



# Shaw Research & Consulting

Real Estate Analysis & Market Feasibility Services

A SENIOR RENTAL HOUSING  
MARKET FEASIBILITY ANALYSIS  
FOR

BEAUFORT, SOUTH CAROLINA  
*(Lady's Island - Beaufort County)*

*Villas at Sea Pointe Apartments*

*South side of Ferry Road, east of Lady's Island Drive  
Beaufort, South Carolina 29907*

March 1, 2016

*Prepared for:*

Brad Queener  
Villas at Sea Pointe, LLC  
709 N. Main Street  
Suite 200  
Aynor, SC 29511

*Prepared by:*

Steven Shaw  
Shaw Research & Consulting, LLC  
P.O. Box 38  
Bad Axe, MI 48413  
Phone: (989) 415-3554

## Table of Contents

<b>INTRODUCTION.....</b>	<b>1</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>A. PROJECT DESCRIPTION .....</b>	<b>5</b>
<b>B. SITE DESCRIPTION.....</b>	<b>7</b>
1. SITE VISIT DATE.....	7
2. SITE NEIGHBORHOOD AND OVERVIEW .....	7
3. NEARBY RETAIL.....	8
4. MEDICAL OFFICES AND HOSPITALS .....	8
5. OTHER PMA SERVICES .....	8
6. CRIME ASSESSMENT .....	18
7. ROAD/INFRASTRUCTURE IMPROVEMENTS.....	19
8. OVERALL SITE CONCLUSIONS .....	19
<b>C. PRIMARY MARKET AREA DELINEATION.....</b>	<b>20</b>
<b>D. MARKET AREA ECONOMY .....</b>	<b>25</b>
1. EMPLOYMENT BY INDUSTRY.....	25
2. COMMUTING PATTERNS .....	26
3. LARGEST EMPLOYERS .....	28
4. EMPLOYMENT AND UNEMPLOYMENT TRENDS.....	28
<b>E. COMMUNITY DEMOGRAPHIC DATA.....</b>	<b>32</b>
1. POPULATION TRENDS .....	32
2. HOUSEHOLD TRENDS.....	35
3. SENIOR-SPECIFIC DEMOGRAPHIC DATA.....	38
4. HOUSEHOLD INCOME TRENDS .....	42
<b>F. DEMAND ANALYSIS.....</b>	<b>46</b>
1. DEMAND FOR SENIOR TAX CREDIT RENTAL UNITS.....	46
2. CAPTURE AND ABSORPTION RATES.....	50
<b>G. SUPPLY/COMPARABLE RENTAL ANALYSIS.....</b>	<b>51</b>
1. BEAUFORT PMA RENTAL MARKET CHARACTERISTICS .....	51
2. COMPARABLE SENIOR RENTAL MARKET CHARACTERISTICS .....	52
3. COMPARABLE PIPELINE UNITS .....	53
4. IMPACT ON EXISTING TAX CREDIT PROPERTIES .....	53
6. MARKET RENT CALCULATIONS.....	63
<b>H. INTERVIEWS .....</b>	<b>66</b>
<b>I. CONCLUSIONS/RECOMMENDATIONS.....</b>	<b>67</b>
<b>J. SIGNED STATEMENT REQUIREMENTS .....</b>	<b>68</b>
<b>K. SOURCES.....</b>	<b>69</b>
<b>L. RESUME.....</b>	<b>70</b>

**CERTIFICATE OF ACCURACY AND RELIABILITY**

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.



---

Steven R. Shaw  
**SHAW RESEARCH & CONSULTING, LLC**

Date: March 1, 2016

## INTRODUCTION

Shaw Research & Consulting, LLC has prepared the following rental housing study to examine and analyze the Beaufort area as it pertains to the market feasibility of Villas at Sea Pointe Apartments, a proposed 48-unit affordable rental housing development targeted for low-income senior households. The subject proposal is to be located within the eastern edge of the city of Beaufort in a growing area on Lady's Island, approximately one mile east of the Beaufort River along the south side of Ferry Road. The site, which is less than one-eighth mile east of Lady's Island Drive (U.S. 21/NC 802) and approximately ¼ mile south of Sea Island Parkway (U.S. 21), is situated within a relatively residential area, along with a restaurant, retail, commercial, and vacant undeveloped property nearby.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Beaufort market area. All fieldwork and community data collection was conducted on February 23, 2016 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Villas at Sea Pointe Apartments will feature a total of 48 units (six one-bedroom and 42 two-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

## EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal, as described in the following project description, within the Beaufort market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal is a 48-unit senior-only rental development targeting low-income senior households. The facility will consist of a mix of one and two bedroom units restricted to households at 50 and 60 percent of AML.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional rental units within the Beaufort PMA. Capture rates are presented in Exhibit S-2 (following the executive summary), and are reflective of the need for affordable senior rental housing locally.
- 3) Occupancy rates for affordable rental housing are quite positive throughout the local market area at the current time. As such, an overall occupancy rate of 97.9 percent was calculated among 20 properties (including three senior) included in a February 2016 survey of rental developments identified and contacted within or near the PMA.
- 4) There is only one senior tax credit development within the defined PMA – Laurel Hills Apartments is a 71-unit property constructed in 2005 in Port Royal. According to survey results, the project is 99 percent occupied with a small waiting list.
- 5) There is a general lack of senior-only housing within the Beaufort area. Only three senior properties were identified (one LIHTC and two subsidized), with only one vacancy combined and all maintaining a waiting list.
- 6) Based on U.S. Census figures and ESRI forecasts, senior demographic patterns throughout the Beaufort area have been quite positive since 2000. As such, the senior population (55 and over) within the PMA increased by 15 percent between 2010 and 2015, representing more than 1,600 additional senior residents during this time. Further, future projections indicate these gains will continue, with an additional increase of 13 percent anticipated between 2015 and 2020.
- 7) Considering the subject's proposed targeting, affordable rental rates, and competitive unit sizes and development features, the introduction of The Villas at Sea Pointe Apartments should prove successful. Based on positive demographic patterns, and relatively high occupancy levels throughout the local rental stock, especially among senior and affordable properties, a newly constructed senior-only rental option should be successful within the Beaufort PMA. As such, evidence presented within the market study suggests a normal lease-up period (between five and seven months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

**2016 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:**

Development Name:	VILLAS AT SEA POINTE	Total # Units:	48
Location:	Ferry Road	# LIHTC Units:	48
PMA Boundary:	North - 5.5 miles; South - 4 miles; East - 2 miles; West - 7 miles		
Development Type:	Family 55+ Older Persons	Farthest Boundary Distance to Subject:	7 Miles

**RENTAL HOUSING STOCK (found on page 54)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	20	2,178	46	97.9%
Market-Rate Housing	7	1,376	37	97.3%
Assisted/Subsidized Housing not to include LIHTC	6	307	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	<b>7</b>	<b>495</b>	<b>9</b>	<b>98.2%</b>
Stabilized Comps**	7	495	9	98.2%
Non-stabilized Comps	0	0	0	NA

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

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

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
2	1 BR	1.0	810	\$500	\$879	\$1.15	43.1%	\$1,138	\$1.32
4	1 BR	1.0	810	\$600	\$879	\$1.15	31.7%	\$1,138	\$1.32
9	2 BR	2.0	965	\$600	\$929	\$0.87	35.4%	\$1,244	\$1.12
33	2 BR	2.0	965	\$700	\$929	\$0.87	24.7%	\$1,244	\$1.12
0	3 BR	--	--	--	--	--	--	--	--
0	3 BR	--	--	--	--	--	--	--	--
<b>Gross Potential Rent Monthly*</b>				<b>\$31,900</b>	<b>\$44,297</b>		<b>27.99%</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 32)**

	2010		2015		2018	
Renter Households	1,416	20.9%	1,638	20.9%	1,771	20.9%
Income-Qualified Renter HHs (LIHTC)	365	25.8%	423	25.8%	457	25.8%
Income-Qualified Renter HHs (MR)	--	--	--	--	--	--

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 48)**

Type of Demand	50%	60%	Market Rate	Other:	Other:	Overall
Renter Household Growth	21	26				34
Existing Households (Overburd + Substand)	92	113				152
Homeowner Conversion (Seniors)	12	18				21
Other:	--	--				--
Less Comparable/Competitive Supply	0	0				0
<b>Net Income-Qualified Renter HHs</b>	<b>126</b>	<b>157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>207</b>

**CAPTURE RATES (found on page 48)**

Targeted Population	50%	60%	Market Rate	Other:	Other:	Overall
Capture Rate	8.8%	23.6%				23.2%

**ABSORPTION RATE (found on page 50)**

Absorption Period:	5 to 7	months
--------------------	--------	--------

2016 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
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
0	0 BR		\$0		\$0	
2	1 BR	\$500	\$1,000	\$889	\$1,778	
4	1 BR	\$600	\$2,400	\$889	\$3,557	
0	1 BR		\$0		\$0	
9	2 BR	\$600	\$5,400	\$957	\$8,612	
33	2 BR	\$700	\$23,100	\$957	\$31,578	
0	2 BR		\$0		\$0	
0	3 BR		\$0		\$0	
0	3 BR		\$0		\$0	
0	3 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
0	4 BR		\$0		\$0	
<b>Totals</b>	<b>48</b>		<b>\$31,900</b>		<b>\$45,525</b>	<b>29.93%</b>

**A. PROJECT DESCRIPTION**

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions:

<b>Project Name:</b>	<b>VILLAS AT SEA POINTE</b>								
<b>Project Address:</b>	<b>Ferry Road</b>								
<b>Project City:</b>	<b>Beaufort, South Carolina (Lady's Island)</b>								
<b>County:</b>	<b>Beaufort County</b>								
<b>Total Units:</b>	<b>48</b>								
<b>Occupancy Type:</b>	<b>Older Persons (55+)</b>								
<b>Construction Type:</b>	<b>New Construction</b>								
<b>Income Targeting*:</b>	<i>Overall - \$17,310 to \$32,400</i> <i>50% AMI - \$17,310 to \$27,000</i> <i>60% AMI - \$20,310 to \$32,400</i>								
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Average Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
<b>One-Bedroom Units</b>	<b>6</b>								
50% of Area Median Income	2	Apt	1.0	810	\$500	\$77	\$577	\$632	No
60% of Area Median Income	4	Apt	1.0	810	\$600	\$77	\$677	\$759	No
<b>Two-Bedroom Units</b>	<b>42</b>								
50% of Area Median Income	9	Apt	2.0	965	\$600	\$103	\$703	\$758	No
60% of Area Median Income	33	Apt	2.0	965	\$700	\$103	\$803	\$910	No

\*Maximum LIHTC Rents and Income Limits are based on 2015 Income & Rent Limits (effective 3/6/2015) obtained from SCSHFDA website (www.schousing.com).



**Project Description:**

Development Location.....Beaufort, South Carolina  
 Construction Type.....New construction  
 Occupancy Type .....Older Persons (55+)  
 Target Income Group.....100% LIHTC (50% and 60% AMI)  
 Special Population Group .....N/A  
 Number of Units by Unit Type .....See previous page  
 Unit Sizes .....See previous page  
 Rents and Utility Information .....See previous page  
 Proposed Rental Assistance (PBRA).....None

**Project Size:**

Total Development Size.....48 units  
 Number of Affordable Units.....48 units  
 Number of Market Rate Units.....0 units  
 Number of PBRA Units .....0 units  
 Number of Employee Units .....0 unit

**Development Characteristics:**

Number of Total Units .....48 units  
 Number of Garden Apartments.....48 units  
 Number of Townhouses .....0 units  
 Number of Residential Buildings.....1 (*maximum three story*)  
 Number of Community Buildings .....0  
 Exterior Construction.....Minimum 70% Brick

**Unit Amenities:**

- Frost Free Refrigerator
- Oven/Range
- Dishwasher
- Garbage Disposal
- Microwave
- Washer/Dryer Hook-Up
- Mini-Blinds/Vertical Blinds
- Central Air Conditioning
- Walk-In Closet
- In-Unit Emergency Call System

**Development Amenities:**

- Multi-Purpose Room w/ Kitchenette
- Equipped Computer Center
- Equipped Exercise Room
- On-Site Management Office
- On-Site Laundry Facility
- Elevator
- Covered Gazebo w/ Picnic Tables

**Additional Assumptions:**

- Trash removal will be included in the rent. Water, sewer, electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for late 2017/early 2018

## B. SITE DESCRIPTION

### 1. Site Visit Date

All fieldwork and community data collection was conducted on February 23, 2016 by Steven Shaw.

### 2. Site Neighborhood and Overview

The subject property is located in a growing area within the eastern edge of the city of Beaufort along the south side of Ferry Drive, just east of Lady's Island Drive (U.S. 21/NC 802). As such, the site is situated on Lady's Island, and is approximately ¼ mile south of Sea Island Parkway (U.S. 21) and one mile east of the Beaufort River. Characteristics of the immediate neighborhood are somewhat mixed, but are mostly residential (single-family and multi-family), along with retail, commercial, a restaurant, and vacant undeveloped property nearby. A new family tax credit multi-family development (Sea Pointe Apartments) is located adjacent to the south of the subject property, while single-family homes are situated adjacent to the east. In addition, a restaurant (Brody's Bar and Grill) is adjacent to the west, and a newly constructed Publix Supermarket can be found directly to the north of the site.

The subject property consists of approximately 2.7 acres of generally flat, undeveloped, densely-wooded property. Situated within Census Tract 9.03 of Beaufort County, the site is currently zoned as General Commercial (which allows for the development of multi-family units). Based on current usages, current zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** New retail/commercial (*Publix Supermarket – in excellent condition*)
- South:** New multi-family (*Sea Pointe Apartments – in excellent condition*)
- West:** Restaurant (*Brody's Bar and Grill – in good condition*)
- East:** Single-family homes (*fair to good condition*)

Access to the site will be from Ferry Drive, a lightly-traveled secondary residential street providing access to Lady's Island Drive to the west, and Sea Island Parkway to the northeast. Overall, the subject property's location along a seemingly quiet residential street provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in good condition. Although the site does not have good visibility from

a well-traveled roadway, its location is within ¼ mile of two popular thoroughfares offering abundant retail opportunities should be considered a positive attribute and suitable for multi-family housing. In addition, Sea Island Parkway (U.S. 21/Branch U.S. 21) provides access to downtown Beaufort to the northwest, as well as much of the area's retail, medical, educational, and employment locales.

### **3. Nearby Retail**

The subject property is situated within walking distance to various retail opportunities. As such, the site is within ½ mile of several shopping centers – including Publix Supermarket and Pharmacy, Food Lion, Dollar General, Walgreens, and Rite-Aid. Located approximately ¼ mile north of the site, Sea Island Parkway represents one of the foremost retail/commercial corridors on Lady's Island, and also provides a direct route to downtown Beaufort (approximately two miles northwest of the site). In addition to various retail opportunities near the downtown area, other retail areas in the southern portion of Beaufort can be accessed via Lady's Island Drive (just west of the site).

### **4. Medical Offices and Hospitals**

Numerous medical services and physician offices can be found throughout the immediate area as well. The nearest full-service hospital to the subject property is Beaufort Memorial Hospital, which is situated west of the Beaufort River along Ribaut Road and south of the downtown area (approximately 4¼ miles west of the site). In addition, the Beaufort Medical Plaza and Hospital Medical Park are adjacent to the hospital, offering various medical services and specialty offices. Closer to the site, three medical offices can be found less than ½ mile from the subject, including Lowcountry Urgent Care (at the southwest corner of Ferry Road and Sea Island Parkway), Primecare Health Center (along Lady's Island Drive), and Sea Island Medical Practice (also along Lady's Island Drive).

### **5. Other PMA Services**

Additional services of note within the market area include a library, YMCA, and several parks and recreational facilities. The Beaufort County Library is located approximately two miles from the site in downtown Beaufort, while the Wardle Family YMCA can be found roughly 3½ miles from the site in Port Royal, offering activities and services for all ages.

Bus/transit services are provided locally through Palmetto Breeze Transit, which offers fixed-route and dial-a-ride services throughout Allendale, Beaufort, Colleton, Hampton, and Jasper Counties. As such, the nearest fixed bus route is within walking distance of the site along both Lady's Island Drive and Sea Island Parkway.

The following identifies pertinent locations and features within the Beaufort market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

#### **Retail**

1. Publix Supermarket.....adjacent to north
2. Food Lion grocery.....0.3 miles northeast
3. Dollar General.....0.3 miles northeast
4. Walgreens pharmacy.....0.3 miles north
5. Island Square shopping center .....0.4 miles northwest  
(includes Rite-Aid Pharmacy, Island Meat Market, and Grayco Hardware)
6. Dollar Tree .....0.6 miles northwest
7. Piggly Wiggly/Sears Home Store/Maxway .....3.1 miles southwest
8. Cross Creek Plaza shopping center.....6.4 miles northwest  
(includes Belk, JC Penney, Best Buy, TJ Maxx, PetSmart, Hibbett Sports, Radio Shack, Rue21, Cato Fashions, The Shoe Dept, Rent-A-Center, UPS Store)
9. Walmart Supercenter .....6.5 miles northwest

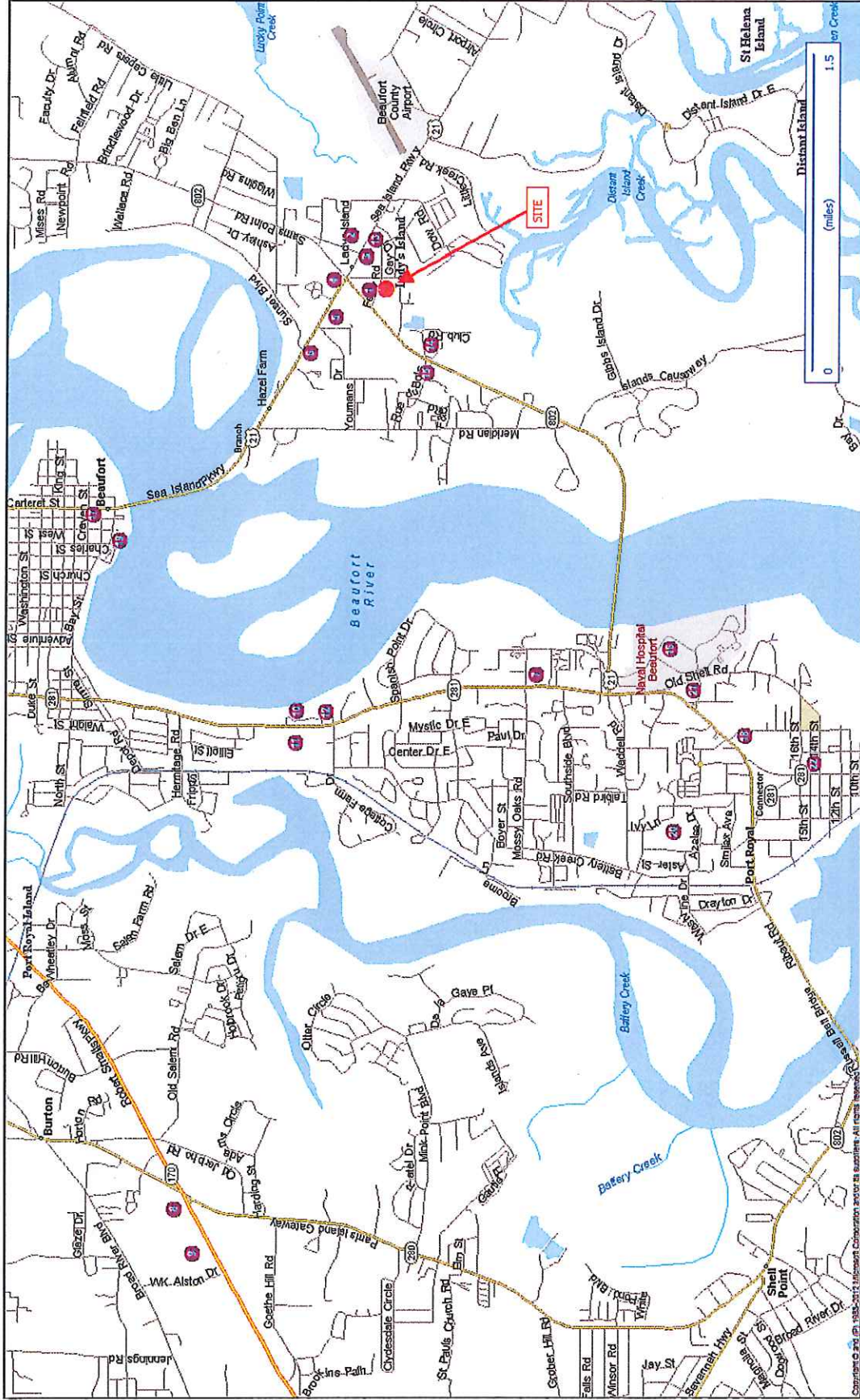
#### **Medical**

10. Beaufort Memorial Hospital .....4.3 miles west
11. Hospital Medical Park.....4.3 miles west
12. Beaufort Medical Plaza.....4.2 miles west
13. Lowcountry Urgent Care .....0.3 miles northeast
14. Primecare Health Center .....0.4 miles southwest
15. Sea Island Medical Practice .....0.4 miles southwest
16. U.S. Naval Hospital – Beaufort .....2.9 miles southwest

#### **Recreation/Other**

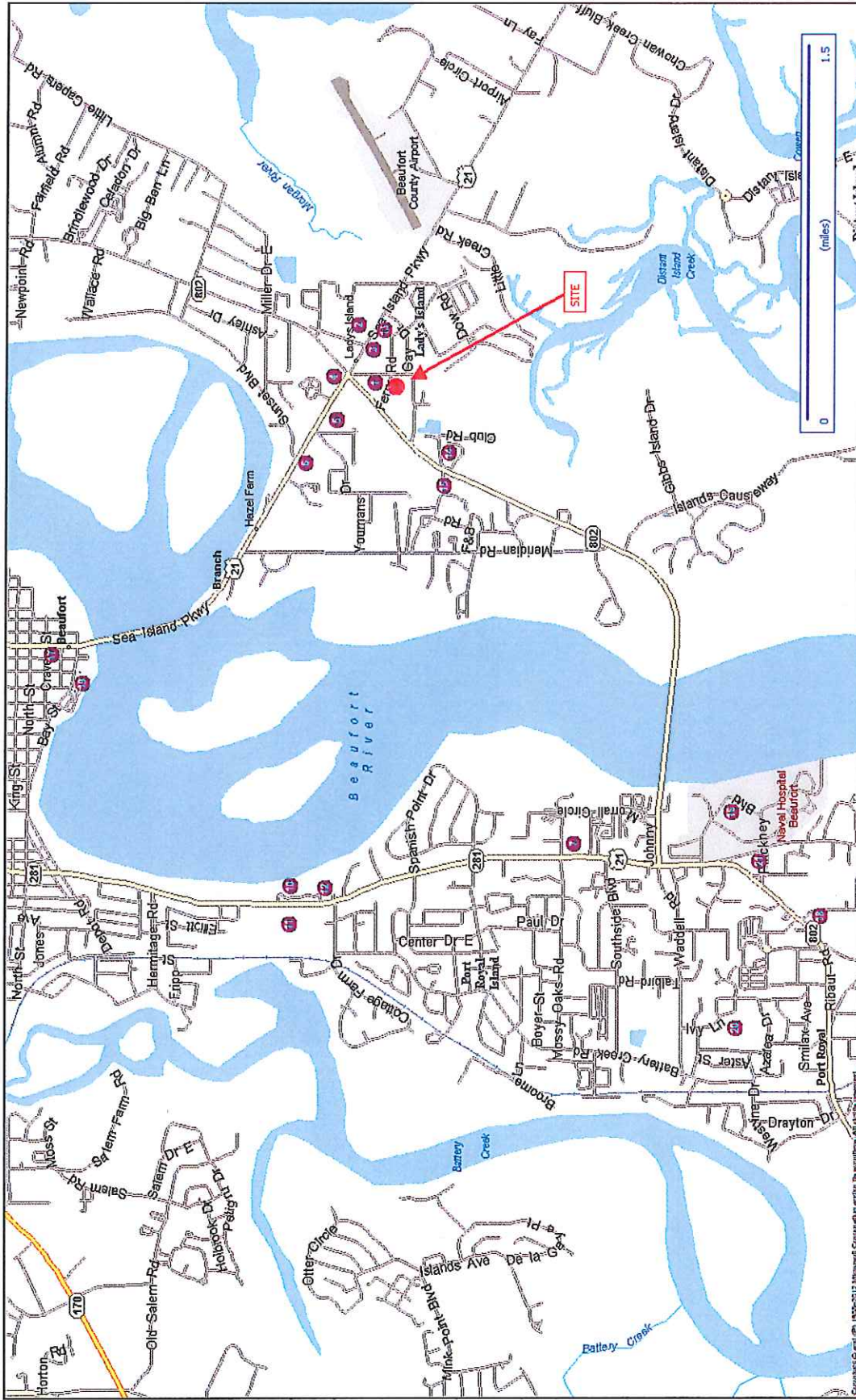
17. Beaufort County Library.....2.1 miles northwest
18. Wardle Family YMCA .....3.5 miles southwest
19. Chambers Waterfront Park .....2.1 miles northwest
20. Arthur Horne Nature Park.....3.6 miles southwest
21. Naval Heritage Park w/ Farmers Market .....3.1 miles southwest
22. Senior Services of Beaufort .....3.9 miles southwest

Map 1: Local Features/Amenities – Beaufort/Beaufort Area



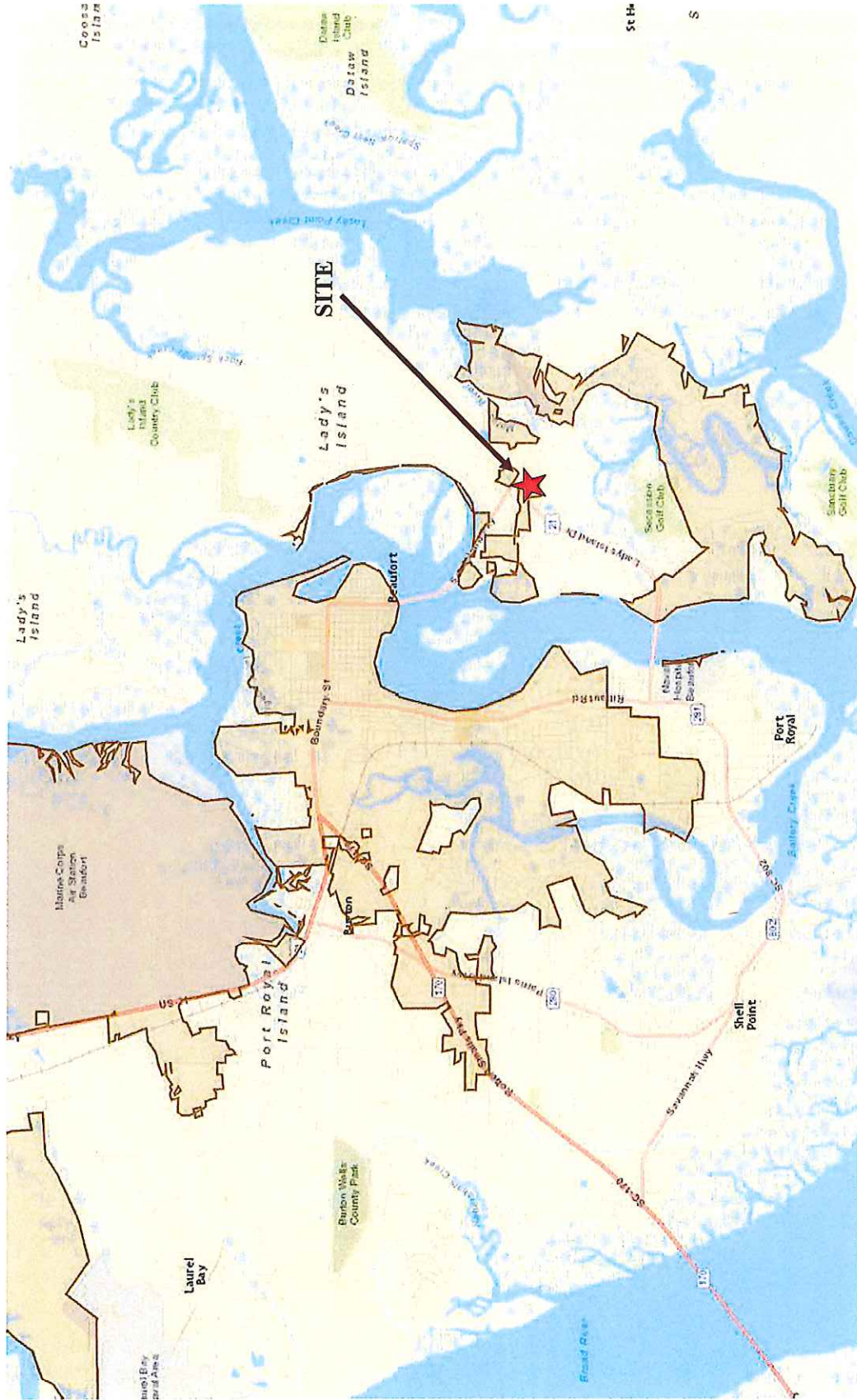


Map 2: Local Features/Amenities – Close View





Map 3: Site Location – City of Beaufort



NOTE: Shaded area is city of Beaufort



Map 4: Site Location - Aerial Photo



Progress Design Studio, LLC  
ARCHITECTURAL PLANNED VISUALIZATION  
mstudio@progressdesignstudio.com

**VILLAS AT SEA POINTE**  
Location: Sea Pointe, SC  
Bradley Beaufort, LLC

**VICINITY MAP - SITE LOCATION**

**SITE PLAN**  
Scale: 1"=100'

0' 20' 50' 100' 150'

**NOTES:**

- 48 UNITS -
- 1 X 3 STORY 48 UNIT BUILDING.
- 1 BED = 6 UNITS (13%)
- 2 BED = 42 UNITS (87%)

**PARKING:**

- PROVIDED
- 90 PARKING SPACES (INCLUDING)

**Single-family homes**

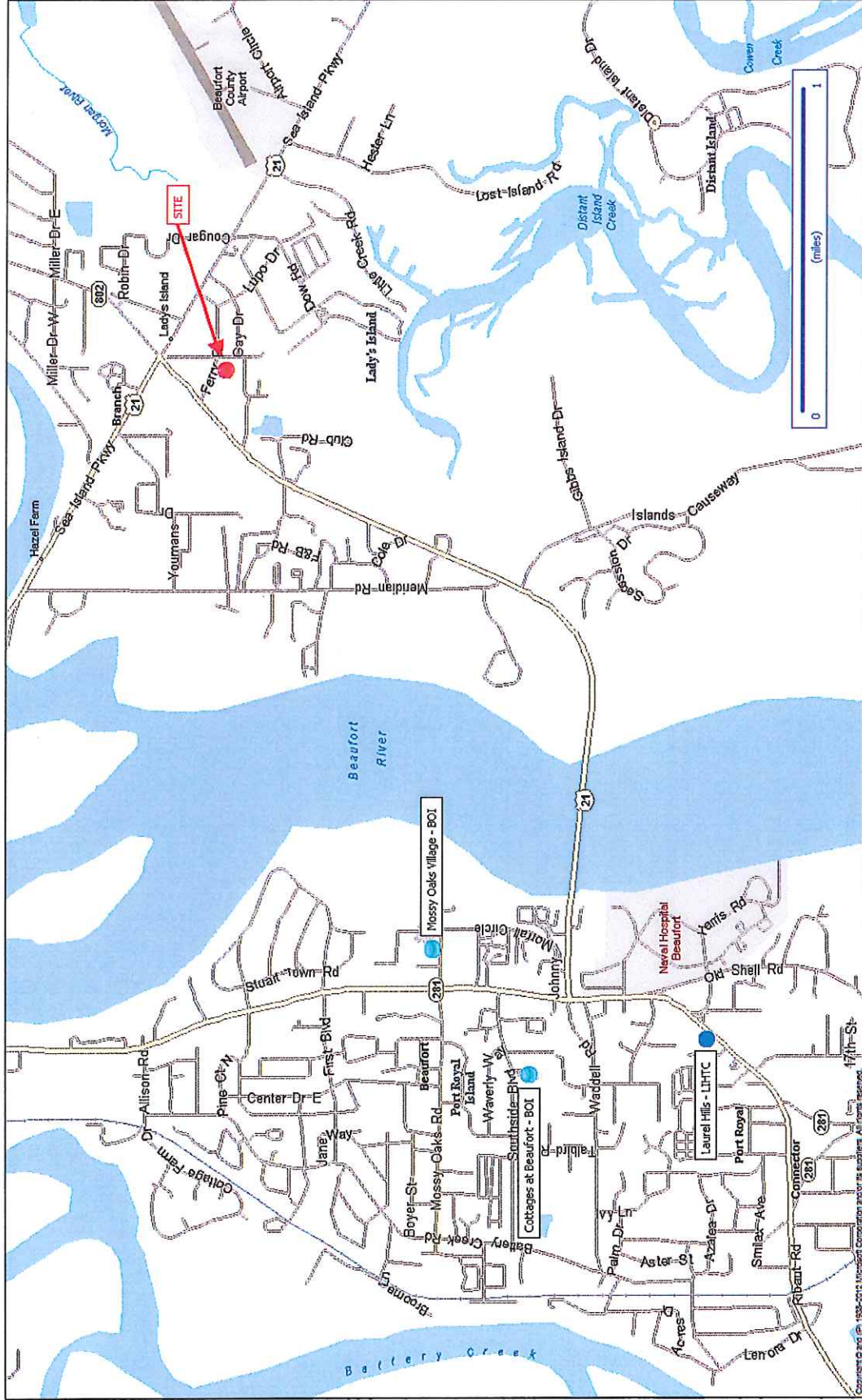
Unit Summary			
Name	Unit Type	# of Units	Total Heated Area
A1	1Bed/1Bath	6	810
B1	2Bed/2Bath	30	960
B2	2Bed/2Bath	6	970
B3	2Bed/2Bath	6	960
<b>Total</b>		<b>48</b>	<b>4,800</b>

Buildings Summary			
48 Unit Building Summary	Total Non-Residential Heated SF	Total Heated	Total Gross
Grand Totals	45,420	11,780	57,200
			63,600

PDS - 16202 - 03/04/2016  
This document is intended to be used for presentation purposes only. Refer to surveys and civil drawings for technical information and measurements.



Map 5: Senior Affordable Rental Housing – Beaufort Area





Site/Neighborhood Photos



**SITE – Villas at Sea Pointe Apartments  
Beaufort, SC  
Facing north from Sea Pointe Apartments**



**SITE – Villas at Sea Pointe Apartments  
Beaufort, SC  
Facing east from entrance drive to Sea Pointe Apts**



**SITE – Villas at Sea Pointe Apartments  
Beaufort, SC  
Facing west from Hazel Farm Road**



**SITE – Villas at Sea Pointe Apartments  
Beaufort, SC  
Facing south from Ferry Road**





**New Publix Supermarket adjacent to north of site  
Facing north from Ferry Drive**



**Sea Pointe Apartments adjacent to south of site  
Facing south from subject property**



**Restaurant adjacent to west of site  
Facing west from entrance drive to Sea Pointe Apts**



**Single-family home adjacent to east of site  
Facing east from Hazel Farm Road**





Facing west along Ferry Drive from Hazel Farm Road  
Site is on left, Publix is on right



Facing south along entrance drive to Sea Pointe Apts  
from Ferry Drive  
Site is on left, restaurant is on right



Facing north along Hazel Farm Road  
Site is on left



Facing south along Hazel Farm Road from Ferry  
Drive  
Site is on right

### 6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is comparable to state norms, but somewhat above national levels. According to data obtained from CLResearch.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29907) had a Total Crime Risk index of 115 – as compared to 130 for the state (whereas an index of 100 is the national average). According to index values, Larceny Risk was the highest (at 179) followed closely by Rape Risk (172). Conversely, Robbery Risk and Automotive Theft Risk (at 36 and 46, respectively) were the lowest of all factors, and also well below state and national averages. Overall, five of the seven risk factors for the neighborhood are below state norms, while two are below national averages. As such, considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site, or community as a whole.

**Table 1: Crime Risk Index**

	Zip: 29907 Index*	State Index*
<b>Total Crime Risk Index</b>	115	130
<b>Personal Crime Index</b>	128	165
Murder Risk	116	138
Rape Risk	172	138
Robbery Risk	36	95
Assault Risk	117	200
<b>Property Crime Index</b>	127	124
Burglary Risk	131	137
Larceny Risk	179	125
Automotive Theft Risk	46	91
*Values are represented as an index, where the value 100 represents the national average.		
Source: HomeFair.com - Data by Zip Code		

**7. Road/Infrastructure Improvements**

Based on the site visit and evaluation of the local market area, no significant road work and/or infrastructure improvements were observed near the site that would have any impact (positive or negative) on the marketability or absorption of the subject proposal.

**8. Overall Site Conclusions**

Overall, the majority of necessary services are situated within a short distance of the site, with several retail centers (with a Publix, Food Lion, Dollar General, Walgreens, and Rite Aid Pharmacy all within ½ mile), medical offices, parks, and other various services all located within the immediate area. Based on a site visit conducted February 23, 2016, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location is readily accessible to Lady's Island Drive (U.S. 21/NC 802) and Sea Island Parkway (U.S. 21), offering easy access to downtown Beaufort and most local retail/commercial areas. The subject property has a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in fair to good condition.

### C. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Beaufort PMA consists of Beaufort and the immediate surrounding area, and also includes the community of Port Royal. More specifically, the PMA is comprised of a total of nine census tracts within central Beaufort County, reaching approximately two miles to the east of the site, 5½ miles to the north, four miles to the south, and roughly seven miles to the west. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on the characteristics of the Beaufort area as well as the site's location less than ¼ mile from Lady's Island Drive (U.S. 21/NC 802) and Sea Island Parkway (U.S. 21) – each providing relatively convenient transportation throughout the region.

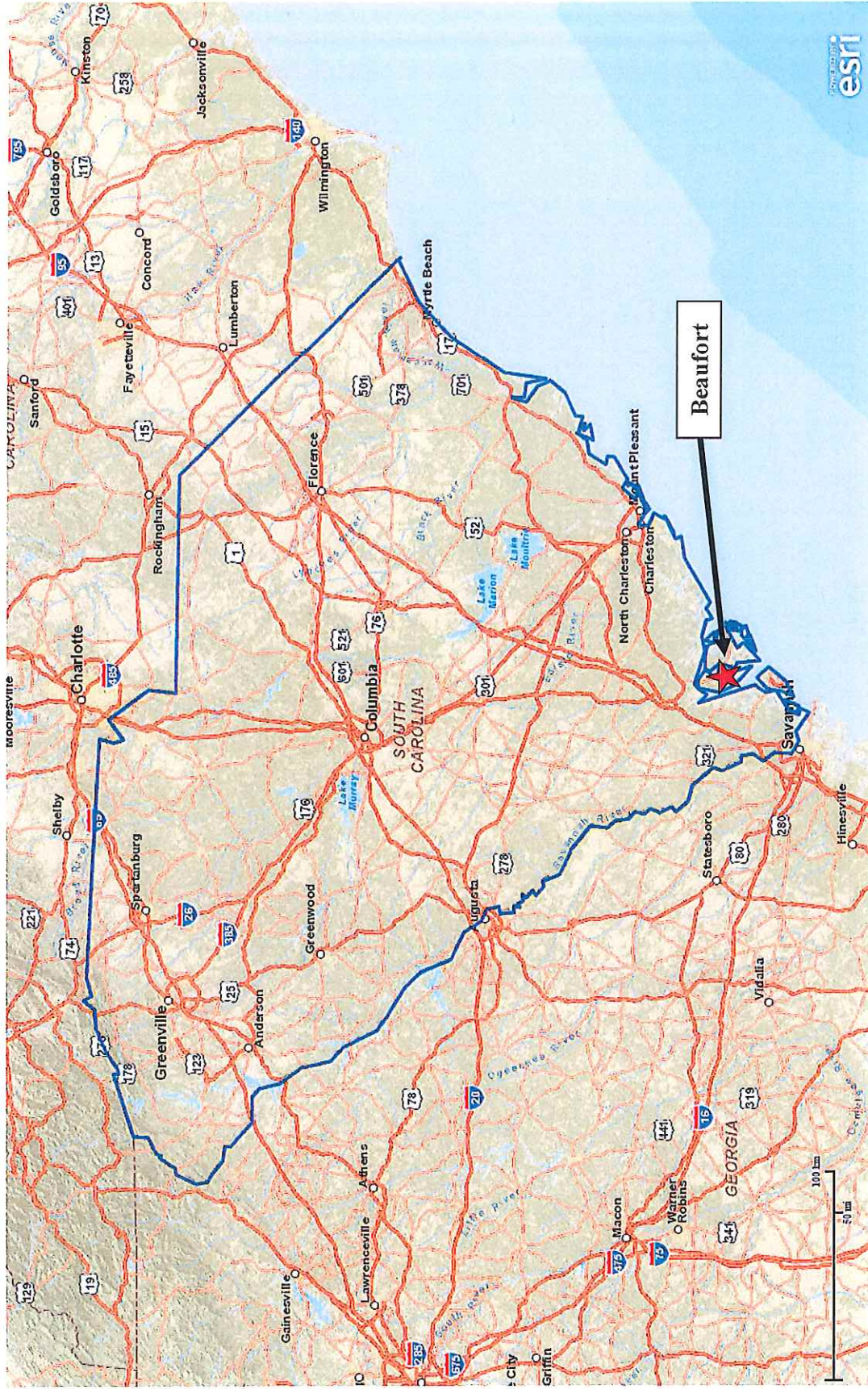
Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, physical boundaries, and personal experience were utilized when defining the primary market area. As such, the PMA is comprised of the following census tracts (*all are in Beaufort County*):

- Tract 5.01
- Tract 5.02
- Tract 5.03
- Tract 6.00
- Tract 7.00
- Tract 8.00
- Tract 9.01
- Tract 9.02
- Tract 9.03\*

\* Site is located in Census Tract 9.03

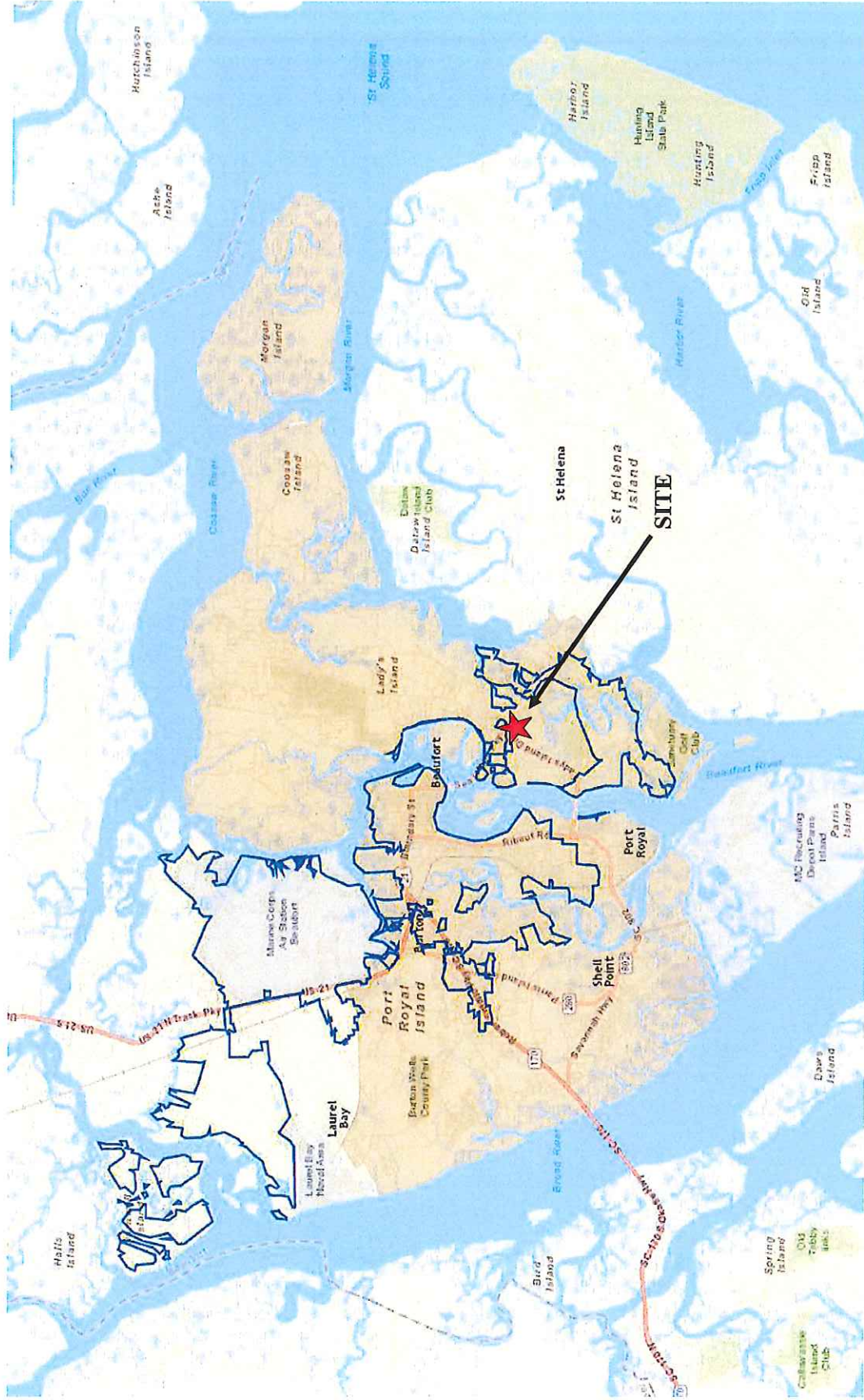


Map 6: State of South Carolina





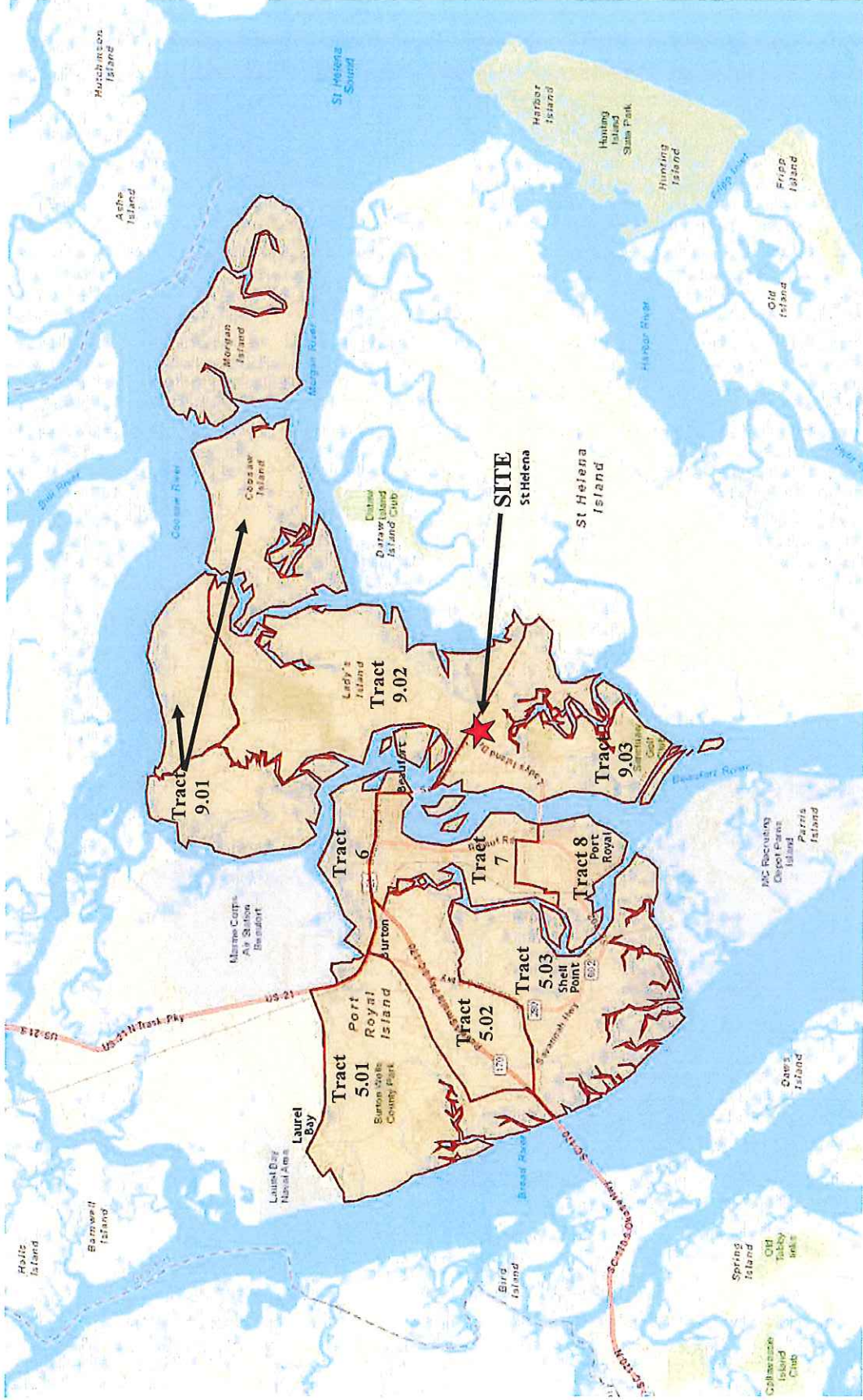
Map 7: Beaufort PMA



NOTE: Shaded area is PMA; Blue outline is city of Beaufort



Map 8: Primary Market Area – Census Tracts



**Table 2: Race Distribution (2010)**

Census Tract 9.03 - Beaufort County, SC		
	<u>Number</u>	<u>Percent</u>
Total Population (all races)	1,778	100.0%
White*	1,250	70.3%
Black or African American*	447	25.1%
American Indian/Alaska Native*	9	0.5%
Asian*	34	1.9%
Native Hawaiian/Pacific Islander*	0	0.0%
Other Race*	58	3.3%

\*NOTE: Race figures are "alone or in combination" - which allows persons to report their racial makeup as more than one race. As such, the sum of individual races may add up to more than the total population.

SOURCE: U.S. Census - 2010 - Table QT-P6

## D. MARKET AREA ECONOMY

### 1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within the private sector in Beaufort County was accommodation/food services (20 percent of all jobs), followed by persons employed in retail trade (16 percent), and health care/social assistance (14 percent). Based on a comparison of employment by industry from 2010, the majority of industries experienced a net gain over the past five years. Accommodation/food services had the largest growth (1,519 new jobs), followed by retail trade and health care/social assistance (both increasing by more than 1,200 jobs). In contrast, industries experiencing the greatest declines include public administration, information, and retail estate - each declining by more than 300 jobs between 2010 and 2015

**Table 3: Employment by Industry – Beaufort County (2Q 2015)**

Industry	2015 (2Q)		2010 (2Q)		Change (2010-2015)	
	Number Employed	Percent	Number Employed	Percent	Number Employed	Percent
Total, All Industries - Private	63,402	100.0%	58,310	100.0%	5,092	9%
Agriculture, forestry, fishing and hunting	716	1.1%	776	1.3%	(60)	(8%)
Mining	*	*	*	*	*	*
Utilities	347	0.5%	330	0.6%	17	5%
Construction	3,531	5.6%	3,150	5.4%	381	12%
Manufacturing	748	1.2%	724	1.3%	24	3%
Wholesale trade	633	1.0%	599	1.0%	34	6%
Retail trade	10,201	16.1%	8,805	15.2%	1,396	16%
Transportation and warehousing	930	1.5%	930	1.6%	0	0%
Information	395	0.6%	740	1.3%	(345)	(47%)
Finance and insurance	1,489	2.3%	1,463	2.5%	26	2%
Real estate and rental and leasing	2,130	3.4%	2,442	4.2%	(312)	(13%)
Professional and technical services	2,436	3.8%	2,117	3.7%	319	15%
Management of companies and enterprises	854	1.3%	*	*	*	*
Administrative and waste services	4,036	6.4%	3,861	6.7%	175	5%
Educational services	4,083	6.4%	3,959	6.8%	124	3%
Health care and social assistance	8,955	14.1%	7,742	13.4%	1,213	16%
Arts, entertainment, and recreation	2,605	4.1%	2,003	3.5%	602	30%
Accommodation and food services	12,569	19.8%	11,050	19.1%	1,519	14%
Other services, exc. public administration	3,420	5.4%	3,446	6.0%	(26)	(1%)
Public administration	3,323	5.2%	3,762	6.5%	(439)	(12%)

\* - Data Not Available  
Source: South Carolina Department of Employment & Workforce - Beaufort County, SC (2010 - 2015)

## 2. Commuting Patterns

Based on an economy dependent largely on the tourism industry, far more workers commute to Beaufort County than commute away from the county for employment, according to U.S. Census information. Overall, the vast majority of PMA residents stay within the county to work. Based on place of employment (using 2014 American Community Survey data), 94 percent of PMA residents are employed within Beaufort County, while just six percent work outside of the county (most of which commute to Jasper and Chatham Counties).

An overwhelming majority of workers throughout Beaufort County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to ACS data, approximately 82 percent of workers within the PMA drove alone to their place of employment, while ten percent carpooled in some manner. Only a very small number (five percent) utilized public transportation, walked, or used some other means to get to work.

**Table 4: Place of Work/ Means of Transportation (2014)**

EMPLOYMENT BY PLACE OF WORK						
	City of Beaufort		Beaufort PMA		Beaufort County	
<b>Total</b>	<b>6,352</b>	<b>100.0%</b>	<b>19,468</b>	<b>100.0%</b>	<b>73,242</b>	<b>100.0%</b>
Worked in State of Residence	6,219	97.9%	18,936	97.3%	69,929	95.5%
Worked in County of Residence	5,964	93.9%	18,249	93.7%	66,848	91.3%
Worked Outside County of Residence	255	4.0%	687	3.5%	3,081	4.2%
Worked Outside State of Residence	133	2.1%	532	2.7%	3,313	4.5%

MEANS OF TRANSPORTATION TO WORK						
	City of Beaufort		Beaufort PMA		Beaufort County	
<b>Total</b>	<b>6,352</b>	<b>100.0%</b>	<b>19,468</b>	<b>100.0%</b>	<b>70,383</b>	<b>100.0%</b>
Drove Alone - Car, Truck, or Van	4,723	74.4%	15,896	81.7%	52,627	74.8%
Carpooled - Car, Truck, or Van	778	12.2%	1,878	9.6%	8,319	11.8%
Public Transportation	0	0.0%	72	0.4%	314	0.4%
Walked	223	3.5%	335	1.7%	1,953	2.8%
Other Means	251	4.0%	566	2.9%	2,302	3.3%
Worked at Home	377	5.9%	721	3.7%	4,868	6.9%

Source: U.S. Census Bureau; American Community Survey

**Table 5: Employment Commuting Patterns (2010)**

Persons Commuting TO Beaufort County		Persons Commuting FROM Beaufort County	
Commuters Living In:	<u>Number</u>	Commuters Working In :	<u>Number</u>
Jasper County, SC	3,787	Jasper County, SC	1,756
Hampton County, SC	1,398	Chatham County, GA	1,608
Chatham County, GA	1,373	Charleston County, SC	194
Colleton County, SC	734	Hampton County, SC	186
Effingham County, GA	323	Richland County, SC	175
Liberty County, GA	177	Lexington County, SC	110
Allendale County, SC	157	District of Columbia, DC	99

Source: U.S. Census Bureau - 2010

### 3. Largest Employers

Below is a chart depicting the largest employers within Beaufort County, according to information obtained through the South Carolina Department of Employment and Workforce.

<b>Beaufort County Top Employers (Listed Alphabetically)</b>	
ARSC Service Corporation	Atlantic Personnel, Inc.
Beaufort County School District	Beaufort Memorial Hospital
Carecore National, LLC	County of Beaufort
Cypress Club, Inc.	U.S. Department of Defense
Hargray Communications Group, Inc.	Lowes Home Centers, Inc.
Marine Corps Community Services	Marriott Resorts Hospitality Corp.
OS Restaurant Services, Inc.	Publix Supermarkets, Inc.
Sea Pines Resort LLC	Southern Bread, LLC
Technical College of the Lowcountry	Tenet Physician Services of Hilton Head
The Greenery, Inc.	Wal-Mart Associates, Inc.

*Source: SC Department of Employment & Workforce – 2013 Q2*

### 4. Employment and Unemployment Trends

The overall economy throughout Beaufort County has been generally stable over the past decade, with employment increases in seven of the last ten years and an unemployment rate typically below both state and national averages. As such, Beaufort County recorded an increase of more than 6,250 jobs between 2010 and 2015, representing an increase of 11 percent (an annual increase of 2.1 percent). In addition, the average annual unemployment rate for 2015 was calculated at 5.7 percent, identical to 2014 and the county's lowest rate since 2008. In comparison, the state and national unemployment rate for 2015 was 6.1 and 5.3 percent, respectively.

More recently, an increase of 750 jobs was recorded between December 2014 and December 2015. As such, the unemployment rate subsequently decreased from 5.9 percent to 4.9 percent during this time – remaining below the state national average (at 5.3 percent), and similar to the national average (4.8 percent).



Figure 1: Employment Growth

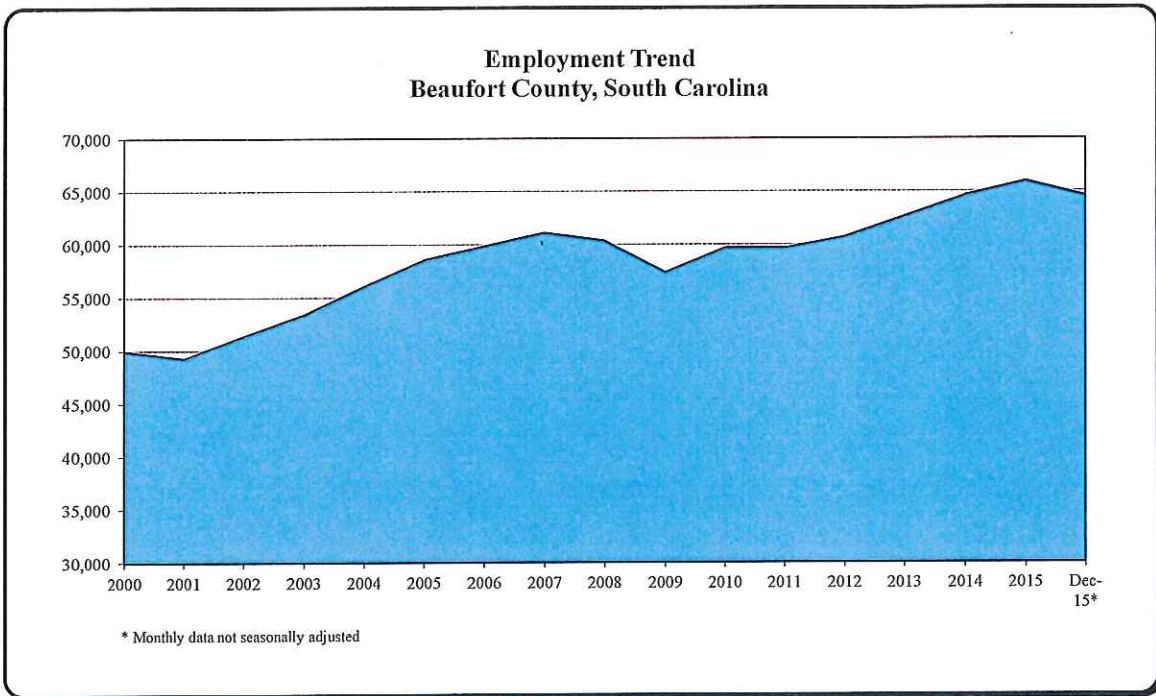


Figure 2: Historical Unemployment Rate

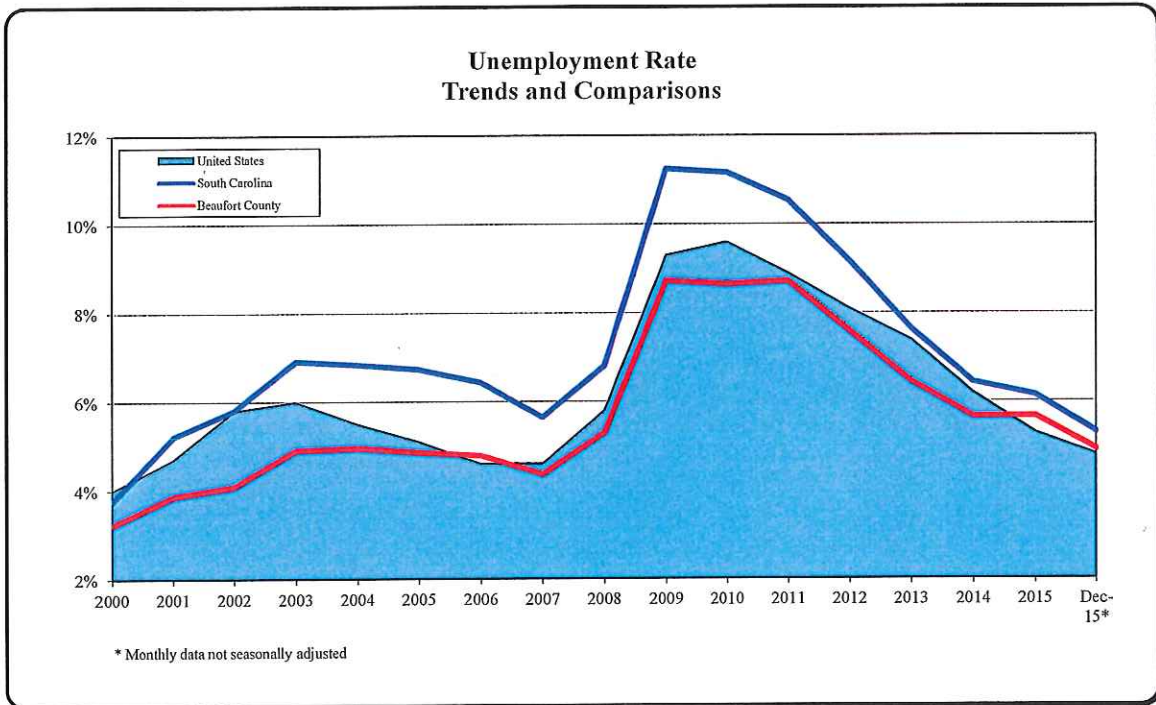




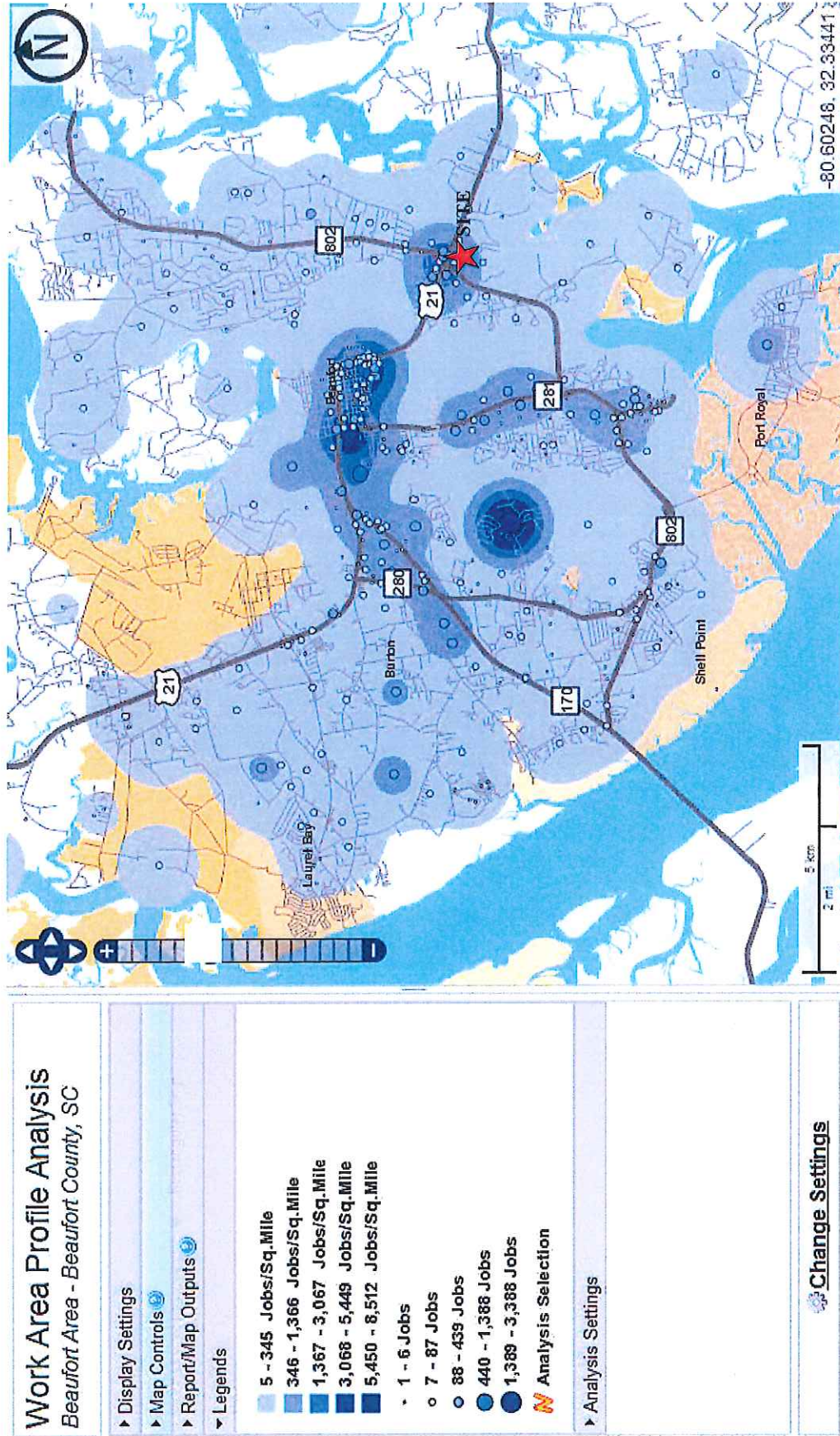
Table 6: Historical Employment Trends

Year	Beaufort County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Beaufort County	South Carolina	United States	Beaufort County	South Carolina	United States
2000	51,639	49,972	---	---	---	---	---	3.2%	3.8%	4.0%
2001	51,281	49,295	(677)	-1.4%	-1.4%	-3.7%	0.0%	3.9%	5.2%	4.7%
2002	53,591	51,399	2,104	4.3%	4.3%	-0.7%	-0.3%	4.1%	5.8%	5.8%
2003	56,173	53,413	2,014	3.9%	3.9%	1.3%	0.9%	4.9%	6.9%	6.0%
2004	59,027	56,096	2,683	5.0%	5.0%	1.8%	1.1%	5.0%	6.8%	5.5%
2005	61,574	58,579	2,483	4.4%	4.4%	1.9%	1.8%	4.9%	6.7%	5.1%
2006	62,868	59,859	1,280	2.2%	2.2%	2.3%	1.9%	4.8%	6.4%	4.6%
2007	63,906	61,117	1,258	2.1%	2.1%	1.6%	1.1%	4.4%	5.7%	4.6%
2008	63,741	60,361	(756)	-1.2%	-1.2%	-0.5%	-0.5%	5.3%	6.8%	5.8%
2009	62,884	57,398	(2,963)	-4.9%	-4.9%	-4.3%	-3.8%	8.7%	11.2%	9.3%
2010	65,338	59,686	2,288	4.0%	4.0%	0.2%	-0.6%	8.7%	11.2%	9.6%
2011	65,363	59,662	(24)	0.0%	0.0%	1.4%	0.6%	8.7%	10.5%	8.9%
2012	65,705	60,717	1,055	1.8%	1.8%	1.9%	1.9%	7.6%	9.2%	8.1%
2013	66,951	62,630	1,913	3.2%	3.2%	1.8%	1.0%	6.5%	7.6%	7.4%
2014	68,502	64,625	1,995	3.2%	3.2%	2.1%	1.7%	5.7%	6.4%	6.2%
2015	69,925	65,959	1,334	2.1%	2.1%	2.9%	1.7%	5.7%	6.1%	5.3%
Dec-14*	67,796	63,820	---	---	---	---	---	5.9%	6.4%	5.4%
Dec-15*	67,909	64,570	750	1.2%	1.2%	4.0%	1.7%	4.9%	5.3%	4.8%

Beaufort County				South Carolina		
	Number	Percent	Ann. Avg.		Percent	Ann. Avg.
Change (2000-Present):	14,598	29.2%	1.9%	Change (2000-Present):	11.2%	0.7%
Change (2005-Present):	5,991	10.2%	1.0%	Change (2005-Present):	10.6%	1.1%
Change (2010-Present):	4,884	8.2%	1.6%	Change (2010-Present):	11.4%	2.3%
Change (2000-2005):	8,607	17.2%	3.4%	Change (2000-2005):	0.6%	0.1%
Change (2005-2010):	1,107	1.9%	0.4%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2015):	6,273	10.5%	2.1%	Change (2010-2015):	10.4%	2.1%

\*Monthly data not seasonally adjusted

Map 9: Largest Employment Concentrations -Beaufort Area



## E. COMMUNITY DEMOGRAPHIC DATA

### 1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Beaufort County has experienced relatively positive demographic gains since 2010, including Beaufort and the market area. Overall, the PMA had an estimated population of 44,783 persons in 2015, representing an increase of six percent from 2010 (a gain of nearly 2,400 persons). Additionally, the city increased by five percent during this time, while the county increased by a similar six percent between 2010 and 2015.

Future projections indicate continued steady growth with an estimated increase of eight percent anticipated within the PMA between 2015 and 2020 (approximately 3,600 additional persons), and by a similar eight percent gain for Beaufort and Beaufort County during this same time frame.

**Table 7: Population Trends (2000 to 2020)**

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	13,616	12,361	12,991	13,386	13,979
Beaufort PMA	36,266	42,396	44,783	46,230	48,401
Beaufort County	120,937	162,233	171,673	177,177	185,434
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		-9.2%	5.1%	3.0%	7.6%
Beaufort PMA		16.9%	5.6%	3.2%	8.1%
Beaufort County		34.1%	5.8%	3.2%	8.0%
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Beaufort		-1.0%	1.0%	1.0%	1.5%
Beaufort PMA		1.6%	1.1%	1.1%	1.6%
Beaufort County		3.0%	1.1%	1.1%	1.6%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 34 percent of all persons. In comparison, this age cohort represented a slightly larger 36 percent of persons within Beaufort, and a somewhat lower 31 percent of the county. Younger persons also accounted for a relatively large portion of the population within each area. As such, 28 percent of the total PMA population was under the age of 20 years.

When reviewing distribution patterns between 2000 and 2020, the aging of the population is clearly evident for the PMA and Beaufort County as a whole. The proportion of persons under the age of 45 has steadily declined since 2000, and is expected to decrease further through 2020. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons over the age of 55 years, which represented 19 percent of the population in 2000, is expected to increase to account for 29 percent of all persons by 2020 – while in part this aging trend can be explained by the aging of the baby boom generation, another cause is the substantial influx of retirement communities and resorts within the area.

As such, the increasing percentage of persons above the age of 55 seen throughout Beaufort and the PMA (expected to represent nearly one-third of all persons within the city in 2020) signifies positive trends for the subject proposal by providing a growing base of potential senior tenants for the subject development.

Table 8: Age Distribution (2000 to 2020)

	City of Beaufort			Beaufort PMA			Beaufort County					
	2010 Number	2000 Percent	2010 Percent	2020 Percent	2010 Number	2000 Percent	2010 Percent	2020 Percent	2010 Number	2000 Percent	2010 Percent	2020 Percent
Under 20 years	3,061	25.2%	24.8%	23.7%	11,675	29.9%	27.5%	27.4%	39,035	27.0%	24.1%	23.5%
20 to 24 years	1,478	15.9%	12.0%	11.4%	3,327	7.9%	7.8%	6.0%	11,756	8.3%	7.2%	6.2%
25 to 34 years	1,744	15.7%	14.1%	13.9%	6,128	15.3%	14.5%	14.7%	20,137	13.6%	12.4%	12.3%
35 to 44 years	1,255	13.2%	10.2%	10.8%	4,995	15.5%	11.8%	12.6%	17,534	13.6%	10.8%	10.7%
45 to 54 years	1,454	10.6%	11.8%	9.4%	5,547	12.4%	13.1%	10.5%	18,580	11.6%	11.5%	9.6%
55 to 59 years	743	3.8%	6.0%	5.7%	2,722	4.3%	6.4%	5.9%	9,886	5.3%	6.1%	5.8%
60 to 64 years	715	3.4%	5.8%	6.0%	2,498	3.7%	5.9%	6.0%	12,273	5.2%	7.6%	7.1%
65 to 74 years	971	5.9%	7.9%	10.8%	3,192	5.8%	7.5%	10.3%	20,137	9.4%	12.4%	15.2%
75 to 84 years	640	4.7%	5.2%	5.8%	1,657	3.9%	3.9%	5.0%	9,698	4.9%	6.0%	7.3%
85 years and older	300	1.6%	2.4%	2.5%	655	1.2%	1.5%	1.7%	3,197	1.3%	2.0%	2.2%
Under 20 years	3,061	25.2%	24.8%	23.7%	11,675	29.9%	27.5%	27.4%	39,035	27.0%	24.1%	23.5%
20 to 44 years	4,477	44.8%	36.2%	36.1%	14,450	38.8%	34.1%	33.2%	49,427	35.4%	30.5%	29.3%
45 to 64 years	2,912	17.8%	23.6%	21.0%	10,767	20.4%	25.4%	22.3%	40,739	22.1%	25.1%	22.5%
65 years and older	1,911	12.2%	15.5%	19.2%	5,504	10.9%	13.0%	17.0%	33,032	15.5%	20.4%	24.8%
55 years and older	3,369	19.4%	27.3%	30.8%	10,724	18.9%	25.3%	28.9%	55,191	26.0%	34.0%	37.7%
75 years and older	940	6.3%	7.6%	8.4%	2,312	5.1%	5.5%	6.7%	12,895	6.1%	7.9%	9.6%
Non-Elderly (<65)	10,450	87.8%	84.5%	80.8%	36,892	89.1%	87.0%	83.0%	129,201	84.5%	79.6%	75.2%
Elderly (65+)	1,911	12.2%	15.5%	19.2%	5,504	10.9%	13.0%	17.0%	33,032	15.5%	20.4%	24.8%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

**2. Household Trends**

Similar to population patterns, the Beaufort area has experienced positive household creation since 2000. As such, occupied households within the PMA numbered 18,265 units in 2015, representing an increase of eight percent from 2010 (a gain of nearly 1,300 households). ESRI forecasts for 2020 indicate this number will continue to increase at a steady rate, with forecasted growth of nine percent (more than 1,650 additional households) anticipated between 2015 and 2020. In comparison, the number of households grew at a similar rate within Beaufort and Beaufort County overall between 2010 and 2015 (between seven and eight percent), demonstrating relatively strong demographic patterns throughout the region

**Table 9: Household Trends (2000 to 2020)**

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	4,851	4,883	5,275	5,469	5,760
Beaufort PMA	13,927	16,971	18,265	18,926	19,917
Beaufort County	45,532	64,945	69,731	72,178	75,848
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		0.7%	8.0%	3.7%	9.2%
Beaufort PMA		21.9%	7.6%	3.6%	9.0%
Beaufort County		42.6%	7.4%	3.5%	8.8%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

**Table 10: Average Household Size (2000 to 2020)**

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	2.39	2.28	2.23	2.23	2.22
Beaufort PMA	2.56	2.46	2.42	2.41	2.40
Beaufort County	2.51	2.42	2.39	2.38	2.38
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		-4.3%	-2.2%	-0.3%	-0.7%
Beaufort PMA		-3.6%	-1.8%	-0.3%	-0.8%
Beaufort County		-3.7%	-1.3%	-0.2%	-0.5%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Renter-occupied households throughout the market area have also exhibited quite positive gains, increasing at rates somewhat stronger than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 7,709 renter-occupied households are estimated within the PMA for 2015, representing an increase of 16 percent from 2010 figures (a gain of more than 1,000 additional rental units). In addition, relatively positive gains are anticipated to continue into the future as well, with a projected increase of three percent (265 rental units) between 2015 and 2018.

Overall, a relatively sizeable ratio of renter households exists throughout the local market area. For the PMA, the renter household percentage was calculated at 42 percent in 2015, slightly lower than the city’s renter representation (49 percent), but notably larger than the county as a whole (32 percent).

**Table 11: Renter Household Trends (2000 to 2018)**

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2000-2010</u> <u>Change</u>	<u>2010-2015</u> <u>Change</u>	<u>2015-2018</u> <u>Change</u>
City of Beaufort	2,127	2,254	2,571	2,681	6.0%	14.1%	4.3%
Beaufort PMA	4,748	6,665	7,709	7,974	40.4%	15.7%	3.4%
Beaufort County	12,194	19,077	22,084	22,881	56.4%	15.8%	3.6%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>			
City of Beaufort	43.8%	46.2%	48.7%	49.0%			
Beaufort PMA	34.1%	39.3%	42.2%	42.1%			
Beaufort County	26.8%	29.4%	31.7%	31.7%			

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Similar to overall households, renter household sizes for the Beaufort PMA were generally larger than those reported for Beaufort, on average. In addition, renter sizes increased over the past decade in the PMA (from 2.47 persons per unit in 2000 to 2.51 persons per unit in 2010), while average owner sizes decreased (2.60 persons to 2.47 persons). Despite the increase in average size, the majority of rental units locally contained just one or two persons (60 percent), with three persons occupying 18 percent of units, and 22 percent of units with four or more persons.

**Table 12: Rental Units by Size (2010)**

	<u>One Person</u>	<u>Two Persons</u>	<u>Three Persons</u>	<u>Four Persons</u>	<u>5 or More Persons</u>	<u>Median Persons Per Rental Unit</u>	
						<u>2000</u>	<u>2010</u>
City of Beaufort	820	630	392	248	164	2.33	2.30
Beaufort PMA	2,134	1,849	1,197	848	637	2.47	2.51
Beaufort County	5,421	5,108	3,417	2,656	2,475	2.71	2.66
	<u>1 Person Percent</u>	<u>2 Person Percent</u>	<u>3 Person Percent</u>	<u>4 Person Percent</u>	<u>5+ Person Percent</u>	<u>Median Change</u>	
City of Beaufort	36.4%	28.0%	17.4%	11.0%	7.3%	-1.3%	
Beaufort PMA	32.0%	27.7%	18.0%	12.7%	9.6%	1.8%	
Beaufort County	28.4%	26.8%	17.9%	13.9%	13.0%	-1.8%	

Source: U.S. Census - 2000/2010; Shaw Research & Consulting



### 3. Senior-Specific Demographic Data

As noted earlier, the senior population cohort is anticipated to experience sizeable growth as compared to other age segments. As such, a total of 12,355 seniors (55 years and over) are estimated in the PMA for 2015, representing an increase of 15 percent from 2010 (more than 1,600 additional seniors). The 2015 figure represents 28 percent of the overall population, which is an increase from a representation of just 19 percent in 2000. Furthermore, this extremely strong trend is anticipated to continue, with an increase of 13 percent forecast between 2015 and 2020.

Future population trends for the older senior segment (65 years and older) are similar to those exhibited by the 55 and older age group, representing strong growth throughout the entire senior segment. As can be seen, overall senior growth and propensities are an encouraging indication of the long-term viability of the subject proposal. Additionally, while considering senior population counts have experienced extraordinary increases since 2000 and are expected to continue in the future, the demand for additional senior housing will likely escalate as well. In addition, the increasing percentage of persons over 55 years within the PMA is clearly representative of a steady source of potential renters as this group continues to age in place.

Table 13: Senior Population Trends (2000 to 2020)

<b>55+ Population Trends</b>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	2,512	3,369	3,839	4,121	4,309
Beaufort PMA	6,834	10,724	12,355	13,333	13,985
Beaufort County	31,437	55,191	62,546	66,959	69,901
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		34.1%	14.0%	7.3%	12.2%
Beaufort PMA		56.9%	15.2%	7.9%	13.2%
Beaufort County		75.6%	13.3%	7.1%	11.8%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	18.4%	27.3%	29.6%	30.8%	30.8%
Beaufort PMA	18.8%	25.3%	27.6%	28.8%	28.9%
Beaufort County	26.0%	34.0%	36.4%	37.8%	37.7%
<b>65+ Population Trends</b>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	1,585	1,911	2,295	2,525	2,678
Beaufort PMA	3,949	5,504	6,868	7,686	8,231
Beaufort County	18,754	33,032	39,495	43,372	45,957
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		20.6%	20.1%	10.0%	16.7%
Beaufort PMA		39.4%	24.8%	11.9%	19.9%
Beaufort County		76.1%	19.6%	9.8%	16.4%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	11.6%	15.5%	17.7%	18.9%	19.2%
Beaufort PMA	10.9%	13.0%	15.3%	16.6%	17.0%
Beaufort County	15.5%	20.4%	23.0%	24.5%	24.8%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

As with senior population patterns, senior household trends (age 55 years and older) have been equally as impressive within the PMA and are also expected to continue to increase through 2020. According to Census and ESRI data, the number of senior households within the PMA increased by 16 percent between 2010 and 2015 (adding nearly 1,100 additional senior households), while ESRI estimates a further gain of 14 percent between 2015 and 2020 – representing approximately 45 percent of all PMA households in 2020.

**Table 14: Senior Household Trends (2000 to 2020)**

<b>55+ Household Trends</b>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	1,555	2,138	2,456	2,646	2,773
Beaufort PMA	4,215	6,763	7,822	8,457	8,881
Beaufort County	18,827	33,105	37,533	40,189	41,960
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		37.5%	14.9%	7.8%	12.9%
Beaufort PMA		60.5%	15.7%	8.1%	13.5%
Beaufort County		75.8%	13.4%	7.1%	11.8%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	32.1%	43.8%	46.5%	48.4%	48.1%
Beaufort PMA	30.3%	39.9%	42.8%	44.7%	44.6%
Beaufort County	41.3%	51.0%	53.8%	55.7%	55.3%
<b>65+ Household Trends</b>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	985	1,233	1,499	1,658	1,764
Beaufort PMA	2,471	3,617	4,512	5,048	5,406
Beaufort County	11,667	20,769	24,709	27,073	28,649
		<u>2000-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		25.2%	21.5%	10.6%	17.7%
Beaufort PMA		46.4%	24.7%	11.9%	19.8%
Beaufort County		78.0%	19.0%	9.6%	15.9%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	20.3%	25.3%	28.4%	30.3%	30.6%
Beaufort PMA	17.7%	21.3%	24.7%	26.7%	27.1%
Beaufort County	25.6%	32.0%	35.4%	37.5%	37.8%
Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting					

Despite the substantial growth in the senior population throughout the area, the percentage of senior renter households is notably smaller than the overall renter household percentage. As such, senior renter households (55 and over) within the PMA numbered 1,638 units in 2015, representing roughly 21 percent of all senior-occupied households within the market area. In comparison, Beaufort itself contained 681 senior renter households, which was 28 percent of all senior households within the community in 2015.

**Table 15: Senior Renter Household Trends (2000 to 2020)**

<b>Senior Renter HHs - 55+</b>					2000-2010	2010-2015	2015-2018
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort	331	593	681	734	79.2%	14.9%	7.8%
Beaufort PMA	664	1,416	1,638	1,771	113.3%	15.7%	8.1%
Beaufort County	1,817	4,141	4,695	5,027	127.9%	13.4%	7.1%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>			
City of Beaufort	21.3%	27.7%	27.7%	27.7%			
Beaufort PMA	15.8%	20.9%	20.9%	20.9%			
Beaufort County	9.7%	12.5%	12.5%	12.5%			
<b>Senior Renter HHs - 65+</b>					2000-2010	2010-2015	2015-2018
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort	189	341	414	458	80.4%	21.5%	10.6%
Beaufort PMA	362	709	884	990	95.9%	24.7%	11.9%
Beaufort County	989	2,204	2,622	2,873	122.9%	19.0%	9.6%
	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>	<u>% Renter</u>			
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>			
City of Beaufort	19.2%	27.7%	27.7%	27.7%			
Beaufort PMA	14.6%	19.6%	19.6%	19.6%			
Beaufort County	8.5%	10.6%	10.6%	10.6%			

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

#### 4. Household Income Trends

Income levels throughout the Beaufort area have experienced somewhat modest gains over the past decade. Overall, much of the county recorded gains of between one and two percent annually between 2000 and 2010, but decreased to less than one percent annually since 2010. The median household income for 2015 was estimated at \$51,655 for the PMA, which was 13 percent greater than that estimated for Beaufort proper (\$45,546), but ten percent less than Beaufort County overall (\$57,592). Furthermore, the PMA figure represents an increase of five percent from 2010 (an average annual increase of 0.9 percent), while the city and county increase at a similar rate.

According to ESRI data, the rate of income growth is forecast to improve somewhat through 2020. As such, it is projected that the median income within the PMA will increase by 2.0 percent annually between 2015 and 2020.

**Table 16: Median Household Incomes (1999 to 2020)**

	<u>1999</u>	<u>2010</u>	<u>2015</u>	<u>2018</u>	<u>2020</u>
City of Beaufort	\$36,858	\$44,063	\$45,546	\$47,003	\$49,188
Beaufort PMA	\$41,073	\$49,297	\$51,655	\$53,773	\$56,949
Beaufort County	\$46,886	\$55,286	\$57,592	\$60,298	\$64,356
		<u>1999-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Beaufort		19.5%	3.4%	3.4%	8.0%
Beaufort PMA		20.0%	4.8%	4.8%	10.2%
Beaufort County		17.9%	4.2%	4.2%	11.7%
		<u>1999-2010</u>	<u>2010-2015</u>	<u>2015-2018</u>	<u>2015-2020</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Beaufort		1.6%	0.7%	1.1%	1.6%
Beaufort PMA		1.7%	0.9%	1.3%	2.0%
Beaufort County		1.5%	0.8%	1.5%	2.2%

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

According to the U.S. Census Bureau, approximately 32 percent of all households within the Beaufort PMA had an annual income of less than \$35,000 in 2014 – the portion of the population with the greatest need for affordable housing options. In comparison, a slightly greater 37 percent of city households also had incomes within this range, while a lesser 28 percent of county households had incomes less than \$35,000. As such, with approximately one out of every three households within the market area earning less than \$35,000 per year, additional affordable housing options will be well received.

**Table 17: Overall Household Income Distribution (2014)**

	City of Beaufort		Beaufort PMA		Beaufort County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	386	8.5%	1,039	6.5%	3,412	5.2%
\$10,000 to \$14,999	231	5.1%	918	5.7%	2,551	3.9%
\$15,000 to \$19,999	216	4.8%	677	4.2%	2,596	4.0%
\$20,000 to \$24,999	203	4.5%	709	4.4%	2,725	4.2%
\$25,000 to \$29,999	405	8.9%	1,044	6.5%	3,726	5.7%
\$30,000 to \$34,999	214	4.7%	781	4.9%	3,189	4.9%
\$35,000 to \$39,999	318	7.0%	960	6.0%	3,671	5.6%
\$40,000 to \$44,999	224	4.9%	1,095	6.8%	3,268	5.0%
\$45,000 to \$49,999	167	3.7%	890	5.6%	3,065	4.7%
\$50,000 to \$59,999	342	7.5%	1,338	8.4%	5,592	8.6%
\$60,000 to \$74,999	554	12.2%	1,629	10.2%	7,324	11.3%
\$75,000 to \$99,999	381	8.4%	1,917	12.0%	8,737	13.4%
\$100,000 to \$124,999	272	6.0%	972	6.1%	5,150	7.9%
\$125,000 to \$149,999	175	3.9%	743	4.6%	3,168	4.9%
\$150,000 to \$199,999	267	5.9%	581	3.6%	2,739	4.2%
\$200,000 and Over	183	4.0%	715	4.5%	4,141	6.4%
<b>TOTAL</b>	<b>4,538</b>	<b>100.0%</b>	<b>16,008</b>	<b>100.0%</b>	<b>65,054</b>	<b>100.0%</b>
Less than \$34,999	1,655	36.5%	5,168	32.3%	18,199	28.0%
\$35,000 to \$49,999	709	15.6%	2,945	18.4%	10,004	15.4%
\$50,000 to \$74,999	896	19.7%	2,967	18.5%	12,916	19.9%
\$75,000 to \$99,999	381	8.4%	1,917	12.0%	8,737	13.4%
\$100,000 and Over	897	19.8%	3,011	18.8%	15,198	23.4%

Source: American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$17,310 to \$32,400 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic’s website. Based on this data, the targeted income range accounts for a moderate number of low-income senior households throughout the area. As such, roughly 11 percent of the PMA’s senior owner-occupied household number, and 26 percent of the senior renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for 13 percent of all senior households within the PMA. Considering the relative density of the PMA, this equates to nearly 1,200 potential income-qualified households for the proposed development, including more than 450 income-qualified senior renter households.

**Table 18: Senior Household Income by Tenure – Beaufort PMA (2018)**

	Number of 2018 Households (55+)			Percent of 2018 Households (55+)		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$10,700	418	301	117	4.7%	4.5%	6.6%
\$10,701 to \$16,050	479	261	217	4.8%	3.9%	12.3%
\$16,051 to \$21,400	393	185	208	3.7%	2.8%	11.7%
\$21,401 to \$26,750	400	290	110	4.5%	4.3%	6.2%
\$26,751 to \$32,100	488	309	180	5.2%	4.6%	10.1%
\$32,101 to \$37,450	439	294	145	4.8%	4.4%	8.2%
\$37,451 to \$42,800	402	298	104	4.6%	4.5%	5.9%
\$42,801 to \$53,500	690	593	98	8.5%	8.9%	5.5%
\$53,501 and Over	<u>4,748</u>	<u>4,155</u>	<u>592</u>	<u>59.1%</u>	<u>62.1%</u>	<u>33.5%</u>
<b>Total</b>	<b>8,457</b>	<b>6,687</b>	<b>1,771</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census of Population and Housing; BLS CPI Calculator; Shaw Research & Consulting

The 2014 American Community Survey shows that approximately 42 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. Furthermore, ACS data shows that an identical 35 percent of senior renter households (aged 65 and over) are overburdened within the PMA, while 44 percent of seniors within Beaufort itself are overburdened. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

**Table 19a: Renter Overburdened Households (2014)**

Gross Rent as a % of Household Income	City of Beaufort		Beaufort PMA		Beaufort County	
	Number	Percent	Number	Percent	Number	Percent
Total Rental Units	2,014	100.0%	6,246	100.0%	19,713	100.0%
Less than 10.0 Percent	93	5.1%	137	2.3%	425	2.3%
10.0 to 14.9 Percent	160	8.7%	393	6.7%	1,255	6.9%
15.0 to 19.9 Percent	273	14.8%	793	13.6%	2,378	13.1%
20.0 to 24.9 Percent	214	11.6%	592	10.1%	2,524	13.9%
25.0 to 29.9 Percent	220	12.0%	744	12.7%	2,372	13.1%
30.0 to 34.9 Percent	213	11.6%	742	12.7%	1,987	11.0%
35.0 to 39.9 Percent	18	1.0%	342	5.8%	1,468	8.1%
40.0 to 49.9 Percent	237	12.9%	640	10.9%	1,894	10.4%
50 Percent or More	411	22.3%	1,466	25.1%	3,843	21.2%
Not Computed	175	--	397	--	1,567	--
35 Percent or More	666	36.2%	2,448	41.9%	7,205	39.7%
40 Percent or More	648	35.2%	2,106	36.0%	5,737	31.6%

Source: U.S. Census Bureau; American Community Survey

**Table 19b: Senior Renter Overburdened Households (2014)**

Gross Rent as a % of Household Income	Town of Summerville		Summerville PMA		Dorchester County	
	Number	Percent	Number	Percent	Number	Percent
Householder 65+ Years:	849	100.0%	1,298	100.0%	1,256	100.0%
Less than 20.0 Percent	94	12.4%	131	11.5%	114	11.0%
20.0 to 24.9 Percent	95	12.5%	123	10.8%	112	10.8%
25.0 to 29.9 Percent	184	24.2%	259	22.7%	236	22.8%
30.0 to 34.9 Percent	104	13.7%	128	11.2%	114	11.0%
35.0 Percent or More	283	37.2%	501	43.9%	459	44.3%
Not Computed	89	--	156	--	221	--

Source: U.S. Census Bureau; American Community Survey



**F. DEMAND ANALYSIS**

***1. Demand for Senior Tax Credit Rental Units***

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from four key sources: household growth, substandard housing, rent-overburdened households, and elderly homeowners converting to renting. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 40 percent rent-to-income ratio, and a maximum income of \$32,400 (the 2-person income limit at 60 percent AMI for Beaufort County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

	<u>Minimum</u>	<u>Maximum</u>
<b>50 percent of AMI</b> .....	\$17,310 .....	\$27,000
<b>60 percent of AMI</b> .....	\$20,310 .....	\$32,400
<b>Overall</b> .....	<b>\$17,310</b> .....	<b>\$32,400</b>

By applying the income-qualified range and 2018 household forecasts to the current-year household income distribution by tenure (adjusted from census data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 26 percent of all senior renter households within the PMA are estimated to fall within the stated LIHTC qualified income range.

Based on U.S. Census data and projections from ESRI, approximately 133 additional senior renter households are anticipated between 2015 and 2018. By applying the income-qualified percentage to the overall eligible figure, a demand for 34 senior tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately six percent of all renter households within the Beaufort PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing

facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the senior renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 23 units within the PMA.

Potential demand for the subject proposal may also arise from those senior households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on 2014 American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the ACS, the percentage of senior renter households within this overburdened range is reported at approximately 35 percent. Applying this rate to the number of renter households yields a total demand of 128 additional units as a result of rent overburden.

And lastly, another source of demand is elderly homeowners converting to rental housing. It is conservatively estimated that approximately 3½ percent of senior homeowners would convert to a rental property, should an affordable option become readily available. Utilizing 2010 household figures, it is calculated that 11 percent of all senior owner households within the PMA are estimated to fall within the stated LIHTC qualified income range. Considering the income-qualified owner households and estimated conversion, a demand of 21 units has been determined arising from existing elderly owner households.

There have been no comparable LIHTC properties within the Beaufort PMA that have been allocated credits or placed in service since 2015, or are currently under construction. As such, no units need to be deducted from the sources of demand listed previously. Combining all above factors results in an overall senior demand of 207 LIHTC units for 2018. Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income senior households should receive a positive response due to the strong demographic growth within the Beaufort area coupled with the general lack of similar tax credit rental options targeted specifically to seniors.

Table 20: Demand Calculation – by Income Targeting (2018)

2010 Total Occupied Households 55+	6,763		
2010 Owner-Occupied Households 55+	5,347		
2010 Renter-Occupied Households 55+	1,416		
		<b>Income Targeting</b>	
		<b>50%</b>	<b>60%</b>
		<b>AMI</b>	<b>AMI</b>
			<b>Total</b>
			<b>LHTC</b>
<b>QUALIFIED-INCOME RANGE</b>			
Minimum Annual Income		\$17,310	\$20,310
Maximum Annual Income		\$27,000	\$32,400
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>			
Renter Household Growth, 2015-2018		133	133
Percent Income Qualified Renter Households		15.7%	19.2%
<b>Total Demand From New Households</b>		<b>21</b>	<b>26</b>
<b>DEMAND FROM EXISTING RENTER HOUSEHOLDS</b>			
Percent of Renters in Substandard Housing		6.4%	6.4%
Percent Income Qualified Renter Households		15.7%	19.2%
<b>Total Demand From Substandard Renter Households</b>		<b>14</b>	<b>17</b>
Percent of Renters Rent-Overburdened		35.2%	35.2%
Percent Income Qualified Renter Households		15.7%	19.2%
<b>Total Demand From Overburdened Renter Households</b>		<b>78</b>	<b>96</b>
<b>DEMAND FROM EXISTING OWNER HOUSEHOLDS</b>			
Owner to Renter Conversion Rate		3.5%	3.5%
Percent Income Qualified		6.7%	9.8%
<b>Total Demand from Owner Households</b>		<b>12</b>	<b>18</b>
<b>Total Demand From Existing Households</b>		<b>105</b>	<b>131</b>
<b>TOTAL DEMAND</b>		<b>126</b>	<b>157</b>
<b>LESS: Total Comparable Activity Since 2015</b>		<b>0</b>	<b>0</b>
<b>TOTAL NET DEMAND</b>		<b>126</b>	<b>157</b>
<b>PROPOSED NUMBER OF UNITS</b>		<b>11</b>	<b>37</b>
<b>CAPTURE RATE</b>		<b>8.8%</b>	<b>23.6%</b>
Note: Totals may not sum due to rounding			

Table 21: Demand Calculation – by Bedroom Size (2018)

2010 Total Occupied Households 55+	6,763					
2010 Owner-Occupied Households 55+	5,347					
2010 Renter-Occupied Households 55+	1,416					

	One-Bedroom Units			Two-Bedroom Units		
	50% AMI	60% AMI	Total LIHTC	50% AMI	60% AMI	Total LIHTC
<b>QUALIFIED-INCOME RANGE</b>						
Minimum Annual Income	\$17,310	\$20,310	\$17,310	\$21,090	\$24,090	\$21,090
Maximum Annual Income	\$27,000	\$32,400	\$32,400	\$27,000	\$32,400	\$32,400
<b>DEMAND FROM NEW HOUSEHOLD GROWTH</b>						
Renter Household Growth, 2015-2018	133	133	133	133	133	133
Percent Income Qualified Renter Households	15.7%	19.2%	25.8%	7.4%	13.7%	17.5%
<b>Total Demand From New Households</b>	21	26	34	10	18	23
<b>DEMAND FROM EXISTING RENTER HOUSEHOLDS</b>						
Percent of Renters in Substandard Housing	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Percent Income Qualified Renter Households	15.7%	19.2%	25.8%	7.4%	13.7%	17.5%
<b>Total Demand From Substandard Renter Households</b>	14	17	23	7	12	16
Percent of Renters Rent-Overburdened	35.2%	35.2%	35.2%	35.2%	35.2%	35.2%
Percent Income Qualified Renter Households	15.7%	19.2%	25.8%	7.4%	13.7%	17.5%
<b>Total Demand From Overburdened Renter Households</b>	78	96	128	37	68	87
<b>DEMAND FROM EXISTING OWNER HOUSEHOLDS</b>						
Owner to Renter Conversion Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Percent Owner Households Income Qualified	6.7%	9.8%	11.3%	4.7%	7.0%	9.4%
<b>Total Demand from Owner Households</b>	12	18	21	9	13	18
<b>Total Demand From Existing Households</b>	105	131	173	52	94	120
<b>TOTAL DEMAND</b>	126	157	207	62	112	144
<b>LESS: Total Comparable Activity Since 2015</b>	0	0	0	0	0	0
<b>TOTAL NET DEMAND</b>	126	157	207	62	112	144
<b>PROPOSED NUMBER OF UNITS</b>	2	4	6	9	33	42
<b>CAPTURE RATE</b>	1.6%	2.5%	2.9%	14.5%	29.5%	29.2%

Note: Totals may not sum due to rounding

## 2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 23.2 percent was determined based on the demand calculation (including renter household growth, substandard and overburdened units among existing renter households, potential senior owner households, and excluding any comparable activity since 2015), providing a generally positive indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 8.8 percent, while the 60 percent AMI capture rate was at 23.6 percent. As such, these capture rates provide an overall positive indication of the need for affordable senior rental options locally and are within acceptable industry thresholds.

Taking into consideration the overall occupancy rates for the Beaufort PMA (most importantly the success of existing senior developments and other LIHTC properties) as well as the extremely rapid absorption of the two most recent family tax credit properties (to a lesser degree), the overall absorption period to reach 93 percent occupancy is estimated at five to seven months. This determination also takes into consideration a market entry in late 2017/early 2018; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market at approximately the same time. Based on this information, no market-related concerns are present.

## G. SUPPLY/COMPARABLE RENTAL ANALYSIS

### 1. Beaufort PMA Rental Market Characteristics

As part of the rental analysis for the Beaufort PMA, a survey of existing rental projects within the Beaufort primary market area was completed by Shaw Research & Consulting in February 2016. As such, a total of 20 apartment properties within the PMA (including three senior facilities) were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the Beaufort area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 2,178 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 28 percent of all units had one bedroom, 54 percent had two bedrooms, and 18 percent of units contained three bedrooms - there were no efficiency or four-bedroom units reported in the survey. The average age of the rental properties was 16 years old (an average build date of 2000), with ten properties built since 2005. In addition, 13 facilities reported to have some sort of income eligibility requirements – with seven tax credit developments, three Rural Development projects, and three subsidized properties.

Overall conditions for the Beaufort rental market appear to be relatively positive at the current time. Among the properties included in the survey, the overall occupancy rate was calculated at 97.9 percent – with 16 of the 20 developments at 98 percent occupancy or better (and 12 at 100 percent occupancy). When breaking down occupancy rates by financing type, the seven market rate developments were a combined 97.3 percent occupied, seven LIHTC properties averaged 98.2 percent, and all six Rural Development and HUD projects were 100 percent occupied – clearly demonstrating quite positive conditions throughout the local market for both market rate and affordable rental housing.

## 2. Comparable Senior Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits and be marketed specifically towards senior residents, Shaw Research has identified seven tax credit facilities within the region as being most comparable. However, since only one senior LIHTC project is presently located within the PMA, the four most recent family LIHTC developments were also included to gauge rental conditions among affordable properties within the area. According to survey results, the combined occupancy rate for these developments was calculated at 97.7 percent, with four of the five properties at 98 percent occupancy or better. Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages - the average LIHTC rent (including both senior and family properties) for a one-bedroom unit was calculated at \$639 per month with an average size of 707 square feet (the resulting average rent per square foot ratio is \$0.90), while two-bedroom units averaged \$712 and 1,037 square feet (\$0.69 per square foot). In comparison to tax credit averages, the subject proposal's rental rates are very competitive with slightly larger unit sizes.

It should be noted that only one senior tax credit property is presently located within the PMA – Laurel Hills Apartments is a 71-unit development constructed in 2005 in Port Royal. Consisting of 54 one-bedroom and 17 two-bedroom units, only one vacancy was reported (99 percent occupied) with a small waiting list. In comparison to Laurel Hills, the proposed rental rates are comparable with somewhat larger unit sizes, demonstrating the subject proposal's true value with significantly lower rent-per-square foot ratios.

In addition, it should be noted that two family LIHTC developments recently opened within the PMA, and both have experienced great success during pre-leasing efforts: **Ashley Pointe Apartments** (consisting of 56 two and three-bedroom units which opened in January 2016) was 100 percent pre-leased, and now reports a waiting list of over one year; and **Sea Pointe Apartments** (56 two and three bedroom units opening in Mid-February 2016) reported that 42 units were pre-leased and are at 93 percent occupancy two weeks after opening. The strong absorption of both these properties is indicative of the ongoing strong demand for affordable rental housing locally.



From a market standpoint, it is evident that sufficient demand is present for the development of additional affordable tax credit units targeting low-income senior households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the local rental market, and should be considered a positive factor.

**3. Comparable Pipeline Units**

According to SCSHFDA information and local government officials, there are no directly comparable senior multi-family LIHTC rental developments presently under construction or proposed within the Beaufort PMA.

**4. Impact on Existing Tax Credit Properties**

Based on the relatively strong occupancy rates among all local LIHTC developments (family and senior), the construction of the proposal will not have any adverse impact on existing affordable rental properties – either affordable or market rate. Considering the strong future senior demographic growth anticipated for the PMA, affordable housing will continue to be in demand locally.

Table 22: Rental Housing Survey - Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Elec. Incl.	Occup. Rate	Type	Location
Cottages at Beaufort	2005	35	0	35	0	0	0	No	ELE	No	100%	SR 62+	Beaufort
Laurel Hills Apts	2005	71	0	54	17	0	0	No	ELE	No	99%	SR 55+	Port Royal
Mossy Oaks Village (Senior)	1978	48	0	48	0	0	0	No	Gas	No	100%	SR 62+	Beaufort
123 Club Carriage Apartments	1996	40	0	0	16	24	0	No	Gas	No	100%	Open	Beaufort
Ashley Pointe Apts	2016	56	0	0	40	16	0	No	ELE	No	100%	Open	Beaufort
Ashton Pointe Apts	2009	240	0	88	152	0	0	No	ELE	No	98%	Open	Beaufort
August on Southside	1978	96	0	16	64	16	0	No	ELE	No	100%	Open	Port Royal
Bay South Apt Homes	1989	132	0	48	84	0	0	No	ELE	No	96%	Open	Beaufort
Cross Creek Apts	2009	144	0	24	60	60	0	No	ELE	No	98%	Open	Beaufort
Lady's Pointe Apts I/II	1988	92	0	30	62	0	0	No	ELE	No	100%	Open	Beaufort
Magnolia Park	2001	56	0	0	24	32	0	No	ELE	No	100%	Open	Beaufort
Port Royal Apts	2012	60	0	0	36	24	0	No	ELE	No	100%	Open	Beaufort
Preserve at Port Royal	2008	400	0	160	240	0	0	No	ELE	No	100%	Open	Port Royal
Sea Pointe Apts	2016	56	0	0	28	28	0	No	ELE	No	93%	Open	Beaufort
Shell Pointe Apts	2005	72	0	0	36	36	0	No	ELE	No	99%	Open	Beaufort
Stuart Towne Apts	1993	100	0	NA	NA	NA	0	No	ELE	No	100%	Open	Port Royal
The Oaks at Broad River Landing	2001	248	0	72	120	56	0	No	ELE	No	96%	Open	Beaufort
Waterford Cove I/II	1998	160	0	0	80	80	0	No	ELE	No	100%	Open	Beaufort
Wilderness Cove	1978	48	0	0	48	0	0	No	ELE	No	100%	Open	Beaufort
Wilderness Too	2010	24	0	0	24	0	0	No	ELE	No	100%	Open	Beaufort
<b>Totals and Averages</b>	<b>2000</b>	<b>2,178</b>	<b>0</b>	<b>575</b>	<b>1,131</b>	<b>372</b>	<b>0</b>				<b>97.9%</b>		
<i>Unit Distribution</i>			<b>0%</b>	<b>28%</b>	<b>54%</b>	<b>18%</b>	<b>0%</b>						
<b>SUBJECT PROJECT</b>													
<b>MARSH POINTE APTS</b>	<b>2018</b>	<b>48</b>	<b>0</b>	<b>6</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>No</b>	<b>ELE</b>	<b>No</b>		<b>SR 55+</b>	<b>Beaufort</b>

Note: Shaded Properties are LIHTC

Table 23: Rental Housing Summary- Overall

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Elec. Incl.	Occup. Rate	Type	Location
Totals and Averages <i>Unit Distribution</i>	2000	2,178	0 0%	575 28%	1,131 54%	372 18%	0 0%				97.9%		
<b>SUBJECT PROJECT</b>													
MARSH POINTE APTS	2018	48	0	6	42	0	0	No	ELE	No			
<b>SUMMARY</b>													
	Number of Dev.	Year Built	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Average Occup.				
Total Developments	20	2000	2,178	0	575	1,131	372	0	97.9%				
Market Rate Only	7	1997	1,376	0	384	740	152	0	97.3%				
LIHTC Only	7	2007	495	0	78	221	196	0	98.2%				
Other Affordable	3	1992	164	0	30	134	0	0	100.0%				
Subsidized Only	3	1998	143	0	83	36	24	0	100.0%				

Table 24: Rent Range for 1 & 2 Bedrooms - Overall

Project Name	Program	PBR Units	1BR Square Feet		2BR Rent		Rent per Square Foot Range		2BR Square Feet		Rent per Square Foot Range		
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	
Cottages at Beaufort	BOI-HUD	35											
Laurel Hills Apts	LIHTC	0	\$535	\$599	540		\$0.81	\$0.90	901		\$0.71	\$0.78	
Mossy Oaks Village (Senior)	BOI-HUD	48											
123 Club Carriage Apartments	LIHTC	0											
Ashley Pointe Apts	LIHTC	0											
Ashton Pointe Apts	Market	0	\$920	\$981	699	777	\$1.26	\$1.32	931	1,136	\$0.53	\$1.12	
August on Southside	Market	0	\$675	\$800	725		\$0.93		950		\$0.82	\$0.92	
Bay South Apt Homes	Market	0	\$760	\$800	668		\$1.14	\$1.20	960		\$0.83	\$0.91	
Cross Creek Apts	LIHTC/Markt	0	\$665	\$755	750		\$0.89	\$1.01	950		\$0.84	\$0.95	
Lady's Pointe Apts I/II	RD/LIHTC	0	\$492	\$673									
Magnolia Park	LIHTC	0											
Port Royal Apts	LIHTC/BOI	60											
Preserve at Port Royal	Market	0	\$873	\$993	693	850	\$1.17	\$1.26	1,017	1,151	\$0.96	\$1.01	
Sea Pointe Apts	LIHTC	0											
Shell Pointe Apts	LIHTC	0	\$750		850		\$0.88		1,153		\$0.57	\$0.71	
Stuart Towne Apts	Market	0	\$872	\$1,138	660	934	\$1.22	\$1.32	1,100	1,200	\$0.71	\$0.77	
The Oaks at Broad River Landing	Market	0											
Waterford Cove I/II	Market	0											
Wilderness Cove	RD/LIHTC	0											
Wilderness Too	RD/LIHTC	0											
Totals and Averages		143		\$780		734		\$1.06		1,020		\$0.77	
SUBJECT PROPERTY													
MARSH POINTE APTS			LIHTC	0	\$500	\$600	810	\$0.62	\$0.74	\$600	\$700	\$0.62	\$0.73
SUMMARY													
Overall				\$780		734	\$1.06		\$790		1,020	\$0.77	
Market Rate Only				\$876		762	\$1.15		\$950		1,063	\$0.89	\$0.89
LIHTC Only				\$639		707	\$0.90		\$706		1,046	\$0.68	\$0.68
Other Affordable				\$583		NA	NA		\$626		700	\$0.89	\$0.89
Subsidized Only				NA		540	NA		NA		1,039	NA	NA

Note: Shaded Properties are LIHTC

Table 25a: Project Amenities - Overall

Project Name	Central Air	Wall A/C	A/C Sleeve	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Cottages at Beaufort	Yes	No	No	No	No	No	No	No	Yes	Yes	Yes	No	No
Laurel Hills Apts	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No
Mossy Oaks Village (Senior)	Yes	No	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No
123 Club Carriage Apartments	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No
Ashley Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ashton Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
August on Southside	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes
Bay South Apt Homes	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	Yes	No	No
Cross Creek Apts	Yes	No	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes
Lady's Pointe Apts I/II	Yes	No	No	No	No	No	No	No	Yes	No	No	No	No
Magnolia Park	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	No
Port Royal Apts	Yes	No	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Preserve at Port Royal	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Sea Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No
Shell Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Stuart Towne Apts	Yes	No	No	Yes	Yes	No	No	No	Yes	Yes	No	No	No
The Oaks at Broad River Landing	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Waterford Cove I/II	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	Yes	No	Yes
Wilderness Cove	Yes	No	No	No	No	No	No	No	Yes	No	No	No	No
Wilderness Too	Yes	No	No	No	No	Yes	No	No	Yes	Yes	No	No	No
Totals and Averages	100%	0%	0%	75%	75%	40%	50%	45%	100%	70%	75%	35%	40%
SUBJECT PROJECT													
MARSH POINTE APTS													
SUMMARY													
Overall	100%	0%	0%	75%	75%	40%	50%	45%	100%	70%	75%	35%	40%
Market Rate Only	100%	0%	0%	100%	100%	29%	29%	57%	100%	86%	71%	43%	71%
LIHTC Only	100%	0%	0%	100%	100%	57%	86%	100%	100%	57%	100%	43%	29%
Other Affordable (non-LIHTC)	100%	0%	0%	0%	0%	33%	0%	0%	100%	33%	0%	0%	0%
Subsidized Only	100%	0%	0%	33%	33%	33%	67%	33%	100%	100%	100%	33%	33%

Note: Shaded Properties are LIHTC



Table 25b: Project Amenities - Overall

Project Name	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage	Emerg-Pull Cord	Activities	Library
Cottages at Beaufort	No	No	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
Laurel Hills Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Mossy Oaks Village (Senior)	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
123 Club Carriage Apartments	No	No	Yes	Yes	No	Yes	Yes	No	No	No			
Ashley Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No			
Ashton Pointe Apts	No	No	No	Yes	No	No	No	Yes	No	Yes			
August on Southside	No	No	No	Yes	No	No	Yes	No	No	No			
Bay South Apt Homes	No	No	No	Yes	No	No	Yes	No	No	No			
Cross Creek Apts	No	No	No	Yes	No	No	No	Yes	No	No			
Lady's Pointe Apts I/II	No	No	No	Yes	No	Yes	Yes	No	No	No			
Magnolia Park	No	No	No	Yes	No	Yes	No	No	No	No			
Port Royal Apts	Yes	No	Yes	Yes	No	Yes	No	No	No	No			
Preserve at Port Royal	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes			
Sea Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No			
Shell Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No			
Stuart Towne Apts	No	No	No	Yes	No	Yes	Yes	No	No	No			
The Oaks at Broad River Landing	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes			
Waterford Cove I/II	No	No	No	Yes	No	Yes	No	No	No	No			
Wilderness Cove	No	No	No	Yes	No	Yes	Yes	No	No	No			
Wilderness Too	No	No	No	Yes	No	No	No	Yes	No	No			
Totals and Averages	30%	10%	25%	100%	15%	75%	60%	15%	0%	15%	10%	15%	0%
SUBJECT PROJECT													
MARSH POINTE APTS	Yes	No	No	Yes	No	Yes	Yes	No	No	No	NA	NA	NA
SUMMARY													
Overall	30%	10%	25%	100%	15%	75%	60%	15%	0%	15%	10%	15%	0%
Market Rate Only	0%	0%	29%	100%	0%	57%	71%	14%	0%	43%	0%	0%	0%
LIHTC Only	57%	14%	29%	100%	14%	86%	71%	14%	0%	0%	0%	14%	0%
Other Affordable (non-LIHTC)	0%	0%	0%	100%	0%	67%	67%	33%	0%	0%	0%	0%	0%
Subsidized Only	67%	33%	33%	100%	67%	100%	0%	0%	0%	0%	67%	67%	0%

Note: Shaded Properties are LIHTC

Table 26: Rental Housing Survey - Comparable

Project Name	Year Built	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	Heat Type	Electric Incl.	Occup. Rate	Type	Location
Laurel Hills Apts	2005	71	0	54	17	0	0	No	ELE	No	99%	SR 55+	Port Royal
Ashley Pointe Apts	2016	56	0	0	40	16	0	No	ELE	No	100%	Open	Beaufort
Cross Creek Apts	2009	144	0	24	60	60	0	No	ELE	No	98%	Open	Beaufort
Sea Pointe Apts	2016	56	0	0	28	28	0	No	ELE	No	93%	Open	Beaufort
Shell Pointe Apts	2005	72	0	0	36	36	0	No	ELE	No	99%	Open	Beaufort
Totals and Averages	2010	399	0	78	181	140	0				97.7%		
<i>Unit Distribution</i>													
SUBJECT PROJECT													
MARSH POINTE APTS	2018	48	0	6	42	0	0	No	ELE	No		SR 55+	Beaufort

Table 27: Rent Range for 1 & 2 Bedrooms - Comparable

Project Name	Program	PBR	1BR Rent		1BR Square Feet		Rent per Square Foot Range		2BR Rent		2BR Square Feet		Rent per Square Foot Range	
			LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Laurel Hills Apts	LIHTC	0	\$535	\$599	663		\$0.81	\$0.90	\$640	\$699	901		\$0.71	\$0.78
Ashley Pointe Apts	LIHTC	0							\$580		1,100		\$0.53	
Cross Creek Apts	LIHTC/Mrkt	0	\$665	\$755	750		\$0.89	\$1.01	\$797	\$900	950		\$0.84	\$0.95
Sea Pointe Apts	LIHTC	0							\$602	\$714	1,079		\$0.56	\$0.66
Shell Pointe Apts	LIHTC	0							\$659	\$820	1,153		\$0.57	\$0.71
Totals and Averages		0		\$639	707		\$0.90		\$712		1,037		\$0.69	
SUBJECT PROPERTY														
MARSH POINTE APTS	LIHTC	0	\$500	\$600	810		\$0.62	\$0.74	\$600	\$700	965		\$0.62	\$0.73

Note: Senior LIHTC properties are shaded

Table 28a: Project Amenities - Comparable

Project Name	Central Air	Wall A/C	A/C Sleeve	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Laurel Hills Apts	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	No
Ashley Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cross Creek Apts	Yes	No	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes
Sea Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No
Shell Pointe Apts	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Totals and Averages	100%	0%	0%	100%	100%	80%	100%	40%	100%	60%	100%	60%	40%
<b>SUBJECT PROJECT</b>													
MARSH POINTE APTS	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No


Table 28b: Project Amenities - Comparable

Project Name	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage	Emerg. Pull Cord	Activities	Library
Laurel Hills Apts	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	No
Ashley Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No	No		
Cross Creek Apts	No	No	No	Yes	No	No	No	Yes	No	No	No		
Sea Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No	No		
Shell Pointe Apts	Yes	No	No	Yes	No	Yes	Yes	No	No	No	No		
Totals and Averages	80%	20%	20%	100%	20%	80%	80%	20%	0%	0%	0%	20%	0%
<b>SUBJECT PROJECT</b>													
MARSH POINTE APTS	Yes	No	No	Yes	No	Yes	Yes	No	No	No	NA	NA	NA

Note: Senior LHIC properties are shaded





COMPARABLE PROJECT INFORMATION												
<b>Project Name:</b> Laurel Hills Apts <b>Address:</b> 1640 Ribaut Road <b>City:</b> Port Royal <b>State:</b> SC <b>Zip Code:</b> 29935  <b>Phone Number:</b> (843) 524-2568 <b>Contact Name:</b> Bridget <b>Contact Date:</b> 02/22/16 <b>Current Occup:</b> 98.6%												
DEVELOPMENT CHARACTERISTICS												
<b>Total Units:</b>		71		<b>Year Built:</b>		2005						
<b>Project Type:</b>		SR 55+		<b>Floors:</b>		4						
<b>Program:</b>		LIHTC		<b>Accept Vouchers:</b>		Yes						
<b>PBRA Units*:</b>		0		<b>Voucher #:</b>		UK						
* Including Section 8, Rental Assistance, and any other Project-Based Subsidy												
UNIT CONFIGURATION/RENTAL RATES												
BR	Bath	Target	Type	# Units	Square Feet		Contract Rent		Vacant	Occup. Rate	Wait List	
					Low	High	Low	High				
<b>TOTAL 1-BEDROOM UNITS</b>				54				1		98.1%      Yes		
1	1.0	50	Apt	NA	663		\$535		0	100.0%		
1	1.0	60	Apt	NA	663		\$599		1	NA		
<b>TOTAL 2-BEDROOM UNITS</b>				17				0		100.0%      Yes		
2	2.0	50	Apt	NA	901		\$640		0	100.0%		
2	2.0	60	Apt	NA	901		\$699		0	100.0%		
<b>TOTAL DEVELOPMENT</b>				71				1		98.6%      Yes - Small		
AMENITIES												
<u>Unit Amenities</u>				<u>Development Amenities</u>				<u>Laundry Type</u>				
<input checked="" type="checkbox"/> - Central A/C				<input checked="" type="checkbox"/> - Clubhouse				<input checked="" type="checkbox"/> - Coin-Operated Laundry				
<input type="checkbox"/> - Wall A/C Unit				<input checked="" type="checkbox"/> - Community Room				<input checked="" type="checkbox"/> - In-Unit Hook-Up				
<input checked="" type="checkbox"/> - Garbage Disposal				<input type="checkbox"/> - Computer Center				<input type="checkbox"/> - In-Unit Washer/Dryer				
<input checked="" type="checkbox"/> - Dishwasher				<input type="checkbox"/> - Exercise/Fitness Room								
<input checked="" type="checkbox"/> - Microwave				<input checked="" type="checkbox"/> - Community Kitchen				<u>Parking Type</u>				
<input checked="" type="checkbox"/> - Ceiling Fan				<input type="checkbox"/> - Swimming Pool				<input checked="" type="checkbox"/> - Surface Lot				
<input type="checkbox"/> - Walk-In Closet				<input type="checkbox"/> - Playground				<input type="checkbox"/> - Carport				
<input checked="" type="checkbox"/> - Mini-Blinds				<input checked="" type="checkbox"/> - Gazebo				<input type="checkbox"/> - Garage (att)      \$0				
<input type="checkbox"/> - Draperies				<input checked="" type="checkbox"/> - Elevator				<input type="checkbox"/> - Garage (det)      \$0				
<input checked="" type="checkbox"/> - Patio/Balcony				<input checked="" type="checkbox"/> - Storage								
<input type="checkbox"/> - Basement				<input type="checkbox"/> - Sports Courts				<u>Utilities Included</u>				
<input type="checkbox"/> - Fireplace				<input checked="" type="checkbox"/> - On-Site Management				<input type="checkbox"/> - Heat      ELE				
<input checked="" type="checkbox"/> - High-Speed Internet				<input type="checkbox"/> - Security - Access Gate				<input type="checkbox"/> - Electricity				
				<input checked="" type="checkbox"/> - Security - Intercom				<input checked="" type="checkbox"/> - Trash Removal				
								<input checked="" type="checkbox"/> - Water/Sewer				

**6. Market Rent Calculations**

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

Four properties were selected to determine the estimated market rate, based largely on construction date, location, and building type. Because no senior-only market rate facilities are located within the PMA, family developments were utilized to calculate market rents – these projects include Ashton Pointe, Preserve at Beaufort, The Oaks at Broad River Landing, and Waterford Cove. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property’s corresponding market advantage:

	Proposed Net Rent	Estimated Market Rent	Market Advantage
<b>One-Bedroom Units</b>			
50% AMI	\$500	\$889	44%
60% AMI	\$600	\$889	33%
<b>Two-Bedroom Units</b>			
50% AMI	\$600	\$957	37%
60% AMI	\$700	\$957	27%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #2	
Project Name		Ashton Pointe Apts		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	Subject	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed	Data	2/1/16		1/26/16		Enter		1/29/16		1/26/16	
<b>A. Design, Location, Condition</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apts										
Yr. Built/Yr. Renovated	2018	2009	\$7	2008	\$8	2001	\$13	1998	\$15	2009	\$7
Condition /Street	Good										
<b>B. Unit Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	Yes	Yes		Yes		Yes		Yes		Yes	
Garbage Disposal	Yes	Yes		Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
Microwave	Yes	Yes		No	\$3	Yes		No	\$3	No	\$3
Walk-In Closet	Yes	Yes		Yes		Yes		Yes		No	\$3
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	No		Yes	(\$3)
Basement	No	No		No		No		No		No	
Fireplace	No	No		No		No		No		No	
<b>C. Site Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	Yes	Yes		Yes		Yes		Yes		Yes	
Community Room	Yes	No	\$3	Yes		Yes		No	\$3	No	\$3
Computer Center	Yes	Yes		Yes		Yes		No	\$3	No	\$3
Exercise Room	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)
Swimming Pool	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	
Playground	Yes	No	\$5	Yes		Yes		No	\$5	Yes	
Sports Courts	No	No		No		Yes	(\$3)	No		No	
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		No		No		No		No	
Security - Intercom	No	No		No		No		No		No	
<b>D. Other Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	No	\$5	Yes		Yes		Yes		No	\$5
In-Unit Hook-Up	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
In-Unit Washer/Dryer	No	Yes	(\$25)	No		No		No		Yes	(\$25)
Carport	No	No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No	
Garage (detached)	No	Yes	\$0	Yes	\$0	Yes	\$0	No		No	
<b>E. Utilities Included</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	No	No		No		No		No		No	
Electric	No	No		No		No		No		No	
Trash Removal	Yes	Yes		Yes		Yes		Yes		Yes	
Water/Sewer	No	No		No		No		Yes	XX	Yes	XX
Heat Type	ELE	ELE		ELE		ELE		ELE		ELE	
Utility Adjustments											
One-Bedroom Units									(\$50)		(\$50)
Two-Bedroom Units									(\$65)		(\$65)

<i>Subject Property</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #2</i>	
Project Name		Ashton Pointe Apts		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	<b>Subject Data</b>	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed		42401		42395		Enter		42398		42395	
<b>F. Average Unit Sizes</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
One-Bedroom Units	879	738	\$21	772	\$16	797	\$12			750	\$19
Two-Bedroom Units	1,150	1,034	\$17	1,084	\$10	1,131	\$3	990	\$24	950	\$30
<b>G. Number of</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
One-Bedroom Units	1.0	1.0	\$0	1.0	\$0	1.0	\$0			1.0	\$0
Two-Bedroom Units	1.5		(\$15)	1.0	\$15	2.0	(\$15)	2.0	\$0	2.0	(\$15)
<b>G. Total Adjustments Recap</b>											
One-Bedroom Units			\$10		\$16		\$11				(\$33)
Two-Bedroom Units			(\$9)		\$24		(\$13)		(\$15)		(\$52)

		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #2</i>	
Project Name		Ashton Pointe Apts		Preserve at Port Royal		The Oaks at Broad River Landing		Waterford Cove I/II		Cross Creek Apts	
Project City	<b>Subject Data</b>	Beaufort		Port Royal		Beaufort		Beaufort		Beaufort	
Date Surveyed		42401		42395		Enter		42398		42395	
<b>H. Rent/Adjustment Summary</b>		<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>	<b>Unadjusted Rent</b>	<b>Adjusted Rent</b>
<b>Market Rate Units</b>											
One-Bedroom Units	\$889	\$920	\$930	\$873	\$889	\$1,005	\$1,016			\$755	\$722
Two-Bedroom Units	\$957	\$1,039	\$1,030	\$1,024	\$1,048	\$1,012	\$998	\$875	\$860	\$900	\$848

## H. INTERVIEWS

Throughout the course of performing this analysis of the Beaufort rental market, many individuals were contacted. Based on discussions with local government officials, there are no directly comparable rental developments currently proposed or under construction within the PMA at this time. However, a 246-unit market rate project (Parc at Broad River) is currently under construction along Savannah Highway in Beaufort. Because this project is market rate, it will likely have minimal impact on the marketability or absorption of the subject property.

In addition, officials in both Beaufort and Port Royal noted a definite need for affordable housing within the area. The following planning departments were contacted:

1. Beaufort, SC -  
Contact: Lauren Kelly, Planner  
Phone: 843-525-7011  
Date: 2/25/2016
  
2. Port Royal, SC -  
Contact: Linda Bridges, Planning Administrator  
Phone: 843-986-2207  
Date: 2/22/2016

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Beaufort rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.



## I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject property, as proposed, within the Beaufort PMA. Factors supporting the introduction of a newly constructed rental alternative targeted for low-income senior households include the following:

1. Senior demographic patterns have been extremely strong since 2000 throughout the Beaufort area. The number of seniors (55 years and over) within the PMA increased by 15 percent (more than 1,600 seniors) between 2010 and 2015, with an additional gain of 13 expected through 2020;
2. Occupancy levels within the PMA are quite positive, especially among senior developments. Based on survey results, the overall occupancy rate was calculated at 97.9 percent, with the three senior properties a combined 99.4 percent;
3. Only limited senior-only rental options are available locally, with only one senior LIHTC property. As such, Laurel Hills (71 units constructed in 2005) was reported to be 99 percent occupied with a small waiting list;
4. Affordable family units are also in demand, with the two newest LIHTC developments absorbed extremely quick – Ashley Pointe (opened in January 2016) was entirely pre-leased, and Sea Pointe (opened in Mid-February 2016) had 42 of 56 units pre-leased;
5. The location of the subject property can also be considered a positive factor. The site is located adjacent to a grocery store and also near retail, medical, and recreational areas;
6. The proposal represents a modern product with numerous amenities and features at a generally affordable rental level; and
7. A sufficient statistical demand calculation, with an absorption period conservatively estimated at five to seven months.

As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

**J. SIGNED STATEMENT REQUIREMENTS**

I affirm that I have made a physical inspection of the market and surrounding area and that 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.



---

Steven R. Shaw  
**SHAW RESEARCH AND CONSULTING, LLC**

Date: March 1, 2016

## K. SOURCES

2000 U.S. Census of Population and Housing - U.S. Census Bureau  
2010 U.S. Census of Population and Housing – U.S. Census Bureau  
2010-2014 American Community Survey – 5-Year Estimates – U.S. Census Bureau  
2015/2020 Demographic Forecasts, ESRI Business Analyst Online  
Apartment Listings – LIHTC – low-income-housing.credio.com  
Apartment Listings – www.socialserve.com  
Apartment Listings – Yahoo! Local – local.yahoo.com  
Apartment Listings – Yellowbook – www.yellowbook.com  
Community Info – Beaufort Regional Chamber of Commerce – www.beaufortchamber.org  
Community Info – Beaufort, SC Official Visitor Site – www.beaufortsc.org  
Community Profile 2016 – Beaufort County – SC Department of Employment & Workforce  
CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor  
Crime Data – HomeFair.com  
ESRI Business Analyst Online  
Government Info – Beaufort County – www.co.beaufort.sc.us  
Government Info – City of Beaufort – www.portroyal.org  
Income & Rent Limits 2015 – South Carolina State Housing Finance & Development Authority  
Interviews with community planning officials  
Interviews with managers and leasing specialists at local rental developments  
South Carolina Industry Data – SC Works Online Services  
South Carolina Labor Market Information – U.S. Bureau of Labor Statistics  
South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority  
Microsoft Streets and Trips 2013  
Single-Family Home Sales – www.realtor.com

## L. RESUME

### STEVEN R. SHAW SHAW RESEARCH & CONSULTING, LLC

Mr. Shaw is a principal at Shaw Research and Consulting, LLC. With over twenty-five years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.