



# COUNTY-WIDE HOUSING ANALYSIS AND STRATEGIC RECOMMENDATIONS

for Cherokee County, Georgia

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Prepared by:



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# CHEROKEE COUNTY HOUSING ANALYSIS & STRATEGIC RECOMMENDATIONS

## Introduction

The Cherokee County, Georgia Planning and Zoning Department retained Bleakly Advisory Group to provide a perspective on how current and future residential market trends will impact the county now and over the coming years.

This study looks at demographics, housing supply, market trends, and other factors to develop a projection of future residential needs. These findings lead to a series of key findings and strategic recommendations.

As part of this project, the Bleakly team also conducted public outreach efforts, through an online survey and focus groups to gain a clearer understanding of the residential concerns, characteristics, and community values of the Cherokee community.

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  - ▶ Real Estate Market Analysis
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# COVID-19 DISCLAIMER

This data generally reflects local and national economic conditions prior to the widespread external economic shock caused by the COVID-19 pandemic. The conclusions developed in this assignment reflect the research and analysis of data collected prior to Q2 2020. The assumptions reported herein do not account for the possibility of a drawn-out economic downturn. These assumptions should be considered valid under a reasonably-likely scenario in which the general economy and real estate markets stabilize within the 2021 calendar year. Under that scenario, most currently planned private and public building projects, consumer confidence, tax laws, and the availability/cost of capital and mortgage financing, among other factors, will stabilize and normalize 12 months of this writing. The data and the corresponding conclusions and recommendations herein should be reviewed and adjusted should any major changes to the above scenario occur.

# CHEROKEE COUNTY HOUSING ANALYSIS & STRATEGIC RECOMMENDATIONS

## Table of Contents

■ Executive Summary & Strategic Recommendations	6
■ Stakeholder Engagement	17
■ Peer Counties Assessment	22
■ Housing Demand Drivers	31
■ Residential Supply Assessment	47
■ Housing Demand Analysis	70
■ Online Survey Results	88
■ Terms and Conditions	100

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# EXECUTIVE SUMMARY & STRATEGIC RECOMMENDATIONS

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# CHEROKEE COUNTY HOUSING ANALYSIS

## EXECUTIVE SUMMARY

*Cherokee County arrives at this moment, like its peers, in a period of transformational demographic change that has a direct impact on housing markets locally and throughout the nation.*

*Cherokee's set of challenges contribute to a growing mismatch between the local housing supply and the demand for a wide-range of housing types with a wide-range of price points.*

*The challenge for Cherokee County in the next five years will be to find solutions to meet the new and emerging housing market realities.*

**This study finds that, overall, the county has created conditions that are allowing it to successfully navigate today's housing market.**

**However, further adaptation is necessary to overcome current and future challenges, which will enable the county to meet the housing needs of all current and future residents.**

### Context Overview

- National and global economies have shifted over the past decade, largely shaken up by the 2007-08 housing crisis, leading to major shifts in household economics, savings, and housing finance.
- Related demographic and consumer trends combine with economic trends to create demand for housing types that are fundamentally different from that which drove housing markets in the past:
  - Less overall demand for large, single-family, owner-occupied homes
  - More small households (one or two people) and households without children
  - More demand for rental homes
  - More interest in town centers, mixed-use areas, and urban walkable development
  - More need for affordable and workforce housing.
- **The new version of housing demand can be met by a variety of housing types and models.**
- However, the residential marketplace is optimized to deliver a product that is not necessarily in tune with the demand expected over the coming decades.

# CHEROKEE COUNTY HOUSING ANALYSIS

## EXECUTIVE SUMMARY

### Cherokee Housing: General Findings

- Cherokee has the distinction of being one of the fastest growing counties in the Atlanta metro area, due to its desirable combination of location and physical assets.
- Cherokee is going to continue to grow. To manage the growth so it is sustainable and meets the needs of residents and employers, the county and its cities must aggressively pursue additional housing types and price points.
- Cherokee's housing is still relatively affordable in relation to its local and regional peers, however as the population grows, the supply of housing accessible to moderate- and lower-income households has become much more scarce.
- New home production in Cherokee is largely focused into limited property types: single-family homes, large garden-style apartments, and to a lesser extent, townhomes, leaving other housing demand sectors unmet.
- While this has begun to change somewhat in the past decade, particularly with more varied housing options in and near the county's downtowns, production of additional housing types is necessary to meet future demand.
- The demand and economic forecasts in this analysis, as well as experiences in other suburban Georgia communities, indicate that there is strong unmet market demand for diverse housing options that are limited in the Cherokee market.

- Single-family homes will likely continue to be popular, and should continue to be built to meet demand, however other housing types should be allowed and encouraged where appropriate, principally in the county's developed and emerging cores.
- Cherokee's downtowns have the most diverse housing stock and the best potential to host further diverse supply, but opportunities exist in unincorporated areas as well.

### Why is a more-varied housing stock needed in Cherokee?

- Housing is an important element of the community fabric. Efforts to limit or restrict housing can negatively impact other elements of the community, such as jobs, traffic, infrastructure, finance, and education.
- Traffic and congestion are driven by land use and employment as much as the quantity of housing units. Comprehensive and transportation planning, in context with planning for new housing, is crucial to addressing congestion issues.
- Low-density housing and separated land uses drive up per-capita costs for key public infrastructure such as roads and sewers. This type of housing disproportionately induces automobile usage compared to higher-density housing near employment and commercial nodes.
- When pursuing new housing in Cherokee, these impacts should be weighed against alternatives and potential mitigation needs.



# CHEROKEE COUNTY HOUSING ANALYSIS

## EXECUTIVE SUMMARY

### Cherokee Housing: Key Findings

#### Growth in the market

- Cherokee County is a “growth engine” in the Atlanta region, outpacing Cobb County in population growth for the first time in 2018-2019.
- Cherokee’s individual municipalities also reflect the growth of a county’s overall population that has doubled since 2010.
- The long-term trajectory of the county’s housing market, particularly increases in rents and home values since 2013, suggest that it is gaining strength. While this increased market strength presents opportunities for growth, it has also raised concerns among residents about affordability for middle- and lower-income households who desire to live in Cherokee County.

#### Incomes, cost burdens, and small households

- The county’s elevated incomes drive housing demand and production for higher-priced options, however the approximately 45% of the county’s households with incomes below \$75,000 have found it increasingly difficult to obtain housing in Cherokee over the past five years.
- This difficulty has far-reaching social and economic development ramifications.
- Approximately one out of every two renter households is spending more than they can afford on rent throughout Cherokee. Ownership cost-burdens exist in the county as well, but at slightly lower levels.
- A mismatch of local housing stock to the local household make-up is apparent with nearly 90% of Cherokee homes being single-family detached, but household trends are moving toward smaller households with fewer children.

#### Historical emphasis on single-family homes and homeownership

- Cherokee County’s housing stock is composed mostly of single-family homes, although that has begun to change recently with the growth in the townhome and apartment markets over the past five years.
- While high homeownership rates are typically seen as a positive for a community, this can also reflect a lack of other housing options for households unable to purchase a home.
- High homeownership rates can also reflect a history that emphasized detached single-family zoning. This study finds that much of the zoning in the county, like most suburban counties in the nation, is now outdated and makes it more difficult to meet the demand of varied household types.
- ***Thus, a greatly expanded variety of housing types is needed throughout the county to better meet consumer demand.***



# CHEROKEE COUNTY HOUSING ANALYSIS

## EXECUTIVE SUMMARY

### Cherokee Housing: Key Findings

#### Apartment Market Growth

- Cherokee County's housing market has changed over the past decade due to the sweeping national and regional economic and demographic changes.
- One outgrowth of those changes has been a significant increase in the proportion and overall number of renters in the county. Growth of renters in the county has been driven largely by householders age 35-64 with mid-to-high range incomes.
- Rents across the county have continued to ascend on an annual basis.
- The stakeholder interviews and public input through surveys for this study found a common theme of a sense of concern about the large number of multifamily residential units, primarily apartments, that had been permitted in Cherokee, but not yet built.
- However, viewed in context, it becomes clear that the 2018 "boomlet" in multifamily permits is actually a market correction reacting to the previous 10-year period, in which six of ten years produced fewer than 20 multifamily permits.

#### Higher-priced home construction ascending

- Over the past seven years, Cherokee County's newly constructed housing has skewed significantly towards higher value housing options – which illustrates the trend of increasing housing prices in the region.
- Between 2013 and 2019 the average cost of a newly constructed home in Cherokee County increased by over \$125,000, an increase of 47%.
- Land prices and construction costs have been the culprit for an increasingly unattainable new home market for middle-income households.
- Partly because of the elimination of the under-\$250K new home market, 2019 was the first year since 2013 that saw a decrease in the number of new for-sale homes sold in Cherokee.
- 2018 and 2019 saw the Cherokee townhome market move significantly into higher-priced luxury ranges, which partly reflects this product type finding greater market acceptance in and near Cherokee's historical downtowns and master planned communities.
- This finding suggests that there are two townhome markets in Cherokee: one targets a value-oriented buyer while the other targets a luxury buyer, who could afford a single-family home, but desires to live amongst walkable amenities in a more convenient and low maintenance housing option.

# CHEROKEE COUNTY HOUSING ANALYSIS

## EXECUTIVE SUMMARY

### Cherokee Housing: Key Findings

#### Future Housing Demand

- In order to understand housing needs to accommodate Cherokee County's current and future residents and to assist in managing overall future land use needs, this study undertook a future housing demand analysis. This type of analysis can serve in creating a forward-looking housing vision and inform the strategies and tactics to achieve the vision. The results of the demand analysis are shown below. Additional details are included in later sections of this document.
  - **Annual Cherokee County housing production potential:**
    - Single-family Owner: 1,778 units
    - Attached Owner: 587 units
    - Rental: 1,479 units
    - **TOTAL: 3,844\***
- \*represents achievable potential number of new homes to be absorbed into the county housing market annually through 2025.
- This level of production is still lower than the peak permitting years in Cherokee:
    - Single-family: 4,065 in 2005
    - Multifamily: 1,264 in 2018

These forecast demand potential conclusions are indicative, rather than predictive.

#### Online Survey Results

- To better understand Cherokee residents' and employees' housing preferences, this study employed an online survey that garnered over 1,000 responses. The findings, summarized below and detailed in the final section of the document, were incorporated into the demand analysis.
- The most frequent response to the question regarding key reasons for residents choosing to live in Cherokee County was "schools."
- Survey results indicate that the county could attract more resident households who work in Cherokee but live elsewhere.
- The most frequent response for residents living outside of Cherokee County choosing why not to live in the county was housing being too expensive. Another frequent response was lack of housing respondents want.
- 91% of respondents would consider moving to Cherokee County if their reason for living outside of Cherokee County changed.

# SPECTRUM OF HOUSING TYPES

In a healthy housing market, we expect to see a variety of housing types, both rental and for-sale, offered for a variety of needs and desire in a given community.

## For-sale housing types:



### Large-lot single family

Can be developed as master-planned community (100+ units), builder community (20+ units), or infill



### Small-lot single family

Can be developed as master-planned community (100+ units), builder community (20+ units), cottage community (6-10 units) or infill



### Townhomes

Attached single-family products  
Can be incorporated as one element in larger developments or as townhome-only development



### Duplex / Quadplexes

Attached single-family products  
Rarely built in new construction currently but provide an opportunity to expand for-sale options to middle-income buyers



### Condominiums

For-sale multifamily product  
Can be single-story or multiple stories



### Lofts over commercial space

For-sale multifamily product  
Can be part of a mixed-use development or incorporated into a commercial district

## Rental housing types:



### Mid- or High-rise Multifamily

4-20 story podium-built apartment buildings, generally having 200+ units



### Garden Apartments

50+ unit apartment complexes, generally in several smaller buildings of 2-3 stories



### "Town Center" Apartments

50+ units in street-fronted apartment building  
Mimics style of mixed-use district



### Townhomes

Attached single-family products  
Can be designated rental community or as one element of a larger planned development



### Small Multifamily

20 or fewer units in a single building or cluster of buildings  
Rarely built in new construction



### Apartments over commercial space

Rental multifamily product  
Can be part of a mixed-use development or incorporated into a commercial district

# EXISTING HOUSING TYPES IN CHEROKEE COUNTY

- Cherokee County has the potential to expand its housing market to accommodate a wider variety of housing types.
- Prevalent for-sale products are currently generally larger-lot single-family detached homes, with small-lot single-family and townhomes emerging in recent years. Rental options are currently generally limited to garden-style complexes, with an immediate opportunity to expand options in Cherokee for additional rental types, particularly in established activity areas and historic downtowns. Small multifamily options could include duplex, triplex, and quadplex units.

## KEY

### Prevalent:

*These are dominant housing types available in the specified location.*

### Limited:

*Some options of these types are currently available in the specified location. Expansion of this product type is a near-term opportunity*

### Opportunity:

*Very few options of these housing types are currently available in the specified location.*

For-Sale Types	Large-lot single family	Small-lot single family	Townhomes	Duplex / Quadplexes	Condominiums	Lofts over commercial space
Woodstock	Prevalent	Prevalent	Prevalent	Opportunity	Limited	Prevalent
Canton	Prevalent	Prevalent	Limited	Opportunity	Opportunity	Opportunity
Holly Springs	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A
Ball Ground	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A
Waleska	Prevalent	Prevalent	Opportunity	Opportunity	Opportunity	N/A

Rental Types	Mid- or High-Rise Multifamily	Garden Apartments	"Town Center" Apartments	Townhomes	Small Multifamily	Apartments over commercial space
Woodstock	N/A	Prevalent	Prevalent	Prevalent	Opportunity	Opportunity
Canton	N/A	Prevalent	Limited	Limited	Limited	Opportunity
Holly Springs	N/A	Prevalent	N/A	Opportunity	Opportunity	Opportunity
Ball Ground	N/A	Opportunity	N/A	Opportunity	Opportunity	Opportunity
Waleska	N/A	Opportunity	N/A	Opportunity	Opportunity	N/A



# CHEROKEE COUNTY HOUSING ANALYSIS

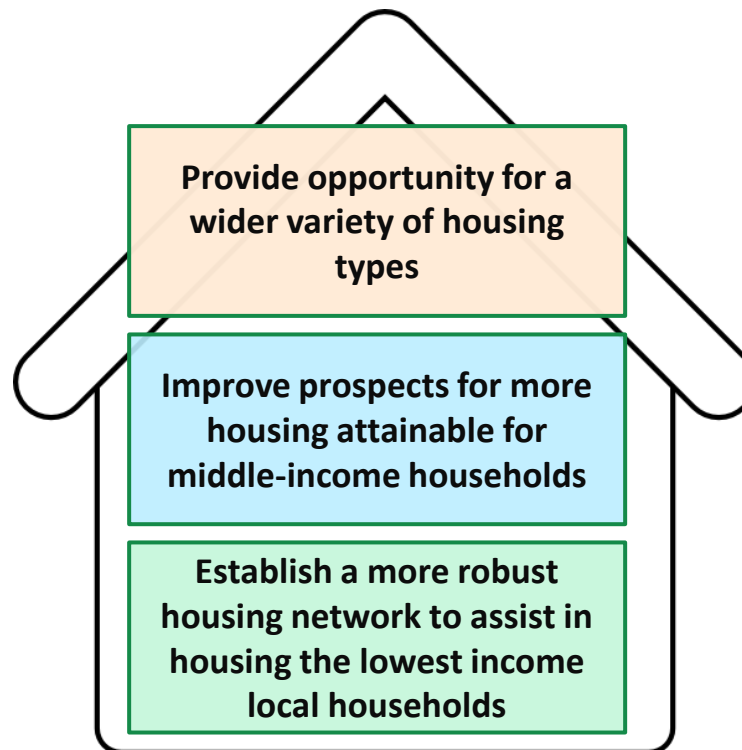
## STRATEGIC RECOMMENDATIONS

The recommendations detailed below are based upon a deep examination of the local issues as part of this study, as well as knowledge and experience gained working to assist community and economic development efforts in communities throughout Georgia.

Each recommendation has been carefully offered and has the potential for success by increasing production of a wider-range of housing options that can help meet local market demand for households at all income levels.

Upon evaluation, leadership of Cherokee and its cities may determine that one or more of the recommendations are appropriate for a particular time or location and then develop tactics for implementation.

The recommendations, detailed on the following pages, fit into three major groupings:



*Some specific strategic actions can often address more than one of these broad recommendations at the same time.*

*Additional details are included on the following pages.*



# CHEROKEE COUNTY HOUSING ANALYSIS

## STRATEGIC RECOMMENDATIONS

### Provide opportunity for a wider variety of housing types

Population growth without a wider variety of housing type options exaggerates competition for greenfield development sites. The increased competition will continue to lead to higher land and home prices, which leads to “pricing out” less affluent households and limits choices for smaller households.

The following recommendations are intended to help encourage production of a wider variety of housing types in Cherokee.

#### Review and adjust development regulations

- Align zoning and land use decisions to support equitable and sustainable housing growth through the existing development processes. Support projects and proposals that provide additional housing options for Cherokee residents as described in local Comprehensive Plans.
- Review zoning and permitting regulations to remove language, requirements, and obstacles that restrict or inhibit small-scale infill development or redevelopment, particularly for “missing middle” housing options, such as duplex, triplex, or quadplex units, bungalow court homes, and carriage houses.
- Revise zoning and development regulations to be more flexible in all corners of the county and determine opportunities to remove obstacles to small-scale infill development or redevelopment, particularly for “missing middle” housing options.
- Consider incentives and regulatory relief to support for innovative small-scale residential projects developed by local builders and developers.

#### Focus additional housing options in appropriate locations

- Develop tools to encourage housing options in and around Cherokee’s historic downtowns, aging commercial areas and emerging employment centers, such as large medical facilities, Bells Ferry LCI or the SW Cherokee area. These areas provide some of the best locations and opportunities to expand the production of a wider variety of housing types.
- Evaluate land use, transportation and utility infrastructure to find additional locations for new housing options. Consider utilizing regional assistance such as the Atlanta Regional Commission’s Livable Centers Initiative (LCI) program or Community Development Assistance Program (CDAP).

*Shown at right is an example of a “missing middle” housing type that could find acceptance locally. This example is often referred to a stacked-duplex with two units, one above the other.*



# CHEROKEE COUNTY HOUSING ANALYSIS

## STRATEGIC RECOMMENDATIONS

### Improve prospects for more housing attainable for middle-income households

Land and construction costs are the two largest inputs that drive housing costs. Often development regulations related to minimum floor and lot size ensure that fewer options are available for builders to provide homes for households of various incomes and sizes.

Additionally, the public sector can utilize its powers to partner in housing development using both “carrots and sticks” (incentives and regulations) to help offset construction costs

The following recommendations are intended to help encourage production of a homes attainable for Cherokee’s middle-income households\*.

#### Employ local resources

- Leverage the tools available to local authorities, such as downtown development authorities or housing authorities, to incentivize housing and other developments that advance community housing goals. Consider supporting unique “proof-of-concept” projects to kickstart particular types of development to prove they are viable and future projects can be self-supporting.
- Leverage the potential for synergies between housing and commercial development by incentivizing housing near priority employment nodes and at large aging commercial properties.
- Explore opportunities for local governments to provide or purchase land to expand housing options. One of the fastest rising costs for housing development in Cherokee County is land prices. On occasion, local governments purchase or acquire land that could serve as a public facility but also include a housing component. For example, a joint-use project with both recreation and housing could be a significant benefit to the whole community.
- Study the feasibility of dedicating funds to support housing development. With rising costs, many attainable housing developments need funds to bridge gaps. A fund that was created with a combination of public, private and philanthropic contributions could help to ensure these important developments become a reality.

*\* Middle-income households are loosely defined here as those with combined annual household incomes between \$35,000 and \$85,000.*

#### Local Opportunity Example:

*The Canton Village retail center, pictured at right, is under-utilized, particularly its vast parking field. This location could become a priority redevelopment site, and with a public sector participation, provide hundreds of new homes for middle-income households.*



# CHEROKEE COUNTY HOUSING ANALYSIS

## STRATEGIC RECOMMENDATIONS

### Encourage and strengthen the local housing network that can assist in housing the lowest income local households

Because the county generally lacks a strong support system for providing appropriate housing for extremely low-income households, homeless, and other under-housed populations, aggressive action is necessary to ensure that housing cost burdens are reduced for these and other populations.

The following recommendations are intended to help encourage production of a homes attainable for Cherokee's lowest-income households.

#### Establish and grow partnerships with local groups that advance affordable housing

- Consider forming a county-wide housing task force to help implement recommendations included herein. Tasks should focus on coordinating, facilitating, and mobilizing resources among the local housing organizations, non-profit groups, and local government.
- Cherokee County and its cities should consider opportunities to partner with, and support the activities of, the Canton Housing Authority (CHA) in pursuing programs to renovate existing public housing stock and build additional affordable and workforce housing. CHA is currently the most likely local housing-specific option to tap into federal and state resources that help provide housing and community development assistance and to ensure Cherokee residents have access to “fair and equal” housing.
- Explore ways to enhance the current housing voucher program through CHA, or other avenues. Housing vouchers do not produce affordable units, but they add to the overall amount of affordable housing options for low income households.

#### Utilize proven tools

- Consider supporting the creation of a land bank to acquire vacant, abandoned, or tax-delinquent properties to convert these liabilities into productive housing assets for the community. This entity can work in partnership with existing affordable housing developers while making an impact in established neighborhoods.
- Study the need for a community land trust in Cherokee County. This type of organization can renovate and sell a house to lower-income households while retaining ownership of the land and granting the right to occupy the site through a ground lease. This helps meet the goal of building equity for these households while restricting the resale value of the home to ensure long-term affordability rather than just for the first residents.
- Look for ways to build land bank / land trust partnerships that can help establish pathways for current lower-income renters to enter homeownership.

# CHEROKEE COUNTY HOUSING ANALYSIS

## STRATEGIC RECOMMENDATIONS

### Previously Adopted Strategies to Advance the Recommendations of this Housing Study

The strategies below and at right were advanced through Cherokee County Planning and Zoning as part of recent comprehensive planning efforts.

This study highlights additional housing opportunities throughout Cherokee that are likely to be advanced by these strategies.

Details of these strategies are included in the comprehensive planning documents for unincorporated Cherokee, Ball Ground, and Waleska but are generally relevant for Woodstock, Holly Springs, and Canton and should be considered throughout the county.

### PRESERVE AND ENHANCE SENSE OF PLACE

- The historic downtowns, regional centers, Bells Ferry corridor, and other development corridors need to be developed as lively, interactive mixed-use environments to provide viable live, work, shopping, and entertainment choices.
- Investigate preservation incentives and preservation tools such as easements, transfer of development rights, and overlay zoning.

### AGING IN PLACE

- Develop a comprehensive strategy to address the broad range of housing options needed by the growing number of senior residents.
- Consider revising ordinances to encourage appropriate senior housing in existing and future development nodes, where goods and services are easily accessible.

### HOUSING CHOICE AND SPIRIT OF INCLUSIVENESS

- As employment opportunities diversify in Cherokee communities, ensure adequate amounts, types and densities of housing needed to support desired commercial and industrial growth.
- Encourage a variety of housing stock to serve a range of incomes, age groups and lifestyles to provide choices and opportunities.
- Promote the development of housing for people with modest incomes by supporting such development with information on funding sources, appropriate locations, and the zoning and development process.
- Identify areas with adequate infrastructure for medium density housing developments, designed to meet the needs of singles and young families, such as townhouses, lofts, and small lot single-family homes. These areas should be adjacent or attached to villages or centers to promote access to jobs, goods, and services.

*Source: adapted from Waleska Comprehensive Plan Update, adopted 2019*

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# STAKEHOLDER ENGAGEMENT

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# STAKEHOLDER ENGAGEMENT

## HOW IS THE CHEROKEE COUNTY HOUSING MARKET ADDRESSING THE COMMUNITY'S NEEDS AND HOW CAN IT IMPROVE?

As part of this study members of the public, private, and non-profit communities met for an extensive stakeholder engagement process to help identify how Cherokee County is working to address issues of housing, and how they can improve.

- The major reoccurring themes heard during the engagement process centered on:
  - **Rising costs of development** – land, infrastructure, vertical construction, labor, and regulatory fees
  - The **lack of housing supply** particularly between the \$150,000 to \$300,000 range
  - A changing demographic that requires a **diversity of housing types**
  - The potential for **increasing density** in some parts of the county – especially surrounding the I-575 corridor
  - The **organizational infrastructure** for the public sector and non-profits to implement housing solutions
  - The need for greater **zoning flexibility**

*Below is a “word cloud” that depicts the most frequent words used by the stakeholders during the focus groups for this study. The larger the word, the more frequently it was used during the discussions.*





# STAKEHOLDER ENGAGEMENT

## HOW IS THE CHEROKEE COUNTY HOUSING MARKET ADDRESSING THE COMMUNITY'S NEEDS AND HOW CAN IT IMPROVE?

The engagement interviews were organized as focus group meetings in which stakeholders from the public, private, and non-profit communities each shared their views with those from within their own professional communities. The opinions of the individuals in each of the three groups is summarized below:

### Reoccurring Themes Non-Profit Stakeholders

- There is a critical need for affordable and workforce housing for folks who want to work and live in Cherokee County
- Income levels don't match costs of living
- Need to address concerns with aging workforce and aging seniors
- Without affordable housing it is difficult retaining college graduates
- Focus on childhood well-being
- Housing is a fundamental building block to empower communities
- Newly built apartments are very expensive to rent
- Difficulty of new graduates in finding homes
- Importance of evenly distributing affordable housing – which has been concentrated in the Bells Ferry LCI area
- Incorporating workforce housing to mixed use developments
- Lack of availability for low rent apartments to work with
- Lack of transitional organizations to assist families/individuals in difficult situations
- Philanthropic Sector's potential to fund
- Association of service agencies/nonprofits could be organized better to help
- Zoning regulations and septic regulations restrict ability to try new things that would meet the needs of the current population
- Infrastructure costs are cost prohibitive
- Stigmas associated with homelessness
- Suburbanization of poverty
- Issues with generational poverty in rural Georgia
- Immigrants are moving to Cherokee County for job opportunities
- Potential for land bank/land trust mechanism
- Not just creating affordable housing, but maintaining it
- Importance of educating the public, councilmembers, etc. on what public housing/affordable housing looks like now
- Affordability programs need more support from municipalities
- Rome Housing Authority and their RAD program
- Canton Housing Authority (CHA) is on the path to partner with developers to help alleviate housing issues
- The programmatic infrastructure is available for the CHA, but the resources are not
- Difficulty finding units for low income folks and people who are transitioning out of homelessness

*"It is more difficult than ever for the economically unstable to assimilate to economically stable. We are creating residents not neighbors."*

# STAKEHOLDER ENGAGEMENT

## HOW IS THE CHEROKEE COUNTY HOUSING MARKET ADDRESSING THE COMMUNITY'S NEEDS AND HOW CAN IT IMPROVE?

### Reoccurring Themes Public Sector Stakeholders

- The need exists to create a clear definition of what affordable housing is and provide options for a wide range of future residents
- Density is touted as an answer to affordability but often that hasn't been the case in Cherokee
- Banks and lenders are hindering the housing diversity in the county to due to overly-conservative practices
- Using old models of capping apartment approvals via tenure ratio analysis in Cherokee cities is hurting affordability
- Local governments should explore options for additional incentives targeted to help diversify the housing mix
- Accessory Dwelling Units (ADUs) have not taken off
- Without affordable housing it is difficult to retain college graduates to want to return to Cherokee County when they graduate
- Need additional buy in from local politicians to get support so that these ideas can be better pitched to the community
- Build partnerships with apartment communities to give discounts to teachers and other public servants
- Need to assess inventory of city and county-owned land to see if there is a potential to build housing
- The importance of educating the public, councilmembers, etc. on what public housing/affordable housing looks like now
- Voucher program in Canton but it is offered through Department of Community Affairs, but private landlords often do not accept vouchers
- CBDG funding cannot build affordable housing, but they can back developers with LITHC
- Challenges in the regulatory infrastructure, and public opinion
- Emphasis and need for affordability and workforce housing
- Affordability challenge for seniors, who are also a growing a segment of the population
- Different family structures require different housing product types to meet those needs
- More zoning flexibility to allow a diversity of product types
- Zoning categories in unincorporated Cherokee can/should be more flexible
- Potential for land bank/land trust mechanism
- Sell/donate blighted land and abandoned land to organizations that would use the land to build more affordable housing

# STAKEHOLDER ENGAGEMENT

## HOW IS THE CHEROKEE COUNTY HOUSING MARKET ADDRESSING THE COMMUNITY'S NEEDS AND HOW CAN IT IMPROVE?

### Reoccurring Themes Private Sector Stakeholders

- The price of development is expensive (regulatory costs have been higher, engineering expenses to get to an approved plan, complicated land codes)
- The price points that work are the lowest ones that open up to the largest market
- Downtowns are opportunities to create special places, but current housing regulations often limit those opportunities
- Downtown Woodstock has a set of too strict development codes
- It is expensive to do development by trial and error
- Ball Ground willing to try to new things
- Property in Ball Ground is cheap and there is sewer connection
- 575/92/Bells Ferry/20 towards 75 near Acworth— in these corridors, where there are jobs, there can be density, with the right type of product
- Misconceptions about what buyers want, the new starter home is a townhome in today's market, because location has always been important
- Lack of supply at the right price point in the right place
- People want to be closer-in, but land prices have increased significantly
- Different family structures require different housing product types to meet those needs
- Missing middle price point has incredible high demand but a lack of supply because builders can't make enough money
- Rental tenants continue to rent for longer
- Need affordable active adult community
- Need for greater density
- Put density near the interstate, near grocery stores
- Opportunity for all jurisdictions to begin working on issues of affordability and then other cities to learn from their experiences
- Opportunities for communities of duplexes that don't look or feel like duplexes
- Issue of regulators policing prices
- Older demographic potentially choosing rentals
- Many younger people who want to buy but can't

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# PEER COUNTIES ASSESSMENT

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# HOW IS CHEROKEE COUNTY POSITIONED TO ADDRESS HOUSING IN 2020 AND BEYOND?

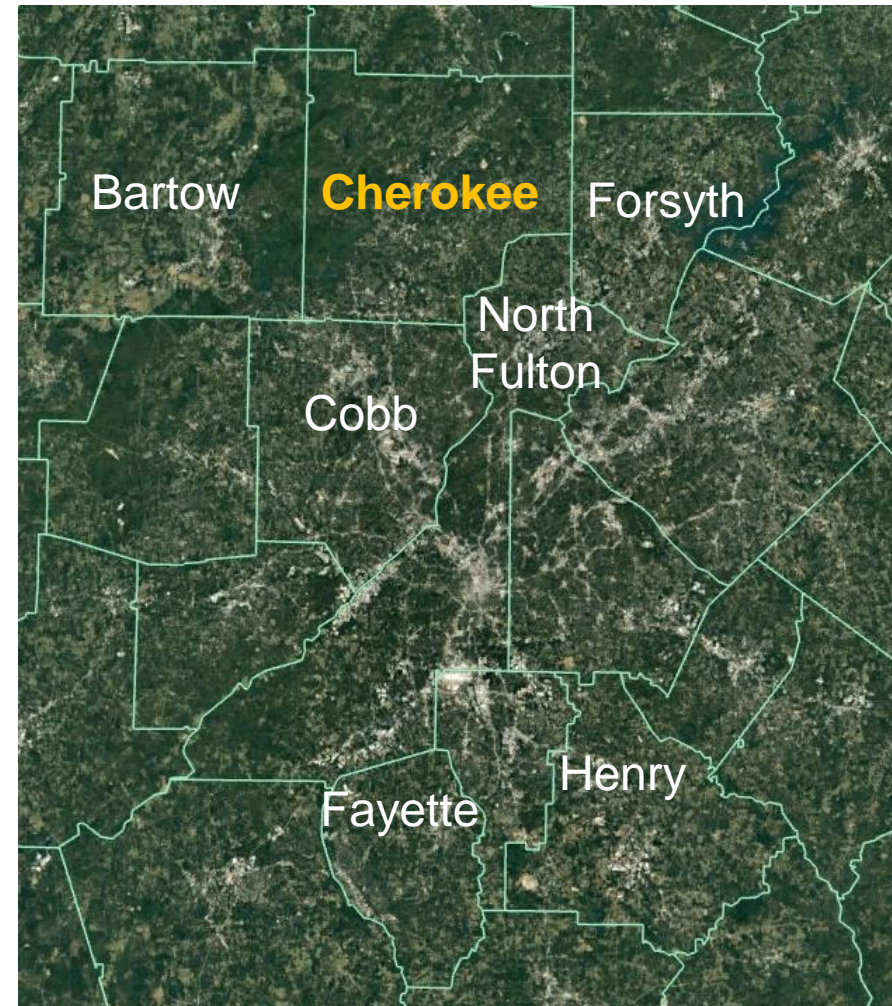
- As one of the fastest growing counties in one of the fastest growing metro areas in the country, Cherokee County is poised to welcome thousands of new households over the next decade.
- The present (and foreseeable future) population change in the county will drive additional local housing demand.
- Many of the cities in Cherokee are considered “commuter towns” – primarily residential areas that commute elsewhere for work.
- Land and housing prices have steadily, and quickly, increased in the post Great-Recession era. This has caused potential residents to drive further from Atlanta’s core in order to find housing that is affordable.
- In this context, the section below analyzes Cherokee County housing in relation to six local and regional peers to get a better understanding of how the local residential housing stock and marketplace stacks up.





# HOW IS CHEROKEE COUNTY POSITIONED AMONGST ITS PEER COUNTIES?

- Answering this question allows us to gauge how Cherokee County stacks up against its peers and neighboring counties.
- Using nearby counties, and counties with similar economies and resources, can provide a helpful measuring stick for Cherokee County in assessing what the county's strengths and weaknesses are.
- In a region that is growing rapidly, **Cherokee County is the second fastest growing of the other peer counties.**
- Outside of growth, **Cherokee County finds itself firmly in the middle of the pack with regards to metrics like median household income, average house prices, average monthly rent, and average new jobs created.**
- One noticeable conclusion from this analysis is that **Cherokee County, more than not, follows regional trends regarding housing, jobs, and income.**
- It is at this juncture that Cherokee County finds itself in a particularly interesting position –upcoming planning and zoning strategies and decisions at both the county and city level will help shape the future of housing in Cherokee County.





# SUMMARY OF PEER COUNTIES COMPARISON

- This section of the study compares Cherokee County to other counties that should be similar to Cherokee on various housing market metrics. The peers serve as a benchmark for Cherokee.
- Below is a summary of the data gathered and analyzed for this section of the study.

Housing Demand Drivers	Cherokee	Bartow	Forsyth	Cobb	Henry	Fayette	North Fulton	Georgia
Household Growth (2010-2020)	24%	8%	39%	12%	15%	10%	16%	11%
Median Household Income	\$84,200	\$56,079	\$112,989	\$82,437	\$75,957	\$92,579	\$104,925	\$61,256
% Owner Occupied	79%	69%	86%	67%	77%	83%	64%	66%
% Renters that are Cost-Burdened	43%	52%	45%	45%	43%	40%	48.3%*	46%
% 1-2 Person Households	52%	53%	46%	57%	48%	54%	54%	57%
% Households with Children	50%	46%	56%	50%	53%	46%	58%	47%
School District State Percentile Rank	84%	62%	99%	86%	26%	97%	89%*	
Housing Stock	Cherokee	Bartow	Forsyth	Cobb	Henry	Fayette	North Fulton	Georgia
% Single-Family Detached	82%	71%	85%	65%	82%	84%	55%	66%
% of Multi-Family Stock Built since 2010	19%	2%	61%	12%	10%	11%	N/A	13%
% of Single-Family Stock Built since 2010	20%	11%	26%	13%	14%	10%	N/A	13%
Median Home Value	\$296,434	\$191,526	\$409,823	\$298,387	\$199,951	\$310,323	\$484,724	\$199,795
% of Homes Valued <\$200,000	22%	53%	10%	25%	50%	22%	8%	50%
Avg Sales Price of New Homes	\$382,404	\$250,587	\$427,091	\$362,413	\$265,836	\$468,035	\$751,176	
2010-2019 New Multi-Family Permits	3,230	487	4,231	12,153	190	306	42,844*	96,887
2010-2019 New Single-Family Permits	14,991	3134	21,560	13,481	9,842	3,300	24,542*	256,501
Avg Market-Rate Apartment Rent PSF	1.18	0.89	1.35	1.23	0.99	1.33	1.37	1.16
Apartment Vacancy Rate	7%	5%	7%	8%	8%	6%	6%	8%

*\*estimates based on local/municipal reporting*

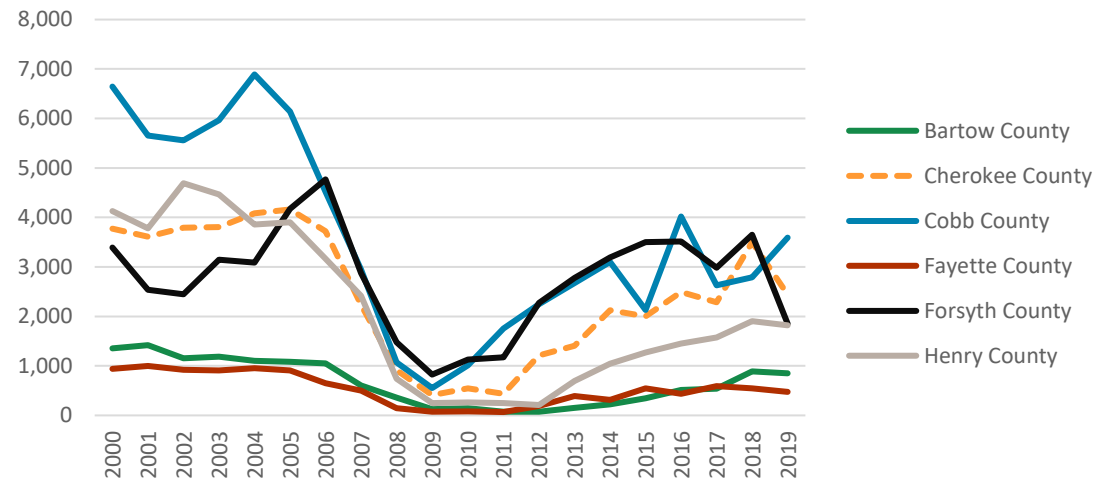
*Data source: HUD SOCDS, U.S. Census Bureau ACS 5-Year Estimates, Environ Analytics*

# RESIDENTIAL SUPPLY PEER COMPARISON

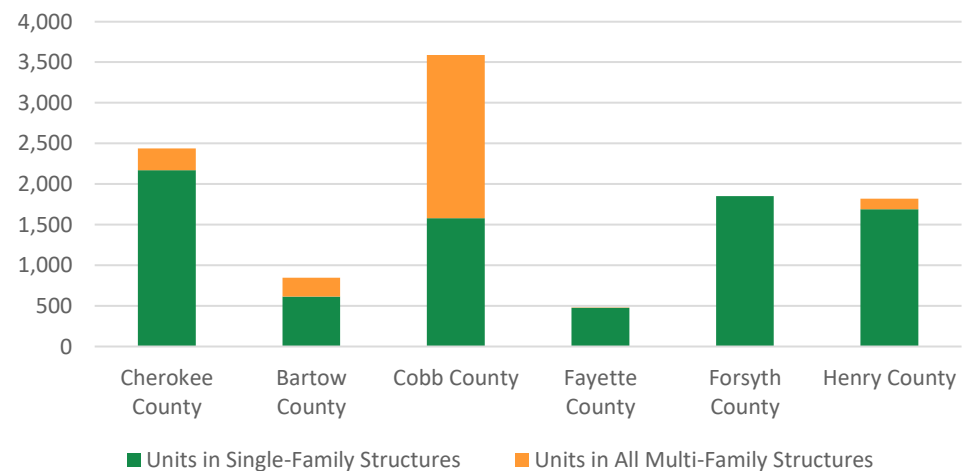
## BUILDING PERMIT TRENDS

- Cherokee County ranks among the top of its peers for the number of building permits issued. Though permit issuances in all counties fell close to zero during the Great Recession, most of these counties have rebounded, with Cherokee County once again nearing pre-recession peaks.
- In 2018, Cherokee County issued more building permits than Fayette County, Bartow County, and Henry County combined.
- The spike in 2018 was largely due to the number of multifamily permits on top of the typical single-family permits.
- 2019 presented a correction to that where only 11% of Cherokee County's permits were for multifamily units.
- Due to complications in data gathering, North Fulton (the area of Fulton County north of the Chattahoochee River) is not accounted for in the permit analysis shown here.

Total Building Permits Over Time, 2000 - 2019



2019 Building Permits by Type



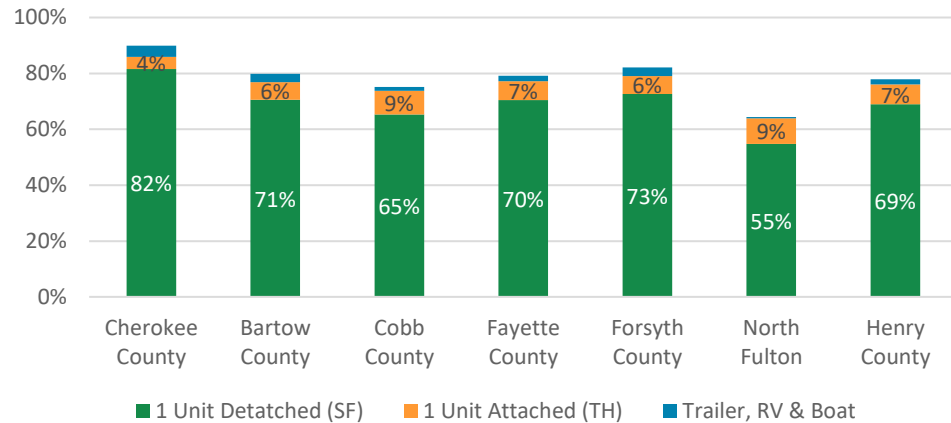
Data source: HUD SOCDs

# RESIDENTIAL SUPPLY PEER COMPARISON

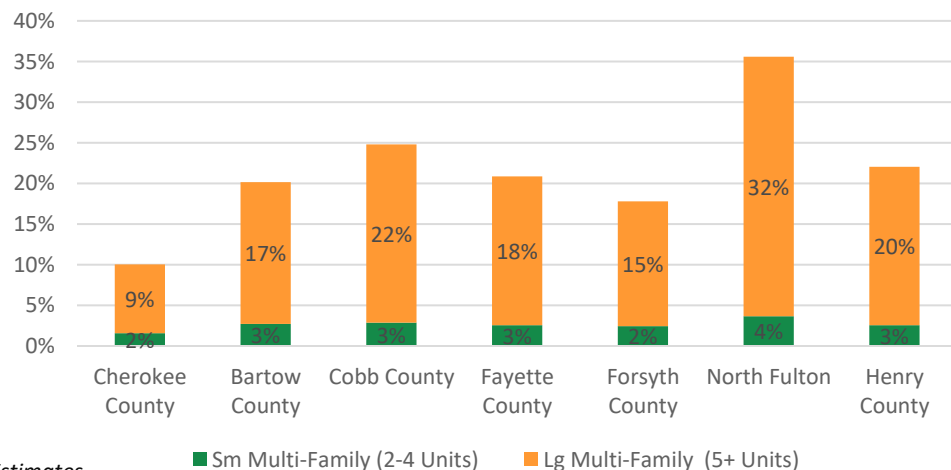
## HOUSING STOCK BY STRUCTURE TYPE

- In Cherokee, 82% of housing units are single-family detached homes, this is by far the greatest proportion of single-family among the peer group.
- Historically, homes were either built as single-family detached or multifamily units, so there are only a handful of single-family attached units (i.e., townhomes) in the stock.
- Multifamily units comprise approximately 11% of the Cherokee housing stock, and most of the multifamily units are large complexes with more than five units. Units in small complexes are often more affordable, but also older, which makes them vulnerable to maintenance concerns or candidates for redevelopment. Preserving this stock is key.

Single-Family Units as Share of Total Housing Units



Multi-Family Units as Share of Total Housing Units

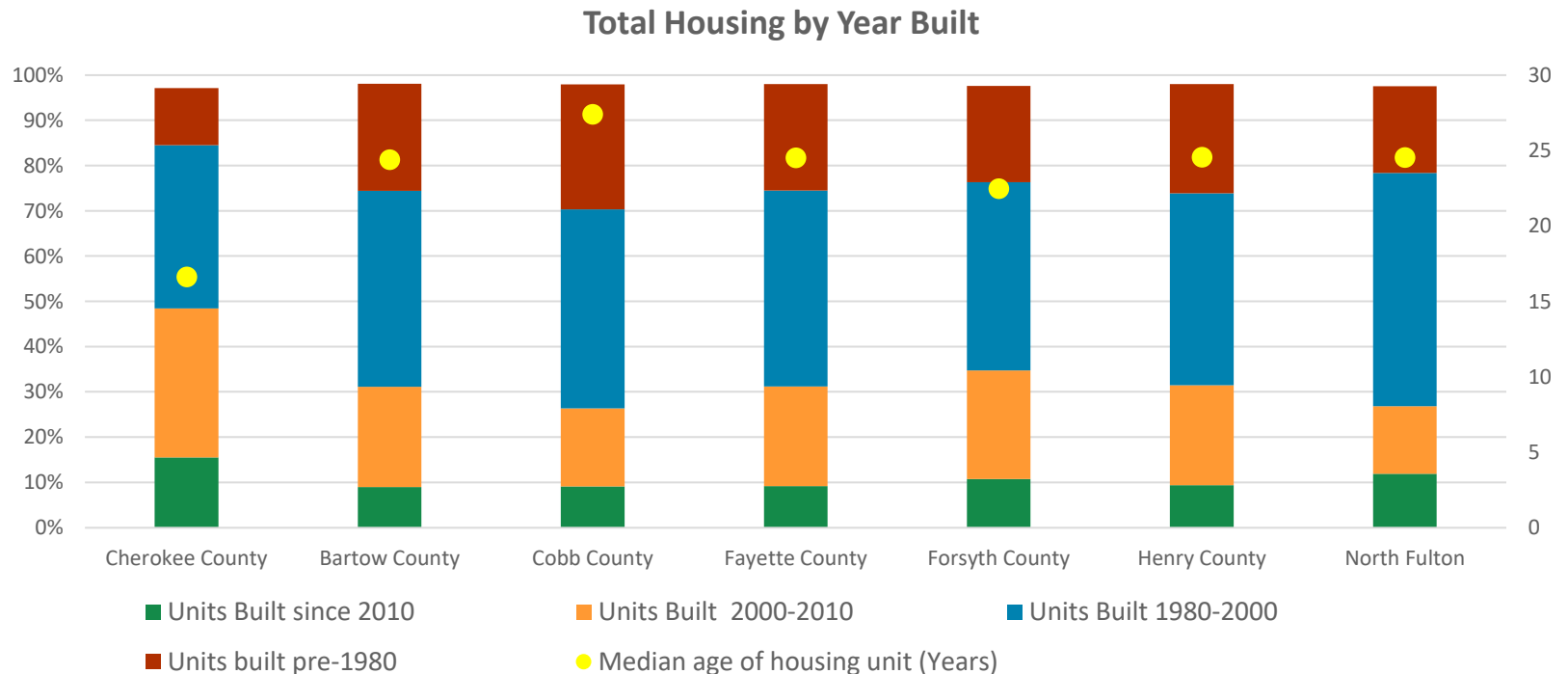


Data source: U.S. Census American Community Survey 2017 5-Year Estimates.

# RESIDENTIAL SUPPLY PEER COMPARISON

## MULTIFAMILY HOUSING STOCK BY YEAR BUILT

- Cherokee County's housing stock is newer than its peers' housing stock.
  - Cherokee's has the largest percentage of homes built since 2010 and the largest percentage of homes built from 2000 to 2010.
  - Homes built since 2010 account for 16% of homes in Cherokee County.
  - Although new construction levels are considerably lower than pre-recession 2000-2010 levels, this housing market has rebounded, and new homes are being built at a relatively faster clip than in other comparable locales, which speaks to the strength of the Cherokee housing market overall.

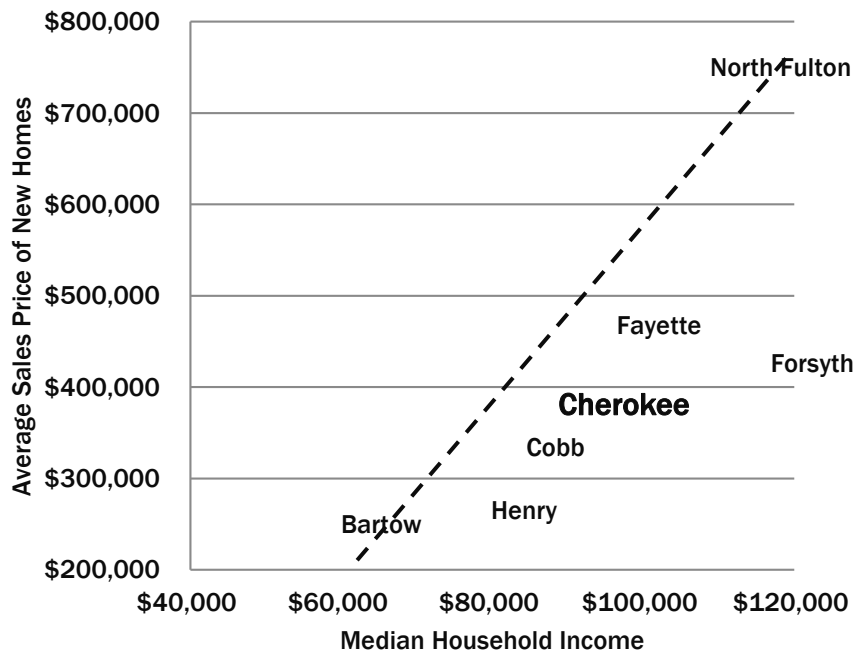


# SUMMARY OF PEER COUNTIES COMPARISON

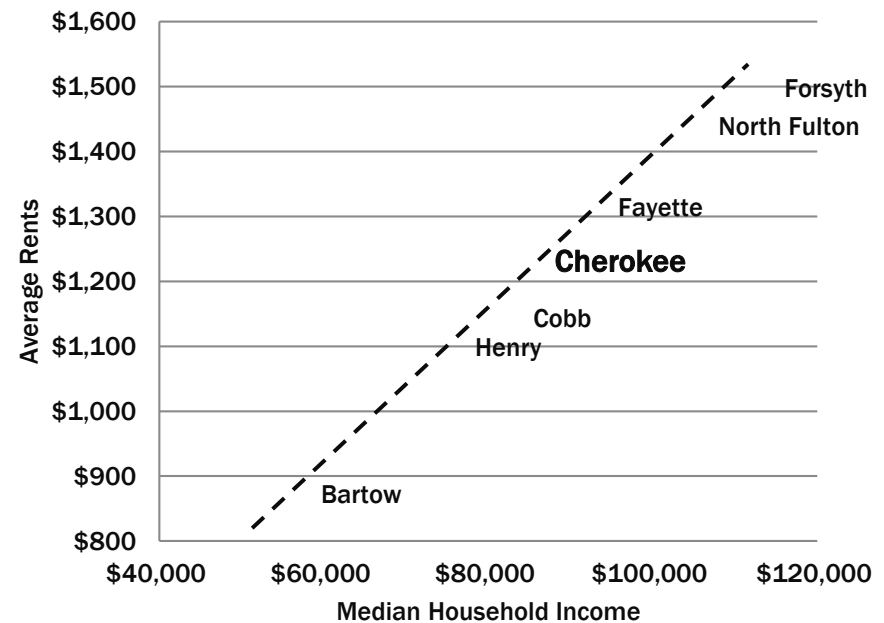
## HOME PRICING COMPARED TO INCOME LEVELS

- Cherokee County is positioned in the middle of the pack of peer counties in terms of median household income and average sales price of new homes.
- Cherokee County is positioned similarly amongst its peer counties in terms of median household income and average rents.
- There is generally a linear relationship between household income and housing prices.
  - The trendline below – mapped as a black dotted line – shows that Cherokee County is not an outlier among peer counties when it comes to the county's relationship between housing prices and household income.

### House Price by Income



### Rent by Income

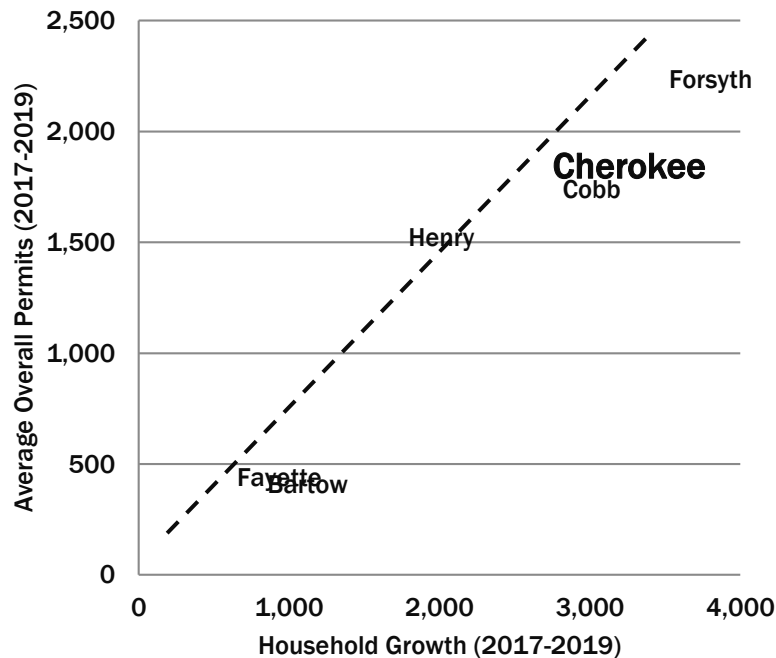


# SUMMARY OF PEER COUNTIES COMPARISON

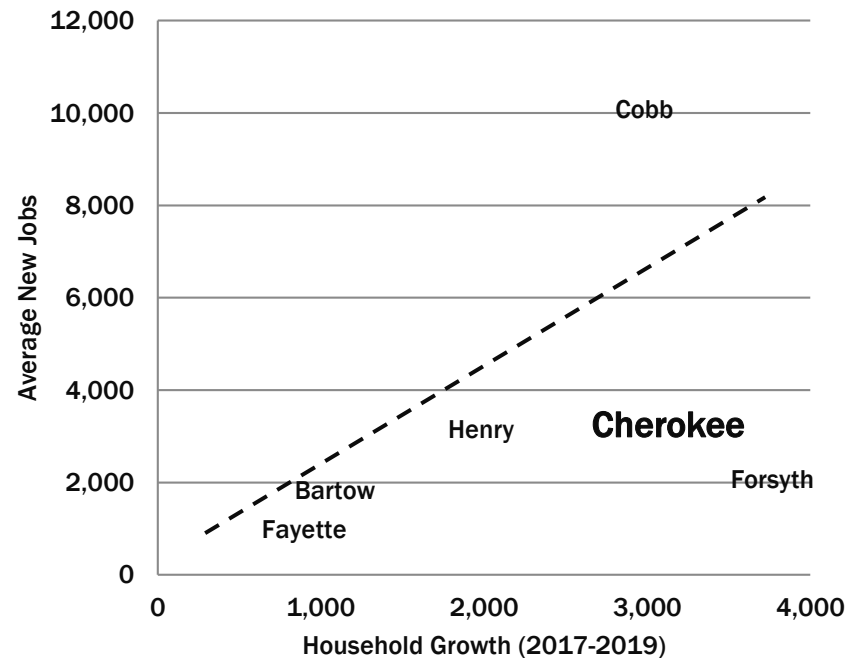
## HOUSEHOLD GROWTH COMPARED TO JOB & HOUSING GROWTH

- The charts below illustrate the relationship between household growth and overall permits and new jobs, respectively.
  - The relationship between household growth and overall permits, under “typical” circumstances, should be a linear one.
  - Cherokee County is positioned on the trendline, and in the upper end of its peer counties.
- The relationship between household growth and new jobs illustrates more about the character of counties – particularly whether counties that are attracting jobs are also attracting residents, and to what degree.
  - **Cherokee’s relationship between household growth and new jobs is skewed towards household growth, which further illustrates that Cherokee is home to several “bedroom communities” or “commuter towns.”**

### Permits by Household Growth



### New Jobs by Household Growth





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# HOUSING DEMAND DRIVERS

*These are economic and demographic trends that influence the scale and character of housing demand in Cherokee County.*

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# KEY TRENDS DRIVING DEMAND

## Consumer preferences have changed

- Younger first-time home-buyers are less likely to strive for the suburban model of a starter tract-home on a cul-de-sac.
- People of all ages are becoming more interested in urban, walkable, and amenitized communities.
- Quality urban design attracts households to vibrant urban areas.
  - This includes:
    - walkability
    - quality public gathering places
    - transportation options to and through.



## What does it all mean?

*These demographic, consumer, and economic trends combine to create demand for housing that is fundamentally different from that which has driven our housing markets in the past:*

Less demand for large, single-family, owner-occupied homes

More households without children

More small households (one or two people)

More demand for rental homes

More interest in towns, mixed-use areas, and urban walkable development

More demand for affordable & workforce housing

# KEY TRENDS DRIVING DEMAND

## NATIONAL TRENDS

### Trends that drive housing demand have seen dramatic upheaval over the past 40 years

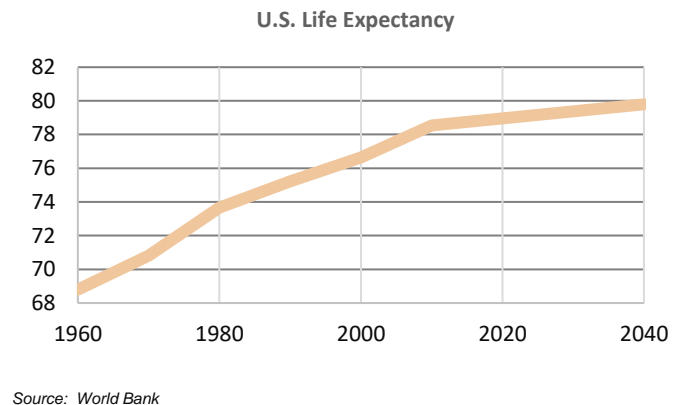
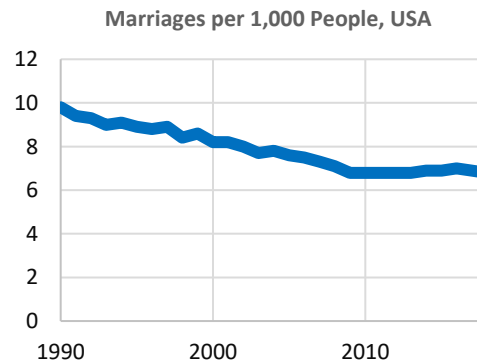
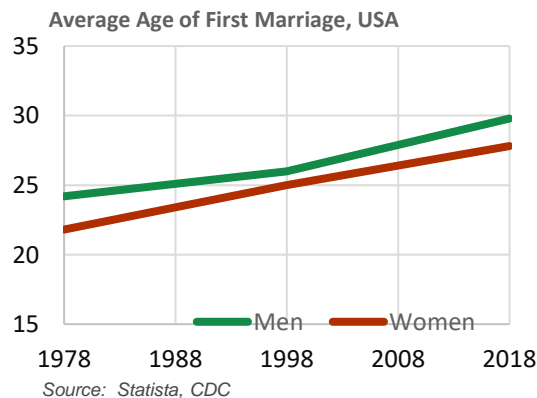
- Shifting demographic, economic, and social trends have collided to create a new reality for housing demand.
- A housing supply that was largely built in the 1980s does not match the needs of households of the 2020s.
- Housing policies, zoning and land use regulations and economic practices dating back to the 1980s are not likely to produce new housing that meet the needs of households of the 2020s.

#### ***Aging Population***

- Improved health, longer lifespans, and generational trends means that the share of the county's population that is 65 or older is expected to increase significantly in coming decades.
- The Baby Boomers are aging into retirement.
- Older residents will become an increasingly larger share of the population over the next 25 years

#### ***Young people are waiting longer to marry, have children and establish households.***

- The average age of first marriage has risen by 4 years since 1998.
- The marriage rate has dropped from 9.8 per 1,000 in 1990 to 6.8 per 1,000 in 2018.
- Young people are waiting much longer to form family households and are more likely to not form family households at all.

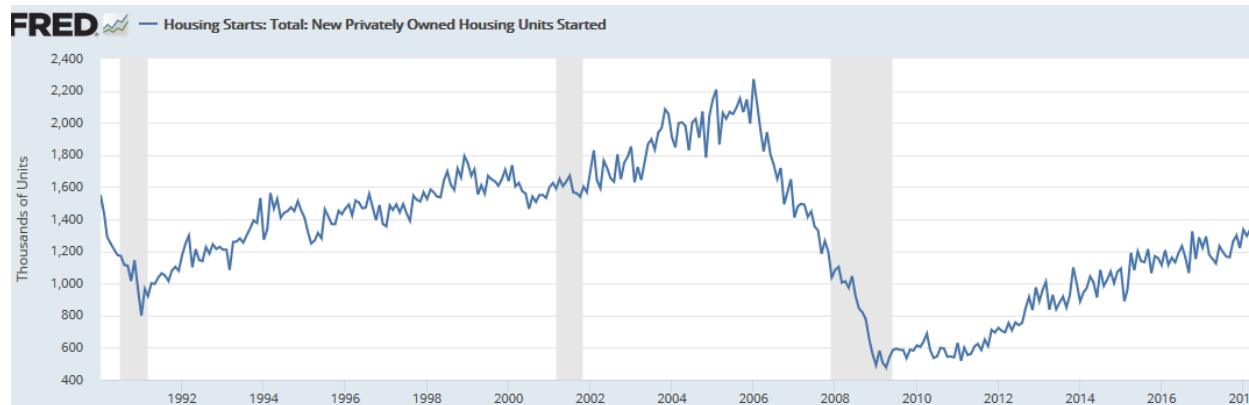


# KEY TRENDS DRIVING DEMAND

## NATIONAL TRENDS

### National Housing Supply Shortage

- Even though the United States emerged from the 2008 recession into the longest period of economic expansion in American history, the housing sector never fully recovered.
- Most parts of the country have seen housing construction return to less than half-of pre-recession construction activity.
- The 2008 crash wiped out smaller and more speculative homebuilders. The survivors are cautious about working on spec.
- A tight supply has caused housing prices to climb steadily.
- Tighter financial regulation has made it harder for people to buy a house.
- The chart below shows new housing starts across the nation have returned only to production levels seen in the 1990s. Given the amount of economic and population growth that has occurred, this level of production is woefully short of what is needed to meet demand.

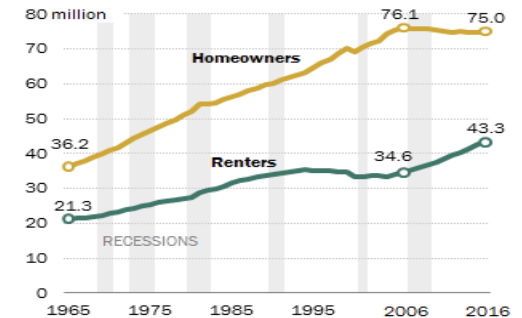


### Demand for Rental is Climbing

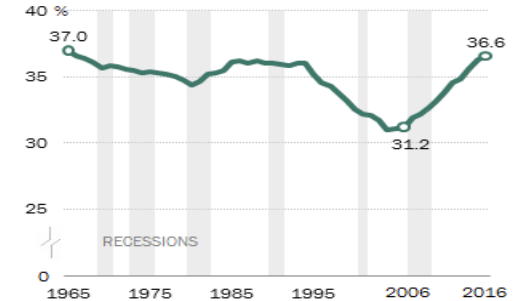
- Since the Recession on 2008, the share of households renting has increased to upwards of 37% – some renting by necessity, others by choice.
- Some housing experts posit that to meet growing demand for rental housing by 2030, 75% of new housing product added will need to be rental.

#### Significant growth in the number and share of households renting their home since 2006

Number of household heads, in millions



% of household heads who rent their home



Note: Data labels are for 1965, 2006 and 2016. Figures for 1979, 1981, 1989, 1993 and 2000-2016 reflect revised estimates. Source: Pew Research Center analysis of U.S. Census Bureau estimates of housing inventory.

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# KEY TRENDS DRIVING DEMAND

## REGIONAL TRENDS

### Smaller Households are Driving Growth

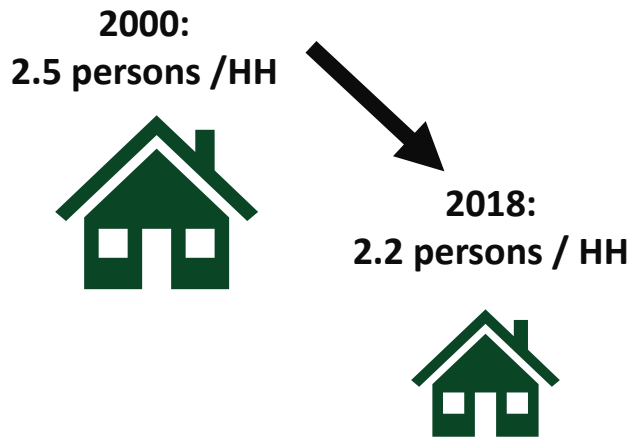
*New households in the Atlanta Metro Area have trended smaller since 2000:*

- By 2030, 83% of US households will have no children present.

*At the regional level, this demographic shift towards fewer people per household represents demand for 378,000 additional housing units across the Atlanta Metro area.*

- That is before considering additional demand from new households moving into the region.

### Average Persons per Household, Atlanta Region 2000-2018



### Less Access to Home Finance

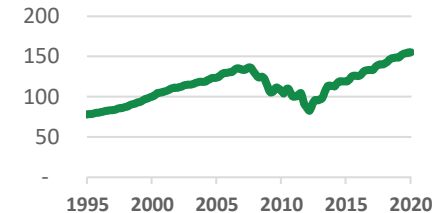
*It is more difficult for people to save for down payments and qualify for mortgages. Three economic trends are working together to make it more difficult for people, especially younger and moderate-income households, to access home ownership:*

- Home prices are increasing steadily- The average Atlanta metro home sale price has increased by 50% since 2012.
- Wage growth and purchasing power are stagnant.
- Access to mortgages has plummeted to 1/3 of pre-recession levels since lenders have tightened standards and personal savings have declined.

#### Atlanta Metro

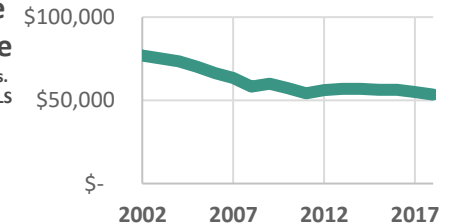
##### Home Prices

Case Shiller Index



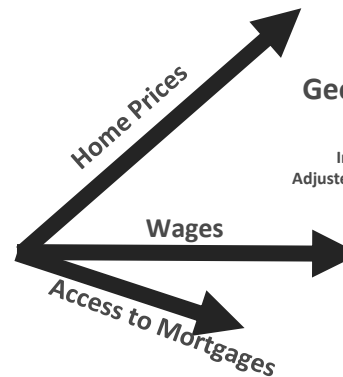
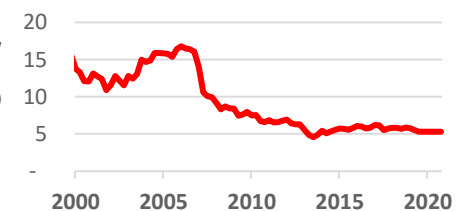
#### Georgia Average Annual Wage

In Constant 2018 Dollars.  
Adjusted for inflation, from BLS



#### Credit Availability

Housing Credit Availability Index (HCAI)



# KEY TRENDS DRIVING DEMAND

*This new model of housing demand can be met by a variety of housing types and models.*



*While two or three housing types have been prevalent in most of the county, adjustments to zoning and land regulation, lending and insurance requirements, and changes in community preferences can open the housing market to more housing types and more opportunities.*





# KEY TRENDS DRIVING DEMAND

## HOUSING PREFERENCES BY TARGET MARKET SEGMENT

- The matrix below details the major categories of buyer and renter households in the market today. Cherokee households in each category report difficulty finding appropriate housing options to fully meet demand, particularly for lower-income households, young professionals, and empty nesters.

	Below-Market Renters	Young Professionals	Young Families	Middle-Age Families	Middle-Age Singles and Couples	Empty Nesters
Age	All	22-34	25-35	35-55	35-55	55+
Household Income	<\$35,000	\$35,000+	\$50,000+	\$60,000+	\$60,000+	\$70,000+ or retired
Spending constraints	<ul style="list-style-type: none"> <li>Limited savings</li> </ul>	<ul style="list-style-type: none"> <li>College debt</li> </ul>	<ul style="list-style-type: none"> <li>College debt</li> <li>Childcare costs</li> </ul>	<ul style="list-style-type: none"> <li>Saving for college</li> </ul>	<ul style="list-style-type: none"> <li>Variable</li> </ul>	<ul style="list-style-type: none"> <li>Saving for retirement</li> </ul>
Household composition	<ul style="list-style-type: none"> <li>Singles</li> <li>Couples</li> <li>Families</li> </ul>	<ul style="list-style-type: none"> <li>Singles</li> <li>Couples</li> <li>Roommates</li> </ul>	<ul style="list-style-type: none"> <li>"Pre-families"</li> <li>Singles and couples who just had their first kid</li> </ul>	<ul style="list-style-type: none"> <li>Singles and couples with 1+ kids</li> </ul>	<ul style="list-style-type: none"> <li>Mostly singles</li> <li>May have kids on part-time basis</li> </ul>	<ul style="list-style-type: none"> <li>Couples</li> </ul>
Moving because...	<ul style="list-style-type: none"> <li>Looking for better quality or management</li> </ul>	<ul style="list-style-type: none"> <li>Graduated college</li> <li>Moving in with significant other</li> </ul>	<ul style="list-style-type: none"> <li>Need more space</li> <li>Buying first home</li> </ul>	<ul style="list-style-type: none"> <li>Need more space</li> <li>Kids entering grade school</li> </ul>	<ul style="list-style-type: none"> <li>Major life change (divorce, job change, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Downsizing</li> </ul>
What they look for in a housing unit	<ul style="list-style-type: none"> <li>Affordability trumps other preferences</li> <li>Accepts housing vouchers</li> <li>Standard level of finish in a well-maintained unit</li> </ul>	<ul style="list-style-type: none"> <li>Willing to sacrifice space for a more amenitized building or "cool" location</li> <li>Low maintenance, on-site management</li> </ul>	<ul style="list-style-type: none"> <li>Some space for their family to grow, but may also plan to move again before 2<sup>nd</sup> kid or grade school</li> <li>A small yard</li> </ul>	<ul style="list-style-type: none"> <li>Single-family home with a yard</li> <li>Upgraded finishes compared to first home purchase</li> <li>A "forever home" where they can stay a while</li> </ul>	<ul style="list-style-type: none"> <li>If moving from an apartment: an upgraded version of the apartment they lived in as a young professional</li> <li>If moving from a house: comparable level of finish</li> </ul>	<ul style="list-style-type: none"> <li>Low maintenance without sacrificing the quality they have come to expect (large closets, master suite, etc.)</li> <li>Want to downsize without being cramped</li> </ul>
What they look for in a community/ neighborhood	<ul style="list-style-type: none"> <li>Safe neighborhood</li> <li>Good schools</li> <li>Convenience to employment and groceries</li> </ul>	<ul style="list-style-type: none"> <li>Shops, restaurants, etc. entertainment options within walking distance</li> <li>Apartment amenities (pool, gym, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Other young families</li> <li>A good place to raise a child, but do not want to give up proximity to shops and restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Safe neighborhood</li> <li>Good schools</li> </ul>	<ul style="list-style-type: none"> <li>Value convenience and proximity—to work, children, and shops and restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Close to grandkids and/or other couples like them</li> </ul>

# KEY TRENDS DRIVING DEMAND

## HOUSING PREFERENCES BY TARGET MARKET SEGMENT

- This matrix addresses the types of housing units desired by the key housing target market segments.
- A check-mark signifies that the market audience is most likely to consider that housing type.
- A green box signifies that the housing offering is generally available in Cherokee County
- A yellow box signifies that the housing offering is generally not available and/or achievable widespread locally due to regulatory or market forces.
- The medium- to large-lot detached offerings that are historically the cornerstone of the county's residential offerings are generally attractive to a limited market audience.
- **This analysis reveals that the recent apartment supply additions throughout the county has help to meet demand from various market segments, but generally the county lacks wide-spread offerings to meet the needs of the full range of household types.**

MARKET AUDIENCE →		Below-Market Rate Renters	Young Professionals	Young Families	Middle-Age Families	Middle-Age Singles and Couples	Empty Nesters
# of Bedrooms		1+	Studio, 1, or 2	2-3	3+	1, 1 w/ den, or 2	1 w/ den, 2, or 2 w/ den
Rental	Apartment	✓	✓	✓		✓	✓
	Townhome	✓		✓		✓	✓
	Single-Family Detached	✓		✓			
For-Sale	Condo		✓			✓	✓
	Townhome	✓	✓	✓		✓	✓
	Small-Lot Detached		✓	✓	✓		✓
	Medium- to Large-Lot Detached			✓	✓		

# KEY TRENDS DRIVING DEMAND

- One reason for the decreasing homeownership rates across the country is an increase in “renters by choice.” These households could financially own a home but choose not to for a variety of reasons including need for mobility due to jobs, desire to downsize and avoid maintenance responsibilities, and/or desire to live in a highly amenitized community.
- Because they have more financial resources and are not pushed to renting out of financial necessity, “renters by choice” will often choose higher-end apartments in amenity-rich developments, walkable communities, and/or locations near their job(s). They are often willing to trade-off size of their unit for attractive and walkable community amenities. These types of amenities can include parks and trails, as well as other commercial community gathering locations such as craft breweries and/or other high-quality locally-owned food and beverage operations.
- These “renters by choice” are finding new local apartment communities in Cherokee with the locations and amenities they seek.

## Renters by Choice: Typical Market Segments

### Young Professionals



Not ready to buy but earn enough to choose a high-end apartment.

Unit preferences: studio, 1-bedroom

### Mature Professionals



Prefer the convenience and flexibility of renting. Want the level of quality of for-sale, but none of the hassle.

Unit preferences: 1-bedroom, 2-bedroom

### Downsizers



Prefer the convenience of renting in amenity-rich communities. Want the level of quality of for-sale, but none of the hassle.

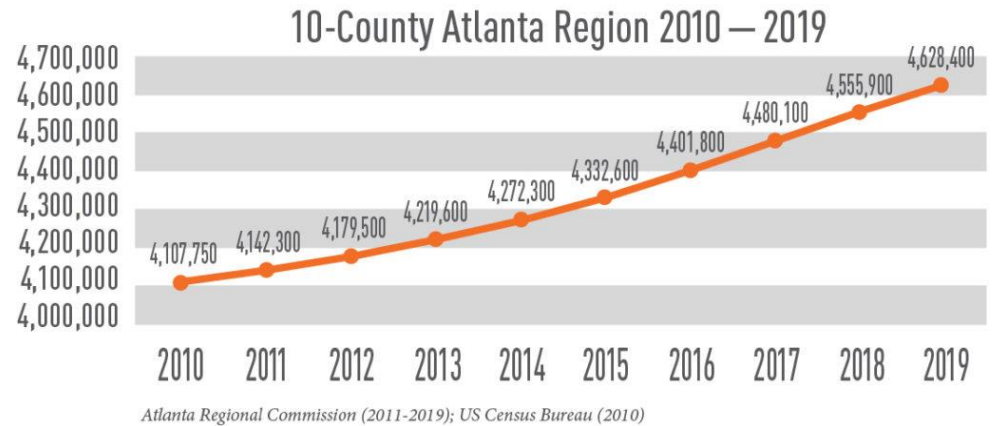
Unit preferences: 1-bedroom, 2-bedroom

- While there is certainly demand for larger (3+ bedroom) rental units locally, and this study recommends continuing to seek opportunities to meet this demand, “renters by choice” are a separate target market segment that typically seeks 1- and 2-bedroom units.
- Choices for this market segment have historically had limited options in Cherokee, but newer rental options in and near downtowns and employment nodes have begun to change that dynamic.
- The “family” renter, that often seeks 3+ bedrooms, is typically more price and unit-type sensitive than renters by choice.
- Thus, we recommend continuing to pursue opportunities to create more smaller unit rental housing options in walkable mixed-use settings, and near employment clusters, that can attract singles and couples/professionals and downsizers, to meet the local “renter-by-choice” demand while, at the same time, pursuing additional rental units that appeal to families in other locations, likely outside of the downtowns.

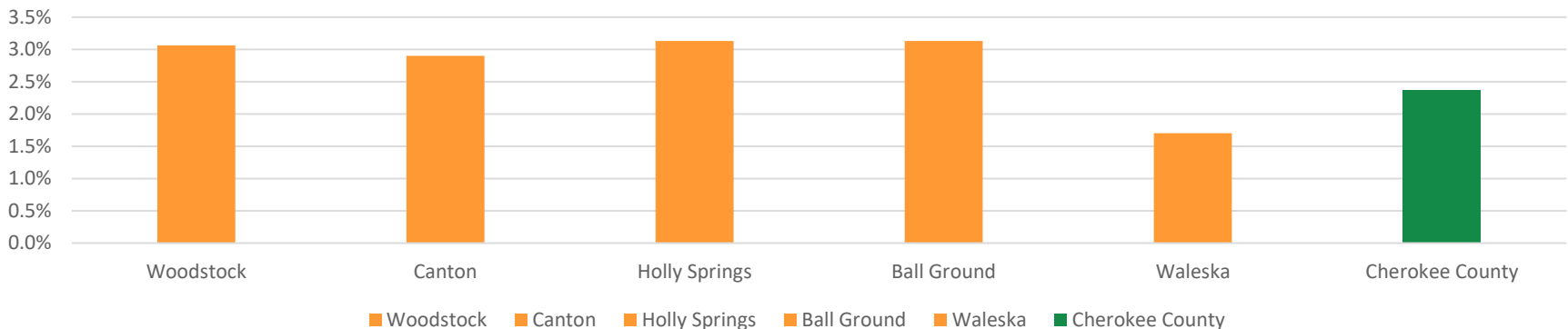
# LOCAL HOUSING DEMAND DRIVER: HOUSEHOLD GROWTH

***In 2019, the Atlanta Regional Commission (ARC) reported that the Atlanta metro area grew by 72,500 people over the previous 12 months.***

- Cherokee added 8,200 people in 2019, or 22 new residents every day of the year.
- In 2019, Cherokee County was tied with Henry County for the highest population growth rate among Atlanta metro's 10-counties.
- Cherokee County has become a "growth engine" in the region, outpacing Cobb County in population growth rate for the first time in 2018-19, according ARC.
- Cherokee's municipalities also reflect the growth of a county's population that has doubled since 2010.
- All the county's municipalities but one have grown at a faster rate than the county overall over the last decade.



## Average Annual Household Growth Rate (2010 – 2019)

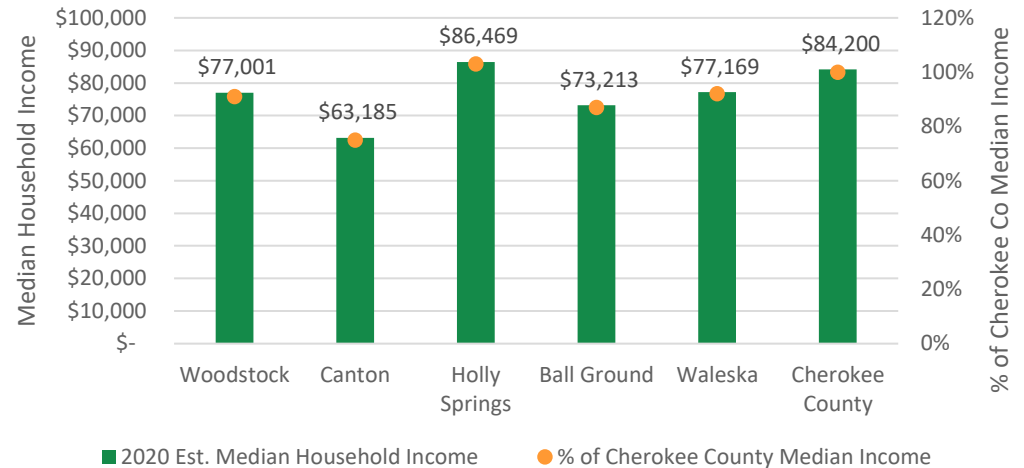


Data source: Claritas; U.S. Census

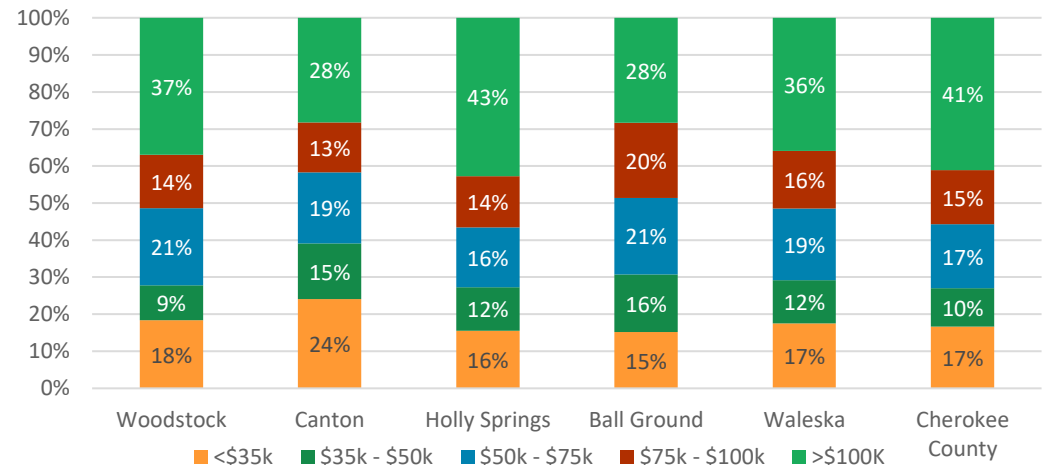
# LOCAL HOUSING DEMAND DRIVER: HOUSEHOLD INCOMES

- The median household income countywide \$84,200, which is slightly above the overall median in the Atlanta region.
- By comparison, in municipalities within Cherokee County the median household income is \$77,000.
- There is a substantial range, \$23,000, between the city with the highest median household income, Holly Springs, and the city with the lowest median household income, Canton.
- Relatively high median household incomes in Cherokee County reflect the desirability of Cherokee County as a place to live.
- Cherokee County's percentage of household income is dramatically skewed towards households with higher incomes, making more than \$100,000.
- **While these elevated incomes drive housing demand and production for higher-priced options, the approximately 45% of the county's households with incomes below \$75,000 have found it increasingly difficult to obtain housing in Cherokee. This difficulty has far-reaching social and economic development ramifications.**

Median Household Income by City



Percentage of Household Income by City

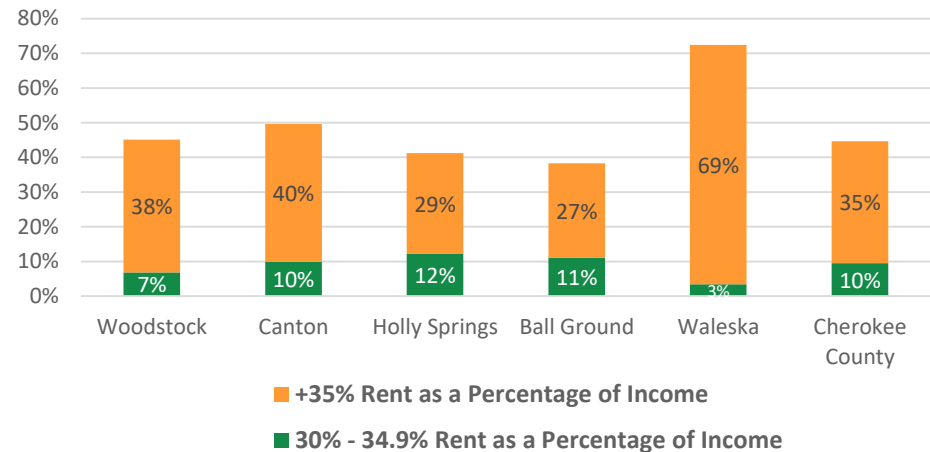


Data source: Claritas; U.S. Census

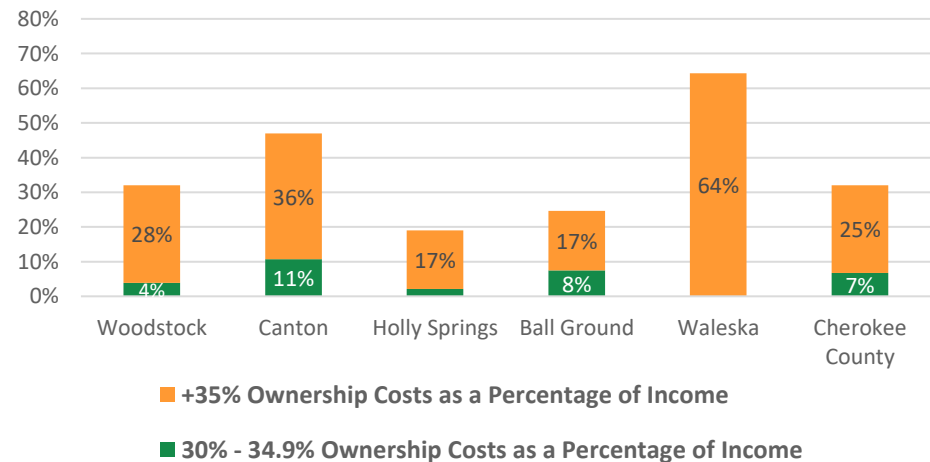
# HOUSING COST BURDEN

- The typical rule of thumb says that housing-related expenses such as rent, mortgage payment, and utilities should be less than 30% of household income to be considered affordable for that household.
- When a household pays more than 30% of their income toward housing costs, HUD considers that household “housing cost-burdened.”
- The renter cost burden in Cherokee, while typical in relative terms, is still high in absolute terms: **nearly one out of every two (45%) renter households is spending more than they can afford on rent throughout Cherokee.**
- **Nearly one in every three (32%) owner households is spending more than they can afford on mortgages throughout Cherokee.**
- This housing cost-burden phenomenon is the result of multiple factors, including lower and stagnant wages of many local and regional workforce sectors, but also housing factors, such as the lack of quality affordable housing or the lack of right-sized housing options.
  - For example, a lack of rental apartments available at lower monthly rents may be pushing some households to rent single-family detached homes, which may cost more to rent.
- The percentage of cost burden households further illuminates the wealth discrepancy between renter households and owner households.
  - There are a greater percentage of extremely cost burdened renter households in every city, and a 10% difference countywide.

% of Renter Households that are Cost Burdened



% of Owner Households that are Cost Burdened



Data source: U.S. Census American Community Survey 2018 1-Year Estimates

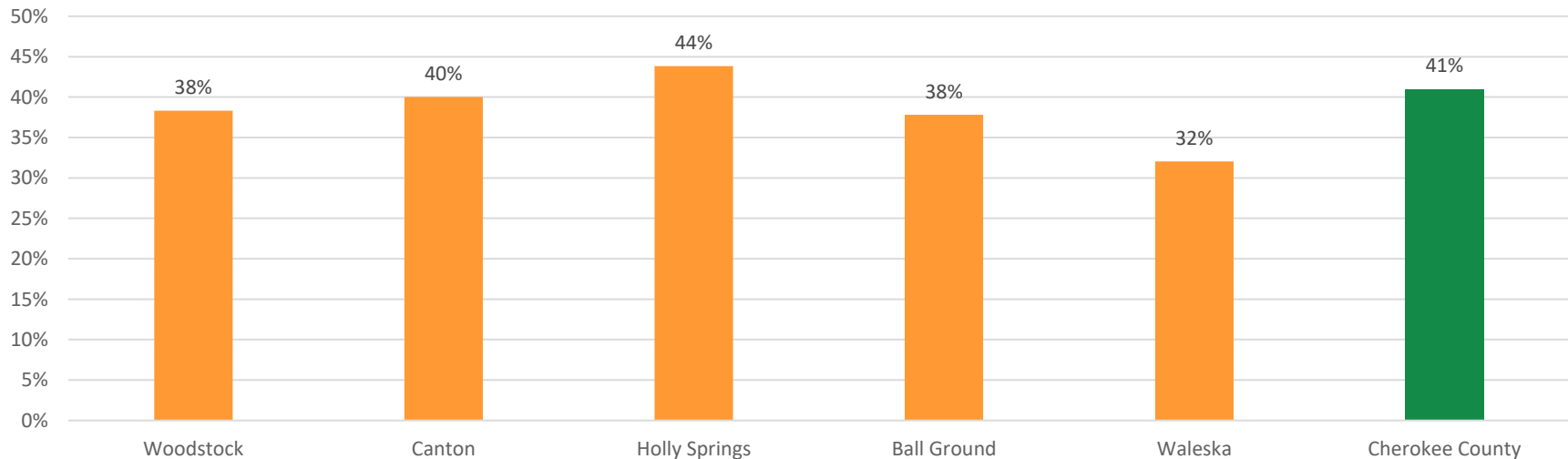


# HOUSEHOLDS WITH CHILDREN

***The majority (59%) of households in Cherokee have no children present in the home.***

- Size, character, and school quality factor into the demand for specific housing products.
- The percentage of households with children at home in Cherokee is an indicator for the demand for a wide range of housing types.
- The two largest population cohorts in Cherokee County are Generation X and Zoomers (Gen Z).
  - This is somewhat different than the generational makeup of the nation and most major metropolitan areas.
- The mismatch of local housing stock to the local household make-up is apparent when considering that 41% of Cherokee households have children, but overall, nearly 90% of Cherokee homes are single-family detached.
- **While many households without children certainly desire a single-family home, the size of the home-to-household type disparity points to opportunities to meet additional demand by providing a wider-range of options for the majority of households that don't have children present.**
- This mismatch is typical of many counties throughout the region and nation.

**Households With Children at Home**



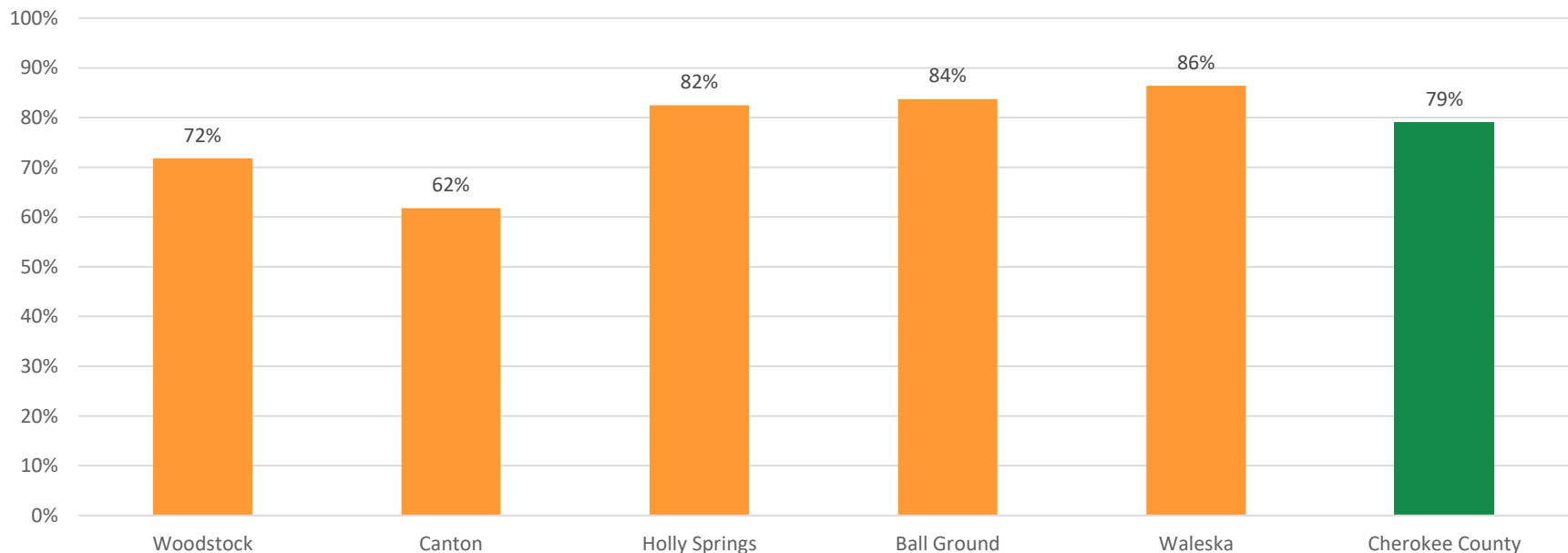
Data source: Claritas; U.S. Census

# TENURE

***Cherokee County has a particularly high rate of homeownership***, with a ratio representing owner occupied units to renter occupied units at 4:1.

- The county's accompanying municipalities, apart from Canton, have homeownership rates that far exceed the national average of 64%.
- While high homeownership rates are typically seen as a positive for a community, this can also reflect a lack of other housing options for households unable to purchase a home.
- High homeownership rates can also reflect a history that ***emphasized detached single-family zoning***, especially as the county continued to suburbanize. This type of prohibitive zoning helped catalyze discrepancy between types of owner housing and types of renter housing.
- However, this study finds that that zoning is now out-dated and makes it more difficult to meet the demand of varied household types.

Percentage of Owner Occupied Units

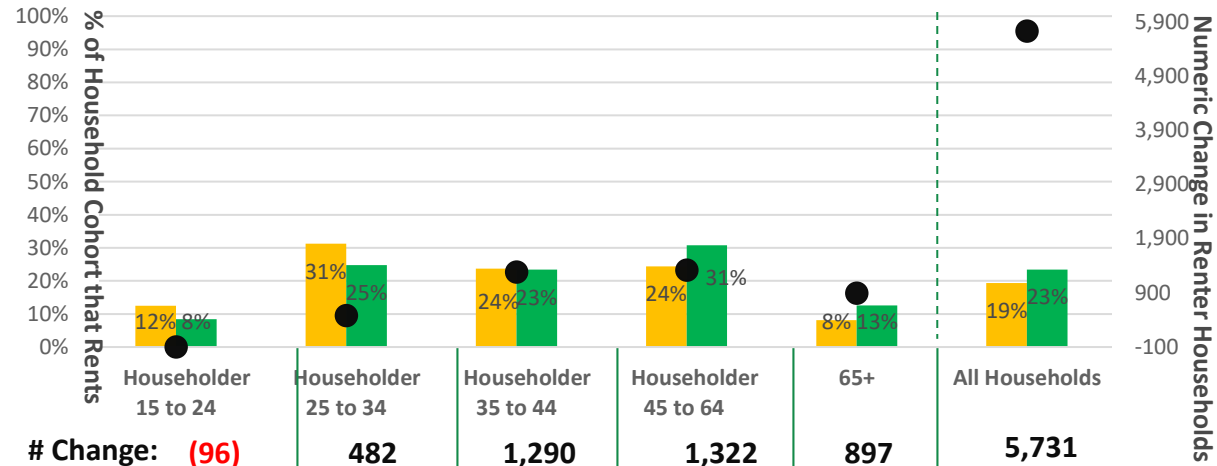


Data source: Claritas; U.S. Census

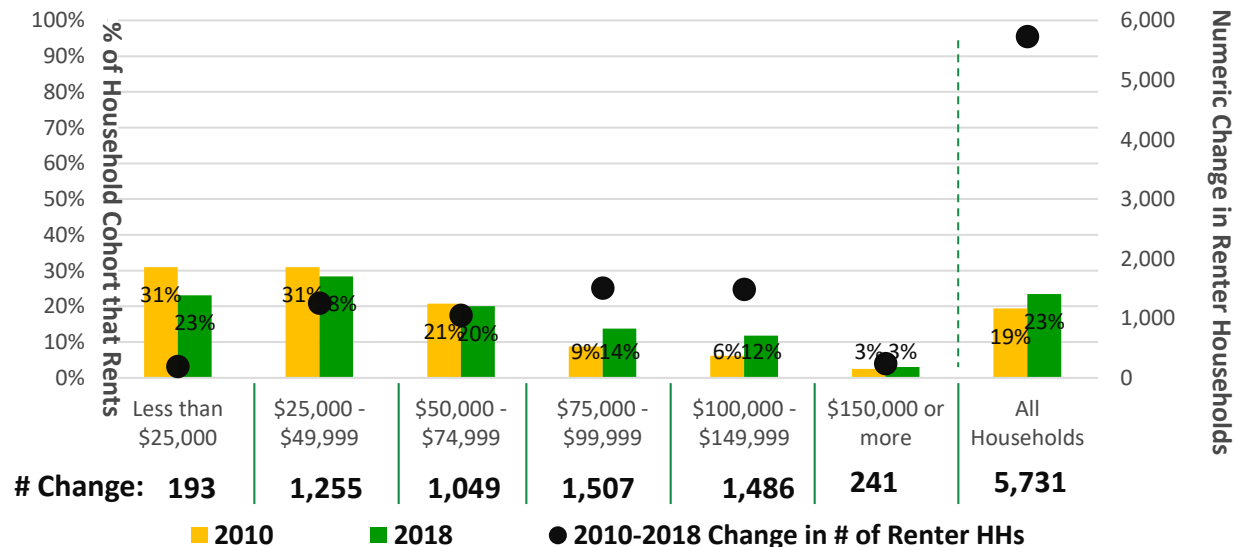
# CHEROKEE'S RENTERSHIP EVOLUTION

- Cherokee County's housing market has changed over the past decade due to the sweeping national and regional economic and demographic changes that have been occurring.
- One outgrowth of those changes has been a significant increase in the proportion and overall number of renters in the county.
- Over the course of eight years, according to the US Census, renter households in Cherokee grew by 5,731 from 2010 to 2018, or 713 annually.
- The graphs at right show that rentership grew in every age and income group except the youngest households.
- While much has been made in the media and elsewhere about Millennials driving rental demand due to unattainable ownership, that has not been the case in Cherokee.
- The Millennial cohort (designated by age 25-34) gained fewer renters from 2010-2018 than all older age groups and the proportion of Millennial renters actually declined.
- Growth in renters in the county has been driven largely by householders age 35-64 with mid-to-high range incomes (\$40K - \$125K).
- This speaks to the decreasing ability of these middle-age mid-range income households to afford starter-homes and first-time move-up homes in the county.
- But even so, rentership among the oldest and most affluent demographic groups has also grown.

## 2010 & 2018 Rental Rate by Householder Age - Cherokee



## 2010 & 2018 Rental Rate by Householder Income



# HOW BUYING A HOME HAS CHANGED OVER TIME

*The following exercise is used to express how drastically home prices in Cherokee County have risen, and the difficulty of meeting ownership requirements for large segments of the population.*

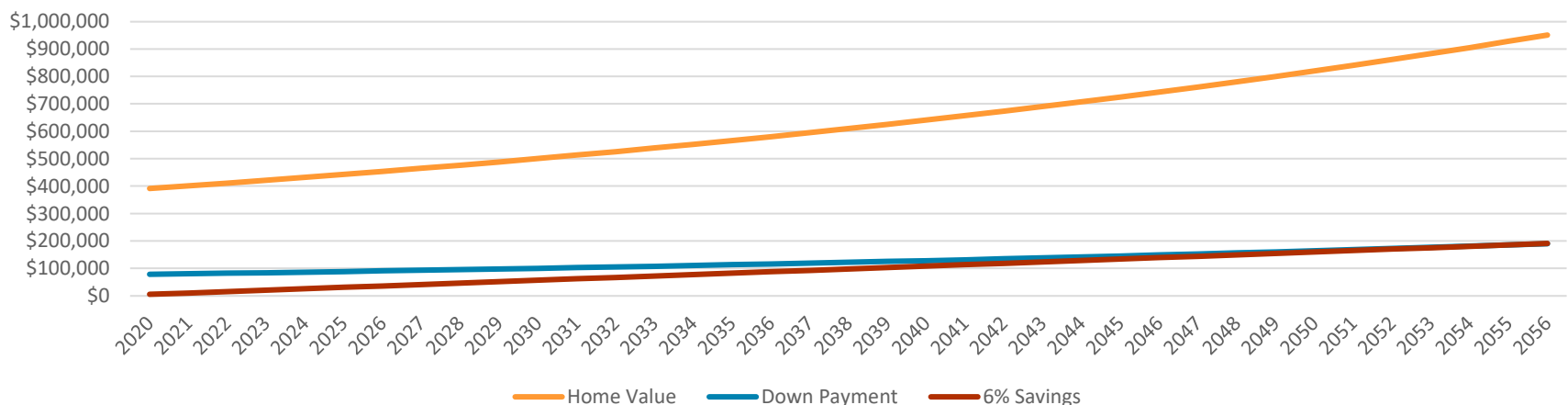
## Scenario assumptions:

- A standard down payment on a home is 20%.
- A recent poll from CNBC found that in 2019 the average American household saves 6% of their annual income.
- Assuming that a theoretical household makes the **median income in Cherokee County of \$84,200**, which is still higher (\$7,000) than the median household income in all but one of the cities in Cherokee.
- This means that our household would save **\$5,050 annually**.

## Scenario conclusions:

- For our household to save up enough money for a down payment on a newly constructed home in 2020, it would take them **16 years**.
- To buy that same newly constructed home in 2013, it would've taken that same household just over **11 years** to save enough for a down payment.
- The graph below illustrates a scenario, considering inflation/real wage increases, and constant increases in home value.

**How Long Would It Take the Average Household to Save for a Down Payment Starting Today?**



Data source: Claritas, American Community Survey

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# RESIDENTIAL SUPPLY ASSESSMENT

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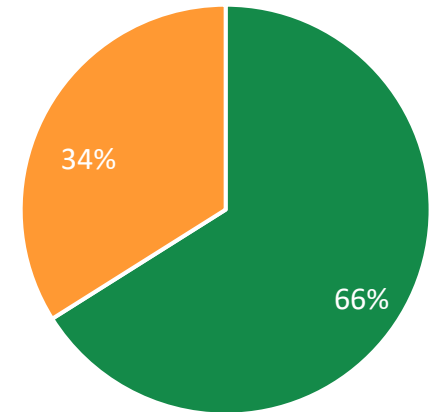
# RESIDENTIAL SUPPLY ASSESSMENT

- 82% of Cherokee County's housing units are single-family detached homes - compared to 67% for the Atlanta MSA).
- 8% of Cherokee residents live in large multi-family buildings (5 or more units) compared to 21% of the Atlanta MSA.
- The overwhelming majority of Cherokee County households are owner-occupied. 22% of Cherokee County homes are renter-occupied - significantly lower than the 34% in the Atlanta MSA overall.

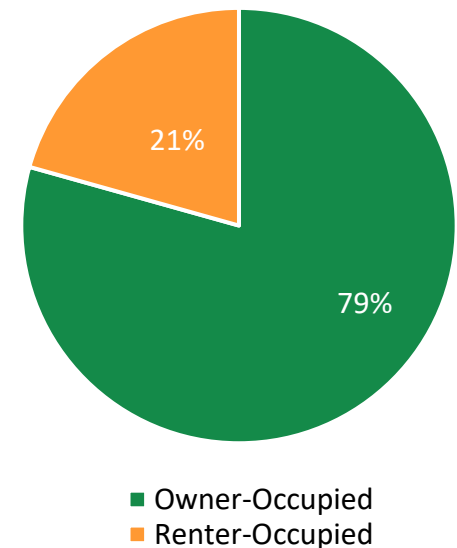
## Housing Structure Type, 2019

Type of Housing	Cherokee County		Atlanta MSA	
 1 Unit Detached (SF)	82,069	82%	1,654,492	67%
 1 Unit Attached (TH)	4,420	4%	128,432	5%
 Small Multi-Family (2-4 Units/Bldg.)	1,551	2%	95,782	4%
 Lg Multi-Family (5+ Units/Bldg.)	8,558	8%	525,650	21%
 Mobile Home (Trailer, RV, Boat)	4,039	4%	74,290	3%

## Housing Tenure, 2019 Atlanta MSA



## Cherokee County



■ Owner-Occupied  
■ Renter-Occupied

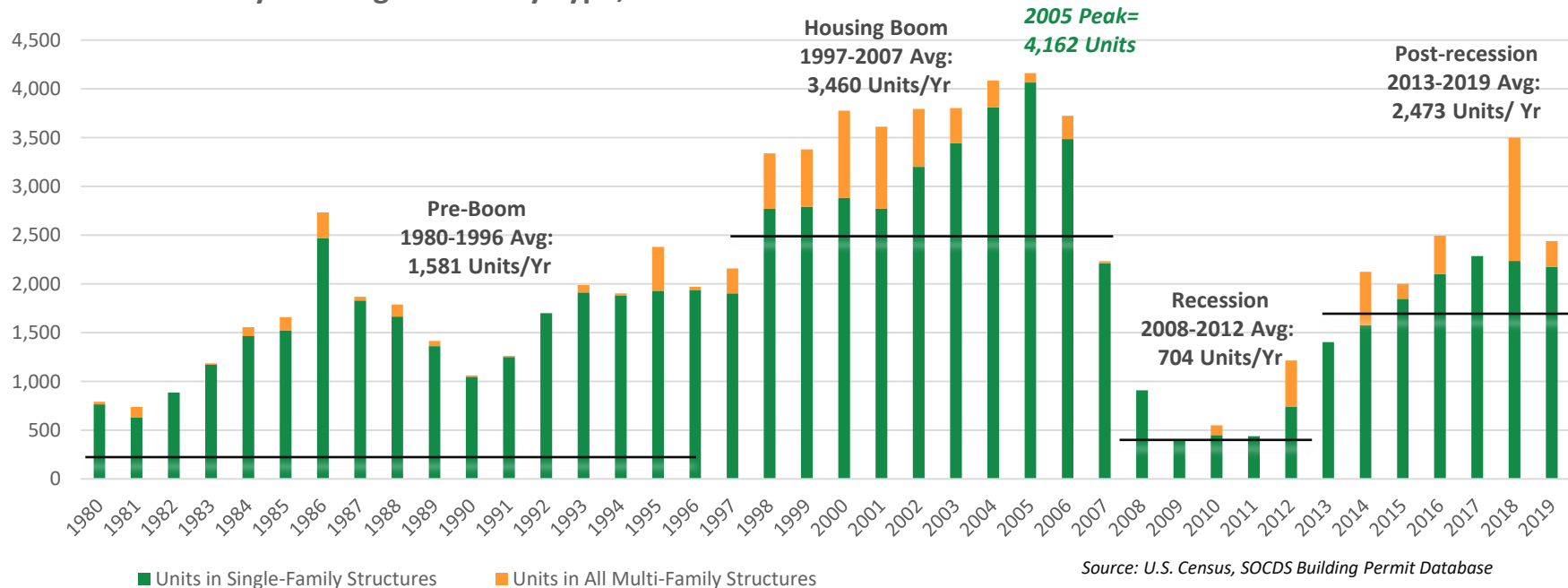


# RESIDENTIAL SUPPLY ASSESSMENT

## BUILDING PERMIT TRENDS

- Cherokee County's strongest residential growth period began in 1998. Prior to that year, the county and its cities issued building permits for an average of 1,581 units annually.
- From 1997 through 2007, Cherokee issued permits for 3,460 units annually, reaching a peak of 4,162 units permitted in 2005.
- The Housing Boom between 1997 and 2007 contributed significantly to Cherokee's multifamily housing stock.
- When the Housing Bubble burst in 2007-2008, the growth in multifamily housing halted and single-family housing slowed significantly.
- Since the post-recession recovery in 2013, permit issuances in Cherokee rebounded to an average of nearly 2,473 housing units permitted annually, with 2018 issuance of permits approaching the peak boom years of 2001-2005.

Cherokee County Building Permits by Type, 1980-2018

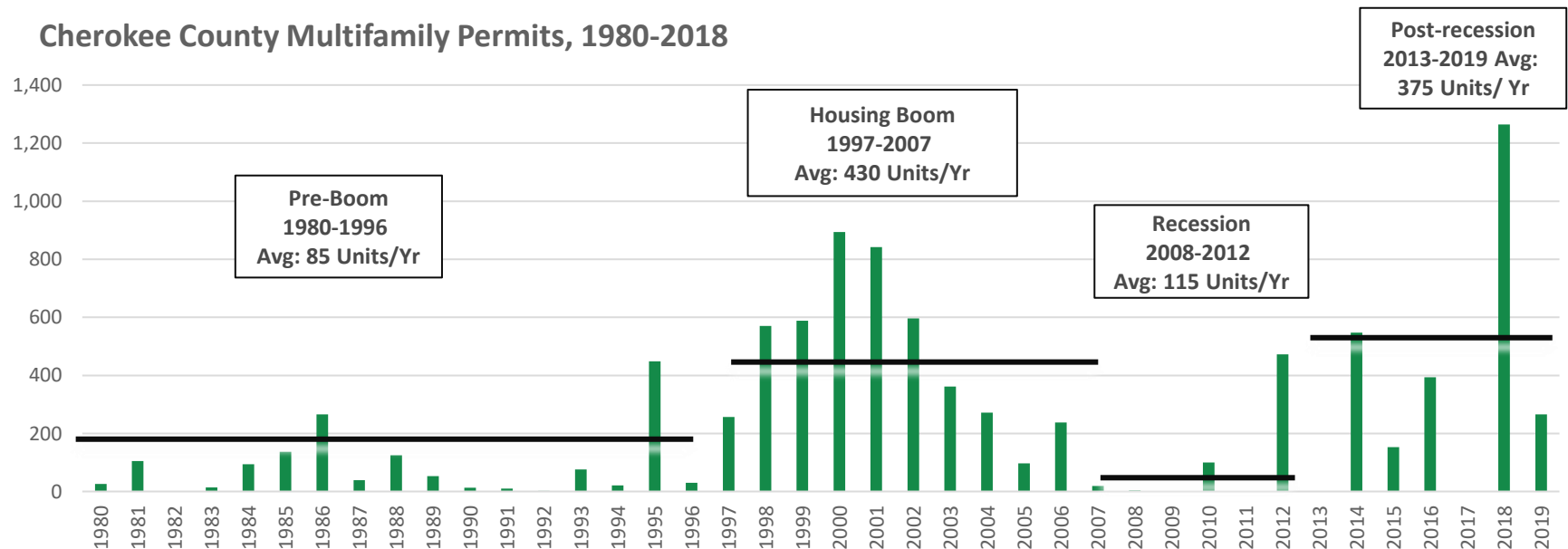


# RESIDENTIAL SUPPLY ASSESSMENT

## MULTIFAMILY BUILDING PERMIT TRENDS

- The stakeholder interview and public input through surveys for this study found a common theme of a sense of concern about the large number of multifamily residential units, primarily apartments, that had been permitted in Cherokee, but not yet built.
- A record 1,264 multifamily units were permitted in Cherokee in 2018, by far the most ever permitted in a single year.
- However, viewed in context, it becomes clear that the 2018 "boomlet" in multifamily permits is actually a market correction reacting to the previous 10-year period, in which six of 10 years produced less than 20 multifamily permits.
- Even with the 2018 surge in multifamily permits, the 10-year post recession average of multifamily units permitted (shown in red in the graph) is still below the Housing Boom and Post-Recession averages.

Cherokee County Multifamily Permits, 1980-2018

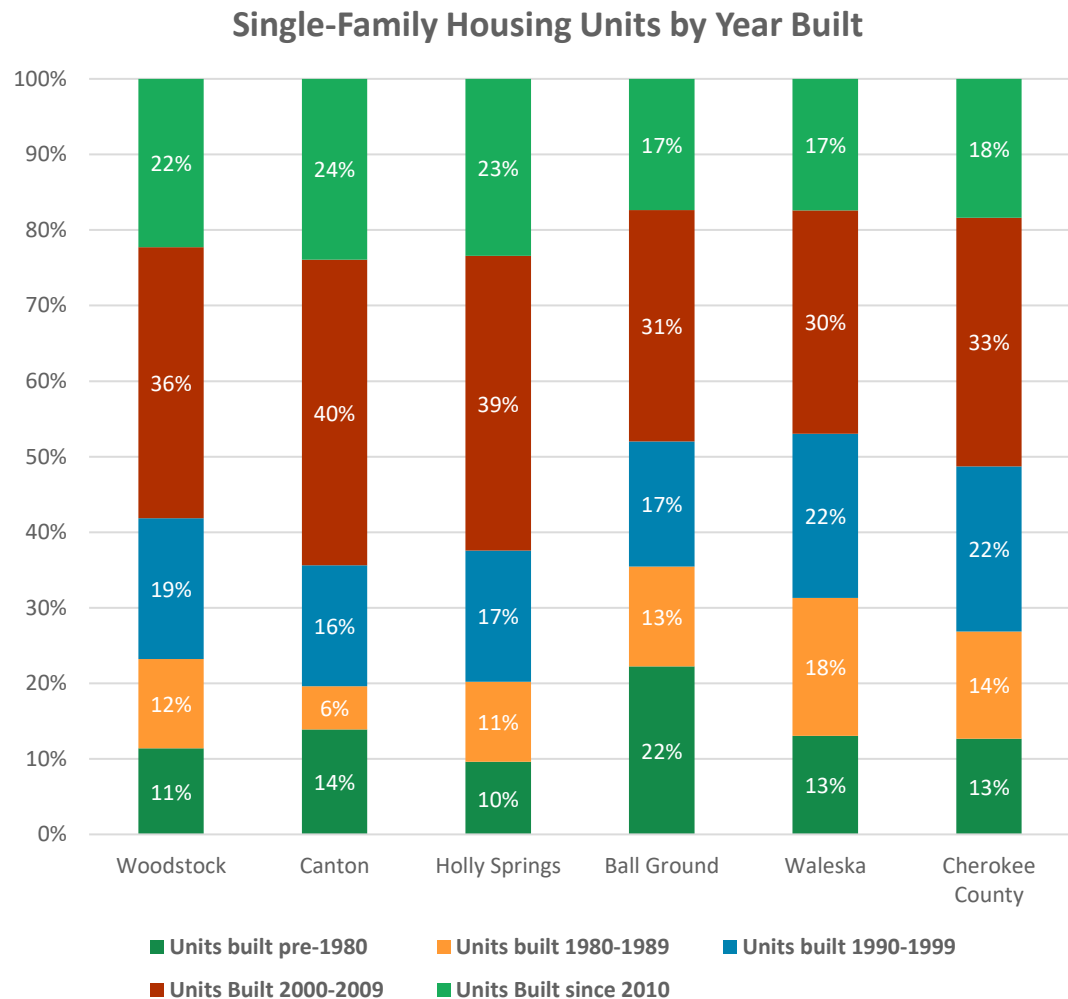


\*\*lines indicate periods that characterize real estate production cycles.

Source: U.S. Census, SOCDS Building Permit Database

# RESIDENTIAL SUPPLY ASSESSMENT

- The largest percentage of city and county housing stock was built between 2000 and 2009.
  - The Woodstock, Canton, and Holly Springs single-family stock has a similar vintage, while the Ball Ground and Waleska markets share more in common with each other.
  - The three largest municipalities have roughly 60% of their single-family inventory built since 2000, while Waleska and Ball Ground have an older stock that was mostly built pre-2000.
  - While Woodstock, Canton, and Holly Springs added significant housing stock post-Great Recession, the homebuilding at the end of the latest decade never came close to the housing production levels pre-Great Recession. This reflects how the housing market has changed from the pre-recession to post-recession years.



*Data source: U.S. Census American Community Survey 2017 5-Year Estimates. Note: excludes mobile homes.*

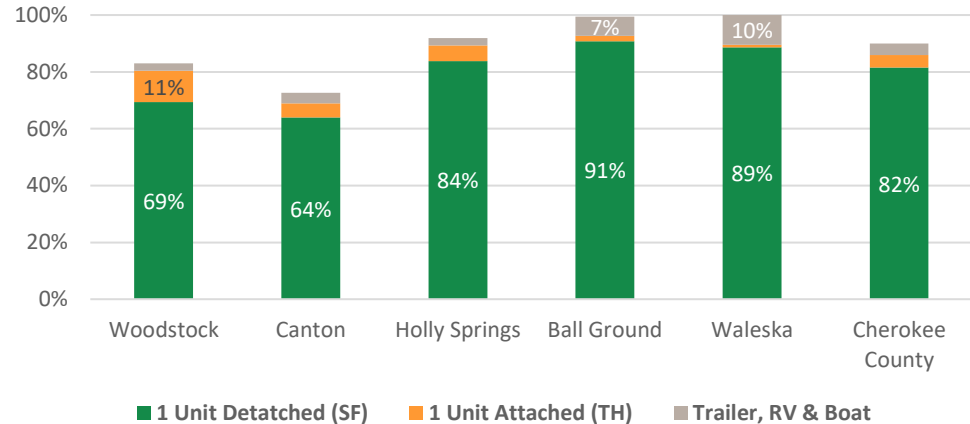
# HOUSING STOCK BY STRUCTURE TYPE

## HOUSING TYPES

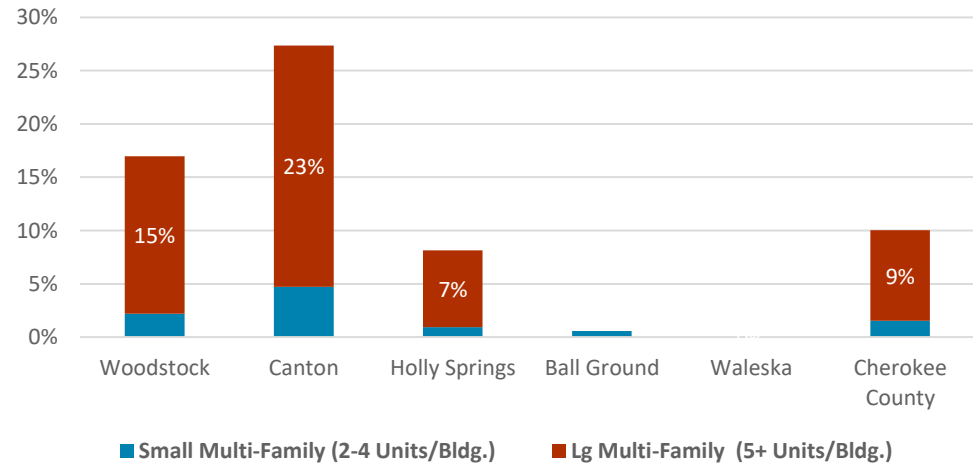
Cherokee County's housing stock could be characterized as monolithic, composed mostly of single-family homes, although that has begun to change recently:

- 82% of housing units in the county are single-family detached homes.
- There is a generally insignificant numbers of single-family attached units (i.e., townhomes) available, except in Woodstock.
  - Woodstock's denser town center, and relatively progressive zoning has allowed for larger variety of housing types.
- Mobile homes comprise 4% of the housing stock, except in Waleska and Ball Ground where they comprise 10% and 7% of the housing types, respectively.
  - These homes offer a value-oriented alternative to a conventional single-family home.
- Multifamily units comprise approximately 10% of the housing stock, and most multifamily units in large complexes with more than 20 units.
  - Canton's housing stock goes against the countywide trend and has a more balanced housing portfolio with significant multifamily rental options.
  - Canton is also the only municipality in Cherokee with a housing authority.

Housing Types by Percentage



Housing Types by Percentage



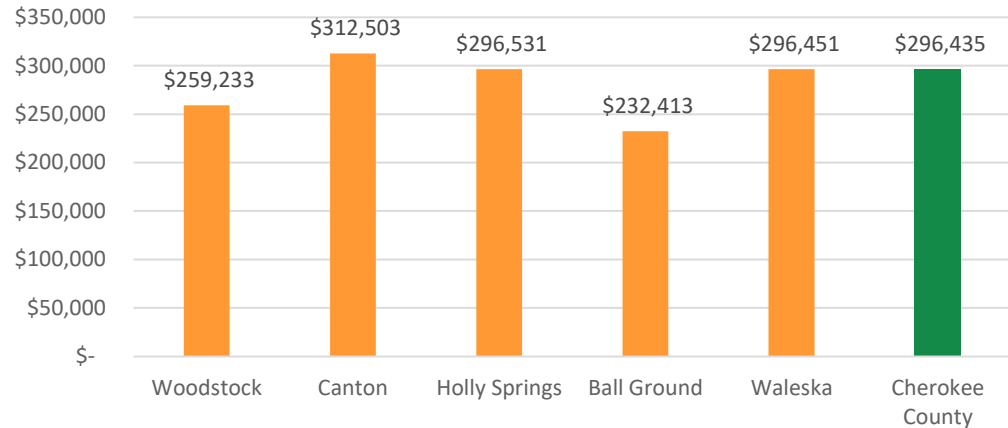
Data source: U.S. Census American Community Survey 2017 5-Year Estimates.

# RESIDENTIAL SUPPLY ASSESSMENT

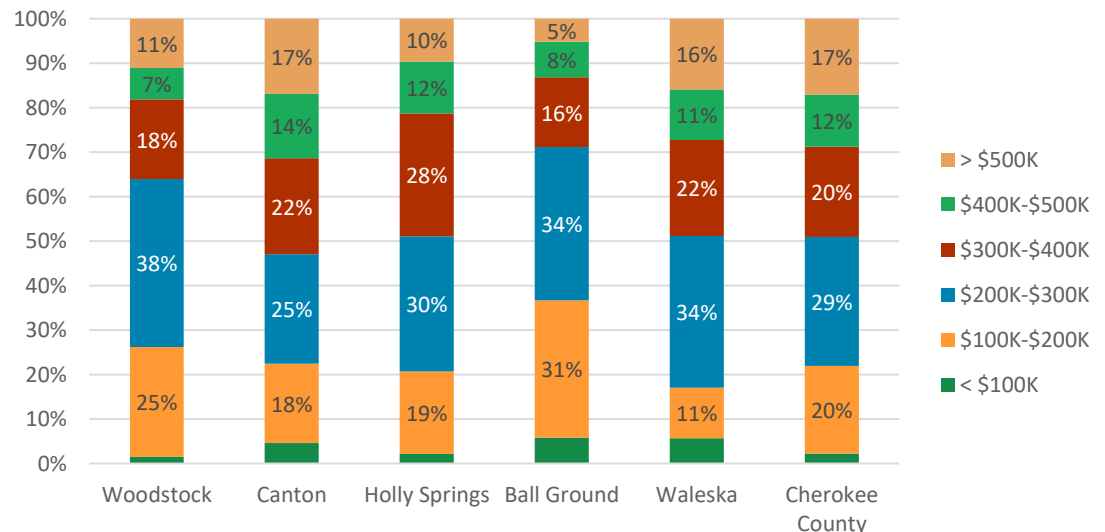
## HOME VALUES

- The median home value in Cherokee County is approximately \$296,500.
- Cherokee County's housing stock is book-ended by traditionally older, value-oriented, rural housing and newer, higher end, master planned developments focused on single-family homes.
- Cherokee County's current single-family housing stock has a relatively evenly distributed range of values, which should theoretically translate to greater housing choice.
- However, newly constructed single-family homes are averaging just under \$400k. Although demand for homes in the \$150k-\$300k range is present, the new supply is almost nonexistent.
- Values under \$300k are largely the result of older housing, and do not reflect the housing built within the last three years.

Median Home Value for Owner-Occupied



Home Value Distribution

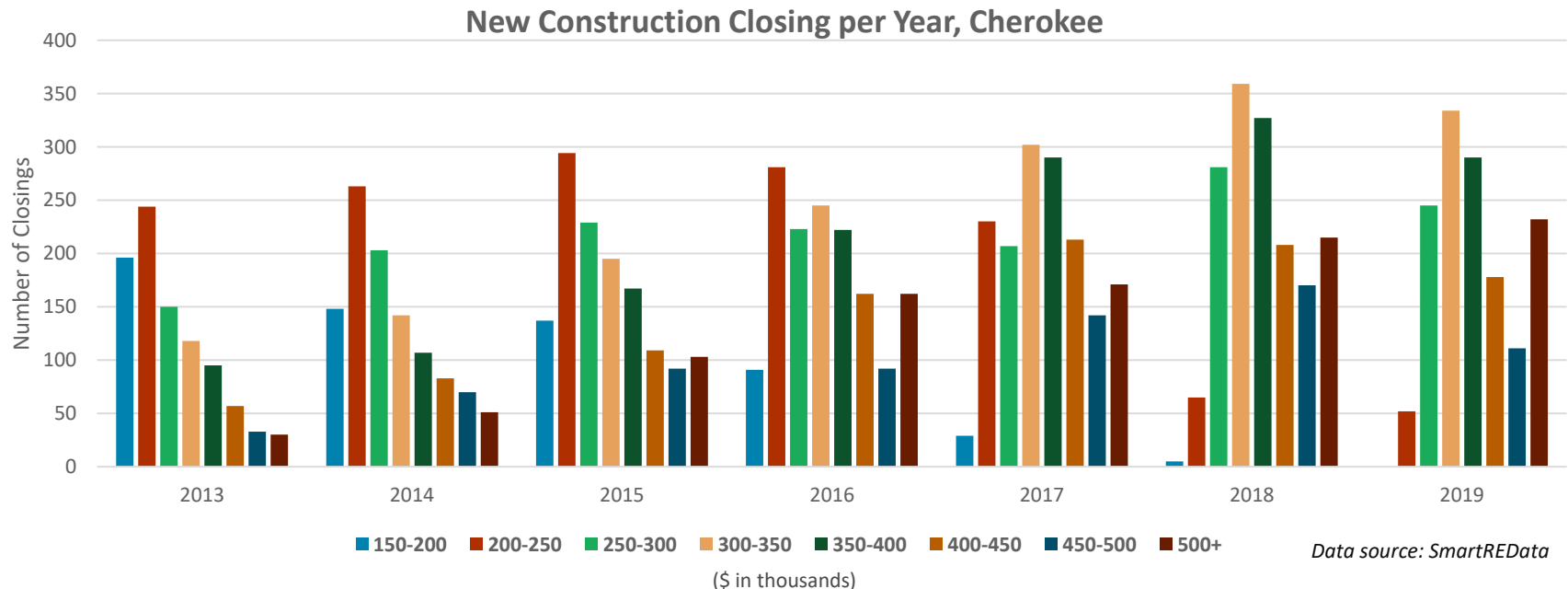


Data source: Claritas

# FOR-SALE NEW HOME CONSTRUCTION MARKET

The chart below illustrates one of the key findings in this analysis:

- The Cherokee County new home market has ceased delivering homes under \$200,000, which was a significant portion of the marketplace as recently as 2015. Further, the market is on the verge of ceasing delivery of new homes under \$250,000, while the proportion of new homes price above \$300,000 has become the vast majority.
- The cause of this dramatic shift is varied and largely due to rising land prices, construction costs which, along with regulatory requirements, determine development economics.
- The implication of this shift is that Cherokee is increasingly unable to attract newly-formed and/or younger households seeking a starter or first-time move-up home.
- This new lack of new home supply means that the county has added fewer new homes than it would have otherwise, as the deepest pockets of regional new home demand are for homes under \$300K. This obstructs the overall economy of Cherokee as it becomes increasingly difficult for large portions to live and spend money locally. Further, the lack of more affordable new homes “flattens” the mix of the workforce, potentially impacting the ability to attract new jobs into the county.
- See the next page for additional details on this trend.

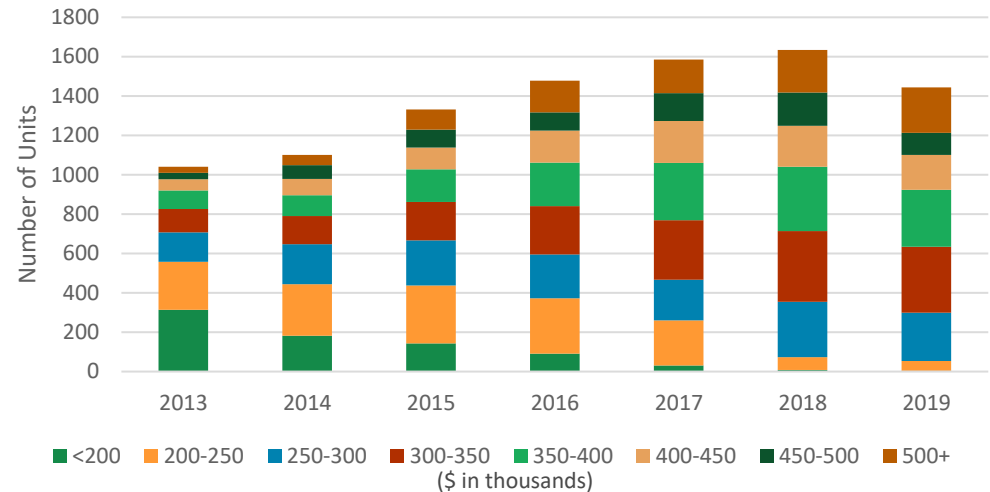




# FOR-SALE NEW HOME CONSTRUCTION MARKET

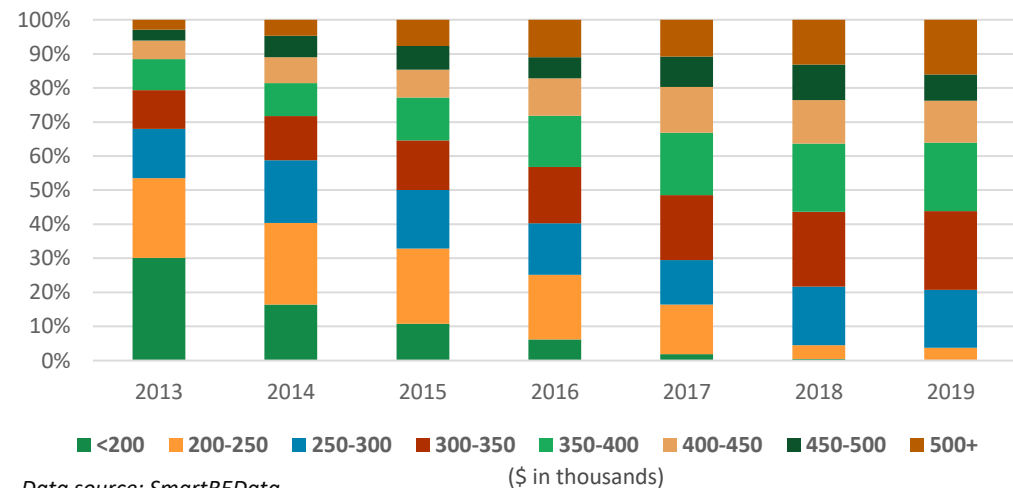
- Over the last seven years, Cherokee County's newly constructed housing has skewed significantly towards higher value housing options – which illustrates the trend of increasing housing prices in the region.
- Since 2013, Cherokee County's distribution of housing prices has changed significantly.
  - Most notable, in 2013 newly constructed houses under \$200,000 made up 30% of the market – whereas in 2019 newly constructed single-family detached houses made up 0% of the market.
  - Additionally, the distribution of newly constructed houses at the most expensive income band grew by more than five times in that same time period.
- Partly because of the elimination of the under \$250K new home market, 2019 was the first year since 2013 that saw a decrease in the number of new for-sale units sold in Cherokee.

New Construction Closings per Year by Price



Percent by Price

New Construction Closings per Year by Price



Data source: SmartREData

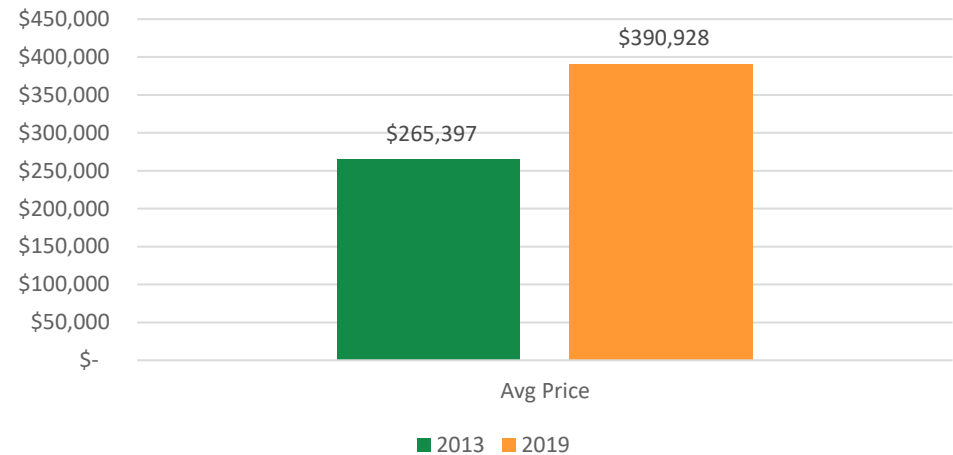
# FOR-SALE NEW HOME CONSTRUCTION MARKET

## COMPONENT COST ANALYSIS

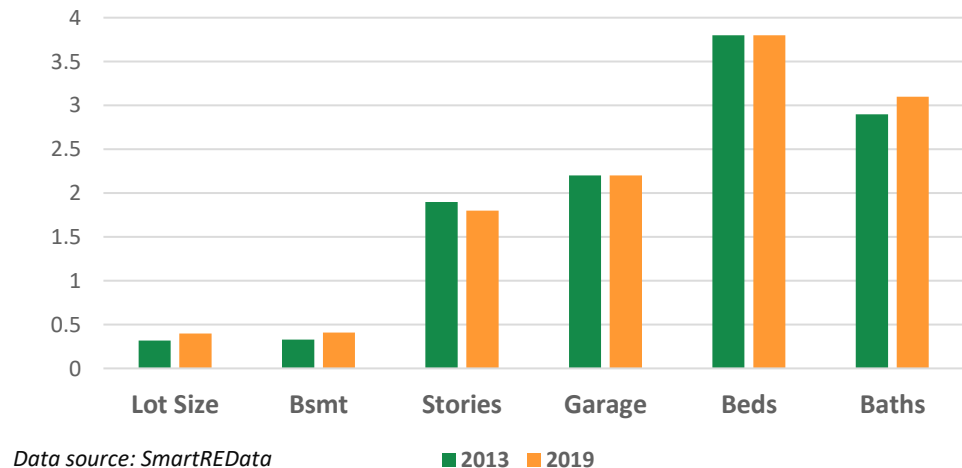
- Between 2013 and 2019 the average cost of a newly constructed home in Cherokee County increased by over \$125,000, an increase of 47%.
- When comparing a series of housing characteristics in newly built homes in 2013 and 2019, the characteristics have changed little.
  - The average lot size, number of stories, bedrooms, bathrooms, etc. of a new-build home in Cherokee in 2019 is very similar to the average home in 2013.
  - Because the houses being built are generally the same over time, the two other variables that contribute to a rising home costs are land prices and construction costs.



Average New Home Price in Cherokee County



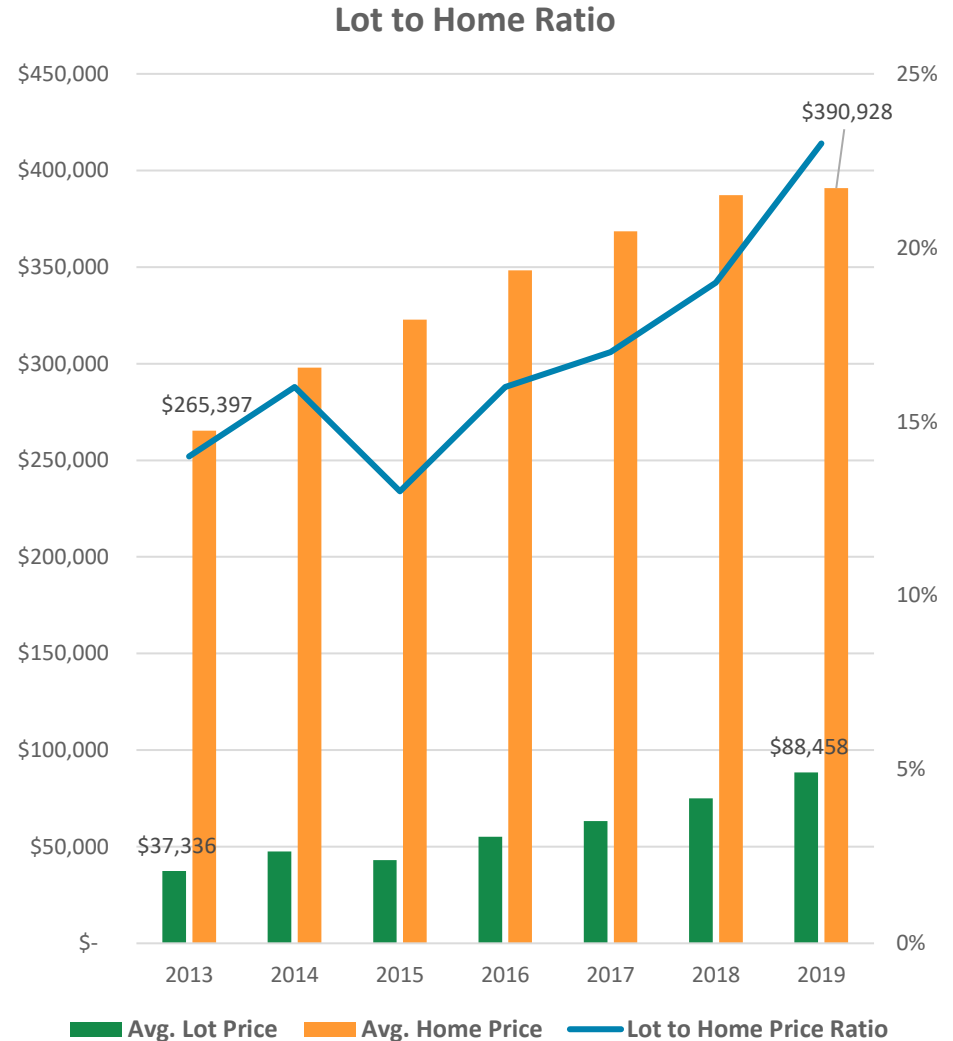
New Home Characteristics: 2013 vs. 2019



# FOR-SALE NEW HOME CONSTRUCTION

## COMPONENT COST ANALYSIS

- As shown at right, between 2013 and 2019 the average cost of a newly constructed home and the average cost of a single-family lot increased dramatically.
  - New home prices increased by 47%
  - Lot prices increased by 137%
- In 2013, the lot that a detached single-family home was built on made up 14% of the total cost. In 2019, that number jumped to 23%.
- The price of land more than doubling over a seven-year span has caused the houses to be built on them to become more expensive, in order for developers and builders to achieve the same level of profit.
- Thus, land prices and construction costs have been the culprit for an increasingly unattainable new home market for middle-income households.

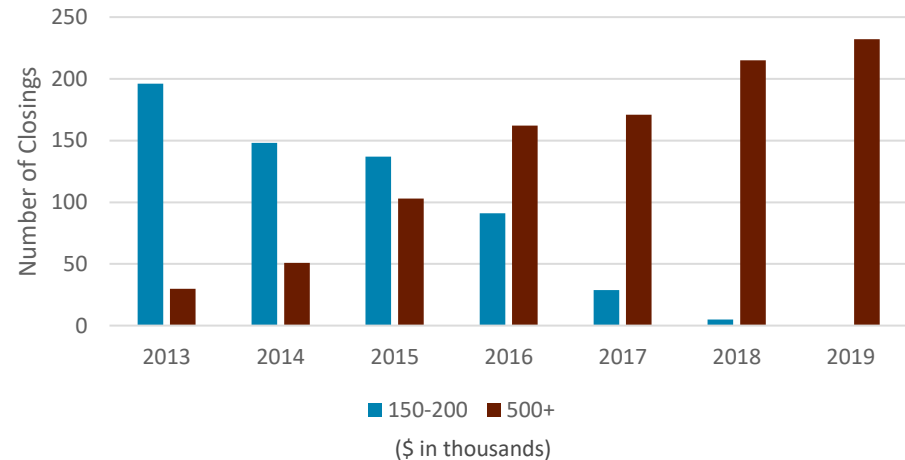


Data source: SmartREData

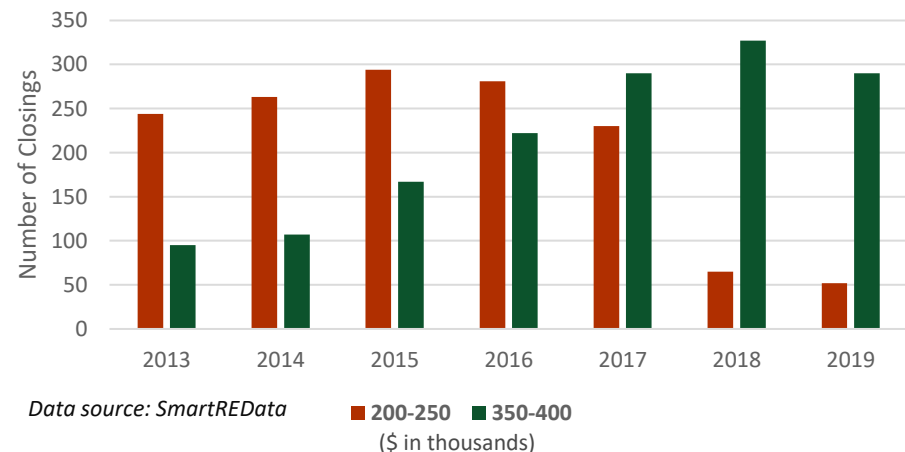
# FOR-SALE NEW HOME CONSTRUCTION MARKET

- There is an inverse pattern between newly constructed housing at the highest and lowest ranges in Cherokee.
- In 2013, the lowest value housing was constructed and closed most frequently. In 2019, the highest value homes make up a majority of newly built inventory.
- Even in the middle values, there is an inverse trend.
- There is a visible shift between 2016 and 2017, when the “lower” end of middle value housing turns into “upper” value housing.
- The increases in aforementioned land prices, combined with increases in prices in the inputs of vertical construction mean that building a single-family house at a particular price range has become cost prohibitive for developers and builders.
- As long as there is a demand for higher priced housing, builders will continue to build them in lieu of value-oriented housing options.
- This issue of demand then exacerbates the issue when it comes to the lack of supply under the \$250k range.

**New Construction Housing Closings – Cherokee County**



**New Construction Housing Closings – Cherokee County**



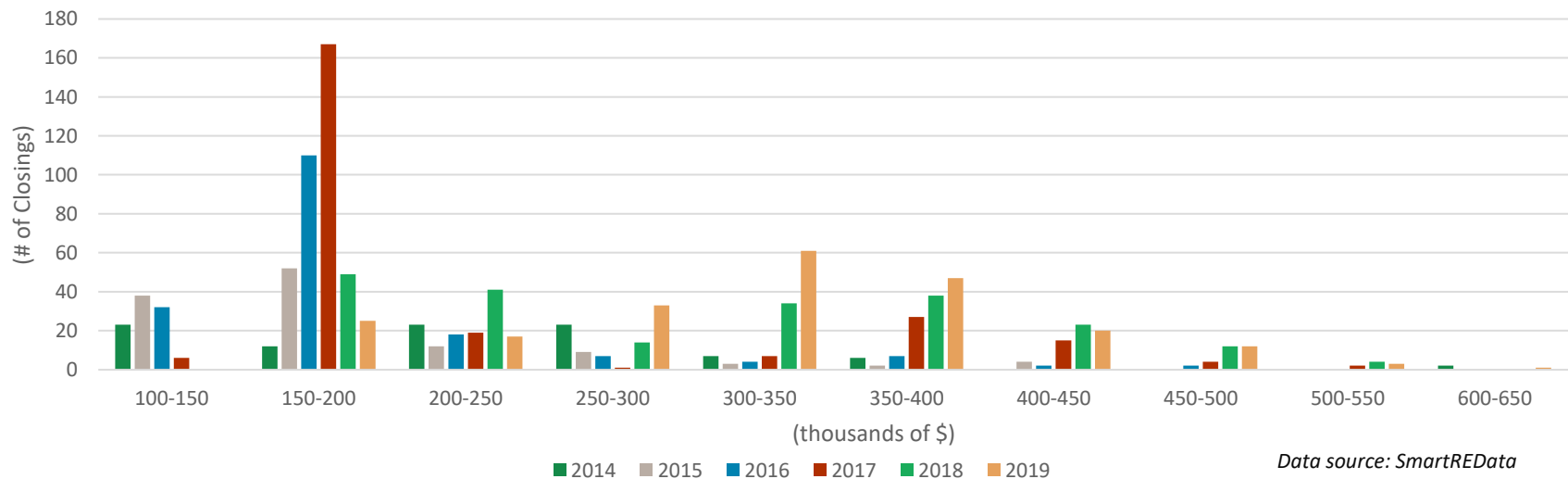
Data source: SmartREData

200-250 350-400  
(\$ in thousands)

# FOR-SALE NEW HOME CONSTRUCTION MARKET

- Because the for-sale new home market is currently unable to deliver lower-priced options into the Cherokee marketplace, townhomes are now more likely to become a value-oriented option to attract middle-income buyers.
- As shown below, over the past five years the townhome market was able deliver a significant amount of new townhomes into Cherokee priced under \$200k.
- 2018 and 2019 saw the Cherokee townhome market move significantly into higher-priced luxury ranges, which partly reflects this product type finding great market acceptance in and near Cherokee's historical downtowns.
- This finding suggests that there are two townhome markets in Cherokee, one targets a value-oriented buyer while the other targets a luxury buyer, who could afford a single-family home, but desires to live amongst walkable amenities in a more convenient and low maintenance housing option.
- As shown by the decreasing sales in the lower-priced townhome tier, the county is in danger of losing the option of providing new townhomes to the value-oriented buyer.
- The expansion of the luxury townhome market points to the continually evolving nature of the Cherokee marketplace and the opportunity for the public and private sectors to find ways to continue to introduce new housing types to match market demand.

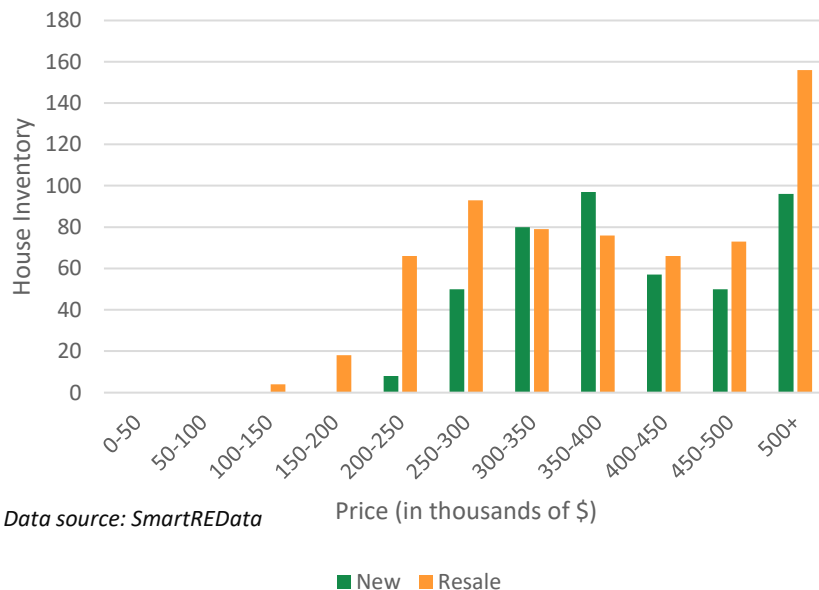
**Townhome Price Intervals**



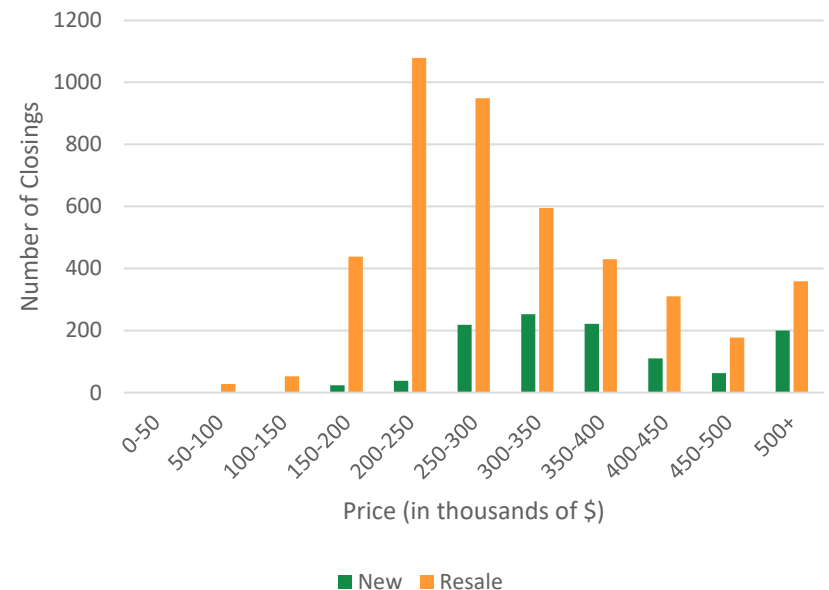
# NEW VS. RESALE MARKET

- The charts below compare the resale and new housing markets over the last 12 months (May 2019 – April 2020).
- The resale market is addressing a clear need in the under \$250,000 range.
  - Homes less than \$250,000 are to a large degree, only available in the resale market.
  - There are an inventory of 88 homes for less than \$250,000 in the resale market, as opposed to eight homes in that same price range that are new construction.
- The resale market also picks up the slack at another crucial price point - \$250,000 to \$300,000.
  - At this range, the resale market has an inventory of 93, against 50 that are newly constructed.
- The resale market has been responsible for the majority of Cherokee County's home closings in the last 12 months.
  - Particularly at the aforementioned price ranges.

## New Inventory v. Resale Inventory-Cherokee

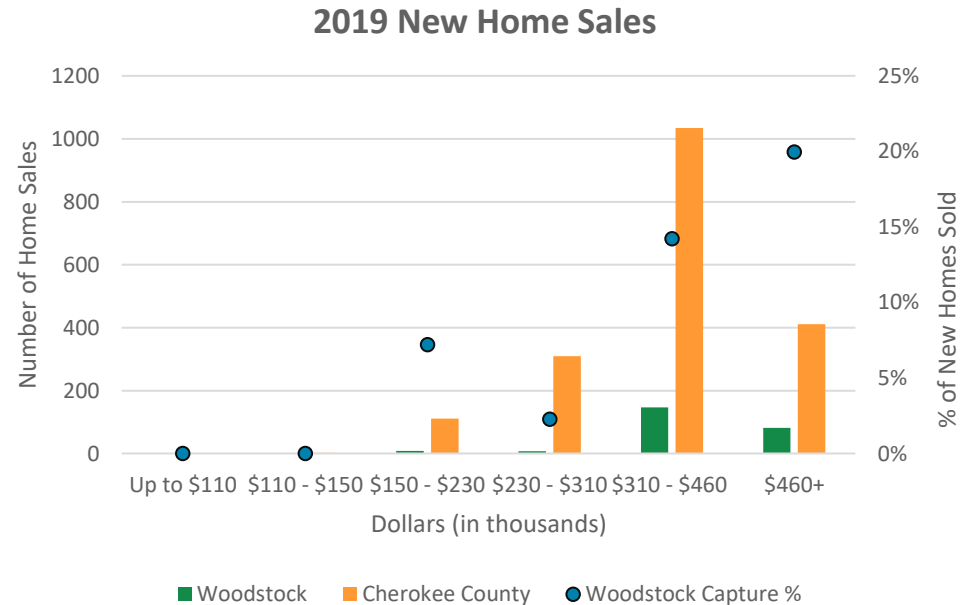


## New Closings v. Resale Closings-Cherokee



# WOODSTOCK: FOR-SALE NEW HOME MARKET

- As one of the largest submarkets in Cherokee County, Woodstock captures more newly constructed home closings in the highest income bands.
- As shown at right, no new construction home sales occurred in Woodstock below \$150,000.
- In 2019 Woodstock captured 14% of all homes in the \$310,000 to \$460,000 range and 20% of all homes above \$460,000.
- These observations align with countywide trends about increasing housing prices, and as housing prices continue to increase, Woodstock will be one of the geographies that demand those products the most.



2019 New Home Sales	Woodstock	Cherokee County	Woodstock County Capture %
\$110k - \$150k	0	2	0%
\$150k - \$230k	8	111	7%
\$230k - \$310k	7	309	2%
\$310k - \$460k	147	1034	14%
\$460k+	82	411	20%

Data source: SmartREData

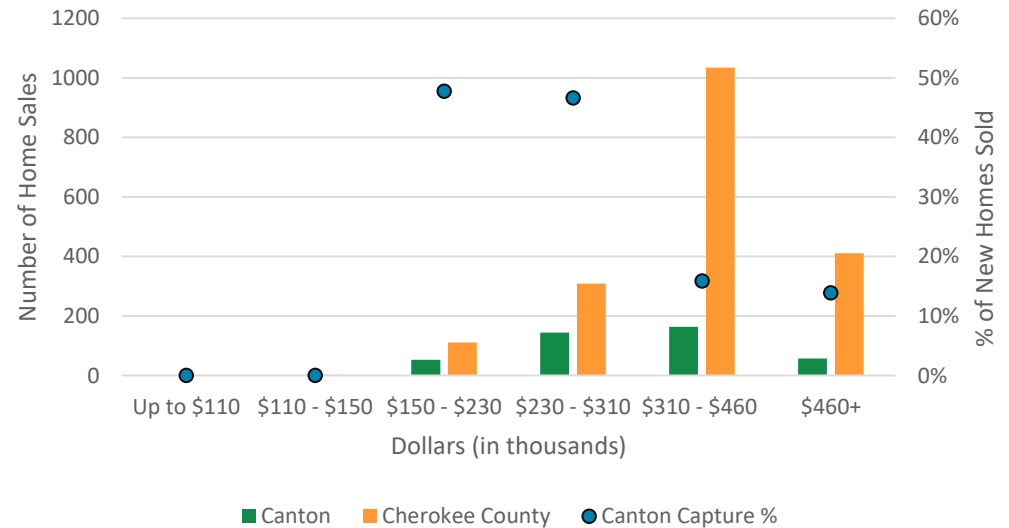


# CANTON: FOR-SALE NEW HOME MARKET

- As another one of the largest submarkets in Cherokee County, Canton also captures significant percentages of new home sales, particularly in the mid-price ranges.
- While Canton's largest absolute product delivery in the \$310,000 to \$460,000 range, the city captures noteworthy amounts of new home sales at the more value-oriented ranges.
- As shown at right, no new construction home sales occurred in Canton below \$150,000.
- In 2019 Canton captured 48% of all new home sales in the \$150,000 to \$230,000 range and 47% of all homes between the \$230,000 and \$310,000.
  - These capture rates are the highest single rates out of any geography in the county.
- These observations go against the current countywide trend. While the county is demanding higher value housing, Canton is still a place for middle class households to be able to purchase a newly constructed house.



2019 New Home Sales

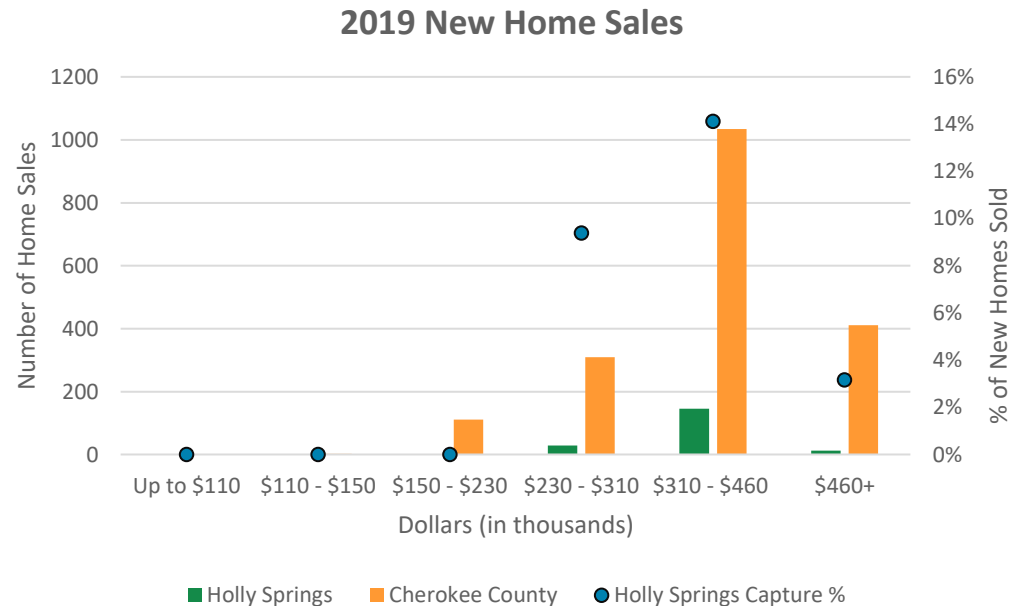


2019 New Home Sales	Canton	Cherokee County	Canton County Capture %
\$110 - \$150	0	2	0%
\$150 - \$230	53	111	48%
\$230 - \$310	144	309	47%
\$310 - \$460	164	1034	16%
\$460+	57	411	14%

Data source: SmartREData

# HOLLY SPRINGS: FOR-SALE NEW HOME MARKET

- Holly Springs is in a lower tier than Woodstock and Canton in its ability for the geography to capture new home sales.
- However, Holly Springs still managed to capture a notable percentage of new home sales at higher income bands.
- As shown at right, no new construction home sales occurred in Holly Springs below \$230,000.
- In 2019, Holly Springs captured 14% of all homes in the \$310,000 to \$460,000 range.
- These observations align with the countywide trend that is shifting towards more expensive housing options.



2019 New Home Sales	Holly Springs	Cherokee County	Holly Springs County Capture %
\$110 - \$150	0	2	0%
\$150 - \$230	0	111	0%
\$230 - \$310	29	309	9%
\$310 - \$460	146	1034	14%
\$460+	13	411	3%

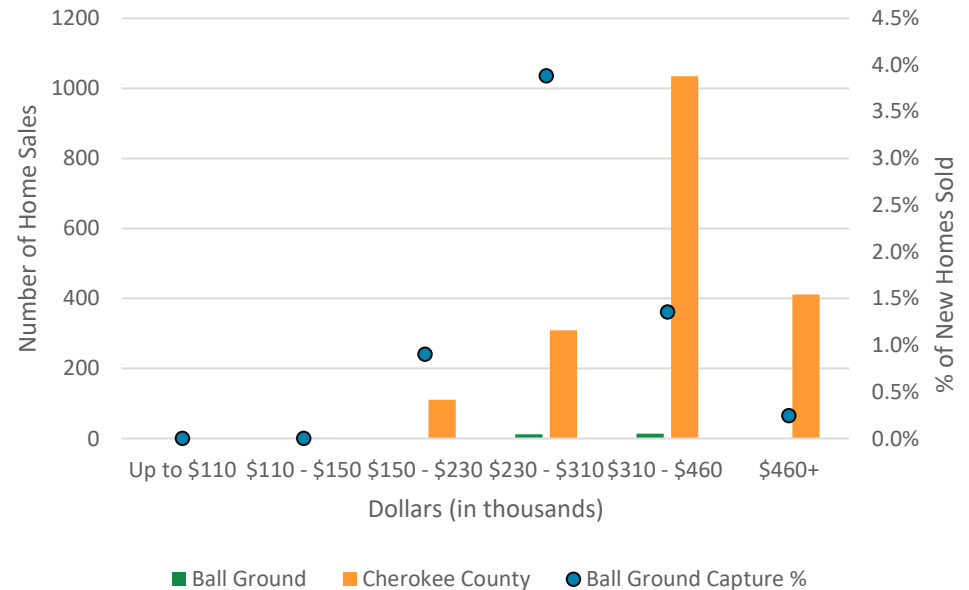
Data source: SmartREData

# BALL GROUND: FOR-SALE NEW HOME MARKET

- Ball Ground captures less than 3% of overall new housing demand in Cherokee County.
- One of the reasons for this is the emergence of unincorporated geographies, like Hickory Flat, and the areas directly West of Woodstock and East of Canton that are growing substantially and attract healthy new home sales.
- In 2019, Ball Ground residents closed 28 total newly constructed homes, with most of them (14) in the \$310,000 to \$460,000 range.
- Ball Ground's small historic downtown can continue to attract visitors and interest in the area. The opportunity to build off the desirability of Ball Ground provides opportunities to introduce new housing types to the area in walkable settings near locally-based commercial offerings.
- Further, downtown Ball Ground provides a point of interest for future nearby home buyer and renters even in less walkable areas nearby. **Thus, this study concludes that significant untapped demand for new housing exists throughout the Ball Ground area.**



2019 New Home Sales

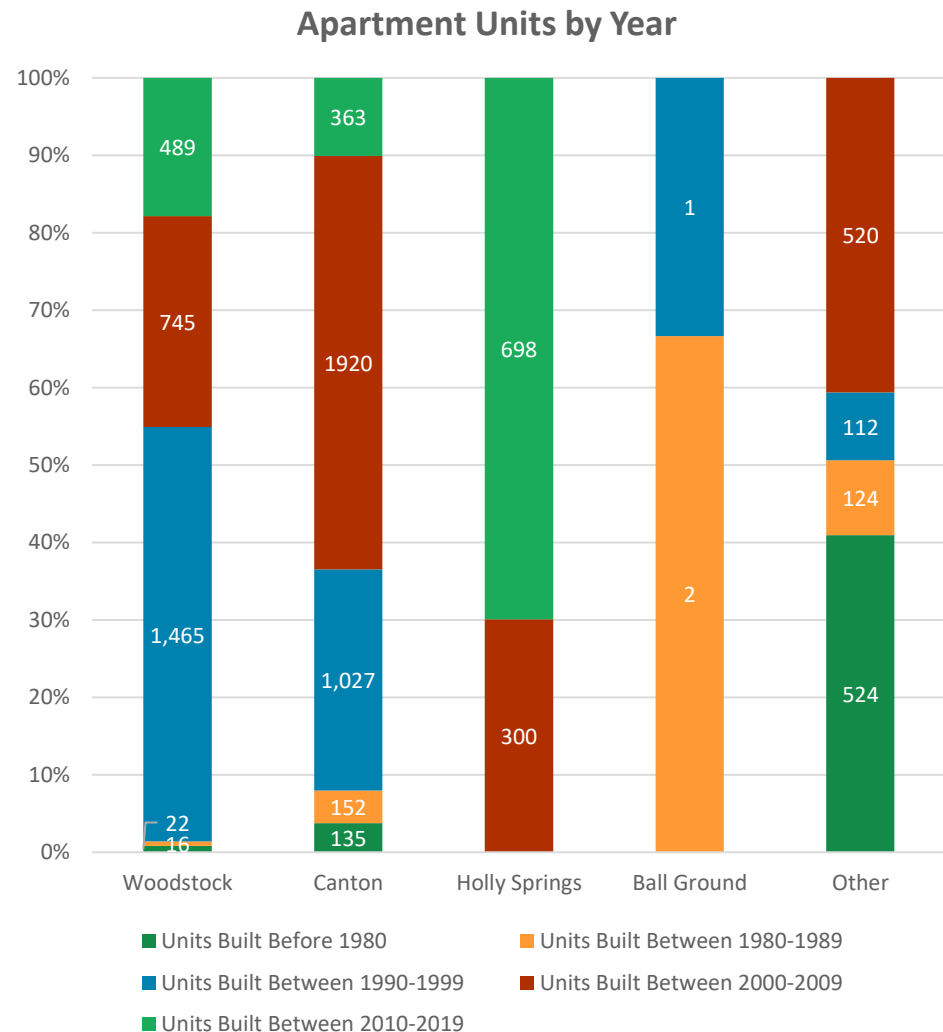


2019 New Home Sales	Ball Ground	Cherokee County	Ball Ground County Capture %
\$110 - \$150	0	2	0%
\$150 - \$230	1	111	1%
\$230 - \$310	12	309	4%
\$310 - \$460	14	1034	1%
\$460+	1	411	0%

Data source: SmartREData

# MULTIFAMILY HOUSING STOCK BY YEAR BUILT

- The multifamily housing stock in Cherokee is growing but the most recent decade did not keep up with the amount of units supplied in the previous two decades. This is true for the county overall, as well in most of the municipalities.
- Woodstock, Canton, and Holly Springs were the only municipalities to add multifamily units in the last decade.
- This data from the US Census is an estimate and not reflective of the past 24 months. Thus the numbers may not be precise, but suggestive of the trends that are occurring.
- Thus, while much of the recent additions to the multifamily housing stock have garnered concerns about overwhelming the local residential marketplace, these additions are in-line with, and in fact, lagging the additions that were made into the county during previous decades.
- It is important for a housing market to continue to add units to meet demand to ensure that sufficient supply is present to meet the needs of households at all ends of the income spectrum.

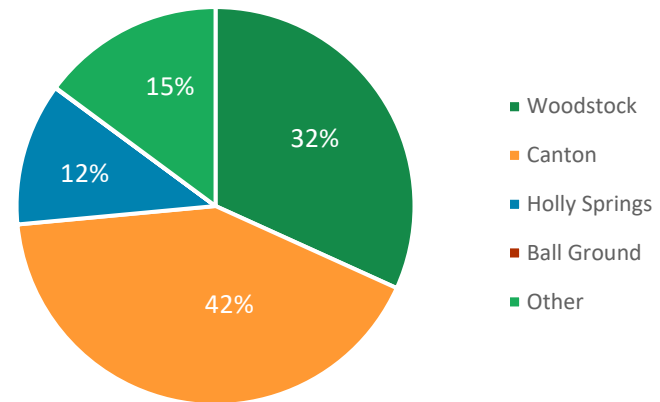


Data source: U.S. Census American Community Survey 2017 5-Year Estimates, Environ Analytics, CoStar. Note: excludes mobile homes.

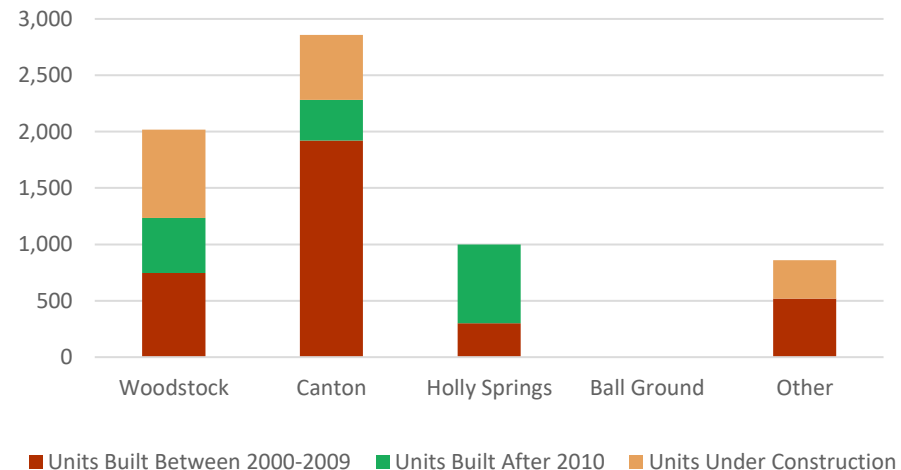
# MARKET-RATE APARTMENT FUNDAMENTALS

- Together, the cities of Canton and Woodstock make up 74% of Cherokee County's total multifamily units.
- In 2020, Canton expects to deliver 574 more units and Woodstock projects to deliver 785 units.
  - This means that the Canton and Woodstock multifamily inventory will make up approximately 77% of the county's total multifamily units
- Holly Springs delivered 622 apartment units in 2019, part of the first newly constructed apartment complexes in the city since the mid-2000's.
  - This large delivery of multifamily units now accounts for 7% of Cherokee County's total multifamily units.
- Holly Springs willingness to engage in the multifamily market may encourage developers – both private and nonprofit alike - in Waleska and Ball Ground to enter the multifamily market.
  - As of July 2020, Ball Ground has a 78-unit multifamily development in the development approval process.
  - While the multifamily units delivered in Holly Springs gave the city some diversity in housing type, it did very little to offer alternatives in terms of pricing diversity because the new units were priced at the top of market.

Market-Rate Multifamily Units in Cherokee County



Apartment Units Delivered

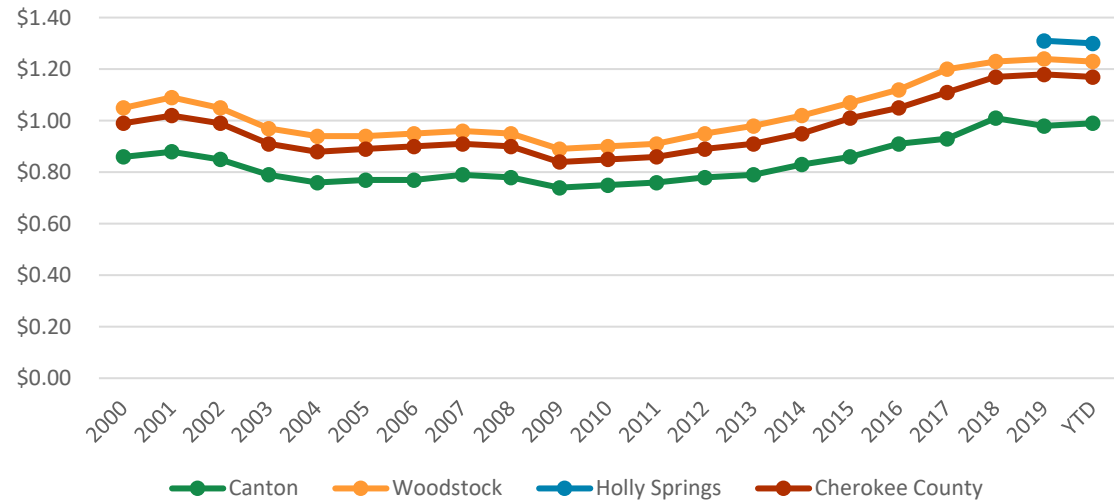


Data source: CoStar

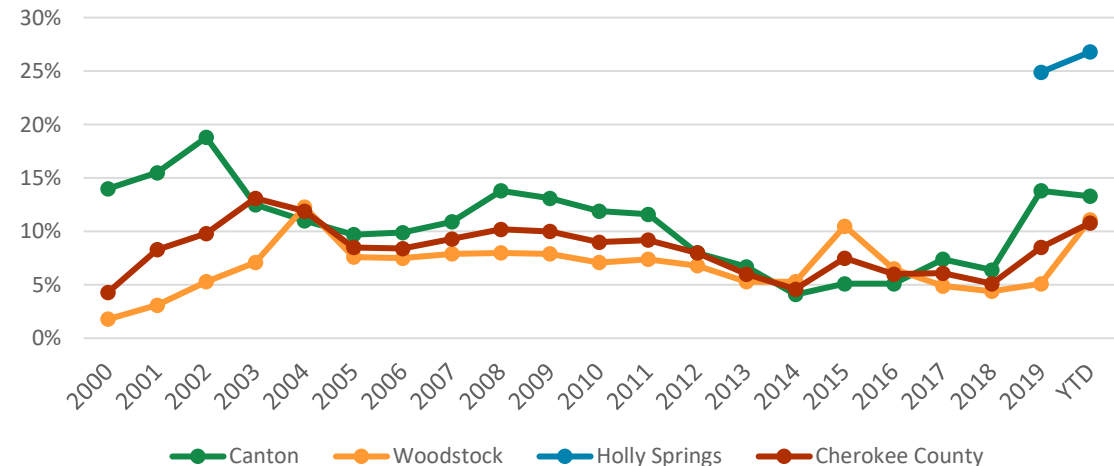
# MARKET-RATE APARTMENT FUNDAMENTALS

- Among the municipalities in Cherokee County, only Canton and Woodstock have robust multifamily markets to achieve an accurate understanding of rent and vacancy rates over time.
  - While Holly Springs multifamily market contributed a substantial 622 units in 2019, it is only a year old.
- Rent per SF for multifamily units has grown gradually in the last decade, and began to level off in 2019, and for the first time in 10 years began to decline since 2020.
- Cherokee County's limited stock of apartment units typically means that it is particularly susceptible to large shifts in the data when a significant number of units are delivered – such as the 622 units recently delivered in 2019. This impacts the entire county's vacancy rate.
- The rule of thumb for a “healthy” market vacancy rate is approximately 5%, which the county appeared to reach in 2018, however the growing vacancy rates since then are likely correlated with the growth of the multifamily market, rather than the decline. We expect the vacancy rate to return to healthy levels when the new properties reach stabilization.

Average Apartment Rent per SF



Market Rate Apartment Vacancy



Data source: CoStar

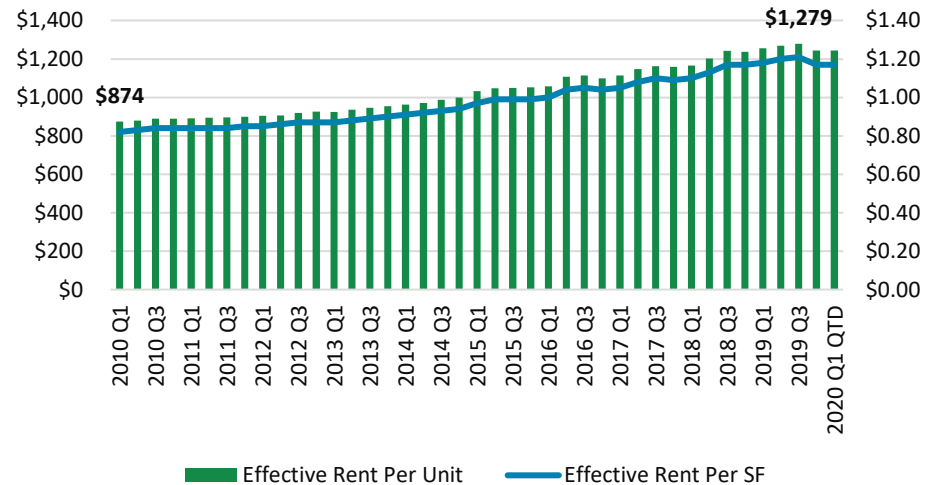


# MULTIFAMILY TRENDS

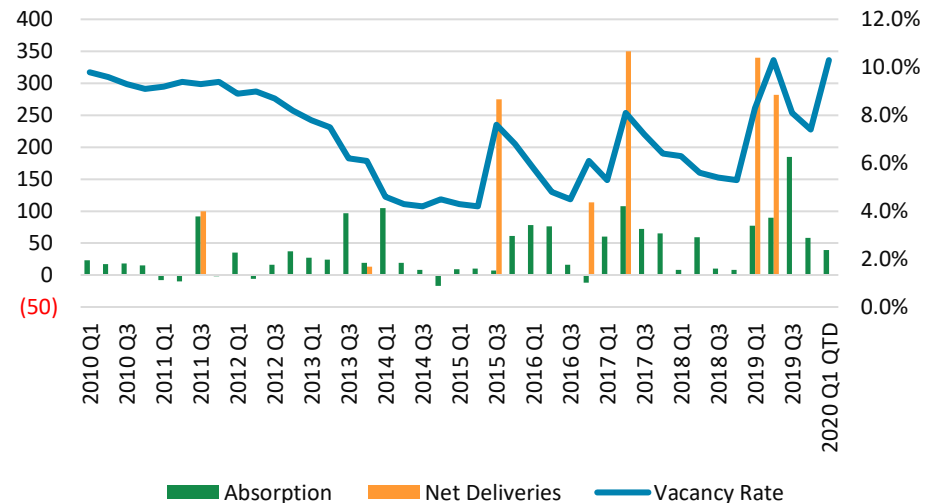
- Rents across the county have continued to ascend on a yearly basis.
  - Increasing 46% from 2010 until the end of the decade.
  - Increasing rents in a suburban/exurban county reflect the strength of the Atlanta MSA economy in the post-Great Recession era.
- Apartment vacancy rates have been volatile since 2015, but the spikes in vacancy coincide with deliveries.
  - In a market with a small amount of multifamily units, any large multifamily delivery will have a large effect on vacancy rates.
- The rule of thumb for a “healthy” market vacancy rate is approximately 5%, and before large net deliveries, the Cherokee market hits that mark.



## Cherokee County Multifamily Rent Metrics



## Multifamily Absorption, Net Deliveries, & Vacancy



Data source: CoStar



# CHEROKEE RENTAL SUBMARKETS

- Woodstock and Canton are the primary rental markets in Cherokee County.
- Historically, Woodstock and Canton represent 33% and 44% of Cherokee County's rental housing stock, respectively.
- Over the past 5 years (2016-2020) there have been 998 market rate rental units delivered in Woodstock and 701 market rate rental units delivered in Canton.
- Since 2016, Woodstock and Canton have combined to deliver 1,699 total rental units.
- This accounts for 73% of all rental units delivered in Cherokee County during that time period.
- Holly Springs, Ball Ground, and Waleska make up the secondary rental markets in Cherokee County.
- Until recently, the secondary markets have supplied few rental units.
- 622 units were delivered in Holly Springs in 2019.
- This accounted for the largest rental unit delivery in the entire county since 2003.
- It was also the most rental units delivered in one municipality until Woodstock is projected to surpass it in 2020.

Year	Total Units Delivered	Geography
2020	1,136 (projected)	Canton (351) Woodstock (785)
2019	622	Holly Springs
2018	0	
2017	449	Woodstock (99) Canton (350)
2016	114	Woodstock

Data source: CoStar

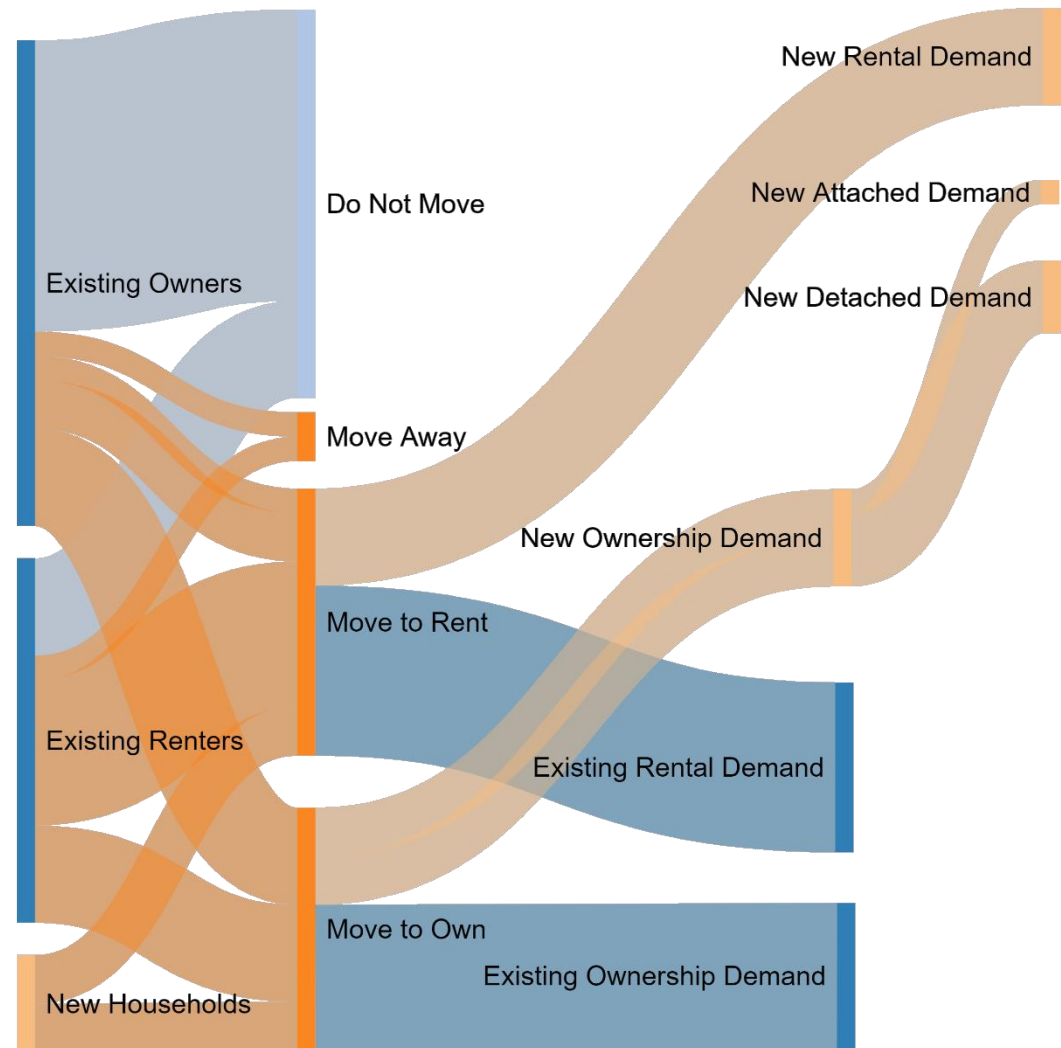
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# HOUSING DEMAND ANALYSIS

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# HOUSING DEMAND INTRODUCTION

- The diagram at right illustrates the process undertaken in the housing demand modeling process.
- A proprietary analytical model with data inputs evaluated the potential housing outcomes of three household groups that drive housing demand in Cherokee:
  - Owner households in turnover
  - Renter households in turnover
  - New households to the county.
- For each demand pool, data from numerous sources was used to forecast outcomes that, taken as whole, determine the level of demand potential for new housing of various types at various price points.
- The results provide county-level forecasts of achievable annual new-home production of for-rent and for-sale housing.
- The county-wide results were distributed among Cherokee's municipal submarkets.



Source: Bleakly Advisory Group

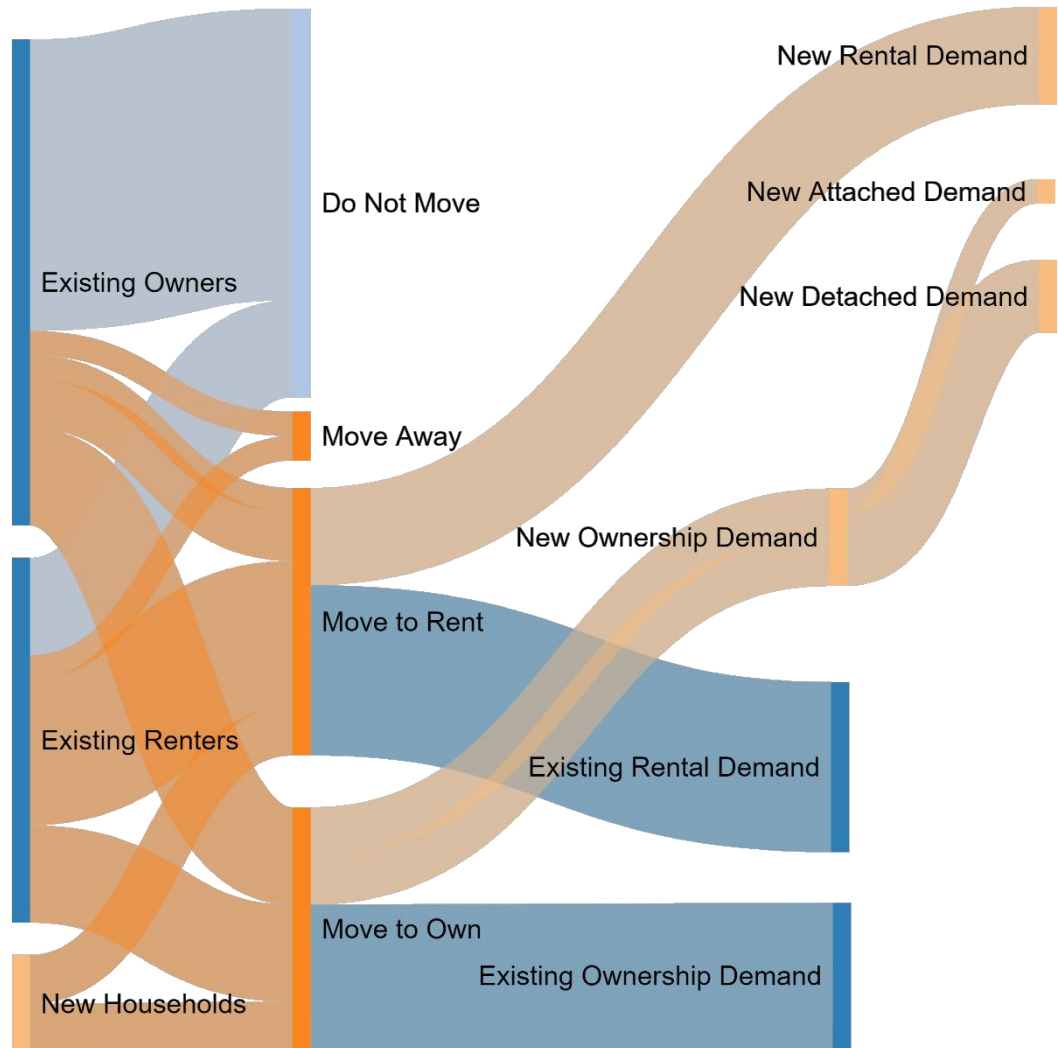
# HOUSING DEMAND INTRODUCTION

The housing demand analysis for this study incorporates numerous data points specific to Cherokee County:

- Population growth assumptions through 2025 at the local level based on ARC projections
- Transportation/commuting patterns
- Household composition / generational (age of householder) trends
- Household income patterns
- Housing turnover ratios
- Housing tenure preferences
- Housing type preferences

In order to successfully arrive at the above assumptions, data from myriad sources feed into the analysis. This most recent data comes from the following sources:

- US Census/American Community Survey data
- US Census PUMS data
- HUD data
- Subscription-based demographic data from Claritas
- Supply-side data from CoStar and SmartREData



Source: Bleakly Advisory Group

# CHEROKEE COUNTY NEW ANNUAL HOUSING DEMAND BREAKDOWN

## Annual Cherokee County housing production goal:

- Single-family Owner: 1,778 units
- Attached Owner: 587 units
- Rental: 1,479 units

**TOTAL: 3,844\***

\*represents achievable potential number of new homes to be absorbed into the county housing market annually through 2025.

This level of production is still lower than the peak permitting years in Cherokee:

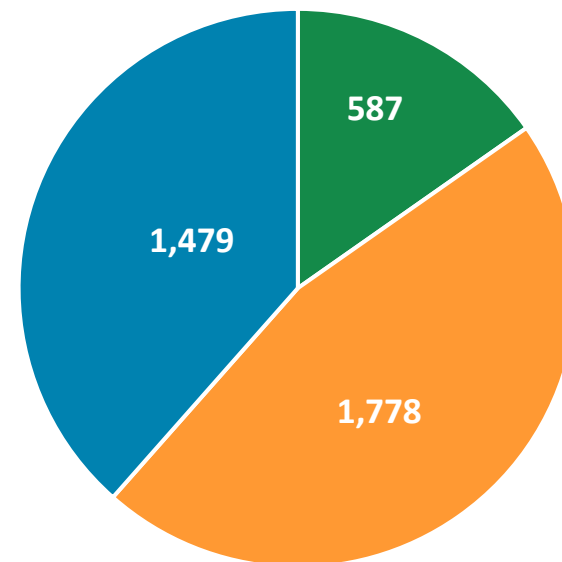
- Single-family: 4,065 in 2005
- Multifamily: 1,264 in 2018

These forecast demand potential conclusions shown here and elsewhere herein are indicative, rather than predictive.

That is, the analysis results are based on assumptions derived from analyzing the demographic and housing trends in each city.

The results of the modelling provide reasonable quantitative production goals for an average year over the next five years. Different outcomes may occur.

Cherokee County Annual New Demand by Tenure & Type



■ New Owner Attached    ■ New Owner Detached    ■ New Rental Units

Source: Bleakly Advisory Group

# AFFORDABILITY RANGES BY AMI

- The analysis described above allows for future housing demand to be assessed at the county level by age and by income, providing insight into potential target markets for various housing types in each geography.
- The analysis used the 2020 Atlanta Median Income (AMI) calculations as determined by HUD to categorize potential demand by income for renters and for owners.
- AMI distribution assumptions are shown at right.

Rentership			
Income	% AMI	Rental Price Ranges	Midpoint Price
Up to \$34,999	Up to 50%	Up to \$875	
\$35,000 - \$49,999	50% - 70%	\$875 - \$1,250	\$1,050
\$50,000 - \$74,999	70% - 100%	\$1,250 - \$1,875	\$1,450
\$75,000 - \$99,999	100% - 150%	\$1,875 - \$2,500	\$2,200
\$100,000 - \$149,999	150% - 200%	\$2,500 - \$3,750	\$3,125
\$150,000 and up	200% and up	\$3,750 and up	

Ownership			
Income	% AMI	Home Price Ranges	Midpoint Price
Up to \$34,999	Up to 50%	Up to \$110,000	
\$35,000 - \$49,999	50% - 70%	\$110,000 - \$150,000	\$130,000
\$50,000 - \$74,999	70% - 100%	\$150,000 - \$250,000	\$200,000
\$75,000 - \$99,999	100% - 150%	\$250,000 - \$325,000	\$285,000
\$100,000 - \$149,999	150% - 200%	\$325,000 - \$475,000	\$375,000
\$150,000 and up	200% and up	\$475,000 and up	

Source: Bleakly Advisory Group, SmartRE, HUDUser, CoStar

# DEMAND BREAKDOWN: CHEROKEE BY AGE & INCOME

## Renter: Demand Distribution by Age & Income

- Based on the housing demand analysis, the deepest demographic pockets of rental demand in Cherokee are households 35 and up.
- Particular depth in the renter demand pool higher-income households in typical early empty-nester ages.

Income	Rent Range	Midpoint	Under 25	25-34	35-44	45-54	55-64	65+	Total
Up to \$35K	Up to \$875		0%	1%	0%	1%	1%	7%	10%
\$35K-\$50K	\$875 - \$1,250	\$1,050	2%	0%	0%	1%	2%	2%	6%
\$50K-\$75K	\$1,250 - \$1,875	\$1,550	0%	1%	2%	3%	4%	1%	11%
\$75K-\$100K	\$1,875 - \$2,500	\$2,175	0%	1%	5%	3%	4%	3%	16%
\$100K-\$150K	\$2,500 - \$3,750	\$3,125	0%	2%	7%	7%	5%	3%	24%
\$150K+	\$3,750 And Up		0%	2%	4%	14%	6%	7%	33%
Total			3%	6%	19%	28%	22%	22%	100%

## Owner: Demand Distribution by Age & Income

- Significant for-sale demand for new homes exists from older households, particularly higher-income seniors and empty-nesters.

Income	Price Range	Midpoint	Under 25	25-34	35-44	45-54	55-64	65+	Total
Up to \$35K	Up to \$110,000		0%	1%	1%	0%	1%	4%	7%
\$35K-\$50K	\$110,000-\$150,000	\$130,000	2%	0%	1%	0%	1%	2%	6%
\$50K-\$75K	\$150,000-\$230,000	\$190,000	1%	3%	3%	2%	2%	6%	18%
\$75K-\$100K	\$230,000-\$310,000	\$270,000	0%	1%	2%	2%	1%	4%	10%
\$100K-\$150K	\$310,000-\$460,000	\$385,000	0%	3%	5%	7%	5%	5%	24%
\$150K+	\$460,000 And Up		0%	2%	4%	11%	9%	9%	35%
Total			3%	10%	15%	23%	19%	30%	100%

Source: Bleakly Advisory Group



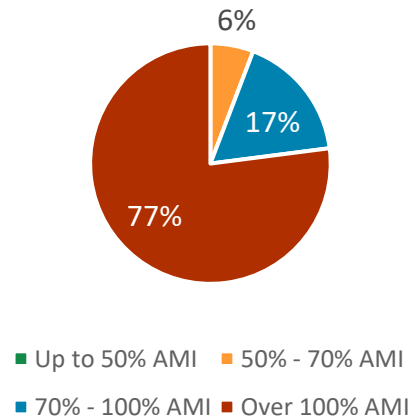
# CHEROKEE FOR-SALE HOUSING DEMAND

## Annual New Owner Demand

Income	% AMI	Home Price Ranges	New Home Demand
Up to \$34,999	Up to 50%	Up to \$110,000	0
\$35,000 - \$49,999	50% - 70%	\$110,000 - \$150,000	137
\$50,000 - \$74,999	70% - 100%	\$150,000 - \$250,000	406
\$75,000 - \$99,999	100% - 150%	\$250,000 - \$325,000	252
\$100,000 - \$149,999	150% - 200%	\$325,000 - \$475,000	559
\$150,000 and up	200% and up	\$475,000 and up	1,011
Total:			2,365

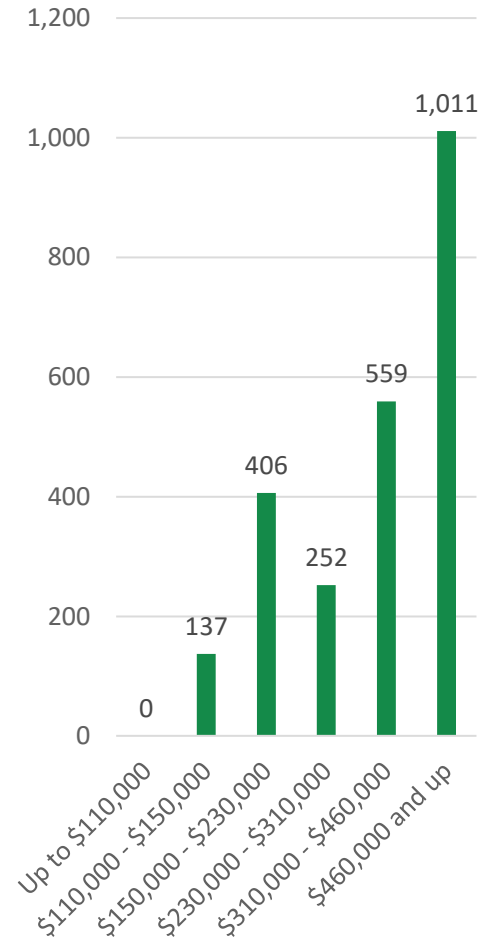
- Over 75% of Cherokee County's annual for-sale demand comes from households earning more than 100% AMI.
- While there are certainly households with incomes below 50% AMI that are interested in purchasing a new home, the personal finance and housing development economics conspire to exclude these households from the new home marketplace and into aging housing stock.

## Demand By AMI



Source: Bleakly Advisory Group

## Cherokee: Annual New For Sale Demand by Home Cost

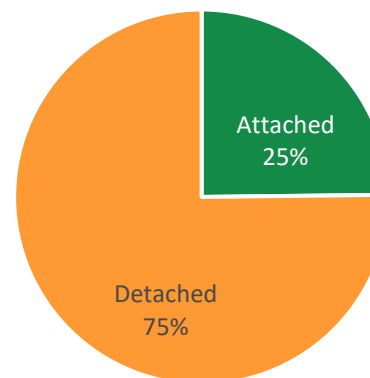


# FOR-SALE DEMAND BREAKDOWN: ATTACHED & DETACHED

Annual New Owner Demand				
Income	% AMI	Home Price Ranges	Annual Attached Demand	Annual Detached Demand
Up to \$34,999	Up to 50%	Up to \$110,000	0	0
\$35,000 - \$49,999	50% - 70%	\$110,000 - \$150,000	130	7
\$50,000 - \$74,999	70% - 100%	\$150,000 - \$250,000	272	134
\$75,000 - \$99,999	100% - 150%	\$250,000 - \$325,000	84	168
\$100,000 - \$149,999	150% - 200%	\$325,000 - \$475,000	61	498
\$150,000 and up	200% and up	\$475,000 and up	40	971
Total:			587	1,778

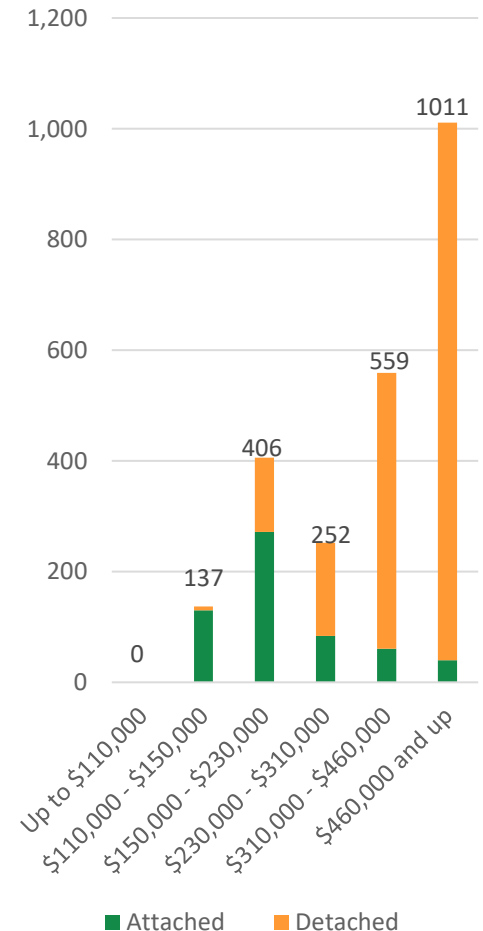
- The highest levels of demand for new single-family detached homes comes from the highest income earners.
- However, significant new single-family demand exists for homes up to \$300k, which has become extremely difficult to deliver locally, shutting households with incomes up to 100% AMI out of the market.
- Nearly 70% of Cherokee County's annual attached for-sale demand comes from families earning less than 100% AMI pointing to an opportunity to expand townhome production in order to meet the demand for new homes below \$300k.

Demand By Building Type



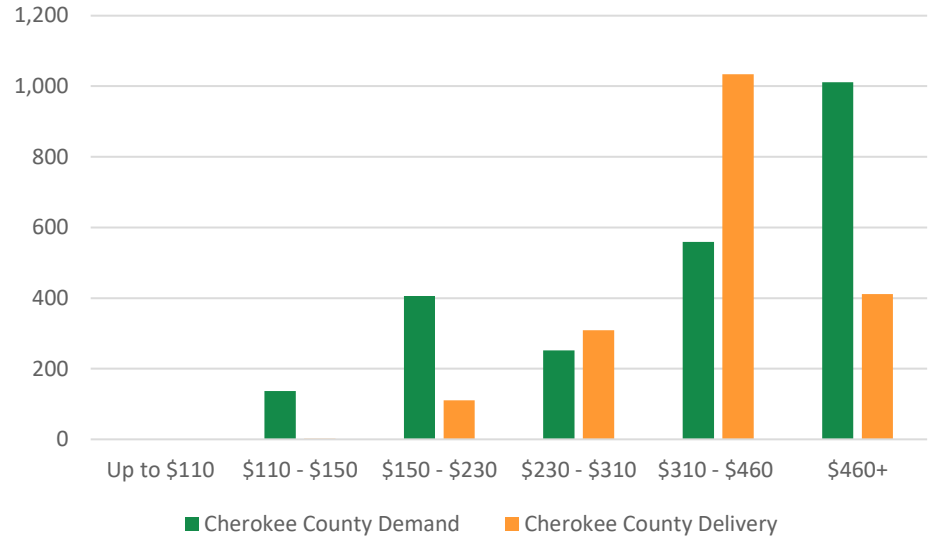
Source: Bleakly Advisory Group

Cherokee:  
Annual New for Sale  
Demand by Home Cost

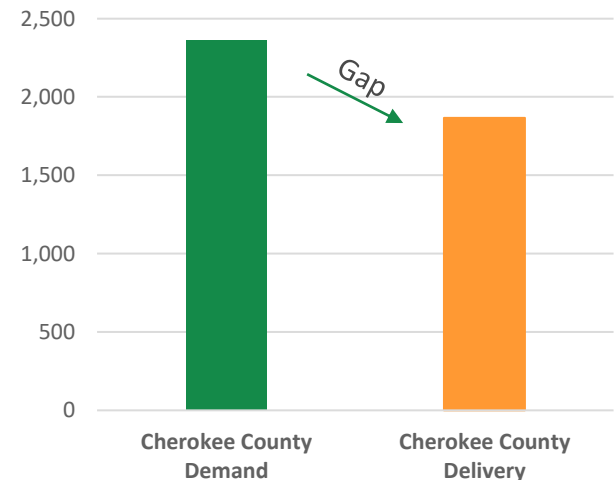


# COUNTYWIDE GAP ANALYSIS – OWNER-OCCUPIED

- Using 2019 new homes sales as a reference point compared to the estimated demand levels determined herein, Cherokee County has a total owner-occupied new home production gap of 498 units.
- Based on this analysis, there is a particularly significant gap in the number of units delivered and sold vs. demanded at both ends of the price spectrum.
- It is likely that the most affluent new home buyers are “buying down the affordability ladder” meaning that, while they could afford to pay more, they are buying homes priced below \$500k.
- Thus, when the demand level is compared to the production levels at the combined above \$300k price point, the underproduction is 125 units annually.
- Underproduction at the below \$230k price points is 430 units annually, signifying the greatest need in the new for-sale market.



2019 New Home Sales	Cherokee County Demand	Cherokee County Delivery	Gap
Up to \$110	0	0	0
\$110 - \$150	137	2	-135
\$150 - \$230	406	111	-295
\$230 - \$310	252	309	57
\$310 - \$460	559	1034	475
\$460+	1011	411	-600
<b>Total Units</b>	<b>2365</b>	<b>1867</b>	<b>498</b>



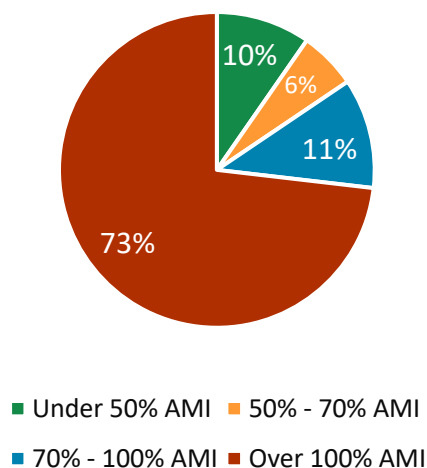
# CHEROKEE FOR-RENT HOUSING DEMAND

## Annual New Rental Demand

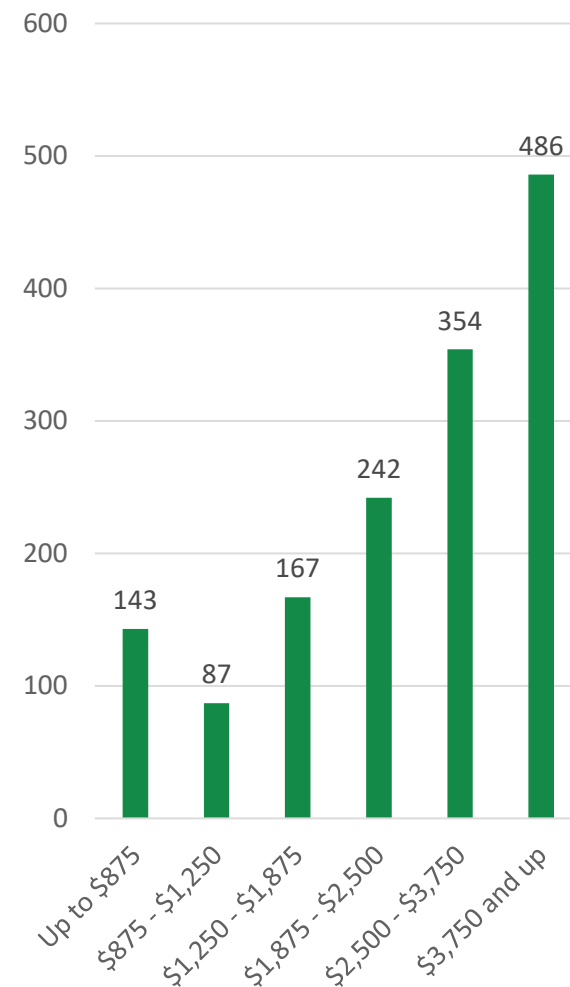
Income	% AMI	Rental Price Ranges	New Rental Demand
Up to \$34,999	Up to 50%	Up to \$875	143
\$35,000 - \$49,999	50% - 70%	\$875 - \$1,250	87
\$50,000 - \$74,999	70% - 100%	\$1,250 - \$1,875	167
\$75,000 - \$99,999	100% - 150%	\$1,875 - \$2,500	242
\$100,000 - \$149,999	150% - 200%	\$2,500 - \$3,750	354
\$150,000 and up	200% and up	\$3,750 and up	486
Total:			1,479

- Nearly 30% of new rental demand in Cherokee comes from families seeking affordable options. Units affordable at these prices are difficult to deliver without significant levels of subsidy from the public sector.
- The largest pool of rental apartment demand in the county is driven by households with the highest-incomes. This provides evidence of additional demand for luxury rental housing in Cherokee.

## Demand By AMI



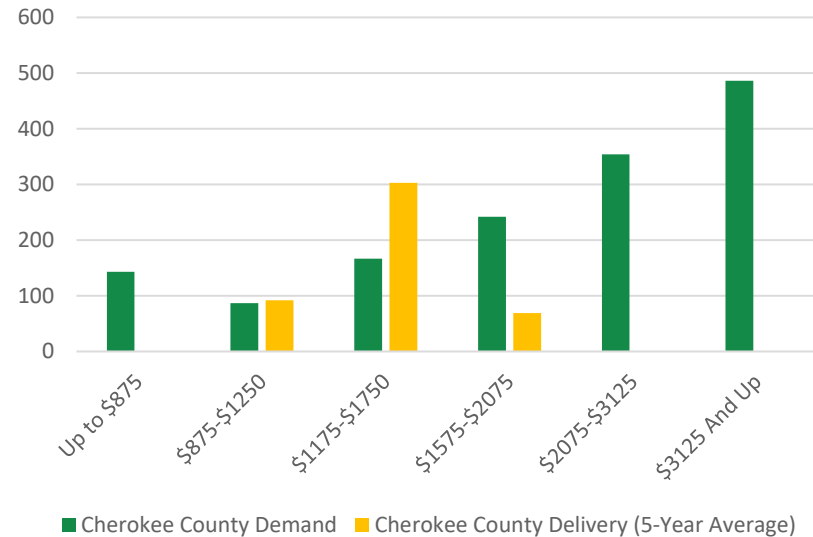
## New Rental Demand by Monthly Rent



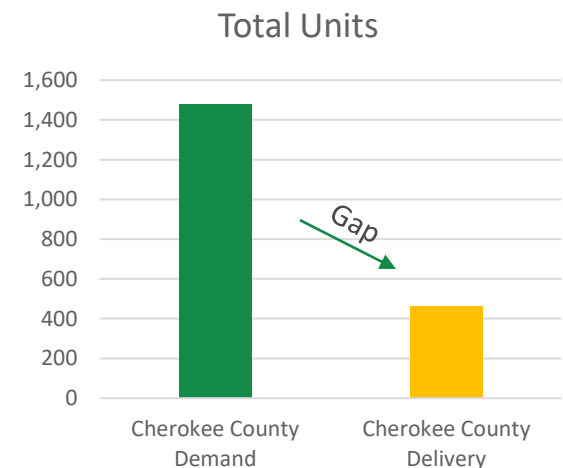
Source: Bleakly Advisory Group

# COUNTYWIDE GAP ANALYSIS – RENTER-OCCUPIED

- Using a five-year average (2016-2020) based on Cherokee County's new rental unit delivery, and projected delivery for 2020, the county has a total rental gap of 1,015 units, when compared to the demand analysis conducted for this study.
- Based on this analysis, there is a significant gap in the number of units delivered vs. demanded at several price ranges
- Most significantly, there is tremendous levels of unmet demand at the highest price points. This suggests that additional new luxury apartments, townhomes, and detached homes can be produced above current unit production levels and find acceptance.
- Also significantly, significant demand exists for units with rents below \$875 a month, a price point which is essential in order to house low income households, pointing to the need for great affordable and workforce housing production in Cherokee.



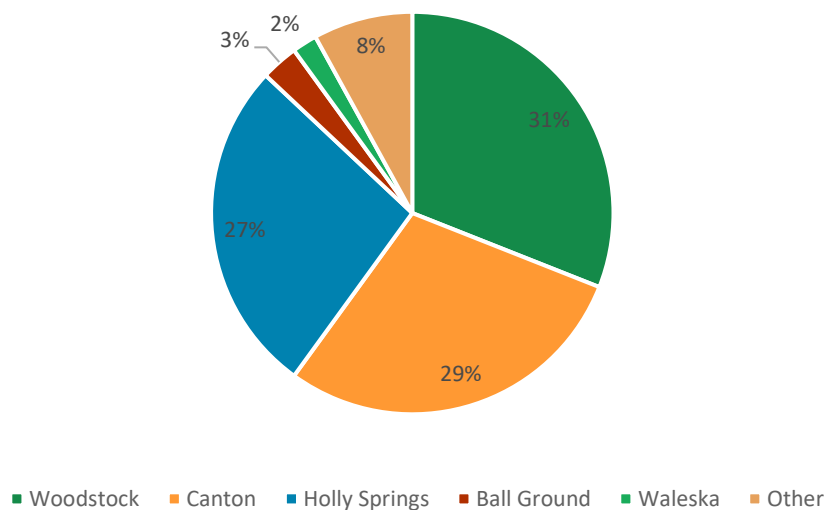
Monthly Rent	Cherokee County Demand	Cherokee County Delivery (5-Year Average)	Gap
Up to \$875	143	0	-143
\$875-\$1,250	87	92	5
\$1,175-\$1,750	167	303	136
\$1,575-\$2,075	242	69	-173
\$2,075-\$3,125	354	0	-354
\$3,125 And Up	486	0	-486
<b>Total Units</b>	<b>1,479</b>	<b>464</b>	<b>1,015</b>



# CHEROKEE SUBMARKET RENTER-OCCUPIED DEMAND

- The derived five-year average annual rental demand compares closely with the projected delivery of rental units in 2020. It also illustrates the gap between demand and units delivered in the recent past.
- When annual demand is distributed across the county's municipalities, Woodstock and Canton continue to be the most prominent rental markets in the county.
- The substantial difference between demand in the next five years, and the historic rental unit delivery signifies a market opportunity to continue permitting and delivery levels of new apartment units, both affordable and market-rate.

## Rental Demand Unit Distribution



Year	Total Units Delivered	Geography
2020	1,136 (projected)	Canton (351) Woodstock (785)
2019	622	Holly Springs
2018	0	
2017	449	Woodstock (99) Canton (350)
2016	114	Woodstock

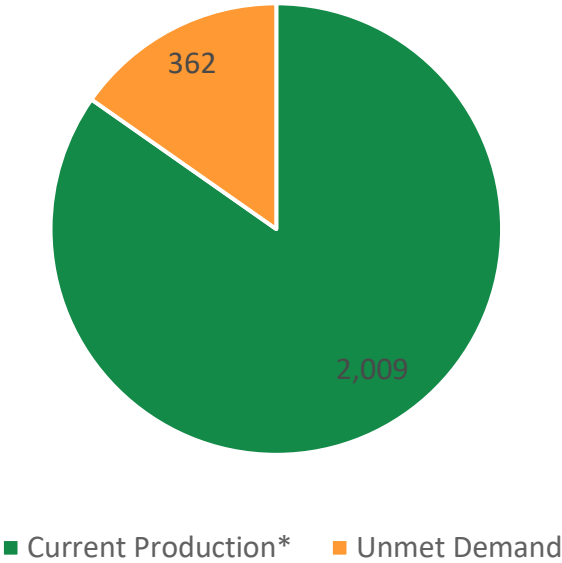
## 5-Year Average Annual Demand

1,479 Total Units

Geography	Capture Rate	Avg. Annual Units Demanded
Woodstock	31%	457
Canton	29%	428
Holly Springs	27%	398
Ball Ground	3%	44
Waleska	2%	30
Other	8%	118

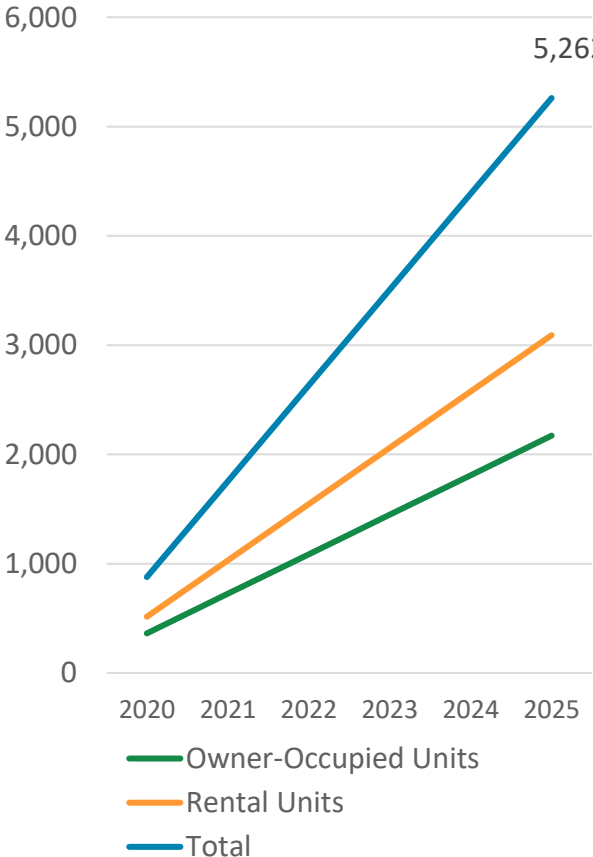
# COUNTYWIDE GAP ANALYSIS

Cherokee County will need to increase SFD production by 18% to capture all existing demand

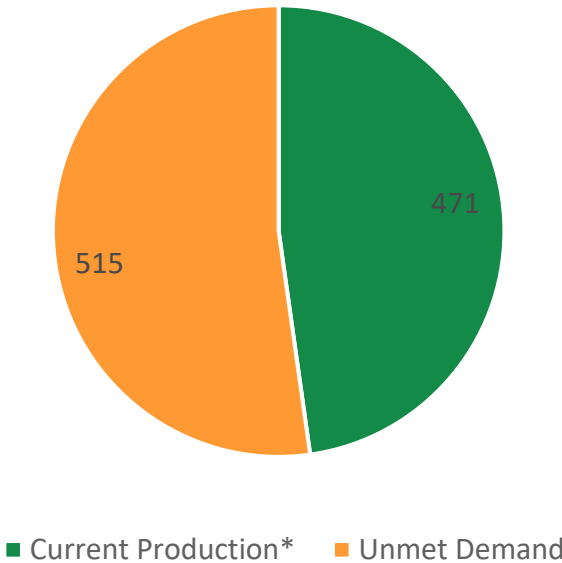


Source: Bleakly Advisory Group, HUDUser

Cumulative underproduction if construction held at 2019 level



Cherokee County will need to double its multifamily production to capture all existing demand

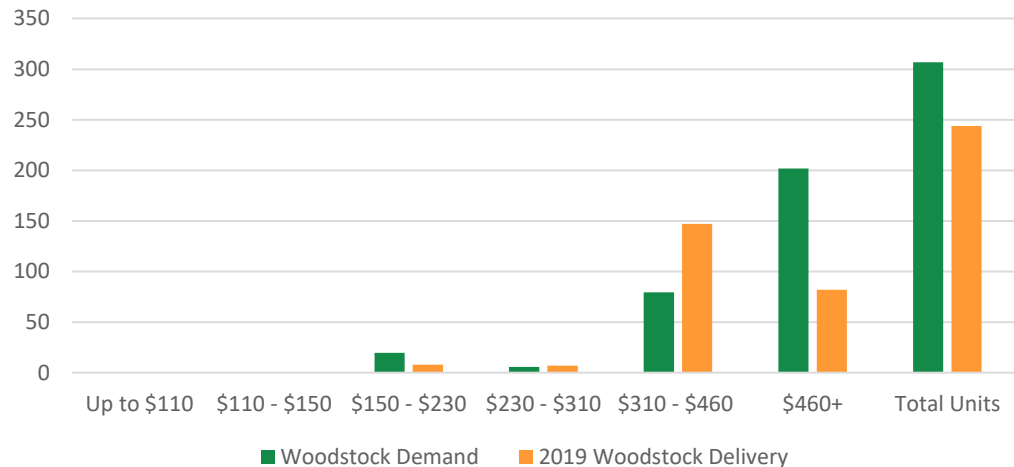




# WOODSTOCK GAP ANALYSIS: FOR-SALE

- Woodstock is close to meeting the total number of units demanded in the geography.
- The desirability to live in Woodstock is high, which is evidenced by the number of for-sale housing units delivered relative to other geographies in the county and an increasing demand for new housing at the highest price points.
- Woodstock's demand for new owner-occupied housing above \$450,000 falls short ~150% of the number of units supplied in 2019.
- However, it is likely that, as noted with the county overall, the most affluent new home buyers are "buying down the affordability ladder" meaning that, while they could afford to pay more, they are buying homes priced below their affordability level.

Gap Analysis



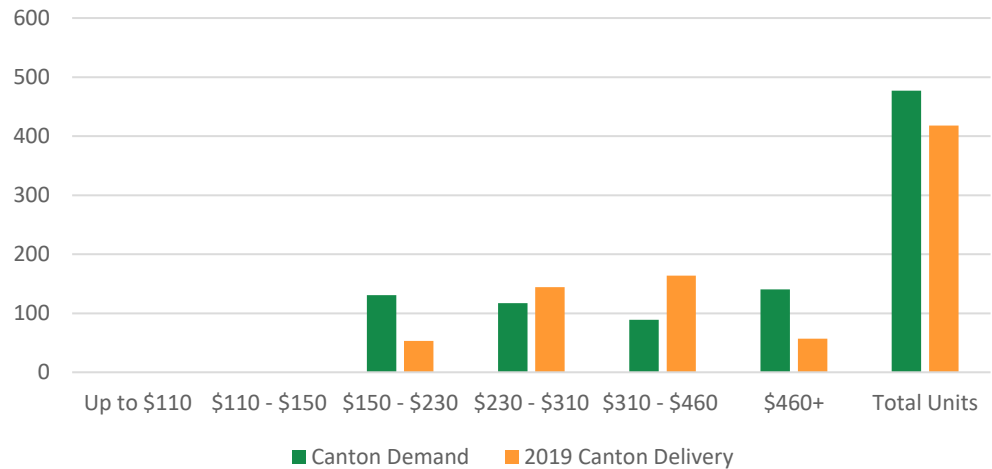
2019 New Home Sales	Woodstock Demand	2019 Woodstock Delivery	Gap
Up to \$110	0	0	0
\$110 - \$150	0	0	0
\$150 - \$230	20	8	-12
\$230 - \$310	6	7	1
\$310 - \$460	80	147	67
\$460+	202	82	-120
<b>Total Units</b>	<b>307</b>	<b>244</b>	<b>-63</b>

# CANTON GAP ANALYSIS: FOR-SALE

- Like Woodstock, Canton is close to meeting the total number of new for-sale units demanded.
- The desirability to live in Canton is also high, particularly in the master-planned communities in and near Canton, as evidenced by the high supply of housing units delivered relative to other geographies in the county.
- Canton captures a disproportionate amount of housing between the \$150,000 to \$310,000 range.
- Demand is robust at these levels while prices in other parts of the county increase rapidly.
- With affluent new home buyers are “buying down the affordability ladder,” the most pressing for-sale housing unmet needs are for new homes priced below \$230k, which as noted earlier, is difficult to deliver in a single-family format, pointing to an opportunity for additional new for-sale townhomes in Canton.



Gap Analysis



2019 New Home Sales	Canton Demand	2019 Canton Delivery	Gap
Up to \$110	0	0	0
\$110 - \$150	0	0	0
\$150 - \$230	131	53	-78
\$230 - \$310	117	144	27
\$310 - \$460	89	164	75
\$460+	140	57	-83
<b>Total</b>	<b>477</b>	<b>418</b>	<b>-59</b>

# BALL GROUND & HOLLY SPRINGS GAP ANALYSIS: FOR-SALE

- The tertiary new home markets in Cherokee County are determined by the fact that fewer than 200 new homes were sold in these areas in 2019.
- Because of the limited point of analysis, this study did not determine the potential demand levels for geographies other than Canton and Woodstock.
- However, those two primary submarkets account for only 33% of county-wide demand, providing ample opportunities for new home sales in Ball Ground, Holly Springs, Waleska, and the unincorporated areas of the county.
- Particular new home for-sale demand exists in and near Holly Springs in the Hickory Flat area.
- The demand in unincorporated Cherokee provides opportunities for county staff and elected officials to seek creative solutions to partner with the private and non-profit sectors to meet demand at all affordability levels, particularly at lower price bands.



New Homes Sales	2019 Ball Ground Sales	2019 Holly Springs Sales
Up to \$110	0	0
\$110 - \$150	0	0
\$150 - \$230	1	0
\$230 - \$310	12	29
\$310 - \$460	14	146
\$460+	1	13
<b>Total</b>	<b>28</b>	<b>188</b>

*Data source: SmartREData*

# WALESKA

- As Cherokee County's population continues to grow, the creation of new mixed-use activity centers will be necessary to accommodate growth over the coming decades.
- New "greenfield" activity centers will likely continue to emerge along key corridors throughout the county, but given the development economics, it will be increasingly difficult to accommodate a wide range of new housing options at various price points without subsidy from the public sector in these greenfield locations.
- This study recommends pursuing those subsidies while seeking additional "infill" opportunities that may have the ability to provide new housing at lower costs and/or to meet untapped market demand without subsidies.
- Given Waleska's historic charms, including a wonderful pre-WWII housing stock, and the unique distinction as Cherokee's "college town," it has the ability to attract future housing demand of various types.
- Infrastructure challenges exist in the area but planning now to overcome these challenges will help in meeting future Cherokee housing demand in Waleska and provides an opportunity to determine appropriate strategies to ensure a greater degree of affordability.
- The County could consider a detailed master planning effort for Waleska that builds upon current planning, further identifies infrastructure needs and solutions, and encourages the maximum suggested residential densities as defined in the adopted Waleska Comprehensive Plan.
- Particular attention should be given to finding methods to foster new housing that reaches the overall 16 units/dwelling acre suggested density for the Waleska "urban core."
- This level of density can help to provide an array of new housing options at various price points.



# DEMAND ANALYSIS

AVERAGE ANNUAL RESIDENTIAL DEMAND - OWNER											
CHEROKEE COUNTY, GEORGIA											
2020-2025											
								TOTAL			
Income Segment		Home Price Range <sup>1</sup>		Midpoint Price	House-holds <sup>2</sup>	Total Demand from Existing Households	Annual Demand from New Households	Owner Demand from New and Existing Households	New	New Detached	New Attached
Total by Income Band									26%		
Up to	\$34,999	Up to	\$110,000	\$55,000	15,680	533	118	651	-	0	0
\$35,000 -	\$49,999	\$110,000 -	\$150,000	\$130,000	9,689	501	49	550	137	7	131
\$50,000 -	\$74,999	\$150,000 -	\$230,000	\$190,000	16,296	1,451	173	1,623	406	134	272
\$75,000 -	\$99,999	\$230,000 -	\$310,000	\$270,000	13,682	708	215	923	252	168	84
\$100,000 -	\$149,999	\$310,000 -	\$460,000	\$385,000	19,970	1,816	373	2,189	559	498	67
\$150,000	And Up	\$460,000	And Up	>\$385000	18,694	1,919	1,289	3,208	1,011	971	40
Total					94,011	6,928	2,216	9,144	2,366	1,777	594
Total, >\$50K					68,642	5,893	2,050	7,943	2,228	1,770	464

AVERAGE ANNUAL RESIDENTIAL DEMAND - RENTAL										
CHEROKEE COUNTY, GEORGIA										
2020-2025										
								TOTAL		
Income Segment		Affordable Rent Range <sup>1</sup>		Midpoint Affordable Rent	House-holds <sup>2</sup>	Total Demand from Existing Households	Annual Demand from New Households	Rental Demand from New and Existing Households	% Multifamily	Total New Multifamily
Total by Income Band									65%	
Up to	\$34,999	Up to	\$875	\$425	15,680	2,040	51	2,092	1,433	143
\$35,000 -	\$49,999	\$875 -	\$1,250	\$1,050	9,689	1,322	34	1,357	869	87
\$50,000 -	\$74,999	\$1,175 -	\$1,750	\$1,450	16,296	974	13	987	666	167
\$75,000 -	\$99,999	\$1,575 -	\$2,075	\$1,825	13,682	750	17	768	484	242
\$100,000 -	\$149,999	\$2,075 -	\$3,125	\$2,600	19,970	715	18	734	472	354
\$150,000	And Up	\$3,125	And Up	>\$2600	18,694	749	99	848	512	486
Total					94,011	6,551	233	6,784	4,436	1,479
Total, >\$50K					68,642	3,188	148	3,336	2,134	1,248

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# ONLINE SURVEY RESULTS

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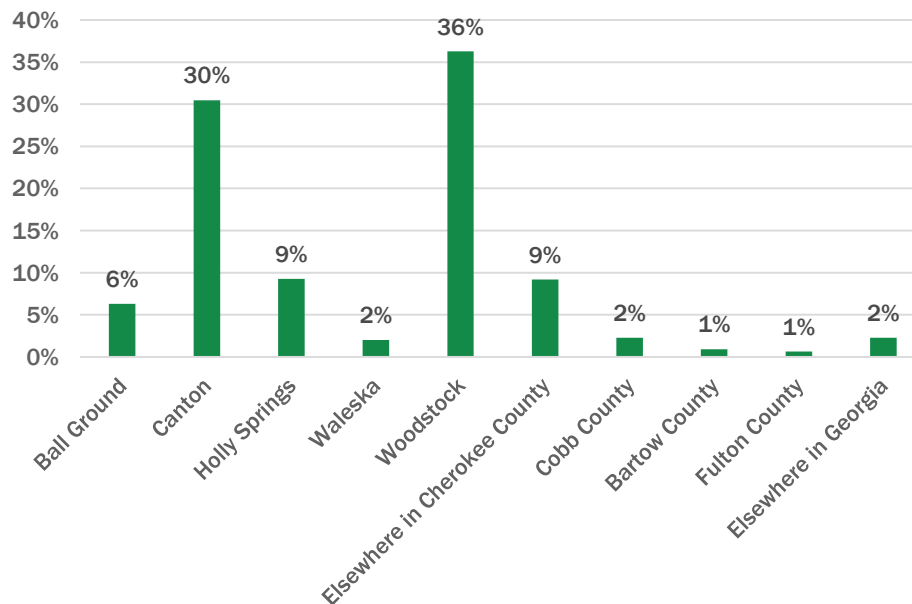


# SURVEY RESULTS

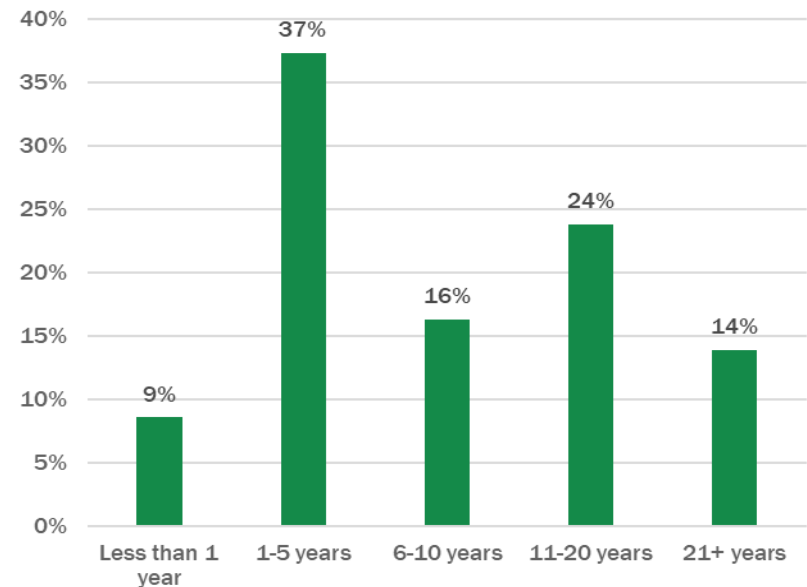
***Bleakly Advisory created an online survey targeted at residents and employees in Cherokee County. Planning and Zoning staff led the effort to distribute the survey to those that live and/or work in the county.***

- Of the 2,336 responses received:
  - 36% live in Woodstock
  - 30% live in Canton
  - 9% live in Holly Springs
  - 9 % live elsewhere in the county
  - 16% live outside of the county but work in Cherokee
  - 46% of respondents have lived in their current location for less than 5 years
  - 38% of respondents have lived in their current location for more than 10 years

## Where Respondents Live



## Respondents' Tenure

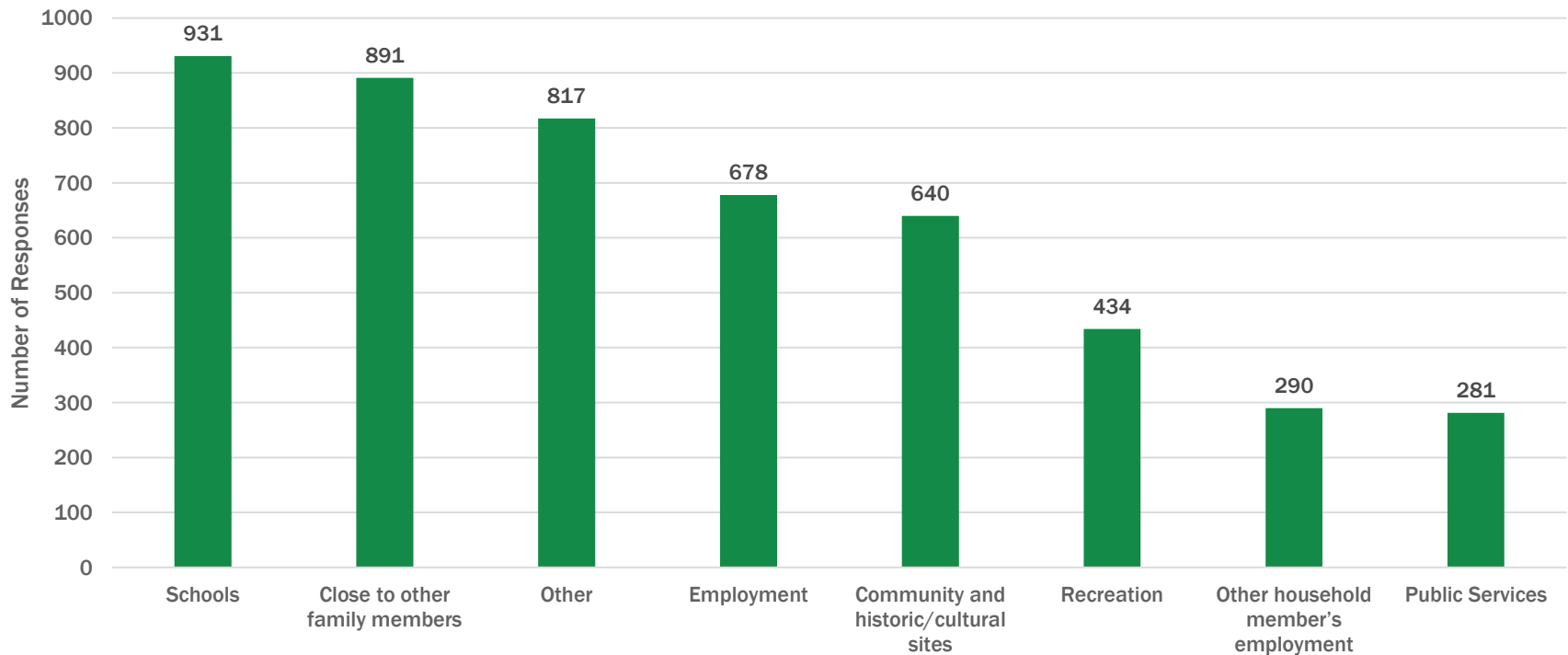




# SURVEY RESULTS

- The key reasons for residents choosing to live in Cherokee County varied in response.
- The most frequent response was schools – respondents voted schools as a top 3 reason for choosing to live in Cherokee County at 43%.
- The second most frequent response was proximity to family members – respondents voted proximity to family members as a top 3 reason for choosing to live in Cherokee County at 42%.
- After “other”, the third most frequent response was employment – respondents voted employment as a top 3 reason for choosing to live in Cherokee County at 32%.

What are your Top 3 reasons for choosing to live in Cherokee County:



# SURVEY RESULTS

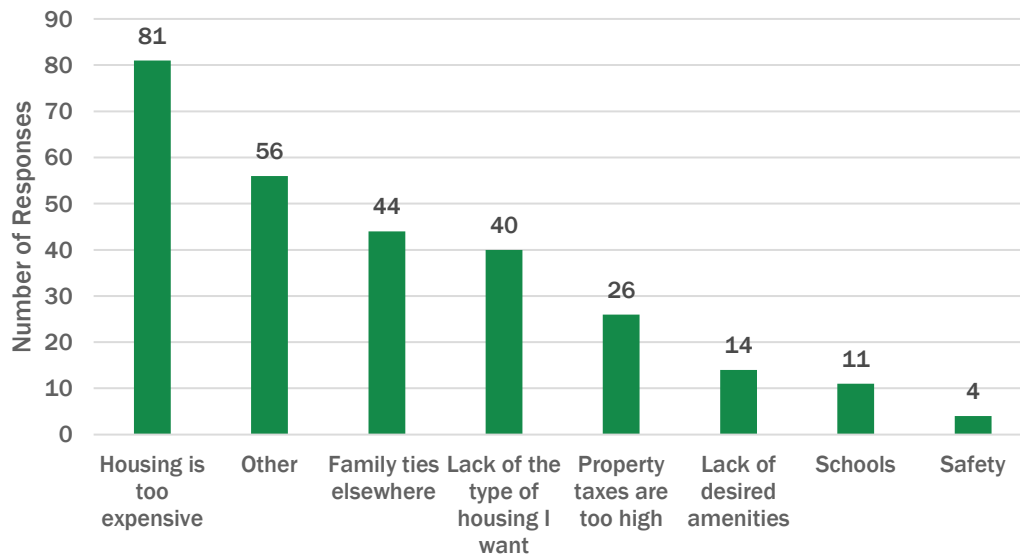
- In the above chart, “Other” was the third highest selected response, with 817 responses.
- “Other” responses were agglomerated into the 6 categories:
  - Character of the County – 188 mentions
  - Housing Value and Affordability – 132 mentions
  - Low Taxes – 80 mentions
  - Lack of Traffic – 49 mentions
  - Family and Friends – 39 mentions
  - Safety and Privacy – 29 mentions

family used community Rural setting  
Lower taxes away Close Small town area  
rural feel housing born live crowded moved s  
home Housing costs Taxes people affordable

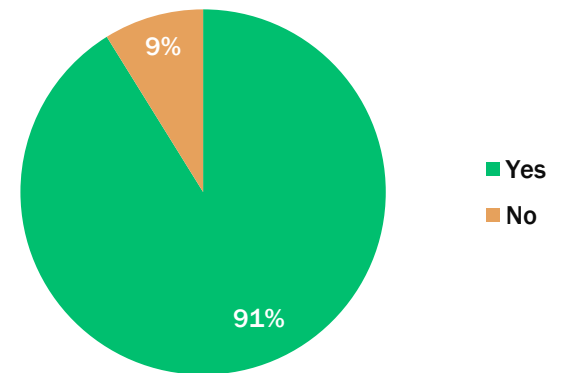
# SURVEY RESULTS

- The key reasons for residents living outside of Cherokee County choosing to not to live in Cherokee County varied in response as well.
- The most frequent response was housing being too expensive – which respondents noted as a hinderance to living in Cherokee County at 29%
- The third most frequent response was “family ties elsewhere” – which respondents noted as a hinderance to living in Cherokee County at 16%
- The third most frequent response was lack of housing respondents want – respondents noted employment as a top 3 reason for choosing to live in Cherokee County at 14%.
- 91% of respondents would consider moving to Cherokee County if their reason for living outside of Cherokee County changed.

What are your Top 3 reasons for choosing to NOT live in Cherokee County:



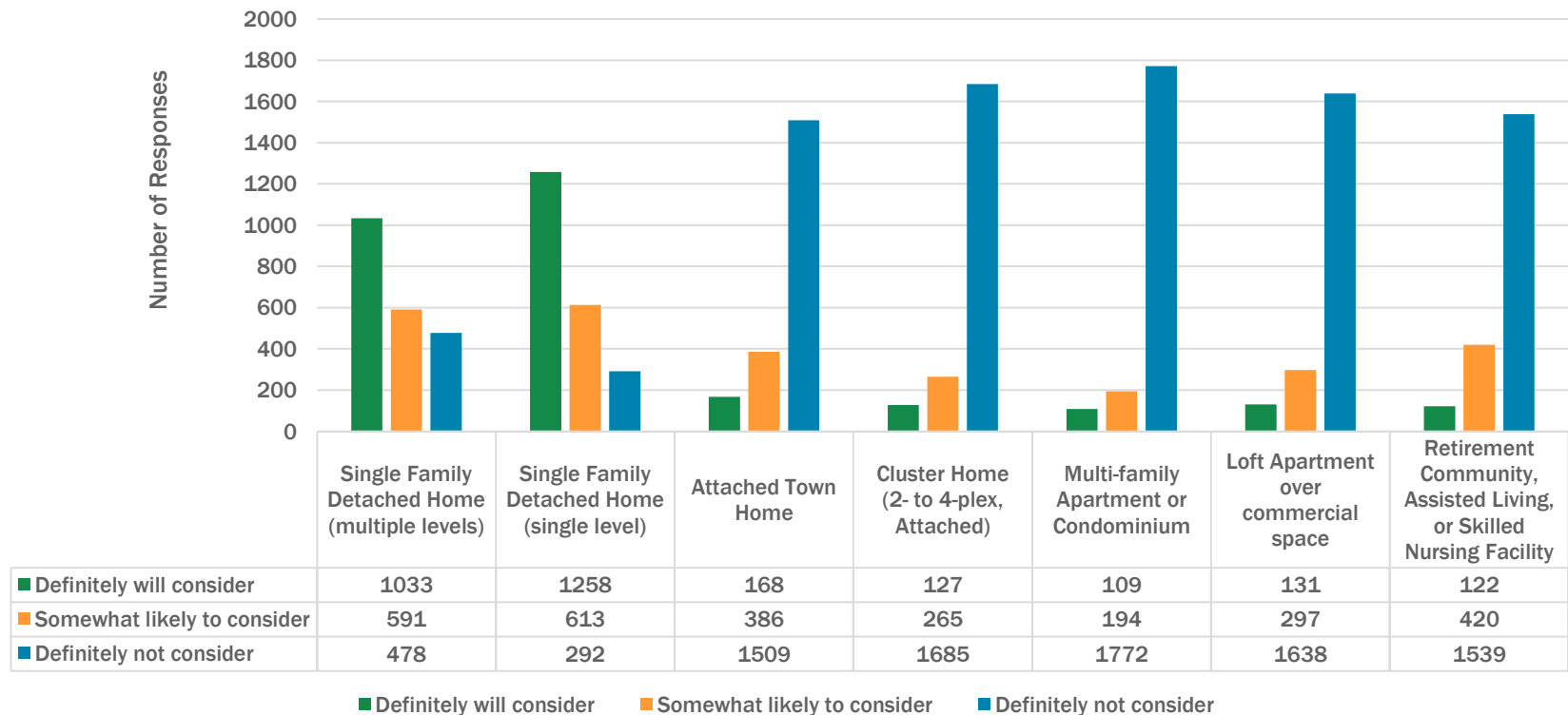
If your reasons for living outside of Cherokee County changed, would you consider moving here?



# SURVEY RESULTS

- Single-family detached homes were by a wide margin the most popularly considered amongst survey respondents.
- 2,291 respondents would definitely consider purchasing and living in a single-family detached home.
- There was strong opposition to housing types that were not single-family detached.
  - 8,143 responses were recorded noting that housing types other than single family housing would not be considered.

Would respondents consider another housing type if these options were available within Cherokee County:



# SURVEY RESULTS

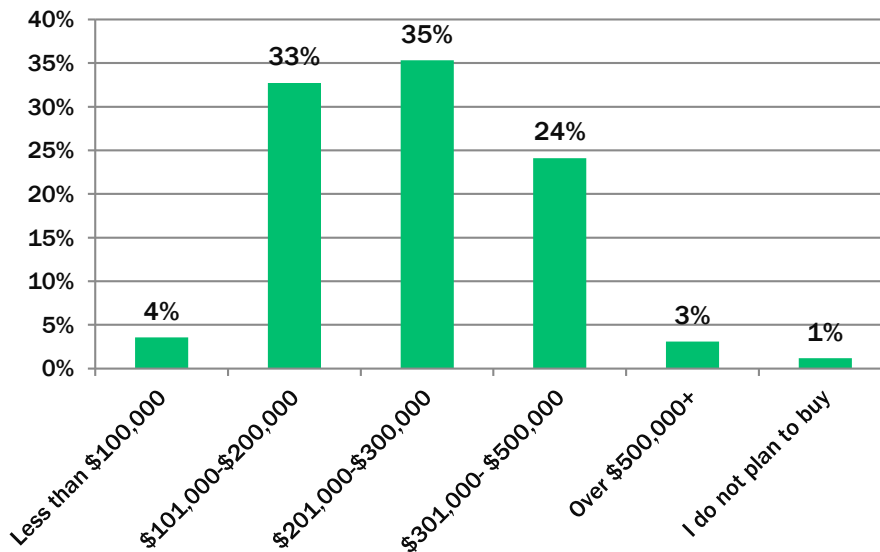
- A question in the survey asked, “What would you most like to see in housing options offered in Cherokee County?”
- 1,757 responses were given.
- These responses were agglomerated into the following 6 categories:
  - Issues related to increased affordability – 444 mentions
  - Issues related to more space and larger lot sizes – 343 mentions
  - Increased supply of single-family homes – 271 mentions
  - Issues related to infrastructure – particularly road and school capacity – 224 mentions
  - Increased supply of starter homes – 144 mentions
  - Too much high-density development - 53 mentions

lot sizes Single family going housing make  
homes Ranch family homes green space  
affordable housing enough community will  
options houses built neighborhoods infrastructure

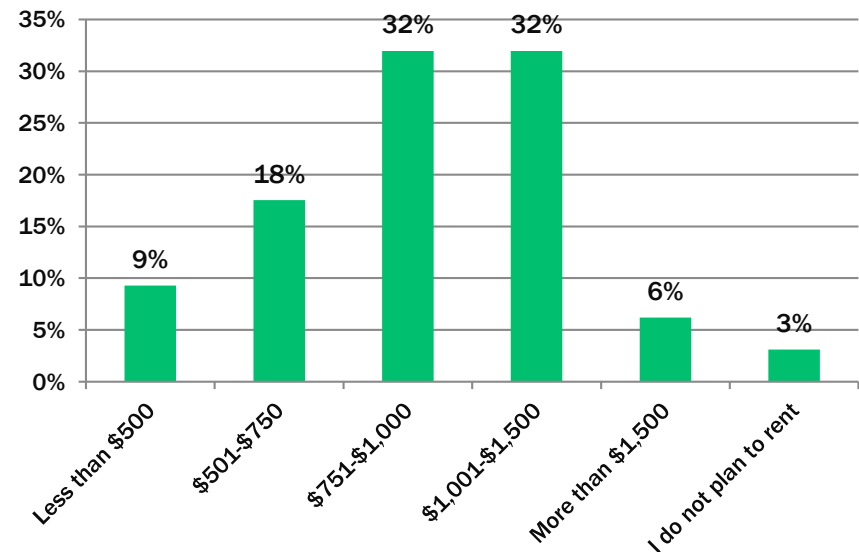
# SURVEY RESULTS

- 37% of respondents who are likely to buy a home in the next 12-18 months are trying to purchase homes less than \$200,000.
  - This is a particularly alarming number because newly constructed housing at that price point no longer exists in Cherokee County.
  - 2018 was the last year that newly constructed houses under \$200,000 were available, and there were only 5 built.
- 35% of respondents who are likely to buy a home in the next 12-18 months are trying to purchase homes between \$200,000 and \$300,000.
  - Homes in the \$200k - \$250k range have been rapidly declining since 2015 when 52 were built.
  - Homes in the \$250k - \$300k range are more abundant, but there was a decline in 2019 when 245 homes were built.
- 50% of respondents who are likely to rent a home in the next 12-18 months are trying to pay rent at less than \$1,000 per month.
  - 2020 Q1 metrics illustrate that average multifamily rents are \$1,279 per month.

If you are likely to buy a home in the next 12-18 months, in which price range would you likely purchase?



If you are likely to rent a home in the next 12-18 months, in which price range would you likely pay for rent each month?

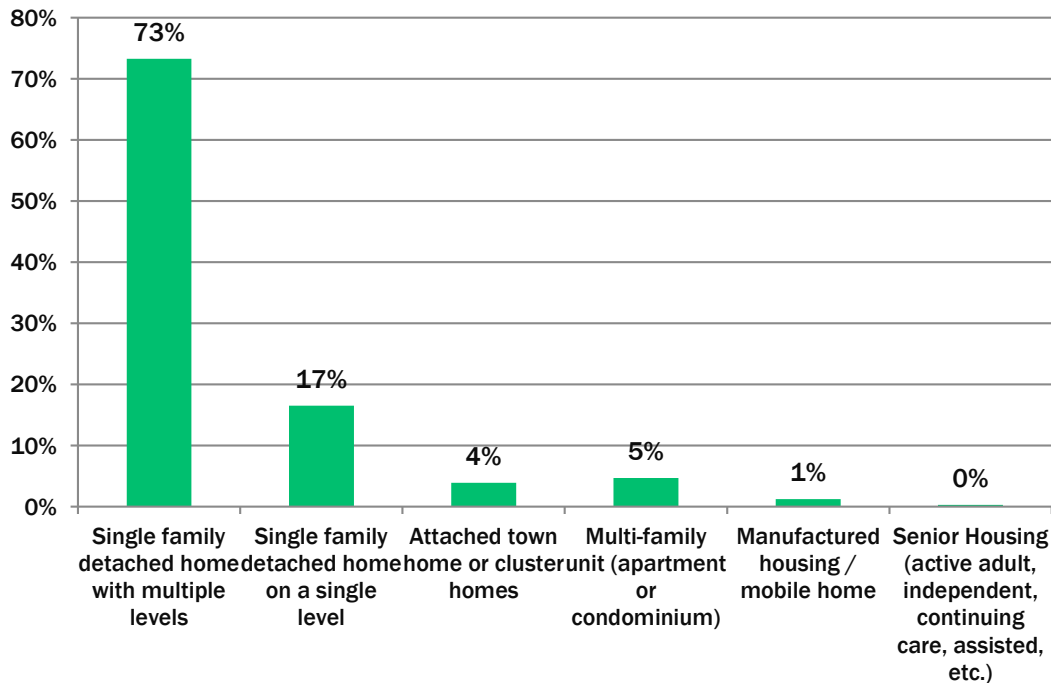


# SURVEY RESULTS

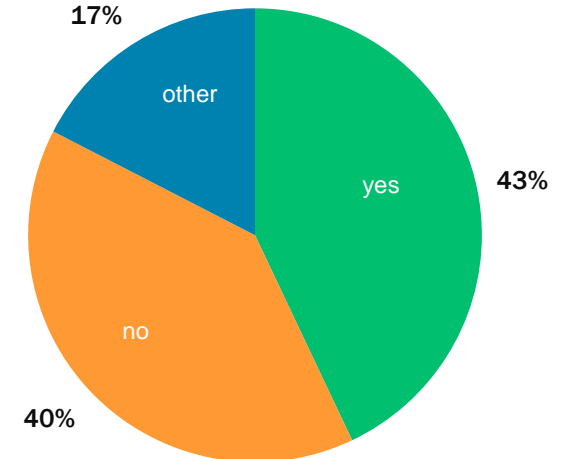
- 90% of respondents currently live in a single-family detached house.
- 5% of respondents live in multi-family units.
- 4% of respondents live in town homes or cluster homes.

- 43% of respondents are employed in Cherokee County.
- 17% of respondents are stay-at-home parents, retired, or have a non-traditional type of employment.

In what type of housing do you currently live:



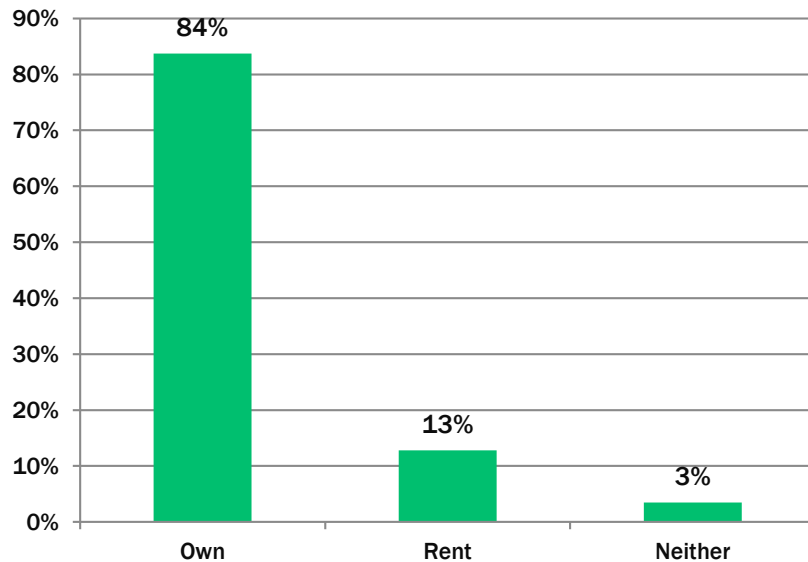
Are you employed in Cherokee County?



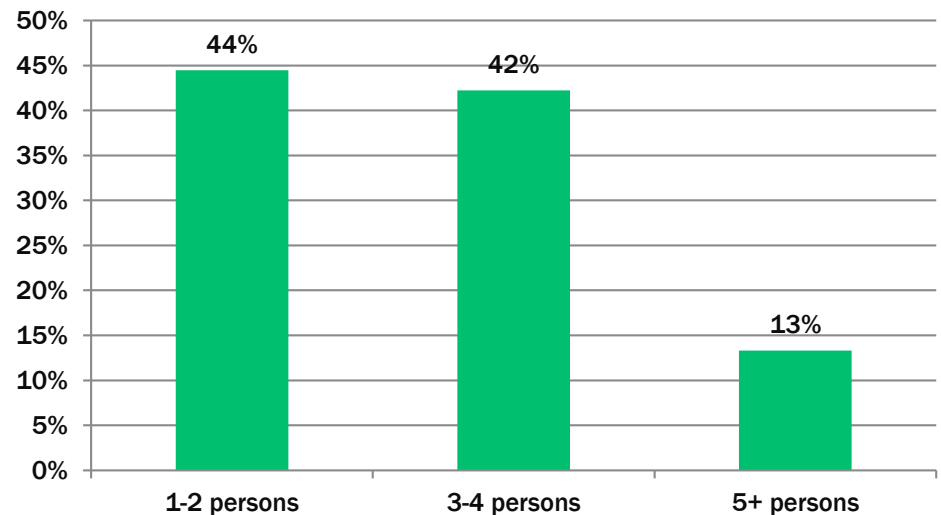
# SURVEY RESULTS

- An overwhelming majority, 84%, of respondents own their home, while 13% of respondents are renters.
  - This distribution is similar to Cherokee County's overall rate of owner-occupied units of 79%.
- 44% of respondents live in a 1-2 person household.
- 42% of respondents live in a 3-4 person household.
  - These distributions align similarly with Cherokee County's rate of households living with children of 41%

Do you currently own or rent your home?



How many people currently live in your household (including yourself and any children):

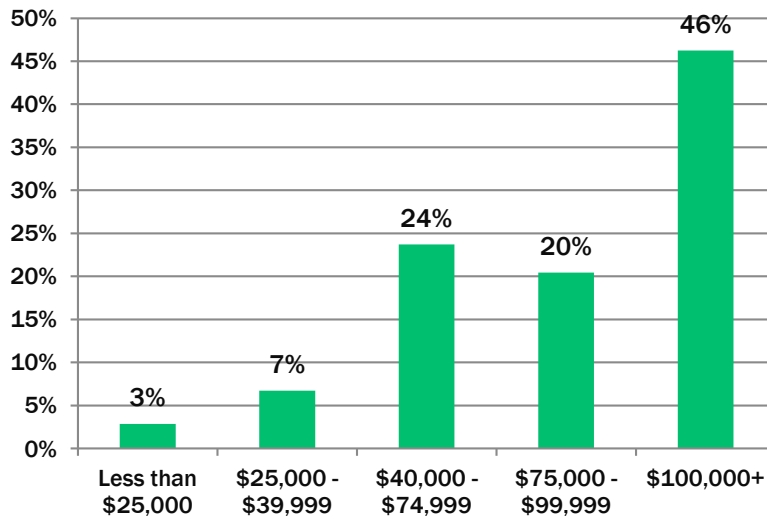




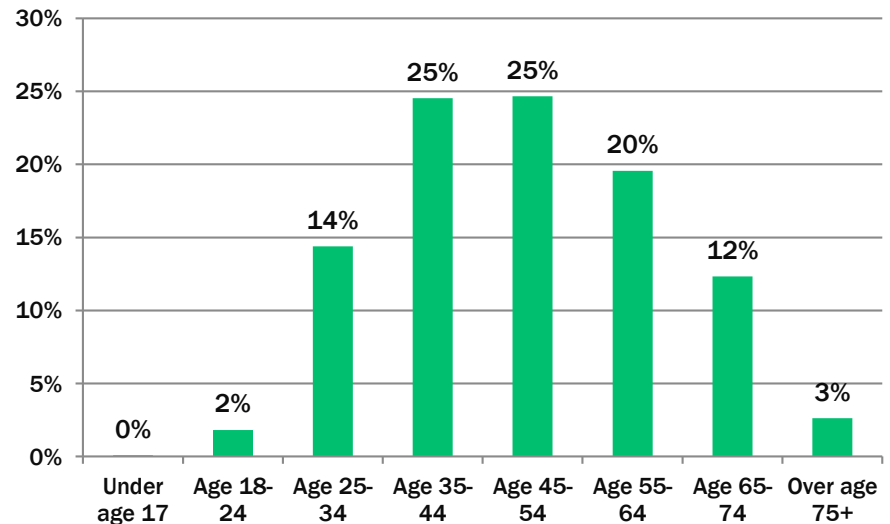
# SURVEY RESULTS

- 34% of respondents are from households that would be considered under Cherokee County's median household income of \$84,200, while 46% of respondents are from households that make over \$100,000.
- 50% of respondents are between the ages of 35 and 54.
  - This is also the largest population cohort in Cherokee County at 25%.
- 35% of respondents are above the age of 55.

What is your combined household's income?



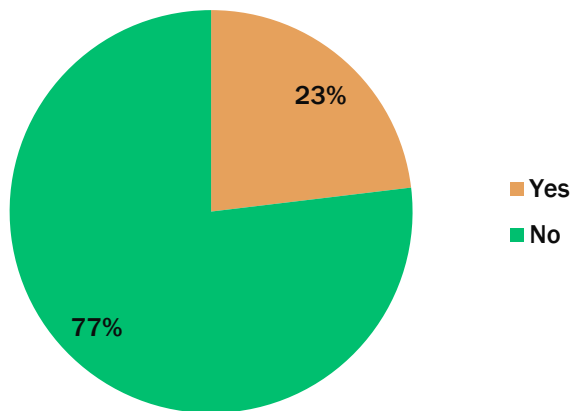
Which age group fits your current age?



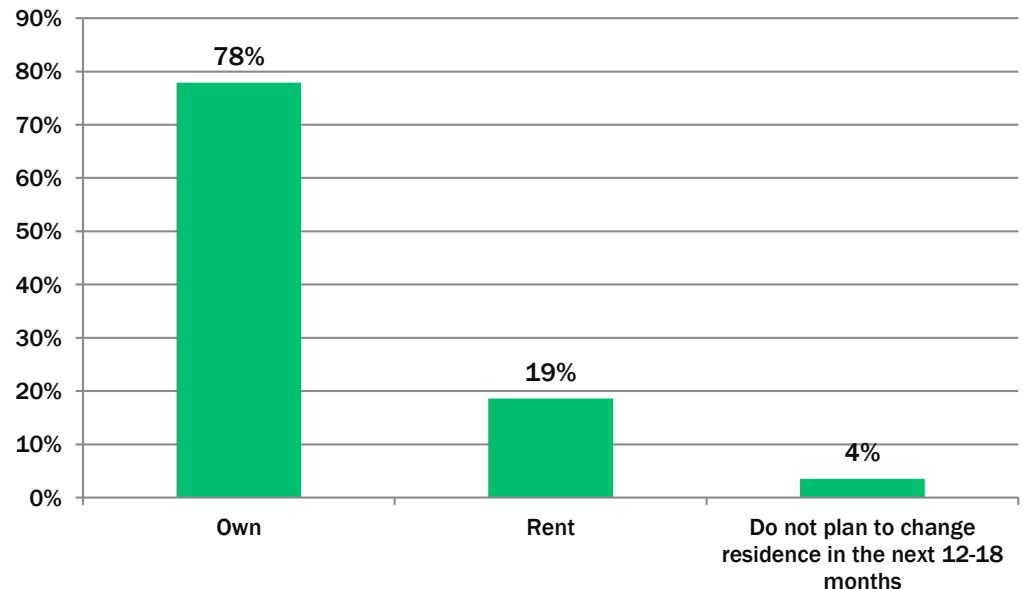
# SURVEY RESULTS

- 23% of respondents are planning to change their residence in the next 12-18 months.
- Of that 23% - 78% plan to own while 19% plan to rent.
  - The 78% ownership is similar to the aforementioned countrywide trend of 78% ownership rates.

Do you plan to change your residence in the next 12-18 months?



If you plan to change residence in the next 12-18 months, do you plan to own or rent?





**Bleakly**AdvisoryGroup

## **TERMS AND LIMITING CONDITIONS**

- **Accuracy of Report:** *Every reasonable effort has been made to ensure that the data developed in this assignment reflect the most accurate and timely information possible and is believed to be reliable. This consulting assignment was based on estimates, assumptions and other information developed by Bleakly Advisory Group (“BAG”) from its independent research efforts, general industry knowledge and consultations with the client for this assignment and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agents or representatives or any other data source used in preparing or presenting this study. The research and reports are based on information that is current as of the date of the report. BAG assumes no responsibility to update the information after the date of the report. The research may contain prospective financial information, estimates or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular outcome will occur. Actual results achieved during the period covered by our prospective analysis may vary from those described on our research and report and variations may be material. Therefore, nor warranty or representation is made by BAG that any of the projected values or results contained in the work product from this assignment will actually be achieved.*
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