

EXHIBIT S - 2 SC SHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name	Seter Ridge Trace			Total units:	80
Location	Gregg Highway			LIHTC units:	80
PMA Boundary	Central Aiken County				
Development Type	Family	✓	Older	Farthest Boundary Distance to subject:	8 miles

Rental Housing Stock (found on pages 43-49)

Type	Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	13	1816	146	92.0%
Market Rate Housing	9	1628	139	91.5%
Assisted/Subsidized Housing, not to include LIHTC				
LIHTC (all that are stabilized)*	4	188	7	96.3%
Subsidized comps**	1	90	55	38.9%
Non-stabilized comps				

* Stabilized occupancy of at least 93% (excludes projects still in 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					HUD Area FMR			Highest Unadjusted comp rent	
Units	Bedrooms	Baths	Size (sf)	Proposed Rent	per unit	per sf	Advantage	per unit	per sf
1	1	1	801	\$242	\$961	\$1.20	74.82	\$1,205	\$1.50
3	1	1	801	\$725	\$961	\$1.20	24.56	\$1,205	\$1.50
4	1	1	801	\$800	\$961	\$1.20	16.75	\$1,205	\$1.50
2	1	1	801	\$875	\$961	\$1.20	8.95	\$1,205	\$1.50
4	2	2	1,036	\$286	\$1,100	\$1.06	74.00	\$1,299	\$1.25
12	2	2	1,036	\$825	\$1,100	\$1.06	25.00	\$1,299	\$1.25
24	2	2	1,036	\$900	\$1,100	\$1.06	18.18	\$1,299	\$1.25
10	2	2	1,036	\$950	\$1,100	\$1.06	13.64	\$1,299	\$1.25
3	3	2	1,169	\$321	\$1,463	\$1.25	78.06	\$1,535	\$1.31
4	3	2	1,169	\$925	\$1,463	\$1.25	36.77	\$1,535	\$1.31
8	3	2	1,169	\$1,000	\$1,463	\$1.25	31.65	\$1,535	\$1.31
5	3	2	1,169	\$1,025	\$1,463	\$1.25	29.94	\$1,535	\$1.31

Gross Potential Rent Monthly*

\$67,299

\$93,870

28.31

* market advantage is calculated using the following formula: gross adjusted market rent (minus) gross proposed rent (divided by) gross adjusted market rent

The calculation should be expressed as a percentage rounded to two decimal places.

The rent calculation Excel worksheet must be provided with the Exhibit S-2 form

Demographic Data (found on pages 27,38)

	2020		2023		2026	
Renter Households	8,772	29.7	8,923	29.4	9,059	29.1
Income-Qualified Renter Households (LIHTC)	n/a	n/a	4,444	49.8	4,512	49.8
Income qualified Renter HHs (MR) if applicable						

Targeted Income-Qualified Renter Household Demand (found on page 40)

Type of demand	20%	50%	60%	70%	Market Rate	Overall
Renter Household Growth	20	24	36	41		68
Existing Households (over burdened+substandard)	826	871	869	689		1,896
Homeowner conversion (senior)						
Other						
Less comparable/competitive supply	15	0	120	0		135
Net income-qualified renter holds	830	895	784	730		1,829

Capture Rates (found on page 41)

Targeted population	20%	50%	60%	70%	Market Rate	Overall
Capture rate	1.0%	2.1%	4.6%	4.4%		4.4%

Absorption Rate (found on page 42)

six months

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance & Development Authority's programs. I also affirm that I have no financial interest 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 Included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market

Market Analyst/Author:

T. Ronald Brown

Company: T. Ronald Brown: Research & Analysis

Signature



Date

May 30, 2024

NEED AND DEMAND ANALYSIS
FOR THE SETER RIDGE TRACE APARTMENTS
IN
AIKEN, SOUTH CAROLINA

Prepared for
The Taft-Mills Group
for submission to
the South Carolina State Housing Finance and Development Authority

June 2024

T Ronald Brown: Research & Analysis
P.O. Box 18534
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INTRODUCTION

PURPOSE

The purpose of this report is to present the findings of an analysis of the need and demand for the proposed Seter Ridge Trace Apartments in Aiken South Carolina. A total of 80 units are to be developed: ten one-bedroom units, 50 two-bedroom units, and 20 three-bedroom units. The apartments will rent to households whose incomes qualify their apartments for tax credit status.

ASSUMPTIONS AND CONDITIONS

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

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

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

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

The site of the proposed apartments was visited (on May 9 and May 10, 2024). In addition, interviews are held with persons with particular knowledge pertinent to the study.

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

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

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

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

Submitted, and attested to, by:

T. Ronald Brown, President
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Date:: May 29, 2024

EXECUTIVE SUMMARY

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

The proposed development will comprise the development of 80 units of low income tax credit financed housing. The apartments will rent to households whose incomes qualify their apartments for tax credit status, with units to be targeted to households at 20 percent, 50 percent, 60 percent, and 70 percent of the local area median income.

The proposed Seter Ridge Trace Apartments are to be located on the south side of Gregg Highway, north of Richland Avenue, West (US 1), to the east of the US 1/SC 19 bypass, in western Aiken, in central Aiken County, in west-central South Carolina.

The market area for the proposed development is central Aiken County, as defined by several census tracts.

In 2022, the most recent year for which annualized data are available, the Aiken County labor force comprised an estimated 73,032 persons. Of this total, 70,726 were employed and 2,306 or 3.2 percent were unemployed. Unemployment increased by 1,116 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 9.1 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 6.3 percent in 2014.

The population of the project market area increased from 64,636 in 2010, to 70,835 in 2020, and is projected to increase to 72,277 in 2023 and to 73,613 in 2026. The number of households grew from 26,689 in 2010 to 29,560 in 2020, and is projected to increase to 30,368 in 2023 and to 31,141 in 2026. There were 8,772 renter households in the market area in 2020: which is projected to increase to 8,923 by 2023, and to 9,058 by 2026.

There are several apartment complexes located throughout the Aiken area. These include properties that are financed through the use of Low Income Housing Tax Credits - and thus are potentially comparable to the proposed Seter Ridge Trace complex. There two properties that are subsidized for low and very low income renters, through the HUD Section 8 program, and several market rate properties.

Overall occupancy in the market rate complexes is 91.5 percent, and occupancy at the stabilized tax credit properties is 96.3 percent. The overall occupancy rate for these units is found to be 92.0 percent.

The total potential demand for tax credit units such as is proposed in the project market area by 2026 is calculated to be for 1,964 units. The net demand is for 1,829 units. Given the calculated demand, the proposed 80-unit development amounts to 4.4 percent of the total net demand. The proposed development is considered marketable.

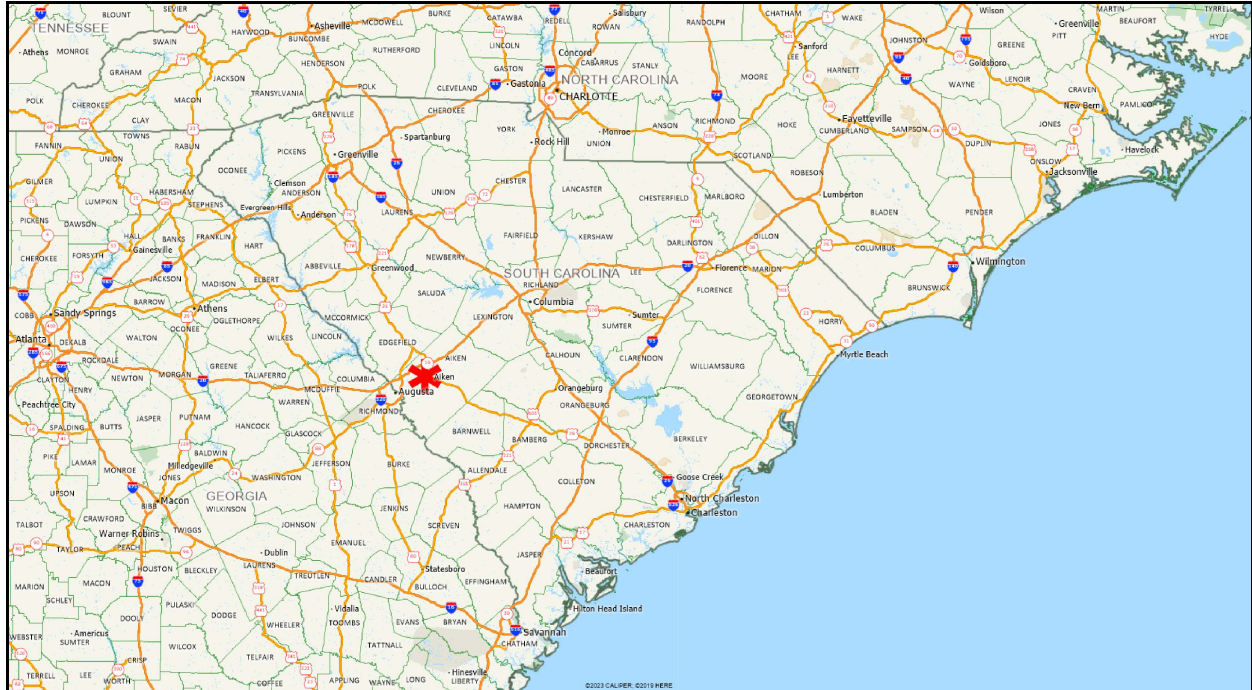
Based on the above, the project could expect to lease-up over a period of up to six months, or so.

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Capture Rates (found on page 41)										
Targeted population					20%	50%	60%	70%	Market Rate	Overall
Capture rate					1.0%	2.1%	4.6%	4.4%		4.4%
Absorption Rate (found on page 42)										
six months										

A. PROJECT DESCRIPTION

Project Location

The proposed Seter Ridge Trace Apartments are to be located on the south side of Gregg Highway, north of Richland Avenue, (West US 1), to the east of the US 1/SC 19 bypass, in western Aiken, in central Aiken County, in west-central South Carolina.



Construction type: New construction

Occupancy type :Family

Target income group: 20 percent, 50 percent , 60 percent, and 70 percent of the local area median income.

Special population target: not applicable

The property will offer a total of 80 units: ten one-bedroom units, 50 two-bedroom units, and 20 three-bedroom units.

The complex will comprise four buildings - all will be two- or three-storey walk-up, garden, units. There will be no elevators.

The one-bedroom units will be 801 square feet, the two-bedroom units will be 1,036 square feet, and the three-bedroom units are to be 1,169 square feet

Proposed unit mix, etc.

	<u>Units</u>	<u>Rent</u>	<u>Utility Allowance</u>	<u>Targeting*</u>
1 bedroom/1 bath	1	\$242	\$78	less than 20 percent
1 bedroom/1 bath	3	\$725	\$78	less than 50 percent
1 bedroom/1 bath	4	\$800	\$78	less than 60 percent
1 bedroom/1 bath	2	\$875	\$78	less than 70 percent
2 bedroom/ 2 bath	4	\$286	\$99	less than 20 percent
2 bedroom/ 2 bath	12	\$825	\$99	less than 50 percent
2 bedroom/ 2 bath	24	\$900	\$99	less than 60 percent
2 bedroom/ 2 bath	10	\$950	\$99	less than 70 percent
3 bedroom/ 2 bath	3	\$321	\$123	less than 20 percent
3 bedroom/ 2 bath	4	\$925	\$123	less than 50 percent
3 bedroom/ 2 bath	8	\$1,000	\$123	less than 60 percent
3 bedroom/ 2 bath	5	\$1,025	\$123	less than 70 percent

* percent of area median income

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$78 for a one-bedroom unit, \$99 for a two-bedroom unit, and \$123 for a three-bedroom unit.

Rental Assistance: none

The complex will feature a community room, a rental office, fitness room, and computer lab. There will be a playground, community gardens, waking trails, and a disk golf course. There will be two EV charging stations.

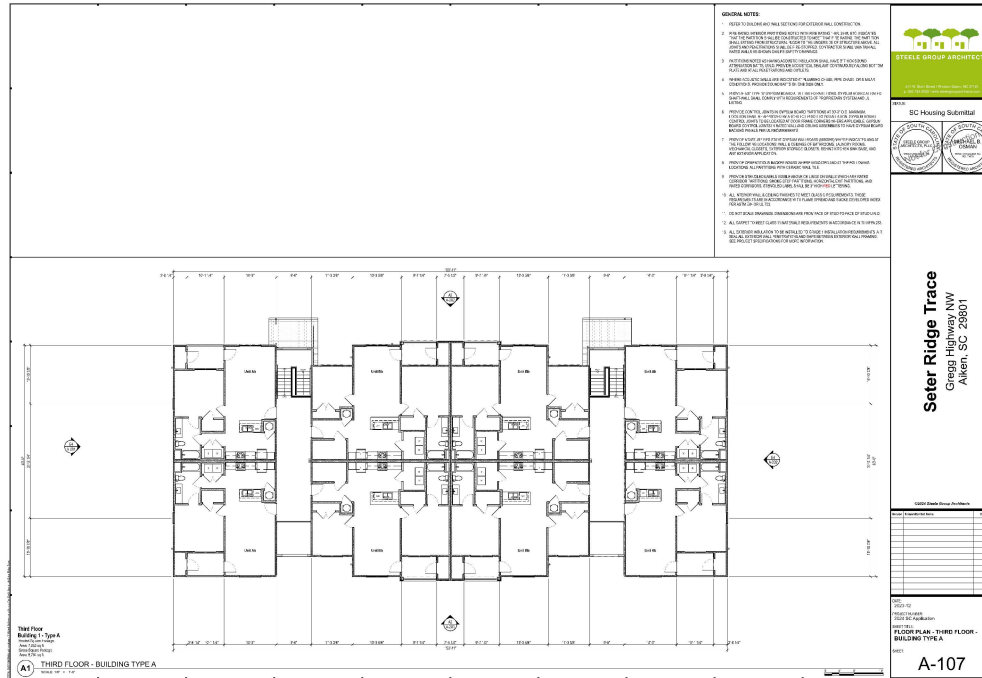
Unit amenities include a fully equipped kitchen, washer and dryer connections, and ceiling fans, balconies, and storage areas. The units will be centrally-heated and air conditioned, with carpet and vinyl flooring.

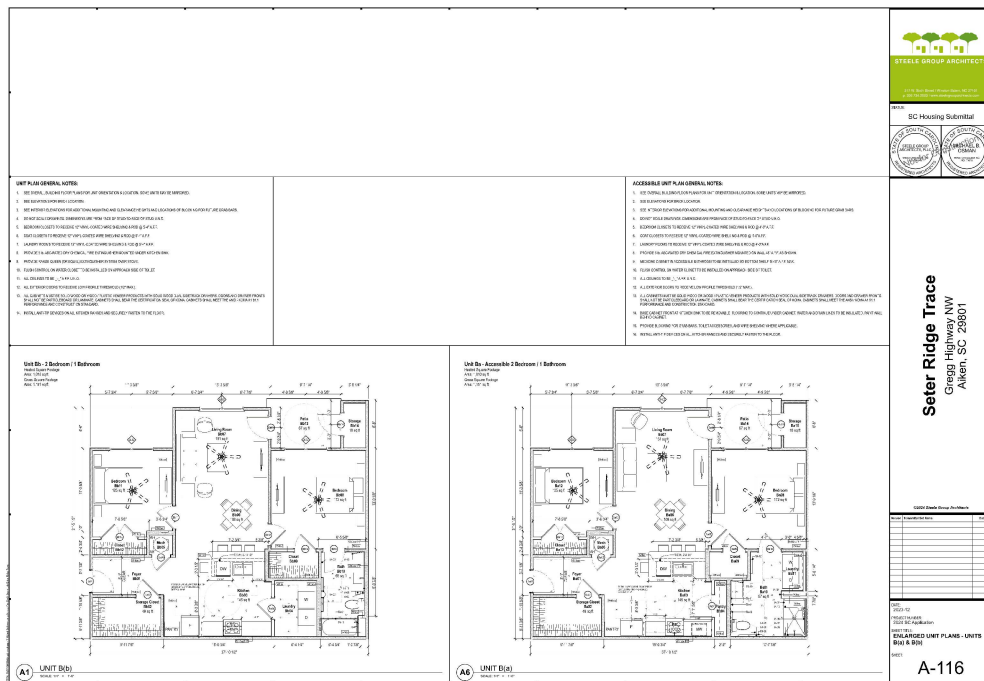
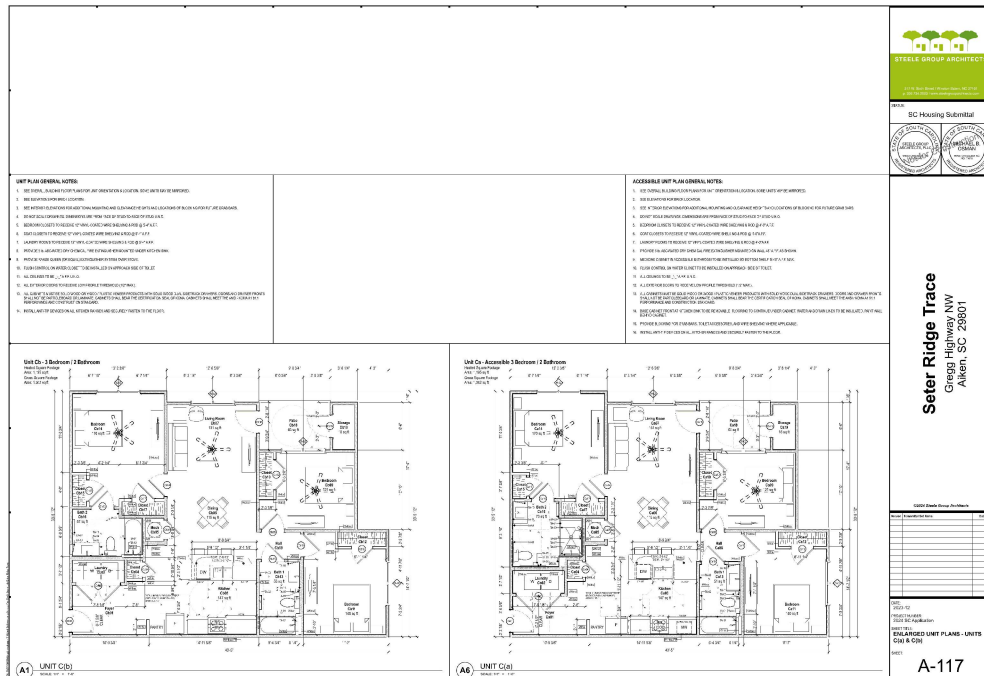
The property will be at the Silver level of the National Green Building Standard. Additionally, there will be solar installations in common areas, and will have dark sky compliant lighting fixtures.

Information submitted by the developer suggests that construction would start in February 2025, with completion scheduled for May 2026.

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

Rehabilitation information: n/a





B. SITE DESCRIPTION

The proposed Seter Ridge Trace Apartments are to be located on the south side of Gregg Highway, north of Richland Avenue, West (US 1), to the east of the US 1/SC 19 bypass, in western Aiken, in central Aiken County, in west-central South Carolina.

Adjacent properties include various businesses fronting on Richland Avenue, the Aiken Center (which offers substance abuse services) and the Aiken Barnwell mental health center, a small cemetery, and undeveloped land.



There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.



View on property



View across Gregg Highway, to site



View across Gregg Highway, from site



View east on Gregg Highway, at site



View west on Gregg Highway, at site

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

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	US 78 (Richland Ave, West)	0.2
	US 1, bypass	0.6
	Interstate 20	7.5
Retail - Grocery	Food Lion	1.8
	Fresh Market	4.8
	Kroger	5.6
	Publix	6.6
	ALDI	6.9
Retail - Other	Dollar Tree	0.5
	Wal Mart	0.3
	Aiken Mall	6.9
Drugstores	CVS	1.7
	Medicine Mart Pharmacy	2.4
	Walgreens	6.3
Schools	Graniteville Elementary School	3.1
	Leavell McCampbell Middle School	5.4
	Midland Valley High School	7.7
	USC - Aiken	1.0
Recreation	Aiken County YMCA	1.8
Library	Aiken County	3.4
Town Hall	Aiken	3.0
Post Office	Aiken	3.1
Hospital	Aiken Regional Medical Center	0.9

Access from the site to major thoroughfares, shopping, schools, health, and other local services is good.

The site is located on Gregg Highway, two-tenths of a mile north of Richland Avenue (US 78), a significant east-west route serving the area. The site is within two-thirds of a mile of the US 1/SC118, bypass, to the west. The site is approximately eight miles south of Interstate 20.

The site of the proposed apartments is within one third of a mile of a Wal-Mart supercenter, located on Richland Avenue. A Food Lion grocery , a CVS drugstore and other stores are located on Richland Avenue, approximately two miles from the site. The Aiken Mall and other retail and other services are located on Whiskey Road, to the south of Aiken, within five- to seven-miles of the site.

The site of the proposed apartments is quite well-located with respect to local schools. The Graniteville Elementary School is within three miles of the site, and the Middle and High schools are within five and one-half and eight miles of the site, to the west. The Aiken campus of the University of South Carolina is within one mile of the site.

The Aiken County YMCA is within two miles of the site.

The Aiken Regional Medical Center and associated medical services are located on University Parkway, within one mile of the site.

The site is within three miles, or so, of the government, shopping, and other services located in the Aiken downtown area.

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

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

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

C. MARKET AREA

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

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

Aiken is located in central Aiken County in west-central South Carolina. The market area for the proposed development is central Aiken County, as defined by several census tracts¹. This area is roughly centered on the site of the proposed development and extends up to an approximately five-to eight mile hinterland.

The market area is irregularly-shaped. The area is bounded by Interstate 20 to the north, Shaw Creek to the east, portions of various county highways to the south, and a portion of Little Horse Creek to the west.

The area is focused on Aiken, and excludes neighboring and potentially competing communities, such as North August and Augusta, Georgia. The area constitutes the geographic area immediately adjacent to the site and extends to all locations of relatively similar characteristics, and with residents, or potential residents, likely to be interested in the project.

¹ Census tracts: 203.02, 204, 211.01, 211.02, 212.01, 212.02, 212.03, 213, 214, 215, 216.01, and 216.02, in Aiken County

D. MARKET AREA ECONOMY

EMPLOYMENT BY INDUSTRY

The distribution of employment, by industry, for the project market area is set out in Table 1, below. This information is from the 2017 to 2021 American Community Survey (and as such is subject to the limitations of those data). Based on those data, the largest sources of employment are education and healthcare and social assistance, professional occupations, manufacturing, and retail trade, which account for 22.7 percent, 14.4 percent, 13.5 percent, and 12.1 percent of the total, respectively..

Table 1 - Employment by Industry, Market Area

	<u>number</u>	<u>percent</u>
Agriculture, etc	416	1.3
Construction	1,406	4.5
Manufacturing	4,209	13.5
Wholesale Trade	243	0.8
Retail Trade	3,765	12.1
Transportation, Warehousing, Utilities	1,636	5.2
Information	410	1.3
Finance, Insurance, Real Estate	1,322	4.2
Professional, scientific, management	4,483	14.4
Educational Services, Health care, Social Assistance	7,088	22.7
Arts, Entertainment, Recreation, Accommodation, Food Service	2,845	9.1
Other services	1,336	4.3
Public Administration	2,052	6.6

Source: 2017 to 2021 American Community Survey; T Ronald Brown: Research & Analysis

MAJOR EMPLOYERS

The major employers in the wider Aiken are listed in Table 2, below. From this table it is seen that the largest employers include those associated with the Savannah River plant, the local hospital, local school system and the municipal and county governments.

Table 2 - Major Employers

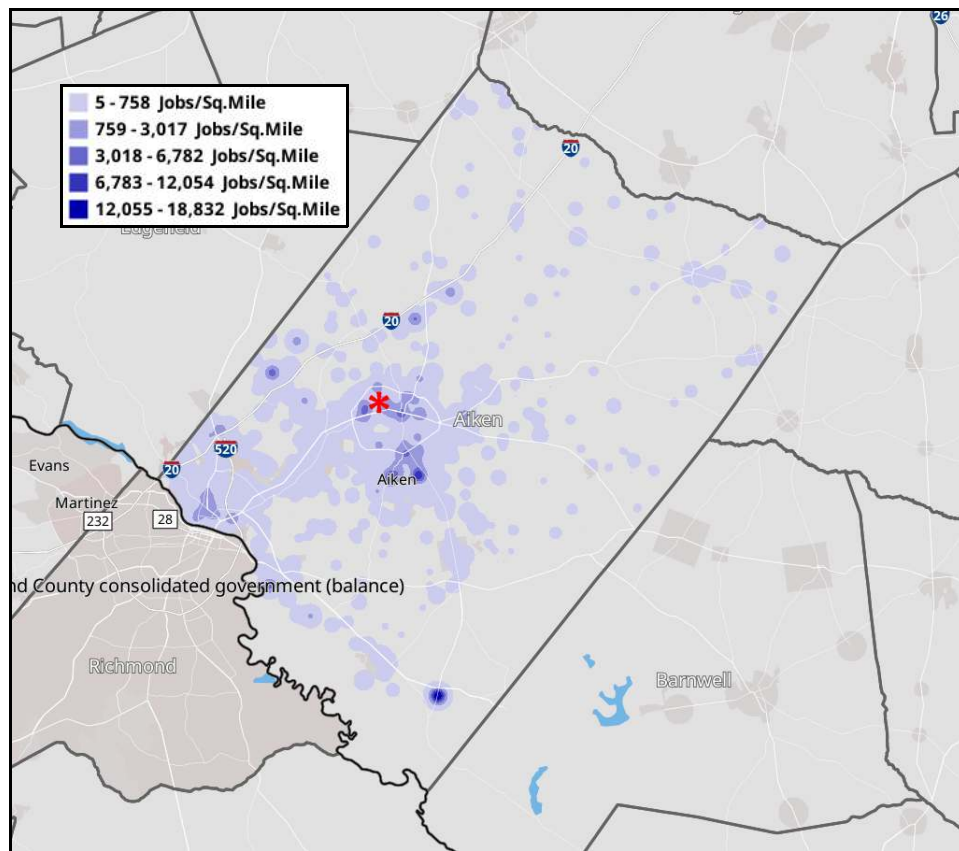
<u>Employer Name</u>
Act for Health
AGY Aiken
Aiken County Board of Education
Aiken Regional Medical Centers
Batalle Savannah River Alliance
Bridgestone America's Tire
Centerra Group
City of Aiken
County of Aiken
Edward Jones
Helton Management Group
Hubbell Power Systems
Kimberly Clark
Savannah River Mission Completion
Savannah River Nuclear Solutions
Shaw Industries
SRP Federal Credit Union
TRI Development Center of Aiken
UPS Customhouse Brokerage
Wal-mart Associates

Source: SC Department of Employment

Information from the South Carolina Department of Commerce shows that since the start of 2022 there have been no major announcements of new industry in Aiken County.

SC WARN notices show that in for 2022, 2023, and 2024, to date, there have been two announced closures in Aiken County - amounting to the loss of 195 jobs.

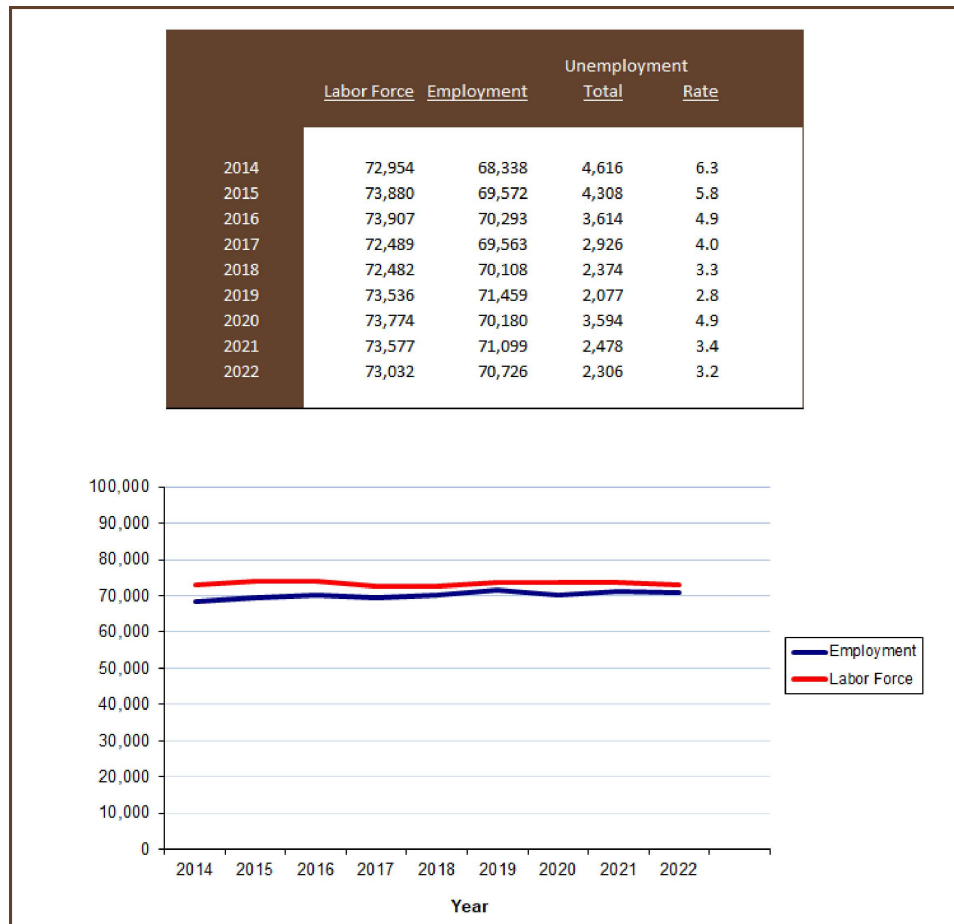
Based on information from the Census, the location of the site relative to the distribution of employment in Aiken County is illustrated in the map, below.



LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2022, the most recent year for which annualized data are available, the Aiken County labor force comprised an estimated 73,032 persons. Of this total, 70,726 were employed and 2,306 or 3.2 percent were unemployed. Unemployment increased by 1,116 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 9.1 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 6.3 percent in 2014.

Table 3 - Aiken County Labor Force and Employment



Source: US Department of Labor

COMMUTING

Based on data from the American Community Survey, 57.6 percent of workers resident in Aiken were employed in Aiken, with 81.8 percent employed in Aiken County as a whole. The average driving time to work for residents of Aiken was 23.2 minutes, compared with 25.5 minutes for the State as a whole.

Table 4 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	14,082	100.0
Worked in Place of residence	8,111	57.6
Worked in County of residence	11,519	81.8
Worked outside Place of residence	5,971	42.4
Worked outside County of residence	2,563	18.2
Mean travel time to work (minutes)	23.2	

Source: 2017 to 2021 American Community Survey; T Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau's OnTheMap application. These data, on commuting patterns for persons who live and/or work in Aiken County are set out, below.

Here it is seen that very many persons who live in Aiken County commute to work in Richmond County, Georgia - the Augusta area. Likewise, significant numbers of persons employed in Aiken County commute to work there from the Augusta area.

Table 5 - Commuting Patterns

Working in Aiken County	33,283
Where Aiken County residents are commuting to:	
Richmond County, GA	9,559
Lexington County, SC	2,870
Richland County, SC	2,520
Columbia County, GA	2,206
Greenville County, SC	1,497
Edgefield County, SC	1,210
Burke County, GA	838
Charleston County, SC	770
Saluda County, SC	729
Elsewhere	9,449
Where Aiken County workers are commuting from:	
Richmond County, GA	5,112
Columbia County, GA	3,918
Edgefield County, SC	2,832
Lexington County, SC	2,119
Barnwell County, SC	1,783
Richland County, SC	1,277
Orangeburg County, SC	919
Greenville County, SC	672
Greenwood County, SC	523
Elsewhere	9,267

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

The local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

E. COMMUNITY DEMOGRAPHIC DATA

POPULATION TRENDS AND PROJECTIONS

In 2010, the population of Aiken County was 160,099, and in 2020 the population was recorded as 168,808. Population projections for Aiken County are provided by the South Carolina Revenue and Fiscal Affairs. Based on these data, the population of the county is projected to be 170,400 by 2023, and to be 171,718 by 2026.

Population projections for the project market area are based on the average of several small area population projection techniques using census tract level trends for 2010 to 2020, corrected for the county projections. The projection is that in 2023 the project market area will have a population of around 72,277, and around 73,613 in 2026.

Information on population trends and changes between 2010 and 2026 are set out in Table 6, below.

Table 6 - Population Trends

	Aiken	Market Area	Aiken County
2010	29,524	64,636	160,099
2020	32,025	70,835	168,808
2023	n/a	72,277	170,400
2026	n/a	73,613	171,718
absolute change			
2010-2020	2,501	6,199	8,709
2020-2023	n/a	1,442	1,592
2023-2026	n/a	1,336	1,318
annual change			
2010-2020	250	620	871
2020-2023	n/a	481	531
2023-2026	n/a	445	439

Source: 2010 Census and 2020 Census; SC Revenue and Fiscal Affairs; T Ronald Brown: Research & Analysis

AGE

The distribution of the population, by age, for Aiken, the Aiken market area, and for Aiken County are set out in Table 7, below. These data are from the 2020 Census.

Table 7 - Age Distribution

	Aiken		Market Area		Aiken County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
Under 5 years	1,519	4.7	3,880	5.5	9,012	5.3
5 to 9 years	1,563	4.9	4,044	5.7	9,853	5.8
10 to 14 years	1,737	5.4	4,338	6.1	10,692	6.3
15 to 19 years	1,937	6.0	4,359	6.2	10,410	6.2
20 to 24 years	1,957	6.1	4,191	5.9	9,422	5.6
25 to 29 years	1,781	5.6	4,278	6.0	10,055	6.0
30 to 34 years	1,659	5.2	4,257	6.0	10,337	6.1
35 to 39 years	1,621	5.1	4,154	5.9	9,995	5.9
40 to 44 years	1,482	4.6	3,807	5.4	9,425	5.6
45 to 49 years	1,474	4.6	3,714	5.2	9,683	5.7
50 to 54 years	1,664	5.2	3,975	5.6	10,346	6.1
55 to 59 years	1,974	6.2	4,624	6.5	12,059	7.1
60 to 64 years	2,285	7.1	4,967	7.0	12,302	7.3
65 to 69 years	2,577	8.0	4,957	7.0	11,303	6.7
70 to 74 years	2,545	7.9	4,408	6.2	9,711	5.8
75 to 79 years	1,913	6.0	3,176	4.5	6,741	4.0
80 to 84 years	1,184	3.7	1,964	2.8	3,982	2.4
85 years and over	1,153	3.6	1,742	2.5	3,480	2.1
55 and older	13,631	42.6	25,838	36.5	59,578	35.3
65 and older	9,372	29.3	16,247	22.9	35,217	20.9
Total	32,025		70,835		168,808	

Source: 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Aiken, the project market area, and for Aiken County are out in Table 8, below. These projections are based on the population projections set out, above.

The projection is that in 2023 the project market area will have around 30,368 households, and around 31,141 in 2026. In 2020, there were 29,560 households in the market area.

Table 8 - Household Trends

	Aiken	Market Area	Aiken County
2010	12,773	26,689	64,253
2020	14,028	29,560	69,450
2023	n/a	30,368	70,655
2026	n/a	31,141	71,757
absolute change			
2010-2020	1,255	2,871	5,197
2020-2023	n/a	808	1,205
2023-2026	n/a	773	1,102
annual change			
2010-2020	126	287	520
2020-2023	n/a	269	402
2023-2026	n/a	258	367

Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

TENURE

Table 9, below, sets out the number and proportion of owner and renter households for Aiken, the Aiken market area, and for Aiken County. In the years beyond 2020, the tenure proportions are based on the 2010 to 2020 tenure trends. In 2020, 29.7 percent of households in the market area were renters, compared with 33.6 percent in Aiken, and 26.8 percent in the county.

Table 9 - Tenure

Aiken	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	29,524	12,773	2.31	8,428	66.0	4,345	34.0
2020	32,025	14,028	2.28	9,313	66.4	4,715	33.6
2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2026	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Market Area	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	64,636	26,689	2.42	18,502	69.3	8,187	30.7
2020	70,835	29,560	2.40	20,788	70.3	8,772	29.7
2023	72,277	30,368	2.39	21,445	70.6	8,923	29.4
2026	73,613	31,141	2.38	22,082	70.9	9,059	29.1

Aiken County	<u>population</u>	<u>households</u>	<u>persons per household</u>	<u>Owner-occupied</u>		<u>Renter-occupied</u>	
				<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2010	160,099	64,253	2.49	46,956	73.1	17,297	26.9
2020	168,808	69,450	2.43	50,848	73.2	18,602	26.8
2023	170,400	70,655	2.41	51,759	73.3	18,896	26.7
2026	171,718	71,757	2.39	52,595	73.3	19,162	26.7

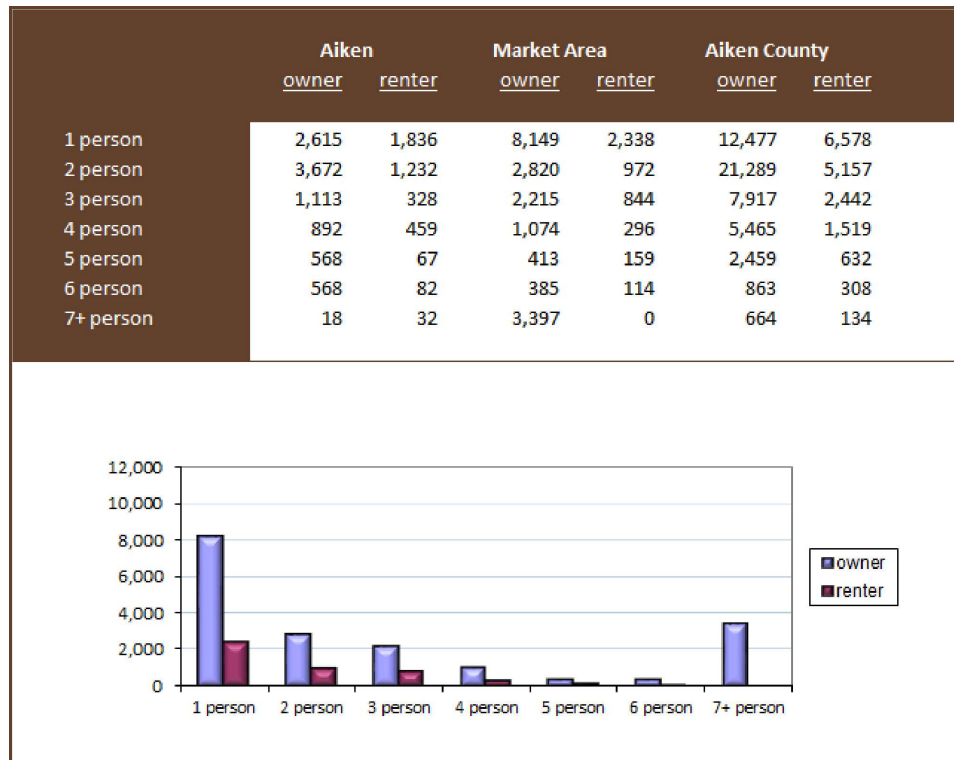
Source: 2010 Census and 2020 Census; T Ronald Brown: Research & Analysis

HOUSEHOLD SIZE

Table 10 below, sets out household size, by tenure, for households in Aiken, the project market area, and Aiken County.

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

Table 10 - Household Size, by Tenure



Source: 2017 to 2021 American Community Survey; T Ronald Brown: Research & Analysis

HOUSEHOLD INCOME

The distribution of household incomes for Aiken, the market area, and for Aiken County are set out in Table 11, below. These figures are taken from the 2017 to 2021 American Community Survey, and as such are subject to the limitations imposed by this source.

Here, it is seen that the median household income in Aiken was \$65,712 and that for Aiken County as a whole was seen to be \$63,212. The median income for the market area is estimated to be around \$61,395.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$56,261 - based on the American Community Survey data.

Table 11 - Household Income

	Aiken		Market area		Aiken County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	942	7.3	1,920	6.8	3,940	5.8
\$10,000 to \$14,999	649	5.0	1,374	4.9	3,376	5.0
\$15,000 to \$19,999	366	2.8	1,109	3.9	2,708	4.0
\$20,000 to \$24,999	340	2.6	999	3.5	2,535	3.7
\$25,000 to \$29,999	698	5.4	1,345	4.8	3,290	4.8
\$30,000 to \$34,999	534	4.1	1,130	4.0	3,078	4.5
\$35,000 to \$39,999	487	3.8	1,053	3.7	2,624	3.9
\$40,000 to \$44,999	380	2.9	1,238	4.4	2,883	4.2
\$45,000 to \$49,999	362	2.8	970	3.4	2,733	4.0
\$50,000 to \$59,999	1,187	9.2	2,732	9.7	5,701	8.4
\$60,000 to \$74,999	1,100	8.5	2,436	8.6	6,014	8.9
\$75,000 to \$99,999	1,593	12.3	3,634	12.9	9,187	13.5
\$100,000 to \$124,999	1,166	9.0	2,627	9.3	6,370	9.4
\$125,000 to \$149,999	613	4.7	1,676	5.9	4,045	6.0
\$150,000 to \$199,999	987	7.6	1,725	6.1	4,708	6.9
\$200,000 or more	1,549	12.0	2,230	7.9	4,712	6.9
median income	\$65,712		\$61,395 *		\$63,212	

* estimate

Source: 2017 to 2021 American Community Survey; T Ronald Brown: Research & Analysis

RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Aiken, the market area, and Aiken County set out in Table 12, below. These figures are also taken from the 2017 to 2021 American Community Survey.

Here, it is seen that the median renter household income in Aiken was \$34,849, and that for Aiken County as a whole was seen to be \$35,950. The median income for renters in the market area is estimated to be around \$37,586.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$26,282 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

	Aiken		Market area		Aiken County	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	721	17.9	1,224	15.1	2,082	12.4
\$10,000 to \$19,999	658	16.3	1,314	16.2	2,802	16.7
\$20,000 to \$34,999	654	16.2	1,316	16.2	3,349	20.0
\$35,000 to \$49,999	421	10.4	1,177	14.5	2,164	12.9
\$50,000 to \$74,999	688	17.0	1,322	16.3	2,813	16.8
\$75,000 to \$99,999	387	9.6	800	9.9	1,802	10.7
\$100,000 or more	507	12.6	967	11.9	1,758	10.5
median income	\$34,849		\$37,586 *		\$35,990	

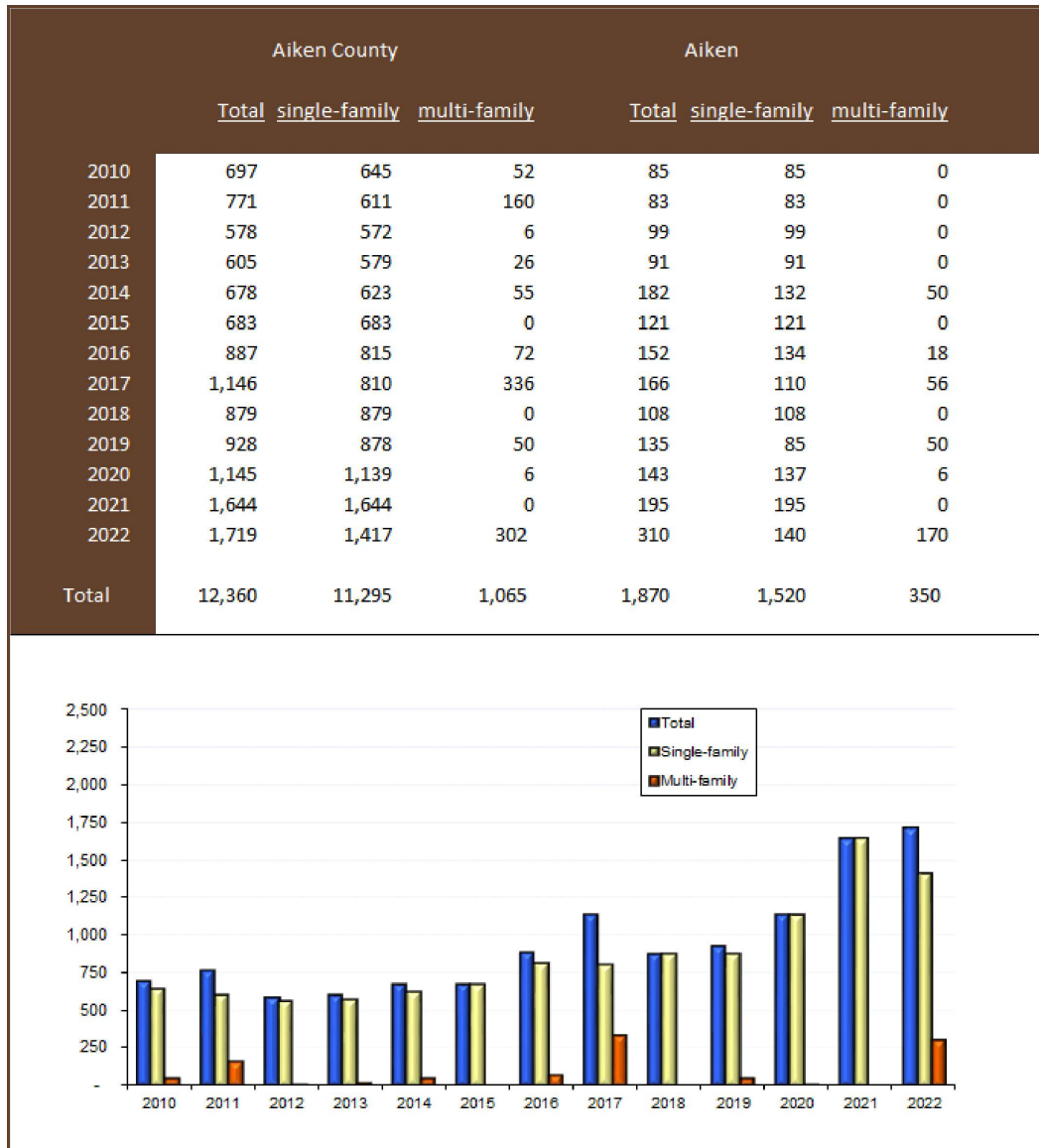
* estimate

Source: 2017 to 2021 American Community Survey; T Ronald Brown: Research & Analysis

RESIDENTIAL CONSTRUCTION SINCE 2010

Table 13 below gives details of residential construction in Aiken County since 2010. Here it can be seen that a total of 12,360 units were added in Aiken County, with 1,870 units added in the City of Aiken of which 350 were multi-family units. No data are available for the market area.

Table 13 - Residential Construction Since 2000



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

F. PROJECT SPECIFIC DEMAND ANALYSIS

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

INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 80 units proposed, eight will be targeted to households with incomes up to 20 percent of the median, with 19 units targeted at 50 percent, and 36 units targeted at 60 percent of the median, and 17 units targeted at the 70 percent level, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of one-, two-, and three- bedroom units.

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

Table 14 - Income Limits and Maximum Housing Costs

Income Limits				
	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 person	\$12,000	\$30,000	\$36,000	\$42,000
2 person	\$13,720	\$34,300	\$41,160	\$48,020
3 person	\$15,440	\$38,600	\$46,320	\$54,040
4 person	\$17,160	\$42,900	\$51,480	\$60,060
5 person	\$18,540	\$46,350	\$55,620	\$64,890
6 person	\$19,900	\$49,750	\$59,700	\$69,650
Maximum Housing Costs				
	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>
1 bedroom	\$322	\$804	\$965	\$1,125
2 bedroom	\$386	\$965	\$1,158	\$1,351
3 bedroom	\$446	\$1,116	\$1,339	\$1,562

Source: HUD

The median income for Aiken County in 2024 is \$86,800 - having been \$78,000 in 2023, and \$55,900 in 2014. This represents an 11.3 percent increase over the previous year, and a 55.3 percent increase over the last decade (or an average of 4.50 percent per year).

Information as to rents and income targeting, and qualifying income ranges are set out in Table 15, below

Table 15 - Rents and Income Targeting

income targeting					
	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total</u>
1 bedroom	1	3	4	2	10
2 bedroom	4	12	24	10	50
3 bedroom	3	4	8	5	20
Total	8	19	36	17	80
proposed rents					
	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	
1 bedroom	\$242	\$725	\$800	\$875	
2 bedroom	\$286	\$825	\$900	\$950	
3 bedroom	\$321	\$925	\$1,000	\$1,025	
proposed rents as a proportion (%) of maximum					
	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	
1 bedroom	99.4	99.9	90.2	83.6	
2 bedroom	99.7	95.3	85.0	75.9	
3 bedroom	99.3	93.2	82.3	71.2	

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$78, \$99, and \$123 for the one-, two-, and three-bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments fall at the maximum allowable for the units at 20 percent. The rents at the 50 percent level are between 93 and 100 percent of the maximum, and those at the 60 percent level are between 82 and 90 percent of the maximum. The units targeted at the 70 percent level are seen to be between 71 and 84 percent of the maximum allowable.

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

Table 16 - Qualifying Income Ranges

<u>20 percent</u>		
	lower	upper
1 bedroom	\$10,971	\$12,860
2 bedroom	\$13,200	\$15,440
3 bedroom	\$15,223	\$17,850
<u>50 percent</u>		
	lower	upper
1 bedroom	\$27,531	\$32,150
2 bedroom	\$31,680	\$38,600
3 bedroom	\$35,931	\$44,625
<u>60 percent</u>		
	lower	upper
1 bedroom	\$30,103	\$38,580
2 bedroom	\$34,251	\$46,320
3 bedroom	\$38,503	\$53,550
<u>70 percent</u>		
	lower	upper
1 bedroom	\$32,674	\$45,010
2 bedroom	\$34,251	\$54,040
3 bedroom	\$39,360	\$62,475

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$10,971 to \$62,475, reflecting the target incomes used. The above table shows that the qualifying income ranges are relatively narrow for the units at the 20 percent level - reflecting the fact that the rents are at the maximum allowable.

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

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

Table 17 - Household Income, Renter Households

Income	Number	Percent	Overburdened Renters	
			Number	Percent
Up to \$10,000	1,224	15.1	750	23.6
\$10,000 - \$19,999	1,314	16.2	1,007	31.7
\$20,000 - \$34,999	1,316	16.2	972	30.6
\$35,000 - \$50,000	1,177	14.5	423	13.3
\$50,000 - \$75,000	1,322	16.3	0	0.0
\$75,000 - \$100,000	800	9.9	20	0.6
\$100,000 and over	967	11.9	0	0.0
Total	8,120		3,172	

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2017 to 2021 - and not for a specific year.

From this table it can be seen that 15.1 percent of the market area renter households have incomes less than \$10,000 and a further 16.2 percent have incomes between \$10,000 and \$20,000. Around 16.2 percent of market area renters are seen to have incomes in the \$20,000 to \$35,000 income range. Around 39.1 percent of all renters are rent-overburdened. Here, it should be noted that few renters with incomes in excess of \$35,000 are seen to be rent-overburdened.

Based on the income ranges set out in Table 16 and the income distribution set out in Table 17, it is found that around 14.5 percent of market area renter households qualify for units at 20 percent of the median, and 17.4 percent qualify at the 50 percent level. The corresponding figures for the units at 60 percent and 70 percent are 26.1 percent and 29.4 percent, respectively.

Projections of need and demand are based upon a 2023 to 2026 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 9, a total of 137 new rental units are needed between 2023 and 2026. A total of 68 units will be for households eligible for the proposed project: 20 households at the 20 percent level, 24 households at the 50 percent level, 36 households at the 60 percent level, and 41 at the 70 percent level.

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

Our calculations show that there will be a total of 4,512 renter households in the qualifying income ranges in the project market area. This figure has to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 61.3 percent of renters qualifying for units at the 20 percent level are rent overburdened. The corresponding proportions for units at the 50 percent, 60 percent, and 70 percent levels are 53.6 percent, 34.9 percent, and 23.7 percent. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This based on an annual average rate of 0.6 percent of the rental housing stock. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 82 units.

Total demand is therefore seen to amount to 1,964 units: 845 qualifying for units at 20 percent of the median, 895 qualifying at 50 percent, 904 qualifying at 60 percent of the median, and 730 qualifying at the 70 percent level.

These figures are based on a 2023 to 2026 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. Two potentially comparable projects have been funded over the projection period. These are the 90 units at the Mark at Woodford, which are currently in lease-up, and the 60 units at Weller's Ridge where construction is likely to start by mid 2024. No other comparable projects have been funded or are under construction. Given the addition of 150 units, of which 135 are potentially comparable to the proposed development, the net demand is for 1,829 units

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

Table 18 - Demand Calculations

	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total*</u>
(i) income eligible new renter households	20	24	36	41	68
(ii) income eligible existing renter households	1,309	1,574	2,365	2,700	4,512
(iii) existing households, likely to move	802	843	826	640	1,814
(iv) need from obsolete housing	24	28	43	49	82
Total demand (i)+(iii)+(iv)	845	895	904	730	1,964
Supply	15	0	120	0	135
Net demand	830	895	784	730	1,829

* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 32 percent of the total, two-bedroom units should account for 39 percent of the total, and three-bedroom units should account for 22 percent of the total with four- or more bedroom units accounting for 7 percent. Here, it is important to note that the need and demand for three- bedroom units (which account for 25.0 percent of the 80-unit total) is based on renter household size - with a focus on four-or-more person households for the three-bedroom units.

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

Table 19 - Capture Rates

	<u>20 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>70 percent</u>	<u>Total*</u>
Total demand					
1 bedroom	273	289	292	235	633
2 bedroom	332	352	356	287	772
3 bedroom	184	195	197	159	427
4 bedroom	57	60	61	49	132
Total	845	895	904	730	1,964
Supply					
1 bedroom	15	0	0	0	15
2 bedroom	0	0	70	0	70
3 bedroom	0	0	50	0	50
4 bedroom	0	0	0	0	0
Total	15	0	120	0	135
Net demand					
1 bedroom	258	289	292	235	618
2 bedroom	332	352	286	287	702
3 bedroom	184	195	147	159	377
4 bedroom	57	60	61	49	132
Total	830	895	784	730	1,829
Units proposed					
1 bedroom	1	3	4	2	10
2 bedroom	4	12	24	10	50
3 bedroom	3	4	8	5	20
4 bedroom	0	0	0	0	0
Total	8	19	36	17	80
Capture rates					
1 bedroom	0.4%	1.0%	1.4%	0.3%	1.6%
2 bedroom	1.2%	3.4%	8.4%	1.4%	7.1%
3 bedroom	1.6%	2.1%	5.5%	1.3%	5.3%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Total	1.0%	2.1%	4.6%	4.4%	4.4%

* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 80-unit development amounts to 4.4 percent of the total net demand. The development equates to 4.7 percent of the net demand for 1,697 one-, two-, and three-bedroom units.

The capture rate for the eight units targeted at 20 percent of the median is 1.0 percent, that for the 19 units targeted at 50 percent of the median is 2.1 percent, with that for the 36 units targeted at 60 percent of the median determined to be 4.6 percent, and that for the 17 units at the 70 percent level being 4.4 percent. The corresponding rates for one-, two-, and three-bedroom units only are 1.0 percent, 2.3 percent, and 5.0 percent and 2.5 percent, respectively.

The capture rates, by bedroom, are determined to be 1.6 percent for the ten one-bedroom units, 7.1 percent for the 50 two-bedroom units, and 5.3 percent for the 20 three-bedroom units.

These capture rates are considered to be realistic for community of its size, with four target income ranges.

The proposed project is considered marketable.

ABSORPTION RATES

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

G. EXISTING RENTAL UNITS

There are several apartment complexes located throughout the Aiken area. These include properties that are financed through the use of Low Income Housing Tax Credits - and thus are potentially comparable to the proposed Seter Ridge Trace complex. There two properties that are subsidized for low and very low income renters, through the HUD Section 8 program, and several market rate properties. Information on the tax credit properties, subsidized properties, and market rate properties in the market area is presented below.

The various tax credit properties date from 2010, and include five stabilized properties, one that is currently in lease-up, and one that has been funded, but where construction has yet to commence.

The most recent, stabilized, tax credit property is the 48-unit Woodford Trace Apartments. Here, there are a mix of two- and three-bedroom units, targeted at 50 percent and 60 percent of the area median income. Rents range from \$870 to \$985. Currently one unit is reported to be vacant - a 97.9 percent occupancy rate.

The Mark at Woodford (located near Woodford Trace) offers a total of 90 units, of which 35 were occupied at the time of our survey. There are nine one-bedroom units (that are targeted at 20 percent of the median income), 48 two-bedroom units, and 33 three-bedroom units. The two- and three-bedroom units are targeted at 40 percent and 60 percent of the median - with rents in the \$519 to \$985 range.

The Weller's Ridge Apartments is planned to offer 60 units. Paralleling the Mark at Woodford, there are six one-bedroom units at 20 percent of the median, and 32 two-bedroom and 22 three-bedroom units, targeted at 40 percent and 60 percent of the local area median income.

We have identified and surveyed nine market rate apartment complexes in the Aiken area. These date from 1973 to 2008. The newest complex, for example, is the Haven at Market Street Station property - which offers 284 units in the Trolley Run Station development, to the north and east of Aiken. The project has one-bedroom units that rent for \$1,135 to \$1,205, with two- and three-bedroom units available for \$1,220 and \$1,535, respectively. The property reports an 85 percent occupancy level. Rents at the various conventional properties range from \$767 to \$1,205 for one-bedroom units, from \$923 to \$1,299 for two-bedroom units, with three-bedroom units in the \$1,070 to \$1,535 range. Occupancy ranges from 78 to 97 percent.

Overall occupancy in the market rate complexes is 91.5 percent, and occupancy at the stabilized tax credit properties is 96.3 percent. The overall occupancy rate for these units is found to be 92.0 percent. We were not able to obtain occupancy data for either of the subsidized properties.

Details of the various properties surveyed are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Ashton	Conventional	2001	96	21	78.1
Boundary at Silver Bluff	Conventional	1973/2021	126	3	97.4
Brittany Downs	Conventional	1999	194	6	97.0
Colony at South Park	Conventional	1989	184	8	95.7
Crosland	HUD §8	1981/2024	56	n/a	n/a
DuPont Landing	LIHTC	2014	44	0	100.0
Gatewood	Conventional	1984/2022	134	9	93.3
Haven at Market Street Station	Conventional	2008	284	43	84.9
The Huntley	Conventional	1980's	148	15	89.9
Mark at Woodford	LIHTC	2024	90	55	38.9
Meadowbrook Acres	LIHTC	2011	48	5	89.6
Olde South Terrace	LIHTC	2010	48	1	97.9
Paces Run	HUD §8	1970/1990	56	n/a	n/a
Palmetto Crossing	LIHTC	2018	48	n/a	n/a
Preserve at Lauren's Creek	Conventional	2002	56	n/a	n/a
Verandas on the Green	Conventional	1980	222	11	95.1
Viera Aiken	Conventional	1991/2019	240	23	90.5
Weller's Ridge	LIHTC	2025	60	n/a	n/a
Woodford Trace	LIHTC	2022	48	1	97.9

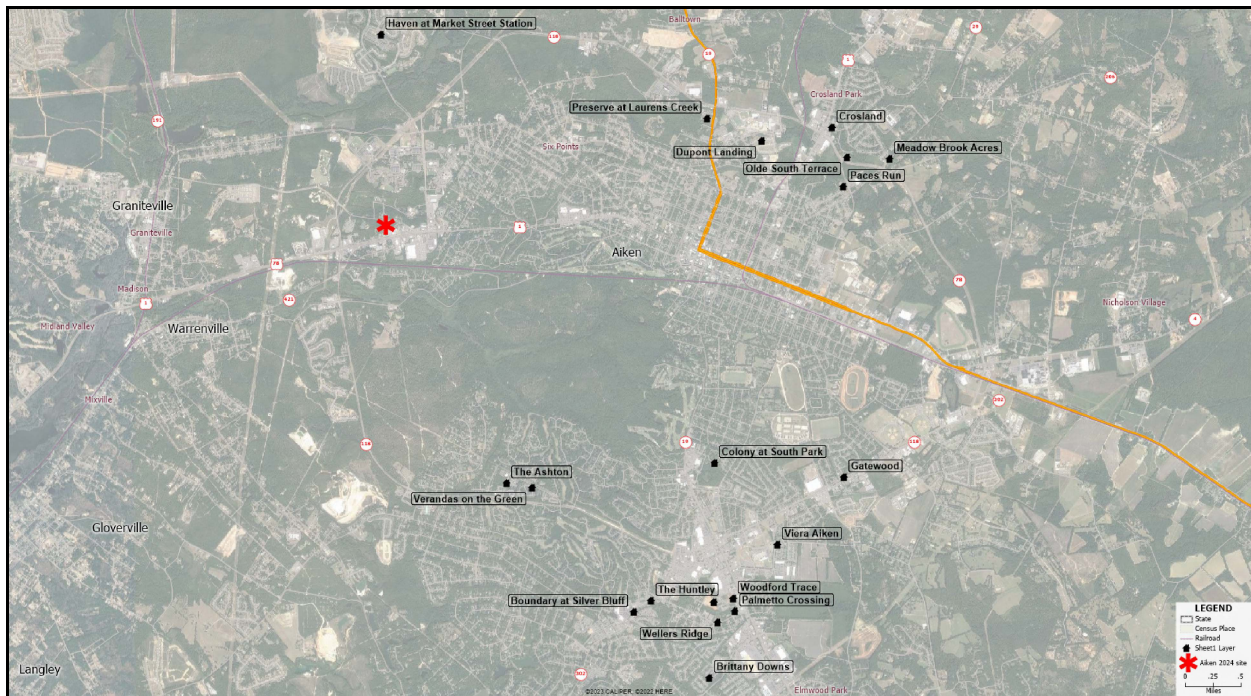
Report for the Seter Ridge Trace Apartments in Aiken, South Carolina

	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Seter Ridge Trace				10	801	\$242-875
Ashton				24	692	\$1,099
Boundary at Silver Bluff				96	635	\$767-995
Brittany Downs	16	520	\$845	48	720-800	\$830-960
Colony at South Park				48	750	\$1,149
Crosland				20	574	boi
DuPont Landing						
Gatewood						
Haven at Market Street Station				118	776-988	\$1,135-1,205
The Huntley				8	650	949
Mark at Woodford				9	765	boi
Meadowbrook Acres						
Olde South Terrace						
Paces Run				8	n/a	boi
Palmetto Crossing						
Preserve at Lauren's Creek						
Verandas on the Green				24	775	\$1,065
Viera Aiken						
Weller's Ridge				6	765	\$115
Woodford Trace						
	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Seter Ridge Trace				50	1,026	\$286-950
Ashton				60	1,000	\$1,299
Boundary at Silver Bluff	24	835	\$923-1,125			
Brittany Downs	8	1,008	\$1,050	122	1,048	\$1,090
Colony at South Park				88	950	\$1,260
Crosland	32	804	boi			
DuPont Landing						
Gatewood	28	975	\$1,249	76	1,053	\$1,249
Haven at Market Street Station				n/a	1,149	\$1,220
The Huntley	112	900-1,000	\$1,169-1,299			
Mark at Woodford				48	995	\$519-\$870
Meadowbrook Acres				32	1,096	\$595-655
Olde South Terrace				12	1,250	\$595-635
Paces Run	20	n/a	boi			
Palmetto Crossing				24	1,100	
Preserve at Lauren's Creek	40	908	\$1,055			
Verandas on the Green				60	1,000	\$1,125
Viera Aiken				160	1,000	\$1,195
Weller's Ridge				32	995	\$435-730
Woodford Trace				34	949-999	\$870-904

Report for the Seter Ridge Trace Apartments in Aiken, South Carolina

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Seter Ridge Trace				20	1,169	\$321-1,025
Ashton				12	1,228	\$1,399
Boundary at Silver Bluff	6	1,050	\$1,070-1,356			
Brittany Downs						
Colony at South Park				48	1,150	\$1,311
Crosland	10	1,051	boi			
DuPont Landing				44	1,250	\$745-875
Gatewood				30	1,125	\$1,299
Haven at Market Street Station				n/a	1,292	\$1,535
The Huntley				38	1,100-1,138	\$1,329-1,349
Mark at Woodford				33	1,198	\$579-985
Meadowbrook Acres				16	1,196	\$645-730
Olde South Terrace				36	1,250	\$645-710
Paces Run				16	n/a	boi
Palmetto Crossing				18	1,250	
Preserve at Lauren's Creek				16	1,053	\$1,315
Verandas on the Green				12	1,235	\$1,335
Viera Aiken				80	1,235	\$1,395
Weller's Ridge				22	1,198	\$475-825
Woodford Trace				22	1,197-1,201	\$782-985

A map showing the locations of these properties, relative to the site of the proposed apartments is provided, below.



Several market rate apartment developments in the project market area can be used in the determination of market rents. Here, we focused on the Haven at Market Street Station, the Preserve at Lauren's Creek, Verandas on the Green, and Viera Aiken. The location, rent levels, unit size, age, features, and amenities at these properties were analyzed in order to try to establish an estimate of market rent levels for the unassisted units at the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around \$1,118 for a one-bedroom unit, \$1,172 for a two-bedroom unit, and \$1,405 for a three-bedroom unit.

Based on the proposed rents at the proposed development, this rent is found to be well below the gross adjusted market rent (31.25 percent less).

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR					
1	1 BR	\$242	\$242	\$1,118	\$1,118	
3	1 BR	\$725	\$2,175	\$1,118	\$3,354	
4	1 BR	\$800	\$3,200	\$1,118	\$4,471	
2	1 BR	\$875	\$1,750	\$1,118	\$2,236	
	2 BR					
4	2 BR	\$286	\$1,144	\$1,172	\$4,689	
12	2 BR	\$825	\$9,900	\$1,172	\$14,068	
24	2 BR	\$900	\$21,600	\$1,172	\$28,136	
10	2 BR	\$950	\$9,500	\$1,172	\$11,724	
	3 BR					
3	3 BR	\$321	\$963	\$1,405	\$4,214	
4	3 BR	\$925	\$3,700	\$1,405	\$5,618	
8	3 BR	\$1,000	\$8,000	\$1,405	\$11,236	
5	3 BR	\$1,025	\$5,125	\$1,405	\$7,023	
	4 BR					
Totals	80		\$67,299		\$97,887	31.25%

The relationship between the proposed rents and the HUD Fair Market Rents (FMRs), as per the S-2 Exhibit, are set out, below.

Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted FMR	Gross Adjusted FMR	Tax Credit Gross Rent Advantage
	0 BR					
1	1 BR	\$242	\$242	\$961	\$961	
3	1 BR	\$725	\$2,175	\$961	\$2,883	
4	1 BR	\$800	\$3,200	\$961	\$3,844	
2	1 BR	\$875	\$1,750	\$961	\$1,922	
	2 BR					
4	2 BR	\$286	\$1,144	\$1,100	\$4,400	
12	2 BR	\$825	\$9,900	\$1,100	\$13,200	
24	2 BR	\$900	\$21,600	\$1,100	\$26,400	
10	2 BR	\$950	\$9,500	\$1,100	\$11,000	
	3 BR					
3	3 BR	\$321	\$963	\$1,463	\$4,389	
4	3 BR	\$925	\$3,700	\$1,463	\$5,852	
8	3 BR	\$1,000	\$8,000	\$1,463	\$11,704	
5	3 BR	\$1,025	\$5,125	\$1,463	\$7,315	
	4 BR					
Totals	80		\$67,299		\$93,870	28.31%



Ashton

Location: 925 Trail Ridge Road
Aiken

Financing: Conventional

Year Built: 2001

Total Units: 96

Vacant units: 21 78.1% occupied

Telephone: 803.641.7163

Management: Brookside Properties
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	24	692	\$1,099	\$1.59
2/2	60	1,000	\$1,299	\$1.30
3/2	12	1,228	\$1,399	\$1.14

Unit Amenities

- Microwave •
- Dishwasher •
- Washer/dryer •
- Washer/dryer hook-up •
- 9' Ceilings •
- High-end kitchen •
- Wood/style floors •
- Fireplaces •
- Patios/balconies •

Community Amenities

- Clubhouse/community room •
- Fitness center •
- Business center •
- Pool •
- Playground •
- Controlled access/gated •
- Elevator •
- Garages •
- Storage •
- Laundry •

Utilities in Rent

- Water
- Sewer
- Trash



Boundary at Silver Bluff

Location: 749 Silver Bluff Road
Aiken

Financing: Conventional

Year Built: 1973/2021

Total Units: 126

Vacant units: 3.276 97.4% occupied

Telephone: 803.560.5471

Management: Sunbelt Multifamily Properties
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	96	635	\$767*-995	\$1.39
2/1	24	835	\$923*-1,125	\$1.23
3/1½	6	1,050	\$1,070*-1,356	\$1.16

* targeted at 50 percent of the median

Unit Amenities

- Microwave
- Dishwasher •
- Washer/dryer •
- Washer/dryer hook-up •
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies

Community Amenities

- Clubhouse/community room •
- Fitness center
- Business center
- Pool •
- Playground •
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry •

Utilities in Rent

- Water
- Sewer
- Trash



Brittany Downs

Location: 200 Berringer Drive
Aiken

Financing: Conventional

Year Built: 1999

Total Units: 194

Vacant units: 5.82 97.0% occupied

Telephone: 803.232.7488

Management: Phillips Management Group
[4/23]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
0/1	16	520	\$845	\$1.63	Microwave
					Dishwasher •
					Washer/dryer
1/1	40	720	\$930	\$1.29	Washer/dryer hook-up •
1/1	8	800	\$960	\$1.20	9' Ceilings
					High-end kitchen
2/1½	8	1,008	\$1,050	\$1.04	Wood/style floors
2/2	122	1,048	\$1,090	\$1.04	Fireplaces
					Patios/balconies •

Community Amenities

Clubhouse/community room
Fitness center
Business center
Pool
Playground
Controlled access/gated
Elevator
Garages
Storage
Laundry

Utilities in Rent

Water
Sewer
Trash



Colony at South Park

Location: 101 Greengate Circle
Aiken

Financing: Conventional

Year Built: 1989

Total Units: 184

Vacant units: 8.004 95.7% occupied

Telephone: 803.882.3541

Management: BH Management
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	48	750	\$1,149	\$1.53	Microwave •
					Dishwasher •
					Washer/dryer •
2/2	88	950	\$1,260	\$1.33	Washer/dryer hook-up •
					9' Ceilings •
3/2	48	1,150	\$1,311	\$1.14	High-end kitchen •
					Wood/style floors •
					Fireplaces •
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center •
					Pool •
					Playground •
					Controlled access/gated •
					Elevator •
					Garages •
					Storage •
					Laundry •
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



Crosland

Location: 630 Aldrich Street, NE
Aiken

Financing: HUD §8

Year Built: 1981/2024

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 803.648.9939

Management: DGA Residential

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	616	
2/1	40	836	
3/1½	8	1,056	

Unit Amenities

Microwave
Dishwasher
Washer/dryer
Washer/dryer hook-up
9' Ceilings
High-end kitchen
Wood/style floors
Fireplaces
Patos/balconies

Community Amenities

Clubhouse/community room
Fitness center
Business center
Pool
Playground
Controlled access/gated
Elevator
Garages
Storage
Laundry

Utilities in Rent

Water •
Sewer •
Trash •



DuPont Landing

Location: 109 Benedict Street
Aiken

Financing: LIHTC

Year Built: 2014

Total Units: 44

Vacant units: 1 97.7% occupied

Telephone: 803.226.0055

Management: CAHEC Management

[4/26]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities	
3/2	36	1,250	50%	\$745	\$230	\$0.60	Microwave	•
3/2	8	1,250	60%	\$875	\$230	\$0.70	Dishwasher	•
							Washer/dryer	•
							Washer/dryer hook-up	•
							9' Ceilings	
							High-end kitchen	
							Wood/style floors	
							Fireplaces	
							Patios/balconies	•
<u>Community Amenities</u>								
							Clubhouse/community room	•
							Fitness center	
							Business center	
							Pool	
							Playground	•
							Controlled access/gated	
							Elevator	
							Garages	
							Storage	
							Laundry	

Utilities in Rent

Water •
Sewer •
Trash •



Gatewood

Location: 303 Pebble Lane
Aiken

Financing: Conventional

Year Built: 1984/2022

Total Units: 134

Vacant units: 9 93.3% occupied

Telephone: 803.642.6553

Management: Intermark Management

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
2/1½	28	975	\$1,249	\$1.28	Microwave
2/2½	76	1,053	\$1,249	\$1.19	Dishwasher •
					Washer/dryer
					Washer/dryer hook-up •
3/2	30	1,125	\$1,299	\$1.15	9' Ceilings
					High-end kitchen
					Wood/style floors
					Fireplaces
					Patios/balconies
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center
					Business center
					Pool •
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry

Utilities in Rent

Water

Sewer

Trash



Haven at Market Street Station

Location: 8034 MacBean Loop
Aiken

Financing: Conventional

Year Built: 2008

Total Units: 284

Vacant units: 42.6 85.0% occupied

Telephone: 803.641.3111

Management: Asset Living
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	68	776	\$1,135	\$1.46	Microwave •
1/1½	50	988	\$1,205	\$1.22	Dishwasher •
					Washer/dryer •
					Washer/dryer hook-up •
2/2	n/a	1,149	\$1,220	\$1.06	9' Ceilings
					High-end kitchen
3/2	n/a	1,292	\$1,535	\$1.19	Wood/style floors
					Fireplaces
					Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center •
					Business center
					Pool •



The Huntley

Location: 650 Silver Bluff Road
Aiken

Financing: Conventional

Year Built: 1980's

Total Units: 148

Vacant units: 15 89.9% occupied

Telephone: 803.850.3517

Management: [4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	8	650	\$949	\$1.46	Microwave
2/1	48	900	\$1,169-1,299	\$1.37	Dishwasher •
2/1½	64	1,000	\$1,289	\$1.29	Washer/dryer •
3/2	12	1,100	\$1,349	\$1.23	Washer/dryer hook-up
3/2	16	1,138	\$1,329	\$1.17	9' Ceilings
					High-end kitchen
					Wood/style floors
					Fireplaces
					Patios/balconies
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center
					Business center
					Pool •
					Playground
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry •
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



Mark at Woodford

Location: 924 Dougherty Street
Aiken

Financing: LIHTC

Year Built: 2024

Total Units: 90

Vacant units: 55 38.9% occupied - in lease-up

Telephone: 803.906.2793

Management: Fitch Irick

[4/25]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	9	765	20%	n/a		n/a	Microwave •
							Dishwasher •
							Washer/dryer •
2/2	6	995	40%	\$519		\$0.52	Washer/dryer hook-up •
2/2	42	995	60%	\$870		\$0.87	9' Ceilings •
							High-end kitchen •
3/2	3	1,198	40%	\$579		\$0.48	Wood/style floors •
3/2	30	1,198	60%	\$985		\$0.82	Fireplaces •
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool •
							Playground •
							Controlled access/gated •
							Elevator •
							Garages •
							Storage •
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



Meadowbrook Acres

Location: 111 Wire Road
Aiken

Financing: LIHTC

Year Built: 2011

Total Units: 48

Vacant units: 5 89.6% occupied

Telephone: 803.226.0559

Management: Guardian Management
[4/30]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	8	1,096	50%	\$595	n/a	\$0.54	Microwave
2/2	24	1,096	60%	\$655	n/a	\$0.60	Dishwasher •
							Washer/dryer
							Washer/dryer hook-up •
3/2	4	1,196	50%	\$645	n/a	\$0.54	9' Ceilings
3/2	12	1,196	60%	\$730	n/a	\$0.61	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash							



Olde South Terrace

Location: 4001 Eclipse Loop
Aiken

Financing: LIHTC

Year Built: 2010

Total Units: 48

Vacant units: 1 97.9% occupied

Telephone: 803.226.0559

Management: Guardian Management
[4/30]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	8	1,080	50%	\$595	n/a	\$0.55	Microwave
2/2	4	1,080	60%	\$635	n/a	\$0.59	Dishwasher •
							Washer/dryer
							Washer/dryer hook-up •
3/2	4	1,250	50%	\$645	n/a	\$0.52	9' Ceilings
3/2	32	1,250	60%	\$710	n/a	\$0.57	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies •
<u>Community Amenities</u>							
							Clubhouse/community room •
							Fitness center •
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



Paces Run

Location: 826 Brandt Court, NE
Aiken

Financing: HUD §8

Year Built: 1970/1990

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 336.249.1836

Management: Housing Management, Inc
[4/22]

Br/ba	Units	Sq. ft	Contract Rent
1/1	8	n/a	n/a
2/1	20	n/a	n/a
3/1	16	n/a	n/a
4/1	12	n/a	n/a

Management did not disclose information

Unit Amenities

Microwave
Dishwasher
Washer/dryer
Washer/dryer hook-up
9' Ceilings
High-end kitchen
Wood/style floors
Fireplaces
Patios/balconies

Community Amenities

Clubhouse/community room
Fitness center
Business center
Pool
Playground
Controlled access/gated
Elevator
Garages
Storage
Laundry

Utilities in Rent

Water ●
Sewer ●
Trash ●



Palmetto Crossing

Location: 1024 Owens Street
Aiken

Financing: LIHTC

Year Built: 2018

Total Units: 48

Vacant units: n/a n/a occupied

Telephone: 803.262.5085

Management: Intermark Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/2	4	1,100	50%	n/a			Microwave •
2/2	20	1,100	60%	n/a			Dishwasher •
							Washer/dryer •
							Washer/dryer hook-up •
3/2	4	1,250	50%	n/a			9' Ceilings
3/2	14	1,250	60%	n/a			High-end kitchen
							Wood/style floors
4/2½	2	1,400	50%	n/a			Fireplaces
4/2½	4	1,400	60%	n/a			Patios/balconies
							<u>Community Amenities</u>
							Clubhouse/community room •
							Fitness center
							Business center •
							Pool
							Playground •
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry •
<u>Utilities in Rent</u>							
Water	•						
Sewer	•						
Trash	•						



Preserve at Lauren's Creek

Location: 2000 Glen Arbor Court
Aiken

Financing: Conventional

Year Built: 2002

Total Units: 56

Vacant units: n/a n/a occupied

Telephone: 803.676.8716

Management: Southwood Realty
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/1	40	908	\$1,055	\$1.16
3/2	16	1,053	\$1,315	\$1.25

management does not disclose occupancy

Unit Amenities

- Microwave •
- Dishwasher •
- Washer/dryer •
- Washer/dryer hook-up •
- 9' Ceilings •
- High-end kitchen •
- Wood/style floors •
- Fireplaces •
- Patios/balconies •

Community Amenities

- Clubhouse/community room •
- Fitness center •
- Business center •
- Pool •
- Playground •
- Controlled access/gated •
- Elevator •
- Garages •
- Storage •
- Laundry •

Utilities in Rent

- Water
- Sewer
- Trash



Verandas on the Green

Location: 101 Fairway Ridge
Aiken

Financing: Conventional

Year Built: 1980

Total Units: 222

Vacant units: 11 95.1% occupied

Telephone: 855.576.1007

Management: Morgan Properties
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	24	775	\$1,065	\$1.37	Microwave Dishwasher • Washer/dryer •
2/2	60	1,000	\$1,125	\$1.13	Washer/dryer hook-up • 9' Ceilings High-end kitchen Wood/style floors Fireplaces Patios/balconies •
3/2	12	1,235	\$1,335	\$1.08	
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center •
					Pool •
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry •
<u>Utilities in Rent</u>					
Water					
Sewer					
Trash					



Viera Aiken

Location: 1900 Roses Run
Aiken

Financing: Conventional
Year Built: 1991/2019

Total Units: 240
Vacant units: 22.8 90.5% occupied

Telephone: 803.721.4342
Management: Fortis Property Management
[4/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
2/2	160	1,000	\$1,195	\$1.20	Microwave Dishwasher • Washer/dryer Washer/dryer hook-up • 9' Ceilings High-end kitchen Wood/style floors Fireplaces Patios/balconies •
3/2	80	1,235	\$1,395	\$1.13	
					<u>Community Amenities</u> Clubhouse/community room • Fitness center • Business center Pool • Playground • Controlled access/gated Elevator Garages Storage Laundry •
					<u>Utilities in Rent</u> Water Sewer Trash

Weller's Ridge

Location: 924 Dougherty Street
Aiken

Financing: LIHTC

Year Built: 2025

Total Units: 60

Vacant units: n/a n/a occupied

Telephone:

Management: Fitch Irick

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities	
1/1	6	765	20%	\$115		\$0.15	Microwave	•
							Dishwasher	•
							Washer/dryer	
2/2	4	995	40%	\$435		\$0.44	Washer/dryer hook-up	•
2/2	28	995	60%	\$730		\$0.73	9' Ceilings	
							High-end kitchen	
3/2	2	1,198	40%	\$475		\$0.40	Wood/style floors	
3/2	20	1,198	60%	\$825		\$0.69	Fireplaces	
							Patios/balconies	•
Information provided by SC Housing							Community Amenities	
							Clubhouse/community room	•
							Fitness center	•
							Business center	
							Pool	
							Playground	•
							Controlled access/gated	
							Elevator	
							Garages	
							Storage	
							Laundry	•
<u>Utilities in Rent</u>								
Water								
Sewer								
Trash	•							



Woodford Trace

Location: 720 Coralberry Park, SW
Aiken

Financing: LIHTC

Year Built: 2022

Total Units: 48

Vacant units: 1 97.9% occupied

Telephone: 803.881.2746

Management: Fitch Irick

[4/25]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities	
							Microwave	•
							Dishwasher	•
							Washer/dryer	
2/2	6	994-999	50%	\$870	\$183	\$0.87	Washer/dryer hook-up	•
2/2	28	994	60%	\$904	\$183	\$0.91	9' Ceilings	
							High-end kitchen	
3/2	2	1,197-1,201	50%	\$782	\$232	\$0.65	Wood/style floors	
3/2	20	1,201	60%	\$985	\$232	\$0.82	Fireplaces	
							Patios/balconies	•
<u>Community Amenities</u>								
							Clubhouse/community room	•
							Fitness center	•
							Business center	
							Pool	
							Playground	•
							Controlled access/gated	
							Elevator	
							Garages	
							Storage	
							Laundry	•
<u>Utilities in Rent</u>								
							Water	
							Sewer	
							Trash	•

H. INTERVIEWS

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

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

The manager at the Meadowbrook Acres and Olde South Terrace tax credit properties, for example, believes that a new property, such as that proposed, will be very well received, given that their projects get a lot of enquiries from people seeking affordable housing.

I. RECOMMENDATIONS

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

J. SIGNED STATEMENT

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



Market Analyst

Date: June 16, 2022

ANALYST QUALIFICATIONS

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has more than 30 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced more than 2,500 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Mr. Brown is a member of several groups that promote housing in general and affordable housing in particular. These include the North Carolina Housing Coalition, Preservation North Carolina, the Virginia Housing Alliance, and the National Council of Housing Market Analysts.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms used in Market Studies*, and *Model Content Standards for the Content of Market Studies*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and the by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown



MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

Absorption period - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption rate - the average number of unites rented each month during the *absorption period*.

Acceptable rent burden - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Achievable rents - See *Market Rent*, *Achievable Restricted Rent*.

Affordable housing - housing affordable to low or very low-income tenants.

Amenity - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

Annual demand - the total estimated demand present to the market in any one year for the type of units proposed.

Assisted housing - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

Bias - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

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

Comparable property - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

Competitive property - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Comprehensive market study - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

Concession - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

Demand - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Effective rents - contract rent less concessions.

Household trends - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

Income band - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically⁷ is pre-defined by specific program requirements or by general market parameters.

Infrastructure - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

Market analysis - a study of real estate market conditions for a specific type of property.

Market area - See *primary market area*.

Market demand - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

Market rent - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

Market study - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Marketability - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market vacancy rate, economic - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

Market vacancy rate, physical - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

Migration - the movement of households into or out of an area, especially a *primary market area*.

Mixed income property - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

Mobility - the ease with which people move from one location to another.

Move-up demand - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

Multi-family - structures that contain more than two housing units.

Neighborhood - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net rent (also referred to as contract rent or lease rent) - Gross rent less *tenant paid utilities*.

Penetration rate - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100, see also: capture rate.

Pent-up demand - a market in which there is a scarcity of supply and vacancy rates are very low.

Population trends - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

Primary market area - a geographic area from which a property is expected to draw the majority of its residents.

Programmatic rents - See *restricted rents*.

Project based rent assistance - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment - the redesign or rehabilitation of existing properties.

Rent burden - gross rent divided by adjusted monthly household income.

Rent burdened households - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

Restricted rent - the rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, achievable - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

Saturation - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

Secondary market area - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

Special needs population - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized level of occupancy - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

Subsidy - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

Substandard conditions - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target income band - the *income band* from which the subject property will draw tenants.

Target population - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

Tenant paid utilities - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Turnover period - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. $\text{Housing units with new occupants} / \text{housing units} * 100$ 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents - rents that are not subject to *restriction*.

Unrestricted units - units that are not subject to any income or rent restrictions.

Vacancy period - the amount of time that an apartment remains vacant and available for rent.

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

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

Area Median Income (AMI) - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Attached housing - two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic rent - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate program (BMIR) - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Census tract - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD) - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC) - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Condominium - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract rent - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

Difficult Development Area (DDA) - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached housing - a freestanding dwelling unit, typically single-family, situated on its own lot.

Elder or senior housing - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income - person or household with income below 30% of the Area Median Income adjusted for household size.

Fair Market Rent (FMR) - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden apartments - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross rent - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise - a residential building having more than ten stories.

Household - one or more people who occupy a housing unit as their usual place of residence.

Housing unit - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program) - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (FHA) - state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 811 Program - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

HUD Section 236 Program - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income limits - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

Low income - person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low income housing tax credit - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

Low rise building - a building with one to three stories.

Metropolitan Statistical Area (MSA) - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise - a building with four to ten stories.

Moderate income - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

Public Housing or Low Income Conventional Public Housing - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT) - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) market rent - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Single-family housing - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

State Data Center (SDC) - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Tenant - one who rents real property from another.

Tenure - the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

Very low income - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

Zoning - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.