



# REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

**To:** Shaun Reinhardt  
**From:** Brett Welborn and Tad Scepaniak  
**Date:** October 3, 2018  
**Re:** Peachtree Shoals Demand Estimates

## Introduction:

The purpose of this memorandum is to provide demand estimates based on 2018 Georgia Department of Community Affairs (DCA) market study guidelines for an affordable age-restricted rental community in Dacula, Georgia. RPRG has provided an affordability analysis and demand estimate for the subject property as proposed with all units targeting households (55+) earning up to 60 percent of the Area Median Income (AMI) as well as a maximum number of units the subject property can support with capture rates remaining below DCA thresholds (Table 1 and Table 2). A maximum unit count has been provided at income levels ranging from 30 percent AMI to 80 percent AMI (Table 3) and by floor plan (Table 4). Demand estimates assume all units are priced at maximum allowable LIHTC rents. The primary market area utilized for this analysis is shown in Map 1.

**Table 1 – Affordability Analysis with Proposed Unit Mix and Rents**

60% Units	One Bedroom Units		Two Bedroom Units		Three Bedroom Units	
	Min.	Max.	Min.	Max.	Min.	Max.
Number of Units	120		104		16	
Net Rent	\$842		\$1,011		\$1,167	
Gross Rent	\$842		\$1,011		\$1,167	
% Income for Shelter	40%		40%		40%	
Income Range (Min, Max)	\$25,260	\$33,690	\$30,330	\$35,940	\$35,010	\$35,940
<b>Total Households</b>						
Range of Qualified Hhlds	16,126	14,936	15,410	14,618	14,749	14,618
# Qualified Households		1,191		792		131
<b>Total HH Capture Rate</b>		<b>10.1%</b>		<b>13.1%</b>		<b>12.2%</b>
<b>Renter Households</b>						
Range of Qualified Hhlds	2,139	1,827	1,952	1,749	1,779	1,749
# Qualified Hhlds		312		202		29
<b>Renter HH Capture Rate</b>		<b>38.5%</b>		<b>51.4%</b>		<b>54.6%</b>

Income Target	# Units	All Households = 19,343					Renter Households = 2,993			
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
Total Units	240	Income Households	\$25,260	\$35,940	1,508	15.9%	\$25,260	\$35,940	390	61.6%
			16,126	14,618			2,139	1,749		

Source: Income Projections, RPRG, Inc.



**Table 2 – Demand Estimates with Proposed Unit Mix and Rents**

	Income Target	60% Units
	Minimum Income Limit	\$25,260
	Maximum Income Limit	\$35,940
<b>(A) Renter Income Qualification Percentage</b>		<b>13.0%</b>
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>		21
<b>PLUS</b>		
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>		21
<b>PLUS</b>		
Demand from Existing Renter HHs (Overburdened) <i>Calculation B*E*F*A</i>		220
<b>PLUS</b>		
Secondary Market Demand Adjustment (10%)*		26
<b>SUBTOTAL</b>		<b>289</b>
<b>PLUS</b>		
Demand Elderly Homeowner Conversion* (Max. 2%)		6
<b>TOTAL DEMAND</b>		<b>294</b>
<b>LESS</b>		
Comparable Units Built or Planned Since 2016		50
<b>Net Demand</b>		<b>244</b>
Proposed Units		240
<b>Capture Rate</b>		<b>98.2%</b>

\* Limited to 15% of Total Demand

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2018 Householders 55+	18,337
C). 2020 Householders 55+	19,343
D). Substandard Housing (% of Rental Stock)	5.6%
E). Rent Overburdened (% Senior Households)	57.8%
F). Renter Percentage (Senior Households)	15.9%
G). Elderly Homeowner Turnover	1.2%

Income/Unit Size	Income Limits	Units Proposed	Renter Income Qualification %	Total Demand	Supply	Net Demand	Capture Rate	Maximum Units
<b>60% Units</b>	<b>\$25,260 - \$35,940</b>							
One Bedroom Units	\$25,260 - \$31,000	120	7.1%	160	17	143	83.7%	42
Two Bedroom Units	\$31,001 - \$35,010	104	5.0%	112	33	79	131.8%	23
Three Bedroom Units	\$35,011 - \$35,940	16	1.0%	22	0	22	72.4%	8
<b>Project Total</b>	<b>\$25,260 - \$35,940</b>							
60% Units	\$25,260 - \$35,940	240	13.0%	294	50	244	98.2%	73



**Table 3 – Demand Estimates and Maximum Units By AMI Level**

Income Target	30% Units	40% Units	50% Units	60% Units	70% Units	80% Units	Total
Minimum Income Limit	\$12,630	\$16,830	\$21,030	\$25,260	\$29,460	\$33,690	\$12,630
Maximum Income Limit	\$17,970	\$23,960	\$29,950	\$35,940	\$41,930	\$47,920	\$47,920
<b>(A) Renter Income Qualification Percentage</b>	<b>6.6%</b>	<b>10.8%</b>	<b>12.1%</b>	<b>13.0%</b>	<b>14.1%</b>	<b>15.2%</b>	<b>43.2%</b>
Demand from New Renter Households <i>Calculation (C-B) *F*A</i>	11	17	19	21	23	24	69
<b>PLUS</b>							
Demand from Existing Renter HHs (Substandard) <i>Calculation B*D*F*A</i>	11	18	20	21	23	25	71
<b>PLUS</b>							
Demand from Existing Renter HHs (Overburdened) <i>Calculation B*E*F*A</i>	111	182	205	220	239	257	729
<b>PLUS</b>							
Secondary Market Demand Adjustment (10%)*	13	22	24	26	28	31	87
<b>SUBTOTAL</b>	<b>145</b>	<b>239</b>	<b>269</b>	<b>289</b>	<b>313</b>	<b>337</b>	<b>957</b>
<b>PLUS</b>							
Demand Elderly Homeowner Conversion* (Max. 2%)	3	5	5	6	6	7	19
<b>TOTAL DEMAND</b>	<b>148</b>	<b>244</b>	<b>274</b>	<b>294</b>	<b>320</b>	<b>344</b>	<b>976</b>
<b>LESS</b>							
Comparable Units Built or Planned Since 2016	0	0	22	50	0	0	72
<b>Net Demand</b>	<b>148</b>	<b>244</b>	<b>252</b>	<b>244</b>	<b>320</b>	<b>344</b>	<b>904</b>
<b>Maximum Units</b>	<b>44</b>	<b>73</b>	<b>75</b>	<b>73</b>	<b>95</b>	<b>103</b>	<b>270</b>
<b>Capture Rate</b>	<b>29.7%</b>	<b>29.9%</b>	<b>29.7%</b>	<b>29.9%</b>	<b>29.7%</b>	<b>29.9%</b>	<b>29.9%</b>

\* Limited to 15% of Total Demand



**Table 4 – Demand Estimates and Maximum Units By Floor Plan**

Income/Unit Size	Income Limits	Renter Income Qualification %	Total Demand	Supply	Net Demand	Maximum Units	Capture Rate w/Maximum Units
<b>30% Units</b>	<b>\$12,630 - \$17,970</b>						
One Bedroom Units	\$12,630 - \$15,500	2.8%	64	0	64	<b>38</b>	59.6%
Two Bedroom Units	\$15,501 - \$17,500	3.0%	68	0	68	<b>41</b>	59.9%
Three Bedroom Units	\$17,501 - \$17,970	0.7%	16	0	16	<b>9</b>	56.1%
<b>40% Units</b>	<b>\$16,830 - \$23,960</b>						
One Bedroom Units	\$16,830 - \$21,000	6.3%	143	0	143	<b>85</b>	59.5%
Two Bedroom Units	\$21,101 - \$23,500	3.8%	86	0	86	<b>51</b>	59.6%
Three Bedroom Units	\$23,501 - \$23,960	0.7%	16	0	16	<b>9</b>	57.3%
<b>50% Units</b>	<b>\$21,030 - \$29,950</b>						
One Bedroom Units	\$21,030 - \$25,500	6.6%	150	10	140	<b>83</b>	59.3%
Two Bedroom Units	\$25,501 - \$29,250	4.6%	105	12	93	<b>55</b>	59.3%
Three Bedroom Units	\$29,251 - \$29,950	0.9%	20	0	20	<b>11</b>	56.4%
<b>60% Units</b>	<b>\$25,260 - \$35,940</b>						
One Bedroom Units	\$25,260 - \$31,000	7.1%	160	17	143	<b>85</b>	59.3%
Two Bedroom Units	\$31,001 - \$35,100	5.0%	114	33	81	<b>48</b>	59.2%
Three Bedroom Units	\$35,101 - \$35,940	0.9%	20	0	20	<b>11</b>	55.1%
<b>70% Units</b>	<b>\$29,460 - \$41,930</b>						
One Bedroom Units	\$29,460 - \$36,000	7.9%	179	0	179	<b>106</b>	59.4%
Two Bedroom Units	\$36,001 - \$40,900	5.2%	117	0	117	<b>69</b>	59.2%
Three Bedroom Units	\$40,901 - \$41,930	1.1%	24	0	24	<b>14</b>	57.2%
<b>80% Units</b>	<b>\$33,690 - \$47,920</b>						
One Bedroom Units	\$33,690 - \$41,000	7.9%	179	0	179	<b>107</b>	59.6%
Two Bedroom Units	\$41,001 - \$46,750	6.1%	137	0	137	<b>82</b>	59.9%
Three Bedroom Units	\$46,751 - \$47,920	1.2%	28	0	28	<b>16</b>	57.5%
<b>By Bedroom</b>							
One Bedroom Units		33.8%	764	27	737	<b>220</b>	29.8%
Two Bedroom Units		27.7%	626	45	581	<b>174</b>	29.9%
Three Bedroom Units		5.5%	124	0	124	<b>49</b>	39.7%
<b>Project Total</b>	<b>\$12,630 - \$47,920</b>						
30% Units	\$12,630 - \$17,970	6.6%	148	0	148	<b>44</b>	29.7%
40% Units	\$16,830 - \$23,960	10.8%	244	0	244	<b>73</b>	29.9%
50% Units	\$21,030 - \$29,950	12.1%	274	22	252	<b>75</b>	29.7%
60% Units	\$25,260 - \$35,940	13.0%	294	50	244	<b>73</b>	29.9%
70% Units	\$29,460 - \$41,930	14.1%	320	0	320	<b>95</b>	29.7%
80% Units	\$33,690 - \$47,920	15.2%	344	0	344	<b>103</b>	29.9%
Total	\$12,630 - \$47,920	43.2%	976	72	904	<b>270</b>	29.9%



Map 1 – Peachtree Shoals Market Area

