

2



2.1 VALUE INDICATORS

EXISTING LAND USE AND TAXABLE VALUES

	PARCEL COUNT	TOTAL ACRES	FULL MARKET VALUE (FMV)		
			LAND	BUILDINGS	TOTAL
RESIDENTIAL					
Single Family Residential	155	41.2	\$7,323,455	\$24,378,355	\$31,701,810
Townhome	99	0.0	\$4,389,857	\$13,242,707	\$17,632,564
Condominium	99	0.0	\$3,797,443	\$7,762,871	\$11,560,314
Subtotal	353	41.2	\$15,510,755	\$45,383,933	\$60,894,688
COMMERCIAL					
Multi-family Apartments ¹	10	188.2	\$74,721,709	\$94,618,538	\$169,340,247
Commercial ²	31	37.4	\$11,277,794	\$13,261,149	\$24,538,943
Industrial	2	5.8	\$1,988,900	\$1,789,500	\$3,778,400
Funeral Home	1	2.9	\$236,900	\$213,100	\$450,000
Subtotal	44	234.2	\$88,225,303	\$109,882,287	\$198,107,590
OTHER					
Exempt	4	295.7	\$6,224,000	\$0	\$6,224,000
Vacant/Undeveloped	40	33.1	\$1,116,200	\$0	\$1,116,200
Residential Under Construction ³	2	35.6	\$0	\$0	\$0
Subtotal	46	365.3	\$7,340,200	\$0	\$7,340,200
TOTALS	4443	640.7	\$111,076,258	\$155,266,220	\$266,342,478

NOTES

1. Includes 6 properties classified as commercial apartments, totaling approximately 2,025 units. This total excludes Spaulding Hills in Peachtree Corners.
2. Includes retail, commercial and office buildings.
3. Heights at Carver Hills in Doraville, currently under construction. The project is expected to total 229 units at build out, plus an amenity building. Assessment data for this site is currently unavailable.
4. Includes all study area parcels in Dunwoody, Doraville and Peachtree Corners. Approximately 113 acres is located in Gwinnett County, most of that acreage is tax exempt.

Source: DeKalb and Gwinnett County GIS Data, provided by TSW

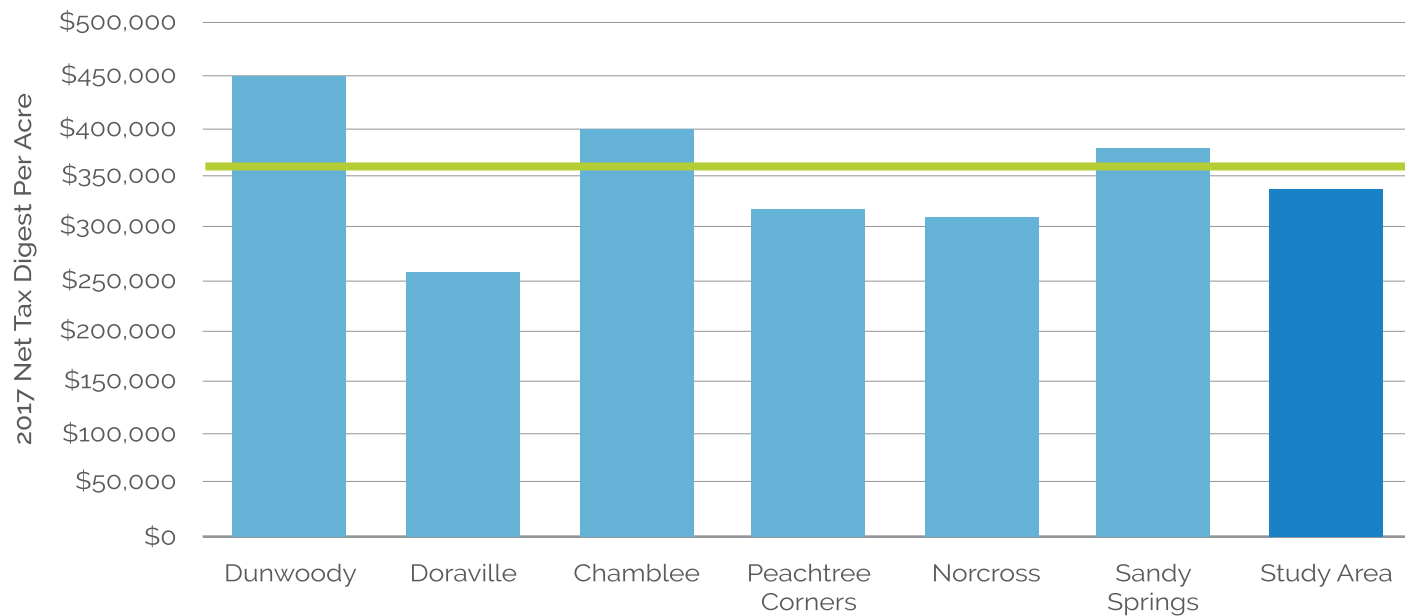
TAX DIGEST	FMV PER ACRE	TAX DIGEST PER ACRE
\$12,680,724	\$769,461	\$307,785
\$7,053,026	-	-
\$4,580,886	-	-
\$24,314,635	\$1,478,026	\$590,161
\$67,736,099	\$899,789	\$359,916
\$9,815,577	\$656,824	\$262,730
\$1,511,360	\$651,448	\$260,579
\$180,000	\$157,343	\$62,937
\$79,243,036	\$845,818	\$338,327
\$0	\$21,048	\$0
\$443,280	\$33,753	\$13,404
\$0	\$0	\$0
\$443,280	\$20,096	\$1,214
\$104,000,951	\$415,725	\$162,332

2.1 VALUE INDICATORS

COMPARATIVE VALUE INDICATORS

- Dunwoody compares favorably with nearby communities in terms of the existing value of the City's net tax digest.
- Dunwoody's net tax digest in 2017 exceeded \$2.7 billion, averaging nearly \$450,000 per taxable acre—one of the highest concentrations of value per acre among Atlanta's suburbs at 28% higher than the average of surrounding communities.
- 51% of Dunwoody's tax digest is classified as "residential"—while surrounding cities range from 18% (Doraville) to 56% (Sandy Springs)¹.
- At \$337,100 per taxable acre the Study Area's tax digest is only slightly below the average of surrounding communities².

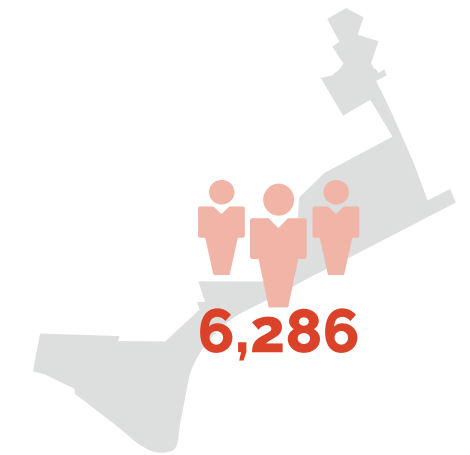
2017 Net Tax Digest Per Acre: Study Area and Selected Cities



2.2 DEMOGRAPHICS

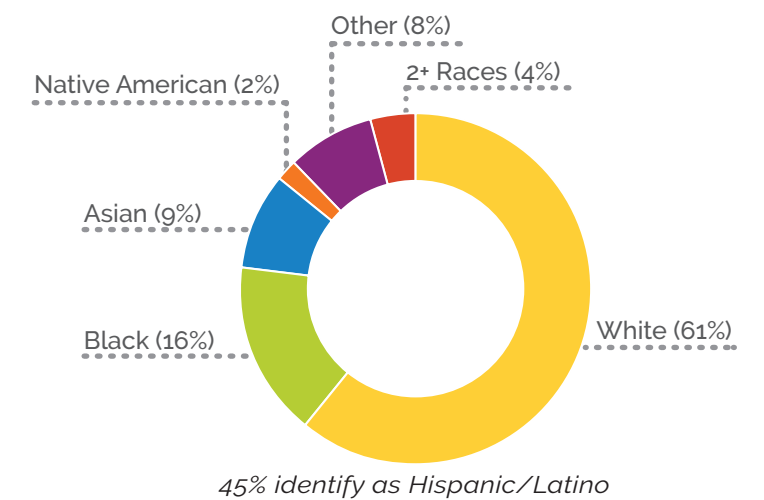
POPULATION

More than 65,400 people live within an approximate 2.5-mile radius of the study area. This 5-mile ring includes the eastern two-thirds of Dunwoody (not including Perimeter Center), plus portions of Doraville, Chamblee, Peachtree Corners, and Sandy Springs. This 5-mile ring is the Primary Market Area (PMA) for comparative analysis purposes. Future development in this area will be heavily influenced by the build out of Assembly Yards in Doraville.



POPULATION & HOUSEHOLDS

- The study area has an estimated 2018 population of 6,286—roughly unchanged since 2000.
- The PMA has generally experienced slower population and household growth than the Atlanta Region since 2000. The area has an estimated 2018 population of 65,400, larger than the City of Dunwoody.
- The PMA population has increased by 6,700 since 2000, averaging 0.6% growth per year.
- Dunwoody's population has grown at a faster rate than the PMA, increasing by 12,000 since 2000, (1.5% annually). Most of that growth has occurred in the western third of the City.
- The PMA has been adding roughly 600 residents and 270 households per year since 2010, and has grown at a slightly slower rate than the City of Dunwoody over this same period.
- Annual growth is projected to remain steady in the PMA, at 660 residents and 285 households annually through 2023. Growth rates in both Dunwoody and the Atlanta Region are forecast to slow slightly over the next 5 years.



Source: U.S. Census Bureau

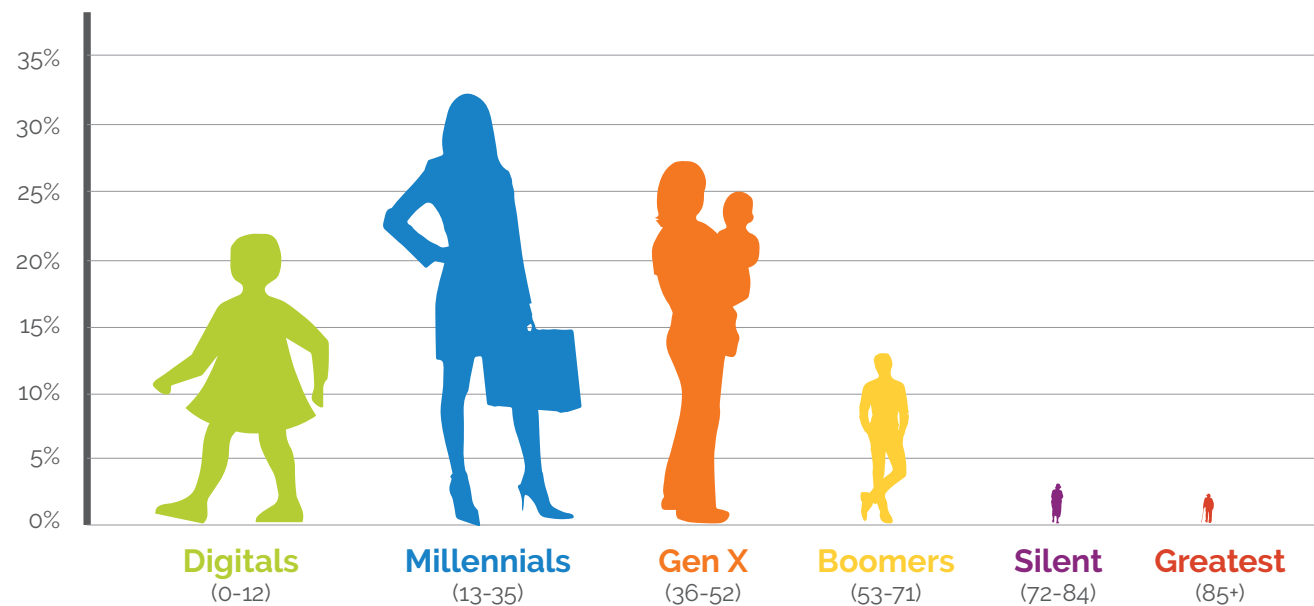
2.2 DEMOGRAPHICS

AGE DISTRIBUTION

- The age distribution of the PMA's population is younger (median age 34.8 years) than Dunwoody (36.6 years) and the Atlanta Region (36.8 years).
- The study area and PMA have a significantly higher percentage of children under 12, Millennials (aged 13-35), and Gen X (aged 36-52), and fewer Baby Boomers and elderly persons than Dunwoody and the Region.
- More than 29% of the study area's population is under age 18 and 42% of all households have children. The age characteristics of study area households are consistent with a high concentration of renters.

AGE/GENERATIONAL COHORT	STUDY AREA		PRIMARY MARKET AREA		CITY OF DUNWOODY		ATLANTA REGION	
Total Population	6,286		65,402		51,104		5,919,767	
Generation Z (0-12)	1,408	22.0%	12,627	19.0%	9,356	18.0%	1,026,642	17.0%
Millennials (13-35)	2,063	32.8%	20,264	31.0%	14,970	29.3%	1,787,327	30.2%
Generation X (36-52)	1,739	27.7%	17,121	26.2%	13,071	25.6%	1,500,301	25.3%
Baby Boomers (53-71)	844	13.4%	11,436	17.5%	9,647	18.9%	1,205,928	20.4%
Silent Generation (72-84)	180	2.9%	3,270	5.0%	3,206	6.3%	332,504	5.6%
Greatest Generation (85+)	51	0.8%	683	1.0%	854	1.7%	67,066	1.1%
Children (0-17)	1,843	29.3%	16,814	25.7%	12,472	24.4%	1,450,469	24.5%
Seniors (65+)	423	6.7%	7,004	10.7%	6,903	13.5%	723,036	12.2%
Median Age	32.3		34.8		36.6		36.8	

Source: Environics Analytics/Spotlight Report



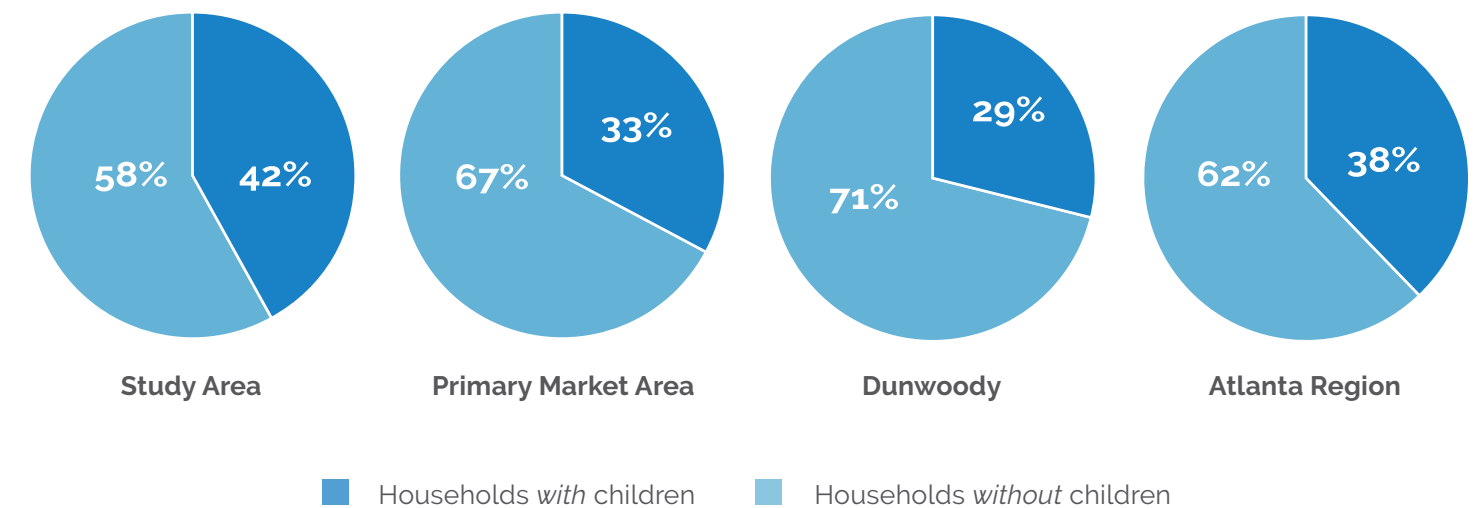
HOUSEHOLD CHARACTERISTICS

- Roughly half of the study area's households consist of 2 persons or less, compared to 67% in Dunwoody, 62% in the PMA, and 56% in the Atlanta Region. The study area also has a comparatively high percentage (20%) of large households (5 persons or more) and a greater percentage of families with children (42%). The average household size of 3.0 is also higher than the Atlanta Region.
- Dunwoody, by contrast, has a larger presence of non-family households (42%) fewer households with children (29%) than the region and a much smaller average household size of 2.3.

HOUSEHOLD CHARACTERISTICS	STUDY AREA		PRIMARY MARKET AREA		CITY OF DUNWOODY		ATLANTA REGION	
Estimated Households	2,087		26,007		22,317		2,187,524	
Small Households (1-2 people)	1,052	50%	16,011	62%	14,974	67%	1,218,405	56%
Medium Households (3-4 people)	627	30%	7,119	27%	5,796	26%	698,305	32%
Large Households (5+ people)	408	20%	2,878	11%	1,547	7%	270,814	12%
Households With Children	882	42%	8,631	33%	6,509	29%	834,379	38%
Households Without Children	1,205	58%	17,376	67%	15,808	71%	1,353,145	62%
Non-Family Households	723	35%	10,549	41%	9,461	42%	700,301	32%
2018 Estimated Average Household Size	3.0		2.5		2.3		2.7	

Source: Environics Analytics/Spotlight Report

Presence of Children



2.2 DEMOGRAPHICS

HOUSEHOLD INCOMES

- Compared to the Atlanta Region, the median household income in the study area is 24% lower, the PMA is 9% lower, and the City of Dunwoody is by contrast much more affluent (45% higher).
- An estimated 11% of families living in the Atlanta Region have incomes below the poverty level in 2018, compared to 26% for the study area, 13% for the PMA, and only 7% for Dunwoody families.

HOUSEHOLD INCOME	STUDY AREA		PRIMARY MARKET AREA		CITY OF DUNWOODY		ATLANTA REGION	
2018 Estimated Median Household Income	\$48,606		\$58,786		\$93,051		\$64,321	
% of Regional Median Income	76%		91%		145%		100%	
Households by Income								
Under \$15,000	187	9%	1,985	8%	1,105	5%	205,338	9%
\$15,000 to \$35,000	549	26%	4,928	19%	2,572	12%	371,510	17%
\$35,000 to \$50,000	333	16%	4,257	16%	2,510	11%	282,345	13%
\$50,000 to \$100,000	491	24%	7,166	28%	5,791	26%	664,914	30%
Over \$100,000	528	25%	7,671	29%	10,339	46%	663,417	30%
Percent of Families Below Poverty	26%		13%		7%		11%	

Source: Environics Analytics/Spotlight Report



2.3 HOUSING CHARACTERISTICS

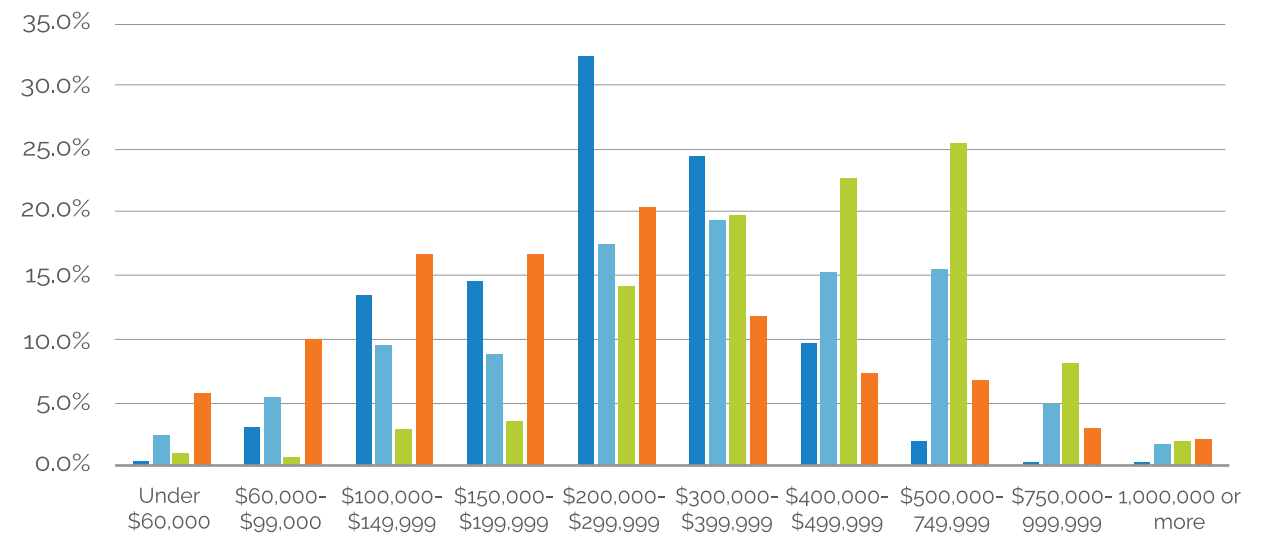
- The study area, PMA, and Dunwoody all have a higher percentage of renters than the Atlanta Region.
- Based on parcel level-analysis, it appears that demographic data obtained for the study area has not captured all existing multi-family housing, while including some single family homes in adjacent neighborhoods –yet findings still show that compared to the PMA and Dunwoody, the study area has more renters (63% of all households) and a higher percentage of multi-family units (57% of all housing).

HOUSEHOLD CHARACTERISTICS	STUDY AREA		PRIMARY MARKET AREA		CITY OF DUNWOODY		ATLANTA REGION	
Total Occupied Housing Units	2,087		26,007		22,317		2,187,524	
Renter-Occupied Units	1,309		14,091		10,900		746,163	
Owner-Occupied Units	778		11,916		11,417		1,441,361	
Owner Units Valued <\$100,000	25	3%	915	8%	169	1%	225,132	16%
Owner Units Valued \$100,000-\$200,000	218	28%	2,173	18%	735	6%	481,054	33%
Owner Units Valued \$200,000-\$500,000	517	66%	6,209	52%	6,472	57%	569,275	39%
Owner Units Valued >\$500,000	18	2%	2,618	22%	4,041	35%	165,900	12%
Median Value	\$257,100		\$334,527		\$435,217		\$203,674	
Age of Housing								
Units Built Since 2010	81	3%	2,137	7%	2,254	9%	243,613	10%
Units Built 2000-2010	217	9%	4,075	14%	5,132	21%	611,164	25%
Units Built 1980-2000	894	36%	10,076	35%	8,143	34%	889,916	37%
Units Built Before 1980	1,295	52%	12,466	43%	8,558	36%	677,826	28%
Median Age of Housing Unit (years)	37.7		34.0		26.6		24.0	
Type of Housing								
1 Unit Detached (SF)	855	34%	11,567	40%	10,138	42%	1,611,768	67%
1 unit Attached (TH)	140	6%	1,999	7%	1,164	5%	124,875	5%
Small Multi-Family (2-4 units)	72	3%	1,709	6%	332	1%	96,788	4%
Large Multi-Family (5+ units)	1,409	57%	13,431	47%	12,434	52%	516,180	21%
Trailer, RV, or Boat	11	0%	46	0%	19	0%	72,908	0%

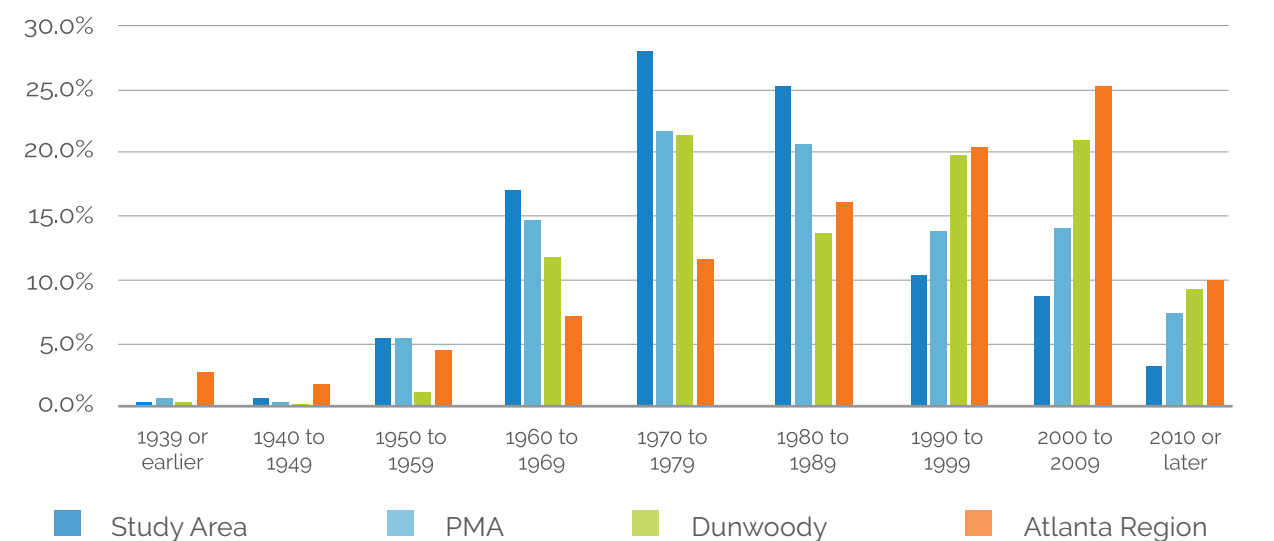
Source: Environics Analytics/Spotlight Report

- The estimated 2017 median home value in Dunwoody (\$435,200) is more than double the Atlanta Region median, while homes in both the study area and PMA are also more expensive than homes in the Atlanta Region.
- More than 35% of Dunwoody's owner-occupied housing is valued above \$500,000 (compared to 11.5% in the Region), while less than 8% is valued below \$200,000 (compared to 49% in the Region).
- The high cost of existing housing suggests an opportunity to introduce higher-valued single family, detached and townhome products in the PMA.
- As of this writing, the advertised pricing of new construction at Carver Hills is \$427,000 and up for townhomes, and \$553,000 and up for single family detached homes.

Owner-Occupied Housing Values



Housing Age Distribution

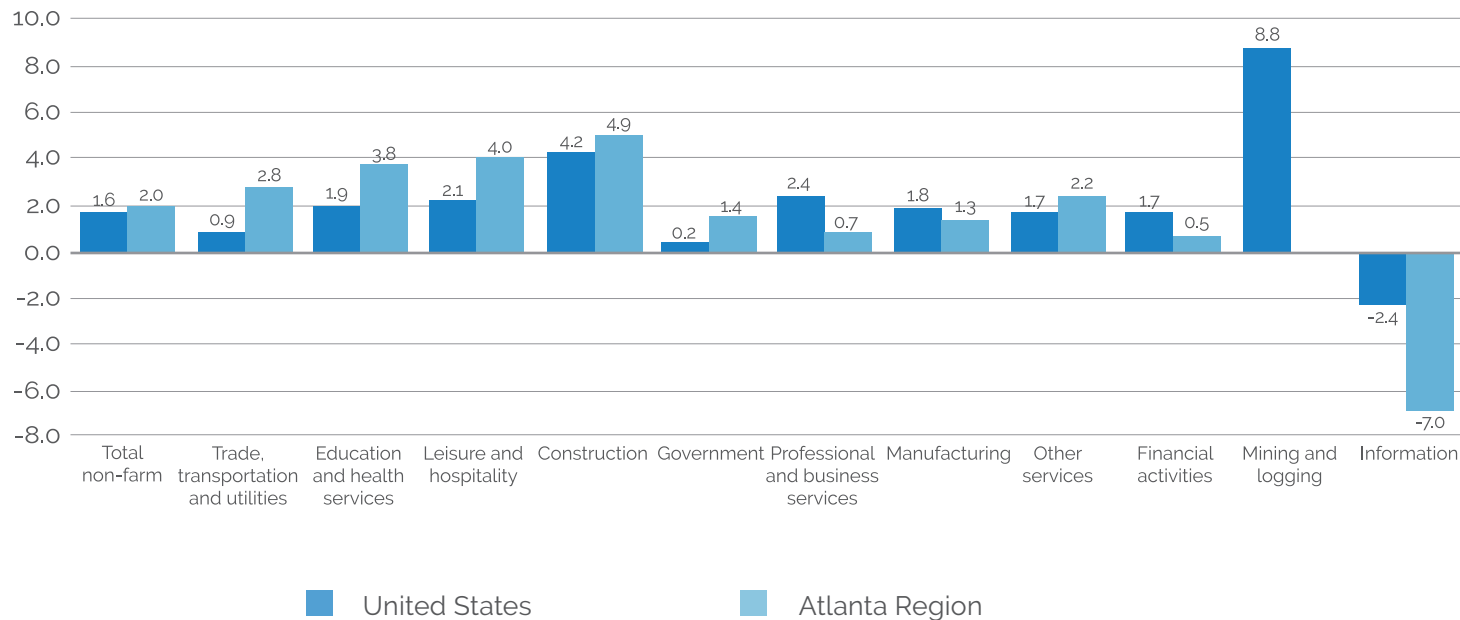


2.4 BUSINESS & EMPLOYMENT

REGIONAL ECONOMIC CONTEXT

- Post-Recession, the economy of the 28-county Atlanta Metropolitan Statistical Area (MSA) has outperformed the national average.
- Atlanta has had year-over-year employment gains each month since July of 2010.
- From 2013 to 2017, the MSA experienced 3.7% average year-over-year job growth, roughly double the national average.
- Atlanta's job growth slowed closer to the national average in 2017—but the region still added more than 52,600 payroll jobs over the past 12 months, ending in February of 2018.
- Overall, Atlanta ranks 4th among the nation's 12 largest metropolitan areas in percentage job growth, and 6th in total job growth over the past year.
- Over the past year, regional job growth has exceeded the national average in trade, transportation, education and health services, hospitality, construction, government, and other services.
- The Region has lagged the national economy in growth of professional and business services employment, manufacturing, the financial services sector, and information.

Sector Growth, Atlanta MSA Percentage Change: February 2017 to February 2018



- With an estimated (2015) employment base of more than 360,000, DeKalb County has the 4th largest concentration of jobs in the 20-County Atlanta Region.
- The Atlanta Regional Commission (ARC) forecasts that the Atlanta Region will add 2.5 million people and more than 1 million jobs from 2015 to 2040.
- DeKalb County is projected to add roughly 108,000 jobs, accounting for 10.4% of the Region's total job growth, through 2040.
- However, the ARC also forecasts that the rate of job growth in DeKalb County will be slower than the Region in percentage terms, ranking 18th out of 20 counties.
- The ARC includes Dunwoody within the Chamblee Superdistrict, which includes the portion of DeKalb County that is located north of Interstate 85
- This area contained an estimated 108,600 jobs in 2015, more than 30% of the County's total employment, and is projected to add another 34,900 jobs by 2040, averaging nearly 1,400 per year.
- Anchored by Perimeter Center, this portion of DeKalb County has a high concentration of employment, with a job/resident (total population) ratio of nearly 0.8:1
- The strongest industry sectors in this part of the county, in terms of the percentage job growth, are finance and insurance, construction, education, health care services, retail trade, leisure & hospitality, and professional, scientific, business & other services. These growing industry sectors will require office space and institutional facilities.

COUNTY	CHANGE: 2015-2040		20-COUNTY RANKING	
	TOTAL	%	TOTAL	%
Barrow	12,405	52.7%	19	4
Bartow	20,529	47.3%	15	8
Carroll	21,675	41.5%	14	12
Cherokee	37,105	51.8%	7	6
Clayton	29,759	21.5%	9	20
Cobb	135,699	34.0%	3	17
Coweta	25,062	56.7%	11	3
DeKalb	108,210	30.0%	4	18
Douglas	26,729	52.6%	10	5
Fayette	23,267	44.1%	13	11
Forsyth	49,325	59.6%	5	2
Fulton	246,610	27.7%	1	19
Gwinnett	155,697	39.7%	2	14
Hall	38,650	41.2%	6	13
Henry	31,845	46.4%	8	10
Newton	15,142	50.1%	17	7
Paulding	23,679	71.1%	12	1
Rockdale	15,511	39.1%	16	16
Spalding	11,903	39.5%	20	15
Walton	12,436	46.7%	18	9
Totals	1,041,238	35.6%	-	-

2.4 BUSINESS & EMPLOYMENT

LOCAL LABOR FORCE CHARACTERISTICS

- An estimated 33,000 PMA residents are in the labor force, 3,150 of those are in the study area.
- The largest share of employed residents in the PMA work in management (11.5%), administrative (11.3%), sales (11.0%), construction (9.9%), and financial (6.1%) occupations, with Dunwoody residents even more concentrated in “white collar” occupations that tend to occupy office space.
- The study area's workforce, by contrast, is heavily concentrated in construction (15.8%), maintenance (13.9%), sales (11.4%), management (8.0%) and food services (6.0%).

AREA	6.0% STUDY AREA	
	EMPLOYEES	% OF TOTAL
2018 Estimated Workers Age 16+	3,150	
2018 Estimated Civil Employed Population Age 16+ by Occupation		
Architecture/Engineering	20	0.6%
Arts/Design/Entertainment/Sports/Media	31	1.0%
Building/Grounds Cleaning/Maintenance	438	13.9%
Business/Financial Operations	104	3.3%
Community/Social Services	19	0.6%
Computer/Mathematical	121	3.8%
Construction/Extraction	498	15.8%
Education/Training/Library	96	3.0%
Farming/Fishing/Forestry	2	0.1%
Food Preparation/Serving Related	189	6.0%
Healthcare Practitioner/Technician	101	3.2%
Healthcare Support	31	1.0%
Installation/Maintenance/Repair	62	2.0%
Legal	83	2.6%
Life/Physical/Social Science	11	0.3%
Management	257	8.1%
Office/Administrative Support	238	7.5%
Production	186	5.9%
Protective Services	40	1.3%
Sales/Related	359	11.4%
Personal Care/Service	85	2.7%
Transportation/Material Moving	190	6.0%

EMPLOYMENT & COMMUTING PATTERNS

- The Interstate 285/GA -400 corridor is a regional employment center, with nearly 129,000 jobs based in Dunwoody, Chamblee, Norcross, Doraville & Peachtree Corners. This same area has a resident labor force of only 60,000 people.
- 92% of local jobs were filled by nearly 120,000 in-commuters in 2015, while less than 17% of the resident labor force also worked in the area. The large number of in-commuters suggests an opportunity to provide housing choices for Millennials and Gen Xers who work locally but do not live in the area.

PRIMARY MARKET AREA		CITY OF DUNWOODY		ATLANTA REGION	
EMPLOYEES	% OF TOTAL	EMPLOYEES	% OF TOTAL	EMPLOYEES	% OF TOTAL
33,276		26,200		2,775,981	
454	1.3%	553	2.1%	48,941	1.7%
742	2.2%	732	2.8%	58,701	2.1%
1,772	5.2%	677	2.6%	99,334	3.5%
2,069	6.1%	2,841	10.7%	160,458	5.7%
489	1.4%	357	1.3%	40,503	1.4%
1,698	5.0%	2,797	10.6%	111,924	3.9%
3,357	9.9%	823	3.1%	137,191	4.8%
1,914	5.6%	1,592	6.0%	181,913	6.4%
20	0.1%	8	0.0%	4,934	0.2%
1,730	5.1%	942	3.6%	157,563	5.6%
1,455	4.3%	1,535	5.8%	137,125	4.8%
444	1.3%	313	1.2%	48,956	1.7%
865	2.5%	266	1.0%	86,601	3.1%
684	2.0%	660	2.5%	34,503	1.2%
327	1.0%	308	1.2%	21,7223	0.8%
3,918	11.5%	4,350	16.4%	331,371	11.7%
3,829	11.3%	2,578	9.7%	371,755	13.1%
1,267	3.7%	513	1.9%	131,214	4.6%
318	0.9%	102	0.4%	56,710	2.0%
3,737	11.0%	3,026	11.4%	333,998	11.8%
991	2.9%	677	2.6%	83,528	2.9%
1,934	5.7%	802	3.0%	194,901	6.9%

2.4 BUSINESS & EMPLOYMENT

CITY EMPLOYMENT BASE

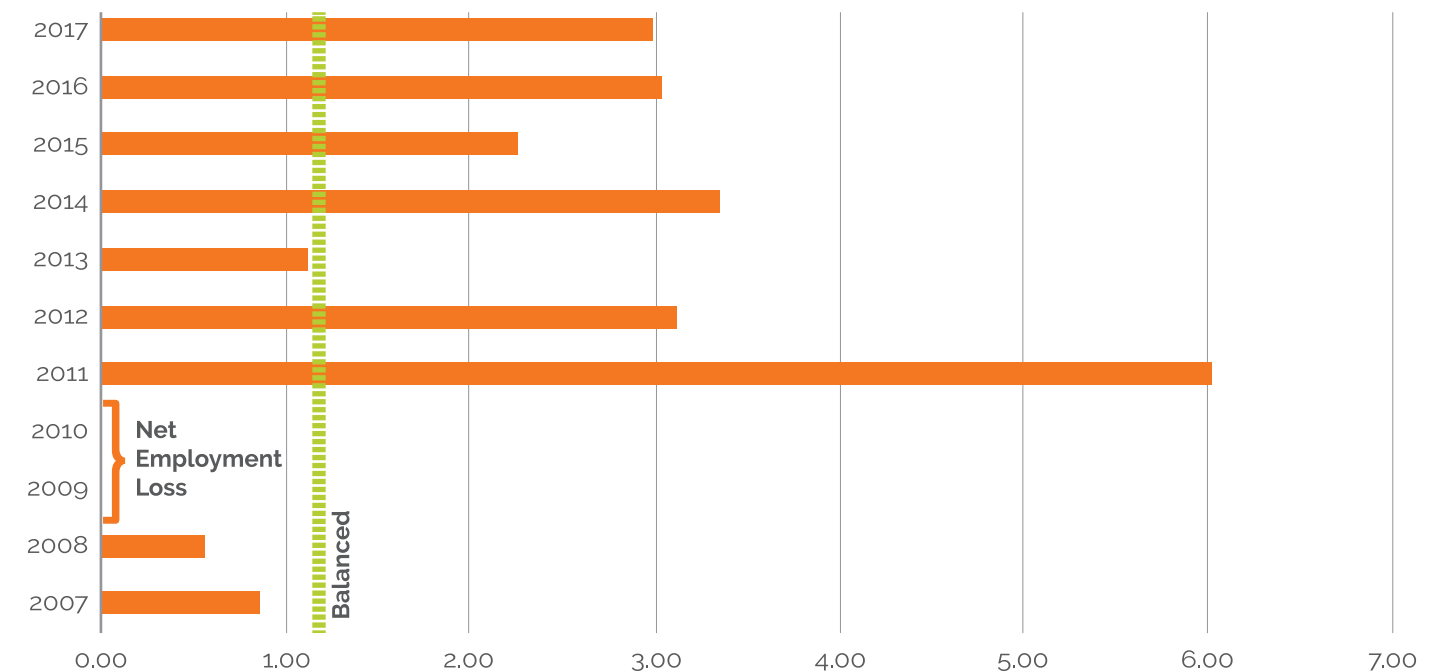
- Dunwoody has the largest concentration of employment in Dekalb County, accounting for 18% of total employment in 2015.
- 52% of jobs in Dunwoody pay over \$40,000/year, compared to 47% county-wide.
- More than 16% (6,500) of Dunwoody-based jobs were in finance and insurance in 2015, accounting for 55% of the county's total employment in this industry. The city is similarly over-represented by employment in professional, scientific, technical and other services
- More than 51% of Dunwoody based jobs require a college degree.
- Although not physically located in Dunwoody, the county's high-paying healthcare sector, with roughly 44,000 jobs, is concentrated in nearby communities.
- 23.5% of locally based jobs are filled by employees who are under 30 years old (Millennials), while 59.4% are filled by persons 30-54 years of age (Gen X).
- High concentrations of relatively well-paying white collar jobs and a younger, college-educated workforce made up largely of in-commuters, are indicators of unmet for-sale housing demand in Dunwoody, particularly in the low and mid-price ranges.

2.5 HOUSING SUPPLY

REGIONAL HOUSING DEMAND

- In the Atlanta Region, demand for housing (derived from employment growth) has outpaced the supply of housing (based on building permits) since 2010.
- A balanced jobs-to-housing ratio is typically 1.2 jobs to 1 permit.
- The ratio in the Atlanta Metro region has ranged from 1.13:1 to 5.75:1 jobs to permits over the past 5 years.
- These trends suggests a pent-up demand for new housing has been increasing, as the ratio of job growth to new construction has averaged more than 2.9:1 since 2014. This imbalance is likely to be more pronounced in the Dunwoody market.

Atlanta Regional Historical Housing Supply / Demand



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Job Growth	38,436	10,747	(110,209)	(3,478)	52,503	44,826	27,393	88,597	67,375	109,470	118,949
Building Permits	44,859	19,102	6,543	7,660	8,723	14,372	24,337	26,432	30,011	36,121	20,677
Jobs/Permits	0.86	0.56	(Net Loss)	(Net Loss)	6.02	3.12	1.13	3.35	2.25	3.03	5.75

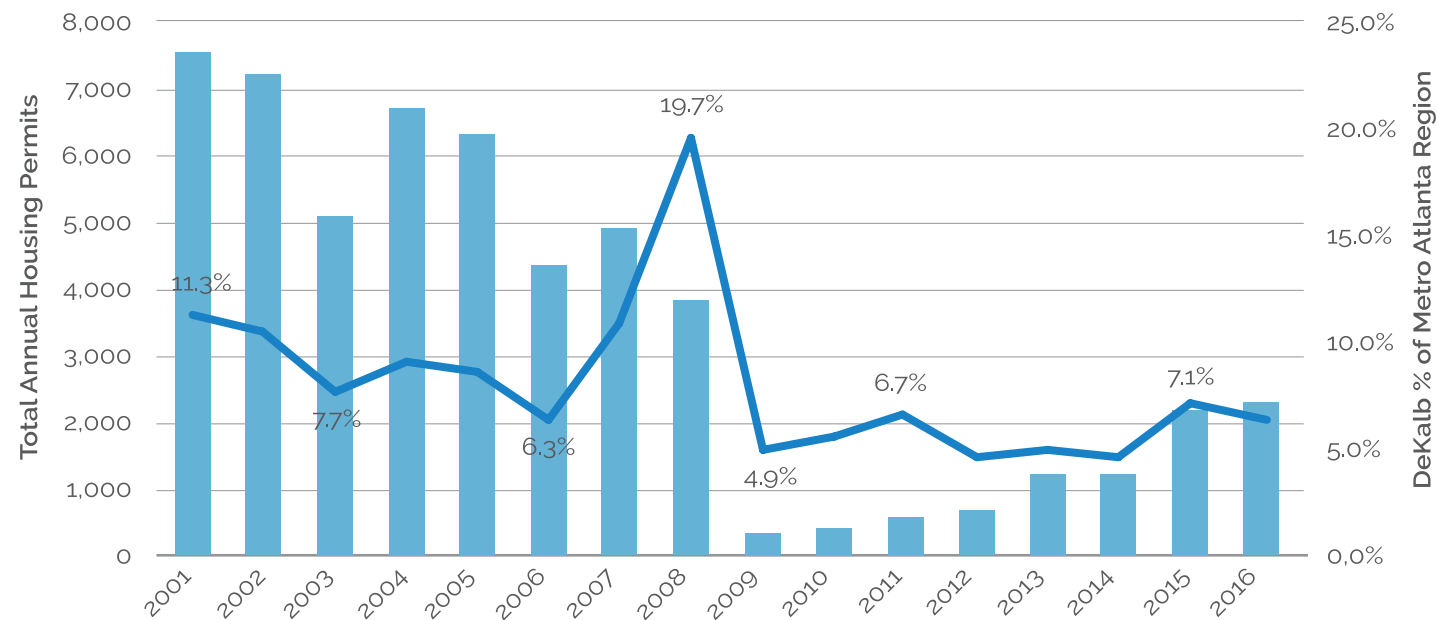
Source: U.S. Census & Bureau of Labor Statistics

2.5 HOUSING SUPPLY

BUILDING PERMIT ISSUANCE

- Housing permits issued in DeKalb County and the Atlanta Region continue to climb after housing construction effectively halted during the Great Recession and its immediate aftermath.
- New housing construction within DeKalb County has increased since 2009 but remained at only 30% of pre-Recession levels through 2016. County-wide, 44% of new construction since 2012 has been single family homes.
- DeKalb County's capture rate of Atlanta Regional housing construction has also declined from an average of 10.5% pre-Recession to less than 6% since the recovery began.
- Despite high employment growth and above average home values, new housing construction in Dunwoody and Doraville has been modest by comparison, totaling less than 250 permits issued from 2012 to 2016 (combined) and averaging only about 3% of total County's housing starts since 2012. Virtually all of this local construction has been single family homes.

Total Building Permits Issued, All Housing Types: 2001-2016



TRENDS IN NEW HOUSING CONSTRUCTION

- Recent trend data from SmartREdata was obtained to examine new housing constructed in/near the study area.
- Due in part to data retrieval limitations and in part to the limited volume of recent (for sale) residential construction in this part of DeKalb County, sales data from a larger geographic area was used.
- After evaluating options, the three nearest high school attendance zones (which together approximate the boundaries of the ARC's Chamblee Superdistrict described on page 39) were selected from which to retrieve relevant information on the annual number of sales and average pricing of new single-family detached, townhome, and condominium products from 2012 through early 2018. (Because of its recent start date, SmartREdata has not yet compiled sales information for the Heights at Carver Hills development, which is currently under construction in the Doraville section of the study area.) SmartREdata provided information on 1,723 new housing units sold in the Chamblee Superdistrict.
- Of the total housing inventory built/sold over the period, 39% were single-family homes, 40% were townhomes, and 21% were condos.
- New homes sales overall have fallen slightly from a high of 384 in 2014 to 232 sales in 2017, due to the absence of new condo sales since 2014.
- Sale prices for new construction have increased dramatically since 2012: The average new single-family home price is now approaching \$900,000—increasing at 9% annual rate, and the average new townhome price now exceeds \$500,000—increasing at a rate of 14.7% per year.

STUDY AREA	2012	2013	2014	2015	2016	2017	2018 (YTD)	8-YEAR AVERAGE
All New Homes								
# of Units	308	260	384	269	223	232	47	246
Avg. Sales Price	\$237,466	\$404,826	\$487,708	\$620,344	\$776,572	\$675,625	\$654,080	\$514,403
New Single Family Homes								
# of Units	59	115	150	123	138	77	16	97
Avg. Sales Price	\$575,930	\$656,399	\$731,774	\$793,781	\$874,885	\$849,456	\$891,608	\$762,942
New Townhomes								
# of Units	57	50	167	145	84	155	31	98
Avg. Sales Price	\$268,060	\$291,518	\$420,181	\$475,880	\$622,100	\$589,270	\$531,484	\$477,645
New Condos								
# of Units	192	95	67	1	1	0	0	51
Avg. Sales Price	\$124,376	\$159,926	\$109,605	\$235,000	\$185,000	-	-	\$131,564

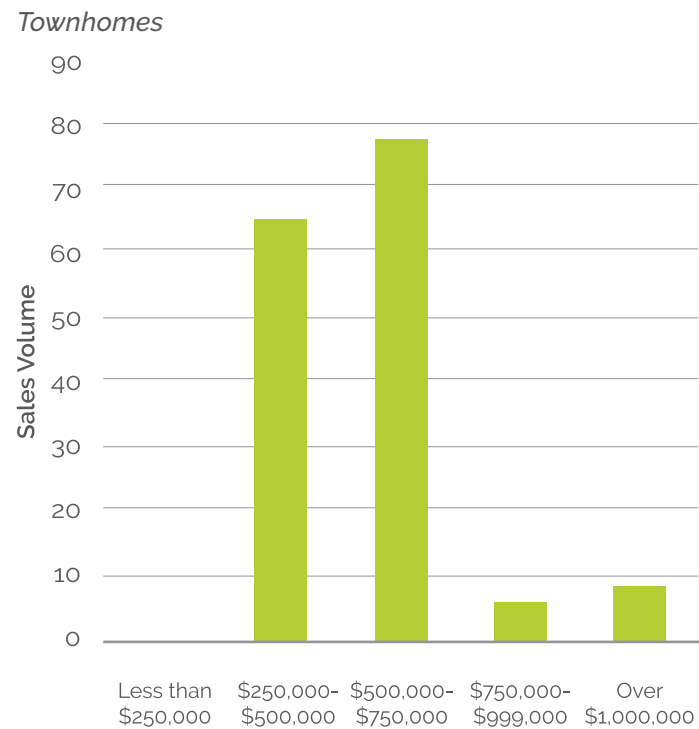
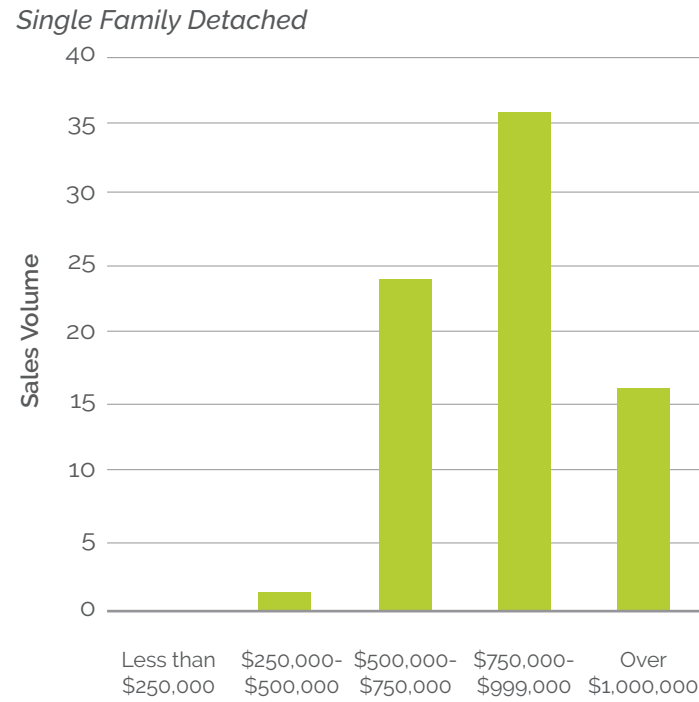
Source: SmartREdata

2.5 HOUSING SUPPLY

PRICE DISTRIBUTION OF NEW HOUSING SALES

- In 2017, the average sale price of all new single family homes sold in the Chamblee Superdistrict was \$849,500. Nearly 67% of 77 new single family homes sold were priced above \$750,000. 46% of all sales were in the \$750,000-\$999,000 range. Only 1 unit sold below \$500,000.
- The average sale price of 16 homes sold in early 2018 has increased to more than \$891,600.
- In this same year, the average townhome sale price was \$589,300. Nearly 59% of 155 new townhomes sold in the Chamblee Superdistrict were priced above \$500,000. Half of all sales were in the \$500,000-\$749,000 range. 41% of units sold below \$500,000.
- The average sale price of 31 townhomes sold in early 2018 has fallen slightly, to \$531,500.
- Townhomes have accounted for 66% of the total area's housing sales in 2017 and 2018.

2017 Home Sales by Price Range: Chamblee Superdistrict

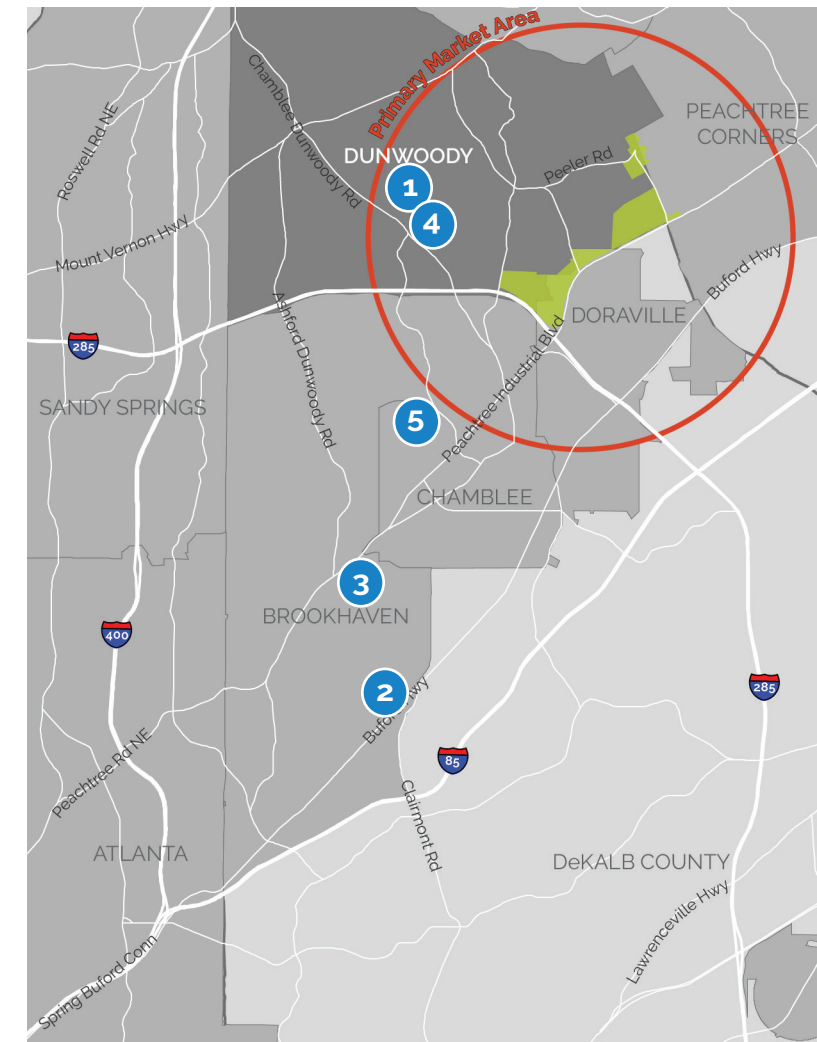
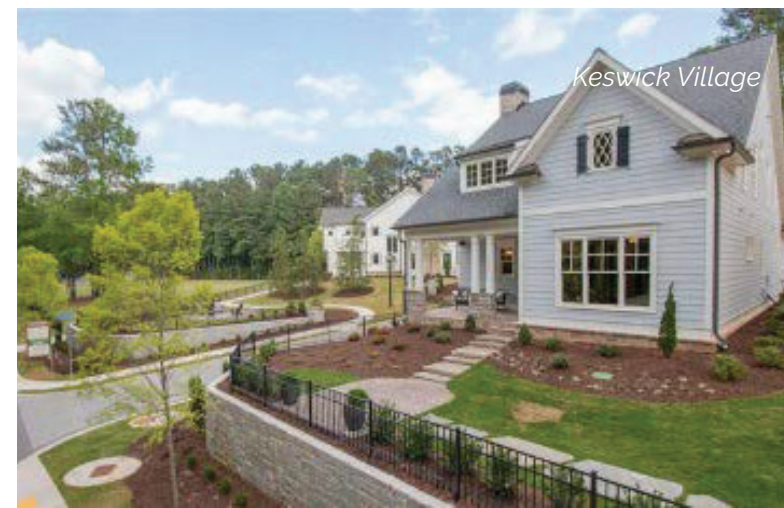


ACTIVE SINGLE FAMILY SUBDIVISIONS

- More detailed information on the top five selling new single family home communities in the area was obtained, as identified on the map to the (right), and numbered below.
- Two of these five single family developments are located inside the PMA, the remainder are south of I-285. These five developments sold 44 homes in 2017, accounting for a 57% share of the market.
- Sale prices ranged from \$635,000 to \$1.1 million, and averaged \$895,600 for all units.

COMMUNITY	UNITS SOLD	MARKET SHARE	AVG. SALE PRICE
Heritage at Dunwoody	12	15.58%	\$1,110,418
Drew Valley	10	12.99%	\$839,053
Ashford Park	9	11.69%	\$932,230
Dunwoody Green	7	9.09%	\$635,046
Keswick Village	6	7.79%	\$809,447
Total	44	57%	\$895,628

Source: SmartREdata



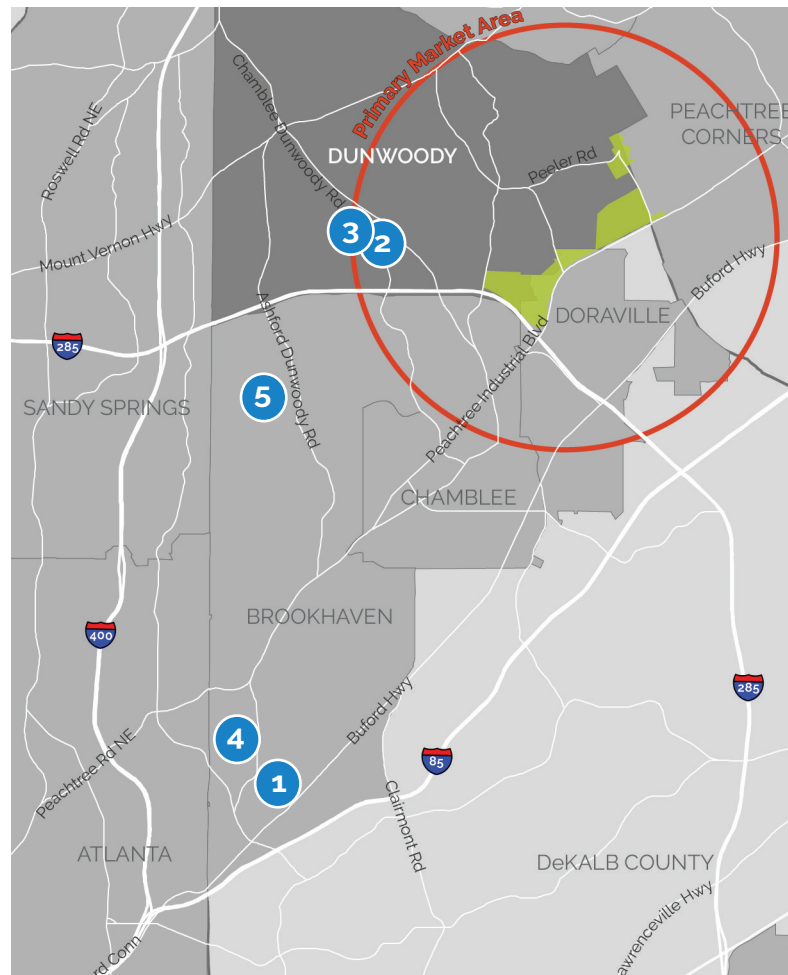
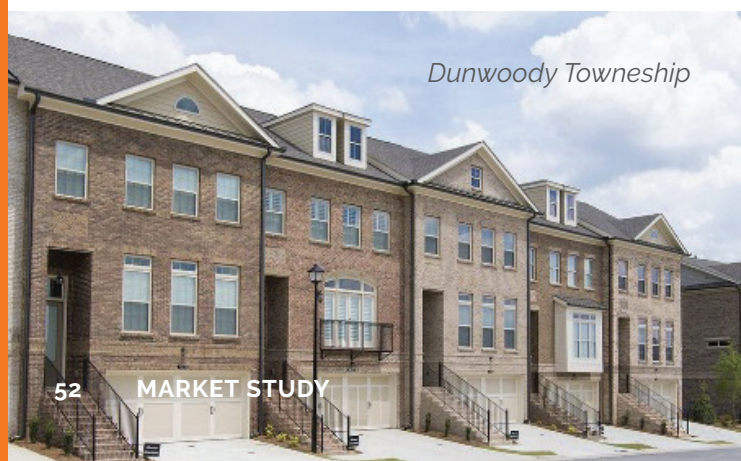
2.5 HOUSING SUPPLY

ACTIVE TOWNHOME DEVELOPMENTS

- The top five selling new townhome projects in the area were also identified for further analysis.
- Only one of these five townhome communities is located inside the PMA, while two are several miles away.
- New townhome sales in 2017 were dominated by these five projects, which captured nearly 75% of all sales. These five developments sold 116 units in 2017, with sale prices ranging from \$452,000 to \$732,000 and averaging nearly \$544,200 for all townhomes sold.
- The two projects located closest to the study area were priced toward the lower end of this range.

COMMUNITY	UNITS SOLD	MARKET SHARE	AVG. SALE PRICE
Townsend at Lenox Park	30	19.35%	\$491,051
Dunwoody Township	25	16.13%	\$452,556
Georgetown Square	25	16.13%	\$520,434
Arrington Place	21	13.55%	\$731,737
Parkhaven	15	9.68%	\$580,164
Total	116	74.84%	\$544,183

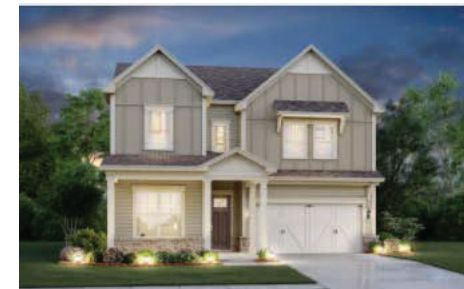
Source: SmartREdata



OTHER SALES AND PRICING INDICATORS

- A 229-unit project known as the Heights at Carver Hills is currently being developed in the Doraville portion of the study area. The project has been permitted for 51 single-family detached homes and 178 townhomes.
- Century Communities recently began marketing and listings from the project web site are shown below:

Single Family and Townhome Listings at the Heights at Carver Hills, April 2018



WILMINGTON from \$552,990



CUMBERLAND from \$572,990



SAPELO from \$582,990



EDINBURGH from \$427,990



YORKSHIRE from \$427,990



BROOKLEIGH from \$432,990

Source: Century Communities

- Data on this project has not yet been reported by SmartREdata, although some units have already sold.
- List prices for new single family detached homes and townhomes in this project start marginally below the lower end of the range of the five most active developments shown on page xx. Advertised starting prices are in the range of \$170 - \$180/square foot.
- These current listings suggest that the study area is not a "prime" location for new residential development, but is capable of achieving prices that are higher than existing resales at the low end of the range of competing projects.

2.5 HOUSING SUPPLY

EXISTING HOME SALES

- A number of secondary sources such as Zillow, Trulia, Realtor.com, Motvo, and others were consulted. Sources provided differing timelines, market area definitions, and data sources, which account for the differences in reported data.
- According to Realtor.com, median sales price for all property sold in Dunwoody over the past year is over \$470,000. The average pricing is roughly \$180/square foot and increased by 7% during 2017.
- Zillow's tracking of the median price of homes sold shows the rise in Dunwoody home values since 2012. The source reports that home values have increased 3.9% over the past 12 months ending in March and are forecast to increase by another 4.4% over the next 12 months.
- Zillow estimates the median price of current listings at \$479,000, while the median price of most recent homes sold was \$376,800. Median list price per square foot in Dunwoody is currently \$197, compared to \$120 for the Atlanta Region.
- The current list price per square foot of all Dunwoody housing currently available for sale, is at or above new construction being offered at Carver Hills.
- Current listings and recent sales prices for nearby existing homes are lower than Dunwoody city-wide averages, suggesting that new for-sale housing in the study area may need to be more conservatively priced.

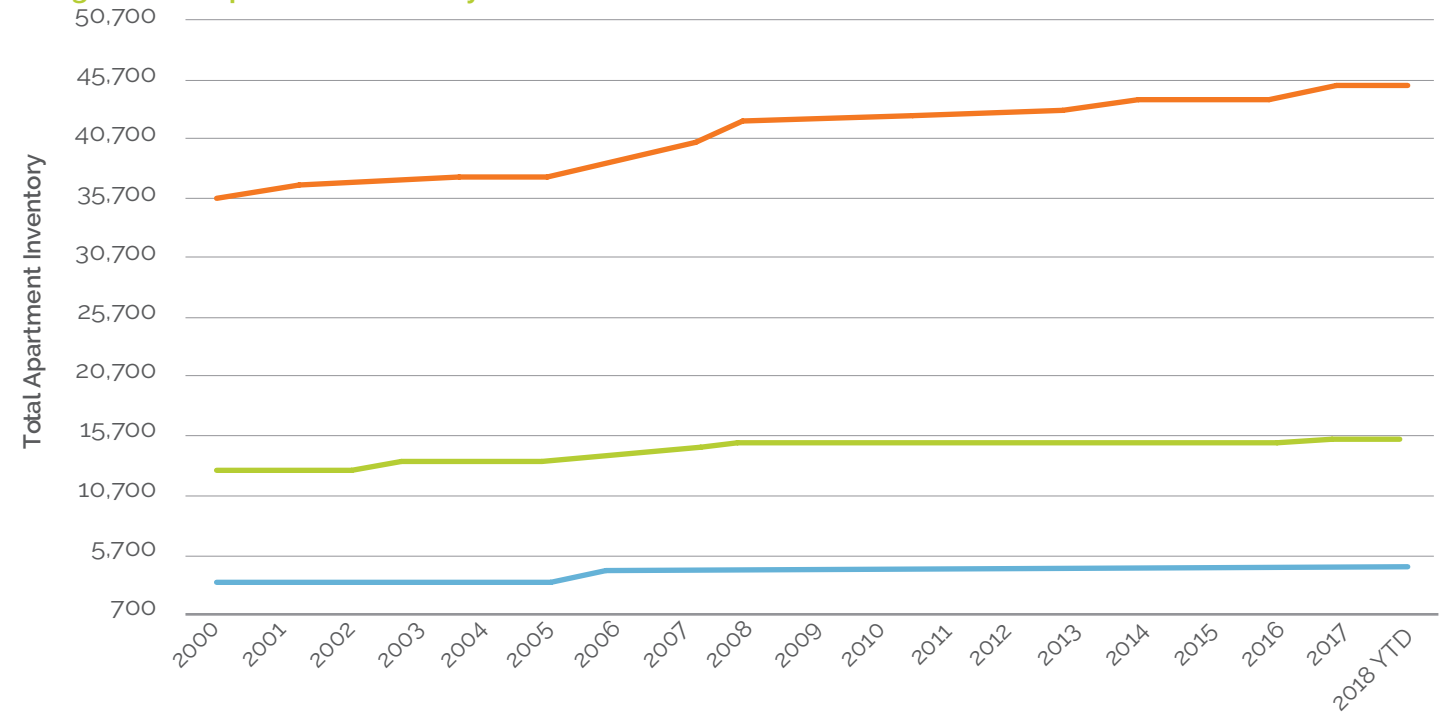
- Home prices in the vicinity of the study area are well below those to the north and west.
- Realtor.com's tracking of median list pricing of all for-sale housing shows the pricing differential between Dunwoody and Doraville listings.
- Dunwoody list prices have consistently trended 55% to 75% higher than Doraville over the past three years.
- It can be concluded that for-sale housing offered in the study area may benefit from having a Dunwoody address.

APARTMENT MARKET

- Apartment supply trends provided by CoStar, Inc. were examined for the City of Dunwoody, the PMA previously identified, and a larger radius extending north and south of the Interstate 285 corridor, roughly from GA-400 to Interstate 85. This area includes more than 200 projects.
- Dunwoody accounts for 8% of the region's multi-family apartment inventory. The city's managed apartment inventory has not increased since 2006, with half of that inventory located in the study area. The PMA has similarly added only 156 units since 2008.
- Apartment supply has expanded regionally, adding 9,800 units (a 28% increase) since 2000, with 74% of the supply growth occurring beyond the boundaries of the PMA.
- Vacancy rates, regionally, have historically trended with supply growth, having increased following the addition of 2,100 units since 2014.

- Existing vacancy rates in Dunwoody and the PMA are currently in the 6% range.
- Although the city's inventory is older, average apartment rents in Dunwoody are 10% higher than the surrounding market on both a per unit and per square foot basis.

Change in Total Apartment Inventory: 2000 to Present



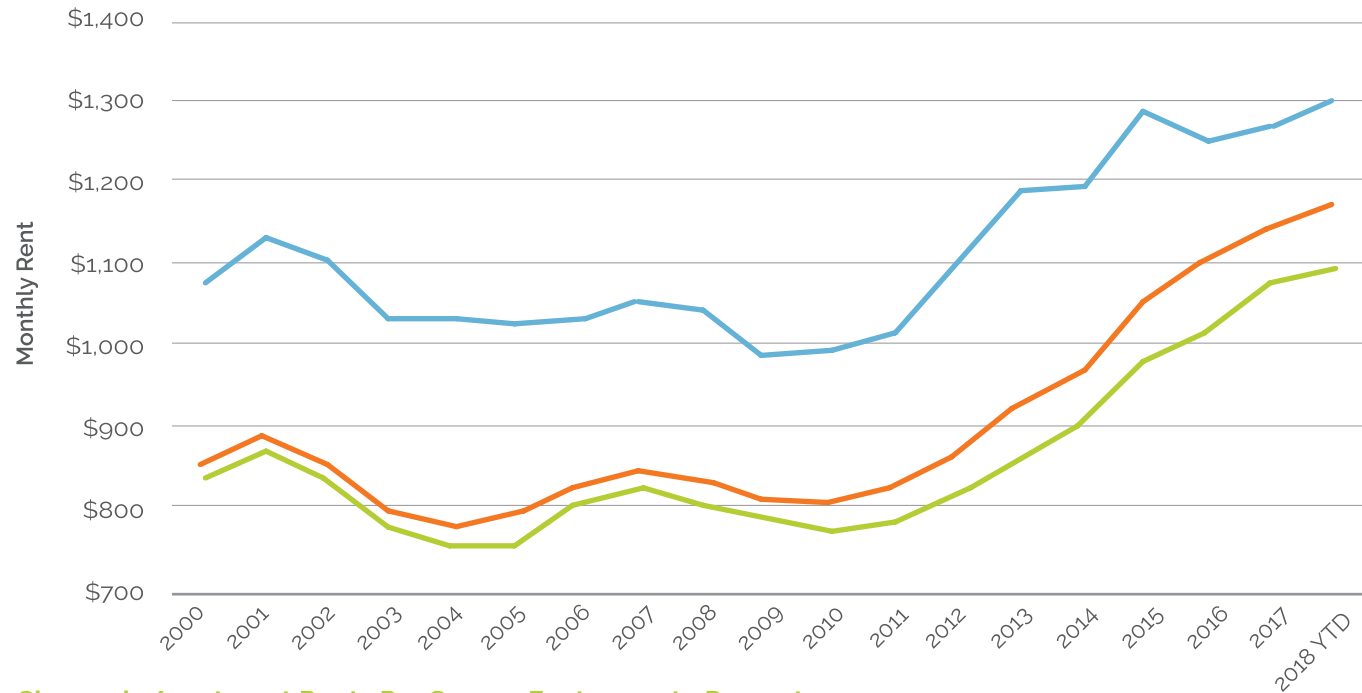
Inventory Change in Apartment Vacancy Rates: 2000 to Present



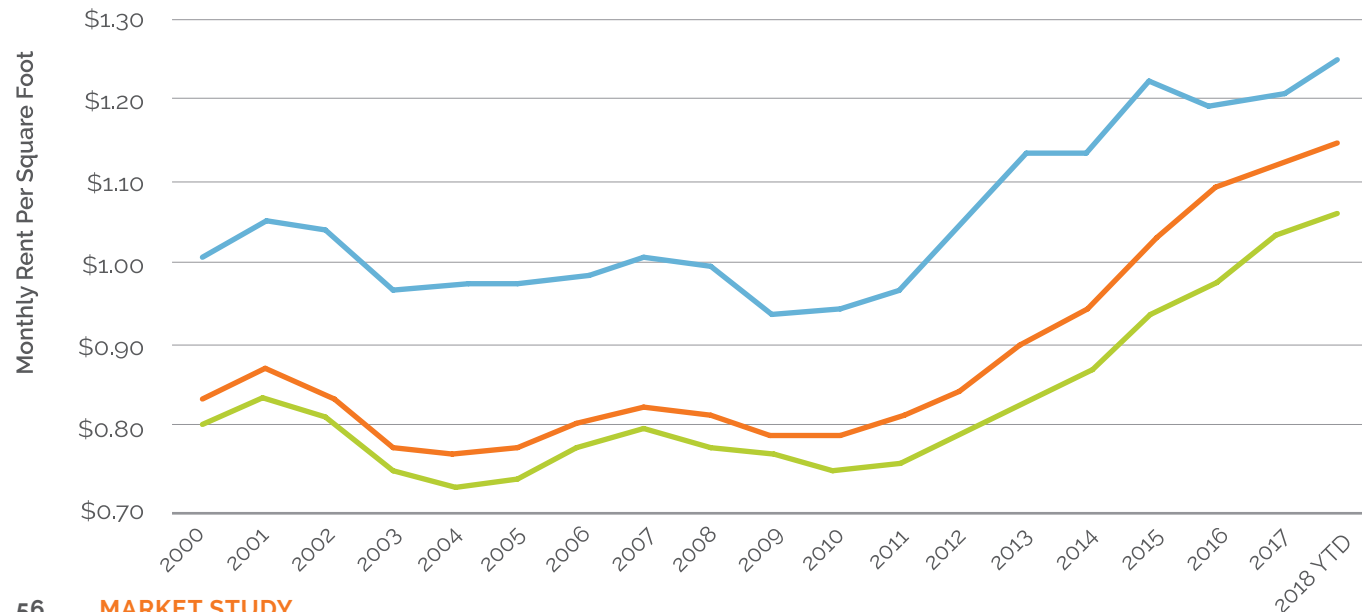
2.5 HOUSING SUPPLY

- The gap between rents in Dunwoody and surrounding locations has been narrowing due to the absence of new apartment construction in the city.
- Apartment rents in this market bottomed out in 2010 and have since increased by more than 5% annually. Rents in Dunwoody have increased at a slower 3.9% annual rate over the same period. Rents per square foot have increased at a similar rate.
- Existing conditions suggest that most area apartment complexes are operating at potentially high (and increasing) profitability and will be expensive to acquire for redevelopment.

Change in Apartment Rents: 2000 to Present



Change in Apartment Rents Per Square Foot: 2000 to Present



- The study area includes and is abutted by a dozen managed apartment communities. Despite the 40+ year average age of units in the study area, rents are higher than the average of more than 15,000 units in the PMA and are similar to the larger region.
- According to CoStar, monthly rents in the study area range from \$800 to \$1,546 and average \$1,260/month for 2,025 total units, while rents per square foot range from \$0.89 to \$1.38 and average \$1.10/square foot.
- Excluding the newer Dunwoody Village, the remaining 1,220 units are achieving average rents of \$1,068/month and \$0.92/square foot.

SUMMARY FINDINGS

- Dunwoody and Doraville have experienced relatively little new home construction since the Recession ended and, until very recently, virtually all has been single family detached. Given the area's job growth and rapidly rising home values, the lack of recent new construction is likely related to the difficulty in acquiring suitable development sites at a reasonable cost.
- Housing construction in DeKalb County has slowly recovered from the Recession, but recent rates of new construction are less than a third of pre-Recession levels and the County's capture rate of regional development is half of what was prior to 2008.
- Proposed residential development at The Assembly in Doraville could exceed 3,700 units at build-out, which is a massive supply addition compared to recent rates of new construction. That project is likely to dominate the market for new multi-family housing, both for-sale and rental, for several years.
- Housing values in eastern portions of Dunwoody, nearer to the study area and in Doraville are significantly lower than Dunwoody as a whole. Dunwoody's high city-wide median home price may therefore not be an accurate indicator achievable values in the study area, even in a large scale redevelopment scenario. Achievable sales pricing for new construction in the study area will likely remain under \$200/square foot in the near term.
- Dunwoody's supply of multi-family rentals has remained unchanged for more than a decade. Despite their age and condition, apartments in the study area appear to be performing comparably to the market. The local vacancy rate for apartments appears to be in the 6% range, below the Region's vacancy rate of 8.6%. Local apartment rents have also been increasing at a 4% annual rate since 2010. The area's largest complex, Dunwoody Village, is actually out-performing several in-region competitors in both monthly rent per unit and per square foot.

2.6 RETAIL AND OFFICE SUPPLY

RETAIL MARKET

- According to CoStar, approximately 20.4 million square feet of retail development exists within a radius extending north and south of the Interstate 285 corridor, roughly from GA-400 to Interstate 85.
- The market has added more than 4.2 million square feet since 2000, averaging 235,000 square feet per year. Supply additions have slowed to 100,000 square feet annually since 2010. Although trending downward, vacancy rates remain above and market rents are still below pre-Recession levels.
- Approximately 31% of this total regional retail inventory and 35% of net supply additions are located within the PMA that includes the study area.
- There is very little difference in rents or vacancy between the PMA and the larger region, with triple-net (NNN) retail rents clustered at just below \$16.00/square foot and vacancy rates near 7%.
- The study area is not a prime retail location in terms of access or visibility, but can serve the convenience needs of the local resident population—which is under-served by existing nearby offerings. At \$16/square foot rents, assembling study area parcels for retail redevelopment would not be financially feasible due to high site assembly costs
- A limited supply of retail development might be feasibly incorporated into mixed use development if land costs are shared with other uses.

RETAIL SNAPSHOT	PRIMARY MARKET AREA	10-MILE RING
Existing buildings	442	1,236
Existing square footage	6,308,864	20,416,746
NNN rent per square foot	\$15.64	\$15.96
Vacancy rate	7.3%	7.2%

Source: CoStar, Inc.

Change in Retail Vacancy Rates: 2000 to Present



Change in NNN Retail Rents Per Square Foot: 2003 to Present



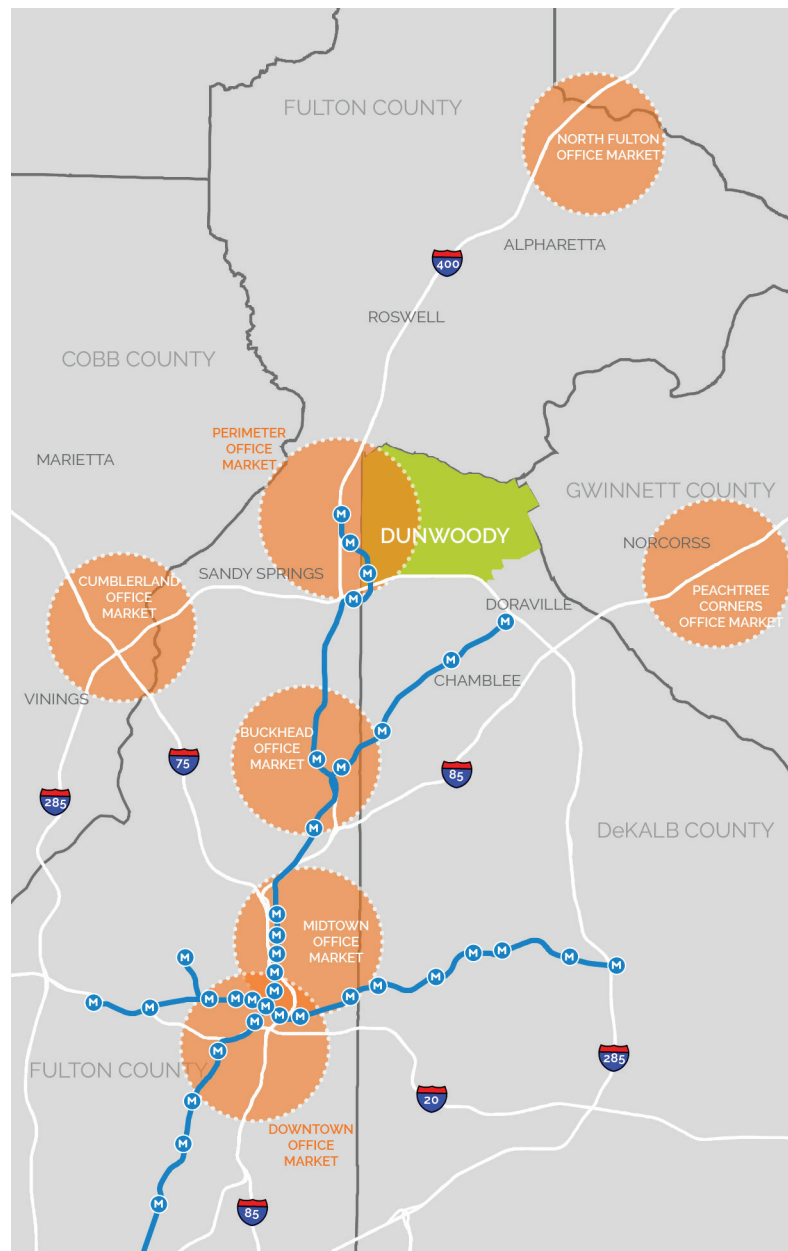
2.6 RETAIL AND OFFICE SUPPLY

OFFICE MARKET

OFFICE SNAPSHOT	PERIMETER CENTER	NORCROSS/ PEACHTREE CORNERS	CUMBERLAND/ GALLERIA	GA-400/N. FULTON/ FORSYTH
Existing buildings	687	460	753	1,837
Existing square footage	34.5 million	10.4 million	15.9 million	37.0 million
Base rent per square foot (includes sublet)	\$26.84	\$15.90	\$23.48	\$21.34
Total available vacancy (% of total inventory)	18.9%	25.6%	13.8%	14.6%

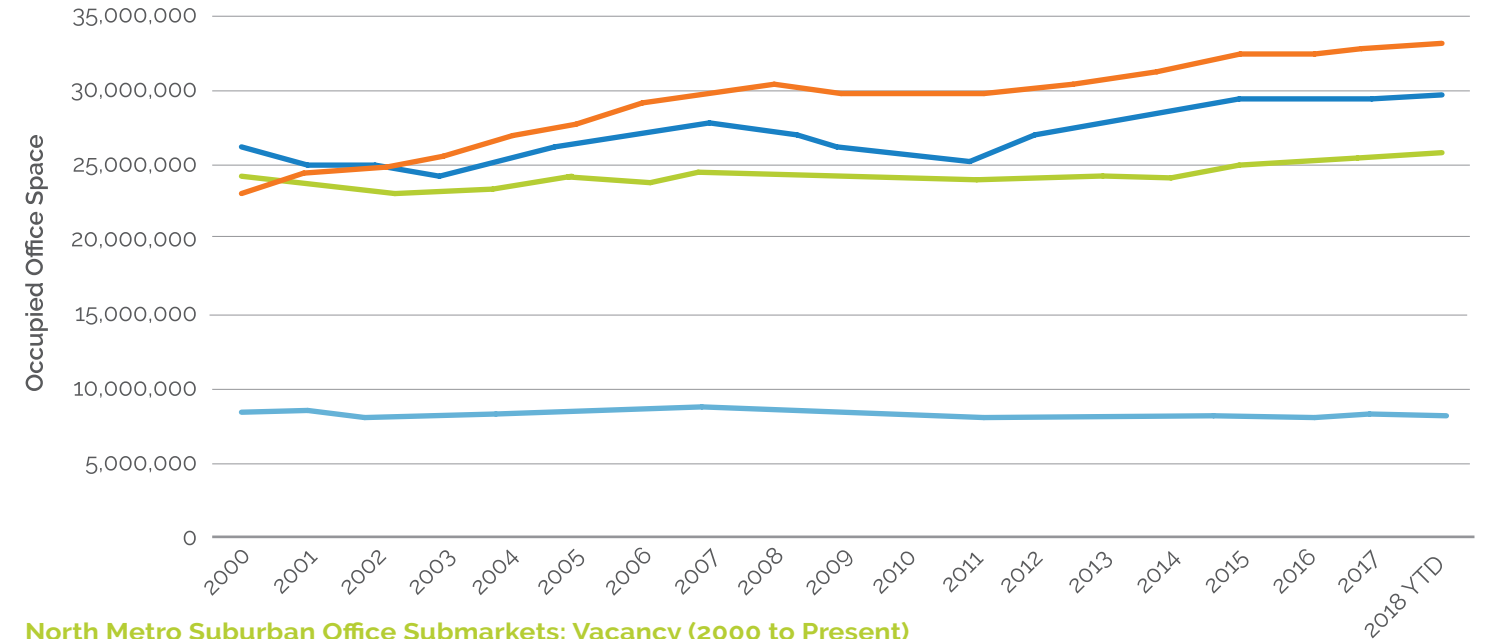
Source: CoStar, Inc.

- The 4 suburban office sub-markets nearest to Dunwoody contain 112.4 million square feet of leasable office space. Total office occupancy in these markets (combined) has increased by more than 14.6 million square feet (812,000 square feet per year) since 2000.
- The study area is located at the eastern edge of the Perimeter Center office submarket, partially extending into Norcross/Peachtree Corners.
- The study area's success as an office location depends in part on which market it is perceived to be part of. Average NNN office rents in the Norcross/Peachtree Corners submarket are 41% lower, and office vacancy is 36% higher than Perimeter Center.

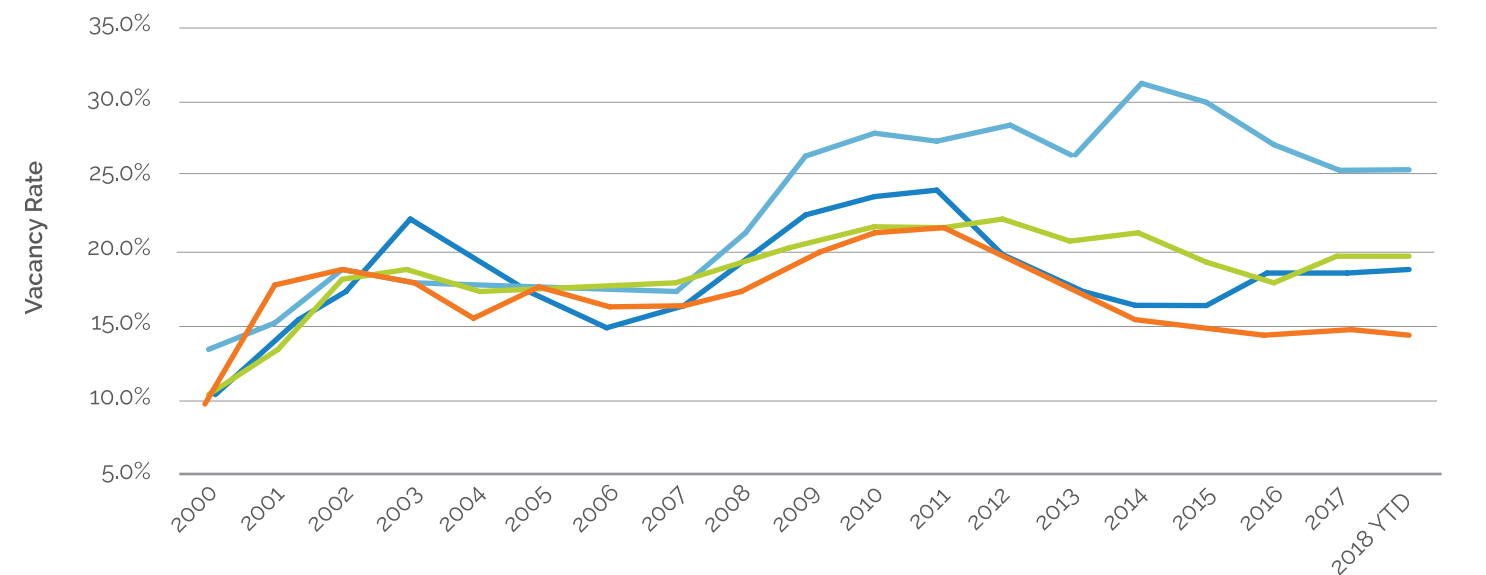


- The GA-400/ North Fulton/Forsyth submarket has out-performed competitors with nearly 10.0 million square feet absorbed since 2000, followed by Perimeter Center at 3.4 million square feet.
- Office occupancy in these sub-markets has accelerated post-Recession, with more than 1.3 million square feet of additional space occupied per year since 2012.
- The GA-400/ North Fulton/Forsyth submarket has continued to lead the northern suburbs, occupying 2.8 million square feet over the past 5 years, followed by Perimeter Center (2.6 million square feet), and Cumberland/Galleria (1.5 million square feet). Net occupancy in the Norcross/Peachtree Corners submarket fell by 100,000 square feet over this period.

North Metro Suburban Office Submarkets: Total Occupied Square Feet (2000 to Present)



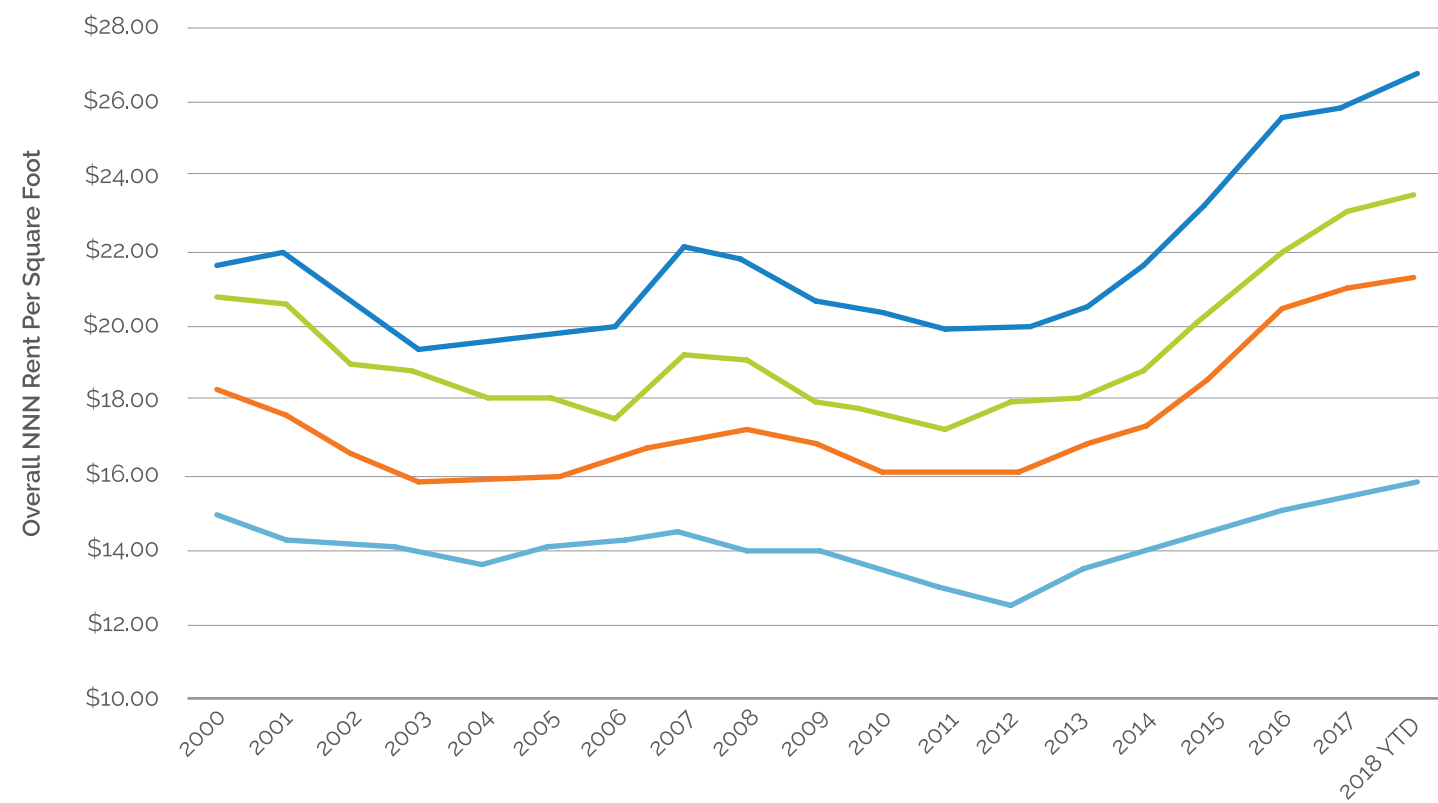
North Metro Suburban Office Submarkets: Vacancy (2000 to Present)



2.6 RETAIL AND OFFICE SUPPLY

- With the exception of the Norcross/Peachtree Corners submarket, office vacancy rates have trended downward post-Recession. Office vacancy currently averages 18% across the 4 submarkets, which have a combined available for-rent inventory of 20.6 million square feet.
- Regional office rents have also increased from Recession lows, rising by more than 20% in 3 of the 4 submarkets (Norcross/Peachtree Corners submarket rents have only increased by 9%). Perimeter Center continues to command the highest rents among the north suburban submarkets at \$26.84/square foot NNN.
- The planned addition of more than 3.0 million square feet of office space at Assembly Yards represents roughly 6 years of absorption relative to recent performance in the Perimeter Center submarket.
- Office market potential at secondary locations like the study area is likely to be limited until the Norcross/Peachtree Corners submarket recovers and Assembly Yards is built out.

North Metro Suburban Office Submarkets: Average NNN Rent (2000 to Present)



KEY FINDINGS

- An inventory of more than 20 million square feet of retail space already exists within a radius extending north and south of the Interstate 285 corridor from roughly GA-400 to Interstate 85, supply additions (for rent) have slowed since 2010, enabling rents and vacancy rates to recover from the Recession. Supply additions would increase with the development of Assembly Yards.
- The area's retail market is performing relatively well in terms of occupancy rates (roughly 93%) and average rents (\$16.00/square feet).
- Although surrounding populations appear to be underserved, access and visibility constraints, plus high land costs, suggest that the Study Area would not be a strong retail location. Retail uses are more likely to succeed if integrated as a modest component within a mixed-use development (to lower land costs), and oriented to serve nearby neighborhoods.
- The study area straddles the Perimeter Center and Norcross/Peachtree Corners office markets. Combined, these markets already contain 1,145 buildings containing nearly 45 million square feet of leasable office space.
- Historically, Perimeter Center has commanded the highest suburban office rents on the north side of the Atlanta Region (above Interstate 285), is the second largest submarket behind the GA-400 corridor, and has performed better than most suburban locations in terms of occupancy. The much smaller Norcross/Peachtree Corners submarket has performed at the opposite end of those metrics. As an office location the Study Area is more comparable to properties in Norcross and Peachtree Corners, where densities and rents may not be sufficient to support high site development costs.
- Development of Assembly Yards could increase the existing Perimeter Center office inventory by almost 10%, and move the concentration of office development eastward toward the Study Area and benefiting the Peachtree Industrial Boulevard corridor long term. Those impacts are still a few years away and assume that Assembly Yards will achieve the office build-out projections as proposed.
- Based on the preceding findings, current and future market demand for owner and rental housing and to a lesser extent, retail and office development within the Dunwoody market is strong due to the combination of rapid job growth and constrained supply, which have caused vacancy rates to decline and rents and existing home prices to increase.
- Development constraints impacting the study area are largely financial rather than demand driven due to two main factors:
 1. Site availability is limited and the cost of assembling and preparing development sites is high, requiring higher density, values (or both) to be financially feasible.
 2. The study area is located on the eastern edge of the market, where existing values are not as high as the Dunwoody average, and new construction is less likely to command equivalent price premiums.

2.7 DEMAND FORECASTS

RESIDENTIAL PRODUCTS

- As previously noted, Dunwoody, Doraville, and nearby areas have experienced slow rates of new for-sale construction since the Recession ended. Given the area's job growth, rapidly rising existing home values, and apartment rents, evidence suggests that new construction is being constrained more by limited site availability and high costs rather than lack of demand.
- Market demand should not be a constraint to the development of new housing in the study area, particularly rental housing, as the number of rental units added is likely to be smaller than the number of units removed.
- Demand forecasts in the study area assume the following:
 - This part of DeKalb County is capable of gaining a larger (pre-Recession) capture rate of regional housing demand *if* inventory is made available.
 - Residential products will have a marketing advantage by offering a Dunwoody address and proximity to Assembly Yards.
 - Price points for new for-sale and rental housing will be more in line with newer products in Doraville and Norcross, than other new housing in Dunwoody, which is affordable to only a small segment of households in the Region.
 - Most new housing in the study area will be positioned to not directly compete with future products that may be offered at the Assembly.

	ANNUAL DEMAND ¹		INITIAL PRICE RANGE ²		SALES PERIOD ³
	LOW	HIGH	LOW	HIGH	
Single Family Detached	30	40	\$575,000	\$675,000	4.9
Townhomes	40	60	\$475,000	\$550,000	3.8
For-Sale Flats/Condominiums	10	20	\$275,000	\$375,000	5.0
Multi-Family - Market Rate Rentals	80	130	\$1,150	\$1,750	8.7
Multi-Family - Age Restricted/ Assisted Living	20	40	\$1,500	\$2,500	6.0
Total	180	290	-	-	7.1

NOTES

- Estimated share of market area housing demand (450 to 650 units/year) that could be captured by new projects within the study area.
- Pricing for multi family products are expressed as monthly rents.
Estimated marketing period (in years) required from delivery of first units to completion

RETAIL

- As noted, an inventory of more than 20 million square feet of retail space exists within the market that would be served by new supply developed within the study area. Rents and vacancy rates are steadily recovering from the Recession, due to in part to a lack of recent supply growth in a market that has historically added 200,000 to 250,000 square feet of shopping center space per year.
- The study area is not a strong (destination) retail location due to access and visibility challenges. High site acquisition costs are likely make conventional, single-story suburban retail development financially unfeasible at current market rents, without large public subsidies.
- However, retail uses could succeed if integrated within mixed-use development (to lower land costs), and oriented to serve nearby neighborhoods which abut the study area to the north and west, and are underserved by existing offerings.
- Based on historical rates of retail expansion in this market, 100,000 to 150,000 square feet could be absorbed by demand, if site/cost constraints can be overcome.

OFFICE

- More than 45 million square feet of leasable office space already exists within the markets that would be served by new supply developed within the study area. Significant supply additions will occur with the development of Assembly Yards, which would need to capture 6 to 8 years of demand based on historical growth rates in this market.
- As an office location, the study area is more comparable to properties in Norcross and Peachtree Corners, where current vacancy rates, densities, and rents are not sufficient to recover high site development costs
- It is estimated that Class A office space could be introduced to the study area toward the end of the redevelopment cycle, aftermost new office development at Assembly Yards has been absorbed and if high vacancy rates in the Norcross portion of the market area can be stabilized.
- A maximum of 200,000 to 300,000 square feet of office space could be introduced to the study area, consuming 5 to 7 acres, if these conditions are met.

2.8 LAND COST ANALYSIS

ESTIMATED ACQUISITION COSTS: APARTMENTS

- Apartment complexes occupy more than 188 acres in the study area, representing the most likely opportunity to assemble sites for redevelopment.
- Using CoStar data, potential costs to acquire and demolish these properties for redevelopment were estimated, based on current market conditions. Calculations are summarized as follows:
 - According to Costar, the five existing properties contain 2,023 units and an estimated 2.3 million square feet of buildings, developed to an average density of less than 11 units per acre.
 - Combined, these properties generate a net estimated annual income of nearly \$26.2 million, after deducting vacancy and collection losses.
 - Net operating income (NOI) is estimated to exceed \$13.2 million after expenses.
 - Applying capitalization rates ranging from 6% to 8% (to adjust for age and condition), the market value of this inventory is estimated to range from \$63,200 to \$112,000 per unit and total \$191 million—an average of nearly \$95,000/unit across all properties.
 - Adding allowances for transaction expenses and demolition raises total site assembly costs to nearly \$208 million—an average of \$1.1 million/acre and \$102,800/unit.

- Assembly costs for individual properties range from \$11.9 to \$97.0 million and from \$850,000 to more than \$1.3 million per acre.
- Based on total assembly costs per acre, Lacota appears to be the most viable potential multi-family redevelopment site in the short term, while Dunwoody Glen is the most expensive.

LINE ITEM	ALL PROJECTS
Units	2,023
Estimated Gross SF of Buildings	2,335,975
Net Annual Income	\$26,176,505
Operating Expenses	\$12,912,118
Net Operating Income (NOI)	\$13,264,387
NOI Per Unit	\$6,557
Blended Capitalization Rate	6.9%
Estimated Market Value/Unit	\$94,449
Total Project Value	\$191,070,630
Buyer Transaction Costs (1.5%)	\$2,866,059
Demolition Cost (\$6 per square foot)	\$14,015,850
Total Land Cost	\$207,952,539
Acres	188.25
Average Cost/Acre	\$1,104,662

ADDITIONAL ANALYSIS

- At current real estate values in the area, most alternative land uses are unlikely to return sufficient land value to recover the cost to acquire/demolish operating multi-family sites.
- Minimum public contributions of \$200,000 to \$500,000/acre may be needed to write down land costs sufficiently to make residential uses financially feasible.
- Land values for typical strip-retail development are likely to be lower than residential uses at this location.
- Multi-story office could potentially be developed without public subsidy on a limited basis. Only 5-10 acres would be needed to support foreseeable demand.
- Higher density mixed-use supports land values in excess of \$1.1 million/acre, but may also require structured parking.
- The city and/or its development authority would be required to assist in writing down site assembly costs in some form.
- Establishing a Tax Allocation District, issuing development bonds to write down land costs, public construction of parking decks, or a similar mechanism would be needed to be considered in order to close financing gaps.

ITEM	RATE	TOTAL
Single Family Detached		
Average Units/Acre		6
Average Sale Price/Unit		\$675,000
Raw Land Value/Unit	15%	\$101,250
Land Value/Acre		\$607,500
Townhomes		
Average Units/Acre		12
Average Sale Price/Unit		\$525,000
Land Value/Unit	15%	\$78,750
Land Value/Acre		\$945,000
Garden Apartments		
Average Units/Acre		35
End Value/Unit		\$190,000
Land Value/Unit	13%	\$23,750
Land Value/Acre		\$831,300
Retail		
FAR	0.3	15,000 SF
End Value/Acre	\$165	\$2,475,000
Land Value/Acre	18%	\$445,500
Suburban Office (3-4 Story)		
FAR	0.9	40,000 SF
End Value/Acre	\$185	\$7,400,000
Land Value/Acre	14%	\$1,036,000
Mixed Use		
Commercial FAR	0.5	21,800 SF
End Value/Acre	\$150	\$3,270,000
Land Value/Acre	10%	\$327,000
Multi-Family Above Retail - Average Units/Acre		35
End Value/Unit		\$200,000
Land Value/Unit	15%	\$30,000
Land Value/Acre		\$1,050,000
Total Value/Acre		\$1,377,000