

The site of the proposed apartments was visited (most recently on 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:

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Date:: May 24, 2024

# Report for the Sawmill Crossing Apartments in Summerville, South Carolina

| EXHIBIT S - 2 SC SHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:   |          |   |           |               |  |              |           |                              |        |         |
|--|----------|---|-----------|---------------|--|--------------|-----------|------------------------------|--------|---------|
| Development Name   |          | Sawmill Crossing  |           |               |  |              |           | Total units:                 |        | 42      |
| Location   |          | West 5th North Street   |           |               |  |              |           | LIHTC units:                 |        | 42      |
| PMA Boundary   |          | Southern Dorchester County and adjacent portions of Berkeley County and Charleston County |           |               |  |              |           |                              |        |         |
| Development Type   |          | Family  | ✓         | Older         | Fartherest 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   |          | 18  |           | 2683          |  | 154          |           | 94.3%                        |        |         |
| Market Rate Housing  |          | 6   |           | 1357          |  | 76           |           | 94.4%                        |        |         |
| Assisted/Subsidized Housing, not to include LIHTC  |          | 5   |           | 382           |  | 5            |           |                              |        |         |
| LIHTC (all that are stabilized)*   |          | 7   |           | 944           |  | 73           |           | 92.3%                        |        |         |
| Subsidized comps**   |          | 7   |           | 944           |  | 73           |           | 92.3%                        |        |         |
| 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   | 756       | \$270         | \$1,424                                  | \$1.88       | 81.04     | \$1,865                      | \$2.47 |         |
| 5  | 1        | 1   | 756       | \$950         | \$1,424                                  | \$1.88       | 33.29     | \$1,865                      | \$2.47 |         |
|  |          |   |           |               |  |              |           |                              |        |         |
|  |          |   |           |               |  |              |           |                              |        |         |
| 3  | 2        | 1   | 904       | \$315         | \$1,853                                  | \$2.05       | 83.00     | \$2,320                      | \$2.57 |         |
| 3  | 2        | 1   | 904       | \$550         | \$1,853                                  | \$2.05       | 70.32     | \$2,320                      | \$2.57 |         |
| 19   | 2        | 1   | 904       | \$1,130       | \$1,853                                  | \$2.05       | 39.02     | \$2,320                      | \$2.57 |         |
|  |          |   |           |               |  |              |           |                              |        |         |
| 1  | 3        | 2   | 1,166     | \$345         | \$1,979                                  | \$1.70       | 82.57     | \$2,559                      | \$2.19 |         |
| 1  | 3        | 2   | 1,166     | \$620         | \$1,979                                  | \$1.70       | 68.67     | \$2,559                      | \$2.19 |         |
| 9  | 3        | 2   | 1,166     | \$1,245       | \$1,979                                  | \$1.70       | 37.09     | \$2,559                      | \$2.19 |         |
|  |          |   |           |               |  |              |           |                              |        |         |
| Gross Potential Rent Monthly*  |          |   |           | \$41,255      | \$69,643                                 |              | 40.76     |                              |        |         |
| * 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 30, 38)   |          |   |           |               |  |              |           |                              |        |         |
|  |          |   |           |               | 2020                                     |              | 2023      |                              | 2026   |         |
| Renter Households  |          |   |           |               | 12,189                                   | 28.9         | 12,884    | 29.0                         | 13,586 | 29.1    |
| Income-Qualified Renter Households (LIHTC)   |          |   |           |               | n/a                                      | n/a          | 7,209     | 56.0                         | 7,602  | 56.0    |
| Income qualified Renter HHs (MR) if applicable   |          |   |           |               |  |              |           |                              |        |         |
| Targeted Income-Qualified Renter Household Demand (found on page 40)   |          |   |           |               |  |              |           |                              |        |         |
| Type of demand   |          |   |           |               | 20%                                      | 30%          | 60%       | Market Rate                  | other  | Overall |
| Renter Household Growth  |          |   |           |               | 88                                       | 116          | 228       |                              |        | 393     |
| Existing Households (over burdened+substandard)  |          |   |           |               | 1,387                                    | 1,745        | 1,721     |                              |        | 4,188   |
| Homeowner conversion (senior)  |          |   |           |               |  |              |           |                              |        |         |
| Other  |          |   |           |               |  |              |           |                              |        |         |
| Less comparable/competitive supply   |          |   |           |               | 0  | 0            | 0         |                              |        | 0       |
| Net income-qualified renter hholds   |          |   |           |               | 1,476                                    | 1,861        | 1,949     |                              |        | 4,581   |
| Capture Rates (found on page 41)   |          |   |           |               |  |              |           |                              |        |         |
| Targeted population  |          |   |           |               | 20%                                      | 30%          | 60%       | Market Rate                  | other  | Overall |
| Capture rate   |          |   |           |               | 0.3%                                     | 0.2%         | 1.7%      |                              |        | 0.9%    |
| Absorption Rate (found on page 42)   |          |   |           |               |  |              |           |                              |        |         |
| four months  |          |   |           |               |  |              |           |                              |        |         |

**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: May 24, 2024

| EXHIBIT S - 2 SC SHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:   |            |   |           |               |  |        |             |                              |         |         |
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| Development Name   |            | Sawmill Crossing  |           |               |  |        |             | Total units:                 |         | 42      |
| Location   |            | West 5th North Street   |           |               |  |        |             | LIHTC units:                 |         | 42      |
| PMA Boundary   |            | Southern Dorchester County and adjacent portions of Berkeley County and Charleston 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            |         |         |
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| Market Rate Housing  | 6          |   |           | 1357          | 76                                     |        |             | 94.4%                        |         |         |
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| ** 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 |         |         |
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| 5  | 1          | 1   | 756       | \$950         | \$1,424                                | \$1.88 | 33.29       | \$1,865                      | \$2.47  |         |
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| Other  |            |   |           |               |  |        |             |                              |         |         |
| Less comparable/competitive supply   |            |   |           | 0             | 0                                      | 0      |             |                              | 0       |         |
| Net income-qualified renter hhlds  |            |   |           | 1,476         | 1,861                                  | 1,949  |             |                              | 4,581   |         |
| Capture Rates (found on page 41)   |            |   |           |               |  |        |             |                              |         |         |
| Targeted population  |            |   |           | 20%           | 30%                                    | 60%    | Market Rate | other                        | Overall |         |
| Capture rate   |            |   |           | 0.3%          | 0.2%                                   | 1.7%   |             |                              | 0.9%    |         |
| Absorption Rate (found on page 42)   |            |   |           |               |  |        |             |                              |         |         |
| four 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 SAWMILL CROSSING APARTMENTS  
IN  
SUMMERVILLE, SOUTH CAROLINA

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

May 2024

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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 Sawmill Crossing Apartments in Summerville, South Carolina. A total of 42 units are to be developed: six one-bedroom units, 25 two-bedroom units, and eleven 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 (most recently on 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  
T. Ronald Brown: Research & Analysis  
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trb@tronaldbrown.com



Date:: May 24, 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 42 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, 30 percent, and 60 percent of the local area median income.

The proposed Sawmill Crossing Apartments are to be located on the north side of West 5<sup>th</sup> North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.

The market area for the proposed development is southern Dorchester County and adjacent portions of Berkeley County and Charleston County.

In 2022, the most recent year for which annualized data are available, the Dorchester County labor force comprised an estimated 79,480 persons. Of this total, 77,174 were employed and 2,306 or 2.9 percent were unemployed. Unemployment increased by 1,509 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.3 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 5.7 percent in 2014.

The population of the project market area increased from 91,451 in 2010, to 112,641 in 2020, and is projected to increase to 118,151 in 2023 and to 123,616 in 2026. The number of households grew from 33,655 in 2010 to 42,130 in 2020, and is projected to increase to 44,411 in 2023 and to 46,705 in 2026. There were 12,189 renter households in the market area in 2020: which is projected to increase to 12,884 by 2023, and to 13,586 by 2026.

There are many apartment complexes located throughout the Summerville area. These include properties that have been financed through the use of Low Income Housing Tax Credits - and thus are comparable to the proposed Sawmill Crossing complex. There are also several established properties that were subsidized for low and very low income renters, through the USDA/Rural Development rural rental housing program, and/or through HUD. Additionally, there are very many market rate complexes.

Occupancy at the market rate properties reveal a 94.4 percent occupancy level. The tax credit properties are 92.3 percent occupied, and the various subsidized complexes for which we have information, are 98.7 percent occupied. This yields a 94.3 percent overall occupancy level for the properties surveyed.

The total potential need for tax credit units such as is proposed in the project market area by 2026 is calculated to be for 4,581 units. The net need is for a 4,581 units. Given the calculated need, the proposed 42-unit development amounts to 0.9 percent of the total net need. The proposed development is considered very marketable.

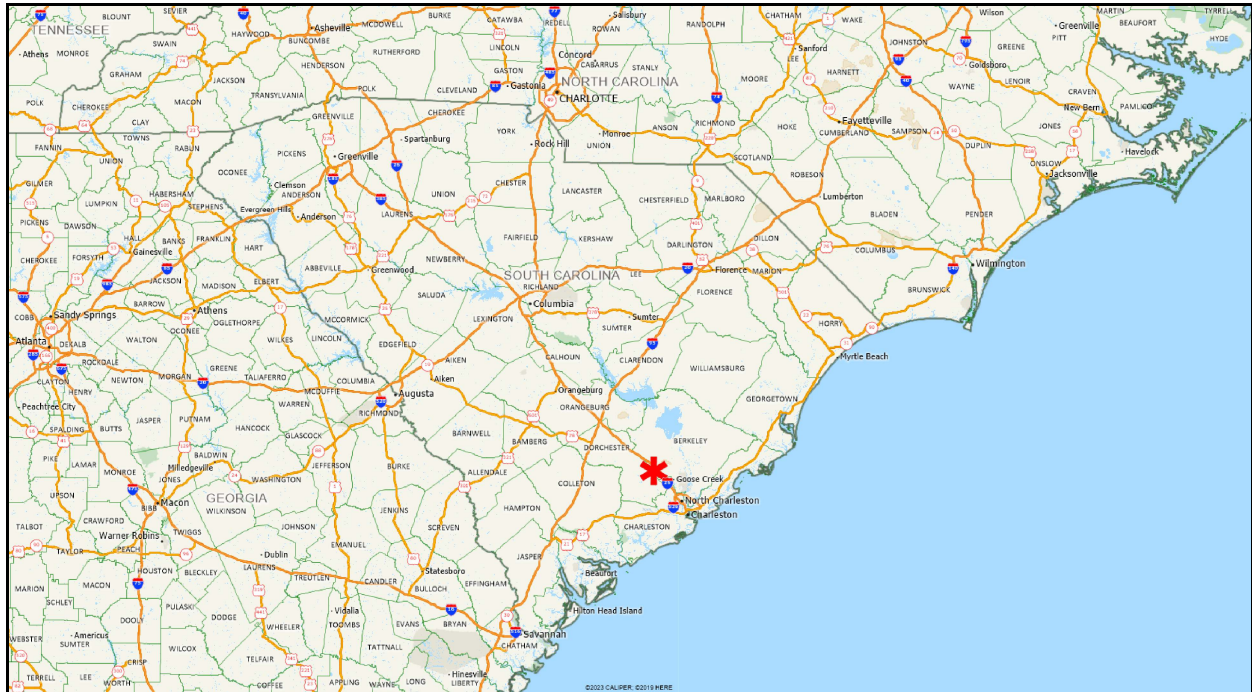
Based on the above, the project could expect to lease-up over a period of up to four months, or so.

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|--|----------|---|-----------|---------------|--|--------|--------------|------------------------------|-------------------|---------|
| Development Name   |          | Sawmill Crossing  |           |               |  |        |              | Total units:                 |                   | 42      |
| Location   |          | West 5th North Street   |           |               |  |        |              | LIHTC units:                 |                   | 42      |
| PMA Boundary   |          | Southern Dorchester County and adjacent portions of Berkeley County and Charleston 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   |          | 18  |           |               | 2683                                   |        | 154          |                              | 94.3%             |         |
| Market Rate Housing  |          | 6   |           |               | 1357                                   |        | 76           |                              | 94.4%             |         |
| Assisted/Subsidized Housing, not to include LIHTC  |          | 5   |           |               | 382                                    |        | 5            |                              |                   |         |
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| Subsidized comps**   |          | 7   |           |               | 944                                    |        | 73           |                              | 92.3%             |         |
| 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   | 756       | \$270         | \$1,424                                | \$1.88 | 81.04        | \$1,865                      | \$2.47            |         |
| 5  | 1        | 1   | 756       | \$950         | \$1,424                                | \$1.88 | 33.29        | \$1,865                      | \$2.47            |         |
|  |          |   |           |               |  |        |              |                              |                   |         |
|  |          |   |           |               |  |        |              |                              |                   |         |
| 3  | 2        | 1   | 904       | \$315         | \$1,853                                | \$2.05 | 83.00        | \$2,320                      | \$2.57            |         |
| 3  | 2        | 1   | 904       | \$550         | \$1,853                                | \$2.05 | 70.32        | \$2,320                      | \$2.57            |         |
| 19   | 2        | 1   | 904       | \$1,130       | \$1,853                                | \$2.05 | 39.02        | \$2,320                      | \$2.57            |         |
|  |          |   |           |               |  |        |              |                              |                   |         |
| 1  | 3        | 2   | 1,166     | \$345         | \$1,979                                | \$1.70 | 82.57        | \$2,559                      | \$2.19            |         |
| 1  | 3        | 2   | 1,166     | \$620         | \$1,979                                | \$1.70 | 68.67        | \$2,559                      | \$2.19            |         |
| 9  | 3        | 2   | 1,166     | \$1,245       | \$1,979                                | \$1.70 | 37.09        | \$2,559                      | \$2.19            |         |
|  |          |   |           |               |  |        |              |                              |                   |         |
| Gross Potential Rent Monthly*  |          |   |           | \$41,255      | \$69,643                               |        | 40.76        |                              |                   |         |
| * 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 30, 38)   |          |   |           |               |  |        |              |                              |                   |         |
|  |          |   |           |               | 2020                                   |        | 2023         |                              | 2026              |         |
| Renter Households  |          |   |           |               | 12,189                                 | 28.9   | 12,884       | 29.0                         | 13,586            | 29.1    |
| Income-Qualified Renter Households (LIHTC)   |          |   |           |               | n/a                                    | n/a    | 7,209        | 56.0                         | 7,602             | 56.0    |
| Income qualified Renter HHs (MR) if applicable   |          |   |           |               |  |        |              |                              |                   |         |
| Targeted Income-Qualified Renter Household Demand (found on page 40)   |          |   |           |               |  |        |              |                              |                   |         |
| Type of demand   |          |   |           |               | 20%                                    | 30%    | 60%          | Market Rate                  | other             | Overall |
| Renter Household Growth  |          |   |           |               | 88                                     | 116    | 228          |                              |                   | 393     |
| Existing Households (over burdened+substandard)  |          |   |           |               | 1,387                                  | 1,745  | 1,721        |                              |                   | 4,188   |
| Homeowner conversion (senior)  |          |   |           |               |  |        |              |                              |                   |         |
| Other  |          |   |           |               |  |        |              |                              |                   |         |
| Less comparable/competitive supply   |          |   |           |               | 0                                      | 0      | 0            |                              |                   | 0       |
| Net income-qualified renter hholds   |          |   |           |               | 1,476                                  | 1,861  | 1,949        |                              |                   | 4,581   |
| Capture Rates (found on page 41)   |          |   |           |               |  |        |              |                              |                   |         |
| Targeted population  |          |   |           |               | 20%                                    | 30%    | 60%          | Market Rate                  | other             | Overall |
| Capture rate   |          |   |           |               | 0.3%                                   | 0.2%   | 1.7%         |                              |                   | 0.9%    |
| Absorption Rate (found on page 42)   |          |   |           |               |  |        |              |                              |                   |         |
| four months  |          |   |           |               |  |        |              |                              |                   |         |

## A. PROJECT DESCRIPTION

### Project Location

The proposed Sawmill Crossing Apartments are to be located on the north side of West 5<sup>th</sup> North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.



Construction type: New construction

The property comprises one four-story residential building..

Occupancy type :Family

Target income group: 20 percent, 30 percent, and 60 percent of the local area median income.

Special population target: not applicable

Proposed unit mix, etc.

|                   | <u>Units</u> | <u>Rent</u> | <u>Utility Allowance</u> | <u>Targeting*</u>    |
|-------------------|--------------|-------------|--------------------------|----------------------|
| 1 bedroom/1 bath  | 1            | \$270       | \$123                    | less than 20 percent |
| 1 bedroom/1 bath  | 5            | \$950       | \$123                    | less than 60 percent |
| 2 bedroom/ 1 bath | 3            | \$315       | \$157                    | less than 20 percent |
| 2 bedroom/ 1 bath | 3            | \$550       | \$157                    | less than 30 percent |
| 2 bedroom/ 1 bath | 19           | \$1,130     | \$157                    | less than 60 percent |
| 3 bedroom/ 2 bath | 1            | \$345       | \$199                    | less than 20 percent |
| 3 bedroom/ 2 bath | 1            | \$620       | \$199                    | less than 30 percent |
| 3 bedroom/ 2 bath | 9            | \$1,245     | \$199                    | less than 60 percent |

\* percent of area median income

Rental Assistance: none

With respect to utilities, the units will be all-electric. Each tenant will be responsible for water, sewer, heating, cooling and other electricity. The owner will responsible for trash collection. The utility allowance is \$123 for a one-bedroom unit, \$157 for a two-bedroom unit, and \$199 for a three-bedroom unit.

The complex comprises a single four-story building. The project will feature a community room (first floor), a rental office (first floor), laundry (second floor), a computer room (third floor) and exercise room (fourth floor). There are also an outdoor picnic area, grill, playground, and dog park.

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

Information submitted by the developer suggests that construction would start in Spring 2025, with completion around 15 months thereafter.

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

Rehabilitation information: n/a

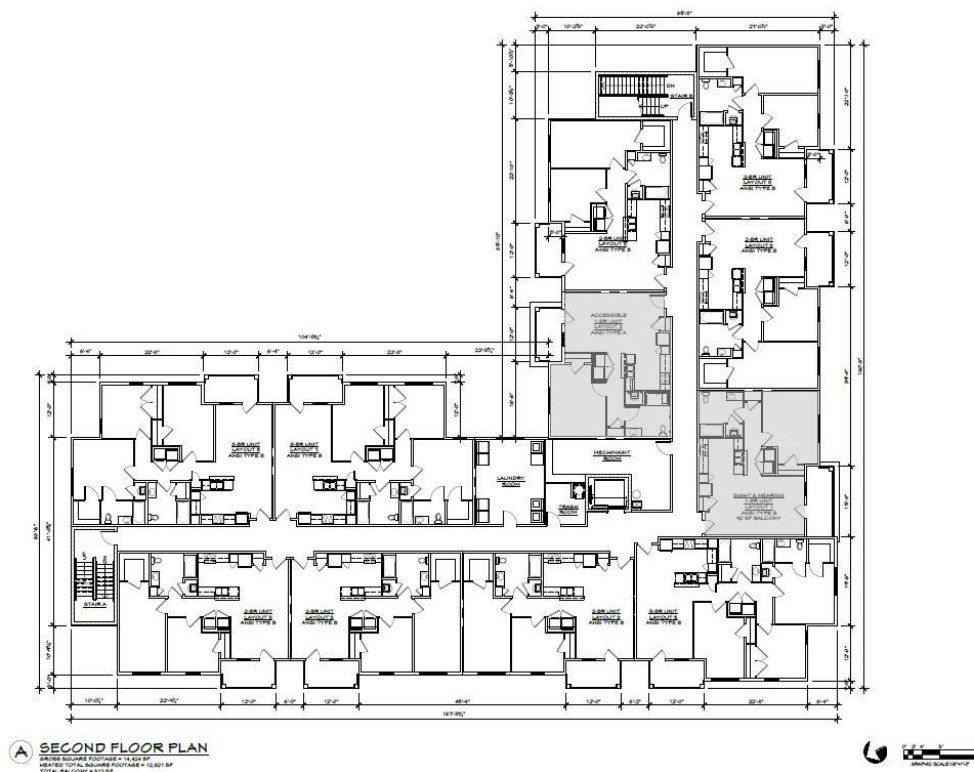
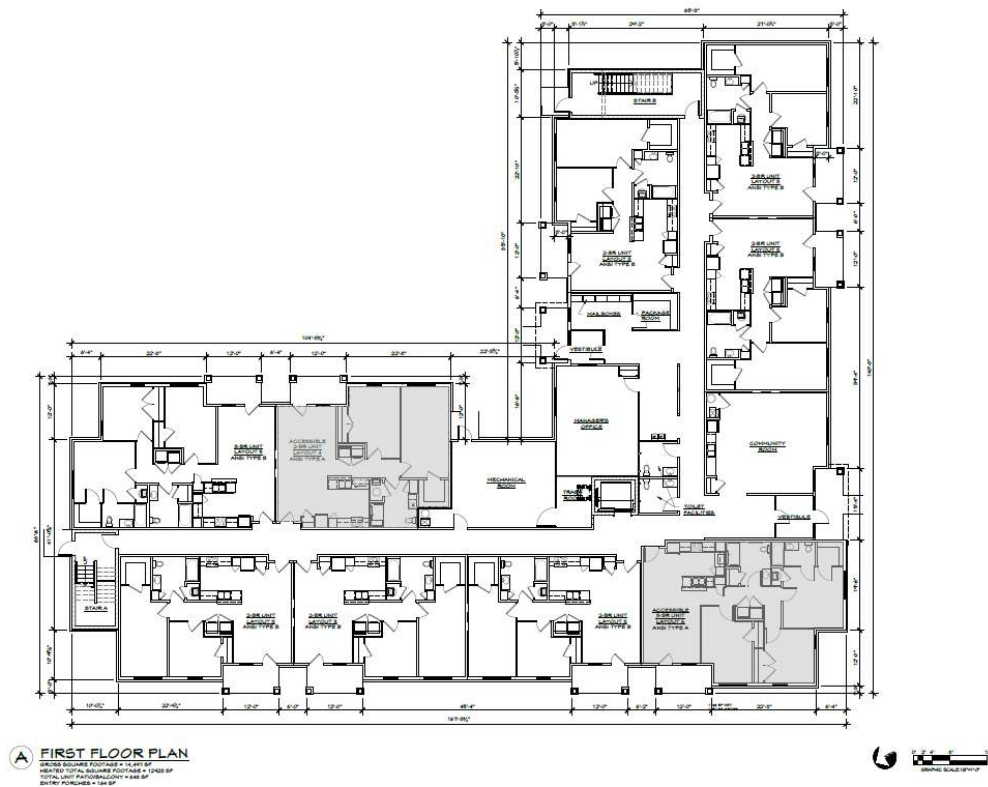


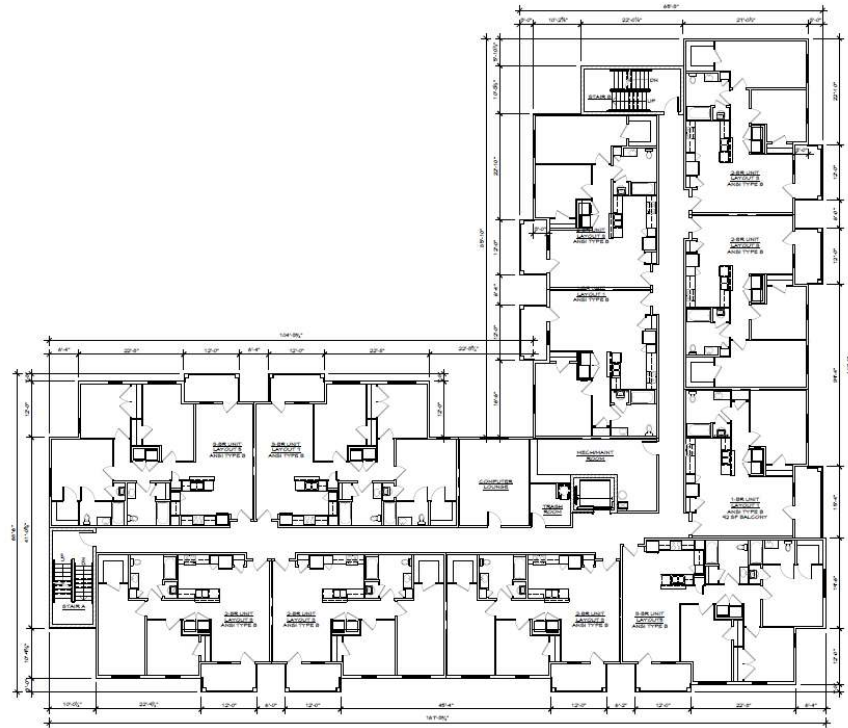
Site plan



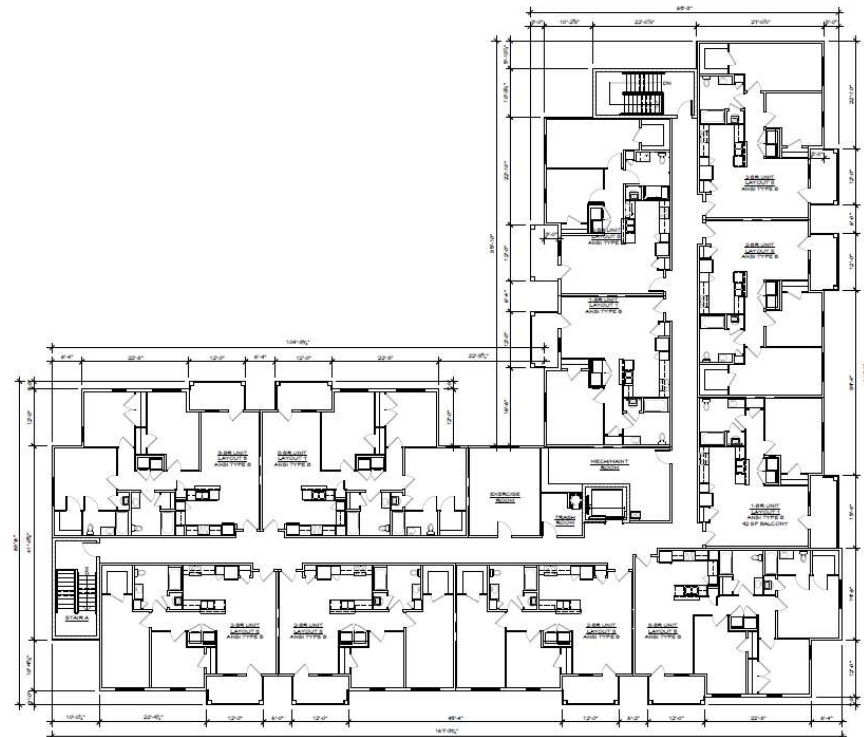


Floor plans





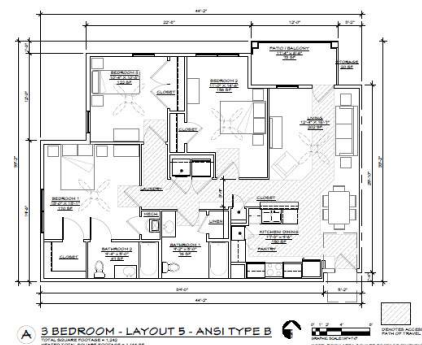
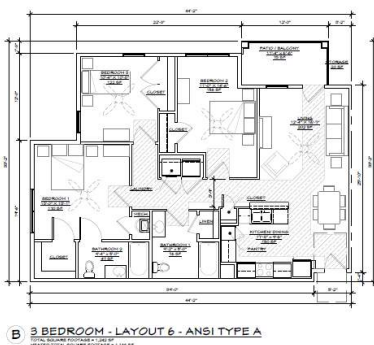
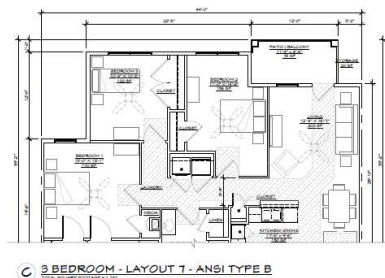
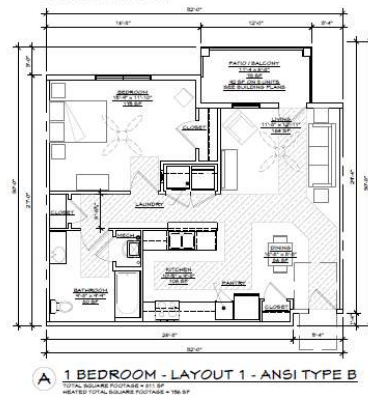
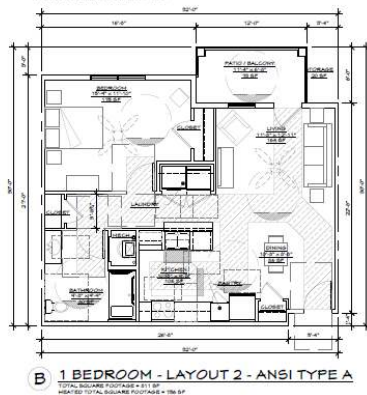
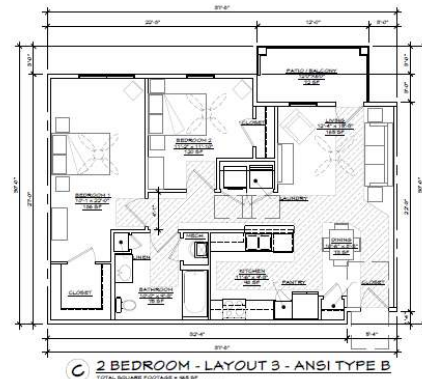
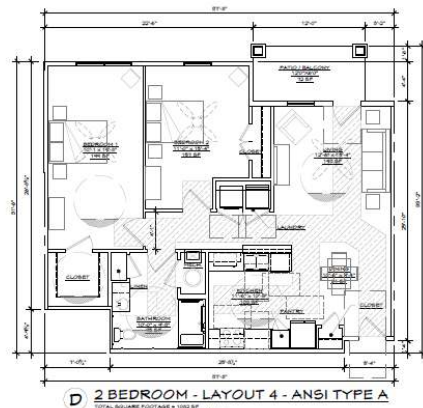
**A THIRD FLOOR PLAN**  
 GROSS SQUARE FOOTAGE = 11,431 SF  
 HEATED TOTAL SQUARE FOOTAGE = 11,381 SF  
 TOTAL BALCONY = 50 SF



**A FOURTH FLOOR PLAN**  
 GROSS SQUARE FOOTAGE = 11,431 SF  
 HEATED TOTAL SQUARE FOOTAGE = 11,381 SF  
 TOTAL BALCONY = 50 SF



## Unit plans



## Elevations



**B** 5TH NORTH STREET ELEVATION

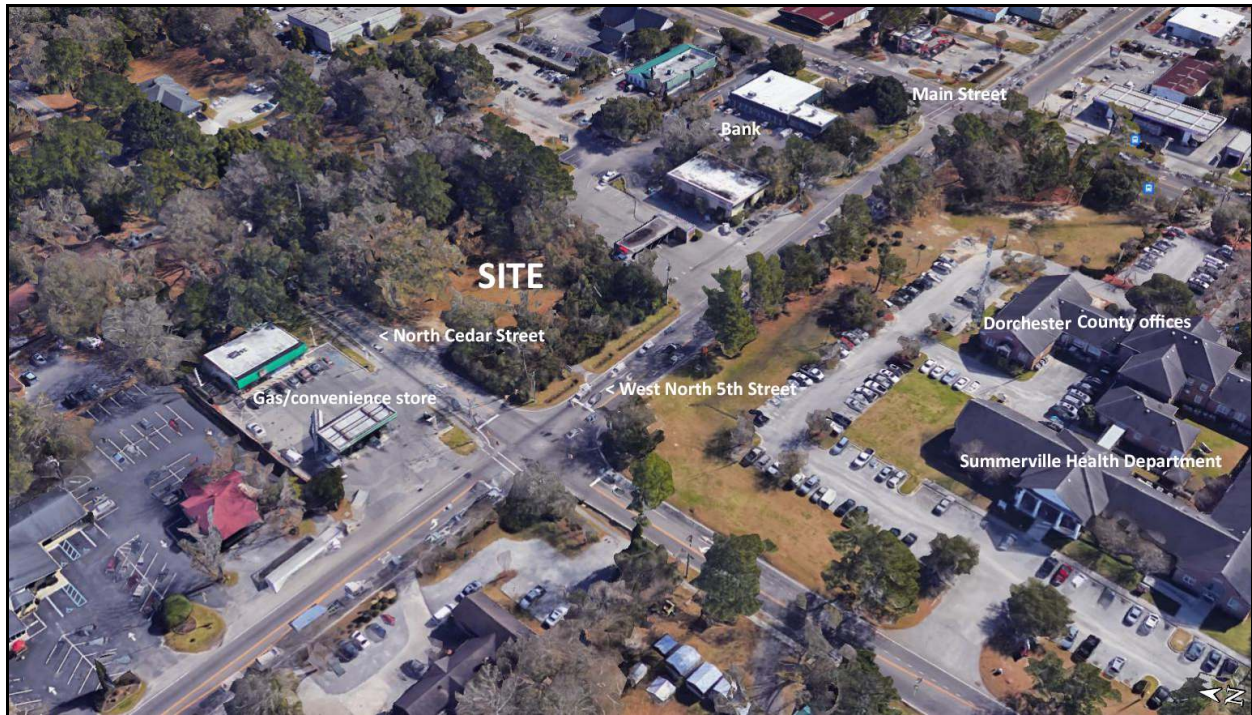




## B. SITE DESCRIPTION

The Sawmill Crossing Apartments are to be located on the north side of West 5<sup>th</sup> North Street, to east of its intersection with North Cedar Street, one block east of Main Street, in central Summerville, in Dorchester County, in coastal South Carolina.

Adjacent properties various businesses (such as a bank and a gas/convenience store ). Dorchester County offices and the Summerville Health Department are across West 5<sup>th</sup> North Street from the site.



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 on property



View on property



View across Cedar St. / W 5<sup>th</sup> St., N to property



View west on W 5<sup>th</sup> St. N, at property



View east/ across W 5<sup>th</sup> St. N, at property





View across N Cedar St., onto property

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

| <u>Category</u>       | <u>Neighborhood/Community Amenity</u> | <u>Distance (miles)</u> |
|-----------------------|---------------------------------------|-------------------------|
| Highways              | US 78/ W 5th N St                     | <0.1                    |
|                       | US 17 Alt/North Main Street           | 0.1                     |
|                       | Interstate 26                         | 2.1                     |
| Public transportation | TriCounty Summerville Connector       | 0.3                     |
| Retail - Grocery      | Piggly Wiggly                         | 0.3                     |
|                       | ALDI                                  | 0.6                     |
|                       | Earth Fare                            | 0.8                     |
| Retail - Other        | Family Dollar                         | 0.6                     |
|                       | Wal Mart                              | 1.5                     |
|                       | Target                                | 1.6                     |
| Pharmacies *          | CVS                                   | 0.5                     |
|                       | Walgreens                             | 1.2                     |
| Schools               | Alston-Bailey Elementary School       | 1.2                     |
|                       | Alston Middle School                  | 0.8                     |
|                       | Summerville High School               | 4.1                     |
| Recreation            | Azalea Park                           | 1.2                     |
| City Hall             | Summerville                           | 0.4                     |
| Post Office           | Summerville                           | 0.6                     |
| Library               | Dorchester County                     | 2.7                     |
| Hospital              | Summerville Medical Center            | 5.7                     |

\* excluding those in grocery stores, etc.

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

The site is located on West 5<sup>th</sup> N Street - US 78 - a significant east-west route serving the area. The site is within one-tenth of one mile of the intersection of West 5<sup>th</sup> N Street and Main Street (US 17, Alt) - a significant north-south route. The site is approximately two miles from Interstate 26.

The site is within one-third of a mile of a Piggly Wiggly supermarket - located on Cedar Street, to the south of the site. The site is within one mile of both an ALDI store and an Earth Fare, on North Main Street.

A Target store, a Wal-mart Supercenter, and other large retailers are located within one and one-half and two miles of the site - off North Main Street near the Interstate.

The site of the proposed apartments is quite well-located with respect to local schools. The Alston Middle School is approximately three-fourths of a mile from the site, and the Alston-Bailey Elementary School is within one and one-fourth miles. The Summerville High School is just over four miles from the site.

The Summerville Library and the Summerville Post Office are located near the downtown area, within approximately one-half mile of the site.

Azalea Park is within one and one-fourth miles of the site of the proposed development.

The Summerville Medical Center and associated medical services are within six miles of the site of the proposed apartments.

The site is within easy reach of the government, shopping, and other services and sources of employment located in downtown Summerville. Various Dorchester County offices and the Summerville Health Department are located across West 5<sup>th</sup> N Street from the site.

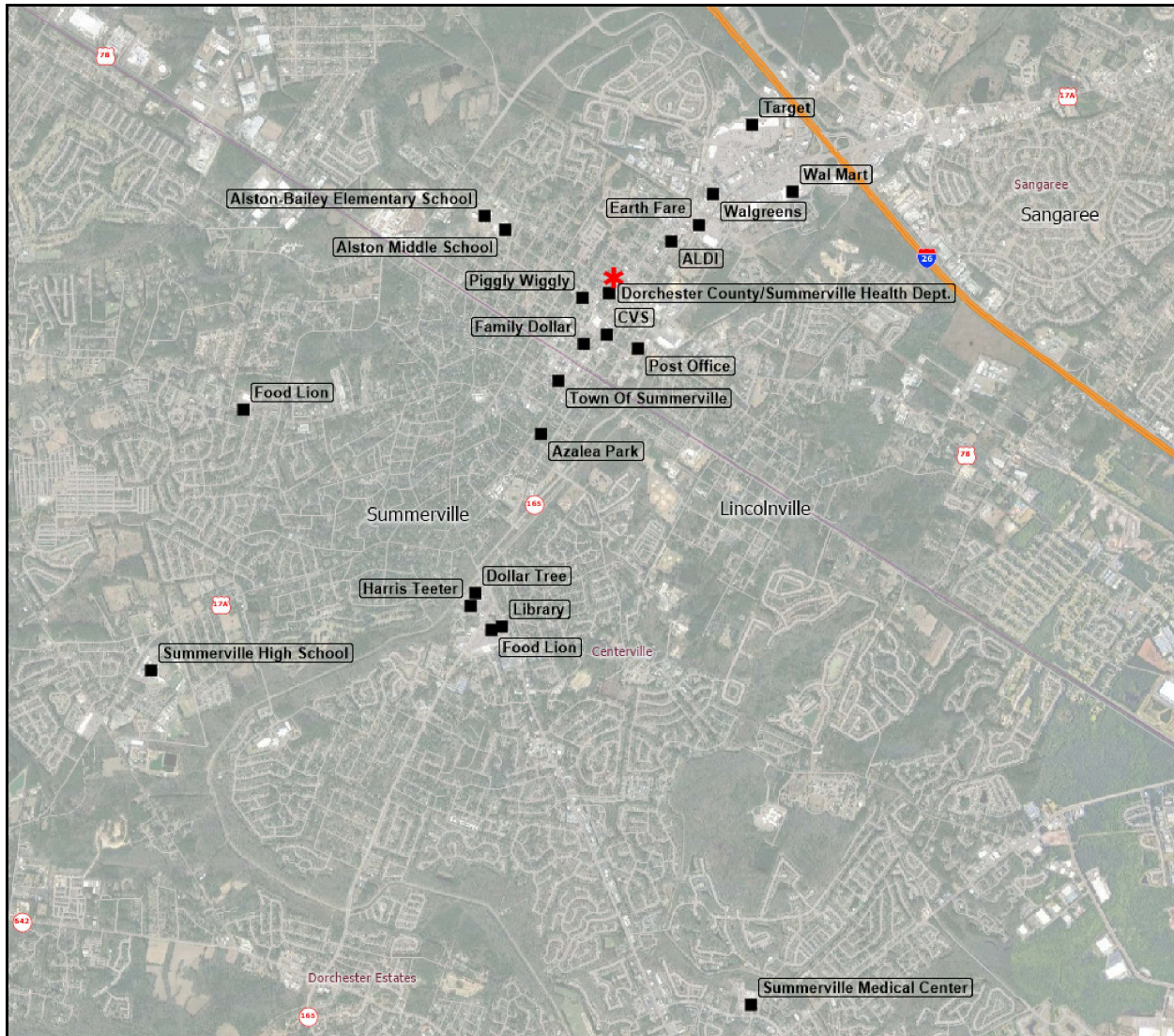
It is understood that there are no significant road or other infrastructure projects under way or planned for this area.

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

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



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



### C. MARKET AREA

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

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

Summerville is located in southern Dorchester County in coastal South Carolina. The market area for the proposed development is southern Dorchester County and adjacent portions of Berkeley County and Charleston County, as defined by several census tracts<sup>1</sup>. This area is centered on the site of the proposed development and extends up to an approximately five- to eight-mile hinterland.

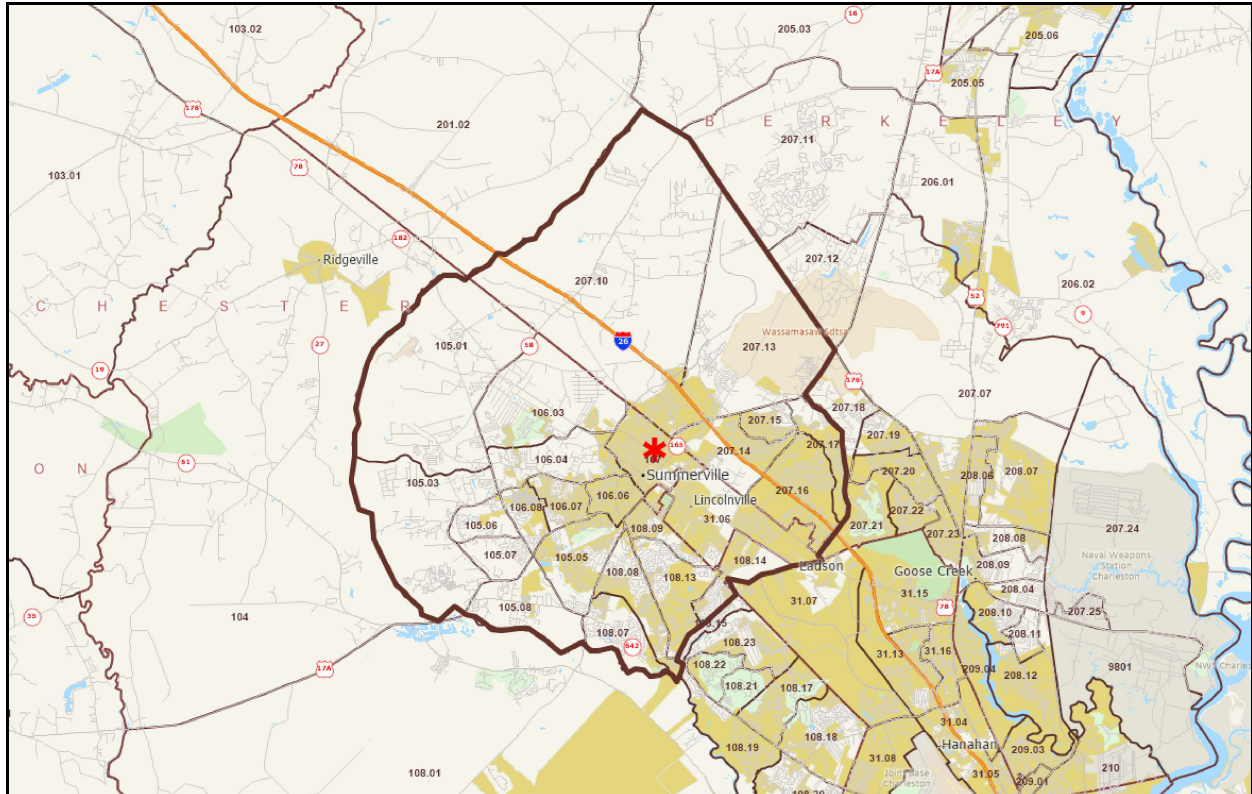
The market area is roughly circular and is defined by portions of the Ashley River, Ladson Road, College Park Road, and US 176, in addition to other less recognizable Census tract boundaries.

The area excludes neighboring and potentially competing communities, such as Goose Creek and North Charleston. 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.

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<sup>1</sup> Census tracts: 105.01, 105.02, 106.01, 106.02, 107, 108.07, 108.09, and 108.10 in Dorchester County; tract 31.06 in Charleston County; a portion of tract 207.01 in Berkeley County, and all of tracts 207.08, and 207.09 in Berkeley County.

Market area map





## 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, manufacturing, retail trade, and professional occupations which account for 20.8 percent, 13.2 percent, 11.8 percent and 10.8 percent of the total, respectively..

Table 1 - Employment by Industry, Market Area

|  | <u>number</u> | <u>percent</u> |
|--|---------------|----------------|
| Agriculture, etc   | 420           | 0.8            |
| Construction   | 3,993         | 7.2            |
| Manufacturing  | 7,291         | 13.2           |
| Wholesale Trade  | 901           | 1.6            |
| Retail Trade   | 6,506         | 11.8           |
| Transportation, Warehousing, Utilities                       | 4,351         | 7.9            |
| Information  | 768           | 1.4            |
| Finance, Insurance, Real Estate                              | 2,455         | 4.4            |
| Professional, scientific, management                         | 5,959         | 10.8           |
| Educational Services, Health care, Social Assistance         | 11,521        | 20.8           |
| Arts, Entertainment, Recreation, Accommodation, Food Service | 5,015         | 9.1            |
| Other services   | 2,462         | 4.5            |
| Public Administration  | 3,673         | 6.6            |

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

## MAJOR EMPLOYERS

The major employers in the wider Summerville/Charleston area are listed in Table 2, below. From this table it is seen that the largest employer is a local healthcare provider - Roper St. Francis Healthcare - which employs 6,000 persons. The second largest employer - Boeing - employs 5,700 locally. Other large employers include Trident Healthcare, Wal Mart, and various automotive firms - Bosch, Volvo, and Mercedes Benz. Public employers would include the local school systems, and local governments.

Table 2 - Major Employers

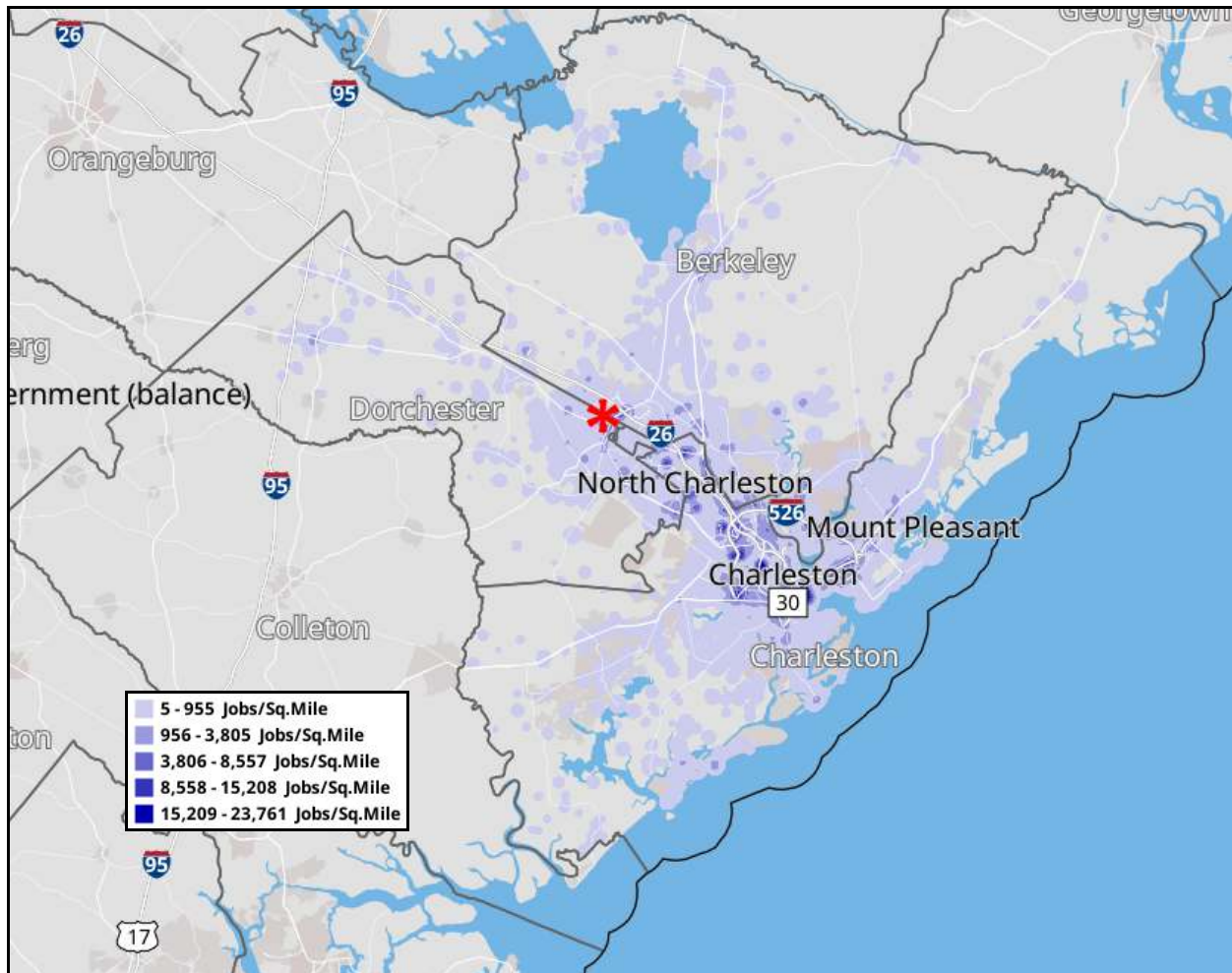
| <u>Employer Name</u>                  | <u>Product/Service</u>                  | <u>Employees</u> |
|---------------------------------------|---|------------------|
| Roper St. Francis Healthcare          | Healthcare                              | 6,000            |
| The Boeing Company                    | Aircraft manufacturing                  | 5,700            |
| Trident Health System                 | Healthcare                              | 2,600            |
| Walmart Inc.                          | Retailer                                | 2,300            |
| Robert Bosch                          | Automotive components                   | 1,600            |
| Volvo Car USA                         | Automobile manufacture                  | 1,600            |
| Mercedes-Benz Vans                    | Automobile assembly                     | 1,600            |
| Blackbaud, Inc.                       | Computer software                       | 1,400            |
| BenefitFocus                          | Benefits software                       | 1,250            |
| Publix Supermarkets                   | Retailer                                | 1,200            |
| iQor                                  | Customer service center                 | 1,200            |
| T-Mobile USA                          | Customer service center                 | 1,200            |
| Nucor Steel                           | Steel fabricator                        | 1,000            |
| Harris Teeter Supermarkets            | Retailer                                | 1,000            |
| Scientific Research Corporation (SRC) | Communications systems                  | 950              |
| SAIC                                  | Engineering and technology applications | 900              |

Source: Charleston Regional Development Alliance

Information from the South Carolina Department of Commerce shows that since the start of 2022 there has been one firm announcing new plans in Dorchester County - the announcement that FlexCold Products will create 59 new jobs.

SC WARN notices show that in for 2022, 2023, and 2024, to date, there have been no announced closures in Dorchester County.

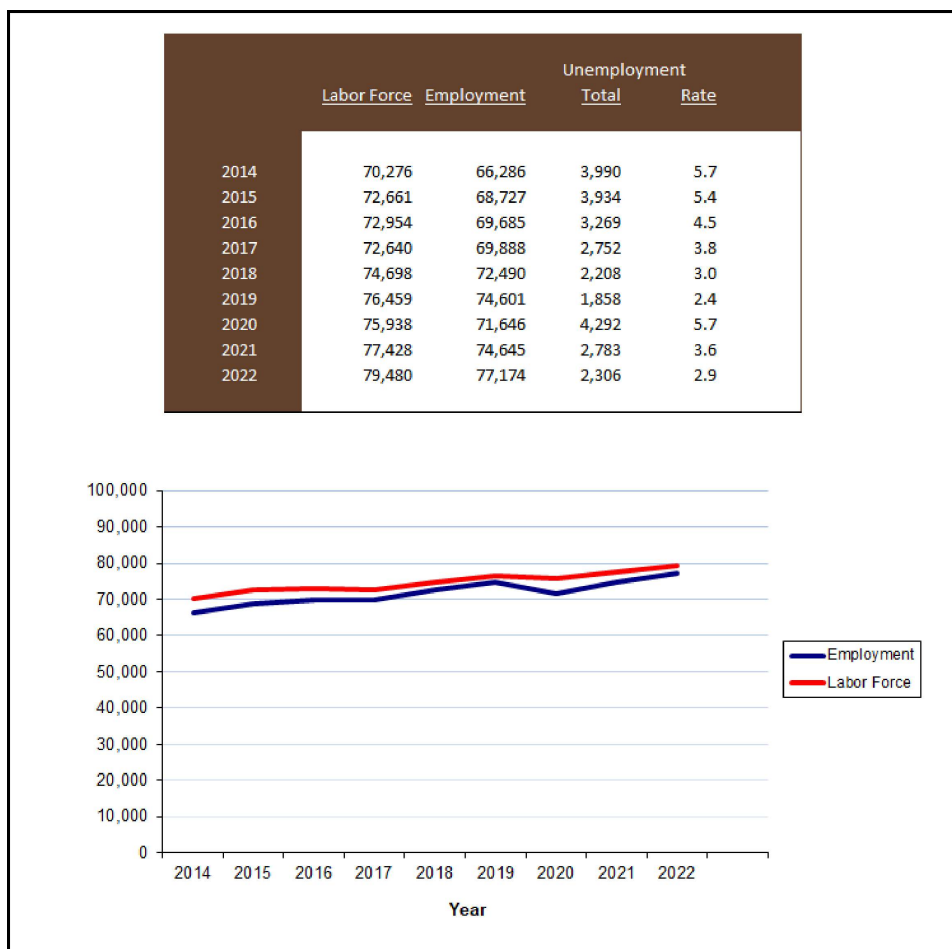
Based on information from the Census, the location of the site relative to the distribution of employment in the wider Charleston area is illustrated in the map, below. Here it is seen that many persons work in the Summerville area, with significant concentrations in, for example, North Charleston and downtown Charleston.



## 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 Dorchester County labor force comprised an estimated 79,480 persons. Of this total, 77,174 were employed and 2,306 or 2.9 percent were unemployed. Unemployment increased by 1,509 between 2019 and 2020 as a consequence of the COVID-19 pandemic (where unemployment reached 10.3 percent in April, 2020). Prior to 2019, employment grew quite consistently on an annual basis - with the rate of unemployment decreasing from 5.7 percent in 2014.

Table 3 - Dorchester County Labor Force and Employment



Source: US Department of Labor

## COMMUTING

Based on data from the American Community Survey, 23.6 percent of workers resident in Summerville were employed in Summerville, with 42.6 percent employed in Dorchester County as a whole. The average driving time to work for residents of Summerville was 29.9 minutes, compared with 25.5 minutes for the State as a whole.

Table 4 - Commuting Data

|                                    | <u>number</u> | <u>percent</u> |
|------------------------------------|---------------|----------------|
| Total Workers                      | 25,217        | 100.0          |
| Worked in Place of residence       | 5,951         | 23.6           |
| Worked in County of residence      | 10,742        | 42.6           |
| Worked outside Place of residence  | 19,266        | 76.4           |
| Worked outside County of residence | 14,475        | 57.4           |
| Mean travel time to work (minutes) | 29.9          |                |

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 Dorchester County are set out, below.

Here it is seen that very many persons who live in Dorchester County commute to work in Charleston County (more than 31,000 persons), and, to a lesser extent, Berkeley County. Likewise, significant numbers of persons employed in Dorchester County commute to work there from the adjacent counties of Berkeley County and Charleston County.

Table 5 - Commuting Patterns

|   |        |
|---|--------|
| Working in Dorchester County                        | 15,098 |
| Where Dorchester County residents are commuting to: |        |
| Charleston County                                   | 31,044 |
| Berkeley County                                     | 8,985  |
| Richland County                                     | 2,346  |
| Lexington County                                    | 1,389  |
| Greenville County                                   | 1,208  |
| Beaufort County                                     | 1,158  |
| Orangeburg County                                   | 1,109  |
| Horry County  | 648    |
| Colleton County                                     | 636    |
| Elsewhere   | 6,382  |
| Where Dorchester County workers are commuting from: |        |
| Berkeley County                                     | 7,138  |
| Charleston County                                   | 6,559  |
| Orangeburg County                                   | 1,276  |
| Colleton County                                     | 1,098  |
| Horry County  | 518    |
| Richland County                                     | 513    |
| Beaufort County                                     | 413    |
| Georgetown County                                   | 352    |
| Lexington County                                    | 320    |
| Elsewhere   | 3,552  |

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 Dorchester County was 136,555, and in 2020 the population was recorded as 161,540. Population projections for Dorchester County are provided by the South Carolina Revenue and Fiscal Affairs. Based on these data, the population of the county is projected to be 166,716 by 2023, and to be 171,694 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 (for each county). The projection is that in 2023 the project market area will have a population of around 118,151, and around 123,616 in 2026.

Information on population trends and changes between 2000 and 2026 are set out in Table 6, below.

Table 6 - Population Trends

|                 | Summerville | Market Area | Dorchester County |
|-----------------|-------------|-------------|-------------------|
| 2010            | 43,392      | 91,451      | 136,555           |
| 2020            | 50,915      | 112,641     | 161,540           |
| 2023            | n/a         | 118,151     | 166,716           |
| 2026            | n/a         | 123,616     | 171,694           |
| absolute change |             |             |                   |
| 2010-2020       | 7,523       | 21,190      | 24,985            |
| 2020-2023       | n/a         | 5,510       | 5,176             |
| 2023-2026       | n/a         | 5,465       | 4,978             |
| annual change   |             |             |                   |
| 2010-2020       | 752         | 2,119       | 2,499             |
| 2020-2023       | n/a         | 1,837       | 1,725             |
| 2023-2026       | n/a         | 1,822       | 1,659             |

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 Summerville, the Summerville market area, and for Dorchester County are set out in Table 7, below. These data are from the 2020 Census.

Table 7 - Age Distribution

|                   | Summerville   |                | Market Area   |                | Dorchester County |                |
|-------------------|---------------|----------------|---------------|----------------|-------------------|----------------|
|                   | <u>number</u> | <u>percent</u> | <u>number</u> | <u>percent</u> | <u>number</u>     | <u>percent</u> |
| Under 5 years     | 3,013         | 5.9            | 6,991         | 6.2            | 9,529             | 5.9            |
| 5 to 9 years      | 3,278         | 6.4            | 7,753         | 6.9            | 11,210            | 6.9            |
| 10 to 14 years    | 3,561         | 7.0            | 8,591         | 7.6            | 12,309            | 7.6            |
| 15 to 19 years    | 3,306         | 6.5            | 7,526         | 6.7            | 10,931            | 6.8            |
| 20 to 24 years    | 2,891         | 5.7            | 6,326         | 5.6            | 8,555             | 5.3            |
| 25 to 29 years    | 3,457         | 6.8            | 7,361         | 6.5            | 10,020            | 6.2            |
| 30 to 34 years    | 3,612         | 7.1            | 8,062         | 7.2            | 11,148            | 6.9            |
| 35 to 39 years    | 3,544         | 7.0            | 8,126         | 7.2            | 11,625            | 7.2            |
| 40 to 44 years    | 3,207         | 6.3            | 7,189         | 6.4            | 10,513            | 6.5            |
| 45 to 49 years    | 3,151         | 6.2            | 6,902         | 6.1            | 10,161            | 6.3            |
| 50 to 54 years    | 3,218         | 6.3            | 7,013         | 6.2            | 10,368            | 6.4            |
| 55 to 59 years    | 3,344         | 6.6            | 7,401         | 6.6            | 10,881            | 6.7            |
| 60 to 64 years    | 3,058         | 6.0            | 6,755         | 6.0            | 9,862             | 6.1            |
| 65 to 69 years    | 2,717         | 5.3            | 5,706         | 5.1            | 8,416             | 5.2            |
| 70 to 74 years    | 2,297         | 4.5            | 4,819         | 4.3            | 7,034             | 4.4            |
| 75 to 79 years    | 1,442         | 2.8            | 2,960         | 2.6            | 4,370             | 2.7            |
| 80 to 84 years    | 895           | 1.8            | 1,731         | 1.5            | 2,535             | 1.6            |
| 85 years and over | 924           | 1.8            | 1,429         | 1.3            | 2,073             | 1.3            |
| 55 and older      | 14,677        | 28.8           | 30,801        | 27.3           | 45,171            | 28.0           |
| 65 and older      | 8,275         | 16.3           | 16,645        | 14.8           | 24,428            | 15.1           |
| Total             | 50,915        |                | 112,641       |                | 161,540           |                |

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

## HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Summerville, the project market area, and for Dorchester 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 44,411 households, and around 46,705 in 2026. In 2020, there were 42,130 households in the market area.

Table 8 - Household Trends

|                 | Summerville | Market Area | Dorchester County |
|-----------------|-------------|-------------|-------------------|
| 2010            | 16,866      | 33,655      | 50,259            |
| 2020            | 20,127      | 42,130      | 60,242            |
| 2023            | n/a         | 44,411      | 62,398            |
| 2026            | n/a         | 46,705      | 64,492            |
| absolute change |             |             |                   |
| 2010-2020       | 3,261       | 8,475       | 9,983             |
| 2020-2023       | n/a         | 2,281       | 2,156             |
| 2023-2026       | n/a         | 2,294       | 2,094             |
| annual change   |             |             |                   |
| 2010-2020       | 326         | 848         | 998               |
| 2020-2023       | n/a         | 760         | 719               |
| 2023-2026       | n/a         | 765         | 698               |

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 Summerville, the Summerville market area, and for Dorchester County. In the years beyond 2020, the tenure proportions are based on the 2010 to 2020 tenure trends. In 2020, 28.9 percent of households in the market area were renters, compared with 35.8 percent in Summerville, and 26.8 percent in the county.

Table 9 - Tenure

| Summerville |                   | persons per       |                  | Owner-occupied |                | Renter-occupied |                |
|-------------|-------------------|-------------------|------------------|----------------|----------------|-----------------|----------------|
|             | <u>population</u> | <u>households</u> | <u>household</u> | <u>number</u>  | <u>percent</u> | <u>number</u>   | <u>percent</u> |
| 2010        | 43,392            | 16,866            | 2.57             | 10,731         | 63.6           | 6,135           | 36.4           |
| 2020        | 50,915            | 20,127            | 2.53             | 12,913         | 64.2           | 7,214           | 35.8           |
| 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 |                   | persons per       |                  | Owner-occupied |                | Renter-occupied |                |
|-------------|-------------------|-------------------|------------------|----------------|----------------|-----------------|----------------|
|             | <u>population</u> | <u>households</u> | <u>household</u> | <u>number</u>  | <u>percent</u> | <u>number</u>   | <u>percent</u> |
| 2010        | 91,451            | 33,655            | 2.72             | 24,005         | 71.3           | 9,650           | 28.7           |
| 2020        | 112,641           | 42,130            | 2.67             | 29,941         | 71.1           | 12,189          | 28.9           |
| 2023        | 118,151           | 44,411            | 2.66             | 31,527         | 71.0           | 12,884          | 29.0           |
| 2026        | 123,616           | 46,705            | 2.65             | 33,119         | 70.9           | 13,586          | 29.1           |

| Dorchester County |                   | persons per       |                  | Owner-occupied |                | Renter-occupied |                |
|-------------------|-------------------|-------------------|------------------|----------------|----------------|-----------------|----------------|
|                   | <u>population</u> | <u>households</u> | <u>household</u> | <u>number</u>  | <u>percent</u> | <u>number</u>   | <u>percent</u> |
| 2010              | 136,555           | 50,259            | 2.72             | 36,073         | 71.8           | 14,186          | 28.2           |
| 2020              | 161,540           | 60,242            | 2.68             | 44,120         | 73.2           | 16,122          | 26.8           |
| 2023              | 166,716           | 62,398            | 2.67             | 45,964         | 73.7           | 16,434          | 26.3           |
| 2026              | 171,694           | 64,492            | 2.66             | 47,775         | 74.1           | 16,717          | 25.9           |

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

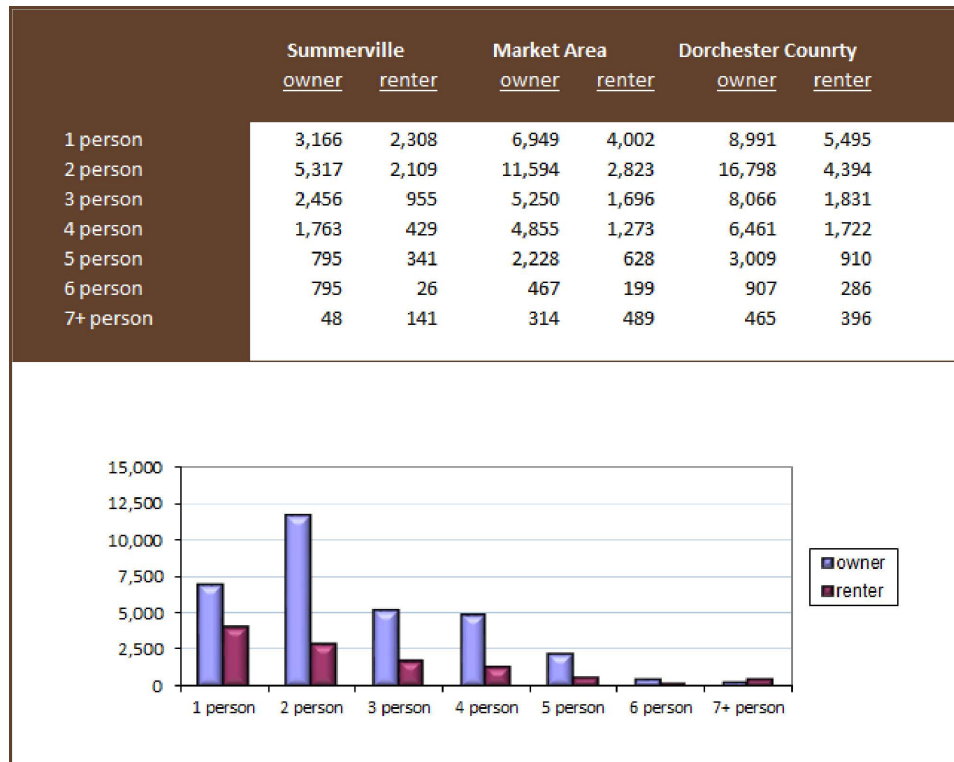


## HOUSEHOLD SIZE

Table 10 below, sets out household size, by tenure, for households in Summerville, the project market area, and Dorchester 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 Summerville, the market area, and for Dorchester 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 Summerville was \$73,712 and that for Dorchester County as a whole was seen to be \$73,686. The median income for the market area is estimated to be around \$73,622.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$51,184 - based on the American Community Survey data.

Table 11 - Household Income

|                        | Summerville   |                | Market area   |                | Dorchester County |                |
|------------------------|---------------|----------------|---------------|----------------|-------------------|----------------|
|                        | <u>number</u> | <u>percent</u> | <u>number</u> | <u>percent</u> | <u>number</u>     | <u>percent</u> |
| less than \$10,000     | 570           | 2.8            | 1,665         | 3.9            | 2,329             | 3.9            |
| \$10,000 to \$14,999   | 675           | 3.4            | 1,489         | 3.5            | 1,647             | 2.8            |
| \$15,000 to \$19,999   | 411           | 2.0            | 837           | 2.0            | 1,325             | 2.2            |
| \$20,000 to \$24,999   | 808           | 4.0            | 1,412         | 3.3            | 2,214             | 3.7            |
| \$25,000 to \$29,999   | 916           | 4.5            | 2,078         | 4.9            | 2,280             | 3.8            |
| \$30,000 to \$34,999   | 907           | 4.5            | 1,773         | 4.1            | 2,543             | 4.3            |
| \$35,000 to \$39,999   | 696           | 3.5            | 1,431         | 3.3            | 2,216             | 3.7            |
| \$40,000 to \$44,999   | 824           | 4.1            | 1,717         | 4.0            | 2,540             | 4.3            |
| \$45,000 to \$49,999   | 853           | 4.2            | 1,636         | 3.8            | 2,225             | 3.7            |
| \$50,000 to \$59,999   | 1,622         | 8.1            | 3,534         | 8.3            | 4,310             | 7.2            |
| \$60,000 to \$74,999   | 1,939         | 9.6            | 4,211         | 9.8            | 6,700             | 11.2           |
| \$75,000 to \$99,999   | 2,663         | 13.2           | 6,277         | 14.7           | 8,036             | 13.5           |
| \$100,000 to \$124,999 | 2,265         | 11.2           | 4,841         | 11.3           | 6,645             | 11.1           |
| \$125,000 to \$149,999 | 1,437         | 7.1            | 2,934         | 6.9            | 3,987             | 6.7            |
| \$150,000 to \$199,999 | 1,626         | 8.1            | 4,277         | 10.0           | 6,101             | 10.2           |
| \$200,000 or more      | 1,925         | 9.6            | 2,655         | 6.2            | 4,633             | 7.8            |
| median income          | \$73,712      |                | \$73,622 *    |                | \$73,686          |                |

\* 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 Summerville, the market area, and Dorchester 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 Summerville was \$46,583, and that for Dorchester County as a whole was seen to be \$48,055. The median income for renters in the market area is estimated to be around \$48,824.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$41,625 - based on the American Community Survey data.

Table 12 - Household Income, Renter Households

|                      | Summerville   |                | Market area   |                | Dorchester County |                |
|----------------------|---------------|----------------|---------------|----------------|-------------------|----------------|
|                      | <u>number</u> | <u>percent</u> | <u>number</u> | <u>percent</u> | <u>number</u>     | <u>percent</u> |
| less than \$10,000   | 266           | 4.2            | 1,339         | 5.1            | 747               | 5.0            |
| \$10,000 to \$19,999 | 633           | 10.0           | 2,510         | 9.6            | 1,352             | 9.0            |
| \$20,000 to \$34,999 | 1,260         | 20.0           | 5,220         | 20.0           | 3,041             | 20.2           |
| \$35,000 to \$49,999 | 1,108         | 17.6           | 4,346         | 16.6           | 2,738             | 18.2           |
| \$50,000 to \$74,999 | 1,247         | 19.8           | 5,402         | 20.7           | 3,048             | 20.3           |
| \$75,000 to \$99,999 | 684           | 10.8           | 2,938         | 11.2           | 1,728             | 11.5           |
| \$100,000 or more    | 1,111         | 17.6           | 4,389         | 16.8           | 2,380             | 15.8           |
| median income        | \$46,583      |                | \$48,824 *    |                | \$48,055          |                |

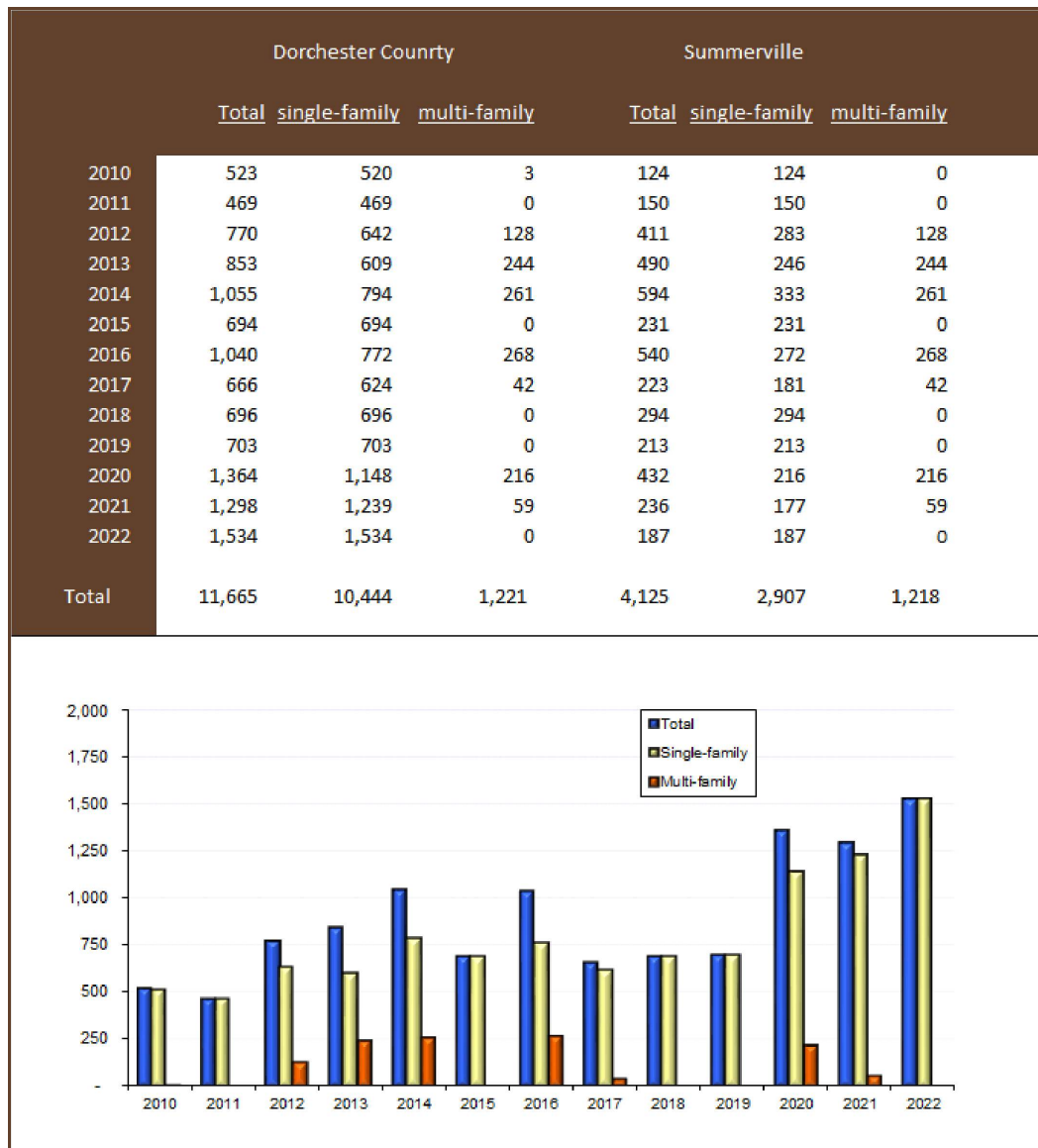
\* estimate

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 Dorchester County since 2010. Here it can be seen that a total of 11,665 units were added in Dorchester County, with 4,125 units added in the City of Summerville of which 1,218 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 42 units proposed, five will be targeted to households with incomes up to 20 percent of the median, with four units targeted at 30 percent, and 33 units targeted at 60 percent of the median, and therefore qualify the apartments for low income housing tax credit status. There will be a mix of one-, two-, and three- bedroom units.

The income limits for Dorchester 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>30 percent</u> | <u>60 percent</u> |
| 1 person              | \$14,720          | \$22,080          | \$44,160          |
| 2 person              | \$16,820          | \$25,230          | \$50,460          |
| 3 person              | \$18,920          | \$28,380          | \$56,760          |
| 4 person              | \$21,020          | \$31,530          | \$63,060          |
| 5 person              | \$22,720          | \$34,080          | \$68,160          |
| 6 person              | \$24,400          | \$36,600          | \$73,200          |
| Maximum Housing Costs |                   |                   |                   |
|                       | <u>20 percent</u> | <u>30 percent</u> | <u>60 percent</u> |
| 1 bedroom             | \$394             | \$591             | \$1,183           |
| 2 bedroom             | \$473             | \$710             | \$1,419           |
| 3 bedroom             | \$547             | \$820             | \$1,640           |

Source: HUD

The median income for Dorchester County in 2024 is \$105,100 - having been \$101,300 in 2023, and \$61,900 in 2014. This represents a 3.8 percent increase over the previous year, and a 69.8 percent increase over the last decade (or an average of 5.44 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>30 percent</u> | <u>60 percent</u> | <u>Total</u> |
| 1 bedroom        | 1                 | 0                 | 5                 | 6            |
| 2 bedroom        | 3                 | 3                 | 19                | 25           |
| 3 bedroom        | 1                 | 1                 | 9                 | 11           |
| Total            | 5                 | 4                 | 33                | 42           |

| proposed rents |                   |                   |                   |
|----------------|-------------------|-------------------|-------------------|
|                | <u>20 percent</u> | <u>30 percent</u> | <u>60 percent</u> |
| 1 bedroom      | \$270             |                   | \$950             |
| 2 bedroom      | \$315             | \$550             | \$1,130           |
| 3 bedroom      | \$345             | \$620             | \$1,245           |

| proposed rents as a proportion (%) of maximum |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | <u>20 percent</u> | <u>30 percent</u> | <u>60 percent</u> |
| 1 bedroom                                     | 99.5              |                   | 89.6              |
| 2 bedroom                                     | 99.7              | 99.5              | 89.5              |
| 3 bedroom                                     | 99.2              | 99.8              | 86.4              |

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$123, \$157, and \$199 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 and 30 percent of the median. The units targeted at the 60 percent level are seen to be between 86 and 90 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         | \$13,474 | \$15,770 |
| 2 bedroom         | \$16,183 | \$18,920 |
| 3 bedroom         | \$18,651 | \$21,870 |
| <u>30 percent</u> |          |          |
|                   | lower    | upper    |
| 1 bedroom         | \$20,160 | \$23,655 |
| 2 bedroom         | \$24,240 | \$28,380 |
| 3 bedroom         | \$28,080 | \$32,805 |
| <u>60 percent</u> |          |          |
|                   | lower    | upper    |
| 1 bedroom         | \$36,789 | \$47,310 |
| 2 bedroom         | \$44,126 | \$56,760 |
| 3 bedroom         | \$49,509 | \$65,610 |

Source: Applicant; T Ronald Brown: Research & Analysis

Incomes for households qualifying for the proposed project are seen to range from \$13,474 to \$65,610, reflecting the target incomes used. The above table shows that the qualifying income ranges are relatively narrow for the units at the 20 and 30 percent levels - reflecting the fact that the rents are at the maximum allowable. Rents at or near the maximum allowable will serve to constrain the market.

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       | 592    | 5.3     | 443                  | 9.5     |
| \$10,000 - \$19,999  | 1,158  | 10.4    | 957                  | 20.6    |
| \$20,000 - \$34,999  | 2,179  | 19.6    | 1,653                | 35.6    |
| \$35,000 - \$50,000  | 1,608  | 14.5    | 898                  | 19.3    |
| \$50,000 - \$75,000  | 2,354  | 21.2    | 594                  | 12.8    |
| \$75,000 - \$100,000 | 1,210  | 10.9    | 60                   | 1.3     |
| \$100,000 and over   | 2,009  | 18.1    | 43                   | 0.9     |
| Total                | 11,110 |         | 4,648                |         |

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 only 5.3 percent of the market area renter households have incomes less than \$10,000 and a further 10.4 percent have incomes between \$10,000 and \$20,000. Around 19.6 percent of market area renters are seen to have incomes in the \$20,000 to \$35,000 income range. Around 41.8 percent of all renters are rent-overburdened. Here, it should be noted that a significant number of 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 12.6 percent of market area renter households qualify for units at 20 percent of the median, and 16.5 percent qualify at the 30 percent level. The corresponding figure for the units at 60 percent is 32.4 percent.

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 702 new rental units are needed between 2024 and 2029. A total of 393 units will be for households eligible for the proposed project: 88 households at the 20 percent level, 116 households at the 30 percent level, and 228 households at the 60 percent level.

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

Our calculations show that there will be a total of 7,602 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, as many as 79.5 percent of renters qualifying for units at the 20 percent level are rent overburdened, with 75.9 percent at the 30 percent level being overburdened. Around 37.3 percent of those at the 60 percent level are rent overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. This 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 58 units.

Total demand is therefore seen to amount to 4,581 units: 1,476 qualifying for units at 20 percent of the median, 1,861 qualifying at 30 percent, and 1,949 qualifying at 60 percent of the median.

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. No potentially comparable projects have and no other comparable projects have been funded or are under construction. Therefore, the net need is for 4,581 units.

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



Table 18 - Demand Calculations

|   | <u>20 percent</u> | <u>30 percent</u> | <u>60 percent</u> | <u>Total*</u> |
|---|-------------------|-------------------|-------------------|---------------|
| (i) income eligible new renter households       | 88                | 116               | 228               | 393           |
| (ii) income eligible existing renter households | 1,706             | 2,246             | 4,403             | 7,602         |
| (iii) existing households, likely to move       | 1,357             | 1,704             | 1,641             | 4,130         |
| (iv) need from obsolete housing                 | 31                | 41                | 80                | 58            |
| Total demand<br>(i)+(iii)+(iv)                  | 1,476             | 1,861             | 1,949             | 4,581         |
| Supply  | 0                 | 0                 | 0                 | 0             |
| Net demand                                      | 1,476             | 1,861             | 1,949             | 4,581         |

\* 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 26 percent of the total, two-bedroom units should account for 39 percent of the total, and three-bedroom units should account for 25 percent of the total with four- or more bedroom units accounting for 10 percent. Here, it is important to note that the need and demand for three- bedroom units (which account for 26.2 percent of the 42-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

|                       | 20 percent | 30 percent | 60 percent | Total* |
|-----------------------|------------|------------|------------|--------|
| <b>Total demand</b>   |            |            |            |        |
| 1 bedroom             | 379        | 477        | 500        | 1,175  |
| 2 bedroom             | 577        | 728        | 762        | 1,793  |
| 3 bedroom             | 371        | 468        | 490        | 1,152  |
| 4 bedroom             | 149        | 187        | 196        | 461    |
| Total                 | 1,476      | 1,861      | 1,949      | 4,581  |
| <b>Supply</b>         |            |            |            |        |
| 1 bedroom             | 0          | 0          | 0          | 0      |
| 2 bedroom             | 0          | 0          | 0          | 0      |
| 3 bedroom             | 0          | 0          | 0          | 0      |
| 4 bedroom             | 0          | 0          | 0          | 0      |
| Total                 | 0          | 0          | 0          | 0      |
| <b>Net demand</b>     |            |            |            |        |
| 1 bedroom             | 379        | 477        | 500        | 1,175  |
| 2 bedroom             | 577        | 728        | 762        | 1,793  |
| 3 bedroom             | 371        | 468        | 490        | 1,152  |
| 4 bedroom             | 149        | 187        | 196        | 461    |
| Total                 | 1,476      | 1,861      | 1,949      | 4,581  |
| <b>Units proposed</b> |            |            |            |        |
| 1 bedroom             | 1          | 0          | 5          | 6      |
| 2 bedroom             | 3          | 3          | 19         | 25     |
| 3 bedroom             | 1          | 1          | 9          | 11     |
| 4 bedroom             | 0          | 0          | 0          | 0      |
| Total                 | 5          | 4          | 33         | 42     |
| <b>Capture rates</b>  |            |            |            |        |
| 1 bedroom             | 0.3%       | 0.0%       | 1.0%       | 0.5%   |
| 2 bedroom             | 0.5%       | 0.4%       | 2.5%       | 1.4%   |
| 3 bedroom             | 0.3%       | 0.2%       | 1.8%       | 1.0%   |
| 4 bedroom             | 0.0%       | 0.0%       | 0.0%       | 0.0%   |
| Total                 | 0.3%       | 0.2%       | 1.7%       | 0.9%   |

\* excludes gap/overlap

Source: T. Ronald Brown: Research &amp; Analysis

Given the calculated need, the proposed 42-unit unassisted development amounts to 0.9 percent of the total net need. The development equates to 1.0 percent of the net need for 4,120 one-, two-, and three-bedroom units.

The capture rate for the five units targeted at 20 percent of the median is 0.3 percent, that for the four units targeted at 30 percent of the median is 0.2 percent, with that for the 33 units targeted at 60 percent of the median determined to be 1.7 percent. The corresponding rates for one-, two-, and three-bedroom units only are 0.4 percent, 0.2 percent, and 1.9 percent, respectively.

The capture rates, by bedroom, are determined to be 0.5 percent for the six one-bedroom units, 1.4 percent for the 25 two-bedroom units, and 1.9 percent for the eleven three-bedroom units.

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

The proposed project is considered very marketable.

#### ABSORPTION RATES

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

## G. EXISTING RENTAL UNITS

There are many apartment complexes located throughout the Summerville area. These include properties that have been financed through the use of Low Income Housing Tax Credits - and thus are comparable to the proposed Sawmill Crossing complex. There are also several established properties that were subsidized for low and very low income renters, through the USDA/Rural Development rural rental housing program, and/or through HUD. Additionally, there are very many market rate complexes. Information on the tax credit properties and subsidized properties (for which useful information was made available to us) is presented below, along with information on a representative sample of conventionally-financed properties.

Azalea Park and Cedar Key are representative of more established tax credit developments - dating from 2003, and a mix of two- and three-bedroom units targeted at 50 and 60 percent of the area median income.

Other established tax credit communities include Summerville Garden (72 units) and Wisteria Place (64 units).

The Waters at Magnolia Bay complex is one of two relatively new tax credit-financed developments. It offers a total of 300 units, and opened in 2017. Of the 300-unit total, 240 units are targeted at 60 percent of the area median income - with rents for the one-, two-, and three-bedroom units at \$977, \$1,163, and \$1,327, respectively. The remaining 60 units are unrestricted market rate units, with rents at \$1,100, \$1,400, and \$1,600. A sister property - The Waters at Overbrook - opened in 2022. This is a 216-unit property with a mix of one-, two-, and three-bedroom units. The property offers units targeted at 60 percent of the median - at \$1,043, \$1,261, and \$1,430 for the project's one-, two-, and three-bedroom models. Other units are effectively market rate units, but occupancy is restricted to tenants with incomes that do not exceed 150 percent of the area median. These units are reported to rent for \$1,264, \$1,464, and \$1,764. Occupancy is reported at 95.8 percent.

The subsidized properties in the Summerville market date from 1978 to 1993, and range in size from 42 to 120 units, with occupancy averaging 98.7 percent.

The sample of market rate properties we identified and surveyed typically range from 80 to 280 units, built between 2005 and 2021. Rent for one-bedroom units at these locations are in the \$1,308 to \$1,750 range, with two-bedroom units offered from \$1,580 to \$1,861. Three bedroom units are seen to be between \$1,935 and \$2,008.

Occupancy at the market rate properties reveal a 94.4 percent occupancy level. The tax credit properties are 98.6 percent occupied, and the various subsidized complexes for which we have information, are 92.3 percent occupied. This yields a 94.3 percent overall occupancy level for the properties surveyed.

Details of the various properties surveyed are summarized as follows:

## Report for the Sawmill Crossing Apartments in Summerville, South Carolina

| Complex name              | Location    | Financing    | Year built | Total units | Vacant units | Occupancy (%) |
|---------------------------|-------------|--------------|------------|-------------|--------------|---------------|
| Atlantic on Main          | Summerville | Conventional | 2021       | 227         | 18           | 92.1          |
| Azalea Park               | Summerville | LIHTC        | 2003       | 64          | n/a          | n/a           |
| Bay Pointe at Summerville | Summerville | Conventional | 2021       | 80          | 1            | 98.8          |
| Bryant at Summerville     | Summerville | Conventional | 2004       | 232         | 15           | 93.5          |
| Cambridge                 | Summerville | USDA/RD      | 1993       | 48          | 0            | 100.0         |
| Canebreak                 | Summerville | HUD §8       | n/a        | 120         | 0            | 100.0         |
| Cedar Key                 | Summerville | LIHTC        | 2003       | 48          | n/a          | n/a           |
| Haven Oaks                | Summerville | HUD §8       | 1978       | 104         | 2            | 98.0          |
| Lake Pointe               | Summerville | LIHTC        | 2014       | 56          | 2            | 96.4          |
| Legends at Azalea         | Summerville | Conventional | 2019       | 258         | 15           | 94.2          |
| MAA Farm Springs          | Summerville | Conventional | 2007       | 280         | 19           | 93.2          |
| Oak Hollow                | Summerville | LIHTC        | 2007       | 44          | 2            | 95.5          |
| Palms on Ashley River     | Ladson      | LIHTC        | 2005       | 192         | 10           | 94.8          |
| Summer Pines              | Summerville | USDA/RD      | 1979       | 48          | 2            | 95.8          |
| Summerville Garden        | Summerville | LIHTC        | 2012       | 72          | 0            | 100.0         |
| Summerville Villas        | Summerville | USDA/RD      | 1984       | 42          | n/a          | n/a           |
| Villas of Summerville     | Summerville | HUD §8       | 1978       | 62          | 1            | 98.4          |
| Vista Sands               | Summerville | Conventional | 2005       | 280         | 8            | 97.1          |
| Waters at Magnolia Bay    | Summerville | LIHTC        | 2017       | 300         | 45           | 85.0          |
| Waters at Oakbrook        | Summerville | LIHTC        | 2022       | 216         | 9            | 95.8          |
| Wisteria Place            | Summerville | LIHTC        | 2006       | 64          | 5            | 92.2          |



# Report for the Sawmill Crossing Apartments in Summerville, South Carolina

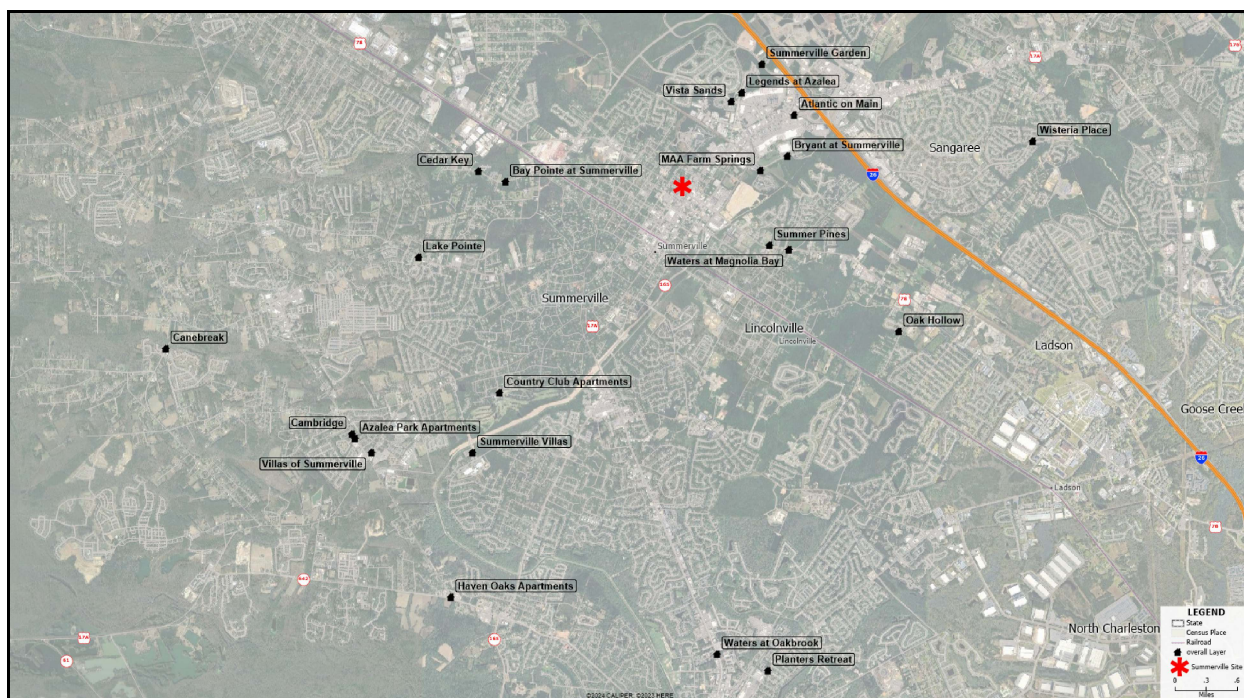
|                           | 0 br/1ba |                |         | 1 br/1ba |                |               |
|---------------------------|----------|----------------|---------|----------|----------------|---------------|
|                           | number   | size (sq. ft.) | rent    | number   | size (sq. ft.) | rent          |
| Sawmill Crossing          |          |                |         | 6        | 756            | \$270-950     |
| Atlantic on Main          | n/a      | 515            | \$1,323 | n/a      | 648-793        | \$1,499-1,559 |
| Azalea Park               |          |                |         |          |                |               |
| Bay Pointe at Summerville |          |                |         |          |                |               |
| Bryant at Summerville     |          |                |         | 64       | 652-790        | \$1,310-1,375 |
| Cambridge                 |          |                |         | 8        | 594            | boi           |
| Canebreak                 |          |                |         | 32       | 674            | boi           |
| Cedar Key                 |          |                |         |          |                |               |
| Haven Oaks                |          |                |         | 32       | 574            | boi           |
| Lake Pointe               |          |                |         | 8        | 850            | \$825-1,008   |
| Legends at Azalea         |          |                |         | n/a      | 651-943        | \$1,325-1,750 |
| MAA Farm Springs          |          |                |         | 72       | 696            | \$1,308-1,463 |
| Oak Hollow                |          |                |         |          |                |               |
| Palms on Ashley River     |          |                |         |          |                |               |
| Summer Pines              |          |                |         | 8        | 695            | boi           |
| Summerville Garden        |          |                |         | 16       | 763            | \$824-1,007   |
| Summerville Villas        |          |                |         | 8        | 622            | boi           |
| Villas of Summerville     |          |                |         | 20       | 574            | boi           |
| Vista Sands               |          |                |         | 120      | 658-833        | \$1,465-1,495 |
| Waters at Magnolia Bay    |          |                |         | 96       | 763            | \$977-1,100   |
| Waters at Oakbrook        |          |                |         | 96       | 819            | \$1,043-1,264 |
| Wisteria Place            |          |                |         |          |                |               |

|                           | 2 br/1-1½ ba |                |             | 2 br/2 ba |                |               |
|---------------------------|--------------|----------------|-------------|-----------|----------------|---------------|
|                           | number       | size (sq. ft.) | rent        | number    | size (sq. ft.) | rent          |
| Sawmill Crossing          | 25           | 904            | \$315-1,130 |           |                |               |
| Atlantic on Main          |              |                |             | n/a       | 1,096-1,312    | \$1,736-1,861 |
| Azalea Park               |              |                |             | 32        | 895            |               |
| Bay Pointe at Summerville |              |                |             | 40        | 1,194          | \$1,609       |
| Bryant at Summerville     | 60           | 933            | \$1,475     | 96        | 1,050          | \$1,680       |
| Cambridge                 | 32           | 864            | boi         |           |                |               |
| Canebreak                 | 56           | 769            | boi         |           |                |               |
| Cedar Key                 |              |                |             | 16        | 1,150          |               |
| Haven Oaks                | 56           | 804            | boi         |           |                |               |
| Lake Pointe               |              |                |             | 20        | 1,100          | \$981-1,200   |
| Legends at Azalea         |              |                |             | n/a       | 1,155-1,752    | \$1,625-1,670 |
| MAA Farm Springs          |              |                |             | 176       | 1,084-1,275    | \$1,613-1,778 |
| Oak Hollow                |              |                |             |           |                |               |
| Palms on Ashley River     |              |                |             | 96        | 1,082          | \$1,288       |
| Summer Pines              | 36           | 928            | boi         |           |                |               |
| Summerville Garden        | n/a          | 973            |             |           |                |               |
| Summerville Villas        | 24           | 815            | boi         |           |                |               |
| Villas of Summerville     | 32           | 804            | boi         |           |                |               |
| Vista Sands               |              |                |             | 144       | 965-1,140      | \$1,580-1,655 |
| Waters at Magnolia Bay    |              |                |             | 96        | 973            | \$1,163-1,400 |
| Waters at Oakbrook        |              |                |             | 96        | 1,159          | \$1,261-1,464 |
| Wisteria Place            |              |                |             | 32        | 1,082          | \$938-1,305   |

## Report for the Sawmill Crossing Apartments in Summerville, South Carolina

|                           | 3 br/1-1½ ba |                |             | 3 br/2+ ba |                |               |
|---------------------------|--------------|----------------|-------------|------------|----------------|---------------|
|                           | number       | size (sq. ft). | rent        | number     | size (sq. ft). | rent          |
| Sawmill Crossing          |              |                |             | 11         | 1,166          | \$345-1,245   |
| Atlantic on Main          |              |                |             | n/a        | 1,434          | \$1,971       |
| Azalea Park               |              |                |             | 32         | 1,100          |               |
| Bay Pointe at Summerville |              |                |             | 40         | 1,379          | \$1,999       |
| Bryant at Summerville     |              |                |             | 12         | 1,276          | \$1,985       |
| Cambridge                 | 8            | 1,110          | boi         |            |                |               |
| Canebreak                 | 32           | 1,038          | boi         |            |                |               |
| Cedar Key                 |              |                |             | 32         | 1,250          |               |
| Haven Oaks                | 16           | 1,051          | boi         |            |                |               |
| Lake Pointe               |              |                |             | 20         | 1,250          | \$1,126-1,379 |
| Legends at Azalea         |              |                |             | n/a        | 1,362-1,479    | \$1,935-1,975 |
| MAA Farm Springs          |              |                |             | 2          | 1,305-1,430    | \$1,998-2,008 |
| Oak Hollow                | 24           | 1,234          | \$963-1,359 |            |                |               |
| Palms on Ashley River     |              |                |             | 96         | 1,322          | \$1,484       |
| Summer Pines              | 4            | 1,035          | boi         |            |                |               |
| Summerville Garden        |              |                |             | 18         | 1,175          |               |
| Summerville Villas        | 10           | 995            | boi         |            |                |               |
| Villas of Summerville     | 10           | 1,051          | boi         |            |                |               |
| Vista Sands               |              |                |             | 16         | 1,187          | \$1,934       |
| Waters at Magnolia Bay    |              |                |             | 72         | 1,175          | \$1,327-1,600 |
| Waters at Oakbrook        |              |                |             | 35         | 1,384          | \$1,430-1,679 |
| Wisteria Place            |              |                |             | 32         | 1,322          | \$1,225-1,499 |

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 Bay Pointe, Bryant at Summerville, MAA Farm Springs, Legends at Azalea, and Vista Sands. 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 \$1,366 for a one-bedroom unit, \$1,501 for a two-bedroom unit, and \$1,925 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 (38.32 percent less).

| Units  | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | Adjusted Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|--------|--------------|---------------------------|----------------------------|----------------------|----------------------------|---------------------------------|
|        | 0 BR         |                           |                            |                      |                            |                                 |
|        | 0 BR         |                           |                            |                      |                            |                                 |
|        | 0 BR         |                           |                            |                      |                            |                                 |
|        | 1 BR         |                           |                            |                      |                            |                                 |
|        | 1 BR         |                           |                            |                      |                            |                                 |
| 1      | 1 BR         | \$270                     | \$270                      | \$1,366              | \$1,366                    |                                 |
| 5      | 1 BR         | \$950                     | \$4,750                    | \$1,366              | \$6,830                    |                                 |
|        | 2 BR         |                           |                            |                      |                            |                                 |
| 3      | 2 BR         | \$315                     | \$945                      | \$1,501              | \$4,502                    |                                 |
| 3      | 2 BR         | \$550                     | \$1,650                    | \$1,501              | \$4,502                    |                                 |
| 19     | 2 BR         | \$1,130                   | \$21,470                   | \$1,501              | \$28,511                   |                                 |
|        | 3 BR         |                           |                            |                      |                            |                                 |
| 1      | 3 BR         | \$345                     | \$345                      | \$1,925              | \$1,925                    |                                 |
| 1      | 3 BR         | \$620                     | \$620                      | \$1,925              | \$1,925                    |                                 |
| 9      | 3 BR         | \$1,245                   | \$11,205                   | \$1,925              | \$17,326                   |                                 |
|        | 4 BR         |                           |                            |                      |                            |                                 |
|        | 4 BR         |                           |                            |                      |                            |                                 |
| Totals | 42           |                           | \$41,255                   |                      | \$66,887                   | 38.32%                          |

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         |                           |                            |              |                    |                                 |
|        | 0 BR         |                           |                            |              |                    |                                 |
|        | 0 BR         |                           |                            |              |                    |                                 |
|        | 1 BR         |                           |                            |              |                    |                                 |
|        | 1 BR         |                           |                            |              |                    |                                 |
| 1      | 1 BR         | \$270                     | \$270                      | \$1,424      | \$1,424            |                                 |
| 5      | 1 BR         | \$950                     | \$4,750                    | \$1,295      | \$6,475            |                                 |
|        | 2 BR         |                           |                            |              |                    |                                 |
| 3      | 2 BR         | \$315                     | \$945                      | \$1,599      | \$4,797            |                                 |
| 3      | 2 BR         | \$550                     | \$1,650                    | \$1,599      | \$4,797            |                                 |
| 19     | 2 BR         | \$1,130                   | \$21,470                   | \$1,599      | \$30,381           |                                 |
|        | 3 BR         |                           |                            |              |                    |                                 |
| 1      | 3 BR         | \$345                     | \$345                      | \$1,979      | \$1,979            |                                 |
| 1      | 3 BR         | \$620                     | \$620                      | \$1,979      | \$1,979            |                                 |
| 9      | 3 BR         | \$1,245                   | \$11,205                   | \$1,979      | \$17,811           |                                 |
|        | 4 BR         |                           |                            |              |                    |                                 |
|        | 4 BR         |                           |                            |              |                    |                                 |
| Totals | 42           |                           | \$41,255                   |              | \$69,643           | 40.76%                          |





### Atlantic on Main

Location: 2500 Gault Way  
Summerville

Financing: Conventional

Year Built: 2021

Total Units: 227

Vacant units: 18 92.1% occupied

Telephone: 854.203.1116

Management: RPM  
[4/19]

| Br/ba                    | units | sq. ft      | Rent    | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|-------------|---------|------------|----------------------------|
| 0/1                      | n/a   | 515         | \$1,323 | \$2.57     | Microwave •                |
|                          |       |             |         |            | Dishwasher •               |
|                          |       |             |         |            | Washer/dryer •             |
| 1/1                      | n/a   | 648-755     | \$1,499 | \$2.14     | Washer/dryer hook-up       |
| 1/1                      | n/a   | 793         | \$1,559 | \$1.97     | 9' Ceilings                |
|                          |       |             |         |            | High-end kitchen •         |
| 2/2                      | n/a   | 1,096       | \$1,736 | \$1.58     | Wood/style floors •        |
| 2/2                      | n/a   | 1,241-1,312 | \$1,861 | \$1.46     | Fireplaces                 |
|                          |       |             |         |            | Patios/balconies •         |
| 3/2                      | n/a   | 1,434       | \$1,971 | \$1.37     |                            |
|                          |       |             |         |            | <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                    |       |             |         |            |                            |



### Azalea Park

Location: 527 Orangeburg Road  
Summerville

Financing: LIHTC

Year Built: 2003

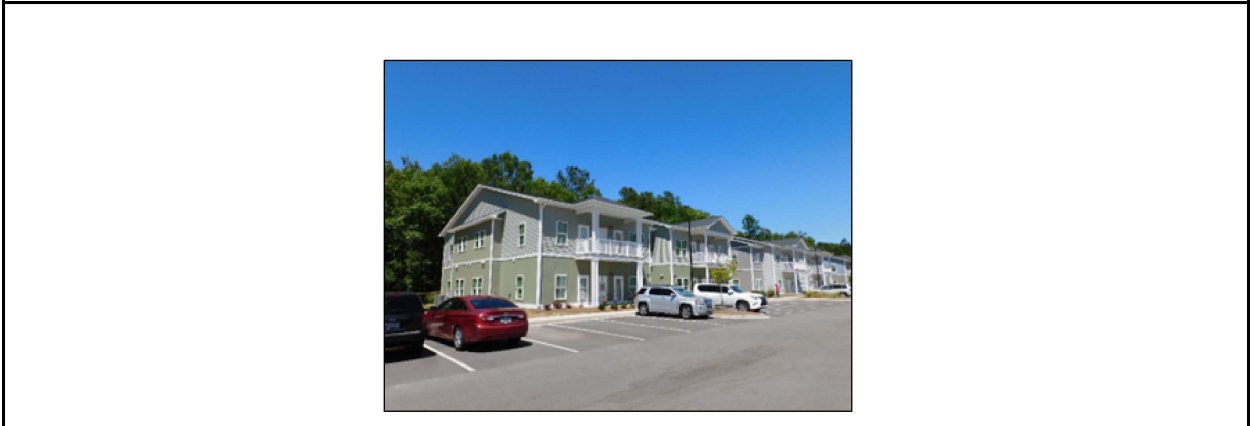
Total Units: 64

Vacant units: n/a n/a occupied

Telephone: 843.261.6262

Management: RLJ Management

| Br/ba                      | Units | Sq. ft | Targeting | Rent | U/A | Rent/sq.ft | Unit Amenities             |
|----------------------------|-------|--------|-----------|------|-----|------------|----------------------------|
| 2/2                        |       | 895    | 50%       | n/a  |     |            | Microwave                  |
| 2/2                        |       | 895    | 60%       | n/a  |     |            | Dishwasher •               |
|                            |       |        |           |      |     |            | Washer/dryer               |
|                            |       |        |           |      |     |            | Washer/dryer hook-up •     |
| 3/2                        |       | 1,100  | 50%       | n/a  |     |            | 9' Ceilings                |
| 3/2                        |       | 1,100  | 60%       | n/a  |     |            | 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                      |       |        |           |      |     |            |                            |



### Bay Pointe at Summerville

Location: 260 Pidgeon Bay Road  
Summerville

|            |              |
|------------|--------------|
| Financing: | Conventional |
|------------|--------------|

|             |      |            |              |
|-------------|------|------------|--------------|
| Year Built: | 2021 | Telephone: | 843.604.3801 |
|-------------|------|------------|--------------|

|              |    |                            |
|--------------|----|----------------------------|
| Total Units: | 80 | Management: Drucker + Falk |
|--------------|----|----------------------------|

|               |   |                |        |
|---------------|---|----------------|--------|
| Vacant units: | 1 | 98.8% occupied | [4/19] |
|---------------|---|----------------|--------|

|             |      |            |              |
|-------------|------|------------|--------------|
| Year Built: | 2021 | Telephone: | 843.604.3801 |
|-------------|------|------------|--------------|

|              |    |                            |
|--------------|----|----------------------------|
| Total Units: | 80 | Management: Drucker + Falk |
|--------------|----|----------------------------|

|               |   |                |        |
|---------------|---|----------------|--------|
| Vacant units: | 1 | 98.8% occupied | [4/19] |
|---------------|---|----------------|--------|

| Br/ba                    | units | sq. ft | Rent    | Rent/sq.ft | Unit Amenities           |
|--------------------------|-------|--------|---------|------------|--------------------------|
| 2/2                      | 40    | 1,194  | \$1,609 | \$1.35     | Microwave                |
|                          |       |        |         |            | Dishwasher               |
|                          |       |        |         |            | Washer/dryer             |
| 3/2                      | 40    | 1,379  | \$1,999 | \$1.45     | 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                  |
| <u>Utilities in Rent</u> |       |        |         |            |                          |
| Water                    |       |        |         |            |                          |
| Sewer                    |       |        |         |            |                          |
| Trash                    |       |        |         |            |                          |



### Bryant at Summerville

Location: 325 Marymeade Drive  
Summerville

Financing: Conventional

Year Built: 2004

Total Units: 232

Vacant units: 15 93.5% occupied

Telephone: 843.474.6517

Management: American Landmark  
[4/19]

| Br/ba                    | units | sq. ft | Rent    | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|--------|---------|------------|----------------------------|
| 1/1                      | 24    | 652    | \$1,310 | \$1.49     | Microwave •                |
| 1/1                      | 40    | 790    | \$1,375 | \$1.56     | Dishwasher •               |
|                          |       |        |         |            | Washer/dryer •             |
|                          |       |        |         |            | Washer/dryer hook-up •     |
| 2/1                      | 60    | 933    | \$1,475 | \$1.76     | 9' Ceilings •              |
| 2/2                      | 96    | 1,050  | \$1,680 | \$1.76     | High-end kitchen •         |
|                          |       |        |         |            | Wood/style floors •        |
| 3/2                      | 12    | 1,276  | \$1,985 | \$1.59     | 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                    |       |        |         |            |                            |



### Cambridge

Location: 559 Orangeburg Road  
Summerville

Financing: USDA/RD 28 units rental assistance  
Year Built: 1993  
Total Units: 48  
Vacant units: 0 100.0% occupied

Telephone: 843.873.2158  
Management: CAHEC Management  
[4/22]

| Br/ba                    | Units | Sq. ft | Basic Rent | Market Rent | Unit Amenities             |
|--------------------------|-------|--------|------------|-------------|----------------------------|
| 1/1                      | 8     | 594    | \$655      | \$721       | Microwave                  |
| 2/1                      | 32    | 864    | \$738      | \$804       | Dishwasher                 |
| 3/1½                     | 8     | 1,110  | \$785      | \$851       | 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 •                  |
| <u>Utilities in Rent</u> |       |        |            |             |                            |
| Water                    |       |        |            |             |                            |
| Sewer                    |       |        |            |             |                            |
| Trash •                  |       |        |            |             |                            |





### Canebreak

Location: 1300 Central Avenue  
Summerville

Financing: HUD §8

Year Built: n/a

Total Units: 120

Vacant units: 4 96.7% occupied

Telephone: 843.873.0435

Management: AMCS  
[4/19]

| Br/ba | Units | Sq. ft | Contract Rent |
|-------|-------|--------|---------------|
| 1/1   | 32    | 674    | \$1,083       |
| 2/1   | 56    | 769    | \$1,279       |
| 3/1½  | 32    | 1,038  | \$1,454       |

#### 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 •



### Cedar Key

Location: 246 Pidgeon Bay Road  
Summerville

Financing: LIHTC

Year Built: 2003

Total Units: 48

Vacant units: n/a n/a occupied

Telephone: 843.695.0250

Management: Sundance Property Management

| Br/ba                      | Units | Sq. ft | Targeting | Rent | U/A | Rent/sq.ft | Unit Amenities         |
|----------------------------|-------|--------|-----------|------|-----|------------|------------------------|
| 2/2                        |       | 1,150  | 50%       | n/a  |     |            | Microwave              |
| 2/2                        |       | 1,150  | 60%       | n/a  |     |            | Dishwasher •           |
|                            |       |        |           |      |     |            | Washer/dryer           |
|                            |       |        |           |      |     |            | Washer/dryer hook-up • |
| 3/2                        |       | 1,250  | 50%       | n/a  |     |            | 9' Ceilings            |
| 3/2                        |       | 1,250  | 60%       | n/a  |     |            | 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    |       |        |           |      |     |            |                        |
| <u>Utilities in Rent</u>   |       |        |           |      |     |            |                        |
| Water                      |       |        |           |      |     |            |                        |
| Sewer                      |       |        |           |      |     |            |                        |
| Trash •                    |       |        |           |      |     |            |                        |
| Elevator                   |       |        |           |      |     |            |                        |
| Garages                    |       |        |           |      |     |            |                        |
| Storage •                  |       |        |           |      |     |            |                        |
| Laundry •                  |       |        |           |      |     |            |                        |



### Haven Oaks

Location: 523 Orangeburg Road  
Summerville

Financing: HUD §8

Year Built: 1978

Total Units: 104

Vacant units: 2 98.0% occupied

Telephone: 843.875.1890

Management: AMCS Management  
[4/20]

| Br/ba | Units | Sq. ft | Contract Rent |
|-------|-------|--------|---------------|
| 1/1   | 32    | 574    | n/a           |
| 2/1   | 56    | 804    | n/a           |
| 3/1   | 16    | 1,051  | n/a           |

#### 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 •



### Lake Pointe

Location: 527 Orangeburg Road  
Summerville

Financing: LIHTC

Year Built: 2014

Total Units: 56

Vacant units: 2 96.4% occupied

Telephone: 843.285.8378

Management: Strive 360

[5/10]

| Br/ba                    | Units | Sq. ft | Targeting | Rent    | U/A | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|--------|-----------|---------|-----|------------|----------------------------|
| 1/1                      |       | 850    | 50%       | \$825   |     | \$0.97     | Microwave                  |
| 1/1                      |       | 850    | 60%       | \$1,008 |     | \$1.19     | Dishwasher •               |
|                          |       |        |           |         |     |            | Washer/dryer               |
|                          |       |        |           |         |     |            | Washer/dryer hook-up •     |
| 2/2                      |       | 1,100  | 50%       | \$981   |     | \$0.89     | 9' Ceilings                |
| 2/2                      |       | 1,100  | 60%       | \$1,200 |     | \$1.09     | High-end kitchen           |
|                          |       |        |           |         |     |            | Wood/style floors          |
| 3/2                      |       | 1,250  | 50%       | \$1,126 |     | \$0.90     | Fireplaces                 |
| 3/2                      |       | 1,250  | 60%       | \$1,379 |     | \$1.10     | Patios/balconies           |
| 4/2½                     |       | 1,400  | 50%       | \$1,248 |     | \$0.89     | <u>Community Amenities</u> |
| 4/2½                     |       | 1,400  | 60%       | \$1,530 |     | \$1.09     | Clubhouse/community room • |
|                          |       |        |           |         |     |            | Fitness center •           |
|                          |       |        |           |         |     |            | Business center •          |
|                          |       |        |           |         |     |            | Pool                       |
|                          |       |        |           |         |     |            | Playground •               |
|                          |       |        |           |         |     |            | Controlled access/gated    |
|                          |       |        |           |         |     |            | Elevator                   |
|                          |       |        |           |         |     |            | Garages                    |
|                          |       |        |           |         |     |            | Storage                    |
|                          |       |        |           |         |     |            | Laundry •                  |
| <u>Utilities in Rent</u> |       |        |           |         |     |            |                            |
| Water                    | •     |        |           |         |     |            |                            |
| Sewer                    | •     |        |           |         |     |            |                            |
| Trash                    |       |        |           |         |     |            |                            |



### Legends at Azalea

Location: 3500 Pinckney Marsh Lane  
Summerville

Financing: Conventional

Year Built: 2019

Total Units: 258

Vacant units: 15 94.2% occupied

Telephone: 843.900.3390

Management: United Residential Properties

| Br/ba                    | units | sq. ft      | Rent          | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|-------------|---------------|------------|----------------------------|
| 1/1                      | n/a   | 651-943     | \$1,325-1,750 | \$1.93     | Microwave •                |
|                          |       |             |               |            | Dishwasher •               |
|                          |       |             |               |            | Washer/dryer •             |
| 2/2                      | n/a   | 1,155-1,752 | \$1,625-1,670 | \$1.13     | 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 •                  |
| <u>Utilities in Rent</u> |       |             |               |            |                            |
| Water                    |       |             |               |            |                            |
| Sewer                    |       |             |               |            |                            |
| Trash                    |       |             |               |            |                            |





### MAA Farm Springs

Location: 2100 Farm Springs Road  
Summerville

Financing: Conventional

Year Built: 2007

Total Units: 280

Vacant units: 19 93.2% occupied

Telephone: 843.261.6171

Management: MAA Communities  
[4/19]

| Br/ba | units | sq. ft      | Rent          | Rent/sq.ft | Unit Amenities             |
|-------|-------|-------------|---------------|------------|----------------------------|
| 1/1   | 72    | 686-984     | \$1,308-1,463 | \$1.66     | Microwave •                |
|       |       |             |               |            | Dishwasher •               |
|       |       |             |               |            | Washer/dryer •             |
| 2/2   | 176   | 1,084-1,275 | \$1,613-1,778 | \$1.44     | Washer/dryer hook-up •     |
|       |       |             |               |            | 9' Ceilings •              |
| 3/2   | 2     | 1,305-1,430 | \$1,998-2,008 | \$1.46     | 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



### Oak Hollow

Location: 3009 Evergreen Oak Road  
Summerville

Financing: LIHTC

Year Built: 2007

Total Units: 44

Vacant units: 2 95.5% occupied

Telephone: 843.851.1404

Management: Woda Management

[4/26]

| Br/ba                      | Units | Sq. ft | Targeting | Rent    | U/A   | Rent/sq.ft | Unit Amenities             |
|----------------------------|-------|--------|-----------|---------|-------|------------|----------------------------|
| 3/1                        |       | 1,234  | 50%       | \$963   | \$173 | \$0.78     | Microwave                  |
| 3/1                        |       | 1,234  | 60%       | \$1,359 | \$173 | \$1.10     | Dishwasher •               |
|                            |       |        |           |         |       |            | Washer/dryer               |
|                            |       |        |           |         |       |            | Washer/dryer hook-up •     |
| 4/1½                       |       | 1,367  | 50%       | \$1,056 | \$216 | \$0.77     | 9' Ceilings                |
| 4/1½                       |       | 1,367  | 60%       | \$1,497 | \$216 | \$1.10     | 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                   |
| <u>Utilities in Rent</u>   |       |        |           |         |       |            |                            |
|                            |       |        |           |         |       |            | Water                      |
|                            |       |        |           |         |       |            | Sewer                      |
|                            |       |        |           |         |       |            | Trash                      |
|                            |       |        |           |         |       |            | Garages •                  |
|                            |       |        |           |         |       |            | Storage •                  |
|                            |       |        |           |         |       |            | Laundry •                  |



### Palms on Ashley River

Location: 4370 Ladson Road  
Ladson

Financing: LIHTC

Year Built: 2005

Total Units: 192

Vacant units: 10 94.8% occupied

Telephone: 843.832.6111

Management: Franklin Johnston Group

| Br/ba                      | Units | Sq. ft | Targeting | Rent    | U/A | Rent/sq.ft | Unit Amenities           |   |
|----------------------------|-------|--------|-----------|---------|-----|------------|--------------------------|---|
| 2/2                        | 96    | 1,082  | 60%       | \$1,288 |     | \$1.19     | Microwave                | • |
|                            |       |        |           |         |     |            | Dishwasher               | • |
|                            |       |        |           |         |     |            | Washer/dryer             |   |
| 3/2                        | 96    | 1,322  | 60%       | \$1,484 |     | \$1.12     | 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                  | • |
| <u>Utilities in Rent</u>   |       |        |           |         |     |            |                          |   |
| Water                      | •     |        |           |         |     |            |                          |   |
| Sewer                      | •     |        |           |         |     |            |                          |   |
| Trash                      |       |        |           |         |     |            |                          |   |



### Summer Pines

Location: 402 Diana Court  
Summerville

Financing: USDA/RD 31 units rental assistance  
Year Built: 1979  
Total Units: 48  
Vacant units: 2 95.8% occupied

Telephone: 843.875.2519  
Management: Hallmark Group  
[4/23]

| Br/ba | Units | Sq. ft | Basic Rent | Market Rent | Unit Amenities           |
|-------|-------|--------|------------|-------------|--------------------------|
| 1/1   | 8     | 695    | \$647      | \$842       | Microwave                |
| 2/1   | 36    | 928    | \$692      | \$947       | Dishwasher               |
| 3/1½  | 4     | 1,035  | \$757      | \$1,027     | 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

•

•

•

•



### Summerville Garden

Location: 40 Holiday Drive  
Summerville

Financing: LIHTC

Year Built: 2012

Total Units: 72

Vacant units: 0 100.0% occupied (waiting list)

Telephone: 843.771.0106

Management: Frick Irick

[4/23]

| Br/ba                      | Units | Sq. ft | Targeting | Rent | U/A | Rent/sq.ft | Unit Amenities         |
|----------------------------|-------|--------|-----------|------|-----|------------|------------------------|
| 1/1                        |       | 763    | 50%       | n/a  |     |            | Microwave              |
| 1/1                        |       | 763    | 60%       | n/a  |     |            | Dishwasher •           |
|                            |       |        |           |      |     |            | Washer/dryer           |
|                            |       |        |           |      |     |            | Washer/dryer hook-up • |
| 2/2                        |       | 973    | 50%       | n/a  |     |            | 9' Ceilings            |
| 2/2                        |       | 973    | 60%       | n/a  |     |            | High-end kitchen       |
|                            |       |        |           |      |     |            | Wood/style floors      |
| 3/2                        |       | 1,175  | 50%       | n/a  |     |            | Fireplaces             |
| 3/2                        |       | 1,175  | 60%       | n/a  |     |            | Patios/balconies •     |
| <u>Community Amenities</u> |       |        |           |      |     |            |                        |
| Clubhouse/community room • |       |        |           |      |     |            |                        |
| Fitness center •           |       |        |           |      |     |            |                        |
| Business center •          |       |        |           |      |     |            |                        |
| Pool                       |       |        |           |      |     |            |                        |
| Playground •               |       |        |           |      |     |            |                        |
| Controlled access/gated    |       |        |           |      |     |            |                        |
| <u>Utilities in Rent</u>   |       |        |           |      |     |            |                        |
| Water                      |       |        |           |      |     |            |                        |
| Sewer                      |       |        |           |      |     |            |                        |
| Trash •                    |       |        |           |      |     |            |                        |
| Elevator                   |       |        |           |      |     |            |                        |
| Garages                    |       |        |           |      |     |            |                        |
| Storage                    |       |        |           |      |     |            |                        |
| Laundry •                  |       |        |           |      |     |            |                        |





### Villas of Summerville

Location: 1310 Boone Hill Road  
Summerville

Financing: HUD §8  
Year Built: 1978  
Total Units: 62  
Vacant units: 1 98.4% occupied

Telephone: 854.888.0001  
Management: Ten South  
[4/23]

| Br/ba | Units | Sq. ft | Contract Rent |
|-------|-------|--------|---------------|
| 1/1   | 20    | 574    | \$948         |
| 2/1   | 32    | 804    | \$1,039       |
| 3/1½  | 10    | 1,051  | \$1,257       |

#### 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 •



### Vista Sands

Location: 1001 Bear Island Road  
Summerville

Financing: Conventional

Year Built: 2005

Total Units: 280

Vacant units: 8 97.1% occupied

Telephone: 833.677.7537

Management: Grayco  
[4/20]

| Br/ba                    | units | sq. ft    | Rent          | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|-----------|---------------|------------|----------------------------|
| 1/1                      | 120   | 658-833   | \$1,465-1,495 | \$1.99     | Microwave •                |
|                          |       |           |               |            | Dishwasher •               |
|                          |       |           |               |            | Washer/dryer •             |
| 2/2                      | 144   | 965-1,140 | \$1,580-1,655 | \$1.54     | Washer/dryer hook-up •     |
|                          |       |           |               |            | 9' Ceilings •              |
| 3/2                      | 16    | 1,187     | \$1,934       | \$1.63     | 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                    |       |           |               |            |                            |



### Waters at Magnolia Bay

Location: 10765 US Highway 78  
Summerville

Financing: LIHTC

Year Built: 2017

Total Units: 300

Vacant units: 45 85.0% occupied

Telephone: 843.900.7960

Management: Atlantic Housing Foundation  
[4/19]

| Br/ba                    | Units | Sq. ft | Targeting | Rent    | U/A | Rent/sq.ft | Unit Amenities             |
|--------------------------|-------|--------|-----------|---------|-----|------------|----------------------------|
| 1/1                      | n/a   | 763    | 60%       | \$977   | n/a | \$1.28     | Microwave                  |
| 1/1                      | n/a   | 763    | mkt       | \$1,100 | n/a | \$1.44     | Dishwasher                 |
|                          |       |        |           |         |     |            | Washer/dryer               |
|                          |       |        |           |         |     |            | Washer/dryer hook-up •     |
| 2/2                      | n/a   | 973    | 60%       | \$1,163 | n/a | \$1.20     | 9' Ceilings                |
| 2/2                      | n/a   | 973    | mkt       | \$1,400 | n/a | \$1.44     | High-end kitchen           |
|                          |       |        |           |         |     |            | Wood/style floors          |
| 3/2                      | n/a   | 1,175  | 60%       | \$1,327 | n/a | \$1.13     | Fireplaces                 |
| 3/2                      | n/a   | 1,175  | mkt       | \$1,600 | n/a | \$1.36     | Patios/balconies •         |
| 250 LIHTC units          |       |        |           |         |     |            | <u>Community Amenities</u> |
| 50 market rate           |       |        |           |         |     |            | Clubhouse/community room • |
|                          |       |        |           |         |     |            | Fitness center •           |
|                          |       |        |           |         |     |            | Business center            |
|                          |       |        |           |         |     |            | Pool •                     |
|                          |       |        |           |         |     |            | Playground •               |
|                          |       |        |           |         |     |            | Controlled access/gated    |
|                          |       |        |           |         |     |            | Elevator                   |
|                          |       |        |           |         |     |            | Garages                    |
|                          |       |        |           |         |     |            | Storage                    |
|                          |       |        |           |         |     |            | Laundry •                  |
| <u>Utilities in Rent</u> |       |        |           |         |     |            |                            |
| Water                    |       |        |           |         |     |            |                            |
| Sewer                    |       |        |           |         |     |            |                            |
| Trash •                  |       |        |           |         |     |            |                            |



### Waters at Oakbrook

Location: 1000 Oakbrook lane  
Summerville

Financing: LIHTC

Year Built: 2022

Total Units: 216

Vacant units: 9 95.8% occupied

Telephone: 843.900.7960

Management: Atlantic Housing Foundation  
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| Br/ba                      | Units | Sq. ft | Targeting | Rent    | U/A   | Rent/sq.ft | Unit Amenities         |
|----------------------------|-------|--------|-----------|---------|-------|------------|------------------------|
| 1/1                        | 34    | 763    | 60%       | \$1,043 | \$134 | \$1.37     | Microwave              |
| 1/1                        | 92    | 763    | mkt       | \$1,264 |       | \$1.66     | Dishwasher             |
|                            |       |        |           |         |       |            | Washer/dryer           |
|                            |       |        |           |         |       |            | Washer/dryer hook-up • |
| 2/2                        | 30    | 973    | 60%       | \$1,261 | \$168 | \$1.30     | 9' Ceilings            |
| 2/2                        | 36    | 973    | mkt       | \$1,464 |       | \$1.50     | High-end kitchen       |
|                            |       |        |           |         |       |            | Wood/style floors      |
| 3/2                        | 10    | 1,175  | 60%       | \$1,430 | \$210 | \$1.22     | Fireplaces             |
| 3/2                        | 25    | 1,175  | mkt       | \$1,679 |       | \$1.43     | Patios/balconies •     |
| <u>Community Amenities</u> |       |        |           |         |       |            |                        |
| Clubhouse/community room • |       |        |           |         |       |            |                        |
| Fitness center •           |       |        |           |         |       |            |                        |
| Business center            |       |        |           |         |       |            |                        |
| Pool •                     |       |        |           |         |       |            |                        |
| Playground •               |       |        |           |         |       |            |                        |
| Controlled access/gated    |       |        |           |         |       |            |                        |
| <u>Utilities in Rent</u>   |       |        |           |         |       |            |                        |
| Water                      |       |        |           |         |       |            |                        |
| Sewer                      |       |        |           |         |       |            |                        |
| Trash •                    |       |        |           |         |       |            |                        |
| Elevator                   |       |        |           |         |       |            |                        |
| Garages                    |       |        |           |         |       |            |                        |
| Storage                    |       |        |           |         |       |            |                        |
| Laundry •                  |       |        |           |         |       |            |                        |



### Wisteria Place

Location: 800 Sangaree Parkway  
Summerville

Financing: LIHTC

Year Built: 2006

Total Units: 64

Vacant units: 5 92.2% occupied

Telephone: 843.821.2261

Management: NHE

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| Br/ba                      | Units | Sq. ft | Targeting | Rent    | U/A   | Rent/sq.ft | Unit Amenities         |
|----------------------------|-------|--------|-----------|---------|-------|------------|------------------------|
| 2/2                        | n/a   | 1,082  | 50%       | \$938   | \$112 | \$0.87     | Microwave              |
| 2/2                        | n/a   | 1,082  | 60%       | \$1,305 | \$112 | \$1.21     | Dishwasher •           |
|                            |       |        |           |         |       |            | Washer/dryer           |
|                            |       |        |           |         |       |            | Washer/dryer hook-up • |
| 3/2                        | n/a   | 1,322  | 50%       | \$1,225 | \$137 | \$0.93     | 9' Ceilings            |
| 3/2                        | n/a   | 1,322  | 60%       | \$1,499 | \$137 | \$1.13     | 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                      |       |        |           |         |       |            |                        |



## 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 Waters at Magnolia Bay tax credit property, for example, believes that a new property, such as that proposed, will be very well received..

## 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: May 24, 2024

## 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 units 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 typically<sup>7</sup> 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 50<sup>th</sup> 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.