

INTRODUCTION

HERNANDO COUNTY RENTAL HOUSING MARKET STUDY

MARKET STUDY OBJECTIVES

This report of the Hernando County rental housing market has been prepared by Strategic Planning Group, Inc. (SPG), for the Hernando County Board of County Commissioners. The purpose of the study is to assist the Board in evaluating the need for additional rental and affordable rental housing in Hernando County.

SPG's report is presented in the following five sections beginning with an **Executive Summary**. **Section I** provides an introduction the study and general economic data on Hernando County overall. **Section II** analyses the Hernando County housing market by submarket areas within the county. **Section III** presents the findings of the Hernando County multi-family housing market survey. **Section IV** provides a multi-family rental housing demand analysis along with conclusions and recommendations regarding future rental housing needs by defined submarkets within the county.

Limitations of Analysis

SPG does not warrant the growth projections and estimated rental market demand contained in this report, as the development and market potential of rental properties are dependent on factors beyond the control of the consultant. These factors include unpredictable changes in the local or national economy, the capability of developers of rental housing, the availability of financing and public assistance, and the local political environment given administration changes over time. It should be noted, however, that the assessments and recommendations contained in this report represent the best judgment of SPG based on information gathered and evaluated within the scope of our agreement with the Board.

Assumptions

For any study requiring estimates of future market conditions, it is necessary to make specific assumptions. In addition to assumptions stated within the report text, the basic assumptions of this report are as follows:

During the time period covered by this report, Hernando County will continue to experience economic growth and will not encounter a major economic decline which would significantly reduce anticipated market demand for rental housing. The results of our research are based on published statistics and actual surveys of market conditions that are presumed to be sufficiently accurate for the purposes of this report. The probable development potential of rental housing within the county will therefore not be substantially different from the figures contained herein. SPG has made every effort to

accurately identify prevailing market conditions for rental housing in Hernando County for the purposes of this study. Major changes can, and probably will, occur during the time horizon set forth in this study, and the recommendations and supporting data presented here should be reviewed and revised by the Housing Agency as appropriate.

FIRM QUALIFICATIONS

SPG, founded in 1983, is a housing, planning and economic consulting firm based in Jacksonville, Florida, with extensive experience in assisting counties and municipalities in defining and planning for housing needs, economics, tourism planning and comprehensive planning.

We have prepared over 150 housing studies for local governments, nonprofits and private developers including numerous studies for the Florida's Housing Finance Corporation, U.S. Navy, U.S. Coast Guard, and Needs Assessment Studies for the U.S. Air Force at bases throughout the United States.

We have recently completed similar studies for the City of Ormond Beach (unanimously approved) and prepared the St. Johns County Housing Element (unanimously approved by the County Commission in July 2002). SPG was also retained by St. Johns County, to prepare its Special Needs and Elderly Housing Program. SPG was retained by Pasco County to prepare its Affordable Housing Study, when the County's Housing Element (prepared by another consultant) was found non-compliant by the DCA. SPG was also selected (July 2002) by the Florida Housing Finance Corporation (FHFC) for a four year open-end contract to assist the FHFC prepare housing market and financial feasibility studies throughout the State of Florida.

SPG and our staff have prepared over 250 housing related studies for local governments, private developers, and the State (FDCA and FHFC). These studies included Housing Elements, Bond Feasibility Studies, Private Market & Financial Feasibility Studies and employee and non-profit driven housing. We believe in extensive fieldwork to support and supplement secondary data sources including interviews and the use of surveys. SPG was the only consultant used by the Air Force to prepare its housing privatization (affordable) program and is currently completing the second year of a four year opened Needs Assessment contract with the USAF.

Key Personnel

The key personnel assigned to conduct this study are senior consultants with extensive experience in housing, residential market feasibility, economic development and

comprehensive planning experience. These individuals included the following SPG personnel:

Bob Gray

As Chairman of Strategic Planning Group, Inc. (SPG) Mr. Robert Gray leads the resource team with over 34 years of international consulting experience in: Economic Development/Site Location, Growth Management/Comprehensive Land Use Planning, Development Economics/Feasibility, and Strategic Planning. His broad range of experience ensures SPG clients of detailed accuracy, proven programs, and consistent professionalism.

Affordable Housing Programs

- Authored St. Johns County Affordable Housing Program, 2002
- Prepared 20 affordable housing feasibility studies for local Housing Finance Agencies in Florida as well as 10 feasibility studies for Florida's Housing Finance Agency (Corporation)
- Authored Pasco County's Affordable Housing Program, 2001 and St. Johns County's Elderly Housing Program

Anthony Mondae

Over 34 years of experience in residential housing and special needs studies which have been conducted for both public and private sector clients throughout the United States. He has also served as the project director/officer for numerous DRI housing elements and CRA housing elements for various projects within the State of Florida.

Experience includes studies undertaken for the Florida Housing Finance Corporation in the Orlando MSA, Marion, Brevard, Monroe, Palm Beach counties and the ten county Northwest Florida Region. He has also served as the project director for over 40 urban revitalization study programs involving central city commercial and housing redevelopment.

Housing needs analysis and special needs population housing studies have also been conducted for the U.S. Navy at the following locations: Kings Bay, Georgia, Mayport, Florida, Pensacola, Florida, Gulfport, Mississippi, Charleston, South Carolina and Corpus Christi, Texas. Similar housing needs studies were undertaken for the United States Coast Guard in Traverse City, Michigan, Barnegat Light, New Jersey, Sault Ste. Marie, Michigan and for the Civil Engineering Command located in Cleveland, Ohio.

CERTIFICATIONS

The following study was prepared in accordance with the guidelines of the Board of County Commissioners (BCC), Florida Housing Finance Corporation and SPG's professional standards.

SPG has no identity of interest with any member of the BCC or the Hernando County Housing Authority.

It is understood that the market study will be submitted to the Board of County Commissioners and that the BCC may rely on the data included in the market analysis in the review of competing tax credit and other financing applications.

The SPG consultant team personally inspected the market area under consideration during the weeks of December 8, 2003, January 5, 2004 and January 12, 2004.

Attested:

Strategic Planning Group, Inc.
Anthony Mondae, President