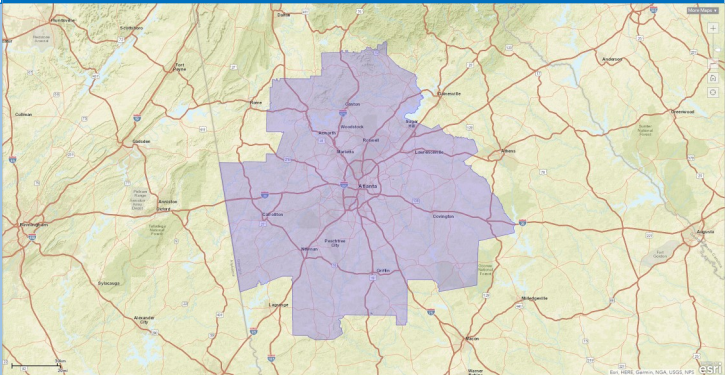


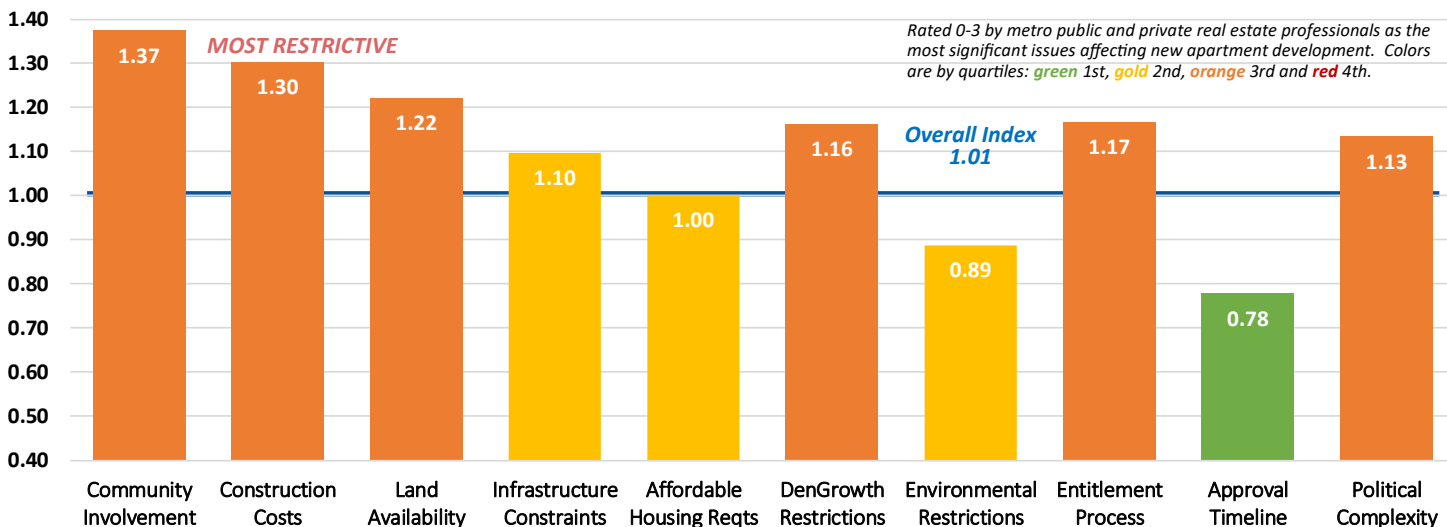
BARRIERS to APARTMENT CONSTRUCTION				ATLANTA
BARRIERS RANKING ¹	NEW MF DEMAND ²	HIGH RENT BURDEN ³	STAR SHARE ⁴	
25	144k	42%	22%	
MEDIAN RENTAL HOUSEHOLD INCOME			\$43,350	
INCOME REQUIRED FOR AVERAGE RENT ⁵			\$47,680	

MOST RESTRICTIVE APARTMENT CATEGORIES:

- COMMUNITY INVOLVEMENT
- CONSTRUCTION COSTS
- LAND AVAILABILITY

Atlanta metro ranks above median of major metros for fewer barriers to new apartments, along with strong sustained multifamily demand. Developers face an array of new construction issues, the most impactful outside of civic planning and process. Respondents cite community involvement as the most restrictive, driven by community opposition and the number of public meetings required. Construction costs are led by land prices and the inability to waive significant impact fees. Height and density restrictions are cited, along with political complexity wrought from the influence of local councils and outdated general plans. Median rental incomes are 9.0% below the requirements for average market rents of \$1,195, though 42% of renters pay more than 35% of income on their lease.

Barriers to Apartment Construction Subindices



BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

DEFINITIONS and NOTES:

- ¹**BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.
- ²**NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).
- ³**HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.
- ⁴**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as **Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.
- ⁵**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.

