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A RENTAL HOUSING MARKET STUDY OF:

AIKEN, SOUTH CAROLINA

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AIKEN, SOUTH CAROLINA

Effective Date: July 26, 2018
Report Date: August 10, 2018

Prepared for:
Aiken Chamber of Commerce
Aiken Corporation
City of Aiken
Economic Development Partnership

Prepared by:
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August 10, 2018

J. David Jameson
President/CEO
Aiken Chamber of Commerce
121 Richland Ave. E.
Aiken, SC 29801

Re: Rental Housing Market Study
Aiken, South Carolina

Dear Mr. Jameson:

Pursuant to your request, Novogradac & Company LLP has performed a market study of the rental housing market in Aiken, South Carolina, focusing both on citywide needs and downtown needs.

The purpose of this engagement is to conduct and provide a rental housing market study of Aiken that will be used to focus the rental housing and development strategy, and to provide recommendations for the City moving forward. The report will be utilized by the Aiken Chamber of Commerce, Aiken Corporation, City of Aiken and Economic Development Partnership to ascertain advantages and vulnerabilities that will facilitate the development of a comprehensive rental housing strategy. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report includes the following based upon our conversations with the client and the indicated scope in the engagement.

- Executive Summary
- Regional Overview and Economic Analysis
- Demographic Characteristics
- Rental Housing Supply Characteristics
- Demand Analysis
- Summary of Interviews
- Conclusions and Recommendations

The Aiken Chamber of Commerce, Aiken Corporation, City of Aiken and Economic Development Partnership, are the clients in this engagement. We understand that they will use this document for decision-making purposes, as specified above. As our client, the Aiken Chamber of Commerce, Aiken Corporation, City of Aiken and Economic Development Partnership, own this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP

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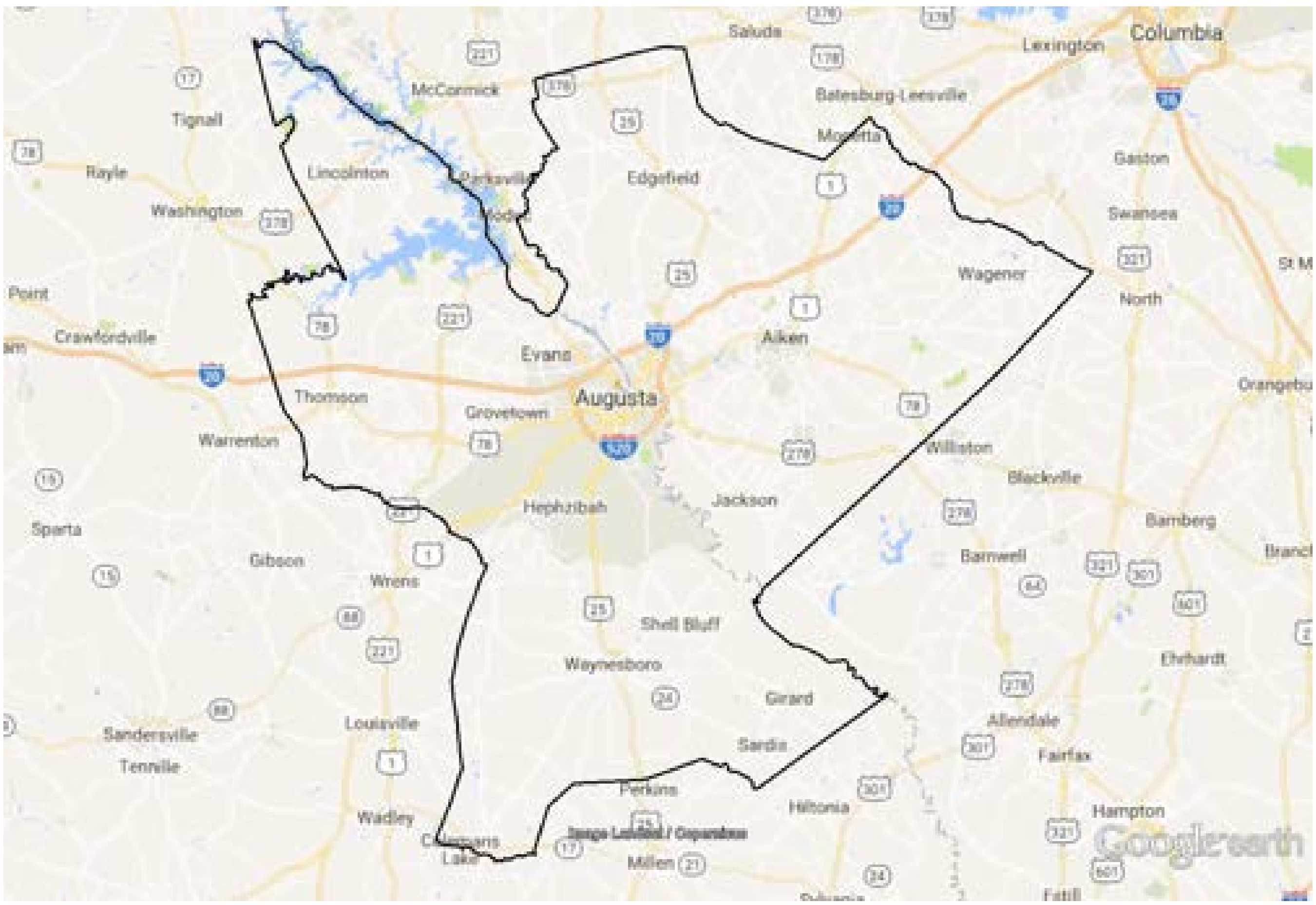
I. EXECUTIVE SUMMARY

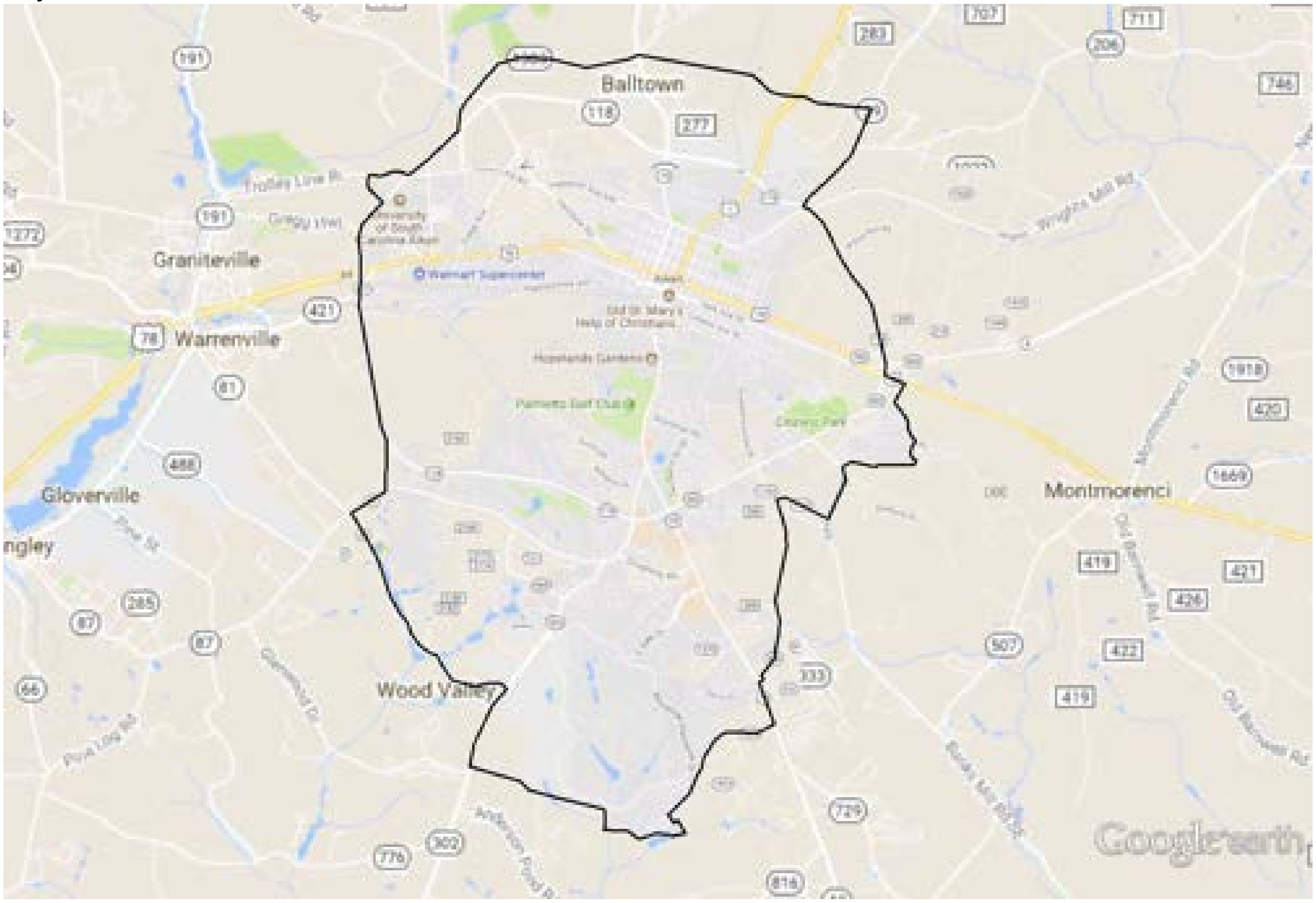
Regional Overview

The city of Aiken is located in the western portion of South Carolina just east of its border with Georgia, in Aiken County. Aiken is the largest city in and county seat of Aiken County. According to the 2010 U.S. Census, the city measures approximately 20.8 square miles and had a population of 29,646 persons. The city is easily accessible via US Highway 1, US Highway 78, and State Highway 19. Further, Interstate 20 traverses approximately 5.5 miles north of Aiken. US Highway 1 provides access to Augusta, Georgia to the southwest, while State Highway 78 provides access to Charleston to the southeast, and State Highway 19 provides access to Interstate 20 to the north. Interstate 20 provides access to Augusta and Atlanta, Georgia to the west and to Columbia to the northeast. Aiken is located within the Augusta-Richmond County, GA-SC Metropolitan Statistical Area (MSA), which is comprised of Aiken and Edgefield Counties in South Carolina and Burke, Columbia, Lincoln, McDuffie, and Richmond Counties in Georgia. A map of the MSA is located following.



The areas of study for this report are the city of Aiken, which includes all of the incorporated areas of the city of Aiken and some surrounding areas, and downtown Aiken, which we generally define as the area bounded by Edgefield Avenue to the northeast, Sumter Street to the southeast, Boundary Avenue and Hayne Avenue to the southwest, and Linden Street to the northwest. Maps outlining these areas are provided on the following pages.

City of Aiken



Downtown Aiken

Economic Analysis

The largest portion of employment of individuals living in downtown Aiken is in the healthcare/social assistance sector (22.1 percent), followed by the manufacturing and retail trade sectors (13.5 and 12.8 percent, respectively). The high concentration of employment in the healthcare/social assistance sector is due to the proximity of Aiken Regional Medical Center, which is located approximately 1.8 miles west of downtown Aiken. The downtown area also offers a large number of accommodation/food services and retail trade jobs, due to various restaurants, bars, and retail establishments in the downtown area. According to inflow/outflow data from the U.S. Census Bureau, in 2015, there were 2,964 individuals employed in downtown Aiken. Employment within the city of Aiken is concentrated in the healthcare/social assistance, manufacturing, and retail trade sectors, which together comprise 38.4 percent of employment.

Major employers in Aiken are primarily concentrated in the energy, education, and manufacturing sectors. The large presence of the energy sector is due to the SRS being the largest employer in the area. Of the major employers, 16 are within the manufacturing sector, which is often volatile during economic downturns. However, the region also offers major employers in more stable sectors such as healthcare and government. Overall, Aiken appears to offer a diverse economic base with a wide range of jobs from a variety of industries. The types of employment opportunities that are in or around downtown Aiken are primarily in the government, healthcare/social assistance, and retail trade sectors.

Zeus Industrial Products, a manufacturer, announced in February 2018 that they are expanding by adding 51 new employees. Further, approximately 200 jobs were added throughout 2017 from various established employers throughout the region.

The Savannah River Site (SRS) is a nuclear reservation located on land in Aiken, Allendale, and Barnwell Counties, adjacent to the Savannah River and it covers 310 square miles. The SRS is the largest employer in Aiken County. According to the report, over the past decade, total employment at the SRS has ranged from a low of 9,900 in 2008 to a high of 13,300 in 2010, with an average of approximately 11,000 between 2006 and 2016. Total employment during the fourth quarter of 2016 (most recent data available) was 11,279. Total employment for fiscal year 2016 was 10,532 employees. More than half of SRS employees live in Aiken County, approximately, 15 percent live in Columbia County, Georgia, approximately 12 percent live in Richmond County, Georgia, and less than 10 percent live in Barnwell County and Allendale County.

It is widely reported/known that the workforce at the SRS is expected to change greatly over the next five years, as an estimated 3,000 to 5,000 workers will retire and will need to be replaced. According to information provided by the SRS, 665 new hires were made in 2016, 696 were made in 2017, 450 have been made through 2018 year-to-date, 560 are planned for 2019, 570 are planned for 2020, and 580 are planned for 2021. It is important to note that these new hires are due to retirements, not growth. However, given that Aiken is widely regarded as a great retirement community, many of these retirees are expected to stay in the area and new demand for housing will be generated form the incoming employees as Mr. McLeod reported that majority of these jobs are likely to be filled by millennials who have recently graduated or have been in the workforce for only a few years.

In December 2013, Fort Gordon was chosen as the location for ARCYBER headquarters. According to the official statement by the Augusta Economic Development Authority, the move initially brought 1,500 active duty military, government civilian, and contract personnel jobs to Augusta. According to this press release, "The Army selected Fort Gordon as the permanent location for ARCYBER Headquarters for operational and cost reasons. Since its establishment in 2010, ARCYBER has been temporarily split-located in seven government buildings and leased space across the national capital region. The move to Fort Gordon will co-locate ARCYBER Headquarters with the Army's Joint Forces Headquarters-Cyber and NSA-Georgia, placing the Army's operational cyber headquarters with the majority its cyber mission forces." This move has significantly increased the presence of the technology sector in the region. This move is expected to be fully implemented by June 2020 and we expect this move to impact Aiken and the demand for housing in the area.

Total employment increased from 2011 through 2018 year-to-date. From May 2017 to May 2018, total employment in the MSA increased 1.6 percent compared to an increase of 1.7 percent nationally over this same time period. From May 2017 to May 2018, the unemployment rate in the MSA decreased 10 basis points to 4.6 percent, which was 100 basis points above the national unemployment rate of 3.6 percent. Overall, the economy appears to be strong with increasing total employment and a decreasing unemployment rate.

Demographic Analysis

The demographic data demonstrates that both downtown Aiken and the city of Aiken as a whole are projected to experience slight increases in total and senior population and number of households through 2022. The population in downtown Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 year age cohort, and the 55 to 59 year age cohort. Population within the city of Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 age cohort, and the 55 to 59 year age cohort. By 2022, the largest age cohort in downtown Aiken is projected to be the 65 to 69 age cohort, followed by the 60 to 64 and 70 to 74 age cohort, which indicates an older population in the downtown area. Within the city, the 65 to 69 year age cohort will continue to be the largest by 2022, followed by the 60 to 64 and the 70 to 74 year age cohorts.

The average household size in downtown Aiken decreased from 2010 to 2017 to 1.95 persons, which was significantly smaller than all other areas of study. The average household size in downtown is projected to increase slightly through 2022 to 2.05 persons. The average household size in the city of Aiken is projected to increase to 2.25 persons by 2022. This data supports the demand for smaller rental housing unit types such as one and two-bedroom units. One and two-person households represent the largest groups of households in downtown Aiken, in the city as a whole, as well as in the MSA. In downtown, one-person households are most prevalent, while in the city and MSA two-person households are most prevalent. These trends are projected to persist through 2022.

The median household income in downtown is lower than the city, MSA, and nation as a whole. The median household income in downtown is projected to increase at an annual rate of 2.3 percent through 2022, which is a slightly faster rate compared to the MSA and the nation as a whole, but a slower rate compared to the city. However, the median household income in downtown will remain below all other areas of study, which supports the need for affordable rental housing in downtown.

Compared to the overall household income distribution, there are a greater percentage of total and senior renters in the lower income cohorts; however, the $10,000 to $19,999 cohort is still the largest in downtown Aiken. Within the city, the majority of general and senior renter household incomes are concentrated in the lower income brackets. This data indicates that the strongest demand for rental housing in downtown and the city as a whole is among lower to middle-income households; however, anecdotal evidence from our surveys suggests that the demand for rental housing in downtown and the city Aiken as a whole is primarily for middle to upper-income households.

According to 2015 U.S. Census estimates, there were 2,964 individuals employed in downtown Aiken, of which 99.3 percent (2,943) are living outside downtown Aiken and 0.7 percent (21) are living within downtown Aiken. Also, per this data, 300 individuals overall are living in downtown Aiken, of which 93.0 percent (279) are employed outside of downtown Aiken and 7.0 percent (21) of which are living and employed in downtown Aiken. This data suggests an insufficient supply of multifamily housing within the downtown area, provided that there is a desire to live in downtown, which is supported by anecdotal evidence from several interviews detailed later in this report.

According to 2015 U.S. Census estimates, there were 20,152 individuals employed in the city of Aiken, of which 84.0 percent (16,933) are living outside Aiken and 16.0 percent (3,219) are living within the city of Aiken. Also, per this data, 10,391 individuals overall are living in the city of Aiken, of which 69.0 percent (7,172) are employed outside of Aiken and 31.0 percent (3,219) of which are living and employed in Aiken. This data suggests an insufficient supply of multifamily housing within the city, which is supported by anecdotal evidence from several interviews detailed in this report and the low vacancy rates and waiting lists reported by comparables.

Rental Housing Stock

There are no multifamily apartment complexes located in downtown Aiken. As such, we surveyed several LIHTC and market rate multifamily developments located in Aiken and one in Graniteville, and have supplemented this data with listings of single-family rental homes, condominium rentals, and conversion rental units that are located in downtown, along with some data provided by various property owners and real estate agents. It should be noted that, while we believe there is demand for senior housing in the Aiken market, we do not believe the need for senior housing in downtown or citywide is strong enough to warrant a discussion and we have focused primarily on general population targeted units. It should also be noted that, while we have analyzed affordable developments in Aiken, we believe the strongest demand for housing in downtown and the most feasible type of development in downtown is for middle to upper-income market rate housing. This opinion is based on the demographic data and our various interviews with market participants.

The multifamily market in Aiken consists primarily of one, two, and three-bedroom units, which represent 21.5, 56.1, and 22.2 percent of all rental units surveyed. Among the affordable comparables, the units consist primarily of two and three-bedroom units (58.6 and 38.4 percent of total, respectively). Among the market rate comparables, the units consist primarily of one, two, and three-bedroom units (24.1, 55.7, and 19.9 percent of total, respectively). Among the downtown comparables (all of which are market rate), the units consist primarily of two and three-bedroom units (19.0 and 47.6 percent of total, respectively). As previously discussed, the average household size in downtown Aiken is smaller than that of the city as a whole. Further, anecdotal evidence from our interviews indicates that the target tenancy for downtown rental properties are young professionals and retirees/empty nesters, which typically consists of one to two-person households. Nonetheless, we cannot ignore the large percentage of three-bedroom units in the market, and we do believe there is demand for some three-bedroom units in downtown Aiken and citywide. As such, our focus for the remainder of this study will be on one, two, and three-bedroom unit types.

We believe one-bedroom unit sizes of 750 to 950 square feet would be well accepted in this market. We believe two-bedroom unit sizes of 900 to 1,100 square feet would be well accepted in this market. We believe three-bedroom unit sizes of 1,300 to 1,500 square feet would be well accepted in this market. It should be noted that we also believe larger or smaller unit sizes than those recommended would likely be well accepted in this market but we believe unit sizes within these recommended ranges would be ideal in order to maximize use of space/profit while also providing good marketability.

We believe one-bedroom units with one or one and a half bathrooms will be accepted in this market. We recommend offering two-bedroom units with two bathrooms. We recommend offering three-bedroom units with two bathrooms.

The vacancy rates among the properties range from zero to 3.1 percent, with an overall average of 1.2 percent. The four affordable comparables reported vacancy rates of zero percent. The market rate comparables reported vacancy rates of zero to 3.1 percent with an overall vacancy rate of 1.4 percent. The reported vacancy rates indicate a supply constrained market with few vacancies and excess demand. Of the properties surveyed, all of the affordable and one of the market rate comparables reported waiting lists. These waiting lists indicate a level of unmet demand for both market rate and affordable housing throughout Aiken.

The one-bedroom rents for units in downtown range from $950 to $1,683 and we believe one-bedroom achievable rents for units in downtown range from $900 to $1,100. The two-bedroom rents for units in downtown range from $750 to $1,100 and we believe two-bedroom achievable rents for units in downtown range from $1,000 to $1,200. The three-bedroom rents for units in downtown range from $750 to $2,100 and we believe three-bedroom achievable rents for units in downtown range from $1,200 to $1,500.

It is also important to highlight locational differences within downtown. We previously detailed potential development sites for downtown Aiken and we believe multifamily units on sites one through four and six (as previously described) would be able to achieve rental rates towards the high end of the ranges described while a multifamily development on site five would be able to achieve rents towards the low end of the ranges given the inferior walkability and proximity to restaurants, bars, nightlife, and other locational amenities.

We believe the achievable rents citywide (outside of downtown) are slightly lower than those achievable in downtown given their inferior location, which is supported by the rents being achieved at the comparables in downtown versus those outside of downtown. Haven at Market Street and The Summits of Aiken Apartments are the two most recently constructed market rate multifamily comparables in the area, as they were built in 2008 and 2012, respectively. These comparables are 97.2 and 100 percent occupied, respectively and reported one-bedroom rents ranging from $735 to $835, two-bedroom rents ranging from $900 to $935, and three-bedroom rents ranging from $1,130 to $1,175. Haven at Market Street is located approximately 3.5 miles northwest of downtown Aiken, just north of the University of South Carolina – Aiken. The Summits of Aiken Apartments is located in Graniteville, approximately 6.9 miles southwest of downtown Aiken, near Aiken Technical College. We believe the rents being achieved at these comparables are representative of achievable rents for newly constructed market rate properties located outside of downtown. As such, we believe achievable rents for properties outside of downtown range from $750 to $850 for one-bedroom units, from $850 to $950 for two-bedroom units, and from $1,100 to $1,200.

It is also important to highlight locational differences within the city of Aiken. There have been no recently constructed multifamily developments in the southern portion of Aiken; however, The Colony at Southpark, which was originally constructed in 1989, is located in the southern portion of Aiken, reported a vacancy rate of 1.8 percent, and is achieving one, two, and three-bedroom rents, just below the previously discussed market rate comparables, at $875, $930, and $1,030. It should also be noted that Ms. Wilson of Meybohm reported that the majority of their rental request are for the south side of Aiken. Taking all of this into account, we believe the achievable rents for newly constructed market rate properties throughout the city of Aiken (but outside of downtown) are within the previously discussed range. However, we acknowledge that some sites are more desirable than others and rents may fluctuate above or below our achievable range based on differences in neighborhoods.

Despite that fact that all LIHTC comparables are 100 percent occupied with waiting lists, all reported 50 and 60 percent AMI rents below maximum allowable levels. The property manager at Dupont Landing, a recently constructed single-family LIHTC comparable, reported that ownership is a non-profit entity and rents are set below maximum allowable levels to provide an additional level of affordability to the tenants. The property manager at Longleaf Senior Village Phase I reported that rents are much lower than achievable rents as the property was opened with low rents to insure a short lease-up period. The rents at this property have been increased each year annually; however, are still below max as any rent increase must be approved by the Housing Authority, which does not allow for significant rent increase. Taking all of this into account, we believe a newly constructed LIHTC development located in Aiken could achieve rents slightly below maximum allowable levels but above the rents being achieved at the LIHTC comparables, as most appear to be below achievable LIHTC rents based on our surveys.

Summary of Interviews

Interviews with various local stakeholders indicated several major themes. First, there have been few recently constructed market rate multifamily developments throughout Aiken over the last decade and there are few vacancies among the existing multifamily developments in Aiken, both affordable and market rate. Further, there is clearly a lack of multifamily rental units in the downtown area of Aiken and we are not aware of any true multifamily rental properties in downtown. Based on our interviews, downtown Aiken is one of the most desirable areas to live in the city of Aiken due to the large number of retail shops, restaurants/bars, nightlife, and other activities in downtown. The stand-alone rental units of which we are aware are generally outperforming other multifamily units in Aiken outside downtown in terms of rent. The interviewees generally reported that the downtown area is ready to be developed with multifamily uses given the desire of the young to middle age individuals wanting to live in downtown.

The demand for multifamily units throughout the region is anticipated to increase due to two factors: 1) the large number of projected retirees from the SRS over the next several years, which will bring in new young workers to the area and 2) the US government choosing Fort Gordon as the new ARCYBER headquarters, which is expected to have significantly long term impacts on the region as a whole. We believe these two factors will add additional middle to upper income jobs to the local market on top of the current rental housing shortage that exists throughout Aiken and specifically in downtown Aiken. Most contacts reported that multifamily units in downtown would appeal to young professionals, seasonal travelers who come to Aiken for various reason, empty nesters, and retirees. The contacts also generally reported that some obstacles to adding multifamily units to the downtown area would be the cost of land and land owners unwillingness to sell said land and the lack of parking in downtown. Overall, the outlook of downtown and citywide is very positive and most interviewees estimated that the downtown area and the city of Aiken could support between 50 and 200 additional multifamily rental units over the next one to three years.

Demand

Based on our demand estimates, we believe there is demand for 125 additional affordable units in the market through 2022. This analysis indicates a need of -55 to 106 affordable units per year through 2022. There is also demand for 314 additional market rate units in the market through 2022. This analysis indicates a need of 35 to 175 market rate units per year through 2022. It should be noted that the units of demand fluctuate from year to year due to the fact that we account for frictional vacancy only once (in 2018) in our calculations. It is important to note that these figures account for demand throughout the entire city of Aiken; however, based on our interviews, downtown Aiken is one of the most desirable areas to live within the city and we believe the downtown area could support an additional 50 to 100 affordable units and 100 to 200 market rate units through the forecast period (2022). It is also important to note that these demand calculations are somewhat conservative as they do not account for leakage from outside the city of Aiken. Based on economic development, including the large number of new hires that are anticipated at the SRS site and the impacts of ARCYBER at Fort Gordon, we believe there may be demand for even more units, primarily market rate units, through the forecast period.

Proposed Construction

We interviewed Ryan Bland, Planning Director with the City of Aiken, regarding the need for multifamily units in and around downtown Aiken and any recently built, proposed, or under construction multifamily units in the area. According to Mr. Bland, Palmetto Crossing, located along the west side of Owens Street between the part of Owens Street that connects to Whiskey Road and Daugherty Road, was allocated low income housing tax credits (LIHTC) in 2016 for the new construction 48-unit LIHTC development offering 24 two, 18 three, and six four-bedroom units restricted to low income households earning 50 and 60 percent of the Area Median Income (AMI) or below. This project is currently under construction date but Mr. Bland was unsure of the projected completion date.

Dupont Landing II was granted LIHTCs in 2016 for the new construction of a 42-unit LIHTC development to be located at 150 Columbia Avenue NE. This property will offer 36 three and six four-bedroom units restricted to households earning 50 and 60 percent of the AMI or below. This property is going through the entitlements process and construction has yet to begin.

Mr. Bland also reported that a 116-unit owner-occupied attached townhome-style development is proposed at Whiskey Road and Powderhouse Road.

Mr. Bland was not aware of any other proposed, under construction, or recently completed multifamily developments in Aiken.

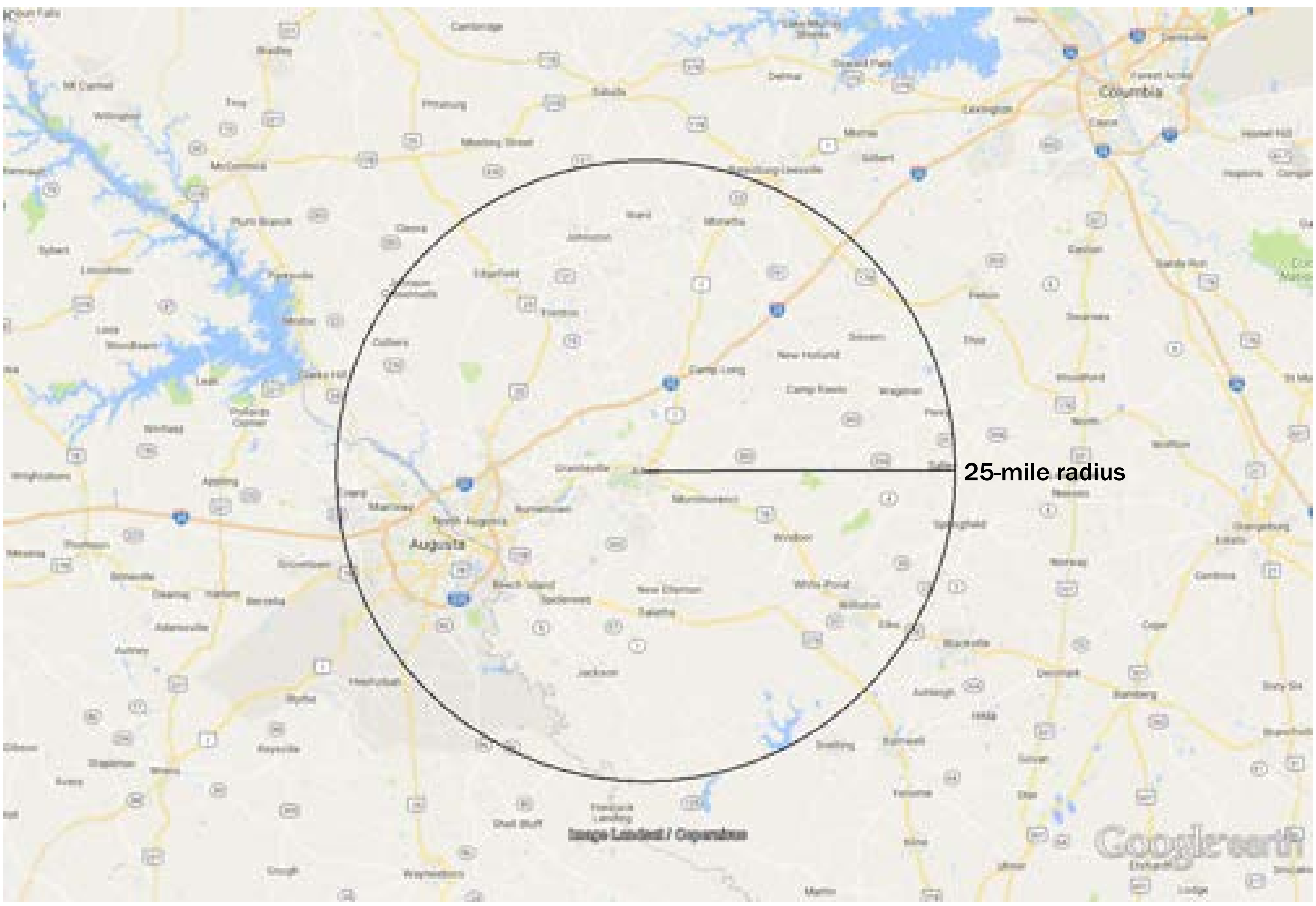
As previously discussed, Mr. Bland, among others, reported that The Marian Group, a Kentucky-based company, is considering purchasing a large site along Richland Avenue from Aiken County that was formerly the site of the county hospital. This site is located in the western portion of downtown, approximately 0.5 miles west of Laurens Street and, while the current plans are not available as The Marian Group is currently trying to determine the highest and best use of the site, a portion of the site is proposed to be developed with up to 200 multifamily rental units. Some contacts indicated that if this development is to come to fruition it would satisfy a significant amount of demand for rental units in downtown Aiken, though it is a less desirable location compared to other sites located along or within close proximity to Laurens Street.

II. REGIONAL OVERVIEW AND ECONOMIC ANALYSIS

REGIONAL OVERVIEW AND ECONOMIC ANALYSIS

REGIONAL AND LOCAL AREA DESCRIPTION

The city of Aiken is located in the western portion of South Carolina just east of its border with Georgia, in Aiken County. Aiken is the largest city in and county seat of Aiken County. According to the 2010 U.S. Census, the city measures approximately 20.8 square miles and had a population of 29,646 persons. The city is easily accessible via US Highway 1, US Highway 78, and State Highway 19. Further, Interstate 20 traverses approximately 5.5 miles north of Aiken. US Highway 1 provides access to Augusta, Georgia to the southwest, while State Highway 78 provides access to Charleston to the southeast, and State Highway 19 provides access to Interstate 20 to the north. Interstate 20 provides access to Augusta and Atlanta, Georgia to the west and to Columbia to the northeast. Aiken is located within the Augusta-Richmond County, GA-SC Metropolitan Statistical Area (MSA), which is comprised of Aiken and Edgefield Counties in South Carolina and Burke, Columbia, Lincoln, McDuffie, and Richmond Counties in Georgia. A map of the area is located following.



The area of study for this report is downtown Aiken, as well as the city of Aiken as a whole. Downtown Aiken has been defined as the area bounded by Edgefield Avenue to the northeast, Sumter Street to the southeast, Boundary Avenue and Hayne Avenue to the southwest, and Linden Street to the northwest. We have also analyzed the city of Aiken as a whole, along with some surrounding areas of Aiken County. This area is bounded by Croft Mill Road and Kaelin Road to the north, Wire Road, Rudy Mason Parkway, Deloach Way, Toolbeck Road, Banks Mills Road, Powderhouse Road, and Whiskey Road to the east, Chukker Creek Road, the Aiken city boundaries to the south, and Silver Bluff Road, Richardsons Lake Road, Hitchcock Parkway, Proud Pacer Drive, and University Parkway to the west. Maps outlining these areas are provided on the following pages.

Downtown Aiken

City of Aiken

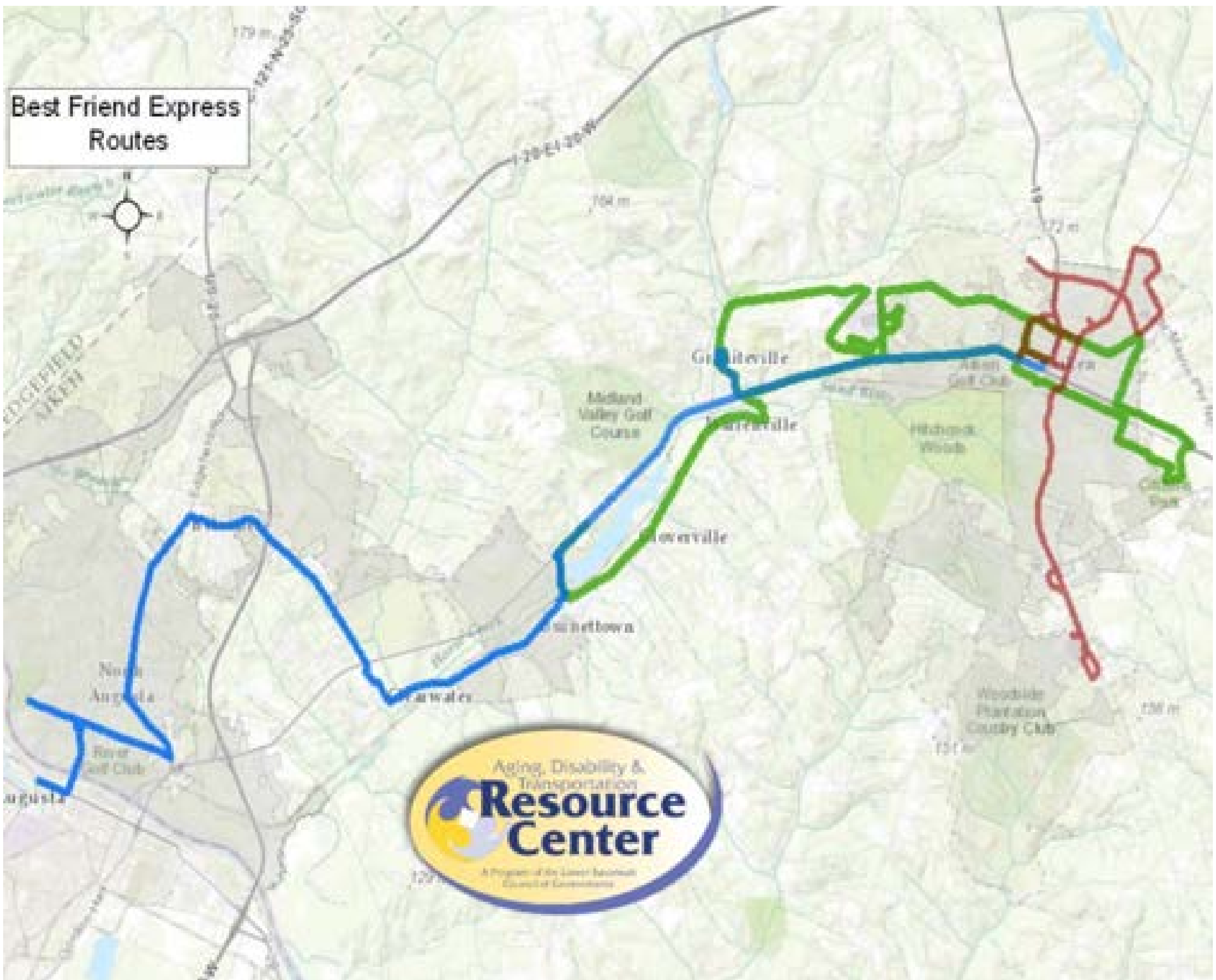
INFRASTRUCTURE

Transportation

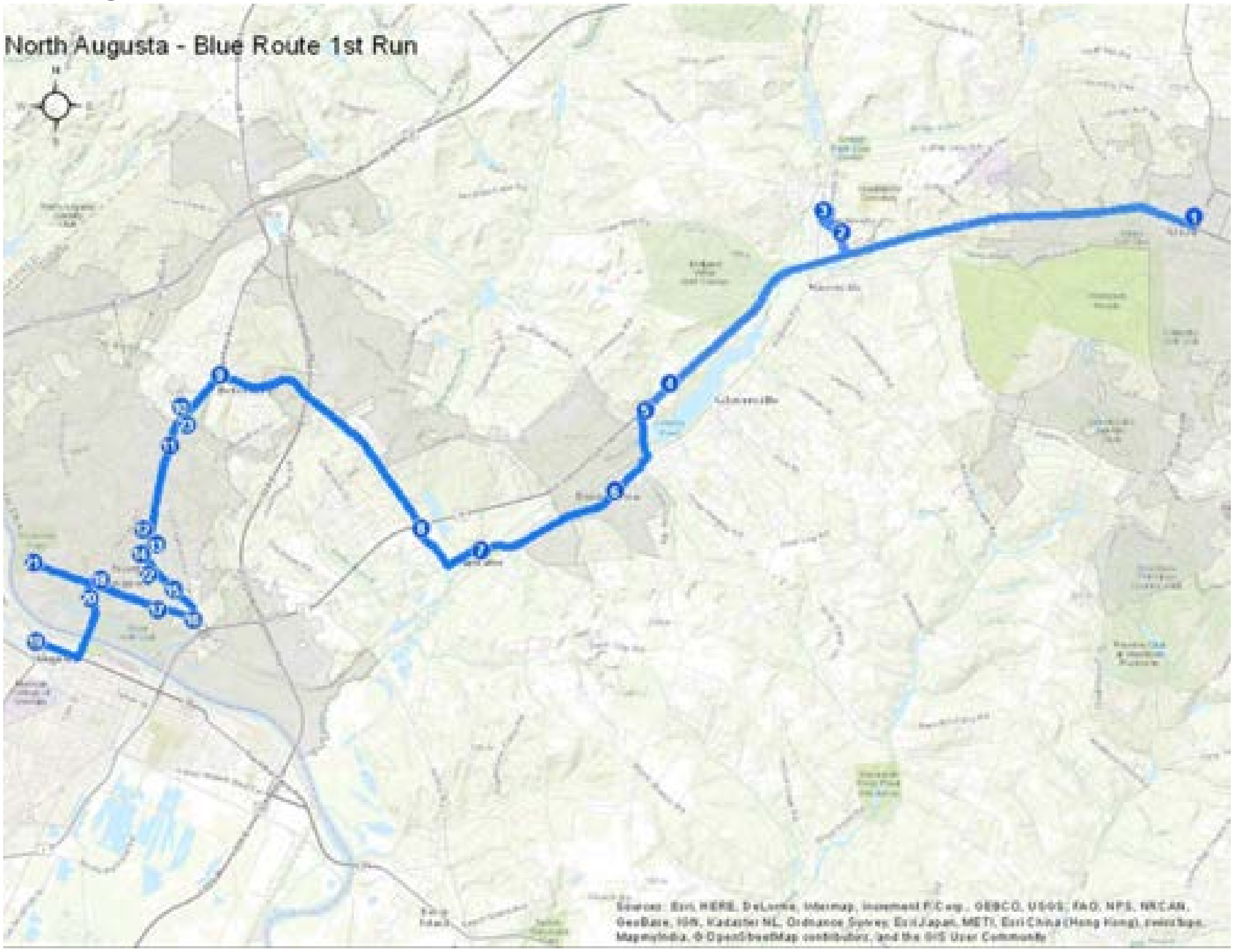
Air: Augusta Regional Airport is the nearest commercial airport to Aiken, and is located approximately 20 miles southwest of Aiken. Augusta Regional Airport is serviced by American Eagle, Delta Air Lines, and Delta Connection. Flights from Augusta Regional Airport are available to Atlanta, Georgia and Charlotte, North Carolina with 14 outgoing and 14 incoming flights daily.

Public Transit: Aiken County is serviced by the Best Friend Express, which circulates throughout Aiken and North Augusta every two hours and offers transfers to the Augusta Transit System. Rates range from $1.00 for seniors and persons with disabilities to $150 for students and $2.00 for adults. The images below and on the following pages detail bus routes within the county.

Overview of All Routes

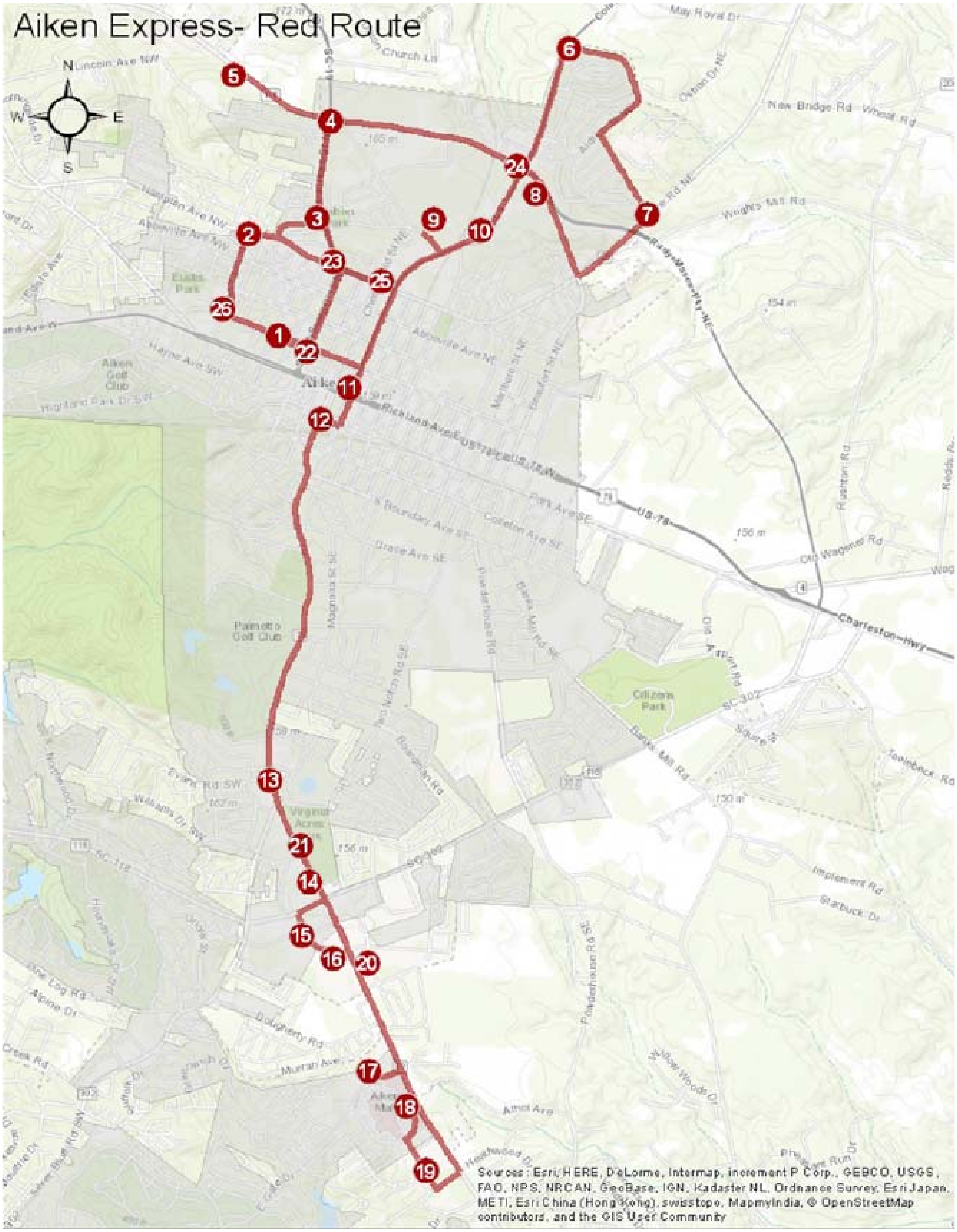


North Augusta – Blue Route



Aiken Metro – Green Route

Aiken Express – Red Route



Primary and Secondary Education

Primary education in Aiken County is provided by the Aiken County Public School District (ACPSD), which offers 20 elementary schools, 11 middle schools, nine high schools, and three charter schools. Students living in downtown Aiken would likely attend either Aiken Elementary School or Chukker Creek Elementary, either Schofield Middle School or Kennedy Middle School, and Aiken High School or South Aiken High School.


Aiken High School


Schofield Middle School

Higher Education

University of South Carolina-Aiken (USC Aiken) is the only four-year institution of higher education in Aiken County. USC Aiken is a four-year public coeducational university located in the western portion of the city of Aiken, approximately 2.71 miles west of downtown Aiken. The university offers undergraduate degree programs as well as master's degrees in business administration, educational technology, and applied clinical psychology. USC Aiken has a total undergraduate enrollment of 3,374 and the campus is approximately 453 acres. In-state tuition and fees are $10,502 (2017-2018); out-of-state tuition and fees are $20,702 (2017-2018). Aiken Technical College is also located in Aiken and is a two-year comprehensive college offering numerous educational opportunities in college transfer credit and noncredit health, public service, business, industrial engineering, and computer technology programs. More than 3,400 students enroll in credit courses annually.


University of South Carolina – Aiken


Aiken Technical College

Medical Facilities

The city of Aiken is serviced by Aiken Regional Medical Center, which is located approximately 1.8 miles west of downtown Aiken. Aiken Regional Medical Center is a 230-bed acute care and surgical hospital. The Specialized Cancer Care Institute of Carolina is located at this facility as well as a Women's LifeCare Center and the Aurora Pavilion for Behavioral Health Services. This hospital employs over 100 staff physicians who cover a wide range of specialties, such as cancer, cardiovascular, sleep disorders, stroke (specialists specially trained to treat urgent stroke symptoms 24 hours a day), joint and spine, wound healing and women's health. Aiken Regional also has a free Senior Wellness program that offers fitness programs, area discounts, planned activities, educational seminars and tours. Aiken Regional Medical Center treats approximately 48,000 patients per year.

Aiken Regional Medical Center

Amenities

In addition to these infrastructure and area services, Aiken offers additional amenities for residents including golf courses, festivals, social gatherings, museums, parks, recreation, and other attractions.

Events

Aiken hosts many events throughout the year. All events from 2018 are detailed in the following table.

2018 AIKEN EVENTS

Event	Date
Antiques at the Heart of Aiken	February 2-4
Battle of Aiken	February 24-25
Joye in Aiken	March 9-16
Aiken Trials	March 17
Aiken Spring Steeplechase	March 24
Aiken Horse Show	March 30-April 1
Pacers and Polo	March 31
Horses n' Courses	April 3
Aiken Spring Classic Horse Show	April 18-29
Aiken Charity Horse Show	May 2-6/9-13
Aiken Bluegrass Festival	May 11-12
Hops N' Hogs	TBD
Aiken's Makin'	September 7-8
Oktoberfest	TBD
Fall Steeplechase	October 28
Souther City Film Festival	November 1-4
Katydid Combined Driving Event	November 1-4
Blessing of the Hounds	November 22
Annual Tree Lighting Ceremony	November 30
Christmas Craft Show	November 30-December 1
Night of 1000 Lights	December 6
Christmas in Hopelands	December

Points of Interest

There are several points of interests in Aiken, which are detailed below.

- Aiken Thoroughbred Racing Hall of Fame and Museum is located at 135 Dupree Place Southwest. The museum details the history of racing and Aiken's important role in that history. The Hall of Fame features both flat racers and steeplechase horses from 1942 to the present day.

- Aiken County Historical Museum is located at 433 Newberry Street Southwest, and is made up of two historical homes built in 1860. The museum features exhibits from the county's past, present and future that change regularly.

- Dupont Planetarium is located at 471 University Parkway, and have public shows every Saturday that include viewing sessions where patrons may look through the telescope at the universe.

- The Aiken Visitors Center and Train Museum was recently renovated to look like it did when it was first constructed. This building is open Tuesday through Friday from 10:00 am to 5:00 pm and on Saturday from 9:00 am to 2:00 pm. This site is also the departing location of the Aiken Trolley Tours, which cost $15 per person and runs on Saturdays from 10:00 am to 12:00 pm.

- The Aiken Polo Club is one of the oldest and most historic polo clubs in the United States. Aiken is an equestrian hotspot and this club is one of the city's main attractions. During the season, spectators come to watch games every Sunday. Tickets are $5 per person.

- The Aiken County Farmers Market is located downtown along Williamsburg Street between Augusta Aiken Road and Park Avenue. The Farmers Market sells fresh produce and is open Tuesday, Thursday, and Saturday Sunrise to 12:00 pm year-round.

- The Aiken County Historical Museum, also known as "Banksia," is a living museum with exhibits changing frequently. The museum is open Tuesdays through Saturdays from 10:00 am to 5:00 pm and Sundays from 2:00 pm to 5:00 pm.

The following are pictures of various points of interest.

Aiken County Farmers Market

Aiken Polo Club

Aiken Visitors Center and Train Museum

Event Space

Aiken offers several event spaces, which are detailed following.

- AECOM Center for Performing Arts is located at 129 Newberry Street Southwest provides theatrical or auditorium space which can accommodate 300 persons in the auditorium, 95 persons in the first floor lobby, 134 persons in the second floor lobby, and 219 persons on stage. The facility also provides a rehearsal hall, workshop, and technical support if needed.

- Aiken Center for the Arts, located at 122 Laurens Street Southwest, offers space for private receptions, weddings, feature films, and more. The space can accommodate up to 120 persons seated at tables, 250 persons standing, or 180 guests lecture style. The facility also offers gallery spaces that can accommodate up to 500 guests in a mix and mingle setting and conference rooms.

- H. Odell Weeks Center, located at 1700 Whiskey Road, offers four meeting rooms, a multi-purpose aerobics room, and two gymnasiums and can accommodate from business meetings and staffing training to baby showers and birthdays.

- Newberry Hall, located at 117 Newberry Street Southwest, is an event space that offers theatre-style, classroom-style, and banquet-style accommodations that can accommodate up to 275 persons. Newberry Hall also provides catering services.

- Aiken Municipal Auditorium is an event space primarily used as a rental for a large dinner or meeting place. The auditorium provides seating for 125 to 150 persons and can be set up theatre-style for up to 200 persons.

The following are pictures of various event spaces.

Newberry Hall

AECOM Center for Performing Arts

Recreation

Aiken offers a variety of recreation options including city-maintained parks, golf courses, and a YMCA.

- Palmetto Golf Club is the country's fifth oldest golf course and there are many other public, private, and public/private courses in Aiken County, including Aiken Golf Club, The Cedar Creek Course at The Golf Club at Cedar Creek, The Midland Valley Country Club, The Jim and Lilie Golf Club and the 9-hole New Ellenton Golf Course.

- Hopeland Gardens is a 14-acre estate that opened as a public garden in 1969 and is located at 135 Dupree Place, just south of downtown. Attractions of these gardens include stone and sand/dirt pathways,-fountains, reflection pool, rock fountain, dollhouse (home of the Aiken Garden Club), oak alley, stage, touch and scent trail, labyrinth, gazebo, pond (no fishing or swimming), wetlands, two swings, three decorated "horseplay" statues, garden sites available for rental, and Aiken Thoroughbred Racing Hall of Fame & Museum. This garden also hosts a concert series and ballet performances, which will be further discussed in the following section.

- Aiken Arboretum Trail is a citywide arboretum that includes everything within a four-mile radius of downtown. The trail includes exploration through the use of mobile cellular devices.

- The city of Aiken is an equestrian hotspot and there are many equestrian activities available to local residents.

- Aiken 2 Escape is an escape room designed with hidden puzzles and clues based around a theme and story line.

- Hole-N-One is a mini-golf/batting cages/arcade facility that offers a variety of activities for families.

- Perry Memorial Park is a 24-acre city park located just northeast of downtown Aiken that offers a picnic shelter, sand walking track, soccer fields, baseball/softball fields, a pond, a nine-hole disc golf course, and restroom facilities.

- Smith-Hazel Park is a 4.75-acre park located just north of downtown Aiken that offers a basketball court (lighted), two tennis courts (lighted), picnic tables, a shelter with grills and water fountains, a walking track, and a playground.

- Eustis Park Playground is a 7.94-acre park located in the northwestern corner of the downtown area that offers a playground, picnic shelters, grills, one tennis court, four pickleball courts, two basketball courts, a walking track, and water fountains.

- Giles Park is a small park in the eastern portion of downtown that offers a picnic tables and a playground.

The following pictures are of various parks in or near downtown Aiken.

Perry Memorial Park

Giles Park

Arts and Entertainment

- In 2009, the city of Aiken partnered with the Julliard School of Music for a series of events, as well as an artist residency. Throughout the year, professional artists, instructors, and performers spend time in Aiken sharing their talent and experience with the community.

- The Aiken Community Playhouse performs at the AECOM Center for the Performing Arts, located at 126 Newberry Street NW in downtown Aiken, bringing a mixture of comedy, drama and musical production to each season.

- The all-volunteer, not-for-profit Aiken Performing Arts Group also presents shows and concerts from September through April at the AECOM Center for Performing Arts.

- The theater program at USC-Aiken presents three fully-staged productions during their academic year.

- Masterworks Chorale, a community-based ensemble affiliated with USC-Aiken, performs a series of concerts.

- The Aiken Symphony Guild presents three concerts by the Augusta Symphony Orchestra, including a holiday pop concert and two classical concerts.

- The Aiken Opera Society sponsors performances, dinners, teas, balls and opera trips from September to May.

- May through August, Hopeland Gardens is the venue for the Hopeland Gardens Concert Series, including performances by the Aiken Community Band. Other presentations in the series include the Aiken Civic Ballet, the Fort Gordon Dixieland Band and U.S. Marine Corp Concert Band.

- The Aiken Civic Ballet has the distinction of being South Carolina's longest operating dance company. In addition to Hopeland Gardens performances, the company also presents throughout the year at the Etheredge Center for the Fine & Performing Arts.

- Rotating and permanent visual art exhibits can be found at the Aiken Center for The Arts, which is located in downtown at 122 Laurens Street SW.

- The Aiken County Historical Museum, located at 433 Newberry Street SW, just south of downtown, hosts changing exhibits throughout the year. An arboretum and nature trail are also being developed here.

- The Center for African American History, Art & Culture, located at 120 York Street NE in downtown, offers interactive programs designed to educate and demonstrate the many contributions of African Americans to Aiken County and the region.

Dining & Shopping

Downtown Aiken offers several shopping options including 3 Monkey's Fine Gifts, Acts Resale Store, Affordables Apparel, Aiken Antique Mall, Aiken Art and Custom Framing, Aiken Dry Goods, Artisan Market and Décor, Bone-I-Fide Bakery, Cyndi's Sweet Shoppe, Downtown Dog, and Laurens Street Antiques, among others. Downtown dining/bars include Aiken Brewing Company, Betsy's on the Corner, TRIO Bar and Kitchen, Bavarian Pretzels, Casa Bella, City Billiards, Linda's Bistro, Magnolia, Malia's, Margarita's Mexican Restaurant, Mellow Mushroom, Pardon My French Café, New Moon Café, Playoffs Sports Bar, Prime Steakhouse and Lobster, Takosushi, The Alley Taproom, The Pizza Joint, The Highland Park Grille, The Polo Tavern and Tiki, The Restaurant at the Willcox, The Stables Restaurant at Rose Hill Estate, The Village Café, Track Kitchen, Unas Mas Taqueria, and Whiskey Alley. The Alley is a walkable strip between Newberry and Laurens Street with many bars and restaurants that occasionally hosts events.

Entrance to The Alley

The Alley Taproom

TRIO Bar and Kitchen

Whiskey Alley

Aiken Brewing Company

Cyndi's Sweet Shoppe

Mellow Mushroom


Various commercial businesses along Laurens Street

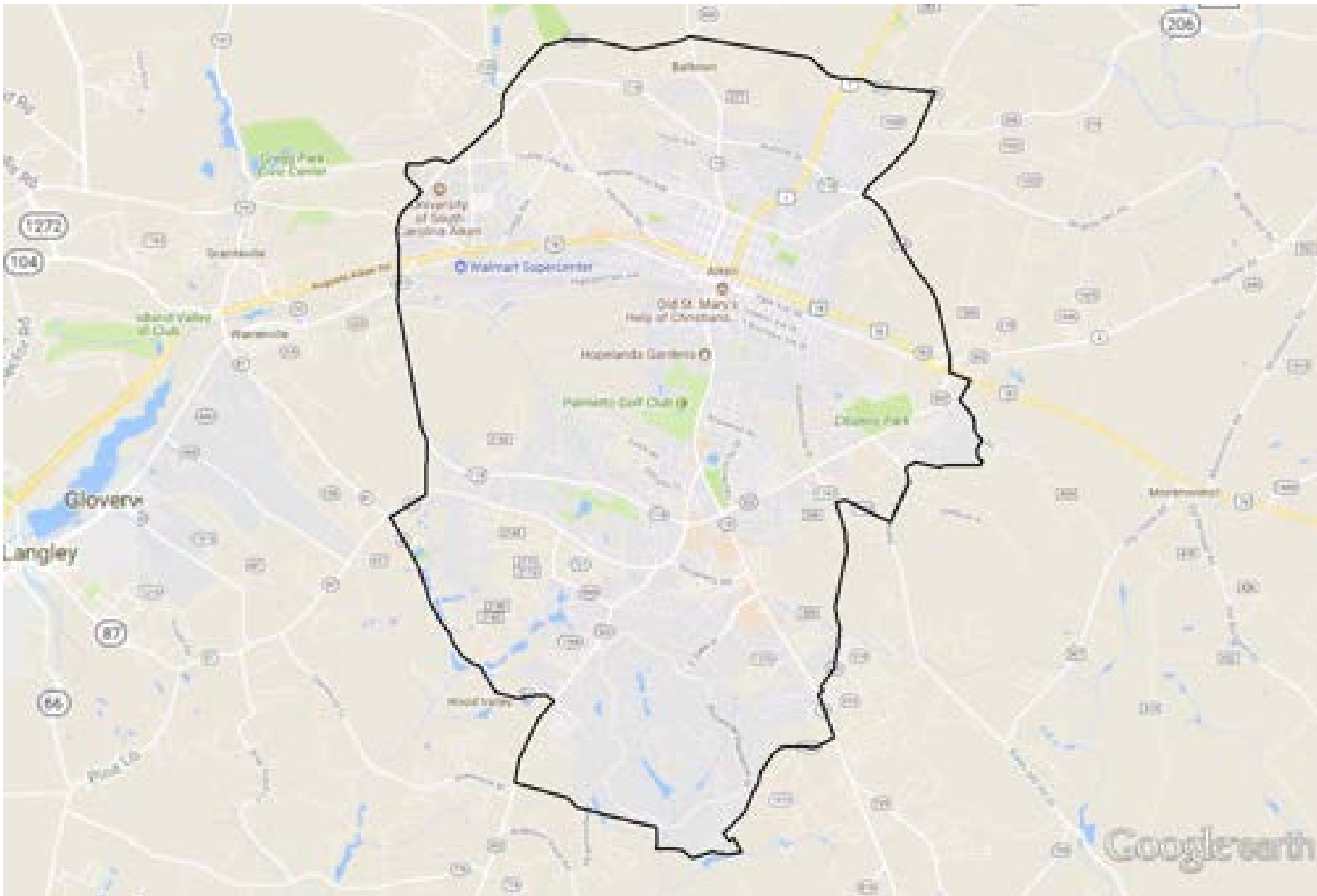
ECONOMIC CHARACTERISTICS

Area Analysis

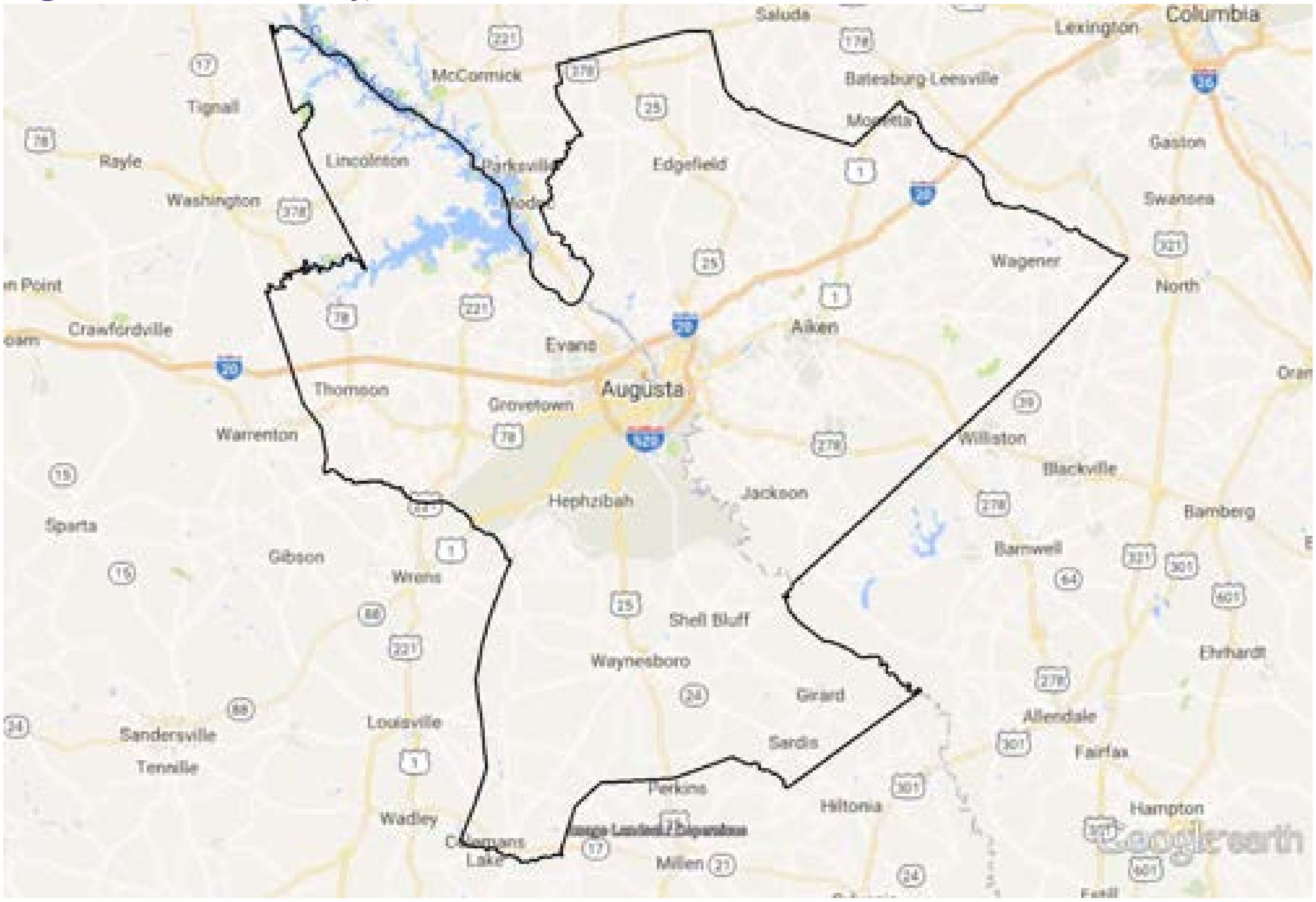
The study area, or Primary Market Area (PMA), for this analysis is downtown Aiken, which has been previously defined. We have also compared the downtown area to the city of Aiken as a whole, as well as the Augusta-Richmond County, South Carolina-Georgia Metropolitan Statistical Area (MSA), which is comprised of Aiken and Edgefield Counties in South Carolina and Burke, Columbia, Lincoln, McDuffie, and Richmond Counties in Georgia. Maps of downtown Aiken, the city of Aiken, and the Augusta-Richmond County, South Carolina-Georgia MSA are located below and on the following pages.

Downtown Aiken Map

City of Aiken, SC (and surrounding areas) Map



Augusta-Richmond County, GA-SC MSA



Employment by Industry

The following tables identify employment by industry sector within downtown Aiken, the city of Aiken, and the nation as a whole.

2017 EMPLOYMENT BY INDUSTRY

Industry	Downtown Aiken Number Employed	Downtown Aiken Percent Employed	USA Number Employed	USA Percent Employed
Healthcare/Social Assistance	100	22.1%	21,941,435	14.2%
Manufacturing	61	13.5%	15,589,157	10.1%
Retail Trade	58	12.8%	17,038,977	11.0%
Educational Services	43	9.5%	14,390,707	9.3%
Construction	38	8.4%	9,872,629	6.4%
Accommodation/Food Services	35	7.7%	12,036,513	7.8%
Admin/Support/Waste Mgmt Srvcs	29	6.4%	6,968,170	4.5%
Public Administration	17	3.8%	6,982,075	4.5%
Prof/Scientific/Tech Services	16	3.5%	11,068,132	7.1%
Other Services	13	2.9%	7,493,272	4.8%
Real Estate/Rental/Leasing	11	2.4%	3,130,712	2.0%
Arts/Entertainment/Recreation	10	2.2%	3,448,696	2.2%
Finance/Insurance	9	2.0%	7,200,593	4.6%
Information	6	1.3%	2,741,630	1.8%
Transportation/Warehousing	3	0.7%	6,498,777	4.2%
Wholesale Trade	2	0.4%	4,064,621	2.6%
Utilities	1	0.2%	1,401,281	0.9%
Mgmt of Companies/Enterprises	0	0.0%	86,740	0.1%
Mining	0	0.0%	609,828	0.4%
Agric/Forestry/Fishing/Hunting	0	0.0%	2,288,795	1.5%
Total Employment	**452**	**100.0%**	**154,852,740**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As indicated above, the largest portion of employment of individuals living in downtown Aiken is in the healthcare/social assistance sector (22.1 percent), followed by the manufacturing and retail trade sectors (13.5 and 12.8 percent, respectively). The high concentration of employment in the healthcare/social assistance sector is due to the proximity of Aiken Regional Medical Center, which is located approximately 1.8 miles west of downtown Aiken. The downtown area also offers a large number of accommodation/food services and retail trade jobs, due to various restaurants, bars, and retail establishments in the downtown area.

It should be noted that the figures above are not representative of the number of jobs in downtown Aiken as the data is for all individuals that live within the PMA. According to inflow/outflow data from the U.S. Census Bureau, in 2015, there were 2,964 individuals employed in downtown Aiken.

2017 EMPLOYMENT BY INDUSTRY

Industry	City of Aiken		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	2,439	14.0%	21,941,435	14.2%
Manufacturing	2,405	13.8%	15,589,157	10.1%
Retail Trade	1,855	10.6%	17,038,977	11.0%
Educational Services	1,601	9.2%	14,390,707	9.3%
Accommodation/Food Services	1,592	9.1%	12,036,513	7.8%
Prof/Scientific/Tech Services	1,554	8.9%	11,068,132	7.1%
Construction	949	5.4%	9,872,629	6.4%
Admin/Support/Waste Mgmt Srvcs	923	5.3%	6,968,170	4.5%
Public Administration	660	3.8%	6,982,075	4.5%
Other Services	659	3.8%	7,493,272	4.8%
Real Estate/Rental/Leasing	521	3.0%	3,130,712	2.0%
Finance/Insurance	508	2.9%	7,200,593	4.6%
Transportation/Warehousing	461	2.6%	6,498,777	4.2%
Utilities	351	2.0%	1,401,281	0.9%
Information	343	2.0%	2,741,630	1.8%
Arts/Entertainment/Recreation	309	1.8%	3,448,696	2.2%
Agric/Forestry/Fishing/Hunting	213	1.2%	2,288,795	1.5%
Wholesale Trade	96	0.6%	4,064,621	2.6%
Mgmt of Companies/Enterprises	0	0.0%	86,740	0.1%
Mining	0	0.0%	609,828	0.4%
Total Employment	**17,439**	**100.0%**	**154,852,740**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

Employment within the city of Aiken is concentrated in the healthcare/social assistance, manufacturing, and retail trade sectors, which together comprise 38.4 percent of employment. The high concentration of employment in the healthcare/social assistance sector is due to the proximity of Aiken Regional Medical Center. Compared to the nation, Aiken is overrepresented in the manufacturing sector.

Major Employers

The following table illustrates the major employers located within Aiken County, provided by Aiken Chamber of Commerce.

MAJOR EMPLOYERS - AIKEN, SOUTH CAROLINA

Employer	Industry	# of Employee's
Savannah River Nuclear Solutions, LLC* (@ SRS)	Energy	5,429
Aiken County Public Schools*	Education	3,350
CB&I Areva Mox Services (@ SRS)	Manufacturing	2,156
Savannah River Remediation (@ SRS)	Energy	2,079
Bridgestone America's Tire Operations, LLC	Manufacturing	1,884
Kimberly Clark Corp.	Manufacturing	1,200
Aiken Regional Medical Centers	Healthcare	1,070
Aiken County	Government	975
Walmart (Combined total)	Retail	895
Centerra (WSI)	Security	665
AGY Holding Corp.	Manufacturing	660
University of South Carolina - Aiken	Education	606
Shaw Industries	Manufacturing	600
UPS Customs Brokerage	Transportation & Logistics	590
U.S. Department of Energy - Savannah River Operations (@ SRS)	Energy	508
Crane Merchandising Systems	Vending Machines	480
Parsons	Engineering/Construction	460
City of Aiken*	Government	404
ASCO Valve Manufacturing, Inc.	Manufacturing	400
Bridgestone America's Tire Operations, LLC - Off Road	Manufacturing	385
Tri Development Center of Aiken*	Social Service Provider	370
CVS	Pharmaceutical	350
Hubbell Power Systems	Manufacturing	328
Autoneum North America, Inc.	Manufacturing	300
MTU America Inc.	Manufacturing	259
TTX SRD	Railcar Repairs and Maintenance	252
The Carlstar Group	Manufacturing	230
Parkdale America	Manufacturing	220
PACTIV Corp.	Manufacturing	213
AVARA	Pharmaceutical	200
AECOM*	Engineering/Construction	193
Owens Corning	Manufacturing	180
Southern Felt Division of Lydall	Manufacturing	165
Halocarbon Products Corp.	Chemicals	154
Zeus Industrial Products	Manufacturing	150
Aiken Electric Cooperative	Utilities	150

Source: Aiken Chamber of Commerce, 7/2018

*Located in or near downtown

Major employers in Aiken are primarily concentrated in the energy, education, and manufacturing sectors. The large presence of the energy sector is due to the SRS being the largest employer in the area. Of the major employers, 16 are within the manufacturing sector, which is often volatile during economic downturns. However, the region also offers major employers in more stable sectors such as healthcare and government. Overall, Aiken appears to offer a diverse economic base with a wide range of jobs from a variety of industries. The types of employment opportunities that are in or around downtown Aiken are primarily in the government, healthcare/social assistance, and retail trade sectors.

Employment Expansions and Contractions

Will Williams is the President/CEO of the Economic Development Partnership, a non-profit public-private development corporation focused solely on serving the needs of new and existing businesses in the Aiken, Edgefield, McCormick, and Saluda Counties of South Carolina. According to Mr. Williams, Zeus Industrial Products, a manufacturer, announced in February 2018 that they are expanding by adding 51 new employees. Mr. Williams also reported that approximately 200 jobs were added throughout 2017 from various established employers throughout the region. He also reported that there are some additional proposed expansions for 2018/2019; however, as of this date, none are confirmed/public knowledge. Mr. Williams reported no layoffs in the region over recent years and none are proposed.

We are also aware of the redevelopment of the Hotel Aiken, which is located at 235 Richland Avenue W, at the intersection of Richland Avenue and Laurens Street in downtown Aiken. This 68-room hotel was originally constructed in 1898 and has gone through many changes and a series of major and continuous renovations since 2001. According to an article published in the Aiken Standard and our conversations with David Jameson of the Aiken Chamber of Commerce, the hotel is currently undergoing an estimated $11 million renovation. According to the article “The entire hotel will be gutted and redone. A new three-story building will be ‘seamlessly’ added to the existing Hotel Aiken. A courtyard, with water features, will be thrown into the middle. The new section will feature conference rooms; meeting rooms; new, modernized guest rooms; and an indoor-outdoor rooftop bar and patio overlooking the downtown.” Upon completion, the hotel will offer a total of 76 rooms. The hotel will also gain a Marriott franchise license.


Hotel Aiken


Hotel Aiken

We have reviewed the Worker Adjustment and Retraining Notification (WARN) listings for Aiken County from 2016 to 2018 year-to-date as provided by South Carolina Works.

- Warehouse Services, Inc., a logistics company located in Graniteville approximately 5.1 miles west of downtown Aiken, laid off 180 employees on June 12, 2018.
- A Dillard's closed in Aiken on March 20, 2016 and laid off 73 employees.

The Savannah River Site (SRS)

The Savannah River Site (SRS) is a nuclear reservation located on land in Aiken, Allendale, and Barnwell Counties, adjacent to the Savannah River and it covers 310 square miles. The SRS is the largest employer in Aiken County. Rick McLeod, President/CEO of the Savannah River Site Community Reuse Organization (SRSCRO), a 501(c)(3) private non-profit organization "charged with developing and implementing a comprehensive strategy to diversify the economy of a five-county region, the SRSCRO Region of Georgia and South Carolina," directed us to the report produced by the SRSCRO titled, *The Savannah River Site: Economic Impact and Workforce Transition.* According to this report, the Savannah River Site (SRS) was built during the 1950's "to produce the basic materials used in the fabrication of nuclear weapons, primarily tritium and plutonium-239. Five reactors were built to produce these materials. Several support facilities were also built including two chemical separations plants, a heavy water extraction plant, a nuclear fuel and target fabrication facility, a tritium extraction facility, and waste management facilities. Between 1953 and 1988, SRS produced and shipped about 36 metric tons of plutonium."

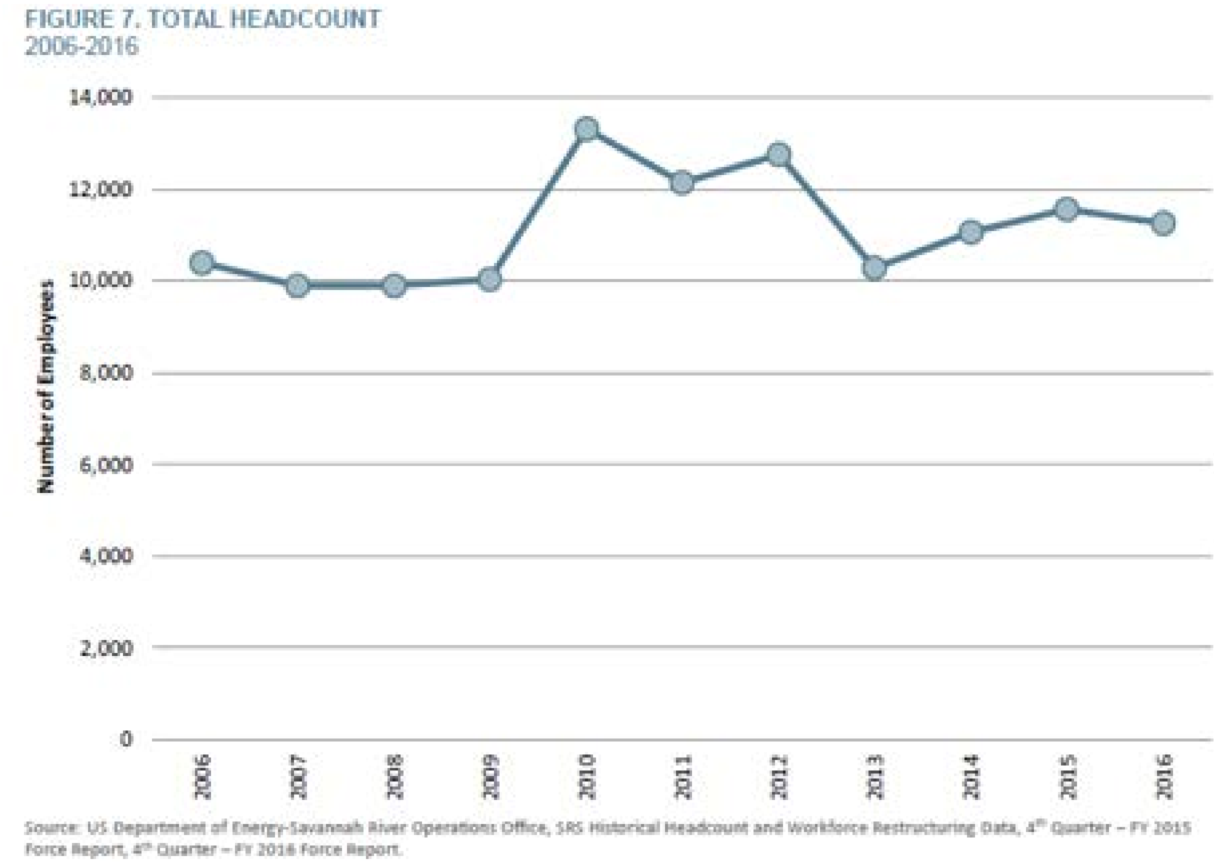
According to the report, after 50 years of production, the mission of the SRS shifted to cleanup of the nuclear waste and environmental contamination crated during production. "The SRS now processes and stores nuclear materials in support of national defense and US nonproliferation efforts. The site also develops and deploys technologies to improve the environment and treat solid and liquid nuclear and hazardous wastes left from the Cold War. The primary Department of Energy programs and mission areas at SRS are Environmental Management (EM) and National Nuclear Security Administration (NNSA). EM represents 68 percent of the current budget. This includes management, stabilization, and disposition of nuclear materials; management and disposition of solid, liquid and transuranic wastes; spent fuel management; and environmental remediation and cleanup. Thirty-two percent of the budget is related to the NNSA including tritium operations and extraction; helium-3 recovery; nonproliferation support; mixed oxide (MOX) fuel fabrication; uranium blending and shipping; and foreign fuel receipts."

According to the report, the 2016 actual annual budget for the site was approximately $1.9 billion. "Of this, SRS organizations spent $1.2 billion in the regional economy in the form of wages, benefits, and other direct expenditures. This spending by SRS organizations generated an additional $1.2 billion. In other words, for every one dollar SRS organizations spend in the local economy, an additional dollar is spent in the five counties. The total $2.4 billion in output is 11 percent of the Gross Regional Product."

The report also estimates that "The spending associated with the Site generated an additional 10,139 jobs in sectors such as restaurants, real estate, employment services, building services, and retail. Thus, for every one job at SRS, an additional 1.2 jobs were created in the five counties. In all, the Site is responsible for 18,705 jobs in the regional economy, which is 7.9 percent of the five-county region's employment base."

“In addition, activities at the Site generate local, state, and federal taxes. The Site generated $91 million in state and local taxes and $291 million in federal taxes. In addition, SRS organizations pay $6.5 million in Payments in Lieu of Taxes.”

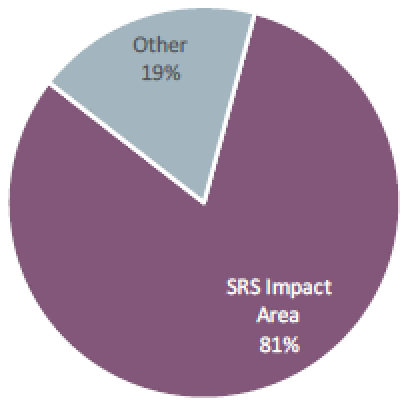
According to the report, over the past decade, total employment at the SRS has ranged from a low of 9,900 in 2008 to a high of 13,300 in 2010, with an average of approximately 11,000 between 2006 and 2016. It should be noted that according to the report, “The spike in employment between 2010 and 2012 was the result of the funding that was part of the American Recovery and Reinvestment Act.” The chart on the following table details total employment at the site from 2006 to 2016, which is the most recent data available.



Source: *The Savannah River Site: Economic Impact and Workforce Transition,* 7/2018

Total employment during the fourth quarter of 2016 (most recent data available) was 11,279. Total employment for fiscal year 2016 was 10,532 employees. According to the report, “This number likely includes some non-permanent employees that were not reported by SRS organizations for the purposes of this study.” **As of 2016, just over 80 percent of employees, or 8,566, lived in the five-county Impact Area,** this data is detailed in the following chart.

FIGURE 24. WORKFORCE
2016, DISTRIBUTION BY GEOGRAPHY



Source: *The Savannah River Site: Economic Impact and Workforce Transition,* 7/2018

As shown in the following map, more than half of SRS employees live in Aiken County, approximately, 15 percent live in Columbia County, Georgia, approximately 12 percent live in Richmond County, Georgia, and less than 10 percent live in Barnwell County and Allendale County.

FIGURE 25. WORKFORCE DISTRIBUTION
2016, BY COUNTY

Source: *The Savannah River Site: Economic Impact and Workforce Transition,* 7/2018

"Together, the employers at SRS paid out over $914 million in wages and $345 million in benefits in FY2016. Of this, an estimated 83 percent was paid to employees in the SRS Impact Area. Furthermore, they spent almost $549 million on other direct expenditures. Of this, 27 percent ($147 million) was spent in the SRS Impact Area. For comparison, SRS employers spent $1.3 billion in FY 2010 and spent 19 percent ($257 million) of this in the SRS Impact Area. The FY 2010 expenditures included funding related to the American Recovery and Reinvestment Act (ARRA)." **The average salary for all workers (wages only) at the SRS was $86,819 in 2016, while the average salary inclusive of benefits was $119,615. Further, "The average compensation (wages plus benefits) for workers at the SRS who reside in the five-county area was $121,356.** By comparison, the average earnings per job for the region (wages, salaries, benefits, and other compensation) is $52,159.

Mr. McLeod also informed us that the workforce at the SRS is expected to change greatly over the next five years, as an estimated 3,000 to 5,000 workers will retire and will need to be replaced. According to information provided by the SRS, 665 new hires were made in 2016, 696 were made in 2017, 450 have been made through 2018 year-to-date, 560 are planned for 2019, 570 are planned for 2020, and 580 are planned for 2021. It is important to note that these new hires are due to retirements, not growth. However, given that Aiken is widely regarded as a great retirement community, many of these retirees are expected to stay in the area and new demand for housing will be generated from the incoming employees as Mr. McLeod reported that majority of these jobs are likely to be filled by millennials who have recently graduated or have been in the workforce for only a few years. He also reported that, while average salaries at the SRS are relatively high for the region, new hires would likely earn salaries below the median income among SRS employees, depending on their role, given the variation of jobs as previously discussed.

The site offers a variety of job types, including but not limited to "jobs in business management, information technology, security, construction, management of natural resources, scientific research, and engineering. Many organizations employ craft personnel with a high school diploma while others provide entry level jobs after college and managerial opportunities after many years of experience."

Military

Fort Gordon Military Base is a US Army installation located in Augusta, approximately 27 miles southwest of downtown Aiken. This base is currently home to the United States Army Signal Corps, United States Army Cyber Corps, and the Cyber Center of Excellence. Based on our interviews with several area contacts, few employees of this base would choose to live in Aiken given that Augusta and Columbia County, Georgia offer many living options suitable for employees of this base within closer proximity relative to Aiken. However, we believe recent goings on at the base do have some impact on the metropolitan area as a whole. According to the Augusta Economic Development Department, this base has 15,717 military personnel, 7,112 civilian personnel, and 2,435 on-post family members for a total of 25,264 persons working/living on base. The base has a total economic impact of $2.4 billion (as of 2017) with $426 million in local area contracts and $149 million in small business contracts.

Due to increases in the need and use of cyber technology, the US Army decided to consolidate the United States Army Cyber Command (ARCYBER) into one location. In December 2013, Fort Gordon was chosen as the location. According to the official statement by the Augusta Economic Development Authority, the move initially brought 1,500 active duty military, government civilian, and contract personnel jobs to Augusta. According to this press release, "The Army selected Fort Gordon as the permanent location for ARCYBER Headquarters for operational and cost reasons. Since its establishment in 2010, ARCYBER has been temporarily split-located in seven government buildings and leased space across the national capital region. The move to Fort Gordon will co-locate ARCYBER Headquarters with the Army's Joint Forces Headquarters-

Cyber and NSA-Georgia, placing the Army's operational cyber headquarters with the majority its cyber mission forces." This move has significantly increased the presence of the technology sector in the region. This move is expected to be fully implemented by June 2020.

In August 2014, Fort Gordon opened the US Army Cyber Center for Excellence with the goal of creating new "cyber warriors." In February 2015, Richmond and Columbia Counties partnered with Fort Gordon, GRU (now Augusta University), and Augusta Tech to create the first cyber security classes at area high schools, which include both intro and advanced cybersecurity courses. By August 2015, it was evident that the new Army Cyber Command Center would have more significant impacts on the area than were initially predicted. The Central Savannah River Area (CSRA) Alliance for Fort Gordon's prediction for the number of new employees are a result of ARCYBER rose by 1,000, to approximately 4,700 employees by 2019. Approximately 750 people relocated to the Augusta area for this center in the summer of 2015. In mid-2015, as Army Cyber Command continue to grow, more high-level tech positions opened with a shortage of eligible candidates to fill them. At the time, Georgia had more than 23,000 open computing jobs and only 1,249 computer science graduates. Area schools responded by adding cyber curriculum and nine southeast colleges and universities were set to receive $25 million in federal funding to train students in cybersecurity. Since that time, the following investments have been made in cyber in the area.

AREA INVESTMENTS IN CYBER

Provider	Use	Investment	Date
State of Georgia	Cyber Range and Training Facility	$50,000,000	1/11/2017
Savannah River National Laboratory	Funds to Create Faculty Positions	$200,000	N/A
State of Georgia	Build a facility to join the Hull McKnight Cyber Innovation and Training Center	$35,000,000	11/29/2017
City of Augusta	Build a parking deck for Hull McKnight Cyber Innovation and Training Center	$12,000,000	4/13/2017
US Army	Construct facilities for US Cyber Commmand	$189,000,000	2020 Completion

Source: *2018 Augusta Metropolitan Area Cybersecurity Workforce Study, 7/2018*

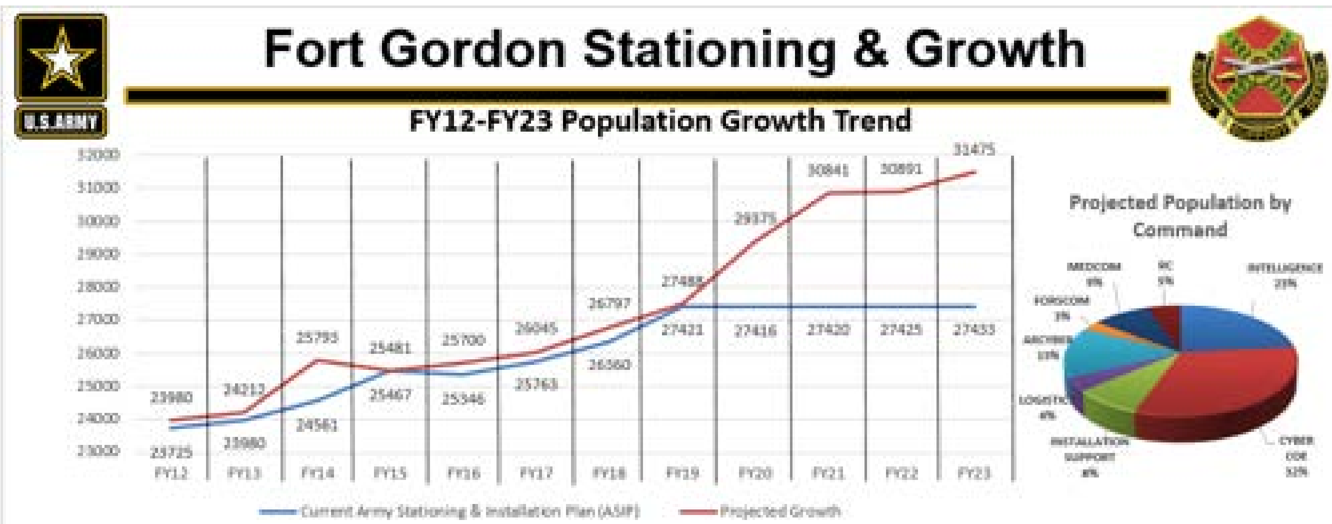
According to the report titled, *2018 Augusta Metropolitan Area Cybersecurity Workforce Study,* three major findings were derived from the previous 2017 cybersecurity workforce study: 1) The Augusta metropolitan area is an innovative hub for cybersecurity and IT-related occupations with five percent of the community's jobs being in technology sectors, 2) The Augusta metropolitan area is projected to experience significant growth in its cybersecurity employment over the next five years, and 3) Augusta University is positioned to be the center for the community's cyber and technology training and education.

The 2018 study concluded the following: 1) The current cybersecurity and IT-related occupations continue to increase in the Augusta metropolitan area. From 2016 to 2017, the overall cybersecurity and IT-related workforce in the Augusta metropolitan area and Fort Gordon grew from 12,716 positions to 14,765 positions, a 16 percent annual increase, and 2) based on 2018 survey results, cybersecurity jobs are expected to grow over the next five years, and successful applicants for these positions will need to understand professional workplaces, possess strong communication skills, and hold at least a bachelor's degree.

We interviewed Tom Clark, Executive Director, PMP of the SCRA Alliance of Fort Gordon. Mr. Clark reported that Fort Gordon is only 38.7 miles from Aiken and only a 45 minute drive in light traffic. He does not have data to illustrate the number of individuals employed at Fort Gordon but living in Aiken but believes there are some and stated that Aiken has "great schools" and people will move to Aiken to be close to these schools for their children. Mr. Clark believes that ARCYBER's move to Fort Gordon in June of 2020 will have long-term impacts on the entire metropolitan area, which will certainly include Aiken. Mr. Clark also provided a PowerPoint for our review, relevant details from which are summarized below.

- 17,720 service members (includes reserves)
- 10,776 civilian employees
- 22,450 family members
- 58,388 retirees and family members
- 1,029 family homes
- 8,200 barracks spaces

The following chart details population growh trends for Fort Gordon.



Source: US Army, 7/2018

PROJECTED GROWTH PP/AIT (FY18-23; Based on known stationing and TDA/TOE increases)					PROJECTED FAMILY MEMBER ESTIMATES (FY18-23)							INCREASE TO SUPPORTED POPULATION (FY18-23)
FY	Mil	Civ	Cntr	Total Employees	Spouses	Birth-5 YO	6-11 YO	12-14 YO	15-18 YO	19-22 YO	Total Family Members	Grand Total
FY18	9	43	150	202	115	62	47	16	16	6	263	465
FY19	459	168	42	669	381	206	51	54	52	21	765	1434
FY20	1542	222	190	1954	1114	602	454	159	151	61	2540	4494
FY21	2166	0	0	1466	836	451	340	119	114	46	1906	4072
FY22	850	0	0	150	86	39	35	12	12	5	188	1038
FY23	1284	0	0	584	333	153	136	47	45	18	732	2016
*Does not include 2100 AIT Students FY21-23		*5,025 Employees						6,394 Family Members				13,519 Total

Source: US Army, 7/2018

From 2012 to 2017, the population at Fort Gordon has grown from 23,252 to 26,595, an increase of 3,343 persons. Additionally, when including family members, the population has increased by 4,923 persons for a total increase of 7,533 persons.

The table on the following page details housing allowances for individuals employed at Fort Gordon.

2018 BASIC ALLOWANCE FOR HOUSING – FORT GORDON MILITARY BASE

Grade	With Dependents	Without Dependents
E01	$1,278	$1,119
E02	$1,278	$1,119
E03	$1,278	$1,119
E04	$1,289	$1,119
E05	$1,293	$1,203
E06	$1,338	$1,260
E07	$1,395	$1,284
E08	$1,458	$1,305
E09	$1,554	$1,314
W01	$1,347	$1,281
W02	$1,422	$1,302
W03	$1,503	$1,317
W04	$1,572	$1,347
W05	$1,656	$1,401
O01E	$1,404	$1,293
O02E	$1,488	$1,311
O03E	$1,584	$1,326
O01	$1,302	$1,257
O02	$1,335	$1,290
O03	$1,497	$1,320
O04	$1,683	$1,392
O05	$1,815	$1,428
O06	$1,830	$1,488
O07	$1,845	$1,524

Source: Militarybenefits.info, 7/2018

Taking all of this into account, we do believe that the ARCYBER will have a significant impact on the region as a whole in terms of population and job growth and we expect some impact on Aiken in terms of demand for additional housing units.

Employment and Unemployment Trends

The table below details the employment and unemployment trends for the Augusta-Richmond County, GA-SC MSA and the nation. It should be noted that in 2010 the U.S. Census Bureau changed its calculation of estimated employment resulting in a significant decrease in the estimated employment level for the MSA.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

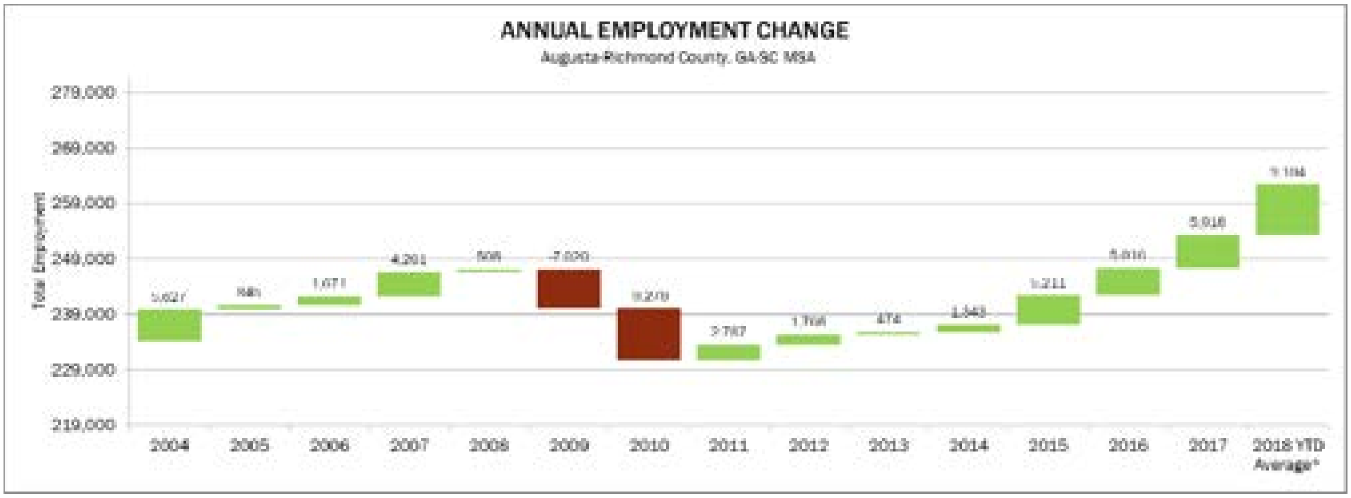
	Augusta-Richmond County, GA-SC MSA				USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2002	228,426	-	5.1%	-	136,485,000	-	5.8%	-
2003	234,215	2.5%	5.2%	0.1%	137,736,000	0.9%	6.0%	0.2%
2004	239,841	2.4%	5.4%	0.2%	139,252,000	1.1%	5.5%	-0.5%
2005	240,686	0.4%	6.1%	0.7%	141,730,000	1.8%	5.1%	-0.5%
2006	242,357	0.7%	5.9%	-0.2%	144,427,000	1.9%	4.6%	-0.5%
2007	246,618	1.8%	5.5%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	247,126	0.2%	6.3%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	240,106	-2.8%	9.3%	3.0%	139,878,000	-3.8%	9.3%	3.5%
2010	230,828	-3.9%	9.7%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	233,616	1.2%	9.8%	0.1%	139,869,000	0.6%	9.0%	-0.7%
2012	235,384	0.8%	9.2%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	235,857	0.2%	8.4%	-0.8%	143,929,000	1.0%	7.4%	-0.7%
2014	237,200	0.6%	7.3%	-1.1%	146,305,000	1.7%	6.2%	-1.2%
2015	242,412	2.2%	6.4%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	247,428	2.1%	5.7%	-0.7%	151,436,000	1.7%	4.9%	-0.4%
2017	253,345	2.4%	5.0%	-0.7%	153,308,000	1.2%	4.4%	-0.5%
2018 YTD Average*	262,449	3.6%	4.3%	-0.7%	155,175,800	1.2%	3.9%	-0.5%
May-2017	258,283	-	4.7%	-	153,407,000	-	4.1%	-
May-2018	262,292	1.6%	4.6%	-0.1%	156,009,000	1.7%	3.6%	-0.5%

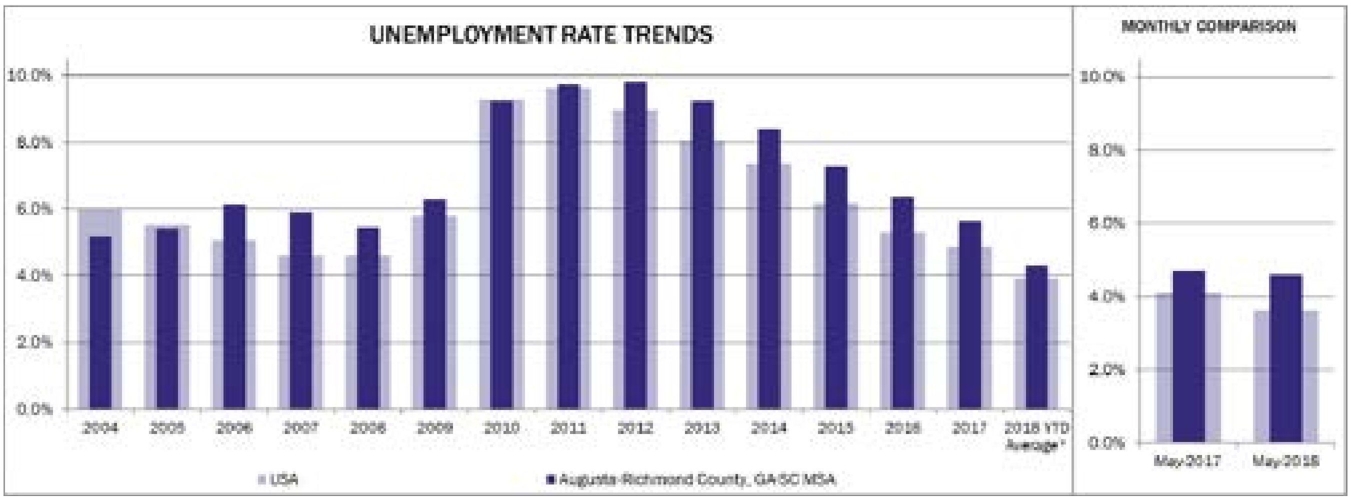
Source: U.S. Bureau of Labor Statistics July 2018

*2018 data is through May

Employment levels in the MSA increased from 2003 through 2008, but decreased in 2009 and 2010 during the national recession. However, total employment increased from 2011 through 2018 year-to-date. From May 2017 to May 2018, total employment in the MSA increased 1.6 percent compared to an increase of 1.7 percent nationally over this same time period.

The unemployment rate in the MSA has generally been above that of the nation over the last 15 years. The unemployment rate increased from 2008 to 2011 as a result of the national recession but has decreased each year since. From May 2017 to May 2018, the unemployment rate in the MSA decreased 10 basis points to 4.6 percent, which was 100 basis points above the national unemployment rate of 3.6 percent. Overall, the economy appears to be strong with increasing total employment and a decreasing unemployment rate.


ANNUAL EMPLOYMENT CHANGE
Augusta-Richmond County, GA-SC MSA
Total Employment
279,000
269,000
259,000
249,000
239,000
229,000
219,000
1,671
4,201
474
5,018
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018 YTD Average*


UNEMPLOYMENT RATE TRENDS
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018 YTD Average*
USA
Augusta-Richmond County, GA-SC MSA
MONTHLY COMPARISON
May-2017
May-2018

Wages by Occupation

The following table details the number of employees, the mean hourly wage and the mean annual wage by occupation in the August-Richmond County, GA-SC MSA, which includes Aiken and Edgefield Counties in South Carolina and Burke, Columbia, Lincoln, McDuffie, and Richmond Counties in Georgia. The 2nd quarter 2017 data is the most recent information available for this region.

AUGUSTA-RICHMOND COUNTY, GA-SC MSA - 2ND QTR 2017 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	**213,890**	**$20.89**	**$43,450**
Management Occupations	9,770	$47.97	$99,780
Business and Financial Operations Occupations	7,610	$32.04	$66,650
Computer and Mathematical Occupations	2,710	$33.23	$69,110
Architecture and Engineering Occupations	5,610	$41.83	$87,000
Life, Physical, and Social Science Occupations	1,880	$34.70	$72,170
Community and Social Service Occupations	2,290	$21.19	$44,070
Legal Occupations	760	$37.72	$78,450
Education, Training, and Library Occupations	14,980	$23.07	$47,990
Arts, Design, Entertainment, Sports, and Media Occupations	1,510	$23.54	$48,970
Healthcare Practitioners and Technical Occupations	18,860	$35.14	$73,080
Healthcare Support Occupations	6,830	$12.73	$26,490
Protective Service Occupations	6,620	$17.71	$36,830
Food Preparation and Serving Related Occupations	19,530	$9.81	$20,400
Building and Grounds Cleaning and Maintenance Occupations	7,420	$11.37	$23,650
Personal Care and Service Occupations	4,540	$11.13	$23,150
Sales and Related Occupations	22,410	$15.03	$31,270
Office and Administrative Support Occupations	32,300	$15.51	$32,270
Farming, Fishing, and Forestry Occupations	450	$15.96	$33,200
Construction and Extraction Occupations	7,980	$18.47	$38,410
Installation, Maintenance, and Repair Occupations	9,670	$20.87	$43,410
Production Occupations	16,560	$19.47	$40,500
Transportation and Material Moving Occupations	13,610	$14.32	$29,780

Source: Department Of Labor, Occupational Employment Statistics, May 2017, retrieved July 2018

The previous chart illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving-related occupations at $9.81 per hour. The highest hourly wage of $47.97 is for management occupations.

Cost of Living

Aiken has a relatively similar cost of living by most measures compared to surrounding communities. For comparison purposes, we have presented the cost of living in three similar sized cities in the region and to Augusta, which is just west of Aiken but is significantly larger. The following chart shows the average cost of living for each index including food, housing, utilities, transportation along with the overall cost of living in each city, relative to the national average, which is 100.

COST OF LIVING

	Aiken, SC	Augusta, GA	Evans, GA	North Augusta, SC	Greenwood, SC
Population (2010 Census)	30,604	197,182	32,591	22,522	23,260
Overall	85	78	103	89	83
Grocery	94	95	94	94	98
Healthcare	86	89	86	86	97
Housing	64	42	121	76	51
Utilities	95	98	95	95	98
Transportation	93	93	93	93	96
Miscellaneous	98	98	98	98	98
Median Home Cost	$129,000	$110,367	$246,200	$145,700	$113,100

Source: www.bestplaces.net, 7/2018

Aiken has an overall cost of living that is 85 percent of the national average cost of living. Additionally, the overall cost of housing is 64, which is below the nation.

Crime Statistics

For the purposes of this report, crime statistics are presented in the form of crime indices and not actual number of crimes. Crime indices do not equal the actual number of crimes committed and are simply provided to show how an area compares to the national average. An index of 100 is considered the national average for crime statistics in all categories. If an index is above 100, the local crime rate for that particular crime is above the national average. If an index is below 100, the local crime rate for that particular crime is below the national average. For example, a crime index of 75 would be 25 percent below the national average of 100. It does not mean 75 crimes were committed. A crime index of 200 would be double the national average of 100. It does not mean 200 crimes were committed.

2017 CRIME INDICES

	Downtown Aiken	City of Aiken, SC	MSA
Total Crime*	**152**	**135**	**126**
Personal Crime*	**112**	**91**	**113**
Murder	208	171	143
Rape	112	113	96
Robbery	120	93	114
Assault	107	86	113
Property Crime*	**158**	**141**	**127**
Burglary	133	116	163
Larceny	173	156	115
Motor Vehicle Theft	98	81	130

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

*Unweighted aggregations

As indicated on the previous page, all crime indices in downtown Aiken, with the exception of motor vehicle theft, are above the national indices. Further, all are above those of the MSA, with the exception of personal crime, assault, burglary, and motor vehicle theft. Within the city of Aiken as a whole, all crime indices are above those of the nation with the exception of personal crime, robbery, assault, and motor vehicle theft. The relatively high crime indices in downtown Abilene are typical of urban areas; however, it is also important to note that this data is contradictory to the opinions of the market participants surveyed and we believe the relatively high crime indices are somewhat overstated due to the small sample size. Nonetheless, we believe standard security features, such as limited access or video surveillance would help to deter crime in multifamily properties located in downtown. The properties managers of the multifamily developments downtown reported that crime is not a significant problem in the downtown Aiken area.

Conclusion

The largest portion of employment of individuals living in downtown Aiken is in the healthcare/social assistance sector (22.1 percent), followed by the manufacturing and retail trade sectors (13.5 and 12.8 percent, respectively). The high concentration of employment in the healthcare/social assistance sector is due to the proximity of Aiken Regional Medical Center, which is located approximately 1.8 miles west of downtown Aiken. The downtown area also offers a large number of accommodation/food services and retail trade jobs, due to various restaurants, bars, and retail establishments in the downtown area. According to inflow/outflow data from the U.S. Census Bureau, in 2015, there were 2,964 individuals employed in downtown Aiken. Employment within the city of Aiken is concentrated in the healthcare/social assistance, manufacturing, and retail trade sectors, which together comprise 38.4 percent of employment.

Major employers in Aiken are primarily concentrated in the energy, education, and manufacturing sectors. The large presence of the energy sector is due to the SRS being the largest employer in the area. Of the major employers, 16 are within the manufacturing sector, which is often volatile during economic downturns. However, the region also offers major employers in more stable sectors such as healthcare and government. Overall, Aiken appears to offer a diverse economic base with a wide range of jobs from a variety of industries. The types of employment opportunities that are in or around downtown Aiken are primarily in the government, healthcare/social assistance, and retail trade sectors.

Zeus Industrial Products, a manufacturer, announced in February 2018 that they are expanding by adding 51 new employees. Further, approximately 200 jobs were added throughout 2017 from various established employers throughout the region.

The Savannah River Site (SRS) is a nuclear reservation located on land in Aiken, Allendale, and Barnwell Counties, adjacent to the Savannah River and it covers 310 square miles. The SRS is the largest employer in Aiken County. According to the report, over the past decade, total employment at the SRS has ranged from a low of 9,900 in 2008 to a high of 13,300 in 2010, with an average of approximately 11,000 between 2006 and 2016. Total employment during the fourth quarter of 2016 (most recent data available) was 11,279. Total employment for fiscal year 2016 was 10,532 employees. More than half of SRS employees live in Aiken County, approximately, 15 percent live in Columbia County, Georgia, approximately 12 percent live in Richmond County, Georgia, and less than 10 percent live in Barnwell County and Allendale County.

It is widely reported/known that the workforce at the SRS is expected to change greatly over the next five years, as an estimated 3,000 to 5,000 workers will retire and will need to be replaced. According to information provided by the SRS, 665 new hires were made in 2016, 696 were made in 2017, 450 have been made through 2018 year-to-date, 560 are planned for 2019, 570 are planned for 2020, and 580 are planned for 2021. It is important to note that these new hires are due to retirements, not growth. However, given that Aiken is widely regarded as a great retirement community, many of these retirees are expected to stay in the area and new demand for housing will be generated from the incoming employees as Mr. McLeod reported that majority of these jobs are likely to be filled by millennials who have recently graduated or have been in the workforce for only a few years.

In December 2013, Fort Gordon was chosen as the location for ARCYBER headquarters. According to the official statement by the Augusta Economic Development Authority, the move initially brought 1,500 active duty military, government civilian, and contract personnel jobs to Augusta. According to this press release, "The Army selected Fort Gordon as the permanent location for ARCYBER Headquarters for operational and cost reasons. Since its establishment in 2010, ARCYBER has been temporarily split-located in seven government buildings and leased space across the national capital region. The move to Fort Gordon will co-locate ARCYBER Headquarters with the Army's Joint Forces Headquarters-Cyber and NSA-Georgia, placing the Army's operational cyber headquarters with the majority its cyber mission forces." This move has significantly increased the presence of the technology sector in the region. This move is expected to be fully implemented by June 2020 and we expect this move to impact Aiken and the demand for housing in the area.

Total employment increased from 2011 through 2018 year-to-date. From May 2017 to May 2018, total employment in the MSA increased 1.6 percent compared to an increase of 1.7 percent nationally over this same time period. From May 2017 to May 2018, the unemployment rate in the MSA decreased 10 basis points to 4.6 percent, which was 100 basis points above the national unemployment rate of 3.6 percent. Overall, the economy appears to be strong with increasing total employment and a decreasing unemployment rate.

III. DEMOGRAPHIC ANALYSIS

DEMOGRAPHIC ANALYSIS

The following section will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine characteristics of downtown Aiken, the city of Aiken, and the Augusta-Richmond County, GA-SC MSA. The discussion will also describe typical household size and will provide a picture of the health of the community and the economy. Demographic data has been obtained from ESRI Demographics and Ribbon Demographics, national proprietary data providers.

POPULATION TRENDS

Total Population

The following table illustrates total population in downtown Aiken, the city of Aiken, the Augusta-Richmond County, GA-SC MSA, and the nation as a whole from 2000 through 2022 (projected).

POPULATION

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	1,183	-	35,413	-	508,032	-	281,038,168	-
2010	919	-2.2%	38,316	0.8%	564,873	1.1%	308,745,538	1.0%
2017	960	0.6%	39,925	0.6%	607,516	1.0%	327,514,334	0.8%
2022	993	0.7%	41,352	0.7%	638,420	1.0%	341,323,594	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

Population within downtown Aiken decreased from 2000 to 2017 but is projected to increase slightly through 2022. It should be noted that little to no new renter or owner-occupied housing has been constructed in downtown Aiken over the last two decades, which has limited population growth in the downtown area. The city of Aiken as a whole has experienced growth since 2000 and population is projected to continue to increase in the city at an annual rate of 0.7 percent through 2022. The MSA has also experienced population growth since 2000, which is projected to continue at a rate of 1.0 percent through 2022, a rate slightly above the national growth rate of 0.8 percent.

Senior Population

The following table illustrates senior (55+) population in downtown Aiken, the city of Aiken, the Augusta-Richmond County, GA-SC MSA, and the nation as a whole from 2000 through 2022 (projected).

SENIOR POPULATION, 55+

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	358	-	9,641	-	99,498	-	59,204,560	-
2010	374	0.4%	13,728	4.2%	140,284	4.1%	76,750,713	3.0%
2017	436	2.3%	15,874	2.2%	174,881	3.4%	93,482,000	3.0%
2022	467	1.4%	17,108	1.6%	195,653	2.4%	103,261,244	2.1%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

Senior population within downtown Aiken increased from 2000 to 2017 and is projected to continue to do so through 2022. The city of Aiken as a whole has experienced growth since 2000 and population is projected to continue to increase in the city at an annual rate of 1.6 percent through 2022. The MSA has also experienced senior population growth since 2000, which is projected to continue at a rate of 2.4 percent through 2022, a rate slightly above the national growth rate of 2.1 percent.

Population by Age Group

The following tables illustrate population by age group in the city of Aiken, the Augusta-Richmond County, GA-SC MSA, and the nation as a whole in 2017 and 2022 (estimate). It should be noted that data was unreliable for downtown Aiken given the small sample size.

POPULATION BY AGE IN 2017

Age Cohort	PMA		MSA		USA	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
0-4	1,895	4.7%	38,226	6.3%	19,941,411	6.1%
5-9	2,018	5.1%	39,581	6.5%	20,492,315	6.3%
10-14	2,095	5.2%	39,328	6.5%	20,771,057	6.3%
15-19	2,422	6.1%	38,333	6.3%	21,003,784	6.4%
20-24	2,428	6.1%	39,679	6.5%	22,839,773	7.0%
25-29	2,366	5.9%	43,522	7.2%	23,167,778	7.1%
30-34	2,306	5.8%	41,850	6.9%	22,184,763	6.8%
35-39	2,075	5.2%	38,965	6.4%	21,048,028	6.4%
40-44	1,893	4.7%	36,072	5.9%	20,012,723	6.1%
45-49	2,058	5.2%	36,836	6.1%	20,656,405	6.3%
50-54	2,493	6.2%	40,243	6.6%	21,914,297	6.7%
55-59	2,949	7.4%	42,118	6.9%	22,259,491	6.8%
60-64	3,095	7.8%	39,282	6.5%	20,109,695	6.1%
65-69	3,120	7.8%	33,906	5.6%	17,324,301	5.3%
70-74	2,478	6.2%	24,290	4.0%	12,699,282	3.9%
75-79	1,719	4.3%	15,600	2.6%	8,633,426	2.6%
80-84	1,173	2.9%	10,052	1.7%	5,907,914	1.8%
85+	1,340	3.4%	9,633	1.6%	6,547,891	2.0%
Total	**39,923**	**100.0%**	**607,516**	**100.0%**	**327,514,334**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

POPULATION BY AGE IN 2022 ESTIMATE

Age Cohort	PMA		MSA		USA	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
0-4	1,958	4.7%	39,307	6.2%	20,663,609	6.1%
5-9	2,004	4.8%	40,114	6.3%	20,576,198	6.0%
10-14	2,162	5.2%	41,959	6.6%	21,418,582	6.3%
15-19	2,418	5.8%	41,100	6.4%	21,578,415	6.3%
20-24	2,233	5.4%	36,618	5.7%	21,523,487	6.3%
25-29	2,213	5.4%	39,944	6.3%	22,896,467	6.7%
30-34	2,450	5.9%	44,526	7.0%	24,193,486	7.1%
35-39	2,400	5.8%	43,761	6.9%	22,896,367	6.7%
40-44	2,167	5.2%	40,573	6.4%	21,540,826	6.3%
45-49	1,987	4.8%	36,650	5.7%	19,936,624	5.8%
50-54	2,251	5.4%	38,215	6.0%	20,838,289	6.1%
55-59	2,646	6.4%	40,504	6.3%	21,477,650	6.3%
60-64	3,150	7.6%	42,423	6.6%	21,658,438	6.3%
65-69	3,310	8.0%	38,277	6.0%	19,308,797	5.7%
70-74	2,931	7.1%	30,707	4.8%	15,832,475	4.6%
75-79	2,220	5.4%	20,978	3.3%	11,208,343	3.3%
80-84	1,409	3.4%	12,188	1.9%	6,918,506	2.0%
85+	1,442	3.5%	10,576	1.7%	6,857,035	2.0%
Total	**41,351**	**100.0%**	**638,420**	**100.0%**	**341,323,594**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As shown in the previous tables, population within the city of Aiken was greatest in the 60 to 64 and 65 to 69 year age cohorts, followed by the 55 to 59 age cohort, and the 50 to 54 and 70-74 year age cohorts. By 2022, the largest age cohort in Aiken is projected to be the 65 to 69 age cohort, followed by the 60 to 64 and 70-74 age cohort, which indicates an older population in the city.

HOUSEHOLD TRENDS

Total Number of Households

The following table illustrates the total number of households in downtown Aiken, the city of Aiken, the MSA, and the nation as a whole from 2000 through 2022.

HOUSEHOLDS

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	442	-	14,171	-	188,041	-	105,403,008	-
2010	435	-0.2%	16,382	1.6%	215,524	1.5%	116,716,293	1.1%
2017	479	1.4%	17,135	0.6%	231,794	1.0%	123,158,898	0.8%
2022	472	-0.3%	17,707	0.7%	242,481	0.9%	127,481,298	0.7%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

Within downtown Aiken, the number of households decreased by 0.2 percent per annum from 2000 to 2010 but increased by 1.4 percent per annum from 2010 to 2017. However, the number of households in downtown Aiken is projected to decrease at an annual rate of 0.3 percent through 2022. The number of households in the city of Aiken increased from 2000 to 2017 and is projected to continue to do so through 2022 at an annual rate of 0.7 percent, slightly slower than the 0.9 percent annual increase projected in the MSA during the same time period. These increasing trends support the need for additional housing units in downtown and the city of Aiken as a whole. Based upon our interviews and analysis, we believe the projected growth city-wide, yet lack of projected growth in the downtown area is more a function of lack of housing units downtown, as opposed to lack of demand for those units.

Number of Senior Households

The following table illustrates the total number of senior households in downtown Aiken, the city of Aiken, the MSA, and the nation as a whole from 2000 through 2022.

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	199	-	5,671	-	62,048	-	36,433,877	-
2010	216	0.9%	7,300	2.9%	84,672	3.6%	45,892,692	2.6%
2017	274	3.7%	9,583	4.3%	103,754	3.1%	54,968,045	2.7%
2022	277	0.2%	10,190	1.3%	113,857	1.9%	59,997,897	1.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

Within downtown Aiken, the number of senior households increased by 0.9 percent per annum from 2000 to 2010 and continued to increase at a faster rate of 3.7 percent per annum from 2010 to 2017. The number of senior households in downtown is projected to increase slightly through 2022. The number of senior households in the city of Aiken also increased from 2000 to 2017 and is projected to continue to do so through 2022 at an annual rate of 1.3 percent through 2022.

Average Household Size

The following table illustrates average household size in downtown Aiken, the city of Aiken, the MSA, and the nation as a whole from 2000 through 2022.

AVERAGE HOUSEHOLD SIZE

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Number	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*	*Number*	*Annual Change*
2000	2.45	-	2.41	-	2.61	-	2.59	-
2010	1.89	-2.3%	2.27	-0.6%	2.54	-0.3%	2.58	-0.1%
2017	1.95	0.5%	2.24	-0.1%	2.54	0.0%	2.59	0.1%
2022	2.05	1.0%	2.25	0.1%	2.56	0.1%	2.61	0.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As illustrated in the table above, the average household size within downtown Aiken decreased from 2.45 persons in 2000 to 1.89 persons by 2010, which is relatively small compared to the city of Aiken, the MSA, and the nation as a whole. The average household size in downtown Aiken increased from 2010 to 2017 to 1.95 persons, which was still significantly smaller than all other areas of study. The average household size in downtown is projected to increase through 2022 to 2.05 persons. The average household size in the city of Aiken is projected to increase to 2.25 persons by 2022. This data supports the demand for smaller rental housing unit types such as one and two-bedroom units.

Households by Number of Persons in the Household

The following tables illustrate household distribution for all households in downtown Aiken, the city of Aiken, and the MSA from 2000 through 2022.

DOWNTOWN AIKEN HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	151	34.2%	196	40.9%	199	42.2%
2 persons	140	31.7%	150	31.3%	155	32.8%
3 persons	66	14.9%	64	13.4%	54	11.4%
4 persons	48	10.9%	39	8.1%	34	7.2%
5+ persons	37	8.4%	30	6.3%	30	6.4%
Total	**442**	**100.0%**	**479**	**100.0%**	**472**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

CITY OF AIKEN HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	3,771	26.6%	5,577	32.5%	5,816	32.8%
2 persons	5,137	36.3%	6,636	38.7%	6,934	39.2%
3 persons	2,289	16.2%	2,384	13.9%	2,402	13.6%
4 persons	1,870	13.2%	1,554	9.1%	1,572	8.9%
5+ persons	1,104	7.8%	984	5.7%	983	5.6%
Total	**14,171**	**100.0%**	**17,135**	**100.0%**	**17,707**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

MSA HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	45,188	24.0%	63,294	27.3%	66,443	27.4%
2 persons	59,288	31.5%	75,553	32.6%	79,359	32.7%
3 persons	35,512	18.9%	40,899	17.6%	42,745	17.6%
4 persons	28,590	15.2%	29,994	12.9%	31,169	12.9%
5+ persons	19,463	10.4%	22,054	9.5%	22,765	9.4%
Total	**188,041**	**100.0%**	**231,794**	**100.0%**	**242,481**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

One and two-person households represent the largest groups of households in downtown Aiken, in the city as a whole, as well as in the MSA. In downtown, one-person households are most prevalent, while in the city and MSA two-person households are most prevalent. These trends are projected to persist through 2022.

Senior Households by Number of Persons in the Household

The following tables illustrate household distribution for senior households in downtown Aiken, the city of Aiken, and the MSA from 2000 through 2022.

DOWNTOWN AIKEN HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	94	47.2%	135	49.3%	133	48.0%
2 persons	76	38.2%	112	40.9%	118	42.6%
3 persons	18	9.0%	16	5.8%	15	5.4%
4 persons	5	2.5%	9	3.3%	9	3.2%
5+ persons	6	3.0%	2	0.7%	2	0.7%
Total	**199**	**100.0%**	**274**	**100.0%**	**277**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

CITY OF AIKEN HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	1,997	35.2%	3,712	38.7%	3,912	38.4%
2 persons	2,896	51.1%	4,710	49.1%	5,036	49.4%
3 persons	523	9.2%	705	7.4%	781	7.7%
4 persons	133	2.3%	303	3.2%	305	3.0%
5+ persons	122	2.2%	153	1.6%	156	1.5%
Total	**5,671**	**100.0%**	**9,583**	**100.0%**	**10,190**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

MSA HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	22,215	35.8%	37,166	35.8%	40,410	35.5%
2 persons	28,025	45.2%	45,196	43.6%	49,798	43.7%
3 persons	7,041	11.3%	12,517	12.1%	13,965	12.3%
4 persons	2,544	4.1%	4,759	4.6%	5,206	4.6%
5+ persons	2,223	3.6%	4,116	4.0%	4,478	3.9%
Total	**62,048**	**100.0%**	**103,754**	**100.0%**	**113,857**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

One and two-person households represent the largest groups of households in downtown Aiken, in the city as a whole, as well as in the MSA. In downtown, one-person households are most prevalent, while in the city and MSA two-person households are most prevalent. These trends are projected to persist through 2022.

Renter Households by Number of Persons in the Household

The following tables illustrate household distribution by renter tenure in downtown Aiken, the city of Aiken, and the MSA from 2000 through 2022.

DOWNTOWN AIKEN RENTER HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	69	41.8%	115	54.2%	107	53.2%
2 persons	35	21.2%	42	19.8%	42	20.9%
3 persons	23	13.9%	24	11.3%	21	10.4%
4 persons	19	11.5%	17	8.0%	17	8.5%
5+ persons	19	11.5%	14	6.6%	14	7.0%
Total	**165**	**100.0%**	**212**	**100.0%**	**201**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

CITY OF AIKEN RENTER HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	1,519	39.4%	2,713	48.9%	2,819	49.7%
2 persons	1,038	26.9%	1,351	24.3%	1,346	23.7%
3 persons	571	14.8%	709	12.8%	709	12.5%
4 persons	444	11.5%	475	8.6%	490	8.6%
5+ persons	284	7.4%	305	5.5%	307	5.4%
Total	**3,856**	**100.0%**	**5,553**	**100.0%**	**5,671**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

MSA RENTER HOUSEHOLD SIZE DISTRIBUTION

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	18,460	32.6%	30,492	37.7%	31,602	38.0%
2 persons	14,320	25.3%	19,816	24.5%	19,953	24.0%
3 persons	10,257	18.1%	13,173	16.3%	13,496	16.2%
4 persons	7,524	13.3%	9,432	11.7%	9,852	11.9%
5+ persons	6,093	10.8%	7,884	9.8%	8,164	9.8%
Total	**56,654**	**100.0%**	**80,797**	**100.0%**	**83,067**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

The largest group of renters in all areas of study are one-person households, followed by two-person households. In downtown Aiken, 41.8 percent all renters are one-person households, as compared to only 39.4 percent in the city and 32.6 percent in the MSA.

Senior Renter Households by Number of Persons in the Household

The following tables illustrate senior household distribution by renter tenure in downtown Aiken, the city of Aiken, and the MSA from 2000 through 2022.

DOWNTOWN AIKEN RENTER HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	34	79.1%	77	72.0%	69	71.1%
2 persons	7	16.3%	21	19.6%	18	18.6%
3 persons	0	0.0%	7	6.5%	8	8.2%
4 persons	0	0.0%	0	0.0%	0	0.0%
5+ persons	2	4.7%	2	1.9%	2	2.1%
Total	**43**	**100.0%**	**107**	**100.0%**	**97**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

CITY OF AIKEN RENTER HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	530	64.4%	1,372	67.0%	1,451	67.7%
2 persons	186	22.6%	398	19.4%	401	18.7%
3 persons	66	8.0%	127	6.2%	144	6.7%
4 persons	9	1.1%	73	3.6%	74	3.5%
5+ persons	32	3.9%	78	3.8%	74	3.5%
Total	**823**	**100.0%**	**2,048**	**100.0%**	**2,144**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

MSA RENTER HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2017		2022	
Household Size	*Total Households*	*Percent*	*Total Households*	*Percent*	*Total Households*	*Percent*
1 persons	34	79.1%	13,464	60.3%	14,326	60.8%
2 persons	7	16.3%	4,950	22.2%	5,178	22.0%
3 persons	0	0.0%	1,762	7.9%	1,804	7.7%
4 persons	0	0.0%	1,052	4.7%	1,092	4.6%
5+ persons	2	4.7%	1,109	5.0%	1,146	4.9%
Total	**43**	**100.0%**	**22,337**	**100.0%**	**23,546**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

The largest group of senior renters in all areas of study are one-person households, followed by two-person households. In downtown Aiken, 79.1 percent of all senior renters are one-person households, as compared to only 64.4 percent in the city, and 79.1 percent in the MSA.

INCOME TRENDS

Median Household Income Levels

The following table illustrates the median household income in downtown Aiken, the city of Aiken, and the MSA from 2000 through 2022.

MEDIAN HOUSEHOLD INCOME

Year	Downtown Aiken		City of Aiken		Augusta-Richmond County, GA-SC MSA		USA	
	Amount	*Annual Change*	*Amount*	*Annual Change*	*Amount*	*Annual Change*	*Amount*	*Annual Change*
2000	$2,089	-	$36,248	-	$38,485	-	$44,872	-
2017	$26,987	69.1%	$54,826	3.0%	$49,752	1.7%	$56,124	1.5%
2022	$30,046	2.3%	$63,147	3.0%	$55,326	2.2%	$62,316	2.2%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As indicated, the median household income in downtown is lower than the city, MSA, and nation as a whole. The median household income in downtown is projected to increase at an annual rate of 2.3 percent through 2022, which is a slower rate compared to the city but a slightly faster rate compared to the MSA and the nation as a whole. However, the median household income in downtown will remain below all other areas of study, which supports the need for affordable rental housing in downtown.

Household Income Distribution

The following tables illustrate household income distribution from 2017 through 2022 for downtown Aiken, the city of Aiken, and the MSA.

HOUSEHOLD INCOME DOWNTOWN AIKEN

Income Cohort	DOWNTOWN AIKEN 2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	51	10.6%	44	9.3%	-1	-2.7%
$10,000-19,999	84	17.5%	71	15.0%	-3	-3.1%
$20,000-29,999	70	14.6%	66	14.0%	-1	-1.1%
$30,000-39,999	42	8.8%	50	10.6%	2	3.8%
$40,000-49,999	56	11.7%	37	7.8%	-4	-6.8%
$50,000-59,999	43	9.0%	48	10.2%	1	2.3%
$60,000-74,999	25	5.2%	34	7.2%	2	7.2%
$75,000-99,999	38	7.9%	40	8.5%	0	1.1%
$100,000-124,999	34	7.1%	32	6.8%	0	-1.2%
$125,000-149,999	15	3.1%	21	4.4%	1	8.0%
$150,000-199,999	8	1.7%	13	2.8%	1	12.5%
$200,000+	13	2.7%	16	3.4%	1	4.6%
Total	**479**	**100.0%**	**472**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

HOUSEHOLD INCOME CITY OF AIKEN

Income Cohort	CITY OF AIKEN 2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	1,157	6.8%	1,110	6.3%	-9	-0.8%
$10,000-19,999	1,669	9.7%	1,533	8.7%	-27	-1.6%
$20,000-29,999	1,953	11.4%	1,866	10.5%	-17	-0.9%
$30,000-39,999	1,420	8.3%	1,444	8.2%	5	0.3%
$40,000-49,999	1,761	10.3%	1,627	9.2%	-27	-1.5%
$50,000-59,999	1,331	7.8%	1,437	8.1%	21	1.6%
$60,000-74,999	1,286	7.5%	1,406	7.9%	24	1.9%
$75,000-99,999	1,959	11.4%	1,959	11.1%	0	0.0%
$100,000-124,999	1,691	9.9%	1,706	9.6%	3	0.2%
$125,000-149,999	1,078	6.3%	1,245	7.0%	33	3.1%
$150,000-199,999	927	5.4%	1,169	6.6%	48	5.2%
$200,000+	903	5.3%	1,205	6.8%	60	6.7%
Total	**17,135**	**100.0%**	**17,707**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

HOUSEHOLD INCOME MSA

Income Cohort	AUGUSTA-RICHMOND COUNTY, GA-SC MSA 2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	22,177	9.6%	21,929	9.0%	-50	-0.2%
$10,000-19,999	26,971	11.6%	26,217	10.8%	-151	-0.6%
$20,000-29,999	27,208	11.7%	27,082	11.2%	-25	-0.1%
$30,000-39,999	22,975	9.9%	23,472	9.7%	99	0.4%
$40,000-49,999	21,123	9.1%	21,330	8.8%	41	0.2%
$50,000-59,999	17,510	7.6%	18,484	7.6%	195	1.1%
$60,000-74,999	22,134	9.5%	23,235	9.6%	220	1.0%
$75,000-99,999	27,472	11.9%	28,984	12.0%	302	1.1%
$100,000-124,999	17,437	7.5%	19,154	7.9%	343	2.0%
$125,000-149,999	10,338	4.5%	12,117	5.0%	356	3.4%
$150,000-199,999	9,159	4.0%	11,035	4.6%	375	4.1%
$200,000+	7,290	3.1%	9,442	3.9%	430	5.9%
Total	**231,794**	**100.0%**	**242,481**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

The largest income cohorts in downtown Aiken are the $10,000 to $19,999, $20,000 to $29,999, and $40,000 to $49,999 cohorts. These cohorts represent 43.8 percent of the household population. The largest income cohorts in the city of Aiken are the $75,000 to $99,999, $20,000 to $29,999, and $40,000 to $49.999 cohorts. These cohorts represent 33.1 percent of the household population. This data indicates a large number of low and middle-income households in both downtown and the city of Aiken as a whole.

Senior Household Income Distribution

The following tables illustrate senior household income distribution from 2017 through 2022 for downtown Aiken, the city of Aiken, and the MSA.

HOUSEHOLD INCOME DOWNTOWN AIKEN 55+

DOWNTOWN AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	28	10.2%	24	8.7%	-1	-2.9%
$10,000-19,999	50	18.2%	41	14.8%	-2	-3.6%
$20,000-29,999	43	15.7%	40	14.4%	-1	-1.4%
$30,000-39,999	26	9.5%	31	11.2%	1	3.8%
$40,000-49,999	30	10.9%	23	8.3%	-1	-4.7%
$50,000-59,999	33	12.0%	38	13.7%	1	3.0%
$60,000-74,999	12	4.4%	17	6.1%	1	8.3%
$75,000-99,999	17	6.2%	18	6.5%	0	1.2%
$100,000-124,999	15	5.5%	17	6.1%	0	2.7%
$125,000-149,999	8	2.9%	12	4.3%	1	10.0%
$150,000-199,999	4	1.5%	5	1.8%	0	5.0%
$200,000+	8	2.9%	11	4.0%	1	7.5%
Total	**274**	**100.0%**	**277**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

HOUSEHOLD INCOME CITY OF AIKEN 55+

CITY OF AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	502	5.2%	477	4.7%	-5	-1.0%
$10,000-19,999	1,046	10.9%	973	9.5%	-15	-1.4%
$20,000-29,999	1,187	12.4%	1,166	11.4%	-4	-0.4%
$30,000-39,999	839	8.8%	873	8.6%	7	0.8%
$40,000-49,999	873	9.1%	834	8.2%	-8	-0.9%
$50,000-59,999	907	9.5%	1,002	9.8%	19	2.1%
$60,000-74,999	704	7.3%	786	7.7%	16	2.3%
$75,000-99,999	1,089	11.4%	1,127	11.1%	8	0.7%
$100,000-124,999	937	9.8%	1,003	9.8%	13	1.4%
$125,000-149,999	562	5.9%	675	6.6%	23	4.0%
$150,000-199,999	400	4.2%	520	5.1%	24	6.0%
$200,000+	537	5.6%	754	7.4%	43	8.1%
Total	**9,583**	**100.0%**	**10,190**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

HOUSEHOLD INCOME MSA 55+

AUGUSTA-RICHMOND COUNTY, GA-SC MSA						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	8,166	7.9%	8,303	7.3%	27	0.3%
$10,000-19,999	14,310	13.8%	14,416	12.7%	21	0.1%
$20,000-29,999	13,049	12.6%	13,667	12.0%	124	0.9%
$30,000-39,999	10,543	10.2%	11,322	9.9%	156	1.5%
$40,000-49,999	9,587	9.2%	10,187	8.9%	120	1.3%
$50,000-59,999	7,817	7.5%	8,734	7.7%	183	2.3%
$60,000-74,999	9,429	9.1%	10,438	9.2%	202	2.1%
$75,000-99,999	12,083	11.6%	13,473	11.8%	278	2.3%
$100,000-124,999	6,891	6.6%	7,986	7.0%	219	3.2%
$125,000-149,999	4,242	4.1%	5,269	4.6%	205	4.8%
$150,000-199,999	3,997	3.9%	5,042	4.4%	209	5.2%
$200,000+	3,640	3.5%	5,020	4.4%	276	7.6%
Total	**103,754**	**100.0%**	**113,857**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

The largest income cohorts in downtown Aiken are the $10,000 to $19,999, $20,000 to $29,999, $50,000 to $59,000 cohorts. These cohorts represent 45.9 percent of the senior household population. The largest income cohorts in the city of Aiken are the $20,000 to $29,999, $75,000 to $99,999, and $10,000 to $19,999 cohorts. These cohorts represent 34.7 percent of the senior household population. This data indicates a large number of low and middle-income senior households in both downtown and the city of Aiken as a whole.

Renter Household Income Distribution

The following tables illustrate the household income distribution for renter households in downtown Aiken, the city of Aiken, and the Augusta-Richmond County, GA-SC MSA. ESRI data indicates during 2017, of the total occupied housing units in downtown Aiken, 212 are renter households and 267 are owner-occupied households. ESRI data indicates during 2017, of the total occupied housing units in the city of Aiken, 5,553 are renter households and 11,582 are owner-occupied households. Renter households therefore represent and 44.3 percent of the occupied housing units in downtown Aiken and 32.4 percent of the occupied housing units in the city of Aiken.

RENTER HOUSEHOLD INCOME

DOWNTOWN AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	43	20.3%	36	17.9%	-1	-3.3%
$10,000-19,999	58	27.4%	50	24.9%	-2	-2.8%
$20,000-29,999	38	17.9%	34	16.9%	-1	-2.1%
$30,000-39,999	20	9.4%	23	11.4%	1	3.0%
$40,000-49,999	24	11.3%	17	8.5%	-1	-5.8%
$50,000-59,999	8	3.8%	8	4.0%	0	0.0%
$60,000-74,999	5	2.4%	11	5.5%	1	24.0%
$75,000-99,999	6	2.8%	6	3.0%	0	0.0%
$100,000-124,999	5	2.4%	5	2.5%	0	0.0%
$125,000-149,999	3	1.4%	7	3.5%	1	26.7%
$150,000-199,999	1	0.5%	3	1.5%	0	40.0%
$200,000+	1	0.5%	1	0.5%	0	0.0%
Total	**212**	**100.0%**	**201**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

RENTER HOUSEHOLD INCOME

THE CITY OF AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	785	14.1%	776	13.7%	-2	-0.2%
$10,000-19,999	839	15.1%	772	13.6%	-13	-1.6%
$20,000-29,999	892	16.1%	864	15.2%	-6	-0.6%
$30,000-39,999	571	10.3%	590	10.4%	4	0.7%
$40,000-49,999	697	12.6%	652	11.5%	-9	-1.3%
$50,000-59,999	326	5.9%	367	6.5%	8	2.5%
$60,000-74,999	326	5.9%	396	7.0%	14	4.3%
$75,000-99,999	443	8.0%	450	7.9%	1	0.3%
$100,000-124,999	305	5.5%	318	5.6%	3	0.9%
$125,000-149,999	128	2.3%	160	2.8%	6	5.0%
$150,000-199,999	109	2.0%	146	2.6%	7	6.8%
$200,000+	132	2.4%	180	3.2%	10	7.3%
Total	**5,553**	**100.0%**	**5,671**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

RENTER HOUSEHOLD INCOME

AUGUSTA-RICHMOND COUNTY, GA-SC MSA						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	14,738	18.2%	14,581	17.6%	-31	-0.2%
$10,000-19,999	13,784	17.1%	13,385	16.1%	-80	-0.6%
$20,000-29,999	12,690	15.7%	12,508	15.1%	-36	-0.3%
$30,000-39,999	9,727	12.0%	9,879	11.9%	30	0.3%
$40,000-49,999	7,039	8.7%	7,245	8.7%	41	0.6%
$50,000-59,999	5,917	7.3%	6,255	7.5%	68	1.1%
$60,000-74,999	5,198	6.4%	5,616	6.8%	84	1.6%
$75,000-99,999	5,512	6.8%	5,953	7.2%	88	1.6%
$100,000-124,999	2,280	2.8%	2,679	3.2%	80	3.5%
$125,000-149,999	1,664	2.1%	2,017	2.4%	71	4.2%
$150,000-199,999	1,047	1.3%	1,288	1.6%	48	4.6%
$200,000+	1,201	1.5%	1,661	2.0%	92	7.7%
Total	**80,797**	**95.2%**	**83,067**	**94.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

Compared to the overall household income distribution, there are a greater percentage of renters in the lower income cohorts; however, the $10,000 to $19,999 cohort is still the largest in downtown Aiken. Within the city, the majority of renters are concentrated in the lower income cohorts. This data indicates that the strongest demand for rental housing in downtown and the city as a whole is among lower to middle-income households; however, anecdotal evidence from our surveys suggests that the demand for rental housing in downtown Aiken is primarily for middle to upper-income households.

Senior Renter Household Income Distribution

The following tables illustrate the senior household income distribution for renter households in downtown Aiken, the city of Aiken, and the Augusta-Richmond County, GA-SC MSA.

RENTER HOUSEHOLD INCOME 55+

DOWNTOWN AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	21	19.6%	17	17.5%	-1	-3.8%
$10,000-19,999	26	24.3%	20	20.6%	-1	-4.6%
$20,000-29,999	19	17.8%	16	16.5%	-1	-3.2%
$30,000-39,999	15	14.0%	16	16.5%	0	1.3%
$40,000-49,999	9	8.4%	7	7.2%	0	-4.4%
$50,000-59,999	4	3.7%	4	4.1%	0	0.0%
$60,000-74,999	2	1.9%	4	4.1%	0	20.0%
$75,000-99,999	4	3.7%	4	4.1%	0	0.0%
$100,000-124,999	5	4.7%	5	5.2%	0	0.0%
$125,000-149,999	1	0.9%	3	3.1%	0	40.0%
$150,000-199,999	0	0.0%	0	0.0%	0	0.0%
$200,000+	1	0.9%	1	1.0%	0	0.0%
Total	**107**	**100.0%**	**97**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

RENTER HOUSEHOLD INCOME 55+

THE CITY OF AIKEN						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	249	12.2%	244	11.4%	-1	-0.4%
$10,000-19,999	343	16.7%	315	14.7%	-6	-1.6%
$20,000-29,999	370	18.1%	369	17.2%	0	-0.1%
$30,000-39,999	176	8.6%	193	9.0%	3	1.9%
$40,000-49,999	150	7.3%	133	6.2%	-3	-2.3%
$50,000-59,999	112	5.5%	124	5.8%	2	2.1%
$60,000-74,999	75	3.7%	108	5.0%	7	8.8%
$75,000-99,999	186	9.1%	187	8.7%	0	0.1%
$100,000-124,999	208	10.2%	226	10.5%	4	1.7%
$125,000-149,999	63	3.1%	85	4.0%	4	7.0%
$150,000-199,999	26	1.3%	34	1.6%	2	6.2%
$200,000+	90	4.4%	126	5.9%	7	8.0%
Total	**2,048**	**100.0%**	**2,144**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

RENTER HOUSEHOLD INCOME 55+

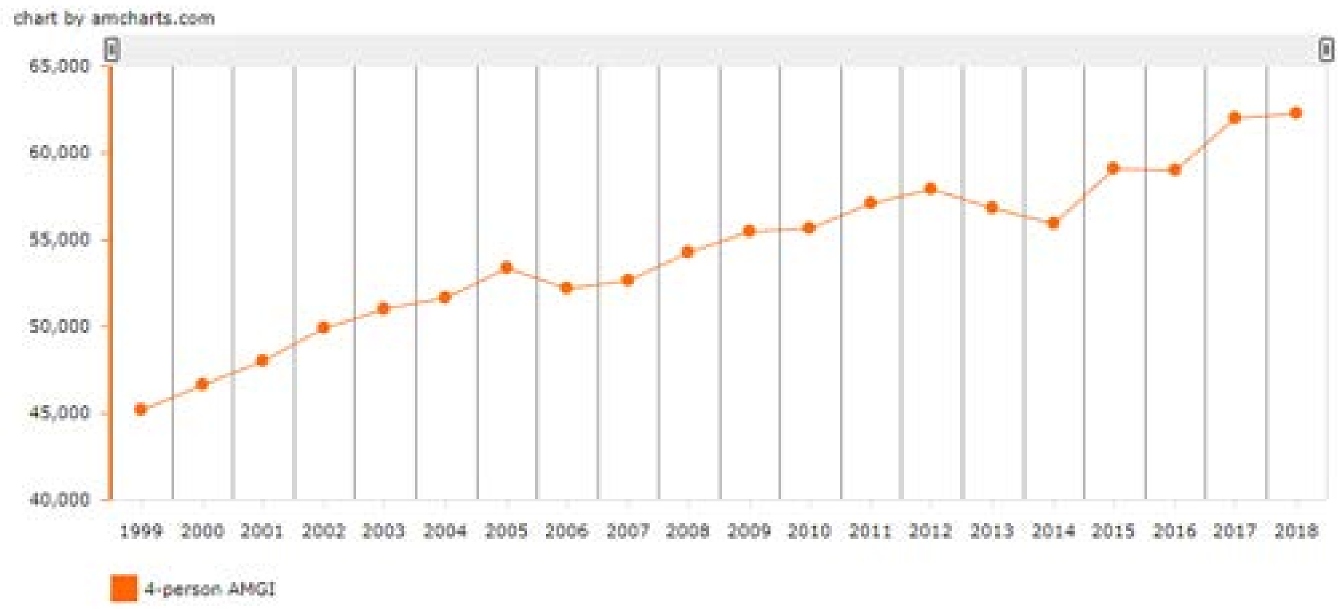
AUGUSTA-RICHMOND COUNTY, GA-SC MSA						
Income Cohort	2017		2022		Annual Change 2017 to 2022	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
$0-9,999	3,884	17.4%	3,851	16.4%	-7	-0.2%
$10,000-19,999	4,618	20.7%	4,580	19.5%	-8	-0.2%
$20,000-29,999	2,907	13.0%	2,971	12.6%	13	0.4%
$30,000-39,999	2,215	9.9%	2,280	9.7%	13	0.6%
$40,000-49,999	1,560	7.0%	1,643	7.0%	17	1.1%
$50,000-59,999	1,347	6.0%	1,425	6.1%	16	1.2%
$60,000-74,999	1,330	6.0%	1,471	6.2%	28	2.1%
$75,000-99,999	1,823	8.2%	1,990	8.5%	33	1.8%
$100,000-124,999	997	4.5%	1,168	5.0%	34	3.4%
$125,000-149,999	641	2.9%	811	3.4%	34	5.3%
$150,000-199,999	482	2.2%	599	2.5%	23	4.9%
$200,000+	533	2.4%	757	3.2%	45	8.4%
Total	**22,337**	**100.0%**	**23,546**	**100.0%**		

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, July 2018

Compared to the overall senior household income distribution, there are a greater percentage of senior renters in the lower income cohorts. This data indicates a need for low-income senior housing within the city of Aiken.

Median Household Income Levels

The following chart illustrates the area median gross income (AMGI) of a four-person household in the MSA between 1999 and 2018.



Display: 4-person AMGI

Average Increase (AMGI): 1.7%/year

Source: Novogradac & Company LLP, July 2018

Overall, the AMI has increased by an average of 1.7 percent annually between 1999 and 2018. It is important to note that HUD implemented new methodology procedures for establishing income limits in 2007. The system and underlying data sources that HUD uses to establish income limits is now dependent upon the American Community Survey (ACS), whereas years prior to 2007 had been dependent upon Decennial Census reports. In 2007, two-thirds of the nation experienced flat or decreased AMI levels based largely on this methodology change. As is seen in the previous table, the MSA appears to have not been affected by this methodology change. Additionally, 84 percent of counties nationally saw a decrease in the 2013 AMI level, which appears to have slightly impacted the MSA. Following the substantial nationwide decreases in 2013, over 81 percent of counties in the country experienced growth in AMI in 2015, including the MSA. It should be noted that the MSA is experiencing its highest AMI to date as of 2018.

Commuting Patterns

The chart below shows the travel time to work for downtown Aiken and the city of Aiken as a whole.

COMMUTING PATTERNS - DOWNTOWN

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	28	7.6%
Travel Time 5-9 min	65	17.6%
Travel Time 10-14 min	60	16.3%
Travel Time 15-19 min	67	18.2%
Travel Time 20-24 min	36	9.8%
Travel Time 25-29 min	19	5.1%
Travel Time 30-34 min	49	13.3%
Travel Time 35-39 min	12	3.3%
Travel Time 40-44 min	0	0.0%
Travel Time 45-59 min	28	7.6%
Travel Time 60-89 min	5	1.4%
Travel Time 90+ min	0	0.0%
Weighted Average	**20 minutes**	

Source: US Census 2017, Novogradac & Company, LLP, July 2018

COMMUTING PATTERNS - CITY OF AIKEN

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	549	3.7%
Travel Time 5-9 min	1,939	13.0%
Travel Time 10-14 min	3,030	20.4%
Travel Time 15-19 min	2,477	16.6%
Travel Time 20-24 min	1,806	12.1%
Travel Time 25-29 min	652	4.4%
Travel Time 30-34 min	1,717	11.5%
Travel Time 35-39 min	667	4.5%
Travel Time 40-44 min	521	3.5%
Travel Time 45-59 min	770	5.2%
Travel Time 60-89 min	599	4.0%
Travel Time 90+ min	160	1.1%
Weighted Average	**24 minutes**	

Source: US Census 2017, Novogradac & Company, LLP, July 2018

As shown above, the average travel time for individuals in downtown and the city of Aiken as a whole is 20 and 24 minutes, respectively. Of the total commuters, 59.7 percent in downtown have commute times of less than 20 minutes compared to 53.7 percent in the city of Aiken as a whole.

Inflow/Outflow Data

According to 2015 U.S. Census estimates, there were 2,964 individuals employed in downtown Aiken, of which 99.3 percent (2,943) are living outside downtown Aiken and 0.7 percent (21) are living within downtown Aiken. Also, per this data, 300 individuals overall are living in downtown Aiken, of which 93.0 percent (279) are employed outside of downtown Aiken and 7.0 percent (21) of which are living and employed in downtown Aiken. This data suggests an insufficient supply of multifamily housing within the downtown area, provided that there is a desire to live in downtown, which is supported by anecdotal evidence from several interviews detailed later in this report.

According to 2015 U.S. Census estimates, there were 20,152 individuals employed in the city of Aiken, of which 84.0 percent (16,933) are living outside Aiken and 16.0 percent (3,219) are living within the city of Aiken. Also, per this data, 10,391 individuals overall are living in the city of Aiken, of which 69.0 percent (7,172) are employed outside of Aiken and 31.0 percent (3,219) of which are living and employed in Aiken. This data suggests an insufficient supply of multifamily housing within the city, which is supported by anecdotal evidence from several interviews detailed in this report and the low vacancy rates and waiting lists reported by comparables.

Conclusion

The demographic data demonstrates that both downtown Aiken and the city of Aiken as a whole are projected to experience slight increases in total and senior population and number of households through 2022. The population in downtown Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 year age cohort, and the 55 to 59 year age cohort. Population within the city of Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 age cohort, and the 55 to 59 year age cohort. By 2022, the largest age cohort in downtown Aiken is projected to be the 65 to 69 age cohort, followed by the 60 to 64 and 70 to 74 age cohort, which indicates an older population in the downtown area. Within the city, the 65 to 69 year age cohort will continue to be the largest by 2022, followed by the 60 to 64 and the 70 to 74 year age cohorts.

The average household size in downtown Aiken decreased from 2010 to 2017 to 1.95 persons, which was significantly smaller than all other areas of study. The average household size in downtown is projected to increase slightly through 2022 to 2.05 persons. The average household size in the city of Aiken is projected to increase to 2.25 persons by 2022. This data supports the demand for smaller rental housing unit types such as one and two-bedroom units. One and two-person households represent the largest groups of households in downtown Aiken, in the city as a whole, as well as in the MSA. In downtown, one-person households are most prevalent, while in the city and MSA two-person households are most prevalent. These trends are projected to persist through 2022.

The median household income in downtown is lower than the city, MSA, and nation as a whole. The median household income in downtown is projected to increase at an annual rate of 2.3 percent through 2022, which is a slightly faster rate compared to the MSA and the nation as a whole, but a slower rate compared to the city. However, the median household income in downtown will remain below all other areas of study, which supports the need for affordable rental housing in downtown.

Compared to the overall household income distribution, there are a greater percentage of total and senior renters in the lower income cohorts; however, the $10,000 to $19,999 cohort is still the largest in downtown Aiken. Within the city, the majority of general and senior renter household incomes are concentrated in the lower income brackets. This data indicates that the strongest demand for rental housing in downtown and the city as a whole is among lower to middle-income households; however, anecdotal evidence from our surveys suggests that the demand for rental housing in downtown Aiken is primarily for middle to upper-income households.

According to 2015 U.S. Census estimates, there were 2,964 individuals employed in downtown Aiken, of which 99.3 percent (2,943) are living outside downtown Aiken and 0.7 percent (21) are living within downtown Aiken. Also, per this data, 300 individuals overall are living in downtown Aiken, of which 93.0 percent (279) are employed outside of downtown Aiken and 7.0 percent (21) of which are living and employed in downtown Aiken. This data suggests an insufficient supply of multifamily housing within the downtown area, provided that there is a desire to live in downtown, which is supported by anecdotal evidence from several interviews detailed later in this report.

According to 2015 U.S. Census estimates, there were 20,152 individuals employed in the city of Aiken, of which 84.0 percent (16,933) are living outside Aiken and 16.0 percent (3,219) are living within the city of Aiken. Also, per this data, 10,391 individuals overall are living in the city of Aiken, of which 69.0 percent (7,172) are employed outside of Aiken and 31.0 percent (3,219) of which are living and employed in Aiken. This data suggests an insufficient supply of multifamily housing within the city, which is supported by anecdotal evidence from several interviews detailed in this report and the low vacancy rates and waiting lists reported by comparables.

IV. RENTAL HOUSING SUPPLY CHARACTERISTICS

HOUSING SUPPLY CHARACTERTICS

HOUSING MARKET OVERVIEW

This section of the report provides a broad view of current housing trends within the market area for multifamily.

Age of Housing Stock

The following table illustrates the age of the area housing stock based upon 2010 Census data.

AGE OF HOUSING STOCK IN DOWNTOWN AIKEN

Years	Number of Units	Percent of Housing Stock
Built 2005 or later	4	0.6%
Built 2000 to 2004	84	12.3%
Built 1990 to 1999	45	6.6%
Built 1980 to 1989	73	10.7%
Built 1970 to 1979	46	6.8%
Built 1960 to 1969	44	6.5%
Built 1950 to 1959	108	15.9%
Built 1940 to 1949	18	2.6%
Built 1939 or earlier	259	38.0%
Total	**681**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

AGE OF HOUSING STOCK IN THE CITY OF AIKEN

Years	Number of Units	Percent of Housing Stock
Built 2005 or later	380	2.1%
Built 2000 to 2004	3,197	17.4%
Built 1990 to 1999	2,892	15.8%
Built 1980 to 1989	3,334	18.2%
Built 1970 to 1979	2,557	14.0%
Built 1960 to 1969	1,899	10.4%
Built 1950 to 1959	2,814	15.4%
Built 1940 to 1949	205	1.1%
Built 1939 or earlier	1,051	5.7%
Total	**18,329**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As indicated in the above tables, approximately 69.8 percent of downtown Aiken's housing stock was constructed prior to 1980, compared to 46.6 percent of the city of Aiken's housing stock. This indicates that very little new supply has been added to the downtown housing stock over the last 30 years.

Building Permit History

The following table demonstrates building permit information from 2007 through May 2018 (the most current data available) for the city of Aiken and Aiken County. Data was not available for downtown Aiken.

BUILDING PERMITS ISSUED

Aiken, SC				Aiken County, SC			
Year	*Single-Family*	*2-4 Units*	*5+ Units*	*Year*	*Single-Family*	*2-4 Units*	*5+ Units*
2007	188	6	0	2007	1008	6	332
2008	109	4	0	2008	612	4	32
2009	85	0	0	2009	554	0	0
2010	85	0	0	2010	645	4	48
2011	83	0	0	2011	611	0	160
2012	99	0	0	2012	572	6	0
2013	91	0	0	2013	579	2	24
2014	132	40	10	2014	623	40	15
2015	121	0	0	2015	683	0	0
2016	134	2	16	2016	815	8	64
2017	110	0	56	2017	810	21	315
2018 YTD*	59	0	5	2018 YTD*	394	0	5
Total	**1,296**	**52**	**87**	**Total**	**7,906**	**91**	**995**

Source: US Census, HUD State of the Cities Data System, Novogradac & Company LLP, July 2018

*Preliminary data reported through May

Since 2007, multifamily development has comprised 6.1 percent of all permits in Aiken, while 90.3 percent of the permits have been granted for development of single-family homes.

Neighborhood Housing Analysis

The following table compares owner/renter occupied percentages, vacant housing units, median household incomes, and median household income growth for the downtown area and the city as a whole.

NEIGHBORHOOD ANALYSIS

	Downtown	City
	2017	***2017***
Owner-Occupied Housing Units	43.06%	61.17%
Renter-Occupied Housing Units	34.19%	29.33%
Vacant Housing Units	20.81%	9.47%
2017 Median Household Income	$26,987	$54,826
2017-2022 MHI Annual Growth	2.27%	3.04%

Source: Esri Demographics 2017, Novogradac & Company LLP, August 2018; Zillow

Tenure Patterns

The tables following illustrate the breakdown by household tenure within downtown and the city as a whole from 2000 through 2022.

TENURE PATTERNS DOWNTOWN

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	277	62.7%	165	37.3%
2017	267	55.7%	212	44.3%
2022	271	57.4%	201	42.6%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

TENURE PATTERNS CITY OF AIKEN

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	10,315	72.8%	3,856	27.2%
2017	11,582	67.6%	5,553	32.4%
2022	12,036	68.0%	5,671	32.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As illustrated above, approximately 44.3 percent of total households in downtown are renter-occupied as of 2017, while only 32.4 percent in the city of Aiken are renter-occupied. The number of renter-occupied households as a percentage of total households increased from 2000 to 2017 in both areas of study. However, in downtown Aiken, the number and percentage of renter-occupied households is projected to decrease through 2022. In the city, the percentage of renter-occupied households is projected to decrease while the number of renter-occupied households is expected to increase through the same time period.

Senior Tenure Patterns

The tables following illustrate the breakdown by senior household tenure within downtown and the city as a whole from 2000 through 2022.

TENURE PATTERNS DOWNTOWN

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	156	78.4%	43	21.6%
2017	167	60.9%	107	39.1%
2022	180	65.0%	97	35.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

TENURE PATTERNS CITY OF AIKEN

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	4,848	85.5%	823	14.5%
2017	7,535	78.6%	2,048	21.4%
2022	8,046	79.0%	2,144	21.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As illustrated above, approximately 39.1 percent of total senior households in downtown are renter-occupied as of 2017, while only 21.4 percent in the city of Aiken are renter-occupied. The number of senior renter-occupied households as a percentage of total households increased from 2000 to 2017 in both areas of study. However, in downtown Aiken, the number and percentage of senior renter-occupied households is projected to decrease through 2022. In the city, the percentage of senior renter-occupied households is projected to decrease while the number of renter-occupied households is expected to increase through the same time period.

Conclusion

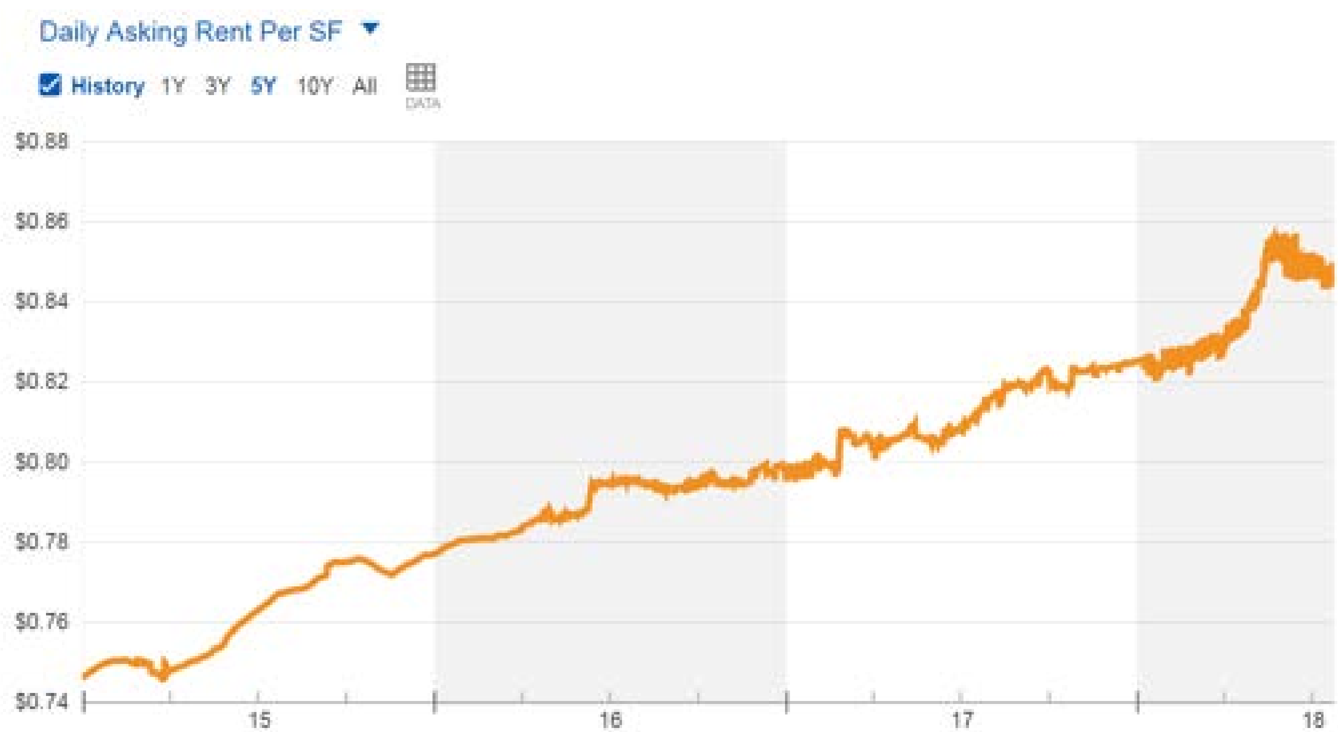
The downtown Aiken housing market consists primarily of an older housing stock. Since 2007, multifamily development has comprised 6.1 percent of all permits in Aiken, while 90.3 percent of the permits have been granted for development of single-family homes. Approximately 44.3 percent of total households and 39.1 percent of senior households in downtown are renter-occupied as of 2017, while only 32.4 percent of total households and 21.4 percent of total senior households in in the city of Aiken are renter-occupied. The number of total and senior renter-occupied households as a percentage of total households increased from 2000 to 2017 in both areas of study. However, in downtown Aiken, the number and percentage of total and senior renter-occupied households is projected to decrease through 2022. In the city, the percentage of total and senior renter-occupied households is projected to decrease while the number of renter-occupied households is expected to increase through the same time period.

RENTAL MARKET OVERVIEW

Rental properties are examined on the basis of physical characteristics, i.e. building type, age of the property, quality/condition of property, level of common amenities, absorption, as well as similarity in rent. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities, tenant profiles, and market trends in general. It should be noted that there are no multifamily apartment complexes located in downtown Aiken. As such, we surveyed all types of multifamily developments throughout Aiken and have supplemented this data with listings of stand-alone rental units as well as some data of stand-alone downtown rental units managed by Meybohm. Detailed profiles describing the individual properties are provided later in this report.

Rental Market Trends

The following table details daily asking rents over the last five years in the "Outlying Aiken County" submarket, which includes all of Aiken County with the exception of North Augusta. It should be noted that this data was not available for solely the city of Aiken or downtown Aiken.



Source: CoStar, 7/2018

As indicated above, asking rents in Aiken have increased over the last five years and are $0.85 as of the third quarter of 2018.

The following graph details asking rents by bedroom type in the "Outlying Aiken County" submarket.

Source: CoStar, 7/2018

As indicated above, data does not appear to be available for studios and rents have generally increased since 2013. The current average asking rents per bedroom type as of the second quarter 2018 are $731, $830, and $950 for one, two, and three-bedroom units, respectively.

POTENTIAL MULTIFAMILY SITES

Based on our conversations with local market participants and our physical inspection of the downtown area, we are aware of several potential sites, some of which we are able to discuss at this time and others that we are not. It should be noted that we have only analyzed potential sites in downtown as there are numerous sites available citywide, while the number of available sites in downtown is limited. Those we are able to discuss at this time are detailed below, including their potential pros and cons. The following map illustrates these sites.

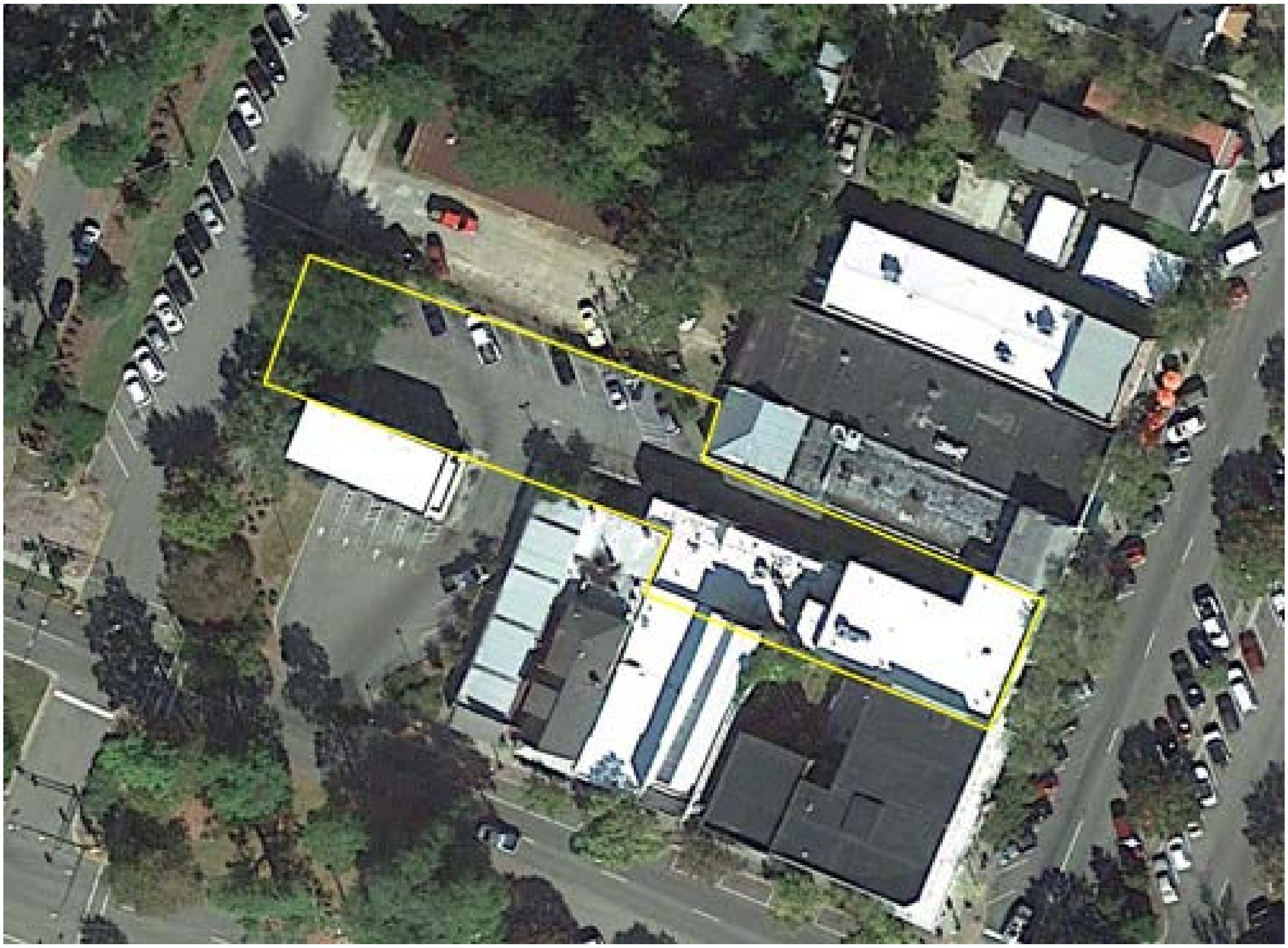
Map of Potential Sites

1) 111 Laurens Street NW

This site is currently improved with a Wells Fargo Bank, which will be closing in September 2018. The site is located in a prime location along Laurens Street. The site also has frontage along the east side of Pendleton Street NW. The site offers excellent walkability to various commercial/retail uses and restaurants and is considered a very desirable location. Land use north, south, east, and west of this site consists of commercial/retail uses. The site would be an excellent location for multifamily housing. According to the Aiken County Assessor, the site totals 0.38 acres. This site is zoned Downtown Business (DB) and is also within the Old Aiken Overlay district.

Site frontage along Pendleton Street

Site frontage along Laurens Street

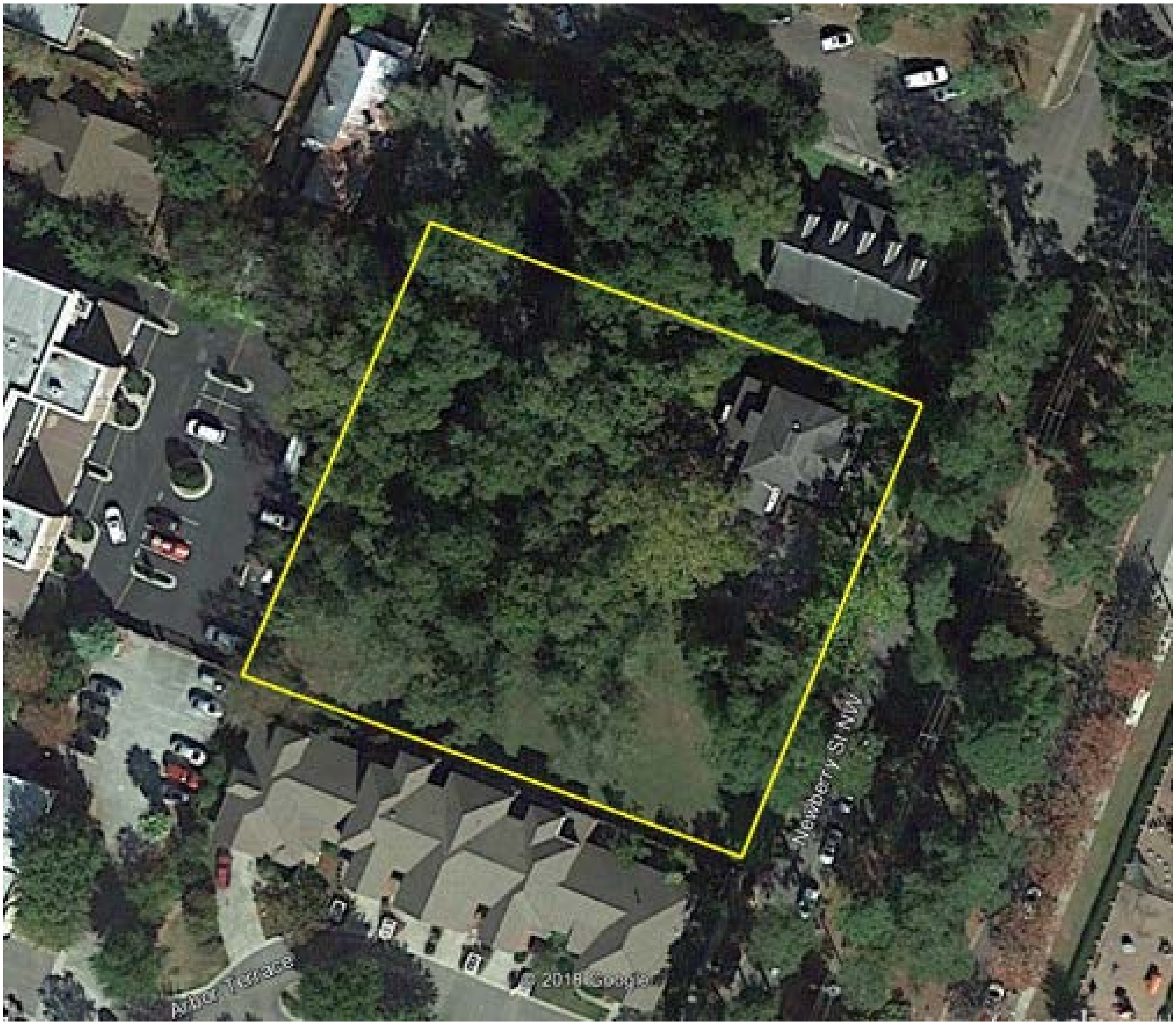


2) Newberry Street NW

This site is located along the west side of Newberry Street NW between Barnwell Avenue and Arbor Terrace NW, one block east of Laurens Street and one block north of Richland Avenue. The site is currently partially improved with a single-family home and the remaining portion of the site is vacant. It should be noted that we did not see a for sale sign on the site nor were we able to identify any online listings for the site; however, two of the individuals surveyed reported that the site is currently listed for sale. This site's location is considered to be excellent as it is within close proximity and walking distance to numerous commercial/retail uses and restaurants. Surrounding land uses consists of a small office building to the north, an owner-occupied condominium development to the south, a house of worship to the east, and commercial/retail uses along Laurens Street to the west. This site is zoned Downtown Business (DB) and is also within the Old Aiken Overlay district. According to the Assessor's website, the site consists of three adjacent parcels totaling 1.01 acres. This site is zoned Downtown Business (DB) and is also within the Old Aiken Overlay district.

Existing single-family home on site

Vacant portion of site


Newberry St NW
Arbor Terrace
© 2018 Google

3) 108 Barnwell Avenue NW

This site is currently improved with an office building but is listed for sale. According to the broker's website, this is a 0.91-acre site with a 3,248 square foot office building that is currently zoned Limited Professional (LP), which provides locations for providing limited scale professional offices and selected institutions and service uses with residential uses. The asking price is not listed on the website. Land use north, east, south, and west of the site consists of office buildings in average condition. This site is located approximately 0.2 miles northwest of Laurens street in a good location. Though it is not located on Laurens street, it is within walking distance of Laurens Street. The zoning of the site may prohibit multifamily development; however, given the opinions of local market participants, the City is willing to work with developers in regards to zoning to bring more multifamily units to the downtown area. We believe this site would be a good site for multifamily development that would garner rents slightly below those achievable for properties located along Laurens Street.

Site with office building

4) 401 Hayne Avenue SW

This site is currently improved with an office building, which is occupied by Area Churches Together Serving (ACTS). According to David Jameson, President/CEO of the Aiken Chamber of Commerce, ACTS has grown out of their existing building and are looking for a larger space elsewhere in Aiken. As such, this site will possibly be available for multifamily development. This site has frontage both along the north side of Park Avenue and the south side of Hayne Avenue and is located less than 0.1 miles west of Laurens Street in an excellent location. Land use to the north, south, east, and west of this site consists of commercial uses in average condition. According to the Aiken County Assessor, this site is 0.42 acres in size. This site is zoned Downtown Business (DB) and is also within the Old Aiken Overlay district.

Frontage of site and improvements along Hayne Avenue

Frontage of site and improvements along Park Avenue

5) 828 Richland Avenue W

This site is partially vacant and partially improved with various buildings, one of which is an historic building that formerly served as the county hospital, which closed in the mid-1970's. The site then served as part of the Aiken County Government Complex and was the administrative center for the County until 2014. The Aiken County Council approved an amended ordinance that paves the way for the County to sell the site to Kentucky-based firm, The Marian Group, who are currently doing their due diligence and deciding whether or not to go forward with the transaction, for $1.1 million. According to quotes attributed to Justin Brown, a principal of The Marian Group, published in an article by the Aiken Standard, The Marian Group is "tentatively proposing a combination of apartments and possible for-sale housing – townhomes… with a renovation of the [former] hospital [building]. One possible use of the hospital would be an adaptive reuse into a hotel. Multifamily (housing) is another potential use. We stress that these plans are all tentative. We still need to do a significant amount of due diligence. In other words, we are still very early in the process." The article goes on to state that as part of the sale agreement, the Aiken County Hospital building must be "retained, renovated and repurposed in a manner that subject it to real property taxation." According to Ryan Bland, Planner with the City of Aiken, The Marian Group is currently analyzing the feasibility of a 200-unit multifamily development. According to the Aiken County Assessor's website, the site is 10.91 acres. According to the City of Aiken Planning Department website, the site is zoned Office (O) and a small portion of the site Fauburg Street is within the Historic Overlay District.

Land use north of this site consists of Windham Place, a senior LIHTC development in good condition. Land use northeast of this site consists of Ashley Terrace, an owner-occupied townhome development in good condition. Land use northeast of the site consists of Mead Hall Episcopal School in good condition. Land use south of the site consists of small office buildings in average condition. Land use west of the site consists of commercial/retail uses in average condition and some office buildings in average condition. This site is located approximately 0.5 miles west of Laurens Street and there are sidewalks all along Richland Avenue that allows for some walkability to commercial/retail uses and restaurants/bars in downtown Aiken. In terms of proximity to retail/commercial uses, it is considered inferior to all the other sites discussed in this section. Given the proximity of this site to downtown and the surrounding land uses, we believe a multifamily development on this site would garner slightly lower rents relative to multifamily uses along or within one or two blocks of Laurens Street.

View of existing hospital building on site

View of existing building and vacant land


Barnwell Ave NW
Morgan St NW
Vaucluse Rd
78
1
Richland Ave W
Fauburg St SW
Augusta Aiken Rd
Waterloo St SW
© 2016 Google

6) 214 Park Avenue SW

This site is currently improved with the city municipal building and an office building that is currently occupied by the University of South Carolina –Aiken for administrative purposes. According to several contacts, the city has considered relocating and this site is seen as a potential site for future multifamily use. The site is “L”-shaped with frontage along Park Avenue and Newberry Street. It is also fronts The Alley, a popular nightlife are with numerous bars and restaurants. Land use north of the site consists of The Alley and multiple bars/restaurants in good condition. Land use to the east consists of office buildings in average condition. Land use to the south consists of a small parkway between Park Avenue SW and Park Avenue SW, followed by a funeral home and the Court House, both in average condition. Land use adjacent to the west consists of Mellow Mushroom followed by a new restaurant that is about to open, both of which are in excellent condition. The location of this site is considered to be excellent and among the most desirable for multifamily in this market. The site is 0.58 acres according to the Aiken County Assessor’s website. This site is zoned Downtown Business (DB) and is also within the Old Aiken Overlay district.


View of existing Municipal Building along Park Avenue

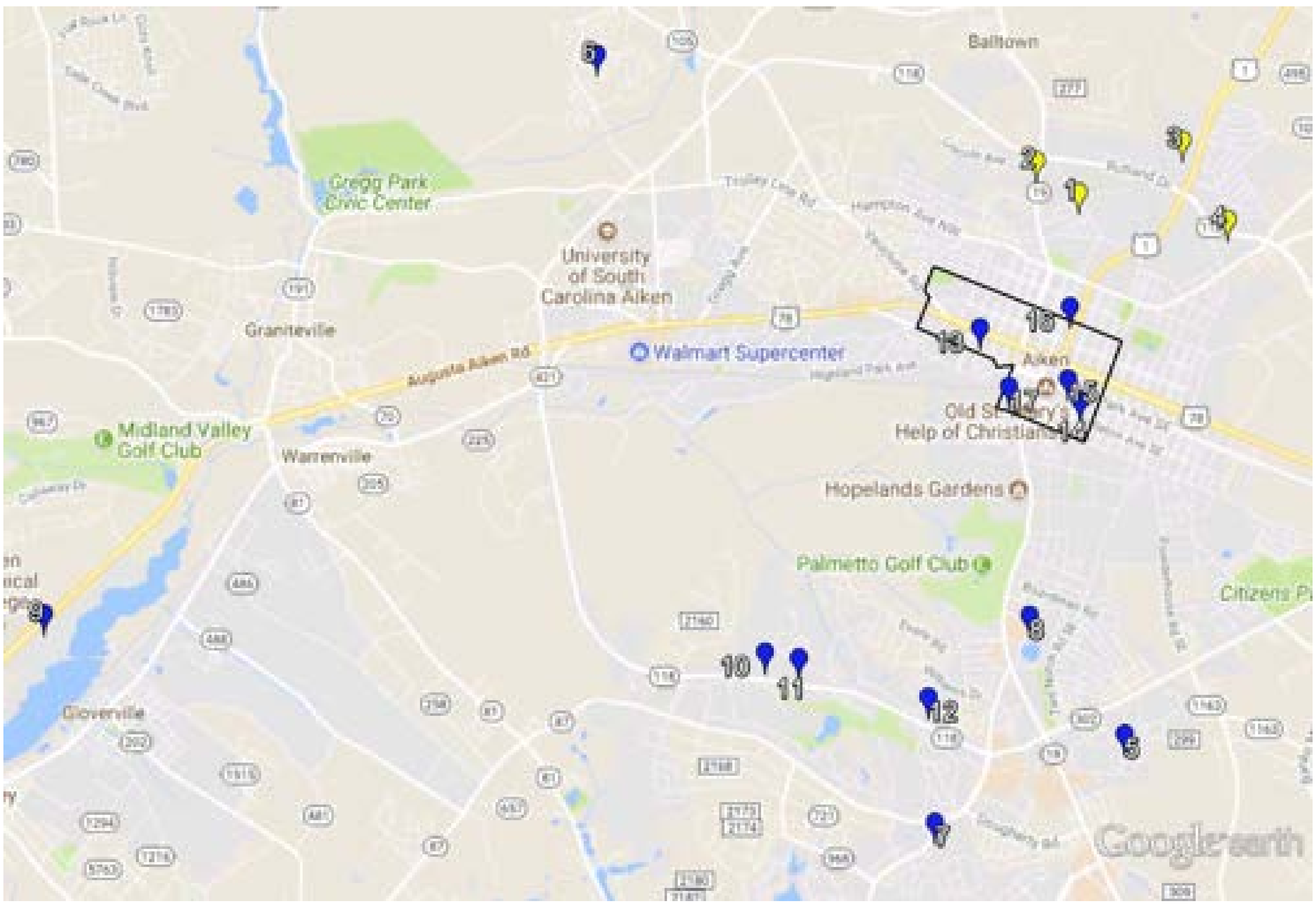

View of existing building along Newberry Street


The Alley
Newberry St SW

MULTIFAMILY RENTAL CHARACTERISTICS

Following are relevant market characteristics for the multifamily rental properties surveyed. It should be noted that there are currently no true multifamily apartment complexes in downtown Aiken. As such, we have analyzed other multifamily properties in Aiken and Graniteville that are located outside of downtown. We included four affordable multifamily comparables, one of which targets seniors and three of which target the general population. We have also included eight market rate multifamily comparables, all of which target the general population. We have also analyzed several stand-alone rental units located in downtown, which include converted units, single-family rental homes, and owner-occupied condominiums that are being rented. No multifamily rental properties located in downtown Aiken were excluded from our analysis. The maps below and on the following page illustrate the multifamily rental properties used as comparables. The comparable property profiles follow.

Comparable Properties Map I



Comparable Properties Map II

COMPARABLE PROPERTIES				
#	Comparable Property	City	Rent Structure	Tenancy
1	Dupont Landing	Aiken	LIHTC	Family
2	Glen Arbor Apartments	Aiken	LIHTC	Family
3	Longleaf Senior Village Phase I	Aiken	LIHTC	Senior
4	Olde South Terrace	Aiken	LIHTC	Family
5	Churchill Commons	Aiken	Market	Family
6	Haven At Market Street Station	Aiken	Market	Family
7	Steeplechase Apartments	Aiken	Market	Family
8	The Colony At South Park	Aiken	Market	Family
9	The Summits Of Aiken Apartments	Graniteville	Market	Family
10	Trotters Run	Aiken	Market	Family
11	Verandas On The Green	Aiken	Market	Family
12	Woodwinds Apartment Homes	Aiken	Market	Family
13	105 Florense Street	Aiken	Market	Family
14	225 Kershaw Street SE	Aiken	Market	Family
15	304 Park Avenue SE	Aiken	Market	Family
16	318 Chesterfield Street N	Aiken	Market	Family
17	312-B Laurens Street	Aiken	Market	Family

The following table details properties that were excluded from our analysis along with their reason for exclusions.

EXCLUDED PROPERTIES IN AIKEN			
Name	Type	Tenancy	Reason for Exclusions
Kalmia Apartments	Section 8	Family	Subsidized Rents
Windham House	Section 8	Senior	Subsidized Rents
Meadow Brook Acres Apartments	LIHTC	Family	Unable to contact
Hampton House Apartments	Section 8	Family	Subsidized Rents
Oxford Trace	LIHTC	Family	Unable to contact
Croft House	Section 8	Family	Subsidized Rents
Busch Crossing	LIHTC	Family	Unable to contact
Gatewood Apartments	Market	Family	Unable to contact
Dexter Arms	Market	Family	Unable to contact

PROPERTY PROFILE REPORT

Dupont Landing

Effective Rent Date	7/10/2018
Location	109 Benedict Drive Aiken, SC 29801 Aiken County
Distance	N/A
Units	44
Vacant Units	0
Vacancy Rate	0.0%
Type	Single Family
Year Built/Renovated	2015 / N/A
Marketing Began	9/01/2014
Leasing Began	N/A
Last Unit Leased	4/01/2015
Major Competitors	None identified
Tenant Characteristics	Families
Contact Name	Stephanie
Phone	803-226-0055

Market Information

Program	@50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	6
HCV Tenants	25%
Leasing Pace	Pre-leased
Annual Chg. in Rent	No change since Feb 2018
Concession	None
Waiting List	30 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
3	2	Single Family	22	1,250	$530	$0	@50%	Yes	0	0.0%	no	None
3	2	Single Family	22	1,250	$650	$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	$530	$0	$530	-$78	$452

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
3BR / 2BA	$650	$0	$650	-$78	$572

Amenities

In-Unit

Balcony/Patio
Blinds
Carpeting
Central A/C
Coat Closet
Dishwasher
Exterior Storage
Ceiling Fan
Garbage Disposal
Microwave
Oven
Refrigerator
Washer/Dryer hookup

Security

Video Surveillance

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting Room/Community
Exercise Facility
Central Laundry
Off-Street Parking
On-Site Management
Picnic Area
Playground

Premium

None

Other

Gazebo

Comments

According to the contact, the property began pre-leasing in September 2014 and was 100 percent occupied by the time construction was completed.The contact stated that this property has no true major competitors and there is a lack of newly constructed affordable housing in the local market. The contact stated the property is owned by a non-profit and has not tested the market, which is why rents are set below maximum allowable levels. However, she believes that maximum allowable rents are achievable for newly constructed, affordable properties that offer quality housing and competitive amenities. Tenants are eligible to purchase the homes after 15 years of renting.

Trend Report

Vacancy Rates

3Q13	1Q18	3Q18
N/A	0.0%	0.0%

Trend: @50%

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$490	$0	$490	$412
2018	1	0.0%	$530	$0	$530	$452
2018	3	0.0%	$530	$0	$530	$452

Trend: @60%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$595	$0	$595	$517

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$595	$0	$595	$517
2018	1	0.0%	$650	$0	$650	$572
2018	3	0.0%	$650	$0	$650	$572

Trend: Comments

3Q13 N/A

1Q18 Dupont landing was awarded LIHTC equity in 2013 for the new construction of 44 family units. According to the contact, the property began pre-leasing in September 2014 and was 100 percent occupied at least by the time construction was completed. The contact could not provide a more specific date as to when the last unit was leased. As such, we have assumed the last unit was leased in April 2015, when construction was completed and tenants began moving in, which provides a conservative calculation of six units per month. The contact believed this property has no major competitors and there is a lack of newly constructed affordable housing in the local market. Furthermore, this property typically operates at 100 percent occupancy and maintains a waiting list that consists of 30 households. The contact stated the property is owned by a non-profit and has not tested the market, though she believes that maximum allowable rents are achievable for newly constructed, affordable properties that offer quality housing and competitive amenities.

3Q18 According to the contact, the property began pre-leasing in September 2014 and was 100 percent occupied by the time construction was completed.The contact stated that this property has no true major competitors and there is a lack of newly constructed affordable housing in the local market. The contact stated the property is owned by a non-profit and has not tested the market, which is why rents are set below maximum allowable levels. However, she believes that maximum allowable rents are achievable for newly constructed, affordable properties that offer quality housing and competitive amenities. Tenants are eligible to purchase the homes after 15 years of renting.

Photos

PROPERTY PROFILE REPORT

Glen Arbor Apartments

Effective Rent Date	7/09/2018
Location	515 Lincoln Ave Aiken, SC 29801 Aiken County Intersection: Laurens Street NW
Distance	N/A
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Dupont Landing, Walton Court, Hollybrook
Tenant Characteristics	80 percent from Aiken, a few from North Augusta
Contact Name	Marcia
Phone	803.648.6808

Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 2.9 to 3.5 percent
Concession	None
Waiting List	10 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	40	908	$535	$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	16	1,053	$615	$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	$535	$0	$535	-$62	$473
3BR / 2BA	$615	$0	$615	-$78	$537

Amenities

In-Unit

Balcony/Patio
Blinds
Carpeting
Central A/C
Coat Closet
Dishwasher
Garbage Disposal
Microwave
Oven
Refrigerator
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting Room/Community
Central Laundry
Off-Street Parking
On-Site Management
Playground

Premium

None

Other

None

Comments

The property manager stated that she pre-screens and pre-approves tenants before placing them on the wait list, which reduces the length of the list. Rents have increased between 2.9 and 3.5 percent since we previously interviewed this property in January 2017. The contact reported strong demand for affordable housing in the area and stated regular rent increases at the property do not effect demand as the rents are still far more affordable than market-rate properties in the area.

Trend Report

Vacancy Rates

1Q15	1Q17	1Q18	3Q18
1.8%	0.0%	0.0%	0.0%

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.5%	$485	$0	$485	$423
2017	1	N/A	$515	$0	$515	$453
2018	1	0.0%	$530	$0	$530	$468
2018	3	0.0%	$535	$0	$535	$473

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	$565	$0	$565	$487
2017	1	0.0%	$595	$0	$595	$517
2018	1	0.0%	$616	$0	$616	$538
2018	3	0.0%	$615	$0	$615	$537

Trend: Comments

1Q15	The property manager stated there is currently one vacant two-bedroom. Rental rates increased $15 on both units as of January 1, 2015.
1Q17	The property maintains a waiting list, which currently has 10 households. However, the property manager stated that she pre-screens/pre-approves tenants before placing them on the list. Otherwise the waiting list would be much longer.
1Q18	This property currently maintains a waiting list that consists of 15 households. The property manager stated that she pre-screens and pre-approves tenants before placing them on the list, which reduces the length. Rents have increased between 2.9 and 3.5 percent since we previously interviewed this property in January 2017. The contact reported strong demand for affordable housing in the area and stated regular rent increases at the property do not effect demand as the rents are still far more affordable than market-rate properties in the area.
3Q18	The property manager stated that she pre-screens and pre-approves tenants before placing them on the wait list, which reduces the length of the list. Rents have increased between 2.9 and 3.5 percent since we previously interviewed this property in January 2017. The contact reported strong demand for affordable housing in the area and stated regular rent increases at the property do not effect demand as the rents are still far more affordable than market-rate properties in the area.

Glen Arbor Apartments, continued

Photos

PROPERTY PROFILE REPORT

Longleaf Senior Village Phase I

Effective Rent Date	7/10/2018
Location	205 Bushwillow Circle Aiken, SC 29801 Aiken County Intersection: York Street NE
Distance	N/A
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (age-restricted)
Year Built/Renovated	2015 / N/A
Marketing Began	1/01/2015
Leasing Began	5/29/2015
Last Unit Leased	6/29/2015
Major Competitors	Glen Arbor Apartments, Northgate Apartments
Tenant Characteristics	Seniors age 55 and older, average age 55
Contact Name	Nona Weddan
Phone	803-648-1097

Market Information

Program	@50%, @60%
Annual Turnover Rate	4%
Units/Month Absorbed	50
HCV Tenants	16%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased three percent
Concession	None
Waiting List	1.5 years

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	1	850	$344	$0	@50%	Yes	0	0.0%	no	None
1	1	Garden	5	850	$374	$0	@60%	Yes	0	0.0%	no	None
2	2	Garden	12	1,100	$404	$0	@50%	Yes	0	0.0%	no	None
2	2	Garden	32	1,100	$462	$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$344	$0	$344	-$24	$320
2BR / 2BA	$404	$0	$404	-$24	$380

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$374	$0	$374	-$24	$350
2BR / 2BA	$462	$0	$462	-$24	$438

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Perimeter Fencing	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Hand Rails		
Microwave	Oven		
Pull Cords	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		

Comments

This property is the first phase of multi-phase senior development restricted to seniors 55 years old . The contact reported that Walmart, Shaw, AGY, and SRS are major employers for tenants who are working. The contact reports high demand for affordable senior housing in the area. According to the contact, current asking rents are much lower than achievable rents as the owner wanted to open with low rents. The owner has been able to raise rents annually but those rent increases must be approved by the housing authority, which does not allow large increases. Thus, rents at the property lag achievable rents.

Trend Report

Vacancy Rates

1Q17	3Q18
0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$332	$0	$332	$308
2018	3	0.0%	$344	$0	$344	$320

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$392	$0	$392	$368
2018	3	0.0%	$404	$0	$404	$380

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$362	$0	$362	$338
2018	3	0.0%	$374	$0	$374	$350

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$450	$0	$450	$426
2018	3	0.0%	$462	$0	$462	$438

Trend: Comments

1Q17 This property is the first phase of multi-phase senior development restricted to seniors 55 years old . The contact reported that Walmart, Shaw, AGY, and SRS are major employers for tenants who are working. The waiting list currently includes 201 households. The contact estimates the average age of tenants is 55 years old, and the average income is $14,400 per year. She reports high demand for affordable senior housing in the area. According to the owner, rents are much lower than an achievable rent as the property was opened with low rents. The owner has been able to raise rents annually but those rent increases must be approved by the housing authority, which does not allow large increases. Thus, rents at the property lag achievable rents.

3Q18 This property is the first phase of multi-phase senior development restricted to seniors 55 years old . The contact reported that Walmart, Shaw, AGY, and SRS are major employers for tenants who are working. The contact reports high demand for affordable senior housing in the area. According to the contact, current asking rents are much lower than achievable rents as the owner wanted to open with low rents. The owner has been able to raise rents annually but those rent increases must be approved by the housing authority, which does not allow large increases. Thus, rents at the property lag achievable rents.

Photos

PROPERTY PROFILE REPORT

Olde South Terrace

Effective Rent Date	7/25/2018
Location	1000 Twilight Lane Aiken, SC 29801 Aiken County Intersection: Rudy Mason Parkway
Distance	N/A
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Ikea
Phone	(803) 226-0466

Market Information

Program	@50%, @60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	21%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased $10
Concession	None
Waiting List	Approximately 50 households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	8	1,100	$460	$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	24	1,100	$500	$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	4	1,300	$510	$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	12	1,300	$565	$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$460	$0	$460	-$24	$436	2BR / 2BA	$500	$0	$500	-$24	$476
3BR / 2BA	$510	$0	$510	-$24	$486	3BR / 2BA	$565	$0	$565	-$24	$541

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpet/Hardwood	Carpeting	Perimeter Fencing	
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

The contact reported very strong demand for low income housing in the area.

Trend Report

Vacancy Rates

1Q17	1Q18	3Q18
0.0%	0.0%	0.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$440	$0	$440	$416
2018	1	0.0%	$450	$0	$450	$426
2018	3	0.0%	$460	$0	$460	$436

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$490	$0	$490	$466
2018	1	0.0%	$500	$0	$500	$476
2018	3	0.0%	$510	$0	$510	$486

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$480	$0	$480	$456
2018	1	0.0%	$490	$0	$490	$466
2018	3	0.0%	$500	$0	$500	$476

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	$545	$0	$545	$521
2018	1	0.0%	$555	$0	$555	$531
2018	3	0.0%	$565	$0	$565	$541

Trend: Comments

1Q17 The property maintains a waiting list, which consists of approximately 100 households. The contact could not provide an explanation as to why units are not at max rent. However, the contact stated that there is a strong demand for affordable housing throughout the area. The property manager also mentioned that they are in the process of installing a video surveillance system.

1Q18 Olde South Terrace was awarded LIHTC equity for the new construction of 48 family units in 2009 and construction was completed in 2010. This property currently maintains a waiting list that consists of 100 households. The contact could not provide annual turnover rate, percentage of tenants utilizing housing choice vouchers, or average leasing pace; the data in the profile for these categories reflects an interview with this property in January 2017. The contact reported strong demand for affordable housing in the area. The contact believed a newly constructed property with competitive amenities may be able to achieve maximum allowable rents at 50 percent AMI but not 60 percent.

3Q18 The contact reported very strong demand for low income housing in the area.

Photos

PROPERTY PROFILE REPORT

Churchill Commons

Effective Rent Date	7/09/2018
Location	1900 Roses Run Aiken, SC 29803 Aiken County
Distance	N/A
Units	240
Vacant Units	3
Vacancy Rate	1.3%
Type	Garden (2 stories)
Year Built/Renovated	1980 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families
Contact Name	Jessica
Phone	803.642.7070

Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One month
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	160	950	$915	$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	80	1,100	$990	$0	Market	No	3	3.8%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$915	$0	$915	-$24	$891
3BR / 2BA	$990	$0	$990	-$24	$966

Churchill Commons, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			

Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Jacuzzi	Central Laundry		
Picnic Area	Playground		
Swimming Pool	Tennis Court		
Volleyball Court			

Comments

Housing Choice Vouchers are not accepted.

Trend Report

Vacancy Rates

1Q15	2Q15	1Q16	3Q18
5.0%	5.0%	2.9%	1.3%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$750	$0	$750	$726
2015	2	N/A	$750	$0	$750	$726
2016	1	3.1%	$750	$0	$750	$726
2018	3	0.0%	$915	$0	$915	$891

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	$800	$0	$800	$776
2015	2	N/A	$800	$0	$800	$776
2016	1	2.5%	$800	$0	$800	$776
2018	3	3.8%	$990	$0	$990	$966

Trend: Comments

1Q15	Management noted that a few units of each bedroom type have been upgraded with new appliances and floors. Two-bedroom upgraded units rent for $850 and three-bedroom upgraded units rent for $900. Management was unable to provide the breakdown of vacancies by unit type. Housing Choice Vouchers are not accepted.
2Q15	N/A
1Q16	N/A
3Q18	Housing Choice Vouchers are not accepted.

Photos

PROPERTY PROFILE REPORT

Haven At Market Street Station

Effective Rent Date	7/16/2018
Location	8034 Macbean Loop Aiken, SC 29801 Aiken County Intersection: St. Charles Avenue
Distance	N/A
Units	284
Vacant Units	8
Vacancy Rate	2.8%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Summit
Tenant Characteristics	Locals and several families
Contact Name	Jessica
Phone	803-641-3111

Market Information

Program	Market
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	68	776	$735	$0	Market	None	1	1.5%	N/A	None
1.5	1	Garden (3 stories)	50	998	$835	$0	Market	None	1	2.0%	N/A	None
2	2	Garden (3 stories)	142	1,150	$935	$0	Market	None	3	2.1%	N/A	None
3	2	Garden (3 stories)	24	1,292	$1,130	$0	Market	None	3	12.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$735	$0	$735	$0	$735
1.5BR / 1BA	$835	$0	$835	$0	$835
2BR / 2BA	$935	$0	$935	$0	$935
3BR / 2BA	$1,130	$0	$1,130	$0	$1,130

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		

Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

This property does not accept Housing Choice Vouchers. The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Garage parking is available to tenants for an additional $75 per month. The property has 50 garages and one vacant, which equates to a utilization rate of 98 percent. Rents have decreased slightly since our last interview in February 2018; the contact was unable to provide a reason for the change.

Trend Report

Vacancy Rates

1Q16	1Q17	1Q18	3Q18
2.5%	7.7%	7.0%	2.8%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	4.0%	$860	$61	$799	$799
2017	1	N/A	$860	$0	$860	$860
2018	1	N/A	$860	$0	$860	$860
2018	3	2.0%	$835	$0	$835	$835

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$760	$0	$760	$760
2017	1	N/A	$760	$0	$760	$760
2018	1	N/A	$760	$0	$760	$760
2018	3	1.5%	$735	$0	$735	$735

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	3.5%	$935	$36	$899	$899
2017	1	N/A	$935	$60	$875	$875
2018	1	N/A	$935	$0	$935	$935
2018	3	2.1%	$935	$0	$935	$935

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	0.0%	$1,155	$0	$1,155	$1,155
2017	1	N/A	$1,155	$0	$1,155	$1,155
2018	1	N/A	$1,155	$0	$1,155	$1,155
2018	3	12.5%	$1,130	$0	$1,130	$1,130

Trend: Comments

1Q16 The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Through January 2016, rents for one-bedroom with den and two-bedroom will be $799 and $899, respectively. Residents are billed separately for all utilities.

1Q17 The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Also, the contact stated the high vacancy was due to the slow season during December and January.The property is offering a temporary concession. Two-bedroom units leased prior to January 31, 2017 will be offered at $875/month.

1Q18 This property does not accept Housing Choice Vouchers. The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. The contact reported a typical occupancy rate of 95 percent and attributed the slightly elevated vacancy to the slow season during December, January, and February. Garage parking is available to tenants for an additional $75 per month. The property has 50 garages and one vacant, which equates to a utilization rate of 98 percent. Rents have remained the same at this property since the last time we interviewed this property in January 2017.

3Q18 This property does not accept Housing Choice Vouchers. The contact indicated that one-bedroom with den and two-bedrooms often have vacancies, while regular one-bedrooms and three-bedrooms are usually full. Garage parking is available to tenants for an additional $75 per month. The property has 50 garages and one vacant, which equates to a utilization rate of 98 percent. Rents have decreased slightly since our last interview in February 2018; the contact was unable to provide a reason for the change.

Photos

PROPERTY PROFILE REPORT

Steeplechase Apartments

Effective Rent Date	7/16/2018
Location	749 Silver Bluff Aiken, SC 29803 Aiken County
Distance	N/A
Units	126
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1973 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Erin
Phone	803.648.3800

Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 4 - 9 percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	96	635	$645	$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	24	835	$750	$0	Market	No	0	0.0%	N/A	None
3	1.5	Garden (2 stories)	6	1,050	$810	$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$645	$0	$645	-$54	$591
2BR / 1BA	$750	$0	$750	-$62	$688
3BR / 1.5BA	$810	$0	$810	-$78	$732

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Oven		
Refrigerator			

Property		Premium	Other
Clubhouse/Meeting Room/Community	Jacuzzi	None	None
Central Laundry	Playground		
Swimming Pool	Tennis Court		

Comments

This property was renovated in 2015. Renovations included new kitchen appliances, light fixtures, cabinets and counter tops. The property does not accept Housing Choice Vouchers.

Trend Report

Vacancy Rates

1Q08	1Q15	2Q15	3Q18
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	$487 - $513	$0	$487 - $513	$433 - $459
2015	1	N/A	$537 - $558	$0	$537 - $558	$483 - $504
2015	2	N/A	$537 - $558	$0	$537 - $558	$483 - $504
2018	3	0.0%	$645	$0	$645	$591

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	$601 - $627	$0	$601 - $627	$539 - $565
2015	1	0.0%	$667	$0	$667	$605
2015	2	0.0%	$667	$0	$667	$605
2018	3	0.0%	$750	$0	$750	$688

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	N/A	$675 - $720	$0	$675 - $720	$597 - $642
2015	1	N/A	$685 - $730	$0	$685 - $730	$607 - $652
2015	2	N/A	$685 - $730	$0	$685 - $730	$607 - $652
2018	3	0.0%	$810	$0	$810	$732

Trend: Comments

1Q08 Steeplechase Apartments is a market-rate property with a 126 one, two, and three-bedroom units. Management reported that there are currently no vacant units.

1Q15 The contact reported the property is 100 percent occupied. Upgraded one and two-bedroom units include new kitchen appliances, light fixtures, cabinets and counter top, and command a higher rental rate. The contact was unable to provide an annual or monthly turnover rate. Rents increased $10 on all unit types February 1, 2015. The property does not accept Housing Choice Vouchers.

2Q15 N/A

3Q18 This property was renovated in 2015. Renovations included new kitchen appliances, light fixtures, cabinets and counter tops. The property does not accept Housing Choice Vouchers.

Steeplechase Apartments, continued

Photos

PROPERTY PROFILE REPORT

The Colony At South Park

Effective Rent Date	7/10/2018
Location	101 Greengate Circle Aiken, SC 29803 Aiken County Intersection: Colony Parkway
Distance	N/A
Units	168
Vacant Units	3
Vacancy Rate	1.8%
Type	Garden (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Churchill Commons, Trotters Run
Tenant Characteristics	Families
Contact Name	Laura
Phone	(803)649-4140

Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1.0 to 2.1 percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	45	750	$875	$0	Market	No	1	2.2%	N/A	None
2	2	Garden (2 stories)	78	950	$930	$0	Market	No	1	1.3%	N/A	None
3	2	Garden (2 stories)	45	1,150	$1,030	$0	Market	No	1	2.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$875	$0	$875	$0	$875
2BR / 2BA	$930	$0	$930	$0	$930
3BR / 2BA	$1,030	$0	$1,030	$0	$1,030

The Colony At South Park, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Dog Park, sun deck, gazebo
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. Trash collection is billed separately for an additional $10 per month. Premium amenities include a sun deck, dog park, and gazebo.

Trend Report

Vacancy Rates

1Q16	1Q17	1Q18	3Q18
7.7%	4.2%	2.4%	1.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$780 - $880	$0	$780 - $880	$780 - $880
2017	1	N/A	$840 - $860	$0	$840 - $860	$840 - $860
2018	1	0.0%	$865	$0	$865	$865
2018	3	2.2%	$875	$0	$875	$875

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$880 - $980	$0	$880 - $980	$880 - $980
2017	1	N/A	$900 - $950	$0	$900 - $950	$900 - $950
2018	1	1.3%	$955	$0	$955	$955
2018	3	1.3%	$930	$0	$930	$930

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$890 - $1,022	$0	$890 - $1,022	$890 - $1,022
2017	1	N/A	$1,000 - $1,015	$0	$1,000 - $1,015	$1,000 - $1,015
2018	1	6.7%	$1,025	$0	$1,025	$1,025
2018	3	2.2%	$1,030	$0	$1,030	$1,030

Trend: Comments

1Q16 The property is currently 91 percent occupied. The property includes a basic cable package of approximately 70 channels in the listed rents. The property manager indicated that rents increase approximately five percent annually.

1Q17 The property does not accept Housing Choice Vouchers.

1Q18 The property does not accept Housing Choice Vouchers. Trash collection is billed separately for an additional $10 per month. Premium amenities include a sun deck, dog park, and gazebo. The vacancy rate has declined by 1.3 percent and rents have increased from 1.0 to 2.1 percent since we last interviewed this property in January 2017.

3Q18 The property does not accept Housing Choice Vouchers. Trash collection is billed separately for an additional $10 per month. Premium amenities include a sun deck, dog park, and gazebo.

Photos

PROPERTY PROFILE REPORT

The Summits Of Aiken Apartments

Effective Rent Date	7/10/2018
Location	2170 Jefferson Davis Hwy Graniteville, SC 29829 Aiken County
Distance	N/A
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Haven at Market Street
Tenant Characteristics	Families with children
Contact Name	Jillian
Phone	803-392-7049

Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	17
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Decreased less than one percent
Concession	$25 off two-bedrooms
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	96	1,050	$949	$25	Market	None	0	0.0%	N/A	None
3	2	Garden (3 stories)	24	1,300	$1,199	$0	Market	None	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$949	$25	$924	-$24	$900
3BR / 2BA	$1,199	$0	$1,199	-$24	$1,175

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Recreation Areas	Swimming Pool		

Comments

This property does not accept Housing Choice Vouchers. The property manager stated that she believes there is higher demand in the area for three-bedroom units. The contact reported a typical occupancy rate of 97 percent or higher.

Trend Report

Vacancy Rates

3Q13	1Q16	1Q18	3Q18
11.7%	7.5%	0.8%	0.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	13.5%	$855	$63	$792	$768
2016	1	7.3%	$939	$100	$839	$815
2018	1	1.0%	$969	$0	$969	$945
2018	3	0.0%	$949	$25	$924	$900

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	4.2%	$985	$74	$911	$887
2016	1	8.3%	$1,134	$100	$1,034	$1,010
2018	1	0.0%	$1,259	$0	$1,259	$1,235
2018	3	0.0%	$1,199	$0	$1,199	$1,175

Trend: Comments

3Q13 The property is newly constructed and has a total of 120 market-rate units, all of which are either two-bedroom or three-bedroom units. Almost all of the vacancies are in the two-bedroom units; the property manager stated that she believes there is higher demand in the area for three-bedroom units. There is currently a concession for both unit types for the first month's rent to be $99 when the tenant signs a 12 month lease. All units come standard with a washer and dryer.

1Q16 The property manager stated that she believes there is higher demand in the area for three-bedroom units. There is currently a concession for both unit types of $100 off every month of a 12 month lease. When factoring in concessions, rents have not increased in approximately the past year and a half. All units come with washer and dryer. Basic cable is included in the listed rents.

1Q18 This property does not accept Housing Choice Vouchers. The property manager stated that she believes there is higher demand in the area for three-bedroom units. All units come with exterior storage and a washer/dryer for no additional charge. Two-bedroom rents have increased by 3.1 percent and three-bedroom rents have increased by ten percent since we last interviewed this property in January 2016. The contact reported a typical occupancy rate of 97 percent or higher.

3Q18 This property does not accept Housing Choice Vouchers. The property manager stated that she believes there is higher demand in the area for three-bedroom units. The contact reported a typical occupancy rate of 97 percent or higher.

Photos

PROPERTY PROFILE REPORT

Trotters Run

Effective Rent Date	7/10/2018
Location	925 Trail Ridge Rd Aiken, SC 29803 Aiken County
Distance	N/A
Units	96
Vacant Units	3
Vacancy Rate	3.1%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families
Contact Name	Christie
Phone	803.641.7163

Market Information

Program	Market
Annual Turnover Rate	37%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	One week
Annual Chg. in Rent	Increased $15
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	700	$685	$0	Market	No	1	4.2%	N/A	None
2	2	Garden (3 stories)	60	1,005	$805	$0	Market	No	1	1.7%	N/A	None
3	2	Garden (3 stories)	12	1,230	$905	$0	Market	No	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$685	$0	$685	-$54	$631
2BR / 2BA	$805	$0	$805	-$62	$743
3BR / 2BA	$905	$0	$905	-$78	$827

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Carpeting		
Central A/C	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Cable included with Rent
Courtyard	Exercise Facility		
Garage	Jacuzzi		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. Washer and dryer machines can be rented for $50 per month through a third-party vendor.

Trend Report

Vacancy Rates

3Q13	1Q14	1Q15	3Q18
4.2%	4.2%	2.1%	3.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	8.3%	$670	$0	$670	$616
2014	1	8.3%	$670	$0	$670	$616
2015	1	8.3%	$670	$25	$645	$591
2018	3	4.2%	$685	$0	$685	$631

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	3.3%	$790	$66	$724	$662
2014	1	3.3%	$790	$66	$724	$662
2015	1	0.0%	$790	$25	$765	$703
2018	3	1.7%	$805	$0	$805	$743

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	0.0%	$890	$74	$816	$738
2014	1	0.0%	$890	$74	$816	$738
2015	1	0.0%	$890	$25	$865	$787
2018	3	8.3%	$905	$0	$905	$827

Trend: Comments

3Q13 There are currently four vacant units, which the property manager stated was fairly typical. The property is currently running a special of one-month free on two and three bedroom units only. Rents are unchanged in the past year. The property manager stated that she thinks demand is higher for one bedroom units than for other bedroom types. All utilities are included in the rent, as is basic cable.

1Q14 The property is currently running a special of one-month free on two and three bedroom units only. Rents have not changed in the past year. The property manager stated that she thinks demand is higher for one bedroom units than for other bedroom types. All utilities are included in the rent, including basic cable.

1Q15 The property is currently offering $25 off each month upon signage of a 12-month lease. Rents have not changed in the past year. The property does not accept Housing Choice Vouchers. Washer and dryer machines can be rented for $50 per month through a third-party vendor.

3Q18 The property does not accept Housing Choice Vouchers. Washer and dryer machines can be rented for $50 per month through a third-party vendor.

Photos

PROPERTY PROFILE REPORT

Verandas On The Green

Effective Rent Date	7/16/2018
Location	101 Fairway Ridge Aiken, SC 29803 Aiken County
Distance	N/A
Units	222
Vacant Units	2
Vacancy Rate	0.9%
Type	Garden (2 stories)
Year Built/Renovated	1986 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Trotters Run, Churchill Commons
Tenant Characteristics	Families
Contact Name	Courtney
Phone	803.649.3468

Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Three weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	56	775	$705	$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	136	1,000	$770	$0	Market	No	1	0.7%	N/A	None
3	2	Garden (2 stories)	30	1,235	$892	$0	Market	No	1	3.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	$705	$0	$705	$0	$705
2BR / 2BA	$770	$0	$770	$0	$770
3BR / 2BA	$892	$0	$892	$0	$892

Amenities

In-Unit
Balcony/Patio
Cable/Satellite/Internet
Central A/C
Exterior Storage
Fireplace
Oven
Washer/Dryer hookup
Blinds
Carpeting
Dishwasher
Ceiling Fan
Garbage Disposal
Refrigerator

Security
Perimeter Fencing

Services
None

Property
Clubhouse/Meeting Room/Community
Jacuzzi
Off-Street Parking
Playground
Tennis Court
Exercise Facility
Central Laundry
On-Site Management
Swimming Pool

Premium
None

Other
Cable is included with rent

Comments
A fee of $65, $75, and $85 for water, sewer, trash, and 70 channel basic cable is added to the listed rents for one, two, and three-bedroom units, respectively.

Trend Report

Vacancy Rates

3Q13	1Q14	1Q16	3Q18
8.1%	8.1%	7.7%	0.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$650	$0	$650	$650
2014	1	N/A	$650	$0	$650	$650
2016	1	8.3%	$725 - $765	$0	$725 - $765	$725 - $765
2018	3	0.0%	$705	$0	$705	$705

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$661 - $779	$0	$661 - $779	$661 - $779
2014	1	N/A	$661 - $779	$0	$661 - $779	$661 - $779
2016	1	4.9%	$775 - $875	$0	$775 - $875	$775 - $875
2018	3	0.7%	$770	$0	$770	$770

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	$838	$0	$838	$838
2014	1	N/A	$838	$0	$838	$838
2016	1	15.0%	$912 - $985	$0	$912 - $985	$912 - $985
2018	3	3.3%	$892	$0	$892	$892

Trend: Comments

3Q13 There are currently no applications pending for vacant units. The higher rental rates on the two-bedroom units are for units on upper floors. The property manager stated that rents have been decreased significantly in the past year in an effort to attract new tenants.

1Q14 The higher rental rates on the two-bedroom units are for units on upper floors. The property manager stated that rents have been decreased significantly in the past year in an effort to attract new tenants.

1Q16 Rent ranges are primarily due to floor level, inclusion of a fireplace, and tile flooring/bathrooms. Management indicated the property is approximately 94 percent occupied, but could not indicate vacancies by floor plan. Listed vacancies are estimated. A fee of $65, $75, and $85 for water, sewer, trash, and 70 channel basic cable is included in the listed rents for one, two, and three-bedrooms, respectively.

3Q18 A fee of $65, $75, and $85 for water, sewer, trash, and 70 channel basic cable is added to the listed rents for one, two, and three-bedroom units, respectively.

Photos

PROPERTY PROFILE REPORT

Woodwinds Apartment Homes

Effective Rent Date	7/10/2018
Location	100 Cody Lane Aiken, SC 29803 Aiken County Intersection: Aberdeen Drive
Distance	N/A
Units	144
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Verandas on the Green
Tenant Characteristics	Families
Contact Name	Chexbres
Phone	(803)648-5451

Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	No change
Concession	None
Waiting List	Ten households

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	72	1,074	$885	$0	Market	Yes	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	20	1,157	$910	$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden	24	1,236	$990	$0	Market	Yes	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	28	1,252	$980	$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	$885	$0	$885	-$24	$861
2BR / 2.5BA	$910	$0	$910	-$24	$886
3BR / 2BA	$980 - $990	$0	$980 - $990	-$24	$956 - $966

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		

Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Dog park, outdoor grills
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

This property does not accept Housing Choice Vouchers. Rents reflected are averages. Premium amenities include a dog park and outdoor grills.

Trend Report

Vacancy Rates

1Q16	1Q17	1Q18	3Q18
0.7%	0.0%	0.0%	0.0%

Trend: Market

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$863 - $958	$0	$863 - $958	$839 - $934
2017	1	0.0%	$925	$0	$925	$901
2018	1	0.0%	$925	$0	$925	$901
2018	3	0.0%	$910	$0	$910	$886

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$813 - $908	$0	$813 - $908	$789 - $884
2017	1	0.0%	$875	$0	$875	$851
2018	1	0.0%	$875	$0	$875	$851
2018	3	0.0%	$885	$0	$885	$861

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	$913 - $1,058	$0	$913 - $1,058	$889 - $1,034
2017	1	0.0%	$975	$0	$975	$951
2018	1	0.0%	$975 - $980	$0	$975 - $980	$951 - $956
2018	3	0.0%	$980 - $990	$0	$980 - $990	$956 - $966

Trend: Comments

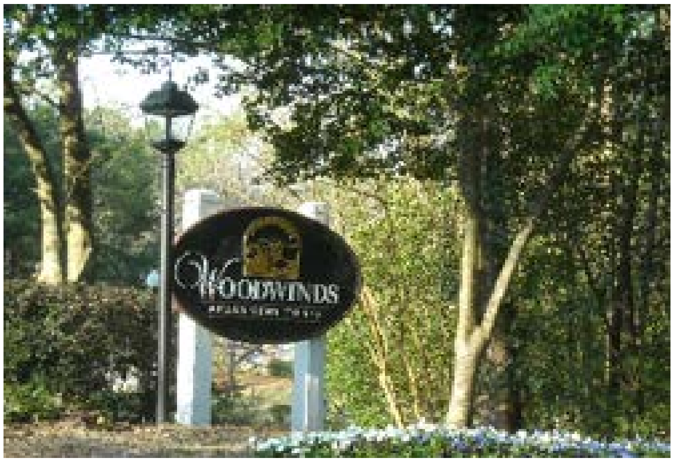
1Q16 The listed rents include a $63 fee for basic cable, trash pickup, and pest control that is not optional. Housing Choice Vouchers are not accepted. The contact noted that the property experiences above average turnover.

1Q17 Housing Choice Vouchers are not accepted. The contact noted that the property experiences above average turnover. The property maintains a waiting list that contains approximately eight households. Currently, the property is offering a temporary concession of 1/2 off of the $50 application fee and a waived $150 application fee. Pest control is included in the rent.

1Q18 This property does not accept Housing Choice Vouchers. Since we last interviewed this property in January 2017, rents have remained stable across all floor plans except the 1,252 square foot two-bedroom units, which have increased by $5. The property maintains a waiting list that contains approximately ten households. Premium amenities include a dog park and outdoor grills.

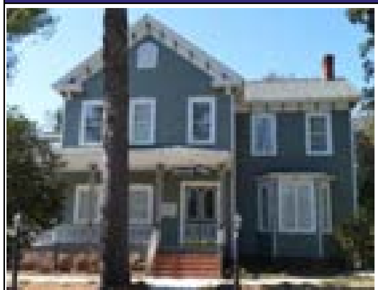
3Q18 This property does not accept Housing Choice Vouchers. Rents reflected are averages. Premium amenities include a dog park and outdoor grills.

Photos



RENTAL # 13

Address: 105 Florence Street



Bedrooms	Baths	Square Footage	Age	Rent	Adjusted Rent
0	1	400	1886/2000's	$900	$759

Tenant Paid Utilities:	Amenities:
None	Blinds, stove, refrigerator, dishwasher, microwave, washer/dryer, wood flooring, coat closet, off-street parking, fireplace, central heating and air conditioning, furnished with TV and other items.

Comments: None

Rental #14

Address: 225 Kershaw Street SE

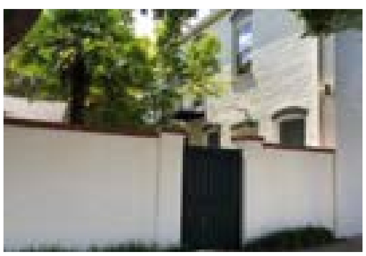
Bedrooms	Baths	Square Footage	Age	Rent	Adjusted Rent
1	1	1,000	1970's	$950	$950

Tenant Paid Utilities:	Amenities:
Gas, Electric, Water, Sewer, Trash	Blinds, hardwood flooring, central heating and air conditioning, coat closets, dishwasher, exterior storage, ceiling fans, garbage disposal, microwave, oven, refrigerator, washer/dryer connection, garage, fireplace

Comments: This is a single-family rental property

Rental #15

Address: 304 Park Avenue SE



Bedrooms	Baths	Square Footage	Age	Rent	Adjusted Rent
1	1	1,200	1980's/2000's	$1,850	$1,683

Tenant Paid Utilities:	Amenities:
None	Blinds, hardwood flooring, central heating and air conditioning, coat closets, dishwasher, exterior storage, ceiling fans, garbage disposal, microwave, oven, refrigerator, washer/dryer connection, courtyard

Comments: None

Rental #16

Address: 318 Chesterfield St N.

Bedrooms	Baths	Square Footage	Age	Rent	Adjusted Rent
3	2	1,716	1970's	$1,500	$1,225

Tenant Paid Utilities:	Amenities:
None	Backyard/patio, stove, refrigerator, blinds, carpet/wood flooring, central heating and air conditioning, coat closet, dishwasher, exterior storage, ceiling fan, garbage disposal, microwave, oven, refrigerator, walk-in closet, washer/dryer, off-street parking, garage, furnishings

Comments: This is a single-family rental and both short and long-term rentals are available.

Rental #17

Address: 312-B Laurens Street

Bedrooms	Baths	Square Footage	Age	Rent	Adjusted Rent
4	2	1,632	1971/2000's	$2,200	$2,200

Tenant Paid Utilities:	Amenities:
Electric, gas, water, sewer trash	Backyard/patio, stove, refrigerator, blinds, carpet/wood flooring, central heating and air conditioning, coat closet, dishwasher, exterior storage, ceiling fan, garbage disposal, microwave, oven, refrigerator, walk-in closet, washer/dryer, off-street parking, community pool, furnishings

Comments: This unit is in an owner-occupied devleopment but is being rented.

OVERVIEW

Properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. As previously discussed there are no multifamily apartment complexes located in downtown Aiken. As such, we surveyed several LIHTC and market rate multifamily developments located in Aiken and one in Graniteville, and have supplemented this data with listings of single-family rental homes, condominium rentals, and conversion rental units that are located in downtown, along with some data provided by various property owners and real estate agents. This data is used to provide a picture of the health and available supply in the market. It should be noted that, while we believe there is demand for senior housing in the Aiken market, we do not believe the need for senior housing is strong enough to warrant a discussion and we have focused primarily on general population targeted units, which could also house seniors. It should also be noted that, while we have analyzed affordable developments in Aiken, we believe the strongest demand for housing in downtown and the most feasible type of development in downtown is for middle to upper-income market rate housing. We believe there is strong demand citywide for affordable housing. This opinion is based on the demographic data and our various interviews with market participants. We have also analyzed the data presented in the following table, which was provided by Meybohm Realty. The following table details all Meybohm rental properties in downtown, as provided by Courtney Contursi-Wilson, a realtor with Meybohm Realty. It should be noted that she was unable to provide addresses for each of the properties. As such, the impacts of age/condition and amenities on pricing of these units is unknown. Further, we are aware that some of these units come partially or fully furnished.

MEYBOHM DOWNTOWN RENTAL UNITS

Beds	Baths	Unit Size (SF)	Adjusted Rent*	Adjusted Rent Per Square Foot
1	1	1,200	$1,683	$1.40
2	1	730	$750	$1.03
2	1.5	985	$825	$0.84
2	1.5	898	$1,100	$1.22
2	2	2,000	$775	$0.39
3	1	1,175	$750	$0.64
3	1	1,400	$800	$0.57
3	1	1,282	$975	$0.76
3	1.5	1,709	$1,100	$0.64
3	2.5	1,900	$1,200	$0.63
3	2.5	1,710	$1,200	$0.70
3	2.5	2,200	$1,275	$0.58
3	3	2,587	$1,275	$0.49
3	3.5	1,330	$2,100	$1.58
4	2.5	1,900	$1,200	$0.63
4	3.5	1,300	$1,970	$1.52

*Assumes tenants pay all utilities

Unit Mix

The below tables illustrate the unit mix of the comparable properties. It should be noted that this includes the multifamily comparables, the one-off rentals in downtown, and the downtown rental units as provided by Meybohm.

UNIT MIX - ALL COMPARABLES		
Unit Type	Total Units	Percent
0 BR	1	0.1%
1 BR	348	21.5%
2 BR	908	56.1%
3 BR	359	22.2%
4 BR	3	0.2%
Total	**1,619**	**100.0%**

UNIT MIX - AFFORDABLE		
Unit Type	Total Units	Percent
0 BR	0	0.0%
1 BR	6	3.0%
2 BR	116	58.6%
3 BR	76	38.4%
4 BR	0	0.0%
Total	**198**	**100.0%**

UNIT MIX - MARKET RATE		
Unit Type	Total Units	Percent
0 BR	1	0.1%
1 BR	342	24.1%
2 BR	792	55.7%
3 BR	283	19.9%
4 BR	3	0.2%
Total	**1,421**	**100.0%**

UNIT MIX - DOWNTOWN ONLY (ALL MARKET RATE)		
Unit Type	Total Units	Percent
0 BR	1	4.8%
1 BR	3	14.3%
2 BR	4	19.0%
3 BR	10	47.6%
4 BR	3	14.3%
Total	**21**	**100.0%**

As indicated by the unit mixes, the multifamily market in Aiken consists primarily of one, two, and three-bedroom units, which represent 21.5, 56.1, and 22.2 percent of all rental units surveyed. Among the affordable comparables, the units consist primarily of two and three-bedroom units (58.6 and 38.4 percent of total, respectively). Among the market rate comparables, the units consist primarily of one, two, and three-bedroom units (24.1, 55.7, and 19.9 percent of total, respectively). Among the downtown comparables (all of which are market rate), the units consist primarily of two and three-bedroom units (19.0 and 47.6 percent of total, respectively). As previously discussed, the average household size in downtown Aiken is smaller than that of the city as a whole. Further, anecdotal evidence from our interviews indicates that the target tenancy for downtown rental properties are young professionals and retirees/empty nesters, which typically consists of one to two-person households. Nonetheless, we cannot ignore the large percentage of three-bedroom units in the market, and we do believe there is demand for some three-bedroom units in downtown Aiken and citywide. As such, our focus for the remainder of this study will be on one, two, and three-bedroom unit types.

Ms. Wilson reported that she does receive inquiries for one-bedroom rental units in and around the downtown area and she does believe there is demand for one-bedroom units in downtown, despite a current lack of one-bedroom rental units in that market. However, she did report that the most commonly requested floor plan throughout the city of Aiken is a three-bedroom unit with two bathrooms. She is unsure as to why there is currently a lack of one-bedroom rental units in downtown Aiken.

Unit Size

The following table illustrates the unit sizes among the comparables.

UNIT SIZE COMPARISON

Unit Type	Novoco's Recommended Unit Size Range	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/ Disadvantage
1 BR	750-950	635	1,200	874	-14% to 9%
2 BR	900-1,100	730	2,000	1,061	-15% to 4%
3 BR	1,300-1,500	1,050	2,587	1,417	-8% to 6%

UNIT SIZE COMPARISON - DOWNTOWN MARKET RATE

Unit Type	Novoco's Recommended Unit Size Range	Surveyed Min	Surveyed Max	Surveyed Average	Advantage/ Disadvantage
1 BR	750-950	1,000	1,200	1,133	-34% to -16%
2 BR	900-1,100	730	2,000	1,153	-22% to -5%
3 BR	1,300-1,500	1,175	2,587	1,701	-24% to -12%

The one-bedroom unit sizes among the comparables exhibit a wide range from 635 to 1,200 square feet with an average of 874 square feet. The stand-alone one-bedroom downtown rental units exhibit a range from 1,000 to 1,200 square feet with an average of 1,133 square feet. The relatively large unit sizes among downtown rental units is likely due to the fact that the majority of these units have been converted from space not originally intended for multifamily use. We believe one-bedroom unit sizes of 750 to 950 square feet would be well accepted in this market. The two-bedroom unit sizes among the comparables also exhibit a wide range from 730 to 2,000 square feet with an average of 1,061 square feet. The stand-alone two-bedroom downtown rental units exhibit a range from 730 to 2,000 square feet with an average of 1,153 square feet. We believe two-bedroom unit sizes of 900 to 1,100 square feet would be well accepted in this market. The three-bedroom unit sizes among the comparables also exhibit a wide range from 1,050 to 2,587 square feet with an average of 1,417 square feet. The stand-alone three-bedroom downtown rental units exhibit a range from 1,175 to 2,587 square feet with an average of 1,701 square feet. We believe three-bedroom unit sizes of 1,300 to 1,500 square feet would be well accepted in this market. It should be noted that we also believe larger or smaller unit sizes than those recommended would likely be well accepted in this market but we believe unit sizes within these recommended ranges would be ideal in order to maximize use of space/profit while also providing good marketability.

Bathrooms

Among the comparables, all of the one-bedroom units off one bathroom. However, it should be noted that Stuart Bedenbaugh, City Manager, believes that all downtown rental units should offer a minimum of one and a half bathrooms as these units will likely be used for entertaining guests given their location and target tenancy. We believe one-bedroom units with one or one and a half bathrooms will be accepted in this market. Among the two-bedroom comparables, only three offer one bathroom, while the remaining offer one and a half or two bathrooms. We recommend offering two-bedroom units with two bathrooms. Among the three-bedroom comparables, only three offer one bathroom (all downtown rentals), while four offer one and a half bathrooms and the rest offer two or two and a half bathrooms. We recommend offering three-bedroom units with two bathrooms.

Vacancy

All of the surveyed true multifamily properties were able to provide vacancy rates. The following table illustrates the overall vacancy rates at the properties included in the survey. It should be noted that all of the stand-alone rental properties we have presented are based on listings; thus, all of these units are currently vacant.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Dupont Landing	LIHTC	Family	44	0	0.0%
Glen Arbor Apartments	LIHTC	Family	56	0	0.0%
Longleaf Senior Village Phase I	LIHTC	Senior	50	0	0.0%
Olde South Terrace	LIHTC	Family	48	0	0.0%
Churchill Commons	Market	Family	240	3	1.3%
Haven At Market Street Station	Market	Family	284	8	2.8%
Steeplechase Apartments	Market	Family	126	0	0.0%
The Colony At South Park	Market	Family	168	3	1.8%
The Summits Of Aiken Apartments	Market	Family	120	0	0.0%
Trotters Run	Market	Family	96	3	3.1%
Verandas On The Green	Market	Family	222	2	0.9%
Woodwinds Apartment Homes	Market	Family	144	0	0.0%
Total LIHTC			**198**	**0**	**0.0%**
Total Market Rate			**1,400**	**19**	**1.4%**
Overall Total			**1,598**	**19**	**1.2%**

The vacancy rates among the properties range from zero to 3.1 percent, with an overall average of 1.2 percent. The four affordable comparables reported vacancy rates of zero percent. The market rate comparables reported vacancy rates of zero to 3.1 percent with an overall vacancy rate of 1.4 percent. The reported vacancy rates indicate a supply constrained market with few vacancies and excess demand.

Tenant Characteristics

The following table illustrates tenant characteristics for the multifamily properties.

TENANT CHARACTERISTICS		
Comparable Property	Type	Tenant Characteristics
Dupont Landing	LIHTC	Families
Glen Arbor Apartments	LIHTC	80 percent from Aiken, a few from North Augusta
Longleaf Senior Village Phase I	Senior LIHTC	Seniors age 55 and older, average age 55
Olde South Terrace	LIHTC	Mixed tenancy
Churchill Commons	Market	Families
Haven At Market Street Station	Market	Locals and several families
Steeplechase Apartments	Market	Mixed tenancy
The Colony At South Park	Market	Families
The Summits Of Aiken Apartments	Market	Families with children
Trotters Run	Market	Families
Verandas On The Green	Market	Families
Woodwinds Apartment Homes	Market	Families

As the table indicates, the comparables generally reported mixed or family tenancy, with the exception of the senior LIHTC comparable. It is important to note that all of these comparables are located outside of downtown Aiken.

Concessions

The Summits of Aiken Apartments, a market rate comparable located in Graniteville, is currently offering $25 off the monthly rent for two-bedroom units. Given the lack of concessions among the majority of the comparables, the lack of vacant units in the market, and the indications of the demand analysis, we do not believe that concessions are necessary in this market.

Wait Lists

The following table illustrates waiting list information reported by the surveyed properties.

WAITING LIST

Property Name	Rent Structure	Tenancy	Waiting List Length
Dupont Landing	LIHTC	Family	30 households
Glen Arbor Apartments	LIHTC	Family	10 households
Longleaf Senior Village Phase I	LIHTC	Senior	1.5 years
Olde South Terrace	LIHTC	Family	Approximately 50 households
Churchill Commons	Market	Family	None
Haven At Market Street Station	Market	Family	None
Steeplechase Apartments	Market	Family	None
The Colony At South Park	Market	Family	None
The Summits Of Aiken Apartments	Market	Family	None
Trotters Run	Market	Family	None
Verandas On The Green	Market	Family	None
Woodwinds Apartment Homes	Market	Family	Ten households

Of the properties surveyed, all of the affordable and one of the market rate comparables reported waiting lists. These waiting lists indicate a level of unmet demand for both market rate and affordable housing throughout Aiken.

Fair Market Rents

The current fair market rents as defined by HUD are illustrated in the below table. It should be noted that these are effective as of January 1, 2018, which are the most recent. These rents are utilized by the Housing Authority in order to establish tenant-based housing choice voucher rents and payment standards.

FAIR MARKET RENTS	
Studio	$617
1BR	$636
2BR	$771
3BR	$1,053
4BR	$1,358

Market Rent Analysis

In order to create appropriate comparisons between the properties, we have established a similar utility basis. We have adjusted rents based on a utility structure where tenants pay all utilities. We have found that this utility structure is the most common one utilized among the rental units in downtown. As a result, properties with differing utility structures have been adjusted to this standard convention.

Market rate properties in Aiken command a wide variety of rents based upon location, size, condition, and amenities, and whether or not the unit is furnished as many downtown stand-alone rentals come partially or fully furnished. The following table illustrates the adjusted rental rates among the market rate properties.

MARKET RENT COMPARISON			
Property Name	**1BR**	**2BR**	**3BR**
Churchill Commons	-	$891	$966
Haven At Market Street Station	$835 $735	$935	$1,130
Steeplechase Apartments	$591	$688	$732
The Colony At South Park	$875	$930	$1,030
The Summits Of Aiken Apartments	-	$900	$1,175
Trotters Run	$631	$743	$827
Verandas On The Green	$705	$770	$892
Woodwinds Apartment Homes	-	$886 $861	$966 $956
225 Kershaw Street SE	$950	-	-
318 Chesterfield St N.	-	-	$1,225
Average Meybohm Rentals	$1,683*	$863	$1,186
Average (excluding Subject)	**$876**	**$847**	**$1,008**

*Also 304 Park Avenue SE

The comparable one-bedroom units range from $591 to $1,683 per unit, a wide range. The comparables reported two-bedroom rents ranging from $688 to $935 with an average of $847. The comparables reported three-bedroom rents ranging from $732 to $1,225 with an average of $1,008. It should be noted that we are unsure as to the reasoning behind the significantly higher asking rent at the one one-bedroom Meybohm rental property. The contact for this property reported that it is a luxury unit and the only unit they have available that includes all utilities in the downtown area. Given that the downtown area is considered to be the most desirable location for multifamily units (as supported by the higher rents among the comparables in the downtown area), we have relied primarily on the stand-alone comparables to determine achievable rents for rental units in the downtown area. The one-bedroom rents for units in downtown range from $950 to $1,683 and we believe one-bedroom achievable rents for units in downtown range from $900 to $1,100. The two-bedroom rents for units in downtown range from $750 to $1,100 and we believe two-bedroom achievable rents for units in downtown range from $1,000 to $1,200. The three-bedroom rents for units in downtown range from $750 to $2,100 and we believe three-bedroom achievable rents for units in downtown range from $1,200 to $1,500.

It is also important to highlight locational differences within downtown. We previously detailed potential development sites for downtown Aiken and we believe multifamily units on sites one through four and six (as previously described) would be able to achieve rental rates towards the high end of the ranges described while a multifamily development on site five would be able to achieve rents towards the low end of the ranges given the inferior walkability and proximity to restaurants, bars, nightlife, and other locational amenities.

We believe the achievable rents citywide (outside of downtown) are slightly lower than those achievable in downtown given their inferior location, which is supported by the rents being achieved at the comparables in downtown versus those outside of downtown. Haven at Market Street and The Summits of Aiken Apartments are the two most recently constructed market rate multifamily comparables in the area, as they were built in 2008 and 2012, respectively. These comparables are 97.2 and 100 percent occupied, respectively and reported one-bedroom rents ranging from $735 to $835, two-bedroom rents ranging from $900 to $935, and three-bedroom rents ranging from $1,130 to $1,175. Haven at Market Street is located approximately 3.5 miles northwest of downtown Aiken, just north of the University of South Carolina – Aiken. The Summits of Aiken Apartments is located in Graniteville, approximately 6.9 miles southwest of downtown Aiken, near Aiken Technical College. We believe the rents being achieved at these comparables are representative of achievable rents for newly constructed market rate properties located outside of downtown. As such, we believe achievable rents for properties outside of downtown range from $750 to $850 for one-bedroom units, from $850 to $950 for two-bedroom units, and from $1,100 to $1,200.

It is also important to highlight locational differences within the city of Aiken. There have been no recently constructed multifamily developments in the southern portion of Aiken; however, The Colony at Southpark, which was originally constructed in 1989, is located in the southern portion of Aiken, reported a vacancy rate of 1.8 percent, and is achieving one, two, and three-bedroom rents, just below the previously discussed market rate comparables, at $875, $930, and $1,030. It should also be noted that Ms. Wilson of Meybohm reported that the majority of their rental request are for the south side of Aiken. Taking all of this into account, we believe the achievable rents for newly constructed market rate properties throughout the city of Aiken (but outside of downtown) are within the previously discussed range. However, we acknowledge that some sites are more desirable than others and rents may fluctuate above or below our achievable range based on differences in neighborhoods.

LIHTC Rent Analysis

In order to create appropriate comparisons between the properties, we have established a similar utility basis. We have adjusted rents based on a utility structure where tenants pay all utilities. As a result, properties with differing utility structures have been adjusted to this standard convention.

The following chart presents the minimum, maximum and average adjusted rents in Aiken from the surveyed LIHTC properties. Properties in the area offer LIHTC rents at 50 and 60 percent Area Median Income (AMI) level.

LIHTC RENT COMPARISON - @50%			
Property Name	1BR	2BR	3BR
LIHTC Maximum (Net)	**$418**	**$525**	**$557**
Dupont Landing	-	-	$452
Longleaf Senior Village Phase I	$320	$380	-
Olde South Terrace	-	$436	$486
Average (excluding Subject)	**$320**	**$408**	**$469**
Novoco's Estimated Achievable Rents	**$400**	**$500**	**$525**

LIHTC RENT COMPARISON - @60%			
Property Name	1BR	2BR	3BR
LIHTC Maximum (Net)	**$535**	**$665**	**$719**
Dupont Landing	-	-	$572
Glen Arbor Apartments	-	$473	$537
Longleaf Senior Village Phase I	$350	$438	-
Olde South Terrace	-	$476	$541
Average (excluding Subject)	**$350**	**$462**	**$550**
Novoco's Estimated Achievable Rents	**$475**	**$575**	**$625**

Despite that fact that all LIHTC comparables are 100 percent occupied with waiting lists, all reported 50 and 60 percent AMI rents below maximum allowable levels. The property manager at Dupont Landing, a recently constructed single-family LIHTC comparable, reported that ownership is a non-profit entity and rents are set below maximum allowable levels to provide an additional level of affordability to the tenants. The property manager at Longleaf Senior Village Phase I reported that rents are much lower than achievable rents as the property was opened with low rents to insure a short lease-up period. The rents at this property have been increased each year annually; however, are still below maximum allowable rents as any rent increase must be approved by the Housing Authority, which does not allow for significant rent increase. Taking all of this into account, we believe a newly constructed LIHTC development located in Aiken could achieve rents at the maximum allowable levels but above the rents being achieved at the LIHTC comparables, as most appear to be below achievable LIHTC rents based on our surveys.

Conclusion

There are no multifamily apartment complexes located in downtown Aiken. As such, we surveyed several LIHTC and market rate multifamily developments located in Aiken and one in Graniteville, and have supplemented this data with listings of single-family rental homes, condominium rentals, and conversion rental units that are located in downtown, along with some data provided by various property owners and real estate agents. It should be noted that, while we believe there is demand for senior housing in the Aiken market, we do not believe the need for senior housing in downtown is strong enough to warrant a discussion and we have focused primarily on general population targeted units. It should also be noted that, while we have analyzed affordable developments in Aiken, we believe the strongest demand for housing in downtown and the most feasible type of development in downtown is for middle to upper-income market rate housing. This opinion is based on the demographic data and our various interviews with market participants.

The multifamily market in Aiken consists primarily of one, two, and three-bedroom units, which represent 21.5, 56.1, and 22.2 percent of all rental units surveyed. Among the affordable comparables, the units consist primarily of two and three-bedroom units (58.6 and 38.4 percent of total, respectively). Among the market rate comparables, the units consist primarily of one, two, and three-bedroom units (24.1, 55.7, and 19.9 percent of total, respectively). Among the downtown comparables (all of which are market rate), the units consist primarily of two and three-bedroom units (19.0 and 47.6 percent of total, respectively). As previously discussed, the average household size in downtown Aiken is smaller than that of the city as a whole. Further, anecdotal evidence from our interviews indicates that the target tenancy for downtown rental properties are young professionals and retirees/empty nesters, which typically consists of one to two-person households. Nonetheless, we cannot ignore the large percentage of three-bedroom units in the market, and we do believe there is demand for some three-bedroom units in downtown Aiken and citywide. As such, our focus for the remainder of this study will be on one, two, and three-bedroom unit types.

We believe one-bedroom unit sizes of 750 to 950 square feet would be well accepted in this market. We believe two-bedroom unit sizes of 900 to 1,100 square feet would be well accepted in this market. We believe three-bedroom unit sizes of 1,300 to 1,500 square feet would be well accepted in this market. It should be noted that we also believe larger or smaller unit sizes than those recommended would likely be well accepted in this market but we believe unit sizes within these recommended ranges would be ideal in order to maximize use of space/profit while also providing good marketability.

We believe one-bedroom units with one or one and a half bathrooms will be accepted in this market. We recommend offering two-bedroom units with two bathrooms. We recommend offering three-bedroom units with two bathrooms.

The vacancy rates among the properties range from zero to 3.1 percent, with an overall average of 1.2 percent. The four affordable comparables reported vacancy rates of zero percent. The market rate comparables reported vacancy rates of zero to 3.1 percent with an overall vacancy rate of 1.4 percent. The reported vacancy rates indicate a supply constrained market with few vacancies and excess demand. Of the properties surveyed, all of the affordable and one of the market rate comparables reported waiting lists. These waiting lists indicate a level of unmet demand for both market rate and affordable housing throughout Aiken.

The one-bedroom rents for units in downtown range from $950 to $1,683 and we believe one-bedroom achievable rents for units in downtown range from $900 to $1,100. The two-bedroom rents for units in downtown range from $750 to $1,100 and we believe two-bedroom achievable rents for units in downtown range from $1,000 to $1,200. The three-bedroom rents for units in downtown range from $750 to $2,100 and we believe three-bedroom achievable rents for units in downtown range from $1,200 to $1,500.

It is also important to highlight locational differences within downtown. We previously detailed potential development sites for downtown Aiken and we believe multifamily units on sites one through four and six (as previously described) would be able to achieve rental rates towards the high end of the ranges described while a multifamily development on site five would be able to achieve rents towards the low end of the ranges given the inferior walkability and proximity to restaurants, bars, nightlife, and other locational amenities.

We believe the achievable rents citywide (outside of downtown) are slightly lower than those achievable in downtown given their inferior location, which is supported by the rents being achieved at the comparables in downtown versus those outside of downtown. Haven at Market Street and The Summits of Aiken Apartments are the two most recently constructed market rate multifamily comparables in the area, as they were built in 2008 and 2012, respectively. These comparables are 97.2 and 100 percent occupied, respectively and reported one-bedroom rents ranging from $735 to $835, two-bedroom rents ranging from $900 to $935, and three-bedroom rents ranging from $1,130 to $1,175. Haven at Market Street is located approximately 3.5 miles northwest of downtown Aiken, just north of the University of South Carolina – Aiken. The Summits of Aiken Apartments is located in Graniteville, approximately 6.9 miles southwest of downtown Aiken, near Aiken Technical College. We believe the rents being achieved at these comparables are representative of achievable rents for newly constructed market rate properties located outside of downtown. As such, we believe achievable rents for properties outside of downtown range from $750 to $850 for one-bedroom units, from $850 to $950 for two-bedroom units, and from $1,100 to $1,200.

It is also important to highlight locational differences within the city of Aiken. There have been no recently constructed multifamily developments in the southern portion of Aiken; however, The Colony at Southpark, which was originally constructed in 1989, is located in the southern portion of Aiken, reported a vacancy rate of 1.8 percent, and is achieving one, two, and three-bedroom rents, just below the previously discussed market rate comparables, at $875, $930, and $1,030. It should also be noted that Ms. Wilson of Meybohm reported that the majority of their rental request are for the south side of Aiken. Taking all of this into account, we believe the achievable rents for newly constructed market rate properties throughout the city of Aiken (but outside of downtown) are within the previously discussed range. However, we acknowledge that some sites are more desirable than others and rents may fluctuate above or below our achievable range based on differences in neighborhoods.

Despite that fact that all LIHTC comparables are 100 percent occupied with waiting lists, all reported 50 and 60 percent AMI rents below maximum allowable levels. The property manager at Dupont Landing, a recently constructed single-family LIHTC comparable, reported that ownership is a non-profit entity and rents are set below maximum allowable levels to provide an additional level of affordability to the tenants. The property manager at Longleaf Senior Village Phase I reported that rents are much lower than achievable rents as the property was opened with low rents to insure a short lease-up period. The rents at this property have been increased each year annually; however, are still below maximum allowable rents as any rent increase must be approved by the Housing Authority, which does not allow for significant rent increase. Taking all of this into account, we believe a newly constructed LIHTC development located in Aiken could achieve rents slightly below maximum allowable levels but above the rents being achieved at the LIHTC comparables, as most appear to be below achievable LIHTC rents based on our surveys.

V. DEMAND ANALYSIS

DEMAND ANALYSIS

INTRODUCTION

For the purposes of this report, we have provided a demand analysis for downtown Aiken. We have examined the demand for market rate and affordable multifamily developments.

To assess the likely number of tenants in Aiken eligible to live in a multifamily development (affordable and market rate), we used Census information as provided by ESRI Demographics and Ribbon Demographics.

Primary Market Area Defined

As previously noted, for the purposes of this study we are examining the multifamily housing need in downtown Aiken, as well as the city of Aiken as a whole. Based on our interviews with market participants, individuals from throughout the city of Aiken would live in downtown Aiken given the walkability to various retail/commercial uses and restaurants, bars, and other nightlife, along with its centralized location that allows access to various employment opportunities. Further, rental housing options in the downtown area are very limited at this time and mostly consists of one-off rentals over commercial space. We anticipate that 85 percent of the potential downtown renters would come from the city of Aiken with 15 percent coming from surrounding areas given the large number of new hires at the SRS and the large influx of workers coming to the area for ARCYBER at Fort Gordon. Demand estimates will be adjusted to reflect this potential for "leakage."

Income Eligible Calculations

First, we estimate the minimum and maximum income levels. For low income units we have estimated demand for units at the 50 and 60 percent AMI levels. We have calculated minimum incomes of the general population assuming a 40 percent affordability factor and our previously stated achievable LIHTC rents, which are below maximum allowable LIHTC rents for the one, two, and three-bedroom rents in the Augusta-Richmond County, GA-SC MSA for minimum income calculations. The minimum incomes are calculated as follows:

General population: ($400+$167)/0.40*12 = $17,010, etc.

For minimum incomes in market rate units, we estimate $40,000. There is no maximum income limit for market rate units.

Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the proposed property.

Third, we combine the income range with the income distribution analysis in order to determine the number of potential income-qualified households. This provides an estimate of the total number of households that are income-eligible.

The estimated maximum and minimum eligible household incomes for any proposed multifamily units within the city of Aiken are as follows:

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	50% AMI		*60% AMI*		*Market Rate*	
1BR	$17,010	$24,950	$19,260	$29,940	$40,000	$200,000+
2BR	$21,000	$28,050	$23,250	$33,660	$40,000	$200,000+
3BR	$23,340	$33,650	$26,340	$40,380	$40,000	$200,000+

Income Distribution Tables – General Population

The following tables illustrate the income distribution of income-qualified households in the city of Aiken.

FAMILY INCOME DISTRIBUTION 2017

Income Cohort	Total Renter Households	50% AMI			60% AMI			All Affordable			Market Rate		
		cohort overlap	*% in cohort*	*# in cohort*	*cohort overlap*	*% in cohort*	*# in cohort*	*cohort overlap*	*% in cohort*	*# in cohort*	*cohort overlap*	*% in cohort*	*# in cohort*
$0-9,999	785												
$10,000-19,999	839	2,989	29.9%	251	739	7.4%	62	2,989	29.9%	251			
$20,000-29,999	892	9,999	100.0%	892	9,999	100.0%	892	9,999	100.0%	892			
$30,000-39,999	571	3,650	36.5%	208	9,999	100.0%	571	9,999	100.0%	571			
$40,000-49,999	697				380	3.8%	26	380	3.8%	26	9,999	100.0%	697
$50,000-59,999	326										9,999	100.0%	326
$60,000-74,999	326										14,999	100.0%	326
$75,000-99,999	443										24,999	100.0%	443
$100,000-124,999	305										24,999	100.0%	305
$125,000-149,999	128										24,999	100.0%	128
$150,000-199,999	109										50,000	100.0%	109
$200,000+	132										200,000	100.0%	132
Total	**5,553**		**24.3%**	**1,351**		**27.9%**	**1,551**		**31.3%**	**1,740**		**44.4%**	**2,466**

Demand from the market area will stem from several sources in addition to new growth. These sources include demand from renter households that are forced from existing rental housing due to demolition or conversion of the housing units. Further, demand will stem from existing households that live in the area but move to a new home because people are searching for better housing or housing in a desired location (frictional vacancy). The calculation begins by determining the year 2017 base level eligible demand. This is then adjusted by the percentage of renters in the market area.

This figure is then adjusted for losses of inventory via conversion or demolition (which also accounts for frictional vacancy in the market). To determine an appropriate percentage within the market we utilized/analyzed various housing characteristics.

Number of Appropriate Sized Households

We have determined that demand is most significant for one, two, and three-bedroom units. In order to determine the number of appropriate sized households, first we analyzed the number of persons in each household by renter tenure, as detailed in the following table.

Renter Households by Persons in Household	2017	
	Number	Percentage
With 1 Person	2,713	48.9%
With 2 Persons	1,351	24.3%
With 3 Persons	709	12.8%
With 4 Persons	475	8.6%
With 5+ Persons	305	5.5%
Total Renter Households	**5,553**	**100.0%**

Second, we made assumptions based on the average household size in the market to estimate the distribution of households by unit type. The following table details our assumptions:

HOUSEHOLD DISTRIBUTION MATRIX			
	Bedrooms		
Household Size	**1BR**	**2BR**	**3BR**
1 person	90%	10%	
2 persons	60%	40%	
3 persons		50%	50%
4 persons		40%	60%
5+ persons			60%

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit		48.9%	*	90.0%	=	44.0%
	+	24.3%	*	60.0%	=	14.6%
	=					**58.6%**
Two-Bedroom Unit	+	24.3%	*	40.0%	=	9.7%
		12.8%	*	50.0%	=	6.4%
	+	8.6%	*	40.0%	=	3.4%
	=					**24.4%**
Three-Bedroom Unit		12.8%	*	50.0%	=	6.4%
	+	8.6%	*	60.0%	=	5.1%
	+	5.5%	*	60.0%	=	3.3%
	=					**14.8%**
Total						**97.8%**

The following table illustrates age of housing stock within the city of Aiken.

AGE OF HOUSING STOCK IN PMA

Years	Number of Units	Percent of Housing Stock
Built 2005 or later	380	2.1%
Built 2000 to 2004	3,197	17.4%
Built 1990 to 1999	2,892	15.8%
Built 1980 to 1989	3,334	18.2%
Built 1970 to 1979	2,557	14.0%
Built 1960 to 1969	1,899	10.4%
Built 1950 to 1959	2,814	15.4%
Built 1940 to 1949	205	1.1%
Built 1939 or earlier	1,051	5.7%
Total	**18,329**	**100.0%**

Source: Esri Demographics 2017, Novogradac & Company LLP, July 2018

As the table indicates, approximately 6.8 percent of the housing stock was constructed prior to 1950 in the city of Aiken. It is reasonable to assume that a portion of the existing housing units constructed prior to 1960 will leave the market based upon the loss of functional or physical inadequacies of the units; therefore, we will assume approximately 2.5 percent of these units will leave the market, or 0.6 percent of housing units in the market.

It is also important to recognize demand for new rental housing will come from the market from households in inadequate living situations. According to the most recent Census, approximately 2.3 percent of households in the Subject's PMA lack complete plumbing facilities in their housing units, which indicates substandard living.

We estimate that conservatively, approximately 1.0 percent or less of the housing units (mostly single-family) in Aiken are demolished or converted every year within the city.

We believe a reconciled estimate of demolition or conversion of one percent is appropriate for this market as many of these categories likely overlap.

Further, the demand needs to be adjusted for frictional vacancy within the market. According to The Dictionary of Real Estate Appraisal 6th Edition published in 2015 by the Appraisal Institute, frictional vacancy is the amount of vacant space in the market needed for orderly operation. It allows for tenant relocations as leases roll over and expire, and is considered a typical vacancy rate in a given market operating in equilibrium. We believe frictional vacancy of five percent is appropriate in this market. The market is currently exhibiting an average vacancy rate of 1.2 percent. Therefore we will use a frictional vacancy factor of 4.8 percent for the affordable scenario (6.0 – 1.2 = 4.8 percent) and 5.8 for the unrestricted scenario (7.0 – 1.2 = 5.8 percent). The following table illustrates our conclusion:

LOSSES TO INVENTORY VIA CONVERSION OR DEMOLITION – AFFORDABLE	
Reconciled Estimate of Demolition or Conversion	1.00%
Frictional Vacancy	4.80%
Total Percentage	**5.80%**

LOSSES TO INVENTORY VIA CONVERSION OR DEMOLITION – MARKET RATE	
Reconciled Estimate of Demolition or Conversion	1.00%
Frictional Vacancy	5.80%
Total Percentage	**6.80%**

In order to account for demand created by the previously described factors, we believe that adjusting the demand by 5.80 and 6.8 percent for the affordable and market rate scenarios, respectively for losses of inventory via conversion or demolition, as well as frictional vacancy is conservative and reasonable.

As discussed previously in this report, the comparables in the PMA reported vacancy rates of zero to 3.1 percent with an average of 1.2 percent. We are not aware of any unstabilized multifamily developments in this market. As such, no units have been deducted from our net demand calculations.

We are aware of two proposed/under construction LIHTC developments that will offer 48 and 36 units restricted at the 50 and 60 percent AMI levels. The exact breakdown of units at each AMI level was unavailable so we have assumed half at 50 percent and half at 60 percent and the units have been deducted from our net demand calculations accordingly. We are also aware of some proposed market rate units; however, at this time the plans are not firm and it is unknown whether they will actually go into development; as such, these units have not been deducted from the following demand calculations.

The tables following summarize these calculations and estimates the net demand over the five-year forecast period.

NET DEMAND - 50% AMI							
	2017	2018	2019	2020	2021	2022	Total
Renter Households	5,553	5,577	5,600	5,624	5,647	5,671	-
Income-Eligible Households	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
Size-Eligible Households	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Income-Appropriate Renter Households	1,322	1,327	1,333	1,338	1,344	1,350	-
New Income Qualified Renter Growth	-	6	6	6	6	6	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units*	-	0	40	0	0	0	-
Plus Estimated Units Removed from Supply Due to Demolition, Conversion	-	13	13	13	13	13	-
Plus Frictional Vacancy	-	64	-	-	-	-	-
Net Annual Demand	**-**	**83**	**-21**	**19**	**19**	**19**	**119**

*Inclusive of 5% vacancy loss

NET DEMAND - 60% AMI							
	2017	2018	2019	2020	2021	2022	Total
Renter Households	5,553	5,577	5,600	5,624	5,647	5,671	-
Income-Eligible Households	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%
Size-Eligible Households	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Income-Appropriate Renter Households	1,517	1,524	1,530	1,537	1,543	1,550	-
New Income Qualified Renter Growth	-	6	6	6	6	6	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units*	-	0	40	0	0	0	-
Plus Estimated Units Removed from Supply Due to Demolition, Conversion	-	15	15	15	15	15	-
Plus Frictional Vacancy	-	73	-	-	-	-	-
Net Annual Demand	**-**	**95**	**-18**	**22**	**22**	**22**	**142**

*Inclusive of 5% vacancy loss

NET DEMAND - ALL AFFORDABLE							
	2017	2018	2019	2020	2021	2022	Total
Renter Households	5,553	5,577	5,600	5,624	5,647	5,671	-
Income-Eligible Households	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%
Size-Eligible Households	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Income-Appropriate Renter Households	1,702	1,709	1,717	1,724	1,731	1,738	-
New Income Qualified Renter Growth	-	7	7	7	7	7	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units*	-	0	80	0	0	0	-
Plus Estimated Units Removed from Supply Due to Demolition, Conversion	-	17	17	17	17	17	-
Plus Frictional Vacancy	-	82	-	-	-	-	-
Net Annual Demand	**-**	**106**	**-55**	**24**	**25**	**25**	**125**

*Inclusive of 5% vacancy loss

NET DEMAND - MARKET RATE							
	2017	2018	2019	2020	2021	2022	Total
Renter Households	5,553	5,577	5,600	5,624	5,647	5,671	-
Income-Eligible Households	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%	44.4%
Size-Eligible Households	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%	97.8%
Income-Appropriate Renter Households	2,412	2,422	2,432	2,443	2,453	2,463	-
New Income Qualified Renter Growth	-	10	10	10	10	10	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	0	0	-
Plus Estimated Units Removed from Supply Due to Demolition/Conversion	-	24	24	24	25	25	-
Plus Frictional Vacancy	-	140					-
Net Annual Demand	**-**	**175**	**35**	**35**	**35**	**35**	**314**

Conclusion

As indicated, there is demand for 125 additional affordable units in the market through 2022. This analysis indicates a need of -55 to 106 affordable units per year through 2022. There is also demand for 314 additional market rate units in the market through 2022. This analysis indicates a need of 35 to 175 market rate units per year through 2022. It is important to note that these figures account for demand throughout the entire city of Aiken; however, based on our interviews, downtown Aiken is one of the most desirable areas to live within the city and we believe the downtown area could support an additional 50 to 100 affordable units and 100 to 200 market rate units through the forecast period (2022). It is also important to note that these demand calculations are somewhat conservative as they do not account for leakage from outside the city of Aiken. Based on economic development, including the large number of new hires that are anticipated at the SRS site and the impacts of ARCYBER at Fort Gordon, we believe there may be demand for even more units, primarily market rate units, through the forecast period.

VI. SUMMARY OF INTERVIEWS

INTERVIEWS

In order to gain a better understanding of the challenges and opportunities facing the local housing market, we interviewed several area stakeholders.

Rick McLeod – President/CEO of the Savannah River Site Community Reuse Organization (SRSCRO)

We interviewed Rick McLeod, President/CEO of the Savannah River Site Community Reuse Organization (SRSCRO), a 501(c)(3) private non-profit organization "charged with developing and implementing a comprehensive strategy to diversify the economy of a five-county region, the SRSCRO Region of Georgia and South Carolina," which includes Aiken, Allendale, and Barnwell Counties in South Carolina and Richmond and Columbia Counties in Georgia. According to the organization's website, the overall objective is to create an environment conducive to technology-based startups, business expansions and to attract new ventures to the region." The SRS and its economic impacts were previously described in detail.

The future use of the site, according to Mr. McLeod, is uncertain at this time. Mr. McLeod stated that the National Nuclear Security Administration (NNSA) has recommended repurposing the MOX Fuel Fabrication Facility, which by all accounts has been an unsuccessful and underfunded mission for several years, at the SRS to produce 50 plutonium pits per annum, which trigger nuclear warheads. However, Mr. McLeod does not believe this change will significantly impact employment at the site as any jobs that are lost from the MOX facility would likely be gained with the repurposing of the site.

Mr. McLeod also informed us that the workforce at the SRS is expected to change greatly over the next five years as an estimated 3,000 to 5,000 workers will retire and will need to be replaced. He stated that these jobs are likely to be filled by millennials who have recently graduated or have been in the workforce for only a few years. Mr. McLeod reported that, while total employment has remained fairly stable at the SRS, approximately 700 new employees were hired (mostly replacements for outgoings) in 2017. He stated that, while average salaries at the SRS are relatively high for the region, new hires would likely earn salaries below the median income among SRS employees, depending on their role, given the variation of jobs as previously discussed.

He also stated that new engineers typically require a security clearance given the sensitive nature of the job, which could take between one and a half and two years to obtain. He stated that these individuals and many others earning less than the median income among workers at the SRS would likely prefer/only be able to afford rental properties. According to the Bureau of Labor Statistics, the 2017 median salary for nuclear engineers is $105,810 per year. However, it is important to note that, according to Mr. McLeod, not all jobs at the SRS are engineering jobs.

As previously discussed, over 50 percent of the employees reside in Aiken County. Mr. McLeod stated that Columbia County, Georgia attracts many middle to high-income families given the amount of money the county has spent on their school district and the superior facilities. However, he believes that the quality of education in Aiken County is similar to that of Columbia County. Mr. McLeod reported that there has been some recent development in downtown Aiken which has made it a more attractive living destination for millennials; however, it still has a mix of older individuals and some younger professionals that work in the are still commute to larger surrounding cities such as Charleston and Atlanta for weekend activities. Mr. McLeod believes it is possible that additional rental units would be needed in the downtown area, depending on the cost of home ownership as he has some concern that single-family homes that are fully paid could be sold below market by empty nesters, which would allow millennials and others to purchase these instead of rent.

Ryan Bland – Planning Director

We interviewed Ryan Bland, Planning Director with the City of Aiken, regarding the need for multifamily units in and around downtown Aiken and any recently built, proposed, or under construction multifamily units in the area. According to Mr. Bland, Palmetto Crossing, located along the west side of Owens Street between the part of Owens Street that connects to Whiskey Road and Daugherty Road, was allocated low income housing tax credits (LIHTC) in 2016 for the new construction 48-unit LIHTC development offering 24 two, 18 three, and six four-bedroom units restricted to low income households earning 50 and 60 percent of the Area Median Income (AMI) or below. This project is currently under construction date but Mr. Bland was unsure of the projected completion date.

Dupont Landing II was granted LIHTC in 2016 for the new construction of a 42-unit LIHTC development to be located at 150 Columbia Avenue NE. This property will offer 36 three and six four-bedroom units restricted to households earning 50 and 60 percent of the AMI or below. This property is going through the entitlements process and construction has yet to begin.

Mr. Bland also reported that a 116-unit owner-occupied attached townhome-style development is proposed at Whiskey Road and Powderhouse Road.

Woodside, a private, master-planned community consisting primarily of owner-occupied homes surrounded by various amenities, such as championship golf courses, hiking trails, racquetball courts, biking trails, water activities, resort pool and cabana, parks and green space, and fitness center, was originally planned to offer some rental units but those plans have changed since development began and the property consists solely of owner-occupied units, with the exception of an assisted/independent senior living facility. Mr. Bland reported that these units are primarily owned by retirees or double income households without kids. Woodside is located approximately 4.2 miles south of downtown Aiken.

Mr. Bland reported that the department has heard from some young professionals that more rental units are in demand in and around downtown Aiken. He reported that there are some multifamily units of older vintage (built in 1970's and 1980's) along Laurens Street and the occupancy rates at these properties are relatively higher and turnover rates are low, indicating strong demand for these types of units. He also reported that the city, and more specifically the downtown area, has many one-off rental units, such as backhouses or units over commercial/office space. He stated that these types of units are often rented by young professionals due to the lack of available multifamily units in the downtown area. Mr. Bland reported that the biggest advantage of Aikens over surrounding communities in terms of attracting employees is the proximity to the SRS. He also reported that most newly multifamily units in Aiken have been built south of downtown along Whiskey Road but he stated that downtown would be a more desirable location for renters given the close proximity to amenities and events going on in downtown, which have become more frequent over recent years as the city has tried to attract people to the downtown area. He also stated that there is limited land available to develop in the central portion of the downtown area along Laurens Street but that there could be some available sites. He believes further west and east there are more sites available for potential multifamily developments that are still within close proximity to downtown.

Will Williams – President/CEO of the Economic Development Partnership

Will Williams is the President/CEO of the Economic Development Partnership, a non-profit public-private development corporation focused solely on serving the needs of new and existing businesses in the Aiken, Edgefield, McCormick, and Saluda Counties of South Carolina. According to Mr. Williams, Zeus Industrial Products, a manufacturer, announced in February 2018 that they are expanding by adding 51 new employees. Mr. Williams also reported that approximately 200 jobs were added throughout 2017 from various established employers throughout the region. He also reported that there are some additional proposed expansions for 2018/2019; however, as of this date, none are confirmed/public knowledge. Mr. Williams reported no layoffs in the region over recent years and none are proposed.

Mr. Williams reported that the biggest draw of Aiken and surrounding communities for employers is its centralized location with good access to Interstate 20, its project-ready industrial parks, and quality of life for employees.

According to Mr. Williams, additional housing is needed in Aiken County for the new workforce that will be coming in to replace retiring employees from SRS and fill other vacant positions. He also reported that there are approximately 1,200 jobs in the area that are unfilled for various reasons, including a lack of available housing in the area. He reported that the targeted population for additional housing units in Aiken is young professionals, small families, and some empty nesters and retirees with incomes ranging from $50,000 to $100,000. He reported that there is limited land available in the central portion of downtown Aiken but that he believes the areas to the west of downtown would be desirable areas for multifamily housing.

Lessie Price – Manager, Government Affairs & Community Relations Nuclear & Environment Management Services Group/City Councilor

Lessie Price believes there is demand for some multifamily rental units in Aiken targeting professionals who live in the downtown area. Ms. Price reported that she has heard from some young professionals who desire housing in or around the downtown area. She reported that the ideal rental in downtown would be larger “Charleston-style” homes, like the ones pictured below, which are located along the north side of Park Avenue between Horry Street and Marion Street. Ms. Lessie believes these units rent for approximately $2,000 per month.

She reported that these well-landscaped detached rentals would be a great addition to the downtown Charleston rental market as they are highly desirable to young renters. She reported that young professionals from SRS and Bridgestone with incomes of $50,000 to $125,000 and some retirees would be the ideal target tenancy for downtown apartments. She also opined that apartments with attached garages are in demand. Ms. Price also stated that some households, deterred by the cost to own and the lack of relative lack of suitable rental options in or near the downtown area, move to Graniteville, which is approximately five miles west of downtown Aiken, where they have built numerous affordable single-family homes in the $150,000 to $250,000 price range.

Pat Cunning - Developer

Pat Cunning of Woodside – Aiken Realty also reported that downtown Aiken is in need of some housing. He stated that young executives desire to live in downtown Aiken but the current options are somewhat limited and the cost to own is prohibitive. He believes the US Army's decision to relocate its Cyber Command facilities to Fort Gordon, which was previously discussed in this report, will have significant impacts on the MSA as a whole, including Aiken. While Mr. Cunning does not believe there will be a significant direct impact on Aiken, given that most people who work at the base live in nearby Augusta or Columbia County, Georgia, he believes the indirect economic impacts from other contracting companies relocating to the area as a result of this move will be significant. However, he also warned that the MOX mission at the SRS could be shut down at any point, which would have a significant negative impact on the Aiken economy and rental market as well. He reported that if this mission was to be shut down, all of the individuals working on the mission (estimated at around 1,200) would likely relocate. It is, however, also important to note that other missions have been proposed to replace this mission at the site, including the Plutonium pit production mission.

Buzz Rich – Attorney/Downtown Real Estate Owner/Aiken Corporation

We spoke with Buzz Rich, a lawyer, property owner in downtown Aiken, and member of Aiken Corporation, whose main purpose is to diversify and expand the city's economic base and improve the quality of life in Aiken. Mr. Rich reported that Aiken is largely a retirement community but there is a desire from residents, both young and old, to live in the downtown area to be within close proximity to walkable amenities and nightlife. He believes this is largely driven by the revitalization that downtown Aiken has experienced over recent years and the large number of retail shops and restaurants that exist in downtown. Mr. Rich is a property owner of buildings in downtown and stated that commercial occupancy in downtown is very strong. He reported that he is unsure whether the housing demand is primarily for renter or owner-occupied units. Some obstacles Mr. Rich foresees in the pursuit of adding rental units to the downtown area are a) a lack of available land within a walkable distance of the central portion of downtown, and b) the lack of available parking in downtown. One potential solution he sees to the lack of available land is to incentivize property owners in downtown to renovate the second stories of their commercial buildings with apartment rental units. He stated that many of these units are vacant and some owners have converted their second stories to apartments and these units are in strong demand. Mr. Rich sees a demand for housing units from both young professionals and retirees who wish to sell their homes and rent properties that do not require maintenance. He stated that some very expensive owner-occupied condominiums were built near downtown that did not do well (in terms of selling).

John Lamprecht – Realtor

We interviewed John Lamprecht, Realtor with The Concierge Team. Mr. Lamprecht reported that the owner-occupied residential real estate market in Aiken is "robust." He reported that three-bedroom/two bathroom single-family homes in Aiken listed between $130,000 and $210,000 are typically immediately under contract. While some of his clients are young professionals, the majority of leads are retirees. He stated that most residents of Aiken see rental properties as short-term options while they either work to save up money for a down payment, or wait to purchase to make sure they want to stay in that community long-term or if they want to relocate to another community to purchase a home there. In terms of location, he believes that, while the downtown are is the most desirable, he believes homeowners will live where their budget allows given that lack affordable options in the downtown area. As an example of one of his clients, Mr. Lamprecht informed us of a client who is a 25-year old first time homebuyer employed at the SRS, who is looking for a single-family starter home with a budget of approximately $130,000.

Courtney Contursi-Wilson – Real Estate Agent

We interviewed Courtney Contursi-Wilson, a Real Estate Agent for Meybohm Real Estate. Ms. Wilson reported that most inquiries for rental properties in Aiken is for real estate in the southern portion of Aiken due to the price, availability, and larger sizes of the units there. She reported that Meybohm currently manages a total of 21 rental units in downtown, which are primarily one, two, three, and four-bedroom units and rent for $750 to $1,970. Ms. Wilson reported that, while the typical leasing period for rental units throughout Aiken is 30 days, most rentals in downtown are leased within two weeks, indicating strong demand for additional housing units in downtown. She reported that the primary target for downtown rental housing is young professionals, given their desire to live close to activities and nightlife, as well as some retirees/empty nesters. She anticipates that availability of parking in downtown will be a major hurdle to developing multifamily units in downtown. Ms. Wilson is currently listing a 1,200-square foot one-bedroom/one bathroom apartment unit at 304 Park Avenue SE for $1,850, which includes all utilities. The following table details all Meybohm rental properties in downtown, as provided by Ms. Wilson. It should be noted that she was unable to provide addresses for each of the properties. As such, the impacts of age/condition and amenities on pricing of these units is unknown. Further, we are aware that some of these units come partially or fully furnished.

MEYBOHM DOWNTOWN RENTAL UNITS

Beds	Baths	Unit Size (SF)	Adjusted Rent*	Adjusted Rent Per Square Foot
1	1	1,200	$1,683	$1.40
2	1	730	$750	$1.03
2	1.5	985	$825	$0.84
2	1.5	898	$1,100	$1.22
2	2	2,000	$775	$0.39
3	1	1,175	$750	$0.64
3	1	1,400	$800	$0.57
3	1	1,282	$975	$0.76
3	1.5	1,709	$1,100	$0.64
3	2.5	1,900	$1,200	$0.63
3	2.5	1,710	$1,200	$0.70
3	2.5	2,200	$1,275	$0.58
3	3	2,587	$1,275	$0.49
3	3.5	1,330	$2,100	$1.58
4	2.5	1,900	$1,200	$0.63
4	3.5	1,300	$1,970	$1.52

*Assumes tenants pay all utilities

Stuart Bedenbaugh – City Manager

Stuart Bedenbaugh reported that there is demand for rental units in downtown Aiken due to the lack of recently constructed rental units in the area, the anticipated new hires at the SRS, and the impact of ARCYBER at Fort Gordon. Mr. Bedenbaugh estimated that the downtown area could support between 100 and 150 rental units based on current demand, which does not take into account the impact of SRS new hires or the impact of ARCYBER. Mr. Bedenbaugh has worked with The Marian Group on the potential development site in the western portion of downtown and reported that he used to worked at that site and, while it is walkable, the achievable rents for apartment units at that site would be at a discount to rents for units within a few blocks of Laurens Street. Mr. Bedenbaugh believes that the target tenancy for downtown rental units would be young professionals and retirees, as he believes most families with children prefer to own homes with yards. For that reason, he believes that primary unit types for any downtown rental development should be one and two-bedroom units. He also believes that units should offer a minimum of one and a half bathrooms as these units will likely be used for entertaining guests given their location and target tenancy. He believes the income ranges for units downtown would likely range from $90,000 to $100,000 or more given the types of workers/tenants the downtown area would attract (young engineers from the SRS and retirees). He believes units with rents ranging from $1,200 and $1,500 would be in very strong demand in downtown Aiken.

Tracey Kenworthy Turner – Vice President Meybohm Real Estate

We had a brief conversations with Ms. Turner regarding the demand for rental units in downtown Aiken. She stated that the demand for housing in downtown Aiken is very strong but that the primary demand is for owner-occupied units, including condominiums and single-family homes at an affordable price. She stated that many people are in search of affordable owner-occupied homes during the winter that require low maintenance year-round. She also stated that some parents whose children go to school in Aiken will purchase condominiums or townhomes in or around downtown so they can have a place to stay when they come to visit their children at school. She also reported that there is a strong market in the downtown area for short-term rentals.

Lyanne Haislip – Property Owner

We exchanged e-mails with Lyanne Haislip, who, along with her husband, Det, own the True Value Hardware and Appliance building and the adjacent commercial building, which is occupied by Laurens Street Antiques, both of which are located along Laurens Street in downtown Aiken. Ms. Haislip reported that they converted the second stories of both buildings into five renter-occupied lofts. The four units over True Value Hardware and Appliances are two-bedroom/one and a half bathroom units that range from 1,500 to 1,800 square feet. Two of these units are fully furnished and rent for $2,400 per month, which includes all utilities as well as cable. Two of these units are not furnished and rent for $1,975 per month and tenants in these units pay their own electric expenses, while the landlord pays for water/sewer. Ms. Haislip did not provide square footage or rents for the unit over the adjacent building. The Haislips also own the parking lot behind the buildings, which is gated and tenants have remotes to open the gates. The buildings also have elevator access. Ms. Haislip reported that all units were quickly leased and have remained occupied since they came online. She also reported that all tenants are over 55 years old and are professionals who own homes elsewhere and use the rentals seasonally. The photos on the following page are of the buildings containing these rental units.

David Jameson – President/CEO of the Aiken Chamber of Commerce

We interviewed David Jameson, the President and CEO of the Aiken Chamber of Commerce. According to Mr. Jameson, there is currently a limited supply of downtown rental housing in close proximity to downtown Aiken and the demand for these types of units is strong. He reported that the few rental units downtown consist mostly units over the top of commercial buildings, and these units rent at a premium compared to other rental properties throughout Aiken, are rarely vacant, and are quickly rented when they come onto the market. He reported that these units are somewhat difficult to develop given the hoops that property owners have to jump through to be allowed to convert commercial buildings to residential rental units. He stated that demand for rental units in downtown Aiken stems from various sources including employees from the SRS, retirees and empty nesters, the seasonal equine community who come to Aiken for a portion of the year for equine activities, and existing households that are living in rental communities in Aiken but not in downtown. He reported that there have been few rental communities developed in Aiken over the last decade and those are primarily located on the outskirts of Aiken in inferior locations. Mr. Jameson believes there is strong demand for downtown rental units with rents of $1,000 per month or more. During our site inspection, Mr. Jameson identified several sites that have potential to be developed into multifamily, some of which we are unable to discuss at this time. Those that we are able to discuss have been analyzed previously in this report.

PROPOSED CONSTRUCTION

We interviewed Ryan Bland, Planning Director with the City of Aiken, regarding the need for multifamily units in and around downtown Aiken and any recently built, proposed, or under construction multifamily units in the area. According to Mr. Bland, Palmetto Crossing, located along the west side of Owens Street between the part of Owens Street that connects to Whiskey Road and Daugherty Road, was allocated low income housing tax credits (LIHTC) in 2016 for the new construction 48-unit LIHTC development offering 24 two, 18 three, and six four-bedroom units restricted to low income households earning 50 and 60 percent of the Area Median Income (AMI) or below. This project is currently under construction date but Mr. Bland was unsure of the projected completion date.

Dupont Landing II was granted LIHTCs in 2016 for the new construction of a 42-unit LIHTC development to be located at 150 Columbia Avenue NE. This property will offer 36 three and six four-bedroom units restricted to households earning 50 and 60 percent of the AMI or below. This property is going through the entitlements process and construction has yet to begin.

Mr. Bland also reported that a 116-unit owner-occupied attached townhome-style development is proposed at Whiskey Road and Powderhouse Road.

Mr. Bland was not aware of any other proposed, under construction, or recently completed multifamily developments in Aiken.

As previously discussed, Mr. Bland, among others, reported that The Marian Group, a Kentucky-based company, is considering purchasing a large site along Richland Avenue from Aiken County that was formerly the site of the county hospital. This site is located in the western portion of downtown, approximately 0.5 miles west of Laurens Street and, while the current plans are not available as The Marian Group is currently trying to determine the highest and best use of the site, a portion of the site is proposed to be developed with up to 200 multifamily rental units. Some contacts indicated that if this development is to come to fruition it would satisfy a significant amount of demand for rental units in downtown Aiken, though it is a less desirable location compared to other sites located along or within close proximity to Laurens Street.

VII. SUMMARY AND CONCLUSIONS

SUMMARY AND CONCLUSIONS

- The largest portion of employment of individuals living in downtown Aiken is in the healthcare/social assistance sector (22.1 percent), followed by the manufacturing and retail trade sectors (13.5 and 12.8 percent, respectively). The high concentration of employment in the healthcare/social assistance sector is due to the proximity of Aiken Regional Medical Center, which is located approximately 1.8 miles west of downtown Aiken. The downtown area also offers a large number of accommodation/food services and retail trade jobs, due to various restaurants, bars, and retail establishments in the downtown area. According to inflow/outflow data from the U.S. Census Bureau, in 2015, there were 2,964 individuals employed in downtown Aiken. Employment within the city of Aiken is concentrated in the healthcare/social assistance, manufacturing, and retail trade sectors, which together comprise 38.4 percent of employment.

  Major employers in Aiken are primarily concentrated in the energy, education, and manufacturing sectors. The large presence of the energy sector is due to the SRS being the largest employer in the area. Of the major employers, 16 are within the manufacturing sector, which is often volatile during economic downturns. However, the region also offers major employers in more stable sectors such as healthcare and government. Overall, Aiken appears to offer a diverse economic base with a wide range of jobs from a variety of industries. The types of employment opportunities that are in or around downtown Aiken are primarily in the government, healthcare/social assistance, and retail trade sectors.

  Zeus Industrial Products, a manufacturer, announced in February 2018 that they are expanding by adding 51 new employees. Further, approximately 200 jobs were added throughout 2017 from various established employers throughout the region.

  The Savannah River Site (SRS) is a nuclear reservation located on land in Aiken, Allendale, and Barnwell Counties, adjacent to the Savannah River and it covers 310 square miles. The SRS is the largest employer in Aiken County. According to the report, over the past decade, total employment at the SRS has ranged from a low of 9,900 in 2008 to a high of 13,300 in 2010, with an average of approximately 11,000 between 2006 and 2016. Total employment during the fourth quarter of 2016 (most recent data available) was 11,279. Total employment for fiscal year 2016 was 10,532 employees. More than half of SRS employees live in Aiken County, approximately, 15 percent live in Columbia County, Georgia, approximately 12 percent live in Richmond County, Georgia, and less than 10 percent live in Barnwell County and Allendale County.

  It is widely reported/known that the workforce at the SRS is expected to change greatly over the next five years, as an estimated 3,000 to 5,000 workers will retire and will need to be replaced. According to information provided by the SRS, 665 new hires were made in 2016, 696 were made in 2017, 450 have been made through 2018 year-to-date, 560 are planned for 2019, 570 are planned for 2020, and 580 are planned for 2021. It is important to note that these new hires are due to retirements, not growth. However, given that Aiken is widely regarded as a great retirement community, many of these retirees are expected to stay in the area and new demand for housing will be generated from the incoming employees as Mr. McLeod reported that majority of these jobs are likely to be filled by millennials who have recently graduated or have been in the workforce for only a few years.

In December 2013, Fort Gordon was chosen as the location for ARCYBER headquarters. According to the official statement by the Augusta Economic Development Authority, the move initially brought 1,500 active duty military, government civilian, and contract personnel jobs to Augusta. According to this press release, "The Army selected Fort Gordon as the permanent location for ARCYBER Headquarters for operational and cost reasons. Since its establishment in 2010, ARCYBER has been temporarily split-located in seven government buildings and leased space across the national capital region. The move to Fort Gordon will co-locate ARCYBER Headquarters with the Army's Joint Forces Headquarters-Cyber and NSA-Georgia, placing the Army's operational cyber headquarters with the majority its cyber mission forces." This move has significantly increased the presence of the technology sector in the region. This move is expected to be fully implemented by June 2020 and we expect this move to impact Aiken and the demand for housing in the area.

Total employment increased from 2011 through 2018 year-to-date. From May 2017 to May 2018, total employment in the MSA increased 1.6 percent compared to an increase of 1.7 percent nationally over this same time period. From May 2017 to May 2018, the unemployment rate in the MSA decreased 10 basis points to 4.6 percent, which was 100 basis points above the national unemployment rate of 3.6 percent. Overall, the economy appears to be strong with increasing total employment and a decreasing unemployment rate.

- The demographic data demonstrates that both downtown Aiken and the city of Aiken as a whole are projected to experience slight increases in total and senior population and number of households through 2022. The population in downtown Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 year age cohort, and the 55 to 59 year age cohort. Population within the city of Aiken was greatest in the 60 to 64 year age cohort, followed by the 65 to 69 age cohort, and the 55 to 59 year age cohort. By 2022, the largest age cohort in downtown Aiken is projected to be the 65 to 69 age cohort, followed by the 60 to 64 and 70 to 74 age cohort, which indicates an older population in the downtown area. Within the city, the 65 to 69 year age cohort will continue to be the largest by 2022, followed by the 60 to 64 and the 70 to 74 year age cohorts.

  The average household size in downtown Aiken decreased from 2010 to 2017 to 1.95 persons, which was significantly smaller than all other areas of study. The average household size in downtown is projected to increase slightly through 2022 to 2.05 persons. The average household size in the city of Aiken is projected to increase to 2.25 persons by 2022. This data supports the demand for smaller rental housing unit types such as one and two-bedroom units. One and two-person households represent the largest groups of households in downtown Aiken, in the city as a whole, as well as in the MSA. In downtown, one-person households are most prevalent, while in the city and MSA two-person households are most prevalent. These trends are projected to persist through 2022.

  The median household income in downtown is lower than the city, MSA, and nation as a whole. The median household income in downtown is projected to increase at an annual rate of 2.3 percent through 2022, which is a slightly faster rate compared to the MSA and the nation as a whole, but a slower rate compared to the city. However, the median household income in downtown will remain below all other areas of study, which supports the need for affordable rental housing in downtown.

Compared to the overall household income distribution, there are a greater percentage of total and senior renters in the lower income cohorts; however, the $10,000 to $19,999 cohort is still the largest in downtown Aiken. Within the city, the majority of general and senior renter household incomes are concentrated in the lower income brackets. This data indicates that the strongest demand for rental housing in downtown and the city as a whole is among lower to middle-income households; however, anecdotal evidence from our surveys suggests that the demand for rental housing in downtown Aiken is primarily for middle to upper-income households.

According to 2015 U.S. Census estimates, there were 2,964 individuals employed in downtown Aiken, of which 99.3 percent (2,943) are living outside downtown Aiken and 0.7 percent (21) are living within downtown Aiken. Also, per this data, 300 individuals overall are living in downtown Aiken, of which 93.0 percent (279) are employed outside of downtown Aiken and 7.0 percent (21) of which are living and employed in downtown Aiken. This data suggests an insufficient supply of multifamily housing within the downtown area, provided that there is a desire to live in downtown, which is supported by anecdotal evidence from several interviews detailed in this report.

According to 2015 U.S. Census estimates, there were 20,152 individuals employed in the city of Aiken, of which 84.0 percent (16,933) are living outside Aiken and 16.0 percent (3,219) are living within the city of Aiken. Also, per this data, 10,391 individuals overall are living in the city of Aiken, of which 69.0 percent (7,172) are employed outside of Aiken and 31.0 percent (3,219) of which are living and employed in Aiken. This data suggests an insufficient supply of multifamily housing within the city, which is supported by anecdotal evidence from several interviews detailed in this report and the low vacancy rates and waiting lists reported by comparables.

- The downtown Aiken housing market and the citywide Aiken housing market consists primarily of an older housing stock. Since 2007, multifamily development has comprised 6.1 percent of all permits in Aiken, while 90.3 percent of the permits have been granted for development of single-family homes. Approximately 44.3 percent of total households and 39.1 percent of senior households in downtown are renter-occupied as of 2017, while only 32.4 percent of total households and 21.4 percent of total senior households in in the city of Aiken are renter-occupied. The number of total and senior renter-occupied households as a percentage of total households increased from 2000 to 2017 in both areas of study. However, in downtown Aiken, the number and percentage of total and senior renter-occupied households is projected to decrease through 2022. In the city, the percentage of total and senior renter-occupied households is projected to decrease while the number of renter-occupied households is expected to increase through the same time period.

- There are no multifamily apartment complexes located in downtown Aiken. As such, we surveyed several LIHTC and market rate multifamily developments located in Aiken and one in Graniteville, and have supplemented this data with listings of single-family rental homes, condominium rentals, and conversion rental units that are located in downtown, along with some data provided by various property owners and real estate agents. It should be noted that, while we believe there is demand for senior housing in the Aiken market, we do not believe the need for senior housing in downtown is strong enough to warrant a discussion and we have focused primarily on general population targeted units. It should also be noted that, while we have analyzed affordable developments in Aiken, we believe the strongest demand for housing in downtown and the most feasible type of development in downtown is for middle to upper-income market rate housing. This opinion is based on the demographic data and our various interviews with market participants.

- The multifamily market in Aiken consists primarily of one, two, and three-bedroom units, which represent 21.5, 56.1, and 22.2 percent of all rental units surveyed. Among the affordable comparables, the units consist primarily of two and three-bedroom units (58.6 and 38.4 percent of total, respectively). Among the market rate comparables, the units consist primarily of one, two, and three-bedroom units (24.1, 55.7, and 19.9 percent of total, respectively). Among the downtown comparables (all of which are market rate), the units consist primarily of two and three-bedroom units (19.0 and 47.6 percent of total, respectively). As previously discussed, the average household size in downtown Aiken is smaller than that of the city as a whole. Further, anecdotal evidence from our interviews indicates that the target tenancy for downtown rental properties are young professionals and retirees/empty nesters, which typically consists of one to two-person households. Nonetheless, we cannot ignore the large percentage of three-bedroom units in the market, and we do believe there is demand for some three-bedroom units in downtown Aiken and citywide. As such, our focus for the remainder of this study will be on one, two, and three-bedroom unit types.

- We believe one-bedroom unit sizes of 750 to 950 square feet would be well accepted in this market. We believe two-bedroom unit sizes of 900 to 1,100 square feet would be well accepted in this market. We believe three-bedroom unit sizes of 1,300 to 1,500 square feet would be well accepted in this market. It should be noted that we also believe larger or smaller unit sizes than those recommended would likely be well accepted in this market but we believe unit sizes within these recommended ranges would be ideal in order to maximize use of space/profit while also providing good marketability.

- We believe one-bedroom units with one or one and a half bathrooms will be accepted in this market. We recommend offering two-bedroom units with two bathrooms. We recommend offering three-bedroom units with two bathrooms.

- The vacancy rates among the properties range from zero to 3.1 percent, with an overall average of 1.2 percent. The four affordable comparables reported vacancy rates of zero percent. The market rate comparables reported vacancy rates of zero to 3.1 percent with an overall vacancy rate of 1.4 percent. The reported vacancy rates indicate a supply constrained market with few vacancies and excess demand. Of the properties surveyed, all of the affordable and one of the market rate comparables reported waiting lists. These waiting lists indicate a level of unmet demand for both market rate and affordable housing throughout Aiken.

- The one-bedroom rents for units in downtown range from $950 to $1,683 and we believe one-bedroom achievable rents for units in downtown range from $900 to $1,100. The two-bedroom rents for units in downtown range from $750 to $1,100 and we believe two-bedroom achievable rents for units in downtown range from $1,000 to $1,200. The three-bedroom rents for units in downtown range from $750 to $2,100 and we believe three-bedroom achievable rents for units in downtown range from $1,200 to $1,500.

- It is also important to highlight locational differences within downtown. We previously detailed potential development sites for downtown Aiken and we believe multifamily units on sites one through four and six (as previously described) would be able to achieve rental rates towards the high end of the ranges described while a multifamily development on site five would be able to achieve rents towards the low end of the ranges given the inferior walkability and proximity to restaurants, bars, nightlife, and other locational amenities.

- We believe the achievable rents citywide (outside of downtown) are slightly lower than those achievable in downtown given their inferior location, which is supported by the rents being achieved at the comparables in downtown versus those outside of downtown. Haven at Market Street and The Summits of Aiken Apartments are the two most recently constructed market rate multifamily comparables in the area, as they were built in 2008 and 2012, respectively. These comparables are 97.2 and 100 percent occupied, respectively and reported one-bedroom rents ranging from $735 to $835, two-bedroom rents ranging from $900 to $935, and three-bedroom rents ranging from $1,130 to $1,175. Haven at Market Street is located approximately 3.5 miles northwest of downtown Aiken, just north of the University of South Carolina – Aiken. The Summits of Aiken Apartments is located in Graniteville, approximately 6.9 miles southwest of downtown Aiken, near Aiken Technical College. We believe the rents being achieved at these comparables are representative of achievable rents for newly constructed market rate properties located outside of downtown. As such, we believe achievable rents for properties outside of downtown range from $750 to $850 for one-bedroom units, from $850 to $950 for two-bedroom units, and from $1,100 to $1,200.

- It is also important to highlight locational differences within the city of Aiken. There have been no recently constructed multifamily developments in the southern portion of Aiken; however, The Colony at Southpark, which was originally constructed in 1989, is located in the southern portion of Aiken, reported a vacancy rate of 1.8 percent, and is achieving one, two, and three-bedroom rents, just below the previously discussed market rate comparables, at $875, $930, and $1,030. It should also be noted that Ms. Wilson of Meybohm reported that the majority of their rental request are for the south side of Aiken. Taking all of this into account, we believe the achievable rents for newly constructed market rate properties throughout the city of Aiken (but outside of downtown) are within the previously discussed range. However, we acknowledge that some sites are more desirable than others and rents may fluctuate above or below our achievable range based on differences in neighborhoods.

- Despite that fact that all LIHTC comparables are 100 percent occupied with waiting lists, all reported 50 and 60 percent AMI rents below maximum allowable levels. The property manager at Dupont Landing, a recently constructed single-family LIHTC comparable, reported that ownership is a non-profit entity and rents are set below maximum allowable levels to provide an additional level of affordability to the tenants. The property manager at Longleaf Senior Village Phase I reported that rents are much lower than achievable rents as the property was opened with low rents to insure a short lease-up period. The rents at this property have been increased each year annually; however, are still below maximum allowable rents as any rent increase must be approved by the Housing Authority, which does not allow for significant rent increase. Taking all of this into account, we believe a newly constructed LIHTC development located in Aiken could achieve rents slightly below maximum allowable levels but above the rents being achieved at the LIHTC comparables, as most appear to be below achievable LIHTC rents based on our surveys.

- Based on our demand estimates, we believe there is demand for 125 additional affordable units in the market through 2022. This analysis indicates a need of -55 to 106 affordable units per year through 2022. There is also demand for 314 additional market rate units in the market through 2022. This analysis indicates a need of 35 to 175 market rate units per year through 2022. It should be noted that the units of demand fluctuate from year to year due to the fact that we account for frictional vacancy only once (in 2018) in our calculations. It is important to note that these figures account for demand throughout the entire city of Aiken; however, based on our interviews, downtown Aiken is one of the most desirable areas to live within the city and we believe the downtown area could support an additional 50 to 100 affordable units and 100 to 200 market rate units through the forecast period (2022). It is also important to note that these demand calculations are somewhat conservative as they do not account for leakage from outside the city of Aiken. Based on economic development, including the large number of new hires that are anticipated at the SRS site and the impacts of ARCYBER at Fort Gordon, we believe there may be demand for even more units, primarily market rate units, through the forecast period.

- Interviews with various local stakeholders indicated several major themes. First, there have been few recently constructed market rate multifamily developments throughout Aiken over the last decade and there are few vacancies among the existing multifamily developments in Aiken, both affordable and market rate. Further, there is clearly a lack of multifamily rental units in the downtown area of Aiken and we are not aware of any true multifamily rental properties in downtown. Based on our interviews, downtown Aiken is one of the most desirable areas to live in the city of Aiken due to the large number of retail shops, restaurants/bars, nightlife, and other activities in downtown. The stand-alone rental units of which we are aware are generally outperforming other multifamily units in Aiken outside downtown in terms of rent. The interviewees generally reported that the downtown area is ready to be developed with multifamily uses given the desire of the young to middle age individuals wanting to live in downtown.

  The demand for multifamily units throughout the region is anticipated to increase due to two factors: 1) the large number of projected retirees from the SRS over the next several years, which will bring in new young workers to the area and 2) the US government choosing Fort Gordon as the new ARCYBER headquarters, which is expected to have significantly long term impacts on the region as a whole. We believe these two factors will add additional middle to upper income jobs to the local market on top of the current rental housing shortage that exists throughout Aiken and specifically in downtown Aiken. Most contacts reported that multifamily units in downtown would appeal to young professionals, seasonal travelers who come to Aiken for various reason, empty nesters, and retirees. The contacts also generally reported that some obstacles to adding multifamily units to the downtown area would be the cost of land and land owners unwillingness to sell said land and the lack of parking in downtown. Overall, the outlook of downtown and citywide is very positive and most interviewees estimated that the downtown area and the city of Aiken could support between 50 and 200 additional multifamily rental units over the next one to three years.

ADDENDUM A
Assumptions & Limiting Conditions

ASSUMPTIONS & LIMITING CONDITIONS

1. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

2. A consulting analysis market study is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

3. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

4. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

5. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

6. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

7. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

ADDENDUM B
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
    Board of Directors 2017 - Present
Designated Member of the Appraisal Institute (MAI)
    Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

State of Arkansas Certified General Real Estate Appraisal No. CG2682
State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Various Continuing Education Classes as required by licensing, 2016 & 2017
USPAP Update, January 2016
Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010

HUD MAP Third Party Valuation Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
HUD MAP – Valuation Advance MAP Training, April 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.

- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.

- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.

- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.

- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with

HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.

- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

STATEMENT OF PROFESSIONAL QUALIFICATIONS
LAWSON SHORT

I. EDUCATION

St. Edward's University, Austin, Texas
Bachelor of Arts, English Writing and Rhetoric, *2010*

II. PROFESSIONAL EXPERIENCE

Manager – Novogradac & Company LLP, *March 2018 to Present*
Real Estate Analyst – Novogradac & Company LLP, *March 2012 to March 2018*
Researcher – Novogradac & Company LLP, *March 2011 to March 2012*

III. PROFESSIONAL TRAINING

Basic Appraisal Principles *June 2013 to January 2014*
Basic Appraisal Procedures *June 2013 to January*
2014 National USPAP Course *June 2013 to January*
2014 Texas Appraiser Trainee License *February 2014*

IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.

- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.

- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.

- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.

- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.

ADDENDUM C
Demographics

Demographic and Income Profile

PMA Aiken

Prepared By Business Analyst Desktop

Summary	Census 2010	2017	2022
Population	38,318	39,925	41,352
Households	16,450	17,142	17,758
Families	10,477	10,752	11,074
Average Household Size	2.24	2.24	2.25
Owner Occupied Housing Units	11,163	11,567	12,028
Renter Occupied Housing Units	5,287	5,575	5,730
Median Age	44.7	46.1	46.7
Trends: 2017 - 2022 Annual Rate	**Area**	**State**	**National**
Population	0.70%	1.21%	0.83%
Households	0.71%	1.21%	0.79%
Families	0.59%	1.09%	0.71%
Owner HHs	0.78%	1.20%	0.72%
Median Household Income	2.87%	2.38%	2.12%

	2017		2022	
Households by Income	Number	Percent	Number	Percent
<$15,000	2,235	13.0%	2,107	11.9%
$15,000 - $24,999	1,749	10.2%	1,601	9.0%
$25,000 - $34,999	1,703	9.9%	1,485	8.4%
$35,000 - $49,999	2,192	12.8%	1,913	10.8%
$50,000 - $74,999	2,681	15.6%	2,887	16.3%
$75,000 - $99,999	1,890	11.0%	2,356	13.3%
$100,000 - $149,999	2,747	16.0%	3,232	18.2%
$150,000 - $199,999	1,008	5.9%	1,132	6.4%
$200,000+	937	5.5%	1,044	5.9%
Median Household Income	$54,826		$63,147	
Average Household Income	$79,751		$90,039	
Per Capita Income	$35,039		$39,399	

	Census 2010		2017		2022	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,957	5.1%	1,895	4.7%	1,958	4.7%
5 - 9	1,987	5.2%	2,018	5.1%	2,004	4.8%
10 - 14	2,161	5.6%	2,095	5.2%	2,162	5.2%
15 - 19	2,705	7.1%	2,422	6.1%	2,418	5.8%
20 - 24	2,618	6.8%	2,428	6.1%	2,233	5.4%
25 - 34	3,962	10.3%	4,672	11.7%	4,663	11.3%
35 - 44	3,883	10.1%	3,968	9.9%	4,567	11.0%
45 - 54	5,315	13.9%	4,551	11.4%	4,238	10.2%
55 - 64	5,711	14.9%	6,044	15.1%	5,796	14.0%
65 - 74	4,312	11.3%	5,598	14.0%	6,241	15.1%
75 - 84	2,602	6.8%	2,892	7.2%	3,629	8.8%
85+	1,103	2.9%	1,340	3.4%	1,442	3.5%

	Census 2010		2017		2022	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	26,121	68.2%	27,149	68.0%	28,072	67.9%
Black Alone	10,431	27.2%	10,761	27.0%	11,014	26.6%
American Indian Alone	136	0.4%	141	0.4%	149	0.4%
Asian Alone	647	1.7%	719	1.8%	791	1.9%
Pacific Islander Alone	23	0.1%	29	0.1%	35	0.1%
Some Other Race Alone	367	1.0%	420	1.1%	470	1.1%
Two or More Races	593	1.5%	706	1.8%	822	2.0%
Hispanic Origin (Any Race)	1,090	2.8%	1,300	3.3%	1,517	3.7%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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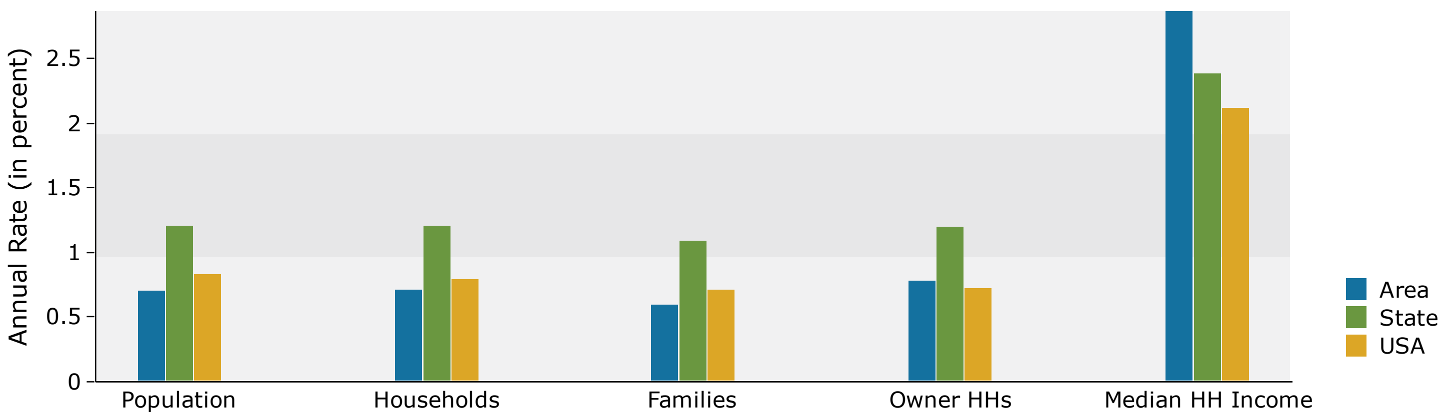
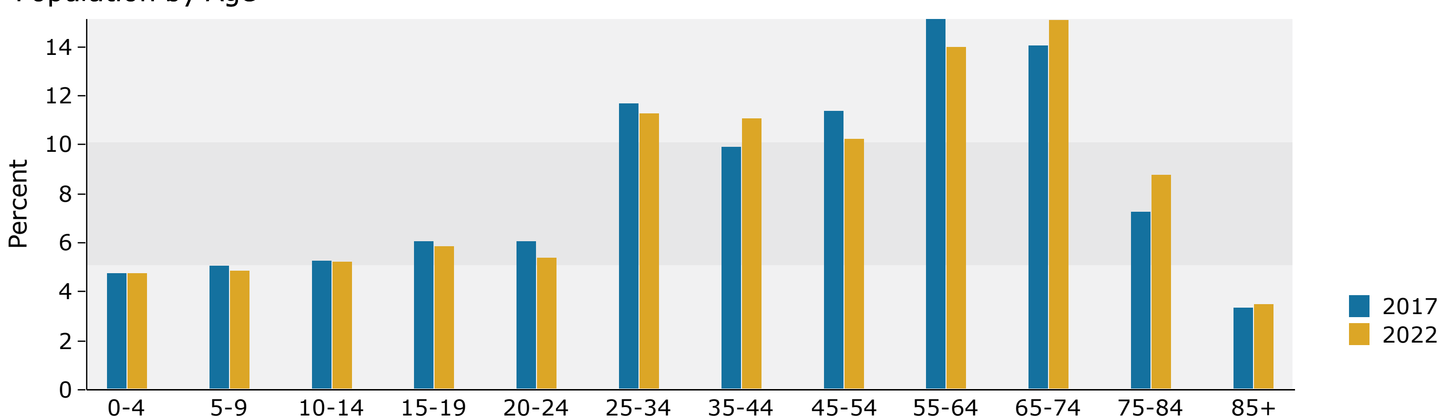
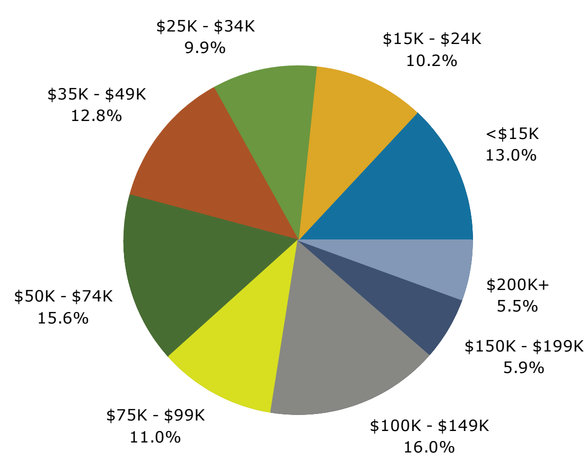
Trends 2017-2022



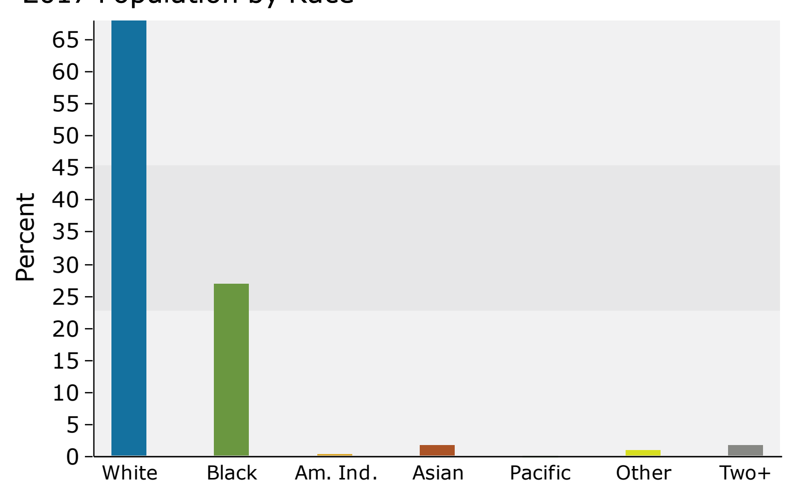
Population by Age



2017 Household Income



2017 Population by Race



2017 Percent Hispanic Origin: 3.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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Summary	Census 2010		2017		2022
Population	920		960		993
Households	471		491		508
Families	240		247		254
Average Household Size	1.90		1.91		1.91
Owner Occupied Housing Units	257		268		279
Renter Occupied Housing Units	214		223		229
Median Age	49.4		51.4		52.2

Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	0.68%	1.21%	0.83%
Households	0.68%	1.21%	0.79%
Families	0.56%	1.09%	0.71%
Owner HHs	0.81%	1.20%	0.72%
Median Household Income	2.17%	2.38%	2.12%

	2017		2022	
Households by Income	Number	Percent	Number	Percent
<$15,000	135	27.5%	122	24.0%
$15,000 - $24,999	96	19.6%	101	19.9%
$25,000 - $34,999	58	11.8%	55	10.8%
$35,000 - $49,999	50	10.2%	50	9.8%
$50,000 - $74,999	16	3.3%	22	4.3%
$75,000 - $99,999	33	6.7%	42	8.3%
$100,000 - $149,999	56	11.4%	63	12.4%
$150,000 - $199,999	9	1.8%	10	2.0%
$200,000+	38	7.7%	44	8.7%
Median Household Income	$26,987		$30,046	
Average Household Income	$67,058		$86,023	
Per Capita Income	$34,523		$44,216	

	Census 2010		2017		2022	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	41	4.5%	40	4.2%	42	4.2%
5 - 9	42	4.6%	46	4.8%	48	4.8%
10 - 14	46	5.0%	47	4.9%	51	5.1%
15 - 19	51	5.5%	45	4.7%	45	4.5%
20 - 24	57	6.2%	48	5.0%	36	3.6%
25 - 34	90	9.8%	100	10.4%	101	10.2%
35 - 44	87	9.5%	90	9.3%	106	10.7%
45 - 54	131	14.3%	111	11.5%	99	9.9%
55 - 64	174	18.9%	181	18.8%	152	15.3%
65 - 74	106	11.5%	149	15.5%	184	18.5%
75 - 84	65	7.1%	72	7.5%	95	9.5%
85+	29	3.2%	34	3.5%	36	3.6%

	Census 2010		2017		2022	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	502	54.6%	532	55.5%	555	55.9%
Black Alone	391	42.5%	397	41.4%	405	40.8%
American Indian Alone	1	0.1%	1	0.1%	1	0.1%
Asian Alone	3	0.3%	3	0.3%	3	0.3%
Pacific Islander Alone	0	0.0%	0	0.0%	0	0.0%
Some Other Race Alone	10	1.1%	11	1.1%	12	1.2%
Two or More Races	13	1.4%	15	1.6%	17	1.7%
Hispanic Origin (Any Race)	21	2.3%	23	2.4%	26	2.6%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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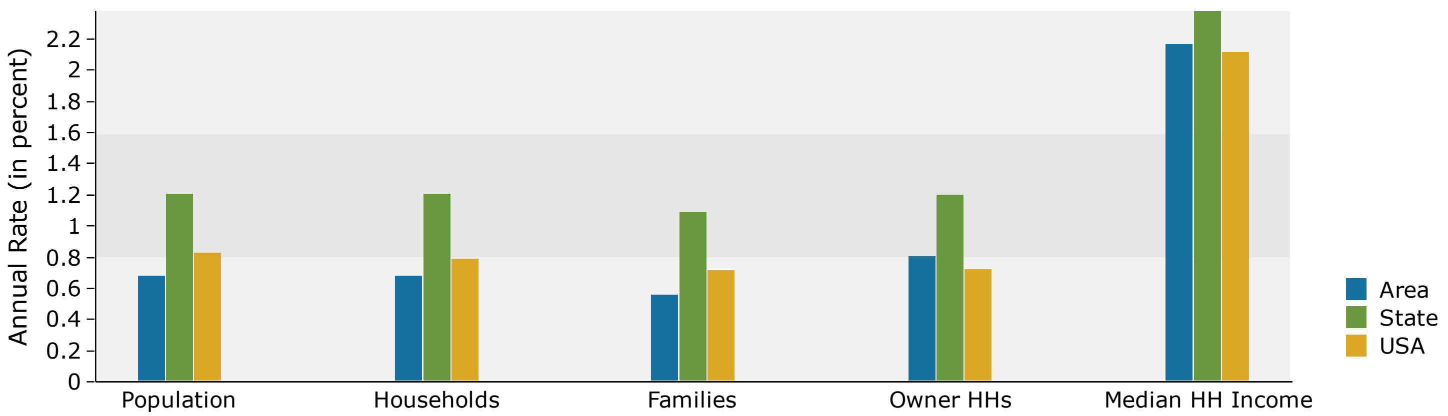
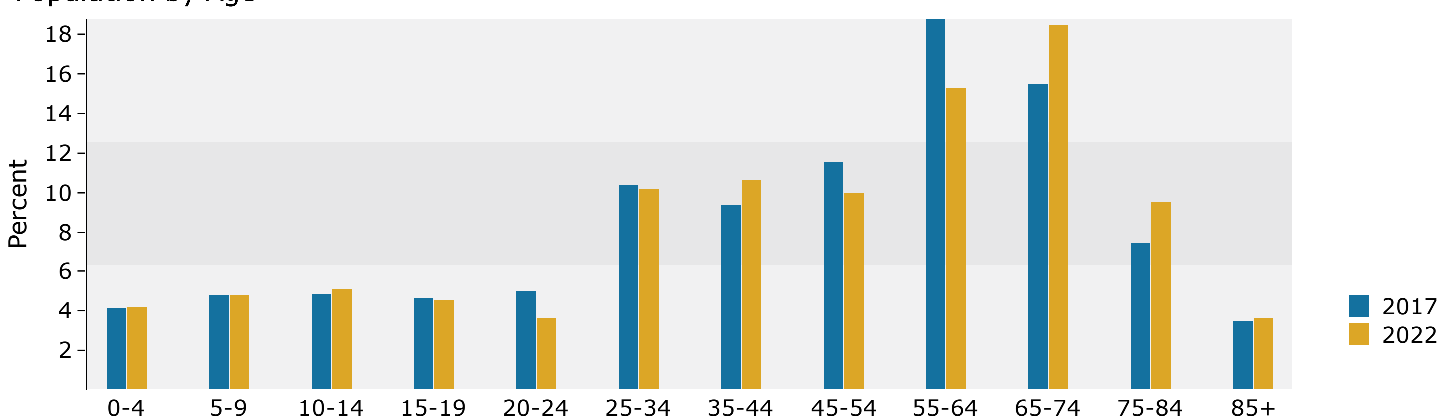
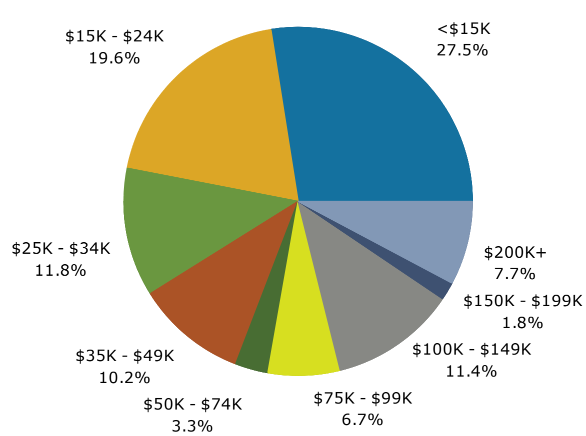
Trends 2017-2022



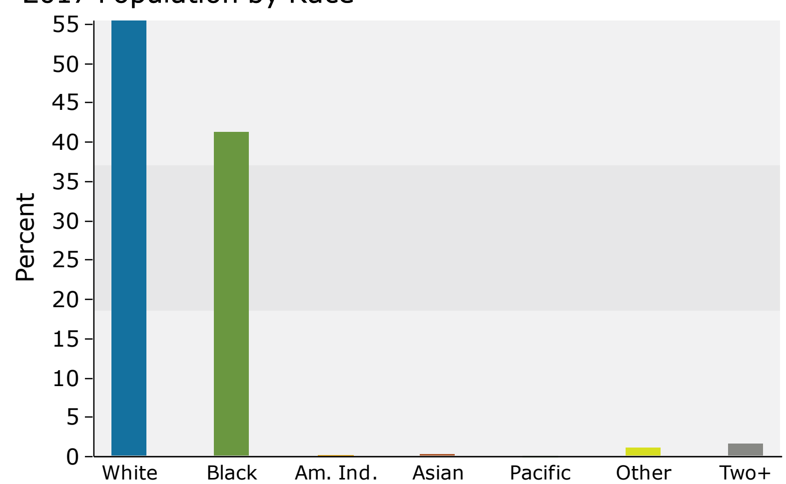
Population by Age



2017 Household Income



2017 Population by Race



2017 Percent Hispanic Origin: 2.4%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

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