
UPDATE

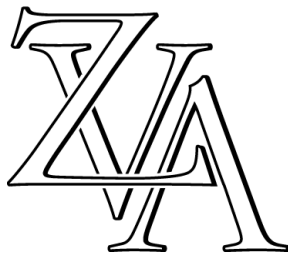
RESIDENTIAL MARKET POTENTIAL

Downtown Macon Study Area

City of Macon
Bibb County, Georgia

August, 2014

Conducted by
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UPDATE

RESIDENTIAL MARKET POTENTIAL

Downtown Macon Study Area
City of Macon, Bibb County, Georgia

August, 2014

INTRODUCTION

The purpose of this study is to re-evaluate the depth and breadth of the potential market for new market-rate rental and for-sale dwelling units, to be added through adaptive re-use of existing non-residential buildings and/or new construction, within the Downtown Macon Study Area, in the City of Macon, Bibb County, Georgia. The analysis will provide the residential context that will help inform the Downtown master-planning process currently underway. The original Downtown study was published in April, 2008.

For the master planning process, the boundaries of the Downtown Study Area have been expanded to include Interstate 16 and the Emery Highway to the north, the boundary of the Ocmulgee National Monument and 7th Street to the east, the railroad tracks and Mercer University Drive to the south, and Interstate 75 to the west. This study area is larger than that defined for the original study, which covered an area bounded on the northwest by the far side of College Street, on the northeast by the far side of Riverside Drive, on the southeast by the far side of Fifth Street, and on the southwest by Oglethorpe Street. In addition to the core Downtown and Mercer University, several neighborhoods are included, entirely or in part, within the current Study Area: East Macon, In-Town Macon, College Hill, Beall's Hill, Huegenin Heights, Tatnall Square Heights, and Pleasant Hill.

The depth and breadth of the potential market for new housing units within the Downtown Macon Study Area have been updated using Zimmerman/Volk Associates' proprietary target

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market methodology. The target market methodology is particularly effective in defining housing potential because it encompasses not only basic demographic characteristics, such as income qualification and age, but also less-frequently analyzed attributes such as mobility rates, lifestage, lifestyle patterns, and household compatibility issues.

For this update, Zimmerman/Volk Associates re-examined the following:

- Where the potential renters and buyers for new market-rate housing units in the City of Macon in general and the Downtown Study Area in specific are likely to move from (the draw areas);
- How many have the potential to move to the Downtown Study Area if appropriate housing units were to be made available (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who currently lives in the draw areas and what they are like (the target markets);
- What their alternatives are (other relevant housing in Macon);
- What they will pay to live in the Downtown Study Area (market-rate rents and prices); and
- How quickly they will rent or purchase the new units (absorption forecasts).

The target market methodology is described in detail in the METHODOLOGY section at the end of this study.

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MARKET POTENTIAL

The extent and characteristics of the potential market for new residential units within the City of Macon and the Downtown Study Area have been re-examined through detailed analysis of households living within the appropriate draw areas. These draw areas were confirmed through an update of the migration and mobility analyses, with additional supporting data drawn from the 2012 American Community Survey for the City of Macon and for Bibb County.

Where are the potential renters and buyers of new and existing housing units in the City of Macon likely to move from?

Analysis of the most recent Bibb County migration and mobility data available from the Internal Revenue Service—from 2006 through 2010—shows that the county continued to experience migration losses throughout the study period, losing through out-migration more households than it gained from in-migration. (See Appendix One, Table 1.)

Over the five years, annual *out*-migration from Bibb County ranged between the high of 4,050 households in 2010 and the low of 3,620 households in 2008. Over the same period, annual *in*-migration to Bibb County has ranged between 3,330 households in 2006, the lowest total over the study period, and 3,780 households in 2010, the highest total. In 2010, as in previous years, between 23 and 25 percent of the county's in-migration came from just three counties—the adjacent counties of Houston, Jones, and Monroe—and almost 10 percent from the Atlanta regional counties of Fulton, Gwinnett, DeKalb and Cobb.

Based on the updated migration and mobility data, then, the draw areas for the City of Macon and the Downtown Study Area have been confirmed as follows (*see also* METHODOLOGY):

- The primary draw area, covering households in groups with median incomes of \$45,000 or more currently living within the Macon city limits.
- The local draw area, covering households in groups with median incomes of \$45,000 or more currently living in the balance of Bibb County.

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-
- The regional draw area, covering households in groups with median incomes of \$45,000 or more that are likely to move to the City of Macon from Houston, Jones, and Monroe Counties.
 - The metropolitan Atlanta draw area, covering households in groups with median incomes of \$45,000 or more that are likely to move to the City of Macon from Fulton, Gwinnett, DeKalb, and Cobb Counties.
 - The national draw area, covering households in groups with median incomes of \$45,000 or more with the potential to move to the City of Macon from all other U.S. counties (primarily Georgia counties, but also several from Florida).

As derived from the updated migration and mobility analyses, the draw area distribution of market potential (those households, in groups with median incomes above \$45,000 per year with the potential to move within or to the City of Macon, an average of 5,460 households each year over the next five years) is therefore as follows (*see also* Appendix One, Table 9):

Market Potential by Draw Area
City of Macon, Bibb County, Georgia

City of Macon (Primary Draw Area):	27.5%
Balance of Bibb County (Local Draw Area):	19.0%
Houston, Jones, and	
Monroe Counties (Regional Draw Area):	9.3%
DeKalb, Fulton, Cobb, and	
Gwinnett Counties (Atlanta Draw Area):	5.0%
Balance of US (National Draw Area):	<u>39.2%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Households moving within the city as a share of Macon's market potential have fallen from 30.4 percent in 2008 to 27.5 percent in 2014. The share of households moving to the city from the balance of Bibb County rose to 19 percent (up from 14.7 percent in 2008). As a share of the potential market, households living in the regional draw area and Atlanta draw area fell to 9.3 percent and five percent, respectively, from 9.8 percent and 5.9 percent in 2008. Households moving from all other U.S. counties have remained steady at 39.2 percent of the market.

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MARKET POTENTIAL FOR THE DOWNTOWN MACON STUDY AREA

Where are the potential renters and buyers of new and existing housing units in the Downtown Study Area likely to move from?

As it did in the 2008 study, the target market methodology identifies those households with a preference for living in downtowns and in-town neighborhoods. After discounting for those segments of the city's potential market that typically choose suburban and/or rural locations, the distribution of draw area market potential for new and existing market-rate dwelling units within the Downtown Macon Study Area would be as follows (*see also* Appendix One, Table 10):

Market Potential by Draw Area DOWNTOWN MACON STUDY AREA *City of Macon, Bibb County, Georgia*

City of Macon (Primary Draw Area):	19.8%
Balance of Bibb County (Local Draw Area):	7.8%
Houston, Jones, and Monroe Counties (Regional Draw Area):	8.8%
DeKalb, Fulton, Cobb, and Gwinnett Counties (Atlanta Draw Area):	8.5%
Balance of US (National Draw Area):	<u>55.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Over the next five years, the balance of the U.S. represents a growing proportion of market potential for new housing in the Downtown Study Area (55.1 percent, compared to 52 percent in the 2008 study). The percentages of households moving from the city and from Bibb County have dropped, from 22.2 percent and 9.9 percent, respectively, in 2008, to 19.8 percent (Macon) and to 7.8 percent (Bibb County) over the next five years. The share of market potential from the region has remained the same at 8.8 percent.

Based on the updated analysis, which accounts for household mobility within the City of Macon and the balance of Bibb County, as well as migration and mobility patterns for households currently living in all other cities and counties, an average of 1,995 younger singles and couples, empty nesters and retirees, and traditional and non-traditional families represent the potential market for new and existing housing units within the Downtown Macon Study Area each year over the next five years, nearly 17 percent higher than the 1,710 households in 2008.

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What are their housing preferences in aggregate?

The protracted ownership housing slump has led to a measurable shift in market preferences from home ownership to rental dwelling units, particularly among younger households, yielding a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical just five years ago. At the same time, there continues to be a significant shift in preferences from suburban subdivisions toward mixed-use neighborhoods, preferably in urban locations.

The updated housing preferences of the draw area households—derived from their tenure (rental/ownership) choices and broad financial capacities—reflect that market shift and are outlined on the following table (*see also* Table 1):

Annual Potential Market for New and Existing Housing Units
DOWNTOWN MACON STUDY AREA
City of Macon, Bibb County, Georgia

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	865	43.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	285	14.3%
Single-family attached for-sale (townhouses/rowhouses, fee-simple/ condominium ownership)	315	15.8%
Low-range single-family detached (houses, fee-simple ownership)	185	9.3%
Mid-range single-family detached (houses, fee-simple ownership)	190	9.5%
High-range single-family detached (houses, fee-simple ownership)	<u>155</u>	<u>7.8%</u>
Total	1,995	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Table 1

Annual Market Potential

Derived From New Unit Purchase And Rental Propensities Of Draw Area Households
With The Potential To Move Within/To Downtown Macon Each Year Over The Next Five Years
Households In Groups With Median Incomes Above \$45,000

Downtown Macon Study Area

City of Macon, Bibb County, Georgia

*City of Macon; Bibb County; Regional, Metropolitan and
National Draw Areas*

Total Target Market Households
With Potential To Rent/Purchase In The
City of Macon, Bibb County, Georgia 5,460

Total Target Market Households
With Potential To Rent/Purchase In The
Downtown Macon Study Area 1,995

Annual Market Potential

	<i>Multi- Family</i>		<i>Single- Family</i>				
			<i>.. Attached ..</i>	<i>..... Detached</i>			
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	<u><i>All Ranges</i></u>	<u><i>Low-Range</i></u>	<u><i>Mid-Range</i></u>	<u><i>High-Range</i></u>	<u>Total</u>
Total Households:	865	285	315	185	190	155	1,995
{Mix Distribution}:	43.4%	13.8%	15.8%	9.3%	9.5%	7.8%	100.0%

Target Residential Mix (Excluding Large-Lot Detached)

	<i>Multi- Family</i>		<i>Single- Family</i>		
			<i>.. Attached ..</i>	<i>.. Detached ..</i>	
	<u><i>For-Rent</i></u>	<u><i>For-Sale</i></u>	<u><i>All Ranges</i></u>	<u><i>Urban</i></u>	<u>Total</u>
Total Households:	865	285	315	175	1,640
{Mix Distribution}:	52.7%	17.4%	19.2%	10.7%	100.0%

NOTE: Reference Appendix One, Tables 1 Through 12.

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

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The market propensity for higher-density urban rental housing continues to grow: multi-family rental housing accounted for 35.1 percent of target market propensities in the 2008 update (600 households), and increased both in number (to 865 households) and in share (to 43.3 percent) in 2014.

In contrast, the number of households with preferences for multi-family for-sale units dropped significantly (from 420 to 285 households), and their share of the potential market dropped from 24.6 percent to 14.3 percent.

Another change over the past six years is the decrease in market preferences for single-family *attached* units (from 360 households to 315 households, from an 21.1 percent share of the market to a 15.8 percent market share).

Because of the broader study area which encompasses in-town, predominantly single-family neighborhoods as well as the core downtown, this analysis is including a broader range of appropriate housing types. In the core downtown, these housing types include multi-family rental and for-sale units, and a small number of single-family attached units. The in-town neighborhoods could support smaller-scale multi-family buildings on larger vacant lots as well as infill single-family attached and urban detached housing types.

Limited to households with preferences for urban higher-density housing types, then, an annual average of 1,640 households currently living in the defined draw areas represents the pool of potential renters/buyers of new housing units (new construction and/or adaptive re-use of non-residential structures) within the Downtown Study Area each year over the next five years (*see again* Table 1).

As derived from the tenure and housing preferences of those 1,640 draw area households, the distribution of rental and for-sale multi-family and for-sale single-family attached and detached housing types is shown on the table on the following page:

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Annual Potential Market for New and Existing Housing Units
Market-Rate Higher-Density Housing Units
DOWNTOWN MACON STUDY AREA
City of Macon, Bibb County, Georgia

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	865	52.7%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	285	17.4%
Single-family attached for-sale (townhouses/live-work, fee-simple/ condominium ownership)	315	19.2%
Urban single-family detached for-sale (houses, fee-simple ownership)	<u>175</u>	<u>10.7%</u>
Total	1,640	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

As noted above, since the initial study was conducted in 2008, there have been considerable changes in the type of housing that best matches target household preferences. As a share of the higher-density study area market, multi-family for-rent has risen from 43.5 percent in 2008 to 52.7 percent in 2014; multi-family for-sale (condominium) units now represent 17.4 percent of the market (compared to 30.4 percent in 2008); and single-family attached for-sale (townhouses) comprise 19.2 percent of the market, down from 26.1 percent in 2008. Urban detached houses represent just under 11 percent of Downtown Study Area market preferences.

The rents and price points for new market-rate housing units that could be developed in the Downtown Macon Study Area have therefore been derived from the income and financial capabilities of those households in groups with incomes above \$45,000 that have been identified as the target markets for new housing in the Study Area.

—Rental Distribution by Rent Range—

Based on the incomes and financial capabilities of the 865 households that represent the target markets for new market-rate rental units each year over the next five years, the distribution of annual market potential by rent range is summarized on the table following this page (*see also* Table 2):

Downtown Macon Study Area
City of Macon, Bibb County, Georgia
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**Annual Market Potential For New Multi-Family For-Rent
 Distributed By Rent Range
 DOWNTOWN MACON STUDY AREA
*City of Macon, Bibb County, Georgia***

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$500–\$750	145	16.7%
\$750–\$1,000	140	16.2%
\$1,000–\$1,250	130	15.0%
\$1,250–\$1,500	125	14.5%
\$1,500–\$1,750	105	12.1%
\$1,750–\$2,000	90	10.4%
\$2,000–\$2,250	75	8.7%
\$2,250 and up	<u>55</u>	<u>6.4%</u>
Total:	865	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- The largest group of renters are younger singles and couples at over 82 percent of the market. The more affluent 22.5 percent of these households would be able to afford rents at or above \$1,750 per month; 38.7 percent can pay rents between \$1,250 and \$1,750 per month; and 38.7 percent would require rents below \$1,250 per month.
- Empty nesters and retirees represent just over nine percent of the market for new market-rate rental units; 12.5 percent of them could pay rents no greater than \$1,250 per month. Approximately 37.5 percent of this market segment are able to afford rents between \$1,250 and \$1,750 per month, and half of the older households make up the market for new units with rents above \$1,750 per month.
- Traditional and non-traditional families comprise just 8.7 percent of the market for new market-rate rental units. Approximately 13 percent would require rents below \$1,250 per month; over 60 percent could afford rents between \$1,250 and \$1,750 per month, and 26.7 percent of the family households can afford rents above \$1,750 per month.

Table 2

Target Groups For New Multi-Family For-Rent
Households In Groups With Median Incomes Above \$45,000

Downtown Macon Study Area

City of Macon, Bibb County, Georgia

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Percent</i>
Urban Establishment	10	1.2%
Small-Town Establishment	10	1.2%
Cosmopolitan Elite	5	0.6%
Suburban Establishment	5	0.6%
New Empty Nesters	25	2.9%
Affluent Empty Nesters	5	0.6%
Cosmopolitan Couples	5	0.6%
Middle-Class Move-Downs	15	1.7%
Subtotal:	80	9.2%
Traditional & Non-Traditional Families		
Unibox Transferees	10	1.2%
Late-Nest Suburbanites	5	0.6%
Full-Nest Suburbanites	5	0.6%
Full-Nest Urbanites	15	1.7%
New-Town Families	15	1.7%
Multi-Ethnic Families	10	1.2%
Multi-Cultural Families	15	1.7%
Subtotal:	75	8.7%
Younger Singles & Couples		
The Entrepreneurs	10	1.2%
e-Types	50	5.8%
Ex-Urban Power Couples	10	1.2%
Fast-Track Professionals	20	2.3%
The VIPs	55	6.4%
Upscale Suburban Couples	55	6.4%
New Bohemians	110	12.7%
Twentysomethings	135	15.6%
Suburban Achievers	65	7.5%
Urban Achievers	145	16.8%
Small-City Singles	55	6.4%
Subtotal:	710	82.1%
Total Households:	865	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

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—For-Sale Distribution by Price Range—

The realization of the full market potential for ownership units may continue to be challenging over the short-term, given restrictive mortgage underwriting by financial institutions, the disinterest on the part of many younger households in becoming owners, the fact that many otherwise-qualified households, particularly current renters, lack the funds for a down payment, and the inability of many owner households to sell their existing single-family houses, or their reluctance to sell at a perceived loss of value.

Based on the incomes and financial capabilities of the 285 households that represent the target markets for new market-rate for-sale multi-family units (condominiums) each year over the next five years, the distribution of annual market potential by price range is summarized as follows (*see also* Table 3):

**Annual Market Potential For New Multi-Family For-Sale
 Distributed By Price Range
 DOWNTOWN MACON STUDY AREA
*City of Macon, Bibb County, Georgia***

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	50	17.5%
\$200,000–\$250,000	55	19.3%
\$250,000–\$300,000	55	19.3%
\$300,000–\$350,000	60	21.1%
\$350,000–\$400,000	45	15.8%
\$400,000 and up	20	7.0%
Total:	285	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- Younger singles and couples are also the largest segment of the market for new multi-family for-sale units (condominiums), at 61.4 percent. However, only a quarter of them would be able to purchase new condominiums with base prices at or above \$350,000, and 28.6 percent would only be able to afford condominiums priced between \$250,000 and \$350,000. The heart of this segment—45.7 percent—are younger households in the market for condominiums priced between \$150,000 and \$250,000.
- At 29.2 percent, empty nesters and retirees represent the next largest segment of the market for new multi-family for-sale units. Nearly 59 percent would be in the market

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for new condominiums with base prices between \$250,000 and \$350,00, and another 17.6 percent could afford condominiums priced above \$350,000. Just under 25 percent would be able to purchase new condominiums with base prices between \$150,000 and \$250,000.

- The smallest group, traditional and non-traditional families, comprise just 8.8 percent of the market for this housing type. Twenty percent would be limited to condominium units priced between \$150,000 and \$250,000, and 20 percent could afford base prices above \$350,000. The heart of the market—60 percent of family households—could afford to pay base prices between \$250,000 and \$350,000.

Table 3

Target Groups For New Multi-Family For-Sale
Households In Groups With Median Incomes Above \$45,000

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City of Macon, Bibb County, Georgia

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Percentage</i>
Urban Establishment	5	1.8%
Small-Town Establishment	15	5.3%
Cosmopolitan Elite	15	5.3%
Suburban Establishment	5	1.8%
New Empty Nesters	20	7.0%
Affluent Empty Nesters	10	3.5%
Cosmopolitan Couples	5	1.8%
Middle-Class Move-Downs	10	3.5%
Subtotal:	85	29.8%
Traditional & Non-Traditional Families		
Unibox Transferees	10	3.5%
Late-Nest Suburbanites	5	1.8%
Full-Nest Urbanites	5	1.8%
Multi-Cultural Families	5	1.8%
Subtotal:	25	8.8%
Younger Singles & Couples		
The Entrepreneuers	10	3.5%
e-Types	20	7.0%
Ex-Urban Power Couples	10	3.5%
The VIPs	20	7.0%
Fast-Track Professionals	15	5.3%
Upscale Suburban Couples	15	5.3%
New Bohemians	20	7.0%
Twentysomethings	25	8.8%
Suburban Achievers	10	3.5%
Small-City Singles	10	3.5%
Urban Achievers	20	7.0%
Subtotal:	175	61.4%
Total Households:	285	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

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Based on the incomes and financial capabilities of the 315 households that represent the target markets for new market-rate for-sale single-family attached units each year over the next five years, the distribution of annual market potential by price range is summarized on the following table (*see also* Table 4):

**Annual Market Potential For New Single-Family Attached For-Sale
 Distributed By Price Range
 DOWNTOWN MACON STUDY AREA
*City of Macon, Bibb County, Georgia***

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	45	14.3%
\$200,000–\$250,000	60	19.1%
\$250,000–\$300,000	65	20.6%
\$300,000–\$350,000	60	19.1%
\$350,000–\$400,000	40	12.7%
\$400,000–\$450,000	25	7.9%
\$450,000 and up	<u>20</u>	<u>6.3%</u>
Total:	315	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- Younger singles and couples are again the largest market segment, at just over 65 percent, for new single-family attached for-sale units (townhouses). Just 22 percent would be able to purchase new townhouses with base prices at or above \$400,000, 41.5 percent would be able to afford units priced between \$250,000 and \$400,000, and 36.6 percent could afford new townhouses priced between \$150,000 and \$250,000.
- At just under 16 percent, empty nesters and retirees comprise the next largest segment of the market for new single-family attached for-sale units; 80 percent would be in the market for new townhouses with base prices between \$250,000 and \$400,000, and the remaining 20 percent would require units priced between \$150,000 and \$250,000.
- The family market represents 19 percent of the market for new townhouses, of which two-thirds could afford units priced between \$250,000 and \$400,000, and one-third could only afford townhouses priced between \$150,000 and \$250,000.

Table 4

Target Groups For New Single-Family Attached For-Sale

Households In Groups With Median Incomes Above \$45,000

Downtown Macon Study Area

City of Macon, Bibb County, Georgia

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Percentage</i>
Urban Establishment	5	1.6%
Small-Town Establishment	10	3.2%
Cosmopolitan Elite	5	1.6%
New Empty Nesters	10	3.2%
Affluent Empty Nesters	10	3.2%
Middle-Class Move-Downs	10	3.2%
Subtotal:	50	15.9%
Traditional & Non-Traditional Families		
Unibox Transferees	15	4.8%
Late-Nest Suburbanites	10	3.2%
Full-Nest Suburbanites	5	1.6%
Full-Nest Urbanites	10	3.2%
New-Town Families	10	3.2%
Multi-Ethnic Families	5	1.6%
Multi-Cultural Families	5	1.6%
Subtotal:	60	19.0%
Younger Singles & Couples		
The Entrepreneuers	20	6.3%
e-Types	10	3.2%
Ex-Urban Power Couples	15	4.8%
The VIPs	30	9.5%
Fast-Track Professionals	15	4.8%
Upscale Suburban Couples	30	9.5%
New Bohemians	15	4.8%
Twentysomethings	35	11.1%
Suburban Achievers	10	3.2%
Small-City Singles	10	3.2%
Urban Achievers	15	4.8%
Subtotal:	205	65.1%
Total Households:	315	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

Downtown Macon Study Area
City of Macon, Bibb County, Georgia
 August, 2014

There continues to be a solid market for new urban detached houses in the Downtown Macon Study Area over the next five years,. Based on the incomes and financial capabilities of the 175 households that represent the target markets for new market-rate for-sale urban detached units each year over the next five years, the distribution of annual market potential by price range is summarized on the following table (*see also* Table 5):

**Annual Market Potential For New Urban Single-Family Detached For-Sale
 Distributed By Price Range
 DOWNTOWN MACON STUDY AREA
*City of Macon, Bibb County, Georgia***

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	25	14.3%
\$200,000–\$250,000	25	14.3%
\$250,000–\$300,000	30	17.1%
\$300,000–\$350,000	35	20.0%
\$350,000–\$400,000	30	17.1%
\$400,000–\$450,000	15	8.6%
\$450,000 and up	15	8.6%
Total:	175	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- Younger singles and couples comprise just under 46 percent of the market for new urban single-family detached for-sale units; a quarter of these would be in the market for urban houses with base prices at \$400,000 and up, just under a third would only be able to purchase a new house with a base price of less than \$250,000, and the remaining 43.8 percent could purchase new units priced between \$250,000 and \$350,000.
- Empty nesters and retirees are the next largest market segment, representing just over 31 percent of the market for new urban detached for-sale units. The core empty nester market—63.6 percent--could purchase new houses with base prices between \$250,000 and \$400,000, 18 percent would be able to purchase units priced above \$400,000, and 18 percent could only afford houses priced between \$150,000 and \$200,000.
- At just under 23 percent of the annual market, family-oriented households represent the smallest market segment for new urban detached houses. Over 62.5 percent of these family households could pay base prices between \$250,000 and \$400,000, and the remaining 37.5 percent could only afford new detached houses priced between \$150,000 and \$250,000.

Table 5

Target Groups For New Urban Single-Family Detached For-Sale

Households In Groups With Median Incomes Above \$45,000

Downtown Macon Study Area

City of Macon, Bibb County, Georgia

Empty Nesters & Retirees	<i>Number of Households</i>	<i>Percentage</i>
Old Money	5	2.9%
Urban Establishment	5	2.9%
Small-Town Establishment	10	5.7%
Suburban Establishment	5	2.9%
New Empty Nesters	30	17.1%
Subtotal:	55	31.4%
Traditional & Non-Traditional Families		
Unibox Transferees	10	5.7%
Full-Nest Suburbanites	10	5.7%
New-Town Families	15	8.6%
Multi-Ethnic Families	5	2.9%
Subtotal:	40	22.9%
Younger Singles & Couples		
The Entrepreneuers	5	2.9%
Ex-Urban Power Couples	5	2.9%
The VIPs	15	8.6%
Fast-Track Professionals	5	2.9%
Upscale Suburban Couples	25	14.3%
Twentysomethings	15	8.6%
Suburban Achievers	5	2.9%
Small-City Singles	5	2.9%
Subtotal:	80	45.7%
Total Households:	175	100.0%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

Downtown Macon Study Area
City of Macon, Bibb County, Georgia
 August, 2014

TARGET MARKET ANALYSIS

Who is the potential market?

As updated by the target market analysis, then, the annual potential market—represented by lifestage—for new housing units in the Downtown Macon Study Area can be characterized by general unit type as shown on the following table (*see also* Table 6):

Annual Potential Market By Lifestage and Unit Types
DOWNTOWN MACON STUDY AREA
City of Macon, Bibb County, Georgia

HOUSEHOLD TYPE	PERCENT OF TOTAL	RENTAL MULTI-FAM.	FOR-SALE MULTI-FAM.	FOR-SALE SF ATTACHED	FOR-SALE SF DETACHED
Empty-Nesters & Retirees	17%	9%	30%	16%	31%
Traditional & Non-Traditional Families	12%	9%	9%	19%	23%
Younger Singles & Couples	<u>71%</u>	<u>82%</u>	<u>61%</u>	<u>65%</u>	<u>46%</u>
Total	100%	100%	100%	100%	100%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

- The largest general market segment continues to be younger singles and couples. Among the principal factors in the higher share of the market held by younger singles and couples are:
 - Their higher mobility rates—young people tend to move much more frequently than older people;
 - The strong preference of younger households for mixed-use walkable neighborhoods; and
 - The reduced mobility of older singles and couples because of their inability, or reluctance, to sell their existing units.

In the 2008 study, younger singles and couples represented 72 percent of the market; the updated analysis shows a slight decline to 71 percent of the market, although there is a significant increase in the number of younger households. All of the same target household groups—from the risk-oblivious and very urban *e-Types*, *New Bohemians*, and *Urban Achievers* to the risk-aware *VIPs* and *Twentysomethings* (and now including *Small-City Singles*), to the increasingly urban *Entrepreneurs*, *Fast-Track Professionals*, and *Upscale Suburban Couples* (and now including *Suburban Achievers*)—are represented in the potential

market. Over 80 percent of these households would be moving to the Downtown Macon Study Area from outside the city, up from approximately two-thirds in 2008.

Since younger singles and couples typically choose to live in neighborhoods that contain a diverse mix of people, housing types, and uses, places for social interaction are significantly more important to them than they are to either families or empty nesters and retirees. This market segment chooses neighborhoods with a “sense of place,” with outdoor public spaces and neighborhood amenities that reflect their interests. To many of these households, the public realm can be more important than the dwelling unit itself. The continuing challenge in capturing this potential market is to produce new units that are attractive to young people (lofts, not suburban-style apartments), at rents and prices that they can afford, within a vibrant neighborhood with a varied mix of uses, services and activities.

- Older households (empty nesters and retirees) continue to be the second largest potential market, more than 20 percent of whom are currently living in Macon.

Empty nesters and retirees—most of the same target groups as in 2008—will maintain an approximately 17 percent of the potential market, the same percentage as in 2008. The collapse of the ownership housing market in 2007-2008 has had a significant impact on this market segment, as a greater number of older households are now choosing to rent, rather than buy downtown or in-town units. However, as the national, regional, and local housing markets continue to stabilize, and with the introduction of new units in a broad range of rents and prices, older households are likely to become a larger share of the potential ownership market.

- The third, and smallest, general market segment—traditional and non-traditional families—has risen slightly as a percentage of the potential market for the Downtown Macon Study Area, from 11 percent in 2008 to 12 percent over the next five years.

Depending on housing type, family-oriented households, many of whom are single parents with one or two children, make up between just nine percent (rental and for-sale multi-family) and 23 percent (for-sale urban single-family detached) of the market for new housing units in the Downtown Macon Study Area. Outside of New York City, very few traditional families choose to live in multi-family dwelling units, in large part because of the lack of private outdoor space in which their children can play unsupervised.

Over 36 percent of the traditional and non-traditional family households that represent the potential market for new housing in the Study Area currently live in either Macon or elsewhere in Bibb County; 15 percent would be moving to the Study Area from the region, just under 11 percent would be moving from the Atlanta metro area, and more than 38 percent from elsewhere in the U.S.

Table 6

Target Residential Mix By Household Type

Derived From New Unit Purchase And Rental Propensities Of Draw Area Households
With The Potential To Move Within/ To Downtown Macon Each Year Over The Next Five Years
Households In Groups With Median Incomes Above \$45,000

Downtown Macon Study Area

City of Macon, Bibb County, Georgia

Number of Households:	Total	Multi- Family		Single- Family	
		<i>For-Rent</i>	<i>For-Sale</i>	<i>.. Attached .. All Ranges</i>	<i>.. Detached .. Urban</i>
	1,640	865	285	315	175
Empty Nesters & Retirees	17%	9%	30%	16%	31%
Traditional & Non-Traditional Families	12%	9%	9%	19%	23%
Younger Singles & Couples	71%	82%	61%	65%	46%
	100%	100%	100%	100%	100%

SOURCE: The Nielsen Company;
Zimmerman/Volk Associates, Inc.

THE CURRENT CONTEXT

What residential properties are currently located in the Macon market area?

Updated information on relevant rental and for-sale, multi-family and single-family attached and detached properties/units located in the Macon market area is provided as follows: for rental properties, see Table 7; for for-sale condominium and townhouse units, see Table 8; for single-family detached houses, see Table 9.

Several new rental properties have been developed in the Downtown since the 2008 study. Eight Downtown properties, containing 328 units, were included in the 2008 field investigation. In 2014, 18 Downtown properties, containing 511 units, have been included in the survey; in addition, another 100 or more units not included in the survey are currently leased, under construction, or in development.

The lowest rent for studios has risen from \$330 per month in 2008 to \$395 per month in 2014 at the Massee; the highest rent in 2008 was \$525 at Broadway Lofts, where studio rents currently range between \$600 and \$700 per month. The highest current studio rent is \$1,200 for 1,200 square feet at Newberry Lofts. Studios generally contain between 250 and 1,200 square feet, with a current general range of \$0.88 to \$1.78 per square foot, considerably higher than in 2008, when the highest studio rent per square foot was \$1.33.

In general, rents for one-bedroom apartments at the newer properties start at approximately \$600 per month, with the highest one-bedroom rent at \$1,325 per month at the Sterchi & Kessler Lofts. The one-bedroom size range is now from approximately 600 to 1,100 square feet of living space (\$0.80 to \$1.47 per square foot, with most of the rents per square foot falling between \$1.00 and \$1.10, compared to 2008 when the general range was \$0.67 to \$1.00).

Two-bedroom units now start at around \$700, up from \$575 per month in 2008. The most expensive two-bedroom apartment leases for \$1,800 per month for 1,568 square feet of living space at Dannenberg Lofts (\$0.97 per square foot), which currently has no vacancies. In general, two-bedroom unit sizes range between 695 and approximately 1,700 square feet (generally \$0.62 to \$1.52 per square foot in 2014, up from \$0.57 to \$1.01 per square foot in 2008).

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Only three of the 18 properties are leasing three-bedroom apartments and these are all at properties that were leasing units in 2008. Three-bedroom apartments currently rent for \$795 up to \$1250, nearly unchanged since 2008. Unit sizes range between 1,450 and 2,000 square feet. On a per-square-foot basis, the rents fall between \$0.50 and \$0.63 per square foot, up from \$0.48 to \$0.61 per square foot in 2008.

Occupancy rates are currently very high, ranging between 95 and 100 percent (functional full occupancy). Only 21 units were available at the time of the survey, for an overall occupancy rate of 96 percent.

All of the condominiums currently on the market are resales at a variety of properties throughout the city. In the Downtown, most of the new units that have been developed have been rental; one exception is the Telephone Exchange Lofts, all of which have been sold and are owner-occupied.

Two units are currently listed and located in the Downtown Study Area. One is a two-bedroom/two-bath 1,600-square-foot condominium in Lamar House at 544 Orange Street with an asking price of \$85,900 (\$53 per square foot), and the other is a two-bedroom/one-and-a-half bath unit at 312 College Street, listed at \$129,900 for 1,681 square feet of living space (\$77 per square foot).

In general, the asking prices currently start at \$59,900 for a 1,200-square-foot two-bedroom/two bath unit at River North (\$50 per square foot) to \$239,900 for a 2,100-square-foot two-bedroom/two-and-a-half bath unit at Covington Square (\$114 per square foot). All but two of the units currently on the market had per-square-foot prices of less than \$80.

Only one unit at the Highlands, a townhouse property that opened in 2005, is on the market, priced at \$71,300 for 1,834 square feet of living space (\$39 per square foot); in 2008, those units were priced at over \$140,000. Corbin Condominiums was marketing units priced between \$139,500 and \$179,900 in 2008; three units are currently on the market priced between \$99,000 and \$119,000.

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The single-family detached market is beginning to recover from the housing crash and Great Recession that followed. Several properties in the Macon market area have recently completed new houses, which are now on the market, or have several under construction.

Only two newly-constructed houses are currently available at Beall's Hill; both have three bedrooms and two baths. The less-expensive house is priced at \$119,900 for 1,530 square feet of living space (\$78 per square foot) and the asking price of the other unit, which contains 1,684 square feet, is \$144,900 (\$86 per square foot). New construction is also taking place at the intersection of Cherry and New Streets, where three new houses are currently listed, ranging in price from \$189,900 to \$239,900 and in size from 1,716 to 2,198 square feet (\$109 to \$111 per square foot).

Elsewhere in Macon, significant new construction is taking place at the Woods at Ocala, where several three-, four- and five-bedroom models priced between \$199,900 and \$234,900 are currently on the market. With units sizes ranging between 2,600 and over 3,400 square feet, the prices per square foot fall between \$71 and \$77.

Several newly-constructed houses are also on the market at Providence Village, where three- and four-bedroom houses containing between 2,300 and over 3,000 square feet are priced between \$239,900 and \$339,000 (\$94 to \$143 per square foot). Values at Providence Village are holding steady, with resales listed from \$170,000 to nearly \$480,000. Carillon Park, a new neighborhood in Providence Village, is marketing newly-constructed four-bedroom houses containing approximately 2,500 square feet for \$299,900 (\$117 to \$125 per square foot).

The most expensive new houses currently being marketed in Macon are at Camden North, a gated subdivision located in North Macon. The four newly-constructed units being sold are listed for prices ranging between \$674,900 and \$849,900 for five- and six-bedroom houses containing between 4,380 and 5,700 square feet of living space (\$127 to \$154 per square foot).

Summary Of Selected Rental Properties*Macon Market Area, Bibb County, Georgia***August, 2014**

<i>Property Address</i>	<i>Number/Type of Units</i>	<i>Reported Base Rent</i>	<i>Reported Unit Size</i>	<i>Rent per Sq. Ft.</i>	<i>Additional Information</i>
<i>..... Downtown Macon</i>					
The Massee {1924} 347 College Street	74 Studio/1ba Efficiency/1ba 1br/1ba 2br/1ba 2br/2ba 3br/2ba	\$395 \$495 \$515 to \$595 \$695 \$650 \$795	255 420 610 to 740 840 1,050 1,450	\$1.55 \$1.18 \$0.80 to \$0.84 \$0.83 \$0.62 \$0.55	2 vacancies <i>Historic building. Elevators. Executive/Penthouse suites available from combined floor plans \$950+</i>
Katherine Court Apts {2001} 855 Mulberry Street	28 Studio/1ba 1br/1ba 1br/2ba 2br/1ba 2br/2ba 3br/2ba	\$400 to \$525 \$460 \$830 \$900 \$950 \$1,250	396 to 600 560 1,177 1,335 1,435 2,000	\$0.88 to \$1.01 \$0.82 \$0.71 \$0.67 \$0.66 \$0.63	No vacancies <i>Historic building. Courtyard, gym, rooftop deck.</i>
The Terraces {2005} 876 Mulberry Street	34 Studio/1ba 1br/1ba 2br/1ba	\$450 to \$525 \$600 to \$675 \$700	450 595 695	\$1.00 to \$1.17 \$1.01 to \$1.13 \$1.01	2 vacancies <i>Historic building. Elevator.</i>
Cherry Place 853 Cherry Street	9 Studio/1ba 1br/1ba 2br/1ba	\$480 \$670 to \$675 \$796	360 700 to 825 1,350	\$1.33 \$0.82 to \$0.96 \$0.59	No vacancies <i>Scattered historic buildings.</i>
Washington Square {1905} 551 Orange Street	44 1br/1ba 2br/2ba 3br/2ba	\$500 \$750 \$800	1,100 1,500 to 1,600 1,500 to 1,600	\$0.45 \$0.47 to \$0.50 \$0.50 to \$0.53	4 vacancies <i>Historic building,</i>

Summary Of Selected Rental Properties*Macon Market Area, Bibb County, Georgia***August, 2014**

<u>Property Address</u>	<u>Number/Type of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
. Downtown Macon (continued)					
Nichols House	5				No vacancies
843 Cherry Street	Studio/1ba	\$500			Historic house
	1br/1ba	\$580 to \$680			renovation.
	2br/2ba	\$700			
Ashley Towers	59				6 vacancies
{1950s: renovated 1992}	Studio/1ba	\$535	300	\$1.78	Fitness center.
365 New Street	1br/1ba	\$635 to \$645	450 to 500	\$1.29 to \$1.41	Utilities included.
	2br/1ba	\$785	700	\$1.12	
	2br/2ba	\$995	900	\$1.11	
Arlington Place	3				No vacancies
Arlington Place	2br/1ba	\$550			House
	2br/2ba	\$700			renovation.
Cotton Avenue Lofts	6				No vacancies
377 Cotton Avenue	2br/1ba	\$550			
	2br/2ba	\$700			
Broadway Lofts {2001}	91				2 vacancies
698 MLK Boulevard	Studio/1ba	\$600 to \$700	550	\$1.09 to \$1.27	Historic building.
	1br/1ba	\$700 to \$800	750	\$0.93 to \$1.07	fitness center,
	2br/2ba	\$800 to \$850	926	\$0.86 to \$0.92	business center,
	2br/2ba	\$950 to \$1,100	1,300 to 1,700	\$0.65 to \$0.73	roof deck,
					pet park.
Poplar Lofts	4				No vacancies
456 Poplar Street	Studio/1ba	\$650	450	\$1.44	Historic building.
	1br/1ba	\$800	750	\$1.07	Units above retail.
	2br/2ba	\$1,200	1,200	\$1.00	

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*Macon Market Area, Bibb County, Georgia***August, 2014**

<u>Property Address</u>	<u>Number/Type of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
. Downtown Macon (continued)					
Dannenberg Lofts	64				No vacancies
4763 Third Street	Studio/1ba	\$695 to \$820	548 to 757	\$1.08 to \$1.27	<i>Historic building. Some income- restricted units.</i>
	1br/1ba	\$800 to \$900	753 to 971	\$0.93 to \$1.06	
	2br/2ba	\$1,000 to \$1,800	1,026 to 1,568	\$0.97 to \$1.15	
	Lofts	\$1,051 to \$1,430	990 to 1,227	\$1.06 to \$1.17	
Sterchi & Kessler Lofts	30				2 vacancies
382 Cherry Street	Studio/1ba	\$750 to \$770	649 to 715	\$1.08 to \$1.16	<i>Historic buildings.</i>
	1br/1ba	\$975 to \$1,325	799 to 900	\$1.47 to \$1.22	
	2br/2ba	\$1,350 to \$1,775	1,001 to 1,166	\$1.35 to \$1.52	
	2br/2ba Penthouse	\$1,815	1,389	\$1.31	
Newberry Lofts	9				No vacancies
425 Third Street	Studio/1ba	\$800 to \$1,200	800 to 1,200	\$1.00 to \$1.00	<i>Historic building. Fitness center.</i>
	2br/2ba	\$1,000 to \$1,200	1,200	\$0.83 to \$1.00	
Lofts at Poplar Pointe	28				3 vacancies
490 Poplar Street	1br/1ba	\$850 to \$1,050	745 to 850	\$1.14 to \$1.24	<i>Historic building. Utilities included.</i>
	2br/2ba	\$1,050 to \$1,325	745 to 1,000	\$1.41 to \$1.33	
Lanier Lofts	2				No vacancies
340 Second Street	1br/1ba	\$950	1,100	\$0.86	<i>Historic buildings.</i>
	2br/2ba	\$1,000	1,100	\$0.91	
The Warehouse Lofts	3				No vacancies
503 Fifth Street	2br/1ba	\$950 to \$1,050	1,200	\$0.79 to \$0.88	<i>Historic building.</i>
	2br/2.5ba	\$1,350	1,800	\$0.75	
Cherokee Lofts	18				n/a
672 MLK Jr Boulevard	2br/2ba	\$1,100	1,467	\$0.75	<i>Historic buildings.</i>

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*Macon Market Area, Bibb County, Georgia***August, 2014**

<u>Property Address</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
..... Beall's Hill					
Tatnall Place (2006) <i>150 Calhoun Way</i>	97 1br / 1ba 2br / 1.5ba 2br / 2ba 3br / 2.5ba	\$599 \$760 \$760 \$860 \$925	to 690 1,248 1,308 1,548	\$0.87 \$0.61 \$0.58 \$0.56 \$0.60	No vacancies <i>Business center, clubhouse, pool, fitness center.</i>
..... North Macon					
The Park At Northside <i>3876 Northside Drive</i>	192 1br / 1ba 2br / 1.5ba TH 2br / 2ba 3br / 2ba 3br / 3.5ba TH	\$519 \$535 \$597 \$615 \$628 \$640 \$682 \$749 \$719 \$759	to 730 780 1,101 1,125 1,125 1,260 1,260 1,440	to \$0.69 \$0.71 \$0.54 \$0.56 \$0.56 \$0.57 \$0.54 \$0.59 \$0.50 \$0.53	6 vacancies <i>Business center, fitness center, playground, pool.</i>
Landings At North Ingle <i>3300 North Ingle Place</i>	140 1br / 1ba 2br / 1ba 2br / 2ba 3br / 2ba	\$519 \$579 \$599 \$649 \$609 \$659 \$599 \$719	to 790 906 1,044 1,044 1,215	\$0.66 \$0.73 \$0.66 \$0.72 \$0.58 \$0.63 \$0.49 \$0.59	1 vacancy <i>Fitness center, playground, pool.</i>
Whispering Woods <i>4411 Northside Drive</i>	Studio / 1ba 2br / 1.5ba TH 2br / 2ba 3br / 2.5ba TH	\$525 \$585 \$630 \$585 \$690 \$775 \$800	to 1,120 1,200 1,260 1,500	\$0.97 \$0.52 \$0.56 \$0.49 \$0.55 \$0.52 \$0.53	n/a <i>Fitness center, pool.</i>

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*Macon Market Area, Bibb County, Georgia***August, 2014**

<u>Property Address</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
. North Macon (continued)					
The Arbors	128				2 vacancies
3901 Northside Drive	1br/1ba	\$530	950	\$0.56	Clubhouse,
	2br/2ba	\$600 to \$640	1,100	\$0.55 to \$0.58	fitness center,
	3br/2ba	\$700	1,250	\$0.56	playground, pool.
Carriage Hills Apartments	160				n/a
3871 Northside Drive	1br/1ba	\$550	1,000	\$0.55	Business center,
	2br/1.5ba TH	\$625	1,175	\$0.53	fitness center,
	3br/2ba	\$725	1,300	\$0.56	playground, pool.
Highland Park	116				n/a
461 Forest Hill Road	2br/1ba	\$570	1,100	\$0.52	Clubhouse,
	2br/1.5ba	\$620	1,100	\$0.56	playground,
	3br/2ba	\$680	1,300	\$0.52	pool.
	3br/2.5ba	\$740 to \$780	1,520 to 1,560	\$0.49 to \$0.50	
Forest Pointe Apartments	200				n/a
444 Forest Hill Road	1br/1ba	\$620 to	916 to	\$0.58 to	Business center,
	1br/1ba den	\$635	1,092	\$0.68	clubhouse,
	1br/2ba den	\$675	1,161	\$0.58	fitness center,
	2br/2ba	\$730 to	1,161 to	\$0.60 to	pool, tennis court.
	2br/2ba sunroom	\$775	1,292	\$0.63	
Rivoli Run {1996}	188				6 vacancies
200 Charter Lane	1br/1ba	\$646	815	\$0.79	Clubhouse, lounge,
	1br/1ba loft	\$780	1,091	\$0.71	playground,
	2br/1ba	\$685	1,051	\$0.65	tennis and
	2br/2ba	\$730 to \$774	1,128 to 1,150	\$0.65 to \$0.67	volleyball courts.
	3br/2ba	\$888	1,362	\$0.65	
Riverstone Apartments					11 vacancies
3990 Riverside Park Boulevard	1br/1ba	\$815 to \$840	850 to 990	\$0.96 to \$0.99	Business center,
	2br/1ba	\$860 to \$950	1,185 to 1,326	\$0.73 to \$0.80	fitness center,
	2br/2ba	\$950 to \$1,025	1,240 to 1,495	\$0.69 to \$0.77	pet park,
	3br/2ba	\$1,150 to \$1,175	1,440 to 1,590	\$0.80 to \$0.82	conference room, clubhouse, playground.

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*City of Macon and Bibb County, Georgia***August, 2014**

<u>Property Address</u>	<u>Number/Type of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>..... Other Area Rentals</i>					
Creekside Vista	100				3 vacancies
4690 Log Cabin Drive	1br/1ba	\$485 to \$490	660 to 710	\$0.69 to \$0.73	Fitness center, pool,
	2br/1.5ba TH	\$635	1,015	\$0.63	tennis courts.
Anthos at Hidden Lakes	144				n/a
180 Hidden Lakes Court	1br/1ba	\$540	890	\$0.61	Business center,
	2br/2ba	\$640	1,230	\$0.52	clubhouse, pool,
	3br/2ba	\$740	1,390	\$0.53	fitness center, playground.
Summer Park Apartments					n/a
4658 Mercer University Dr	1br/1ba	\$560 to \$615	760 to 820	\$0.75 to \$0.74	Clubhouse, fitness center,
	2br/1ba	\$615 to \$660	1,003 to 1,063	\$0.61 to \$0.62	sauna, pool, tennis courts.
	2br/2ba	\$650 to \$675	1,070 to 1,140	\$0.59 to \$0.61	
	3br/2ba	\$750 to \$750	1,245	\$0.60 to \$0.60	
Northwood {1996: 2000}	220				8 vacancies
6229 Thomaston Road	1br/1ba	\$562 to \$700	976	\$0.58 to \$0.72	Clubhouse, pool, fitness center,
	2br/2ba	\$569 to \$708	1,130 to 1,310	\$0.54 to \$0.50	tennis and volleyball courts.
	3br/2ba	\$786 to \$875	1,355 to 1,428	\$0.58 to \$0.61	
West Club Apartments	140				n/a
159 Steven Drive	1br/1ba	\$563	778	\$0.72	Clubhouse, pool,
	2br/2ba	\$580	1,021	\$0.57	sundeck,
	3br/2ba	\$695	1,212	\$0.57	fitness center
	4br/2ba	\$868	1,348	\$0.64	playground, volleyball.
Hunter's Run Apts. {2002}	176				n/a
6001 Thomaston Road	1br/1ba	\$700 to \$715	881 to 954	\$0.75 to \$0.79	Clubhouse, pool, fitness center,
	2br/2ba	\$695 to \$725	1,146 to 1,230	\$0.59 to \$0.61	tennis and volleyball courts, sundeck.
	3br/2ba	\$920 to \$940	1,316 to 1,400	\$0.67 to \$0.70	

SOURCE: Zimmerman/Volk Associates, Inc.

Summary of Multi-Family And Single-Family Attached Units Currently For Sale
Macon Market Area, Bibb County, Georgia
September, 2014

<i>Property Address</i>	<i>Year Built</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>
River North	1998	\$59,900	1,200	\$50	2br / 2ba
River Pointe Drive	1988	\$68,500	1,300	\$53	2br / 2ba
	1988	\$74,900	1,330	\$56	2br / 2ba
	1988	\$78,100	1,330	\$59	2br / 2ba
Willow Creek	1979	\$63,500	1,428	\$44	3br / 2ba
Willow Creek Drive	1973	\$68,500	1,428	\$48	3br / 2ba
	1973	\$79,900	1,428	\$56	3br / 2ba
	1973	\$99,000	1,428	\$69	3br / 2ba
Vinson Robeson	1985	\$63,900			2br / 2.2ba
3946 Vinson Robeson Drove					
The Highlands	2005	\$71,300	1,834	\$39	3br / 2.5ba
Cold Creek Parkway					
Richland Estates	1987	\$74,900	2,120	\$35	2br / 2.5ba
Briarcliff Road	1987	\$109,900	2,048	\$54	2br / 2.5ba
	1983	\$125,000	3,482	\$36	3br / 3.5ba
Wolf Creek Run	1984	\$74,900			2br / 1.5ba
Windermere Road	1984	\$84,900			2br / 1.5ba
Timber Trace	1997	\$82,500	1,119	\$74	2br / 2ba
Stoney Brook Court					
Hampstead	1984	\$85,900	1,174	\$73	2br / 2ba
Manor row					
Lamar House	1860	\$85,900	1,615	\$53	2br / 2ba
544 Orange Street					
{Downtown }					
High Point North	1973	\$89,900	1,340	\$67	2br / 1.5ba
High Point North Road	1973	\$89,900	1,320	\$68	2br / 1.5ba
	1973	\$95,000	1,380	\$69	2br / 1.5ba
	1973	\$103,000	1,980	\$52	3br / 2ba
	1973	\$129,000	1,953	\$66	3br / 2ba
	1973	\$129,000	1,980	\$65	3br / 3.5ba

SOURCE: Multiple Listing Service;
 Zimmerman/Volk Associates, Inc.

Summary of Multi-Family And Single-Family Attached Units Currently For Sale

Macon Market Area, Bibb County, Georgia

September, 2014

<i>Property Address</i>	<i>Year Built</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>
Rivoli Condominiums	1974	\$96,000	1,716	\$56	2br / 2ba
Rivoli Drive	1974	\$119,900	1,941	\$62	3br / 2ba
	1974	\$121,900	2,910	\$42	3br / 2ba
Valley Vista	1971	\$97,500	1,821	\$54	3br / 2ba
Vista Circle	1971	\$99,500	1,751	\$57	3br / 2ba
Corbin Condominiums	1985	\$99,000	1,620	\$61	2br / 2ba
Corbin Avenue	1985	\$119,000	1,650	\$72	2br / 2ba
	1985	\$119,000	1,650	\$72	2br / 2ba
312 College Street <i>{Downtown}</i>	1981	\$129,900	1,681	\$77	2br / 1.5ba
Barrington Hall	2004	\$199,000	2,585	\$77	3br / 2.5ba
High Ridge Drive	2001	\$200,000	2,622	\$76	3br / 2.5ba
Covington Square	1984	\$220,000	2,137	\$103	2br / 2ba
Covington Place	1990	\$239,900	2,099	\$114	2br / 2.5ba

SOURCE: Multiple Listing Service;
Zimmerman/Volk Associates, Inc.

Summary of Recently-Built Single-Family Detached Units Currently For Sale

Macon Market Area, Bibb County, Georgia

August, 2014

<i>Property</i>	<i>Year Built</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>
<i>..... Downtown Study Area</i>					
Beall's Hill					
993 New Street	2013	\$119,900	1,530	\$78	3br/2ba
1008 Hazel Street	2013	\$144,900	1,684	\$86	3br/2ba
Cherry Street	2014	\$189,900	1,716	\$111	3br/2.5ba
(Downtown)	2014	\$194,900	1,772	\$110	3br/3ba
	2014	\$239,900	2,198	\$109	3br/3ba
<i>..... Other Macon</i>					
Lochwolde	2014	\$155,500	1,590	\$98	3br/2ba
Providence Village	2011	\$174,900	1,675	\$104	3br/2.5ba
	2014	\$239,900	2,300	\$104	3br/2.5ba
	2014	\$239,900	2,300	\$104	3br/2.5ba
	2014	\$289,900	3,068	\$94	4br/3.5ba
	2014	\$339,900	2,382	\$143	4br/3.5ba
<i>Carillon Park</i>	2014	\$299,900	2,525	\$119	4br/3.5ba
	2014	\$299,900	2,406	\$125	4br/3.5ba
	2014	\$299,900	2,550	\$118	4br/3.5ba
	2014	\$299,900	2,569	\$117	4br/3.5ba
Windmill Plantation	2009	\$189,900	1,608	\$118	5br/4ba
The Woods at Ocala	2010	\$195,000	2,500	\$78	4br/2.5ba
	2014	\$199,900	2,650	\$75	4br/2.5ba
	2014	\$199,900	2,600	\$77	3br/2.5ba
	2014	\$229,900	2,997	\$77	4br/2.5ba
	2014	\$229,900	3,000	\$77	5br/3ba
	2014	\$234,900	3,300	\$71	5br/3ba
	2014	\$259,900	3,421	\$76	5br/4ba
	2014	\$234,900	3,200	\$73	5br/4ba
Hamlet	2013	\$227,000	1,816	\$125	3br/2.5ba
	2013	\$299,500	2,434	\$123	3br/2.5ba
Wesleyan Crossing	2010	\$230,900	2,400	\$96	4br/2.5ba
	2014	\$239,900	2,473	\$97	5br/4ba
	2014	\$244,500	2,548	\$96	4br/2.5ba
	2014	\$252,900	2,643	\$96	4br/2.5ba

SOURCE: Multiple Listing Service;
Zimmerman/Volk Associates, Inc.

Summary of Recently-Built Single-Family Detached Units Currently For Sale

Macon Market Area, Bibb County, Georgia

August, 2014

<i>Property</i>	<i>Year Built</i>	<i>Asking Price</i>	<i>Unit Size</i>	<i>Price psf</i>	<i>Configuration</i>
<i>. Other Macon {continued}.</i>					
Ocala Plantation	2014	\$231,900	3,000	\$77	4br/3ba
	2014	\$233,900	3,100	\$75	5br/3ba
Abington	2015	\$359,000	2,900	\$124	3br/2.5ba
Oak Creek	2014	\$239,500	2,500	\$96	4br/3ba
Tivoli Place	2014	\$250,000	2,237	\$112	4br/3ba
	2014	\$250,000	2,237	\$112	4br/3ba
	2014	\$255,000	2,404	\$106	3br/2.5ba
	2014	\$265,000	2,593	\$102	4br/3ba
Oak View	2014	\$299,900	4,800	\$62	5br/4ba
Camden North	2014	\$674,900	4,380	\$154	6br/4ba
	2013	\$699,900	5,510	\$127	6br/6.5.5ba
	2014	\$849,900	5,700	\$149	5br/4.5ba
	2014	\$849,900	5,700	\$149	5br/4.5ba

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DOWNTOWN STUDY AREA MARKET-RATE RENT AND PRICE RANGES

In 2014, given the increase in market potential for the Study Area, particularly for rental units, the number of new market-rate dwelling units that could potentially be absorbed within the Study Area over five years ranges between 1,045 and 1,245 units (*see MARKET CAPTURE below*). A total of 1,100 new units has therefore been established as an achievable absorption goal over a five- to seven-year time frame.

What is the market currently able to pay?

—Rent and Price Ranges—

Based on the tenure preferences of draw area households and their income and financial capabilities, the optimum market position for newly-developed market-rate residential units that could currently be absorbed by the market over the next five to seven years is as follows (*see also Table 10 for greater detail*):

**Rent, Price and Size Ranges: 900 Market-Rate Dwelling Units
 Newly-Created Housing (Adaptive Re-Use and New Construction)
 DOWNTOWN MACON STUDY AREA
*City of Macon, Bibb County, Georgia***

HOUSING TYPE	RENT/PRICE RANGE	SIZE RANGE	RENT/PRICE PER SQ. FT.
FOR-RENT (MULTI-FAMILY)—			
Hard Lofts	\$575–\$1,000/month	450–900 sf	\$1.11–\$1.28 psf
Soft Lofts	\$550–\$1,500/month	350–1,250 sf	\$1.20–\$1.57 psf
Upscale Apartments	\$1,200–\$2,000/month	750–1,450 sf	\$1.38–\$1.60 psf
FOR-SALE (MULTI-FAMILY)—			
Hard Lofts	\$110,000–\$165,000	700–1,100 sf	\$150–\$157 psf
Soft Lofts	\$140,000–\$225,000	850–1,400 sf	\$161–\$165 psf
Upscale Condominiums	\$215,000–\$295,000	1,200–1,750 sf	\$169–\$179 psf
FOR-SALE (SINGLE-FAMILY ATTACHED)—			
Townhouses	\$195,000–\$245,000	1,250–1,650 sf	\$148–\$156 psf
Live-Work	\$250,000–\$290,000	1,350–1,600 sf	\$181–\$185 psf
FOR-SALE (SINGLE-FAMILY DETACHED)—			
Urban Houses	\$235,000–\$300,000	1,550–2,100 sf	\$143–\$152 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Downtown Macon Study Area
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Based on the unit types, sizes, and rents/prices outlined in the optimum market position above, the weighted average rents and prices for each of the housing types are shown on the following table:

Weighted Average Base Rents, Prices and Size Ranges
DOWNTOWN MACON STUDY AREA
City of Macon, Bibb County, Georgia

HOUSING TYPE	WEIGHTED AVERAGE BASE RENT/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENT/PRICES PER SQ. FT.
Multi-family for-rent	\$978 per month	752 sf	\$1.30
Multi-family for-sale	\$185,262	1,132 sf	\$164
Single-family attached for-sale	\$228,395	1,440 sf	\$159
Single-family detached for-sale	\$264,500	1,795 sf	\$147

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

The aforementioned rents and prices are in year 2014 dollars, are exclusive of consumer options and upgrades, or floor or location premiums, and cover a broad range of rents and prices for newly-developed units currently sustainable by the market in the Downtown Study Area. Location will have a significant impact on rents and prices; projects situated within a short walking distance of high-value amenities, such as restaurants, theaters, shops, or transit, or with views of the Ocmulgee River, will likely command rents and prices at the upper end of values. Those projects that are located on the outer edges of the Study Area, or near the interstates, are likely to command rents and prices at the lower end of values.

Optimum Market Position--1,100 New Market-Rate Dwelling Units
Downtown Macon Study Area
City of Macon, Bibb County, Georgia
August, 2014

<u>Percent Number</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Unit Mix</u>	<u>Base Rent/Price</u>	<u>Unit Size</u>	<u>Rent/Price Per Sq. Ft.</u>	<u>Annual Market Capture</u>
<u>52.7%</u>	Multi-Family For-Rent						<u>130 to 156 units</u>
200	Hard Lofts	Loft / 1ba	25%	\$575	450	\$1.28	
		Loft / 1ba	50%	\$725	600	\$1.21	
		Loft / 1ba	25%	\$1,000	900	\$1.11	
		Weighted averages:		\$756	638	\$1.19	
300	Soft Lofts	Microloft / 1ba	15%	\$550	350	\$1.57	
		Studio / 1ba	20%	\$675	500	\$1.35	
		1br / 1ba	30%	\$925	700	\$1.32	
		2br / 2ba	25%	\$1,250	1,000	\$1.25	
		2br / 2ba / den	10%	\$1,500	1,250	\$1.20	
		Weighted averages:		\$958	738	\$1.30	
80	Upscale Apartments	1br / 1.5ba	30%	\$1,200	750	\$1.60	
		2br / 2ba	30%	\$1,650	1,100	\$1.50	
		2br / 2.5ba	30%	\$1,850	1,300	\$1.42	
		3br / 2.5ba	10%	\$2,000	1,450	\$1.38	
		Weighted averages:		\$1,610	1,090	\$1.48	
<u>580</u> units	Overall Weighted Averages:			\$978	752	\$1.30	

NOTE: Base rents/prices in year 2014 dollars and exclude floor and view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position--1,100 New Market-Rate Dwelling Units
Downtown Macon Study Area
City of Macon, Bibb County, Georgia
August, 2014

<u>Percent Number</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Unit Mix</u>	<u>Base Rent/Price</u>	<u>Unit Size</u>	<u>Rent/Price Per Sq. Ft.</u>	<u>Annual Market Capture</u>
<u>17.4%</u>	Multi-Family For-Sale						<u>29 to 34 units</u>
50	Hard Lofts	Loft / 1ba	30%	\$110,000	700	\$157	
		Loft / 1ba	40%	\$145,000	950	\$153	
		Loft / 1ba	30%	\$165,000	1,100	\$150	
		Weighted averages:		\$140,500	920	\$153	
100	Soft Lofts	1br / 1ba	40%	\$140,000	850	\$165	
		2br / 2ba	35%	\$185,000	1,150	\$161	
		2br / 2ba / den	25%	\$225,000	1,400	\$161	
		Weighted averages:		\$177,000	1,093	\$162	
41	Upscale Condominiums	2br / 2ba	25%	\$215,000	1,200	\$179	
		2br / 2.5ba	50%	\$265,000	1,500	\$177	
		3br / 2.5ba	25%	\$295,000	1,750	\$169	
		Weighted averages:		\$260,000	1,488	\$175	
<u>191</u>	units	Overall Weighted Averages:		\$185,262	1,132	\$164	

NOTE: Base rents/prices in year 2014 dollars and exclude floor and view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position--1,100 New Market-Rate Dwelling Units
Downtown Macon Study Area
City of Macon, Bibb County, Georgia
August, 2014

<u>Percent Number</u>	<u>Housing Type</u>	<u>Unit Configuration</u>	<u>Unit Mix</u>	<u>Base Rent/Price</u>	<u>Unit Size</u>	<u>Rent/Price Per Sq. Ft.</u>	<u>Annual Market Capture</u>
<u>19.2%</u>	Single-FamilyAttached For-Sale						<u>32 to 38 units</u>
181	Townhouses	2br / 1.5ba	30%	\$195,000	1,250	\$156	
		2br / 2.5ba	50%	\$220,000	1,450	\$152	
		3br / 2.5ba	20%	\$245,000	1,650	\$148	
		Weighted averages:		\$217,500	1,430	\$152	
30	Live-Work Units	1br / 1.5.5ba	30%	\$250,000	1,350	\$185	
	500 sf work space	1br / 1.5.5ba	45%	\$275,000	1,500	\$183	
	on ground floor	2br / 1.5.5ba	25%	\$290,000	1,600	\$181	
		Weighted averages:		\$271,250	1,480	\$183	
<u>211</u>	units	Overall Weighted Averages:		\$228,395	1,440	\$159	
<u>10.7%</u>	Urban Single-Family Detached For-Sale						<u>18 to 21 units</u>
118	Urban Houses	2br / 2.5ba	20%	\$235,000	1,550	\$152	
		3br / 2ba	30%	\$255,000	1,700	\$150	
		3br / 2.5ba	30%	\$270,000	1,850	\$146	
		4br / 2.5ba	20%	\$300,000	2,100	\$143	
<u>118</u>	units	Overall Weighted Averages:		\$264,500	1,795	\$147	
1,100	Total Units						

NOTE: Base rents/prices in year 2014 dollars and exclude floor and view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Downtown Macon Study Area
City of Macon, Bibb County, Georgia
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MARKET CAPTURE: THE DOWNTOWN MACON STUDY AREA

How fast will new units lease or sell?

In the context of the target market methodology, and market conditions in the Downtown Macon Study Area, new rental development (including adaptive re-use of existing non-residential buildings as well as new construction) in the Study Area should be able to achieve an annual capture of 15 percent of the potential market over the near term and 18 percent longer term.

Given current economic conditions, and the expectation of continued improvement for new for-sale housing over the near term, Zimmerman/Volk Associates has determined that an annual capture of approximately 10 percent of the potential market for each for-sale housing type is achievable in the Study Area over the next two to three years, and up to 12 percent over the next three to five years. (Nationally, prior to the housing collapse in 2008, new dwelling units represented 15 percent of all units sold; currently, the National Association of Realtors reports that new units represent approximately 10 percent of total housing sales.)

Based on a 15 to 18 percent capture of the potential market for new rental housing, and a 10 to 12 percent capture of the potential market for new for-sale housing units, the Downtown Macon Study Area should be able to absorb an annual average of between 209 and 249 new market-rate multi-family and single-family attached and detached housing units per year over the next five to seven years, as follows:

Annual Capture of Market Potential **DOWNTOWN MACON STUDY AREA** *City of Macon, Bibb County, Georgia*

HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-family for-rent (lofts/apartments, leaseholder)	865	15%-18%	130-156
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	285	10%-12%	29-34
Single-family attached for-sale (rowhouses, fee-simple ownership)	315	10%-12%	32-38
Single-family detached for-sale (urban houses, fee-simple ownership)	175	10%-12%	18-21
Total	1,640		209-249

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

Downtown Macon Study Area
City of Macon, Bibb County, Georgia
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At these forecast capture rates, between 1,045 and 1,245 new market-rate units could be absorbed within the Downtown Study Area over the next five to seven years.

These capture rates are well within the target market methodology's parameters of feasibility.

NOTE: Target market capture rates are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

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STUDY AREA BUILDING AND UNIT TYPES

Building and unit types most appropriate for the Downtown Study Area include:

- Courtyard Apartment Building: In new construction, an urban, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is three or more stories, often combined with non-residential uses on the ground floor. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.



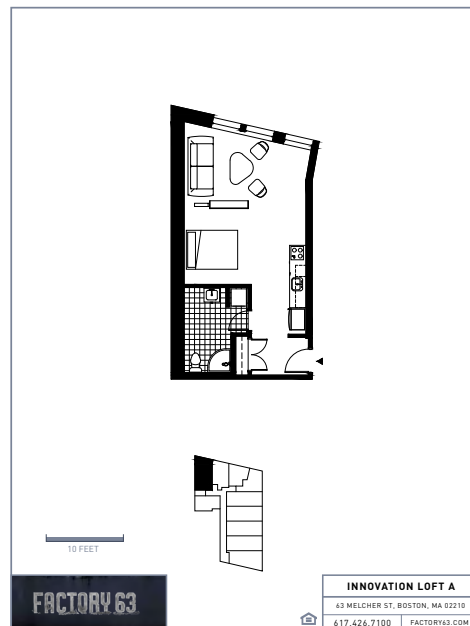
Courtyard apartment building

Downtown Macon Study Area
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- Loft Apartment Building: Either adaptive re-use of older warehouse or manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version usually has double-loaded corridors.

Microlofts: Several cities across the country are changing minimum unit size requirements as part of a strategy to attract young knowledge workers. Millennial knowledge workers have responded positively to efficiency units as small as 220 square feet, often leasing out new micro loft projects within a matter of days.

The City of Boston reduced the city's 450-square-foot unit minimum to 350 square feet in a pilot program currently limited to the South Boston "Innovation District." As of February, 2014, 353 micro-units have been approved. The first property to market micro-units, the 38-unit Factory 63, was completely leased within a week, reportedly all to renters who worked within a 10-block radius of the property. Initial rents were between \$1,200 a month for 337 square feet to \$2,450 for 597 square feet; fully-leased. There is a waiting list for vacancies in the property where rents now start at \$1,699.



Factory 63.

Downtown Macon Study Area
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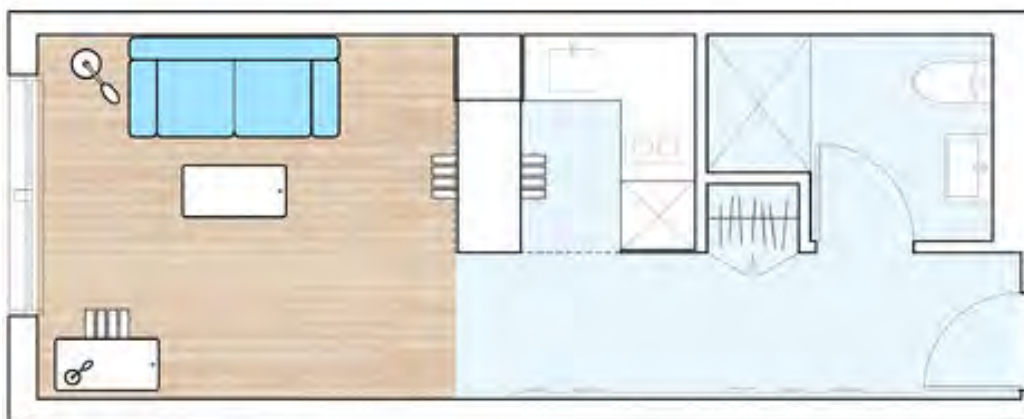
San Francisco has reduced allowable minimum from 290 square feet to 220 square feet, but limited the change to 375 units until market impact has been assessed by the City's planning department; the concern is that the higher-profit micro units could reduce housing opportunities for households with children. The first completed project, SoMa Studios with 23 295-square-foot units, was bulk leased for five years to the California College of the Arts. The same developer, Panoramic Interests, has a 160-unit building planned with 220-square-foot units slated when announced in 2012 with monthly rents between \$1,300 and \$1,500 (\$5.90 to \$6.80 per square foot); at the time the average San Francisco studio rent was \$2,075 for 493 square feet, or \$4.21 per square foot. The building will include substantial common space and parking for 240 bicycles but, other than a single car-share spot, no automobile parking.



Panoramic Interests.

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In New York City a pilot program accommodates units smaller than the current 400-square-foot minimum. The first project, the 55-unit My Micro NY, won the City's "adapt NYC" micro-unit competition. Units in the modular building range from 250 to 370 square feet; 40 percent will be affordable. Every floor will have a common area, and the building will include an attic garden, a ground-floor porch, a lounge and a fitness deck.



APT. #3A - DAY

9'-10" high wall surface behind couch used as pin-up wall; kitchen counter is down and ready for a coffee.



APT. #3A - NIGHT

Convertible sofa-bed folded down; kitchen counter folded up; coffee table on wheels relocated to wall.

My Micro NY.

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Because of their small size and intricate layouts, small units are challenging to develop within existing buildings. A U.S. example of creating micro-units through the adaptive reuse of a non-residential building is the redevelopment of the historic, 1828 Arcade building in Providence, Rhode Island. The oldest surviving indoor mall in the nation, the Arcade closed when its three-story interior retail format was no longer economically viable. It reopened in 2014 with ground-level retail and its two upper levels converted into 48 dwellings, including 38 micro units ranging from 225 to 450 square feet furnished with built-in beds, storage, banquette seating. In February, 2014, when half the units were completed and occupied, there was a 2,000-name waiting list for the remaining units. Units are now fully leased at rents starting at \$550 a month, \$2.44 per square foot.



Arcade Building.

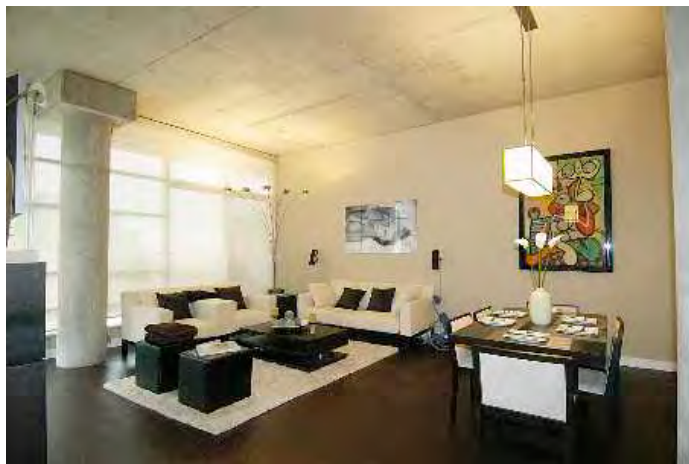
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Hard Lofts: Unit interiors typically have high ceilings and commercial windows and are minimally finished (with minimal room delineations such as columns and fin walls), or unfinished (with no interior partitions except those for bathrooms).

Soft Lofts: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of “hard lofts,” such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.



Hard loft



Soft loft

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Luxury Apartment: A more conventionally-finished apartment unit, typically with completely-partitioned rooms.—trim, interior doors, kitchens and baths are fitted out with higher-end finishes and fixtures.



Luxury apartment

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- Maisonette Apartment Building: A three- or four-story building with an elevation that resembles a row of townhouses; the interior, however, combines single-level and two-level apartments. Each unit has its own street entrance and attached garage, accessed from the rear of the building.



Maisonette apartment building

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- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.



Mansion apartment building

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- Mixed-Use Building: A pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.



Mixed-use buildings

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—SINGLE-FAMILY ATTACHED—

- Townhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks.



Townhouses

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- Live-work is a unit or building type that accommodates non-residential uses in addition to, or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes space that can be used as office, retail, or studio space, or as an accessory dwelling unit. Regardless of the form they take, live-work units should be flexible in order to respond to economic, social and technological changes over time and to accommodate as wide as possible a range of potential uses. The unit configuration must also comply with the requirements of the Fair Housing Amendments Act and the Americans with Disabilities Act.

Some of the most effective neighborhood revitalization efforts have incorporated live-work housing for artists and artisans. Perhaps the best example of arts-led revitalization has taken place on two nearly-adjacent blocks in downtown Providence, Rhode Island. In over decade an artists' non-profit, AS220, has re-developed a series of buildings with a mix of uses including eating and drinking establishments, retail uses, gallery and performance spaces, shared technical equipment, and work and residential studios.



AS220

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The second redevelopment was the restoration of The Dreyfus, an historic hotel building and former dormitory that now includes a bar and restaurant and 14 residential studios, 11 of which rent to income-qualified artists. The most recent redevelopment is called the Mercantile Block, which includes ground floor market-rate retail, the group's shared print shop, a floor of office space, and two floors with 22 apartments.



The Dreyfus

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—SINGLE-FAMILY DETACHED—

- Small Urban House: A small one-, one-and-a-half- or two-story single-family detached house on a small lot, usually with alley-loaded parking.



Small urban house

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- Urban House with Porte-Cochère: A one-and-a-half- or two-story single-family detached house on a small lot, often with alley-loaded parking with attached, detached, or open parking—whether alley-loaded or not—set well back from the front façade; in many instances, the garage is framed by a porte-cochère.



Urban house with porte-cochère carport



Urban house with porte-cochère and garage

METHODOLOGY

The update of the technical analysis of market potential for the Downtown Macon Study Area included confirmation of the draw areas—based on the most recent migration data for Bibb County, and incorporating additional data from the 2012 American Community Survey for the county and the City of Macon—as well as compilation of the current residential rental and for-sale activity in the Downtown market area. The appendix tables referenced here are provided in a separate document.

The evaluation of the Downtown’s market potential was derived from the updated target market analysis of households in the draw areas, and yielded:

- The depth and breadth of the potential housing market by tenure (rental and ownership) and by type (apartments, attached and detached houses); and
- The composition of the potential housing market (empty-nesters/retirees, traditional and non-traditional families, younger singles/couples).

CONFIRMATION OF THE DRAW AREAS (MIGRATION ANALYSIS)—

Updated taxpayer migration data provided the framework for the confirmation of the draw areas—the principal counties of origin for households that are likely to move to the City of Macon. These data are maintained at the county and “county equivalent” level by the Internal Revenue Service and provide a clear representation of mobility patterns. The migration data for the county has been supplemented by mobility data from the 2012 American Community Survey for the City of Macon and for Bibb County.

Appendix One, Table 1.

Migration Trends

Analysis of the most recent Bibb County migration and mobility data available from the Internal Revenue Service—from 2006 through 2010—shows that the county showed a net loss of households each year over the five years, continuing the trend from the previous five years. (See Appendix One, Table 1.)

Annual in-migration into Bibb County ranged between 3,330 households in 2006, the lowest total over the study period, and the high of 3,780 households in 2010, as the county began to emerge

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from the Great Recession. Between 11 and 13 percent of the county's in-migration is from Houston County, the adjacent county to the south, with over 12 percent from Jones and Monroe Counties to the north. The Atlanta regional counties of Fulton, Gwinnett, DeKalb and Cobb comprise almost 10 percent of Bibb County in-migration.

Out-migration from Bibb County rose to its highest level in 2010, when 4,050 households left the county, compared to 2008, when just over 3,600 households moved out. In 2010, nearly 26 percent of out-migrating households moved to Houston, Jones, or Monroe Counties, and over 11 percent moved to the four Atlanta regional counties. Collectively, the majority of out-migration continued to be to other counties in Georgia, with some out-migration to Florida.

As noted in the previous study, although net migration provides insights into a city or county's historic ability to attract or retain households compared to other locations, it is those households likely to move into an area (gross in-migration) that represent that area's external market potential.

Based on the updated migration data, then, the draw areas for the City of Macon and the Downtown Study Area have been confirmed as follows:

- The primary draw area, covering households currently living within the Macon city limits.
- The local draw area, covering households currently living in the balance of Bibb County.
- The regional draw area, covering households that are likely to move to the City of Macon from Houston, Jones, and Monroe Counties.
- The metropolitan Atlanta draw area, covering households that are likely to move to the City of Macon from Fulton, Gwinnett, DeKalb, and Cobb Counties.
- The national draw area, covering households with the potential to move to the City of Macon from all other U.S. counties.

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Migration Methodology:

County-to-county migration is based on the year-to-year changes in the addresses shown on the population of returns from the Internal Revenue Service Individual Master File system. Data on migration patterns by county, or county equivalent, for the entire United States, include inflows and outflows. The data include the number of returns (which can be used to approximate the number of households), and the median and average incomes reported on the returns.

2014 TARGET MARKET CLASSIFICATION OF CITY AND COUNTY HOUSEHOLDS—

Geo-demographic data obtained from The Nielsen Company (formerly Claritas, Inc.) provide the framework for the categorization of households, not only by demographic characteristics, but also by lifestyle preferences and socio-economic factors. For purposes of this study, only those households in groups with median incomes above \$45,000 are included in the analysis. An appendix containing detailed descriptions of each of these target market groups is provided along with the study.

Appendix One, Tables 2 and 3.

Target Market Classifications

An estimated 35,020 households live in the City of Macon in 2014, down from the estimated 37,235 households in 2008, a decrease of 2,215 households (nearly six percent); approximately 25 percent, or 8,725 households are in target market groups with median incomes of \$45,000 or more. (*Reference* Appendix One, Table 2.) Over 48 percent of these households can be classified as empty nesters and retirees (compared to 33.5 percent in 2008), another 20.8 percent are traditional and non-traditional families (down from over 39 percent in 2008), and 31 percent are younger singles and couples (up slightly from 30.1 percent in 2008).

Median income within the city is estimated at \$24,500, down \$5,400 from \$29,900 in 2008, and almost half the national median of \$51,600. Median home value within the city is estimated at \$98,100, \$10,300 higher than the median of \$87,800 in 2008, but still considerably below the national median of \$182,100.

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An estimated 60,730 households live in Bibb County in 2014, down slightly from the estimated 61,050 households in 2008, a loss of 320 households, or half of one percent over five years. Just under 38 percent, or 22,890 households are in target market groups with median incomes of \$45,000 or more. (*Reference* Appendix One, Table 3.) Over 48.5 percent of these households can be classified as empty nesters and retirees (up from 30.5 percent in 2008), another 27.3 percent are traditional and non-traditional families (down from over 39 percent in 2008), and 24.2 percent are younger singles and couples (down from 30.1 percent in 2008).

Median income within the county is estimated at \$33,800, \$5,400 less than in 2008, and two-thirds the national median of \$51,600. Median home value within the county is estimated at \$132,400, \$20,300 higher than the median of \$112,100 in 2008, and approximately 73 percent of the national median of \$182,100.

Target Market Methodology:

The proprietary target market methodology developed by Zimmerman/Volk Associates is an analytical technique, using the PRIZM NE household clustering system, that establishes the optimum market position for residential development of any property—from a specific site to an entire political jurisdiction—through cluster analysis of households living within designated draw areas. In contrast to classical supply/demand analysis—which is based on supply-side dynamics and baseline demographic projections—target market analysis establishes the optimum market position derived from the housing and lifestyle preferences of households in the draw area and within the framework of the local housing market context, even in locations where no close comparables exist.

Clusters of households (usually between 10 and 15) are grouped according to a variety of significant “predictable variables,” ranging from basic demographic characteristics, such as income qualification and age, to less-frequently considered attributes known as “behaviors,” such as mobility rates, lifestage, and lifestyle patterns

Mobility rates detail how frequently a household moves from one dwelling unit to another; lifestage denotes what stage of life the household is in, from initial household formation (typically when a young person moves out of his or her parents’ household into his or her own dwelling unit), through family formation (typically, marriage and children) to retirement (typically, no longer

employed); and lifestyle patterns reflect the ways households choose to live, *e.g.*, an urban lifestyle includes residing in a dwelling unit in a city, most likely high-density, and implies the ability to walk to more locations than a suburban lifestyle, which is most likely lower-density and typically requires automobile ownership to get to non-residential locations. Zimmerman/Volk Associates has refined the analysis of these household clusters through the correlation of more than 500 data points related to housing preferences and consumer and lifestyle characteristics.

As a result of this process, Zimmerman/Volk Associates has identified 41 target market groups with median incomes that enable most of the households within each group to qualify for market-rate housing, and an additional 25 groups with median incomes in which a much smaller number of households is able to qualify for market-rate housing. The most affluent of the 66 groups can afford the most expensive new ownership units; the least prosperous are candidates for the least expensive existing rental apartments.

Once the draw areas for a property have been defined, then—through field investigation, analysis of historic migration and development trends, and employment and commutation patterns—the households within those areas are quantified using the target market methodology. The potential market for new market-rate units is then determined by the correlation of a number of factors—including, but not limited to: household mobility rates; median incomes; lifestyle characteristics and housing preferences; the location of the site; and the competitive environment.

The end result of this series of filters is the optimum market position—by tenure, building configuration and household type, including specific recommendations for unit sizes, rents and/or prices—and projections of absorption within the local housing context.

UPDATE OF THE POTENTIAL MARKET FOR THE CITY OF MACON (MOBILITY ANALYSIS)—

The updated mobility tables, individually and in summaries, indicate the average number and type of households that have the potential to move within or to the City of Macon each year over the next five years. The total number from each county is derived from historical migration trends; the number of households from each group is based on each group's mobility rate.

Appendix One, Table 4.

Internal Mobility (Households Moving Within the City of Macon)—

Zimmerman/Volk Associates uses U.S. Bureau of the Census data and 2012 American Community Survey Data, combined with Nielsen data, to determine the number of households in each target market group that will move from one residence to another within a specific jurisdiction (internal mobility).

After updating the migration and mobility data, Zimmerman/Volk Associates determined that an average of 1,500 households (down from 1,550 households in 2008) currently living in the City of Macon, and in target market groups with median incomes of \$45,000 or more, have the potential to move from one residence to another within the city each year over the next five years.

Fifty-nine percent (the same percentage as in 2008) of these households are likely to be younger singles and couples (as characterized within eight Zimmerman/Volk Associates' target market groups); another 22.3 percent, down from 30.3 percent in 2008, are likely to be traditional and non-traditional families (in eight market groups); and the remaining 18.7 percent, up from 10.3 percent in 2008, are likely to be empty nesters and retirees (in 13 market groups).

Appendix One, Table 5.

External Mobility (Households Moving To the City of Macon from the Balance of Bibb County)—

The same sources of data are used to determine the number of households in each target market group that will move from one area to another within the same county.

The updated data shows that an average of 1,040 households, currently living in the balance of Bibb County and in groups with median incomes of \$45,000 or more, have the potential to move from a residence in the county to a residence in the City of Macon each year over the next five years, an increase of 290 households over 2008.

Approximately 36.5 percent of these households (down from 48 percent in 2008) are likely to be traditional and non-traditional families (in six market groups); 35.1 percent (up from 14.7 percent) are empty nesters and retirees (in seven groups); and the remaining 28.4 percent are younger singles and couples (in four groups, down from 37.3 percent).

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Appendix One, Tables 6 through 8; Appendix Two, Tables 1 through 3; Appendix Three, Tables 1 through 4.

External Mobility (Households Moving To the City of Macon from Outside Bibb County)—

These tables determine the average number of households in each target market group living in each draw area county that is likely to move to the City of Macon each year over the next five years (through a correlation of Nielsen data, U.S. Bureau of the Census data, and the Internal Revenue Service migration data).

Appendix One, Table 9.

Market Potential for the City of Macon—

Appendix One, Table 9 summarizes Appendix One, Tables 4 through 8. The numbers in the Total column on page one of these tables indicate the depth and breadth of the potential market for new and existing market-rate dwelling units in the City of Macon each year over the next five years originating from households in groups with median incomes of \$45,000 or more currently living in the draw areas. An average of 5,460 households in groups with median incomes of \$45,000 or more have the potential to move within or to the City of Macon each year over the next five years. This is up seven percent over the annual market potential of 5,100 households in 2008. Younger singles and couples (in 12 groups) are likely to account for up to 47.7 percent of the market (down from 52.4 percent in 2008), traditional and non-traditional families (in 13 groups) make up another 30.9 percent (down from 36.5 percent in 2008), and the remaining 21.4 percent are likely to be empty nesters and retirees (in 16 groups, up from 11.2 percent in 2008).

The updated distribution of the draw areas as a percentage of the potential market for the City of Macon is as follows:

Market Potential by Draw Area
City of Macon, Bibb County, Georgia

City of Macon (Primary Draw Area):	27.5%
Balance of Bibb County (Local Draw Area):	19.0%
Houston, Jones, and Monroe Counties (Regional Draw Area):	9.3%
DeKalb, Fulton, Cobb, and Gwinnett Counties (Atlanta Draw Area):	5.0%
Balance of US (National Draw Area):	<u>39.2%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

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The updated migration, mobility and target market analyses also show that there has been an increase in the share of draw areas moving to Macon from the balance of Bibb County. Households moving from Houston, Jones, and Monroe Counties have fallen from 9.8 percent of the annual potential market to 9.3 percent, and the Atlanta draw area has also declined, from 5.9 percent in 2008 to five percent over the next five years. Households moving within the city represent 27.5 percent of the annual potential market over the next five years, down from 30.4 percent in 2008; the share of the market moving from the balance of the United States remains unchanged at 39.2 percent.

UPDATE OF THE POTENTIAL MARKET FOR THE DOWNTOWN MACON STUDY AREA—

As in 2008, the annual potential market for new market-rate housing units developed within existing buildings or new construction within the Downtown Study Area includes the same draw areas as for the city as a whole. Zimmerman/Volk Associates uses U.S. Bureau of the Census data, combined with Nielsen data, to determine which target market groups, as well as how many households within each group, are likely to move to the Study Area each year over the next five years.

Appendix One, Tables 10 through 12.

Market Potential for the Downtown Macon Study Area—

As updated by the target market methodology, an average of 1,995 households have the potential to move to the Downtown Macon Study Area each year over the next five years, nearly 17 percent higher than the 2008 number of 1,710 households. (See Appendix One, Table 10.) Two-thirds of these households are likely to be younger singles and couples (in 11 market groups, and a slightly lower percentage than the 69 percent in 2008); another 19.3 percent (up slightly from 18.7 percent in 2008) are likely to be empty nesters and retirees (in nine groups); and 13.8 percent (up slightly from 12.3 percent in 2008) are likely to be traditional and non-traditional family households (in seven groups).

The updated distribution of the draw areas as a percentage of the market for the Downtown Macon Study Area is shown on the following page:

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Market Potential by Draw Area
DOWNTOWN MACON STUDY AREA
City of Macon, Bibb County, Georgia

City of Macon (Primary Draw Area):	19.8%
Balance of Bibb County (Local Draw Area):	7.8%
Houston, Jones, and Monroe Counties (Regional Draw Area):	8.8%
DeKalb, Fulton, Cobb, and Gwinnett Counties (Atlanta Draw Area):	8.5%
Balance of US (National Draw Area):	55.1%
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2014.

At 19.8 percent, the City of Macon accounts for a smaller share of market potential for the Downtown Study Area than in 2008, at 22.2 percent. Households moving from the regional, Atlanta, and national draw areas now account for a somewhat larger share, over 72 percent, of the potential market than in 2008, at 67.9 percent.

The 1,995 draw area households that have the potential to move to the Downtown Macon Study Area each year over the next five years have been categorized by tenure propensities to determine renter/owner ratios. Approximately 43.4 percent of these households (up from 35 percent in 2008, or from 600 households to 865 households) comprise the potential market for new market-rate rentals. The remaining 56.6 percent (or 1,130 households, up slightly from 1,110 households in 2008) comprise the market for new market-rate for-sale (ownership) housing units. (*See Appendix One, Table 11.*)

Of these 1,130 households, 25.2 percent (or 285 households) comprise the annual market for market-rate multi-family for-sale units (condominium apartments and lofts), down significantly from 37.8 percent, or 420 households, in 2008. Another 27.9 percent (or 315 households) comprise the annual market for market-rate attached single-family (townhouse/live-work) units, down from 32.4 percent and 360 households in 2008. The remaining 46.9 percent (or 530 households) comprise the annual market for all ranges and densities of market-rate single-family detached houses.

—Target Market Data—

Target market data are based on the Nielsen (formerly Claritas) PRIZM geo-demographic system, modified and augmented by Zimmerman/Volk Associates as the basis for its proprietary target market methodology. Target market data provides number of households by cluster aggregated into the three main household lifestages—empty nesters and retirees; traditional and non-traditional families; and younger singles and couples.

Zimmerman/Volk Associates' target market classifications are updated periodically to reflect the slow, but relentless change in the composition of American households. Because of the nature of geo-demographic segmentation, a change in household classification is directly correlated with a change in geography, *i.e.*—a move from one neighborhood condition to another. However, these changes of classification can also reflect an alteration in one of three additional basic characteristics:

- Age;
- Household composition; or
- Economic status.

Age is the most predictable, and easily-defined of these changes. Household composition has also been relatively easy to define; with the growth of non-traditional households, however, definitions of a family have had to be expanded and parsed into more highly-refined segments. Economic status remains clearly defined through measures of annual income and household wealth.

A change in classification is rarely induced by a change in just one of the four basic characteristics. This is one reason that the target household categories are so highly refined: they take in multiple characteristics. Even so, there are some rough equivalents in household types as they move from one neighborhood condition to another. There is, for example, a strong correlation between the *Suburban Achievers* and the *Urban Achievers*; a move by the *Suburban Achievers* to the urban core can make them *Urban Achievers*, if the move is accompanied by an upward move in socio-economic status. In contrast, *Suburban Achievers* who move up socio-economically, but remain within the metropolitan suburbs may become *Upscale Suburban Couples* or *Fast-Track Professionals*.

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Household Classification Methodology:

Household classifications were originally based on the Claritas PRIZM geo-demographic segmentation system that was established in 1974 and then replaced by PRIZM NE in 2005. The revised household classifications are based on PRIZM NE which was developed through unique classification and regression trees delineating 66 specific clusters of American households. The system is now accurate to the individual household level, adding self-reported and list-based household data to geo-demographic information. The process applies hundreds of demographic variables to nearly 10,000 “behaviors.”

Over the past 26 years, Zimmerman/Volk Associates has augmented the PRIZM cluster systems for use within the company’s proprietary target market methodology specific to housing and neighborhood preferences, with additional algorithms, correlation with geo-coded consumer data, aggregation of clusters by broad household definition, and unique cluster names. For purposes of this study, only those households in groups with median incomes of \$50,000 or more are included in the tables.

