

Three Bedroom Units									
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		Comparable Property #4		
Aberdeen Chase 510 S. Pendleton Street Easley, SC	Auston Woods		Shadowbrook		Waterford		Brookfall II		
	107 Auston Woods Circle		219 Andrea Circle		122 Riverstone Court		103 Brookfall Drive		
	Easley	Pickens	Easley	Pickens	Easley	Pickens	Easley	Pickens	
<b>A. Rents Charged</b>	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent	\$575	\$820	\$0	\$810	\$0	\$675	\$0	\$595	\$0
Utilities Included	T	T	\$0	T	\$0	W,S,T	\$25	T	\$0
Rent Concessions		None	\$0	None	\$0	None	\$0	None	\$0
		\$820		\$810		\$700		\$595	
<i>In parts B thru D, adjustments were made only for differences</i>									
<b>B. Design, Location, Condition</b>		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Townhome / 2	Garden / 3	\$10	Garden / 2	\$10	Garden / 2	(\$10)	Garden / 2	\$10
Year Built / Condition	2015	2007	\$6	1997	\$14	1992	\$17	1991	\$18
Quality/Street Appeal	Above Average	Excellent	(\$10)	Above Average	\$0	Average	\$10	Average	\$10
Location	Average	Average	\$0	Average	\$0	Below Average	\$10	Average	\$0
<b>C. Unit Equipment / Amenities</b>		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0	2	\$50
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,172	1,451	(\$70)	1,475	(\$76)	1,200	(\$7)	1,150	\$6
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
AC Type	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	No / Yes	\$5	No / Yes	\$5	Yes / Yes	\$0	No / Yes	\$5
Washer / Dryer: In Unit	No	No	\$0	No	\$0	No	\$0	No	\$0
Washer / Dryer: Hook-up	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
<b>D. Site Equipment / Amenities</b>		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Surface	Surface	\$0	Surface	\$0	Surface	\$0	Surface	\$0
Club House	Yes	Yes	\$0	Yes	\$0	No	\$10	No	\$10
Pool	No	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)
Recreation Areas	Yes	Yes	\$0	Yes	\$0	No	\$5	No	\$5
Fitness Center	Yes	Yes	\$0	Yes	\$0	No	\$10	No	\$10
Computer Center	Yes	Yes	\$0	No	\$10	No	\$10	No	\$10
<b>E. Adjustments Recap</b>		Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		3	3	4	2	7	3	10	1
Sum of Adjustments B to D		\$21	(\$95)	\$39	(\$91)	\$72	(\$32)	\$134	(\$15)
<b>F. Total Summary</b>									
<b>Gross Total Adjustment</b>		\$116		\$130		\$104		\$149	
<b>Net Total Adjustment</b>		(\$74)		(\$52)		\$40		\$119	
<b>G. Adjusted And Achievable Rents</b>		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$746		\$758		\$740		\$714	
% of Effective Rent		91.0%		93.6%		105.7%		120.0%	
Estimated Market Rent	\$740								
Rent Advantage \$	\$165								
Rent Advantage %	22.2%								





**Table 30 Rent Advantage Summary**

60% AMI Units	Two Bedroom	Three Bedroom
Units	12	8
Subject Rent	\$499	\$575
Estimated Market Rent	\$664	\$740
Rent Advantage (\$)	\$165	\$165
Rent Advantage (%)	24.85%	22.24%
<b>50% AMI/HOME Unit</b>		
Units	3	4
Subject Rent	\$450	\$525
Estimated Market Rent	\$664	\$740
Rent Advantage (\$)	\$214	\$215
Rent Advantage (%)	32.23%	29.01%
<b>Weighted Avg. Mkt. Advantage</b>		<b>25.51%</b>

**Table 31 Estimate of Market Rent Adjustments Summary**

<b>Rent Adjustments Summary</b>	
<b>B. Design, Location, Condition</b>	
Structure / Stories	\$10.00
Year Built / Condition	\$0.75
Quality/Street Appeal	\$10.00
Location	\$10.00
<b>C. Unit Equipment / Amenities</b>	
Number of Bedrooms	\$50.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$10.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$10.00
<b>D. Site Equipment / Amenities</b>	
Parking (\$ Fee)	
Learning Center	\$10.00
Club House	\$10.00
Pool	\$15.00
Recreation Areas	\$5.00
Fitness Center	\$10.00
Computer Center	\$10.00



## 8. FINDINGS AND CONCLUSIONS

### A. Key Findings

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

#### 1. Site and Neighborhood Analysis

The subject site is a suitable location for affordable rental housing as it is compatible with surrounding land uses and has ample access to amenities, services, and transportation arteries.

- The site for Aberdeen Chase is located on the eastern side of South Pendleton Street (SC Hwy 135), south of the intersection with Pendleton Court in Easley, Pickens County, South Carolina. Relative to the surrounding area, the subject site is positioned approximately 0.3 miles south of downtown Easley. Bordering land uses include a large public middle school, open space, medium density residential structures, and small commercial buildings.
- Community services, neighborhood shopping centers, medical services, and recreational venues are all located in the subject site's immediate vicinity including both convenience and comparison shopping opportunities within one to two miles.
- The site is just 0.5 miles from Pendleton Street's intersection with Calhoun Memorial Highway/Route 123, the most critical long distance transportation route serving Easley and the primary way to access larger employment nodes. To the east, Route 123 is the primary road into Greenville, and to the west, Route 123 offers access to Clemson University.
- No negative land uses were identified at the time of our site visit that would negatively impact the proposed development's viability in the marketplace.
- The subject site is considered comparable with or superior to existing LIHTC communities in the market area.

#### 2. Economic Context

In addition to offering a local economic base anchored by the Government, Trade-Transportation-Utilities, and Manufacturing sectors and Clemson University, Pickens County serves as a bedroom community for the wider Greenville metro area. Unemployment data indicates that Pickens County's economy has begun to emerge from the recent national recession.

- The Government, Trade-Transportation-Utilities, and Manufacturing sectors account for 59.0 percent of the job base of Pickens County, compared with 35.6 percent of the job base nationally.
- As of the 2008-2012 ACS, only about half of employed Easley Market Area residents worked in Pickens County.
- Between the advent of the national recession in 2007 and the end of 2010, Pickens County employers shed a net of roughly 3,500 jobs, the bulk of them in 2009. The county's at-place employment trend turned positive during 2011, with a net gain of 438 jobs before declining by 1,009 jobs during 2012. As of second quarter 2013, employment trend data is positive again with a net gain of 125 jobs.
- During the national recession, Pickens County's unemployment rate more than doubled from 5.0 percent in 2007 to 10.7 percent in 2009. The local unemployment rate had decreased to 6.7 percent by 2013, slightly below the state and national averages.



### 3. Growth Trends

Both the Easley Market Area and Pickens County experienced steady growth between the 2000 and 2010 Census. Growth rates in both areas are projected to be more moderate in both areas through 2016.

- Between 2000 and 2010 Census counts, the population of the Easley Market Area increased by 6.2 percent, rising from 66,405 to 70,539 people. This equates to an annual growth rate of 0.6 percent or 413 people. During the same time period, the number of households in the Easley Market Area increased by 7.4 percent, from 25,926 to 27,849 households, an annual increase of 0.7 percent or 192 households.
- Between 2013 and 2016, the market area's population will increase by 392 people, bringing the total population to 71,373 people in 2016. This represents an annual increase of 0.2 percent or 131 people. The number of households will increase at the same rate, gaining 0.2 percent or 70 new households per annum resulting in a total of 28,309 households in 2016.

### 4. Demographic Trends

The Easley Market Area market area is a moderate- to middle-income market with a high rate of homeownership.

- The median age is 39 in the market area and 34 in the county. While adults age 35-61 comprise the largest cohort in both areas, the market area has a higher concentration of senior adults while the county has as high concentration of young adults between the ages of 18 to 24 due to Clemson University located in the south of the Easley Market Area.
- The 2013 renter percentages were 26.7 percent in the Easley Market Area and 32 percent in Pickens County. These percentages are projected to increase slightly through 2016.
- Young working age households form the core of the market area's renters, as 41.9 percent of the renter occupied households are between the ages of 25 and 44 and 19.0 percent are age 45-54 years. Young renters (under 25) in the market area comprise 8.5 percent of all renter householders and older adults age 55+ account for 30.6 percent of all renters.
- RPRG estimates that the 2013 median household income in the Easley Market Area is \$43,806, which is 4.6 percent higher than the \$41,876 median income in Pickens County.
- The market area's median income for renter households in 2013 is estimated at \$26,527, roughly half of the median owner household income of \$52,850. Almost half (47.7 percent) of all renter households in the Easley Market Area have incomes less than \$25,000.

### 5. Competitive Housing Analysis

RPRG surveyed 18 rental communities in the Easley Market Area, including seven LIHTC communities. The overall market is performing well with few vacancies.

- The 16 surveyed rental communities reporting occupancy data combine to offer 1,205 units, of which 22 or 1.8 percent were reported vacant. Among LIHTC communities, only four of 380 units were vacant at the time of our survey, a rate of 1.1 percent.
- Among general occupancy LIHTC communities, the average occupancy rate over the past two quarters per SCSHFDA's public analysis was 95.57 percent. The current occupancy rates among LIHTC communities (97.4 percent) are higher than fourth quarter figures per the SCSHFDA public analysis.
- Among the eighteen comparable rental communities surveyed, net rents, unit sizes, and rents per square foot are as follows:
  - **One bedroom** units at \$443 for 741 square feet or \$0.60 per square foot.



- **Two bedroom** units at \$530 for 976 square feet or \$0.54 per square foot.
- **Three bedroom** units at \$594 for 1,258 square feet or \$0.47 per square foot.
- The proposed rents at Aberdeen Chase will be in the mid to lower range compared to existing rents in the market area for each floor plan. Proposed 50 and 60 percent AMI two-bedroom rents are less than the market average; proposed 50 percent three-bedroom rents are less than the market average while 60 percent rents are just six dollars higher than the average despite being new construction with generous amenities and features.
- Scattered site rentals are significantly higher priced than the three bedroom units at Aberdeen Chase and will not provided any direct competition.
- The estimated market rents for the units at Aberdeen Chase are \$664 for two-bedroom units and \$740 for three-bedroom units. The proposed rents are well below the estimated market rents and result in rent advantages of 24.8 percent for two-bedroom 60 percent AMI units (32.2 percent for 50 percent AMI/HOME units), and 22.2 percent for three-bedroom 60 percent AMI units (29.0 percent for 50 percent AMI/HOME units). The overall/weighted average market advantage is 25.5 percent).
- No new rental communities are currently planned or under construction in the market area.

## B. Affordability Analysis

### 1. Methodology

The Affordability Analysis tests the percent of income-qualified households in the market area that the subject community must capture in order to achieve full occupancy.

The first component of the Affordability Analyses involves looking at the total household income distribution and renter household income distribution among primary market area households for the target year of 2016. RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2008-2012 American Community Survey along with estimates and projected income growth as projected by Esri (Table 32).

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

LIHTC units will target renter households earning up to 50 percent and 60 percent of the Area Median Income (AMI), adjusted for household size. Maximum income limits are derived from 2013 income limits for Pickens County as computed by HUD and are based on average household sizes of 1.5 persons per bedroom.

**Table 32 2016 Income Distribution by Tenure**

Easley Market Area		Total Households		Renter Households	
		#	%	#	%
less than	\$15,000	4,178	14.8%	1,850	24.1%
	\$15,000 - \$24,999	3,203	11.3%	1,418	18.5%
	\$25,000 - \$34,999	3,187	11.3%	840	11.0%
	\$35,000 - \$49,999	4,008	14.2%	1,116	14.6%
	\$50,000 - \$74,999	6,464	22.8%	1,659	21.6%
	\$75,000 - \$99,999	3,812	13.5%	574	7.5%
	\$100,000 - \$149,999	2,373	8.4%	173	2.3%
	\$150,000 Over	1,085	3.8%	37	0.5%

Source: American Community Survey 2008-2012 Projections, RPRG, Inc.

## 2. Affordability Analysis

The steps in the affordability analysis (Table 33) are as follows:

- Looking at the 50 percent two bedroom units, the overall shelter cost at the proposed rent would be \$620 (\$450 net rent plus a \$186 allowance to cover all utilities except trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that a 50 percent two-bedroom unit would be affordable to households earning at least \$21,257 per year. A total of 22,127 households are projected to earn at least this amount in 2016.
- Based on an average household size of 1.5 persons per bedroom, the maximum income limit for a two bedroom unit at 50 percent of the AMI is \$26,200. According to the interpolated income distribution for 2016, 20,546 households in the market area will have incomes exceeding this 50 percent LIHTC income limit.
- Subtracting the 20,546 households with incomes above the maximum income limit from the 22,127 households that could afford to rent this unit, RPRG computes that 1,581 households in the market area will be within the band of affordability for the subject site's two bedroom units at 50 percent AMI.
- The subject property would need to capture 0.2 percent of these income-qualified households to absorb the three two bedroom 50 percent LIHTC units.
- RPRG next tested the range of qualified renter households and determined that 4,930 renter households can afford to rent a unit at the subject property. Of these, 4,298 have incomes above the maximum income of \$26,200. The net result is 632 renter households within the income band. To absorb the three 50 percent two bedroom units, the subject property would need to capture 0.5 percent of income-qualified renter households.
- Using the same methodology, we determined the band of qualified households for remaining floor plan types and income levels offered in the community. We also computed the capture rates for all units.
- The remaining renter capture rates by floor plan range from 0.9 percent to 1.4 percent.
- By income level, renter capture rates are 0.7 percent for 50 percent units, 1.6 percent for 60 percent units, and 1.8 percent for the project as a whole.



- All of these capture rates are well within reasonable and achievable levels, indicating sufficient income qualified renter households exist in the Easley Market Area to support the 27 units proposed at Aberdeen Chase.

**Table 33 Affordability Analysis for Aberdeen Chase**

50% Units	Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.
Number of Units	3		4	
Net Rent	\$450		\$525	
Gross Rent	\$620		\$733	
% Income for Shelter	35%		35%	
Income Range (Min, Max)	\$21,257	\$26,200	\$25,131	\$30,275
<b>Total Households</b>				
Range of Qualified Hhlds	22,127	20,546	20,886	19,247
# Qualified Households	1,581		1,639	
<b>Total HH Capture Rate</b>	<b>0.2%</b>		<b>0.2%</b>	
<b>Renter Households</b>				
Range of Qualified Hhlds	4,930	4,298	4,388	3,956
# Qualified Hhlds	632		432	
<b>Renter HH Capture Rate</b>	<b>0.5%</b>		<b>0.9%</b>	

60% Units	Two Bedroom		Three Bedroom	
	Min.	Max.	Min.	Max.
Number of Units	12		8	
Net Rent	\$499		\$575	
Gross Rent	\$669		\$783	
% Income for Shelter	35%		35%	
Income Range (Min, Max)	\$22,937	\$31,440	\$26,846	\$36,330
<b>Total Households</b>				
Range of Qualified Hhlds	21,589	18,876	20,340	17,386
# Qualified Households	2,713		2,954	
<b>Unit Total HH Capture Rate</b>	<b>0.4%</b>		<b>0.3%</b>	
<b>Renter Households</b>				
Range of Qualified Hhlds	4,692	3,858	4,244	3,460
# Qualified Hhlds	834		784	
<b>Renter HH Capture Rate</b>	<b>1.4%</b>		<b>1.0%</b>	

Income Target	Units	All Households = 28,309				Renter Households = 7,667				
		Income	Band of Qualified Hhlds	# Qualified HHs	Capture Rate	Income	Band of Qualified Hhlds	# Qualified HHs	Capture Rate	
50% Units	7	Income	\$21,257	\$30,275	2,880	0.2%	\$21,257	\$30,275	974	0.7%
		Households	22,127	19,247			4,930	3,956		
60% Units	20	Income	\$22,937	\$36,330	4,203	0.5%	\$22,937	\$36,330	1,232	1.6%
		Households	21,589	17,386			4,692	3,460		
<b>Total Units</b>	<b>27</b>	Income	\$21,257	\$36,330	4,741	0.6%	\$21,257	\$36,330	1,470	1.8%
		Households	22,127	17,386			4,930	3,460		

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

### C. Derivation of Demand

#### 1. Demand Methodology

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

- The first component of demand is household growth. This number is the number of income qualified renter households projected to move into the Easley Market Area between the base year of 2013 and estimated placed in service date of 2015.



- The second component of demand is income qualified renter households living in substandard households. “Substandard” is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to 2008-2012 American Community Survey (ACS) data, the percentage of rental units in the Easley Market Area that are “substandard” is 2.4 percent (Table 34).
- The third and final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to ACS data, 39.7 percent of Easley Market Area renter households are categorized as cost burdened.

**Table 34 Substandard and Cost Burdened Calculations, Aberdeen Chase**

Rent Cost Burden			Substandardness	
Total Households	#	%	Total Households	
Less than 10.0 percent	254	3.8%	<b>Owner occupied:</b>	
10.0 to 14.9 percent	494	7.4%	Complete plumbing facilities:	20,549
15.0 to 19.9 percent	954	14.3%	1.00 or less occupants per room	20,383
20.0 to 24.9 percent	619	9.3%	1.01 or more occupants per room	166
25.0 to 29.9 percent	566	8.5%	Lacking complete plumbing facilities:	25
30.0 to 34.9 percent	647	9.7%	Overcrowded or lacking plumbing	191
35.0 to 39.9 percent	276	4.1%	<b>Renter occupied:</b>	
40.0 to 49.9 percent	552	8.3%	Complete plumbing facilities:	6,660
50.0 percent or more	1,497	22.5%	1.00 or less occupants per room	6,502
Not computed	801	12.0%	1.01 or more occupants per room	158
			Lacking complete plumbing facilities:	0
			Overcrowded or lacking plumbing	158
			<b>Substandard Housing</b>	<b>349</b>
			<b>% Total Stock Substandard</b>	<b>1.3%</b>
			<b>% Rental Stock Substandard</b>	<b>2.4%</b>

Source: American Community Survey 2008-2012

## 2. Demand Analysis

Directly comparable units built or approved in the Easley Market Area since the base year of 2013 are subtracted from the demand estimates. Two tax credit communities were awarded credits in 2012 but opened in 2013: the 56-unit Pope Field Terrace and the 39-unit Cedar Brook Townhomes.

The overall demand capture rates by AMI level are 1.2 percent for 50 percent units, 3.2 percent for 60 percent units, and 3.6 percent for the project as a whole. By floor plan, capture rates range from 1.2 percent to 3.7 percent. All of these demand capture rates are well within the range of acceptability and below SCSHFDA’s threshold for viability of 30 percent. As such, sufficient demand exists to support the proposed 27 units at Aberdeen Chase.



**Table 35 Demand by AMI Level**

<i>Income Target</i>	50% Units	60% Units	LIHTC Units	Total Units
<i>Minimum Income Limit</i>	\$17,383	\$19,954	\$17,383	\$17,383
<i>Maximum Income Limit</i>	\$30,275	\$36,330	\$36,330	\$36,330
<i>(A) Renter Income Qualification Percentage</i>	19.9%	21.6%	26.3%	26.3%
<b>Demand from New Renter Households</b> <i>Calculation: (C-B) * A</i>	11	12	15	15
<b>Plus</b>				
<b>Demand from Substandard Housing</b> <i>Calculation: B * D * F * A</i>	35	38	47	47
<b>Plus</b>				
<b>Demand from Rent Over-burdened Households</b> <i>Calculation: B * E * F * A</i>	590	641	783	783
<b>Equals</b>				
<b>Total PMA Demand</b>	637	692	844	844
<b>Less</b>				
<b>Comparable Units</b>	36	59	95	95
<b>Equals</b>				
<b>Net Demand</b>	601	633	749	749
<b>Proposed Units</b>	7	20	27	27
<b>Capture Rate</b>	1.2%	3.2%	3.6%	3.6%

Demand Calculation Inputs	
(B) 2013 HH	28,098
(C) 2016 HH	28,309
(D) ACS Substandard Percentage	2.4%
(E) ACS Rent Over-Burdened Percentage	39.7%
(F) 2013 Renter Percent	26.7%

**Table 36 Demand by Floor Plan**

Two Bedroom Units	50% Units	60% Units	Total Units
<i>Minimum Income Limit</i>	\$21,257	\$22,937	\$21,257
<i>Maximum Income Limit</i>	\$26,200	\$31,440	\$31,440
<i>Renter Income Qualification Percentage</i>	8.2%	10.9%	14.0%
<b>Total Demand</b>	264	349	448
<b>Supply</b>	9	23	31
<b>Net Demand</b>	255	326	417
<b>Units Proposed</b>	3	12	15
<b>Capture Rate</b>	1.2%	3.7%	3.6%

Three Bedroom Units	50% Units	60% Units	Total Units
<i>Minimum Income Limit</i>	\$25,131	\$27,669	\$25,131
<i>Maximum Income Limit</i>	\$30,275	\$36,330	\$36,330
<i>Renter Income Qualification Percentage</i>	5.6%	9.3%	12.1%
<b>Total Demand</b>	181	299	388
<b>Supply</b>	21	26	47
<b>Net Demand</b>	160	273	341
<b>Units Proposed</b>	4	8	12
<b>Capture Rate</b>	2.5%	2.9%	3.5%





#### D. Target Markets

Aberdeen Chase will offer two and three bedroom floor plans with rents well below existing rental communities in the market area. These units will appeal to a wide variety of low and moderate income households ranging from couples to large families.

#### E. Product Evaluation

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

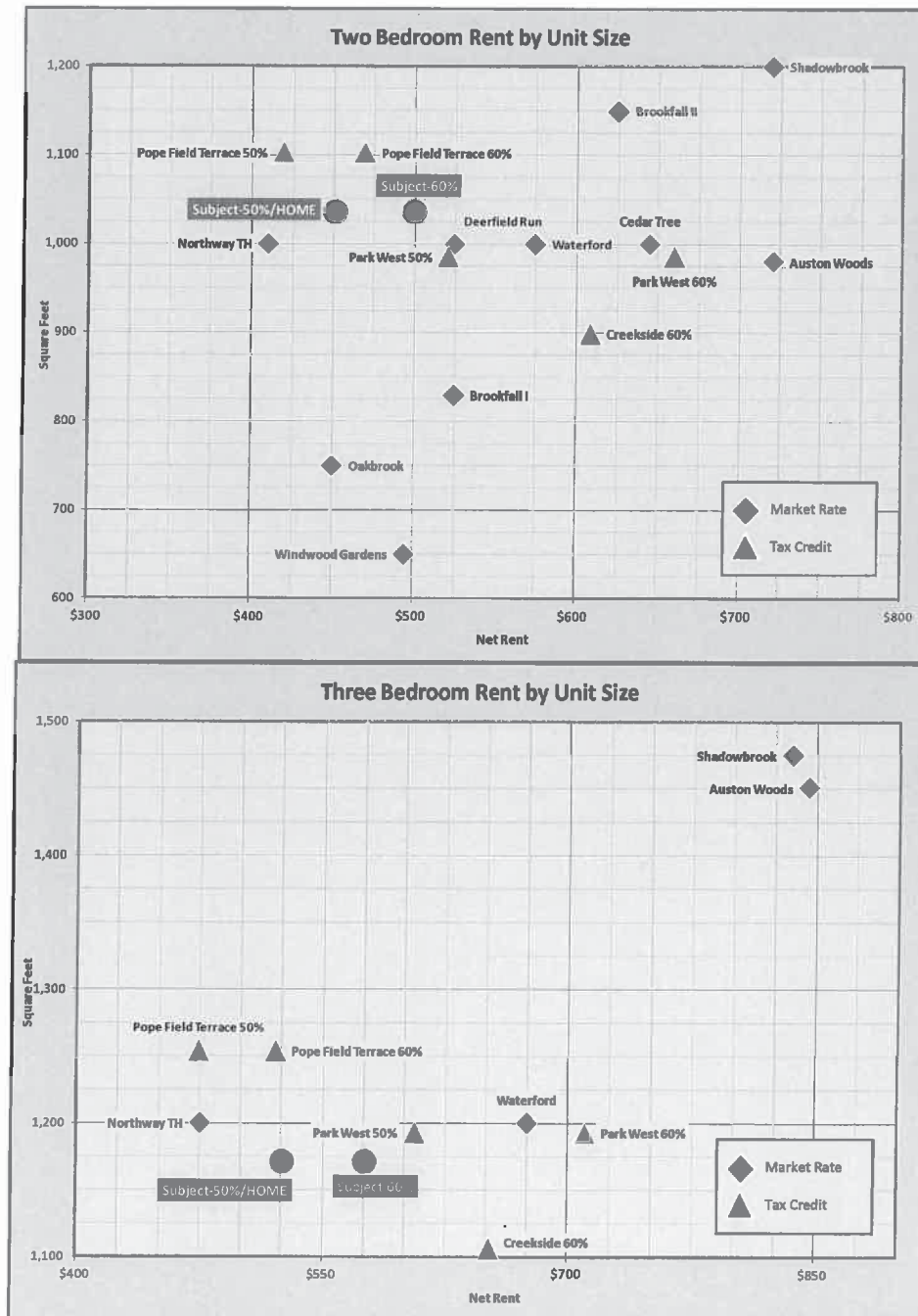
- **Site:** The subject site is appropriate for the development of multi-family apartments. The site is located within close proximity to transportation arteries, community amenities, shopping, and employment nodes.
- **Unit Distribution:** The proposed unit mix includes 15 two-bedroom units (55 percent) and 12 three-bedroom units (44 percent). The distribution of units within the market rate supply includes one bedroom units (16 percent) and proportionally fewer three bedrooms units (18 percent). That said, the subject is an all-townhome community in a market area dominated by garden style communities. Townhome communities seldom have one-bedroom units as they require a larger footprint and typically appeal to larger households. Overall, the unit distribution is appropriate for a townhome community in this market area and the larger units will provide an affordable alternative to scattered site rentals.
- **Unit Size:** The proposed unit size of 1,038 square feet for two bedroom units is six percent larger than the market area average of 976 square feet. The proposed three-bedroom size of 1,172 square feet is seven percent smaller than the average three-bedroom unit size, but still comparable to similar rental communities in the market area.
- **Unit Features:** The newly constructed units at the subject property will offer fully equipped kitchens with energy star appliances (refrigerator with ice maker, range, garbage disposal, dishwasher, and microwave). Flooring will be a combination of wall-to-wall carpeting and vinyl tile in the kitchen/bathrooms. In addition, all units will include ceiling fans, washer/dryer connections, patios/balconies, central air conditioning and window blinds. The proposed unit features at Aberdeen Chase will be competitive with the existing rental stock in the market area, including properties funded with tax credits.
- **Community Amenities:** Aberdeen Chase's amenity package will include a community room, computer center, and security cameras, which will be competitive with the Easley Market Area's existing rental stock. While the subject property will not include a swimming pool, the proposed amenities are appropriate given the low price position and small number of units.
- **Marketability:** The proposed units at Aberdeen Chase will be well received in the market area. Rents at the newly constructed units will comparable to or below the market average while providing a high level of amenities in an attractive location.



### F. Price Position

Figure 9 illustrates the relative positions of the proposed rent structure in the current marketplace. The two bedroom 60 percent rents are positioned below all 60 percent and market rate two bedroom units except Pope Field Terrace which is an inferior location. The two bedroom floorplan is one of the larger units in the market. The 50 percent two bedroom rents have an even greater price advantage. The three bedroom units are appropriately priced as well.

Figure 9 Price Position of Aberdeen Chase





### G. Absorption Estimate

Both of the newest communities in the market area—the 39-unit LIHTC community of Cedar Brook Townhomes and 56-unit LIHTC community of Pope Field Terrace—leased up in less than one month. That said, the administrative work of qualifying tenants prior to the completion of construction took considerable coordination. Management at Pope Field Terrace noted how hard they worked to prior to occupancy so that everyone could move in during the first 9 days of being open. Regardless, the population of the area is growing and the subject will be providing relatively few new units. Given the demand estimates, projected household growth, the product to be constructed, and the low proposed rents, we estimate that Aberdeen Chase will lease an average of at least 10-12 units per month. At this rate, Aberdeen Chase will reach a stabilized occupancy of 93 percent within two to three months.

### H. Impact on Existing Market

Given the small number of units and projected household growth, the construction of Aberdeen Chase is not expected to have an adverse impact on existing rental communities in the Easley Market Area. Overall, the rental market in the Easley Market Area is performing well with limited vacancies and an aggregate LIHTC vacancy rate of just 1.1 percent. As the Easley Market Area continues to experience steady population and household growth over the next three years, demand for rental housing is also likely to increase. The low capture rates demonstrate sufficient demand for affordable housing.

### I. Final Conclusion and Recommendation

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

Handwritten signature of Nicole D. Mathison in black ink, written over a horizontal line.

Nicole D. Mathison

Analyst

Handwritten signature of Tad Scepaniak in black ink, written over a horizontal line.

Tad Scepaniak

Principal



## 9. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



## 10. APPENDIX 2 ANALYST CERTIFICATIONS

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

*Nicole D. Mathison*

February, 27 2014

Nicole D. Mathison  
Analyst  
Real Property Research Group, Inc.

Date

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



## 11. APPENDIX 3 ANALYST RESUMES

### ROBERT M. LEFENFELD

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

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

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

#### Areas of Concentration:

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

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

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

#### Education:

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

**TAD SCEPANIAK**

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

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

**Areas of Concentration:**

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

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

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

Student Housing: Tad has conducted market analyses of student housing solutions for small to mid-size universities. The analysis includes current rental market conditions, available on-campus housing options, student attitudes, and financial viability of proposed developments. Completed campus studies include Southern Polytechnic University, University of Illinois Champaign-Urbana, North Georgia State College and University, and Abraham Baldwin Agricultural College.

**Education:**

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





**Nicole Mathison**

Nicole Mathison joined RPRG in 2013 where she focuses on rental market studies and community and economic analyses for development projects. She has also completed countywide rental assessments in Maryland for the Maryland Department of Housing and Community Development.

Nicole's background is in research and nonprofit administration in the fields of public health and higher education. Nicole recently earned a Master of Urban and Regional Planning degree at Virginia Tech. She obtained a specialization in Land Use Planning and completed coursework in Geographic Information Systems (GIS). As a student she conducted research on downtown revitalization, adaptive reuse of vacant big box stores, and the value of public art.

**Areas of Concentration:**

Low Income Housing Tax Credits: Nicole prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations. Studies include analysis of new construction as well as the feasibility of renovating existing family rental communities.

FHA Section 221(d)(4): Nicole prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies.

**Education:**

Master of Urban & Regional Planning – Virginia Tech, Blacksburg, VA  
Bachelor of Science, Food Science – North Carolina State



## 12. APPENDIX 4 NCHMA CHECKLIST

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

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	1
<b>Scope of Work</b>		
2	Scope of Work	1
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	5
4	Utilities (and utility sources) included in rent	5
5	Target market/population description	3
6	Project description including unit features and community amenities	5
7	Date of construction/preliminary completion	5
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
<b>Location</b>		
9	Concise description of the site and adjacent parcels	7
10	Site photos/maps	10,11
11	Map of community services	17
12	Site evaluation/neighborhood including visibility, accessibility, and crime	12-14
<b>Market Area</b>		
13	PMA description	26
14	<b>PMA MAP</b>	27
<b>Employment and Economy</b>		
15	At-Place employment trends	20
16	Employment by sector	21
17	Unemployment rates	19
18	Area major employers/employment centers and proximity to site	23, 25
19	Recent or planned employment expansions/reductions	N/A
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	29
21	Area building permits	30
22	Population and household characteristics including income, tenure, and size	33-35
23	For senior or special needs projects, provide data specific to target market	N/A
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	39
26	Existing rental housing evaluation including vacancy and rents	40
27	Comparison of subject property to comparable properties	42



28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	45
29	Rental communities under construction, approved, or proposed	47
30	For senior or special needs populations, provide data specific to target market	N/A
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	57
32	Affordability analysis with capture rate	55
33	Penetration rate analysis with capture rate	N/A
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	60
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	47
36	Precise statement of key conclusions	60
37	Market strengths and weaknesses impacting project	60
38	Recommendations and/or modification to project discussion	60
39	Discussion of subject property's impact on existing housing	60
40	Discussion of risks or other mitigating circumstances impacting project projection	60
41	Interviews with area housing stakeholders	1
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	N/A

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

Community	Address	City	Phone Number	Date Surveyed	Contact
Auston Woods	107 Auston Woods Circle	Easley	864-859-3050	2/14/2014	Property Manager
Brookfall I	100 Hillendale Ct	Easley	864-855-0780	2/11/2014	Property Manager
Brookfall II	103 Brookfall Ct	Easley	855-344-0780	2/11/2014	Property Manager
Cedar Brook Townhomes	120 Beverly Drive	Easley	864-859-1144	2/11/2014	Property Manager
Cedar Tree	112 Dayton School Rd	Easley	864-855-4494	2/14/2014	Property Manager
Creekside	100 Pebble Brook Ct	Easley	864-306-0930	2/18/2014	Property Manager
Deerfield Run	Deerfield Run & Olive St	Easley	864-855-4711	2/14/2014	Property Manager
Forest View	101 Forest View Circle	Liberty	864-843-9755	2/27/2014	Property Manager
Meadow Creek	107 Feldman Drive	Easley	864-884-6821	2/20/2014	Property Manager
Northway TH	Northway Dr & S. Lewis St	Pickens	864-855-0780	2/11/2014	Property Manager
Oakbrook	Honeybee Lane	Easley	864-307-9747	2/14/2014	Property Manager
Park West	300 DuVall St	Easley	864-859-3353	2/24/2014	Property Manager
Pickens	105 India Dr	Pickens	864-845-7721	2/27/2014	Property Manager
Pickens Gardens	102 Garden Dr	Pickens	864-878-2344	2/18/2014	Property Manager
Pope Field Terrace	110 Pearson Terrace Dr	Easley	864-859-7747	2/25/2014	Property Manager
Ridgeview	117 Ridgeview Dr	Pickens	864-878-2459	2/27/2014	Property Manager
Shadowbrook	219 Andrea Cir	Easley	864-855-0780	2/11/2014	Property Manager
Waterford	122 Riverstone Ct	Easley	864-855-4711	2/14/2014	Property Manager
Windwood Gardens	208 Windwood Dr	Pickens	864-878-4583	2/14/2014	Property Manager