National Leaders in Real Estate Research

PREPARED FOR:

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St. Mary's County Government

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Government Center

Leonardtown, Maryland

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An Overall Housing

Need Assessment of

St. Mary's County,

Maryland

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I. INTRODUCTION

A. OBJECTIVES

This study analyzes the overall housing market of St. Mary's County, Maryland and identifies the market for additional rental and for-sale residential development within various submarkets within St. Mary's County. This report is not site specific; rather, it provides an overview of the potential for new residential development. The data presented in this report can be used as a base for future site specific analyses. After fully discussing the scope and area of survey with Mr. John Savich of St. Mary's County Government, The Danter Company, Incorporated undertook the analysis.

B. METHODOLOGY

The methodology we use in our studies is centered on three analytical techniques: the Effective Market Area (EMA)^{SM} principle, a 100% data base, and the application of data generated from supplemental proprietary research.

The Effective Market Area (EMA) Principle—The EMA principle is a concept developed by The Danter Company, Incorporated to delineate the support that can be expected for a proposed site or area. An EMA is the smallest specific geographic area that will generate the most support for that site area. This methodology has significant advantages in that it considers socioeconomic conditions and neighborhood specific needs.

Survey Data Base—Our surveys employ a 100% data base. In the course of a study, our field analysts survey not only the developments within a given range of price, amenities, or facilities, but all modern developments within the EMA.

Proprietary Research—In addition to site-specific analyses, The Danter Company, Incorporated conducts a number of ongoing studies, the results of which are used as support data for our conclusions. The Danter Company, Incorporated maintains a 100% data base of more than 1,500 communities, with each development cross-analyzed by rents, unit and project amenities, occupancy levels, rate of absorption, and rent/value relationships.

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C. DATA ANALYSIS

This study represents a compilation of data gathered from various sources, including the properties surveyed, local records, and interviews with local officials, real estate professionals, and major employers, as well as secondary demographic material. Although we judge these sources to be reliable, it is impossible to authenticate all data. The analyst does not guarantee the data and assumes no liability for any errors in fact, analysis, or judgment.

The secondary data used in this study are the most recent available at the time of the report preparation.

In Section VI—Field Survey, we have attempted to survey l00% of all units. Since this is not always possible, we have also compared the number of units surveyed with the number of multifamily housing starts to establish acceptable levels of representation. All developments included in the study are personally inspected by a field analyst directly employed by The Danter Company, Incorporated.

The objective of this report is to gather, analyze, and present as many market components as reasonably possible within the time constraints agreed upon. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated. It is our function to provide our best effort in data aggregation, and to express opinions based on our evaluation.

D. USES AND APPLICATIONS

Although this report represents the best available attempt to identify the current market status and future market trends, note that most markets are continually affected by demographic, economic, and developmental changes. Further, this analysis has been conducted with respect to a particular client's development objectives, and consequently has been developed to determine the current market's ability to support those particular objectives. For these reasons, the conclusions and recommendations in this study are applicable only to the proposed site identified herein, and only for the potential uses for that site as described to us by our client. Use of the conclusions and recommendations in this study by any other party or for any other purpose compromises our analysis and is strictly prohibited, unless otherwise specified in writing by The Danter Company, Incorporated.

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II. SCOPE OF SURVEY

A complete analysis of a housing market requires the following considerations: a field survey of modern apartments, single-family rentals, manufactured and mobile housing, elderly facilities, for-sale housing; special needs housing; an analysis of area housing; an analysis of the area economy; telephone survey; a demographic analysis; and recommendations for supportable housing units by submarket.

Field Survey— Our survey provides information about existing residential alternatives in the area. The survey of modern apartments and elderly facilities includes a cross-analysis of vacancies by rents, a survey of unit and project amenities, and a rent/value analysis. A field survey of single-family rentals was also completed.

Active condominium/patio home and single-family developments in the Effective Market Area include sales by sale price, sales rate, unit and project amenities, product mix, and style.

To analyze the potential senior housing market, the following field surveys were also performed:

- A survey of existing and proposed assisted-living facilities that includes pricing policy and structure, beds, mix, absorption, and amenities.

- A survey of existing and proposed independent-living/congregate care facilities that includes pricing policy and structure, beds, mix, absorption, and amenities.

- A survey of existing and proposed nursing home facilities that includes pricing policy and structure, beds, mix, absorption, and amenities.

Non-profit and/or community organizations were interviewed in order to gauge the depth and the extent to which housing services are needed for the special needs and homeless population.

Area Housing Analysis—We have conducted an analysis of housing demand that includes a study of support by both growth and internal mobility. Further, we have analyzed existing housing using the most recent census material.

Site Area Analysis—A brief description is provided for each submarket including housing and household characteristics, significant land uses, and community services.

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Interviews of Major Employers—The Danter Company conducted telephone interviews with human resource personnel of area major employers to identify the housing need for employees in St. Mary's County and the perception of the area as a place to live.

Demographic/Economic Analysis—The study includes an analysis of social and demographic characteristics of the area, and a description of the area economy that includes income and employment trends.

Development Guidelines--The Conclusions section of the study considers new housing development, and includes support by submarket, sales price or rent range, as well as the potential number of supportable units.

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